Seabrook Island HOA

Level 2 Reserve Study

Report Period - 1/1/2016 to 12/31/2016

Client Reference Number	**10759**
Property Type	**Single Family Homes**
Number of Units	**374**
Fiscal Year End	**12/31**

Type of Study	**Update with Site Visit**
Date of Site Visit	**1/11/2016**
Prepared By	**Robert Forney**
Analysis Method	**Cash Flow**
Funding Goal	**Full Funding**

Report prepared on – March 18, 2016

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Information to complete this Update with Site Visit Study was gathered by performing an on-site visit of the common area elements. In addition, we may also have obtained information by contacting any vendors and/or contractors that have worked on the property recently, as well as communicating with the property representative (BOD Member and/or Community Manager). To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

Projected Starting Balance as of 1/1/2016	**$143,049**
Ideal Reserve Balance as of 1/1/2016	**$376,917**
Percent Funded as of 1/1/2016	**38%**
Recommended Reserve Contribution (per month)	**$4,300**
Recommended Special Assessment	**$0**

Property Details

Seabrook HOA is a 374-unit community consisting of single-family homes. The property offers a pool area as well as a small marina as amenities.

Currently Programmed Projects

Projects programmed to occur this fiscal year (FY 2016) include: Vehicle Gates - Repaint (Comp #206), Stucco Columns - Repaint / Repair (Comp #208), Wood Fencing - Repaint/Reseal (Comp #209) and Wall Mount Lights - Replace (Comp #1602). We have programmed an estimated $32,275 in reserve expenditures toward the completion of these projects. (See Pages 19 - 23)

Significant Reserve Projects

The association's significant reserve projects include: Boat Access - Desilting - Perform (Comp #2201), Stucco Columns - Repaint / Repair (Comp #208), Pool - Resurface (Comp #1101) and Boat Ramp - Major Rehab (Comp #2206). The fiscal significance of these components is approximately 39%, 6%, 5% and 4% respectively. A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives. (See Pages 13-14)

Reserve Funding

In comparing the projected starting reserve balance of $143,049 versus the ideal reserve balance of $376,917 we find the association's reserve fund to be approximately 38% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of $4,300 ($11.50/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Introduction

Reserve Study Purpose

The purpose of this Reserve Study is to provide the board with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. In this respect our estimates of the current and future Fully Funded balances are less significant than the recommended reserve contribution. The board should weigh carefully our recommendations when setting the Reserve Contribution. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample time to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. It will also ensure the physical well-being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to special assessments.

Preparer's Credentials

This reserve study was prepared under the responsible charge of Robert Forney. Any persons assisting in the preparation of this study worked under his responsible charge and have appropriate experience and training. Mr. Forney has been preparing reserve studies since 2001. He serves on the board of the Association of Professional Reserve Analysts and is a frequent speaker on reserve study topics for trade organisations as well as management companies.

- Nevada permit number RSS.0000004
- Board member of The Association of Professional Reserve Analysts (APRA)
- Holds the APRA "Professional Reserve Analyst" designation
- Personally has prepared over 1,000 reserve studies.
- Created the proprietary software and databases used to prepare Complex Solutions' reserve studies. This proprietary software gives Complex Solutions the freedom and ability to create reports tailored to the individual clients needs.
- Projects have ranged in size from small apartment-style condominium communities to 1000+ Planned Unit Communities.
- Clients have ranged from developers interested in setting initial reserve accounts for communities under construction to high-rise communities, worship facilities, day schools and more.
- Active member of three local chapters of CAI (Nevada, Utah, and Channel Islands, CA).
- Gold Sponsor of the Nevada chapter of CAI, Platinum Sponsor of the Utah chapter of CAI.
- Guest speaker at two CAI events
- Three Articles published in Community Interests.
- Member of the Las Vegas High-rise and Condominiums Association
- Member of CAMEO (Community Association Management Executive Offices)

Budget Breakdown

Every association conducts their business within a budget. There are typically two main parts to this budget, the Operating budget and the Reserve budget. The operating budget typically includes all expenses that occur on an annual basis as well as general maintenance and repairs. Typical Operating budget line items include management fees, maintenance expenses, utilities, etc. The reserves are primarily made up of capital replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis. Typically, the reserve contribution makes up 15% - 40% of the association's total budget. Therefore, reserves are considered to be a major part of the overall monthly association assessment.

Report Sections

The ***Reserve Analysis*** *Section* contains the evaluation of the association's reserve balance, income, and expenses. It includes a finding of the client's current reserve fund status (measured as percent funded) and a recommendation for an appropriate reserve allocation rate (also known as the funding plan).

The ***Component Evaluation*** *Section* contains information regarding the physical status and replacement cost of major common area components the association is responsible to maintain. It is important to understand that while the component inventory will remain relatively "stable" from year to year, the condition assessment and life estimates will most likely vary from year to year.

General Information and Frequently Asked Questions

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 States. Even if it is not currently governed by your State, the chances are very good that the documents of the association require the association to have a reserve fund established. This doesn't mean a Reserve Study is required, but how are you going to know if you have enough funds in the reserve account if you don't have the proper information? Some associations look at the Reserve fund and think that $500,000 is a lot of money and they are in good shape. What they don't know is that the roof is going to need to be replaced within 5 years, and the cost of the roof is going to exceed $750,000. So while $500,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.

Why is it important to perform a Reserve Study?

As previously mentioned, the reserve allocation makes up a significant portion of the total monthly assessment. This report provides the essential information that is needed to guide the Board of Directors in establishing the reserve portion of the total monthly assesment. The reserve fund is critical to the future of the association because it helps ensure that significant reserve projects can be completed on time with quality contractors. In this way deferred maintenance can be avoided as well as the lower property values that typically accompanies it. It is suggested that a third party professionally prepare the Reserve Study since there is no vested interest in the property.

After we have a Reserve Study completed, what do we do with it?

Hopefully, you will not look at this report and think it is too cumbersome to comprehend. Our intention is to make this Reserve Study easy to read and understand. Please take the time to review it carefully and make sure the "main ingredients" (component information) are complete and accurate. If there are any components that the association feels should be added, removed, or altered as well as any other inaccuracies or changes that should be made, please inform us immediately so we may revise the report. In order to ensure the Board understands its role in the completion of this report, all reports are labeled as "DRAFT" until their input has been given and the report has been approved as finalized. **Note to user:** If this report has a "DRAFT" watermark it is not a finalized report and is not to be relied upon or used for budgeting purposes.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The reserve allocation makes up a large portion of the total monthly assessment and this report should help you determine the correct amount of money to go into the reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending projects. This will give you an opportunity to shop around for the best price available.

How often do we update or review the Reserve Study?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Study should be professionally reviewed (Level III "no site visit" update study) each year before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Deterioration rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the results of the Reserve Study. Because of this projected future Fully Funded balances cannot be relied upon (in other words the Fully Funded balance for the current year of a report prepared 3 years earlier cannot be considered accurate or reliable). Therefore, this analysis should be professionally reviewed annually, and a "site visit" reserve study should be conducted at least once every three years

What is a "Reserve Component" versus an "Operating Component"?

A "Reserve" component is an item that is the responsibility of the association to maintain, has a limited useful life, predictable remaining useful life, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold amount. An "Operating" expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an "Operating" expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a reserve expense.

What are the GREY areas of "maintenance" items that are often seen in a Reserve Study?

One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers, including Complex Solutions, that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a reserve

component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a reserve component.

What are the GREY areas of major expenses that are not included in a Reserve Study?

Some components may appear to satisfy the requirements of being a reserve component but are still not included in the reserve study. Several Reserve Study providers, including Complex Solutions, limit the component list to physical components of the common area that are owned by the association. Certain elements of an association's common area, such as leased items, or non-physical components such as future reserve studies, financial audits, inspection reports etc. are not included in our reserve studies. In addition we typically do not fund for utility systems, plumbing, or components with an extended useful life. Associations that feel any of these components should be included in our reserve study should notify us with their request. These components will be added to help the association better plan and prepare their own budget and will not necessarily reflect the professional opinions of Complex Solutions.

Information and Data Gathered

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at the time of the site visit. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have also been excluded from this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgment of Complex Solutions, ltd.. and should not be construed as a guarantee or assurance of predicting future events.

What happens during the Site Visit? (Site Visit Studies Only)

The Site Visit was conducted of the common areas as reported by client. There may be certain areas that are not located inside the community but still a part of the association's common area. This may include drainage easements or landscaped areas located outside of the community, such as across a street. It is the responsibility of the Association to inform us of all common area locations. From our site visit we identified those common area components that we have determined require reserve funding. Based on information provided by the client, client's vendors, and our assessment of the components we have developed a component list and life and cost estimates.

What is the Financial Analysis?

We project the starting balance by taking the most recent reserve fund balance as stated by the client and add expected reserve contributions to the end of the fiscal year. We then subtract the expenses of any pending projects. We compare this number to the Fully Funded Balance and arrive at the Percent Funded level. Based on that level of funding we then recommend a Funding Plan to help ensure the adequacy of funding in the future

Percent Funded Breakdown: The percentage of the current reserve fund balance versus the Fully Funded Balance. A "snap-shot" indicator of the general strength of the account at the time of report preparation. Because many variables affect the Fully Funded balance it is more important to maintain the recommended reserve contribution or "cash flow" moving forward rather than striving to attain a certain Fully Funded figure.

Measures of strength are as follows:

0% - 30% Funded is generally considered to be a "weak" financial position. Associations that fall into this category are subject to higher frequencies of special assessments and deferred maintenance, which could lead to lower property values. Furthermore, should components fail sooner than expected our recommendations may not be enough to get the community into a better financial position. In this case additional actions beyond our initial recommendations may be necessary to improve the financial strength of the reserve fund.

31% - 69% Funded is generally considered a "fair" financial position. The majority of associations fall into this category. While this doesn't represent financial strength and stability, the likelihood of special assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the reserve fund.

70% - 99% Funded is generally considered a "strong" financial position. This indicates financial strength of a reserve fund and every attempt to maintain this level should be a goal of the association.

100% Funded is considered an "ideal" financial position. This means that the association theoretically has the exact amount of funds in the reserve account.

100%+ Funded is considered over-funded. This means that the association has more reserve funds than the theoretically ideal amount.

Disclosures:

Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will be a reflection of information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited.

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection.

The results of this study are based on the independent opinion of the preparer and his experience and research during the course of his career in preparing Reserve Studies. In addition any opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warrantee or guarantee regarding our life and cost estimates/predictions. There is no implied warrantee or guarantee in any of our work product. Our results and findings will vary from another preparer's results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.

The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components and dramatically increase the funding needs of the reserves of the association.

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives.

We have assumed any and all components have been properly built and will reach normal, typical life expectancies. In general a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

Site Visits: Should a site visit have been performed during the preparation of this reserve study no invasive testing was performed. The physical analysis performed during the site visit was not intended to be exhaustive in nature and may have included representative sampling.

Update Reserve Studies: Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies. **Level III Studies:** In addition to the above we have not visited the property when completing a Level III "No Site Visit" study. Therefore we have not verified the current condition of the common area components.

Insurance: We carry general and professional liability insurance as well as workers' compensation insurance.

Actual or Perceived Conflicts of Interest: Unless otherwise stated there are no potential actual or perceived conflicts of interest that we are aware of.

Inflation and Interest Rates: The after tax interest rate used in the financial analysis may or may not be based on the clients reported after tax interest rate. If it is we have not verified or audited the reported rate. The interest rate may also be based on an amount we believe appropriate given the 30-year horizon of this study and may or may not reflect current or historical inflation rates.

Funding Summary

Beginning Assumptions

# of units	374
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	$3,268
Additional Annual Contribution - 2019	$39,400
Additional Annual Contribution - 2020+	$47,300
Projected Starting Reserve Balance	$143,049
Ideal Starting Reserve Balance	$376,917

Economic Assumptions

Projected Inflation Rate	3.00%
Reported After-Tax Interest Rate	0.50%

Current Reserve Status

Current Balance as a % of Ideal Balance	38%

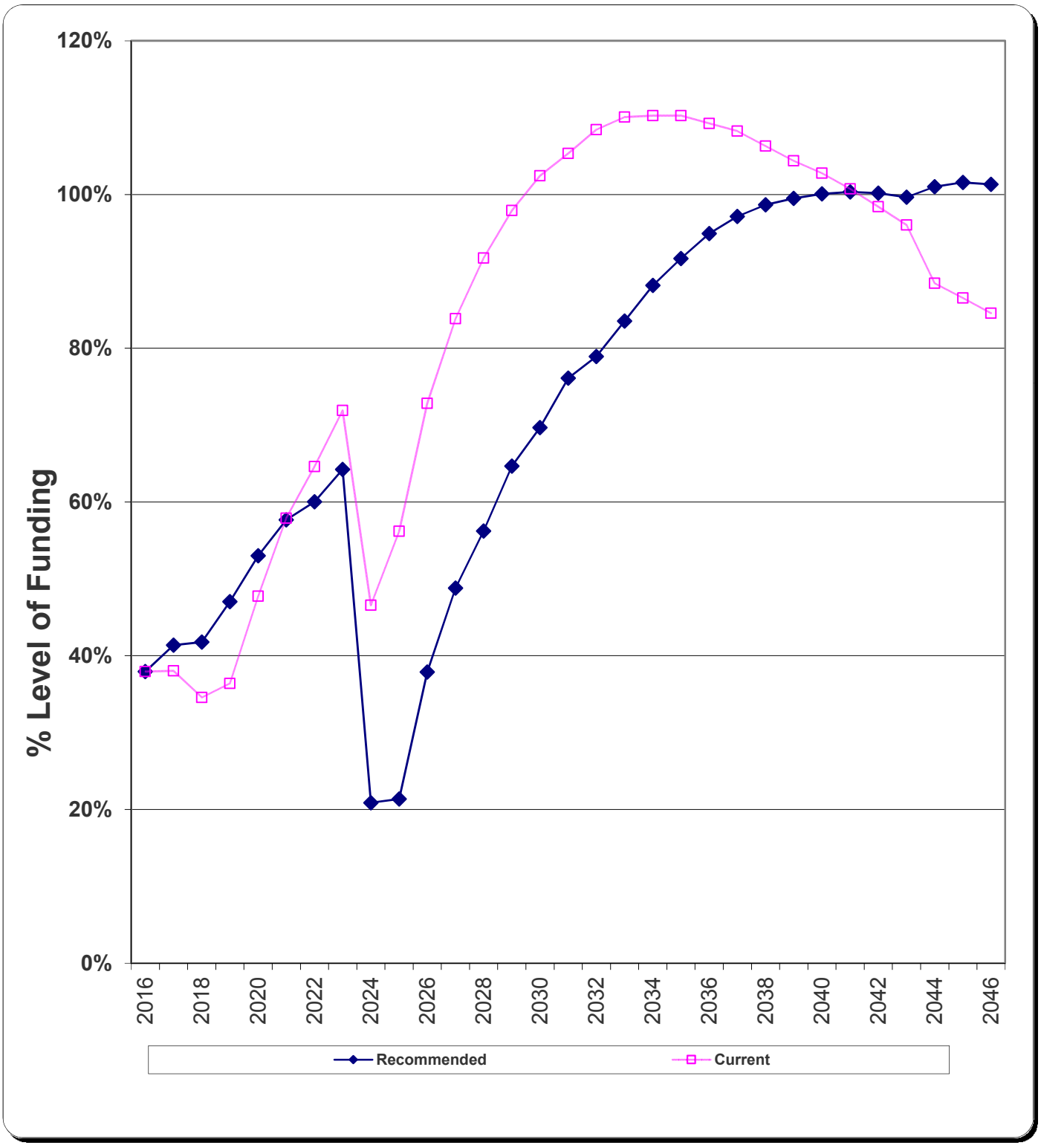
Recommendations

Recommended Monthly Reserve Allocation	$4,300
Per Unit	$11.50
Future Annual Increases	3.50%
For number of years:	19
Increases thereafter:	0.50%

Changes From Prior Year

Recommended Increase to Reserve Allocation	$1,032
as Percentage	32%

Percent Funded - Graph



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
Common Area								
108	Pitched Roof - Metal - Replace	30	18	Approx 2,925 Sq.ft.	$13,163	$5,265	$0	$49.27
201	Pool Building - Repaint	10	9	Approx 2,625 Sq.ft.	$4,650	$465	$0	$52.21
207	Wrought Iron Fencing - Repaint	5	2	Approx 460 Linear ft.	$3,663	$2,198	$2,198	$82.25
208	Stucco Columns - Repaint / Repair	8	0	(102) Columns	$17,325	$17,325	$17,325	$243.17
209	Wood Fencing - Repaint/Reseal	5	0	Approx 3,300 Sq.ft.	$2,475	$2,475	$2,475	$55.58
212	Shade Structure Poles - Repaint	5	4	(2) Awnings	$300	$60	$60	$6.74
401	Asphalt - Major Rehab.	25	13	Approx 13,100 Sq.ft.	$18,013	$8,646	$0	$80.90
402	Asphalt - Seal	5	2	Approx 13,100 Sq.ft.	$2,275	$1,365	$1,365	$51.09
801	Monument Signs - Replace	15	8	(2) Signs	$3,500	$1,633	$0	$26.20
1001	Wood Fencing - Replace	15	8	Approx 550 Linear ft.	$17,875	$8,342	$0	$133.81
1002	Wrought Iron Fencing - Replace	20	15	Approx 460 Linear ft.	$25,300	$6,325	$0	$142.04
1101	Pool - Resurface	12	11	(1) 42 X 75 ft. pool	$23,000	$1,917	$0	$215.21
1103	Wader - Resurface	6	5	(1) 12 ft. diameter wader	$4,000	$667	$667	$74.86
1107	Pool Filters - Replace	12	4	(2) 7.06 Sq.ft. filters	$3,000	$2,000	$2,000	$28.07
1109	Wader Filter - Replace	12	4	(1) Filter	$1,250	$833	$833	$11.70
1110	Pool Pumps - Partial Replace	2	1	(4) Pumps	$750	$375	$375	$42.11
1121	Pool Furniture - Replace	5	3	(30) Pieces	$6,000	$2,400	$2,400	$134.74
1304	Drinking Fountains - Replace	7	1	(2) Fountains	$1,600	$1,371	$1,371	$25.67
1390	Boat Docks - Rebuild	18	7	(4) 30 X 4.5 ft. docks	$18,000	$11,000	$11,000	$112.29
1413	Restrooms - Remodel	16	8	(2) Restrooms	$8,000	$4,000	$0	$56.14
1602	Wall Mount Lights - Replace	15	0	(102) Fixtures	$11,475	$11,475	$11,475	$85.90
2201	Boat Access - Desilting - Perform	20	7	Extensive Sq.ft.	$300,000	$195,000	$11,671	$1,684.29
2206	Boat Ramp - Major Rehab	30	1	(1) Boat ramp	$50,000	$48,333	$48,333	$187.14
2301	Shade Structures - Replace	18	14	(2) Structures	$6,000	$1,333	$0	$37.43
2302	Shade Structure Awnings - Replace	8	2	(2) Structures	$6,000	$4,500	$4,500	$84.21
				Subtotals:	**$547,613**	**$339,303**	**$118,049**	**$3,703**
Island Drive								
206	Vehicle Gates - Repaint	4	0	(2) 15 Linear ft. gate leafs	$1,000	$1,000	$1,000	$28.07
403	Concrete - Repair/Replace	15	5	Approx 59,400 Linear ft.	$22,500	$15,000	$15,000	$168.43
404	Bridge - Repair	5	4	Approx 12,000 Sq.ft.	$5,000	$1,000	$1,000	$112.29
504	Vehicle Gates - Replace	25	13	(2) 15 Linear ft. gate leafs	$8,500	$4,080	$0	$38.18

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
Island Drive								
505	Vehicle Gate Hinges - Replace	10	5	(4) Hinges	$1,400	$700	$700	$15.72
506	Phone Entry System - Replace	10	6	(1) Phone system	$4,250	$1,700	$1,700	$47.72
507	Vehicle Gate Operators - Replace	10	2	(2) Operators	$7,000	$5,600	$5,600	$78.60
1002	Wrought Iron Fencing - Replace (Not HOA)	N/A	0	Approx 390 Linear ft.	$0	$0	$0	$0.00
1003	Wood Rail Fencing - Replace	18	10	Approx 325 Linear ft.	$9,750	$4,333	$0	$60.82
1604	Pole Light Fixtures - Replace	25	15	(12) Lights	$10,500	$4,200	$0	$47.16
				Subtotals:	**$69,900**	**$37,613**	**$25,000**	**$597**
				Grand Total:	**$617,513**	**$376,917**	**$143,049**	**$4,300**

Current Fund Balance as a percentage of Ideal Balance: 38%

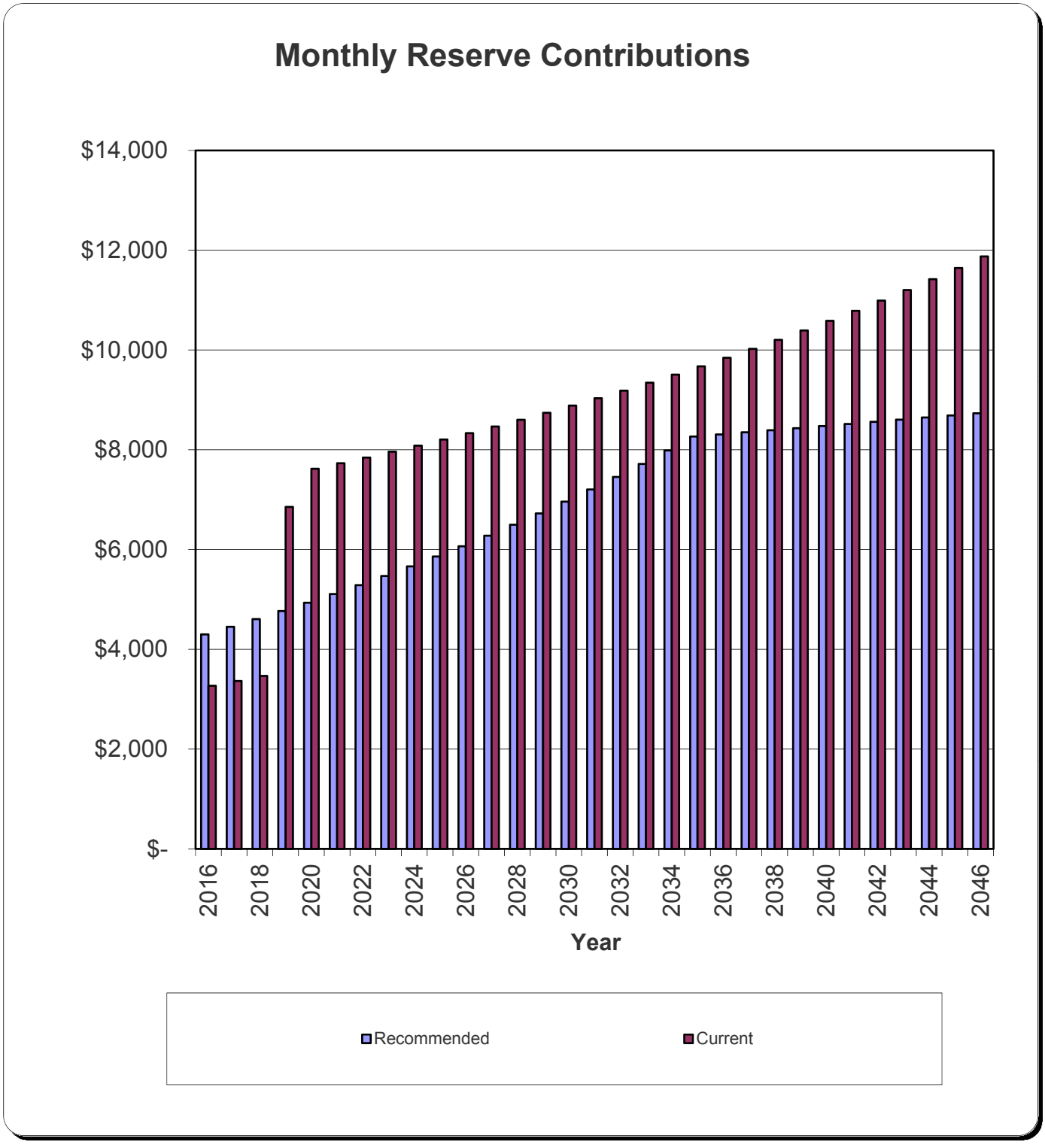
Yearly Summary - Recommended Contribution

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2016	$376,917	$143,049	38%	$51,600	$765	$32,275	$163,139
2017	$394,425	$163,139	41%	$53,406	$816	$53,921	$163,441
2018	$391,347	$163,441	42%	$55,275	$907	$20,091	$199,533
2019	$424,240	$199,533	47%	$57,210	$1,125	$7,376	$250,492
2020	$472,471	$250,492	53%	$59,212	$1,374	$11,874	$299,204
2021	$518,810	$299,204	58%	$61,285	$1,563	$36,082	$325,968
2022	$542,935	$325,968	60%	$63,430	$1,780	$5,075	$386,103
2023	$601,095	$386,103	64%	$65,650	$1,099	$399,325	$53,527
2024	$256,334	$53,527	21%	$67,947	$263	$70,052	$51,685
2025	$241,837	$51,685	21%	$70,326	$400	$13,961	$108,449
2026	$286,177	$108,449	38%	$72,787	$665	$24,493	$157,408
2027	$322,544	$157,408	49%	$75,334	$881	$38,412	$195,211
2028	$347,255	$195,211	56%	$77,971	$1,124	$19,872	$254,435
2029	$393,443	$254,435	65%	$80,700	$1,355	$48,847	$287,643
2030	$412,859	$287,643	70%	$83,525	$1,608	$17,092	$355,683
2031	$467,302	$355,683	76%	$86,448	$1,790	$83,351	$360,570
2032	$456,922	$360,570	79%	$89,474	$1,923	$43,046	$408,921
2033	$489,588	$408,921	84%	$92,605	$2,237	$17,665	$486,098
2034	$551,275	$486,098	88%	$95,846	$2,569	$42,837	$541,676
2035	$590,842	$541,676	92%	$99,201	$2,916	$18,763	$625,031
2036	$658,407	$625,031	95%	$99,697	$3,265	$46,914	$681,079
2037	$701,078	$681,079	97%	$100,196	$3,661	$1,395	$783,540
2038	$794,051	$783,540	99%	$100,697	$4,109	$27,855	$860,490
2039	$864,760	$860,490	100%	$101,200	$4,293	$108,794	$857,190
2040	$856,491	$857,190	100%	$101,706	$4,390	$64,287	$898,998
2041	$896,151	$898,998	100%	$102,215	$4,643	$47,372	$958,484
2042	$956,830	$958,484	100%	$102,726	$5,005	$22,105	$1,044,110
2043	$1,047,831	$1,044,110	100%	$103,239	$3,784	$681,242	$469,892
2044	$465,204	$469,892	101%	$103,755	$2,494	$48,046	$528,095
2045	$519,917	$528,095	102%	$104,274	$2,812	$38,412	$596,769

Yearly Summary - Current Funding Plan

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2016	$376,917	$143,049	38%	$39,220	$0	$32,275	$149,994
2017	$394,425	$149,994	38%	$39,220	$0	$53,921	$135,293
2018	$391,347	$135,293	35%	$39,220	$0	$20,091	$154,423
2019	$424,240	$154,423	36%	$78,620	$0	$7,376	$225,667
2020	$472,471	$225,667	48%	$86,520	$0	$11,874	$300,312
2021	$518,810	$300,312	58%	$86,520	$0	$36,082	$350,750
2022	$542,935	$350,750	65%	$86,520	$0	$5,075	$432,195
2023	$601,095	$432,195	72%	$86,520	$0	$399,325	$119,391
2024	$256,334	$119,391	47%	$86,520	$0	$70,052	$135,858
2025	$241,837	$135,858	56%	$86,520	$0	$13,961	$208,417
2026	$286,177	$208,417	73%	$86,520	$0	$24,493	$270,444
2027	$322,544	$270,444	84%	$86,520	$0	$38,412	$318,552
2028	$347,255	$318,552	92%	$86,520	$0	$19,872	$385,200
2029	$393,443	$385,200	98%	$86,520	$0	$48,847	$422,873
2030	$412,859	$422,873	102%	$86,520	$0	$17,092	$492,301
2031	$467,302	$492,301	105%	$86,520	$0	$83,351	$495,469
2032	$456,922	$495,469	108%	$86,520	$0	$43,046	$538,943
2033	$489,588	$538,943	110%	$86,520	$0	$17,665	$607,798
2034	$551,275	$607,798	110%	$86,520	$0	$42,837	$651,481
2035	$590,842	$651,481	110%	$86,520	$0	$18,763	$719,238
2036	$658,407	$719,238	109%	$86,520	$0	$46,914	$758,844
2037	$701,078	$758,844	108%	$86,520	$0	$1,395	$843,969
2038	$794,051	$843,969	106%	$86,520	$0	$27,855	$902,634
2039	$864,760	$902,634	104%	$86,520	$0	$108,794	$880,360
2040	$856,491	$880,360	103%	$86,520	$0	$64,287	$902,592
2041	$896,151	$902,592	101%	$86,520	$0	$47,372	$941,741
2042	$956,830	$941,741	98%	$86,520	$0	$22,105	$1,006,156
2043	$1,047,831	$1,006,156	96%	$86,520	$0	$681,242	$411,434
2044	$465,204	$411,434	88%	$86,520	$0	$48,046	$449,907
2045	$519,917	$449,907	87%	$86,520	$0	$38,412	$498,015

Reserve Contributions - Graph

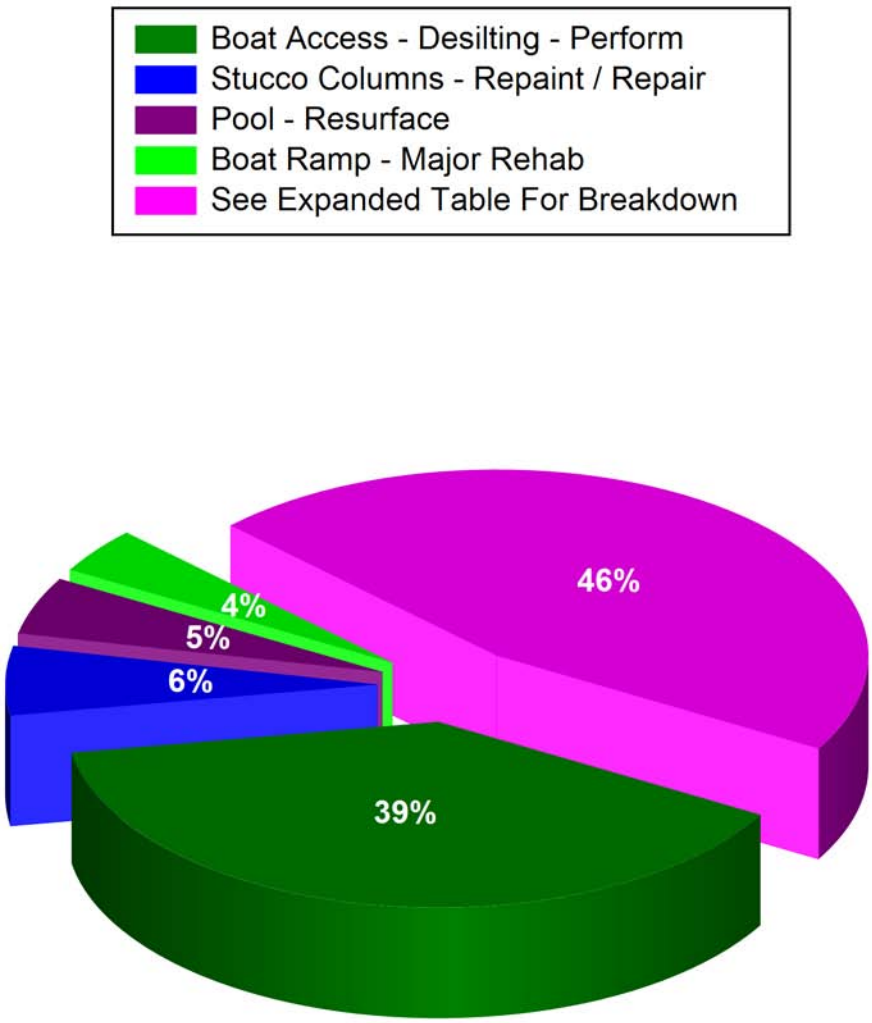


Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL) As $	As %
Common Area						
108	Pitched Roof - Metal - Replace	30	18	$13,163	$439	1.1500%
201	Pool Building - Repaint	10	9	$4,650	$465	1.2100%
207	Wrought Iron Fencing - Repaint	5	2	$3,663	$733	1.9100%
208	Stucco Columns - Repaint / Repair	8	0	$17,325	$2,166	5.6600%
209	Wood Fencing - Repaint/Reseal	5	0	$2,475	$495	1.2900%
212	Shade Structure Poles - Repaint	5	4	$300	$60	0.1600%
401	Asphalt - Major Rehab.	25	13	$18,013	$721	1.8800%
402	Asphalt - Seal	5	2	$2,275	$455	1.1900%
801	Monument Signs - Replace	15	8	$3,500	$233	0.6100%
1001	Wood Fencing - Replace	15	8	$17,875	$1,192	3.1100%
1002	Wrought Iron Fencing - Replace	20	15	$25,300	$1,265	3.3000%
1101	Pool - Resurface	12	11	$23,000	$1,917	5.0000%
1103	Wader - Resurface	6	5	$4,000	$667	1.7400%
1107	Pool Filters - Replace	12	4	$3,000	$250	0.6500%
1109	Wader Filter - Replace	12	4	$1,250	$104	0.2700%
1110	Pool Pumps - Partial Replace	2	1	$750	$375	0.9800%
1121	Pool Furniture - Replace	5	3	$6,000	$1,200	3.1300%
1304	Drinking Fountains - Replace	7	1	$1,600	$229	0.6000%
1390	Boat Docks - Rebuild	18	7	$18,000	$1,000	2.6100%
1413	Restrooms - Remodel	16	8	$8,000	$500	1.3100%
1602	Wall Mount Lights - Replace	15	0	$11,475	$765	2.0000%
2201	Boat Access - Desilting - Perform	20	7	$300,000	$15,000	39.1700%
2206	Boat Ramp - Major Rehab	30	1	$50,000	$1,667	4.3500%
2301	Shade Structures - Replace	18	14	$6,000	$333	0.8700%
2302	Shade Structure Awnings - Replace	8	2	$6,000	$750	1.9600%
Island Drive						
206	Vehicle Gates - Repaint	4	0	$1,000	$250	0.6500%
403	Concrete - Repair/Replace	15	5	$22,500	$1,500	3.9200%
404	Bridge - Repair	5	4	$5,000	$1,000	2.6100%
504	Vehicle Gates - Replace	25	13	$8,500	$340	0.8900%
505	Vehicle Gate Hinges - Replace	10	5	$1,400	$140	0.3700%
506	Phone Entry System - Replace	10	6	$4,250	$425	1.1100%
507	Vehicle Gate Operators - Replace	10	2	$7,000	$700	1.8300%

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL) As $	As %
Island Drive						
1002	Wrought Iron Fencing - Replace (Not HOA)	Unfunded	0	$0	$0	0.0000%
1003	Wood Rail Fencing - Replace	18	10	$9,750	$542	1.4100%
1604	Pole Light Fixtures - Replace	25	15	$10,500	$420	1.1000%

Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL) As $	As %
2201	Boat Access - Desilting - Perform	20	7	$300,000	$15,000	39%
208	Stucco Columns - Repaint / Repair	8	0	$17,325	$2,166	6%
1101	Pool - Resurface	12	11	$23,000	$1,917	5%
2206	Boat Ramp - Major Rehab	30	1	$50,000	$1,667	4%
All Other	See Expanded Table For Breakdown				$20,749	46%

Yearly Cash Flow - Recommended Contribution

Year	2016	2017	2018	2019	2020
Starting Balance	$143,049	$163,139	$163,441	$199,533	$250,492
Reserve Income	$51,600	$53,406	$55,275	$57,210	$59,212
Interest Earnings	$765	$816	$907	$1,125	$1,374
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$195,414	$217,362	$219,624	$257,867	$311,078
Reserve Expenditures	$32,275	$53,921	$20,091	$7,376	$11,874
Ending Balance	$163,139	$163,441	$199,533	$250,492	$299,204

Year	2021	2022	2023	2024	2025
Starting Balance	$299,204	$325,968	$386,103	$53,527	$51,685
Reserve Income	$61,285	$63,430	$65,650	$67,947	$70,326
Interest Earnings	$1,563	$1,780	$1,099	$263	$400
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$362,051	$391,178	$452,851	$121,737	$122,410
Reserve Expenditures	$36,082	$5,075	$399,325	$70,052	$13,961
Ending Balance	$325,968	$386,103	$53,527	$51,685	$108,449

Year	2026	2027	2028	2029	2030
Starting Balance	$108,449	$157,408	$195,211	$254,435	$287,643
Reserve Income	$72,787	$75,334	$77,971	$80,700	$83,525
Interest Earnings	$665	$881	$1,124	$1,355	$1,608
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$181,901	$233,624	$274,306	$336,490	$372,775
Reserve Expenditures	$24,493	$38,412	$19,872	$48,847	$17,092
Ending Balance	$157,408	$195,211	$254,435	$287,643	$355,683

Year	2031	2032	2033	2034	2035
Starting Balance	$355,683	$360,570	$408,921	$486,098	$541,676
Reserve Income	$86,448	$89,474	$92,605	$95,846	$99,201
Interest Earnings	$1,790	$1,923	$2,237	$2,569	$2,916
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$443,921	$451,967	$503,763	$584,514	$643,793
Reserve Expenditures	$83,351	$43,046	$17,665	$42,837	$18,763
Ending Balance	$360,570	$408,921	$486,098	$541,676	$625,031

Year	2036	2037	2038	2039	2040
Starting Balance	$625,031	$681,079	$783,540	$860,490	$857,190
Reserve Income	$99,697	$100,196	$100,697	$101,200	$101,706
Interest Earnings	$3,265	$3,661	$4,109	$4,293	$4,390
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$727,992	$784,935	$888,346	$965,984	$963,285
Reserve Expenditures	$46,914	$1,395	$27,855	$108,794	$64,287
Ending Balance	$681,079	$783,540	$860,490	$857,190	$898,998

Year	2041	2042	2043	2044	2045
Starting Balance	$898,998	$958,484	$1,044,110	$469,892	$528,095
Reserve Income	$102,215	$102,726	$103,239	$103,755	$104,274
Interest Earnings	$4,643	$5,005	$3,784	$2,494	$2,812
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,005,855	$1,066,215	$1,151,133	$576,141	$635,181
Reserve Expenditures	$47,372	$22,105	$681,242	$48,046	$38,412
Ending Balance	$958,484	$1,044,110	$469,892	$528,095	$596,769

Yearly Cash Flow - Current Funding Plan

Year	2016	2017	2018	2019	2020
Starting Balance	$143,049	$149,994	$135,293	$154,423	$225,667
Reserve Income	$39,220	$39,220	$39,220	$78,620	$86,520
Interest Earnings	$0	$0	$0	$0	$0
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$182,269	$189,214	$174,513	$233,043	$312,187
Reserve Expenditures	$32,275	$53,921	$20,091	$7,376	$11,874
Ending Balance	$149,994	$135,293	$154,423	$225,667	$300,312

Year	2021	2022	2023	2024	2025
Starting Balance	$300,312	$350,750	$432,195	$119,391	$135,858
Reserve Income	$86,520	$86,520	$86,520	$86,520	$86,520
Interest Earnings	$0	$0	$0	$0	$0
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$386,832	$437,270	$518,715	$205,911	$222,378
Reserve Expenditures	$36,082	$5,075	$399,325	$70,052	$13,961
Ending Balance	$350,750	$432,195	$119,391	$135,858	$208,417

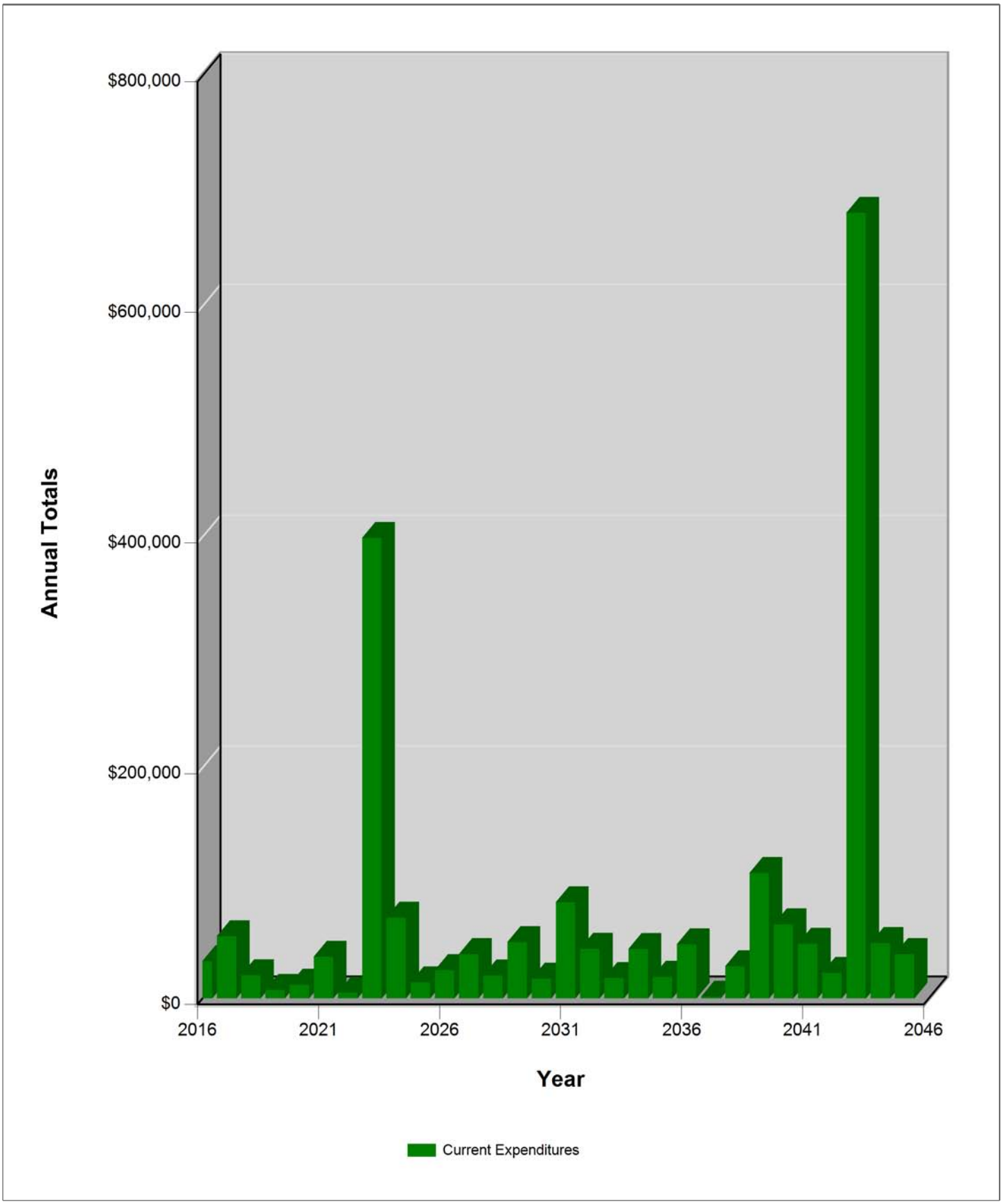
Year	2026	2027	2028	2029	2030
Starting Balance	$208,417	$270,444	$318,552	$385,200	$422,873
Reserve Income	$86,520	$86,520	$86,520	$86,520	$86,520
Interest Earnings	$0	$0	$0	$0	$0
Special Assessments	$47,300	$47,300	$47,300	$47,300	$47,300
Funds Available	$342,237	$404,264	$452,372	$519,020	$556,693
Reserve Expenditures	$24,493	$38,412	$19,872	$48,847	$17,092
Ending Balance	$317,744	$365,852	$432,500	$470,173	$539,601

Year	2031	2032	2033	2034	2035
Starting Balance	$492,301	$495,469	$538,943	$607,798	$651,481
Reserve Income	$86,520	$86,520	$86,520	$86,520	$86,520
Interest Earnings	$0	$0	$0	$0	$0
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$578,821	$581,989	$625,463	$694,318	$738,001
Reserve Expenditures	$83,351	$43,046	$17,665	$42,837	$18,763
Ending Balance	$495,469	$538,943	$607,798	$651,481	$719,238

Year	2036	2037	2038	2039	2040
Starting Balance	$719,238	$758,844	$843,969	$902,634	$880,360
Reserve Income	$86,520	$86,520	$86,520	$86,520	$86,520
Interest Earnings	$0	$0	$0	$0	$0
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$805,758	$845,364	$930,489	$989,154	$966,880
Reserve Expenditures	$46,914	$1,395	$27,855	$108,794	$64,287
Ending Balance	$758,844	$843,969	$902,634	$880,360	$902,592

Year	2041	2042	2043	2044	2045
Starting Balance	$902,592	$941,741	$1,006,156	$411,434	$449,907
Reserve Income	$86,520	$86,520	$86,520	$86,520	$86,520
Interest Earnings	$0	$0	$0	$0	$0
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$989,112	$1,028,261	$1,092,676	$497,954	$536,427
Reserve Expenditures	$47,372	$22,105	$681,242	$48,046	$38,412
Ending Balance	$941,741	$1,006,156	$411,434	$449,907	$498,015

Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2016	Island Drive	206	Vehicle Gates - Repaint	$1,000	
	Common Area	208	Stucco Columns - Repaint / Repair	$17,325	
	Common Area	209	Wood Fencing - Repaint/Reseal	$2,475	
	Common Area	1602	Wall Mount Lights - Replace	$11,475	$32,275
2017	Common Area	1110	Pool Pumps - Partial Replace	$773	
	Common Area	1304	Drinking Fountains - Replace	$1,648	
	Common Area	2206	Boat Ramp - Major Rehab	$51,500	$53,921
2018	Common Area	207	Wrought Iron Fencing - Repaint	$3,886	
	Common Area	402	Asphalt - Seal	$2,414	
	Island Drive	507	Vehicle Gate Operators - Replace	$7,426	
	Common Area	2302	Shade Structure Awnings - Replace	$6,365	$20,091
2019	Common Area	1110	Pool Pumps - Partial Replace	$820	
	Common Area	1121	Pool Furniture - Replace	$6,556	$7,376
2020	Island Drive	206	Vehicle Gates - Repaint	$1,126	
	Common Area	212	Shade Structure Poles - Repaint	$338	
	Island Drive	404	Bridge - Repair	$5,628	
	Common Area	1107	Pool Filters - Replace	$3,377	
	Common Area	1109	Wader Filter - Replace	$1,407	$11,874
2021	Common Area	209	Wood Fencing - Repaint/Reseal	$2,869	
	Island Drive	403	Concrete - Repair/Replace	$26,084	
	Island Drive	505	Vehicle Gate Hinges - Replace	$1,623	
	Common Area	1103	Wader - Resurface	$4,637	
	Common Area	1110	Pool Pumps - Partial Replace	$869	$36,082
2022	Island Drive	506	Phone Entry System - Replace	$5,075	$5,075
2023	Common Area	207	Wrought Iron Fencing - Repaint	$4,504	
	Common Area	402	Asphalt - Seal	$2,798	
	Common Area	1110	Pool Pumps - Partial Replace	$922	
	Common Area	1390	Boat Docks - Rebuild	$22,138	
	Common Area	2201	Boat Access - Desilting - Perform	$368,962	$399,325
2024	Island Drive	206	Vehicle Gates - Repaint	$1,267	
	Common Area	208	Stucco Columns - Repaint / Repair	$21,947	

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2024	Common Area	801	Monument Signs - Replace	$4,434	
	Common Area	1001	Wood Fencing - Replace	$22,644	
	Common Area	1121	Pool Furniture - Replace	$7,601	
	Common Area	1304	Drinking Fountains - Replace	$2,027	
	Common Area	1413	Restrooms - Remodel	$10,134	$70,052
2025	Common Area	201	Pool Building - Repaint	$6,067	
	Common Area	212	Shade Structure Poles - Repaint	$391	
	Island Drive	404	Bridge - Repair	$6,524	
	Common Area	1110	Pool Pumps - Partial Replace	$979	$13,961
2026	Common Area	209	Wood Fencing - Repaint/Reseal	$3,326	
	Island Drive	1003	Wood Rail Fencing - Replace	$13,103	
	Common Area	2302	Shade Structure Awnings - Replace	$8,064	$24,493
2027	Common Area	1101	Pool - Resurface	$31,837	
	Common Area	1103	Wader - Resurface	$5,537	
	Common Area	1110	Pool Pumps - Partial Replace	$1,038	$38,413
2028	Island Drive	206	Vehicle Gates - Repaint	$1,426	
	Common Area	207	Wrought Iron Fencing - Repaint	$5,222	
	Common Area	402	Asphalt - Seal	$3,244	
	Island Drive	507	Vehicle Gate Operators - Replace	$9,980	$19,872
2029	Common Area	401	Asphalt - Major Rehab.	$26,452	
	Island Drive	504	Vehicle Gates - Replace	$12,483	
	Common Area	1110	Pool Pumps - Partial Replace	$1,101	
	Common Area	1121	Pool Furniture - Replace	$8,811	$48,847
2030	Common Area	212	Shade Structure Poles - Repaint	$454	
	Island Drive	404	Bridge - Repair	$7,563	
	Common Area	2301	Shade Structures - Replace	$9,076	$17,092
2031	Common Area	209	Wood Fencing - Repaint/Reseal	$3,856	
	Island Drive	505	Vehicle Gate Hinges - Replace	$2,181	
	Common Area	1002	Wrought Iron Fencing - Replace	$39,417	
	Common Area	1110	Pool Pumps - Partial Replace	$1,168	
	Common Area	1304	Drinking Fountains - Replace	$2,493	
	Common Area	1602	Wall Mount Lights - Replace	$17,878	
	Island Drive	1604	Pole Light Fixtures - Replace	$16,359	$83,351
2032	Island Drive	206	Vehicle Gates - Repaint	$1,605	

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2032	Common Area	208	Stucco Columns - Repaint / Repair	$27,802	
	Island Drive	506	Phone Entry System - Replace	$6,820	
	Common Area	1107	Pool Filters - Replace	$4,814	
	Common Area	1109	Wader Filter - Replace	$2,006	$43,046
2033	Common Area	207	Wrought Iron Fencing - Repaint	$6,054	
	Common Area	402	Asphalt - Seal	$3,760	
	Common Area	1103	Wader - Resurface	$6,611	
	Common Area	1110	Pool Pumps - Partial Replace	$1,240	$17,665
2034	Common Area	108	Pitched Roof - Metal - Replace	$22,408	
	Common Area	1121	Pool Furniture - Replace	$10,215	
	Common Area	2302	Shade Structure Awnings - Replace	$10,215	$42,837
2035	Common Area	201	Pool Building - Repaint	$8,154	
	Common Area	212	Shade Structure Poles - Repaint	$526	
	Island Drive	404	Bridge - Repair	$8,768	
	Common Area	1110	Pool Pumps - Partial Replace	$1,315	$18,763
2036	Island Drive	206	Vehicle Gates - Repaint	$1,806	
	Common Area	209	Wood Fencing - Repaint/Reseal	$4,470	
	Island Drive	403	Concrete - Repair/Replace	$40,638	$46,914
2037	Common Area	1110	Pool Pumps - Partial Replace	$1,395	$1,395
2038	Common Area	207	Wrought Iron Fencing - Repaint	$7,018	
	Common Area	402	Asphalt - Seal	$4,359	
	Island Drive	507	Vehicle Gate Operators - Replace	$13,413	
	Common Area	1304	Drinking Fountains - Replace	$3,066	$27,855
2039	Common Area	801	Monument Signs - Replace	$6,908	
	Common Area	1001	Wood Fencing - Replace	$35,278	
	Common Area	1101	Pool - Resurface	$45,393	
	Common Area	1103	Wader - Resurface	$7,894	
	Common Area	1110	Pool Pumps - Partial Replace	$1,480	
	Common Area	1121	Pool Furniture - Replace	$11,842	$108,794
2040	Island Drive	206	Vehicle Gates - Repaint	$2,033	
	Common Area	208	Stucco Columns - Repaint / Repair	$35,218	
	Common Area	212	Shade Structure Poles - Repaint	$610	
	Island Drive	404	Bridge - Repair	$10,164	
	Common Area	1413	Restrooms - Remodel	$16,262	$64,287

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2040					
2041	Common Area	209	Wood Fencing - Repaint/Reseal	$5,182	
	Island Drive	505	Vehicle Gate Hinges - Replace	$2,931	
	Common Area	1110	Pool Pumps - Partial Replace	$1,570	
	Common Area	1390	Boat Docks - Rebuild	$37,688	$47,372
2042	Island Drive	506	Phone Entry System - Replace	$9,166	
	Common Area	2302	Shade Structure Awnings - Replace	$12,940	$22,105
2043	Common Area	207	Wrought Iron Fencing - Repaint	$8,135	
	Common Area	402	Asphalt - Seal	$5,053	
	Common Area	1110	Pool Pumps - Partial Replace	$1,666	
	Common Area	2201	Boat Access - Desilting - Perform	$666,387	$681,242
2044	Island Drive	206	Vehicle Gates - Repaint	$2,288	
	Island Drive	1003	Wood Rail Fencing - Replace	$22,307	
	Common Area	1107	Pool Filters - Replace	$6,864	
	Common Area	1109	Wader Filter - Replace	$2,860	
	Common Area	1121	Pool Furniture - Replace	$13,728	$48,046
2045	Common Area	201	Pool Building - Repaint	$10,958	
	Common Area	212	Shade Structure Poles - Repaint	$707	
	Island Drive	404	Bridge - Repair	$11,783	
	Common Area	1103	Wader - Resurface	$9,426	
	Common Area	1110	Pool Pumps - Partial Replace	$1,767	
	Common Area	1304	Drinking Fountains - Replace	$3,771	$38,412
2046	Common Area	209	Wood Fencing - Repaint/Reseal	$6,007	
	Common Area	1602	Wall Mount Lights - Replace	$27,853	$33,860

Component Evaluation

Comp # 108 Pitched Roof - Metal - Replace

Subgroup: Common Area

Location: Pool building roof

Quantity: Approx 2,925 Sq.ft.

Life Expectancy: 30 ***Remaining Life:*** 18

Best Cost: $11,700.00
$4.00/Sq.ft.; Estimate to replace

Worst Cost: $14,625.00
$5.00/Sq.ft.; Higher estimate

Source of Information:

Observations:

Although this type of roof may experience an extended life we recommend funding to replace it approximately every 30 years. Remaining life based on current age.

Component Evaluation

Comp # 201 Pool Building - Repaint

Subgroup: Common Area

Location: Pool building

Quantity: Approx 2,625 Sq.ft.

Life Expectancy: 10 ***Remaining Life:*** 9

Best Cost: $4,500.00
Estimate to repaint

Worst Cost: $4,800.00
Higher estimate

Source of Information: Actual Cost History

Observations:

Painted surfaces are good condition. No staining and discoloration noted. Expect to repaint this building approximately every 8 to 10 years to maintain appearance and protect stucco. Remaining life based on current condition.

Component Evaluation

Comp # 206 Vehicle Gates - Repaint

Subgroup: Island Drive

Location: Entrance to island

Quantity: (2) 15 Linear ft. gate leafs

Life Expectancy: 4 ***Remaining Life:*** 0

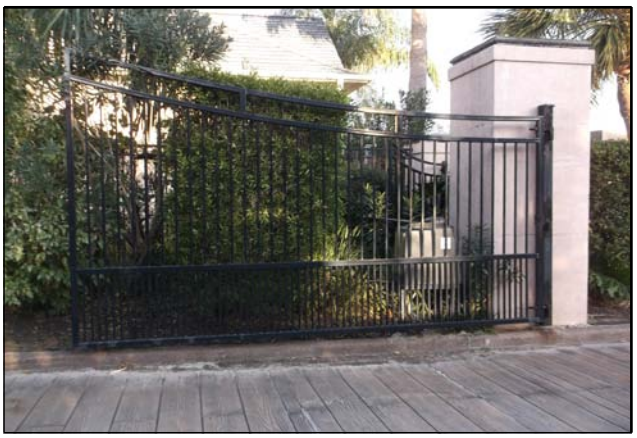
Best Cost: $900.00
$450/Gate leaf; Estimate to repaint

Worst Cost: $1,100.00
$550/Gate leaf; Higher estimate

Source of Information: CSL Cost Database

Observations:

Noted fading and minor surface rust. Due to proximity to the ocean we recommend painting this fencing approximately every 4 years. Repaint this year (FY 2008) based on current condition.



Component Evaluation

Comp # 207 Wrought Iron Fencing - Repaint

Subgroup: Common Area

Location: Pool fence

Quantity: Approx 460 Linear ft.

Life Expectancy: 5 ***Remaining Life:*** 2

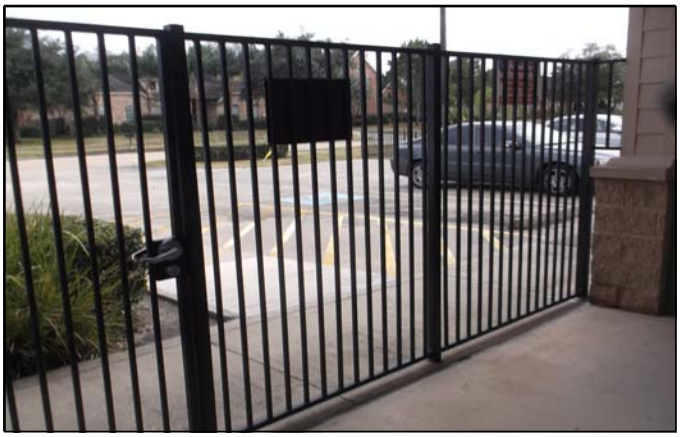
Best Cost: $3,200.00
$7.00/Linear ft.; Estimate to repaint iron fence

Worst Cost: $4,125.00
$9.00/Linear ft; Higher estimate for additional prep work

Source of Information: CSL Cost Database

Observations:

Painted wrought iron surfaces are in good condition, no rusting or paint loss noted. Repaint this component approximately every 5 years to maintain appearance and protect metal surfaces. Remaining life based on current condition.



Component Evaluation

Comp # 208 Stucco Columns - Repaint / Repair

Subgroup: Common Area

Location: Lakeside Dr.

Quantity: (102) Columns

Life Expectancy: 8 ***Remaining Life:*** 0

Best Cost: $14,850.00
$150/Column; Estimate to repaint stucco wall

Worst Cost: $19,800.00
$200/Column; Higher estimate for more cost

Source of Information:

Observations:

Painted block wall surfaces are generally in good to fair condition. No significant staining or marking noted. These surfaces should be painted approximately every 8 to 10 years to maintain appearance and prevent damage to stucco surface.

Component Evaluation

Comp # 209 Wood Fencing - Repaint/Reseal

Subgroup: Common Area

Location: See general notes

Quantity: Approx 3,300 Sq.ft.

Life Expectancy: 5 ***Remaining Life:*** 0

Best Cost: $2,150.00
$.65/Sq.ft.; Estimate to repaint fence

Worst Cost: $2,800.00
$.85/Sq.ft.; Higher estimate for more prep cost

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

3,300 Sq.ft. - Adjacent to marina (HOA)
18,000 Sq.ft. - Lakeside Dr. (Owners)

Observations:

We recommend resealing this fence approximately 5 years to ensure proper appearance and useful life. Remaining life based on current condition.

Component Evaluation

Comp # 212 Shade Structure Poles - Repaint

Subgroup: Common Area

Location: Pool area

Quantity: (2) Awnings

Life Expectancy: 5 ***Remaining Life:*** 4

Best Cost: $275.00
Estimate to repaint

Worst Cost: $325.00
Higher estimate

Source of Information: In-House Costs Database

Observations:

Client reports that these surfaces were painted in 2015. We recommend funding for a similar project approximately every 3 to 5 years.

Component Evaluation

Comp # 401 Asphalt - Major Rehab.

Subgroup: Common Area

Location: Common area

Quantity: Approx 13,100 Sq.ft.

Life Expectancy: 25 ***Remaining Life:*** 13

Best Cost: $16,375.00
$1.25/Sq.ft.; Estimate for overlay

Worst Cost: $19,650.00
$1.50/Sq.ft.; Higher estimate for local repairs

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

7,200 Sq.ft. - Boat ramp road
5,900 Sq.ft. - Pool parking lot

13,100 Sq.ft. - Total

Observations:

Asphalt surfaces are in good condition.. Seal these surfaces regularly (see Comp# 402 Asphalt - Slurry Seal) to protect surface and ensure full life.

Component Evaluation

Comp # 402 Asphalt - Seal

Subgroup: Common Area

Location: Common area

Quantity: Approx 13,100 Sq.ft.

Life Expectancy: 5 ***Remaining Life:*** 2

Best Cost: $1,950.00
$0.15/Sq.ft.; Estimate for seal coat only

Worst Cost: $2,600.00
$0.20/Sq.ft.; Higher estimate for local repairs

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

7,200 Sq.ft. - Boat ramp road
5,900 Sq.ft. - Pool parking lot

13,100 Sq.ft. - Total

Observations:

Asphalt seal coat is in good to fair condition. No significant seal loss noted. Seal asphalt surfaces regularly to prevent premature overlay (see Comp# 401 Asphalt - Major Rehab). Remaining life based on current condition.

Component Evaluation

Comp # 403 Concrete - Repair/Replace

Subgroup: Island Drive

Location: Island Dr.

Quantity: Approx 59,400 Linear ft.

Life Expectancy: 15 ***Remaining Life:*** 5

Best Cost: $20,325.00
$7.00/Sq.ft.; Estimate to repair/replace approx 10%

Worst Cost: $24,675.00
$8.50/Sq.ft.; Higher estimate for more repairs

Source of Information: CSL Cost Database

Observations:

Concrete is generally in good condition. No significant cracking or structural problems noted at the time of site visit. No expectation to completely replace the concrete surfaces. We recommend making local repairs as necessary as an operating expense and funding to make more significant repairs approximately every 10 years.

Component Evaluation

Comp # 404 Bridge - Repair

Subgroup: Island Drive

Location: Seabrook Island Dr.

Quantity: Approx 12,000 Sq.ft.

Life Expectancy: 5 ***Remaining Life:*** 4

Best Cost: $4,000.00
Estimate to make repairs

Worst Cost: $6,000.00
Higher estimate

Source of Information: CSL Cost Database

Observations:

Wood planks and bridge are generally in good condition. No expectation to completely replace wood surfaces. We are funding to repair and replace damaged areas approximately every 5 years to ensure a full useful life from this component.

Component Evaluation

Comp # 504 Vehicle Gates - Replace

Subgroup: Island Drive

Location: Seabrook Island Dr.

Quantity: (2) 15 Linear ft. gate leafs

Life Expectancy: 25 ***Remaining Life:*** 13

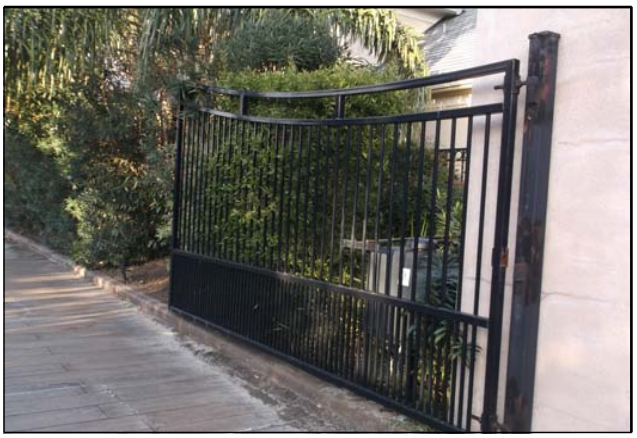
Best Cost: $8,000.00
$4,000/Gate leaf; Estimate to replace

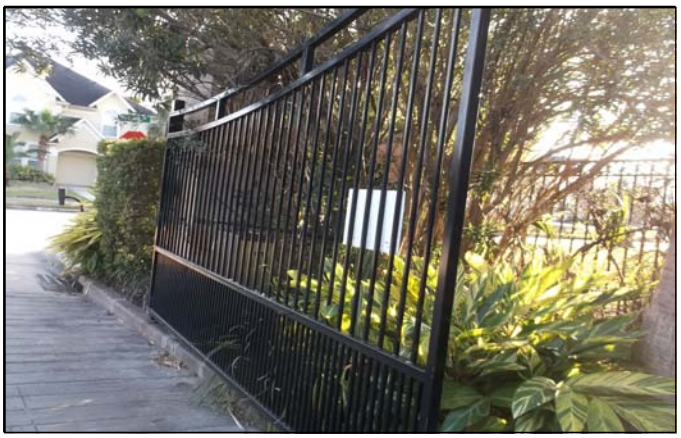
Worst Cost: $9,000.00
$4,500/Gate leaf; Higher estimate

Source of Information: In-House Costs Database

Observations:

Although these gates may reach an extended life we recommend funding to completely replace them approximately every 25 to 30 years to ensure appearance and function. We have included funding for the replacement of the adjacent pedestrian gates and fencing at the same time.





Component Evaluation

Comp # 505 Vehicle Gate Hinges - Replace

Subgroup: Island Drive

Location: Seabrook Island Dr.

Quantity: (4) Hinges

Life Expectancy: 10 ***Remaining Life:*** 5

Best Cost: $1,200.00
$300/Hinge; Estimate to replace enclosure doors

Worst Cost: $1,600.00
$400/Hinge; Higher estimate

Source of Information: CSL Cost Database

Observations:

Although vehicle gates may reach an extended life the hinges will need to be periodically replaced to ensure proper function.

Component Evaluation

Comp # 506 Phone Entry System - Replace

Subgroup: Island Drive

Location: Seabrook Island Dr.

Quantity: (1) Phone system

Life Expectancy: 10 ***Remaining Life:*** 6

Best Cost: $4,000.00
Estimate to replace system

Worst Cost: $4,500.00
Higher estimate for more installation costs

Source of Information: In-House Costs Database

Observations:

No problems noted at the time of site visit. System was observed to be functioning normally. This type of system has a typical life expectancy of approximately 10 years. Remaining life based on current age and condition.

Component Evaluation

Comp # 507 Vehicle Gate Operators - Replace

Subgroup: Island Drive

Location: Seabrook Island Dr.

Quantity: (2) Operators

Life Expectancy: 10 ***Remaining Life:*** 2

Best Cost: $6,500.00
$3,250/Operator; Estimate to replace operators

Worst Cost: $7,500.00
$3,750/Operator; Higher estimate for more installaton cost

Source of Information: In-House Costs Database

General Notes:

Elite Access Systems

Mod# CSW200UL1HP3
Ser# Date
3508N4240 08/28/2008
2007N9782 05/17/2007

Observations:

Operators are near end of useful life. Expect to replace these in the near future, Operators have a typical useful life of approximately 10 years. Remaining life based on current age.

Component Evaluation

Comp # 801 Monument Signs - Replace

Subgroup: Common Area

Location: Lakeside Dr.

Quantity: (2) Signs

Life Expectancy: 15 ***Remaining Life:*** 8

Best Cost: $3,000.00
$1,500/Sign; Estimate to refurbish signs

Worst Cost: $4,000.00
$2,000/Sign; Higher estimate for more refurbishing

Source of Information: CSL Cost Database

Observations:

Although one sign was damaged due to an accident we are giving these monument signs a remaining life of 8 years to ensure they are replaced at the same time. Repair damaged monument as an operating or insurance expense and plan on renovating both monuments at the same time.

Component Evaluation

Comp # 1001 Wood Fencing - Replace

Subgroup: Common Area

Location: See general notes

Quantity: Approx 550 Linear ft.

Life Expectancy: 15 ***Remaining Life:*** 8

Best Cost: $16,500.00
$30/Linear ft.; Estimate to replace fence

Worst Cost: $19,250.00
$35/Linear ft.; Higher estimate for more installation costs

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

550 Linear ft. - Adjacent to marina
3,000 Linear ft. - Lakeside Dr. (Owners)

3,550 Linear ft. - Total

Observations:

Wood fence is in fair condition. Noted warping and damage to several boards at the fence adjacent to the marina. Client reports that the association has been making local repairs to warped boards. Remaining life based on current condition.

Component Evaluation

Comp # 1002 Wrought Iron Fencing - Replace

Subgroup: Common Area

Location: Pool fence

Quantity: Approx 460 Linear ft.

Life Expectancy: 20 ***Remaining Life:*** 15

Best Cost: $23,000.00
$50/Linear ft.; Estimate to replace fence

Worst Cost: $27,600.00
$60/Linear ft.; Higher estimate for more labor

Source of Information: CSL Cost Database

Observations:

Fencing is in good condition. No significant rusting or structural problems noted at the time of site visit. With regular painting and maintenance, expect a useful life of 20 to 25 years from this component. Remaining life based on current age.

Component Evaluation

Comp # 1002 Wrought Iron Fencing - Replace (Not HOA)

Subgroup: Island Drive

Location: Seabrook Island dr.

Quantity: Approx 390 Linear ft.

Life Expectancy: N/A ***Remaining Life:*** 0

Best Cost: $0.00

Worst Cost: $0.00

Source of Information:

Observations:

Client reports that this fencing is the responsibility of the individual owners. No reserve funding necessary.

Component Evaluation

Comp # 1003 Wood Rail Fencing - Replace

Subgroup: Island Drive

Location: Seabrook Island Dr.

Quantity: Approx 325 Linear ft.

Life Expectancy: 18 ***Remaining Life:*** 10

Best Cost: $8,125.00
$25/Linear ft.; Estimate to replace fencing

Worst Cost: $11,375.00
$35/Linear ft.; Higher estimate

Source of Information: CSL Cost Database

Observations:

No problems noted or reported with railing at time of site visit. Fencing is generally in good condition. We recommend funding to replace this fence approximately every 15 to 20 years.

Component Evaluation

Comp # 1101 Pool - Resurface

Subgroup: Common Area

Location: Pool area

Quantity: (1) 42 X 75 ft. pool

Life Expectancy: 12 ***Remaining Life:*** 11

Best Cost: $21,000.00
Estimate to replaster pool

Worst Cost: $25,000.00
Higher estimate for local repairs

Source of Information: Actual Cost History

Observations:

Pool surface is in good condition. No concerns noted or reported at time of site visit. Perform regular, professional maintenance and keep debris from collecting at the bottom to ensure full life from this component. Remaining life based on current age and condition.

Component Evaluation

Comp # 1103 Wader - Resurface

Subgroup: Common Area

Location: Pool area

Quantity: (1) 12 ft. diameter wader

Life Expectancy: 6 ***Remaining Life:*** 5

Best Cost: $3,750.00
Estimate to replaster

Worst Cost: $4,250.00
Higher estimate

Source of Information: CSL Cost Database

Observations:

No problems noted or reported with wader pool. This type of shallow wading pool typically requires resurfacing more frequently than a full sized pool because the entire pool floor is walked on. Reserve to resurface this wading pool on a 6 year schedule.

Component Evaluation

Comp # 1107 Pool Filters - Replace

Subgroup: Common Area

Location: Pool equipment area

Quantity: (2) 7.06 Sq.ft. filters

Life Expectancy: 12 ***Remaining Life:*** 4

Best Cost: $2,500.00
$1,250/Filter; Estimate to replace filter

Worst Cost: $3,500.00
$1,750/Filter; Higher estimate for more installation costs

Source of Information: CSL Cost Database

General Notes:

Triton II
Mod# TR-140
7.06 Sq.ft.

Observations:

Pool filter is in good condition. No problems noted at the time of site visit. This type of pool filter has a life expectancy of approximately 12 years. Remaining life based on current age and condition.

Component Evaluation

Comp # 1109 Wader Filter - Replace

Subgroup: Common Area

Location: Pool equipment area

Quantity: (1) Filter

Life Expectancy: 12 ***Remaining Life:*** 4

Best Cost: $1,000.00
Estimate to replace

Worst Cost: $1,500.00
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Triton II
Mod# TR-60
3.14 Sq.ft.

Observations:

Wader filter is in good condition. No problems noted at the time of inspection. Maintain filter professionally to ensure full life from this component.

Component Evaluation

Comp # 1110 Pool Pumps - Partial Replace

Subgroup: Common Area

Location: Pool equipment area

Quantity: (4) Pumps

Life Expectancy: 2 ***Remaining Life:*** 1

Best Cost: $600.00
Estimate to replace one pump every two years

Worst Cost: $900.00
Higher estimate for more installation costs

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

(1) 1 HP
(3) 3 HP

(4) Pumps

Observations:

Pumps are in good condition. No expectation to replace all pumps at one time. We recommend funding to replace one pump approximately every two years. Replace motors as necessary as an operating expense.

Component Evaluation

Comp # 1121 Pool Furniture - Replace

Subgroup: Common Area

Location: Pool area

Quantity: (30) Pieces

Life Expectancy: 5 ***Remaining Life:*** 3

Best Cost: $5,000.00
Estimate to replace - similar quality and quantity

Worst Cost: $7,000.00
Higher estimate for more replacements/better quality

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

(10) Chaise lounges
(15) Chairs
(4) Tables

(30) Pieces

Observations:

Pool furniture is in good condition. No broken straps or significant sun damage noted at the time of inspection. Expect a useful life of approximately 6 years from this component. Remaining life based on current age and condition.

Component Evaluation

Comp # 1304 Drinking Fountains - Replace

Subgroup: Common Area

Location: Pool area

Quantity: (2) Fountains

Life Expectancy: 7 ***Remaining Life:*** 1

Best Cost: $1,400.00
$700/Fountain; Estimate to replace drinking fountain

Worst Cost: $1,800.00
$900/Fountain; Higher estimate for more installation costs

Source of Information: CSL Cost Database

Observations:

Drinking fountains are in good condition. No corrosion or damage noted. No signs of significant wear. Expect to replace these fountains approximately every 7 years.

Component Evaluation

Comp # 1390 Boat Docks - Rebuild

Subgroup: Common Area

Location: Marina

Quantity: (4) 30 X 4.5 ft. docks

Life Expectancy: 18 ***Remaining Life:*** 7

Best Cost: $17,000.00
$4,250/Dock; Estimate to rebuild docks

Worst Cost: $19,000.00
$4,750/Dock; Higher estimate

Source of Information: CSL Cost Database

Observations:

No problems noted or reported. We reocmmend funding to rebuild these docks approximately every 15 to 20 years. Expect to make minor repairs as well as to seal the wood surfaces as necessary as an operating expense to ensure full life.

Component Evaluation

Comp # 1413 Restrooms - Remodel

Subgroup: Common Area

Location: pool building

Quantity: (2) Restrooms

Life Expectancy: 16 ***Remaining Life:*** 8

Best Cost: $6,000.00
$3,000/Restroom; Estimate to remodel restrooms

Worst Cost: $10,000.00
$5,000/Restroom; Higher estimate for more extensive remodel

Source of Information: CSL Cost Database

General Notes:

Quantity breakdown:

800 Sq.ft. of painted surfaces
12 Linear ft. of partitions
(1) 6 X 2 ft. counter
(1) 2 X 1 ft. mirror
(1) Sink
(1) Hand soap dispenser
(1) Hand towel dispenser
(1) Light fixture
Women's: Add 4' of partitions, (2) toilets
Men's: Add (1) urinal, (1) toilet

Observations:

Restroom interiors are in good to fair condition. Painted surfaces are bright and mark-free, countertop and fixtures are in good condition. Repaint restrooms as needed as an operating expense and expect to conduct a general remodeling of the restroom interiors approximately every 15 years to maintain appearance and keep up with current decorative tastes. Remaining life based on current condition.

Component Evaluation

Comp # 1602 Wall Mount Lights - Replace

Subgroup: Common Area

Location: Lakeside Dr.

Quantity: (102) Fixtures

Life Expectancy: 15 ***Remaining Life:*** 0

Best Cost: $10,200.00
$100/Fixture; Estimate to replace

Worst Cost: $12,750.00
$125/Fixture; Higher estimate

Source of Information:

Observations:

Lights are generally in fair to poor condition. Numerous missing and damaged lights. No significant pitting or discoloration noted. Expect to replace these lights approximately every 15 years to maintain appearance. Remaining life based on current age and condition.

Component Evaluation

Comp # 1604 Pole Light Fixtures - Replace

Subgroup: Island Drive

Location: Island Dr., Seabrook Island dr.

Quantity: (12) Lights

Life Expectancy: 25 ***Remaining Life:*** 15

Best Cost: $9,000.00
$750/Fixture; Estimate to replace light fixtures

Worst Cost: $12,000.00
$1,000/Fixture; Higher estimate for more installation costs

Source of Information: CSL Cost Database

Observations:

No problems noted or reported. No expectation to completely replace the poles under normal circumstances. We recommend funding to replace the fixtures, make local pole replacements, and to generally refurbish the electrical approximately every 25 years.

Component Evaluation

Comp # 2201 Boat Access - Desilting - Perform

Subgroup: Common Area

Location: Waterway area

Quantity: Extensive Sq.ft.

Life Expectancy: 20 ***Remaining Life:*** 7

Best Cost: $275,000.00
Estimate to dredge waterway

Worst Cost: $325,000.00
Higher estimate for more expenses

Source of Information: Provided by client

Observations:

Client reports that due to sand, silt, and sediment filling the waterway a desilting project is needed. We recommend funding to perform similar maintenance approximately every 15 to 20 years to ensure proper access. Client has directed us to fund for this project in 2023.

Component Evaluation

Comp # 2206 Boat Ramp - Major Rehab

Subgroup: Common Area

Location: Marina

Quantity: (1) Boat ramp

Life Expectancy: 30 ***Remaining Life:*** 1

Best Cost: $45,000.00
Estimate to rehab

Worst Cost: $55,000.00
Higher estimate

Source of Information: In-House Costs Database

Observations:

Client reports that the boat ramp will be repaired in 2017. We recommend funding for a similar project approximately every 30 years.

Component Evaluation

Comp # 2301 Shade Structures - Replace

Subgroup: Common Area

Location: Pool area

Quantity: (2) Structures

Life Expectancy: 18 ***Remaining Life:*** 14

Best Cost: $5,000.00
Estimate to replace

Worst Cost: $7,000.00
Higher estimate

Source of Information: CSL Cost Database

Observations:

Shade structure is in good to fair condition. Although this component may reach an extended life we recommend funding to replace the shed approximately every 15 years to ensure appearance and function.

Component Evaluation

Comp # 2302 Shade Structure Awnings - Replace

Subgroup: Common Area

Location: Pool area

Quantity: (2) Structures

Life Expectancy: 8 ***Remaining Life:*** 2

Best Cost: $5,000.00
Estimate to replace

Worst Cost: $7,000.00
Higher estimate

Source of Information: CSL Cost Database

Observations:

Awnings are are in good to fair condition. We recommend funding to replace these awning approximately every 8 to 10 years to ensure proper use and function. Remaining life based on current condition.

Glossary of Commonly Used Words And Phrases

(Provided by the National Reserve Study Standards of the Community Associations Institute)

Cash Flow Method – A method of developing a 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.

Component – Also referred to as an "Asset." 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) have predictable remaining life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

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 can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

Deficit – An actual (or projected reserve balance), which is less than the fully funded balance.

Effective Age – The difference between useful life and remaining useful life (UL - RUL).

Financial Analysis – The portion of the 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 expenses over time is presented. The financial analysis is one of the two parts of the Reserve Study.

Fully Funded Balance – An indicator against which the 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 of a reserve component. This number is calculated for each component, and then summed together for an association total.

FFB = Current Cost * Effective Age / Useful Life

Fund Status – The status of the reserve fund as compared to an established benchmark, such as percent funded.

Funding Goals – Independent of calculation methodology utilized, the following represent the basic categories of funding plan goals:

- Baseline Funding: Establishing a reserve-funding goal of keeping the reserve balance above zero.
- Component Full Funding: Setting a reserve funding goal of attaining and maintaining cumulative reserves at or near 100% funded.
- Threshold Funding: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount.

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 contributions through the year
- Evenly distributed contributions over the years
- Fiscally responsible

GSF - Gross Square Feet

Life and Valuation Estimates – The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components.

LF - Linear Feet

Percent Funded – The ratio, at a particular point in time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the ideal fund balance, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the component evaluation, 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 current fiscal year have a "0" 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 (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components that the association is obligated to maintain. Also known as "reserves," "reserve accounts," or "cash reserves." In this report the reserve balance is based upon information provided and is not audited.

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.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Governing documents or local statutes often regulate special assessments.

Surplus – An actual (or projected) reserve balance that is greater than the fully funded balance.

Useful Life (UL) – Also known as "life expectancy." The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed and maintained in its present application of installation.