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Seapath, Inc. Update Reserve Study 2018 Revised

205 S. Academy St. #3851, Cary, NC 27519 ReserveStudyCarolinas.com 919-758-9788

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August 31, 2018

Dear David,

Please find attached our reserve study for Seapath, Inc. The level of reserves on 5/1/19, the beginning of the fiscal year is expected to be $500,000.00, which constitutes 29.65% of the full funded reserves, a fairly weak level of reserves.

As requested, we have revised the study, and made the changes requested in your 8/17/18 email and attached file, RS Changes.

Due to the age of the building and community, there are a number of large repair or replacement projects that will be due in the near future. The height of the building compounds the costs that will need to be covered. If the contribution rate is higher than the board can accept, we can discuss what changes may be possible to help alleviate the financial burden.

It does take a little time to familiarize yourself with some of the terms and the calculations, but otherwise the study is fairly self-explanatory. This pdf file includes bookmarks on the left side for ease of navigation, allowing you to quickly locate sections. If there are any questions I'd be happy to address them.

This report represents our best attempt to accurately represent the future financial needs of the association based upon the information available to us at the time of preparation. We hope that you find our report format both informative and useful. All of us at Reserve Professional have enjoyed serving you and providing the most detailed, comprehensive and useful reserve analysis study available.

Since a reserve analysis includes a only visual observation it is impossible to accurately identify, measure or quantify, estimated useful life or cost for any assets that are partially or fully concealed or buried. Examples include, but are not limited to water, sewer, and storm lines, manholes, and storm boxes. Although these items may be included in the reserve analysis, Reserve Professionals is not responsible for any discrepancies that may exist between the study and actual conditions or responsible for an omission of such item.

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Thank you for utilizing our services and please consider referring us to your colleagues and friends. We do not advertise and rely on referrals, which helps to keep your costs down.

We rely on referrals, not advertising. We believe in solid work at fair prices.

Respectfully,

Alex Liu, RS
President
Reserve Professionals
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Cary, NC 27519
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Professional Designations:

Professional Reserve Analyst (PRA): Ass. of Professional Reserve Analysts, Certificate #2333
Reserve Specialist (RS): Community Associations Institute, Certification # 276
Stormwater BMP Inspection & Maintenance Professional, NC Coop Ext, Certification # 3164
BS, Construction Management: East Carolina University
NC Home Inspector, License # 2972 (inactive)
NC General Contractor, License # 66871
HOA Board President, 12 years (Retired)

Seapath, Inc.

Table of Contents

Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded
Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections
Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory
Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

♦ ♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding
Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of the each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

Threshold Funding
Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/ objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

Component Calculation Method
This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line"

method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The component calculation method is typically used for well-funded associations (greater that 65% funded) with a goal/ objective of full funding.

Cash Flow Calculation Method

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline Funding) or some other defined goal/objective (full funding, threshold funding or statutory funding).

Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The cash flow calculation method is typically used for under-funded associations (less than 65% funded) with a goal/ objective of full funding, threshold funding, baseline funding or statutory funding.

Preface

♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

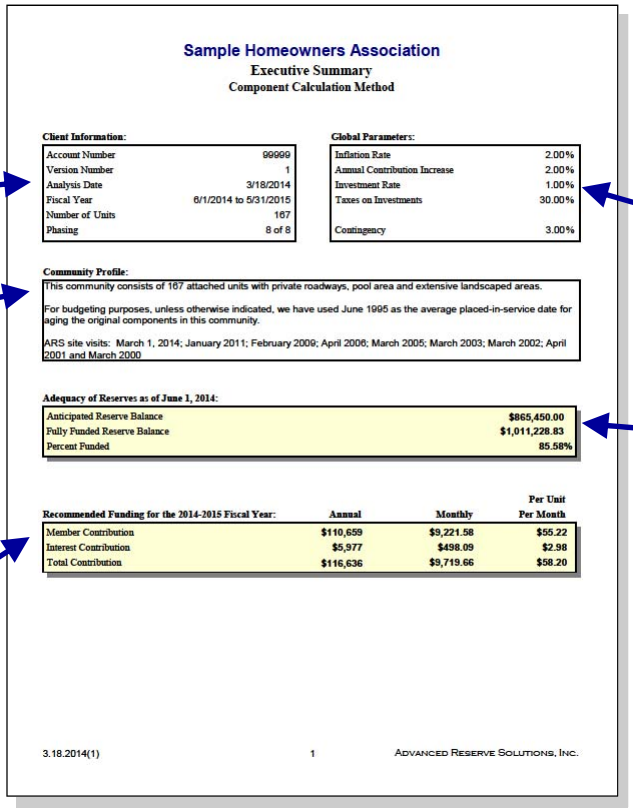
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

Global Parameters
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	99999
Version Number	1
Analysis Date	3/18/2014
Fiscal Year	6/1/2014 to 5/31/2015
Number of Units	167
Phasing	8 of 8

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	2.00%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:

This community consists of 167 attached units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.

ARS site visits: March 1, 2014; January 2011; February 2009; April 2006; March 2005; March 2003; March 2002; April 2001 and March 2000

Adequacy of Reserves as of June 1, 2014:

Anticipated Reserve Balance	$865,450.00
Fully Funded Reserve Balance	$1,011,228.83
Percent Funded	85.58%

Recommended Funding for the 2014-2015 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	$110,659	$9,221.58	$55.22
Interest Contribution	$5,977	$498.09	$2.98
Total Contribution	$116,636	$9,719.66	$58.20

3.18.2014(1) 1 Advanced Reserve Solutions, Inc.

Community Profile
Provides brief description of the community, as well as other "global" type comments.

Budget
Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

Adequacy of Reserves
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

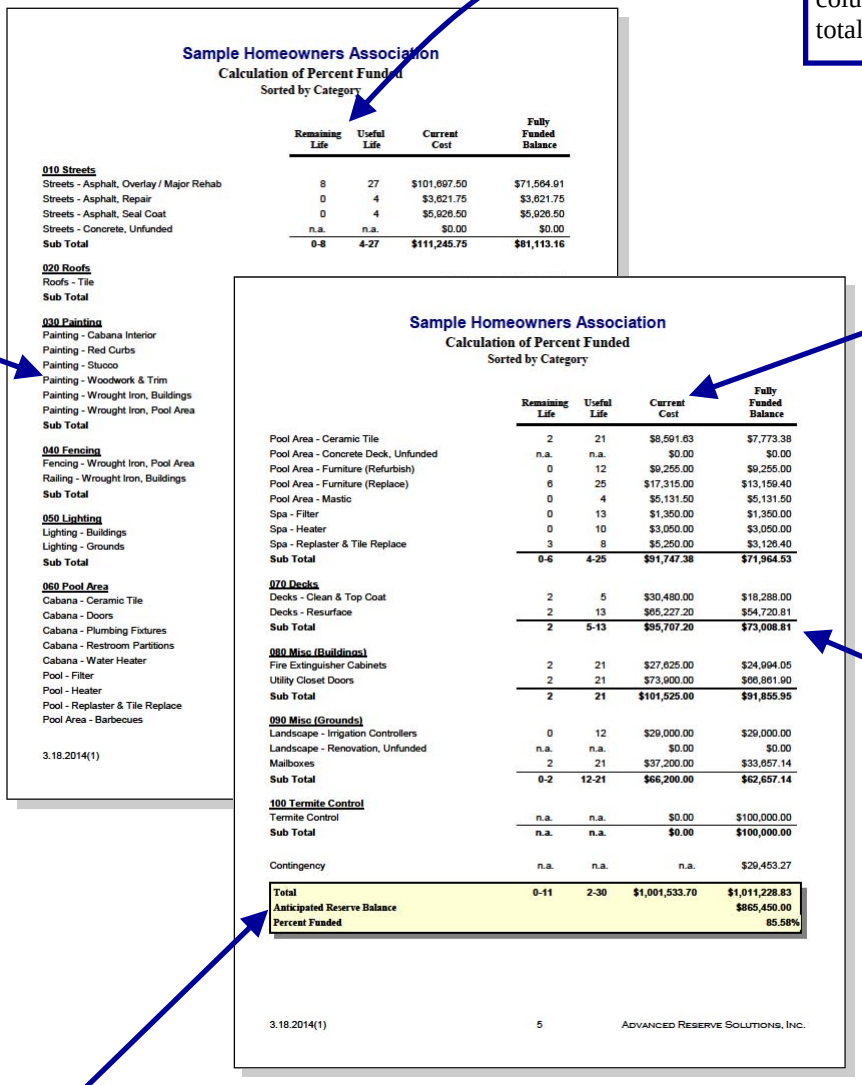
Preface

Calculation of percent funded

Summary displays all reserve components, shown here in "category" order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).



Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	8	27	$101,697.50	$71,564.91
Streets - Asphalt, Repair	0	4	$3,621.75	$3,621.75
Streets - Asphalt, Seal Coat	0	4	$5,926.50	$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-8**	**4-27**	**$111,245.75**	**$81,113.16**
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				

3.18.2014(1)

Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	$8,591.63	$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	$0.00	$0.00
Pool Area - Furniture (Refurbish)	0	12	$9,255.00	$9,255.00
Pool Area - Furniture (Replace)	6	25	$17,315.00	$13,159.40
Pool Area - Mastic	0	4	$5,131.50	$5,131.50
Spa - Filter	0	13	$1,350.00	$1,350.00
Spa - Heater	0	10	$3,050.00	$3,050.00
Spa - Replaster & Tile Replace	3	8	$5,250.00	$3,126.40
Sub Total	**0-6**	**4-25**	**$91,747.38**	**$71,964.53**
070 Decks				
Decks - Clean & Top Coat	2	5	$30,480.00	$18,288.00
Decks - Resurface	2	13	$65,227.20	$54,720.81
Sub Total	**2**	**5-13**	**$95,707.20**	**$73,008.81**
080 Misc (Buildings)				
Fire Extinguisher Cabinets	2	21	$27,825.00	$24,994.05
Utility Closet Doors	2	21	$73,900.00	$66,861.90
Sub Total	**2**	**21**	**$101,525.00**	**$91,855.95**
090 Misc (Grounds)				
Landscape - Irrigation Controllers	0	12	$29,000.00	$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	$0.00	$0.00
Mailboxes	2	21	$37,200.00	$33,657.14
Sub Total	**0-2**	**12-21**	**$66,200.00**	**$62,657.14**
100 Termite Control				
Termite Control	n.a.	n.a.	$0.00	$100,000.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$100,000.00**
Contingency	n.a.	n.a.	n.a.	$29,453.27
Total	**0-11**	**2-30**	**$1,001,533.70**	**$1,011,228.83**
Anticipated Reserve Balance				**$865,450.00**
Percent Funded				**85.58%**

3.18.2014(1) 5 Advanced Reserve Solutions, Inc.

Current Cost
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

Preface

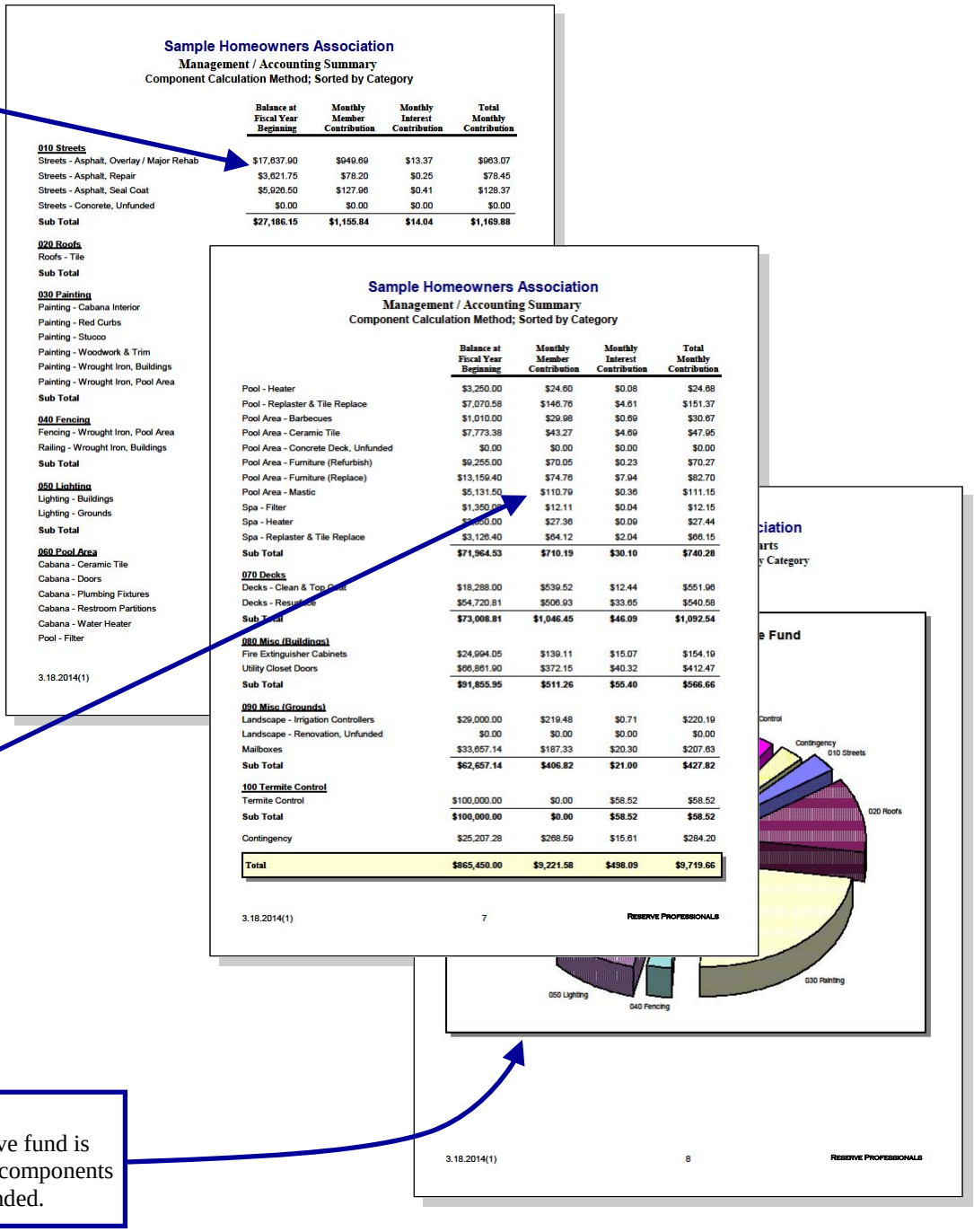
Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

Balance at FYB
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

Monthly Funding
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

Pie Charts
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.



Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$17,637.90	$949.69	$13.37	$963.07
Streets - Asphalt, Repair	$3,621.75	$78.20	$0.25	$78.45
Streets - Asphalt, Seal Coat	$5,926.50	$127.96	$0.41	$128.37
Streets - Concrete, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$27,186.15**	**$1,155.84**	**$14.04**	**$1,169.88**
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				

3.18.2014(1)

Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	$3,250.00	$24.60	$0.08	$24.68
Pool - Replaster & Tile Replace	$7,070.58	$146.76	$4.61	$151.37
Pool Area - Barbecues	$1,010.00	$29.98	$0.69	$30.67
Pool Area - Ceramic Tile	$7,773.38	$43.27	$4.69	$47.95
Pool Area - Concrete Deck, Unfunded	$0.00	$0.00	$0.00	$0.00
Pool Area - Furniture (Refurbish)	$9,255.00	$70.05	$0.23	$70.27
Pool Area - Furniture (Replace)	$13,159.40	$74.76	$7.94	$82.70
Pool Area - Mastic	$5,131.50	$110.79	$0.36	$111.15
Spa - Filter	$1,350.00	$12.11	$0.04	$12.15
Spa - Heater	$3,050.00	$27.36	$0.09	$27.44
Spa - Replaster & Tile Replace	$3,126.40	$64.12	$2.04	$66.15
Sub Total	**$71,964.53**	**$710.19**	**$30.10**	**$740.28**
070 Decks				
Decks - Clean & Top Coat	$18,288.00	$539.52	$12.44	$551.96
Decks - Resurface	$54,720.81	$506.93	$33.65	$540.58
Sub Total	**$73,008.81**	**$1,046.45**	**$46.09**	**$1,092.54**
080 Misc (Buildings)				
Fire Extinguisher Cabinets	$24,994.05	$139.11	$15.07	$154.19
Utility Closet Doors	$66,861.90	$372.15	$40.32	$412.47
Sub Total	**$91,855.95**	**$511.26**	**$55.40**	**$566.66**
090 Misc (Grounds)				
Landscape - Irrigation Controllers	$29,000.00	$219.48	$0.71	$220.19
Landscape - Renovation, Unfunded	$0.00	$0.00	$0.00	$0.00
Mailboxes	$33,657.14	$187.33	$20.30	$207.63
Sub Total	**$62,657.14**	**$406.82**	**$21.00**	**$427.82**
100 Termite Control				
Termite Control	$100,000.00	$0.00	$58.52	$58.52
Sub Total	**$100,000.00**	**$0.00**	**$58.52**	**$58.52**
Contingency	$25,207.28	$268.59	$15.61	$284.20
Total	**$865,450.00**	**$3,221.58**	**$498.09**	**$3,719.66**

3.18.2014(1) 7 RESERVE PROFESSIONALS

Fund

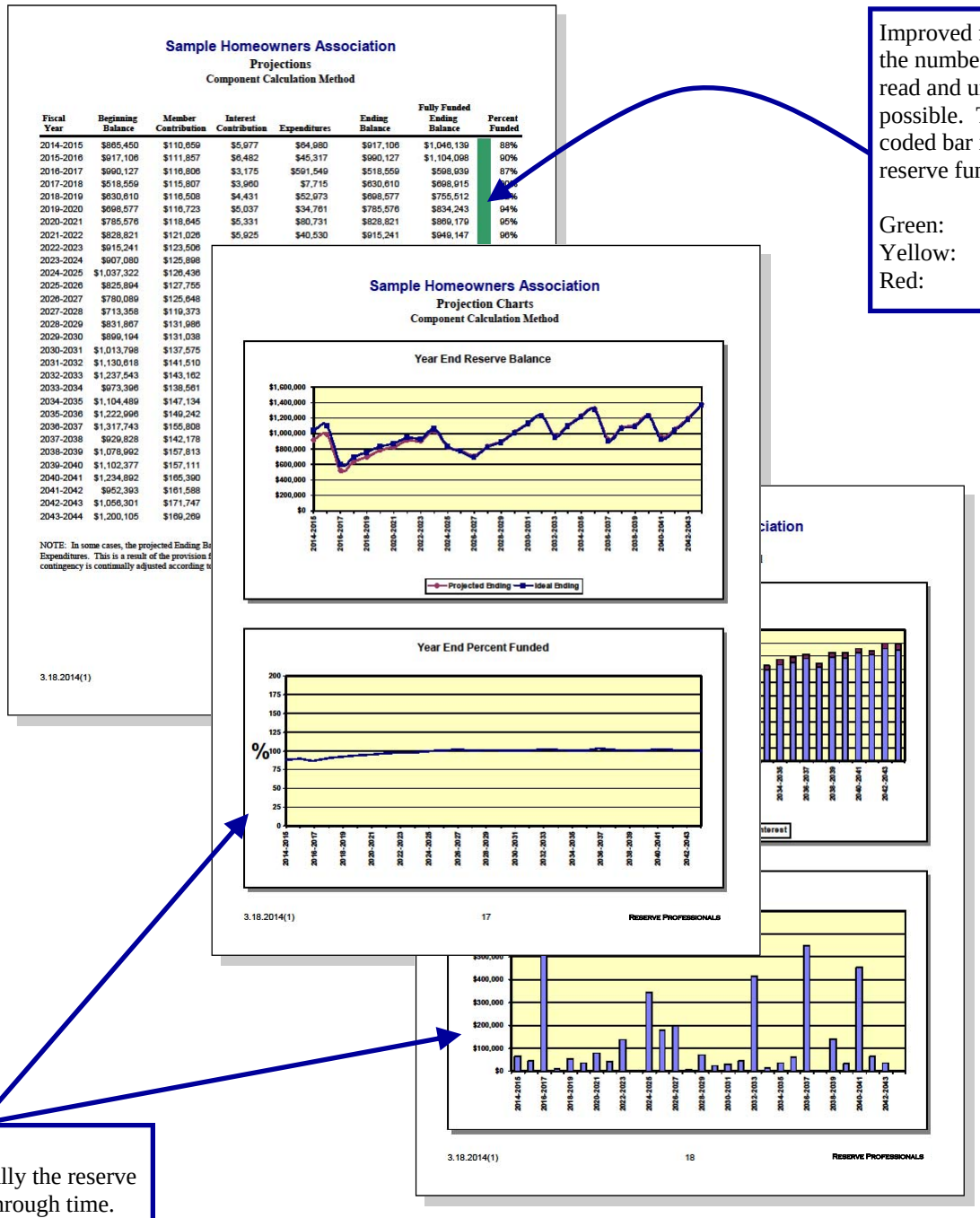
Control
Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

3.18.2014(1) 8 RESERVE PROFESSIONALS

Preface

Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



Improved format makes the numbers as easy to read and understand as possible. The color-coded bar indicates the reserve fund status:

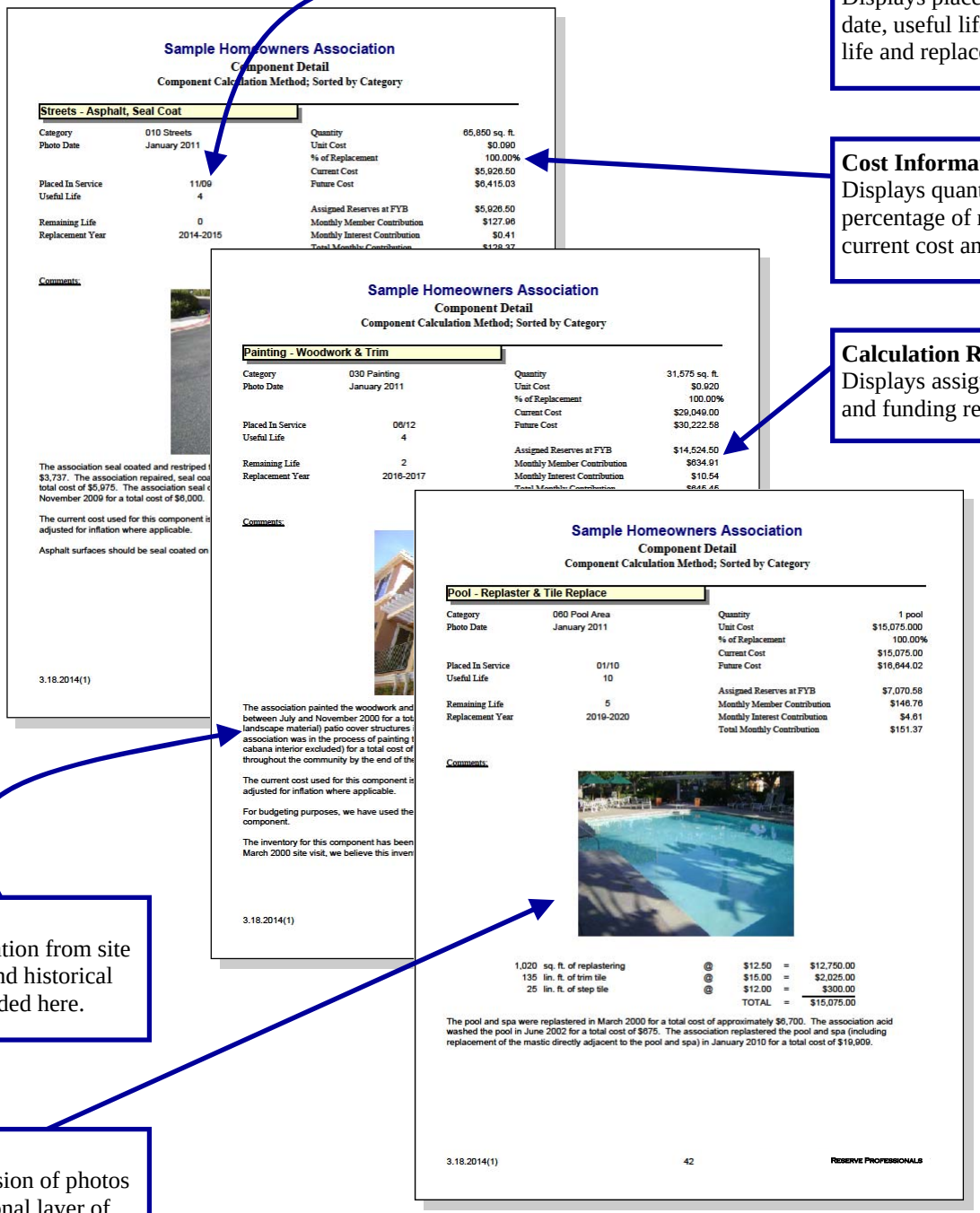
Green:	Good
Yellow:	Fair
Red:	Poor

Charts
Show graphically the reserve funding plan through time.

Preface

Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



Lifespan Information
Displays placed-in-service date, useful life, remaining life and replacement year.

Cost Information
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

Calculation Results
Displays assigned reserves and funding requirements.

Comments
Useful information from site observations and historical expenses included here.

Photos
Optional inclusion of photos adds an additional layer of detail the reserve analysis.

Preface

♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Annual Contribution Increase Parameter
The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of "reserve funding calculation methods" in this preface for more detail on this parameter.

Anticipated Reserve Balance (or Reserve Funds)
The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.

Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Component Calculation Method
Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter
The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

Current Replacement Cost
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

Fiscal Year
Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

Fully Funded Reserve Balance (or Ideal Reserves)
The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters
The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter
The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects to the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution
The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

Investment Rate Parameter
The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

Membership Contribution
The amount of money contributed to the reserve fund by the association's membership.

Monthly Contribution (and "Fixed" Monthly Contribution)
The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

Number of Units (or other assessment basis)
Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

One-Time Replacement
Used for components that will be budgeted for only once.

Percent Funded
A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement
The percentage of the reserve component that is expected to be replaced.
For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

Phasing
Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

Placed-In-Service Date
The date (month and year) that the reserve component was originally put into service or last replaced.

Remaining Life
The length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
The fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

Taxes on Investments Parameter
The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

Total Contribution
The sum of the membership contribution and interest contribution.

Useful Life
The length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances many occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and excluded when assessing life expectancy, repair and/or replacement costs of the components.

Seapath, Inc.

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	1140
Version Number	1
Analysis Date	08/31/2018
Fiscal Year	5/1/2019 to 4/30/2020
Number of Units	97
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.50 %
Annual Contribution Increase	2.50 %
Investment Rate	1.01 %
Taxes on Investments	18.00 %
Contingency	3.00 %

Community Profile:

The community consists of a 97 unit condo tower with cabana, lobby, lounge, swimming pool, tennis court.

Unless otherwise indicated, we have used the date 6/1974, as the basis for aging of all original components.
Level of Study: Full with Site Inspection
Calculation Method Used: Cash Flow
Funding Strategy: Full Funding
Site Inspection Date: 8/1/18

Adequacy of Reserves as of May 1, 2019:

Anticipated Reserve Balance	**$500,000.00**
Fully Funded Reserve Balance	**$1,686,300.30**
Percent Funded	**29.65%**

Recommended Funding for the 2019-2020 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	**$225,000**	**$18,750.00**	**$193.30**
Interest Contribution	**$3,841**	**$320.05**	**$3.30**
Total Contribution	**$228,841**	**$19,070.05**	**$196.60**

Seapath, Inc.

Preparer's Disclosure Statement

Alexander Liu was awarded the Reserve Specialist (RS) designation from Community Associations Institute (CAI). The RS designation was developed by CAI for professional reserve analysts who wish to confirm to their peers and/or clients that they have demonstrated a basic level of competency within the industry. The RS designation is awarded to reserve analysts who are dedicated to the highest standards of professionalism and reserve analysis preparation.

Consultant certifies that:

1) Consultant has no other involvement with association which could result in actual or perceived conflicts of interest.

2) Component inventories were developed by actual field inventory, representative sampling, take-offs of scaled plans, provided by the association's previous reserve analysis prepared by another firm or provided by the association.

Component conditional assessments were developed by actual field observation and representative sampling.

3) Financial assumptions used in this analysis are listed on the Executive Summary and further explained in the Preface of this report.

4) Consultant is a Reserve Specialist (RS) designee.

5) This is a new, Level 1 reserve study including a site visit.

6) There are no material issues known to consultant at this time which would cause a distortion of the association's situation.

7) The scope of Reserve Professionals' service does not include forensic, invasive or destructive testing or analysis of an engineering or architectural nature. Reserve Component condition assessments are based on visual observation. The Reserve Professionals reserve study specifically is neither a Building Inspection nor an engineering or architectural evaluation of the suitability, quality or integrity of the design, construction or manufacture quality of the facilities, infrastructure and other components comprising Client's project. 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.

8) Since a reserve analysis is limited to a visual observation it is impossible to accurately identify, measure or quantify, estimate useful life or cost for any assets that are partially or fully concealed or buried. Although such items may be included in the reserve analysis, Reserve Professionals is not responsible for any discrepancies in material quantities, unit costs, or total costs that may exist between the study and actual conditions or responsible for an omission of such item. Additionally, the extent of the future repairs can't be ascertained by a visual observation. Additionally predicting when the repairs will be needed is not possible by visual observation. A more detailed inspection maybe possible, but is not within the scope of this study. Therefore, it is important for the client to understand that the cost and timing of repairs or replacement is in fact, speculation. Assets include, but are not limited to irrigation, sprinkler, water, sewer, and storm piping, electrical wiring and equipment, building water damage, bodies of water, site and building drainage, tree removal, landscaping projects.

9) In many instances actual costs and timing for repairs may vary significantly. This reserve study may not fund for the worst case scenario. We believe this is to the benefit of the client by not tying up funds for repair/replacement events that may not happen for 20, 30 or more years than the worst case scenario.

10) We make every attempt to notify the Client when we notice a potential safety issue, however a reserve study is not intended to identify safety issues. We take no responsibility for identifying or communicating any safety issues including, but not limited to fall hazards of people or structures, structural concerns, electrical shock.

11) It is important to be aware that the useful life of an asset may not indicate that the repair/replacement date will occur at that date, but rather that a certain amount of fund might be expended by this date. In other words, an asset with a 20 year useful life may have had repairs performed 4 or 5 times in that 20 year period. A reserve study, which looks out 30

years is not flexible enough to take into account all the smaller activities that would fall outside of maintenance, but still would occur outside a regular predictable schedule. Additionally, some assets fail unexpectedly without providing any sign of distress in advance. In these instances, a useful life would indicate not that a component should be replaced at the end of this period, but rather that funds should be accumulated by the end of this period for when the item will need to be replaced.

12) Often, similar components have differing ages or costs. In an effort to alleviate unnecessary complexity, the study may use an average or median useful life, age, or cost for all of similarly grouped components.

13) 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.

14) 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 the opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warranty or guarantee regarding our life and cost estimates/predictions. There is no implied warranty 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.

15) 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.

16) 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.

17) 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.

18) The costs and timing associated with any repairs listed in the study are speculative. The extent of the repairs is unknown. How a repair will be performed can vary significantly, which will affect the cost.

19) A reserve study uses averages of useful lives and costs for individual components, which are then aggregated to calculate contribution requirement. Some items may cost less or more than predicted and maybe required to offset each other. The client should not lower funding simply because a specific item cost less to replace than predicted.

20) Maintenance responsibility of water, sewer, and storm systems varies by municipality. Even within individual municipalities this responsibility can vary significantly due to negotiations between a developer and planning developments. We have not contacted any government agency to confirm maintenance responsibility. As a result, quantities of water, sewer, and storm lines and boxes may not be accurate. Generally speaking, we include water and sewer mains when streets are private and simply measure the linear feet of the road as a basis for this quantity since actual location is unknown in most instances.

21) Storm water systems are difficult to locate. Area drains located in the turfed or landscaped areas have been excluded, unless specifically noted. Unless noted, storm line quantities include only inflow and outflow pipe to retention ponds where roads are public, and also pipe in roads where roads are private. Any storm pipe located in other areas has not been accounted for. If such pipe does exist in your community the quantities may not be accurate. Culverts under public roads

are assumed to be publicly maintained.

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.

Seapath, Inc.

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Site				
Landscape Refurbishment	1	15	$10,000.00	$9,333.33
Miscelleous Site - Replace	15	25	$9,545.76	$3,818.30
Sewer and Water - Site Mains, Repairs	5	50	$57,800.00	$52,020.00
Streets - Asphalt Overlay	6	25	$86,605.53	$65,820.20
Streets - Asphalt, Seal Coat	0	6	$12,502.71	$12,502.71
Sub Total	**0-15**	**6-50**	**$176,454.00**	**$143,494.55**
020 Roofs				
Roofs - Built Up	6	30	$214,843.10	$171,874.48
Roofs - Built Up, Paint	0	5	$24,485.00	$24,485.00
Roofs - Composition Shingle	2	25	$14,113.06	$12,984.02
Sub Total	**0-6**	**5-30**	**$253,441.16**	**$209,343.50**
030 Painting				
Painting - Stucco, 10 year cycle	5	10	$340,095.47	$170,047.74
Painting - Stucco, 8 Year Cycle	1	8	$229,250.89	$200,594.53
Sub Total	**1-5**	**8-10**	**$569,346.36**	**$370,642.26**
040 Access Control & Fencing				
Access Control - Surveillance System	0	10	$7,224.42	$7,224.42
Sub Total	**0**	**10**	**$7,224.42**	**$7,224.42**
040 Fencing & Access Control				
Access Control - Entry Intercom	0	27	$5,433.29	$5,433.29
Sub Total	**0**	**27**	**$5,433.29**	**$5,433.29**
060 Recreation				
Tennis Court - Reconstruction, Fencing	4	45	$26,376.96	$24,032.34
Tennis Courts - Resurfacing	4	6	$4,392.00	$1,464.00
Sub Total	**4**	**6-45**	**$30,768.96**	**$25,496.34**
062 Pool				
Pool - Replaster & Tile Replacement	4	12	$20,291.06	$13,527.37
Pool Area - Furniture	1	20	$10,866.57	$10,323.24
Sub Total	**1-4**	**12-20**	**$31,157.63**	**$23,850.61**
070 Interior				
Furniture - Interior, Replace	7	12	$32,070.29	$13,362.62
Interior Renovation - Lobby, Lounge, & Office	17	22	$98,119.78	$22,299.95
Lighting - Buildings	15	20	$75,910.00	$18,977.50

Seapath, Inc.

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Lighting - Site, Poles	6	28	$11,250.00	$8,839.29
Miscellaneous Items - Replace, Interior Accessories	8	30	$17,804.20	$13,056.41
Sewer and Water - Building Mains, Repairs	0	1	$12,000.00	$12,000.00
Sub Total	**0-17**	**1-30**	**$247,154.26**	**$88,535.77**
080 Exterior				
Doors - Exterior, Metal	0	1	$5,506.10	$5,506.10
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenanc	1	2	$4,823.49	$2,411.75
Floor Cover - Epoxy Paint Install 1	0	1	$30,000.00	$30,000.00
Floor Cover - Epoxy Paint Install 2	1	1	$30,000.00	$0.00
Floor Cover - Epoxy Paint Install 3	2	1	$30,000.00	$0.00
Siding - Vinyl	18	40	$19,487.05	$10,717.88
Stairways - Replace, Metal, Roof	0	41	$20,000.00	$20,000.00
Window Replacement	0	1	$10,000.00	$10,000.00
Sub Total	**0-18**	**1-41**	**$149,816.64**	**$78,635.72**
090 Equipment				
Appliance - Washer and Dryers, Replace	0	1	$1,478.00	$1,478.00
Diesel Generator - Replace	25	70	$45,000.00	$28,928.57
Electrical Equipment Maintenance	4	5	$12,000.00	$2,400.00
Elevators - Modernization, Traction 1	7	52	$250,000.00	$216,346.15
Elevators - Modernization, Traction 2	8	53	$250,000.00	$212,264.15
Fire Control - Accessories	16	20	$7,170.00	$1,434.00
Fire Protection - Control Panel	0	27	$11,032.05	$11,032.05
Fire Pump - Replace	25	70	$100,000.00	$64,285.71
HVAC - Split System	1	8	$15,876.76	$13,892.17
HVAC - Split System, Unistrut System	1	25	$83,400.00	$80,064.00
HVAC - Wall Heaters	0	1	$1,343.28	$1,343.28
Pumps - Domestic Water, Controls	4	5	$15,200.00	$3,040.00
Pumps - Domestic Water, Full Replacement	12	25	$35,000.00	$18,200.00
Pumps - Pool	3	12	$5,100.00	$3,825.00
Water Heaters - Residential	7	14	$1,017.68	$508.84
Sub Total	**0-25**	**1-70**	**$833,617.78**	**$659,041.93**
110 Miscellaneous				
Equipment - Office Replace	2	8	$4,800.00	$3,600.00
EXCLUDED	n.a.	n.a.	$0.00	$0.00
Trash Chute - Replacement	10	55	$26,750.00	$21,886.36

Seapath, Inc.

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Sub Total	**2-10**	**8-55**	**$31,550.00**	**$25,486.36**
Contingency	n.a.	n.a.	n.a.	$49,115.54
Total	**0-25**	**1-70**	**$2,335,964.50**	**$1,686,300.30**
Anticipated Reserve Balance				**$500,000.00**
Percent Funded				**29.65%**

Seapath, Inc.

Management / Accounting Summary

Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Site				
Landscape Refurbishment	$9,333.33	$37.81	$5.67	$43.48
Miscelleous Site - Replace	$0.00	$32.89	$0.19	$33.08
Sewer and Water - Site Mains, Repairs	$0.00	$551.59	$3.26	$554.85
Streets - Asphalt Overlay	$0.00	$694.33	$4.10	$698.43
Streets - Asphalt, Seal Coat	$12,502.71	$119.31	$0.71	$120.02
Sub Total	**$21,836.04**	**$1,435.93**	**$13.93**	**$1,449.86**
020 Roofs				
Roofs - Built Up	$0.00	$1,722.42	$10.16	$1,732.59
Roofs - Built Up, Paint	$24,485.00	$383.17	$2.26	$385.43
Roofs - Composition Shingle	$12,984.02	$36.05	$7.79	$43.84
Sub Total	**$37,469.02**	**$2,141.64**	**$20.21**	**$2,161.85**
030 Painting				
Painting - Stucco, 10 year cycle	$0.00	$3,245.56	$19.15	$3,264.72
Painting - Stucco, 8 Year Cycle	$200,594.53	$1,474.38	$125.71	$1,600.09
Sub Total	**$200,594.53**	**$4,719.94**	**$144.86**	**$4,864.80**
040 Access Control & Fencing				
Access Control - Surveillance System	$7,224.42	$35.89	$0.21	$36.10
Sub Total	**$7,224.42**	**$35.89**	**$0.21**	**$36.10**
040 Fencing & Access Control				
Access Control - Entry Intercom	$5,433.29	$14.60	$0.08	$14.68
Sub Total	**$5,433.29**	**$14.60**	**$0.08**	**$14.68**
060 Recreation				
Tennis Court - Reconstruction, Fencing	$0.00	$312.11	$1.84	$313.95
Tennis Courts - Resurfacing	$1,464.00	$35.75	$1.06	$36.81
Sub Total	**$1,464.00**	**$347.85**	**$2.90**	**$350.76**
062 Pool				
Pool - Replaster & Tile Replacement	$500.01	$234.55	$1.68	$236.23
Pool Area - Furniture	$10,323.24	$32.86	$6.21	$39.07
Sub Total	**$10,823.25**	**$267.41**	**$7.89**	**$275.30**
070 Interior				
Furniture - Interior, Replace	$0.00	$222.16	$1.31	$223.48

Seapath, Inc.

Management / Accounting Summary

Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Interior Renovation - Lobby, Lounge, & Office	$0.00	$303.01	$1.78	$304.79
Lighting - Buildings	$0.00	$261.54	$1.54	$263.08
Lighting - Site, Poles	$0.00	$90.19	$0.53	$90.72
Miscellaneous Items - Replace, Interior Accesso	$0.00	$108.79	$0.64	$109.43
Sewer and Water - Building Mains, Repairs	$12,000.00	$554.24	$3.27	$557.51
Sub Total	**$12,000.00**	**$1,539.94**	**$9.08**	**$1,549.01**
080 Exterior				
Doors - Exterior, Metal	$5,506.10	$254.31	$1.50	$255.81
Floor Cover - Epoxy Paint 2 Year Cycle, Mainten	$2,411.75	$113.20	$2.07	$115.28
Floor Cover - Epoxy Paint Install 1	$30,000.00	$0.00	$0.00	$0.00
Floor Cover - Epoxy Paint Install 2	$0.00	$1,385.61	$8.18	$1,393.78
Floor Cover - Epoxy Paint Install 3	$0.00	$698.49	$4.13	$702.62
Siding - Vinyl	$0.00	$57.28	$0.34	$57.62
Stairways - Replace, Metal, Roof	$20,000.00	$44.68	$0.26	$44.94
Window Replacement	$10,000.00	$461.87	$2.73	$464.60
Sub Total	**$67,917.84**	**$3,015.45**	**$19.20**	**$3,034.64**
090 Equipment				
Appliance - Washer and Dryers, Replace	$1,478.00	$68.26	$0.40	$68.67
Diesel Generator - Replace	$0.00	$100.53	$0.59	$101.12
Electrical Equipment Maintenance	$2,400.00	$115.40	$2.08	$117.48
Elevators - Modernization, Traction 1	$0.00	$1,731.86	$10.22	$1,742.08
Elevators - Modernization, Traction 2	$0.00	$1,527.61	$9.02	$1,536.62
Fire Control - Accessories	$0.00	$23.34	$0.13	$23.48
Fire Protection - Control Panel	$11,032.05	$29.64	$0.18	$29.82
Fire Pump - Replace	$0.00	$223.40	$1.32	$224.72
HVAC - Split System	$13,892.17	$102.11	$8.71	$110.81
HVAC - Split System, Unistrut System	$80,064.00	$214.28	$47.96	$262.24
HVAC - Wall Heaters	$1,343.28	$62.04	$0.36	$62.40
Pumps - Domestic Water, Controls	$3,040.00	$146.17	$2.64	$148.81
Pumps - Domestic Water, Full Replacement	$0.00	$147.20	$0.87	$148.07
Pumps - Pool	$3,825.00	$22.83	$2.37	$25.19
Water Heaters - Residential	$0.00	$7.05	$0.04	$7.09
Sub Total	**$117,074.50**	**$4,521.72**	**$86.89**	**$4,608.61**

Seapath, Inc.

Management / Accounting Summary

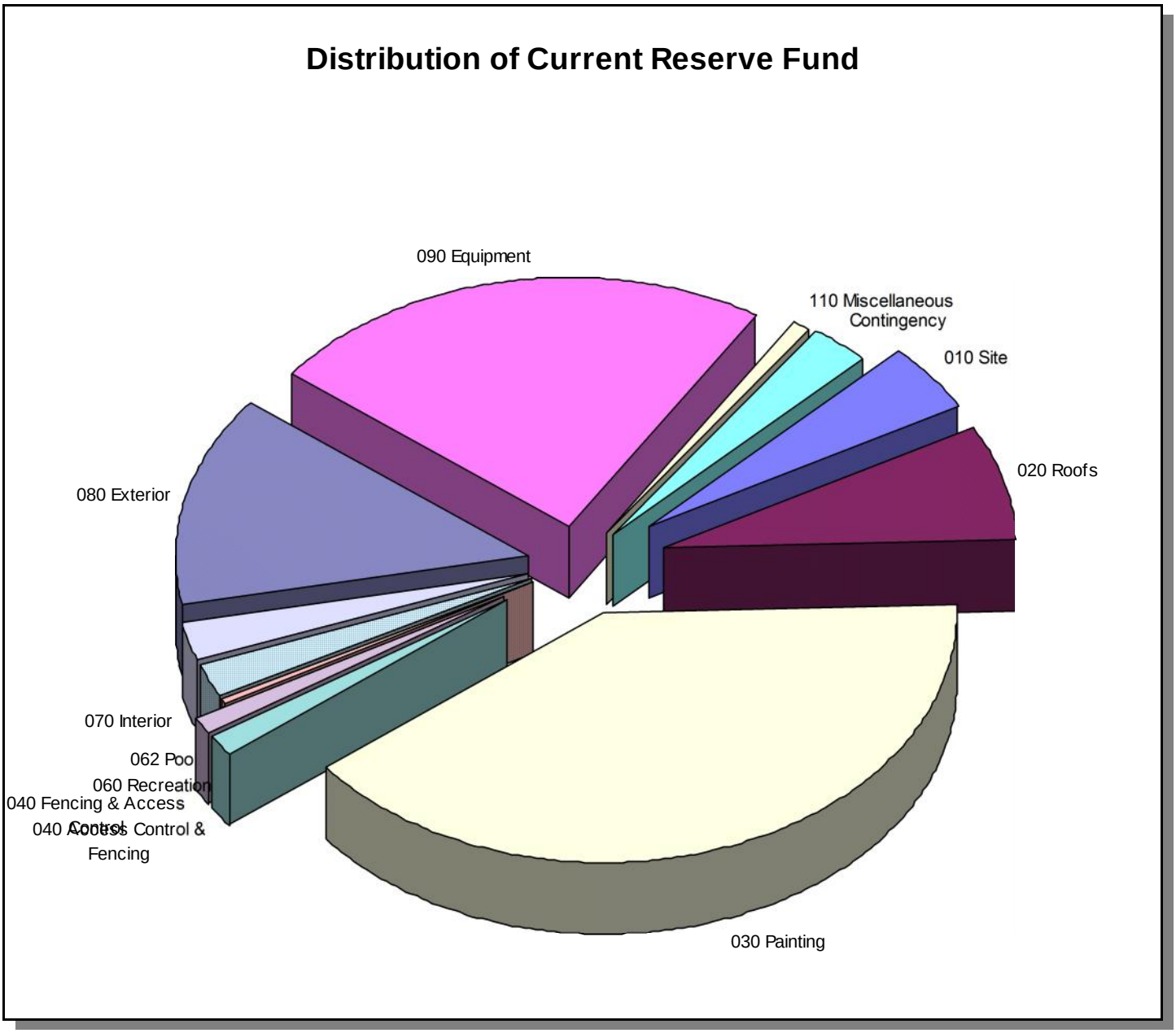
Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
110 Miscellaneous				
Equipment - Office Replace	$3,600.00	$30.65	$2.28	$32.93
EXCLUDED	$0.00	$0.00	$0.00	$0.00
Trash Chute - Replacement	$0.00	$132.87	$0.78	$133.66
Sub Total	**$3,600.00**	**$163.52**	**$3.06**	**$166.58**
Contingency	$14,563.11	$546.12	$11.72	$557.83
Total	**$500,000.00**	**$18,750.00**	**$320.05**	**$19,070.05**

Seapath, Inc.

Management / Accounting Charts

Directed Cash Flow Calculation Method; Sorted by Category

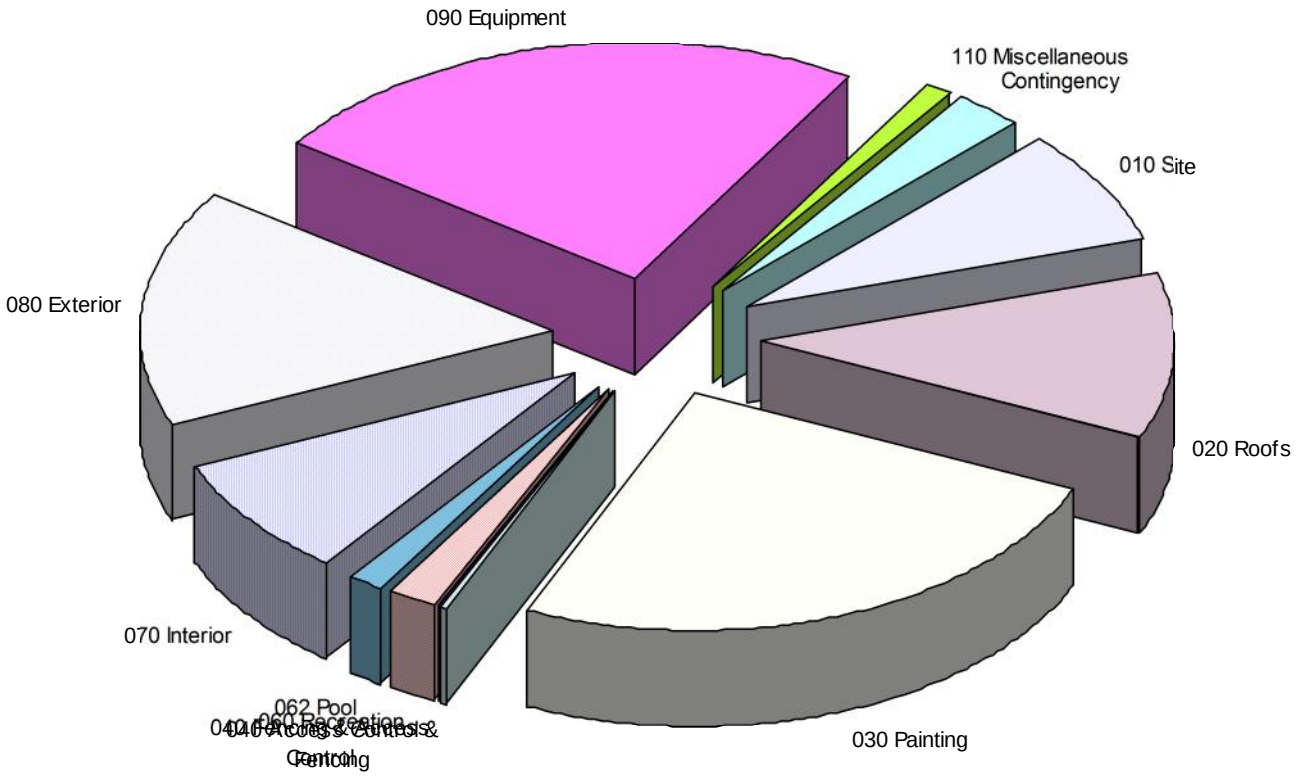


Seapath, Inc.

Management / Accounting Charts

Directed Cash Flow Calculation Method; Sorted by Category

Monthly Member Contribution



Seapath, Inc.

Annual Expenditure Detail

Sorted by Description

2019-2020 Fiscal Year	
Access Control - Entry Intercom	$5,433.29
Access Control - Surveillance System	$7,224.42
Appliance - Washer and Dryers, Replace	$1,478.00
Doors - Exterior, Metal	$5,506.10
Fire Protection - Control Panel	$11,032.05
Floor Cover - Epoxy Paint Install 1	$30,000.00
HVAC - Wall Heaters	$1,343.28
Roofs - Built Up, Paint	$24,485.00
Sewer and Water - Building Mains, Repairs	$12,000.00
Stairways - Replace, Metal, Roof	$20,000.00
Streets - Asphalt, Seal Coat	$12,502.71
Window Replacement	$10,000.00
Sub Total	**$141,004.86**
2020-2021 Fiscal Year	
Appliance - Washer and Dryers, Replace	$1,514.95
Doors - Exterior, Metal	$5,643.75
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$4,944.08
Floor Cover - Epoxy Paint Install 2	$30,750.00
HVAC - Split System	$16,273.68
HVAC - Split System, Unistrut System	$85,485.00
HVAC - Wall Heaters	$1,376.87
Landscape Refurbishment	$10,250.00
Painting - Stucco, 8 Year Cycle	$234,982.16
Pool Area - Furniture	$11,138.23
Sewer and Water - Building Mains, Repairs	$12,300.00
Window Replacement	$10,250.00
Sub Total	**$424,908.72**
2021-2022 Fiscal Year	
Appliance - Washer and Dryers, Replace	$1,552.82
Doors - Exterior, Metal	$5,784.85
Equipment - Office Replace	$5,043.00
Floor Cover - Epoxy Paint Install 3	$31,518.75
HVAC - Wall Heaters	$1,411.29
Roofs - Composition Shingle	$14,827.53
Sewer and Water - Building Mains, Repairs	$12,607.50
Window Replacement	$10,506.25

Seapath, Inc.

Annual Expenditure Detail

Sorted by Description

Sub Total	**$83,251.99**
2022-2023 Fiscal Year	
Appliance - Washer and Dryers, Replace	$1,591.64
Doors - Exterior, Metal	$5,929.47
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$5,194.37
HVAC - Wall Heaters	$1,446.57
Pumps - Pool	$5,492.14
Roofs - Built Up, Paint	$26,367.67
Sewer and Water - Building Mains, Repairs	$12,922.69
Window Replacement	$10,768.91
Sub Total	**$69,713.46**
2023-2024 Fiscal Year	
Appliance - Washer and Dryers, Replace	$1,631.44
Doors - Exterior, Metal	$6,077.70
Electrical Equipment Maintenance	$13,245.75
HVAC - Wall Heaters	$1,482.73
Pool - Replaster & Tile Replacement	$22,397.53
Pumps - Domestic Water, Controls	$16,777.96
Sewer and Water - Building Mains, Repairs	$13,245.75
Tennis Court - Reconstruction, Fencing	$29,115.23
Tennis Courts - Resurfacing	$4,847.95
Window Replacement	$11,038.13
Sub Total	**$119,860.18**
2024-2025 Fiscal Year	
Appliance - Washer and Dryers, Replace	$1,672.22
Doors - Exterior, Metal	$6,229.65
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$5,457.34
HVAC - Wall Heaters	$1,519.80
Painting - Stucco, 10 year cycle	$384,786.81
Sewer and Water - Building Mains, Repairs	$13,576.90
Sewer and Water - Site Mains, Repairs	$65,395.39
Streets - Asphalt, Seal Coat	$14,145.67
Window Replacement	$11,314.08
Sub Total	**$504,097.86**
2025-2026 Fiscal Year	
Appliance - Washer and Dryers, Replace	$1,714.03

Doors - Exterior, Metal	$6,385.39
HVAC - Wall Heaters	$1,557.80
Lighting - Site, Poles	$13,046.55
Roofs - Built Up	$249,152.13
Roofs - Built Up, Paint	$28,395.09
Sewer and Water - Building Mains, Repairs	$13,916.32
Streets - Asphalt Overlay	$100,435.86
Window Replacement	$11,596.93
Sub Total	**$426,200.10**

2026-2027 Fiscal Year

Appliance - Washer and Dryers, Replace	$1,756.88
Doors - Exterior, Metal	$6,545.02
Elevators - Modernization, Traction 1	$297,171.44
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$5,733.61
Furniture - Interior, Replace	$38,121.49
HVAC - Split System	$18,872.48
HVAC - Wall Heaters	$1,596.74
Sewer and Water - Building Mains, Repairs	$14,264.23
Water Heaters - Residential	$1,209.70
Window Replacement	$11,886.86
Sub Total	**$397,158.45**

2027-2028 Fiscal Year

Appliance - Washer and Dryers, Replace	$1,800.80
Doors - Exterior, Metal	$6,708.65
Elevators - Modernization, Traction 2	$304,600.72
HVAC - Wall Heaters	$1,636.66
Miscellaneous Items - Replace, Interior Accessories	$21,692.69
Sewer and Water - Building Mains, Repairs	$14,620.83
Window Replacement	$12,184.03
Sub Total	**$363,244.39**

2028-2029 Fiscal Year

Appliance - Washer and Dryers, Replace	$1,845.82
Doors - Exterior, Metal	$6,876.36
Electrical Equipment Maintenance	$14,986.36
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$6,023.88
HVAC - Wall Heaters	$1,677.58
Painting - Stucco, 8 Year Cycle	$286,302.95

Pumps - Domestic Water, Controls	$18,982.72
Roofs - Built Up, Paint	$30,578.41
Sewer and Water - Building Mains, Repairs	$14,986.36
Window Replacement	$12,488.63
Sub Total	**$394,749.05**

2029-2030 Fiscal Year

Access Control - Surveillance System	$9,247.87
Appliance - Washer and Dryers, Replace	$1,891.97
Doors - Exterior, Metal	$7,048.27
Equipment - Office Replace	$6,144.41
HVAC - Wall Heaters	$1,719.52
Sewer and Water - Building Mains, Repairs	$15,361.01
Streets - Asphalt, Seal Coat	$16,004.53
Tennis Courts - Resurfacing	$5,622.13
Trash Chute - Replacement	$34,242.26
Window Replacement	$12,800.85
Sub Total	**$110,082.81**

2030-2031 Fiscal Year

Appliance - Washer and Dryers, Replace	$1,939.26
Doors - Exterior, Metal	$7,224.48
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$6,328.84
HVAC - Wall Heaters	$1,762.51
Sewer and Water - Building Mains, Repairs	$15,745.04
Window Replacement	$13,120.87
Sub Total	**$46,120.99**

2031-2032 Fiscal Year

Appliance - Washer and Dryers, Replace	$1,987.75
Doors - Exterior, Metal	$7,405.09
HVAC - Wall Heaters	$1,806.57
Pumps - Domestic Water, Full Replacement	$47,071.11
Roofs - Built Up, Paint	$32,929.60
Sewer and Water - Building Mains, Repairs	$16,138.67
Window Replacement	$13,448.89
Sub Total	**$120,787.67**

2032-2033 Fiscal Year

Appliance - Washer and Dryers, Replace	$2,037.44

Doors - Exterior, Metal	$7,590.22
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$6,649.23
HVAC - Split System	$21,886.29
HVAC - Wall Heaters	$1,851.73
Sewer and Water - Building Mains, Repairs	$16,542.13
Window Replacement	$13,785.11
Sub Total	**$70,342.16**

2033-2034 Fiscal Year

Appliance - Washer and Dryers, Replace	$2,088.38
Doors - Exterior, Metal	$7,779.97
Electrical Equipment Maintenance	$16,955.69
HVAC - Wall Heaters	$1,898.03
Pumps - Domestic Water, Controls	$21,477.20
Sewer and Water - Building Mains, Repairs	$16,955.69
Window Replacement	$14,129.74
Sub Total	**$81,284.69**

2034-2035 Fiscal Year

Appliance - Washer and Dryers, Replace	$2,140.58
Doors - Exterior, Metal	$7,974.47
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$6,985.85
HVAC - Wall Heaters	$1,945.48
Lighting - Buildings	$109,940.31
Miscelleous Site - Replace	$13,825.11
Painting - Stucco, 10 year cycle	$492,559.65
Pumps - Pool	$7,386.32
Roofs - Built Up, Paint	$35,461.58
Sewer and Water - Building Mains, Repairs	$17,379.58
Streets - Asphalt, Seal Coat	$18,107.65
Window Replacement	$14,482.98
Sub Total	**$728,189.56**

2035-2036 Fiscal Year

Appliance - Washer and Dryers, Replace	$2,194.10
Doors - Exterior, Metal	$8,173.84
Fire Control - Accessories	$10,643.91
HVAC - Wall Heaters	$1,994.11
Landscape Refurbishment	$14,845.06
Pool - Replaster & Tile Replacement	$30,122.19

Sewer and Water - Building Mains, Repairs	$17,814.07
Tennis Courts - Resurfacing	$6,519.95
Window Replacement	$14,845.06
Sub Total	**$107,152.27**

2036-2037 Fiscal Year

Appliance - Washer and Dryers, Replace	$2,248.95
Doors - Exterior, Metal	$8,378.18
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$7,339.51
HVAC - Wall Heaters	$2,043.97
Interior Renovation - Lobby, Lounge, & Office	$149,300.85
Painting - Stucco, 8 Year Cycle	$348,832.34
Sewer and Water - Building Mains, Repairs	$18,259.42
Window Replacement	$15,216.18
Sub Total	**$551,619.40**

2037-2038 Fiscal Year

Appliance - Washer and Dryers, Replace	$2,305.18
Doors - Exterior, Metal	$8,587.64
Equipment - Office Replace	$7,486.36
HVAC - Wall Heaters	$2,095.06
Roofs - Built Up, Paint	$38,188.24
Sewer and Water - Building Mains, Repairs	$18,715.90
Siding - Vinyl	$30,393.15
Window Replacement	$15,596.59
Sub Total	**$123,368.12**

2038-2039 Fiscal Year

Appliance - Washer and Dryers, Replace	$2,362.81
Doors - Exterior, Metal	$8,802.33
Electrical Equipment Maintenance	$19,183.80
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$7,711.07
Furniture - Interior, Replace	$51,269.17
HVAC - Split System	$25,381.39
HVAC - Wall Heaters	$2,147.44
Pumps - Domestic Water, Controls	$24,299.48
Sewer and Water - Building Mains, Repairs	$19,183.80
Window Replacement	$15,986.50
Sub Total	**$176,327.79**

Seapath, Inc.

Annual Expenditure Detail

Sorted by Description

2039-2040 Fiscal Year	
Access Control - Entry Intercom	$8,903.08
Access Control - Surveillance System	$11,838.05
Appliance - Washer and Dryers, Replace	$2,421.88
Doors - Exterior, Metal	$9,022.38
Fire Protection - Control Panel	$18,077.31
HVAC - Wall Heaters	$2,201.13
Sewer and Water - Building Mains, Repairs	$19,663.40
Streets - Asphalt, Seal Coat	$20,487.15
Window Replacement	$16,386.16
Sub Total	**$109,000.53**
2040-2041 Fiscal Year	
Appliance - Washer and Dryers, Replace	$2,482.42
Doors - Exterior, Metal	$9,247.94
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$8,101.45
HVAC - Wall Heaters	$2,256.16
Pool Area - Furniture	$18,251.29
Roofs - Built Up, Paint	$41,124.56
Sewer and Water - Building Mains, Repairs	$20,154.98
Water Heaters - Residential	$1,709.28
Window Replacement	$16,795.82
Sub Total	**$120,123.90**
2041-2042 Fiscal Year	
Appliance - Washer and Dryers, Replace	$2,544.48
Doors - Exterior, Metal	$9,479.14
HVAC - Wall Heaters	$2,312.56
Roofs - Composition Shingle	$24,296.64
Sewer and Water - Building Mains, Repairs	$20,658.86
Tennis Courts - Resurfacing	$7,561.14
Window Replacement	$17,215.71
Sub Total	**$84,068.54**
2042-2043 Fiscal Year	
Appliance - Washer and Dryers, Replace	$2,608.09
Doors - Exterior, Metal	$9,716.12
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$8,511.58
HVAC - Wall Heaters	$2,370.37
Sewer and Water - Building Mains, Repairs	$21,175.33

Seapath, Inc.

Annual Expenditure Detail

Sorted by Description

Window Replacement	$17,646.11
Sub Total	**$62,027.61**
2043-2044 Fiscal Year	
Appliance - Washer and Dryers, Replace	$2,673.30
Doors - Exterior, Metal	$9,959.02
Electrical Equipment Maintenance	$21,704.71
HVAC - Wall Heaters	$2,429.63
Pumps - Domestic Water, Controls	$27,492.63
Roofs - Built Up, Paint	$44,286.65
Sewer and Water - Building Mains, Repairs	$21,704.71
Window Replacement	$18,087.26
Sub Total	**$148,337.93**
2044-2045 Fiscal Year	
Appliance - Washer and Dryers, Replace	$2,740.13
Diesel Generator - Replace	$83,427.48
Doors - Exterior, Metal	$10,208.00
Fire Pump - Replace	$185,394.41
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$8,942.48
HVAC - Split System	$29,434.63
HVAC - Wall Heaters	$2,490.37
Painting - Stucco, 10 year cycle	$630,517.99
Painting - Stucco, 8 Year Cycle	$425,018.33
Sewer and Water - Building Mains, Repairs	$22,247.33
Stairways - Replace, Metal, Roof	$37,078.88
Streets - Asphalt, Seal Coat	$23,179.33
Window Replacement	$18,539.44
Sub Total	**$1,479,218.81**
2045-2046 Fiscal Year	
Appliance - Washer and Dryers, Replace	$2,808.63
Doors - Exterior, Metal	$10,463.20
Equipment - Office Replace	$9,121.41
HVAC - Split System, Unistrut System	$158,484.41
HVAC - Wall Heaters	$2,552.63
Sewer and Water - Building Mains, Repairs	$22,803.51
Streets - Asphalt Overlay	$164,575.86
Window Replacement	$19,002.93

Sub Total	**$389,812.58**
2046-2047 Fiscal Year	
Appliance - Washer and Dryers, Replace	$2,878.85
Doors - Exterior, Metal	$10,724.78
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$9,395.19
HVAC - Wall Heaters	$2,616.45
Pumps - Pool	$9,933.78
Roofs - Built Up, Paint	$47,691.88
Sewer and Water - Building Mains, Repairs	$23,373.60
Window Replacement	$19,478.00
Sub Total	**$126,092.54**
2047-2048 Fiscal Year	
Appliance - Washer and Dryers, Replace	$2,950.82
Doors - Exterior, Metal	$10,992.90
HVAC - Wall Heaters	$2,681.86
Pool - Replaster & Tile Replacement	$40,511.00
Sewer and Water - Building Mains, Repairs	$23,957.94
Tennis Courts - Resurfacing	$8,768.61
Window Replacement	$19,964.95
Sub Total	**$109,828.08**
2048-2049 Fiscal Year	
Appliance - Washer and Dryers, Replace	$3,024.59
Doors - Exterior, Metal	$11,267.72
Electrical Equipment Maintenance	$24,556.89
Floor Cover - Epoxy Paint 2 Year Cycle, Maintenance	$9,870.83
HVAC - Wall Heaters	$2,748.91
Pumps - Domestic Water, Controls	$31,105.39
Sewer and Water - Building Mains, Repairs	$24,556.89
Tennis Court - Reconstruction, Fencing	$53,978.01
Window Replacement	$20,464.07
Sub Total	**$181,573.29**

Seapath, Inc.

Projections

Directed Cash Flow Calculation Method

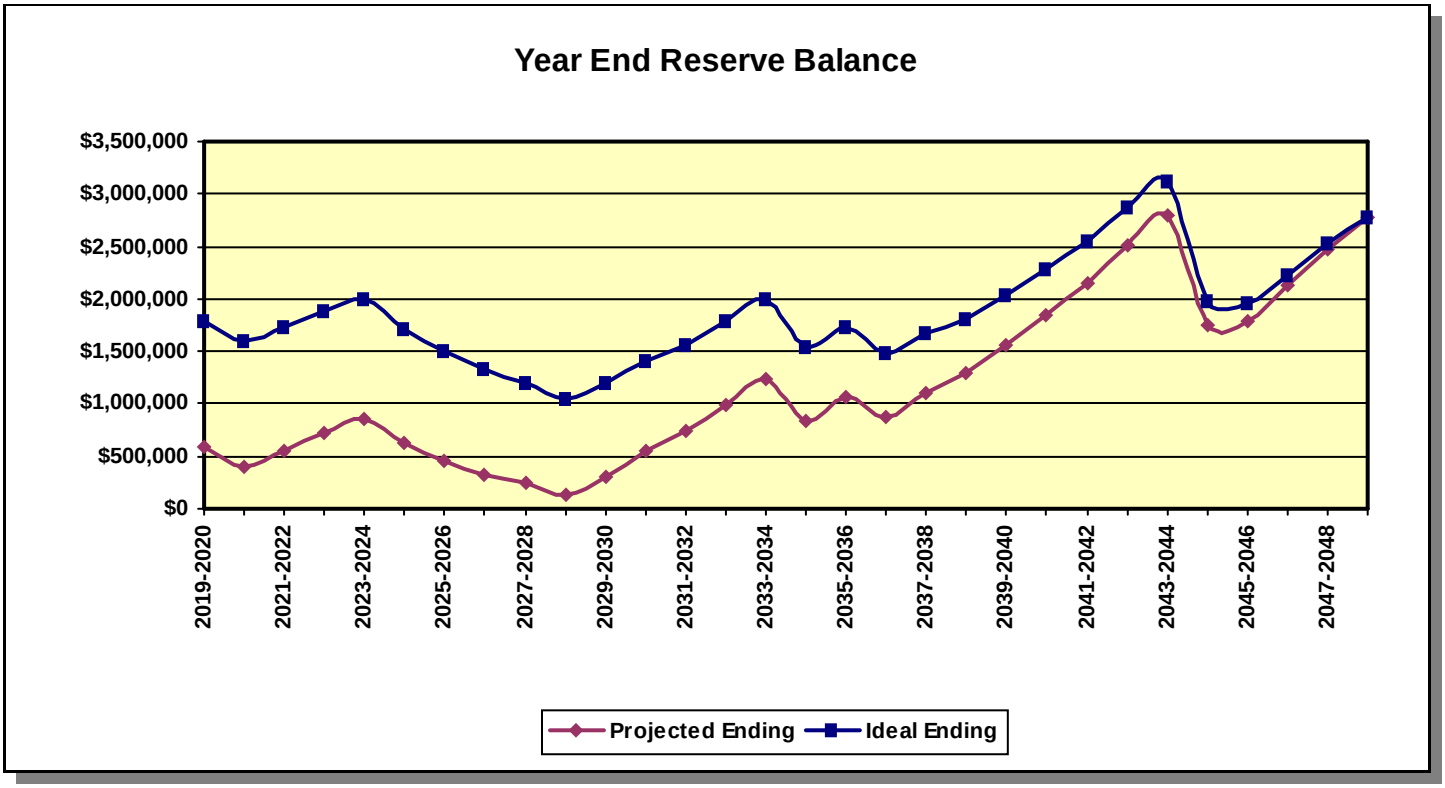
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2019-2020	$500,000	$225,000	$3,841	$141,005	$587,836	$1,783,848	33%
2020-2021	$587,836	$230,625	$2,232	$424,909	$395,784	$1,589,924	25%
2021-2022	$395,784	$236,391	$3,498	$83,252	$552,420	$1,723,990	32%
2022-2023	$552,420	$242,300	$4,935	$69,713	$729,942	$1,880,255	39%
2023-2024	$729,942	$248,358	$6,017	$119,860	$864,457	$1,992,701	43%
2024-2025	$864,457	$254,567	$3,964	$504,098	$618,890	$1,707,098	36%
2025-2026	$618,890	$260,931	$2,595	$426,200	$456,216	$1,502,575	30%
2026-2027	$456,216	$267,454	$1,509	$397,158	$328,020	$1,333,094	25%
2027-2028	$328,020	$274,141	$750	$363,244	$239,666	$1,205,138	20%
2028-2029	$239,666	$280,994	($220)	$394,749	$125,691	$1,046,278	12%
2029-2030	$125,691	$288,019	$1,226	$110,083	$304,853	$1,189,677	26%
2030-2031	$304,853	$295,219	$3,274	$46,121	$557,226	$1,410,026	40%
2031-2032	$557,226	$302,600	$4,780	$120,788	$743,818	$1,563,036	48%
2032-2033	$743,818	$310,165	$6,779	$70,342	$990,420	$1,779,261	56%
2033-2034	$990,420	$317,919	$8,768	$81,285	$1,235,822	$1,995,625	62%
2034-2035	$1,235,822	$325,867	$5,460	$728,190	$838,959	$1,540,870	54%
2035-2036	$838,959	$334,014	$7,355	$107,152	$1,073,175	$1,737,010	62%
2036-2037	$1,073,175	$342,364	$5,639	$551,619	$869,559	$1,475,576	59%
2037-2038	$869,559	$350,923	$7,539	$123,368	$1,104,652	$1,666,670	66%
2038-2039	$1,104,652	$359,696	$9,086	$176,328	$1,297,107	$1,813,741	72%
2039-2040	$1,297,107	$368,689	$11,280	$109,001	$1,568,075	$2,042,858	77%
2040-2041	$1,568,075	$377,906	$13,475	$120,124	$1,839,333	$2,273,431	81%
2041-2042	$1,839,333	$387,354	$16,066	$84,069	$2,158,684	$2,555,492	84%
2042-2043	$2,158,684	$397,037	$18,941	$62,028	$2,512,635	$2,875,724	87%
2043-2044	$2,512,635	$406,963	$21,204	$148,338	$2,792,464	$3,120,885	89%
2044-2045	$2,792,464	$417,137	$12,505	$1,479,219	$1,742,887	$1,975,344	88%
2045-2046	$1,742,887	$427,566	$12,876	$389,813	$1,793,516	$1,959,759	92%
2046-2047	$1,793,516	$438,255	$15,530	$126,093	$2,121,208	$2,230,871	95%
2047-2048	$2,121,208	$449,211	$18,431	$109,828	$2,479,022	$2,534,813	98%
2048-2049	$2,479,022	$460,442	$20,852	$181,573	$2,778,742	$2,779,711	100%

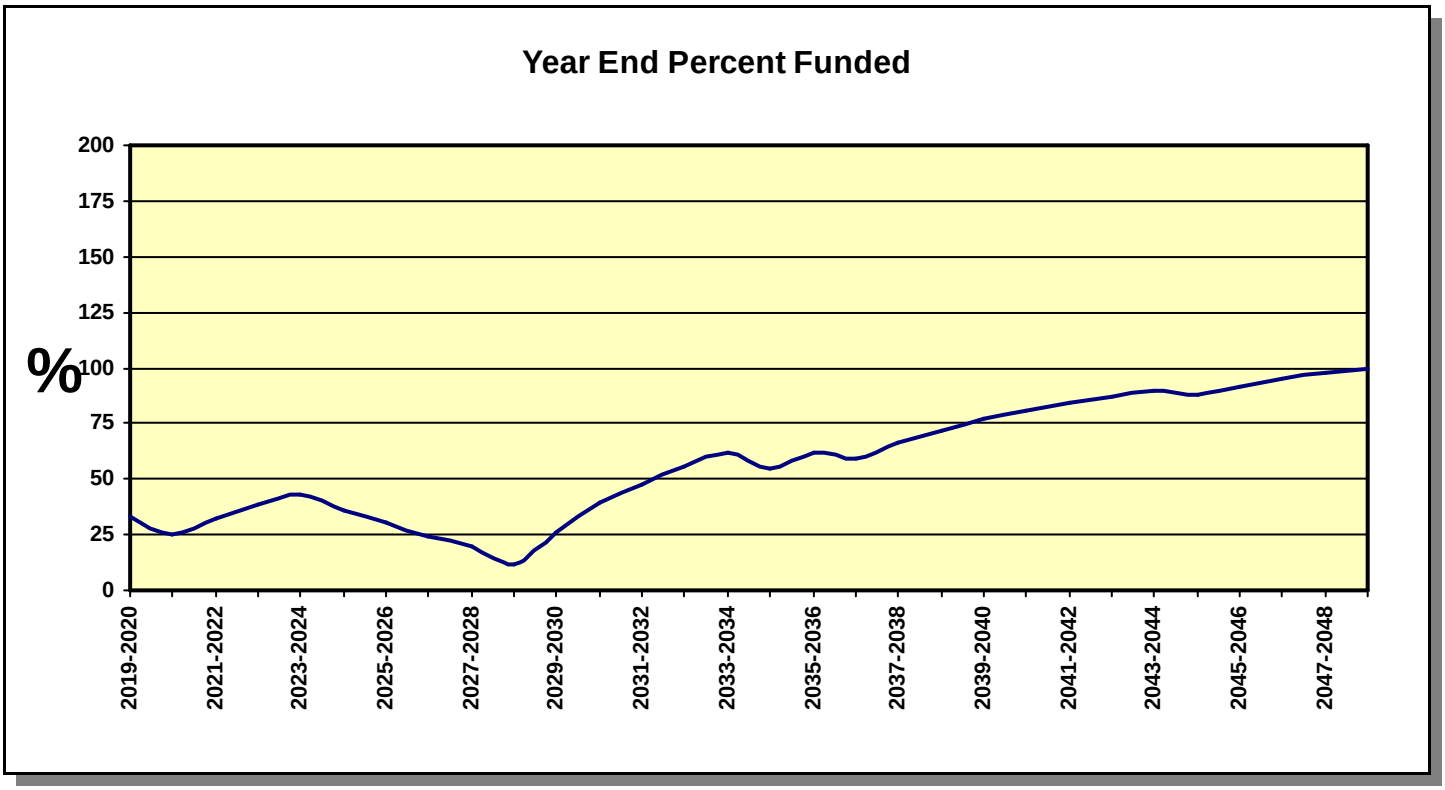
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Seapath, Inc.

Projection Charts

Directed Cash Flow Calculation Method

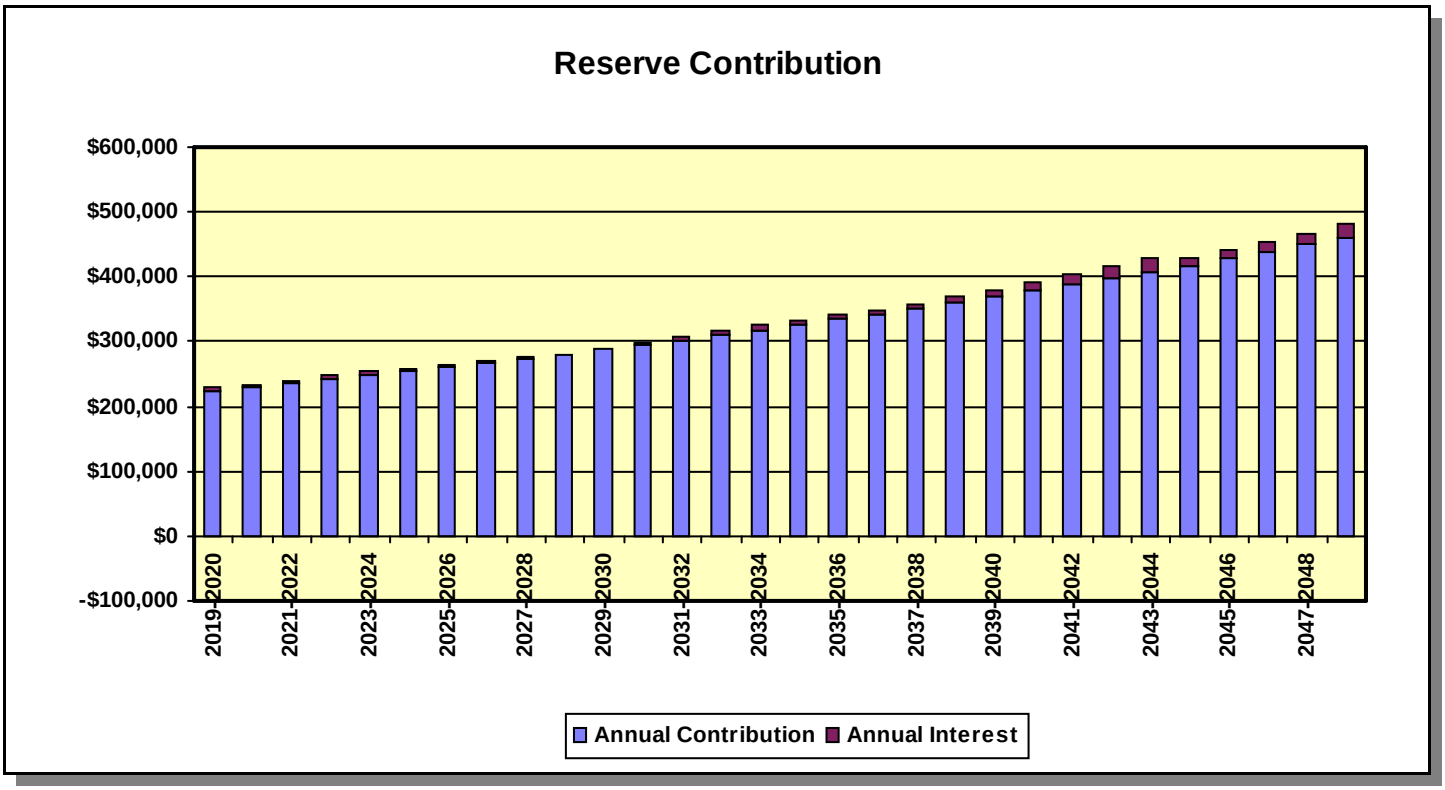


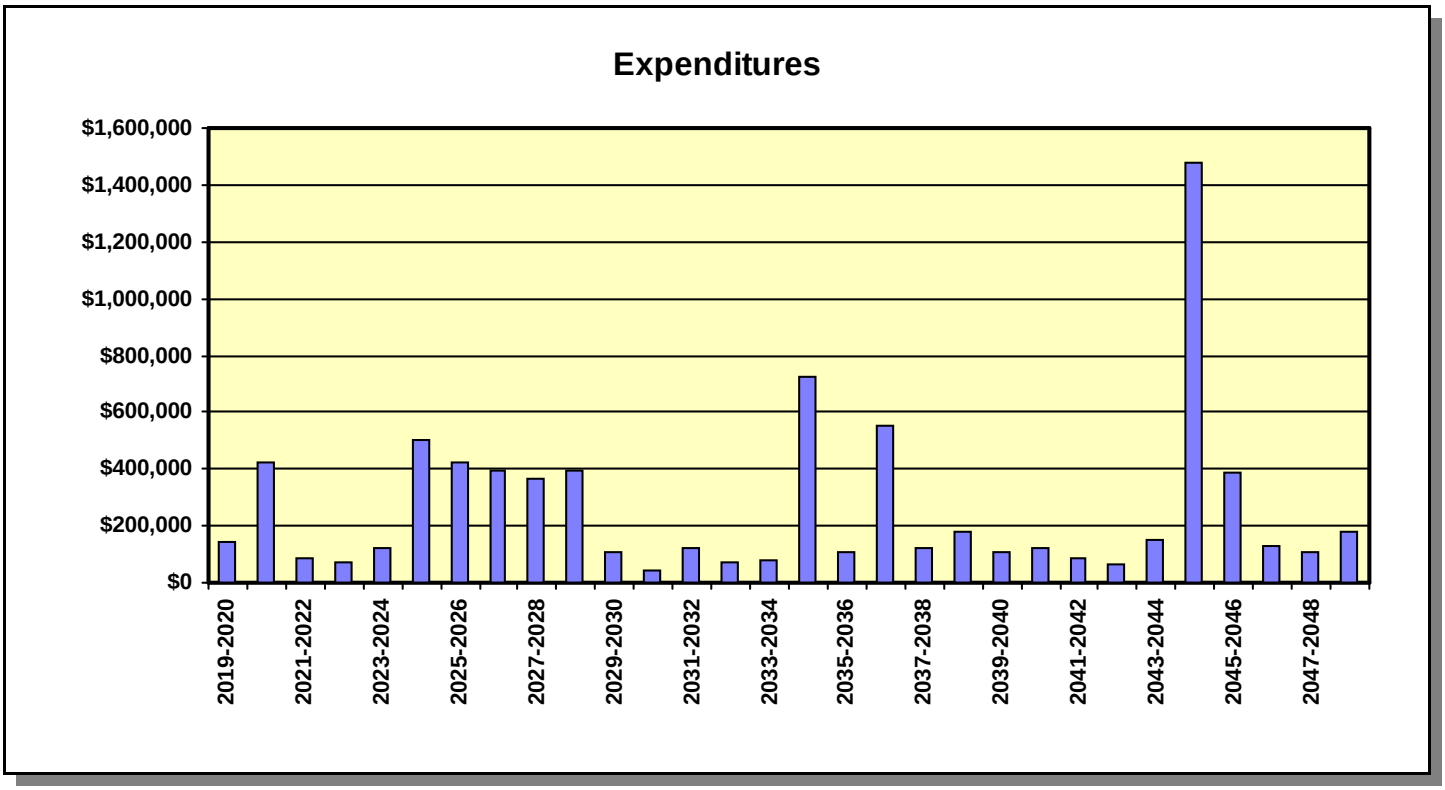


Seapath, Inc.

Projection Charts

Directed Cash Flow Calculation Method





Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Landscape Refurbishment

Category	010 Site	Quantity	1 total
		Unit Cost	$10,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	05/05	Future Cost	$10,250.00
Useful Life	15		
		Assigned Reserves at FYB	$9,333.33
Remaining Life	1	Monthly Member Contribution	$37.81
Replacement Year	2020-2021	Monthly Interest Contribution	$5.67
		Total Monthly Contribution	$43.48

Comments:

At least some information including but not limited to cost, useful life, or placed in service date regarding this component was provided by client, client's representative, or client's vendor.

Miscelleous Site - Replace

Category	010 Site	Quantity	1 total
		Unit Cost	$9,545.760
		% of Replacement	100.00%
		Current Cost	$9,545.76
Placed In Service	05/09	Future Cost	$13,825.11
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	15	Monthly Member Contribution	$32.89
Replacement Year	2034-2035	Monthly Interest Contribution	$0.19
		Total Monthly Contribution	$33.08

Comments:

500 gallon double wall diesel tank.
Gates located in perimeter site wall.

Date placed in service reflects age of diesel tank. Other items are significantly older.

1	- 500 gallon double wall diesel tank	@	$2,700.00	=	$2,700.00
31	lin. ft. solid board vinyl gate(s), 6' high	@	$136.96	=	$4,245.76
1	flagpole	@	$2,600.00	=	$2,600.00
			TOTAL	=	$9,545.76

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Sewer and Water - Site Mains, Repairs

Category	010 Site	Quantity	1 total
		Unit Cost	$57,800.000
		% of Replacement	100.00%
		Current Cost	$57,800.00
Placed In Service	05/74	Future Cost	$65,395.39
Useful Life	50		
		Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$551.59
Replacement Year	2024-2025	Monthly Interest Contribution	$3.26
		Total Monthly Contribution	$554.85

Comments:

Most of the sewer line was relined with an epoxy pipe in 2017 and is not included in calculations since it should last roughly 50 years. A small section still remains to be epoxied.

The water line is currently performing adequately, but may fail suddenly. The replacement date does not indicate that this item must be replaced, but rather that funds should be set aside available for when this item does fail. Per client, responsibility is from the water meter, roughly 50 feet outside the building, and roughly 100 additional feet from service room to main building.

50	lin. ft. of sewer mains, epoxy liner	@	$580.00	=	$29,000.00
150	lin. ft. water mains	@	$192.00	=	$28,800.00
			TOTAL	=	$57,800.00

This asset is partially or fully, buried or concealed. Since a reserve analysis includes a visual observation only it is impossible to accurately identify, measure or quantify, estimated useful life or cost for any assets that are partially or fully concealed or buried. Although these items may be included in the reserve analysis, Reserve Professionals is not responsible for any discrepancies that may exist between the study and actual conditions or responsible for an omission of such item.

Streets - Asphalt Overlay

Category	010 Site	Quantity	5,709 sq. yds.
		Unit Cost	$15.170
		% of Replacement	100.00%
		Current Cost	$86,605.53
Placed In Service	05/00	Future Cost	$100,435.86
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$694.33
Replacement Year	2025-2026	Monthly Interest Contribution	$4.10
		Total Monthly Contribution	$698.43

Comments:

Seapath tower shares replacement of road. Significant amount of cracking. Seal coat has peeled off much of the road already. Squeeling of tires was heard frequently indicating a lack of fine aggregates. Quantities of entry road is 1/2 total since cost is shared with single family homes.

It is assumed that a 4' width of milling will be performed along the length of curb not entire surface.

The useful life cycle and/or remaining life has been extended due to financial condition of the client.

parking	5,237	sq. yds.
entry drive	472	sq. yds.
	5,709	sq. yds.

Most asphalt surfaces can be expected to last approximately 20 to 25 years before it will become necessary for an overlay to be applied. There is a separate component listed- Streets - Asphalt Repairs which is scheduled to occur at the halfway mark of the overlay life and in conjunction with the overlay. Please review both components in conjunction.

Deflection testing should be conducted by an independent consultant near the end of the estimated useful life to determine the condition of the asphalt and to determine if major rehabilitation is required. In addition to deflection testing, a consultant should be able to provide specifications, and testing to confirm actual installation meets the specifications. As costs vary, a provision for this consulting has not been included in this cost estimate. Should the client request, this cost can be incorporated into this analysis.

If properly built, the road or parking lot deteriorates from the top down, which only requires the replacement of a thin layer of asphalt, or preferably the application of a thin wearing layer on top of the existing asphalt. The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire roadway, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life. According to a 2008 study by the National Asphalt Pavement Association (NAPA), thin overlays were more cost-effective options over a roadway's expected service life than chip seal, slurry seal and micro-surfacing.

Repairs and milling should be performed first. Adjusting manhole and valve covers should be performed at the same time. After the road or parking lot has been swept mechanically, a tack coat will be applied. If not properly maintained, the nozzles that spray the tack coat can become clogged, resulting in a poor application. Loose asphalt will be trucked in. Trucks leaving the area will create asphalt tracks outside the work area. This can't be helped and will soon fade. The asphalt temperature should be between 270 and 325 degrees Fahrenheit and should be tested at the site. The distance

from the plant and weather, including wind, humidity and temperature can significantly affect this temperature, and if the driver stops to pick up some food the asphalt may need to be rejected. The proper temperature ensures enough time for the loose asphalt to be compacted sufficiently. Insufficient compaction will cause the newly placed wearing layer to quickly fail. The ground and existing asphalt temperature can also cool the asphalt

It is important to remember that over the last few years, the petroleum market has become much more volatile and price for liquid asphalt have seen exceptional jumps in very short periods of time. A reserve study can account for historical inflation, but can not predict future oil prices.

Streets - Asphalt, Seal Coat

Category	010 Site	Quantity	5,709 sq. yds.
		Unit Cost	$2.190
		% of Replacement	100.00%
		Current Cost	$12,502.71
Placed In Service	05/13	Future Cost	$14,145.67
Useful Life	5		
Adjustment	+1	Assigned Reserves at FYB	$12,502.71
Remaining Life	0	Monthly Member Contribution	$119.31
Replacement Year	2019-2020	Monthly Interest Contribution	$0.71
		Total Monthly Contribution	$120.02

Comments:

Seapath Estates Drive is also included since it has been previously sealed. Unless lower driving speeds can be followed sealing of roads is frequently ineffective since higher speeds tends to peel the protective surface away.

The 2nd seal coat should be delayed if the road and parking lot are repaved.

parking	5,237	sq. yds.
entry drive	472	sq. yds.
	5,709	sq. yds.

The primary reason to sealcoat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize. The pavement turns brittle. The sealcoat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material.

Without regular applications of a seal coat, an asphalt parking lot might need an overlay in 15 years. If the lot is regularly sealed, a parking lot can last as much as 25-30 years, perhaps longer.

Seal coats should be installed on warm sunny day with low humidity with a minimum of 50 degrees Fahrenheit and rising. The seal coat should not be applied during wet conditions or within 8 hours of anticipated rain. Streets must be thoroughly cleaned; organic material removed, loose asphalt removed and voids and cracks repaired. Oil or grease also damage asphalt and such areas should be cleaned thoroughly and treated with an oil spot primer prior to sealer application. A minimum of 8 hours of sunlight is required for complete curing and before traffic is allowed.

Proper drainage is vital for the longevity of the road. Standing water can seep through the asphalt and get into the subbase and subgrade below, significantly weakening the structural integrity of the road and causing premature failure.

Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is highly recommended. Greying of recently applied sealcoating may indicate poor product, that the outdoor temperature was not warm enough at the time of application, or simply that seal coat was exposed to water before it had cured.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Roofs - Built Up

Category	020 Roofs	Quantity	1 total
		Unit Cost	$214,843.100
		% of Replacement	100.00%
		Current Cost	$214,843.10
Placed In Service	05/95	Future Cost	$249,152.13
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$1,722.42
Replacement Year	2025-2026	Monthly Interest Contribution	$10.16
		Total Monthly Contribution	$1,732.59

Comments:

Rain occurrence the morning of site vist. Significant evidence of standing water. There are believed to be only 3 drains to drain the entire roof, which maybe insufficient. There are no overflow drains, which are typically required for new buildings. Several scuppers could be found along the parapet, but are most likely insufficient. An allowance for additional insulation has been included to replace any wet insulation and also to help create positive drainage.

Several large blisters were found. Unistrut system will need to be replaced soon.

12,990	sq. ft. of roofing	@	$10.69	=	$138,863.10
1	allowance repairs	@	$25,000.00	=	$25,000.00
1	allowance code upgrades	@	$25,000.00	=	$25,000.00
12,990	sq. ft. of insulation replacement	@	$2.00	=	$25,980.00
			TOTAL	=	$214,843.10

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component. Should the client desire, a provision for a consultant can be incorporated into this analysis.

Standing water should fully evaporate within 24 hours after a rain event. Standing water can accelerate aging of the roof due to temperature differential and would require modifying the slope with insulation or adding additional drains if possible.

Most leaks occur where the roof meets the parapet, roof penetrations, and holes created by mechanical fasteners. Termination bars that secure the roofing material to the parapet and flashing should be inspected regularly. Foot traffic should be kept to a minimum. Any contractor that is required to traverse along the roof should be accompanied to prevent damage caused by carelessness.

Vigilant maintenance will help ensure the longevity of the roof since direct exposure to sunlight will cause tar or asphalt bitumen to deteriorate rapidly. Roof replacement should be considered carefully. Demolition material will need to conveyed to the ground safely, while new material will need to be brought up. Insulation and substrates should be tested for dryness and adhesion. Any exposed work at the end of the day, will need to be properly covered. Care must be taken to secure materials and packaging from being blown off the roof. All mechanical fasteners should be covered by appropriate sealant.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Before a contractor begins work, ensure that a warranty will be issued.

Roofs - Built Up, Paint

Category	020 Roofs	Quantity	1 total
		Unit Cost	$24,485.000
		% of Replacement	100.00%
		Current Cost	$24,485.00
Placed In Service	05/14	Future Cost	$26,367.67
Useful Life	3		
Adjustment	+2	Assigned Reserves at FYB	$24,485.00
Remaining Life	0	Monthly Member Contribution	$383.17
Replacement Year	2019-2020	Monthly Interest Contribution	$2.26
		Total Monthly Contribution	$385.43

Comments:

12,990	sq. ft. of roofing	@	$1.50	=	$19,485.00
1	allowance repairs	@	$5,000.00	=	$5,000.00
			TOTAL	=	$24,485.00

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component. Should the client desire, a provision for a consultant can be incorporated into this analysis.

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Before a contractor begins work, ensure that a warranty will be issued.

Roofs - Composition Shingle

Category	020 Roofs	Quantity	3,193 sq. ft.
		Unit Cost	$4.420
		% of Replacement	100.00%
		Current Cost	$14,113.06
Placed In Service	05/96	Future Cost	$14,827.53
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	$12,984.02
Remaining Life	2	Monthly Member Contribution	$36.05
Replacement Year	2021-2022	Monthly Interest Contribution	$7.79
		Total Monthly Contribution	$43.84

Comments:

Some wind damage to roof shingles found. Roof appears to be aging appropriately. Limited visual access prevented investigation of likely problem areas like the ridge line, valleys, and flashing.

maintenance building	1,736	sq. ft.
cabana	1,457	sq. ft.
	3,193	sq. ft.

Asphalt shingles contain granules which reflect the sunlight. Over time shingles lose these granules leaving the asphalt vulnerable to the sun and oxidation. Shingles will begin to dry up and lose plasticity evidenced by growing gaps between shingle tabs. Edge will curl and lift. Valleys tend to see greater granule loss due to increased water erosion.

The installation process should begin with proper fall protection. Old shingles are slippery; underlayment is notoriously slippery. Falls involve not only people, but tools and materials. Areas below work should be properly cordoned off. Demolition should include removal of old underlayment and rubber flashing. The roof should be thoroughly inspected, especially at likely problem areas. Any existing roofing nails should be removed. Sheathing should be flush. New underlayment should be installed taut to the sheathing. Roofing shingles are very frequently loaded at the peak of the roof, sometimes referred to as "breaking the bundle". This is a very poor practice, since the shingles are left bent for sometimes extended time. Even short periods of time can result in stress fractures and separations of the shingle laminates, reducing the lifespan of the shingle.

It is always advisable to tear-off an old roof and apply a new roof, rather than simply reroofing over an existing. While initially cheaper, the life expectancy of a 2 layer roof is significantly shorter, 10 - 15 years because the roof is not as efficient in cooling and because the flashing and underlayment is not replaced. Performing a tear-off also allows inspection of the sheathing or substrate. Over time, a 2 layer shingle roof is actually more expensive. Additionally, there are numerous roofs that aren't structurally sound enough to carry the additional and unnecessary weight. Lastly, shingles may not lay flat affecting the appearance.

Leaks typically occur at penetrations of the roof (common examples include chimneys, plumbing vent stacks, and exhaust fans), intersections of wall and roof, and where 2 different planes of roof meet (such as valleys). Additionally, shingles along the gable ridge are bent typically at acute angles and are much more likely to tear than at other locations where shingles typically lay flat. Rubber flashing is most commonly used for pipe penetrations. Rubber flashing will eventually dry out and crack. During a reroofing process all pipe boots should be replaced. Although more expensive, lead flashing should be considered as this should never leak or deteriorate if installed properly. Drip edge flashing, installed along the rake and fascia edges of the roof, should be installed prior to shingle installation.

Never paint or coat a roof to change the color unless approved by the manufacturer. Keep roof surfaces and gutters clean using a leaf blower on low setting or soft-bristle broom so water will drain quickly and freely. The acidity that is created as the leaves rot will shorten the life of the roofing under it. Never allow water from a downspout to pour directly onto a roof below. Keep trees trimmed so they don't rub against the roof or any other building surface. Climbing plants should not reach the roof. Remove snow or ice carefully to prevent damage to the roof. Never climb onto a wet or snow covered roof. Walking on the roof should be kept to a minimum to limit liability and to preserve the roof granules. Antennas, satellite dishes, or anchors should be noncorrosive to prevent staining. Never pressure wash the roof. Each treatment will take three years off the life of the roof.

Attic ventilation is extremely important, but not something that can be inspected during a reserve study. Home inspections performed prior to a unit being purchased will be able to provide the best evidence of ventilation conditions. Ventilation items occurring on multiple inspections may be a good indicator of a community wide problem. Ventilation prevents the warm moist air from settling against the roof rafters and underside of sheathing, which will cause rot. Proper ventilation keeps the attic plenum cool in the summer preserving the useful life of shingles. In the winter, ventilation removes the heat that has escaped past the insulation from the building, keeping the roof cool. A warm roof under snow can cause ice dams, a buildup of water that has nowhere to go except under shingles and into the sheathing and structure. Vents are typically installed along the soffit and at the peaks of a building in the form of continuous ridge vent or louvers at top of the gable sides. It is beyond the scope of a reserve study to test the adequacy of ventilation, but most experts agree that continuous ridge vents are superior. The open vent area at the peak of a roof should equal the area of open vents at the soffit. Soffit vents are frequently buried under insulation, which is sometimes visible from the ground.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Painting - Stucco, 10 year cycle

Category	030 Painting	Quantity	1 total
		Unit Cost	$340,095.470
		% of Replacement	100.00%
		Current Cost	$340,095.47
Placed In Service	05/14	Future Cost	$384,786.81
Useful Life	10		
		Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$3,245.56
Replacement Year	2024-2025	Monthly Interest Contribution	$19.15
		Total Monthly Contribution	$3,264.72

Comments:

Caulk repairs of 15% of total control joints is an allowance, which can be adjusted however the board wishes. Actual condition of control joints and caulk is unknown.

Color coated stucco can last from 10 to 15 years before it will require its first painting, as the coloring is mixed into the stucco material. Thereafter, budgeting for the painting of the stucco has been scheduled to be completed every other time the woodwork is painted. If possible coordinate with gutter and downspout replacement or repairs.

Site walls include both side of pool walls, but just 1 side of perimeter site walls.

51,072	sq. ft. north and west facing walls	@	$2.50	=	$127,680.00
7,500	sq. ft. interior parapet side	@	$1.60	=	$12,000.00
41,240	sq. ft. hallways	@	$1.60	=	$65,984.00
99,812	sq. ft. cleaning	@	$0.12	=	$11,977.44
4,991	sq. ft. of repairs (5%)	@	$19.63	=	$97,973.33
1,720	lin. ft. of caulk repairs (15%)	@	$10.00	=	$17,197.50
4,552	sq. ft. site walls	@	$1.60	=	$7,283.20
			TOTAL	=	$340,095.47

It is important for the Association to be aware that the IRS has specific rules in determining whether or not paint is considered a capital expense or is in fact part of maintenance. This is in part or wholly determined by how the association files its taxes; whether the association files an 1120 or 1120 H. Please discuss further with the association's CPA and/or attorney to ensure proper tax compliance.

Bids for paint may vary considerably since labor costs predominate. A low bid does not necessarily mean a poor paint job; the contractor may simply lack work. Since the material cost of paint is relatively small, it is our opinion that the highest quality paint the association can afford should be chosen. Higher quality paint looks better and lasts longer. Ensuring that quality caulk is used, at the best temperature, with properly prepared joints is the most critical part of the painting. It is also the most difficult to police since it is usually completed quickly, and covered up.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Painting - Stucco, 8 Year Cycle

Category	030 Painting	Quantity	1 total
		Unit Cost	$229,250.890
		% of Replacement	100.00%
		Current Cost	$229,250.89
Placed In Service	05/12	Future Cost	$234,982.16
Useful Life	8		
		Assigned Reserves at FYB	$200,594.53
Remaining Life	1	Monthly Member Contribution	$1,474.38
Replacement Year	2020-2021	Monthly Interest Contribution	$125.71
		Total Monthly Contribution	$1,600.09

Comments:

Caulk repairs of 15% of total control joints is an allowance, which can be adjusted however the board wishes. Actual condition of control joints and caulk is unknown.

At pool, paint is in poor condition in may areas. Walls are showing at least some movement and repair is necessary. Maybe indicative of larger issue.

Color coated stucco can last from 10 to 15 years before it will require its first painting, as the coloring is mixed into the stucco material. Thereafter, budgeting for the painting of the stucco has been scheduled to be completed every other time the woodwork is painted. If possible coordinate with gutter and downspout replacement or repairs.

55,860	sq. ft. south and east facing walls	@	$2.50	=	$139,650.00
55,860	sq. ft. cleaning	@	$0.12	=	$6,703.20
2,793	sq. ft. of repairs (5%)	@	$19.63	=	$54,826.59
1,720	lin. ft. of caulk repairs (15%)	@	$10.00	=	$17,197.50
4,144	sq. ft. perimeter site walls (1 side)	@	$1.60	=	$6,630.40
2,652	sq. ft. perimeter pool walls	@	$1.60	=	$4,243.20
			TOTAL	=	$229,250.89

It is important for the Association to be aware that the IRS has specific rules in determining whether or not paint is considered a capital expense or is in fact part of maintenance. This is in part or wholly determined by how the association files its taxes; whether the association files an 1120 or 1120 H. Please discuss further with the association's CPA and/or attorney to ensure proper tax compliance.

Bids for paint may vary considerably since labor costs predominate. A low bid does not necessarily mean a poor paint job; the contractor may simply lack work. Since the material cost of paint is relatively small, it is our opinion that the highest quality paint the association can afford should be chosen. Higher quality paint looks better and lasts longer. Ensuring that quality caulk is used, at the best temperature, with properly prepared joints is the most critical part of the painting. It is also the most difficult to police since it is usually completed quickly, and covered up.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Access Control - Surveillance System

Category	040 Access Control & Fencing	Quantity	1 total
		Unit Cost	$7,224.420
		% of Replacement	100.00%
		Current Cost	$7,224.42
Placed In Service	05/09	Future Cost	$9,247.87
Useful Life	10		
		Assigned Reserves at FYB	$7,224.42
Remaining Life	0	Monthly Member Contribution	$35.89
Replacement Year	2019-2020	Monthly Interest Contribution	$0.21
		Total Monthly Contribution	$36.10

Comments:

1	3 camera system	@	$5,585.92	=	$5,585.92
5	additional cameras, wall or post mount	@	$327.70	=	$1,638.50
			TOTAL	=	$7,224.42

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Access Control - Entry Intercom

Category	040 Fencing & Access Control	Quantity	1 total
		Unit Cost	$5,433.289
		% of Replacement	100.00%
		Current Cost	$5,433.29
Placed In Service	05/92	Future Cost	$8,903.08
Useful Life	20		
Adjustment	+7	Assigned Reserves at FYB	$5,433.29
Remaining Life	0	Monthly Member Contribution	$14.60
Replacement Year	2019-2020	Monthly Interest Contribution	$0.08
		Total Monthly Contribution	$14.68

Comments:

This item is currently performing adequately, but may fail suddenly. The replacement date does not indicate that this item must be replaced, but rather that funds should be set aside available for when this item does fail.

1	intercom, master station	@	$3,651.53	=	$3,651.53
1	amplifier or power supply	@	$1,079.54	=	$1,079.54
1	speaker & microphone	@	$353.92	=	$353.92
1	door release	@	$348.30	=	$348.30
			TOTAL	=	$5,433.29

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Tennis Court - Reconstruction, Fencing

Category	060 Recreation	Quantity	1 total
		Unit Cost	$26,376.960
		% of Replacement	100.00%
		Current Cost	$26,376.96
Placed In Service	05/78	Future Cost	$29,115.23
Useful Life	25		
Adjustment	+20	Assigned Reserves at FYB	$0.00
Remaining Life	4	Monthly Member Contribution	$312.11
Replacement Year	2023-2024	Monthly Interest Contribution	$1.84
		Total Monthly Contribution	$313.95

Comments:

Fencing is in poor condition. Normally the reconstruction of court and fencing replacement would happen at the same time, but the court appears to be in fair shape and can be rebuilt at a later date.

323	lin. ft. of 10' fencing	@	$80.64	=	$26,046.72
1	gate w/ hardware	@	$330.24	=	$330.24
			TOTAL	=	$26,376.96

Tennis Courts - Resurfacing

Category	060 Recreation	Quantity	1 total
		Unit Cost	$4,392.000
		% of Replacement	100.00%
		Current Cost	$4,392.00
Placed In Service	05/17	Future Cost	$4,847.95
Useful Life	6		
		Assigned Reserves at FYB	$1,464.00
Remaining Life	4	Monthly Member Contribution	$35.75
Replacement Year	2023-2024	Monthly Interest Contribution	$1.06
		Total Monthly Contribution	$36.81

Comments:

7,200	- 2 color coats allowance crack repair	@	$0.61	=	$4,392.00
			TOTAL	=	$4,392.00

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool - Replaster & Tile Replacement

Category	062 Pool	Quantity	1 pool
		Unit Cost	$20,291.060
		% of Replacement	100.00%
		Current Cost	$20,291.06
Placed In Service	05/11	Future Cost	$22,397.53
Useful Life	12		
		Assigned Reserves at FYB	$500.01
Remaining Life	4	Monthly Member Contribution	$234.55
Replacement Year	2023-2024	Monthly Interest Contribution	$1.68
		Total Monthly Contribution	$236.23

Comments:

Surface condition could not be verified. Pool is located where the sea wall reinforcement system should be located. Pool should be monitored to potential issues with seawall movement.

Cost assumes that tile will be saved if possible and has provided for an allowance for 10% of tile replacement has been included. Cost is for white plaster. For quartz plaster unit cost is 25% more.

1,674	sq. ft. of replastering	@	$10.60	=	$17,744.40
14	lin. ft. of waterline tile (10%)	@	$49.00	=	$695.80
18	lin. ft. coping tile (10%)	@	$46.30	=	$842.66
142	lin. ft. caulking pool perimeter	@	$7.10	=	$1,008.20
			TOTAL	=	$20,291.06

Useful life of plaster is directly dependent on quality of maintenance and careful calibration of chemicals. Care should be taken to provide sufficient calcium to pool water to prevent the pool from eating tile grout. Replace any hollow sounding tile at time of replaster.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Area - Furniture

Category	062 Pool	Quantity	1 total
		Unit Cost	$10,866.570
		% of Replacement	100.00%
		Current Cost	$10,866.57
Placed In Service	05/00	Future Cost	$11,138.23
Useful Life	20		
		Assigned Reserves at FYB	$10,323.24
Remaining Life	1	Monthly Member Contribution	$32.86
Replacement Year	2020-2021	Monthly Interest Contribution	$6.21
		Total Monthly Contribution	$39.07

Comments:

Strapping is in poor condition. Finish is in fair condition. Quantities since original study may have changed, however quantity is used as basis for an allowance.

21	chaise lounges w/o arms	@	$340.97	=	$7,160.37
8	dining chairs	@	$264.28	=	$2,114.24
2	dining tables	@	$455.02	=	$910.04
4	tea tables	@	$170.48	=	$681.92
			TOTAL	=	$10,866.57

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Furniture - Interior, Replace

Category	070 Interior	Quantity	1 total
		Unit Cost	$64,140.570
		% of Replacement	50.00%
		Current Cost	$32,070.29
Placed In Service	05/14	Future Cost	$38,121.49
Useful Life	12		
		Assigned Reserves at FYB	$0.00
Remaining Life	7	Monthly Member Contribution	$222.16
Replacement Year	2026-2027	Monthly Interest Contribution	$1.31
		Total Monthly Contribution	$223.48

Comments:

Furniture pricing are allowances. It is assumed that furntiure replacement may not match existing. 1/2 the furniture is scheduled to be replaced with the renovation, the other half to be replaced halfway in between. We can adjust the schedule to fit closer to how residents use furniture.

Schedule for replacement is influenced by aesthetics and can vary significantly between communities or board member's opinions.

	LOUNGE AND LOBBY				
1	coffee table(s)	@	$1,187.24	=	$1,187.24
8	side table(s)	@	$1,688.40	=	$13,507.20
7	arm chair(s)	@	$536.00	=	$3,752.00
6	upholstered chair(s)	@	$1,401.86	=	$8,411.16
0	side chair(s)				
2	sofa(s), upholstered, average	@	$1,697.78	=	$3,395.56
1	ottoman(s)	@	$996.96	=	$996.96
1	allowance book case and credenza	@	$4,460.45	=	$4,460.45
1	table(s), dining	@	$1,250.00	=	$1,250.00
1	serving table	@	$2,600.00	=	$2,600.00
1	conference table	@	$3,600.00	=	$3,600.00
8	conference chairs	@	$685.00	=	$5,480.00
1	decorator package	@	$5,500.00	=	$5,500.00
1	allowance, office furniture	@	$5,500.00	=	$5,500.00
1	allowance, club room	@	$4,500.00	=	$4,500.00
			TOTAL	=	$64,140.57

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Interior Renovation - Lobby, Lounge, & Office

Category	070 Interior	Quantity	1 total
		Unit Cost	$98,119.778
		% of Replacement	100.00%
		Current Cost	$98,119.78
Placed In Service	05/14	Future Cost	$149,300.85
Useful Life	22		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$303.01
Replacement Year	2036-2037	Monthly Interest Contribution	$1.78
		Total Monthly Contribution	$304.79

Comments:

Finishes include enntry hallway, mail hall, office, lounge, lobby and restrooms. Restroom trims are listed separately.

2,909	sq. ft. of Acoustical Tile	@	$1.98	=	$5,771.46
40	sq. yds. of Carpet	@	$49.61	=	$1,984.51
2,669	sq. ft. of Ceramic Tile	@	$23.04	=	$61,493.76
378	sq. ft. of roller Blinds	@	$6.00	=	$2,268.00
4,592	sq. ft. of paint	@	$1.50	=	$6,888.00
31	lin. ft. base cabinets	@	$189.44	=	$5,872.64
46	lin. ft. cult. granite C-top	@	$128.00	=	$5,888.00
1	stainless kitchen sinks w/ faucet	@	$1,299.20	=	$1,299.20
1	allowance appliances	@	$2,000.00	=	$2,000.00
	RESTROOMS				
2	toilet(s), tank type	@	$657.92	=	$1,315.84
1	urinal(s), wall mount unit	@	$1,008.77	=	$1,008.77
2	sink(s), wall hung w/ faucet	@	$1,164.80	=	$2,329.60
			TOTAL	=	$98,119.78

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Lighting - Buildings

Category	070 Interior	Quantity	1 total
		Unit Cost	$75,910.000
		% of Replacement	100.00%
		Current Cost	$75,910.00
Placed In Service	05/14	Future Cost	$109,940.31
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	15	Monthly Member Contribution	$261.54
Replacement Year	2034-2035	Monthly Interest Contribution	$1.54
		Total Monthly Contribution	$263.08

Comments:

147	recessed lights	@	$260.00	=	$38,220.00
136	wall sconces	@	$160.00	=	$21,760.00
54	flush mounted lights	@	$295.00	=	$15,930.00
			TOTAL	=	$75,910.00

Lighting - Site, Poles

Category	070 Interior	Quantity	1 total
		Unit Cost	$11,250.000
		% of Replacement	100.00%
		Current Cost	$11,250.00
Placed In Service	05/97	Future Cost	$13,046.55
Useful Life	28		
		Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$90.19
Replacement Year	2025-2026	Monthly Interest Contribution	$0.53
		Total Monthly Contribution	$90.72

Comments:

5	high intensity lights in parking lot	@	$1,050.00	=	$5,250.00
5	posts	@	$1,200.00	=	$6,000.00
			TOTAL	=	$11,250.00

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Miscellaneous Items - Replace, Interior Accessorie

Category	070 Interior	Quantity	1 total
		Unit Cost	$17,804.200
		% of Replacement	100.00%
		Current Cost	$17,804.20
Placed In Service	05/97	Future Cost	$21,692.69
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	8	Monthly Member Contribution	$108.79
Replacement Year	2027-2028	Monthly Interest Contribution	$0.64
		Total Monthly Contribution	$109.43

Comments:

35	sq. ft. of directory boards	@	$75.00	=	$2,625.00
7	-14 mailbox units	@	$1,200.00	=	$8,400.00
1	- 7 mailbox unit	@	$1,000.00	=	$1,000.00
1	parcel box	@	$1,200.00	=	$1,200.00
60	lin. ft. laminate countertop, laundry rooms	@	$76.32	=	$4,579.20
			TOTAL	=	$17,804.20

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Sewer and Water - Building Mains, Repairs

Category	070 Interior	Quantity	3 total
		Unit Cost	$4,000.000
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	05/18	Future Cost	$12,300.00
Useful Life	1		
		Assigned Reserves at FYB	$12,000.00
Remaining Life	0	Monthly Member Contribution	$554.24
Replacement Year	2019-2020	Monthly Interest Contribution	$3.27
		Total Monthly Contribution	$557.51

Comments:

HOA representative states that there are roughly 3 repairs, costing around $4,000 per repair on average each year. Quantities listed below are for inventory purposes only, but are estimated only. This is an allowance only.

2,400	lin. ft. of waste pipe	@		=	
2,750	lin. ft. of domestic water pipe	@		=	
			TOTAL	=	

This asset is partially or fully, buried or concealed. Since a reserve analysis includes a visual observation only it is impossible to accurately identify, measure or quantify, estimated useful life or cost for any assets that are partially or fully concealed or buried. Although these items may be included in the reserve analysis, Reserve Professionals is not responsible for any discrepancies that may exist between the study and actual conditions or responsible for an omission of such item.

Doors - Exterior, Metal

Category	080 Exterior	Quantity	189 total
		Unit Cost	$1,456.640
		% of Replacement	2.00%
		Current Cost	$5,506.10
Placed In Service	05/18	Future Cost	$5,643.75
Useful Life	1		
		Assigned Reserves at FYB	$5,506.10
Remaining Life	0	Monthly Member Contribution	$254.31
Replacement Year	2019-2020	Monthly Interest Contribution	$1.50
		Total Monthly Contribution	$255.81

Comments:

Roughly 4 doors are replaced every year.

maintenance, equipment rooms, cabana	12	total
roof	6	total
1st. Floor residences	11	total
residences, floors 2-11	90	total
stairwells, laundry and storage, floors 2-11	62	total
electrical and laundry rooms	8	total
	189	total

Cost is for replacement of existing door, frame, hardware, trim, and painting. Hardware in frequently used doors may need to be replaced at midpoint of door life and should be replaced through annual maintenance budget on an as needed basis.

Steel doors can dent, but can be repaired with auto-body filler. Steel also transmits heat easily. An uninsulated steel door will condensate leading to rust and/or paint failure and should only be used in unconditioned spaces. Wood doors may suffer from the veneer delamination and checking in the surface. Fibers in older fiberglass doors will begin to separate from the surface and will resemble down feathers. There are some applications that can seal these fibers, but we are recommending replacement, unless the Association is short on funds.

The lower sections of the door and exterior trim, which are more exposed to the elements and the last to dry, consistently suffer the worst moisture related damage. Painting the door provides a valuable line of defense.

Although the door slab can be ordered separately, the work involved with matching hinges and other issues with hanging to the existing frame frequently ends up costing almost as much as a pre-hung door, which includes the frame.

Floor Cover - Epoxy Paint 2 Year Cycle, Maintenanc

Category	080 Exterior	Quantity	1,561 sq. ft.
		Unit Cost	$3.000
		% of Replacement	103.00%
		Current Cost	$4,823.49
Placed In Service	05/18	Future Cost	$4,944.08
Useful Life	2		
		Assigned Reserves at FYB	$2,411.75
Remaining Life	1	Monthly Member Contribution	$113.20
Replacement Year	2020-2021	Monthly Interest Contribution	$2.07
		Total Monthly Contribution	$115.28

Comments:

Cost is for the urethane sealing only, roughly 1/3 cost for full replacement, which might be required in future. $1/ sq. ft. added for repairs and additional flake.

Stairwell	400	sq. ft.
1st Fl Residential Hallway	1,161	sq. ft.
	1,561	sq. ft.

Clean and seal grout annually. Although tile is far less porous it also should also be periodically sealed. Clean grout with an alkaline cleaner and not an acid based, wax based, or oil based cleaner. Additionally avoid using abrasives, scouring powders, bleach, or ammonia based cleaners. Sweep and damp mop tile regularly to remove dirt that can adhere to surface. Steam cleaning may remove stubborn stains or regrout if all other methods have failed. While we do not recommend waxing tile floors due to ongoing maintenance of rewaxing, wax does create a shiny appearance.

Any through floor penetrations or other areas where water can get behind the tile should be caulked to prevent subsurface damage. If chipped, the glazed surface of ceramic tile will reveal the natural clay color. Chips can be epoxy painted to match the glaze.

The measurement indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a waste factor which should be considered when replacing this component.

The cost for this component includes the removal and disposal of the existing material.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Floor Cover - Epoxy Paint Install 1

One Time Replacement

Category	080 Exterior	Quantity	2 floors
		Unit Cost	$15,000.000
		% of Replacement	100.00%
		Current Cost	$30,000.00
Placed In Service	05/18	Future Cost	$0.00
Useful Life	1		
		Assigned Reserves at FYB	$30,000.00
Remaining Life	0	Monthly Member Contribution	$0.00
Replacement Year	2019-2020	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Cost is for installation of epoxy over the ceramic tile. 6 floors remain to be applied at the time of site visit.

Clean and seal grout annually. Although tile is far less porous it also should also be periodically sealed. Clean grout with an alkaline cleaner and not an acid based, wax based, or oil based cleaner. Additionally avoid using abrasives, scouring powders, bleach, or ammonia based cleaners. Sweep and damp mop tile regularly to remove dirt that can adhere to surface. Steam cleaning may remove stubborn stains or regrout if all other methods have failed. While we do not recommend waxing tile floors due to ongoing maintenance of rewaxing, wax does create a shiny appearance.

Any through floor penetrations or other areas where water can get behind the tile should be caulked to prevent subsurface damage. If chipped, the glazed surface of ceramic tile will reveal the natural clay color. Chips can be epoxy painted to match the glaze.

The measurement indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a waste factor which should be considered when replacing this component.

The cost for this component includes the removal and disposal of the existing material.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Floor Cover - Epoxy Paint Install 2

One Time Replacement

Category	080 Exterior	Quantity	2 floors
		Unit Cost	$15,000.000
		% of Replacement	100.00%
		Current Cost	$30,000.00
Placed In Service	05/19	Future Cost	$30,750.00
Useful Life	1		
		Assigned Reserves at FYB	$0.00
Remaining Life	1	Monthly Member Contribution	$1,385.61
Replacement Year	2020-2021	Monthly Interest Contribution	$8.18
		Total Monthly Contribution	$1,393.78

Comments:

Cost is for installation of epoxy over the ceramic tile. 6 floors remain to be applied at the time of site visit.

Clean and seal grout annually. Although tile is far less porous it also should also be periodically sealed. Clean grout with an alkaline cleaner and not an acid based, wax based, or oil based cleaner. Additionally avoid using abrasives, scouring powders, bleach, or ammonia based cleaners. Sweep and damp mop tile regularly to remove dirt that can adhere to surface. Steam cleaning may remove stubborn stains or regrout if all other methods have failed. While we do not recommend waxing tile floors due to ongoing maintenance of rewaxing, wax does create a shiny appearance.

Any through floor penetrations or other areas where water can get behind the tile should be caulked to prevent subsurface damage. If chipped, the glazed surface of ceramic tile will reveal the natural clay color. Chips can be epoxy painted to match the glaze.

The measurement indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a waste factor which should be considered when replacing this component.

The cost for this component includes the removal and disposal of the existing material.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Floor Cover - Epoxy Paint Install 3

One Time Replacement

Category	080 Exterior	Quantity	2 floors
		Unit Cost	$15,000.000
		% of Replacement	100.00%
		Current Cost	$30,000.00
Placed In Service	05/20	Future Cost	$31,518.75
Useful Life	1		
		Assigned Reserves at FYB	$0.00
Remaining Life	2	Monthly Member Contribution	$698.49
Replacement Year	2021-2022	Monthly Interest Contribution	$4.13
		Total Monthly Contribution	$702.62

Comments:

Cost is for installation of epoxy over the ceramic tile. 6 floors remain to be applied at the time of site visit.

Clean and seal grout annually. Although tile is far less porous it also should also be periodically sealed. Clean grout with an alkaline cleaner and not an acid based, wax based, or oil based cleaner. Additionally avoid using abrasives, scouring powders, bleach, or ammonia based cleaners. Sweep and damp mop tile regularly to remove dirt that can adhere to surface. Steam cleaning may remove stubborn stains or regrout if all other methods have failed. While we do not recommend waxing tile floors due to ongoing maintenance of rewaxing, wax does create a shiny appearance.

Any through floor penetrations or other areas where water can get behind the tile should be caulked to prevent subsurface damage. If chipped, the glazed surface of ceramic tile will reveal the natural clay color. Chips can be epoxy painted to match the glaze.

The measurement indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a waste factor which should be considered when replacing this component.

The cost for this component includes the removal and disposal of the existing material.

Siding - Vinyl

Category	080 Exterior	Quantity	3,221 sq. ft.
		Unit Cost	$6.050
		% of Replacement	100.00%
		Current Cost	$19,487.05
Placed In Service	05/97	Future Cost	$30,393.15
Useful Life	40		
		Assigned Reserves at FYB	$0.00
Remaining Life	18	Monthly Member Contribution	$57.28
Replacement Year	2037-2038	Monthly Interest Contribution	$0.34
		Total Monthly Contribution	$57.62

Comments:

Replace individual pieces of siding as needed. After major wind event, check to make sure no sections have been pried loose. If possible coordinate with gutter and downspout replacement or repairs.

Maintenance Building	1,454	sq. ft.
cabana	1,767	sq. ft.
	3,221	sq. ft.

The cost for this component includes the removal and disposal of the existing material.

Opinion differs greatly on the life expectancy of siding can vary greatly. The Home Builder's Association recently produced a report indicating that vinyl siding will last the lifetime of the building. 40 years is sometimes mentioned. Older vinyl siding was formulated differently and did not last as long as the product of today. Your community most likely has a "Builder's Grade" siding, which is relatively thin.

A 12-foot length of plastic siding can expand as much as 5/8 inch with seasonal temperature swings. If nailed tight to a wall, it can buckle on hot days. To ensure that the panel is free to move, the nailheads shouldn't contact the hem, but should be left about 1/32 inch proud. Additionally, nailing should be placed in the center of the slot, but also into the studs, not sheathing. Panels should not be butted too tightly to the trim otherwise the siding may buckle when it expands. Don't hesitate to ask potential installers for their certifications as most of the large manufacturers certify installers in proper installation techniques.

All vinyl siding will fade somewhat. After 10 to 15 years, the change can be significant. Darker colors will be more noticeable, which is why most siding is of a lighter neutral color.

To keep vinyl siding looking its best, it should be washed periodically to remove the mold, mildew, dirt, and chalky oxidation that collects on the surface. Although methods typically employ powerwashing, some manufacturers don't want pressure washers used on their products at all. The Vinyl Siding Institute suggests a 30/70 mix of vinegar and water. If that doesn't do the job, the Vinyl Siding Institute suggests mixing 1/3 cup laundry detergent, 2/3 cup powdered household cleaner, 1 quart liquid laundry bleach, and 1 gallon water.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Stairways - Replace, Metal, Roof

Category	080 Exterior	Quantity	1 stairways
		Unit Cost	$20,000.000
		% of Replacement	100.00%
		Current Cost	$20,000.00
Placed In Service	05/78	Future Cost	$37,078.88
Useful Life	25		
Adjustment	+16	Assigned Reserves at FYB	$20,000.00
Remaining Life	0	Monthly Member Contribution	$44.68
Replacement Year	2019-2020	Monthly Interest Contribution	$0.26
		Total Monthly Contribution	$44.94

Comments:

Stairway is in poor condition and should be replaced soon.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Window Replacement

Category	080 Exterior	Quantity	1 total
		Unit Cost	$10,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	05/18	Future Cost	$10,250.00
Useful Life	1		
		Assigned Reserves at FYB	$10,000.00
Remaining Life	0	Monthly Member Contribution	$461.87
Replacement Year	2019-2020	Monthly Interest Contribution	$2.73
		Total Monthly Contribution	$464.60

Comments:

At least some information including but not limited to cost, useful life, or placed in service date regarding this component was provided by client, client's representative, or client's vendor. Windows are replaced every year.

Windows were not operated. Cost is for replacement of existing windows with replacement windows. Replacement windows allow for installation without requiring removal of exterior trim, siding, or flashing. In most cases, the interior trim will not need to be replaced either.

If replacement windows are vinyl, look for thick walled extrusion frames, metal reinforcements and heat welded corners as opposed to mechanically fastened.

Window seals can fail at any point. Replace individual windows if a seal breaks out of annual maintenance budget on an as needed basis.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Appliance - Washer and Dryers, Replace

Category	090 Equipment	Quantity	1 total
		Unit Cost	$14,780.000
		% of Replacement	10.00%
		Current Cost	$1,478.00
Placed In Service	05/18	Future Cost	$1,514.95
Useful Life	1		
		Assigned Reserves at FYB	$1,478.00
Remaining Life	0	Monthly Member Contribution	$68.26
Replacement Year	2019-2020	Monthly Interest Contribution	$0.40
		Total Monthly Contribution	$68.67

Comments:

10	Washers	@	$799.00	=	$7,990.00
10	Dryers	@	$679.00	=	$6,790.00
			TOTAL	=	$14,780.00

Diesel Generator - Replace

Category	090 Equipment	Quantity	1 total
		Unit Cost	$45,000.000
		% of Replacement	100.00%
		Current Cost	$45,000.00
Placed In Service	05/74	Future Cost	$83,427.48
Useful Life	70		
		Assigned Reserves at FYB	$0.00
Remaining Life	25	Monthly Member Contribution	$100.53
Replacement Year	2044-2045	Monthly Interest Contribution	$0.59
		Total Monthly Contribution	$101.12

Comments:

Electrical Equipment Maintenance

Category	090 Equipment	Quantity	1 allowance
		Unit Cost	$12,000.000
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	05/18	Future Cost	$13,245.75
Useful Life	5		
		Assigned Reserves at FYB	$2,400.00
Remaining Life	4	Monthly Member Contribution	$115.40
Replacement Year	2023-2024	Monthly Interest Contribution	$2.08
		Total Monthly Contribution	$117.48

Comments:

We have included an allowance for this asset, which can be adjusted as the board wishes. Depending on the quality of materials and installation, and site conditions, there may be more or no repairs required. This work includes inspection of the switchgear, panelboards, and connection, cleaning where required and retorquing connections.

Inspection of the electrical system is outside the scope of a reserve study, which requires a licensed electrician with specialized equipment. The entire electrical system should be inspected periodically. Individual components like breakers, switches, outlets, etc. will fail and testing can determine which ones should be replaced. Additionally, aluminum wiring which is commonly used for service entry connections and power to devices like AC condenser units tend to expand and contract with temperature, which may loosen connections and possibly create arcing. Any signs of overheating or burn marks should be investigated immediately by a licensed electrician.

Humid environments and condensation can corrode the panel and breakers from within. Coastal environments have an even greater impact. In these environments, if allowed by code, the panels should be painted periodically. If panels are rusty, they should be replaced.

Elevators - Modernization, Traction 1

Category	090 Equipment	Quantity	1 elevator
		Unit Cost	$250,000.000
		% of Replacement	100.00%
		Current Cost	$250,000.00
Placed In Service	05/74	Future Cost	$297,171.44
Useful Life	30		
Adjustment	+22	Assigned Reserves at FYB	$0.00
Remaining Life	7	Monthly Member Contribution	$1,731.86
Replacement Year	2026-2027	Monthly Interest Contribution	$10.22
		Total Monthly Contribution	$1,742.08

Comments:

At least some information including but not limited to cost, useful life, or placed in service date regarding this component was provided by client, client's representative, or client's vendor.

Elevators - Modernization, Traction 2

Category	090 Equipment	Quantity	1 elevator
		Unit Cost	$250,000.000
		% of Replacement	100.00%
		Current Cost	$250,000.00
Placed In Service	05/74	Future Cost	$304,600.72
Useful Life	30		
Adjustment	+23	Assigned Reserves at FYB	$0.00
Remaining Life	8	Monthly Member Contribution	$1,527.61
Replacement Year	2027-2028	Monthly Interest Contribution	$9.02
		Total Monthly Contribution	$1,536.62

Comments:

At least some information including but not limited to cost, useful life, or placed in service date regarding this component was provided by client, client's representative, or client's vendor.

The useful life cycle and/or remaining life has been extended due to financial condition of the client.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fire Control - Accessories

Category	090 Equipment	Quantity	1 total
		Unit Cost	$7,170.000
		% of Replacement	100.00%
		Current Cost	$7,170.00
Placed In Service	05/15	Future Cost	$10,643.91
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$23.34
Replacement Year	2035-2036	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$23.48

Comments:

Strobes and pull stations are listed for inventory purposes only. They should be tested every year and replaced as needed.

4	single sided exit signs	@	$180.00	=	$720.00
30	double sided exit signs	@	$215.00	=	$6,450.00
22	fire strobes	@	$0.00	=	$0.00
22	pull stations	@	$0.00	=	$0.00
			TOTAL	=	$7,170.00

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fire Protection - Control Panel

Category	090 Equipment	Quantity	1 system
		Unit Cost	$11,032.055
		% of Replacement	100.00%
		Current Cost	$11,032.05
Placed In Service	05/92	Future Cost	$18,077.31
Useful Life	20		
Adjustment	+7	Assigned Reserves at FYB	$11,032.05
Remaining Life	0	Monthly Member Contribution	$29.64
Replacement Year	2019-2020	Monthly Interest Contribution	$0.18
		Total Monthly Contribution	$29.82

Comments:

This item is currently performing adequately, but may fail suddenly. The replacement date does not indicate that this item must be replaced, but rather that funds should be set aside available for when this item does fail.

1	control panel	@	$2,426.86	=	$2,426.86
1	annunciator panel	@	$1,022.43	=	$1,022.43
1	battery and charger	@	$1,720.46	=	$1,720.46
1	allowance code upgrades	@	$5,862.30	=	$5,862.30
			TOTAL	=	$11,032.05

The entire fire/life safety system should be inspected at least annually. Any component found to be defective should be replaced immediately with a replacement compatible with the control panel. Panel manufacturers have lists that specify which components are compatible. All maintenance should be recorded. All smoke detectors should be replaced every 10 years. If any are found to be defective before 10 years, it is recommended that all are replaced. They are required to communicate with one another and mixing and matching different manufacturers or dates may sabotage this requirement.

Effective January 1, 2014, a low frequency audible fire alarm signal is required in all sleeping areas of newly constructed hotel guest rooms and dormitory sleeping rooms. ADA now requires a maximum pull force of five (5) pounds to operate a manual pull station. Many older manual pull stations do not meet this requirement. Strobe lights of older system may need to be replaced or synchronized because unsynchronized flashing lights has been found to cause seizure in people with epilepsy.

Older circuit wire may not be compatible with newer components, sensors, or notifications appliances. An improperly selected battery might not last long enough to reach the replacement interval, and may fail during a power outage. Excessive heat or improper maintenance will shorten battery life considerably. If the control panel is being replaced there is a temptation to reuse the cabinet since the conduit and wire are already installed. Unless the panels and cabinets combination have been approved by a nationally recognized testing laboratory, the cabinet must be replaced.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fire Pump - Replace

Category	090 Equipment	Quantity	1 total
		Unit Cost	$100,000.000
		% of Replacement	100.00%
		Current Cost	$100,000.00
Placed In Service	05/74	Future Cost	$185,394.41
Useful Life	70		
		Assigned Reserves at FYB	$0.00
Remaining Life	25	Monthly Member Contribution	$223.40
Replacement Year	2044-2045	Monthly Interest Contribution	$1.32
		Total Monthly Contribution	$224.72

Comments:

HVAC - Split System

Category	090 Equipment	Quantity	1 total
		Unit Cost	$31,753.520
		% of Replacement	50.00%
		Current Cost	$15,876.76
Placed In Service	05/12	Future Cost	$16,273.68
Useful Life	6		
Adjustment	+2	Assigned Reserves at FYB	$13,892.17
Remaining Life	1	Monthly Member Contribution	$102.11
Replacement Year	2020-2021	Monthly Interest Contribution	$8.71
		Total Monthly Contribution	$110.81

Comments:

HVAC ages vary significantly. We have funded for 50% to be replaced every years.

This item is currently performing adequately, but may fail suddenly. The replacement date does not indicate that this item must be replaced, but rather that funds should be set aside available for when this item does fail.

1	- 2.5 tons(s)	@	$7,499.20	=	$7,499.20
1	- 3 ton unit(s)	@	$10,904.32	=	$10,904.32
1	- 4 ton unit(s)	@	$11,500.00	=	$11,500.00
1	- 1 ton mini system	@	$1,850.00	=	$1,850.00
			TOTAL	=	$31,753.52

Cost is for full replacement of the outdoor condenser unit and indoor air handler. The indoor air handler was not inspected. HVAC contractors frequently remark that newer systems are more efficient, but do not seem to last as long as older units do. Control wire for thermostats fail at some point, but there is spare wire in the wirestrand, so it usually unnecessary to pull new wire, which would involve cutting holes in walls.

Older compressors (the condenser's main component) suffer from loss of compression as valves wear, resulting in excessive electrical use and loss of comfort in interior spaces. Systems may be replaced prior to complete failure. Replacement of the indoor evaporator coils may make economic sense in a newer system that has somehow failed, but rarely in older systems.

Keep vegetation, debris and mulch away from the outside (condenser) unit. The insulation on the suction line, which runs between the building and the condenser breaks down over time and should be replaced. The condensate line may simply terminate outside, where it is often clogged from mulch and other landscaping operations; it should be clearly marked and monitored to prevent being buried or damaged by lawn equipment.

Condenser unit should be level to maintain proper oil levels and to prevent liquid from entering the compressor. Unusual noise or vibrations may indicate imminent failure of the compressor, but may also be worn bearings, deteriorated vibration separators or pads. Continuous running on mild days or systems that start and stop frequently are reasons to call a professional. Short cycling or continuous running will shorten the life expectancy of the compressor. Any evidence of stains or leaks requires further investigation.

Filters should be replaced every 3 months or cleaned in the case of semi-permanent plastic filters. Filters are commonly located on the return grilles, but may also be located on the air handler. Once a year, the condenser and evaporator coils

should be cleaned, and the condensate line should be blown or flushed to remove any particles that could be blocking the line. Keep the condensate tray, drip pan, and condensate pump (if one exists) free of debris. Minor repairs or maintenance include adjusting or replacing belts and/or pulleys that power the blower. Some motors may need to be lubricated.

The gas manifold should be clean, rust free, and the flame should only be blue with orange tip. Yellow flame or blue flame with yellow tips is a warning sign that carbon monoxide is present; a professional should be called immediately. Gas flame should be uniform, not erratic.

HVAC - Split System, Unistrut System

Category	090 Equipment	Quantity	1 total
		Unit Cost	$83,400.000
		% of Replacement	100.00%
		Current Cost	$83,400.00
Placed In Service	05/95	Future Cost	$85,485.00
Useful Life	25		
		Assigned Reserves at FYB	$80,064.00
Remaining Life	1	Monthly Member Contribution	$214.28
Replacement Year	2020-2021	Monthly Interest Contribution	$47.96
		Total Monthly Contribution	$262.24

Comments:

Unistrut is in poor condition. This is an allowance. Actual cost may differ significantly.

Placed in service is either estimated or arbitrarily set to for the purpose of establishing when this item should be replaced or repaired. The age of this component is unknown.

740	lin. ft.	@	$10.00	=	$7,400.00
100	shut off boxes	@	$600.00	=	$60,000.00
1	allowance logistics	@	$16,000.00	=	$16,000.00
			TOTAL	=	$83,400.00

Cost is for full replacement of the outdoor condenser unit and indoor air handler. The indoor air handler was not inspected. HVAC contractors frequently remark that newer systems are more efficient, but do not seem to last as long as older units do. Control wire for thermostats fail at some point, but there is spare wire in the wirestrand, so it usually unnecessary to pull new wire, which would involve cutting holes in walls.

Older compressors (the condenser's main component) suffer from loss of compression as valves wear, resulting in excessive electrical use and loss of comfort in interior spaces. Systems may be replaced prior to complete failure. Replacement of the indoor evaporator coils may make economic sense in a newer system that has somehow failed, but rarely in older systems.

Keep vegetation, debris and mulch away from the outside (condenser) unit. The insulation on the suction line, which runs between the building and the condenser breaks down over time and should be replaced. The condensate line may simply terminate outside, where it is often clogged from mulch and other landscaping operations; it should be clearly marked and monitored to prevent being buried or damaged by lawn equipment.

Condenser unit should be level to maintain proper oil levels and to prevent liquid from entering the compressor. Unusual noise or vibrations may indicate imminent failure of the compressor, but may also be worn bearings, deteriorated vibration separators or pads. Continuous running on mild days or systems that start and stop frequently are reasons to call a professional. Short cycling or continuous running will shorten the life expectancy of the compressor. Any evidence of stains or leaks requires further investigation.

Filters should be replaced every 3 months or cleaned in the case of semi-permanent plastic filters. Filters are commonly located on the return grilles, but may also be located on the air handler. Once a year, the condenser and evaporator coils should be cleaned, and the condensate line should be blown or flushed to remove any particles that could be blocking the

line. Keep the condensate tray, drip pan, and condensate pump (if one exists) free of debris. Minor repairs or maintenance include adjusting or replacing belts and/or pulleys that power the blower. Some motors may need to be lubricated.

The gas manifold should be clean, rust free, and the flame should only be blue with orange tip. Yellow flame or blue flame with yellow tips is a warning sign that carbon monoxide is present; a professional should be called immediately. Gas flame should be uniform, not erratic.

HVAC - Wall Heaters

Category	090 Equipment	Quantity	10 total
		Unit Cost	$671.642
		% of Replacement	20.00%
		Current Cost	$1,343.28
Placed In Service	05/18	Future Cost	$1,376.87
Useful Life	1		
		Assigned Reserves at FYB	$1,343.28
Remaining Life	0	Monthly Member Contribution	$62.04
Replacement Year	2019-2020	Monthly Interest Contribution	$0.36
		Total Monthly Contribution	$62.40

Comments:

We have included this item, but heaters should be replaced as needed.

It is important to be aware that the useful life of an asset may not indicate that the repair/replacement date will occur at that date, but rather that a certain amount of fund might be expended by this date. In other words, an asset with a 20 year useful life may have had repairs performed 4 or 5 times in that 20 year period. A reserve study, which looks out 30 years is not flexible enough to take into account all the smaller activities that would fall outside of maintenance, but still would occur outside a regular predictable schedule. Additionally, some assets fail unexpectedly without providing any sign of distress in advance. In these instances, a useful life would indicate not that a component should be replaced at the end of this period, but rather that funds should be accumulated by the end of this period for when the item will need to be replaced.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pumps - Domestic Water, Controls

Category	090 Equipment	Quantity	1 total
		Unit Cost	$15,200.000
		% of Replacement	100.00%
		Current Cost	$15,200.00
Placed In Service	05/18	Future Cost	$16,777.96
Useful Life	5		
		Assigned Reserves at FYB	$3,040.00
Remaining Life	4	Monthly Member Contribution	$146.17
Replacement Year	2023-2024	Monthly Interest Contribution	$2.64
		Total Monthly Contribution	$148.81

Comments:

2	- 5hp booster pumps, domestic water	@	$5,100.00	=	$10,200.00
2	controllers	@	$2,500.00	=	$5,000.00
			TOTAL	=	$15,200.00

Pumps - Domestic Water, Full Replacement

Category	090 Equipment	Quantity	1 total
		Unit Cost	$35,000.000
		% of Replacement	100.00%
		Current Cost	$35,000.00
Placed In Service	05/06	Future Cost	$47,071.11
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$147.20
Replacement Year	2031-2032	Monthly Interest Contribution	$0.87
		Total Monthly Contribution	$148.07

Comments:

An allowance for full replacement of domestic water system including, controllers, pumps, power, and skid system.

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pumps - Pool

Category	090 Equipment	Quantity	1 total
		Unit Cost	$5,100.000
		% of Replacement	100.00%
		Current Cost	$5,100.00
Placed In Service	05/10	Future Cost	$5,492.14
Useful Life	12		
		Assigned Reserves at FYB	$3,825.00
Remaining Life	3	Monthly Member Contribution	$22.83
Replacement Year	2022-2023	Monthly Interest Contribution	$2.37
		Total Monthly Contribution	$25.19

Comments:

1	- 5hp pool pump	@	$5,100.00	=	$5,100.00
			TOTAL	=	$5,100.00

Water Heaters - Residential

Category	090 Equipment	Quantity	1 total
		Unit Cost	$7,116.640
		% of Replacement	14.30%
		Current Cost	$1,017.68
Placed In Service	05/12	Future Cost	$1,209.70
Useful Life	14		
		Assigned Reserves at FYB	$0.00
Remaining Life	7	Monthly Member Contribution	$7.05
Replacement Year	2026-2027	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$7.09

Comments:

Various ages. We have scheduled for 1 replacement every 2 years. If ages are roughly similar this schedule may not be valid.

5	- 40 gallon heaters, laundry	@	$1,044.48	=	$5,222.40
1	- 20 gallon water heater, cabana	@	$897.12	=	$897.12
1	- 30 gallon water heaters, lounge	@	$997.12	=	$997.12
			TOTAL	=	$7,116.64

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Equipment - Office Replace

Category	110 Miscellaneous	Quantity	1 total
		Unit Cost	$4,800.000
		% of Replacement	100.00%
		Current Cost	$4,800.00
Placed In Service	05/13	Future Cost	$5,043.00
Useful Life	8		
		Assigned Reserves at FYB	$3,600.00
Remaining Life	2	Monthly Member Contribution	$30.65
Replacement Year	2021-2022	Monthly Interest Contribution	$2.28
		Total Monthly Contribution	$32.93

Comments:

1	computer and monitor	@	$2,000.00	=	$2,000.00
1	printer	@	$1,200.00	=	$1,200.00
1	allowance miscellaneous equipment	@	$1,600.00	=	$1,600.00
			TOTAL	=	$4,800.00

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

EXCLUDED

Category	110 Miscellaneous	Quantity	comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	05/18	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

HVAC flashing on roof - Replace as needed.
Tennis ball backboard - Replace as needed.
Entrance mats - Replace as needed.
Hotel luggage carts - Replace as needed.
Window blinds - Replace as needed.
Fire extinguisher cabinets - Replace as needed.
Automatic door opener - Replace components as needed.
Landscape lighting - Replace as needed.
Stair railling - Per client request from original study.
Water fountains - Replace as needed.
Signage - Per client request from original study.
Entry Gates - Per client request
Acoustical Ceiling Tiles - Replaced by client when needed by staff labor.
Pool deck paint - Performed by client every 2 years.
Aluminum storefront and doors - Per client request. Funds for windows and doors will be used to cover any costs.

PER REQUESTED CHANGES BY CLIENT FOR REVISED STUDY
Site concrete
Site drainage
Storm pipe and boxes
Asphalt repairs
Site wall repairs
Sea wall
Aluminum fencing along perimeter and pool
Homeowner decks and deck rails- A structural engineer should review condition and make recommendation.
Tennis court reconstruction
Sand filters and sand replacement
Clubhouse and pool restroom renovation
Urethane sealing maintenance for hallway epoxy floor system
Elevator repairs and cab renovation
Fire pump rebuild
Monument signage

Seapath, Inc.

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Trash Chute - Replacement

Category	110 Miscellaneous	Quantity	1 allowance
		Unit Cost	$26,750.000
		% of Replacement	100.00%
		Current Cost	$26,750.00
Placed In Service	05/74	Future Cost	$34,242.26
Useful Life	55		
		Assigned Reserves at FYB	$0.00
Remaining Life	10	Monthly Member Contribution	$132.87
Replacement Year	2029-2030	Monthly Interest Contribution	$0.78
		Total Monthly Contribution	$133.66

Comments:

Cost is roughly $2431 per floor.

Seapath, Inc.

Detail Report Index

Seapath, Inc.

Detail Report Index

Number of components included in this reserve analysis is 48.

Recent rain water not draining sufficiently.

Buildup of fine sediment indicates insufficient slope to drains.

Unistrut system severely decaying.

Inherent weakness associated with raised ridges.

Roof lacks overflow drains. Overflow scuppers maybe insufficient.

Some wind damage to roof shingles found.

Concrete decks should be evaluated by structural engineer to determine integrity.

Severe rusting of door frames and hardware seen throughout.

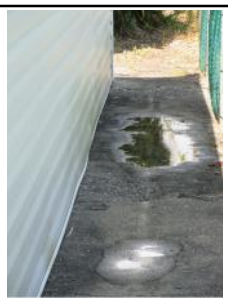
Severe rusting of door frames and hardware seen throughout.

Cracking of cast iron waste pipe has been occurring sporadically.

Instead of replacing exterior ceramic tile, flaked epoxy finish is being applied over top.

Although cheaper, more maintenance will be required.

Broken conduit near loading dock should be replaced.



Building pad is too low, but can't be raised. Ensure proper drainage to prevent water damage.

Sediment build up along curb may indicate insufficient drainage.

Stormwater eroding backside of stormbox.

Secondary drain installed to correct issue.

Seal coating of streets is minimally effective due to higher speeds eroding the surfaces.

Wheel stop should be shifted off storm drain.

Significant alligatoring found throughout parking lot.

Significant alligatoring found throughout parking lot.

Squeeling of tires indicating lack of fine aggregate necessary for friction.

Steps would not meet today's code. Consider painting risers in high visibility paint.

Natural weak point of retaining wall.

Peeling paint of site wall.

Paint deteriorating on monument wall.

Some movement of site wall.

Some movement of site wall.

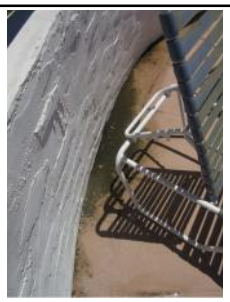
Recent photo of seawall.

Aluminum fencing corrosion.

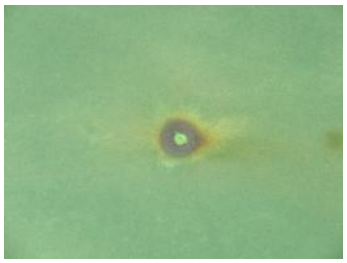
Aluminum fencing finish oxidizing.

Condition of pool surface was not reviewed.

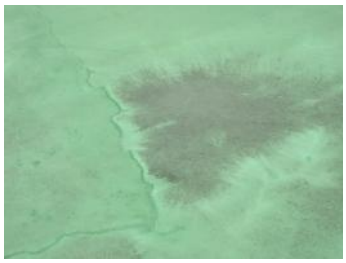
Pool furniture should be replaced.



Evidence of standing water.



Rusting of mechanical fasteners underneath bleeding through.



Some settlement and cracking of court.

Severe rusting of chain link structural members.