A RESERVE STUDY UPDATE FOR

Sample
Master Association, Inc.
Any City, USA
File #22920-012345

FOR PERIOD: January 1, 2015 – December 31, 2015

PREPARED BY
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January 1, 2015

Sample Master Association, Inc.
Attn: Mr. John Doe, President
1234 Main Street
Any City, USA 12345

Dear Mr. Doe:

On January 1, 2015, we completed an on-site inspection of the Sample Master Association, Inc.'s common area reserve items. The intent of this reserve study report is to show cash reserves necessary for the future repair or replacement of expendable components incorporated into the subject property. The purpose of this report is to aid Sample Master Association, Inc. in making a determination for cash reserves that are needed to repair or replace short-lived building and/or site components.

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

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

In completing this report, the reserve specialist completed the physical on-site inspection of the subject property. Appropriate measurements and counts were taken to determine quantities (blueprints were also

used to aid in the determination of quantities). No destructive testing methods (i.e. roof core sampling, etc.) were utilized during the inspection. Current financial data, including the actual or projected reserve fund balance(s) as of the analysis date, and property histories, provided by you, were utilized in the completion of this report. This data was not audited, and was assumed to be complete and correct. The reserve specialist estimated the repair/replacement cost taking into account contingencies inherent to this type of work. The report was prepared utilizing the information gathered in the field and the costs estimated by the reserve specialist.

Respectfully submitted,
GAB Robins, A Division of Cunningham Lindsey

Stephen F. Brubaker, RS
Reserve Specialist, Community Associations Institute (RS #65)

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Project Overview

The subject of this reserve study report is the common areas within the Sample Master Association, Inc., a 427 unit residential property located in Any City, USA. This property was developed in several phases, beginning in or near 2000; the most recent improvements were constructed in 2006. The common areas include a main entrance pavilion with security entry/exit gate systems, clubhouse with pool with brick paver decking, fenced tot lot, signage/entry statement, two tennis courts, basketball court, five fountains, site lighting, drainage and retention systems, and landscaping and irrigation systems.

Originally constructed in August 2000, the roughly 3,300 square foot clubhouse is single story building of concrete block/concrete frame construction with open breezeways and features an entrance porte cochere, screened porches, painted stucco exteriors and a pitched tile roof cover. The clubhouse houses a social/multipurpose room with residential grade kitchen, card room with kitchenette, fitness room with average to good quality exercise equipment, property manager's office, restrooms, and miscellaneous storage and mechanical rooms. The interior finishes are representative of a good quality property, with ceramic tile and carpet flooring, painted and wallpapered gypsum board interior walls and ceilings, average to good quality built ins (cabinetry, countertops, vanities/mirrors, plumbing and electrical fixtures, etc.) and inventories of good quality furniture/furnishings and kitchen appliances. Air conditioning is via standard split HVAC systems, with exterior ground mounted condensers and interior air handlers. There is also an inventory of typical average quality office furniture and equipment. The clubhouse pool is unheated and of standard concrete/gunite construction, and is supported by brick paver decking, perimeter fencing and typical inventories of equipment and deck furniture. Additional common areas include, but are not necessary limited to, asphalt paved parking, concrete curbing and sidewalks, signage, site lighting and asphalt and paver streets.

Reserves are only calculated for the replacement of short-lived building or site components. This includes components that require replacement prior to the overall estimated end life of the buildings or structures. This report is designed to provide reasonable, appropriate budgetary cost and useful life data based on market standards for the subject's property type and in compliance with applicable state and/or local requirements. We are unaware of any private reserve requirements.


435


EXIT


SportsArt


NO ENTRY


PEDESTRIAN
EXIT BUTTON

Reserve Study Funding Analysis

There are two generally accepted means of estimating reserves; the Component Funding Analysis and the Cash Flow Analysis methodologies.

The **Component Funding Analysis** (or Straight Line Method) calculates the annual contribution amount for each individual line item component by dividing the component's unfunded balance by its remaining useful life. A component's unfunded balance is its replacement cost less the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis.

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

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

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

As of July 1, 2007, homeowner's associations are mandated by Florida Statute 720 to include a disclaimer in their annual budgets if reserves are excluded from the budget. If homeowner's associations have previously funded reserves, they must include full funding reserve estimates under similar criteria as condominium associations in the state of Florida. A copy of these requirements is included in the addendum to this report.

Executive Summary

PROPERTY DATA

Property Name: Sample Master Association, Inc.
Property Location: Any City, USA
Property Type: Master Association
Total Units: 427

Report Run Date: January 1, 2015
Budget Year Begins: January 1, 2015
Budget Year Ends: December 31, 2015

PROJECTED COMPONENT CATEGORIES AND PARAMETERS

Component Categories in Reserve Analysis:

1. Basketball & Tennis Courts
2. Clubhouse Interiors
3. Irrigation/Fountains
4. Painting & Waterproofing
5. Pavement
6. Pool
7. Roofs
8. Security
9. Site Improvements

Total current cost of all reserve components in reserve analysis:	$	1,704,247
Estimated beginning reserve fund balance for reserve analysis:	$	537,324
Total number of components scheduled for replacement in the 2014 budget year:		4
Total cost of components scheduled for replacement in the 2014 budget year:	$	21,670

ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

Current annual reserve funding contributions amount (2014 Budget):	$	170,000
Recommended annual reserve funding contribution amount:	$	266,099
Increase (decrease) between current and recommended annual contribution amounts:	$	96,099
Increase (decrease) between current and recommended annual contribution amounts:		56.5%

ANALYSIS RESULTS –CASH FLOW ANALYSIS

Current annual reserve funding contributions amount (2013 Budget):	$	170,000
Recommended annual reserve funding contribution amount:	$	81,540
Increase (decrease) between current and recommended annual contribution amounts:	$	(88,460)
Increase (decrease) between current and recommended annual contribution amounts:	$	(52.0%)

Reserve Budget Comparison

The previous page provides a comparison of the association's approved fiscal year 2015 reserve contribution level and our estimates for full reserve funding for fiscal year 2015. The funding requirement estimated for fiscal year 2015 via the Component Funding Analysis methodology is significantly higher than the association's approved fiscal year 2015 contribution level, while the recommendation based on the Cash Flow Analysis methodology is significantly lower than the association's approved fiscal year 2015 contribution level.

The Component Funding Analysis is a straight-line accounting procedure that was previously mandated by the State of Florida for condominiums, and has been a popular method of reserve computation by condominiums, cooperatives, homeowner's associations, property owner's associations, country clubs, etc. Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in fiscal year 2015, the contribution should be $266,099. This funding level could be significant decreased if the association chose to allocate monies from their Cash Flow Reserves and Unallocated Interest fund balances to specific reserves, particularly those with shorter remaining useful lives.

Based on the Cash Flow Analysis methodology, the association can fully fund the reserves as analyzed in this report at $81,540 in fiscal year 2015. This level of annual funding could remain stable over the remainder of the study period, provide adequate funds to offset planned reserve expenditures, and maintain a positive reserve fund balance over the entirety of the study period. In this analysis we have utilized a 0.70% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

Component Funding Analysis

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2014
Basketball & Tennis Courts						
Basketball Court Fencing & Lighting	$ 11,637	20:00	7:05	$ 0	$ 11,637	$ 1,569
Basketball Court Resurfacing	3,744	8:00	3:06	0	3,744	1,070
Tennis Court Fencing & Lighting	28,326	20:00	7:05	0	28,326	3,819
Tennis Court Resurfacing	8,176	8:00	3:06	0	8,176	2,336
	$ 51,883			$ 0	$ 51,883	$ 8,794
Clubhouse Interiors						
Clubhouse, AC Air Handler (3T)	$ 1,798	15:00	4:07	$ 0	$ 1,798	$ 392
Clubhouse, AC Air Handler (5T)	2,812	15:00	13:00	0	2,812	216
Clubhouse, AC Air Handler (5T)	2,812	15:00	13:00	0	2,812	216
Clubhouse, AC Air Handler (5T)	2,812	15:00	2:00	572	2,240	1,120
Clubhouse, AC Condenser (3T)	2,027	12:00	4:07	0	2,027	442
Clubhouse, AC Condenser (5T)	3,171	12:00	10:00	0	3,171	317
Clubhouse, AC Condenser (5T)	3,171	12:00	10:00	0	3,171	317
Clubhouse, AC Condenser (5T)	3,171	12:00	2:00	0	3,171	1,585
Clubhouse, Banquet/Meeting Furniture	10,000	15:00	13:05	0	10,000	745
Clubhouse, Carpeting	9,546	10:00	2:05	0	9,546	3,950
Clubhouse, Exercise Equip. (Cardio)	25,000	10:00	2:00	0	25,000	12,500
Clubhouse, Exercise Equip. (Strength)	3,860	10:00	0:09	0	3,860	3,957
Clubhouse, Furnishings/Finishes	60,800	14:00	1:05	0	60,800	42,918
Clubhouse, Kitchen Interiors	23,900	20:00	19:05	0	23,900	1,231
Clubhouse, Patio/Corridor Flooring	2,456	3:00	0:02	0	2,456	3,139
Clubhouse, Restroom Interiors	50,445	20:00	18:05	0	50,445	2,739
	$ 207,781			$ 572	$ 207,209	$ 75,784
Irrigation/Fountains						
Fountain Pumps/Equip., Beaufort	$ 7,677	10:00	0:05	$ 0	$ 7,677	$ 8,125
Fountain Pumps/Equip., Clubhouse	15,492	10:00	6:09	0	15,492	2,295
Fountain Pumps/Equip., Entry	7,677	10:00	7:05	0	7,677	1,035
Fountain Pumps/Equip., Tennis	7,677	10:00	6:00	0	7,677	1,280

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2014
Irrigation/Fountains						
Fountain Pumps/Equip., Tybee	7,677	10:00	0:05	0	7,677	8,125
Irrigation Pumps/Equip., Beaufort	8,605	20:00	7:05	0	8,605	1,160
Irrigation Pumps/Equip., Clubhouse	43,023	20:00	7:05	0	43,023	5,801
Irrigation Pumps/Equip., Sub. West	34,418	20:00	8:05	0	34,418	4,089
Irrigation Pumps/Equip., Tennis	25,814	20:00	7:05	0	25,814	3,481
Irrigation Pumps/Equip., Tybee	19,791	20:00	10:05	0	19,791	1,900
Irrigation, Flow Guard Systems	17,275	20:00	19:00	0	17,275	909
	$ 195,126			$ 0	$ 195,126	$ 38,200
Painting & Waterproofing						
Paint Clubhouse/Pavilion Exteriors	$ 7,470	5:00	1:02	$ 0	$ 7,470	$ 6,403
	$ 7,470			$ 0	$ 7,470	$ 6,403
Pavement						
Asphalt Overlay, Clubhouse	$ 15,173	20:00	7:05	$ 15,172	$ 1	$ 0
Asphalt Overlay, Sample Circle	339,509	20:00	7:05	84,910	254,599	34,328
Asphalt Overlay, Sample Drive	115,327	20:00	7:05	0	115,327	15,550
Asphalt Overlay, Unit 2	59,856	20:00	10:05	0	59,856	5,746
Asphalt Overlay, Unit 3	120,791	20:00	9:05	0	120,791	12,827
Asphalt Overlay, Unit 4	57,246	20:00	7:05	0	57,246	7,719
Asphalt Overlay, Unit 7	86,756	20:00	14:00	0	86,756	6,197
Asphalt Sealcoat/Rejuv., CH	3,859	4:00	1:10	2,812	1,047	571
Pavers, Beaumont/Sample	36,110	20:00	10:05	0	36,110	3,467
Pavers, Clubhouse	8,705	20:00	7:05	0	8,705	1,174
Pavers, Entry	50,628	20:00	7:05	0	50,628	6,826
Pavers, Tybee/Sample	22,381	20:00	10:05	0	22,381	2,149
	$ 916,341			$ 102,894	$ 813,447	$ 96,554

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Component Funding Analysis - Items

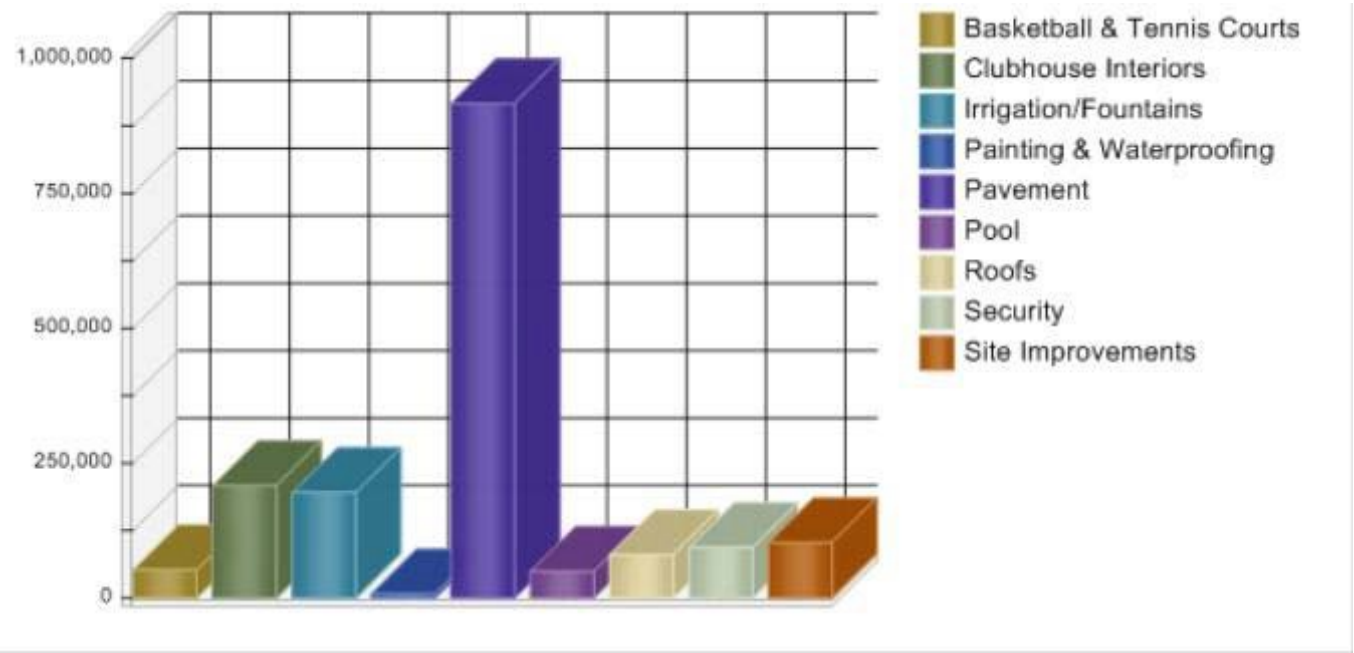
Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2014
Pool						
Pavers, Pool Deck	$ 5,103	20:00	7:05	$ 0	$ 5,103	$ 688
Pool & Porch Furniture	9,753	8:00	2:03	0	9,753	4,334
Pool Fencing & Gates	13,303	20:00	7:05	0	13,303	1,794
Pool Interiors	20,830	10:00	5:04	3,105	17,725	3,323
	$ 48,989			$ 3,105	$ 45,884	$ 10,139
Roofs						
Roofing, Clubhouse	$ 76,533	25:00	12:05	$ 35,104	$ 41,429	$ 3,337
Roofing, Security Pavilion	3,812	25:00	12:05	0	3,812	307
	$ 80,345			$ 35,104	$ 45,241	$ 3,644
Security						
Security, Access/Video Surveillance	$ 38,000	12:00	4:05	$ 0	$ 38,000	$ 8,604
Security, Barrier Gate Entry	4,316	14:00	6:05	0	4,316	673
Security, Barrier Gate Entry	4,316	14:00	6:05	0	4,316	673
Security, Barrier Gate Exit	4,316	14:00	6:05	0	4,316	673
Security, Swing Gate Operator Entry	4,114	14:00	10:03	0	4,114	401
Security, Swing Gate Operator Entry	4,114	14:00	13:05	0	4,114	307
Security, Swing Gate Operator Exit	4,114	14:00	10:03	0	4,114	401
Security, Swing Gate Operator Exit	4,114	14:00	10:03	0	4,114	401
Security, Swing Gates (4)	26,124	20:00	10:11	0	26,124	2,393
	$ 93,528			$ 0	$ 93,528	$ 14,526
Site Improvements						
Signage, Marquees/Entry	$ 27,150	15:00	5:05	$ 0	$ 27,150	$ 5,012
Site Lighting, Street/Parking	13,639	24:00	11:05	0	13,639	1,195
Tot Lot Equipment	55,000	15:00	13:05	0	55,000	4,099
Tot Lot Fencing & Gates	6,997	15:00	4:00	0	6,997	1,749
	$ 102,786			$ 0	$ 102,786	$ 12,055
	$ 1,704,249			$ 537,324	$ 1,562,574	$ 266,099

Cash Flow Analysis

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameter - Category - Chart



Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Detail

Description	Service Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measurement Basis
Basketball & Tennis Courts								
Basketball Court Fencing & Lighting	06/01/2000	$ 11,637.00	20:00	20:00	7:05	$ 11,637.00	$ 11,637.00	lp sm
Basketball Court Resurfacing	07/01/2008	3,744.00	8:00	8:00	3:06	3,744.00	0.60	sq ft
Tennis Court Fencing & Lighting	06/01/2000	28,326.00	20:00	20:00	7:05	28,326.00	28,326.00	lp sm
Tennis Court Resurfacing	07/01/2008	8,176.00	8:00	8:00	3:06	8,176.00	4,088.00	courts
		$ 51,883.00				$ 51,883.00		
Clubhouse Interiors								
Clubhouse, AC Air Handler (3T)	06/01/2004	1,798.32	15:00	13:02	4:07	1,798.32	599.44	tons
Clubhouse, AC Air Handler (5T)	01/01/2011	2,812.45	15:00	15:00	13:00	2,812.45	562.49	tons
Clubhouse, AC Air Handler (5T)	01/01/2011	2,812.45	15:00	15:00	13:00	2,812.45	562.49	tons
Clubhouse, AC Air Handler (5T)	06/01/2000	2,812.45	15:00	14:07	2:00	2,812.45	562.49	tons
Clubhouse, AC Condenser (3T)	08/01/2005	2,027.04	12:00	12:00	4:07	2,027.04	675.68	tons
Clubhouse, AC Condenser (5T)	01/01/2011	3,170.50	12:00	12:00	10:00	3,170.50	634.10	tons
Clubhouse, AC Condenser (5T)	01/01/2011	3,170.50	12:00	12:00	10:00	3,170.50	634.10	tons
Clubhouse, AC Condenser (5T)	06/01/2000	3,170.50	12:00	14:07	2:00	3,170.50	634.10	tons
Clubhouse, Banquet/Meeting…	06/01/2011	10,000.00	15:00	15:00	13:05	10,000.00	10,000.00	lp sm
Clubhouse, Carpeting	06/01/2005	9,546.00	10:00	10:00	2:05	9,546.00	44.40	sq yds
Clubhouse, Exercise Equip. (Cardio)	06/01/2000	25,000.00	10:00	14:07	2:00	25,000.00	25,000.00	lp sm
Clubhouse, Exercise Equip. (Strength)	06/01/2002	3,860.00	10:00	11:04	0:09	3,860.00	3,860.00	lp sm
Clubhouse, Furnishings/Finishes	06/01/2000	60,800.00	14:00	14:00	1:05	60,800.00	38.00	sq ft
Clubhouse, Kitchen Interiors	06/01/2012	23,900.00	20:00	20:00	19:05	23,900.00	23,900.00	lp sm
Clubhouse, Patio/Corridor Flooring	03/01/2010	2,456.40	3:00	3:00	0:02	2,456.40	0.89	sq ft
Clubhouse, Restroom Interiors	06/01/2011	50,445.00	20:00	20:00	18:05	50,445.00	132.75	sq ft
		$ 207,781.61				$ 207,781.61		
Irrigation/Fountains								
Fountain Pumps/Equip., Beaufort	06/01/2003	7,677.00	10:00	10:00	0:05	7,677.00	7,677.00	lp sm
Fountain Pumps/Equip., Clubhouse	10/01/2009	15,492.00	10:00	10:00	6:09	15,492.00	15,492.00	lp sm
Fountain Pumps/Equip., Entry	06/01/2010	7,677.00	10:00	10:00	7:05	7,677.00	7,677.00	lp sm
Fountain Pumps/Equip., Tennis	01/01/2009	7,677.00	10:00	10:00	6:00	7,677.00	7,677.00	lp sm
Fountain Pumps/Equip., Tybee	06/01/2003	7,677.00	10:00	10:00	0:05	7,677.00	7,677.00	lp sm
Irrigation Pumps/Equip., Beaufort	06/01/2000	8,604.60	20:00	20:00	7:05	8,604.60	860.46	hp

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Detail

Description	Service Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measurement Basis
Irrigation/Fountains								
Irrigation Pumps/Equip., Clubhouse	06/01/2000	$ 43,023.00	20:00	20:00	7:05	$ 43,023.00	$ 860.46	hp
Irrigation Pumps/Equip., Sub. West	06/01/2001	34,418.40	20:00	20:00	8:05	34,418.40	860.46	hp
Irrigation Pumps/Equip., Tennis	06/01/2000	25,813.80	20:00	20:00	7:05	25,813.80	860.46	hp
Irrigation Pumps/Equip., Tybee	06/01/2003	19,790.58	20:00	20:00	10:05	19,790.58	860.46	hp
Irrigation, Flow Guard Systems	01/01/2012	17,275.00	20:00	20:00	19:00	17,275.00	3,455.00	stations
		$ 195,125.38				$ 195,125.38		
Painting & Waterproofing								
Paint Clubhouse/Pavilion Exteriors	03/01/2009	7,470.00	5:00	5:00	1:02	7,470.00	7,470.00	lp sm
		$ 7,470.00				$ 7,470.00		
Pavement								
Asphalt Overlay, Clubhouse	06/01/2000	15,172.80	20:00	20:00	7:05	15,172.80	6.96	sq yds
Asphalt Overlay, Sample Circle	06/01/2000	339,508.80	20:00	20:00	7:05	339,508.80	6.96	sq yds
Asphalt Overlay, Sample Drive	06/01/2000	115,327.20	20:00	20:00	7:05	115,327.20	6.96	sq yds
Asphalt Overlay, Unit 2	06/01/2003	59,856.00	20:00	20:00	10:05	59,856.00	6.96	sq yds
Asphalt Overlay, Unit 3	06/01/2002	120,790.80	20:00	20:00	9:05	120,790.80	6.96	sq yds
Asphalt Overlay, Unit 4	06/01/2000	57,246.00	20:00	20:00	7:05	57,246.00	6.96	sq yds
Asphalt Overlay, Unit 7	01/01/2007	86,756.40	20:00	20:00	14:00	86,756.40	6.96	sq yds
Asphalt Sealcoat/Rejuv., CH	11/01/2010	3,858.60	4:00	4:00	1:10	3,858.60	1.77	sq yds
Pavers, Beaumont/Sample	06/01/2003	36,109.90	20:00	20:00	10:05	36,109.90	5.26	sq ft
Pavers, Clubhouse	06/01/2000	8,705.30	20:00	20:00	7:05	8,705.30	5.26	sq ft
Pavers, Entry	06/01/2000	50,627.50	20:00	20:00	7:05	50,627.50	5.26	sq ft
Pavers, Tybee/Sample	06/01/2003	22,381.30	20:00	20:00	10:05	22,381.30	5.26	sq ft
		$ 916,340.60				$ 916,340.60		
Pool								
Pavers, Pool Deck	06/01/2000	5,103.00	20:00	20:00	7:05	5,103.00	7.29	sq ft
Pool & Porch Furniture	04/01/2007	9,752.50	8:00	8:00	2:03	9,752.50	195.05	pieces
Pool Fencing & Gates	06/01/2000	13,302.90	20:00	20:00	7:05	13,302.90	49.27	ln ft
Pool Interiors	05/01/2008	20,829.60	10:00	10:00	5:04	20,829.60	10.52	sq ft
		$ 48,988.00				$ 48,988.00		

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Detail

Description	Service Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measurement Basis
Roofs								
Roofing, Clubhouse	06/01/2000	$ 76,532.72	25:00	25:00	12:05	$ 76,532.72	$ 869.69	sqs
Roofing, Security Pavilion	06/01/2000	3,812.48	25:00	25:00	12:05	3,812.48	1,089.28	sqs
		$ 80,345.20				$ 80,345.20		
Security								
Security, Access/Video Surveillance	06/01/2005	38,000.00	12:00	12:00	4:05	38,000.00	38,000.00	lp sm
Security, Barrier Gate Entry	06/01/2005	4,316.10	14:00	14:00	6:05	4,316.10	4,316.10	lp sm
Security, Barrier Gate Entry	06/01/2005	4,316.10	14:00	14:00	6:05	4,316.10	4,316.10	lp sm
Security, Barrier Gate Exit	06/01/2005	4,316.10	14:00	14:00	6:05	4,316.10	4,316.10	lp sm
Security, Swing Gate Operator Entry	04/01/2009	4,114.00	14:00	14:00	10:03	4,114.00	4,114.00	lp sm
Security, Swing Gate Operator Entry	06/01/2012	4,114.00	14:00	14:00	13:05	4,114.00	4,114.00	lp sm
Security, Swing Gate Operator Exit	04/01/2009	4,114.00	14:00	14:00	10:03	4,114.00	4,114.00	lp sm
Security, Swing Gate Operator Exit	04/01/2009	4,114.00	14:00	14:00	10:03	4,114.00	4,114.00	lp sm
Security, Swing Gates (4)	12/01/2003	26,124.00	20:00	20:00	10:11	26,124.00	6,531.00	each
		$ 93,528.30				$ 93,528.30		
Site Improvements								
Signage, Marquees/Entry	06/01/2003	27,150.00	15:00	15:00	5:05	27,150.00	27,150.00	lp sm
Site Lighting, Street/Parking	06/01/2000	13,638.60	24:00	24:00	11:05	13,638.60	1,136.55	each
Tot Lot Equipment	06/01/2011	55,000.00	15:00	15:00	13:05	55,000.00	55,000.00	lp sm
Tot Lot Fencing & Gates	01/01/2002	6,996.60	15:00	15:00	4:00	6,996.60	20.28	ln ft
		$ 102,785.20				$ 102,785.20		
		$ 1,704,247.29				$ 1,704,247.29		

Item Parameters - Full Detail

Basketball Court Fencing & Lighting

Item Number	1	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	20:00
Category	Basketball & Tennis Courts	**Basis Cost**	11,637.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0001	06/01/2000	06/01/2020	7:05	20:00	1.00	$ 11,637.00	$ 11,637.00
						$ 11,637.00	$ 11,637.00

Comments

Replacement of the +/- 155 linear feet of 10' coated chain link fencing, as well as the 4 light poles/shoebox fixtures that support the basketball court, should be expected on a market indicated life cycle in the low to mid-20 year range. At the association's request, replacement of this fencing was forecast on a 20 year life cycle. The current cost estimate is a rounded figure based on a per linear foot expense of $26.38 for the fencing and an average per pole expense of $1,887 for the lighting.

Item Parameters - Full Detail

Basketball Court Resurfacing

Item Number	2	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	8:00
Category	Basketball & Tennis Courts	**Basis Cost**	0.60
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0002	07/01/2008	07/01/2016	3:06	8:00	6240.00	$ 3,744.00	$ 3,744.00
						$ 3,744.00	$ 3,744.00

Comments

Industry standards suggest a maximum useful life of 6-8 years for the typical asphalt basketball and or tennis court surface, to insure proper protection of the underlying court structures and a high cosmetic appeal. These upgrades were completed in 2008, suggesting that a useful life on the high end of that range is appropriate for the subject property. These expenses were forecast again in 2016, accordingly.

Item Parameters - Full Detail

Tennis Court Fencing & Lighting

Item Number	3	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	20:00
Category	Basketball & Tennis Courts	**Basis Cost**	28,326.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0003	06/01/2000	06/01/2020	7:05	20:00	1.00	$ 28,326.00	$ 28,326.00
						$ 28,326.00	$ 28,326.00

Comments

Replacement of the +/- 430 linear feet of 10' coated chain link fencing, as well as the 9 light poles/shoebox fixtures that support the basketball court, should be expected on a market indicated life cycle in the low to mid-20 year range. At the association's request, this expense was forecast on a 20 year life cycle. The current cost estimate is a rounded figure based on a per linear foot expense of $26.38 for the fencing and an average per pole expense of $1,887 for the lighting.

Item Parameters - Full Detail

Tennis Court Resurfacing

Item Number	4	**Measurement Basis**	courts
Type	Common Area	**Estimated Useful Life**	8:00
Category	Basketball & Tennis Courts	**Basis Cost**	4,088.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0004	07/01/2008	07/01/2016	3:06	8:00	2.00	$ 8,176.00	$ 8,176.00
						$ 8,176.00	$ 8,176.00

Comments

Industry standards suggest a maximum useful life of 6-8 years for the typical asphalt basketball and or tennis court surface, to insure proper protection of the underlying court structures and a high cosmetic appeal. These upgrades were completed in 2008, suggesting that a useful life on the high end of that range is appropriate for the subject property. These expenses were forecast again in 2016, accordingly.

Item Parameters - Full Detail

Clubhouse, AC Air Handler (3T)

Item Number	11	**Measurement Basis**	tons
Type	Common Area	**Estimated Useful Life**	15:00
Category	Clubhouse Interiors	**Basis Cost**	599.44
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0011	06/01/2004	08/01/2017	4:07	13:02	3.00	$ 1,798.32	$ 1,798.32
						$ 1,798.32	$ 1,798.32

Comments

The Clubhouse Interiors reserve category was included so the association can consider costs for both short and long lived cosmetic upgrades to the clubhouse interiors, as well as replacement of the exercise equipment and air conditioning units. To insure maximum property values, the association should expect to incur these costs on a periodic and regular basis. As is the case with any cosmetic upgrade, costs and time frames may vary due to individual association tastes and preferences.

Because they will not likely require replacement concurrently, we have included separate line items for each of the split HVAC air handlers and condensers supporting the clubhouse interiors. The market reflects a probable life cycle in the low 10 year range for replacement of the condensers, which is supported by the actual operating history, while the air handlers may last 20-25+ years under normal conditions. At the association's request and sole discretion, replacement of the clubhouse air handlers was forecast on recurring 15 year life cycles. Replacement of the clubhouse condensers was forecast on a market indicated 12 year life cycle.

Of note are changed building codes whereby replacement of the matching air handler will be required upon replacement of condenser units during the next replacement, so that both are brought up to more efficient building codes. The remaining useful life of the last five ton air handler was adjusted to reflect the same 2015 replacement date as the last five ton condenser, accordingly; these replacement dates were included at the association’s request and sole discretion. It was assumed that the air handlers and condensers installed in 2011 are up to current code, so the remaining useful lives of those air handlers do not require adjustment to reflect similar replacement dates as their matching condensers. The photographs are of representative air handlers.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Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Clubhouse, AC Air Handler (5T)

Item Number	12	**Measurement Basis**	tons
Type	Common Area	**Estimated Useful Life**	15:00
Category	Clubhouse Interiors	**Basis Cost**	562.49
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0012	01/01/2011	01/01/2026	13:00	15:00	5.00	$ 2,812.45	$ 2,812.45
						$ 2,812.45	$ 2,812.45

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Clubhouse, AC Air Handler (5T)

Item Number	13	**Measurement Basis**	tons
Type	Common Area	**Estimated Useful Life**	15:00
Category	Clubhouse Interiors	**Basis Cost**	562.49
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0013	01/01/2011	01/01/2026	13:00	15:00	5.00	$ 2,812.45	$ 2,812.45
						$ 2,812.45	$ 2,812.45

Comments

Item Parameters - Full Detail

Clubhouse, AC Air Handler (5T)

Item Number	14	**Measurement Basis**	tons
Type	Common Area	**Estimated Useful Life**	15:00
Category	Clubhouse Interiors	**Basis Cost**	562.49
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Adjusted		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0014	06/01/2000	01/01/2015	2:00	14:07	5.00	$ 2,812.45	$ 2,812.45
						$ 2,812.45	$ 2,812.45

Comments

Item Parameters - Full Detail

Clubhouse, AC Condenser (3T)

Item Number	15	**Measurement Basis**	tons
Type	Common Area	**Estimated Useful Life**	12:00
Category	Clubhouse Interiors	**Basis Cost**	675.68
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0015	08/01/2005	08/01/2017	4:07	12:00	3.00	$ 2,027.04	$ 2,027.04
						$ 2,027.04	$ 2,027.04

Comments

Item Parameters - Full Detail

Clubhouse, AC Condenser (5T)

Item Number	16	**Measurement Basis**	tons
Type	Common Area	**Estimated Useful Life**	12:00
Category	Clubhouse Interiors	**Basis Cost**	634.10
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0016	01/01/2011	01/01/2023	10:00	12:00	5.00	$ 3,170.50	$ 3,170.50
						$ 3,170.50	$ 3,170.50

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Clubhouse, AC Condenser (5T)

Item Number	17	**Measurement Basis**	tons
Type	Common Area	**Estimated Useful Life**	12:00
Category	Clubhouse Interiors	**Basis Cost**	634.10
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0017	01/01/2011	01/01/2023	10:00	12:00	5.00	$ 3,170.50	$ 3,170.50
						$ 3,170.50	$ 3,170.50

Comments

Item Parameters - Full Detail

Clubhouse, AC Condenser (5T)

Item Number	18	**Measurement Basis**	tons
Type	Common Area	**Estimated Useful Life**	12:00
Category	Clubhouse Interiors	**Basis Cost**	634.10
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Adjusted		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0018	06/01/2000	01/01/2015	2:00	14:07	5.00	$ 3,170.50	$ 3,170.50
						$ 3,170.50	$ 3,170.50

Comments

Item Parameters - Full Detail

Clubhouse, Banquet/Meeting Furniture

Item Number	10	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	15:00
Category	Clubhouse Interiors	**Basis Cost**	10,000.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0010	06/01/2011	06/01/2026	13:05	15:00	1.00	$ 10,000.00	$ 10,000.00
						$ 10,000.00	$ 10,000.00

Comments

While minor replacements/additions can be expected from time to time, it is our experience that major banquet/meeting room furniture inventory replacement may not be necessary for up to 20 years under normal operating conditions. Data provided by the association representative suggests that the clubhouse banquet/meeting room furniture was purchased/installed in 2011, and that a 15 year life cycle is expected. The current cost estimate was provided by the association, assumed to be based on actual costs incurred during the recent upgrade, and included at the association's sole discretion.

Item Parameters - Full Detail

Clubhouse, Carpeting

Item Number	7	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	10:00
Category	Clubhouse Interiors	**Basis Cost**	44.40
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0007	06/01/2005	06/01/2015	2:05	10:00	215.00	$ 9,546.00	$ 9,546.00
						$ 9,546.00	$ 9,546.00

Comments

The carpeting in the social room, card room and exercise room were replaced in 2005. Our experience with properties of similar quality and age indicates carpet replacement on a +/- 10 year life cycle. Utilizing the placed in service date of 2005 and a 10 year life estimate suggests this replacement in 2015. The current cost includes removal and disposal of the existing carpeting and replacement with like quality.

Item Parameters - Full Detail

Clubhouse, Exercise Equip. (Cardio)

Item Number	5	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	10:00
Category	Clubhouse Interiors	**Basis Cost**	25,000.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0005	06/01/2000	01/01/2015	2:00	14:07	1.00	$ 25,000.00	$ 25,000.00
						$ 25,000.00	$ 25,000.00

Comments

It is our market observation that while minor additions and/or replacements can be expected from time to time, better quality properties complete exercise equipment inventory replacements (treadmills, elliptical trainers, upright and recumbent exercise bikes, arc trainers, strength training stations, etc.) on a life cycle in the 10 year range, to insure the modern, appealing equipment is in use. This fund is designed to provide monies for replacement of the inventory of cardiovascular equipment within the clubhouse exercise room (treadmills 3, elliptical trainers, 2, exercise/recumbent bikes, 2), which have varying placed in service dates. No major exercise equipment projects were expected in 2014 or 2014.

This line item is designed to provide monies for as needed cardiovascular equipment replacements over a recurring 10 year life cycle; based on the association's expected 2015 expense date, this project was assigned a two year remaining useful life estimate. The current cost estimate is reflective of the association's expectation of installation of better quality equipment, and was included at the association's request and sole discretion.

Item Parameters - Full Detail

Clubhouse, Exercise Equip. (Strength)

Item Number	6	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	10:00
Category	Clubhouse Interiors	**Basis Cost**	3,860.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Adjusted		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0006	06/01/2002	10/01/2014	0:09	11:04	1.00	$ 3,860.00	$ 3,860.00
						$ 3,860.00	$ 3,860.00

Comments

Multi-station strength training equipment should require replacement on a 10-12 year schedule. This piece of equipment was purchased used in 2002 and the association should expect to incur costs with its replacement in the next 1-2 years. The replacement current cost may vary due to the specifics of the replacement equipment chosen by the association.

Item Parameters - Full Detail

Clubhouse, Furnishings/Finishes

Item Number	9	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	14:00
Category	Clubhouse Interiors	**Basis Cost**	38.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0009	06/01/2000	06/01/2014	1:05	14:00	1600.00	$ 60,800.00	$ 60,800.00
						$ 60,800.00	$ 60,800.00

Comments

While minor additions/replacements can be expected from time to time, it is our market observation that major furnishings/finishes upgrades (including, but not necessarily limited to, wall finishes, upholstered sofas and chairs, bar stools, tables, area rugs, wall art/mirrors, window treatments, ceiling fans, etc.) can be expected on a life cycle in the low to mid 10 year range. Utilizing a 14 year estimate suggests this expense in fiscal year 2014. The current cost estimate does not include any unforeseen floor area reconfiguration(s) and/or expansion(s).

Item Parameters - Full Detail

Clubhouse, Kitchen Interiors

Item Number	19	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	20:00
Category	Clubhouse Interiors	**Basis Cost**	23,900.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0019	06/01/2012	06/01/2032	19:05	20:00	1.00	$ 23,900.00	$ 23,900.00
						$ 23,900.00	$ 23,900.00

Comments

At some point in the foreseeable future, the association should expect to incur costs for major renovation of the clubhouse kitchen and restroom renovations. We have observed life cycles of less than 15 years, to 30+ years. This project was completed in 2012, which suggests that a life cycle on the lower end of the range is appropriate for ongoing budgetary purposes. A 2032 expense date was forecast for renovation of the main social room kitchen and the card room kitchenette, including (but not necessarily limited to) tile flooring, counters, cabinetry, plumbing and electrical fixtures, etc. The current cost is based on the the social room kitchen size of +/- 115 square foot at a current unit cost estimate of $180.00/sq.ft., plus a $3,200 allowance for the card room kitchenette. The current cost estimate does not include any unforeseen floor area reconfiguration(s) and/or expansion(s).

Item Parameters - Full Detail

Clubhouse, Patio/Corridor Flooring

Item Number	8	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	3:00
Category	Clubhouse Interiors	**Basis Cost**	0.89
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0008	03/01/2010	03/01/2014	0:02	3:00	2760.00	$ 2,456.40	$ 2,456.40
						$ 2,456.40	$ 2,456.40

Comments

The open corridors, porches and portico floors at the clubhouse were refinished in spring 2010. At the association's request and sole discretion, this expense was forecast on a recurring 3 year life cycle in the future.

Item Parameters - Full Detail

Clubhouse, Restroom Interiors

Item Number	20	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	20:00
Category	Clubhouse Interiors	**Basis Cost**	132.75
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0020	06/01/2011	06/01/2031	18:05	20:00	380.00	$ 50,445.00	$ 50,445.00
						$ 50,445.00	$ 50,445.00

Comments

At some point in the foreseeable future, the association should expect to incur costs for major renovation of the clubhouse kitchen and restroom renovations. We have observed life cycles of less than 15 years, to 30+ years. This project was completed in 2011, which suggests that a life cycle on the lower end of the range is appropriate for ongoing budgetary purposes. A 2031 expense date was forecast accordingly. The current cost estimate includes(but is not necessarily limited to) tile wall finishes and flooring, vanities, mirrors, dividers, plumbing and electrical fixtures, etc. The current cost estimate does not include any unforeseen floor area reconfiguration(s) and/or expansion(s).

Item Parameters - Full Detail

Fountain Pumps/Equip., Beaufort

Item Number	21	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	10:00
Category	Irrigation/Fountains	**Basis Cost**	7,677.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0021	06/01/2003	06/01/2014	0:05	10:00	1.00	$ 7,677.00	$ 7,677.00
						$ 7,677.00	$ 7,677.00

Comments

The common areas feature five lake fountains with associated equipment (heads, pumps, etc.), which should have a useful life in the low 10 year range, based on market data we have observed and the subject's actual operating history. Each pump has been assigned an estimated replacement date based on their reported placed in service dates and a recurring 10 year life cycle. The current costs include the pump and related equipment. The photograph is of a representative common area fountain.

Excluded from this report for both the fountain and irrigation systems are the underground lines; a determination of the design quality, installation quality, efficiency or current condition of these systems, which is beyond the scope of this report. It is uncommon for associations to fund for total irrigation line replacement, because total replacement at any one given time is unlikely under normal operating conditions; most properties prefer to fund as needed repairs through their annual operating budgets.

Item Parameters - Full Detail

Fountain Pumps/Equip., Clubhouse

Item Number	22	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	10:00
Category	Irrigation/Fountains	**Basis Cost**	15,492.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0022	10/01/2009	10/01/2019	6:09	10:00	1.00	$ 15,492.00	$ 15,492.00
						$ 15,492.00	$ 15,492.00

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Fountain Pumps/Equip., Entry

Item Number	23	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	10:00
Category	Irrigation/Fountains	**Basis Cost**	7,677.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0023	06/01/2010	06/01/2020	7:05	10:00	1.00	$ 7,677.00	$ 7,677.00
						$ 7,677.00	$ 7,677.00

Comments

Item Parameters - Full Detail

Fountain Pumps/Equip., Tennis

Item Number	24	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	10:00
Category	Irrigation/Fountains	**Basis Cost**	7,677.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0024	01/01/2009	01/01/2019	6:00	10:00	1.00	$ 7,677.00	$ 7,677.00
						$ 7,677.00	$ 7,677.00

Comments

Item Parameters - Full Detail

Fountain Pumps/Equip., Tybee

Item Number	25	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	10:00
Category	Irrigation/Fountains	**Basis Cost**	7,677.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0025	06/01/2003	06/01/2014	0:05	10:00	1.00	$ 7,677.00	$ 7,677.00
						$ 7,677.00	$ 7,677.00

Comments

Item Parameters - Full Detail

Irrigation Pumps/Equip., Beaufort

Item Number	26	**Measurement Basis**	hp
Type	Common Area	**Estimated Useful Life**	20:00
Category	Irrigation/Fountains	**Basis Cost**	860.46
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0026	06/01/2000	06/01/2020	7:05	20:00	10.00	$ 8,604.60	$ 8,604.60
						$ 8,604.60	$ 8,604.60

Comments

The common area landscaping is supported by five separate irrigation pump stations, with standard pumps, controllers, etc. Since it is unlikely that all five stations will require replacement at any one given time under normal operating conditions, separate line items have been included for each station. The photograph is of a representative irrigation pump station.

These funds are designed to provide monies for ongoing major repairs and eventual total system modernization and/or replacement. The market suggests that with proper and routine maintenance, a useful life in the low to mid 20 year range can be expected before total system modernization or replacement is necessary. For the purposes of this report, we have scheduled these costs based on the reported placed in service dates of each station and a 20 year life cycle.

Item Parameters - Full Detail

Irrigation Pumps/Equip., Clubhouse

Item Number	27	**Measurement Basis**	hp
Type	Common Area	**Estimated Useful Life**	20:00
Category	Irrigation/Fountains	**Basis Cost**	860.46
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0027	06/01/2000	06/01/2020	7:05	20:00	50.00	$ 43,023.00	$ 43,023.00
						$ 43,023.00	$ 43,023.00

Comments

Item Parameters - Full Detail

Irrigation Pumps/Equip., Sub. West

Item Number	28	**Measurement Basis**	hp
Type	Common Area	**Estimated Useful Life**	20:00
Category	Irrigation/Fountains	**Basis Cost**	860.46
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0028	06/01/2001	06/01/2021	8:05	20:00	40.00	$ 34,418.40	$ 34,418.40
						$ 34,418.40	$ 34,418.40

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Irrigation Pumps/Equip., Tennis

Item Number	29	**Measurement Basis**	hp
Type	Common Area	**Estimated Useful Life**	20:00
Category	Irrigation/Fountains	**Basis Cost**	860.46
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0029	06/01/2000	06/01/2020	7:05	20:00	30.00	$ 25,813.80	$ 25,813.80
						$ 25,813.80	$ 25,813.80

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Irrigation Pumps/Equip., Tybee

Item Number	30	**Measurement Basis**	hp
Type	Common Area	**Estimated Useful Life**	20:00
Category	Irrigation/Fountains	**Basis Cost**	860.46
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0030	06/01/2003	06/01/2023	10:05	20:00	23.00	$ 19,790.58	$ 19,790.58
						$ 19,790.58	$ 19,790.58

Comments

Item Parameters - Full Detail

Irrigation, Flow Guard Systems

Item Number	31	**Measurement Basis**	stations
Type	Common Area	**Estimated Useful Life**	20:00
Category	Irrigation/Fountains	**Basis Cost**	3,455.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0031	01/01/2012	01/01/2032	19:00	20:00	5.00	$ 17,275.00	$ 17,275.00
						$ 17,275.00	$ 17,275.00

Comments

The association completed installation of five Hoover FlowGuard irrigation system controllers in 2012. This reserve is designed to provide monies for as needed repairs/replacements over a 20 year life cycle for these systems.

Item Parameters - Full Detail

Paint Clubhouse/Pavilion Exteriors

Item Number	50	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	5:00
Category	Painting & Waterproofing	**Basis Cost**	7,470.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0050	03/01/2009	03/01/2014	1:02	5:00	1.00	$ 7,470.00	$ 7,470.00
						$ 7,470.00	$ 7,470.00

Comments

The market suggests that a properly installed and maintained exterior painting and waterproofing project should have a useful life of 6-7 years under normal operating conditions (in lieu of an association purchased 10 year warranty). The clubhouse, security pavilion and ancillary surfaces were painted in spring 2009; therefore, the association should expect to incur costs associated with this upgrade no later than 2016. At the association's request and sole discretion, this upgrade was forecast on a recurring 5 year life cycle. The current cost estimate includes surface preparation and typical minor stucco and concrete repairs, as needed window caulking, and repainting/refinishing of all stucco, metal and wood surfaces.

Item Parameters - Full Detail

Asphalt Overlay, Clubhouse

Item Number	32	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	6.96
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0032	06/01/2000	06/01/2020	7:05	20:00	2180.00	$ 15,172.80	$ 15,172.80
						$ 15,172.80	$ 15,172.80

Comments

We have observed a rather wide range in useful lives for asphalt paved roadways, parking, etc., from as low as 14-15 years, to 25+ years. Better quality properties like the subject tend towards the 18-20 year range; the useful life will depend on the quality of design and installation, level of maintenance, and association cosmetic tastes. Therefore, resurfacing of the common area asphalt paving was scheduled according to the reported installation dates and 20 year useful life cycles. In each case, the current cost estimate includes typical minor repairs to the underlying pavement structures and drainage systems, milling of the asphalt at its meeting with adjacent concrete paving, installation of a standard overlay, and as needed re-striping and curb stops replacement.

Replacement of common area concrete paving (curbing, sidewalks, parking, etc.) should not be necessary at any one given time under normal operating conditions. As such, reserving for total replacement is not considered practical or prudent. Typically, associations fund minor upgrades to these paving systems on an as needed, incidental basis as a function of their general operating budgets, given the unpredictability of cost and time frames. Therefore, no reserve was established for the common area concrete paving.

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Asphalt Overlay, Sample Circle

Item Number	33	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	6.96
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0033	06/01/2000	06/01/2020	7:05	20:00	48780.00	$ 339,508.80	$ 339,508.80
						$ 339,508.80	$ 339,508.80

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Asphalt Overlay, Sample Drive

Item Number	34	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	6.96
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0034	06/01/2000	06/01/2020	7:05	20:00	16570.00	$ 115,327.20	$ 115,327.20
						$ 115,327.20	$ 115,327.20

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Asphalt Overlay, Unit 2

Item Number	35	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	6.96
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0035	06/01/2003	06/01/2023	10:05	20:00	8600.00	$ 59,856.00	$ 59,856.00
						$ 59,856.00	$ 59,856.00

Comments

Item Parameters - Full Detail

Asphalt Overlay, Unit 3

Item Number	36	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	6.96
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0036	06/01/2002	06/01/2022	9:05	20:00	17355.00	$ 120,790.80	$ 120,790.80
						$ 120,790.80	$ 120,790.80

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Asphalt Overlay, Unit 4

Item Number	37	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	6.96
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0037	06/01/2000	06/01/2020	7:05	20:00	8225.00	$ 57,246.00	$ 57,246.00
						$ 57,246.00	$ 57,246.00

Comments

Item Parameters - Full Detail

Asphalt Overlay, Unit 7

Item Number	38	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	6.96
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0038	01/01/2007	01/01/2027	14:00	20:00	12465.00	$ 86,756.40	$ 86,756.40
						$ 86,756.40	$ 86,756.40

Comments

Item Parameters - Full Detail

Asphalt Sealcoat/Rejuv., Clubhouse

Item Number	39	**Measurement Basis**	sq yds
Type	Common Area	**Estimated Useful Life**	4:00
Category	Pavement	**Basis Cost**	1.77
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0039	11/01/2010	11/01/2014	1:10	4:00	2180.00	$ 3,858.60	$ 3,858.60
						$ 3,858.60	$ 3,858.60

Comments

Asphalt sealcoating/rejuvenation serves as not only a cosmetic upgrade, it also insures minimal moisture intrusion into the underlying pavement structure. Without a proper moisture barrier, premature deterioration in the form of potholes, etc. can occur, causing the need for more frequent (and costly) asphalt overlays. Typically, this upgrade is completed on a 3-4 year basis. This project was completed in fall 2010, and forecast again in 2014 accordingly. The current cost estimate includes typical minor pavement repairs and re-striping.

The association has not historically sealcoated/rejuvenated its interior roadways; in our experience, some associations do, and some don't. Based on the actual operating history, we have excluded sealcoating of the roadways. If the association chose to complete this upgrade, we estimate a current cost on the order of $85,000.

Item Parameters - Full Detail

Pavers, Beaumont/Sample

Item Number	40	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	5.26
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0040	06/01/2003	06/01/2023	10:05	20:00	6865.00	$ 36,109.90	$ 36,109.90
						$ 36,109.90	$ 36,109.90

Comments

Some associations consider paver parking/drives, pool and spa decks, etc. to effectively be permanent, and opt to exclude replacement from their annual reserve budgets. Other associations do establish and fund reserves for eventual replacement, on observed budgetary life cycles of 20-40 years. It is our opinion that reserving for total replacement is prudent, even if only for cosmetic purposes; we have observed properties with older pavers that appear worn and dated, even with periodic pressure washing and/or sealing. At the association's request and sole discretion, replacement of the differing areas of common area pavers was forecast on 20 year life cycles.

Item Parameters - Full Detail

Pavers, Clubhouse

Item Number	41	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	5.26
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0041	06/01/2000	06/01/2020	7:05	20:00	1655.00	$ 8,705.30	$ 8,705.30
						$ 8,705.30	$ 8,705.30

Comments

Item Parameters - Full Detail

Pavers, Entry

Item Number	42	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	5.26
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0042	06/01/2000	06/01/2020	7:05	20:00	9625.00	$ 50,627.50	$ 50,627.50
						$ 50,627.50	$ 50,627.50

Comments

Item Parameters - Full Detail

Pavers, Tybee

Item Number	43	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pavement	**Basis Cost**	5.26
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0043	06/01/2003	06/01/2023	10:05	20:00	4255.00	$ 22,381.30	$ 22,381.30
						$ 22,381.30	$ 22,381.30

Comments

Item Parameters - Full Detail

Pavers, Pool Deck

Item Number	44	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pool	**Basis Cost**	7.29
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0044	06/01/2000	06/01/2020	7:05	20:00	700.00	$ 5,103.00	$ 5,103.00
						$ 5,103.00	$ 5,103.00

Comments

The clubhouse pool deck features pavers as well, which were forecast for replacement on an association requested 20 year life cycle.

Item Parameters - Full Detail

Pool & Porch Furniture

Item Number	45	**Measurement Basis**	pieces
Type	Common Area	**Estimated Useful Life**	8:00
Category	Pool	**Basis Cost**	195.05
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0045	04/01/2007	04/01/2015	2:03	8:00	50.00	$ 9,752.50	$ 9,752.50
						$ 9,752.50	$ 9,752.50

Comments

Although miscellaneous additions and/or replacements should be necessary on an ongoing, as needed basis, most properties completely replace their pool & spa deck furniture on an 8-10 year schedule. This useful life is reflective of routine maintenance that often includes frame refinishing and where applicable, and restrapping as a function of ongoing maintenance. Based on the subject's actual operating history, a life cycle on the lower end of the range was forecast.

Item Parameters - Full Detail

Pool Fencing & Gates

Item Number	46	**Measurement Basis**	ln ft
Type	Common Area	**Estimated Useful Life**	20:00
Category	Pool	**Basis Cost**	49.27
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0046	06/01/2000	06/01/2020	7:05	20:00	270.00	$ 13,302.90	$ 13,302.90
						$ 13,302.90	$ 13,302.90

Comments

A reserve component has also been included for eventual replacement of the metal fencing and gates at the clubhouse pool, which should be expected on a life cycle in the low to mid 20 year range under normal operating conditions. Based on the placed in service date of 2000 the association should expect to incur costs associated with this upgrade at or near fiscal year 2024. At the association's request and sole discretion, a 20 year life cycle and 2020 replacement date were included. The current cost estimate includes removal and disposal of the existing fencing and gates and replacement with like height/quality.

Item Parameters - Full Detail

Pool Interiors

Item Number	47	**Measurement Basis**	sq ft
Type	Common Area	**Estimated Useful Life**	10:00
Category	Pool	**Basis Cost**	10.52
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0047	05/01/2008	05/01/2018	5:04	10:00	1980.00	$ 20,829.60	$ 20,829.60
						$ 20,829.60	$ 20,829.60

Comments

Assuming proper installation, maintenance and chemical balancing, the typical aggregate pool interior surface will have a useful life of 10-12 years in properties of the subject's overall quality. This upgrade was completed in spring 2008, and was forecast again in 2018, accordingly. The current cost estimate includes typical minor tank/structural repairs, tile upgrades, and installation of new aggregate surface materials (i.e. "diamond brite", "pebble crete", etc.).

Because it is unlikely under normal operating conditions that total inventory replacement of the pool equipment will be necessary, and given our observation that many properties prefer to fund as needed pool and spa equipment replacements through their annual operating budgets, no reserves were included for pool equipment.

Item Parameters - Full Detail

Roofing, Clubhouse

Item Number	48	**Measurement Basis**	sqs
Type	Common Area	**Estimated Useful Life**	25:00
Category	Roofs	**Basis Cost**	869.69
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0048	06/01/2000	06/01/2025	12:05	25:00	88.00	$ 76,532.72	$ 76,532.72
						$ 76,532.72	$ 76,532.72

Comments

Since they may not require replacement concurrently, we have included separate line items for replacement of the pitched tile roof covers on the clubhouse and security/gatehouse pavilion. Industry standards indicate a probable 25-30+ year useful life. Utilizing 25 year life cycle estimates, these replacements were forecast in 2025. In each case, the current cost estimate includes removal and disposal of the existing roof covers, typical nominal repairs to the underlying roof structures, flashing, as needed upgrades/replacements of fascia, soffits, and/or gutters & downspouts, and installation of like roofing.

one square = 100 square feet

Item Parameters - Full Detail

Roofing, Security Pavilion

Item Number	49	**Measurement Basis**	sqs
Type	Common Area	**Estimated Useful Life**	25:00
Category	Roofs	**Basis Cost**	1,089.28
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0049	06/01/2000	06/01/2025	12:05	25:00	3.50	$ 3,812.48	$ 3,812.48
						$ 3,812.48	$ 3,812.48

Comments

Item Parameters - Full Detail

Security, Access/Video Surveillance

Item Number	51	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	12:00
Category	Security	**Basis Cost**	38,000.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0051	06/01/2005	06/01/2017	4:05	12:00	1.00	$ 38,000.00	$ 38,000.00
						$ 38,000.00	$ 38,000.00

Comments

The common area security systems include a keypad access system/equipment and video surveillance system (13 cameras). This category refers to costs associated with major modernization/replacement of these systems, including cameras, monitors, recording equipment, software/hardware, keypads, wiring, etc. While miscellaneous component replacements can be expected on an ongoing basis as a function of general maintenance, most properties complete major system modernization on a 10-12 year life cycle. Utilizing a market supported 12 year life cycle indicates this expense at or near 2017. The market reflects a rather wide range in cost, from the low $20,000 range to over $100,000, depending on the type, size and complexity of systems chosen. Given the size of the existing system, we have utilized a $38,000 current cost allowance.

Item Parameters - Full Detail

Security, Barrier Gate Entry

Item Number	52	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	14:00
Category	Security	**Basis Cost**	4,316.10
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0052	06/01/2005	06/01/2019	6:05	14:00	1.00	$ 4,316.10	$ 4,316.10
						$ 4,316.10	$ 4,316.10

Comments

Barring any unforeseen vehicular damages, etc., a life cycle in the low to mid 10 year range should be expected for the security barrier gates. As they may not require replacement concurrently, separate line items were included for the two entry barrier gates and single exit barrier gate. The photograph is of representative barrier gates/operators.

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Security, Barrier Gate Entry

Item Number	53	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	14:00
Category	Security	**Basis Cost**	4,316.10
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0053	06/01/2005	06/01/2019	6:05	14:00	1.00	$ 4,316.10	$ 4,316.10
						$ 4,316.10	$ 4,316.10

Comments

Item Parameters - Full Detail

Security, Barrier Gate Exit

Item Number	54	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	14:00
Category	Security	**Basis Cost**	4,316.10
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0054	06/01/2005	06/01/2019	6:05	14:00	1.00	$ 4,316.10	$ 4,316.10
						$ 4,316.10	$ 4,316.10

Comments

Item Parameters - Full Detail

Security, Swing Gate Operator Entry

Item Number	55	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	14:00
Category	Security	**Basis Cost**	4,114.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0055	04/01/2009	04/01/2023	10:03	14:00	1.00	$ 4,114.00	$ 4,114.00
						$ 4,114.00	$ 4,114.00

Comments

In spring 2009, the association reportedly replaced the four swing gate operators, and one was replaced again in 2012. Barring any unforeseen vehicular damages, etc., a life cycle in the low to mid 10 year range should be expected for replacement, assuming proper and routine maintenance. The photograph is of a representative swing gate operator.

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Security, Swing Gate Operator Entry

Item Number	56	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	14:00
Category	Security	**Basis Cost**	4,114.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0056	06/01/2012	06/01/2026	13:05	14:00	1.00	$ 4,114.00	$ 4,114.00
						$ 4,114.00	$ 4,114.00

Comments

Item Parameters - Full Detail

Security, Swing Gate Operator Exit

Item Number	57	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	14:00
Category	Security	**Basis Cost**	4,114.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0057	04/01/2009	04/01/2023	10:03	14:00	1.00	$ 4,114.00	$ 4,114.00
						$ 4,114.00	$ 4,114.00

Comments

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Item Parameters - Full Detail

Security, Swing Gate Operator Exit

Item Number	58	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	14:00
Category	Security	**Basis Cost**	4,114.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0058	04/01/2009	04/01/2023	10:03	14:00	1.00	$ 4,114.00	$ 4,114.00
						$ 4,114.00	$ 4,114.00

Comments

Item Parameters - Full Detail

Security, Swing Gates (4)

Item Number	59	**Measurement Basis**	each
Type	Common Area	**Estimated Useful Life**	20:00
Category	Security	**Basis Cost**	6,531.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0059	12/01/2003	12/01/2023	10:11	20:00	4.00	$ 26,124.00	$ 26,124.00
						$ 26,124.00	$ 26,124.00

Comments

Barring any unforeseen vehicular damage, a life cycle in the mid 20 to 30+ year range has been observed for replacement of metal security swing and roll gates in communities like the subject property. At the association's request and sole discretion, this expense was forecast on a 20 year life cycle.

Item Parameters - Full Detail

Signage, Marquees/Entry

Item Number	60	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	15:00
Category	Site Improvements	**Basis Cost**	27,150.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0060	06/01/2003	06/01/2018	5:05	15:00	1.00	$ 27,150.00	$ 27,150.00
						$ 27,150.00	$ 27,150.00

Comments

This fund has been established to provide monies for the restoration/improvement of the entrance sign at the main gate, as well as the five marquee signs throughout the community, including (but not necessarily limited to) lettering, tile façade, lighting, etc. As the signage was installed as an ongoing function of the community build-out, an average placed in service date of 2003 was estimated. Utilizing a market supported 15 year life cycle suggests this upgrade at or near 2018.

This reserve does not provide for total signage replacement; based on their construction, total sign replacement should not be necessary in the foreseeable future, under normal operating conditions. In our experience, total sign replacement is more a function of association cosmetic tastes than due to failure of the signage structures.

Item Parameters - Full Detail

Site Lighting, Street/Parking

Item Number	61	**Measurement Basis**	each
Type	Common Area	**Estimated Useful Life**	24:00
Category	Site Improvements	**Basis Cost**	1,136.55
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0061	06/01/2000	06/01/2024	11:05	24:00	12.00	$ 13,638.60	$ 13,638.60
						$ 13,638.60	$ 13,638.60

Comments

The common areas include an inventory of several types of site lighting, including 12 freestanding light poles (6, main entrance, 4, intersection, and 2, clubhouse parking) and assorted landscape lighting. While miscellaneous replacements can be expected on an as needed basis, total inventory replacement should not be necessary for 20-25 years. It is assumed that the miscellaneous landscape lighting will be replaced and funded as a function of general maintenance, via the association's operating budget. The current per light/post cost estimate is an average figure, and includes removal and disposal of the existing lighting and replacement with like quality.

Item Parameters - Full Detail

Tot Lot Equipment

Item Number	62	**Measurement Basis**	lp sm
Type	Common Area	**Estimated Useful Life**	15:00
Category	Site Improvements	**Basis Cost**	55,000.00
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

	Service	Replace	Rem	Adj		Replacement Cost	
Code	**Date**	**Date**	**Life**	**Life**	**Quantity**	**Current**	**Future**
910-000-0062	06/01/2011	06/01/2026	13:05	15:00	1.00	$ 55,000.00	$ 55,000.00
						$ 55,000.00	$ 55,000.00

Comments

The association should expect to incur costs associated with replacement of the inventory of playground equipment at the tot lot on a life cycle in the mid 10 year range. Lives can vary, primarily due to cosmetics, but this range of life should minimize the appearance of outdated equipment. Based on a placed in service date of 2011, replacement of the tot lot equipment was forecast again in 2026. The current cost estimate was provided by the association, and assumed to be based on actual costs incurred during the 2011 project

Item Parameters - Full Detail

Tot Lot Fencing & Gates

Item Number	63	**Measurement Basis**	ln ft
Type	Common Area	**Estimated Useful Life**	15:00
Category	Site Improvements	**Basis Cost**	20.28
Tracking	Logistical	**Salvage Value**	$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost Current	Replacement Cost Future
910-000-0063	01/01/2002	01/01/2017	4:00	15:00	345.00	$ 6,996.60	$ 6,996.60
						$ 6,996.60	$ 6,996.60

Comments

The chain link fencing and gates at the tot lot have a placed in service date of January 2002. Based on industry standards, the association should expect to incur costs associated with this replacement on a life cycle in the low to mid 20 year range. At the association's request and sole discretion, this project was forecast on a recurring 15 year life cycle The current replacement cost estimate includes removal and disposal of the existing fencing and replacement with like quality.

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Expenditures

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Asphalt Overlay, Clubhouse								15,172		
Asphalt Overlay, Sample Circle								339,508		
Asphalt Overlay, Sample Drive								115,327		
Asphalt Overlay, Unit 2										
Asphalt Overlay, Unit 3										120,790
Asphalt Overlay, Unit 4								57,246		
Asphalt Overlay, Unit 7										
Asphalt Sealcoat/Rejuv., CH		3,858				3,858				3,858
Basketball Court Fencing & Lighting								11,637		
Basketball Court Resurfacing				3,744						
Clubhouse, AC Air Handler (3T)					1,798					
Clubhouse, AC Air Handler (5T)										
Clubhouse, AC Air Handler (5T)										
Clubhouse, AC Air Handler (5T)			2,812							
Clubhouse, AC Condenser (3T)					2,027					
Clubhouse, AC Condenser (5T)										
Clubhouse, AC Condenser (5T)										
Clubhouse, AC Condenser (5T)			3,170							
Clubhouse, Banquet/Meeting Furniture										
Clubhouse, Carpeting			9,546							
Clubhouse, Exercise Equip. (Cardio)			25,000							
Clubhouse, Exercise Equip. (Strength)	3,860									
Clubhouse, Furnishings/Finishes		60,800								
Clubhouse, Kitchen Interiors										
Clubhouse, Patio/Corridor Flooring	2,456			2,456			2,456			2,456
Clubhouse, Restroom Interiors										
Fountain Pumps/Equip., Beaufort	7,677									
Fountain Pumps/Equip., Clubhouse							15,492			
Fountain Pumps/Equip., Entry								7,677		
Fountain Pumps/Equip., Tennis							7,677			
Fountain Pumps/Equip., Tybee	7,677									
Irrigation Pumps/Equip., Beaufort								8,604		
Irrigation Pumps/Equip., Clubhouse								43,023		

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Expenditures

Description	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Irrigation Pumps/Equip., Sub. West									34,418	
Irrigation Pumps/Equip., Tennis								25,813		
Irrigation Pumps/Equip., Tybee										
Irrigation, Flow Guard Systems										
Paint Clubhouse/Pavilion Exteriors		7,470					7,470			
Pavers, Beaumont/Sample										
Pavers, Clubhouse								8,705		
Pavers, Entry								50,627		
Pavers, Pool Deck								5,103		
Pavers, Tybee/Sample										
Pool & Porch Furniture			9,752							
Pool Fencing & Gates								13,302		
Pool Interiors						20,829				
Roofing, Clubhouse										
Roofing, Security Pavilion										
Security, Access/Video Surveillance					38,000					
Security, Barrier Gate Entry							4,316			
Security, Barrier Gate Entry							4,316			
Security, Barrier Gate Exit							4,316			
Security, Swing Gate Operator Entry										
Security, Swing Gate Operator Entry										
Security, Swing Gate Operator Exit										
Security, Swing Gate Operator Exit										
Security, Swing Gates (4)										
Signage, Marquees/Entry						27,150				
Site Lighting, Street/Parking										
Tennis Court Fencing & Lighting								28,326		
Tennis Court Resurfacing				8,176						
Tot Lot Equipment										
Tot Lot Fencing & Gates					6,996					
	21,670	72,128	50,281	14,376	48,821	51,838	46,043	730,074	34,418	127,105

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Expenditures

Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Asphalt Overlay, Clubhouse										
Asphalt Overlay, Sample Circle										
Asphalt Overlay, Sample Drive										
Asphalt Overlay, Unit 2	59,856									
Asphalt Overlay, Unit 3										
Asphalt Overlay, Unit 4										
Asphalt Overlay, Unit 7					86,756					
Asphalt Sealcoat/Rejuv., CH				3,858				3,858		
Basketball Court Fencing & Lighting										
Basketball Court Resurfacing		3,744								3,744
Clubhouse, AC Air Handler (3T)										1,798
Clubhouse, AC Air Handler (5T)				2,812						
Clubhouse, AC Air Handler (5T)				2,812						
Clubhouse, AC Air Handler (5T)								2,812		
Clubhouse, AC Condenser (3T)							2,027			
Clubhouse, AC Condenser (5T)	3,170									
Clubhouse, AC Condenser (5T)	3,170									
Clubhouse, AC Condenser (5T)					3,170					
Clubhouse, Banquet/Meeting Furniture				10,000						
Clubhouse, Carpeting			9,546							
Clubhouse, Exercise Equip. (Cardio)			25,000							
Clubhouse, Exercise Equip. (Strength)	3,860									
Clubhouse, Furnishings/Finishes						60,800				
Clubhouse, Kitchen Interiors										23,900
Clubhouse, Patio/Corridor Flooring			2,456			2,456			2,456	
Clubhouse, Restroom Interiors									50,445	
Fountain Pumps/Equip., Beaufort	7,677									
Fountain Pumps/Equip., Clubhouse							15,492			
Fountain Pumps/Equip., Entry								7,677		
Fountain Pumps/Equip., Tennis							7,677			
Fountain Pumps/Equip., Tybee	7,677									
Irrigation Pumps/Equip., Beaufort										
Irrigation Pumps/Equip., Clubhouse										

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Expenditures

Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Irrigation Pumps/Equip., Sub. West										
Irrigation Pumps/Equip., Tennis										
Irrigation Pumps/Equip., Tybee	19,790									
Irrigation, Flow Guard Systems										17,275
Paint Clubhouse/Pavilion Exteriors		7,470					7,470			
Pavers, Beaumont/Sample	36,109									
Pavers, Clubhouse										
Pavers, Entry										
Pavers, Pool Deck										
Pavers, Tybee/Sample	22,381									
Pool & Porch Furniture	9,752								9,752	
Pool Fencing & Gates										
Pool Interiors						20,829				
Roofing, Clubhouse			76,532							
Roofing, Security Pavilion			3,812							
Security, Access/Video Surveillance							38,000			
Security, Barrier Gate Entry										
Security, Barrier Gate Entry										
Security, Barrier Gate Exit										
Security, Swing Gate Operator Entry	4,114									
Security, Swing Gate Operator Entry				4,114						
Security, Swing Gate Operator Exit	4,114									
Security, Swing Gate Operator Exit	4,114									
Security, Swing Gates (4)	26,124									
Signage, Marquees/Entry										
Site Lighting, Street/Parking		13,638								
Tennis Court Fencing & Lighting										
Tennis Court Resurfacing		8,176								8,176
Tot Lot Equipment				55,000						
Tot Lot Fencing & Gates										6,996
	211,911	33,028	117,347	78,597	89,926	84,086	70,666	14,348	62,653	61,889

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Cash Flow - Monthly

2014	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	537,324.00	6,795.00	315.42	0.00	544,434.42
February	544,434.42	6,795.00	319.57	0.00	551,548.99
March	551,548.99	6,795.00	323.00	2,456.40	556,210.59
April	556,210.59	6,795.00	326.44	0.00	563,332.03
May	563,332.03	6,795.00	330.59	0.00	570,457.62
June	570,457.62	6,795.00	330.27	15,354.00	562,228.89
July	562,228.89	6,795.00	329.95	0.00	569,353.84
August	569,353.84	6,795.00	334.10	0.00	576,482.94
September	576,482.94	6,795.00	338.26	0.00	583,616.20
October	583,616.20	6,795.00	341.30	3,860.00	586,892.50
November	586,892.50	6,795.00	344.34	0.00	594,031.84
December	594,031.84	6,795.00	348.50	0.00	601,175.34
	$ 537,324.00	$ 81,540.00	$ 3,981.74	$ 21,670.40	$ 601,175.34

2015	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	601,175.34	6,795.00	352.67	0.00	608,323.01
February	608,323.01	6,795.00	356.84	0.00	615,474.85
March	615,474.85	6,795.00	358.83	7,470.00	615,158.68
April	615,158.68	6,795.00	360.82	0.00	622,314.50
May	622,314.50	6,795.00	365.00	0.00	629,474.50
June	629,474.50	6,795.00	351.44	60,800.00	575,820.94
July	575,820.94	6,795.00	337.88	0.00	582,953.82
August	582,953.82	6,795.00	342.04	0.00	590,090.86
September	590,090.86	6,795.00	346.20	0.00	597,232.06
October	597,232.06	6,795.00	350.37	0.00	604,377.43
November	604,377.43	6,795.00	353.41	3,858.60	607,667.24
December	607,667.24	6,795.00	356.45	0.00	614,818.69
	$ 601,175.34	$ 81,540.00	$ 4,231.95	$ 72,128.60	$ 614,818.69

2016	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	614,818.69	6,795.00	351.59	30,982.95	590,982.33
February	590,982.33	6,795.00	346.72	0.00	598,124.05
March	598,124.05	6,795.00	350.89	0.00	605,269.94
April	605,269.94	6,795.00	352.21	9,752.50	602,664.65
May	602,664.65	6,795.00	353.54	0.00	609,813.19
June	609,813.19	6,795.00	354.92	9,546.00	607,417.11
July	607,417.11	6,795.00	356.31	0.00	614,568.42
August	614,568.42	6,795.00	360.48	0.00	621,723.90
September	621,723.90	6,795.00	364.65	0.00	628,883.55
October	628,883.55	6,795.00	368.83	0.00	636,047.38
November	636,047.38	6,795.00	373.01	0.00	643,215.39
December	643,215.39	6,795.00	377.19	0.00	650,387.58
	$ 614,818.69	$ 81,540.00	$ 4,310.34	$ 50,281.45	$ 650,387.58

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Cash Flow - Monthly

2017	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	650,387.58	6,795.00	381.37	0.00	657,563.95
February	657,563.95	6,795.00	385.56	0.00	664,744.51
March	664,744.51	6,795.00	389.03	2,456.40	669,472.14
April	669,472.14	6,795.00	392.51	0.00	676,659.65
May	676,659.65	6,795.00	396.70	0.00	683,851.35
June	683,851.35	6,795.00	400.90	0.00	691,047.25
July	691,047.25	6,795.00	401.62	11,920.00	686,323.87
August	686,323.87	6,795.00	402.34	0.00	693,521.21
September	693,521.21	6,795.00	406.54	0.00	700,722.75
October	700,722.75	6,795.00	410.74	0.00	707,928.49
November	707,928.49	6,795.00	414.94	0.00	715,138.43
December	715,138.43	6,795.00	419.15	0.00	722,352.58
	$ 650,387.58	$ 81,540.00	$ 4,801.40	$ 14,376.40	$ 722,352.58

2018	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	722,352.58	6,795.00	421.31	6,996.60	722,572.29
February	722,572.29	6,795.00	423.48	0.00	729,790.77
March	729,790.77	6,795.00	427.69	0.00	737,013.46
April	737,013.46	6,795.00	431.91	0.00	744,240.37
May	744,240.37	6,795.00	436.12	0.00	751,471.49
June	751,471.49	6,795.00	429.26	38,000.00	720,695.75
July	720,695.75	6,795.00	422.39	0.00	727,913.14
August	727,913.14	6,795.00	425.48	3,825.36	731,308.26
September	731,308.26	6,795.00	428.58	0.00	738,531.84
October	738,531.84	6,795.00	432.79	0.00	745,759.63
November	745,759.63	6,795.00	437.01	0.00	752,991.64
December	752,991.64	6,795.00	441.23	0.00	760,227.87
	$ 722,352.58	$ 81,540.00	$ 5,157.25	$ 48,821.96	$ 760,227.87

2019	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	760,227.87	6,795.00	445.45	0.00	767,468.32
February	767,468.32	6,795.00	449.67	0.00	774,712.99
March	774,712.99	6,795.00	453.90	0.00	781,961.89
April	781,961.89	6,795.00	458.13	0.00	789,215.02
May	789,215.02	6,795.00	456.28	20,829.60	775,636.70
June	775,636.70	6,795.00	446.52	27,150.00	755,728.22
July	755,728.22	6,795.00	442.82	0.00	762,966.04
August	762,966.04	6,795.00	447.05	0.00	770,208.09
September	770,208.09	6,795.00	451.27	0.00	777,454.36
October	777,454.36	6,795.00	455.50	0.00	784,704.86
November	784,704.86	6,795.00	458.60	3,858.60	788,099.86
December	788,099.86	6,795.00	461.71	0.00	795,356.57
	$ 760,227.87	$ 81,540.00	$ 5,426.90	$ 51,838.20	$ 795,356.57

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Cash Flow - Monthly

2020	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	795,356.57	6,795.00	463.70	7,677.00	794,938.27
February	794,938.27	6,795.00	465.70	0.00	802,198.97
March	802,198.97	6,795.00	467.04	9,926.40	799,534.61
April	799,534.61	6,795.00	468.38	0.00	806,797.99
May	806,797.99	6,795.00	472.61	0.00	814,065.60
June	814,065.60	6,795.00	473.08	12,948.30	808,385.38
July	808,385.38	6,795.00	473.54	0.00	815,653.92
August	815,653.92	6,795.00	477.78	0.00	822,926.70
September	822,926.70	6,795.00	482.02	0.00	830,203.72
October	830,203.72	6,795.00	481.75	15,492.00	821,988.47
November	821,988.47	6,795.00	481.48	0.00	829,264.95
December	829,264.95	6,795.00	485.72	0.00	836,545.67
	$ 795,356.57	$ 81,540.00	$ 5,692.80	$ 46,043.70	$ 836,545.67

2021	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	836,545.67	6,795.00	489.97	0.00	843,830.64
February	843,830.64	6,795.00	494.22	0.00	851,119.86
March	851,119.86	6,795.00	498.47	0.00	858,413.33
April	858,413.33	6,795.00	502.72	0.00	865,711.05
May	865,711.05	6,795.00	506.98	0.00	873,013.03
June	873,013.03	6,795.00	298.30	730,074.90	150,031.43
July	150,031.43	6,795.00	89.50	0.00	156,915.93
August	156,915.93	6,795.00	93.52	0.00	163,804.45
September	163,804.45	6,795.00	97.53	0.00	170,696.98
October	170,696.98	6,795.00	101.56	0.00	177,593.54
November	177,593.54	6,795.00	105.58	0.00	184,494.12
December	184,494.12	6,795.00	109.60	0.00	191,398.72
	$ 836,545.67	$ 81,540.00	$ 3,387.95	$ 730,074.90	$ 191,398.72

2022	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	191,398.72	6,795.00	113.63	0.00	198,307.35
February	198,307.35	6,795.00	117.66	0.00	205,220.01
March	205,220.01	6,795.00	121.69	0.00	212,136.70
April	212,136.70	6,795.00	125.73	0.00	219,057.43
May	219,057.43	6,795.00	129.77	0.00	225,982.20
June	225,982.20	6,795.00	123.77	34,418.40	198,482.57
July	198,482.57	6,795.00	117.76	0.00	205,395.33
August	205,395.33	6,795.00	121.80	0.00	212,312.13
September	212,312.13	6,795.00	125.83	0.00	219,232.96
October	219,232.96	6,795.00	129.87	0.00	226,157.83
November	226,157.83	6,795.00	133.91	0.00	233,086.74
December	233,086.74	6,795.00	137.95	0.00	240,019.69
	$ 191,398.72	$ 81,540.00	$ 1,499.37	$ 34,418.40	$ 240,019.69

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Cash Flow - Monthly

2023	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	240,019.69	6,795.00	141.99	0.00	246,956.68
February	246,956.68	6,795.00	146.04	0.00	253,897.72
March	253,897.72	6,795.00	149.37	2,456.40	258,385.69
April	258,385.69	6,795.00	152.71	0.00	265,333.40
May	265,333.40	6,795.00	156.76	0.00	272,285.16
June	272,285.16	6,795.00	125.58	120,790.80	158,414.94
July	158,414.94	6,795.00	94.39	0.00	165,304.33
August	165,304.33	6,795.00	98.41	0.00	172,197.74
September	172,197.74	6,795.00	102.43	0.00	179,095.17
October	179,095.17	6,795.00	106.45	0.00	185,996.62
November	185,996.62	6,795.00	109.35	3,858.60	189,042.37
December	189,042.37	6,795.00	112.26	0.00	195,949.63
	$ 240,019.69	$ 81,540.00	$ 1,495.74	$ 127,105.80	$ 195,949.63

2024	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	195,949.63	6,795.00	114.44	6,341.00	196,518.07
February	196,518.07	6,795.00	116.62	0.00	203,429.69
March	203,429.69	6,795.00	120.65	0.00	210,345.34
April	210,345.34	6,795.00	118.24	22,094.50	195,164.08
May	195,164.08	6,795.00	115.83	0.00	202,074.91
June	202,074.91	6,795.00	75.09	153,491.78	55,453.22
July	55,453.22	6,795.00	34.33	0.00	62,282.55
August	62,282.55	6,795.00	38.31	0.00	69,115.86
September	69,115.86	6,795.00	42.30	0.00	75,953.16
October	75,953.16	6,795.00	45.16	3,860.00	78,933.32
November	78,933.32	6,795.00	48.03	0.00	85,776.35
December	85,776.35	6,795.00	44.40	26,124.00	66,491.75
	$ 195,949.63	$ 81,540.00	$ 913.40	$ 211,911.28	$ 66,491.75

2025	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	66,491.75	6,795.00	40.77	0.00	73,327.52
February	73,327.52	6,795.00	44.76	0.00	80,167.28
March	80,167.28	6,795.00	46.57	7,470.00	79,538.85
April	79,538.85	6,795.00	48.38	0.00	86,382.23
May	86,382.23	6,795.00	52.37	0.00	93,229.60
June	93,229.60	6,795.00	52.39	13,638.60	86,438.39
July	86,438.39	6,795.00	48.93	11,920.00	81,362.32
August	81,362.32	6,795.00	49.44	0.00	88,206.76
September	88,206.76	6,795.00	53.44	0.00	95,055.20
October	95,055.20	6,795.00	57.43	0.00	101,907.63
November	101,907.63	6,795.00	61.43	0.00	108,764.06
December	108,764.06	6,795.00	65.43	0.00	115,624.49
	$ 66,491.75	$ 81,540.00	$ 621.34	$ 33,028.60	$ 115,624.49

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Cash Flow - Monthly

2026	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	115,624.49	6,795.00	62.14	25,000.00	97,481.63
February	97,481.63	6,795.00	58.85	0.00	104,335.48
March	104,335.48	6,795.00	62.13	2,456.40	108,736.21
April	108,736.21	6,795.00	65.41	0.00	115,596.62
May	115,596.62	6,795.00	69.41	0.00	122,461.03
June	122,461.03	6,795.00	47.20	89,891.20	39,412.03
July	39,412.03	6,795.00	24.97	0.00	46,232.00
August	46,232.00	6,795.00	28.95	0.00	53,055.95
September	53,055.95	6,795.00	32.93	0.00	59,883.88
October	59,883.88	6,795.00	36.91	0.00	66,715.79
November	66,715.79	6,795.00	40.90	0.00	73,551.69
December	73,551.69	6,795.00	44.89	0.00	80,391.58
	$ 115,624.49	$ 81,540.00	$ 574.69	$ 117,347.60	$ 80,391.58

2027	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	80,391.58	6,795.00	47.24	5,624.90	81,608.92
February	81,608.92	6,795.00	49.59	0.00	88,453.51
March	88,453.51	6,795.00	53.58	0.00	95,302.09
April	95,302.09	6,795.00	57.57	0.00	102,154.66
May	102,154.66	6,795.00	61.57	0.00	109,011.23
June	109,011.23	6,795.00	45.41	69,114.00	46,737.64
July	46,737.64	6,795.00	29.25	0.00	53,561.89
August	53,561.89	6,795.00	33.23	0.00	60,390.12
September	60,390.12	6,795.00	37.21	0.00	67,222.33
October	67,222.33	6,795.00	41.19	0.00	74,058.52
November	74,058.52	6,795.00	44.06	3,858.60	77,038.98
December	77,038.98	6,795.00	46.92	0.00	83,880.90
	$ 80,391.58	$ 81,540.00	$ 546.82	$ 78,597.50	$ 83,880.90

2028	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	83,880.90	6,795.00	24.68	89,926.90	773.68
February	773.68	6,795.00	2.43	0.00	7,571.11
March	7,571.11	6,795.00	6.40	0.00	14,372.51
April	14,372.51	6,795.00	10.37	0.00	21,177.88
May	21,177.88	6,795.00	14.34	0.00	27,987.22
June	27,987.22	6,795.00	18.31	0.00	34,800.53
July	34,800.53	6,795.00	22.28	0.00	41,617.81
August	41,617.81	6,795.00	26.26	0.00	48,439.07
September	48,439.07	6,795.00	30.24	0.00	55,264.31
October	55,264.31	6,795.00	34.22	0.00	62,093.53
November	62,093.53	6,795.00	38.20	0.00	68,926.73
December	68,926.73	6,795.00	42.19	0.00	75,763.92
	$ 83,880.90	$ 81,540.00	$ 269.92	$ 89,926.90	$ 75,763.92

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Cash Flow - Monthly

2029	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	75,763.92	6,795.00	46.18	0.00	82,605.10
February	82,605.10	6,795.00	50.17	0.00	89,450.27
March	89,450.27	6,795.00	53.44	2,456.40	93,842.31
April	93,842.31	6,795.00	56.72	0.00	100,694.03
May	100,694.03	6,795.00	54.64	20,829.60	86,714.07
June	86,714.07	6,795.00	34.83	60,800.00	32,743.90
July	32,743.90	6,795.00	21.08	0.00	39,559.98
August	39,559.98	6,795.00	25.06	0.00	46,380.04
September	46,380.04	6,795.00	29.04	0.00	53,204.08
October	53,204.08	6,795.00	33.02	0.00	60,032.10
November	60,032.10	6,795.00	37.00	0.00	66,864.10
December	66,864.10	6,795.00	40.99	0.00	73,700.09
	$ 75,763.92	$ 81,540.00	$ 482.17	$ 84,086.00	$ 73,700.09

2030	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	73,700.09	6,795.00	42.73	7,677.00	72,860.82
February	72,860.82	6,795.00	44.48	0.00	79,700.30
March	79,700.30	6,795.00	46.29	7,470.00	79,071.59
April	79,071.59	6,795.00	48.11	0.00	85,914.70
May	85,914.70	6,795.00	52.10	0.00	92,761.80
June	92,761.80	6,795.00	45.01	38,000.00	61,601.81
July	61,601.81	6,795.00	37.92	0.00	68,434.73
August	68,434.73	6,795.00	41.31	2,027.04	73,244.00
September	73,244.00	6,795.00	44.71	0.00	80,083.71
October	80,083.71	6,795.00	44.18	15,492.00	71,430.89
November	71,430.89	6,795.00	43.65	0.00	78,269.54
December	78,269.54	6,795.00	47.64	0.00	85,112.18
	$ 73,700.09	$ 81,540.00	$ 538.13	$ 70,666.04	$ 85,112.18

2031	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	85,112.18	6,795.00	50.81	2,812.45	89,145.54
February	89,145.54	6,795.00	53.98	0.00	95,994.52
March	95,994.52	6,795.00	57.98	0.00	102,847.50
April	102,847.50	6,795.00	61.98	0.00	109,704.48
May	109,704.48	6,795.00	65.98	0.00	116,565.46
June	116,565.46	6,795.00	67.74	7,677.00	115,751.20
July	115,751.20	6,795.00	69.50	0.00	122,615.70
August	122,615.70	6,795.00	73.51	0.00	129,484.21
September	129,484.21	6,795.00	77.51	0.00	136,356.72
October	136,356.72	6,795.00	81.52	0.00	143,233.24
November	143,233.24	6,795.00	84.41	3,858.60	146,254.05
December	146,254.05	6,795.00	87.30	0.00	153,136.35
	$ 85,112.18	$ 81,540.00	$ 832.22	$ 14,348.05	$ 153,136.35

Sample Master Association, Inc.

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Cash Flow - Monthly

2032	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	153,136.35	6,795.00	91.31	0.00	160,022.66
February	160,022.66	6,795.00	95.33	0.00	166,912.99
March	166,912.99	6,795.00	98.63	2,456.40	171,350.22
April	171,350.22	6,795.00	99.09	9,752.50	168,491.81
May	168,491.81	6,795.00	100.27	0.00	175,387.08
June	175,387.08	6,795.00	89.58	50,445.00	131,826.66
July	131,826.66	6,795.00	78.88	0.00	138,700.54
August	138,700.54	6,795.00	82.89	0.00	145,578.43
September	145,578.43	6,795.00	86.90	0.00	152,460.33
October	152,460.33	6,795.00	90.92	0.00	159,346.25
November	159,346.25	6,795.00	94.93	0.00	166,236.18
December	166,236.18	6,795.00	98.95	0.00	173,130.13
	$ 153,136.35	$ 81,540.00	$ 1,107.68	$ 62,653.90	$ 173,130.13

2033	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	173,130.13	6,795.00	95.90	24,271.60	155,749.43
February	155,749.43	6,795.00	92.84	0.00	162,637.27
March	162,637.27	6,795.00	96.85	0.00	169,529.12
April	169,529.12	6,795.00	100.87	0.00	176,424.99
May	176,424.99	6,795.00	104.90	0.00	183,324.89
June	183,324.89	6,795.00	101.95	23,900.00	166,321.84
July	166,321.84	6,795.00	95.53	11,920.00	161,292.37
August	161,292.37	6,795.00	95.54	1,798.32	166,384.59
September	166,384.59	6,795.00	99.04	0.00	173,278.63
October	173,278.63	6,795.00	103.06	0.00	180,176.69
November	180,176.69	6,795.00	107.08	0.00	187,078.77
December	187,078.77	6,795.00	111.11	0.00	193,984.88
	$ 173,130.13	$ 81,540.00	$ 1,204.67	$ 61,889.92	$ 193,984.88

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Cash Flow - Annual

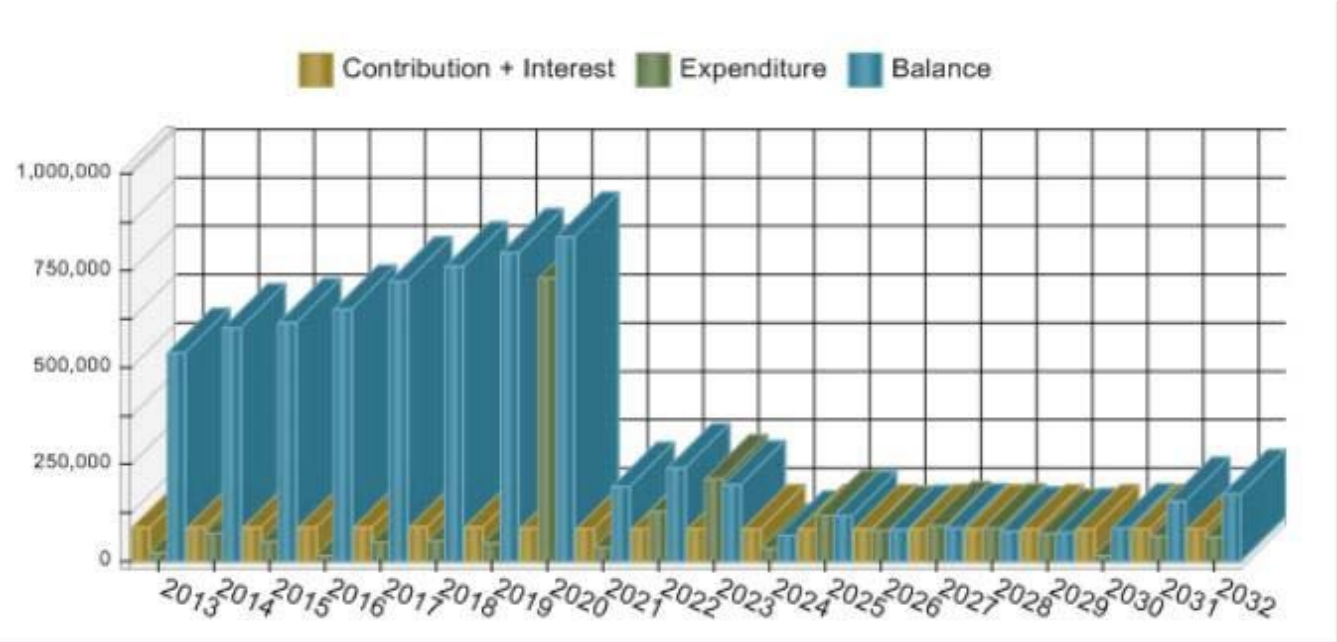
Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/13 - 12/13	$ 537,324.00	$ 81,540.00	$ 3,981.74	$ 21,670.40	$ 601,175.34
01/14 - 12/14	601,175.34	81,540.00	4,231.95	72,128.60	614,818.69
01/15 - 12/15	614,818.69	81,540.00	4,310.34	50,281.45	650,387.58
01/16 - 12/16	650,387.58	81,540.00	4,801.40	14,376.40	722,352.58
01/17 - 12/17	722,352.58	81,540.00	5,157.25	48,821.96	760,227.87
01/18 - 12/18	760,227.87	81,540.00	5,426.90	51,838.20	795,356.57
01/19 - 12/19	795,356.57	81,540.00	5,692.80	46,043.70	836,545.67
01/20 - 12/20	836,545.67	81,540.00	3,387.95	730,074.90	191,398.72
01/21 - 12/21	191,398.72	81,540.00	1,499.37	34,418.40	240,019.69
01/22 - 12/22	240,019.69	81,540.00	1,495.74	127,105.80	195,949.63
	$ 537,324.00	$ 815,400.00	$ 39,985.44	$ 1,196,759.81	$ 195,949.63

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/23 - 12/23	195,949.63	81,540.00	913.40	211,911.28	66,491.75
01/24 - 12/24	66,491.75	81,540.00	621.34	33,028.60	115,624.49
01/25 - 12/25	115,624.49	81,540.00	574.69	117,347.60	80,391.58
01/26 - 12/26	80,391.58	81,540.00	546.82	78,597.50	83,880.90
01/27 - 12/27	83,880.90	81,540.00	269.92	89,926.90	75,763.92
01/28 - 12/28	75,763.92	81,540.00	482.17	84,086.00	73,700.09
01/29 - 12/29	73,700.09	81,540.00	538.13	70,666.04	85,112.18
01/30 - 12/30	85,112.18	81,540.00	832.22	14,348.05	153,136.35
01/31 - 12/31	153,136.35	81,540.00	1,107.68	62,653.90	173,130.13
01/32 - 12/32	173,130.13	81,540.00	1,204.67	61,889.92	193,984.88
	$ 195,949.63	$ 815,400.00	$ 7,091.04	$ 824,455.79	$ 193,984.88

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Cash Flow - Chart



Sample Master Association, Inc.

Analysis Date - January 1, 2015

Supplementary Information
On Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2014 Funding Requirement	Components of Fund Balance at 12/31/2013
Basketball & Tennis Courts				
Basketball Court Fencing & Lighting	7:05	$ 11,637	$ 481	$ 3,669
Basketball Court Resurfacing	3:06	3,744	391	1,180
Tennis Court Fencing & Lighting	7:05	28,326	1,174	8,931
Tennis Court Resurfacing	3:06	8,176	848	2,578
		51,883	2,894	16,358
Clubhouse Interiors				
Clubhouse, AC Air Handler (3T)	4:07	1,798	114	567
Clubhouse, AC Air Handler (5T)	13:00	2,812	155	887
Clubhouse, AC Air Handler (5T)	13:00	2,812	155	887
Clubhouse, AC Air Handler (5T)	2:00	2,812	163	887
Clubhouse, AC Condenser (3T)	4:07	2,027	139	639
Clubhouse, AC Condenser (5T)	10:00	3,171	220	1,000
Clubhouse, AC Condenser (5T)	10:00	3,171	220	1,000
Clubhouse, AC Condenser (5T)	2:00	3,171	179	1,000
Clubhouse, Banquet/Meeting Furniture	13:05	10,000	554	3,153
Clubhouse, Carpeting	2:05	9,546	791	3,010
Clubhouse, Exercise Equip. (Cardio)	2:00	25,000	1,419	7,882
Clubhouse, Exercise Equip. (Strength)	0:09	3,860	285	1,217
Clubhouse, Furnishings/Finishes	1:05	60,800	3,604	19,169
Clubhouse, Kitchen Interiors	19:05	23,900	995	7,535
Clubhouse, Patio/Corridor Flooring	0:02	2,456	677	774
Clubhouse, Restroom Interiors	18:05	50,445	2,096	15,905
		207,781	11,766	65,512

Sample Master Association, Inc.

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Supplementary Information
On Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2014 Funding Requirement	Components of Fund Balance at 12/31/2013
Irrigation/Fountains				
Fountain Pumps/Equip., Beaufort	0:05	$ 7,677	$ 636	$ 2,420
Fountain Pumps/Equip., Clubhouse	6:09	15,492	1,288	4,884
Fountain Pumps/Equip., Entry	7:05	7,677	636	2,420
Fountain Pumps/Equip., Tennis	6:00	7,677	636	2,420
Fountain Pumps/Equip., Tybee	0:05	7,677	636	2,420
Irrigation Pumps/Equip., Beaufort	7:05	8,605	359	2,713
Irrigation Pumps/Equip., Clubhouse	7:05	43,023	1,786	13,565
Irrigation Pumps/Equip., Sub. West	8:05	34,418	1,427	10,852
Irrigation Pumps/Equip., Tennis	7:05	25,814	1,068	8,139
Irrigation Pumps/Equip., Tybee	10:05	19,791	824	6,240
Irrigation, Flow Guard Systems	19:00	17,275	718	5,447
		195,126	10,014	61,520
Painting & Waterproofing				
Paint Clubhouse/Pavilion Exteriors	1:02	7,470	1,239	2,355
		7,470	1,239	2,355
Pavement				
Asphalt Overlay, Clubhouse	7:05	15,173	628	4,784
Asphalt Overlay, Sample Circle	7:05	339,509	14,074	107,042
Asphalt Overlay, Sample Drive	7:05	115,327	4,778	36,361
Asphalt Overlay, Unit 2	10:05	59,856	2,479	18,872
Asphalt Overlay, Unit 3	9:05	120,791	5,007	38,084
Asphalt Overlay, Unit 4	7:05	57,246	2,373	18,049
Asphalt Overlay, Unit 7	14:00	86,756	3,596	27,353

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Supplementary Information
On Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2014 Funding Requirement	Components of Fund Balance at 12/31/2013
Pavement				
Asphalt Sealcoat/Rejuv., CH	1:10	$ 3,859	$ 799	$ 1,217
Pavers, Beaumont/Sample	10:05	36,110	1,500	11,385
Pavers, Clubhouse	7:05	8,705	359	2,745
Pavers, Entry	7:05	50,628	2,096	15,962
Pavers, Tybee/Sample	10:05	22,381	930	7,056
		916,341	38,619	288,910
Pool				
Pavers, Pool Deck	7:05	5,103	212	1,609
Pool & Porch Furniture	2:03	9,753	1,011	3,075
Pool Fencing & Gates	7:05	13,303	554	4,194
Pool Interiors	5:04	20,830	1,729	6,567
		48,989	3,506	15,445
Roofs				
Roofing, Clubhouse	12:05	76,533	2,536	24,130
Roofing, Security Pavilion	12:05	3,812	130	1,202
		80,345	2,666	25,332
Security				
Security, Access/Video Surveillance	4:05	38,000	2,626	11,981
Security, Barrier Gate Entry	6:05	4,316	253	1,361
Security, Barrier Gate Entry	6:05	4,316	253	1,361
Security, Barrier Gate Exit	6:05	4,316	253	1,361
Security, Swing Gate Operator Entry	10:03	4,114	245	1,297
Security, Swing Gate Operator Entry	13:05	4,114	245	1,297

Sample Master Association, Inc.

Analysis Date - January 1, 2015

Supplementary Information
On Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2014 Funding Requirement	Components of Fund Balance at 12/31/2013
Security				
Security, Swing Gate Operator Exit	10:03	$ 4,114	$ 245	$ 1,297
Security, Swing Gate Operator Exit	10:03	4,114	245	1,297
Security, Swing Gates (4)	10:11	26,124	1,084	8,237
		93,528	5,449	29,489
Site Improvements				
Signage, Marquees/Entry	5:05	27,150	1,500	8,560
Site Lighting, Street/Parking	11:05	13,639	473	4,300
Tot Lot Equipment	13:05	55,000	3,041	17,341
Tot Lot Fencing & Gates	4:00	6,997	383	2,206
		102,786	5,397	32,407
		$ 1,704,249	$ 81,550	$ 537,324

Addendum

Chapter 720 Florida Statues

720.303 - Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.--

(6) BUDGETS.--
(a) The association shall prepare an annual budget that sets out the annual operating expenses. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges paid for by the association for recreational amenities, whether owned by the association, the developer, or another person. The association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The copy must be provided to the member within the time limits set forth in subsection (5).

(b) In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance for which the association is responsible. If reserve accounts are not established pursuant to paragraph (d), funding of such reserves is limited to the extent that the governing documents limit increases in assessments, including reserves. If the budget of the association includes reserve accounts established pursuant to paragraph (d), such reserves shall be determined, maintained, and waived in the manner provided in this subsection. Once an association provides for reserve accounts pursuant to paragraph (d) 2612 the association shall thereafter determine, maintain, and waive reserves in compliance with this subsection. This section does not preclude the termination of a reserve account established pursuant to this paragraph upon approval of a majority of the total voting interests of the association. Upon such approval, the terminating reserve account shall be removed from the budget.

(c)
1. If the budget of the association does not provide for reserve accounts pursuant to paragraph (d) and the association is responsible for the repair and maintenance of capital improvements that may result in a special assessment if reserves are not provided, each financial report for the preceding fiscal year required by subsection (7) must contain the following statement in conspicuous type:
THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

2. If the budget of the association does provide for funding accounts for deferred expenditures, including, but not limited to, funds for capital expenditures and deferred maintenance, but such accounts are not created or established pursuant to paragraph (d), each financial report for the preceding fiscal year required under subsection (7) must also contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

(d) An association is deemed to have provided for reserve accounts if when reserve accounts have been initially established by the developer or if the membership of the association affirmatively elects to provide for reserves. If reserve accounts are not initially provided by the developer, the membership of the association may elect to do so upon the affirmative approval of a majority of the total voting interests of the association. Such approval may be obtained by vote of the members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the membership, the board of directors shall include provide for the required reserve accounts in the budget in the next fiscal year following the approval and in each year thereafter. Once established as provided in this subsection, the reserve accounts must shall be funded or maintained or have their funding waived in the manner provided in paragraph (f).

(e) The amount to be reserved in any account established shall be computed by means of a formula that is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates of cost or useful life of a reserve item.

(f) After one or more reserve accounts are established, the membership of the association, upon a majority vote at a meeting at which a quorum is present, may provide for no reserves or less reserves than required by this section. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and such result is not achieved or a quorum is not present, the reserves as included in the budget go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves. Any vote taken pursuant to this subsection to waive or reduce reserves is applicable only to one budget year.

(g) Funding formulas for reserves authorized by this section must be based on a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.

1. If the association maintains separate reserve accounts for each of the required assets, the amount of the contribution to each reserve account is the sum of the following two calculations:
The total amount necessary, if any, to bring a negative
a. component balance to zero.
b. The total estimated deferred maintenance expense or estimated replacement cost of the reserve component less the estimated balance of the reserve component as of the beginning of the period the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the component. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may include factors such as inflation and earnings on invested funds.

2. If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget may not be less than that required to ensure that the balance on hand at the beginning of the period the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful life of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal and accounts receivable minus the allowance for doubtful accounts. The reserve funding formula may not include any type of balloon payments.

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

Amended Rule Text

Amends 720.303(6) to provide clarification of reserve requirements to distinguish between "statutory" and "non-statutory/voluntary" reserves (called "limited voluntary deferred expenditure accounts"). Under the amended language, the Association, if the proper disclaimer is provided in the financial report for the prior fiscal year, may collect these limited voluntary deferred expenditure accounts which would not be subject to the use restrictions present for statutory reserves. A statutory reserve account may also be terminated by a vote of a majority of the total voting interests.

Terms and Definitions

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

AFB = Current Cost X Effective Age/Useful Life

or

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

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

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

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

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

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

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

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

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

CURRENT REPLACEMENT COST: See "Replacement Cost".

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

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

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

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

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

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

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

FUNDING PRINCIPLES:

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

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

- **Baseline Funding** – Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Component Full Funding** – Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100%.
- **Statutory Funding** – Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves of component required by local statutes.
- **Threshold Funding** – Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Component Full Funding."

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

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

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

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition

Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

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

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

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

RESERVE PROVIDER: An individual that prepares Reserve Studies.

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

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve duty of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

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

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

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

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

Annual Update Program

GAB Robins is pleased to offer our clients a program to provide annual updates on their Reserve Studies for the next three years for a guaranteed fee.

The Update Program is valid only if there are no changes to the property, i.e. new construction, major upgrades, etc. Changes to the property within the three-year update program period would require a re-inspection of the property at a higher fee.

Benefits:

- Annual Reserve Study updates on the property provide a written validation of reserve study needs.
- Demonstrates due diligence and impartiality on the part of the property manager and board members by the involvement of a third party professional.
- The cost of your update reserve study is lower if enrolled in the update program.
- Provides peace of mind to clients knowing that their property is adequately funded year after year.

If you have not already chosen to accept the three-year annual update program, and would like to do so at this time, please contact our bid proposal specialist at (407) 805-0086 x 257, or (800) 248-3379 x 257 (FL only) or fax your request to (407) 805-9921. We will be pleased to provide you with a bid for the three year annual program.