FWH ASSOCIATES, P.A.

CIVIL ENGINEERS
LAND SURVEYORS
PLANNERS
LANDSCAPE ARCHITECTS
RESERVE SPECIALISTS
ARCHITECTS

CAPITAL RESERVE STUDY

CATEGORY II: UPDATE WITH ON-SITE REVIEW

SEAPOINTE VILLAGE MASTER ASSOCIATION
COMMUNITY ASSOCIATION
9901 SEAPOINTE BOULEVARD, WILDWOOD CREST, NJ 08260

Fiscal Year:	2017
Fiscal Year Date Span:	April 1, 2017 - March 31, 2017
Care of:	Seapointe Village
Job Number	3854.0006
Prepared:	May 2017
Finalized:	October 2017

Daniel Rush
CAI Certified Reserve Specialist
Designation Number 6

1856 Route 9 | Toms River, NJ 08755
T: 732.797.3100 | F: 732.797.3223
FWHASSOCIATES.COM

Table of Contents

Abbreviations

CY	=	Cubic Yard
EA	=	Each
LF	=	Linear Foot
LS	=	Lump Sum
MBTU	=	Thousand British Thermal Units
MSF	=	Thousand Square Feet
NO	=	Number
PT	=	Pressure Treated
SF	=	Square Foot
SQ	=	Square (100 square feet)
SY	=	Square Yard

Introduction & General Information

A Capital Reserve Study is a report prepared to estimate the amount of money which must be put aside for future repairs and replacements to the Association's physical plant. The report is a tool for evaluating and establishing a stable level of reserve funding.

The primary reason to set aside reserve funds is to ensure that adequate funds are available for anticipated long-term maintenance of common areas. Reserve funding is a means of fairly distributing the costs of future replacement to the common elements among all owners. The reserve fund is integral to the Association's administration of fiscal planning and budgeting. In addition, the reserve funding is an indicator of the financial strength of the Association which will affect the value of the units.

This Reserve Study consists of two (2) parts: the physical analysis and the financial analysis. This Capital Reserve Study was prepared in accordance with the "National Reserve Study Standards" of the Community Associations Institute (C.A.I.).

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal:

	Reserve Study Tasks:	**Category I: Full**	**Category II: Update** with Site-Visit &On-Site Review	**Category III: Office Update** No Site-Visit &Off-Site Review
Physical Analysis	Component Inventory	X (quantification)	X (verification only)	
	Condition Assessment	X (based upon on-site visual observations)	X (based upon on-site visual observations)	
Financial Analysis	Life & Valuation Estimates	X	X	X
	Fund Status	X	X	X
	Funding Plan	X	X	X

This report will analyze the future replacement costs for common elements which are capital items with a reasonably predictable useful life. The capital items will be limited to those items which have a useful life exceeding two (2) years. If a certain item requires replacement more often than every two (2) years, it should be included in the operating budget. Furthermore, items will be excluded if they have an insignificant cost or if they are permanent in nature. Items with an insignificant cost would be those that could be funded in the operating budget without any adverse financial impact. Items of a permanent nature are those which exceed the thirty (30) year study period and those which are integral to reconstruction of the entire project, such as; concrete footings, foundation walls, crawlspace and roof wood framing, in-wall utility services and stormwater piping. Since the remaining useful life estimates, inflation and interest need on-going review, it is recommended that the study be updated every three (3) to five (5) years. An older Association with a significant amount of repair and replacement activity may need to update its study annually.

Terms & Definitions

1. **Cash Flow Method:** A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.
2. **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:
   a) Association responsibility
   b) with limited Useful Life expectancies
   c) predictable Remaining Useful Life expectancies
   d) above a minimum threshold cost
   e) as required by local codes.
3. **Component Inventory:** The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents and discussion with appropriate Association representative(s).
4. **Component Method:** A method of developing a Reserve Funding Plan where the total contributions are based on the sum of contributions for individual components. See "Cash Flow" method.
5. **Condition Assessment:** The task of evaluating the current condition of the component based on observed or reported characteristics.
6. **Current Replacement Cost:** See "Replacement Cost."
7. **Deficit:** An actual (or projected) Reserve Balance at the end of any fiscal year or at the end of the study which is less than the Fully Funded Balance. The opposite would be a Surplus.
8. **Effective Age:** The difference between the Useful Life and the Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.
9. **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.
10. **Fully Funded:** One-hundred (100%) percent Funded. When the actual (or projected) Reserve Balance is equal to the Fully Funded Balance
11. **Fully Funded Balance (FFB):** 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 the life "used up" of the current Repair of Replacement cost. This number is calculated for each component, then summed together for an association total. Two (2) 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.

$$(\text{FBB}) = \left(\text{Current Cost} \times \frac{\text{Effective Age}}{\text{Typical Useful Life}}\right)$$

    or

$$(\text{FBB}) = \left(\text{Current Cost} \times \frac{\text{Effective Age}}{\text{Typical Useful Life}}\right) + \frac{\left(\text{Current Cost} \times \frac{\text{Effective Age}}{\text{Typical Useful Life}}\right)}{(1+\text{Interest Rate})^{\text{Remaining Useful Life}}} - \frac{\left(\text{Current Cost} \times \frac{\text{Effective Age}}{\text{Typical Useful Life}}\right)}{(1+\text{Inflation Rate})^{\text{Remaining Useful Life}}}$$

12. **Fund Status:** The status of the Reserve Fund as compared to an established benchmark such as percent funding.

13. **Funding Goals:** Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:
    a) Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
    b) Full Funding: Setting a Reserve funding goal of attaining and maintaining Reserves at or near one-hundred (100%) percent funded.
    c) Statutory Funding: Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.
    d) 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 "Fully Funding".
14. **Funding Plan:** An Association's plan to provide income to a Reserve Fund to offset anticipated expenditures from that fund.
15. **Funding Principles:**
    a) Sufficient Funds when Required
    b) Stable Contribution Rate over the Years
    c) Evenly Distributed Contributions over the Years
    d) Fiscally Responsible
16. **Life and Valuation Estimates:** The task of estimating Useful Life, Remaining Useful Life and Repair or Replacement Costs for the Reserve components.
17. **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 *Fully Funded Balance,* expressed as a percentage.
18. **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.
19. **Remaining Useful Life:** Also referred to as "Remaining Life". The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.
20. **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.
21. **Reserve Balance:** Actual or projected funds as of a particular point in time that the Association has identified for use to defray the future replacement of those major components which the Association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves.
22. **Reserve Provider:** An individual that prepares Reserve Studies.
23. **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 (2) parts: the Physical Analysis and the Financial Analysis.
24. **Special Assessment:** An assessment levied on the members of an Association in addition to regular assessments in anticipation of unexpected common element replacement and funding deficit. Special assessments are often regulated by governing documents or local statutes.
25. **Surplus:** An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit".
26. **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.

Disclosures

At the time this reserve study was conducted FWH Associates, P.A. (FWH) has had no involvements with the Association, which could result in actual or perceived conflicts of interest.

Any on-site inspections performed as a part of this Capital Reserve Study are inclusive of all common areas within the community, and are non-destructive in nature.

The completeness of this Capital Reserve Study is dependent upon the agreement that all relevant information has been provided to FWH. Any materials that have not been disclosed would cause a distortion of the Association's situation. Information provided by the official representative of the Association regarding financial, physical, quantity, or historical issues will be deemed reliable by FWH.

The reserve study will be a reflection of information provided to FWH and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.

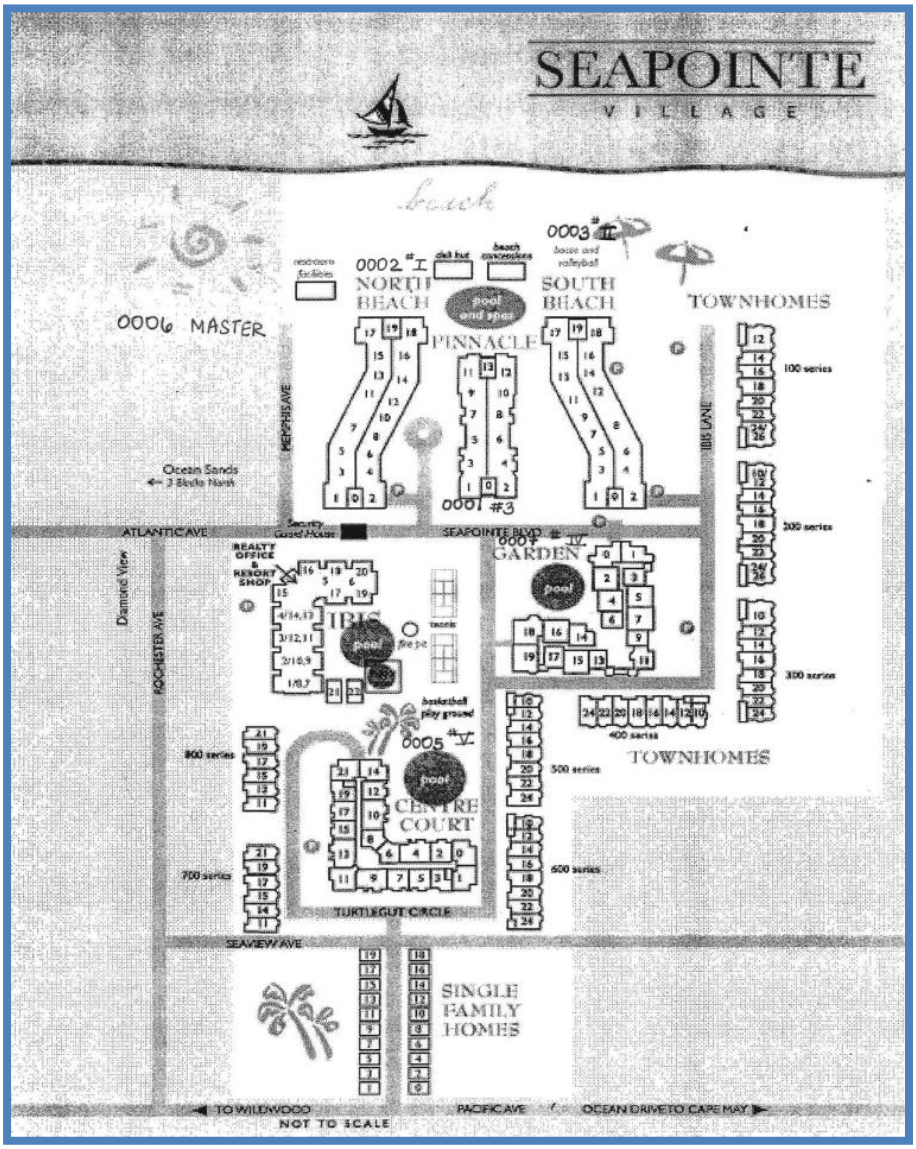
All information provided to FWH regarding reserve projects will be considered reliable. On-site inspections should not be considered project audits or quality inspections.

Association Physical Description

The Seapointe Village Master Association encompasses the common ground facilities in the eighteen (18) acre beach and pool resort known as Seapointe Village. Five hundred twenty-one (521) units fund the Master Association. The project is located in the Township of Wildwood Crest, Cape May County, New Jersey.

The common facilities include, but are not limited to: man made lagoons, swimming pools and their appurtenances, bathrooms, concrete walkways, asphalt and precast concrete paver roads, site security measures, exterior lighting, exterior furniture, decking, fencing, concession stands, vehicles utilized to maintain and facilitate movement within the compound, etc.

Recreational facilities within the community include exterior and interior swimming pools and spas, tennis courts, a basketball court, an arcade room, a tot lot, an exercise room, and other miscellaneous recreational rooms and offices.



9901 Seapointe Boulevard, Wildwood Crest, NJ 08260

Bibliography

1. Gap #24. A Complete Guide to Reserve Funding and Reserve Investment Strategies, 3rd Edition by The Community Associations Institute.

2. R.S. Means Building Construction Cost Data - 2016, by Construction Consultants and Publishers.

3. R.S. Means Site Work and Landscape Cost Data - 2016, by Construction Consultants and Publishers.

4. National Reserve Study Standards of The Community Association Institute, 2014.

5. Capital Reserve Study, FWH Associates, P.A., dated May 2012.

Study Methodology & Assumptions

The common elements were identified through the previous capital reserve study. The quantities used in the replacement cost estimations of the common elements were taken from the previous capital reserve study and supplemented with on-site field measurements. The remaining life expectancies of the common elements were determined by FWH through visual site inspections of the accessible common elements performed on January 25, 2017, through the experience of FWH, and by information provided by the Association. The Seapointe Village Master Association was constructed in 1987, which is used as the base year of installation for the original common elements.

The current replacement costs were estimated utilizing published construction cost data, estimates provided by contractors, and cost data from recent similar projects performed by this firm. The useful life and remaining useful life were estimated based on field inspections of the items and on the assumption that adequate preventative maintenance exists and will be followed by the Association. Without proper maintenance, the common elements can deteriorate quickly and require funds from the reserves for replacement earlier than planned.

It should be noted that this data is an estimate based upon the experience of this firm. The work was performed pursuant to generally accepted standards of practice. Since accurate and detailed control over market conditions, usage, rate of deterioration, maintenance or weather conditions is not feasible, the actual costs and useful life expectancy will vary from the estimates presented. We cannot and do not represent or guarantee that the actual costs or useful life expectancy will not vary from those presented in this report. Periodic updates of the reserve study will make adjustments so that these variations will have no significant impact to the budget. It is recommended that the study be updated every three (3) to five (5) years.

The Capital Reserve Funding Plan developed within this report is based on the cash flow method. The cash flow method is a method of developing a Reserve Funding Plan where contributions to the Reserve Fund are designed to offset the variable annual expenditures from the Reserve Fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved. This report uses the threshold funding method, in which the reserve balance is kept above a percent funded amount. The threshold amount is determined by taking a percentage of the total value of all scheduled item replacement costs and is identified in the notes section of this report.

Capital Replacement Items

-Where a condition of a particular common element is provided within the description, the condition assessment takes into consideration how old the item is, e.g. a roof that is one (1) year old can be in average condition if it is aging at an average rate.

1. **Asphalt Roadways** [1]

The roadways within the community are constructed of bituminous concrete paving. Bituminous roadway paving has a typical useful life of twenty (20) years, after which it is expected to receive a new two (2") inch thick asphalt wearing surface.

Asphalt Pavement

The existing surfaces of the roadway were observed to be in varying conditions. The existing asphalt was observed to contain deteriorated surfaces, potholes, and cracking at Memphis Avenue. The Ibis Lane parking area appeared to be in better condition than other asphalt roadways and parking areas. The remainder of the asphalt surfaces were experiencing rough surfaces throughout, with areas of settlement observed by the curb and roadway junction. There are a few areas where patches were found indicating previous repairs at the curbs and inlets.

Prior to the installation of a new wearing course, milling, crack repair, and reconstruction of base course failure are expected to occur. The costs to perform these additional operations are included in the unit cost provided within the schedule.

2. **Concrete Pavers** [2,3]

Precast concrete pavers are interspersed throughout portions of roadways within Seapointe Village including the gated entrance way on Seapointe Boulevard, the parking lot access behind the Ibis building, the Ibis Lane terminus, and at the south elevation of the North Beach Building. The pavers have a thirty (30) year typical useful life. The pavers were observed to be in average condition with settlement in areas near the storm inlets, water ponding, and areas of separation between the pavers.

Concrete Pavers

Regular maintenance of the pavers includes power washing, replenishment of the sand in the joints, and resetting of displaced pavers. Any trip hazards and areas presenting *safety* hazards should be replaced immediately to eliminate the hazard.

3. **Concrete Sidewalks** [4,5,11-14]

The sidewalks at the community are constructed of Portland Cement concrete, which has a typical useful life of thirty (30) years. The sidewalks were observed to be in average condition with deficiencies including cracks, spalling, and displaced sections.

Concrete Sidewalk

4. **Stamped Concrete** [6]

Stamped concrete, often referred to as textured or imprinted concrete, is concrete that replicates stones such as flagstone, tile, and brick. Stamped concrete can be installed with a variety of different colors. Stamped concrete has a typical useful life of thirty (30) years and is located near the Ibis pool and playground area. The stamped concrete was observed to be in average condition.

Stamped Concrete

5. **Site Illumination** [15-17]

The common areas, including the community roadways and walkways, are illuminated with a combination of twenty (20') foot aluminum shoebox fixtures and aluminum bollard lights. Exterior lighting has a twenty-five (25) year typical useful life. The lighting was observed to be in average condition, experiencing minor corrosion on the surfaces and fading.

The pricing reflected in the schedule anticipates that all the light fixtures within the community will be replaced with those of the same size, type, and intensity. The lighting replacement cost does not include the replacement of wiring or conduit.

20' Aluminum Pole Light

Bollard Light

Bollard Light

6. **Site Fencing** [18-34]

Ten (10') foot high and four (4') foot high vinyl coated chainlink fencing encompasses both tennis courts adjacent to the Ibis building as well as the basketball court. Six (6') foot vinyl coated chainlink fencing encompasses the pool heaters near the Centre Court portion of the community. Fencing of this type has a twenty-five (25) year typical useful life. The chainlink fencing was observed to be in average condition, showing signs of corrosion on the fasteners and poles, finish failure, and crushed sections of chainlink between the tennis courts.

10' Chainlink Fence

Four (4') foot high aluminum fencing exists at a majority of the recreational areas on-site. These types of fences have a typical useful life of twenty-five (25) years. The aluminum fencing was observed to be in average condition with areas of corrosion and finish failure present on the fence surfaces.

4' Aluminum Fence (Centre Court)

Vinyl privacy fencing of varying heights are located along portions of the perimeter of the townhomes and between unit patios. The Association has been replacing portions of existing wood fence with vinyl fence behind the townhome buildings. Vinyl fencing also exists at the rear of the single family homes along Dune Drive. Vinyl fencing has a typical useful life of twenty-five (25) years. The vinyl fencing was observed to be in average to above average condition.

A six (6') foot wood fence is located near the Dune Drive east entry of the parking lot. Fencing of this type possesses a fifteen (15) year typical useful life. The wood fence was observed to be in below average condition, needing replacement within the first year of the study. The wood fence was showing signs of deterioration, cracking, and splitting. It is anticipated that the wood fence will be replaced with vinyl fencing, which is reflected within the schedule.

Vinyl Privacy Fencing

7. **Retaining Walls** [35-41]

Retaining walls of various heights and various materials are interspersed throughout the community's common areas. Masonry and stone retaining walls have a typical useful life of forty (40) to forty-five (45) years, while timber retaining walls possess a fifteen (15) year typical useful life. Poured concrete walls can last fifty (50) to seventy-five (75) years.

A poured concrete retaining wall is located at the west elevation of the tennis courts and was observed to be in above average condition, appearing to have been installed sometime after the inception of the community.

Poured Concrete Retaining Wall

Concrete field stone retaining walls exist at the Ibis pool area and Garden pool area. These walls appeared to be in average condition, showing signs of minor shifting.

A timber retaining wall is located at the southwest corner of the South Beach building. The timber retaining wall was observed to be in average condition, showing signs of weathering, cracked timbers, and leaning.

Concrete Field Stone Retaining Wall

FWH recommends that timber retaining walls are replaced with segmental block masonry walls during the next replacement effort. Segmental block masonry walls are virtually maintenance free and have an extremely long useful life. It is expected that the timber walls will be replaced with Allan block retaining walls. The cost for removal of the timber walls and installation of Allan block walls are reflected in the schedule.

Masonry concrete retaining walls constructed of concrete masonry units (CMU) and finished with stucco and ceramic tile are interspersed throughout the community. These types of retaining walls were observed to be in varying conditions, with many of the walls possessing signs of cracking throughout. During inspection, it was noted that the Dune Drive entry wall appeared to be displaced, causing the wall to lean toward the parking lot.

Masonry Concrete Retaining Wall

It is recommended that the retaining walls are inspected on a regular basis. Any retaining walls posing possible *safety* hazards should be repaired or replaced immediately to eliminate said hazards.

Aluminum fencing and railings are affixed to the tops and / or sides of the retaining walls throughout the community. Aluminum fencing and railings have a typical useful life of twenty-five (25) years and were observed to be in average condition.

8. **Tennis Courts** [42,43]

Two (2) tennis courts are located within the community and are constructed of bituminous concrete. Funding for the resurfacing of the court followed by replacement has been included in the replacement reserve schedule. It is recommended that the courts are recoated with a minimum of two (2) coats of latex-acrylic paint every seven (7) years to seal minor surface cracks and deficiencies and also to rejuvenate the playing surface. Tennis courts have a typical useful life of twenty (20) years, after which time they will require an overlay of new asphalt or full reconstruction, depending on their condition. The tennis courts were observed to be in average to below average condition with deficiencies including spalling, cracking, pealing, and ponding water.

Tennis Court Surface

The unit costs for tennis court recoating includes reconstruction of significant cracks, crack sealing, and application of a new color coat. The replacement cost includes a complete removal and replacement of the asphalt courts.

To promote cost-effectiveness and prevent possible damage to a newly-installed playing surface, it is anticipated that each court's fence will undergo replacement coinciding with the next replacement of the court's playing surface.

Replacement of the nets and posts will be funded through the operating budget.

9. **Basketball Court** [44,45]

There is one basketball court located within the Ibis recreational area. The court is surfaced with bituminous concrete. Funding for the replacement of the court followed by resurfacing has been included in the schedule. It is recommended that the court is resurfaced every seven (7) years to seal minor cracks and deficiencies in the surface and also to rejuvenate the playing surface. Basketball courts have a typical useful life of twenty (20) years after which time they will require an overlay of new asphalt or full reconstruction depending on their condition. The basketball court surface was observed to be in average condition, experiencing staining and areas of ponding water.

Basketball Court Surface

10. **Tot Lot** [46]

One (1) tot lot is located adjacent to the Ibis outdoor pool area. The tot lot consists of one (1) modular climbing structure constructed of heavy duty vinyl and a four (4) seat swing set. The play structure and swing set have a typical useful life of twenty-five (25) years and were observed to be in average condition. Fading, staining, and finish failure of the tot lot components were observed during inspection.

The addition of safety bedding to prevent fall hazards will be funded through the operating budget.

Tot Lot Play Structure

11. **Bocce Court** [47]

One (1) bocce court is located adjacent to the north walkway to the beach and was observed to be in average condition. The bocce court consists of dimensional lumber edging and a Har-Tru Claytech playing surface. Exterior wood products possess a fifteen (15) year typical useful life. It is anticipated that the playing surface will be maintained through the maintenance budget.

Bocce Court (Ocean Side)

12. **Outdoor Pool Areas** [7-10,48-55]

There are four (4) in-ground concrete swimming pools within the Seapointe Village community. It is the Master Association's responsibility to fund for replacement of the pool decks, resurfacing of the pools, replacement of the pool copings, filtration systems, heaters, and the replacement of other related equipment. According to the Association, the community conducts pre-season inspections and maintenance on the aforementioned pool elements each year.

All of the pool decks are constructed of concrete, which has a typical useful life of thirty (30) years. Some of the concrete is colored and/or stamped with a decorative design. The pool decks were observed to be in average condition, with the exception of the Garden pool deck, which was observed to be in below average condition in certain areas. The pool decks were experiencing areas of cracking, spalling, and displaced sections.

Concrete Pool Deck
(Ocean Side Pool Area)

The interior surfaces of the pools are finished with plaster. Concrete pool surfaces typically require resurfacing every seven (7) years to maintain a water tight envelope and a smooth surface for swimmers. The pools are bordered with a concrete pool coping and ceramic waterline tile. With the exception of the Ibis pool, all pools/spas were drained for the winter. The pool surfaces were observed to be in average to below average condition. Signs of spalling, cracking, and wear were observed at the pool surfaces. The pool copings were observed to contain areas of cracking. The waterline tile appeared to contain areas of cracking, grout staining, and broken sections. During inspection, it was noted that the waterline tile near the top of the slide of the Centre Court pool contained sharp edges from cracking.

Pool Surface & Coping
(Garden Pool Area)

The pool and spa mechanical components consist of sand filters, pumps, and heaters. These types of pool filtration and heating components have a fifteen (15) year typical useful life. It was brought to the attention of FWH that some of the pool pumps have been rebuilt. *No mechanical, electrical or pneumatic testing was performed as part of our analysis. During the study preparation, FWH was not made aware of any functional or operational difficulties with the pool mechanical systems.*

A wood pedestrian bridge is located at the pool area of the Centre Court building. Bridges of this type possess a fifteen (15) year typical useful life. The condition of the bridge was difficult to assess due to the heavy coat of paint on the entire structure. Metal braces under the stair treads were observed to contain severe corrosion. During inspection, it was noted that the bridge seemed unstable when crossing the structure. It is recommended that the bridge is further assessed to ensure its structural integrity and safety for residents. According to the Association, bridge structures are evaluated during the community's pre-season inspection and maintenance program. Any issues that arise are anticipated to be addressed and remediated during that time.

Wooden Pedestrian Bridge (Centre Court Pool Area)

Line items have been added to the schedule to fund for the replacement of the outdoor pool furniture, benches, and boardwalk lounge chairs interspersed throughout the community.

13. **Aluminum Gutter & Downspout Leader System** [57,58]

Aluminum gutters and downspouts are located on the upper roof of the Ibis community building. The aluminum gutters and downspouts have a typical useful life of twenty (20) years and were observed to be in average condition. The gutters appeared to be stained while the downspouts were observed to contain some minor crushed sections and detached fasteners.

14. **Composite Deck Walkways** [70,88-91]

Composite decking is interspersed throughout the community. A large quantity of this decking is located on the ocean side of the community and provides access to the beach. Composite decking has a typical useful life of twenty-five (25) years.

The composite decking located at the Centre Court pool area was observed to be in average condition, experiencing wear and minor sagging between the joists.

The composite decking on the ocean side of the community was observed to be in varying conditions, with deficiencies including fading throughout, areas of sagging between the floor framing, and displaced sections.

The modular rollout composite decking that is laid out on the beach in the summer season was stored during the time of inspection. The decking appeared to be in average condition, however, not all sections were able to be assessed in their entirety. The Association has extended the modular rollout composite decking in February of 2013 and in 2016. Additional line items have been included in the schedule to account for the newer sections of decking.

Composite Decking (Centre Court)

Composite Decking (Ocean Side)

Rollout Composite Decking

15. **Shed Structures** [72,104-107]

Several shed structures are located throughout the community common areas and serve as storage and pool equipment enclosures. The shed structures have varying typical useful lives, which are dependent upon the weatherproofing components of each style shed.

One pool equipment shed is located at the Centre Court pool area. This shed contains dimensional asphalt shingles and T-11 (wood) siding. The shed was observed to be in average condition, showing signs of staining on the exteriors.

A large storage shed weatherproofed with dimensional asphalt shingles and vinyl cedar impression siding is located in between the 300 and 400 townhome buildings. The shed was observed to be in average condition, showing signs of staining on the vented vinyl soffit.

Three (3) 10' x 12' storage sheds are located on the ocean side of the community and are weatherproofed with dimensional asphalt shingles and T1-11 (wood) siding. The sheds were observed to be in varying conditions with varying remaining useful lives. Their expected replacement is reflected in the schedule respectively.

Pool Storage Shed (Centre Court)

30' x 20' Storage Shed (Between Townhomes 300 & 400)

10' x 12' Storage Sheds (Ocean Side)

16. **Trash / Recycling Receptacles** [100]

Trash and recycling receptacles are interspersed throughout the community and have an eight (8) year typical useful life. The receptacles are constructed of varying materials including composite slats, metal framing, and vinyl panels. The receptacles were observed to be in average condition, showing signs of corrosion on the fasteners.

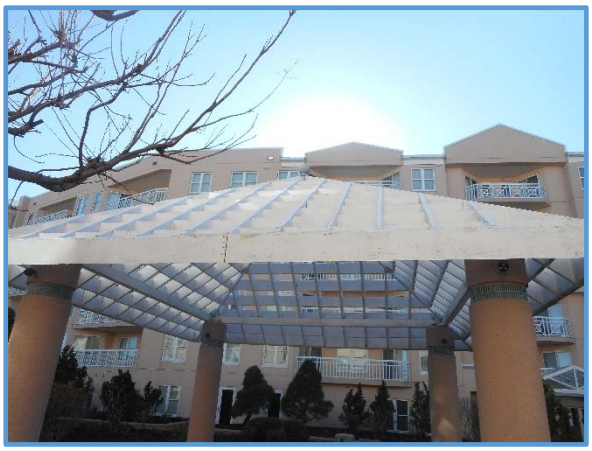
Trash / Recycling Receptacles

17. **Gazebos** [108,109]

Three (3) gazebos are provided to the Seapointe Village community, two (2) of which are constructed of concrete masonry pillars and dimensional lumber. One (1) gazebo, located near the Centre Court building, is constructed of metal pillars with a metal roof structure.

The larger wood gazebo was observed to be in average condition, showing signs of minor finish failure. The small wood gazebo is in need of replacement during the first year of the study. The dimensional lumber that comprised the roof system of the gazebo had been removed because of significant damage. The concrete masonry pillars associated with the wood gazebos are not anticipated to be replaced during the scope of this study. The unit costs only reflects the wood roof structure portions of the gazebo.

The metal gazebo has been recently installed and is not expected to require replacement during the scope of this study.



Large Wood Gazebo

Small Wood Gazebo Area

18. **Lagoons & Associated Components** [112,113]

A total of five (5) lagoons are interspersed throughout the community. The lagoons are comprised of concrete surfaces and artificial stone. Mechanical and electrical components associated with the lagoons include pumps, fountains, and underwater lighting. Of the five (5) lagoons within the community, two (2) are original to the construction of Seapointe Village. These lagoons are located near the Garden building and off Memphis Avenue, near the North Beach building. The original lagoons were observed to be in below average condition, experiencing water staining, cracking, and broken sections of the surfaces. The remaining three (3) lagoons are located near the South Beach building, at the east elevation of the Pinnacle building, and at the south elevation of the North Beach building. The newer lagoons were observed to be in below average condition, showing signs of cracking along the surfaces and areas of staining.

Lagoon (South Beach)

No mechanical or electrical testing was performed as part of our analysis. During the study preparation, FWH was not made aware of any functional or operational difficulties with the lagoon mechanical and electrical systems.

19. **Interior Finishes** [62-64,132-150]

The Association is responsible for funding of the interior finishes of certain recreational and administrative rooms within the Seapointe buildings. The replacement of interior finishes is based largely on the element's appearance and not its functionality.

a. **Carpet** – Low nap carpet exists in the meeting room and game room of the Pinnacle building, as well as the office in the North Beach building. Depending on the quality of the loop and the degree of traffic, carpet has an expected useful life of eight (8) to eleven (11) years. The carpet in the game room was observed to be in average condition with signs of wear present at the entry ways. During the time of inspection, the floor of the meeting room was in the process of being replaced. The carpet in the North Beach office building was observed to be in average condition, having been recently replaced in the spring of 2013.

b. **Rubber Tiles** – Interlocking rubber tiles have been recently installed in the exercise room floor of the Pinnacle building. The rubber tiles were observed to be in above average condition.

c. **Vinyl Composition Tile (V.C.T.)** – Vinyl composition tile is located within the recreation room of the Ibis building. V.C.T. has an expected useful life of thirty (30) years. The V.C.T. was observed to be in average condition, showing signs of surface wear and staining.

d. **Ceramic Tile** – Ceramic floor tile is located in the meeting room, hallways, and bathrooms of the Pinnacle building. The Pinnacle building bathrooms also contain ceramic wall tile. 1" x 1" ceramic floor tile with a 4" base of ceramic wall tile is located within the Ibis pool bathrooms. Ceramic tile has a thirty (30) year typical

useful life. The ceramic tile in the Pinnacle meeting room and hallways was observed to be in above average condition. The ceramic tile in the bathrooms of the Pinnacle building was observed to be in average condition, showing signs of grout staining. The ceramic floor and wall tile in the Ibis pool bathrooms was observed to be in average condition with signs of staining at the grout joints.

e. **Suspended Ceiling** – Areas of the ceilings within the Pinnacle building and Ibis building contain acoustical suspended or "drop" ceiling tiles. Suspended ceiling has a typical useful life of thirty (30) years. The ceilings were observed to be in varying conditions with deficiencies including chipped ceiling tiles, cracked ceiling tiles, corroded aluminum grid framing, areas of sagging, and stained ceiling tiles.

20. **Interior Amenities** [132-151]

a. **Furnishings** – The Pinnacle meeting room and the Seapointe Village office are furnished. The Association funds for the replacement of these amenities. Furnishings include items such as tables, chairs, desk, couches and artwork.

b. **Restroom Renovations** – Line items have been added to the schedule to fund for the renovation of the common area restrooms located near the beach, the bathrooms within the Ibis building, and the bathrooms within the Pinnacle building. Bathroom renovations include the replacement of toilets, stalls, vanities, shower components, etc.

c. **Exercise Equipment** – Equipment within the exercise room of the Pinnacle building is the responsibility of the Master Association. The exercise room is provided with treadmills, stationary bikes, universal stations, free weights, etc., which all contain a ten (10) year typical useful life.

d. **Kitchen Amenities** – The Pinnacle meeting room is provided with a small kitchenette containing a small refrigerator, microwave and ice machine. Only kitchen equipment with significant replacement costs have been included in the study.

21. **Steam/Sauna Rooms** [143-145]

The Seapointe Village community contains two (2) wood saunas and a steam room. The enclosures were observed to be in average condition. A line item has been provided to fund for the replacement of the cedar finishes within the sauna rooms and the mechanical equipment associated with the sauna and steam rooms. Regular maintenance of these items is recommended.

22. **HVAC Systems** [69,98,99,123,

Heating and cooling of the indoor pool structure adjacent to the Ibis Pool Building is provided by a heat recovery unit. HVAC units for the Pinnacle common area, North Beach management office, and the gatehouse have also been included in the schedule. HVAC units have a typical useful life of twenty (20) years. *No mechanical, electrical or pneumatic testing was performed as part of our analysis. During the study preparation, FWH was not made aware of any functional or operational difficulties with the system.*

23. **Water Heater** [68]

A forty (40) gallon electric water heater is located within the Ibis building. Water heaters have a typical useful life of twelve (12) years. *No mechanical, electrical or pneumatic testing was performed as part of our analysis. During the study preparation, FWH was not made aware of any functional or operational difficulties with the system.*

24. **Security System** [142]

Certain common areas of the community are protected by a video surveillance system. A line item has been added to fund for the replacement of the system's components. Components of the security systems possess a typical useful life of fifteen (15) years.

25. **Security Gates** [119-121]

There are five (5) sets of mechanical gates used to provide security at the entrances and exits of the Seapointe Village community. These mechanical components possess a fifteen (15) year typical useful life. *During the study preparation, FWH was not made aware of any functional or operational difficulties with the entry gate systems.*

26. **Community Vehicles** [124-128]

The community utilizes vehicles in order to perform its daily maintenance functions. These vehicles were purchased at different times and experience varying degrees of usage. The remaining useful lives and estimated replacement costs are expressed in the schedule of reserve items.

Kubota Tractor

Golf Cart

Excluded Items

1. **Curbing**
   Roadways throughout the community are edged with standard concrete curbing. Replacement of the curbing will be funded through the operating budget.

2. **Stone Veneer**
   Stone façade weatherproofs the exterior of the gatehouse and indoor pool building. No significant damage or deterioration was noted during the on-site inspection. The mortar-less stone installation does not require re-pointing. Displaced stone should be replaced through the operating budget.

3. **Indoor Pool Windows**
   Stationary glass window walls are located on the indoor pool of the Ibis building and are framed with aluminum members. The windows are not anticipated to be replaced during the scope of this study.

4. **Playground Safety Bedding**
   The periodic re-fill / replacement of the playground mulch will be funded through the maintenance budget.

5. **Recreational Equipment**
   The replacement costs of the basketball hoops and back stops, along with the tennis court nets and posts are virtually inexpensive and will be funded through the maintenance budget.

6. **Fire Pit & Associated Stone Walls**
   A fire pit constructed of metal, field stone walls, and concrete masonry capping is located adjacent to the tennis courts. The fire pit area and its associated components are anticipated to perform beyond the thirty (30) year scope of this study. The walls should be inspected regularly to ensure their structural integrity has not been compromised. The replacement of the stone burners will be funded through the operating budget.

7. **Engraved Wood Benches**
   Eight (8') foot engraved wood benches are interspersed throughout the Seapointe Village community. These benches are purchased by unit owners for commemoration purposes and are therefore excluded from the study.

8. **Deli Trailer Power Cables**
   Power cables for the beach deli trailer were replaced in October of 2015. Funding for the replacement of said power cables will be allocated to the operating budget.

9. **Pinnacle Shade Structure**
   A steel-framed shade structure supported by masonry pillars is located adjacent to the Pinnacle building pool deck entrance. The top of the steel structure is comprised of fabricated wood lattice. It is anticipated that the wood lattice will be maintained regularly through the operating budget. The structural steel framing members and concrete masonry pillars are not expected to be replaced within the scope of this study. The masonry columns and steel framing should be inspected regularly.

Financial Analysis & Funding Plan

The estimated reserve amount effective as of April 1, 2017 has been projected into the future based on the existing funding plan and information provided by the Association. It is the opinion of FWH Associates, P.A. that the Association's current reserve fund status is ***adequate***.

The following calculations are based upon the occupancy of five hundred twenty-one (521) units.

Previous Fiscal Year Summary:

The 2016 total annual reserve contribution amounted to: **$226,200**.

Current Fiscal Year Summary:

The 2017 total annual reserve contribution amounts to: **$226,200**.

Appendix A: Reserve Component Inventory

The replacement reserve schedule (Appendix A) lists all the capital expense items with useful life, estimated remaining useful life, quantity and current replacement value.

Appendix B: Yearly Expense Projection

The yearly expense projection schedule provides an annual synopsis of when items are to be replaced. It also depicts which items will require replacement more than once throughout the course of the thirty (30) year study.

An annual inflation rate of 3% is applied to the projected capital reserve expenses.

Appendix C: Funding Plan

The projected starting reserve balance (as of the Fiscal Year start date) was computed based on the existing funding plan and via information provided by the Association. The actual or projected reserve balance total presented in the Reserve Study is based upon information provided and was not audited.

The cash flow chart (Appendix C) estimates the total expenses to be spent annually over the thirty (30) year study period, and the yearly contribution.

An interest rate of 1% supplied by the Association is applied to the accumulated reserve funds.

The cash flow chart has been prepared to allow the Association to maintain a yearly ending balance at or above the five (5%) percent minimum threshold of $209,211.

It should be noted that fiscal years 2017 to 2019 are critical years, as the ending balance is below the recommended ten (10%) percent minimum threshold of $418,421.

In anticipation of capital expenditures throughout the study, the reserve contributions increase annually through 2037, then remain steady thereafter.

AJM/ajm

REPLACEMENT RESERVE COMPONENT INVENTORY
Effective as of April 1, 2017

Projected Reserve Balance: $500,000

521 Units

Item	Year Installed/ Replaced	Typical Useful Life	Estimated Remaining Useful Life	Estimated Quantity	Unit Cost	Current Replacement Cost
SITEWORK						
Paved Surfaces						
1. 2" Asphalt Cap Resurface: Roadways & Parking Areas (over 2 yrs)	1995	20	0	11,140 SY	$20.00	$222,800
2. Concrete Pavers (Ibis Ln Circle, over 2 yrs)	1988	30	3	7,155 SF	$16.25	$116,269
3. Concrete Pavers (Plaza Deck & Remaining, over 4 yrs)	2005	30	18	23,923 SF	$16.25	$388,749
4. Concrete Sidewalk (Ibis Pool & Playground)	2007	30	20	3,950 SF	$8.50	$33,575
5. Concrete Sidewalk (Plaza Deck, over 4 yrs)	2005	30	18	17,920 SF	$8.50	$152,320
6. Stamped Concrete (Ibis Pool & Playground)	2007	30	20	1,968 SF	$16.00	$31,488
7. Colored Concrete Pool Deck - Centre Court	2002	30	15	6,136 SF	$10.00	$61,360
8. Colored Concrete Pool Deck - Garden	1997	30	8	3,102 SF	$10.00	$31,020
9. Colored Concrete Pool Deck - Ocean Side	2005	30	18	2,610 SF	$10.00	$26,100
10. Concrete Hot Tub Deck - Ocean Side	1987	30	0	1,000 SF	$9.00	$9,000
11. Concrete Walkways	2012	30	25	1 LS	$23,350	$23,350
12. Concrete Walkways	2013	30	26	1 LS	$36,300	$36,300
13. Concrete Walkways	2014	30	27	1 LS	$3,000	$3,000
14. Concrete Walkways	2015	30	28	1 LS	$8,875	$8,875
Illumination						
15. 20' Aluminum Street Lights (over 5 yrs)	2002	25	10	55 EA	$3,250	$178,750
16. Plaza Bollard Lighting	2005	25	13	20 EA	$950	$19,000
17. Bollard Lighting - Walkways	2005	25	13	40 EA	$475	$19,000
Fencing						
18. 10' High Vinyl Chainlink - Tennis Ct.	2007	25	10	320 LF	$37.00	$11,840
19. 4' High Vinyl Chainlink - Tennis Ct.	2007	25	10	300 LF	$12.50	$3,750
20. 4' High Aluminum Fence (Ibis Pool & Playground)	2007	25	15	335 LF	$63.00	$21,105
21. 4' High Aluminum Fence (Centre Court)	1993	25	1	490 LF	$63.00	$30,870
22. 4' High Tubular Post & Railing (Centre Court)	1993	25	2	52 LF	$53.50	$2,782
23. 4' High Aluminum Fence (Garden Pool)	1989	25	0	312 LF	$63.00	$19,656
24. 4' High Aluminum Fence (Ocean Side)	2005	25	13	800 LF	$63.00	$50,400
25. 6' Vinyl Chainlink Fence (Pool Heaters)	1993	25	1	46 LF	$19.80	$911
26. 8' High Vinyl Privacy Fence	2007	25	15	350 LF	$53.75	$18,813
27. 4' Vinyl Fence (Townhomes 400, 500 & 600)	2012	25	20	395 LF	$36.50	$14,418
28. 5' Vinyl Fence (Townhomes 300, 500, 600 & 700)	2012	25	20	205 LF	$38.50	$7,893
29. 6' Vinyl Fence (Townhomes 300 Series)	2012	25	20	225 LF	$48.62	$10,940
30. 7' Vinyl Fence (Townhomes 300 Series)	2012	25	20	113 LF	$51.19	$5,784
31. 6' Vinyl Fence - Dune Drive	2008	25	16	1,098 LF	$48.62	$53,385
32. 6' Vinyl Fence - (behind 100 & 200 bldg. Townhomes)	2010	25	18	360 LF	$48.62	$17,503
33. 6' Vinyl Fence - (behind 300, 700, & 800 bldg. Townhomes)	2012	25	20	584 LF	$48.62	$28,394
34. 6' Wood Fence (Dune Drive)	2000	15	0	120 LF	$41.00	$4,920
Retaining Walls						
35. Poured Concrete Retaining Wall (west elevation of tennis court)	1987	50	25	300 SF	$29.00	$8,700
36. Concrete Field Stone Retaining Wall (Ibis pool area)	1987	45	17	600 SF	$44.77	$26,862
37. Concrete Field Stone Retaining Wall (Garden)	1987	45	17	1,190 SF	$44.77	$53,276
38. Timber Retaining Wall: Replace w/ Seg. Block (South Beach, southwest corner)	1987	15	10	90 SF	$44.77	$4,029
39. Masonry Concrete Retaining Wall: CMU block, stucco finish (over 5 yrs)	1987	40	10	4,360 SF	$33.41	$145,668
40. Ceramic Tile (masonry concrete retaining walls)	1987	30	2	900 SF	$7.70	$6,930
41. Aluminum Railing	1987	25	2	200 LF	$53.50	$10,700
Recreational: Tennis						
42. Tennis Court Resurface	2007	7	0	2 EA	$8,800	$17,600
43. Tennis Court Reconstruction	2007	20	10	2 EA	$55,000	$110,000
Recreational: Basketball						
44. Basketball Court Resurface	2007	7	0	1 EA	$8,800	$8,800
45. Basketball Court Reconstruction	2007	20	10	1 EA	$55,000	$55,000
Recreational: Tot Lot						
46. Tot Lot & Swing Set	2002	25	8	1 LS	$25,000	$25,000
Bocce Court						
47. Wood Edging	2016	15	14	100 LF	$3.00	$300

REPLACEMENT RESERVE COMPONENT INVENTORY
Effective as of April 1, 2017

Projected Reserve Balance: $500,000

521 Units

Item	Year Installed/ Replaced	Typical Useful Life	Estimated Remaining Useful Life	Estimated Quantity	Unit Cost	Current Replacement Cost
Recreational: Pool						
48. Pool Coping & Waterline Tile - Ibis Pool/Spa	2007	14	4	220 LF	$60.00	$13,200
49. Pool Resurfacing - Ibis Pool/Spa	2007	7	0	837 SF	$9.00	$7,533
50. Pool Coping & Waterline Tile - Centre Court	2009	14	3	590 LF	$60.00	$35,400
51. Pool Resurfacing - Centre Court	2009	7	0	941 SF	$9.00	$8,469
52. Pool Coping & Waterline Tile - Garden	2008	14	5	165 LF	$60.00	$9,900
53. Pool Resurfacing - Garden	2008	7	0	720 SF	$9.00	$6,480
54. Pool Coping & Waterline Tile - Ocean Side	2011	14	8	430 LF	$60.00	$25,800
55. Pool / Spa Resurfacing - Ocean Side	2008	7	0	2,850 SF	$9.00	$25,650
Ibis Exterior						
56. Pool Furnishings	2007	10	2	1 LS	$20,000	$20,000
57. 6" Aluminum Gutters	2007	20	10	185 LF	$8.86	$1,639
58. 4" x 3" Aluminum Leaders	2007	20	10	120 LF	$8.30	$996
59. Single Aluminum & Glass Door	2007	25	15	1 EA	$1,425	$1,425
60. Double Aluminum & Glass Doors	2007	25	15	2 EA	$2,325	$4,650
61. Sliding Glass Doors (9' x 8')	2007	25	15	2 EA	$3,500	$7,000
STRUCTURES						
Ibis Interior						
62. Vinyl Composite Floor Tile	2007	30	20	408 SF	$4.48	$1,828
63. Ceramic Floor & Wall Tile (1" x 1")	2015	30	28	317 SF	$15.78	$5,002
64. Acoustical Ceiling Tile	2007	30	20	928 SF	$1.97	$1,828
65. Restroom Renovation	2007	20	10	2 EA	$4,250	$8,500
IBIS MECHANICAL						
66. Pool Filters & Pumps	2010	15	8	1 LS	$26,350	$26,350
67. Pool Heaters - 325K Btu	2015	15	13	2 EA	$3,250	$6,500
68. Electric Water Heater - 40 Gallon	2007	12	2	1 EA	$1,000	$1,000
69. HVAC	2007	20	10	1 LS	$15,500	$15,500
SITEWORK						
Centre Court Exterior						
70. Composite Decking	2007	25	15	240 SF	$30.00	$7,200
71. Wooden Pedestrian Bridge (over pool)	1993	15	0	1 LS	$13,000	$13,000
72. Pool Equipment Shed	2007	20	10	1 LS	$3,000	$3,000
CENTRE COURT MECHANICAL						
73. Spa Heater	2006	15	4	1 EA	$2,350	$2,350
74. Spa Filter & Pump	2006	15	4	1 LS	$3,500	$3,500
75. Pool Heaters - 399K Btu	2007	15	5	1 EA	$3,850	$3,850
76. Pool Heaters - 399K Btu	2012	15	10	1 EA	$3,850	$3,850
77. Pool Heater - 299K Btu	2016	15	14	1 EA	$3,300	$3,300
78. Pool Filters & Pumps	2007	15	5	1 LS	$16,500	$16,500
SITEWORK						
Garden Exterior						
79. Pool Furnishings	2005	10	3	1 LS	$20,000	$20,000
80. Composite Bench	2008	20	11	1 EA	$2,150	$2,150
GARDEN MECHANICAL						
81. Pool Heater - 250K Btu	2016	15	14	1 EA	$3,275	$3,275
82. Pool Heater - 399K Btu	2005	15	3	1 EA	$3,850	$3,850
83. Pool Heater - 399K Btu	2014	15	12	1 EA	$3,850	$3,850
84. ADA Pool Chair Lift	2015	10	8	1 EA	$8,000	$8,000
85. Pool Filters & Pumps	2011	15	9	1 LS	$16,500	$16,500
SITEWORK						
Ocean Side Exterior						
86. Lounge Chairs ($8000 allowance every other year)	2007	10	0	1 LS	$8,000	$8,000
87. Picnic Tables/Umbrellas	2013	15	11	12 EA	$1,425	$17,100
88. Composite Decking (over 3 yrs)	2005	25	7	10,620 SF	$30.00	$318,600
89. Composite Modular Rollout Decking	2007	25	15	4,000 SF	$12.89	$51,560
90. Composite Modular Rollout Decking Extension	2013	25	21	960 SF	$12.89	$12,374
91. Composite Modular Rollout Decking Extension	2016	25	24	767 SF	$12.89	$9,881

REPLACEMENT RESERVE COMPONENT INVENTORY
Effective as of April 1, 2017

Projected Reserve Balance: $500,000

521 Units

Item	Year Installed/ Replaced	Typical Useful Life	Estimated Remaining Useful Life	Estimated Quantity	Unit Cost	Current Replacement Cost
OCEAN SIDE MECHANICAL						
92. ADA Pool Chair Lift	1987	10	0	1 EA	$8,000	$8,000
93. Pool Heaters	2007	15	5	1 EA	$3,000	$3,000
94. Pool Heaters	2014	15	12	1 EA	$3,000	$3,000
95. Pool Heaters - 175K Btu	2007	15	5	2 EA	$2,650	$5,300
96. Pool Heaters - 175K Btu	2014	15	12	1 EA	$2,650	$2,650
97. Pool Pumps and Filters	2007	15	5	1 LS	$13,650	$13,650
98. A/C Condenser (Pinnacle Common Area)	2013	20	16	1 EA	$2,150	$2,150
99. A/C Condenser (North Beach Management Office)	2015	20	18	1 EA	$3,350	$3,350
SITEWORK						
Miscellaneous						
100. Trash / Recycling Receptacles (over 7 yrs)	2016	8	7	32 EA	$450	$14,400
101. Shower Towers	2007	12	2	10 EA	$3,500	$35,000
102. Tiki Huts (12 EA every 3 years)	2012	10	5	35 EA	$1,600	$56,000
103. BBQ Grills (3 EA every year)	2015	5	3	14 EA	$600	$8,400
104. Storage Sheds: 10' x 12' (Beach Area)	2016	20	19	1 EA	$3,700	$3,700
105. Storage Sheds: 10' x 12' (Beach Area)	2008	20	11	1 EA	$3,700	$3,700
106. Storage Sheds: 10' x 12' (Beach Area)	2008	20	1	1 EA	$3,700	$3,700
107. Storage Shed: 30' x 20' (windows, doors, garage doors, siding, roofing)	2012	30	25	1 LS	$16,250	$16,250
108. Wood Gazebo: Wood Roof System (large)	1987	15	3	1 EA	$4,500	$4,500
109. Wood Gazebo: Wood Roof System (small)	1987	15	0	1 EA	$2,250	$2,250
110. Restroom Renovation - Beach	1987	30	0	2 EA	$8,000	$16,000
111. Composite Benches / Steel Frame	2005	25	13	10 EA	$1,200	$12,000
112. Lagoons and Components (over 2 yrs)	1987	25	0	2 LS	$26,500	$53,000
113. Lagoons and Components (over 5 yrs)	2005	25	10	3 EA	$158,750	$476,250
114. Steel Dumpsters (over 7 yrs)	1987	30	0	26 EA	$1,650	$42,900
115. Steel Dumpsters	2014	30	27	4 EA	$1,650	$6,600
116. Steel Dumpsters	2015	30	28	3 EA	$1,650	$4,950
117. Beach Wheelchairs	1987	20	0	2 EA	$5,000	$10,000
118. Beach Wheelchairs	2015	20	18	2 EA	$5,000	$10,000
MECHANICAL						
Miscellaneous						
119. Access Gates & Controllers (over 4 yrs)	1998	15	0	4 EA	$5,050	$20,200
120. Access Gates (Seaview Avenue Entrance)	2014	15	12	1 EA	$8,915	$8,915
121. Card Reader System	2010	10	3	1 LS	$38,200	$38,200
122. Parking Meters	2003	15	1	1 LS	$10,575	$10,575
123. Gatehouse HVAC Split System (Furnace & A/C Condenser)	2010	20	13	1 LS	$5,000	$5,000
VEHICLES						
124. Golf Carts	2009	10	2	1 EA	$3,000	$3,000
125. Golf Carts	2015	10	8	3 EA	$3,000	$9,000
126. Kubota Tractor w/ Front Loader	2010	15	8	1 EA	$40,000	$40,000
127. Kubota Tractor w/ Front Loader	2015	15	13	1 EA	$40,000	$40,000
128. Food Concession Trailer	2017	12	12	1 LS	$90,000	$90,000

REPLACEMENT RESERVE COMPONENT INVENTORY
Effective as of April 1, 2017

Projected Reserve Balance: $500,000

521 Units

Item	Year Installed/ Replaced	Typical Useful Life	Estimated Remaining Useful Life	Estimated Quantity	Unit Cost	Current Replacement Cost
STRUCTURES						
Pinnacle Exterior						
129. Double Glass-Paneled Door w/ Sidelights (east elevation)	1992	25	9	1 EA	$8,650	$8,650
130. Automatic Double Glass Door (east elevation vestibule)	1992	20	8	1 EA	$9,000	$9,000
131. Single Glass-Paneled Doors (game room & pinnacle room)	1992	25	9	2 EA	$2,000	$4,000
Pinnacle Interior						
Meeting Room						
132. Carpet	2017	11	11	135 SY	$58.95	$7,958
133. Acoustical Ceiling Tiles	1992	30	5	750 SF	$1.97	$1,478
134. Furniture	1992	10	0	1 LS	$15,000	$15,000
135. Kitchen Amenities	1992	15	0	1 LS	$1,000	$1,000
136. Ceramic Tile	1992	30	5	72 SF	$10.89	$784
Exercise Room						
137. Interlocking Rubber Tiles	2014	15	12	765 SF	$5.75	$4,399
138. Exercise Equipment (over 3 yrs)	2014	10	7	1 LS	$35,850	$35,850
139. Acoustical Ceiling Tile	2011	30	24	750 SF	$1.97	$1,478
Game Room						
140. Carpet	2007	11	1	72 SY	$58.95	$4,244
141. Acoustical Ceiling Tiles	2011	30	24	648 SF	$1.97	$1,277
Miscellaneous						
142. Security System - (Cameras)	2007	15	5	1 LS	$15,000	$15,000
143. Sauna Heater	2007	10	0	2 EA	$1,275	$2,550
144. Cedar Sauna Finish	2007	30	20	2 EA	$2,940	$5,880
145. Steam Generator	2013	10	6	1 LS	$3,385	$3,385
Restrooms						
146. Ceramic Tile - (Men & Women's)	2002	30	15	2,432 SF	$10.89	$26,484
147. Acoustical Ceiling Tile	2011	30	24	640 SF	$1.97	$1,261
148. Restroom Renovation	2002	20	5	2 EA	$13,250	$26,500
Hallways						
149. Ceramic Tile	1992	30	15	328 SF	$10.89	$3,572
North Beach Interior						
150. Carpet	2013	11	7	1 LS	$1,850	$1,850
151. Office Furniture	2013	10	6	1 LS	$13,500	$13,500

TOTAL: $4,184,213

YEARLY EXPENSE PROJECTION
Effective as of April 1, 2017

Item	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033	18 2034	19 2035	20 2036	21 2037	22 2038	23 2039	24 2040	25 2041	26 2042	27 2043	28 2044	29 2045	30 2046
iFactor @ 3.00%	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	1.344	1.384	1.426	1.469	1.513	1.558	1.605	1.653	1.702	1.754	1.806	1.860	1.916	1.974	2.033	2.094	2.157	2.221	2.288	2.357
SITEWORK																														
Paved Surfaces																														
1. 2" Asphalt Cap Resurface: Roadways & Parking Areas (over 2 yrs)	$111,400	$114,742																			$201,201	$207,237								
2. Concrete Pavers (Ibis Ln Circle, over 2 yrs)			$61,675	$63,525																										
3. Concrete Pavers (Plaza Deck & Remaining, over 4 yrs)																		$160,636	$165,455	$170,418	$175,531									
4. Concrete Sidewalk (Ibis Pool & Playground)																				$58,874										
5. Concrete Sidewalk (Plaza Deck, over 4 yrs)																		$62,940	$64,829	$66,774	$68,777									
6. Stamped Concrete (Ibis Pool & Playground)																				$55,214										
7. Colored Concrete Pool Deck - Centre Court															$92,813															
8. Colored Concrete Pool Deck - Garden								$38,151																						
9. Colored Concrete Pool Deck - Ocean Side																		$43,139												
10. Concrete Hot Tub Deck - Ocean Side	$9,000																													
11. Concrete Walkways																									$47,466					
12. Concrete Walkways																										$76,004				
13. Concrete Walkways																											$6,470			
14. Concrete Walkways																												$19,714		
Illumination																														
15. 20' Aluminum Street Lights (over 5 yrs)										$46,646	$48,045	$49,486	$50,971	$52,500																
16. Plaza Bollard Lighting													$27,089																	
17. Bollard Lighting - Walkways													$27,089																	
Fencing																														
18. 10' High Vinyl Chainlink - Tennis Ct.										$15,449																				
19. 4' High Vinyl Chainlink - Tennis Ct.										$4,893																				
20. 4' High Aluminum Fence (Ibis Pool & Playground)															$31,923															
21. 4' High Aluminum Fence (Centre Court)	$30,870																									$64,635				
22. 4' High Tubular Post & Railing (Centre Court)		$2,865																									$6,000			
23. 4' High Aluminum Fence (Garden Pool)	$19,656																									$41,155				
24. 4' High Aluminum Fence (Ocean Side)													$71,858																	
25. 6' Vinyl Chainlink Fence (Pool Heaters)	$911																									$1,907				
26. 8' High Vinyl Privacy Fence															$28,456															
27. 4' Vinyl Fence (Townhomes 400, 500 & 600)																				$25,281										
28. 5' Vinyl Fence (Townhomes 300, 500, 600 & 700)																				$13,840										
29. 6' Vinyl Fence (Townhomes 300 Series)																				$19,182										
30. 7' Vinyl Fence (Townhomes 300 Series)																				$10,143										
31. 6' Vinyl Fence - Dune Drive																$83,172														
32. 6' Vinyl Fence - (behind 100 & 200 bldg. Townhomes)																		$28,930												
33. 6' Vinyl Fence - (behind 300, 700, & 800 bldg. Townhomes)																				$49,789										
34. 6' Wood Fence (Dune Drive)	$4,920															$7,665														
Retaining Walls																														
35. Poured Concrete Retaining Wall (west elevation of tennis court)																									$17,685					
36. Concrete Field Stone Retaining Wall (Ibis pool area)																	$43,106													
37. Concrete Field Stone Retaining Wall (Garden)																	$85,493													
38. Timber Retaining Wall: Replace w/ Seg. Block (South Beach, southwest corner)										$5,257																				
39. Masonry Concrete Retaining Wall: CMU block, stucco finish (over 5 yrs)										$38,013	$39,153	$40,328	$41,537	$42,784																
40. Ceramic Tile (masonry concrete retaining walls)		$7,138																												
41. Aluminum Railing		$11,021																									$23,076			
Recreational: Tennis																														
42. Tennis Court Resurface	$17,600																$28,243							$34,735						
43. Tennis Court Reconstruction										$143,525																				$259,222
Recreational: Basketball																														
44. Basketball Court Resurface	$8,800																$14,121							$17,368						
45. Basketball Court Reconstruction										$71,763																				$129,611
Recreational: Tot Lot																														
46. Tot Lot & Swing Set								$30,747																						
Bocce Court																														
47. Wood Edging														$441																$707

YEARLY EXPENSE PROJECTION
Effective as of April 1, 2017

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Item	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
iFactor @ 3.00%	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	1.344	1.384	1.426	1.469	1.513	1.558	1.605	1.653	1.702	1.754	1.806	1.860	1.916	1.974	2.033	2.094	2.157	2.221	2.288	2.357
Recreational: Pool																														
48. Pool Coping & Waterline Tile - Ibis Pool/Spa				$14,424														$21,818												
49. Pool Resurfacing - Ibis Pool/Spa	$7,533							$9,265							$11,394							$14,014							$17,235	
50. Pool Coping & Waterline Tile - Centre Court			$37,556														$56,807													
51. Pool Resurfacing - Centre Court	$8,469							$10,416							$12,810							$15,755							$19,376	
52. Pool Coping & Waterline Tile - Garden					$11,143														$16,854											
53. Pool Resurfacing - Garden	$6,480							$7,970							$9,802							$12,055							$14,826	
54. Pool Coping & Waterline Tile - Ocean Side								$31,731														$47,996								
55. Pool / Spa Resurfacing - Ocean Side	$25,650							$31,546							$38,798							$47,717							$58,685	
Ibis Exterior																														
56. Pool Furnishings		$20,600										$27,685										$37,206								
57. 6" Aluminum Gutters										$2,139																				$3,863
58. 4" x 3" Aluminum Leaders										$1,300																				$2,347
59. Single Aluminum & Glass Door															$2,155															
60. Double Aluminum & Glass Doors															$7,034															
61. Sliding Glass Doors (9' x 8')															$10,588															
STRUCTURES																														
Ibis Interior																														
62. Vinyl Composite Floor Tile																				$3,205										
63. Ceramic Floor & Wall Tile (1" x 1")																												$11,111		
64. Acoustical Ceiling Tile																				$3,206										
65. Restroom Renovation										$11,091																				$20,031
IBIS MECHANICAL																														
66. Pool Filters & Pumps								$32,407															$50,489							
67. Pool Heaters - 325K Btu													$9,267															$14,438		
68. Electric Water Heater - 40 Gallon		$1,030												$1,469												$2,094				
69. HVAC										$20,224																				$36,527
SITEWORK																														
Centre Court Exterior																														
70. Composite Decking															$10,891															
71. Wooden Pedestrian Bridge (over pool)	$13,000															$20,254														
72. Pool Equipment Shed										$3,914																				$7,070
CENTRE COURT MECHANICAL																														
73. Spa Heater				$2,568															$4,001											
74. Spa Filter & Pump				$3,825															$5,959											
75. Pool Heaters - 399K Btu					$4,333															$6,751										
76. Pool Heaters - 399K Btu										$5,023																$7,826				
77. Pool Heater - 299K Btu														$4,846															$7,550	
78. Pool Filters & Pumps					$18,571															$28,933										
SITEWORK																														
Garden Exterior																														
79. Pool Furnishings			$21,218										$28,515										$38,322							
80. Composite Bench											$2,889																			
GARDEN MECHANICAL																														
81. Pool Heater - 250K Btu														$4,809															$7,493	
82. Pool Heater - 399K Btu			$4,084															$6,363												
83. Pool Heater - 399K Btu												$5,329																$8,303		
84. ADA Pool Chair Lift								$9,839										$13,223												
85. Pool Filters & Pumps									$20,902																$32,564					
SITEWORK																														
Ocean Side Exterior																														
86. Lounge Chairs ($8000 allowance every other year)	$8,000		$8,487		$9,004		$9,552		$10,134		$10,751		$11,406		$12,101		$12,838		$13,619		$14,449		$15,329		$16,262		$17,253		$18,303	
87. Picnic Tables/Umbrellas											$22,981															$35,804				
88. Composite Decking (over 3 yrs)							$126,808	$130,613	$134,531																					
89. Composite Modular Rollout Decking															$77,989															
90. Composite Modular Rollout Decking Extension																					$22,350									
91. Composite Modular Rollout Decking Extension																														

YEARLY EXPENSE PROJECTION
Effective as of April 1, 1, 2017

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Item	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
iFactor @ 3.00%	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	1.344	1.384	1.426	1.469	1.513	1.558	1.605	1.653	1.702	1.754	1.806	1.860	1.916	1.974	2.033	2.094	2.157	2.221	2.288	2.357
OCEAN SIDE MECHANICAL																														
92. ADA Pool Chair Lift	$8,000										$10,751										$14,449									
93. Pool Heaters					$3,377															$5,261									
94. Pool Heaters												$4,153															$6,470			
95. Pool Heaters - 175K Btu					$5,965															$9,294										
96. Pool Heaters - 175K Btu												$3,668															$5,715			
97. Pool Pumps and Filters					$15,363															$23,935										
98. A/C Condenser (Pinnacle Common Area)																$3,350														
99. A/C Condenser (North Beach Management Office)																		$5,537												
SITEWORK																														
Miscellaneous																														
100. Trash / Recycling Receptacles (over 7 yrs)							$2,456	$2,530	$2,606	$2,684	$2,765	$2,848	$2,933		$3,112	$3,205	$3,301	$3,400	$3,502	$3,607	$3,715		$3,942	$4,060	$4,182	$4,307	$4,436	$4,570	$4,707	
101. Shower Towers		$36,050												$51,399												$73,282				
102. Tiki Huts (12 EA every 3 years)					$21,610			$23,614			$25,803				$29,042			$31,735			$34,677				$39,030			$42,649		
103. BBQ Grills (3 EA every year)			$1,910	$1,967	$2,026	$2,087	$2,149	$2,214	$2,280	$2,349	$2,419	$2,492	$2,566	$2,643	$2,723	$2,804	$2,888	$2,975	$3,064	$3,156	$3,251	$3,349	$3,449	$3,552	$3,659	$3,769	$3,882	$3,998	$4,118	$4,242
104. Storage Sheds: 10' x 12' (Beach Area)																			$6,299											
105. Storage Sheds: 10' x 12' (Beach Area)											$4,972																			
106. Storage Sheds: 10' x 12' (Beach Area)	$3,700																				$6,683									
107. Storage Shed: 30' x 20' (windows, doors, garage doors, siding, roofing)																									$33,033					
108. Wood Gazebo: Wood Roof System (large)			$4,774															$7,438												
109. Wood Gazebo: Wood Roof System (small)	$2,250															$3,505														
110. Restroom Renovation - Beach	$16,000																													
111. Composite Benches / Steel Frame													$17,109																	
112. Lagoons and Components (over 2 yrs)	$26,500	$27,295																								$55,485	$57,150			
113. Lagoons and Components (over 5 yrs)										$124,280	$128,008	$131,848	$135,804	$139,878																
114. Steel Dumpsters (over 7 yrs)	$6,129	$6,312	$6,502	$6,697	$6,898	$7,105	$7,318																							
115. Steel Dumpsters																											$14,234			
116. Steel Dumpsters																												$10,995		
117. Beach Wheelchairs	$10,000																				$18,061									
118. Beach Wheelchairs																		$16,528												
MECHANICAL																														
Miscellaneous																														
119. Access Gates & Controllers (over 4 yrs)	$5,050	$5,202	$5,358	$5,518												$7,868	$8,104	$8,347	$8,597											
120. Access Gates (Seaview Avenue Entrance)												$12,340															$19,226			
121. Card Reader System			$40,526										$54,464										$73,195							
122. Parking Meters	$10,575															$16,476														
123. Gatehouse HVAC Split System (Furnace & A/C Condenser)													$7,129																	
VEHICLES																														
124. Golf Carts		$3,090										$4,153										$5,581								
125. Golf Carts								$11,069										$14,876										$19,992		
126. Kubota Tractor w/ Front Loader								$49,195															$76,644							
127. Kubota Tractor w/ Front Loader													$57,030															$88,852		
128. Food Concession Trailer												$124,581												$177,623						

YEARLY EXPENSE PROJECTION
Effective as of April 1, 2017

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Item	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
iFactor @ 3.00%	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	1.344	1.384	1.426	1.469	1.513	1.558	1.605	1.653	1.702	1.754	1.806	1.860	1.916	1.974	2.033	2.094	2.157	2.221	2.288	2.357
STRUCTURES																														
Pinnacle Exterior																														
129. Double Glass-Paneled Door w/ Sidelights (east elevation)									$10,958																					
130. Automatic Double Glass Door (east elevation vestibule)								$11,069																				$19,992		
131. Single Glass-Paneled Doors (game room & pinnacle room)									$5,067																					
Pinnacle Interior																														
Meeting Room																														
132. Carpet											$10,695											$14,805								
133. Acoustical Ceiling Tiles					$1,663																									
134. Furniture	$15,000										$20,159										$27,092									
135. Kitchen Amenities	$1,000															$1,558														
136. Ceramic Tile					$882																									
Exercise Room																														
137. Interlocking Rubber Tiles												$6,089															$9,486			
138. Exercise Equipment (over 3 yrs)							$14,269	$14,697	$15,138								$19,176	$19,752	$20,344								$25,771	$26,544	$27,341	
139. Acoustical Ceiling Tile																								$2,916						
Game Room																														
140. Carpet	$4,244											$5,875											$8,133							
141. Acoustical Ceiling Tiles																								$2,519						
Miscellaneous																														
142. Security System - (Cameras)					$5,628	$5,796	$5,970													$8,768	$9,031	$9,301								
143. Sauna Heater	$2,550										$3,427										$4,606									
144. Cedar Sauna Finish																				$10,311										
145. Steam Generator						$3,924										$5,274										$7,087				
Restrooms																														
146. Ceramic Tile - (Men & Women's)															$40,060															
147. Acoustical Ceiling Tile																								$2,488						
148. Restroom Renovation					$29,826																				$53,869					
Hallways																														
149. Ceramic Tile															$5,403															
North Beach Interior																														
150. Carpet							$2,209											$3,058											$4,233	
151. Office Furniture						$15,650										$21,033										$28,266				
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
TOTALS:	$383,287	$235,345	$192,090	$98,523	$136,288	$34,562	$170,732	$447,070	$201,616	$498,547	$332,819	$420,875	$544,770	$300,768	$427,092	$176,162	$274,077	$450,694	$312,523	$575,941	$603,871	$415,014	$269,503	$297,327	$223,012	$393,796	$207,470	$280,625	$183,867	$463,619

FUNDING PLAN

Effective as of April 1, 2017

Projected Reserve Balance: $500,000

10% Threshold: $418,421

5% Threshold: $209,211

521 Units

Fiscal Year	Beginning Balance as of Apr 1	Reserve Contribution (Apr 1 - Mar 31)	Net Interest @ 1.000%	Annual Expenses	Ending Balance
2017	$500,000	$226,200	$4,215	$383,287	$347,128
2018	$347,128	$232,986	$3,459	$235,345	$348,228
2019	$348,228	$239,976	$3,722	$192,090	$399,836
2020	$399,836	$247,647	$4,744	$98,523	$553,703
2021	$553,703	$255,564	$6,133	$136,288	$679,113
2022	$679,113	$263,734	$7,937	$34,562	$916,222
2023	$916,222	$272,165	$9,669	$170,732	$1,027,324
2024	$1,027,324	$280,866	$9,442	$447,070	$870,561
2025	$870,561	$289,845	$9,147	$201,616	$967,937
2026	$967,937	$299,110	$8,682	$498,547	$777,183
2027	$777,183	$308,673	$7,651	$332,819	$760,687
2028	$760,687	$318,540	$7,095	$420,875	$665,448
2029	$665,448	$328,724	$5,574	$544,770	$454,976
2030	$454,976	$339,232	$4,742	$300,768	$498,182
2031	$498,182	$350,077	$4,597	$427,092	$425,763
2032	$425,763	$361,268	$5,183	$176,162	$616,053
2033	$616,053	$372,817	$6,654	$274,077	$721,448
2034	$721,448	$384,736	$6,885	$450,694	$662,374
2035	$662,374	$397,035	$7,046	$312,523	$753,932
2036	$753,932	$409,728	$6,708	$575,941	$594,427
2037	$594,427	$422,826	$5,039	$603,871	$418,421
2038	$418,421	$422,826	$4,223	$415,014	$430,457
2039	$430,457	$422,826	$5,071	$269,503	$588,851
2040	$588,851	$422,826	$6,516	$297,327	$720,867
2041	$720,867	$422,826	$8,208	$223,012	$928,888
2042	$928,888	$422,826	$9,434	$393,796	$967,353
2043	$967,353	$422,826	$10,750	$207,470	$1,193,459
2044	$1,193,459	$422,826	$12,646	$280,625	$1,348,305
2045	$1,348,305	$422,826	$14,678	$183,867	$1,601,942
2046	$1,601,942	$422,826	$15,815	$463,619	$1,576,964
	TOTALS:	$10,407,184	$221,667	$9,551,887	$1,576,964