



RESERVE STUDY - FINANCIAL REPORT

Hale Kamaole AOA

September-2010

Report Start Date:01-Apr-2011



Hale Kamaole AOA
Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

PROJECT INFORMATION

Name of Association:	Hale Kamaole AOA
City and State:	Kihei, HI
Type of Project:	Condominium
Number of Units:	188
Age of Project:	36 Years
Fiscal Year End:	31-Mar-2011
Level of Reserve Study:	Level 1: Full Reserve Study
Date of Inspection: (if applicable)	21-Jun-2010

Descriptions of Levels

Level 1: (Full, On-site Review)

Component Inventory, b) Condition assessment (based on on-site visual observations, c) Life and valuation estimates, d) Fund status, e) Funding plan(s).

Level 2: (Update, With-Site-Visit/On-site Review)

Includes: a) Component Inventory (verification only, not quantification), b) Condition assessment (based on on-site visual observations), c) Life and valuation estimates, d) Fund status, e) Funding plan(s).

Level 3: (Update, No-Site-Visit/Off-site Review)

Includes: a) Life and valuation estimates, b) Fund status, c) Funding plan(s).

MANAGEMENT COMPANY

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RESERVE STUDY INFORMATION

Reserve Study (Definition): 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 capital expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis.

Included in the Reserve Study:

- **Component Worksheet Report:** Includes the quantity, estimated current replacement cost, projected future cost, service life and the projected remaining life of each major component.
- **Percentage Funded Report:** Includes the total replacement cost, current reserve balance, fully funded reserve balance (to be 100%) and the percentage to which the association is fully funded
- **Funding Plans:** One or more of the following plans may be included in the Reserve Analysis:
 - **Current Funding:** The funding level equal to the Association's current assessments for reserve assets.
 - **100% Funding (Reserve Analysis-Year Plan):** Funding level designed to reduce the current deficit and reach the fully funded (100%) within a fiveyear period.
 - **Threshold Funding:** Funding Plan designed to meet all projected disbursement requirements as they occur while always maintaining threshold level of funds in the reserve account.
 - **Reserve Analysis 50% - Compliance Funding (Hawaii Only):** Funding Plan designed to meet all projected disbursement requirements as they occur over the projected 20 years while also maintaining a minimum percentage funded rate of 50%.
- **Executive Summary**
- **Reserve Funding Disclosure Summary** -California State Statute 1365.2.5 – Assessment and Reserve Funding Disclosure. 2. Reserve Analysis (California Only)

The purpose of this report is to provide information about the existing condition, life expectancy and estimated cost for maintenance and replacement of the physical elements that the Association is responsible for maintaining. This evaluation is designed to comply with all current state requirements.

A level-1 or 2 report is based on a diligent visual inspection of the reserve components and may rely on information supplied by the management company, Board of Directors, associated vendors, contractors and published replacement guides modified for local conditions related to reconstruction. A level-3 reserve study report does not include an on-site visual evaluation but is updated accordingly based on a previous years on-site evaluation.

Future-cost figures include an annual inflationary factor (see inflation rate), which should be updated and reincorporated into the reserve budget when deemed appropriate. Funding and disbursement projections presented have been computed with a Time Value of Money approach. An annual inflation rate and average interest rate were assumed. Inflation was applied to the projected disbursements, and interest to the ending cash balance values. A straight-line method of calculation was employed for both time value rates.

Adjustments to the component service lives and listed costs should be made whenever the rate of deterioration has changed or when there have been significant changes in the cost of materials and/or labor. Some assumptions have been made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material.

It is imperative that these assets be reviewed annually to consider the impact of changing conditions. The findings in the following report are applicable as of the study's completion date, and those items, which are not expected to undergo major repair or replacement within a thirty-year time frame, have been defined as 'life of the project' and may not be included. The report is to be used only for the purpose stated herein, any use or reliance for any other purpose is invalid.

The contents of the Reserve Study Report are based on estimates of the most probable reserve component replacement costs and remaining useful lives. Accordingly, the funding plans reflect consultant judgments based on circumstances at the time of inspection of the most likely costs, regular maintenance, service and remaining lives. The Association may elect to implement any of the funding plans presented, or may implement some variation developed from this information. An annual increase (based on listed inflation %) has been assumed in the funding plans provided (for future projections).

Because the compilation of the reserve funding plans and related projections is limited as described above, no conclusion or any other form of assurance on the funding options or projections is provided. No responsibility to update this report for events and circumstances occurring after the date of this report is assumed.

Inflation Rate: 3% Interest Rate: 0.5% Funding Rate: 5%



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TERMS AND DEFINITIONS

Cash Flow Method: A method of developing a Reserve Funding Plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component: 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 or cooperative responsibility, 2) with limited useful life expectancies, 3) predictable remaining useful life expectancies, 4) above a minimum threshold cost, and Reserve Analysis) as required by local codes.

Component Method: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "cash flow method."

Current 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.

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 actual (or projected) reserve balance is equal to the fully funded balance.

Full 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 life "used up" of the current repair or replacement cost. This number is calculated for each component, then summed together for an association total. $FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$

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

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

1. Baseline Funding: Establishing a reserve funding goal of keeping the reserve cash balance above zero.
2. Fully Funding: Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.
3. Statutory Funding: Establishing a reserve funding goal of setting aside the specific minimum or regulatory amount of reserves required by local statutes or financing agencies.
4. 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."

Funding Plan: An association or cooperative's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

Funding Principles: A) Sufficient funds when required; B) Fiscally responsible; C) Stable contribution rate.

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 fully funded balance, expressed as a percentage.

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.

Reserve Balance: Actual or projected funds as of a particular point in time that the association or cooperative has identified for use to defray the future repair or replacement of those major components which the association or cooperative is obligated to maintain. Also known as reserves, reserve accounts and cash reserves. Based upon information provided and not audited.

Reserve Provider: An individual that prepares Reserve Studies.

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

Surplus: An actual (or projected) reserve balance greater than the fully funded balance. 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.

Inflation Rate: 3% Interest Rate: 0.5% Funding Rate: 5%

Percentage Funded Report



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Percent Funded: 86 %

Component	Service Life (a)	Remaining Life (b)	Years in Service (c)	Current Replacement Cost (d)	Projected Reserve Balance (e)	Required Reserve Funding (f)	Projected Fully Funded Reserves (g)	Deficit / Surplus of Fully Funded Reserves (h)	Per Unit Deficit / Surplus of Fully Funded Reserves (i)
Asphalt & Concrete Surfaces									
Asphalt - Overlay	30	9	21	\$255,695	\$153,157	\$8,523	\$178,987	(\$25,830)	(\$137.39)
Asphalt - Reseal, Stripe & Repair	6	2	4	\$65,086	\$37,129	\$10,848	\$43,391	(\$6,262)	(\$33.31)
Parking Bumpers - Contingency	10	0	10	\$2,000	\$1,711	\$200	\$2,000	(\$289)	(\$1.54)
Common Interior									
Mgr's Apartment - Refurbish	15	11	4	\$15,000	\$3,423	\$1,000	\$4,000	(\$577)	(\$3.07)
Office/Pavillion - Refurbish	15	10	5	\$5,500	\$1,569	\$367	\$1,833	(\$265)	(\$1.41)
Electrical									
Meter Banks (Main) - Bldgs 1-8	42	6	36	\$119,000	\$87,280	\$2,833	\$102,000	(\$14,720)	(\$78.30)
Sub Breakers & Light Controls	25	23	2	\$6,800	\$465	\$272	\$544	(\$79)	(\$0.42)
Well Meter - Bldg. 5	42	38	4	\$3,300	\$269	\$79	\$314	(\$45)	(\$0.24)
Elevators									
Elevators - Cab Refurbish	12	8	4	\$10,000	\$2,852	\$833	\$3,333	(\$481)	(\$2.56)
Elevators - Hydraulic Ram	25	9	16	\$36,000	\$19,715	\$1,440	\$23,040	(\$3,325)	(\$17.69)
Elevators - Modernize	30	26	4	\$150,000	\$17,114	\$5,000	\$20,000	(\$2,886)	(\$15.35)
Fencing & Gates									
Chain Link (10') - Tennis	30	13	17	\$2,928	\$1,420	\$98	\$1,659	(\$239)	(\$1.27)
Chain Link (6') (30%)	30	11	19	\$6,573	\$3,562	\$219	\$4,163	(\$601)	(\$3.20)
Lower Pool - Fencing (5')	20	14	6	\$12,225	\$3,138	\$611	\$3,668	(\$529)	(\$2.82)
Lower Pool - Gates	10	4	6	\$4,500	\$2,310	\$450	\$2,700	(\$390)	(\$2.07)
Upper Pool - Fencing (5')	20	15	5	\$9,525	\$2,038	\$476	\$2,381	(\$344)	(\$1.83)
Upper Pool - Gates	10	5	5	\$3,600	\$1,540	\$360	\$1,800	(\$260)	(\$1.38)
Landscaping									
Irrigation Well & Pump System	20	5	15	\$33,000	\$21,178	\$1,650	\$24,750	(\$3,572)	(\$19.00)
Landscape - Upgrade Contingency	5	5	0	\$25,000	\$0	\$5,000	\$0	\$0	\$0.00
Well - Backflow & Regulators	25	13	12	\$5,500	\$2,259	\$220	\$2,640	(\$381)	(\$2.03)
Well - Pump Refurbish	10	14	-4	\$8,000	(\$2,738)	\$800	(\$3,200)	\$462	\$2.46
Lighting									
Perimeter Lighting & Electrical	15	0	15	\$14,500	\$12,407	\$967	\$14,500	(\$2,093)	(\$11.13)
Post Mounted Fixtures (1)	25	21	4	\$4,000	\$548	\$160	\$640	(\$92)	(\$0.49)
Post Mounted Fixtures (2)	25	22	3	\$4,000	\$411	\$160	\$480	(\$69)	(\$0.37)
Post Mounted Fixtures (3)	25	23	2	\$4,000	\$274	\$160	\$320	(\$46)	(\$0.25)
Post Mounted Fixtures (4)	25	24	1	\$3,000	\$103	\$120	\$120	(\$17)	(\$0.09)
Mechanical Equipment									

Percentage Funded Report



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Component	Service Life (a)	Remaining Life (b)	Years in Service (c)	Current Replacement Cost (d)	Projected Reserve Balance (e)	Required Reserve Funding (f)	Projected Fully Funded Reserves (g)	Deficit / Surplus of Fully Funded Reserves (h)	Per Unit Deficit / Surplus of Fully Funded Reserves (i)
Line & Insulation - Repairs/Replace	10	1	9	\$6,000	\$4,621	\$600	\$5,400	(\$779)	(\$4.15)
Solar Heat System - Laundry	20	10	10	\$8,000	\$3,423	\$400	\$4,000	(\$577)	(\$3.07)
Water Heaters (1)	12	0	12	\$3,000	\$2,567	\$250	\$3,000	(\$433)	(\$2.30)
Water Heaters (2)	12	1	11	\$19,000	\$14,903	\$1,583	\$17,417	(\$2,513)	(\$13.37)
Water Heaters (3)	12	2	10	\$20,000	\$14,261	\$1,667	\$16,667	(\$2,405)	(\$12.79)
Water Heaters (4)	12	3	9	\$36,000	\$23,104	\$3,000	\$27,000	(\$3,896)	(\$20.73)
Water Heaters (5)	12	4	8	\$36,000	\$20,537	\$3,000	\$24,000	(\$3,463)	(\$18.42)
Water Heating Solar Panels (1)	20	9	11	\$32,200	\$15,154	\$1,610	\$17,710	(\$2,556)	(\$13.59)
Water Heating Solar Panels (2)	20	10	10	\$32,200	\$13,777	\$1,610	\$16,100	(\$2,323)	(\$12.36)
Water Heating Solar Panels (3)	20	11	9	\$33,600	\$12,938	\$1,680	\$15,120	(\$2,182)	(\$11.61)
Water Heating Solar Panels (4)	20	12	8	\$33,600	\$11,500	\$1,680	\$13,440	(\$1,940)	(\$10.32)
Miscellaneous									
Annual Contingency	1	0	1	\$5,000	\$4,278	\$5,000	\$5,000	(\$722)	(\$3.84)
Backflow Preventer - Water Property Line	30	23	7	\$15,000	\$2,995	\$500	\$3,500	(\$505)	(\$2.69)
BBQ's	25	20	5	\$9,500	\$1,626	\$380	\$1,900	(\$274)	(\$1.46)
Plumbing Lines - Contingency	1	0	1	\$10,000	\$8,557	\$10,000	\$10,000	(\$1,443)	(\$7.68)
Termite Treatment	7	5	2	\$91,830	\$22,451	\$13,119	\$26,237	(\$3,786)	(\$20.14)
Wood & Structural Repairs - Annual	1	0	1	\$40,000	\$34,228	\$40,000	\$40,000	(\$5,772)	(\$30.70)
Painting									
Stucco & Wood - Touch up / Clean	10	4	6	\$25,380	\$13,030	\$2,538	\$15,228	(\$2,198)	(\$11.69)
Stucco Surfaces - Paint	25	19	6	\$267,900	\$55,017	\$10,716	\$64,296	(\$9,279)	(\$49.35)
Wood Surfaces (3-Coats) - Paint	15	9	6	\$210,184	\$71,941	\$14,012	\$84,074	(\$12,133)	(\$64.54)
Pools									
Lower Pool - Decking	20	14	6	\$46,530	\$11,945	\$2,327	\$13,959	(\$2,014)	(\$10.72)
Lower Pool - Re-tile	20	8	12	\$25,300	\$12,989	\$1,265	\$15,180	(\$2,191)	(\$11.65)
Pools (Both) - Equipment Replacement	10	2	8	\$7,000	\$4,792	\$700	\$5,600	(\$808)	(\$4.30)
Pools (Both) - Furnishings	10	8	2	\$22,500	\$3,851	\$2,250	\$4,500	(\$649)	(\$3.45)
Upper Pool - Decking	20	15	5	\$86,670	\$18,541	\$4,334	\$21,668	(\$3,127)	(\$16.63)
Upper Pool - Re-tile	20	10	10	\$25,300	\$10,824	\$1,265	\$12,650	(\$1,826)	(\$9.71)
Roofing									
Comp. Shingle Roofing - (1)	30	3	27	\$240,000	\$184,829	\$8,000	\$216,000	(\$31,171)	(\$165.81)
Comp. Shingle Roofing -									



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(2)	30	4	26	\$240,000	\$177,983	\$8,000	\$208,000	(\$30,017)	(\$159.66)
Comp. Shingle Roofing - (3)	30	5	25	\$240,000	\$171,138	\$8,000	\$200,000	(\$28,862)	(\$153.52)
Security & Fire Systems									
Fire - Alarms and Pull Stations (1)	15	7	8	\$7,000	\$3,195	\$467	\$3,733	(\$539)	(\$2.87)
Fire - Alarms and Pull Stations (2)	15	3	12	\$7,000	\$4,792	\$467	\$5,600	(\$808)	(\$4.30)
Fire - Alarms and Pull Stations (3)	15	1	14	\$7,000	\$5,590	\$467	\$6,533	(\$943)	(\$5.02)
Fire - Control Panels	15	7	8	\$8,000	\$3,651	\$533	\$4,267	(\$616)	(\$3.28)
Tennis Court									
Tennis - Recoat & Stripe	5	5	0	\$7,000	\$0	\$1,400	\$0	\$0	\$0.00
Tennis - Resurface Courts	30	0	30	\$40,000	\$34,228	\$1,333	\$40,000	(\$5,772)	(\$30.70)



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	Current Replacement Cost (d)	Projected Reserve Balance (e)	Required Reserve Funding (f)	Projected Fully Funded Reserves (g)	Deficit / Surplus of Fully Funded Reserves (h)	Per Unit Deficit / Surplus of Fully Funded Reserves (i)
Totals	\$2,752,426	\$1,372,387	\$196,997	\$1,603,841	(\$231,454)	(\$1,231.14)

PERCENTAGE FUNDED & DEFINITIONS

Based on the estimated total current replacement cost of \$2,752,426 and estimated service lives and remaining useful lives for the individual reserve components, the annual (day 1) reserve funding for the Hale Kamaole AOA is \$196,997 and the Fully Funded Reserve as of fiscal year-end 31-Mar-2011 is \$1,603,841. As of this date, the Association has projected \$1,372,387 to be in savings available for reserves. This will be a deficit of \$231,454 under the Fully Funded Reserve. Based on these numbers, the Hale Kamaole AOA will be 86 % funded as of 31-Mar-2011.

This Percent Funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount.

DEFINITION OF TERMS

(For Percentage Funded Page Calculations)

Column a - Service Life: Normal time period the association reserve component can be expected to remain in functional or useful condition.

Column b - Remaining Life (B): An estimate of years remaining before repair, replacement or refurbishment will be necessary.

Column c - Calculated Years in Service (C): A calculation derived by subtracting Remaining Life from Service Life. (Note: Years in service is a calculated value, not necessarily the actual age of the component.) Calculation: (A) - (B) = (C).

Column d - Current Replacement Cost (D): The current cost of repairing, replacing or refurbishing a component.

Column e - Current Actual Reserve Funds (E): Current amount of reserve funds available for each component. This is calculated by: (individual component Fully Funded Reserve) / (the total Fully Funded Reserve for all components) x (the Total Current Actual Reserve Balance for all reserve components) Calculation $G/G (Total) \times E (Total) = (E) \text{ Individual Component Current Actual Reserve Balance}$.

Column f - Day 1 Reserve Funding (Annual) (F): The annual amount of reserve funding required as of the Fiscal Year End which, when Fully Funded from the first year of service for all components will achieve full funding. This annualized value is calculated by dividing Current Replacement Cost by the Useful Life. This funding level makes no adjustment to eliminate any current reserve deficits. Calculation: $(D) / (A) = (F)$.

Column g - Fully Funded Reserve (G): This value is calculated by multiplying the Calculated Years in Service by the Day 1 Reserve Funding Amount. If an association is 100% funded, this number will be equal or less than the Current Allocated Reserve Fund Balance for each component. Calculation: $(C) \times (F) = (G)$.

Column h - Deficit/Surplus to the Fully Funded Reserve (H): The shortage or surplus of reserve funding with respect to the Fully Funded Reserve as of the reported Current Actual Reserve Balance (E). The deficit is calculated by subtracting the Current Actual Reserve Balance from the Fully Funded Reserve: $(G) - (E) = (H)$.

Column i - Per Unit Deficit/Surplus of Fully Funded Reserves (I): The per unit breakdown of the shortage or surplus of reserve funding with respect to the Fully Funded Reserve. Calculated by dividing the current Deficit/Surplus of the Fully Funded Reserve by the number of units.



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Category	Component	Service Life	Replacement Cost	Projected Cost
2011				
Asphalt & Concrete Surfaces	Parking Bumpers - Contingency	10	\$2,000	\$2,000
Lighting	Perimeter Lighting & Electrical	15	\$14,500	\$14,500
Mechanical Equipment	Water Heaters (1)	12	\$3,000	\$3,000
Miscellaneous	Annual Contingency	1	\$5,000	\$5,000
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$10,000
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$40,000
Tennis Court	Tennis - Resurface Courts	30	\$40,000	\$40,000
			Total for 2011:	\$114,500
2012				
Mechanical Equipment	Line & Insulation - Repairs/Replace	10	\$6,000	\$6,180
Mechanical Equipment	Water Heaters (2)	12	\$19,000	\$19,570
Miscellaneous	Annual Contingency	1	\$5,000	\$5,150
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$10,300
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$41,200
Security & Fire Systems	Fire - Alarms and Pull Stations (3)	15	\$7,000	\$7,210
			Total for 2012:	\$89,610
2013				
Asphalt & Concrete Surfaces	Asphalt - Reseal, Stripe & Repair	6	\$65,086	\$69,050
Mechanical Equipment	Water Heaters (3)	12	\$20,000	\$21,218
Miscellaneous	Annual Contingency	1	\$5,000	\$5,305
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$10,609
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$42,436
Pools	Pools (Both) - Equipment Replacement	10	\$7,000	\$7,426
			Total for 2013:	\$156,044
2014				
Mechanical Equipment	Water Heaters (4)	12	\$36,000	\$39,338
Miscellaneous	Annual Contingency	1	\$5,000	\$5,464
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$10,927
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$43,709
Roofing	Comp. Shingle Roofing - (1)	30	\$240,000	\$262,254
Security & Fire Systems	Fire - Alarms and Pull Stations (2)	15	\$7,000	\$7,649
			Total for 2014:	\$369,342
2015				
Fencing & Gates	Lower Pool - Gates	10	\$4,500	\$5,065
Mechanical Equipment	Water Heaters (5)	12	\$36,000	\$40,518
Miscellaneous	Annual Contingency	1	\$5,000	\$5,628
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$11,255
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$45,020
Painting	Stucco & Wood - Touch up / Clean	10	\$25,380	\$28,565
Roofing	Comp. Shingle Roofing - (2)	30	\$240,000	\$270,122
			Total for 2015:	\$406,174
2016				
Fencing & Gates	Upper Pool - Gates	10	\$3,600	\$4,173
Landscaping	Irrigation Well & Pump System	20	\$33,000	\$38,256



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Category	Component	Service Life	Replacement Cost	Projected Cost
Landscaping	Landscape - Upgrade Contingency	5	\$25,000	\$28,982
Miscellaneous	Annual Contingency	1	\$5,000	\$5,796
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$11,593
Miscellaneous	Termite Treatment	7	\$91,830	\$106,457
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$46,371
Roofing	Comp. Shingle Roofing - (3)	30	\$240,000	\$278,226
Tennis Court	Tennis - Recoat & Stripe	5	\$7,000	\$8,115
			Total for 2016:	\$527,969
2017				
Electrical	Meter Banks (Main) - Bldgs 1-8	42	\$119,000	\$142,092
Miscellaneous	Annual Contingency	1	\$5,000	\$5,970
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$11,941
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$47,762
			Total for 2017:	\$207,765
2018				
Miscellaneous	Annual Contingency	1	\$5,000	\$6,149
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$12,299
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$49,195
Security & Fire Systems	Fire - Alarms and Pull Stations (1)	15	\$7,000	\$8,609
Security & Fire Systems	Fire - Control Panels	15	\$8,000	\$9,839
			Total for 2018:	\$86,091
2019				
Asphalt & Concrete Surfaces	Asphalt - Reseal, Stripe & Repair	6	\$65,086	\$82,449
Elevators	Elevators - Cab Refurbish	12	\$10,000	\$12,668
Miscellaneous	Annual Contingency	1	\$5,000	\$6,334
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$12,668
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$50,671
Pools	Lower Pool - Re-tile	20	\$25,300	\$32,049
Pools	Pools (Both) - Furnishings	10	\$22,500	\$28,502
			Total for 2019:	\$225,341
2020				
Asphalt & Concrete Surfaces	Asphalt - Overlay	30	\$255,695	\$333,624
Elevators	Elevators - Hydraulic Ram	25	\$36,000	\$46,972
Mechanical Equipment	Water Heating Solar Panels (1)	20	\$32,200	\$42,014
Miscellaneous	Annual Contingency	1	\$5,000	\$6,524
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$13,048
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$52,191
Painting	Wood Surfaces (3-Coats) - Paint	15	\$210,184	\$274,242
			Total for 2020:	\$768,614
2021				
Asphalt & Concrete Surfaces	Parking Bumpers - Contingency	10	\$2,000	\$2,688
Common Interior	Office/Pavillion - Refurbish	15	\$5,500	\$7,392
Landscaping	Landscape - Upgrade Contingency	5	\$25,000	\$33,598
Landscaping	Well - Pump Refurbish	10	\$8,000	\$10,751
Mechanical Equipment	Solar Heat System - Laundry	20	\$8,000	\$10,751



Hale Kamaole AOA Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

Category	Component	Service Life	Replacement Cost	Projected Cost
Mechanical Equipment	Water Heating Solar Panels (2)	20	\$32,200	\$43,274
Miscellaneous	Annual Contingency	1	\$5,000	\$6,720
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$13,439
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$53,757
Pools	Upper Pool - Re-tile	20	\$25,300	\$34,001
Tennis Court	Tennis - Recoat & Stripe	5	\$7,000	\$9,407
Total for 2021:				\$225,778
2022				
Common Interior	Mgr's Apartment - Refurbish	15	\$15,000	\$20,764
Fencing & Gates	Chain Link (6') (30%)	30	\$6,573	\$9,099
Mechanical Equipment	Line & Insulation - Repairs/Replace	10	\$6,000	\$8,305
Mechanical Equipment	Water Heating Solar Panels (3)	20	\$33,600	\$46,510
Miscellaneous	Annual Contingency	1	\$5,000	\$6,921
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$13,842
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$55,369
Total for 2022:				\$160,811
2023				
Mechanical Equipment	Water Heaters (1)	12	\$3,000	\$4,277
Mechanical Equipment	Water Heating Solar Panels (4)	20	\$33,600	\$47,906
Miscellaneous	Annual Contingency	1	\$5,000	\$7,129
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$14,258
Miscellaneous	Termite Treatment	7	\$91,830	\$130,928
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$57,030
Pools	Pools (Both) - Equipment Replacement	10	\$7,000	\$9,980
Total for 2023:				\$271,508
2024				
Fencing & Gates	Chain Link (10') - Tennis	30	\$2,928	\$4,300
Landscaping	Well - Backflow & Regulators	25	\$5,500	\$8,077
Mechanical Equipment	Water Heaters (2)	12	\$19,000	\$27,902
Miscellaneous	Annual Contingency	1	\$5,000	\$7,343
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$14,685
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$58,741
Total for 2024:				\$121,048
2025				
Asphalt & Concrete Surfaces	Asphalt - Reseal, Stripe & Repair	6	\$65,086	\$98,448
Fencing & Gates	Lower Pool - Fencing (5')	20	\$12,225	\$18,491
Fencing & Gates	Lower Pool - Gates	10	\$4,500	\$6,807
Landscaping	Well - Pump Refurbish	10	\$8,000	\$12,101
Mechanical Equipment	Water Heaters (3)	12	\$20,000	\$30,252
Miscellaneous	Annual Contingency	1	\$5,000	\$7,563
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$15,126
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$60,504
Painting	Stucco & Wood - Touch up / Clean	10	\$25,380	\$38,390
Pools	Lower Pool - Decking	20	\$46,530	\$70,381
Total for 2025:				\$358,062



Hale Kamaole AOA Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

Category	Component	Service Life	Replacement Cost	Projected Cost
2026				
Fencing & Gates	Upper Pool - Fencing (5')	20	\$9,525	\$14,840
Fencing & Gates	Upper Pool - Gates	10	\$3,600	\$5,609
Landscaping	Landscape - Upgrade Contingency	5	\$25,000	\$38,949
Lighting	Perimeter Lighting & Electrical	15	\$14,500	\$22,591
Mechanical Equipment	Water Heaters (4)	12	\$36,000	\$56,087
Miscellaneous	Annual Contingency	1	\$5,000	\$7,790
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$15,580
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$62,319
Pools	Upper Pool - Decking	20	\$86,670	\$135,029
Tennis Court	Tennis - Recoat & Stripe	5	\$7,000	\$10,906
			Total for 2026:	\$369,698
2027				
Mechanical Equipment	Water Heaters (5)	12	\$36,000	\$57,769
Miscellaneous	Annual Contingency	1	\$5,000	\$8,024
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$16,047
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$64,188
Security & Fire Systems	Fire - Alarms and Pull Stations (3)	15	\$7,000	\$11,233
			Total for 2027:	\$157,261
2028				
Miscellaneous	Annual Contingency	1	\$5,000	\$8,264
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$16,528
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$66,114
			Total for 2028:	\$90,907
2029				
Miscellaneous	Annual Contingency	1	\$5,000	\$8,512
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$17,024
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$68,097
Pools	Pools (Both) - Furnishings	10	\$22,500	\$38,305
Security & Fire Systems	Fire - Alarms and Pull Stations (2)	15	\$7,000	\$11,917
			Total for 2029:	\$143,856
2030				
Miscellaneous	Annual Contingency	1	\$5,000	\$8,768
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$17,535
Miscellaneous	Termite Treatment	7	\$91,830	\$161,025
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$70,140
Painting	Stucco Surfaces - Paint	25	\$267,900	\$469,764
			Total for 2030:	\$727,232
2031				
Asphalt & Concrete Surfaces	Asphalt - Reseal, Stripe & Repair	6	\$65,086	\$117,553
Asphalt & Concrete Surfaces	Parking Bumpers - Contingency	10	\$2,000	\$3,612
Elevators	Elevators - Cab Refurbish	12	\$10,000	\$18,061
Landscaping	Landscape - Upgrade Contingency	5	\$25,000	\$45,153
Miscellaneous	Annual Contingency	1	\$5,000	\$9,031
Miscellaneous	BBQ's	25	\$9,500	\$17,158



Hale Kamaole AOA Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

Category	Component	Service Life	Replacement Cost	Projected Cost
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$18,061
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$72,244
Tennis Court	Tennis - Recoat & Stripe	5	\$7,000	\$12,643
			Total for 2031:	\$313,516
2032				
Lighting	Post Mounted Fixtures (1)	25	\$4,000	\$7,441
Mechanical Equipment	Line & Insulation - Repairs/Replace	10	\$6,000	\$11,162
Miscellaneous	Annual Contingency	1	\$5,000	\$9,301
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$18,603
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$74,412
			Total for 2032:	\$120,919
2033				
Lighting	Post Mounted Fixtures (2)	25	\$4,000	\$7,664
Miscellaneous	Annual Contingency	1	\$5,000	\$9,581
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$19,161
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$76,644
Pools	Pools (Both) - Equipment Replacement	10	\$7,000	\$13,413
Security & Fire Systems	Fire - Alarms and Pull Stations (1)	15	\$7,000	\$13,413
Security & Fire Systems	Fire - Control Panels	15	\$8,000	\$15,329
			Total for 2033:	\$155,204
2034				
Electrical	Sub Breakers & Light Controls	25	\$6,800	\$13,420
Lighting	Post Mounted Fixtures (3)	25	\$4,000	\$7,894
Miscellaneous	Annual Contingency	1	\$5,000	\$9,868
Miscellaneous	Backflow Preventer - Water Property Line	30	\$15,000	\$29,604
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$19,736
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$78,943
			Total for 2034:	\$159,466
2035				
Fencing & Gates	Lower Pool - Gates	10	\$4,500	\$9,148
Landscaping	Well - Pump Refurbish	10	\$8,000	\$16,262
Lighting	Post Mounted Fixtures (4)	25	\$3,000	\$6,098
Mechanical Equipment	Water Heaters (1)	12	\$3,000	\$6,098
Miscellaneous	Annual Contingency	1	\$5,000	\$10,164
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$20,328
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$81,312
Painting	Stucco & Wood - Touch up / Clean	10	\$25,380	\$51,592
Painting	Wood Surfaces (3-Coats) - Paint	15	\$210,184	\$427,261
			Total for 2035:	\$628,263
2036				
Common Interior	Office/Pavillion - Refurbish	15	\$5,500	\$11,516
Fencing & Gates	Upper Pool - Gates	10	\$3,600	\$7,538
Landscaping	Irrigation Well & Pump System	20	\$33,000	\$69,095
Landscaping	Landscape - Upgrade Contingency	5	\$25,000	\$52,344



Hale Kamaole AOA Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

Category	Component	Service Life	Replacement Cost	Projected Cost
Mechanical Equipment	Water Heaters (2)	12	\$19,000	\$39,782
Miscellaneous	Annual Contingency	1	\$5,000	\$10,469
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$20,938
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$83,751
Tennis Court	Tennis - Recoat & Stripe	5	\$7,000	\$14,656
			Total for 2036:	\$310,089
2037				
Asphalt & Concrete Surfaces	Asphalt - Reseal, Stripe & Repair	6	\$65,086	\$140,364
Common Interior	Mgr's Apartment - Refurbish	15	\$15,000	\$32,349
Elevators	Elevators - Modernize	30	\$150,000	\$323,489
Mechanical Equipment	Water Heaters (3)	12	\$20,000	\$43,132
Miscellaneous	Annual Contingency	1	\$5,000	\$10,783
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$21,566
Miscellaneous	Termite Treatment	7	\$91,830	\$198,041
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$86,264
			Total for 2037:	\$855,987
2038				
Mechanical Equipment	Water Heaters (4)	12	\$36,000	\$79,966
Miscellaneous	Annual Contingency	1	\$5,000	\$11,106
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$22,213
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$88,852
			Total for 2038:	\$202,137
2039				
Mechanical Equipment	Water Heaters (5)	12	\$36,000	\$82,365
Miscellaneous	Annual Contingency	1	\$5,000	\$11,440
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$22,879
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$91,517
Pools	Lower Pool - Re-tile	20	\$25,300	\$57,885
Pools	Pools (Both) - Furnishings	10	\$22,500	\$51,478
			Total for 2039:	\$317,564
2040				
Mechanical Equipment	Water Heating Solar Panels (1)	20	\$32,200	\$75,881
Miscellaneous	Annual Contingency	1	\$5,000	\$11,783
Miscellaneous	Plumbing Lines - Contingency	1	\$10,000	\$23,566
Miscellaneous	Wood & Structural Repairs - Annual	1	\$40,000	\$94,263
			Total for 2040:	\$205,493



Hale Kamaole AAOO Kihei, HI

Date: 23-Sep-2010
 Units: 188
 Fiscal Year End: 31-Mar-2011
 Report Start Date: 01-Apr-2011

Hawaii - Compliance Funding (50%): This option projects the lowest annual funding feasible over the next 20 years which will meet statutory reserve requirements. This funding level is calculated to achieve the Statutory Replacement Reserve (50% of the Full Replacement Reserve) by the end of year one of the report and maintain the minimum 50% funded level throughout the remaining 20 years. This method of funding considers total disbursements one year at a time and annual requirements may fluctuate widely. If implemented, this allocation should be reviewed on a regular basis and adjusted as required to ensure future-funding requirements will be met. The annual percentage funded projections are based on the assumption that reserve components and their useful lives will remain constant, that the remaining life will decrease by one each year, and that actual reserve contributions, inflation, and interest will equate to the respective projected values.

Year	Annual Funding Amount	Average Monthly Fee Per Unit	Beginning Cash	Annual Interest	Reserve Funds	Annual Disbursements	End Balance	Surplus/Deficit of Fully Funded Reserves	Projected % Funded Year End
2011	\$177,900	\$78.86	\$1,372,387	\$7,020	\$1,557,307	\$114,500	\$1,442,807	(\$302,361)	83%
2012	\$186,795	\$82.80	\$1,442,807	\$7,457	\$1,637,059	\$89,610	\$1,547,449	(\$366,770)	81%
2013	\$196,135	\$86.94	\$1,547,449	\$7,837	\$1,751,422	\$156,044	\$1,595,378	(\$430,807)	79%
2014	\$205,941	\$91.29	\$1,595,378	\$7,568	\$1,808,888	\$369,342	\$1,439,546	(\$488,725)	75%
2015	\$216,239	\$95.85	\$1,439,546	\$6,700	\$1,662,485	\$415,178	\$1,247,308	(\$539,552)	70%
2016	\$227,050	\$100.64	\$1,247,308	\$5,484	\$1,479,842	\$527,969	\$951,874	(\$580,009)	62%
2017	\$238,403	\$105.68	\$951,874	\$4,836	\$1,195,112	\$207,765	\$987,347	(\$618,775)	61%
2018	\$250,323	\$110.96	\$987,347	\$5,347	\$1,243,018	\$86,091	\$1,156,927	(\$658,256)	64%
2019	\$262,839	\$116.51	\$1,156,927	\$5,878	\$1,425,644	\$225,341	\$1,200,304	(\$694,270)	63%
2020	\$275,981	\$122.33	\$1,200,304	\$4,770	\$1,481,055	\$768,614	\$712,440	(\$712,045)	50%
2021	\$258,200	\$114.45	\$712,440	\$3,670	\$974,311	\$215,027	\$759,284	(\$759,149)	50%
2022	\$267,200	\$118.44	\$759,284	\$4,062	\$1,030,546	\$160,811	\$869,736	(\$809,486)	52%
2023	\$280,560	\$124.36	\$869,736	\$4,371	\$1,154,667	\$271,508	\$883,159	(\$856,084)	51%
2024	\$294,588	\$130.58	\$883,159	\$4,850	\$1,182,596	\$121,048	\$1,061,548	(\$903,168)	54%
2025	\$309,317	\$137.11	\$1,061,548	\$5,186	\$1,376,051	\$358,062	\$1,017,990	(\$943,779)	52%
2026	\$324,783	\$143.96	\$1,017,990	\$4,978	\$1,347,751	\$369,698	\$978,053	(\$977,903)	50%
2027	\$310,600	\$137.68	\$978,053	\$5,274	\$1,293,926	\$157,261	\$1,136,665	(\$1,041,597)	52%
2028	\$326,130	\$144.56	\$1,136,665	\$6,271	\$1,469,066	\$90,907	\$1,378,160	(\$1,107,190)	55%
2029	\$342,437	\$151.79	\$1,378,160	\$7,387	\$1,727,984	\$143,856	\$1,584,128	(\$1,173,047)	57%
2030	\$359,558	\$159.38	\$1,584,128	\$7,001	\$1,950,688	\$727,232	\$1,223,455	(\$1,223,184)	50%

Inflation Rate: 3% Interest Rate: 0.5% Funding Rate: 5%



Hale Kamaole AOA Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

This funding plan follows the definition of the 'Cash Flow Plan' (§514B - 148 (h)) meaning a minimum twenty-year projection of an association's future income and expense requirements to fund fully its replacement reserves requirements each year during that twenty-year period, except in an emergency; provided that it does not include a projection of special assessments or loans during that twenty-year period. This funding requirement is calculated with the constraint that the ending reserve balance for each year (1 through 20) must be greater than or equal to five percent (5%) of the current replacement cost (see designated threshold). The calculation takes into consideration only the immediate total annual disbursement requirements and does not take into account annual funding percentages. Due to this fact, annual allocations may fluctuate widely from year to year. This option provides a minimal contingency for unanticipated emergency expenditures. If implemented, funding and required disbursements should be reviewed on an annual basis and adjusted as required to ensure current and future funding requirements will be met.

Threshold: \$140,000

Year	Annual Funding Amount	Average Monthly Fee Per Unit	Beginning Cash	Annual Interest	Reserve Funds	Annual Disbursements	End Balance (Min \$140,000)	Surplus/Deficit of Fully Funded Reserves	Projected % Funded Year End
2011	\$134,000	\$59.40	\$1,372,387	\$6,911	\$1,513,298	\$114,500	\$1,398,798	(\$346,371)	80%
2012	\$140,700	\$62.37	\$1,398,798	\$7,122	\$1,546,619	\$89,610	\$1,457,009	(\$457,210)	76%
2013	\$147,735	\$65.49	\$1,457,009	\$7,264	\$1,612,009	\$156,044	\$1,455,965	(\$570,220)	72%
2014	\$155,122	\$68.76	\$1,455,965	\$6,744	\$1,617,831	\$369,342	\$1,248,489	(\$679,781)	65%
2015	\$162,878	\$72.20	\$1,248,489	\$5,612	\$1,416,979	\$415,178	\$1,001,801	(\$785,058)	56%
2016	\$171,022	\$75.81	\$1,001,801	\$4,117	\$1,176,940	\$527,969	\$648,971	(\$882,912)	42%
2017	\$179,573	\$79.60	\$648,971	\$3,174	\$831,718	\$207,765	\$623,953	(\$982,170)	39%
2018	\$188,551	\$83.58	\$623,953	\$3,376	\$815,880	\$86,091	\$729,789	(\$1,085,393)	40%
2019	\$197,979	\$87.76	\$729,789	\$3,581	\$931,349	\$225,341	\$706,008	(\$1,188,566)	37%
2020	\$207,878	\$92.14	\$706,008	\$2,128	\$916,014	\$768,614	\$147,400	(\$1,277,086)	10%
2021	\$218,272	\$96.75	\$147,400	\$745	\$366,417	\$215,027	\$151,390	(\$1,367,043)	10%
2022	\$229,185	\$101.59	\$151,390	\$928	\$381,504	\$160,811	\$220,693	(\$1,458,529)	13%
2023	\$240,645	\$106.67	\$220,693	\$1,026	\$462,364	\$271,508	\$190,856	(\$1,548,387)	11%
2024	\$252,677	\$112.00	\$190,856	\$1,283	\$444,816	\$121,048	\$323,768	(\$1,640,948)	16%
2025	\$265,311	\$117.60	\$323,768	\$1,387	\$590,465	\$358,062	\$232,404	(\$1,729,365)	12%
2026	\$278,576	\$123.48	\$232,404	\$934	\$511,914	\$369,698	\$142,216	(\$1,813,739)	7%
2027	\$257,600	\$114.18	\$142,216	\$962	\$400,778	\$157,261	\$243,517	(\$1,934,744)	11%
2028	\$270,480	\$119.89	\$243,517	\$1,667	\$515,664	\$90,907	\$424,757	(\$2,060,593)	17%
2029	\$284,004	\$125.89	\$424,757	\$2,474	\$711,235	\$143,856	\$567,380	(\$2,189,796)	21%
2030	\$298,204	\$132.18	\$567,380	\$1,764	\$867,348	\$727,232	\$140,116	(\$2,306,524)	6%

Inflation Rate: 3% Interest Rate: 0.5% Funding Rate: 5%



Hale Kamaole AOA Kihei, HI

Date: 23-Sep-2010
 Units: 188
 Fiscal Year End: 31-Mar-2011
 Report Start Date: 01-Apr-2011

Current Funding: This option projects the Reserve Fund over the next 20 years based on a funding level equal to the Association's current assessments for reserve assets. If continued, this option should be reviewed annually and adjusted accordingly to ensure all future funding requirements will be met.

Year	Annual Funding Amount	Average Monthly Fee Per Unit	Beginning Cash	Annual Interest	Reserve Funds	Annual Disbursements	End Balance	Surplus / Deficit of Fully Funded Reserves	Projected % Funded Year End
2011	\$239,172	\$106.02	\$1,372,387	\$7,174	\$1,618,733	\$114,500	\$1,504,233	(\$240,936)	86%
2012	\$251,131	\$111.32	\$1,504,233	\$7,925	\$1,763,288	\$89,610	\$1,673,678	(\$240,541)	87%
2013	\$263,687	\$116.88	\$1,673,678	\$8,637	\$1,946,003	\$156,044	\$1,789,959	(\$236,226)	88%
2014	\$276,871	\$122.73	\$1,789,959	\$8,719	\$2,075,549	\$369,342	\$1,706,208	(\$222,063)	88%
2015	\$290,715	\$128.86	\$1,706,208	\$8,220	\$2,005,143	\$415,178	\$1,589,965	(\$196,895)	89%
2016	\$305,251	\$135.31	\$1,589,965	\$7,393	\$1,902,609	\$527,969	\$1,374,640	(\$157,243)	90%
2017	\$320,513	\$142.07	\$1,374,640	\$7,155	\$1,702,308	\$207,765	\$1,494,543	(\$111,579)	93%
2018	\$336,539	\$149.18	\$1,494,543	\$8,099	\$1,839,181	\$86,091	\$1,753,090	(\$62,093)	97%
2019	\$353,366	\$156.63	\$1,753,090	\$9,086	\$2,115,542	\$225,341	\$1,890,201	(\$4,373)	100%
2020	\$371,034	\$164.47	\$1,890,201	\$8,457	\$2,269,692	\$768,614	\$1,501,078	\$76,592	105%
2021	\$389,586	\$172.69	\$1,501,078	\$7,942	\$1,898,605	\$215,027	\$1,683,579	\$165,146	111%
2022	\$409,065	\$181.32	\$1,683,579	\$9,039	\$2,101,683	\$160,811	\$1,940,872	\$261,650	116%
2023	\$429,519	\$190.39	\$1,940,872	\$10,099	\$2,380,490	\$271,508	\$2,108,982	\$369,739	121%
2024	\$450,994	\$199.91	\$2,108,982	\$11,370	\$2,571,346	\$121,048	\$2,450,298	\$485,582	125%
2025	\$473,544	\$209.90	\$2,450,298	\$12,540	\$2,936,382	\$358,062	\$2,578,320	\$616,551	131%
2026	\$497,221	\$220.40	\$2,578,320	\$13,210	\$3,088,752	\$369,698	\$2,719,054	\$763,099	139%
2027	\$522,082	\$231.42	\$2,719,054	\$14,507	\$3,255,644	\$157,261	\$3,098,383	\$920,121	142%
2028	\$548,187	\$242.99	\$3,098,383	\$16,635	\$3,663,204	\$90,907	\$3,572,298	\$1,086,948	144%
2029	\$575,596	\$255.14	\$3,572,298	\$18,941	\$4,166,835	\$143,856	\$4,022,979	\$1,265,804	146%
2030	\$604,376	\$267.90	\$4,022,979	\$19,808	\$4,647,163	\$727,232	\$3,919,930	\$1,473,290	160%

Inflation Rate: 3% Interest Rate: 0.5% Funding Rate: 5%



Hale Kamaole AOA

Kihei, HI

Date: 23-Sep-2010
 Units: 188
 Fiscal Year End: 31-Mar-2011
 Report Start Date: 01-Apr-2011

For Homeowner Distribution

Number of Units: 188
 Budget Year Start: April 01, 2011
 Budget Year End: March 31, 2012
 Location: Kihei, HI

As of 31-Mar-2011

Projected Reserve Fund Balance \$1,372,387
 Projected Fully Funded Reserve: \$1,603,841
 Deficit Below Fully Funded Reserve: (\$231,454) or (\$1,231.14) Per unit
 Percentage Funded: 86%
 Current Replacement Cost: \$2,752,426

Current Funding - Five Year Summary

	Allocation	Per Unit Per Month	Disbursements	Year-End Balance	Fully Funded \$	Percentage Funded
Year 1	\$239,172	\$106.02	\$114,500	\$1,504,233	\$1,745,168	86%
Year 2	\$251,131	\$111.32	\$89,610	\$1,673,678	\$1,914,219	87%
Year 3	\$263,687	\$116.88	\$156,044	\$1,789,959	\$2,026,185	88%
Year 4	\$276,871	\$122.73	\$369,342	\$1,706,208	\$1,928,271	88%
Year 5	\$290,715	\$128.86	\$415,178	\$1,589,965	\$1,786,860	89%

Inflation Rate: 3% Interest Rate: 0.5% Funding Rate: 5%



Hale Kamaole AOA
Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

RESERVE COMPONENT WORKSHEET DEFINITIONS:

- Component:** Identifies the item to be included for reserve funding.
- Service Life:** The estimated total life of a reserve component using published information and professional experience. For components in which the useful life should equal that of the project, no life expectancy has been projected (i.e. plumbing, framing, etc...)
- Remaining Life:** An estimate of expected remaining longevity of that component based on information provided, maintenance, visual inspection, and assumptions of probability. Projects anticipated to occur in the initial year have "zero" remaining useful life.
- Cost Per Unit:** The approximate amount of money it will take to replace the reserve component, per the measurement it is defined by (i.e. sf = Square Foot).
- Approximate Quantity:** The approximate total amount of the reserve component as it has been defined under Cost Per Unit.
- Current Replacement Cost:** This indicates the approximate cost of replacing the reserve component at the present time.
- Future Cost:** This indicates the estimated expenditure by the Association when the component is in need of repair or replacement. The future cost has been calculated on a 3.00 % yearly inflation factor. It is assumed that any repairs or replacement of any reserve component below \$1,000 in any given year will be replaced from the operating account.
- Source Code:** The means by which the information for the reserve component has been obtained. Source is as follows:

1 - Architect/Engineer	11 - Inspector
2 - Awaiting Information	12 - Maintenance Manual
3 - Bid	13 - Management
4 - Board of Directors	14 - Manufacturer
5 - Builder/Developer	15 - On File
6 - Contract	16 - Previous Study
7 - Contractor	17 - Special Assessment
8 - Cost Estimating Manual	18 - Specialist/Expert
9 - DRE Budget	19 - Vendor
10 - Industry Standard	

Percentage Funded and Parameters

- Percentage Funded:** This percent funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount. The maximum reported percentage is 100%, and indicates an association is currently fully funded.
- Inflation/Interest:** Funding and disbursement projections presented have been computed with a Time Value of Money approach. Inflation was applied to the projected disbursements, and average interest to the ending cash balance values.

Assumed Annual Inflation Rate: 3.00 %
Assumed Average Interest Rate: 0.50 %

Inflation Rate: 3% Interest Rate: 0.5% Funding Rate: 5%



Hale Kamaole AOA Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

Current Replacement Cost Total: \$2,752,426

Component	Service Life	Remaining Life	Cost Per Unit	Approx Qty	Current Replace Cost	Future Cost	Source
Asphalt & Concrete Surfaces							
Asphalt - Overlay	30	9	\$2.75 / Square Feet	92,980	\$255,695	\$333,624	On File
Asphalt - Reseal, Stripe & Repair	6	2	\$0.70 / Square Feet	92,980	\$65,086	\$69,050	On File
Concrete - Repairs (As Needed)			Maintenance / Operating				Board of Directors
Parking Bumpers - Contingency	10	0	\$2,000.00 / Total	1	\$2,000	\$2,000	Board of Directors
Totals					\$322,781	\$404,674	
Common Interior							
Laundry Rm. - Appliances			Maintenance / Operating				Board of Directors
Mgr's Apartment - Refurbish	15	11	\$15,000.00 / Total	1	\$15,000	\$20,764	On File
Office/Pavillion - Refurbish	15	10	\$5,500.00 / Total	1	\$5,500	\$7,392	On File
Totals					\$20,500	\$28,155	
Electrical							
Meter Banks (Main) - Bldgs 1-8	42	6	\$119,000.00 / Total	1	\$119,000	\$142,092	On File
Sub Breakers & Light Controls	25	23	\$6,800.00 / Total	1	\$6,800	\$13,420	On File
Well Meter - Bldg. 5	42	38	\$3,300.00 / Total	1	\$3,300	\$10,147	On File
Totals					\$129,100	\$165,659	
Elevators							
Elevators - Cab Refurbish	12	8	\$5,000.00 / Each	2	\$10,000	\$12,668	On File
Elevators - Hydraulic Ram	25	9	\$18,000.00 / Each	2	\$36,000	\$46,972	On File
Elevators - Modernize	30	26	\$75,000.00 / Each	2	\$150,000	\$323,489	On File
Totals					\$196,000	\$383,128	
Fencing & Gates							
Chain Link (10') - Tennis	30	13	\$24.00 / Linear Feet	122	\$2,928	\$4,300	On File
Chain Link (6') (30%)	30	11	\$21.00 / Linear Feet	313	\$6,573	\$9,099	On File
* Remaining chain link replaced by foliage.							
Lower Pool - Fencing (5')	20	14	\$75.00 / Linear Feet	163	\$12,225	\$18,491	On File
Lower Pool - Gates	10	4	\$900.00 / Each	5	\$4,500	\$5,065	On File
Upper Pool - Fencing (5')	20	15	\$75.00 / Linear Feet	127	\$9,525	\$14,840	On File
Upper Pool - Gates	10	5	\$900.00 / Each	4	\$3,600	\$4,173	On File
Totals					\$39,351	\$55,968	
Landscaping							
Irrigation Well & Pump System	20	5	\$33,000.00 / Each	1	\$33,000	\$38,256	On File
Landscape - Upgrade Contingency	5	5	\$25,000.00 / Total	1	\$25,000	\$28,982	On File
Well - Backflow & Regulators	25	13	\$5,500.00 / Each	1	\$5,500	\$8,077	On File
Well - Pressure Tanks (4) Refurbish			Maintenance / Operating				Board of Directors
Well - Pump Refurbish	10	14	\$8,000.00 / Each	1	\$8,000	\$12,101	On File
* Includes replacement of controls.							
Totals					\$71,500	\$87,416	
Lighting							
Perimeter Lighting & Electrical	15	0	\$14,500.00 / Total	1	\$14,500	\$14,500	Board of Directors
Post Mounted Fixtures (1)	25	21	\$1,000.00 / Each	4	\$4,000	\$7,441	On File
Post Mounted Fixtures (2)	25	22	\$1,000.00 / Each	4	\$4,000	\$7,664	On File



Hale Kamaole AOO Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

Current Replacement Cost Total: \$2,752,426

Component	Service Life	Remaining Life	Cost Per Unit	Approx Qty	Current Replace Cost	Future Cost	Source
Post Mounted Fixtures (3)	25	23	\$1,000.00 / Each	4	\$4,000	\$7,894	On File
Post Mounted Fixtures (4)	25	24	\$1,000.00 / Each	3	\$3,000	\$6,098	On File
Totals					\$29,500	\$43,598	
Mechanical Equipment							
Line & Insulation - Repairs/Replace	10	1	\$6,000.00 / Total	1	\$6,000	\$6,180	On File
* Water line and insulation contingency. Cost and cycle to be reviewed and adjusted as needed on an annual basis.							
Solar Heat System - Laundry	20	10	\$8,000.00 / Each	1	\$8,000	\$10,751	On File
Water Heaters (1)	12	0	\$1,000.00 / Each	3	\$3,000	\$3,000	Board of Directors
* 80 Gallon Heaters							
Water Heaters (2)	12	1	\$1,000.00 / Each	19	\$19,000	\$19,570	On File
* 80 Gallon Heaters							
Water Heaters (3)	12	2	\$1,000.00 / Each	20	\$20,000	\$21,218	On File
* 80 Gallon Heaters							
Water Heaters (4)	12	3	\$2,000.00 / Each	18	\$36,000	\$39,338	On File
* 120 Gallon Heaters							
Water Heaters (5)	12	4	\$2,000.00 / Each	18	\$36,000	\$40,518	On File
* 120 Gallon Heaters							
Water Heating Solar Panels (1)	20	9	\$1,400.00 / Each	23	\$32,200	\$42,014	On File
Water Heating Solar Panels (2)	20	10	\$1,400.00 / Each	23	\$32,200	\$43,274	On File
Water Heating Solar Panels (3)	20	11	\$1,400.00 / Each	24	\$33,600	\$46,510	On File
Water Heating Solar Panels (4)	20	12	\$1,400.00 / Each	24	\$33,600	\$47,906	On File
Totals					\$259,600	\$320,279	
Miscellaneous							
Annual Contingency	1	0	\$5,000.00 / Total	1	\$5,000	\$5,000	Board of Directors
Backflow Preventer - Water Property Line	30	23	\$15,000.00 / Each	1	\$15,000	\$29,604	On File
BBQ's	25	20	\$9,500.00 / Total	1	\$9,500	\$17,158	Board of Directors
Plumbing Lines - Contingency	1	0	\$10,000.00 / Each	1	\$10,000	\$10,000	Board of Directors
* Contingency for annual repairs to the valves, water & sewer lines. To be reviewed and adjusted on annual basis to assure all expenses will be met.							
Termite Treatment	7	5	\$488.46 / Unit(s)	188	\$91,830	\$106,457	Board of Directors
Trash Enclosures			Maintenance / Operating				Board of Directors
Walkways - Bldgs. 3 & 4			Maintenance / Operating				Board of Directors
Wood & Structural Repairs - Annual	1	0	\$40,000.00 / Total	1	\$40,000	\$40,000	Board of Directors
* Annual contingency for repairs to the wood and structural areas. Amount and cost to be reviewed annually to assure future requirements will be met.							
Totals					\$171,330	\$208,219	
Painting							
Stucco & Wood - Touch up / Clean	10	4	\$135.00 / Unit(s)	188	\$25,380	\$28,565	On File
Stucco Surfaces - Paint	25	19	\$1,425.00 / Unit(s)	188	\$267,900	\$469,764	On File
Wood Surfaces (3-Coats) - Paint	15	9	\$1,118.00 / Unit(s)	188	\$210,184	\$274,242	On File
Totals					\$503,464	\$772,572	
Pools							



Hale Kamaole AOA Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

Current Replacement Cost Total: \$2,752,426

Component	Service Life	Remaining Life	Cost Per Unit	Approx Qty	Current Replace Cost	Future Cost	Source
Lower Pool - Decking	20	14	\$18.00 / Square Feet	2,585	\$46,530	\$70,381	Board of Directors
Lower Pool - Re-tile	20	8	\$23.00 / Square Feet	1,100	\$25,300	\$32,049	On File
Pools (Both) - Equipment Replacement	10	2	\$7,000.00 / Total	1	\$7,000	\$7,426	On File
Pools (Both) - Furnishings	10	8	\$22,500.00 / Total	1	\$22,500	\$28,502	On File
Upper Pool - Decking	20	15	\$18.00 / Square Feet	4,815	\$86,670	\$135,029	Board of Directors
* Includes Pavillion.							
Upper Pool - Re-tile	20	10	\$23.00 / Square Feet	1,100	\$25,300	\$34,001	On File
Totals					\$213,300	\$307,389	
Roofing							
Comp. Shingle Roofing - (1)	30	3	\$800.00 / Squares	300	\$240,000	\$262,254	On File
* Includes Tear-off.							
Comp. Shingle Roofing - (2)	30	4	\$800.00 / Squares	300	\$240,000	\$270,122	On File
Comp. Shingle Roofing - (3)	30	5	\$800.00 / Squares	300	\$240,000	\$278,226	On File
Gutters & Downspouts (Repairs)			Maintenance / Operating				Board of Directors
Shake Walls to Stucco (1-Time)			Other				Board of Directors
* Shake walls to be converted to stucco surfaces located at the elevator towers and pavillion. Considered a 1-time expense. Estimated at \$1,000.							
Totals					\$720,000	\$810,602	
Security & Fire Systems							
Fire - Alarms and Pull Stations (1)	15	7	\$7,000.00 / Each	1	\$7,000	\$8,609	On File
Fire - Alarms and Pull Stations (2)	15	3	\$7,000.00 / Each	1	\$7,000	\$7,649	On File
Fire - Alarms and Pull Stations (3)	15	1	\$7,000.00 / Each	1	\$7,000	\$7,210	On File
Fire - Control Panels	15	7	\$4,000.00 / Each	2	\$8,000	\$9,839	On File
Fire - Extings. & Cabs			Maintenance / Operating				Board of Directors
Totals					\$29,000	\$33,307	
Tennis Court							
Tennis - Nets			Maintenance / Operating				Board of Directors
Tennis - Recoat & Stripe	5	5	\$7,000.00 / Each	1	\$7,000	\$8,115	Board of Directors
Tennis - Resurface Courts	30	0	\$40,000.00 / Each	1	\$40,000	\$40,000	Board of Directors
Totals					\$47,000	\$48,115	



Hale Kamaole AOA
Kihei, HI

Date: 23-Sep-2010
Units: 188
Fiscal Year End: 31-Mar-2011
Report Start Date: 01-Apr-2011

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