

# ***HAWAII INSPECTION GROUP, Inc.***

**P.O. Box 60 Kihei, Hawaii 96753**

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June 20, 2008

## **Letter of Transmittal**

Hale Kamaole AOA  
2737 S. Kihei Road  
Kihei, Hawaii 96753  
Attn: Mr Bruce Gebhardt

Subject: Hale Kamaole AOA Funding Study, 2008 FINAL, 062008

Mr Gebhardt

Attached you will find a copy of:

Report Cover Sheet  
Table of Contents  
Reserve Study Summary  
Reserve Item Summary  
Cash Flow  
Expense Report

If you have any questions concerning this matter please call.

Sincerely,

Robert Miskae, HIG

Encl  
cc: File

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## **Funding Reserve Analysis**

*for*

## **Hale Kamaole AOA 2008**

June 20, 2008



Hale Kamaole AOA, 2008

**Funding Reserve Analysis**  
*for*  
**Hale Kamaole AOA 2008**

**Table of Contents**

<b>Pages</b>	<b>Subject</b>
1 .....	<b>Report Cover Sheet</b>
2 .....	<b>Table of Contents</b>
3 to 5 .....	<b>Reserve Study Summary</b>
6 to 10 .....	<b>Reserve Item Summary</b>
11 to 12 .....	<b>Cash Flow</b>
13 to 20 .....	<b>Expense Report</b>

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June 20, 2008

Mr Bruce Gebhardt - BOD and Treasurer  
Hale Kamaole AOA  
2737 S. Kihei Road  
Kihei, Hawaii 96753

Subject: Hale Kamaole AOA 2008

Mr. Gebhardt,

Hawaii Inspection Group, Inc. is pleased to present to Bruce Gebhardt the requested Reserve Funding study. We believe that you will find the attached study to be thorough and complete. After you have had an opportunity to review the report you may have questions. Please do not hesitate to write or call - we would be pleased to answer any questions you may have.

## **Project Description**

Hale Kamaole: a resort residential condominium.

## **Depth of Study**

Full Service Reserve Study with Field Inspection A field inspection was made to verify the existing condition of the various reserve study components, their physical condition, and to verify component quantities. In place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take offs or determine directly the quantities of various components. Photographs were not taken of the site improvements.

## **Summary of Financial Assumptions**

The below table contains a partial summary of information provided by Mr Bruce Gebhardt for the Hale Kamaole AOA 2008 funding study.

<i>Reserve Study by Calendar Year Starting</i>	<i>April 1, 2008</i>
<i>Funding Study Length</i>	<i>31 Years</i>
<i>Number of Dues Paying Members</i>	<i>188</i>
<i>Reserve Balance as of April 1, 2008<sup>1</sup></i>	<i>\$725,373</i>
<i>Annual Inflation Rate</i>	<i>4.10%</i>
<i>Tax Rate on Reserve Interest</i>	<i>0.00%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$0</i>
<i>Dues Change Period</i>	<i>1 Year</i>
<i>Annual Operating Budget</i>	<i>\$0</i>

<sup>1</sup> Information provided via BOD email.

## **Reserve Study Assumptions**

- Cost estimates and financial information are accurate and current.
- No unforeseen circumstances will cause a significant reduction of reserves.

- Sufficient comprehensive property insurance exists to protect from insurable risks.
- The association plans to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur at the end of the expense year.

### **Impact of Component Life**

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the association. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the association.

### **Inflation Estimate**

Inflation for the last year has been reviewed and a best estimate of the expected inflation for 2008 has been used to inflate future Expenses. Various CPI methods have been used.

### **Initial Reserves**

Information provided via BOD email.

### **Reserve Funding Goal**

The reserve fund is set to be at or above the prescriptive value of 50% of Fully Funded. (Prescriptive Funding)

### **Study Method**

Funding studies may be done in several ways, but we believe that the value of a funding study lies in the details. "Bulk" studies are quick, usually inexpensive, and almost always border on worthless. We believe that meaningful answers to funding studies lie in the details. In this study, we have used the "Component" method because it is the only method which allows scrutiny of the funding details. The method is pragmatic, and allows human judgement and experience to enter into the equation.

Unless noted otherwise, the present cost of every reserve item in this report has been estimated using the "National Construction Estimator", a nationally recognized standard, and modified by an area cost adjustment factor. Where possible, known costs have been used. In addition, every reserve item has been given an estimated remaining useful life, an estimated useful life when new, and has been cast into the future to determine the inflated cost.

Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end of period payment method. Interest earned on accumulated reserve funds and taxes on the reserve interest are also calculated. Initial reserve funds are consumed as expenses occur until fully depleted, reducing annual reserve payments to a minimum. As you review this report, we are certain that you will appreciate the level of detail provided, allowing you to review each reserve item in detail.

### **Percent Funded**

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". The question of substance is simply: How much is enough? To answer the question, some understanding of Percent Funded is required. Percent Funded is the ratio of current cash reserves divided by the Fully Funded value at any instant in time. Fully Funded is defined as the present value of the sum of all reserve items divided by the expected life of each item. In essence, Fully Funded is simply the total of the average net present value of the association improvements. Reserve items with a remaining life greater than the study life are not included in the calculation. For example; building framing, foundations, water lines, and other long-lived items that fall outside the envelope of the reserve study are excluded from the calculation. Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage). The concept of percent funded is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be used with caution.

### **Keeping Your Reserve Study Current**

Hawaii Inspection Group, Inc. believes that funding studies are an essential part of property management. People and property are constantly changing and evolving. As a result, the useful life of a funding study is at best a few years, and certainly not more than five years. This reserve study should be updated:

- At least once a year
- At changes in interest rates
- At changes in inflation rates
- At changes in the number of dues paying members
- Before starting new improvements
- Before making changes to the property
- After a flood or fire
- After the change of ownership or management
- After Annexation or Incorporation

### **Statement of Qualifications**

Hawaii Inspection Group, Inc. is a professional in the business of preparing reserve studies for community associations. I have inspected the association improvements, and have made a complete review of all components required to complete a reserve study. I have completed a physical inspection of the components listed in this reserve study. My inspection included a review of current condition, economic life, remaining useful life, and replacement cost of all components included in this reserve study. No destructive testing was done. This was done by field measurements not drawing take-offs.

### **Conflict of Interest**

As the preparer of this reserve study, Hawaii Inspection Group, Inc. certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Hawaii Inspection Group, Inc. would like to thank Hale Kamaole AOA for the opportunity to be of service in the preparation of the attached Funding Study. Again, please feel free to write or call at our letterhead address if you have any questions.

Prepared by:

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Robert Miskae, Vice President  
For Hawaii Inspection Group Inc.

**Hale Kamaole AOA 2008 Reserve Study Expense Item Summary**

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Raw Annual Payment	Repeating Item?
<b>Buildings Other (C1)</b>						
Termite tenting done in 2003	\$104,000	1 Years	7 Year	\$111,723	\$62,260	Yes
Wood Replacement	\$25,000	4 Years	10 Years	\$30,365	\$5,956	Yes
Stairs Tread and Wood replacement allowance	\$5,000	14 Years	15 Years	\$9,145	\$494	Yes
Walkways wood replacement allowance	\$5,000	9 Years	12 Years	\$7,452	\$659	Yes
Unit entry wooden doors allowance	\$16,000	7 Years	5 Years	\$21,973	\$2,522	Yes
Fixed Window replacement allowance	\$36,000	12 Years	5 Years	\$60,666	\$3,912	Yes
Signs replacement	\$8,000	13 Years	18 Years	\$14,044	\$826	Yes
Walkway Support Posts 2008	\$14,850	0 Years	20 Years	\$15,313	\$20,214	Yes
Walkway Support Posts 2011	\$14,850	3 Years	20 Years	\$17,314	\$4,368	Yes
Walkway Support Posts 2013	\$15,525	5 Years	20 Years	\$19,645	\$3,135	Yes
Walkway Support Posts 2027	\$14,850	18 Years	20 Years	\$31,991	\$1,273	Yes
Structural Repairs as needed	\$20,000	0 Year	1 Years	\$20,623	\$27,224	Yes
Managers apartment refurbish done 2007	\$15,000	14 Years	15 Years	\$27,434	\$1,481	Yes
Office and Pavilion and Restrooms refurbish	\$5,500	12 Years	15 Years	\$9,268	\$598	Yes
Walkways Bldg 2 Level 3 replacement	\$19,161	36 Years	40 Years	\$86,234	\$1,289	No
Walkways Bldg 4 Level 3 replacement	\$23,144	36 Years	40 Years	\$104,159	\$1,557	No
Walkways to 09 3rd Level replacement	\$30,554	36 Years	40 Years	\$137,507	\$2,055	No
09 3rd interior Walkways replacement	\$37,810	36 Years	40 Years	\$170,163	\$2,543	No
New Stairs for 19 and 25 and 32	\$86,371	36 Years	40 Years	\$388,710	\$5,809	No
<b>Contingency</b>						
Consulting as needed for reserves and ADA or Mold	\$5,000	1 Years	5 Year	\$5,371	\$2,993	No
Insurance deductible	\$10,000	2 Years	5 Years	\$11,191	\$3,909	No
<b>Electrical</b>						

Hale Kamaole AOA 2008 Funding Study Expense Item Summary - Continued

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Raw Annual Payment	Repeating Item?
Main meter bank replacement	\$119,000	9 Years	42 Years	\$177,362	\$15,683	Yes
Sub panels breakers and light controls	\$6,720	0 Years	25 Years	\$6,929	\$9,147	Yes
(1) Aluminum wire replacement	\$35,000	0 Years	50 Years	\$36,091	\$47,642	No
<b>Elevators</b>						
Hydraulic Elevator Modernization done 2007	\$140,000	29 Years	30 Years	\$473,103	\$9,867	Yes
Interior upgrades	\$10,000	12 Years	12 Years	\$16,852	\$1,087	Yes
Hydraulic ram replacement	\$36,000	12 Years	25 Years	\$60,666	\$3,912	Yes
<b>Fire Systems</b>						
Fire Control System	\$4,300	8 Years	15 Years	\$6,152	\$616	Yes
Alarms and pull station sets	\$21,000	7 Years	15 Years	\$28,839	\$3,310	Yes
Fire Extinguisher replacement	\$4,680	11 Years	18 Years	\$7,570	\$538	Yes
<b>Landscaping</b>						
Irrigation Controls Valves and Systems	\$42,000	10 Years	20 Years	\$65,214	\$5,148	Yes
Irrigation well and pump system complete replacement in 2024	\$33,000	16 Years	25 Years	\$65,502	\$3,015	Yes
Well pump refurbish and controls replacement	\$7,800	7 Years	15 Years	\$10,712	\$1,229	Yes
Well pressure tanks replacement	\$6,000	1 Years	10 Year	\$6,446	\$3,592	Yes
Back flow preventer and regulators Well Irrigation Line	\$5,400	16 Years	25 Years	\$10,719	\$493	Yes
<b>Lighting</b>						
Unit entry type light replacement	\$14,100	6 Years	18 Years	\$18,587	\$2,488	Yes
Building and area lighting	\$5,600	8 Years	12 Years	\$8,012	\$802	Yes
Pole light replacement at 3 per year 2009	\$9,000	1 Years	25 Year	\$9,668	\$5,388	No
Pole light replacement at 3 per year 2010	\$9,300	2 Years	25 Years	\$10,408	\$3,635	No
Pole light replacement at 3 per year 2011	\$9,600	3 Years	25 Years	\$11,193	\$2,824	No

Hale Kamaole AOA 2008 Funding Study Expense Item Summary - Continued

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Raw Annual Payment	Repeating Item?
Pole light replacement at 3 per year 2012	\$9,900	4 Years	25 Years	\$12,025	\$2,359	No
<b>Mechanical</b>						
Water heating Solar Panels in 2020	\$128,250	13 Years	20 Years	\$225,151	\$13,249	Yes
Water heater replacement	\$91,200	6 Years	10 Years	\$120,221	\$16,090	Yes
Line and insulation replacement	\$6,840	13 Years	20 Years	\$12,008	\$707	Yes
Laundry Solar heating system replacement	\$6,375	13 Years	20 Years	\$11,192	\$659	Yes
<b>Paving (C2)</b>						
(2) Remove and Overlay and Stripe	\$393,750	7 Years	24 Years	\$540,732	\$62,062	Yes
(3) Seal coat and fill cracks	\$45,150	1 Years	6 Year	\$48,503	\$27,029	Yes
<b>Plumbing (C3)</b>						
Water lines and valves	\$150,400	12 Years	45 Years	\$253,448	\$16,343	Yes
Sewer lines	\$112,800	7 Years	40 Years	\$154,907	\$17,779	Yes
Double check backflow replacement	\$15,000	16 Years	20 Years	\$29,774	\$1,370	Yes
<b>Pool areas (C4)</b>						
Upper pool retile done 2001	\$21,500	13 Years	20 Years	\$37,745	\$2,221	Yes
Upper pool decking done 2006	\$51,700	19 Years	20 Years	\$116,028	\$4,312	Yes
Upper pool fence and gate replacement	\$10,000	11 Years	12 Years	\$16,176	\$1,150	Yes
Lower pool retile done 1999	\$21,500	11 Years	20 Years	\$34,778	\$2,472	No
(4) Lower pool and pavilion Decking done 2005	\$97,900	18 Years	20 Years	\$210,900	\$8,393	Yes
Lower pool fence and gate replacement	\$10,000	10 Years	12 Years	\$15,527	\$1,226	Yes
Pool area furniture	\$28,000	1 Years	10 Year	\$30,079	\$16,762	Yes
Pool Fence Gates Replacement	\$11,500	14 Years	18 Years	\$21,032	\$1,135	Yes
Pool equipment replacement	\$5,900	5 Years	10 Years	\$7,466	\$1,191	Yes
<b>Project property</b>						

Hale Kamaole AOA 2008 Funding Study Expense Item Summary - Continued

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Raw Annual Payment	Repeating Item?
Concrete sidewalk replacement as needed	\$4,800	7 Years	15 Years	\$6,592	\$757	Yes
Signs replacement allowance	\$4,740	8 Years	10 Years	\$6,781	\$679	Yes
Trash Enclosures	\$10,000	7 Years	15 Years	\$13,733	\$1,576	Yes
Chain link Fence	\$31,779	12 Years	22 Years	\$53,552	\$3,453	Yes
Storm drain systems	\$35,000	15 Years	50 Years	\$66,686	\$3,317	Yes
<b>Recreational</b>						
(5) Tennis Court Refurbish estimated for 2014	\$50,000	5 Years	24 Years	\$63,267	\$10,095	Yes
Tennis Court Recoat and stripe	\$4,800	2 Years	7 Years	\$5,372	\$1,876	Yes
Tennis Court Fencing	\$3,373	16 Years	20 Years	\$6,694	\$308	Yes
BBQs from 2006 and system	\$8,000	18 Years	25 Years	\$17,234	\$686	Yes
<b>Roof</b>						
(6) Building Roof Systems ONE Replacement in 2020	\$118,750	12 Years	29 Years	\$200,112	\$12,904	Yes
Building roof systems TWO replacement in 2021	\$118,750	13 Years	29 Years	\$208,473	\$12,268	Yes
Building Roof Systems Three replacement in 2022	\$118,750	14 Years	29 Years	\$217,183	\$11,724	Yes
(7) Entry and Closet Roof Replacement	\$63,550	8 Years	20 Years	\$90,919	\$9,099	Yes
<b>Water Proofing</b>						
(8) Paint Wood 3 coat and Stucco touch up in 2020	\$170,500	11 Years	15 Years	\$275,797	\$19,607	Yes
(9) Paint exterior stucco in 2030	\$187,500	22 Years	25 Years	\$475,772	\$14,607	Yes
Wash stucco and wood surfaces Touch up paint as needed	\$22,000	6 Years	10 Years	\$29,001	\$3,881	Yes

Missing table information is identical to the first printed information above.

Raw Annual Payments do not include earned interest, tax adjustments or payments made with initial reserves.

Months Remaining in Calendar Year 2008: 9

Expected annual inflation: 4.10%

Interest earned on reserve funds: 3.00%

Initial Reserve: \$725,373

Hale Kamaole AOA 2008 Funding Study Expense Item Summary - Continued

Category Comments

(C1) - The study has a minimum funding level of \$5000.00 for each component. Items under these amounts are paid via operating account.

(C2) - Paving needs to have a current price quote for cut and replace of all paved areas. Priced as high as \$3.75 sf.

(C3) - Double check backflow devices are needed for all potable and landscape water lines per County code.

(C4) - Pool draining, grout and tiles repairs done every 6 to 8 years for \$1K can extend pool life beyond 20 years with proper maintenance.

Reserve Item Comments

(1) Insurance, fire safety request. Replacement of all aluminum appliance wire from breaker to stove, in all units.

(2) Appears you could extend paving life by seal coating again. You would need to seal all cracks. Due to height, next would be a cut and overlay.

(3) It appears that your seal coats are not lasting the length of time stated. A better coating should be used or done every 5 years.

(4) Grout and caulked joint repairs are to be done as needed to seal the areas and prevent moisture penetrations.

(5) You could extend the court life by filling cracks and re-coating again since the cracks do not appear affect ball play.

(6) Includes all wood shake roofs, flashings, vent pipes and wood shake fascia.

(7) Includes all flat roof type systems and flashings.

(8) Component life established by client - We recommend a life no longer than 12 years for the best of paints.

(9) Component life established by client - We recommend a life no longer than 12 years for the best of paints.

**Hale Kamaole AOA 2008 Funding Study Modified Cash Flow Analysis**

Calendar Year	Annual Payment	Annual Interest	Salvage	Annual Expenses	Annual Income Tax	Net Reserve Funds	% Funded
2008	\$230,391	\$18,286		\$78,957		\$895,093	36.6 %
2009	\$237,303	\$30,515		\$233,275		\$929,636	35.0 %
2010	\$244,422	\$31,665		\$49,354		\$1,156,369	42.5 %
2011	\$251,754	\$38,663		\$51,824		\$1,394,962	47.0 %
2012	\$259,307	\$46,024		\$66,682		\$1,633,612	50.8 %
2013	\$267,086	\$53,391		\$115,685		\$1,838,405	53.2 %
2014	\$275,099	\$59,731		\$194,173		\$1,979,062	54.3 %
2015	\$283,352	\$64,124		\$866,957		\$1,459,580	38.7 %
2016	\$291,852	\$48,441		\$289,266		\$1,510,608	46.0 %
2017	\$300,608	\$50,115		\$221,777		\$1,639,553	48.3 %
2018	\$309,626	\$54,162		\$111,795		\$1,891,546	52.7 %
2019	\$318,915	\$61,955		\$421,670		\$1,850,747	47.4 %
2020	\$328,482	\$60,847		\$715,229		\$1,524,847	38.8 %
2021	\$338,337	\$51,071		\$622,988		\$1,291,267	35.3 %
2022	\$348,487	\$44,107		\$357,094		\$1,326,766	37.1 %
2023	\$358,942	\$45,332		\$314,187		\$1,416,853	37.3 %
2024	\$369,710	\$48,221		\$386,608		\$1,448,175	35.5 %
2025	\$380,801	\$49,328		\$148,885		\$1,729,419	40.1 %
2026	\$392,225	\$58,040		\$313,421		\$1,866,263	39.0 %
2027	\$403,992	\$62,366		\$262,240		\$2,070,381	40.5 %
2028	\$416,112	\$68,742		\$94,572		\$2,460,662	44.6 %
2029	\$428,595	\$80,786		\$143,706		\$2,826,338	46.5 %
2030	\$441,453	\$92,087		\$1,058,371		\$2,301,506	34.8 %
2031	\$454,697	\$76,307		\$142,615		\$2,689,895	42.8 %
2032	\$468,337	\$88,309		\$190,295		\$3,056,247	44.4 %
2033	\$482,388	\$99,647		\$267,660		\$3,370,621	45.3 %
2034	\$496,859	\$109,410		\$907,706		\$3,069,184	38.7 %
2035	\$511,765	\$100,448		\$241,312		\$3,440,085	43.9 %
2036	\$527,118	\$111,942		\$286,394		\$3,792,752	45.1 %
2037	\$542,931	\$122,888		\$1,144,504		\$3,314,067	37.0 %
2038	\$559,219	\$108,554		\$235,169		\$3,746,672	42.9 %
2039	\$575,996	\$121,945		\$1,837,089		\$2,607,523	27.7 %
<b>Totals :</b>	<b>\$12,096,163</b>	<b>\$2,157,447</b>	<b>\$0</b>	<b>\$12,371,459</b>	<b>\$0</b>		

The cash distribution shown in this table applies to repair and replacement cash reserves only.

Basis of Funding Study - Modified Cash Flow

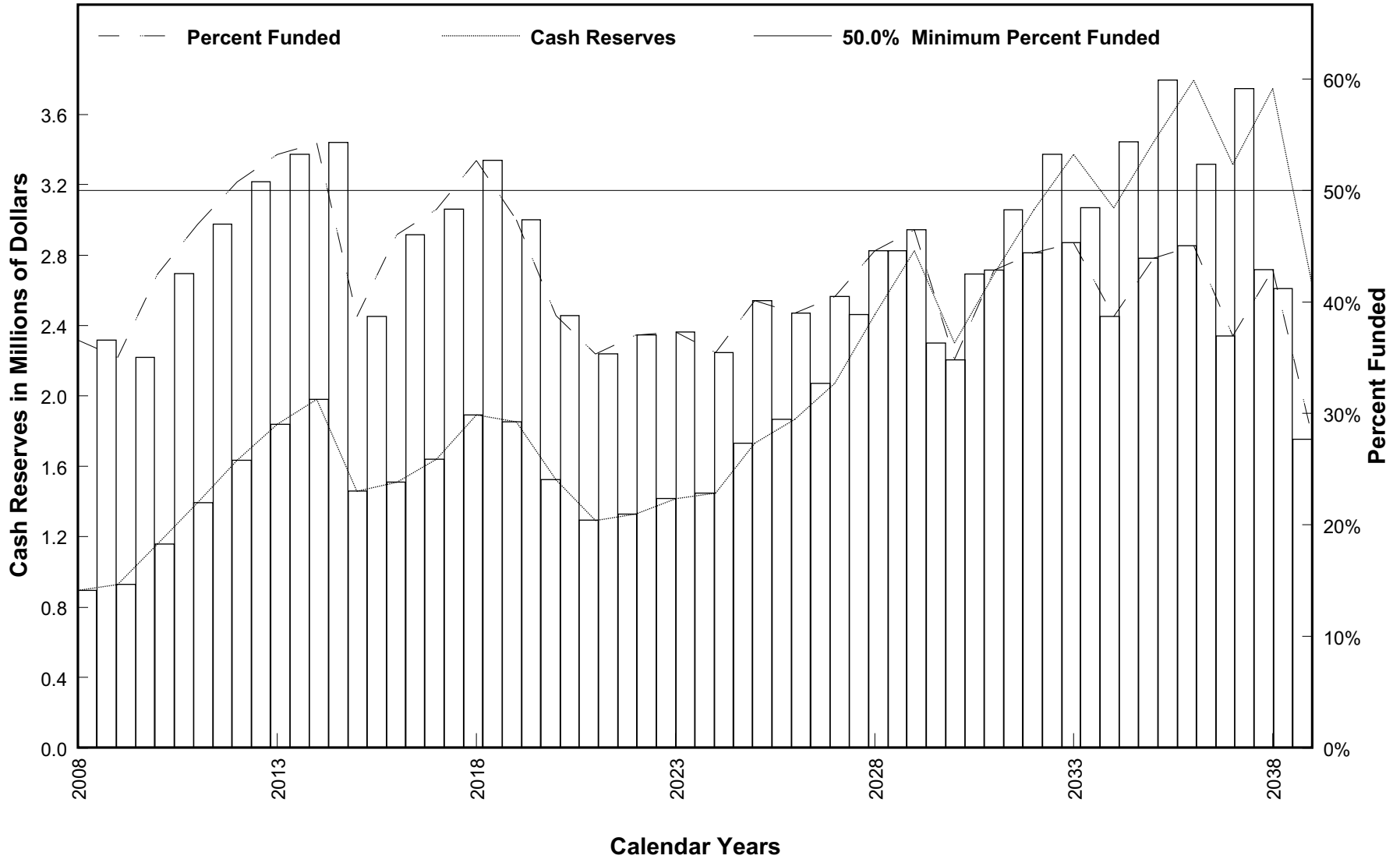
Cash reserves have been set to a minimum of 50.0% of Fully Funded reserves.

Cash Flow has been modified with the forced Fixed Payments.

Months Remaining in Calendar Year 2008: 9      Inflation = 4.10 %      Interest = 3.00 %

Study Life = 31 years      Initial Reserve Funds = \$725,372.55      Final Reserve Value = \$31,487,099.94

Hale Kamaole AOA 2008 Funding Study Cash Flow by Calendar Year - Continued



**Hale Kamaole AOA 2008 Funding Study - Expenses by Item and by Calendar Year**

Item Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Reserve Category : Buildings Other</b>																
Termite tenting done in 2003		\$111,723							\$148,789							\$198,153
Wood Replacement					\$30,365										\$45,723	
Stairs Tread and Wood replacement allowance															\$9,145	
Walkways wood replacement allowance										\$7,452						
Unit entry wooden doors allowance								\$21,973					\$26,963			
Fixed Window replacement allowance													\$60,666			
Signs replacement														\$14,044		
Walkway Support Posts 2008	\$15,313															
Walkway Support Posts 2011				\$17,314												
Walkway Support Posts 2013						\$19,645										
Walkway Support Posts 2027																
Structural Repairs as needed	\$20,623	\$21,485	\$22,383	\$23,318	\$24,292	\$25,307	\$26,364	\$27,466	\$28,613	\$29,809	\$31,054	\$32,352	\$33,703	\$35,111	\$36,578	\$38,106
Managers apartment refurbish done 2007															\$27,434	
Office and Pavilion and Restrooms refurbish													\$9,268			
Walkways Bldg 2 Level 3 replacement																
Walkways Bldg 4 Level 3 replacement																
Walkways to 09 3rd Level replacement																
09 3rd interior Walkways replacement																
New Stairs for 19 and 25 and 32																
Category Subtotal :	\$35,936	\$133,208	\$22,383	\$40,632	\$54,657	\$44,952	\$26,364	\$49,439	\$177,402	\$37,261	\$31,054	\$32,352	\$130,600	\$49,155	\$118,880	\$236,259
<b>Reserve Category : Contingency</b>																
Consulting as needed for reserves and ADA or Mold		\$5,371														
Insurance deductible			\$11,191													
Category Subtotal :		\$5,371	\$11,191													
<b>Reserve Category : Electrical</b>																
Main meter bank replacement										\$177,362						

**Hale Kamaole AOA 2008 Funding Study Expenses by Calendar Year - Continued**

Item Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sub panels breakers and light controls	\$6,929															
Aluminum wire replacement	\$36,091															
Category Subtotal :	\$43,020									\$177,362						
<b>Reserve Category : Elevators</b>																
Hydraulic Elevator Modernization done 2007																
Interior upgrades													\$16,852			
Hydraulic ram replacement													\$60,666			
Category Subtotal :													\$77,518			
<b>Reserve Category : Fire Systems</b>																
Fire Control System									\$6,152							
Alarms and pull station sets								\$28,839								
Fire Extinguisher replacement												\$7,570				
Category Subtotal :								\$28,839	\$6,152			\$7,570				
<b>Reserve Category : Landscaping</b>																
Irrigation Controls Valves and Systems											\$65,214					
Irrigation well and pump system complete replacement in 2024																
Well pump refurbish and controls replacement								\$10,712								
Well pressure tanks replacement		\$6,446										\$9,705				
Back flow preventer and regulators Well Irrigation Line																
Category Subtotal :		\$6,446						\$10,712			\$65,214	\$9,705				
<b>Reserve Category : Lighting</b>																
Unit entry type light replacement							\$18,587									
Building and area lighting									\$8,012							
Pole light replacement at 3 per year 2009		\$9,668														
Pole light replacement at 3 per year 2010			\$10,408													
Pole light replacement at 3 per year 2011				\$11,193												

Hale Kamaole AOA 2008 Funding Study Expenses by Calendar Year - Continued

Item Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Pole light replacement at 3 per year 2012					\$12,025											
Category Subtotal :		\$9,668	\$10,408	\$11,193	\$12,025		\$18,587		\$8,012							
<b>Reserve Category : Mechanical</b>																
Water heating Solar Panels in 2020														\$225,151		
Water heater replacement							\$120,221									
Line and insulation replacement														\$12,008		
Laundry Solar heating system replacement														\$11,192		
Category Subtotal :							\$120,221							\$248,351		
<b>Reserve Category : Paving</b>																
Remove and Overlay and Stripe								\$540,732								
Seal coat and fill cracks		\$48,503						\$62,004						\$79,264		
Category Subtotal :		\$48,503						\$602,736						\$79,264		
<b>Reserve Category : Plumbing</b>																
Water lines and valves													\$253,448			
Sewer lines								\$154,907								
Double check backflow replacement																
Category Subtotal :								\$154,907					\$253,448			
<b>Reserve Category : Pool areas</b>																
Upper pool retille done 2001														\$37,745		
Upper pool decking done 2006																
Upper pool fence and gate replacement												\$16,176				
Lower pool retille done 1999												\$34,778				
Lower pool and pavilion Decking done 2005																
Lower pool fence and gate replacement										\$15,527						
Pool area furniture		\$30,079										\$45,292				
Pool Fence Gates Replacement															\$21,032	
Pool equipment replacement						\$7,466										\$11,241

**Hale Kamaole AOA 2008 Funding Study Expenses by Calendar Year - Continued**

Item Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Category Subtotal :		\$30,079				\$7,466					\$15,527	\$96,246		\$37,745	\$21,032	\$11,241
<b>Reserve Category : Project property</b>																
Concrete sidewalk replacement as needed								\$6,592								
Signs replacement allowance									\$6,781							
Trash Enclosures								\$13,733								
Chain link Fence													\$53,552			
Storm drain systems																\$66,686
Category Subtotal :								\$20,325	\$6,781				\$53,552			\$66,686
<b>Reserve Category : Recreational</b>																
Tennis Court Refurbish estimated for 2014						\$63,267										
Tennis Court Recoat and stripe			\$5,372							\$7,154						
Tennis Court Fencing																
BBQs from 2006 and system																
Category Subtotal :			\$5,372			\$63,267				\$7,154						
<b>Reserve Category : Roof</b>																
Building Roof Systems ONE Replacement in 2020													\$200,112			
Building roof systems TWO replacement in 2021														\$208,473		
Building Roof Systems Three replacement in 2022															\$217,183	
Entry and Closet Roof Replacement									\$90,919							
Category Subtotal :									\$90,919				\$200,112	\$208,473	\$217,183	
<b>Reserve Category : Water Proofing</b>																
Paint Wood 3 coat and Stucco touch up in 2020												\$275,797				
Paint exterior stucco in 2030																
Wash stucco and wood surfaces Touch up paint as needed							\$29,001									
Category Subtotal :							\$29,001					\$275,797				
<b>Expense Totals :</b>	<b>\$78,957</b>	<b>\$233,275</b>	<b>\$49,354</b>	<b>\$51,824</b>	<b>\$66,682</b>	<b>\$115,685</b>	<b>\$194,173</b>	<b>\$866,957</b>	<b>\$289,266</b>	<b>\$221,777</b>	<b>\$111,795</b>	<b>\$421,670</b>	<b>\$715,229</b>	<b>\$622,988</b>	<b>\$357,094</b>	<b>\$314,187</b>

**Hale Kamaole AOA 2008 Funding Study Expenses by Calendar Year - Continued**

Item Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<b>Reserve Category : Buildings Other</b>																
Termite tenting done in 2003							\$263,895							\$351,448		
Wood Replacement									\$68,848							
Stairs Tread and Wood replacement allowance														\$16,897		
Walkways wood replacement allowance						\$12,178										
Unit entry wooden doors allowance		\$33,086					\$40,599					\$49,819				
Fixed Window replacement allowance		\$74,443					\$91,348					\$112,093				
Signs replacement																\$29,341
Walkway Support Posts 2008					\$34,719											
Walkway Support Posts 2011								\$39,255								
Walkway Support Posts 2013										\$44,541						
Walkway Support Posts 2027			\$31,991													
Structural Repairs as needed	\$39,698	\$41,357	\$43,085	\$44,885	\$46,760	\$48,714	\$50,749	\$52,869	\$55,078	\$57,379	\$59,777	\$62,274	\$64,876	\$67,586	\$70,410	\$73,352
Managers apartment refurbish done 2007														\$50,690		
Office and Pavilion and Restrooms refurbish												\$17,125				
Walkways Bldg 2 Level 3 replacement																
Walkways Bldg 4 Level 3 replacement																
Walkways to 09 3rd Level replacement																
09 3rd interior Walkways replacement																
New Stairs for 19 and 25 and 32																
Category Subtotal :	\$39,698	\$148,886	\$75,076	\$44,885	\$81,479	\$60,892	\$446,591	\$92,124	\$123,926	\$101,920	\$59,777	\$241,311	\$64,876	\$486,621	\$70,410	\$102,693
<b>Reserve Category : Contingency</b>																
Consulting as needed for reserves and ADA or Mold																
Insurance deductible																
Category Subtotal :																
<b>Reserve Category : Electrical</b>																
Main meter bank replacement																

**Hale Kamaole AOA 2008 Funding Study Expenses by Calendar Year - Continued**

Item Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Sub panels breakers and light controls										\$19,279						
Aluminum wire replacement																
Category Subtotal :										\$19,279						
<b>Reserve Category : Elevators</b>																
Hydraulic Elevator Modernization done 2007														\$473,103		
Interior upgrades									\$27,539							
Hydraulic ram replacement																
Category Subtotal :									\$27,539					\$473,103		
<b>Reserve Category : Fire Systems</b>																
Fire Control System								\$11,367								
Alarms and pull station sets							\$53,286									
Fire Extinguisher replacement														\$15,815		
Category Subtotal :							\$53,286	\$11,367						\$15,815		
<b>Reserve Category : Landscaping</b>																
Irrigation Controls Valves and Systems															\$147,861	
Irrigation well and pump system complete replacement in 2024	\$65,502															
Well pump refurbish and controls replacement							\$19,792									
Well pressure tanks replacement						\$14,614										\$22,005
Back flow preventer and regulators Well Irrigation Line	\$10,719															
Category Subtotal :	\$76,221					\$14,614	\$19,792								\$147,861	\$22,005
<b>Reserve Category : Lighting</b>																
Unit entry type light replacement									\$38,830							
Building and area lighting					\$13,093											
Pole light replacement at 3 per year 2009																
Pole light replacement at 3 per year 2010																
Pole light replacement at 3 per year 2011																

**Hale Kamaole AOA 2008 Funding Study Expenses by Calendar Year - Continued**

Item Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Pole light replacement at 3 per year 2012																
Category Subtotal :					\$13,093				\$38,830							
<b>Reserve Category : Mechanical</b>																
Water heating Solar Panels in 2020																
Water heater replacement	\$181,025										\$272,581					
Line and insulation replacement																
Laundry Solar heating system replacement																
Category Subtotal :	\$181,025										\$272,581					
<b>Reserve Category : Paving</b>																
Remove and Overlay and Stripe																\$1,444,109
Seal coat and fill cracks				\$101,328						\$129,534						\$165,591
Category Subtotal :				\$101,328						\$129,534						\$1,609,700
<b>Reserve Category : Plumbing</b>																
Water lines and valves																
Sewer lines																
Double check backflow replacement	\$29,774															
Category Subtotal :	\$29,774															
<b>Reserve Category : Pool areas</b>																
Upper pool retille done 2001																
Upper pool decking done 2006				\$116,028												
Upper pool fence and gate replacement								\$26,435								
Lower pool retille done 1999																
Lower pool and pavilion Decking done 2005			\$210,900													
Lower pool fence and gate replacement							\$25,375									
Pool area furniture						\$68,199										\$102,692
Pool Fence Gates Replacement																
Pool equipment replacement										\$16,927						

**Hale Kamaole AOA 2008 Funding Study Expenses by Calendar Year - Continued**

Item Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Category Subtotal :			\$210,900	\$116,028		\$68,199	\$25,375	\$26,435		\$16,927						\$102,692
<b>Reserve Category : Project property</b>																
Concrete sidewalk replacement as needed							\$12,180									
Signs replacement allowance			\$10,211										\$15,376			
Trash Enclosures							\$25,375									
Chain link Fence																
Storm drain systems																
Category Subtotal :			\$10,211				\$37,555						\$15,376			
<b>Reserve Category : Recreational</b>																
Tennis Court Refurbish estimated for 2014														\$168,965		
Tennis Court Recoat and stripe	\$9,528							\$12,689							\$16,898	
Tennis Court Fencing	\$6,694															
BBQs from 2006 and system			\$17,234													
Category Subtotal :	\$16,222		\$17,234					\$12,689						\$168,965	\$16,898	
<b>Reserve Category : Roof</b>																
Building Roof Systems ONE Replacement in 2020																
Building roof systems TWO replacement in 2021																
Building Roof Systems Three replacement in 2022																
Entry and Closet Roof Replacement													\$206,143			
Category Subtotal :													\$206,143			
<b>Reserve Category : Water Proofing</b>																
Paint Wood 3 coat and Stucco touch up in 2020											\$509,595					
Paint exterior stucco in 2030							\$475,772									
Wash stucco and wood surfaces Touch up paint as needed	\$43,668										\$65,754					
Category Subtotal :	\$43,668						\$475,772				\$575,349					
<b>Expense Totals :</b>	<b>\$386,608</b>	<b>\$148,885</b>	<b>\$313,421</b>	<b>\$262,240</b>	<b>\$94,572</b>	<b>\$143,706</b>	<b>\$1,058,371</b>	<b>\$142,615</b>	<b>\$190,295</b>	<b>\$267,660</b>	<b>\$907,706</b>	<b>\$241,312</b>	<b>\$286,394</b>	<b>\$1,144,504</b>	<b>\$235,169</b>	<b>\$1,837,089</b>