EXPERT Reserve Services, Inc.
Reserve Studies - Replacement Cost Valuations

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RESERVE STUDY REPORT
FINAL

Sea Echo COA

400 Auburn Dr
Daytona Beach, Florida 32118

December 15, 2023

Fiscal Year January 1, 2024

Sea Echo COA

400 Auburn Dr, Daytona Beach, Florida 32118

Reserve Study Year 2024

As authorized, a reserve study report has been prepared for Sea Echo COA located at 400 Auburn Dr, Daytona Beach, Florida 32118 . Built in 1973 containing 8 units with components including but not limited to, items listed in this report.

Your report has been divided into sections for easier referencing. The first section contains all general information including definitions, accounting formulas, statutory requirements, etc. An index of sections and components can be found at the end of Detail Report by Category pages.

In this report, we have taken the approved accounting formula as outlined by The State of Florida, the Threshold Method. These schedules will give you the recommended contribution per unit for the report year 2024.

This report contains information to act as a guideline to assist in budget preparation and in no way constitutes a complete budget or any opinion regarding the implication of such and consists of suggested contributions for Reserves only and in no way affects the operating budget.

It is the opinion of Expert Reserve Services, Inc. that Sea Echo COA's reserve schedule is adequate for risk management, State requirements and budget planning provided the suggested contribution in this report is adopted based on the association's appropriate funding method.

This report identifies the major assets maintained by the Association and provides estimates on useful life, remaining life, and scheduled replacement date, and future replacement cost. This information was derived from a combination of market standards, cost databases, historical and provided information, local vendors estimates, and experience with similar properties.

FINANCIAL SUMMARY

Fiscal Year 2024

Current Percentage Funded: 14%

Average Liability per Unit: $-$9,714.73

Proposed Reserve Contribution:

Threshold, 30 Year: $28,409.00

Component: $64,302.00

Based on all components stated above and our inspection, it is our opinion, that Sea Echo COA is of average maintenance and most components are in well maintained condition unless otherwise noted.

As with many associations of this age, environmental elements and construction techniques play a large part in useful life and remaining life of components. Fluctuations in construction costs, disasters, and insurance policy limitations cannot be foretold in specific form to regulate guaranteed results and therefore, we reserve the right to amend this statement upon future events and information provided. Future updates can be obtained on an annual basis and is highly recommended in this uncertain economy.

This report is prepared as a budget tool to assist the association in its long-range financial planning. Its use for any other purpose is not appropriate. The visual observations made do NOT constitute an "Engineering Inspection" and are not detailed enough to be relied upon, nor should they be relied upon, to determine violations of jurisdictional requirements (building ordnances, codes, etc.) relating to the safety, soundness, structural integrity, or habitability of the projects buildings or of any individual component.

This report is prepared for the sole benefit of the client. Any unauthorized use without our permission shall result in no liability or legal exposure to Expert Reserve Services, Inc.

Thank you for allowing Expert Reserve Services, Inc. the opportunity to serve your Association. Upon your review of this report, please do not hesitate to contact us with any questions that may arise.

Anastasia Kolodzik

Expert Reserve Services, Inc.

RS, PRA # 2294, CAM 52338

TABLE OF CONTENTS
Sea Echo COA

PART I INFORMATION ABOUT YOUR RESERVE STUDY

PART II RESERVE STUDY

Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of Expert Reserve Services, Inc. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.
This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service. Additionally, costs are obtained from numerous vendor catalogs, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Expert Reserve Services, Inc. would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance.

This reserve analysis study is provided as an aid for planning purposes and as an accounting and budgeting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors must ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary money. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution to affect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a $150,000 roofing replacement, the association may be required to pay back the loan over a three-to-five-year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Level I: Full Reserve Study.

Level II: Update with site inspection; and

Level III: Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan".

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the "fund status and "funding plan."

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the "fund status" and "funding plan."

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of ***operational expenses*** include:

Utilities:
- Electricity
- Gas
- Water
- Telephone
- Cable TV

Administrative:
- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees
- Insurance(s)

Services:
- Landscaping
- Pool Maintenance
- Street Sweeping
- Accounting
- Reserve Study

Repair Expenses:
- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

Reserve Expenses

These are major expenses that arise other than annually, and which must be budgeted for in advance to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance. Examples of reserve expenses include:

- Roof Replacements (Statutory)
- Painting (Statutory)
- Deck Resurfacing
- Fencing Replacement
- Asphalt Seal Coating (Statutory)
- Asphalt Repairs
- Asphalt Overlays
- Equipment Replacement
- Interior Furnishings
- Park/Play Equipment
- Pool/Spa Re-plastering
- Pool Equipment Replacement
- Pool Furniture Replacement
- Tennis Court Resurfacing
- Lighting Replacement
- Insurance(s)
- Reserve Study

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops 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 actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Expert Reserve Services, Inc. Threshold and the Expert Reserve Services, Inc. Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method has the highest contribution of the two funding options and assures that the association will achieve and maintain an ideal level of

100% of reserves over time. This method also allows for computations on individual components in the analysis. The Expert Reserve Services, Inc. Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it will set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time and is independent of any method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age** divided by **Useful Life** the results multiplied by **Current Replacement Cost**

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully funded."

Threshold Funding Model (Minimum Funding). The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

Threshold Funding Model. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than $0).

Current Assessment Funding Model. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 25-year projection is calculated to illustrate the adequacy of the current funding over time.

Component Funding Model. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the highest contribution funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can "fix" the accumulated reserve balance within the program on the individual asset's detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The Expert Reserve Services, Inc. software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero-remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there is additional money that has not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there is sufficient money available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of $50,000, this under-funding will be assigned to components with the longest remaining lives to give more time to "replenish" the account. If the $50,000 under-funding were to be assigned to short remaining life items, the impact would be felt

immediately.

If the reserves are underfunded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the "Monthly Reserve Assessment Required", the "Average Net Monthly Interest Earned" contribution and the "Total Monthly Allocation to Reserves." The association should allocate the "Monthly Reserve Assessment Required" amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Total Monthly Allocation" to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether it is earned. When taxes are paid, the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users' Guide to your Expert Reserve Services, Inc. Reserve Study

Part II of your Reserve Study Report contains the reserve analysis study for your association. There are several types of reports in the study:

They may include:

Current Assessment Section- this section will give you a snapshot of your financial position for the current year. This section shows what will materialize if the association continues the path, it is on.

Threshold/ Component Section- This section provides our recommendations for contributions based on the method chosen by the association.

Distribution of Accumulated Reserves- This section gives a suggested distribution of existing reserve funds.

Annual Expenditure Detail- This section provides a year-by-year glance of planned expenditures.

Florida Funding Summary- This section provides the client with all the necessary information to formulate the budget for reserves for the report year.

Fully Funded Calculation- This explains how the fully funded amounts are derived.

Detail Report by Category- This section contains all the detailed information for each component in the report.

Asset Summary Report- This section includes the complete information in chart form.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in the remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the "Component Funding Model" calculation.

A Multi-Purpose Tool

Your Expert Reserve Services, Inc. report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your Expert Reserve Services, Inc. Reserve Study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The Expert Reserve Services, Inc. reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Expert Reserve Services, Inc. report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating, and planning future repairs and replacements.
- Your Expert Reserve Services, Inc. report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the Expert Reserve Services, Inc. reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The Expert Reserve Services, Inc. reserve study is an annual disclosure to the membership concerning the financial condition of the association and may be used as a "consumers' guide" by prospective purchasers.
- The Expert Reserve Services, Inc. Owners' Summary meets the disclosure requirements of the Florida State Statute requirements.
- Your Expert Reserve Services, Inc. Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.
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Sea Echo COA
Daytona Beach, Florida
Current Assessment Funding Model Summary 2023

Report Date	December 15, 2023
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	8

Report Parameters

Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.00%
2024 Beginning Balance	$12,579

Current Assessment Funding Model

Year	Inflation
2024	**8.30%**
2025	**7.30%**
2026	**6.30%**
2027	**5.30%**
2028	**4.30%**

Current Assessment Funding Model Summary of Calculations

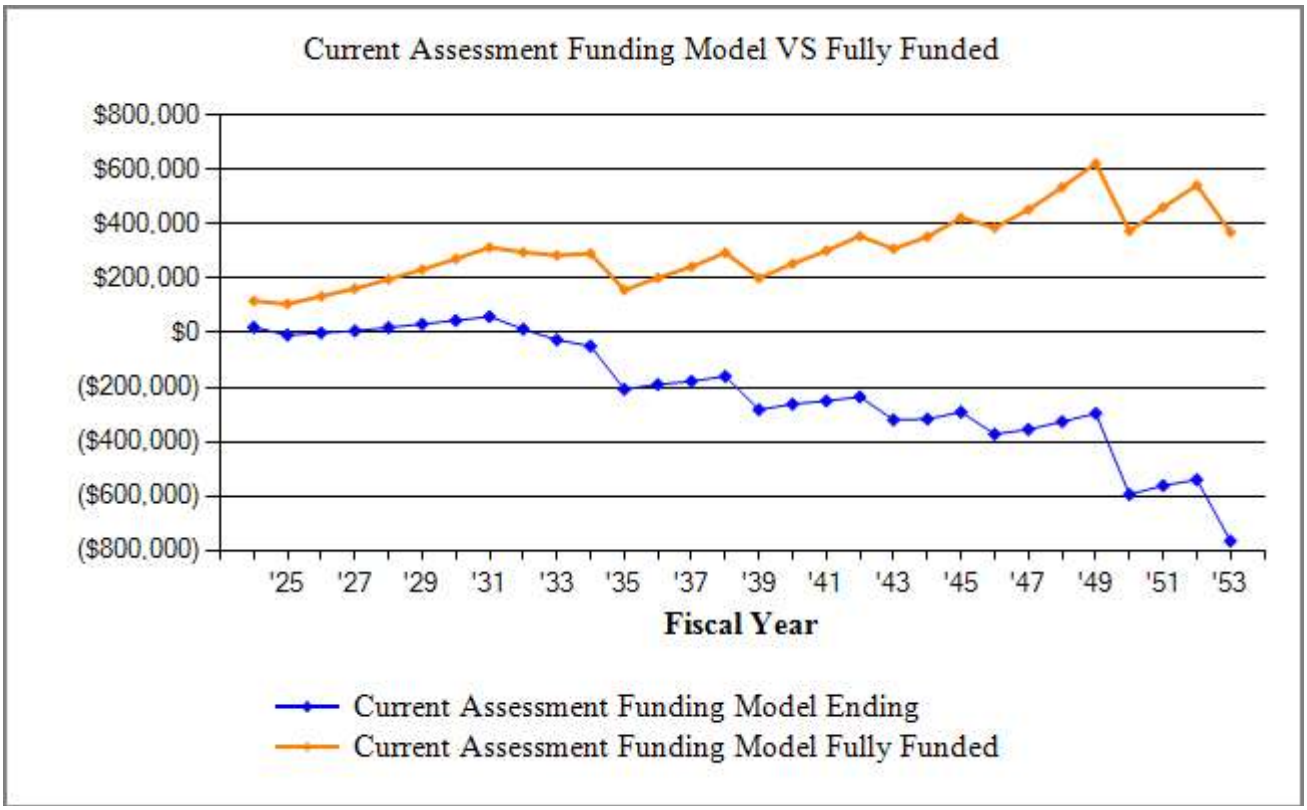
Required Monthly Contribution	$787.83
$98.48 per unit monthly	
Average Net Monthly Interest Earned	$0.00
Total Monthly Allocation to Reserves	$787.83
$98.48 per unit monthly	

Sea Echo COA
Current Assessment Funding Model Projection 2023

Beginning Balance: $12,579

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	252,286	9,454		2,000	20,033	116,342	17%
2025	273,226	10,239		38,988	-8,716	105,976	
2026	293,168	10,986		3,110	-840	133,770	
2027	311,638	11,678		4,116	6,722	162,243	4%
2028	328,155	12,297			19,019	196,042	10%
2029	342,265	12,826			31,845	232,449	14%
2030	356,983	13,377			45,222	271,624	17%
2031	372,333	13,953			59,175	313,738	19%
2032	388,343	14,553		60,544	13,184	295,825	4%
2033	405,042	15,178		54,587	-26,225	284,720	
2034	422,459	15,831		38,845	-49,239	290,979	
2035	440,625	16,512		174,653	-207,380	157,344	
2036	459,572	17,222			-190,159	201,675	
2037	479,333	17,962		6,331	-178,527	242,925	
2038	499,945	18,735			-159,793	294,236	
2039	521,442	19,540		142,614	-282,866	200,765	
2040	543,864	20,380			-262,486	253,853	
2041	567,250	21,257		8,994	-250,223	301,755	
2042	591,642	22,171		7,814	-235,866	354,941	
2043	617,083	23,124		107,622	-320,365	308,393	
2044	643,617	24,118		20,613	-316,859	352,764	
2045	671,293	25,156			-291,704	422,804	
2046	700,158	26,237		107,336	-372,802	386,264	
2047	730,265	27,365		9,645	-355,082	452,506	
2048	761,667	28,542			-326,540	534,222	
2049	794,418	29,770			-296,770	622,129	
2050	828,578	31,050		328,428	-594,149	374,058	
2051	864,207	32,385			-561,764	460,782	
2052	901,368	33,777		11,905	-539,892	541,857	
2053	940,127	35,230		260,850	-765,512	369,936	

Sea Echo COA
Current Assessment Funding Model VS Fully Funded Chart 2023



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Sea Echo COA
Distribution of Accumulated Reserves 2023

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Railing Repaint and Repair	0	2024	F 2,000	2,000
Unit Building Exterior Paint	1	2025	F D 10,579	31,500
Back Lot Wood Fencing	2	2026		2,408
Asphalt Parking Lot Resealing	3	2027		1,333
Fire Prevention Allowance	9	2033		100
Laundry Room Allowance	9	2033		300
Electrical Allowance	9	2033		1,000
Grounds Concrete Allowance	9	2033		1,000
Plumbing Allowance	9	2033		1,000
Asphalt Parking Lot Remilling	10	2034		10,599
Building Restoration Allowance	11	2035		26,667
Asphalt Shingle Roofing	15	2039		8,250
Gutters and Downspouts	17	2041		600
Lighting Allowance	19	2043		500
Railing Replacement	20	2044		3,040
Total Asset Summary			$12,579	$90,297

Percent Fully Funded	14%
Current Average Liability per Unit (Total Units: 8)	-$9,715

'F' Indicates Fixed Reserve
'D' Indicates Deferred Funding

Sea Echo COA
Daytona Beach, Florida
Threshold Funding Model Summary 2024

Report Date	December 15, 2023
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	8

Report Parameters

Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.00%
2024 Beginning Balance	$12,579

Threshold Funding Model

Threshold Funding Model Summary of Calculations

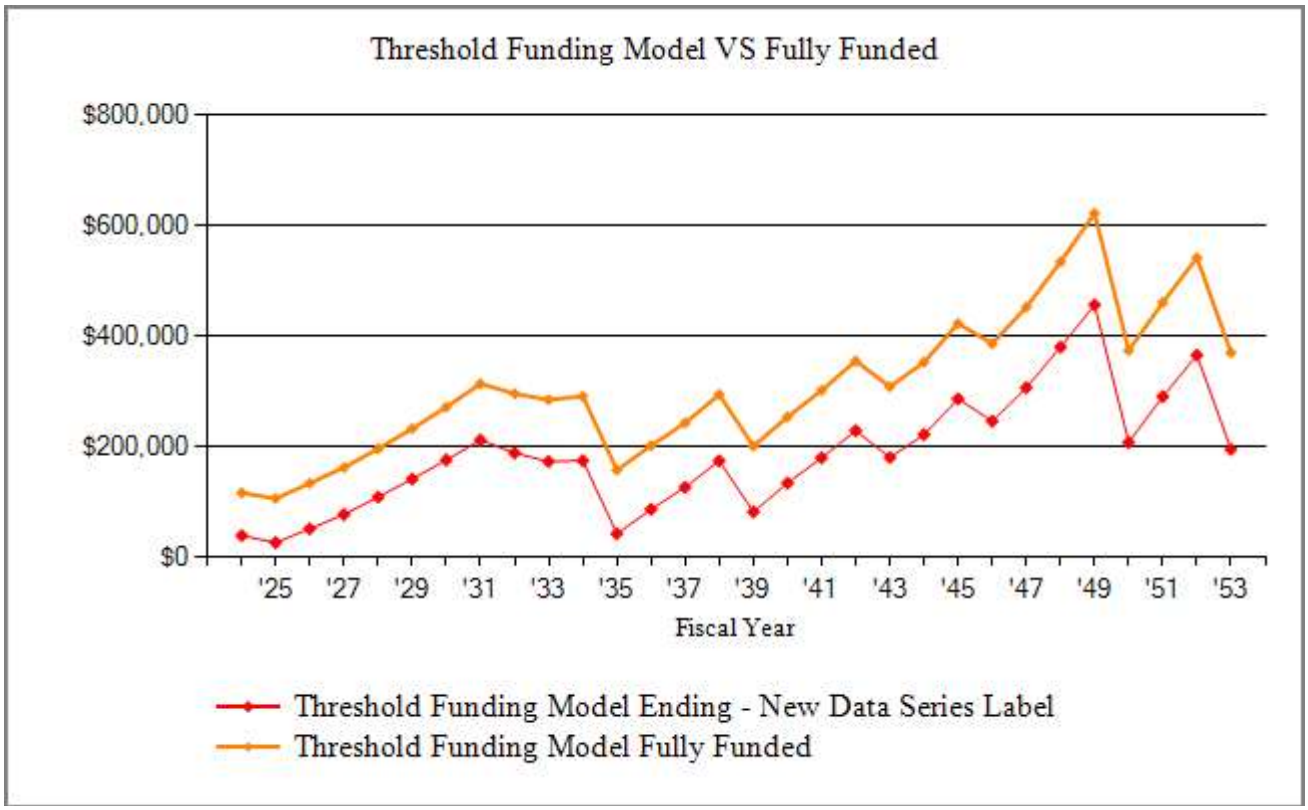
Required Monthly Contribution	$2,367.42
$295.93 per unit monthly	
Average Net Monthly Interest Earned	$0.00
Total Monthly Allocation to Reserves	$2,367.42
$295.93 per unit monthly	

Sea Echo COA
Threshold Funding Model Projection 2024

Beginning Balance: $12,579

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	252,286	28,409		2,000	38,988	116,342	34%
2025	273,226	26,266		38,988	26,266	105,976	25%
2026	293,168	28,183		3,110	51,340	133,770	38%
2027	311,638	29,959		4,116	77,183	162,243	48%
2028	328,155	31,547			108,730	196,042	55%
2029	342,265	32,903			141,633	232,449	61%
2030	356,983	34,318			175,951	271,624	65%
2031	372,333	35,794			211,745	313,738	67%
2032	388,343	37,333		60,544	188,534	295,825	64%
2033	405,042	38,938		54,587	172,886	284,720	61%
2034	422,459	40,613		38,845	174,653	290,979	60%
2035	440,625	42,359		174,653	42,359	157,344	27%
2036	459,572	44,180			86,540	201,675	43%
2037	479,333	46,080		6,331	126,289	242,925	52%
2038	499,945	48,062			174,351	294,236	59%
2039	521,442	50,128		142,614	81,865	200,765	41%
2040	543,864	52,284			134,149	253,853	53%
2041	567,250	54,532		8,994	179,687	301,755	60%
2042	591,642	56,877		7,814	228,750	354,941	64%
2043	617,083	59,323		107,622	180,450	308,393	59%
2044	643,617	61,873		20,613	221,710	352,764	63%
2045	671,293	64,534			286,244	422,804	68%
2046	700,158	67,309		107,336	246,217	386,264	64%
2047	730,265	70,203		9,645	306,775	452,506	68%
2048	761,667	73,222			379,997	534,222	71%
2049	794,418	76,371			456,368	622,129	73%
2050	828,578	79,654		328,428	207,594	374,058	55%
2051	864,207	83,080			290,673	460,782	63%
2052	901,368	86,652		11,905	365,421	541,857	67%
2053	940,127	90,378		260,850	194,948	369,936	53%

Sea Echo COA
Threshold Funding Model VS Fully Funded Chart 2024



The **Threshold Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below $0 or other predetermined threshold, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Threshold Funding Model** allows the client to choose the level of conservative funding they desire by choosing the threshold dollar amount.

Sea Echo COA
Daytona Beach, Florida
Component Funding Model Summary 2024

Report Date	December 15, 2023
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	8

Report Parameters

Interest Rate on Reserve Deposit	0.00%
2024 Beginning Balance	$12,579

Component Funding Model

Component Funding Model Summary of Calculations

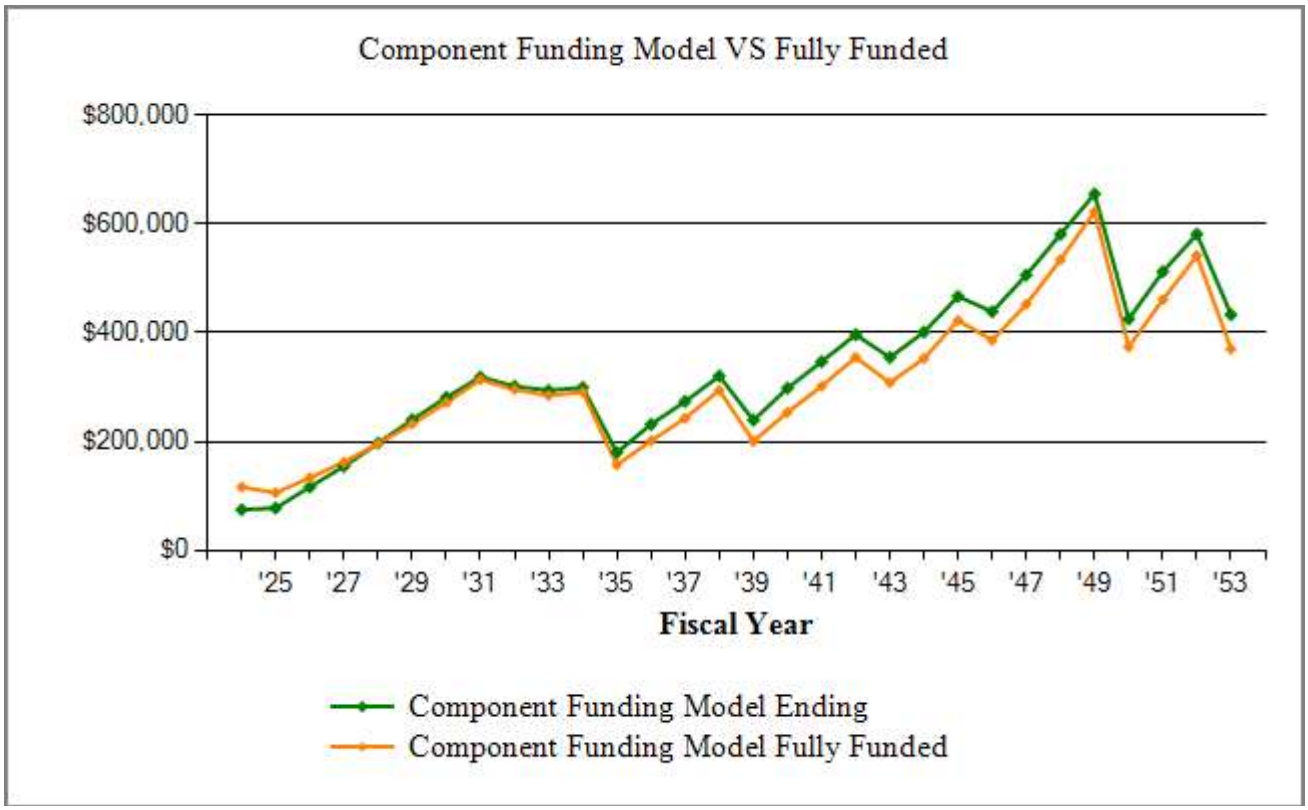
Required Monthly Contribution	$5,358.51
$669.81 per unit monthly	
Average Net Monthly Interest Earned	$0.00
Total Monthly Allocation to Reserves	$5,358.51
$669.81 per unit monthly	

Sea Echo COA
Component Funding Model Projection 2024

Beginning Balance: $12,579

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	252,286	64,302		2,000	74,881	116,342	64%
2025	273,226	42,038		38,988	77,931	105,976	74%
2026	293,168	41,943		3,110	116,764	133,770	87%
2027	311,638	42,017		4,116	154,665	162,243	95%
2028	328,155	42,479			197,144	196,042	101%
2029	342,265	43,014			240,158	232,449	103%
2030	356,983	41,069			281,227	271,624	104%
2031	372,333	37,386			318,612	313,738	102%
2032	388,343	43,616		60,544	301,685	295,825	102%
2033	405,042	46,790		54,587	293,888	284,720	103%
2034	422,459	44,203		38,845	299,245	290,979	103%
2035	440,625	55,458		174,653	180,051	157,344	114%
2036	459,572	51,677			231,728	201,675	115%
2037	479,333	48,371		6,331	273,768	242,925	113%
2038	499,945	46,856			320,624	294,236	109%
2039	521,442	61,401		142,614	239,411	200,765	119%
2040	543,864	58,637			298,048	253,853	117%
2041	567,250	57,845		8,994	346,899	301,755	115%
2042	591,642	57,431		7,814	396,516	354,941	112%
2043	617,083	65,751		107,622	354,644	308,393	115%
2044	643,617	67,250		20,613	401,281	352,764	114%
2045	671,293	65,639			466,921	422,804	110%
2046	700,158	79,055		107,336	438,640	386,264	114%
2047	730,265	77,156		9,645	506,151	452,506	112%
2048	761,667	74,628			580,780	534,222	109%
2049	794,418	74,404			655,184	622,129	105%
2050	828,578	98,370		328,428	425,126	374,058	114%
2051	864,207	87,136			512,262	460,782	111%
2052	901,368	80,977		11,905	581,335	541,857	107%
2053	940,127	112,600		260,850	433,085	369,936	117%

Sea Echo COA
Component Funding Model VS Fully Funded Chart 2024



The **Component Funding Model's** long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model.

Sea Echo COA
Component Funding Model Assessment & Category Summary 2024

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Roof							
Asphalt Shingle Roofing	2039	20	0	15	33,000	0	8,250
Roof - Total					$33,000		$8,250
Paint							
Unit Building Exterior Paint	2025	7	0	1	36,000	10,579	31,500
Paint - Total					$36,000	$10,579	$31,500
Building							
Building Restoration Allowance	2035	15	0	11	100,000	0	26,667
Building - Total					$100,000		$26,667
Fire Prevention							
Fire Prevention Allowance	2033	10	0	9	1,000	0	100
Fire Prevention - Total					$1,000		$100
Building Allowances							
Electrical Allowance	2033	10	0	9	10,000	0	1,000
Plumbing Allowance	2033	10	0	9	10,000	0	1,000
Building Allowances - Total					$20,000		$2,000
Railing							
Railing Repaint and Repair	2024	10	0	0	2,000	2,000	2,000
Railing Replacement	2044	40	0	20	6,080	0	3,040
Railing - Total					$8,080	$2,000	$5,040
Building Drainage							
Gutters and Downspouts	2041	20	0	17	4,000	0	600
Building Drainage - Total					$4,000		$600
Common Areas							
Grounds Concrete Allowance	2033	10	0	9	10,000	0	1,000
Laundry Room Allowance	2033	10	0	9	3,000	0	300
Common Areas - Total					$13,000		$1,300
Streets/Asphalt							
Asphalt Parking Lot Remilling	2034	20	0	10	21,198	0	10,599
Asphalt Parking Lot Resealing	2027	5	0	3	3,332	0	1,333
Streets/Asphalt - Total					$24,530		$11,932
Fencing							
Back Lot Wood Fencing	2026	20	0	2	2,676	0	2,408
Fencing - Total					$2,676		$2,408

Sea Echo COA
Component Funding Model Assessment & Category Summary 2024

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Common Area Lighting							
Lighting Allowance	2043	20	0	19	10,000	0	500
Common Area Lighting - Total					$10,000		$500
Total Asset Summary					$252,286	$12,579	$90,297

Percent Fully Funded 14%
Current Average Liability per Unit (Total Units: 8) -$9,715
'D' Component Deferred, Life Extended One Year

Sea Echo COA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2024	
Building Components	
Railing Repaint and Repair	2,000
Total for 2024	**$2,000**
Replacement Year 2025	
Building Components	
Unit Building Exterior Paint	38,988
Total for 2025	**$38,988**
Replacement Year 2026	
Building Components	
Back Lot Wood Fencing	3,110
Total for 2026	**$3,110**
Replacement Year 2027	
Building Components	
Asphalt Parking Lot Resealing	4,116
Total for 2027	**$4,116**
No Replacement in 2028	
No Replacement in 2029	
No Replacement in 2030	
No Replacement in 2031	
Replacement Year 2032	
Building Components	
Asphalt Parking Lot Resealing	5,129
Unit Building Exterior Paint	55,415
Total for 2032	**$60,544**
Replacement Year 2033	
Building Components	
Electrical Allowance	16,055

Description	Expenditures
Replacement Year 2033 continued...	
Fire Prevention Allowance	1,605
Grounds Concrete Allowance	16,055
Laundry Room Allowance	4,816
Plumbing Allowance	16,055
Total for 2033	**$54,587**
Replacement Year 2034	
Building Components	
Asphalt Parking Lot Remilling	35,496
Railing Repaint and Repair	3,349
Total for 2034	**$38,845**
Replacement Year 2035	
Building Components	
Building Restoration Allowance	174,653
Total for 2035	**$174,653**
No Replacement in 2036	
Replacement Year 2037	
Building Components	
Asphalt Parking Lot Resealing	6,331
Total for 2037	**$6,331**
No Replacement in 2038	
Replacement Year 2039	
Building Components	
Asphalt Shingle Roofing	68,207
Unit Building Exterior Paint	74,407
Total for 2039	**$142,614**
No Replacement in 2040	

Sea Echo COA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2041	
Building Components	
Gutters and Downspouts	8,994
Total for 2041	**$8,994**
Replacement Year 2042	
Building Components	
Asphalt Parking Lot Resealing	7,814
Total for 2042	**$7,814**
Replacement Year 2043	
Building Components	
Electrical Allowance	24,460
Fire Prevention Allowance	2,446
Grounds Concrete Allowance	24,460
Laundry Room Allowance	7,338
Plumbing Allowance	24,460
Lighting	
Lighting Allowance	24,460
Total for 2043	**$107,622**
Replacement Year 2044	
Building Components	
Railing Repaint and Repair	5,102
Railing Replacement	15,511
Total for 2044	**$20,613**
No Replacement in 2045	
Replacement Year 2046	
Building Components	
Back Lot Wood Fencing	7,427
Unit Building Exterior Paint	99,909
Total for 2046	**$107,336**

Sea Echo COA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2047	
Building Components	
Asphalt Parking Lot Resealing	9,645
Total for 2047	**$9,645**
No Replacement in 2048	
No Replacement in 2049	
Replacement Year 2050	
Building Components	
Building Restoration Allowance	328,428
Total for 2050	**$328,428**
No Replacement in 2051	
Replacement Year 2052	
Building Components	
Asphalt Parking Lot Resealing	11,905
Total for 2052	**$11,905**
Replacement Year 2053	
Building Components	
Electrical Allowance	37,264
Fire Prevention Allowance	3,726
Grounds Concrete Allowance	37,264
Laundry Room Allowance	11,179
Plumbing Allowance	37,264
Unit Building Exterior Paint	134,152
Total for 2053	**$260,850**

Sea Echo COA
Spread Sheet

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Balance	12,579	38,988	26,266	51,340	77,183	108,730	141,633	175,951	211,745	188,534
Annual Assessment	28,409	26,266	28,183	29,959	31,547	32,903	34,318	35,794	37,333	38,938
Interest Earned										
Expenditures	2,000	38,988	3,110	4,116					60,544	54,587
Fully Funded Reserves	116,342	105,976	133,770	162,243	196,042	232,449	271,624	313,738	295,825	284,720
Percent Fully Funded	34%	25%	38%	48%	55%	61%	65%	67%	64%	61%
Ending Balance	38,988	26,266	51,340	77,183	108,730	141,633	175,951	211,745	188,534	172,886
Description										
Building Components										
Asphalt Parking Lot Remilling										
Asphalt Parking Lot Resealing				4,116					5,129	
Asphalt Shingle Roofing										
Back Lot Wood Fencing			3,110							
Building Restoration Allowance										
Electrical Allowance										16,055
Fire Prevention Allowance										1,605
Grounds Concrete Allowance										16,055
Gutters and Downspouts										
Laundry Room Allowance										4,816
Plumbing Allowance										16,055
Railing Repaint and Repair	2,000									
Railing Replacement										
Unit Building Exterior Paint		38,988							55,415	
Building Components Total:	**2,000**	**38,988**	**3,110**	**4,116**					**60,544**	**54,587**
Lighting										
Lighting Allowance										
Lighting Total:										
Year Total:	**2,000**	**38,988**	**3,110**	**4,116**					**60,544**	**54,587**

Sea Echo COA
Spread Sheet

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Beginning Balance	172,886	174,653	42,359	86,540	126,289	174,351	81,865	134,149	179,687	228,750
Annual Assessment	40,613	42,359	44,180	46,080	48,062	50,128	52,284	54,532	56,877	59,323
Interest Earned										
Expenditures	38,845	174,653		6,331		142,614		8,994	7,814	107,622
Fully Funded Reserves	290,979	157,344	201,675	242,925	294,236	200,765	253,853	301,755	354,941	308,393
Percent Fully Funded	60%	27%	43%	52%	59%	41%	53%	60%	64%	59%
Ending Balance	174,653	42,359	86,540	126,289	174,351	81,865	134,149	179,687	228,750	180,450
Description										
Building Components										
Asphalt Parking Lot Remilling	35,496									
Asphalt Parking Lot Resealing				6,331					7,814	
Asphalt Shingle Roofing						68,207				
Back Lot Wood Fencing										
Building Restoration Allowance		174,653								
Electrical Allowance										24,460
Fire Prevention Allowance										2,446
Grounds Concrete Allowance										24,460
Gutters and Downspouts								8,994		
Laundry Room Allowance										7,338
Plumbing Allowance										24,460
Railing Repaint and Repair	3,349									
Railing Replacement										
Unit Building Exterior Paint						74,407				
Building Components Total:	**38,845**	**174,653**		**6,331**		**142,614**		**8,994**	**7,814**	**83,163**
Lighting										
Lighting Allowance										24,460
Lighting Total:										**24,460**
Year Total:	**38,845**	**174,653**		**6,331**		**142,614**		**8,994**	**7,814**	**107,622**

Sea Echo COA
Spread Sheet

	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning Balance	180,450	221,710	286,244	246,217	306,775	379,997	456,368	207,594	290,673	365,421
Annual Assessment	61,873	64,534	67,309	70,203	73,222	76,371	79,654	83,080	86,652	90,378
Interest Earned										
Expenditures	20,613		107,336	9,645			328,428		11,905	260,850
Fully Funded Reserves	352,764	422,804	386,264	452,506	534,222	622,129	374,058	460,782	541,857	369,936
Percent Fully Funded	63%	68%	64%	68%	71%	73%	55%	63%	67%	53%
Ending Balance	221,710	286,244	246,217	306,775	379,997	456,368	207,594	290,673	365,421	194,948
Description										
Building Components										
Asphalt Parking Lot Remilling										
Asphalt Parking Lot Resealing				9,645					11,905	
Asphalt Shingle Roofing										
Back Lot Wood Fencing			7,427							
Building Restoration Allowance							328,428			
Electrical Allowance										37,264
Fire Prevention Allowance										3,726
Grounds Concrete Allowance										37,264
Gutters and Downspouts										
Laundry Room Allowance										11,179
Plumbing Allowance										37,264
Railing Repaint and Repair	5,102									
Railing Replacement	15,511									
Unit Building Exterior Paint			99,909							134,152
Building Components Total:	**20,613**		**107,336**	**9,645**			**328,428**		**11,905**	**260,850**
Lighting										
Lighting Allowance										
Lighting Total:										
Year Total:	**20,613**		**107,336**	**9,645**			**328,428**		**11,905**	**260,850**

Sea Echo COA
Florida Funding Summary Threshold 2024

Description	Future Cost	tUseful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
Building Components							
Asphalt Parking Lot Remilling	35,496	20	10		1,568	35,496	10,599
Asphalt Parking Lot Resealing	4,116	5	3		606	4,116	1,333
Asphalt Shingle Roofing	68,207	20	15		2,009	68,207	8,250
Back Lot Wood Fencing	3,110	20	2		687	3,110	2,408
Building Restoration Allowance	174,653	15	11		7,015	174,653	26,667
Electrical Allowance	16,055	10	9		788	16,055	1,000
Fire Prevention Allowance	1,605	10	9		79	1,605	100
Grounds Concrete Allowance	16,055	10	9		788	16,055	1,000
Gutters and Downspouts	8,994	20	17		234	8,994	600
Laundry Room Allowance	4,816	10	9		236	4,816	300
Plumbing Allowance	16,055	10	9		788	16,055	1,000
Railing Repaint and Repair	2,000	10	0	2,000	148	0	2,000
Railing Replacement	15,511	40	20		343	15,511	3,040
Unit Building Exterior Paint	36,000	7	1	10,579	12,551	25,421	31,500
Building Components - Total				$12,579	$27,840	$390,094	$89,797
Lighting							
Lighting Allowance	24,460	20	19		569	24,460	500
Lighting - Total				$0	$569	$24,460	$500
Grand Total:	$427,133			$12,579	$28,409	$414,554	$90,297

Percent Fully Funded	14%
Current Average Liability per Unit (Total Units: 8)	-$9,715

Sea Echo COA
Fully Funded Calculation Threshold 2024

Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
Building Components								
1012	Asphalt Parking Lot Remilling	$21,198	x	10	/	20	=	$10,599
1013	Asphalt Parking Lot Resealing	$3,332	x	2	/	5	=	$1,333
1001	Asphalt Shingle Roofing	$33,000	x	5	/	20	=	$8,250
1014	Back Lot Wood Fencing	$2,676	x	18	/	20	=	$2,408
1003	Building Restoration Allowa...	$100,000	x	4	/	15	=	$26,667
1006	Electrical Allowance	$10,000	x	1	/	10	=	$1,000
1004	Fire Prevention Allowance	$1,000	x	1	/	10	=	$100
1011	Grounds Concrete Allowance	$10,000	x	1	/	10	=	$1,000
1009	Gutters and Downspouts	$4,000	x	3	/	20	=	$600
1010	Laundry Room Allowance	$3,000	x	1	/	10	=	$300
1005	Plumbing Allowance	$10,000	x	1	/	10	=	$1,000
1008	Railing Repaint and Repair	$2,000	x	10	/	10	=	$2,000
1007	Railing Replacement	$6,080	x	20	/	40	=	$3,040
1002	Unit Building Exterior Paint	$36,000	x	7	/	8	=	$31,500
Building Components - Total:								$89,797
Lighting								
1015	Lighting Allowance	$10,000	x	1	/	20	=	$500
Lighting - Total:								$500
Total Asset Summary:								$90,297

Asphalt Parking Lot Remilling - 2034

		861 SY	@ $24.62
Asset ID	1012	Asset Actual Cost	$21,197.82
	Building Components	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	$35,496.28
Placed in Service	January 2014	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2034	Monthly Assessment	$130.69
Remaining Life	10	Reserve Allocation	$130.69



This category refers to costs associated with the milling, recoating, and striping of asphalt parking areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 20 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component.

Asphalt Parking Lot Resealing - 2027

		861 SY	@ $3.87
Asset ID	1013	Asset Actual Cost	$3,332.07
	Building Components	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	$4,115.96
Placed in Service	January 2022	Assigned Reserves	*none*
Useful Life	5		
Replacement Year	2027	Monthly Assessment	$50.51
Remaining Life	3	Reserve Allocation	$50.51

Asphalt Parking Lot Resealing continued...



This category refers to costs associated with the seal coating of asphalt parking areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 5-7 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component.

Asphalt Shingle Roofing - 2039

		60 SQ	@ $550.00
Asset ID	1001	Asset Actual Cost	$33,000.00
	Building Components	Percent Replacement	100%
Category	Roof	Future Cost	$68,206.71
Placed in Service	January 2019	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2039	Monthly Assessment	$167.41
Remaining Life	15	Reserve Allocation	$167.41



Data gathered from within the local market suggests a probable life cycle in the 18-20-year range for a professionally designed, installed and maintained roof including gutters. The current cost estimate includes removal and disposal of the existing roofing, typical minor

Asphalt Shingle Roofing continued...

repairs to the underlying roof structures, flashing, etc., and installation of like roofing.

Back Lot Wood Fencing - 2026

		80 FT	@ $33.45
Asset ID	1014	Asset Actual Cost	$2,676.00
	Building Components	Percent Replacement	100%
Category	Fencing	Future Cost	$3,109.64
Placed in Service	January 2006	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2026	Monthly Assessment	$57.24
Remaining Life	2	Reserve Allocation	$57.24

This entry was included as needed for fencing in common areas, perimeter, and separation areas. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

Building Restoration Allowance - 2035

		1 LUMP SUM	@ $100,000.00
Asset ID	1003	Asset Actual Cost	$100,000.00
	Building Components	Percent Replacement	100%
Category	Building	Future Cost	$174,652.95
Placed in Service	January 2020	Assigned Reserves	*none*
Useful Life	15		
Replacement Year	2035	Monthly Assessment	$584.56
Remaining Life	11	Reserve Allocation	$584.56

Building Restoration Allowance continued...




This component is expected to have a useful life cycle of 15 years based on location, products used, and application standards. The amount of this allowance and the useful life cycle may vary widely from actual expenses in the future and this report can be amended as more information becomes available. Allowances accrue funding for specific components? repair to extend remaining life until a complete replacement is required or if partial replacement is adequate for maintaining the area. This allowance includes building structure and all supporting components.

Electrical Allowance - 2033

		1 EA	@ $10,000.00
Asset ID	1006	Asset Actual Cost	$10,000.00
	Building Components	Percent Replacement	100%
Category	Building Allowances	Future Cost	$16,054.89
Placed in Service	December 2023	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2033	Monthly Assessment	$65.68
Remaining Life	9	Reserve Allocation	$65.68


This entry was included for as-needed repair to electrical boxes, wiring, etc. An allowance approach is suggested as the entirety of the assemblies is not required to be replaced at one

Electrical Allowance continued...

given time. This includes irrigation pipes, building plumbing, and electrical which is not part of the unit owner?s responsibility.

Fire Prevention Allowance - 2033

		1 EA	@ $1,000.00
Asset ID	1004	Asset Actual Cost	$1,000.00
	Building Components	Percent Replacement	100%
Category	Fire Prevention	Future Cost	$1,605.49
Placed in Service	December 2023	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2033	Monthly Assessment	$6.57
Remaining Life	9	Reserve Allocation	$6.57

Due to improvements in technology and/or parts obsolescence, major modernization of fire alarm system components (panels, pull stations, horns/strobes, detectors, hoses, extinguishers) is typically necessary on a 10-year schedule with panels on a 30-year schedule. Given ever-changing technologies and/or changing fire codes, we recommend that as these systems age, a qualified life safety engineer(s) assess the subject's fire alarm systems periodically to determine more specific remaining useful life and cost parameters

Grounds Concrete Allowance - 2033

		1 LUMP SUM	@ $10,000.00
Asset ID	1011	Asset Actual Cost	$10,000.00
	Building Components	Percent Replacement	100%
Category	Common Areas	Future Cost	$16,054.89
Placed in Service	December 2023	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2033	Monthly Assessment	$65.68
Remaining Life	9	Reserve Allocation	$65.68



Replacement of the concrete paving (curbing, sidewalks, etc.), decorative concrete features, seawall, and walkways should not be necessary at any one given time under normal operating conditions. As such, reserving for total replacement is not considered practical or necessary. The amount of this allowance and the useful life cycle may vary widely from actual expenses in the future and this report can be amended as more information becomes available. Allowances accrue funding for specific components? repair to extend the remaining life until a complete replacement is required or if partial replacement is adequate for maintaining the area. This estimate does not include the cost of engineering studies or building structure repairs (addressed in a separate entry).

Gutters and Downspouts - 2041

		1 LUMP SUM	@ $4,000.00
Asset ID	1009	Asset Actual Cost	$4,000.00
	Building Components	Percent Replacement	100%
Category	Building Drainage	Future Cost	$8,993.77
Placed in Service	January 2021	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2041	Monthly Assessment	$19.48
Remaining Life	17	Reserve Allocation	$19.48

Gutters and Downspouts continued...



This category refers to building gutters including installation. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component. This type of component is replaced on a historical 20-year schedule and is subject to conditions such as construction, quality, material, and elements

Laundry Room Allowance - 2033

		1 EA	@ $3,000.00
Asset ID	1010	Asset Actual Cost	$3,000.00
	Building Components	Percent Replacement	100%
Category	Common Areas	Future Cost	$4,816.47
Placed in Service	December 2023	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2033	Monthly Assessment	$19.70
Remaining Life	9	Reserve Allocation	$19.70





This entry was included for as-needed repair and replacement of all laundry room components, as well as repainting and restoration of the room itself. Includes but is not limited washer and dryer, a hot water heater

Plumbing Allowance - 2033

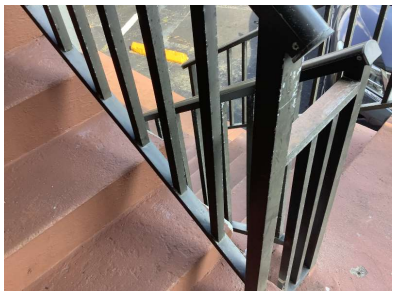
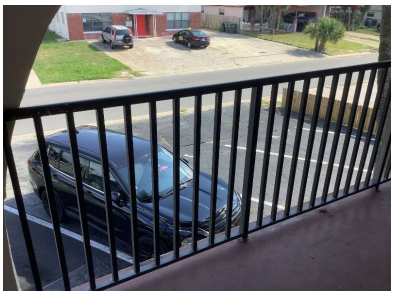
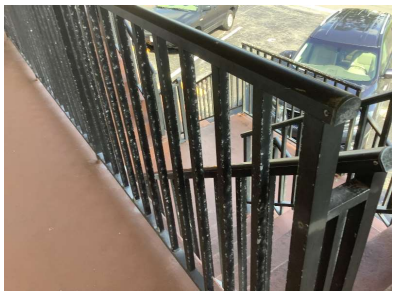
		1 EA	@ $10,000.00
Asset ID	1005	Asset Actual Cost	$10,000.00
	Building Components	Percent Replacement	100%
Category	Building Allowances	Future Cost	$16,054.89
Placed in Service	December 2023	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2033	Monthly Assessment	$65.68
Remaining Life	9	Reserve Allocation	$65.68

This entry was included for as-needed repair to plumbing lines, etc. An allowance approach is suggested as the entirety of the assemblies is not required to be replaced at one given time. This includes irrigation pipes, building plumbing, and electrical which is not part of the unit owner?s responsibility.

Railing Repaint and Repair - 2024

		80 FT	@ $25.00
Asset ID	1008	Asset Actual Cost	$2,000.00
	Building Components	Percent Replacement	100%
Category	Railing	Future Cost	$2,000.00
Placed in Service	January 2014	Fixed Assigned Reserves	$2,000.00
Useful Life	10		
Replacement Year	2024	Monthly Assessment	$12.33
Remaining Life	0	Reserve Allocation	$12.33

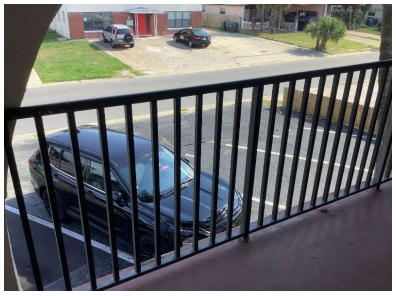
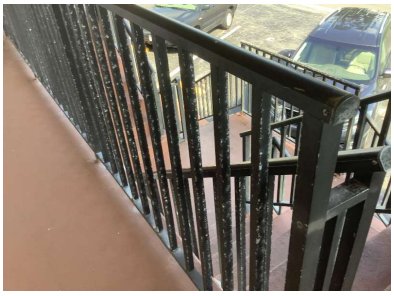
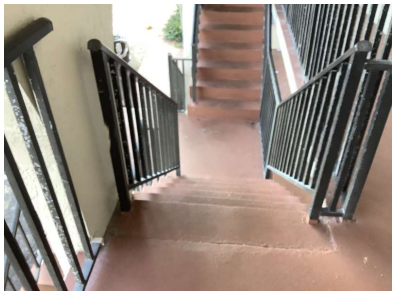
Railing Repaint and Repair continued...

This category refers to costs associated with the repair/ stain/painting of balcony railings. Barring unforeseen damage to the subject's railings, and assuming proper and routine maintenance, a minimum useful life of approximately 10 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, the number and placement of the association's balcony railings, and our experience with this type of component. Repair and paint/ stain have historically lengthened the life of railing assemblies.

Railing Replacement - 2044

		80 FT	@ $76.00
Asset ID	1007	Asset Actual Cost	$6,080.00
	Building Components	Percent Replacement	100%
Category	Railing	Future Cost	$15,510.94
Placed in Service	January 2004	Assigned Reserves	*none*
Useful Life	40		
Replacement Year	2044	Monthly Assessment	$28.55
Remaining Life	20	Reserve Allocation	$28.55

This category refers to costs associated with the replacement of balcony railings. Barring unforeseen damage to the subject's decking, and assuming proper and routine maintenance, a

Railing Replacement continued...

minimum useful life of approximately 40-50 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, the number and placement of the association's balcony railings, and our experience with this type of component. Recoating of balconies has historically lengthened the life of railing assemblies.

Unit Building Exterior Paint - 2025

		8,000 SF	@ $4.50
Asset ID	1002	Asset Actual Cost	$36,000.00
	Building Components	Percent Replacement	100%
Category	Paint	Future Cost	$38,988.00
Placed in Service	January 2017	Fixed Assigned Reserves	$10,579.00
Useful Life	7		
Replacement Year	Deferred 2025	Monthly Assessment	$1,045.94
Remaining Life	1	Reserve Allocation	$1,045.94



To ensure proper protection of the underlying concrete, stucco, wood, and metal surfaces, the market reflects a maximum 7-year useful life for exterior painting & waterproofing (instead of an association-purchased 10-year warranty). The current average per dwelling cost in keeping with market standards for similar buildings includes typical minor concrete/stucco repairs, surface preparation, as-needed window/sliding glass door caulking, and painting/refinishing of all exterior concrete, stucco, wood, and metal surfaces (including railings and window/slider frames). This does not include windows and doors (see separate entry where applicable).

Building Components - Total Current Cost	**$242,286**
Assigned Reserves	**$12,579**
Fully Funded Reserves	**$89,797**

Lighting Allowance - 2043

		1 EA	@ $10,000.00
Asset ID	1015	Asset Actual Cost	$10,000.00
	Lighting	Percent Replacement	100%
Category	Common Area Lighting	Future Cost	$24,459.66
Placed in Service	December 2023	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2043	Monthly Assessment	$47.40
Remaining Life	19	Reserve Allocation	$47.40

This entry was included as needed for light fixtures in the common area exterior, hallways, entrance, garage, driveways, and landscape replacement. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

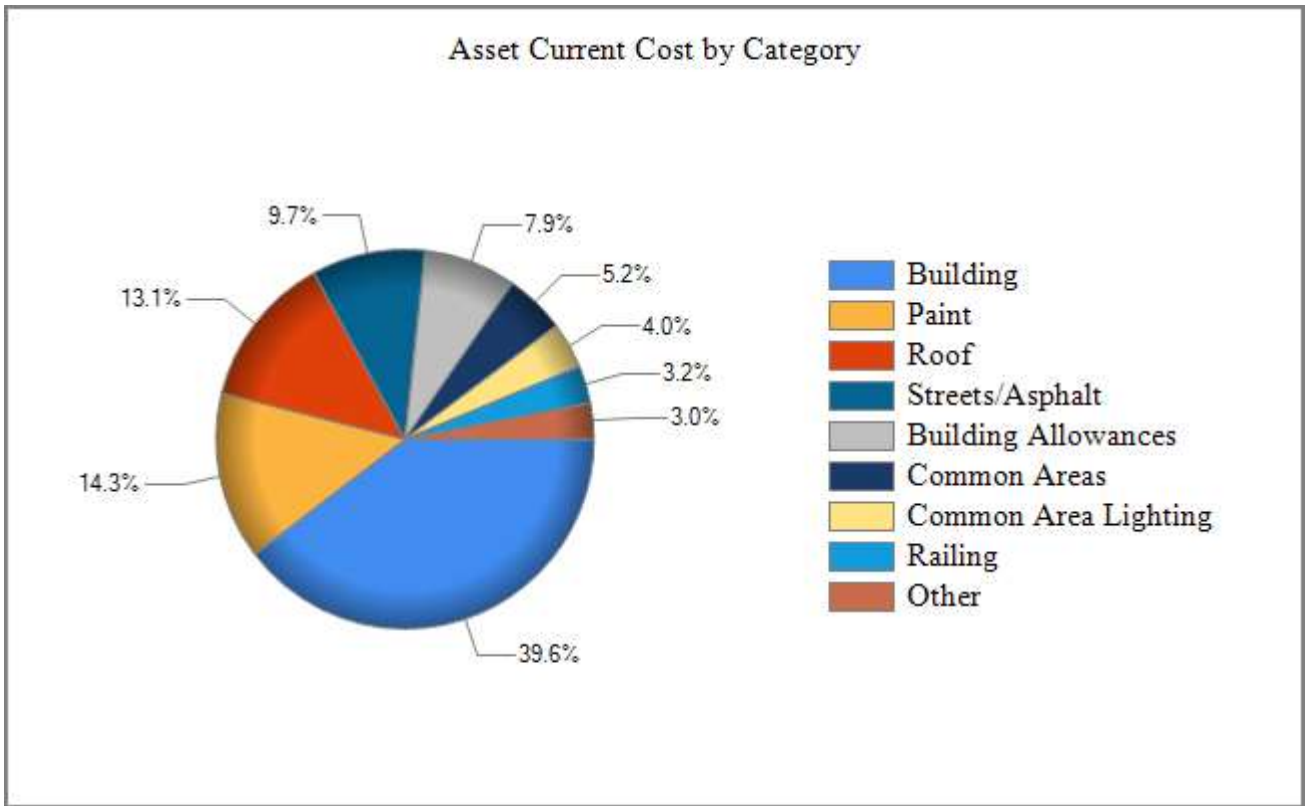
Lighting - Total Current Cost	**$10,000**
Assigned Reserves	**$0**
Fully Funded Reserves	**$500**

Sea Echo COA
Asset Summary Report

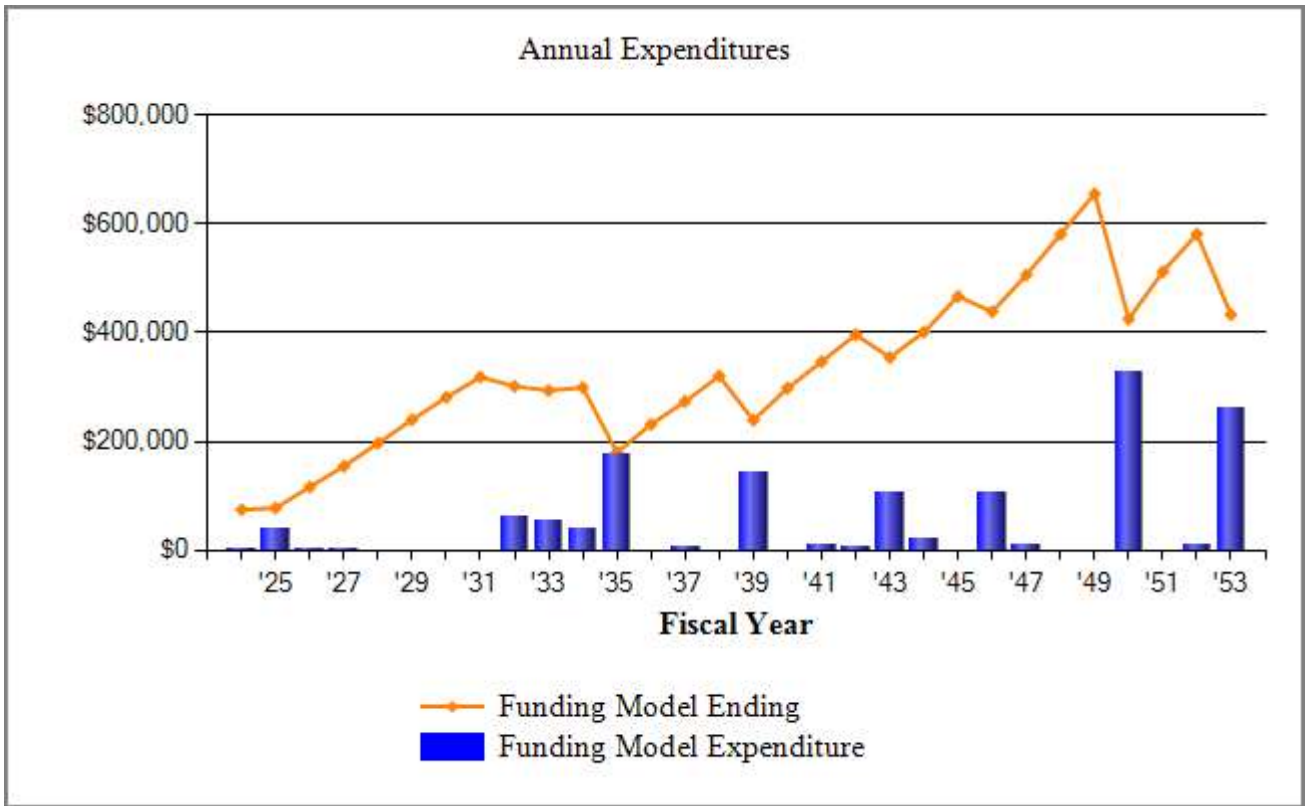
Description	Asset ID	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Asphalt Parking Lot Remilling	1012	2034	21,198	20	0	10	35,496	861 @	24.62
Asphalt Parking Lot Resealing	1013	2027	3,332	5	0	3	4,116	861 @	3.87
Asphalt Shingle Roofing	1001	2039	33,000	20	0	15	68,207	60 @	550.00
Back Lot Wood Fencing	1014	2026	2,676	20	0	2	3,110	80 @	33.45
Building Restoration Allowance	1003	2035	100,000	15	0	11	174,653	1 @	100,000.00
Electrical Allowance	1006	2033	10,000	10	0	9	16,055	1 @	10,000.00
Fire Prevention Allowance	1004	2033	1,000	10	0	9	1,605	1 @	1,000.00
Grounds Concrete Allowance	1011	2033	10,000	10	0	9	16,055	1 @	10,000.00
Gutters and Downspouts	1009	2041	4,000	20	0	17	8,994	1 @	4,000.00
Laundry Room Allowance	1010	2033	3,000	10	0	9	4,816	1 @	3,000.00
Lighting Allowance	1015	2043	10,000	20	0	19	24,460	1 @	10,000.00
Plumbing Allowance	1005	2033	10,000	10	0	9	16,055	1 @	10,000.00
Railing Repaint and Repair	1008	2024	2,000	10	0	0	2,000	80 @	25.00
Railing Replacement	1007	2044	6,080	40	0	20	15,511	80 @	76.00
Unit Building Exterior Paint	1002	2025	36,000	7	0	1	38,988	8000 @	4.50

Sea Echo COA
Category Detail Index

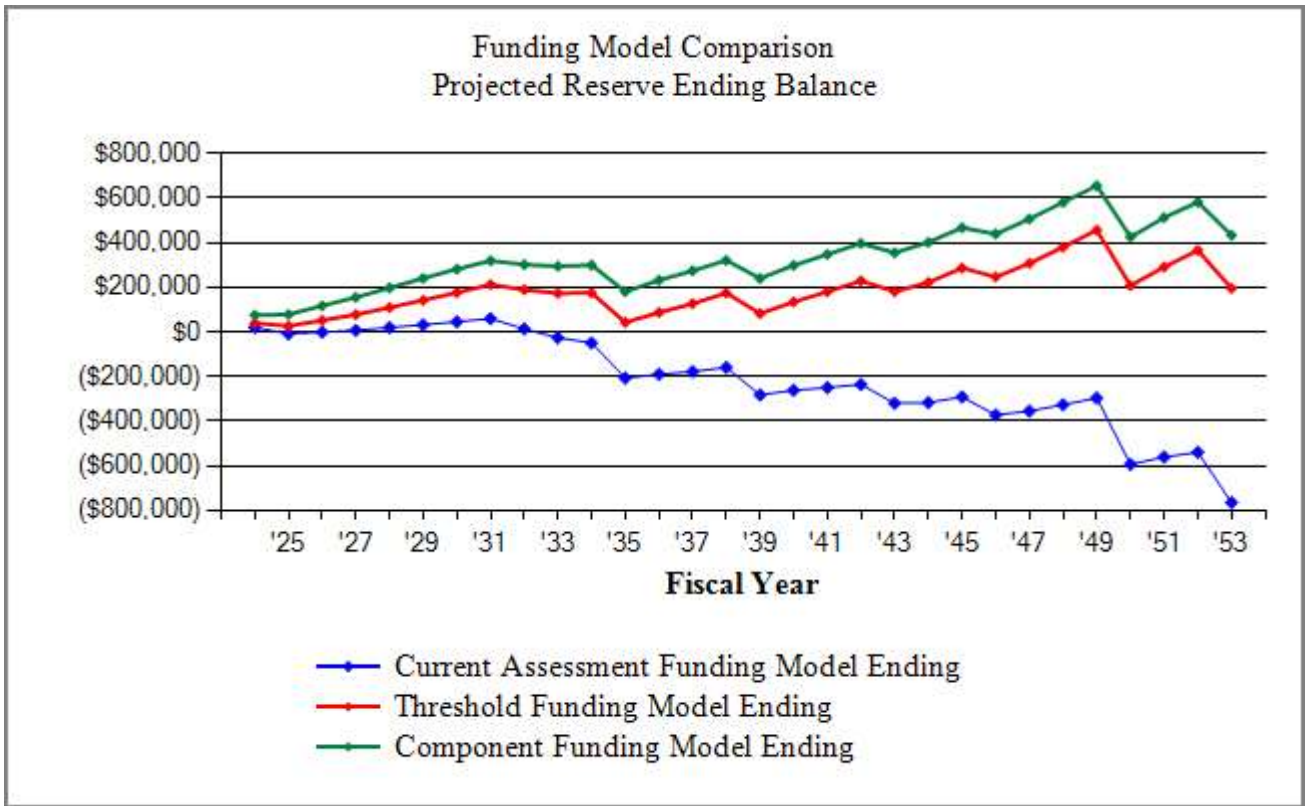
Sea Echo COA
Asset Current Cost by Category



Sea Echo COA
Annual Expenditure Chart

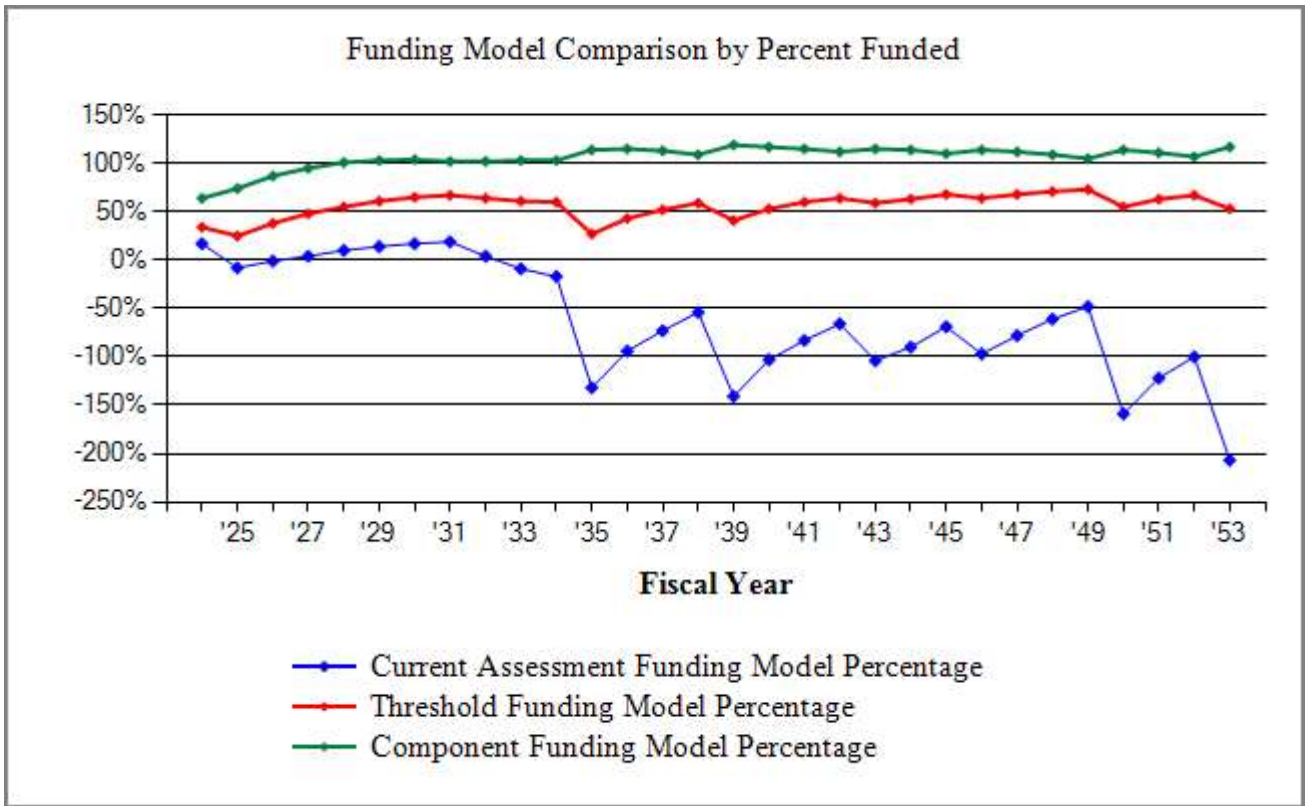


Sea Echo COA
Funding Model Reserve Ending Balance Comparison Chart



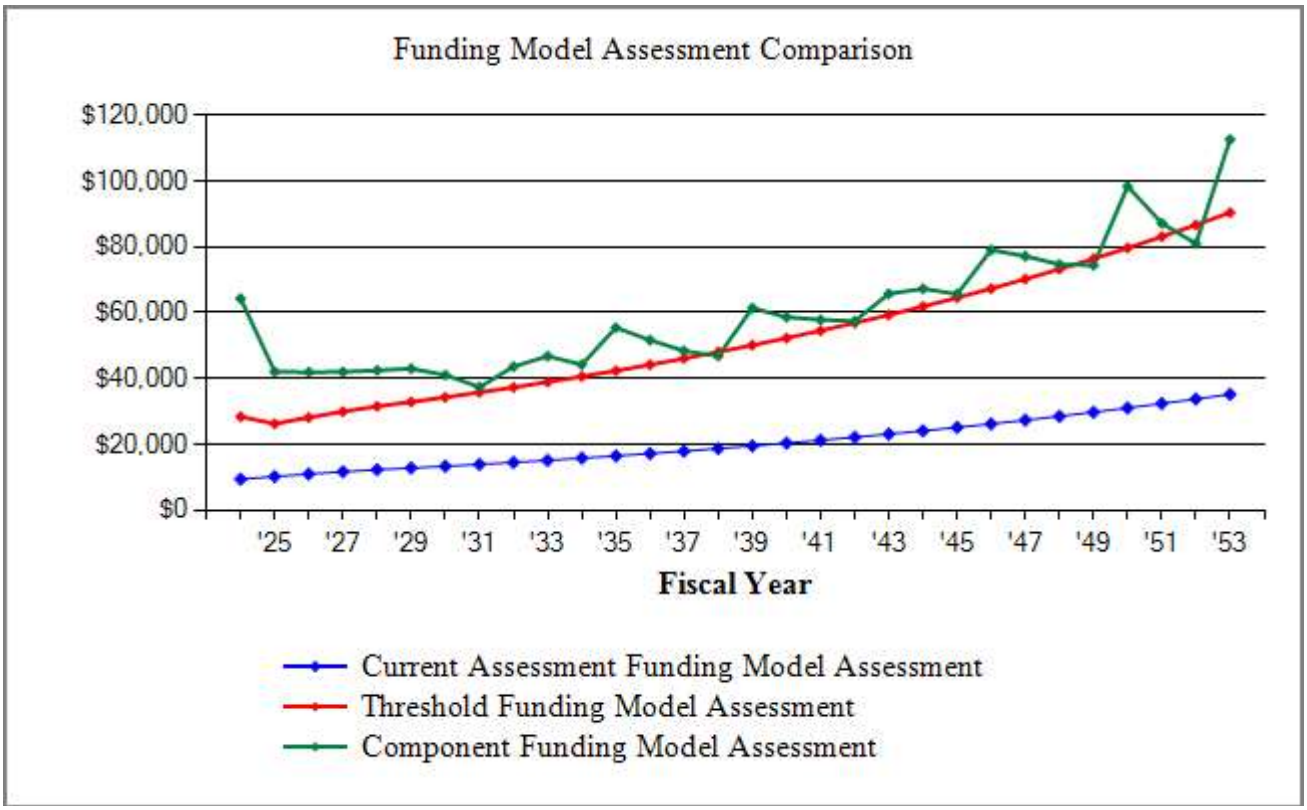
The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

Sea Echo COA
Funding Model Comparison by Percent Funded



The chart above compares the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) by the percentage fully funded over 30 years. This allows your association to view and then choose the funding model that might best fit your community's needs.

Sea Echo COA
Funding Model Assessment Comparison Chart



The chart above compares the annual assessment of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.