

THE ASSOCIATION OF APARTMENT OWNERS OF WAILEA FAIRWAY VILLAS
 Section I: Statutory Reserve Funding - Estimated Cash Reserve Balances And Unfunded Liability: Effective 1/1/2013
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Assumption Table:	2013	.50%	11/8/12 cr
Interest Rate:		0.50%	Annual assessment increase is 3%
Inflation Rate:		2.50%	

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CASH FLOW METHOD:										
CASH RECEIPTS										
1. Revenue, Statutory Reserve Fund	\$191,557	\$197,304	\$203,223	\$209,319	\$215,599	\$222,067	\$228,729	\$235,591	\$242,658	\$249,938
2. Interest Earned @ .50%	3,000	4,057	4,948	5,676	6,009	5,991	6,483	6,177	5,813	6,431
3. Total Cash Receipts	194,557	201,361	208,171	214,995	221,608	228,058	235,212	241,768	248,471	256,369
4. Less: Major Component Costs From Section II	0	-4,712	-47,344	-84,217	-218,519	-238,731	-27,182	-572,553	-63,633	-193,346
5. Net Increase (Decrease) In Cash	194,557	196,649	160,827	130,779	3,089	-10,673	208,030	-330,785	184,838	63,024
6. Cash Reserve Balances At Beginning Of Year (1)	520,533	715,090	911,739	1,072,565	1,203,344	1,206,432	1,195,759	1,403,789	1,073,004	1,257,842
7. Cash Reserve Balances At The End Of The Year (2)	\$715,090	\$911,739	\$1,072,565	\$1,203,344	\$1,206,432	\$1,195,759	\$1,403,789	\$1,073,004	\$1,257,842	\$1,320,866
PERCENTAGE OF LIABILITY METHOD:										
8. Estimated Total Liability	\$1,259,916	\$1,454,905	\$1,652,467	\$1,813,880	\$1,944,231	\$1,943,144	\$1,930,872	\$2,139,726	\$1,799,508	\$2,107,468
9. Less: Major Components Paid For In Current Year	0	-4,712	-47,344	-84,217	-218,519	-238,731	-27,182	-572,553	-63,633	-193,346
10. Net Liability at December 31	1,259,916	1,450,193	1,605,123	1,729,664	1,725,712	1,704,413	1,903,689	1,567,173	1,735,875	1,914,122
11. Less: Cash Balance at December 31	-715,090	-911,739	-1,072,565	-1,203,344	-1,206,432	-1,195,759	-1,403,789	-1,073,004	-1,257,842	-1,320,866
12. Estimated Unfunded Liability, December 31	\$544,826	\$538,455	\$532,558	\$526,320	\$519,279	\$508,653	\$499,900	\$494,169	\$478,033	\$593,257
13. Percentage Funded (3)	56.76%	62.87%	66.82%	69.57%	69.91%	70.16%	73.74%	68.47%	72.46%	69.01%
14. Percentage Unfunded	43.24%	37.13%	33.18%	30.43%	30.09%	29.84%	26.26%	31.53%	27.54%	30.99%

(1) The cash balance at the beginning of the year is an estimate only. This amount may differ significantly due to unforeseen circumstances such as the cost of replacement greater than estimated, emergency expenditures, or actual replacement occurring earlier or later than scheduled.

(2) Under the "Cash-Flow Method", the Association must have cash balances at the end of each accounting year. This means that for a 20-year funding period, the Association must have sufficient cash on hand to pay for the replacement items each fiscal year. This must be done without relying on loans or special assessments except in situations where the special assessment or loan is used to fund a specific reserve component item.

(3) Under the "Percentage of Liability Method", the Association must be funded at least 50%. However, there is no limitation on loans or special assessments.

For the coming year the Association will use the "Cash Flow Method" for funding its Replacement Reserves.

This information is being provided as a supplementary schedule to the Association's operating budget. It is based upon information provided by the Association and/or by an independent appraisal company.

We have not verified, nor do we place any form of assurance on the accuracy of the replacement costs, estimated useful lives, and estimated remaining lives - DMI.

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Item No.	Major Component	Estimated Useful Life	Estimated Remaining Life	Estimated Current Cost to Replace	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Asphalt Resurface	20	8	\$359,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$427,653	\$0	\$0
2	Asphalt Seal/Repair	6	6	42,000	0	0	0	0	0	42,000	0	0	0	0
3	HVAC Units Replace	10	5	12,688	0	0	0	0	14,005	0	0	0	0	0
4	Pole Lights (57) Replace	20	8	115,337	0	0	0	0	0	0	0	137,099	0	0
5	Bollard Lights (91) Partial Replace	5	5	6,000	0	0	0	0	6,000	0	0	0	0	137,000
6	Lights - Coach Replace	10	2	1,010	0	1,035	0	0	0	0	0	0	0	0
7	Lights - Wall Replace	15	5	37,109	0	0	0	0	40,961	0	0	0	0	0
8	Lights - Interior Replace	10	7	1,313	0	0	0	0	0	0	1,522	0	0	0
9	Mailboxes Replace	15	7	18,539	0	0	0	0	0	0	21,500	0	0	0
10	Metal Fences Replace	15	14	13,125	0	0	0	0	0	0	0	0	0	0
11	Metal Handrails Partial Replace	10	3	22,969	0	0	24,132	0	0	0	0	0	0	0
12	Metal Lanai Handrails Partial Replace	15	5	13,125	0	0	0	0	14,488	0	0	0	0	0
13	Metal Pool Fence Replace	15	4	19,141	0	0	0	20,612	0	0	0	0	0	0
14	Rubber Tile Floor Replace	15	12	3,369	0	0	0	0	0	0	0	0	0	0
15	Exercise Equipment Partial Replace	10	3	10,391	0	0	10,917	0	0	0	0	0	0	0
16	Furniture Replace	10	3	6,016	0	0	6,320	0	0	0	0	0	0	0
17	Kitchenette Remodel	12	4	5,742	0	0	0	6,184	0	0	0	0	0	0
18	Bathroom Refurbish	12	9	7,109	0	0	0	0	0	0	0	0	8,662	0
19	Backflow Devices Replace	15	5	2,461	0	0	0	0	2,716	0	0	0	0	0
20	Stucco P1 Repaint	8	6	32,000	0	0	0	0	0	32,000	0	0	0	0
21	Stucco P2 Repaint	8	6	32,000	0	0	0	0	0	32,000	0	0	0	0

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Item No.	Major Component	Estimated Useful Life	Estimated Remaining Life	Estimated Current Cost to Replace	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
22	Stucco P3 Repaint	8	6	32,000	0	0	0	0	0	32,000	0	0	0	0
23	Stucco P4 Repaint	8	6	32,000	0	0	0	0	0	32,000	0	0	0	0
24	Stucco P5 Repaint	8	6	32,000	0	0	0	0	0	32,000	0	0	0	0
25	Stucco P6 Repaint	8	6	32,000	0	0	0	0	0	32,000	0	0	0	0
26	Rec Wood Surface Repaint	7	6	4,181	0	0	0	0	0	4,731	0	0	0	0
27	Rec Wood Surface P1 Repaint	5	4	45,117	0	0	0	48,587	0	0	0	0	54,971	0
28	Rec Wood Surface P2 Repaint	5	5	45,117	0	0	0	0	49,801	0	0	0	0	56,346
29	Pool Retile	20	17	37,188	0	0	0	0	0	0	0	0	0	0
30	Spa Retile	15	12	13,125	0	0	0	0	0	0	0	0	0	0
31	Pool/Spa Filter Replace	10	3	1,148	0	0	1,207	0	0	0	0	0	0	0
32	Pool/Spa Heater Replace	20	15	6,563	0	0	0	0	0	0	0	0	0	0
33	Tile Roof P1 Repair	25	15	560,441	0	0	0	0	0	0	0	0	0	0
34	Tile Roof P2 Repair	25	16	500,000	0	0	0	0	0	0	0	0	0	0
35	Tile Roof P3 Repair	25	17	526,316	0	0	0	0	0	0	0	0	0	0
36	Entry Signage Replace	15	4	8,203	0	0	0	8,834	0	0	0	0	0	0
37	Signage Replace	20	8	6,563	0	0	0	0	0	0	0	7,801	0	0
38	Landscape Restoration	15	5	82,032	0	0	0	0	90,548	0	0	0	0	0
39	Foot Bridge Restoration	15	3	4,539	0	0	4,769	0	0	0	0	0	0	0
40	Reserve Study	5	2	3,588	0	3,677	0	0	0	0	4,160	0	0	0
41	Pool Renovations - 2009 Pool, Spa, Kitchen, Bathroom	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Painting - General - 2009	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Cost			\$2,733,333										
	Estimated Replacement Cost In Scheduled Year				\$0	\$4,712	\$47,344	\$84,217	\$218,519	\$238,731	\$27,182	\$572,553	\$63,633	\$193,346