

TABLE 1.

**BayWatch III Condominium Association**  
**Reserve Study - 2014**

|                   |              |
|-------------------|--------------|
| Calculated Fields | Current Year |
| Entry Fields      | 2014         |

| Item # | Item                                       | Useful Life | Rem. Useful Life Years | Current Average Cost | Future Average Cost | Inflation Rate | Replacement Year |
|--------|--|-------------|------------------------|----------------------|---------------------|----------------|------------------|
| 1      | Roof Shingles                              | 20 years    |                        |                      |                     |                |                  |
| 1a     | Building A (July 1996)                     | 20 years    | 2.0                    | \$23,000             | \$24,380            | 3.00%          | 2016             |
| 1b     | Building B (July 1997)                     | 20 years    | 3.0                    | \$23,000             | \$25,070            | 3.00%          | 2017             |
| 1c     | Building C (July 1999)                     | 20 years    | 5.0                    | \$23,000             | \$26,450            | 3.00%          | 2019             |
| 1d     | Building D (July 2000)                     | 20 years    | 6.0                    | \$23,000             | \$27,140            | 3.00%          | 2020             |
| 2      | Concrete Siding Replacement                | 35 years    |                        |                      |                     | 3.00%          |                  |
| 2a     | Building A                                 | 35 years    | 12.0                   | \$28,000             | \$38,080            | 3.00%          | 2026             |
| 2b     | Building B                                 | 35 years    | 13.0                   | \$28,000             | \$38,920            | 3.00%          | 2027             |
| 2c     | Building C                                 | 35 years    | 15.0                   | \$28,000             | \$40,600            | 3.00%          | 2029             |
| 2d     | Building D                                 | 35 years    | 16.0                   | \$28,000             | \$41,440            | 3.00%          | 2030             |
| 3      | Parking lot repaving                       | 25 years    |                        |                      |                     | 3.00%          |                  |
| 3A     | Lot A                                      | 25 years    | 7.0                    | \$12,500             | \$15,125            | 3.00%          | 2021             |
| 3B     | Lot A/B                                    | 25 years    | 7.0                    | \$12,500             | \$15,125            | 3.00%          | 2021             |
| 3C     | Lot B/C                                    | 25 years    | 8.0                    | \$12,500             | \$15,500            | 3.00%          | 2022             |
| 3D     | Lot C/D                                    | 25 years    | 10.0                   | \$17,000             | \$22,100            | 3.00%          | 2024             |
| 4      | Concrete Sidewalks<br>50% share with OC    | 40 years    | 22.0                   | \$25,000             | \$41,500            | 3.00%          | 2036             |
| 5      | Concrete walkways                          | 30 years    |                        |                      |                     | 3.00%          |                  |
| 5a     | Building A                                 | 30 years    | 12.0                   | \$6,000              | \$8,160             | 3.00%          | 2026             |
| 5b     | Building B                                 | 30 years    | 13.0                   | \$6,000              | \$8,340             | 3.00%          | 2027             |
| 5c     | Building C                                 | 30 years    | 15.0                   | \$6,000              | \$8,700             | 3.00%          | 2029             |
| 5d     | Building D                                 | 30 years    | 16.0                   | \$6,000              | \$8,880             | 3.00%          | 2030             |
| 6      | Fire sprinkler system update & replacement | 25 years    |                        |                      |                     | 3.00%          |                  |
| 6a     | Building A                                 | 25 years    | 7.0                    | \$10,000             | \$12,100            | 3.00%          | 2021             |
| 6b     | Building B                                 | 25 years    | 8.0                    | \$10,000             | \$12,400            | 3.00%          | 2022             |
| 6c     | Building C                                 | 25 years    | 10.0                   | \$10,000             | \$13,000            | 3.00%          | 2024             |
| 6d     | Building D                                 | 25 years    | 12.0                   | \$10,000             | \$13,600            | 3.00%          | 2026             |
| 7      | Mailboxes (Maintenance)                    | 15 years    |                        |                      |                     | 3.00%          |                  |
| 7a     | Building A                                 | 15 years    | 1.0                    | \$1,000              | \$1,030             | 3.00%          | 2015             |
| 7b     | Building B                                 | 15 years    | 2.0                    | \$1,000              | \$1,060             | 3.00%          | 2016             |
| 7c     | Building C                                 | 15 years    | 3.0                    | \$1,000              | \$1,090             | 3.00%          | 2017             |
| 7d     | Building D                                 | 15 years    | 4.0                    | \$1,000              | \$1,120             | 3.00%          | 2018             |
| 8      | Chimney Caps (Maintenance)                 | 10 years    |                        |                      |                     | 3.00%          |                  |
| 8a     | Building A                                 | 10 years    | 5.0                    | \$1,000              | \$1,150             | 3.00%          | 2019             |
| 8b     | Building B                                 | 10 years    | 6.0                    | \$1,000              | \$1,180             | 3.00%          | 2020             |
| 8c     | Building C                                 | 10 years    | 7.0                    | \$1,000              | \$1,210             | 3.00%          | 2021             |
| 8d     | Building D                                 | 10 years    | 8.0                    | \$1,000              | \$1,240             | 3.00%          | 2022             |
| 9      | Common area plumbing update                | 30 years    |                        |                      |                     | 3.00%          |                  |
| 9a     | Building A                                 | 30 years    | 12.0                   | \$7,500              | \$10,200            | 3.00%          | 2026             |
| 9b     | Building B                                 | 30 years    | 13.0                   | \$7,500              | \$10,425            | 3.00%          | 2027             |
| 9c     | Building C                                 | 30 years    | 15.0                   | \$7,500              | \$10,875            | 3.00%          | 2029             |
| 9d     | Building D                                 | 30 years    | 17.0                   | \$7,500              | \$11,325            | 3.00%          | 2031             |
| 10     | Common Area electrical update              | 30 years    |                        |                      |                     | 3.00%          |                  |
| 10a    | Building A                                 | 30 years    | 12.0                   | \$10,000             | \$13,600            | 3.00%          | 2026             |
| 10b    | Building B                                 | 30 years    | 13.0                   | \$10,000             | \$13,900            | 3.00%          | 2027             |
| 10c    | Building C                                 | 30 years    | 15.0                   | \$10,000             | \$14,500            | 3.00%          | 2029             |

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| 10d    | Building D                                  | 30 years    | 17.0                   | \$10,000             | \$15,100            | 3.00%          | 2031             |
| 11     | Parking lot lighting                        | 15 years    |                        |                      |                     | 3.00%          |                  |
| 48     | Lot A                                       | 15 years    | 1.0                    | \$5,000              | \$5,150             | 3.00%          | 2015             |
| 11a    | Lot A/B                                     | 15 years    | 1.0                    | \$5,000              | \$5,150             | 3.00%          | 2015             |
| 11b    | Lot B/C                                     | 15 years    | 2.0                    | \$5,000              | \$5,300             | 3.00%          | 2016             |
| 11c    | Lot C/D                                     | 15 years    | 3.0                    | \$5,000              | \$5,450             | 3.00%          | 2017             |
| 12     | Boardwalk Decking (2007)                    | 15 years    | 8.0                    | \$20,000             | \$24,800            | 3.00%          | 2022             |
| 13     | Boardwalk benches                           | 10 years    | 3.0                    | \$5,000              | \$5,450             | 3.00%          | 2017             |
| 14     | Bulkhead 772' (2006) (Out of 25 year Scope) | 50          | 42.0                   | \$450,000            | \$1,017,000         | 3.00%          | 2056             |
| 15     | Front Cedar Scallop Replacement             | 25          |                        |                      |                     | 3.00%          |                  |
| 15a    | Building A (1 Cedar)                        | 25 years    | 7.0                    | \$15,000             | \$18,150            | 3.00%          | 2021             |
| 15b    | Building B (2 Cedar)                        | 25 Years    | 8.0                    | \$20,000             | \$24,800            | 3.00%          | 2022             |
| 15c    | Building C (Vinyl)                          | 40 years    | 25.0                   | \$15,000             | \$26,250            | 3.00%          | 2039             |
| 15d    | Building D (Vinyl)                          | 40 years    | 27.0                   | \$15,000             | \$27,150            | 3.00%          | 2041             |