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Funding Reserve Analysis
for
Heritage Isle at Viera CDD

January 20, 2017



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for
Heritage Isle at Viera CDD

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Heritage Isle at Viera CDD
8529 South Park Cir, Suite 330
Orlando, FL 32819

Board of Directors,

We are pleased to present to Heritage Isle at Viera CDD 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

Heritage Isle at Viera CDD was established in March 2004 according to Brevard County Official Records. The district is derived from owners who reside in Heritage Isle Subdivision, in its various phases. Phases 1, 2, 3, 4, 5, 6, 7A, 7B, and 8 have been platted. The housing composition is a mix of single family homes, villas, duplexes, and condominium units. Currently, there are 1,545 platted lots and 62 unplatted lots in the district. The community is located in Melbourne, Brevard County, Florida.

Date of Physical Inspection

The subject property was physically inspected on September 19, 2016 by Paul Gallizzi and Steven Swartz.

Study Start and Study End

This Reserve Study encompasses the 2017-2018 fiscal year plus 30 years. The Study Start Date is October 1, 2017 and the study ends on September 30, 2048.

Governing Documents

A review was made of aerials and subdivision plats for the subject property.

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 taken of the site improvements.

Summary of Financial Assumptions

The below table contains a partial summary of information provided by Heritage Isle at Viera CDD for the Heritage Isle at Viera CDD funding study. For the purpose of this report, an annual operating budget was set to \$0, as this report focuses only on reserve items.

<i>Fiscal Calendar Year Begins</i>	<i>October 1</i>
<i>Reserve Study by Fiscal Calendar Year Starting</i>	<i>October 1, 2017</i>
<i>Funding Study Length</i>	<i>30 Years</i>
<i>Number of Assessment Paying Owners</i>	<i>1545</i>
<i>Reserve Balance as of October 1, 2017¹</i>	<i>\$ 307,680</i>
<i>Annual Inflation Rate</i>	<i>2.50%</i>
<i>Tax Rate on Reserve Interest</i>	<i>0.00%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$ 0</i>
<i>Assessment Change Period</i>	<i>1 Year</i>
<i>Annual Operating Budget</i>	<i>\$ 0</i>

¹ See "Financial Condition of District" in this report.

Recommended Payment Schedule

The below table contains the recommended schedule of payments for the next six years. The projected life expectancy of the major components and the funding needs of the reserves of the District are based upon the District performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components and can dramatically increase the funding needs of the reserves of the District.

Proposed Modified Assessment

Fiscal Calendar Year	Owner Total Annual Assessment	District Annual Reserve Assessment	Proposed Reserve Balance
2017	\$ 75	\$ 115,800	\$ 274,463
2018	\$ 77	\$ 118,695	\$ 318,369
2019	\$ 79	\$ 121,662	\$ 366,388
2020	\$ 81	\$ 124,704	\$ 415,986
2021	\$ 83	\$ 127,822	\$ 346,994
2022	\$ 85	\$ 131,017	\$ 379,625

* Annual Reserve Payments have been manually modified.

Payments have been modified to smooth payments over time.
Fiscal Year beginning October 1, 2017

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 District plans to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur throughout the year, as services are provided.

Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the District 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 District. 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 District. Also, some reserves items may have the phrase allowance after it. These reserve items are something that would not be fully replaced at one time, but a small portion may have to be replaced periodically.

Inflation Estimate

Inflation has been estimated at 2.50 percent over the course of the study.

Initial Reserves

Through August 31, 2016, there was \$307,680 set aside for reserves. The projected reserve balance on January 1, 2017 will be \$307,680. These numbers were obtained from the District on the official August 2016 balance sheet and the 2016-2017 budget. October 1, 2017 starts the next fiscal year. September 30, 2018 marks the end of the fiscal year.

Financial Condition of District

The pooled method reserve projections estimate \$74.95 per owner per year in fiscal year 2017-2018 and \$115,800 in total funding.

At the current time, the District is considered to be 92 percent funded. This represents a well-funded status. The higher the percent funded, the more likely a District is to avoid a special assessment.

The following are general measures to the health of a District based on the percent funding model:

0-30% funded:	poorly funded
30-70% funded:	fairly funded
70-100% funded:	well funded
100+% funded:	very well funded

Special Assessments

No reserve items will require special assessments if the funding schedule is followed. However, funding less than the suggested amounts will likely result in special assessments or for the replacement of an item to be delayed.

Reserve Funding Goal

The reserve fund is set to be as close to Fully Funded as possible on an annual basis.

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. This approach is pragmatic, and allows human judgment 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.

Summary of Findings

We have estimated future projected expenses for Heritage Isle at Viera CDD based upon preservation of existing improvements. The attached funding study is limited in scope to those expense items listed in the attached "Heritage Isle at Viera CDD Reserve Study Expense Items". Expense items which have an expected life of more than 30 Years are not included in this reserve study unless payment for these long lived items overlaps the 30 Years reserve study envelope.

Of primary concern is the preservation of a positive funding balance with funds sufficient to meet projected expenses throughout the study life. Based upon the attached funding study, it is our professional opinion that owner monthly fees as shown in the attached "Heritage Isle at Viera CDD Assessment Summary" will realize this goal. Some reserve items in the "Revenue Summary Table" may not contain payments. In this analysis the initial reserves were used to make annual payments for expense items in their order of occurrence until the initial reserve was consumed. As a result reserve items without payments may be expected, particularly in the first few years of the funding study. Reserve items that have been paid with initial reserve funds are identified with a [FP] in the Expense Items Sheets. An item marked [PR] is partially paid with initial reserve funds. Heritage Isle at Viera CDD represents and warrants that the information provided to us, including but not limited to that information contained in the attached Reserve Study Information Summary, that the maintenance records are complete and accurate, and that we may rely upon such information and documents without further verification or corroboration. Where the age of a particular Reserve Item (as listed in the Reserve Study) is unknown, Heritage Isle at Viera CDD shall provide to us Heritage Isle at Viera CDD's best-estimated age of that item. If Heritage Isle at Viera CDD is unable to provide and estimate of a Reserve Item's age, we shall make our own estimate of age of the Reserve Item. The Reserve Study is created for the District's use, and is a reflection of information provided to us.

This information is not for the purpose of performing an audit, historical records, quality or forensic analyses. Any on site inspection is not considered to be a project audit or quality inspection. The actual or projected total presented in the reserve study is based upon information provided and was not audited.

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 a District. The assumption is, the higher the percentage, the greater the "Financial Health". We believe the basic premise of "Fully Funded" is sound, but we also believe that the validity of the Fully Funded value must be used with caution.

To answer the question, some understanding of Percent Funded is required. Fully Funded is the sum of the depreciation of all the components by year. To get the Percent Funded, divide the year end reserve balance by the Fully Funded value and multiply by 100 to get a percentage. The concept of Fully 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

We believe 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 every few years
- At changes in the number of assessment paying owners
- 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

Items Beyond the Scope of this Report

- Building or land appraisals for any purpose.
- State or local zoning ordinance violations.
- Building code violations.
- Soils conditions, soils contamination or geological stability of site.
- Engineering analysis or structural stability of site.
- Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, radon, water quality or other environmental hazards.
- Invasions by pests, termites and any or all other destroying organisms, insects, birds, bats or animals to buildings or site. This study is not a pest inspection.
- Adequacy or efficiency of any system or component on site.
- Specifically excluded reserve items.
- Septic systems and septic tanks.
- Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items.
- Items concealed by signs, carpets or other things are also excluded from this study.
- Missing or omitted information supplied by the Heritage Isle at Viera CDD for the purposes of reserve study preparation.
- Hidden improvements such as sewer lines, water lines, irrigation lines or other buried or concealed items.

Stormwater Drainage Notes

Heritage Isle at Viera CDD has a large land area comprising 1,360 platted lots and 247 unplatted lots. The drainage for the community is comprised of inlets, drainage pipes, and retention ponds.

The ponds have been constructed to engineering standards that include proper slopes and shore line stabilization which includes erosion protection and approved backfill materials such as soils with a

high clay content covered within 2 inches of sand.

The entire residential area including all roads and open areas have a complete drainage system. Overall, there are 211 curb inlets, 36 yard grate inlets, 44 junction boxes, 12 flared end sections, 31 mitered end sections, 12 yard drains, and 10 concrete collars. Additionally, there is 27,040 feet of reinforced concrete piping ranging in size from an 18 inch diameter to a 48 inch diameter. There is also 2,804 feet of 12 inch HDPE piping ranging in size from an 12 inch diameter to a 36 inch diameter.

Stonegate Storm Water Pipes

Concrete:

Diameter	Length	Cost/LF	Amount
18"	6628'	60.00	\$397,680
24"	9857'	84.00	\$827,988
30"	4478'	108.00	\$483,624
36"	3865'	132.00	\$510,180
42"	1532'	156.00	\$238,992
48"	680'	180.00	\$122,400

HDPE:

Diameter	Length	Cost/LF	Amount
12"	523'	36.00	\$ 67,616
18"	6628'	45.00	\$ 4,725
24"	9857'	63.00	\$ 22,941
30"	4478'	81.00	\$ 17,901
36"	3865'	99.00	\$ 23,760

Other Drainage:

Curb Inlets	211 @ 3500 =	\$738,500
Yard Grate Inlets	36 @ 3000 =	\$108,000
Junction Boxes	44 @ 4000 =	\$176,000
Yard Drains	12 @ 800 =	\$9,600
Mitered End Sections	31 @ 1800 =	\$55,800
Flared End Sections	12 @ 1700 =	\$20,400
Concrete Collars	10 @ 2000 =	\$20,000

Grand Total		\$3,845,757
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In general, the drainage system including drainage structures and drainage pipes have a long lifespan. These improvements, however, may encounter problems from natural causes such as settlement or tree roots and man made causes such as excavations or poor original design or poor construction. It has therefore been deemed necessary to set up a reserve for repair and replacement of the District-owned drainage improvements.

For the purpose of this reserve study, it is our opinion that 2.5 percent of the original system cost should be set aside for reserves over a 5 year period, which would result in a reserve over that time of \$96,100. These reserves can also be used for deferred maintenance of the storm drainage system, as some minor problems may occur at various times. The amounts shown in this reserve study should be analyzed and adjusted in future reserve studies based upon actual District expenditures for such items.

Landscaping, Parks, and Bridges Notes

Heritage Isle is a 475 acre master planned community with numerous amenities. Most of the amenities are owned and maintained by the heritage Isle Club LLC. These amenities include a 21,000 SF clubhouse with a large ballroom, a fitness center, a billiards room, a card room, a library, a craft room and a bistro. Other "Club" amenities include a resort style pool and jacuzzi spa along with tennis, bocce and shuffleboard courts. The "Club" amenities are not included in this reserve study.

Integrated throughout the community are interconnected walking trails. The trails pass through five neighborhood parks and around two ponds. The trails also includes five pedestrian bridges that span five small lakes. The trails total approximately 5 miles in length. The trails, the 5 parks, the 2 pond areas and the 5 pedestrian bridges are owned and maintained by the Heritage Isle CDD, and are included in this reserve study.

The CDD is also responsible for the landscaping along Legacy Boulevard. Legacy Boulevard, the main road in Heritage Isle, is a 6676 foot long and 100 foot wide road right of way. In addition to the right of way, there is a 40 foot wide landscaped buffer easement on each side of Legacy Boulevard. The CDD is responsible for maintaining the landscaping along Legacy Boulevard as well as the landscaping in the previously mentioned parks and pond areas.

The 5 parks include a total green area of 343,600 SF and 49,400 SF of concrete walkways (trails). The 2 walking trail pond areas include 148,700 SF of green area and 26,300 SF of concrete paved walkways.

The landscaped area along Legacy Boulevard is approximately 934,640 SF. The total landscaped area, including parks and walking trail pond areas, is 1,426,940 SF. Overall, the landscaped areas are approximately 80% sod and 20% a combination of shrubs, trees and small plants. Sod has an expected life of about 15 years and shrubs and plants have an expected life of about 10 years. The estimated sod cost is \$456,621 over 10 years and the estimated shrubs and plants cost over 15 years is \$713,740. It is our opinion that the best way to fund landscaping is on a continuous yearly basis. The

blended cost for one year amounts to \$101,800. Since the District already funds \$30,000 annually for landscaping replacement in their operating account, the remaining landscaping reserves to fund on a yearly basis is \$72,800.

The concrete walking trails outside of the parks and pond areas is 160,200 SF for a total concrete walking trail area of 186,500 SF. The walking trails include 5 pedestrian bridges. The bridges are very similar to each other and are all approximately 82 feet long and 8 feet wide. Each bridge includes four 25 foot wing wall wooden fences. Overall, the pedestrian bridges are in average condition.

Sidewalk Notes

Most of the sidewalk has an indefinite life. However, certain small sections may need maintenance or to be replaced due to problems such as tree roots uprooting the sidewalk. It is our estimate that 5 percent of the cost new of the sidewalk be set aside over a 5-year period to reserve for these repairs. There is approximately 186,500 SF of sidewalk on the District grounds. The estimated replacement cost new is approximately \$932,500, which would result in a sidewalk repair reserve of \$46,600 over a 5-year period. However, the District is currently funding \$25,000 per year in its operating budget for repairs, so no reserve funding is needed as long as the District continues to fund at least \$9,300 per year in its operating account.

Statement of Qualifications

Paul Gallizzi and Steven Swartz are professionals in the business of preparing reserve studies and insurance appraisals for community associations. We have provided detailed analysis of over 250,000 apartment, villa, townhome, and condominium units. We have prepared insurance appraisals and reserve studies for all types of community associations including high rise condominiums, mid-rise condominiums, garden-style condominiums, townhouse developments, single family homeowners associations, etc. We both hold engineering degrees from fully accredited universities. Paul Gallizzi is a State Certified General Real Estate Appraiser License Number RZ 110 and a State Certified General Contractor License Number CGC 019465. Steven Swartz is a designated Reserve Specialist, RS No.214, from the Community Associations Institute as well as a State Certified General Real Estate Appraiser License Number RZ 3479.

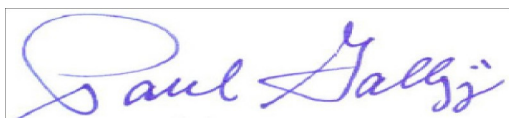
Conflict of Interest

As the preparers of this reserve study, we certify 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.

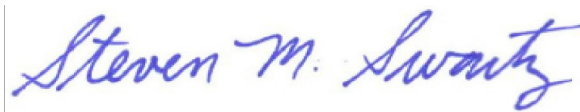
We would like to thank Heritage Isle at Viera CDD for the opportunity to be of service in the preparation of the attached Funding Study. Again, please feel free to write or call at our letterhead address, if you have any questions.

Prepared by Florida Reserve Study and Appraisal
Heritage Isle at Viera CDD Funding Study Summary - Continued

Prepared by:



Paul Gallizzi



Steven M. Swartz, RS

Enclosures:

4 Pages of Photographs Attached

Prepared by Florida Reserve Study and Appraisal
Heritage Isle at Viera CDD Funding Study Summary - Continued



Pier Deck Boards



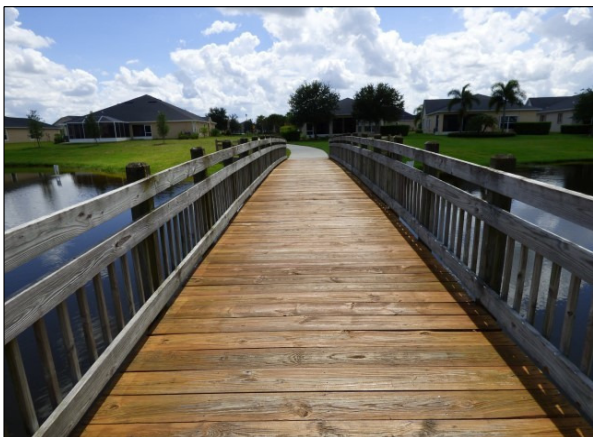
Pier Deck Boards



Pier Frame



Pier Roofing, Note Poor Condition



Typical Pedestrian Bridge



Typical Pedestrian Bridge

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Heritage Isle at Viera CDD Funding Study Summary - Continued



Typical Pedestrian Bridge Frame



Typical Pedestrian Bridge Frame



Typical Pedestrian Bridge Wing Wall



Park Trellis



Typical Park Bench



Park Bench, Note Missing Piece

Prepared by Florida Reserve Study and Appraisal
Heritage Isle at Viera CDD Funding Study Summary - Continued



Typical Sidewalk



Typical Sidewalk



Sod



Shrubs and Trees



Shrubs and Trees



Pond Fountains

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Heritage Isle at Viera CDD Funding Study Summary - Continued



Typical Pond



Typical Pond



Stormwater Drainage Curb Inlet



Stormwater Drainage Yard Drain



Stormwater Drainage Yard Grate Inlet

Heritage Isle at Viera CDD Reserve Study Expense Item Summary

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Repeating Item?
Grounds					
Pier Deck Boards and Railings	\$ 19,800	11 Years	20 Years	\$ 26,719	Yes
Pier Frame and Pilings	\$ 8,910	31 Years	40 Years	\$ 19,813	Yes
Pier Repair Allowance	\$ 2,475	1 Years	9 Year	\$ 2,602	Yes
Pier Asphalt Shingle Roofing	\$ 1,862	0 Years	15 Years	\$ 1,909	Yes
Pedestrian Bridges Deck Boards and Railings	\$ 98,400	7 Years	20 Years	\$ 120,161	Yes
Pedestrian Bridges Frame and Pilings	\$ 59,040	27 Years	40 Years	\$ 118,805	Yes
Pedestrian Bridges Repair Allowance	\$ 16,400	5 Years	9 Years	\$ 19,051	Yes
Pedestrian Bridges Wing Walls	\$ 12,500	7 Years	20 Years	\$ 15,264	Yes
Park Trellises Vinyl	\$ 22,680	7 Years	20 Years	\$ 27,696	Yes
(1) Park Benches Vinyl	\$ 15,000	7 Years	20 Years	\$ 18,317	Yes
Landscaping Replacement Yearly	\$ 71,800	0 Year	1 Years	\$ 73,616	Yes
Ponds					
Pond Fountains and Controls	\$ 10,000	4 Years	8 Years	\$ 11,330	Yes
Pond Banks Erosion Control Phase 1	\$ 75,200	13 Years	20 Years	\$ 106,675	Yes
Pond Banks Erosion Control Phase 2	\$ 75,200	0 Years	20 Years	\$ 77,102	Yes
Stormwater Drainage					
Stormwater Drainage Repair Allowance	\$ 96,100	4 Years	5 Years	\$ 108,881	Yes

Months Remaining in Fiscal Calendar Year 2017: 12

Expected annual inflation: 2.50%

Interest earned on reserve funds: 1.00%

Initial Reserve: \$ 307,680

Reserve Item Comments

(1) Overall, the park benches are in average condition. However, there was one bench with a broken piece.

Heritage Isle at Viera CDD Reserve Study Expense Item Listing

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Fiscal Calendar Year	Estimated Future Cost
Grounds							
Pier Deck Boards and Railings	\$ 40.00 / sf	495 sf	\$ 19,800	11 Years 20 Years	20 Years	2028 2048	\$ 26,719 \$ 44,029
Pier Frame and Pilings	\$ 18.00 / sf	495 sf	\$ 8,910	31 Years	40 Years	2048	\$ 19,813
Pier Repair Allowance	\$ 5.00 / sf	495 sf	\$ 2,475	1 Year 9 Year	9 Years	2018 2027 2036 2045 2054	\$ 2,602 \$ 3,257 \$ 4,078 \$ 5,106 \$ 6,393
Pier Asphalt Shingle Roofing	\$ 3.50 / sf	532 sf	\$ 1,862	0 Years 15 Years	15 Years	2017 2032 2047	\$ 1,909 \$ 2,777 \$ 4,038
Pedestrian Bridges Deck Boards and Railings	\$ 30.00 / sf	3280 sf	\$ 98,400	7 Years 20 Years	20 Years	2024 2044 2064	\$ 120,161 \$ 198,009 \$ 326,292
Pedestrian Bridges Frame and Pilings	\$ 18.00 / sf	3280 sf	\$ 59,040	27 Years 40 Years	40 Years	2044 2084	\$ 118,805 \$ 322,611
Pedestrian Bridges Repair Allowance	\$ 5.00 / sf	3280 sf	\$ 16,400	5 Years 9 Years	9 Years	2022 2031 2040 2049	\$ 19,051 \$ 23,853 \$ 29,864 \$ 37,391
Pedestrian Bridges Wing Walls	\$ 25.00 / lf	500 lf	\$ 12,500	7 Years 20 Years	20 Years	2024 2044 2064	\$ 15,264 \$ 25,154 \$ 41,450
Park Trellises Vinyl	\$ 35.00 / sf	648 sf	\$ 22,680	7 Years 20 Years	20 Years	2024 2044 2064	\$ 27,696 \$ 45,639 \$ 75,206
Park Benches Vinyl	\$ 500 ea	30	\$ 15,000	7 Years 20 Years	20 Years	2024 2044	\$ 18,317 \$ 30,184

Heritage Isle at Viera CDD Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Fiscal Calendar Year	Estimated Future Cost
Park Benches	\$ 500 ea	30	\$ 15,000	20 Years	20 Years	2064	\$ 49,740
Landscaping Replacement Yearly	\$ 71,800 / total	1 total	\$ 71,800	0 Years	1 Year	2017	\$ 73,616
				2018		\$ 75,477	
				2019		\$ 77,386	
				2020		\$ 79,343	
				2021		\$ 81,349	
				2022		\$ 83,407	
				2023		\$ 85,516	
				2024		\$ 87,678	
				2025		\$ 89,896	
				2026		\$ 92,169	
				2027		\$ 94,500	
				2028		\$ 96,890	
				2029		\$ 99,340	
				2030		\$ 101,852	
				2031		\$ 104,428	
				2032		\$ 107,068	
				2033		\$ 109,776	
				2034		\$ 112,552	
				2035		\$ 115,398	
				2036		\$ 118,317	
				2037		\$ 121,309	
				2038		\$ 124,376	
				2039		\$ 127,522	
				2040		\$ 130,747	
				2041		\$ 134,053	
				2042		\$ 137,443	
				2043		\$ 140,919	
				2044		\$ 144,482	
				2045		\$ 148,136	

Heritage Isle at Viera CDD Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Fiscal Calendar Year	Estimated Future Cost
Landscaping Replacement	\$ 71,800 / total	1 total	\$ 71,800	1 Years	1 Year	2046 2047	\$ 151,882 \$ 155,723
Ponds							
Pond Fountains and Controls	\$ 5,000 ea	2	\$ 10,000	4 Years 8 Years	8 Years	2021 2029 2037 2045 2053	\$ 11,330 \$ 13,836 \$ 16,895 \$ 20,632 \$ 25,194
Pond Banks Erosion Control Phase 1	\$ 75,200 / total	1 total	\$ 75,200	13 Years 20 Years	20 Years	2030 2050	\$ 106,675 \$ 175,786
Pond Banks Erosion Control Phase 2	\$ 75,200 / total	1 total	\$ 75,200	0 Years 20 Years	20 Years	2017 2037 2057	\$ 77,102 \$ 127,053 \$ 209,366
Stormwater Drainage							
Stormwater Drainage Repair Allowance	\$ 96,100 / total	1 total	\$ 96,100	4 Years 5 Years	5 Years	2021 2026 2031 2036 2041 2046	\$ 108,881 \$ 123,363 \$ 139,770 \$ 158,360 \$ 179,422 \$ 203,285

Months Remaining in Fiscal Calendar Year 2017: 12

Expected annual inflation: 2.50% Interest earned on reserve funds: 1.00% Initial Reserve: \$ 307,680

Present Costs

Category	Item Name	No Units	Unit Cost	Present Cost
Grounds	Pier Deck Boards and Railings	495 sf	\$ 40.00 / sf	\$ 19,800.00
	Pier Frame and Pilings	495 sf	\$ 18.00 / sf	\$ 8,910.00
	Pier Repair Allowance	495 sf	\$ 5.00 / sf	\$ 2,475.00
	Pier Asphalt Shingle Roofing	532 sf	\$ 3.50 / sf	\$ 1,862.00
	Pedestrian Bridges Deck Boards and Railings	3280 sf	\$ 30.00 / sf	\$ 98,400.00
	Pedestrian Bridges Frame and Pilings	3280 sf	\$ 18.00 / sf	\$ 59,040.00
	Pedestrian Bridges Repair Allowance	3280 sf	\$ 5.00 / sf	\$ 16,400.00
	Pedestrian Bridges Wing Walls	500 lf	\$ 25.00 / lf	\$ 12,500.00
	Park Trellises Vinyl	648 sf	\$ 35.00 / sf	\$ 22,680.00
	Park Benches Vinyl	30	\$ 500.00 ea	\$ 15,000.00
	Landscaping Replacement Yearly	1 total	\$ 71,800.00 / total	\$ 71,800.00
Grounds Sub Total =				\$ 328,867.00
Ponds	Pond Fountains and Controls	2	\$ 5,000.00 ea	\$ 10,000.00
	Pond Banks Erosion Control Phase 1	1 total	\$ 75,200.00 / total	\$ 75,200.00
	Pond Banks Erosion Control Phase 2	1 total	\$ 75,200.00 / total	\$ 75,200.00
Ponds Sub Total =				\$ 160,400.00
Stormwater Drainage	Stormwater Drainage Repair Allowance	1 total	\$ 96,100.00 / total	\$ 96,100.00
Totals =				\$ 585,367.00

Heritage Isle at Viera CDD Funding Study Modified Cash Flow Analysis

Fiscal Calendar Year	Annual Assessment	Annual Interest	Annual Expenses	Net Reserve Funds
2017	\$ 115,800	\$ 3,609	\$ 152,626	\$ 274,463
2018	\$ 118,695	\$ 3,290	\$ 78,079	\$ 318,369
2019	\$ 121,662	\$ 3,743	\$ 77,386	\$ 366,388
2020	\$ 124,704	\$ 4,237	\$ 79,343	\$ 415,986
2021	\$ 127,822	\$ 4,747	\$ 201,561	\$ 346,994
2022	\$ 131,017	\$ 4,072	\$ 102,458	\$ 379,625
2023	\$ 134,292	\$ 4,413	\$ 85,516	\$ 432,815
2024	\$ 137,650	\$ 4,961	\$ 269,117	\$ 306,309
2025	\$ 141,091	\$ 3,712	\$ 89,896	\$ 361,216
2026	\$ 144,618	\$ 4,277	\$ 215,532	\$ 294,579
2027	\$ 148,234	\$ 3,627	\$ 97,757	\$ 348,683
2028	\$ 151,940	\$ 4,185	\$ 123,608	\$ 381,199
2029	\$ 155,738	\$ 4,528	\$ 113,175	\$ 428,290
2030	\$ 159,632	\$ 5,017	\$ 208,527	\$ 384,411
2031	\$ 163,622	\$ 4,596	\$ 268,050	\$ 284,579
2032	\$ 167,713	\$ 3,617	\$ 109,845	\$ 346,063
2033	\$ 171,906	\$ 4,251	\$ 109,776	\$ 412,444
2034	\$ 176,203	\$ 4,934	\$ 112,552	\$ 481,029
2035	\$ 180,608	\$ 5,640	\$ 115,398	\$ 551,880
2036	\$ 185,124	\$ 6,370	\$ 280,755	\$ 462,618
2037	\$ 189,752	\$ 5,498	\$ 265,257	\$ 392,611
2038	\$ 194,496	\$ 4,820	\$ 124,376	\$ 467,550
2039	\$ 199,358	\$ 5,592	\$ 127,522	\$ 544,979
2040	\$ 204,342	\$ 6,389	\$ 160,611	\$ 595,099
2041	\$ 209,450	\$ 6,914	\$ 313,475	\$ 497,988
2042	\$ 214,687	\$ 5,967	\$ 137,443	\$ 581,199
2043	\$ 220,054	\$ 6,823	\$ 140,919	\$ 667,157
2044	\$ 225,555	\$ 7,708	\$ 562,273	\$ 338,148
2045	\$ 231,194	\$ 4,444	\$ 173,874	\$ 399,912
2046	\$ 236,974	\$ 5,088	\$ 355,167	\$ 286,807
2047	\$ 242,898	\$ 3,984	\$ 159,761	\$ 373,928
Totals :	\$ 5,326,831	\$ 151,053	\$ 5,411,636	

¹ Cash Reserves minus Fully Funded Value

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 \$ 0

Cash Flow has been modified with the forced Fixed Payments.

Months Remaining in Fiscal Calendar Year 2017: 12 Inflation = 2.50 % Interest = 1.00 %

Study Life = 30 years Initial Reserve Funds = \$ 307,680.00 Final Reserve Value = \$ 373,928.48

Heritage Isle at Viera CDD Modified Reserve Assessment Summary
Projected Assessment by Month and by Fiscal Calendar Year

Fiscal Calendar Year	Owner Annual Assessment	Annual Reserve Assessment
2017	\$ 74.95	\$ 115,800
2018	\$ 76.83	\$ 118,695
2019	\$ 78.75	\$ 121,662
2020	\$ 80.71	\$ 124,704
2021	\$ 82.73	\$ 127,822
2022	\$ 84.80	\$ 131,017
2023	\$ 86.92	\$ 134,292
2024	\$ 89.09	\$ 137,650
2025	\$ 91.32	\$ 141,091
2026	\$ 93.60	\$ 144,618
2027	\$ 95.94	\$ 148,234
2028	\$ 98.34	\$ 151,940
2029	\$ 100.80	\$ 155,738
2030	\$ 103.32	\$ 159,632
2031	\$ 105.90	\$ 163,622
2032	\$ 108.55	\$ 167,713
2033	\$ 111.27	\$ 171,906
2034	\$ 114.05	\$ 176,203
2035	\$ 116.90	\$ 180,608
2036	\$ 119.82	\$ 185,124
2037	\$ 122.82	\$ 189,752
2038	\$ 125.89	\$ 194,496
2039	\$ 129.03	\$ 199,358
2040	\$ 132.26	\$ 204,342
2041	\$ 135.57	\$ 209,450
2042	\$ 138.96	\$ 214,687
2043	\$ 142.43	\$ 220,054
2044	\$ 145.99	\$ 225,555
2045	\$ 149.64	\$ 231,194
2046	\$ 153.38	\$ 236,974
2047	\$ 157.22	\$ 242,898

Assessment Summary has been modified with forced Fixed Payments.

In the context of the Reserve Payment Summary, the "Annual Reserve Payment" corresponds with the "Annual Revenue" in the Cash Flow report.

Operations Payments Include an annual inflation factor of 2.50%

Number of Payment Months in Fiscal Calendar Year 2017: 12

Number of Years of Constant Payments: 1

Heritage Isle at Viera CDD Funding Study Assessment Summary by Fiscal Calendar Year - Continued

No of Assessed Owners: 1545

Heritage Isle at Viera CDD Funding Study - Expenses by Item and by Fiscal Calendar Year

<i>Item Description</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>	<i>FY 2030</i>	<i>FY 2031</i>	<i>FY 2032</i>	<i>FY 2033</i>	<i>FY 2034</i>	<i>FY 2035</i>	<i>FY 2036</i>
Reserve Category : Grounds																				
<i>Pier Deck Boards and Railings</i>												\$ 26,719								
<i>Pier Frame and Pilings</i>																				
<i>Pier Repair Allowance</i>		\$ 2,602									\$ 3,257									\$ 4,078
<i>Pier Asphalt Shingle Roofing</i>	\$ 1,909															\$ 2,777				
<i>Pedestrian Bridges Deck Boards and Railings</i>								\$ 120,161												
<i>Pedestrian Bridges Frame and Pilings</i>																				
<i>Pedestrian Bridges Repair Allowance</i>						\$ 19,051									\$ 23,853					
<i>Pedestrian Bridges Wing Walls</i>								\$ 15,264												
<i>Park Trellises Vinyl</i>								\$ 27,696												
<i>Park Benches Vinyl</i>								\$ 18,317												
<i>Landscaping Replacement Yearly</i>	\$ 73,616	\$ 75,477	\$ 77,386	\$ 79,343	\$ 81,349	\$ 83,407	\$ 85,516	\$ 87,678	\$ 89,896	\$ 92,169	\$ 94,500	\$ 96,890	\$ 99,340	\$ 101,852	\$ 104,428	\$ 107,068	\$ 109,776	\$ 112,552	\$ 115,398	\$ 118,317
Category Subtotal :	\$ 75,525	\$ 78,079	\$ 77,386	\$ 79,343	\$ 81,349	\$ 102,458	\$ 85,516	\$ 269,116	\$ 89,896	\$ 92,169	\$ 97,757	\$ 123,609	\$ 99,340	\$ 101,852	\$ 128,281	\$ 109,845	\$ 109,776	\$ 112,552	\$ 115,398	\$ 122,395
Reserve Category : Ponds																				
<i>Pond Fountains and Controls</i>					\$ 11,330								\$ 13,836							
<i>Pond Banks Erosion Control Phase 1</i>														\$ 106,675						
<i>Pond Banks Erosion Control Phase 2</i>	\$ 77,102																			
Category Subtotal :	\$ 77,102				\$ 11,330								\$ 13,836	\$ 106,675						
Reserve Category : Stormwater Drainage																				
<i>Stormwater Drainage Repair Allowance</i>					\$ 108,881					\$ 123,363					\$ 139,770					\$ 158,360
Expense Totals :	\$ 152,626	\$ 78,079	\$ 77,386	\$ 79,343	\$ 201,561	\$ 102,458	\$ 85,516	\$ 269,117	\$ 89,896	\$ 215,532	\$ 97,757	\$ 123,608	\$ 113,175	\$ 208,527	\$ 268,050	\$ 109,845	\$ 109,776	\$ 112,552	\$ 115,398	\$ 280,755

Heritage Isle at Viera CDD Funding Study Expenses by Fiscal Calendar Year - Continued

<i>Item Description</i>	<i>FY 2037</i>	<i>FY 2038</i>	<i>FY 2039</i>	<i>FY 2040</i>	<i>FY 2041</i>	<i>FY 2042</i>	<i>FY 2043</i>	<i>FY 2044</i>	<i>FY 2045</i>	<i>FY 2046</i>	<i>FY 2047</i>
Reserve Category : Grounds											
<i>Pier Deck Boards and Railings</i>											
<i>Pier Frame and Pilings</i>											
<i>Pier Repair Allowance</i>									\$ 5,106		
<i>Pier Asphalt Shingle Roofing</i>											\$ 4,038
<i>Pedestrian Bridges Deck Boards and Railings</i>								\$ 198,009			
<i>Pedestrian Bridges Frame and Pilings</i>								\$ 118,805			
<i>Pedestrian Bridges Repair Allowance</i>				\$ 29,864							
<i>Pedestrian Bridges Wing Walls</i>								\$ 25,154			
<i>Park Trellises Vinyl</i>								\$ 45,639			
<i>Park Benches Vinyl</i>								\$ 30,184			
<i>Landscaping Replacement Yearly</i>	\$ 121,309	\$ 124,376	\$ 127,522	\$ 130,747	\$ 134,053	\$ 137,443	\$ 140,919	\$ 144,482	\$ 148,136	\$ 151,882	\$ 155,723
Category Subtotal :	\$ 121,309	\$ 124,376	\$ 127,522	\$ 160,611	\$ 134,053	\$ 137,443	\$ 140,919	\$ 562,273	\$ 153,242	\$ 151,882	\$ 159,761
Reserve Category : Ponds											
<i>Pond Fountains and Controls</i>	\$ 16,895								\$ 20,632		
<i>Pond Banks Erosion Control Phase 1</i>											
<i>Pond Banks Erosion Control Phase 2</i>	\$ 127,053										
Category Subtotal :	\$ 143,948								\$ 20,632		
Reserve Category : Stormwater Drainage											
<i>Stormwater Drainage Repair Allowance</i>					\$ 179,422					\$ 203,285	
Expense Totals :	\$ 265,257	\$ 124,376	\$ 127,522	\$ 160,611	\$ 313,475	\$ 137,443	\$ 140,919	\$ 562,273	\$ 173,874	\$ 355,167	\$ 159,761

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January 20, 2017

Expense Summary by Year

Year	Category	Item Name	Expense
FY 2017	Grounds	Pier Asphalt Shingle Roofing	\$ 1,909
		Landscaping Replacement Yearly	\$ 73,616
	Grounds Subtotal = \$ 75,525.00		
	Ponds	Pond Banks Erosion Control Phase 2	\$ 77,102
Annual Expense Total = \$ 152,627			
FY 2018	Grounds	Pier Repair Allowance	\$ 2,602
		Landscaping Replacement Yearly	\$ 75,477
	Grounds Subtotal = \$ 78,079.00		
FY 2018 Annual Expense Total = \$ 78,079			
FY 2019	Grounds	Landscaping Replacement Yearly	\$ 77,386
Annual Expense Total = \$ 77,386			
FY 2020	Grounds	Landscaping Replacement Yearly	\$ 79,343
Annual Expense Total = \$ 79,343			
FY 2021	Grounds	Landscaping Replacement Yearly	\$ 81,349
	Ponds	Pond Fountains and Controls	\$ 11,330
	Stormwater Drainage	Stormwater Drainage Repair Allowance	\$ 108,881
FY 2021 Annual Expense Total = \$ 201,560			
FY 2022	Grounds	Pedestrian Bridges Repair Allowance	\$ 19,051
		Landscaping Replacement Yearly	\$ 83,407
	Grounds Subtotal = \$ 102,458.00		
FY 2022 Annual Expense Total = \$ 102,458			
FY 2023	Grounds	Landscaping Replacement Yearly	\$ 85,516
Annual Expense Total = \$ 85,516			
FY 2024	Grounds	Pedestrian Bridges Deck Boards and Railings	\$ 120,161
		Pedestrian Bridges Wing Walls	\$ 15,264

Year	Category	Item Name	Expense
FY 2024	Grounds	Park Trellises Vinyl	\$ 27,696
		Park Benches Vinyl	\$ 18,317
		Landscaping Replacement Yearly	\$ 87,678
	Grounds Subtotal = \$ 269,116.00		
FY 2024 Annual Expense Total = \$ 269,116			
FY 2025	Grounds	Landscaping Replacement Yearly	\$ 89,896
Annual Expense Total = \$ 89,896			
FY 2026	Grounds	Landscaping Replacement Yearly	\$ 92,169
	Stormwater Drainage	Stormwater Drainage Repair Allowance	\$ 123,363
FY 2026 Annual Expense Total = \$ 215,532			
FY 2027	Grounds	Pier Repair Allowance	\$ 3,257
		Landscaping Replacement Yearly	\$ 94,500
	Grounds Subtotal = \$ 97,757.00		
FY 2027 Annual Expense Total = \$ 97,757			
FY 2028	Grounds	Pier Deck Boards and Railings	\$ 26,719
		Landscaping Replacement Yearly	\$ 96,890
	Grounds Subtotal = \$ 123,609.00		
FY 2028 Annual Expense Total = \$ 123,609			
FY 2029	Grounds	Landscaping Replacement Yearly	\$ 99,340
	Ponds	Pond Fountains and Controls	\$ 13,836
FY 2029 Annual Expense Total = \$ 113,176			
FY 2030	Grounds	Landscaping Replacement Yearly	\$ 101,852
	Ponds	Pond Banks Erosion Control Phase 1	\$ 106,675
FY 2030 Annual Expense Total = \$ 208,527			
FY 2031	Grounds	Pedestrian Bridges Repair Allowance	\$ 23,853
		Landscaping Replacement Yearly	\$ 104,428
	Grounds Subtotal = \$ 128,281.00		
	Stormwater Drainage	Stormwater Drainage Repair Allowance	\$ 139,770
Annual Expense Total = \$ 268,051			
FY 2032	Grounds	Pier Asphalt Shingle Roofing	\$ 2,777
		Landscaping Replacement Yearly	\$ 107,068
	Grounds Subtotal = \$ 109,845.00		

Year	Category	Item Name	Expense
FY 2032 Annual Expense Total = \$ 109,845			
FY 2033	Grounds	Landscaping Replacement Yearly	\$ 109,776
Annual Expense Total = \$ 109,776			
FY 2034	Grounds	Landscaping Replacement Yearly	\$ 112,552
Annual Expense Total = \$ 112,552			
FY 2035	Grounds	Landscaping Replacement Yearly	\$ 115,398
Annual Expense Total = \$ 115,398			
FY 2036	Grounds	Pier Repair Allowance	\$ 4,078
		Landscaping Replacement Yearly	\$ 118,317
	Grounds Subtotal = \$ 122,395.00		
	Stormwater Drainage	Stormwater Drainage Repair Allowance	\$ 158,360
Annual Expense Total = \$ 280,755			
FY 2037	Grounds	Landscaping Replacement Yearly	\$ 121,309
	Ponds	Pond Fountains and Controls	\$ 16,895
		Pond Banks Erosion Control Phase 2	\$ 127,053
	Ponds Subtotal = \$ 143,948.00		
FY 2037 Annual Expense Total = \$ 265,257			
FY 2038	Grounds	Landscaping Replacement Yearly	\$ 124,376
Annual Expense Total = \$ 124,376			
FY 2039	Grounds	Landscaping Replacement Yearly	\$ 127,522
Annual Expense Total = \$ 127,522			
FY 2040	Grounds	Pedestrian Bridges Repair Allowance	\$ 29,864
		Landscaping Replacement Yearly	\$ 130,747
	Grounds Subtotal = \$ 160,611.00		
FY 2040 Annual Expense Total = \$ 160,611			
FY 2041	Grounds	Landscaping Replacement Yearly	\$ 134,053
	Stormwater Drainage	Stormwater Drainage Repair Allowance	\$ 179,422
FY 2041 Annual Expense Total = \$ 313,475			
FY 2042	Grounds	Landscaping Replacement Yearly	\$ 137,443
Annual Expense Total = \$ 137,443			
FY 2043	Grounds	Landscaping Replacement Yearly	\$ 140,919

Year	Category	Item Name	Expense
Annual Expense Total = \$ 140,919			
FY 2044	Grounds	Pedestrian Bridges Deck Boards and Railings	\$ 198,009
		Pedestrian Bridges Frame and Pilings	\$ 118,805
		Pedestrian Bridges Wing Walls	\$ 25,154
		Park Trellises Vinyl	\$ 45,639
		Park Benches Vinyl	\$ 30,184
		Landscaping Replacement Yearly	\$ 144,482
	Grounds Subtotal = \$ 562,273.00		
FY 2044 Annual Expense Total = \$ 562,273			
FY 2045	Grounds	Pier Repair Allowance	\$ 5,106
		Landscaping Replacement Yearly	\$ 148,136
	Grounds Subtotal = \$ 153,242.00		
	Ponds	Pond Fountains and Controls	\$ 20,632
Annual Expense Total = \$ 173,874			
FY 2046	Grounds	Landscaping Replacement Yearly	\$ 151,882
	Stormwater Drainage	Stormwater Drainage Repair Allowance	\$ 203,285
FY 2046 Annual Expense Total = \$ 355,167			
FY 2047	Grounds	Pier Asphalt Shingle Roofing	\$ 4,038
		Landscaping Replacement Yearly	\$ 155,723
	Grounds Subtotal = \$ 159,761.00		
FY 2047 Annual Expense Total = \$ 159,761			