



ADVANCED RESERVE SOLUTIONS, INC.

reserve study software. reserve study preparation.



www.arsinc.com

Laguna Hills, California • Orlando, Florida • Las Vegas, Nevada • New England • Riverside, California



ADVANCED RESERVE SOLUTIONS, INC.

“The future belongs to those who prepare for it today”

Times change. Knowing what expenditures lie ahead is the first step towards building your reserves. Which is why an Advanced Reserve Solutions, Inc. reserve study makes so much sense. Some of the most forward-looking companies and financially sound resorts rely on our guidance.

ARS can prepare a reserve study for you outlining what major renovations lie ahead. And with our groundbreaking WinReserve™ software, you can manage and maintain your analysis in-house.



Ritz Carlton Club Bachelor Gulch
Bachelor Gulch, Colorado

With a powerful combination of an ARS reserve study and our WinReserve™ software, our system does more than merely detect known shortfalls—it actually works to prevent them. Our proven technologies provide a complete reserve solution.

Our software and service provides the complete vision to learn from the past, monitor the present and gain insight into the future. Prepare for expenditures that lie ahead instead of just reacting to them. Anticipate renovations instead of discovering them. And foresee change rather than waiting for it to occur.

To find out how ARS can help you prepare for the future, visit our website at www.arsinc.com or call us toll-free at 866-711-4ARS (4277).

Currently, more than 6.7 million people worldwide

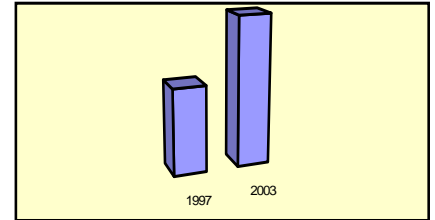
own some form of vacation ownership

It's budget time again...

And, you're faced with developing a realistic and adequate reserve budget for the coming year and beyond...

You want it done right.

The Board of Directors of a vacation ownership association has a legal and fiduciary duty to maintain the resort in a good state of repair. Exchange ratings and property images are significantly impacted by the level of maintenance and upkeep provided by the association. A "healthy" reserve fund is essential to protect and maintain the association's common areas and the overall image of the resort.



In January 1997, there were 1,204 vacation ownership resorts throughout the world. Today, there are over 1,600 resorts; an increase of approximately 33%.

**A prudent plan must be implemented
to address the issues of long-range
renovation, maintenance and replacement**

When your resorts assets and image are on the line, it takes strategic vision combined with superior logic-based solutions to develop a financial "blueprint" that addresses your property's future needs. ARS customizes each reserve analysis to meet the unique needs of the individual client. A dedicated effort is made to ensure that the reserve analysis accurately reflects your resort's maintenance responsibilities and standards. An ARS reserve analysis is one of the most significant elements of any vacation ownership resort's long-range plan.



Marriott's Club Son Antem
Mallorca, Spain

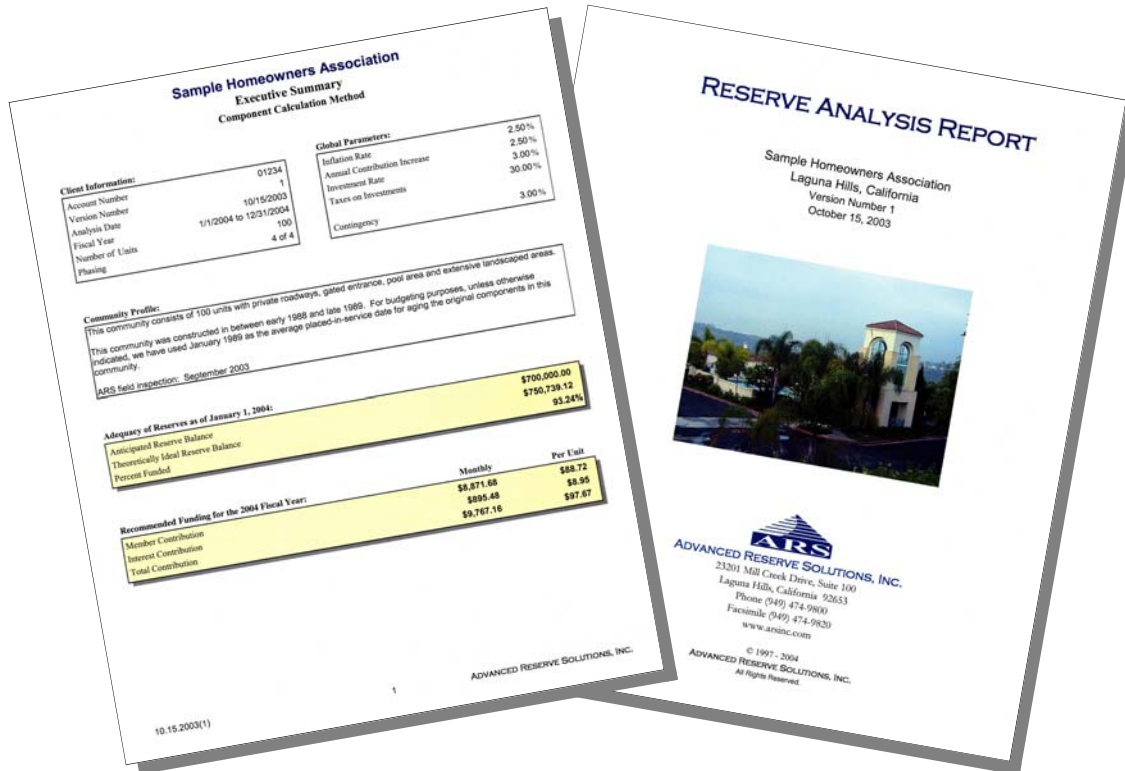
**ARS reserve analyses provide the
critical link between**

*sound business judgment
and
good fiscal planning*

Introducing the ARS Reserve Analysis ▼ ▼ ▼ ▼

Full-color ARS reserve studies include a variety of informative and easy-to-understand summaries as well as a comprehensive detail section.

Sample reserve studies are available in Adobe PDF format at our web site: arsinc.com.



Executive Summary ▲ ▲ ▲ ▲

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results. This single page summary provides the “adequacy of reserves” in terms of the percent funded as well as the “bottom line” recommended funding.

Our findings and recommendations are clear and concise.

There are over 5,400 vacation ownership resorts in over 200 countries.



Oasis Country Club
Palm Desert, California

Calculation of Percent Funded ▶ ▶ ▶ ▶

Displays all reserve components, shown here in “category” order, along with useful life, remaining life, current replacement cost and theoretically ideal reserves. Each column is sub totaled throughout the summary and the total is displayed at the bottom.

Your CPA will use this summary as part of your annual audit or review.

Sample Homeowners Association Calculation of Percent Funded Sorted by Category				
	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
Cabana - Plumbing Fixtures	15	30	\$5,085.00	\$2,542.50
Cabana - Restroom Partitions	0	15	\$2,800.00	\$2,800.00
Cabana - Water Heater	1	16	\$900.00	\$843.75
Pool - Filter	0	12	\$1,000.00	\$1,000.00
Pool - Heater	1	16	\$2,450.00	\$2,296.88
Pool - Ref/berglass & Tile Replace	0	8	\$8,311.50	\$8,311.50
Pool Area - Furniture	0	6	\$7,315.00	\$7,315.00
Pool Area - Mastic	0	4	\$540.00	\$540.00
Sub Total	0 - 15	4 - 30	\$43,688.94	\$35,033.92
079 Decks:				
Decks - Resurface	5	10	\$128,840.00	\$64,470.00
Decks - Top Coat	0	5	\$30,700.00	\$30,700.00
Sub Total	0 - 5	5 - 10	\$159,540.00	\$95,170.00
080 Doors:				
Doors - Garages & Trash Enclosures	4	19	\$80,750.00	\$63,750.00
Doors - Utility Closets, 1996	10	18	\$76,160.00	\$33,848.89
Doors - Utility Closets, Original	0	15	\$32,640.00	\$32,640.00
Sub Total	0 - 10	15 - 19	\$189,550.00	\$130,238.89
090 Miscellaneous:				
Fire Extinguisher Cabinets	4	19	\$8,550.00	\$6,750.00
Mailboxes - Unfunded	n.a.	n.a.	\$0.00	\$0.00
Monument Sign	5	20	\$2,750.00	\$2,062.50
Stairways - Unfunded	n.a.	n.a.	\$0.00	\$0.00
Sub Total	4 - 5	19 - 20	\$11,300.00	\$8,812.50
100 Landscaping:				
Landscape - Irrigation Controllers	0	12	\$5,040.00	\$5,040.00
Landscape - Replacements	n.a.	n.a.	\$0.00	\$20,600.00
Landscape - Tree Trimming	1	3	\$15,000.00	\$10,000.00
Sub Total	0 - 1	3 - 12	\$20,040.00	\$35,640.00
Contingency	n.a.	n.a.	n.a.	\$21,866.19
Total	0 - 15	2 - 30	\$1,034,509.49	\$750,739.14
Anticipated Reserve Balance				\$700,000.00
Percent Funded				93.24%
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According to an ARDA survey,

approximately 85% of U.S.

vacation owners are satisfied

with their timeshare purchase.



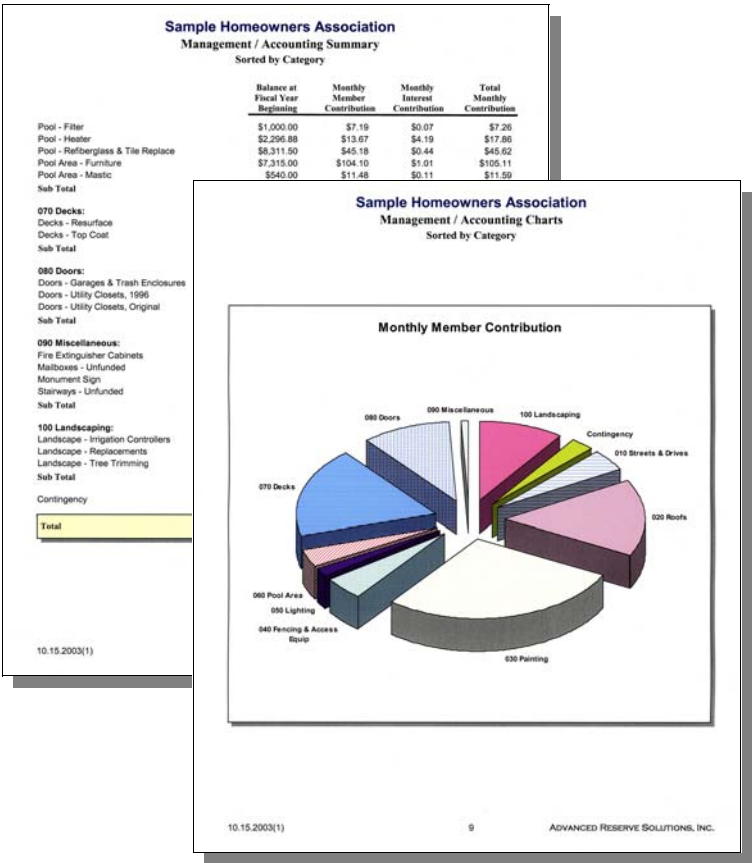
Hamilton Cove
Avalon, Catalina Island, California

◀ ▶ ▶ ▶ Distribution of Reserve Funds

Displays all reserve components, shown here in “ascending remaining life” order, along with theoretically ideal reserves and assigned reserves.

The assigned reserves column shows the amount of existing reserve funds that were assigned to each component during the first step in the component method calculation process.

Sample Homeowners Association Distribution of Current Reserve Funds Sorted by Remaining Life			
	Remaining Life	Theoretically Ideal Balance	Assigned Reserves
Cabana - Ceramic Tile, Exterior	0	\$2,439.04	\$2,439.04
Cabana - Restroom Partitions	0	\$2,800.00	\$2,800.00
Decks - Top Coat	0	\$30,700.00	\$30,700.00
Doors - Utility Closets, Original	0	\$32,640.00	\$32,640.00
Landscape - Irrigation Controllers	0	\$5,040.00	\$5,040.00
Landscape - Replacements	n.a.	\$20,600.00	\$20,600.00
Mailboxes - Unfunded	n.a.	\$0.00	\$0.00
Painting - Red Curbs	0	\$796.25	\$796.25
Painting - Woodwork	0	\$66,408.00	\$66,408.00
Painting - Wrought Iron, Units	0	\$3,675.00	\$3,675.00
Pool - Filter	0	\$1,000.00	\$1,000.00
Pool - Ref/berglass & Tile Replace	0	\$8,311.50	\$8,311.50
Pool Area - Furniture	0	\$7,315.00	\$7,315.00
Pool Area - Mastic	0	\$540.00	\$540.00
Roofs - Flat, Original	0	\$72,594.00	\$72,594.00
Stairways - Unfunded	n.a.	\$0.00	\$0.00
Streets - Asphalt, Repair	0	\$2,519.00	\$2,519.00
Streets - Asphalt, Slurry Seal	0	\$5,038.00	\$5,038.00
Streets - Concrete, Unfunded	n.a.	\$0.00	\$0.00
Access - Gate Operator, Entrance	1	\$2,025.00	\$2,025.00
Access - Phone System	1	\$3,825.00	\$3,825.00
Cabana - Water Heater	1	\$843.75	\$843.75
Landscape - Tree Trimming	1	\$10,000.00	\$10,000.00
Painting - Wrought Iron, Grounds	1	\$2,238.89	\$2,238.89
Pool - Heater	1	\$2,296.88	\$2,296.88
Access - Gate Operator, Exit	4	\$1,350.00	\$1,350.00
Cabana - Doors	4	\$1,421.05	\$1,421.05
Doors - Garages & Trash Enclosures	4	\$63,750.00	\$63,750.00
Fire Extinguisher Cabinets	4	\$6,750.00	\$6,750.00
Lighting - Buildings	4	\$8,897.37	\$8,897.37
Painting - Stucco & Masonry	4	\$40,456.13	\$40,456.13
Decks - Resurface	5	\$64,470.00	\$64,470.00
Fencing - Wrought Iron, Perimeter	5	\$13,272.04	\$13,272.04
Fencing - Wrought Iron, Pool Area	5	\$8,097.19	\$8,097.19
Monument Sign	5	\$2,062.50	\$2,062.50
Roofs - Flat, 1997	7	\$4,192.74	\$4,192.74
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◀ ◀ ◀ ◀ **Management/Accounting Summary & Charts**

Summary displays all reserve components, shown here in “category” order, along with fund balance at fiscal year beginning and, monthly member, interest and total contributions. Each column is sub totaled throughout the summary and the total is displayed at the bottom.

Charts show the information in an easy-to-understand, full-color graphic format.

Your controller or manager will use this summary to reallocate reserves on your balance sheet and to prepare the annual budget.

A “healthy” reserve fund will decrease or eliminate the need for special assessments



The Lodge at Mountain Village
Telluride, Colorado



Lake Mission Viejo
Mission Viejo, California



Marriott's Phuket Beach Club
Phuket, Thailand



The Owners Club at Hilton Head
Hilton Head Island, South Carolina

Annual Expenditure Summary ►►►►

Displays all anticipated expenditures for each year of the projection period, typically 30 years.

Board members and general managers will appreciate the simplicity of this information.



Marriott's Legends Edge Resort
Panama City, Florida

Sample Homeowners Association Annual Expenditure Detail	
2004 Fiscal Year	
Cabana - Ceramic Tile, Exterior	\$2,439.04
Cabana - Restroom Partitions	\$2,800.00
Decks - Top Coat	\$30,700.00
Doors - Utility Closets, Original	\$32,640.00
Landscape - Irrigation Controllers	\$5,040.00
Painting - Red Curbs	\$796.25
Painting - Woodwork	\$66,408.00
Painting - Wrought Iron, Units	\$3,075.00
Pool - Filter	\$1,000.00
Pool - Referglass & Tile Replace	\$8,311.50
Pool Area - Furniture	\$7,315.00
Pool Area - Mastic	\$540.00
Roofs - Flat, Original	\$72,594.00
Streets - Asphalt, Repair	\$2,519.00
Streets - Asphalt, Slurry Seal	\$5,038.00
Total	\$241,815.79
2005 Fiscal Year	
Access - Gate Operator, Entrance	\$2,306.25
Access - Phone System	\$4,366.25
Cabana - Water Heater	\$922.50
Landscape - Tree Trimming	\$15,375.00
Painting - Wrought Iron, Grounds	\$3,492.18
Pool - Heater	\$2,511.25
Total	\$28,963.43
2006 Fiscal Year	
Painting - Red Curbs	\$836.62
Total	\$836.62
2008 Fiscal Year	
Access - Gate Operator, Exit	\$2,483.58
Cabana - Doors	\$1,986.86
Doors - Garages & Trash Enclosures	\$69,132.89
Fire Extinguisher Cabinets	\$9,437.50
Landscape - Tree Trimming	\$16,567.19
Lighting - Buildings	\$12,439.97
Painting - Red Curbs	\$879.06
Painting - Stucco & Masonry	\$69,293.41
Painting - Woodwork	\$73,300.94
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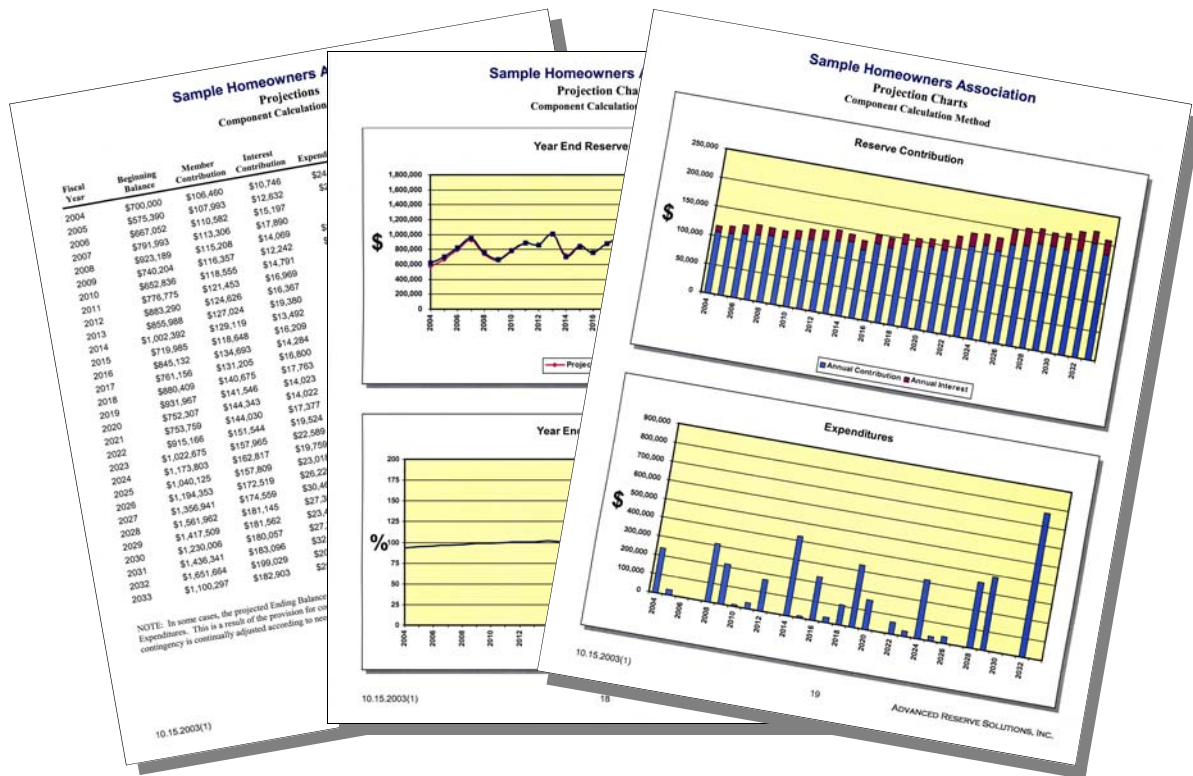
*Reserve expenditures are essential
to maintain resort status*

Projections & Charts ▼ ▼ ▼ ▼

Projections show the beginning balance, reserve contribution, interest earned, expenditures, ending balance, theoretically ideal ending balance and percent funded for each year in the projection period (typically 30 years).

Full-color charts show the same information in an easy-to-understand graphic format.

Every member of the Board will appreciate the long-range plan depicted on these pages.




Marriott's Grande Ocean Resort
Hilton Head Island, South Carolina

*More than 3 million households
in the United States own some form
of vacation ownership*

**Sample Homeowners Association
Component Detail
Sorted by Category**

Streets - Asphalt, Overlay			
Category	010 Streets & Drives	Quantity	1 total
GL Code	2001 Grounds	Unit Cost	\$59,153.750
		% of Replacement	100.00%
		Current Cost	\$59,153.75
		Future Cost	\$72,073.10
Placed In Service	01/89	Assigned Reserves at FYB	\$38,578.53
Useful Life	20	Monthly Member Contribution	\$232.50
Adjustment	+3	Monthly Interest Contribution	\$70.42
Remaining Life	8	Total Monthly Contribution	\$302.92
Replacement Year	2012		

Comments:



82,975 sq. ft. of overlay @ \$0.85 = \$69,528.75
 12 manhole cover adjustments @ \$375.00 = \$4,500.00
 9 valve cover adjustments @ \$125.00 = \$1,125.00
TOTAL = \$75,153.75

Most asphalt areas can be expected to last approximately 20 years before it will become necessary for applied. This can double the life of the surface upon application. It will be necessary to adjust market at the time the overlay is applied. Deflection testing should be conducted by an independent consultant the estimated useful life to determine the condition of the asphalt and estimated remaining life before it required.

In addition to this service, a consultant may be obtained to prepare the application specifications, and a contractor during actual installation. It is recommended that the client obtain bids for such a consultant the estimated useful life. As costs vary, a provision for this consulting has not been included in this on the client request, this cost can be incorporated into this analysis.

The remaining life of the asphalt overlay has been adjusted to align with the future replacement cycles repairs and seal coating.

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◀ ◀ ◀ ◀ Component Detail Section


Provided for each reserve component; shows inventory, placed-in-service date, useful life, remaining life, replacement year, current cost, future cost, assigned reserve funds and monthly contribution requirement. Optional photos add an additional layer of detail.

Everything known about each reserve component is indicated in this section.

**Sample Homeowners Association
Component Detail
Sorted by Category**

Fencing - Wrought Iron, Perimeter			
Category	040 Fencing & Access Equip	Quantity	1 total
GL Code	2001 Grounds	Unit Cost	\$17,696.050
		% of Replacement	100.00%
		Current Cost	\$17,696.05
		Future Cost	\$20,021.46
Placed In Service	01/89	Assigned Reserves at FYB	\$13,272.04
Useful Life	20	Monthly Member Contribution	\$79.57
Remaining Life	5	Monthly Interest Contribution	\$24.22
Replacement Year	2009	Total Monthly Contribution	\$103.79

Comments:




225 - lin. ft. of 2.5' fencing @ \$20.15 = \$4,533.75
 82 - lin. ft. of 3.5' fencing @ \$24.70 = \$2,025.40
 97 - lin. ft. of 4.5' fencing @ \$29.20 = \$2,832.40
 13 - lin. ft. of 5' fencing @ \$31.50 = \$409.50
 1 - 2.5' x 4.5' gate @ \$170.00 = \$170.00
 1 - 3.5' x 6.5' gate w/mesh @ \$385.00 = \$385.00
 1 - 4' x 5' gate w/mesh @ \$340.00 = \$340.00
 2 - 12' x 6.5' "crash" gates @ \$1,850.00 = \$3,700.00
 2 - 14.5' x 6' vehicle gates @ \$1,850.00 = \$3,700.00
TOTAL = \$17,696.05

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**Sample Homeowners Association
Component Detail
Sorted by Category**

Pool - Refiberglass & Tile Replace			
Category	000 Pool Area	Quantity	1 pool
GL Code	2002 Recreation	Unit Cost	\$8,311.500
		% of Replacement	100.00%
		Current Cost	\$8,311.50
		Future Cost	\$12,338.47
Placed In Service	01/96	Assigned Reserves at FYB	\$8,311.50
Useful Life	16	Monthly Member Contribution	\$45.18
Adjustment	-8	Monthly Interest Contribution	\$0.44
Remaining Life	0	Total Monthly Contribution	\$45.62
Replacement Year	2004		

Comments:



882 sq. ft. of refiberglassing @ \$7.50 = \$6,615.00
 129 lin. ft. of trim tile @ \$9.75 = \$1,257.75
 45 lin. ft. of bench tile @ \$6.50 = \$292.50
 15 lin. ft. of lane tile @ \$9.75 = \$146.25
TOTAL = \$8,311.50

The pool was fiberglassed in approximately 1996.

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

The remaining life of this component has been decreased due to its condition at our most recent field inspection.

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Details, details, details...



Desert Shores
Las Vegas, Nevada

*The ARS reserve analysis
is unparalleled in the industry*

Noteworthy Clients ▼ ▼ ▼ ▼



Marriott's Grand Vista Resort
Orlando, Florida



Newport Coast Master Association
Newport Coast, California



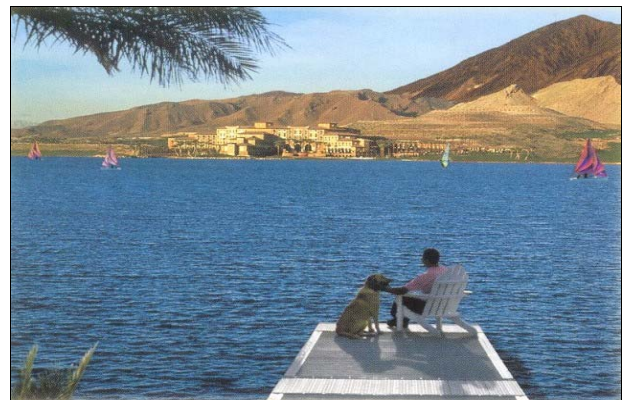
Marriott's Heritage Club
Hilton Head Island, South Carolina



Heritage Palms
La Quinta, California



The Owners Club at Telluride
Telluride, Colorado



Lake Las Vegas Community Association
Lake Las Vegas, Nevada



Coto de Caza Master Association
Coto de Caza, California



Marriott's Cypress Harbour Resort
Orlando, Florida



Heritage Crossing
Telluride, Colorado



King's Creek Plantation
Williamsburg, Virginia



Marriott's Shadow Ridge Resort
Palm Desert, California



Christie Lodge
Avon, Colorado

▲ ▲ ▲ ▲ See arsinc.com For Additional Clients From Around The World

Advanced Reserve Solutions, Inc. is an internationally recognized authority on reserve budgeting. Clients on three continents — North America, Europe and Asia — have chosen ARS because of our vast experience, attention to detail and unsurpassed report format.

ARS developed and uses WinReserve™ reserve study software. WinReserve™ is a revolutionary Microsoft Windows®-based application developed specifically for the analysis of vacation ownership reserve funds. Full-color ARS reserve studies have earned rave reviews from our clients as well as our competitors.

For more information or to find out how ARS can help you prepare for the future, visit our website at www.arsinc.com or call us toll-free at 866-711-4ARS (4277).



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