

RESERVE STUDY

PREPARED FOR:

Emerald Shores Condominium Association, Inc.

Satellite Beach, FL



For The Period Beginning January 1, 2026

PREPARED BY:



260 1st Ave South, STE 225

St. Petersburg, FL 33701

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Stone Building Solutions
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Attention: **Board of Directors**
Property: Emerald Shores Condominium Association, Inc., Satellite Beach, Florida
Service: Traditional Reserve Study
Period: Beginning January 1, 2026

December 2, 2025

Dear Board of Directors of Emerald Shores Condominium Association, Inc.:

At the direction of the Board and management of Emerald Shores Condominium Association, Inc.,

Stone Building Solutions has completed a Traditional Reserve Study for the Emerald Shores Condominium Association, Inc. Association. Enclosed is our report for the Board's review and consideration.

This study is based on an on-site analysis. The on-site analysis of Emerald Shores Condominium Association, Inc. upon which this study is based was performed by of Stone Building Solutions.

The effective date of this report is the date of inspection, October 13, 2025

This Reserve Study meets or exceeds all requirements outlined in Florida Statute 718.112 and the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Reserve Study."

If you have any questions or would like to direct any follow-up service, please don't hesitate to contact us.

Respectfully submitted,

Reviewed by:

A handwritten signature in cursive script that reads 'Nicholas Vocke'.

Nick Vocke, RS

Reserve Specialist #534

Reserve Specialist

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Prepared by:

A handwritten signature in cursive script that reads 'Andres Patino'.

Andres Patino

Reserve Analyst

Reserve Analyst

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Executive Summary

This reserve study aims to produce a reserve funding plan that will project future reserve obligations and expenditures to ensure that reserve funds are available as needed.

Stone Building Solutions was responsible for the physical evaluation. Stone Building Solutions provided analysis on key building components, their condition, and evaluation. Stone Building Solutions has received this information 'as is' and is not in a position to add or comment on the engineering analysis. Stone Building Solutions is using this information to create a financial evaluation for budgeting purposes.

Emerald Shores Condominium Association, Inc. has 23 units. This study is for the fiscal year starting January 1, 2026, and ending Dec 31, 2026.

Financial Parameters & Assumptions

Projection Period:	January 1, 2026 - December 31, 2055	Association:	Condominiums (Condos)
Report Type:	Level I	Year Built:	1995
Inflation:	2.50%	Buildings:	1
Interest (Gained):	1.00%	Total Units:	23

As of January 1, 2026, the estimated unaudited reserve fund balance is **\$39,000**

The suggested yearly reserve obligations are not based on the condominium's governing documents, which may allocate costs according to each unit's percentage of ownership in the property's total square footage.

30-Year Pooled Cash Flow Funding Analysis Summary - (Future Cost):

The 30-year Funding Plan is an approach to determining reserve obligations in a way that balances the annual expenses from the reserve fund. This analysis takes into account future replacement costs for reserve components as they come due for replacement, acknowledges construction cost increases, and considers interest income generated by reserve accounts. By pooling funds from initial balances, a yearly reserve obligation rate is calculated to ensure a positive cash flow throughout the analysis period. Annual reserve obligations will start at \$23,000 for the 2026 Fiscal Year. Going forward, the yearly reserve obligations are illustrated on the 30-year cash flow table.

The recommendations for the initial year are based on the 30-year Pooled Cash Flow Funding Plan.

Recommended annual reserve obligation:	\$23,000
Recommended annual reserve obligation per unit:	\$1,000
First Year monthly reserve obligation per unit:	\$83
Average monthly reserve obligation per unit (Over 30 Years):	\$122
Special assessments:	\$0
Report Ending Balance:	\$287,184

30-Year Baseline Funding Analysis Summary

The Baseline Funding method plans reserve obligations so that the reserve balance never falls below zero during the study period. This approach focuses on meeting projected expenses just in time, without overfunding the reserve account. While it results in lower annual reserve obligations compared to more conservative methods, the risk of special assessments is high, especially if unexpected repairs arise or costs increase. Baseline funding is often chosen for its affordability, but should be carefully considered in light of its potential financial risks. Annual reserve obligations will start at \$18,000 for the 2026 Fiscal Year. Going forward, the yearly reserve obligations are illustrated on the 30-year Baseline table.

Required First Year Association reserve obligation:	\$18,000
Required First Year annual reserve obligation per unit:	\$783
Required First Year monthly reserve obligation per unit:	\$65
Average monthly reserve obligation per unit (Over 30 Years):	\$113
Special assessments:	\$0
Report Ending Balance:	\$204,079

Cost Evaluation

The cost estimates identified are based on approximate quantities, costs, and published information, and they include labor, material, design fees, appropriate overhead, general conditions, and profit. The estimated costs to repair, replace, or upgrade the improvements are considered typical for the marketplace.

No contractors have been contacted for actual bids or price quotes, and the actual cost of repairs may vary from our estimates. These opinions of probable costs are for components or systems exhibiting material deferred maintenance and for existing physical deficiencies requiring major repairs or replacement.

This report presents the 30-Year Cash Flow Funding Analysis.

The 30-year Pooled Cash Flow Funding Plan is a method of calculating reserve obligations where obligations to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. Funds from the beginning balances are pooled together, and a yearly reserve obligation rate is calculated to arrive at a positive cash flow throughout the analysis period.

Expenditures

Individual Elements

ASSET N°	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
A01	Elevator Cabs, Refurbish: Common	01/01/2039	20y	20y	13y	\$13,500.00	1 Ea	\$13,500
A02	Elevators, 7-Stop, Hydraulic, Modernization : Common	01/01/2049	30y	30y	23y	\$140,500.00	1 Ea	\$140,500
A03	Garage, Exhaust Fans: Common	01/01/2031	15y	15y	5y	\$2,562.50	1 PC	\$2,562
A04	Generator & Controller, Maintenance & Repairs: Common	01/01/2035	20y	40y	9y	\$20,000.00	1 Ea	\$20,000
A05	HVAC, Mini-Split System, 1-Ton: Common	01/01/2029	12y	12y	3y	\$4,850.00	1 Ea	\$4,850
A06	HVAC, Split-System, Air-Handler: Lobby & Rec Room	01/01/2029	12y	12y	3y	\$7,325.00	1 Ea	\$7,325
A07	Water Heater, Gas, 250K BTU: Common	01/01/2034	15y	15y	8y	\$2,500.00	1 Ea	\$2,500
B01	Boardwalk, Wood Joists & Decking: Common	01/01/2028	15y	15y	2y	\$61.40	175 LS	\$10,745
B02	Doors, Metal Utility, Single: Common	01/01/2033	35y	38y	7y	\$2,070.00	25 Ea	\$51,750
B03	Light Fixtures, Exterior, Wall Mount: Common	01/01/2031	20y	20y	5y	\$135.00	56 Ea	\$7,560
C01	Pool Deck, Concrete Pavers: Common	01/01/2035	40y	40y	9y	\$16.15	480 SF	\$7,752
C02	Pool Deck, Textured Concrete: Common	01/01/2032	15y	15y	6y	\$8.05	1,675 SF	\$13,484
C03	Pool Fence, 4' Aluminum Picket: Common	01/01/2038	30y	30y	12y	\$51.70	190 LF	\$9,823
C04	Pool Finish & Border Tiles: Common	01/01/2032	12y	12y	6y	\$22.60	1,245 SF	\$28,137
C05	Pool Heater, Electric Heat Pump: Common	01/01/2035	10y	10y	9y	\$5,500.00	1 Ea	\$5,500
D01	Access Control, Enterphone Panel: Common	01/01/2032	12y	12y	6y	\$3,830.00	1 Ea	\$3,830
D02	Asphalt Pavement, Mill & Overlay: Common	01/01/2034	25y	25y	8y	\$22.55	1,985 SY	\$44,762
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	01/01/2027	4y	4y	1y	\$2.56	1,985 SY	\$5,086
D04	Pavers, Concrete, Roadways: Common	01/01/2035	40y	40y	9y	\$16.15	260 SF	\$4,199

\$383,865



Critical Expenditure Planning (3-Year Outlook)

LOCATION RESERVE ITEM	2026	2027	2028
Building Service Components			
Total Building Service Components			
Exterior Building Components			
Boardwalk, Wood Joists & Decking: Common			\$11,289
Total Exterior Building Components			\$11,289
Pool Facility Components			
Total Pool Facility Components			
Property Site Components			
Asphalt Pavement, Patch, Stripe & Sealcoat: Common		\$5,213	
Total Property Site Components		\$5,213	
Total		\$5,213	\$11,289

Expenditures (By Year)

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2026 (Year 1)						
2026 (Year 1) Total				\$0		
2027 (Year 2)						
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$2.63	1,985 SY	\$5,213	4y	2031
2027 (Year 2) Total				\$5,213		
2028 (Year 3)						
B01	Boardwalk, Wood Joists & Decking: Common	\$64.51	175 LS	\$11,289	15y	2043
2028 (Year 3) Total				\$11,289		
2029 (Year 4)						
A05	HVAC, Mini-Split System, 1-Ton: Common	\$5,223.00	1 Ea	\$5,223	12y	2041
A06	HVAC, Split-System, Air-Handler: Lobby & Rec Room	\$7,888.00	1 Ea	\$7,888	12y	2041
2029 (Year 4) Total				\$13,111		
2030 (Year 5)						
2030 (Year 5) Total				\$0		
2031 (Year 6)						
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$2.90	1,985 SY	\$5,755	4y	2035
A03	Garage, Exhaust Fans: Common	\$2,899.00	1 PC	\$2,899	15y	2046
B03	Light Fixtures, Exterior, Wall Mount: Common	\$152.73	56 Ea	\$8,553	20y	2051
2031 (Year 6) Total				\$17,207		
2032 (Year 7)						
D01	Access Control, Enterphone Panel: Common	\$4,442.00	1 Ea	\$4,442	12y	2044

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
C02	Pool Deck, Textured Concrete: Common	\$9.34	1,675 SF	\$15,638	15y	2047
C04	Pool Finish & Border Tiles: Common	\$26.21	1,245 SF	\$32,630	12y	2044
2032 (Year 7) Total				\$52,710		
2033 (Year 8)						
B02	Doors, Metal Utility, Single: Common	\$2,460.56	25 Ea	\$61,514	38y	N/A
2033 (Year 8) Total				\$61,514		
2034 (Year 9)						
D02	Asphalt Pavement, Mill & Overlay: Common	\$27.48	1,985 SY	\$54,538	25y	N/A
A07	Water Heater, Gas, 250K BTU: Common	\$3,046.00	1 Ea	\$3,046	15y	2049
2034 (Year 9) Total				\$57,584		
2035 (Year 10)						
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$3.20	1,985 SY	\$6,352	4y	2039
A04	Generator & Controller, Maintenance & Repairs: Common	\$24,977.00	1 Ea	\$24,977	40y	2055
D04	Pavers, Concrete, Roadways: Common	\$20.17	260 SF	\$5,244	40y	N/A
C01	Pool Deck, Concrete Pavers: Common	\$20.17	480 SF	\$9,681	40y	N/A
C05	Pool Heater, Electric Heat Pump: Common	\$6,869.00	1 Ea	\$6,869	10y	2045
2035 (Year 10) Total				\$53,123		
2036 (Year 11)						
2036 (Year 11) Total				\$0		
2037 (Year 12)						
2037 (Year 12) Total				\$0		
2038 (Year 13)						
C03	Pool Fence, 4' Aluminum Picket: Common	\$69.53	190 LF	\$13,211	30y	N/A
2038 (Year 13) Total				\$13,211		
2039 (Year 14)						
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$3.53	1,985 SY	\$7,011	4y	2043
A01	Elevator Cabs, Refurbish: Common	\$18,610.00	1 Ea	\$18,610	20y	N/A

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2039 (Year 14) Total				\$25,621		
2040 (Year 15)						
2040 (Year 15) Total				\$0		
2041 (Year 16)						
A05	HVAC, Mini-Split System, 1-Ton: Common	\$7,024.00	1 Ea	\$7,024	12y	2053
A06	HVAC, Split-System, Air-Handler: Lobby & Rec Room	\$10,609.00	1 Ea	\$10,609	12y	2053
2041 (Year 16) Total				\$17,633		
2042 (Year 17)						
2042 (Year 17) Total				\$0		
2043 (Year 18)						
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$3.90	1,985 SY	\$7,738	4y	2047
B01	Boardwalk, Wood Joists & Decking: Common	\$93.43	175 LS	\$16,350	15y	N/A
2043 (Year 18) Total				\$24,088		
2044 (Year 19)						
D01	Access Control, Enterphone Panel: Common	\$5,973.00	1 Ea	\$5,973	12y	N/A
C04	Pool Finish & Border Tiles: Common	\$35.25	1,245 SF	\$43,884	12y	N/A
2044 (Year 19) Total				\$49,857		
2045 (Year 20)						
C05	Pool Heater, Electric Heat Pump: Common	\$8,793.00	1 Ea	\$8,793	10y	2055
2045 (Year 20) Total				\$8,793		
2046 (Year 21)						
A03	Garage, Exhaust Fans: Common	\$4,199.00	1 PC	\$4,199	15y	N/A
2046 (Year 21) Total				\$4,199		
2047 (Year 22)						
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$4.30	1,985 SY	\$8,541	4y	2051
C02	Pool Deck, Textured Concrete: Common	\$13.52	1,675 SF	\$22,648	15y	N/A
2047 (Year 22) Total				\$31,189		

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2048 (Year 23)						
2048 (Year 23) Total				\$0		
2049 (Year 24)						
A02	Elevators, 7-Stop, Hydraulic, Modernization : Common	\$247,928.00	1 Ea	\$247,928	30y	N/A
A07	Water Heater, Gas, 250K BTU: Common	\$4,412.00	1 Ea	\$4,412	15y	N/A
2049 (Year 24) Total				\$252,340		
2050 (Year 25)						
2050 (Year 25) Total				\$0		
2051 (Year 26)						
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$4.75	1,985 SY	\$9,429	4y	2055
B03	Light Fixtures, Exterior, Wall Mount: Common	\$250.29	56 Ea	\$14,016	20y	N/A
2051 (Year 26) Total				\$23,445		
2052 (Year 27)						
2052 (Year 27) Total				\$0		
2053 (Year 28)						
A05	HVAC, Mini-Split System, 1-Ton: Common	\$9,447.00	1 Ea	\$9,447	12y	N/A
A06	HVAC, Split-System, Air-Handler: Lobby & Rec Room	\$14,268.00	1 Ea	\$14,268	12y	N/A
2053 (Year 28) Total				\$23,715		
2054 (Year 29)						
2054 (Year 29) Total				\$0		
2055 (Year 30)						
D03	Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$5.24	1,985 SY	\$10,407	4y	N/A
A04	Generator & Controller, Maintenance & Repairs: Common	\$40,928.00	1 Ea	\$40,928	20y	N/A
C05	Pool Heater, Electric Heat Pump: Common	\$11,255.00	1 Ea	\$11,255	10y	N/A
2055 (Year 30) Total				\$62,590		

Pooled/Cash-Flow Funding (30-Year Projection)

This part of the Reserve Study introduces an alternative approach to funding compared to the Component Funding Analysis (Straight-Line).

This method entails computing the yearly reserve obligation based on a 30-year positive cash flow projection. Known as the 30-year "Pooled" or "Cash Flow" Funding Plan, it involves determining reserve obligations aimed at balancing out the fluctuating annual expenses from the Reserve fund. By consolidating funds from initial balances, a yearly reserve obligation rate is computed to ensure a consistent positive cash flow over the analysis period.

This methodology is a widely accepted, logical, factual, and mathematical basis for calculating reserve obligations where the Reserve fund total balance at any one point in the projection can offset the expected annual expenditures from the Reserve fund, in perpetuity, on a year-over-year basis.

In this methodology, Reserve funds can only be collectively allocated (used) for purposes authorized under the categorical nature of the components identified within the pool as they become due.

Baseline Funding Methodology (30-Year Projection)

Florida House Bill 913 (HB 913), effective July 1, 2025, introduces significant reforms to condominium governance, safety inspections, and financial management. Here's an overview of its key provisions:

The **Baseline Funding Method** is a method for planning reserve contributions to ensure the reserve account **never goes negative, but may reach zero**. In other words, it ensures that at no point will the reserve account be overdrawn, but it doesn't build a safety cushion beyond that.

Florida HB 913 officially recognizes and permits the use of the Baseline Funding Method for Traditional Reserve Studies (TRS), but with new guidelines:

- **Permitted Use:**
 - Associations may use the Baseline Funding Method to calculate reserves for TRS items like ground-level pools, asphalt, elevators, furnishing renovation, etc.
- **Waiver for TRS Components:**
 - If using the baseline method, funding for TRS components may be waived or reduced by a vote of the owners.
 - So while the method can guide how much is contributed annually, 100% funding over time is still expected.
- **Disclosure Required:**
 - If the Baseline Method is used, the reserve study and budget must disclose that the method allows the balance to reach zero.
 - Owners must be made aware that while this method avoids deficits, it may not allow for flexibility or cushion if actual costs are higher than forecasted.
- **Board Responsibility:**
 - Boards must act promptly if a TRS component becomes underfunded or if emergency structural issues are identified. The method doesn't override the obligation to maintain safety.



Cash-Flow Projection

Inflation: 2.50% | Calc: Inflation-Adjusted Cost

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2026	\$39,000	\$23,000	N/A	\$390	\$0	\$0	\$0	\$62,390	28.48%	\$219,057
2027	\$62,390	\$23,575	2.50%	\$624	\$0	\$0	\$5,213	\$81,376	34.26%	\$237,543
2028	\$81,376	\$24,164	2.50%	\$814	\$0	\$0	\$11,289	\$95,065	37.92%	\$250,719
2029	\$95,065	\$24,768	2.50%	\$951	\$0	\$0	\$13,111	\$107,673	40.97%	\$262,829
2030	\$107,673	\$25,388	2.50%	\$1,077	\$0	\$0	\$0	\$134,138	46.39%	\$289,164
2031	\$134,138	\$26,022	2.50%	\$1,341	\$0	\$0	\$17,207	\$144,294	48.26%	\$299,012
2032	\$144,294	\$26,673	2.50%	\$1,443	\$0	\$0	\$52,710	\$119,700	43.81%	\$273,224
2033	\$119,700	\$27,340	2.50%	\$1,197	\$0	\$0	\$61,514	\$86,723	36.37%	\$238,429
2034	\$86,723	\$28,023	2.50%	\$867	\$0	\$0	\$57,584	\$58,030	27.99%	\$207,324
2035	\$58,030	\$28,724	2.50%	\$580	\$0	\$0	\$53,123	\$34,211	18.88%	\$181,207
2036	\$34,211	\$29,442	2.50%	\$342	\$0	\$0	\$0	\$63,995	30.55%	\$209,465
2037	\$63,995	\$30,178	2.50%	\$640	\$0	\$0	\$0	\$94,813	39.67%	\$239,025
2038	\$94,813	\$30,932	2.50%	\$948	\$0	\$0	\$13,211	\$113,482	44.26%	\$256,388
2039	\$113,482	\$31,706	2.50%	\$1,135	\$0	\$0	\$25,621	\$120,702	46.05%	\$262,089

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2040	\$120,702	\$32,498	2.50%	\$1,207	\$0	\$0	\$0	\$154,407	52.37%	\$294,831
2041	\$154,407	\$33,311	2.50%	\$1,544	\$0	\$0	\$17,633	\$171,629	55.19%	\$310,976
2042	\$171,629	\$34,144	2.50%	\$1,716	\$0	\$0	\$0	\$207,489	59.92%	\$346,266
2043	\$207,489	\$34,997	2.50%	\$2,075	\$0	\$0	\$24,088	\$220,473	61.51%	\$358,435
2044	\$220,473	\$35,872	2.50%	\$2,205	\$0	\$0	\$49,857	\$208,693	60.46%	\$345,203
2045	\$208,693	\$36,769	2.50%	\$2,087	\$0	\$0	\$8,793	\$238,756	63.76%	\$374,453
2046	\$238,756	\$37,688	2.50%	\$2,388	\$0	\$0	\$4,199	\$274,633	67.00%	\$409,888
2047	\$274,633	\$38,630	2.50%	\$2,746	\$0	\$0	\$31,189	\$284,820	67.93%	\$419,300
2048	\$284,820	\$39,596	2.50%	\$2,848	\$0	\$0	\$0	\$327,265	70.88%	\$461,694
2049	\$327,265	\$40,586	2.50%	\$3,273	\$0	\$0	\$252,340	\$118,783	48.03%	\$247,299
2050	\$118,783	\$41,601	2.50%	\$1,188	\$0	\$0	\$0	\$161,572	56.30%	\$287,007
2051	\$161,572	\$42,641	2.50%	\$1,616	\$0	\$0	\$23,445	\$182,383	59.89%	\$304,516
2052	\$182,383	\$43,707	2.50%	\$1,824	\$0	\$0	\$0	\$227,914	65.61%	\$347,356
2053	\$227,914	\$44,799	2.50%	\$2,279	\$0	\$0	\$23,715	\$251,277	68.31%	\$367,838
2054	\$251,277	\$45,919	2.50%	\$2,513	\$0	\$0	\$0	\$299,709	72.39%	\$414,039
2055	\$299,709	\$47,067	2.50%	\$2,997	\$0	\$0	\$62,590	\$287,184	72.13%	\$398,168

Baseline Projection

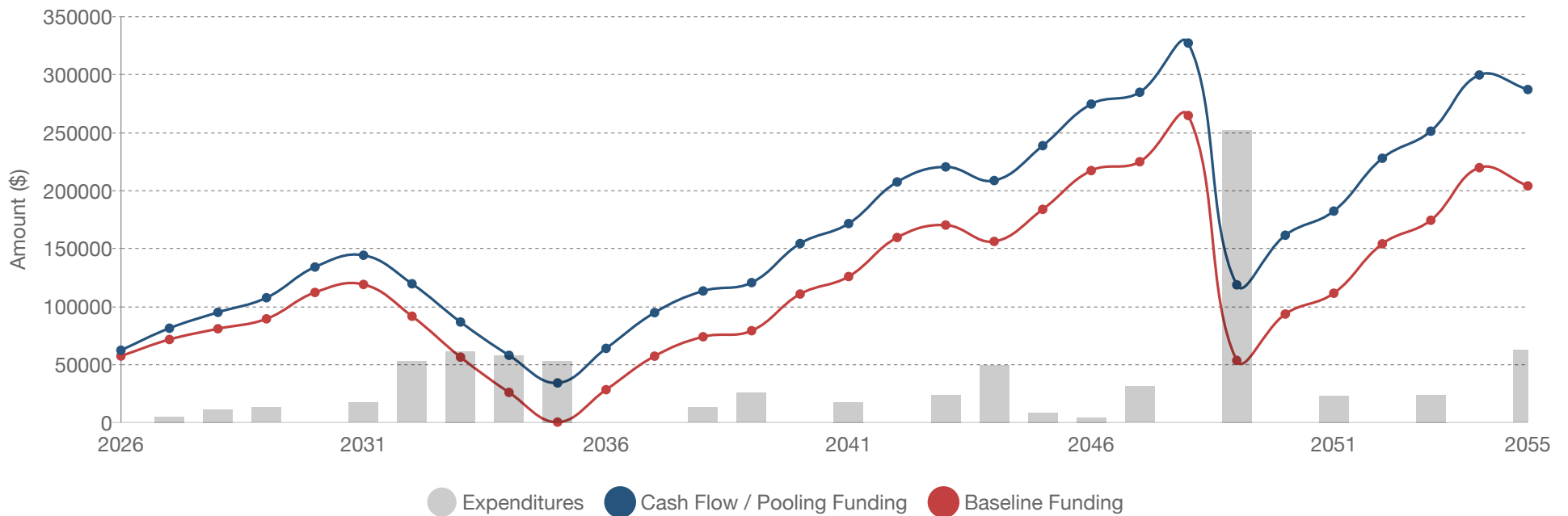
Inflation: 2.50% | Calc: Inflation-Adjusted Cost

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE		ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
							FUTURE COST				
2026	\$39,000	\$18,000	N/A	\$390	\$0	\$0	\$0		\$57,390	26.20%	\$219,057
2027	\$57,390	\$18,900	5.00%	\$574	\$0	\$0	\$5,213		\$71,651	30.16%	\$237,543
2028	\$71,651	\$19,845	5.00%	\$717	\$0	\$0	\$11,289		\$80,923	32.28%	\$250,719
2029	\$80,923	\$20,837	5.00%	\$809	\$0	\$0	\$13,111		\$89,459	34.04%	\$262,829
2030	\$89,459	\$21,879	5.00%	\$895	\$0	\$0	\$0		\$112,233	38.81%	\$289,164
2031	\$112,233	\$22,973	5.00%	\$1,122	\$0	\$0	\$17,207		\$119,121	39.84%	\$299,012
2032	\$119,121	\$24,122	5.00%	\$1,191	\$0	\$0	\$52,710		\$91,724	33.57%	\$273,224
2033	\$91,724	\$25,328	5.00%	\$917	\$0	\$0	\$61,514		\$56,455	23.68%	\$238,429
2034	\$56,455	\$26,594	5.00%	\$565	\$0	\$0	\$57,584		\$26,030	12.56%	\$207,324
2035	\$26,030	\$27,259	2.50%	\$260	\$0	\$0	\$53,123		\$426	0.24%	\$181,207
2036	\$426	\$27,941	2.50%	\$4	\$0	\$0	\$0		\$28,371	13.54%	\$209,465
2037	\$28,371	\$28,639	2.50%	\$284	\$0	\$0	\$0		\$57,294	23.97%	\$239,025
2038	\$57,294	\$29,355	2.50%	\$573	\$0	\$0	\$13,211		\$74,011	28.87%	\$256,388
2039	\$74,011	\$30,089	2.50%	\$740	\$0	\$0	\$25,621		\$79,219	30.23%	\$262,089
2040	\$79,219	\$30,841	2.50%	\$792	\$0	\$0	\$0		\$110,852	37.60%	\$294,831
2041	\$110,852	\$31,612	2.50%	\$1,109	\$0	\$0	\$17,633		\$125,940	40.50%	\$310,976
2042	\$125,940	\$32,402	2.50%	\$1,259	\$0	\$0	\$0		\$159,601	46.09%	\$346,266
2043	\$159,601	\$33,213	2.50%	\$1,596	\$0	\$0	\$24,088		\$170,322	47.52%	\$358,435
2044	\$170,322	\$34,043	2.50%	\$1,703	\$0	\$0	\$49,857		\$156,211	45.25%	\$345,203
2045	\$156,211	\$34,894	2.50%	\$1,562	\$0	\$0	\$8,793		\$183,874	49.10%	\$374,453
2046	\$183,874	\$35,766	2.50%	\$1,839	\$0	\$0	\$4,199		\$217,280	53.01%	\$409,888
2047	\$217,280	\$36,660	2.50%	\$2,173	\$0	\$0	\$31,189		\$224,924	53.64%	\$419,300
2048	\$224,924	\$37,577	2.50%	\$2,249	\$0	\$0	\$0		\$264,750	57.34%	\$461,694
2049	\$264,750	\$38,516	2.50%	\$2,648	\$0	\$0	\$252,340		\$53,574	21.66%	\$247,299

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE		ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
							FUTURE COST				
2050	\$53,574	\$39,479	2.50%	\$536	\$0	\$0	\$0		\$93,589	32.61%	\$287,007
2051	\$93,589	\$40,466	2.50%	\$936	\$0	\$0	\$23,445		\$111,546	36.63%	\$304,516
2052	\$111,546	\$41,478	2.50%	\$1,115	\$0	\$0	\$0		\$154,140	44.38%	\$347,356
2053	\$154,140	\$42,515	2.50%	\$1,541	\$0	\$0	\$23,715		\$174,481	47.43%	\$367,838
2054	\$174,481	\$43,578	2.50%	\$1,745	\$0	\$0	\$0		\$219,804	53.09%	\$414,039
2055	\$219,804	\$44,667	2.50%	\$2,198	\$0	\$0	\$62,590		\$204,079	51.25%	\$398,168

Funding Model Comparison

Projected Reserve Ending Balance



The chart above compares the projected annual reserve fund ending balances for funding plans.

Funding Options

Significant expenses for the repair or replacement of reserve components are expected within a community. When these expenses occur, there are essentially four funding options available for addressing the expenditure:

- The *First and most logical option* for the Board of Directors is to ensure the association's ability to maintain the obligated assets by assessing an adequate level of reserves as part of the regular membership fees. This approach allows for the cost of replacements to be uniformly distributed among all members, both present and future. The board needs to avoid adopting a calculation method or funding plan that unfairly burdens future members to compensate for past reserve deficits. The board has a fiduciary responsibility to the entire community and should act in their best interest. Therefore, the Association must adopt a rule for "reasonable figure reserve study", which means adopting a funding plan that is reasonable and sustainable. By setting aside reserves over the lifespan of the asset, such as a roof, the association has ample time to accumulate the necessary funds. Additionally, these reserve obligations would be evenly distributed among all members and could earn interest.
- The *Second option* is for the association to secure a loan from a lending institution to finance any immediately required repairs. In many cases, banks are willing to lend to associations using future homeowner assessments as collateral. However, this method commits the association's future assets and incurs additional expenses in the form of interest fees. For instance, in the case of a \$150,000 roofing replacement, the association may be required to repay the loan over three to five years, along with the accrued interest.
- The *Third option* is to pass a "special assessment" to the membership, requiring each member to contribute an amount necessary to cover the expenditure. When a special assessment is implemented, the association has the authority and responsibility to collect the assessments, even through foreclosure if necessary. However, it is important to note that there is no guarantee that an assessment will be passed when it is needed. Therefore, the association cannot ensure its ability to perform the required repairs or replacements for major components when the need arises. Furthermore, as communities age, the need for major reserve expenditures increases. Associations that are 12 to 15 years old or older often encounter numerous components reaching the end of their useful lives. If these required expenditures coincide, they can have a detrimental impact on the association's overall budget.
- The *Fourth option*, although not recommended, is to defer the necessary repair or replacement. This approach can lead to declining property values due to an expanding list of deferred maintenance items. The association may struggle to keep up with the natural aging process of common area components. Consequently, this can make it difficult, or even impossible, for potential

buyers to obtain financing from lenders. Lending institutions are increasingly requesting copies of the association's most recent reserve study before granting loans, whether to the association itself, a prospective purchaser, or an individual within the association.

Reserve Components

In this section of the report, we provide a comprehensive examination of the Reserve Study's physical analysis, encompassing a thorough inventory of the significant components within the association's "common" areas. This includes "Limited Common Elements" or (LCE).

Each Reserve Component has been assessed based on its physical condition during the inspection. A determination was made regarding the following:

- *Installation date*
- *Estimated market expected lifespan*
- *Subjective remaining lifespan*
- *Unit current cost*
- *Unit projected future cost*

Component List - Full Detail

A01 - Elevator Cabs, Refurbish

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Comments/Notes

This component provides money for a major renovation of the elevator cabs currently in good working condition with no signs of deterioration. On the date of the inspection, it was reported cabs were renovated last in 2019.

Useful Life

Last Activity Date:	01/01/2019
Est. Useful Life:	20y
Remaining Useful Life:	13y
Next Activity Date:	01/01/2039

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	MVS
Cost Per Ea:	\$13,500.00
Total Quantity:	1 Ea
Total Current Cost:	\$13,500
Inflation Rate:	2.50%
Total Expenditures:	\$18,610





A02 - Elevators, 7-Stop, Hydraulic, Modernization

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Comments/Notes

This component provides money for as-needed repairs and eventual elevator equipment element replacement currently in good condition with no signs of severe deterioration. On the date of the inspection, it was reported equipment was replaced in 2019.

Useful Life

Last Activity Date:	01/01/2019
Est. Useful Life:	30y
Remaining Useful Life:	23y
Next Activity Date:	01/01/2049

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	MVS
Cost Per Ea:	\$140,500.00
Total Quantity:	1 Ea
Total Current Cost:	\$140,500
Inflation Rate:	2.50%
Total Expenditures:	\$247,928



A03 - Garage, Exhaust Fans

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Fair

Comments/Notes

This component provides money for as-needed repairs and eventual exhaust fans replacement currently in fair condition with no signs of severe deterioration.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	5y
Next Activity Date:	01/01/2031

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractor
Cost Per PC:	\$2,500.00
Total Quantity:	1 PC
Total Current Cost:	\$2,562
Inflation Rate:	2.50%
Total Expenditures:	\$7,098



A04 - Generator & Controller, Maintenance & Repairs

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Building Service Components
Category:	Mechanical
Condition:	Fair

Comments/Notes

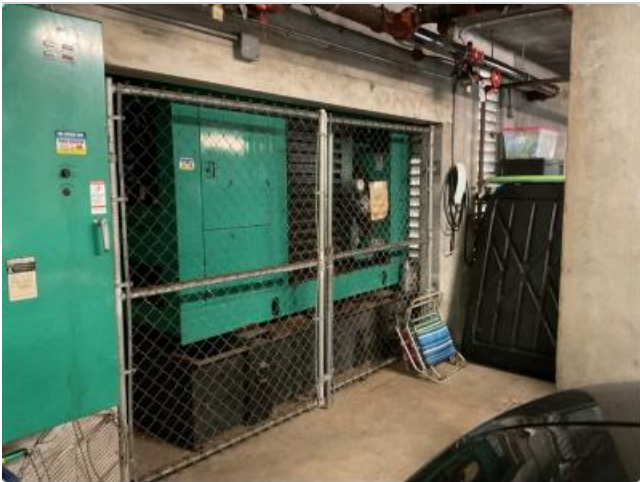
This component provides money for as-needed repairs and eventual generator replacement, currently in good condition with no signs of severe deterioration. On the date of the inspection, it was reported that the generator will be removed.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	20y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	MVS
Cost Per Ea:	\$20,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$20,000
Inflation Rate:	2.50%
Total Expenditures:	\$65,905



A05 - HVAC, Mini-Split System, 1-Ton

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Comments/Notes

This component funds to replace the 1-ton mini-split system currently in fair condition with some signs of deterioration.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	12y
Remaining Useful Life:	3y
Next Activity Date:	01/01/2029

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Local Contractors
Cost Per Ea:	\$4,850.00
Total Quantity:	1 Ea
Total Current Cost:	\$4,850
Inflation Rate:	2.50%
Total Expenditures:	\$21,694



A06 - HVAC, Split-System, Air-Handler

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Comments/Notes

This component funds to replace the split system currently in good condition with no signs of deterioration.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	12y
Remaining Useful Life:	3y
Next Activity Date:	01/01/2029

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Local Contractors
Cost Per Ea:	\$7,325.00
Total Quantity:	1 Ea
Total Current Cost:	\$7,325
Inflation Rate:	2.50%
Total Expenditures:	\$32,765





A07 - Water Heater, Gas, 250K BTU

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Comments/Notes

This component funds to replace the water heater currently in good condition with no signs of deterioration.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	SBS Cost Database
Cost Per Ea:	\$2,500.00
Total Quantity:	1 Ea
Total Current Cost:	\$2,500
Inflation Rate:	2.50%
Total Expenditures:	\$7,458



B01 - Boardwalk, Wood Joists & Decking

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Wood Structures
Condition:	Fair

Comments/Notes

This component provides money for as-needed repairs and eventual joists and decking section replacement, currently in fair condition.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	2y
Next Activity Date:	01/01/2028

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Xactimate
Cost Per LS:	\$61.40
Total Quantity:	350 LS
Percent of Total to Maintain:	50%
Quantity to Maintain:	175 LS
Total Current Cost:	\$10,745
Inflation Rate:	2.50%
Total Expenditures:	\$27,639



B02 - Doors, Metal Utility, Single

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Access Control Systems
Condition:	Good

Comments/Notes

This component funds to replace the metal doors currently in good working condition with no signs of deterioration. It is recommended to paint doors periodically to preserve their useful life.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	35y
Remaining Useful Life:	7y
Next Activity Date:	01/01/2033

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Xactimate
Cost Per Ea:	\$2,070.00
Total Quantity:	25 Ea
Total Current Cost:	\$51,750
Inflation Rate:	2.50%
Total Expenditures:	\$61,514





B03 - Light Fixtures, Exterior, Wall Mount

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Light Fixtures
Condition:	Fair

Comments/Notes

This component provides money for as-needed light fixtures replacement currently in fair working condition with no signs of deterioration.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	20y
Remaining Useful Life:	5y
Next Activity Date:	01/01/2031

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	MVS
Cost Per Ea:	\$135.00
Total Quantity:	56 Ea
Total Current Cost:	\$7,560
Inflation Rate:	2.50%
Total Expenditures:	\$22,569



C01 - Pool Deck, Concrete Pavers

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Ground Surfaces
Condition:	Good

Comments/Notes

This component provides money for as-needed repairs, cleaning and sealing of the pool pavers currently in good condition.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	40y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Local Contractors
Cost Per SF:	\$16.15
Total Quantity:	480 SF
Total Current Cost:	\$7,752
Inflation Rate:	2.50%
Total Expenditures:	\$9,681



C02 - Pool Deck, Textured Concrete

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Ground Surfaces
Condition:	Good

Comments/Notes

This component provides money for as-needed repairs and eventual pool deck section replacement currently in good condition with no signs of severe deterioration.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	XactRemodel
Cost Per SF:	\$8.05
Total Quantity:	1,675 SF
Total Current Cost:	\$13,484
Inflation Rate:	2.50%
Total Expenditures:	\$38,286



C03 - Pool Fence, 4' Aluminum Picket

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Fencing
Condition:	Good

Comments/Notes

This component provides money for a major replacement of the pool aluminum fence currently in good condition with no signs of severe deterioration. It is recommended to paint fence periodically to preserve useful life.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	30y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	MVS
Cost Per LF:	\$51.70
Total Quantity:	190 LF
Total Current Cost:	\$9,823
Inflation Rate:	2.50%
Total Expenditures:	\$13,211



C04 - Pool Finish & Border Tiles

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Pool Facility Components
Category:	Ground Surfaces
Condition:	Good to Fair

Comments/Notes

This component provides money for as-needed repairs and a eventual major resurfacing of the pool currently in good condition.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	12y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Local Contractors
Cost Per SF:	\$22.60
Total Quantity:	1,245 SF
Total Current Cost:	\$28,137
Inflation Rate:	2.50%
Total Expenditures:	\$76,514



C05 - Pool Heater, Electric Heat Pump

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Mechanical
Condition:	Good

Comments/Notes

This component funds to replace the pool heater currently in poor condition with severe signs of deterioration.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Client Cost History
Cost Per Ea:	\$5,500.00
Total Quantity:	1 Ea
Total Current Cost:	\$5,500
Inflation Rate:	2.50%
Total Expenditures:	\$26,917



D01 - Access Control, Enterphone Panel

Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Access Control Systems
Condition:	Good

Comments/Notes

This component funds to replace the enterphone panel currently in good condition with no signs of deterioration.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	12y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Xactimate
Cost Per Ea:	\$3,830.00
Total Quantity:	1 Ea
Total Current Cost:	\$3,830
Inflation Rate:	2.50%
Total Expenditures:	\$10,415



D02 - Asphalt Pavement, Mill & Overlay

Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Roadways
Condition:	Good to Fair

Comments/Notes

This component provides money for a major resurfacing of the parking lot currently in good to fair condition.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per SY:	\$22.00
Total Quantity:	1,985 SY
Total Current Cost:	\$44,762
Inflation Rate:	2.50%
Total Expenditures:	\$54,538



D03 - Asphalt Pavement, Patch, Stripe & Sealcoat

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Property Site Components
Category:	Roadways
Condition:	Fair

Comments/Notes

This component provides money for as-needed repairs and general maintenance on the parking lot currently in fair condition.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	4y
Remaining Useful Life:	1y
Next Activity Date:	01/01/2027

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per SY:	\$2.50
Total Quantity:	1,985 SY
Total Current Cost:	\$5,086
Inflation Rate:	2.50%
Total Expenditures:	\$60,446



D04 - Pavers, Concrete, Roadways

Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Roadways
Condition:	Good

Comments/Notes

This component provides money for as-needed paver replacement currently in good condition.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	40y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Local Contractors
Cost Per SF:	\$16.15
Total Quantity:	260 SF
Total Current Cost:	\$4,199
Inflation Rate:	2.50%
Total Expenditures:	\$5,244



Useful Definitions

Adjustment to Useful Life: The estimated useful life may be adjusted, up or down, by this separate figure for the current cycle of replacement. This allows for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Annual Assessment Increase: This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. It ensures the accumulation of the desired amount over a specific timeframe.

Annual Fixed Reserves: An optional figure that, if used, will override the normal process of allocating reserves to each asset.

Budget Year Beginning/Ending: The fiscal year for which the report is prepared. Monthly reserve obligation figures indicated are for the 12 months beginning on January 1st and ending on December 31st of a specific year for associations with a fiscal year ending on December 31st.

Component: A specific item or element that is part of the association's common area assets and requires reserve funding.

Component Inventory: The process of selecting and qualifying reserve components. This can be done through on-site visual inspections, reviewing association documents, considering established precedents, and consulting with relevant association representatives.

Cost per Unit: The estimated cost to replace a reserve component per unit of measurement.

Current Replacement Cost: The estimated cost of replacing the asset at the beginning of the fiscal year for which the report is prepared.

Estimated Remaining Life: A calculation based on the report's fiscal year date and the asset's placed-in-service date to determine the remaining life of the asset.

Estimated Useful Life: The anticipated lifespan of an asset based on industry standards, manufacturer specifications, visual inspection, location, usage, association standards, and prior history.

Future Replacement Cost: The estimated cost to repair or replace the asset at the end of its estimated useful life, based on the current replacement cost and inflation.

Group and Category: The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Inflation: A figure used to estimate the future cost of repairing or replacing each component. The current cost of each component is compounded annually based on the number of remaining years to replacement, and the total is used to calculate the monthly reserve obligations needed to accumulate the required funds in time for replacement.

Interest Obligation (After Taxes): The interest that should be earned on the reserves, net of taxes, based on their beginning reserve balance and monthly reserve obligations for one year. This figure is averaged for budgeting purposes.



Investment Yield Before Taxes: The average interest rate anticipated by the association based on its current investment practices.

Number of Units and/or Phases: If applicable, the number of units and/or phases included in the report.

Percent Fully Funded: The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age: Comments regarding the aging of the components based on the construction date or date of acceptance by the association.

Placed-In-Service Date: The month and year when the asset was placed in service, which could be the construction date, the first escrow closure date in a phase, or the date of the last servicing or replacement.

Projected Reserve Balance: The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based on the provided information and is not audited.

Quantity: The amount or number of each reserve component element.

Replacement Year: The year when the asset is scheduled to be replaced. The necessary funds will be available by the first day of the fiscal year for which replacement is anticipated.

Reserves: Funds set aside for projected repairs and/or replacements of the association's common elements.

Salvage Value: The salvage value of the asset at the time of replacement, if applicable.

Total Monthly Allocation: The sum of the monthly assessment and interest obligation figures.

Units: The unit of measurement used for each quantity.

Estimated Replacement Cost: The estimated cost to repair or replace the asset at the end of its estimated useful life based on the current replacement cost and inflation.

Monthly Assessment: The assessment of reserves required by the association each month.

Taxes on Interest Yield: The estimated percentage of interest income that will be set aside to pay income taxes on the earned interest.

Total Monthly Allocation: The sum of the monthly assessment and interest obligation figures.

Unit Abbreviations:

Sq Ft - Square Feet Sq Yds - Square Yards Ln Ft - Linear Feet

Cu Ft - Cubic Feet Cu Yds - Cubic Yards Opngs - Openings (elevators)

Lp Sm - Lump Sum Allow - Allowance

Hp - Horsepower

Units - Units

Ct - Court

Bldg- Building

Ea - Each

Kw - Kilowatts

Sq - Squares (1 Sq = 100 sq ft)



Disclosures

Emerald Shores Condominium Association, Inc. ("the Association") engaged Stone Building Solutions LLC ("Stone") to conduct a Structural Integrity Reserve Study ("SIRS"). The study is based on a visual review of representative common areas by a qualified member of our engineering team, combined with information provided through documentation, interviews with Association representatives, and documentation submitted.

Stone holds no present or future interest in the subject property and has no personal or financial interest in any parties involved. Our engagement was not contingent upon any predetermined outcome, and compensation is not dependent on the results or any actions arising from this report.

This Reserve Study is a planning tool, not a substitute for an audit, engineering analysis, or insurance appraisal. All cost estimates and component life projections are based on industry-standard sources, including, but not limited to: RSMeans, Verisk, Xactimate, Marshall & Swift, McGraw-Hill, and actual vendor data, as well as Stone's experience in construction, reserve analysis, and valuation.

Cash flow projections were produced using Stone's reserve study software, which has been independently reviewed by a Certified Public Accounting firm for compliance with the AICPA Audit and Accounting Guide for Common Interest Realty Associations. Calculations align with IRS guidelines for Form 1120-C and 1120-H entities.

This report reflects assumptions and estimates based on current information and conditions. No guarantee is made regarding future costs, component performance, or funding sufficiency.

According to Florida law, community association managers and management firms are obligated to act in good faith, with loyalty, skill, diligence, honesty, full disclosure, and reasonable fees. When under contract with an association subject to the requirements of Florida Statutes §553.899 (Milestone Inspections) or §718.112(2)(g) (Structural Integrity Reserve Studies), they must comply with these statutory obligations as directed by the association's board. Stone provides this study as a tool to support that compliance.

Stone Building Solutions LLC remains available to provide further engineering evaluations, construction monitoring, and reserve updates upon request. We are committed to professional integrity and industry best practices.



Annual Update Requirements

We recommend updating this study yearly, no longer than every 3 years.

Inflation, labor rates, material availability, taxes, insurance, and asset lives are just but a few of the ever-changing variables addressed in your reserve study report.

To order an updated study, please contact us at 848-986-0367, or email us at reserves@stonebldg.com.