

STRUCTURAL INTEGRITY 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

848-986-0367

www.stonebldg.com

Report Date: December 2, 2025

Location: 1405 Florida A1A, Satellite Beach , Florida
Service: Structural Integrity Reserve Study
Budget: Beginning January 1, 2026

Attention: Board of Directors @ Emerald Shores Condominium Association, Inc.

At the direction of the Board and/ or management of Emerald Shores Condominium Association, Inc., Stone Building Solutions has completed a Structural Integrity Reserve Study for the Association as requested. Enclosed is our report for the Board's review.

This is a Level III (no-site-visit) Reserve Study based on a previous report created by Stone Building Solutions for your 2025 Fiscal Year.

This Reserve Study meets or exceeds all requirements outlined in Florida Statute s.718.112. This report is written in compliance with both the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) standards, fulfilling the requirements of a "Level III 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:

Nicholas Vocke

Nick Vocke, RS

Reserve Specialist #534

Reserve Specialist

Reserves@stonebldg.com

848-986-0367

Executive Summary

A Structural Integrity Reserve Study (SIRS) is a mandate of Florida statutes under s. 718.112 (2) (g) requires condominium associations and cooperatives to reserve funds for crucial structural elements related to their buildings.

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 lifecycle. Stone Reserve Studies has received this information 'as is', and our opinions are based on the observations of the analysis by the engineer onsite. Stone Reserve Studies 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, 2050	Association:	Condominiums (Condos)
Report Type:	Level III	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 \$91,000

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.

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

The 25-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 and inflationary 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 \$51,500 for the 2026 Fiscal Year. Going forward, the yearly reserve obligations are illustrated on the 25-year cash flow table

The requirements for the initial year are based on the 25-year Pooled Cash Flow Funding Plan.

Required First Year Association reserve obligation:	\$51,500
Required First Year annual reserve obligation per unit:	\$2,239
Required First Year monthly reserve obligation per unit:	\$187
Average monthly reserve obligation per unit (Over 25 Years):	\$255
Special assessments:	\$0
Report Ending Balance:	\$527,795

25-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 \$42,000 for the 2026 Fiscal Year. Going forward, the yearly reserve obligations are illustrated on the 25-year Baseline table.

Required First Year Association reserve obligation:	\$42,000
Required First Year annual reserve obligation per unit:	\$1,826
Required First Year monthly reserve obligation per unit:	\$152
Average monthly reserve obligation per unit (Over 25 Years):	\$208
Special assessments:	\$0
Report Ending Balance:	\$165,837

State of Florida Statutory Requirements

SB-4D/SB-154

Florida Statute S.718.112 (2) (g) mandates that all residential condominiums and cooperative associations with buildings of 3 or more habitable stories must complete a Structural Integrity Reserve Study (SIRS) and fund a corresponding "structural Integrity" reserve account based on the results of the study. In contrast, buildings with 4 units or fewer and 3 or fewer stories are exempt from the structural integrity reserve study requirement.

The Structural Integrity Reserve Study (SIRS) **MUST**:

- **Be completed** for associations built before July 2022. The initial study must be completed *by December 31, 2025*, and updated with a site inspection by a qualified professional at least every 10 years
- **Be conducted** by a Florida-licensed engineer, architect, certified Reserve Specialist (RS), or Accredited Professional Reserve Analyst (APRA)
- **Include the following components:**
 - Roofing
 - Walls and Primary Support Members
 - Plumbing
 - Electrical
 - Fire Protection & Life Safety Components
 - Waterproofing & Paint
 - Common Area Windows & Doors
 - Items related to the *structural integrity* of the building costing over \$25,000
- **Include a funding plan** that expresses a yearly reserve obligation amount, without special assessments, that allows for funding expenditures and allocating adequate fund balances over the projection.

Board Responsibilities

Once the Board has received the published Structural Integrity Reserve Study (SIRS) they **MUST**:

- Electronically notify members that the Structural Integrity Reserve Study has been completed and that it has become part of official records **within 45 days** of receiving the published SIRS.
- Associations must make a published copy of the report available to members upon request thereafter.
- Approve a budget for 2026 that includes fully funding reserves as required in the Structural Integrity Reserve Study

Once the Board has received the published Structural Integrity Reserve Study (SIRS) they **CAN NOT**:

- Waive or reduce funding requirements for any components listed in the SIRS report.
- Alter the funding in any year without having the study modified by a qualified professional.

Notes:

- The board has a fiduciary responsibility to the entire community and should always act in their best interest.
- Failure to complete a Structural Integrity Reserve Study (SIRS) according to the statutory requirements by December 31st, 2024 would be considered a breach of an officer's or director's fiduciary responsibilities to the unit owners.
- Failure to complete or comply with this study could result in complications with insurance coverage and financing.
- This study is not currently required to be publicly posted or submitted to any local building officials; but must be made available upon request.
- The association will be required to submit compliance forms to the DBPR (once available).

SIRS Evaluation

Structural Integrity Reserve Study (SIRS) Principles:

A Structural Integrity Reserve Study (SIRS) is a form of reserve study with more rigid standards and higher qualifications than previously required for condominium and cooperative properties in the State of Florida. As required under Florida Statutes, this study is designed to ensure that condo and cooperative associations set aside adequate funds for crucial structural elements in their buildings to perform maintenance and repairs.

It is critical to understand that the SIRS comprises several elements that must be separately accounted for in the reserve study. Once established, funds for repairs can only be used for that specific named purpose and cannot be shared or pooled with other non-critical Traditional Reserve Component funds..

A Structural Integrity Reserve Study states the estimated remaining useful life, the estimated replacement cost, or the deferred maintenance expense of the common areas being visually inspected. It provides a recommended annual reserve obligation based on a formula that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each component.



Stone Building Solutions Evaluation

Onsite Process

A member of the Stone Building Solutions Engineering Team conducted a visual inspection of Emerald Shores Condominium Association, Inc. on N/A. The results of the inspection were utilized as the primary basis for this analysis.

Structural Integrity Reserve Evaluations

The Stone Building Solutions SIRS report provides the estimated remaining useful life, replacement cost, or the deferred maintenance expense of the required areas, along with the annual reserve obligation based on a pooled cash flow formula.

The inspection should not be considered an engineering assessment, but a visual inspection to determine the overall condition and subjective remaining useful life of the reservable elements identified at the property.

Supplemental information to the physical inspection may have been obtained from the following sources:

- Project plans
- Maintenance Records
- Contracts
- Association BOD
- Management
- Public Databases

Structural Integrity Reserve Exclusions

Expenditures could be excluded for one or more of the following reasons:

- The current condition does not warrant predictable maintenance expenditures.
- The issue applies to a unit owner-maintained element.
- Items that have a useful life of over 100 years, such as foundations.



Cost Evaluation

Stone Building Solutions (SBS) LLC. maintains a proprietary cost database that we continually update to reflect current market conditions.

These costs are derived by averaging comparable scopes of work in the local regions. Stone Building Solutions also utilizes nationally recognized cost databases such as Xactimate/XactRemodel and similar software to determine base costs when needed.

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

Please note that no contractors have been contacted for actual bids or price quotes, so the actual cost of repairs may vary from our estimates. These opinions of probable costs apply to components or systems showing material deferred maintenance and existing physical deficiencies that require major repairs or replacement.

Structural Integrity Reserve Items

ASSET N°	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
001	Electric, Main Panels & Meter Bases: Common	01/01/2065	40y	40y	39y	\$1,506.75	23 U	\$34,655
002	Fire Alarm Control Panel & Ancillary Devices: Common	01/01/2045	25y	25y	19y	\$1,933.15	23 U	\$44,462
003	Fire Suppression System, Piping & Heads: Common	01/01/2037	40y	42y	11y	\$105,062.50	.5 Allow	\$52,531
004	Fire Pump, Electric, Controller, Motor & Piping: Common	01/01/2040	45y	45y	14y	\$78,271.56	1 Ea	\$78,272
005	Fire Standpipes & Valves: Common	01/01/2040	45y	45y	14y	\$160.75	65 LF	\$10,448
006	Domestic Water Pump System: Common	01/01/2035	25y	20y	9y	\$1,643.18	7 Flr	\$11,502
007	Roofs, Flat, TPO: Common	01/01/2034	18y	18y	8y	\$21.01	250 SF	\$5,253
008	Roofs, Foam, Replace: Common	01/01/2036	30y	20y	10y	\$12.61	9,475 SF	\$119,461
008.5	Roofs, Foam, Recoat: Common	01/01/2026	10y	10y	0y	\$4.00	9,475 SF	\$37,900
009	Roofs, Concrete Tiles: Common	01/01/2035	30y	40y	9y	\$1,346.11	8.7 RS	\$11,711
010	Painting, Waterproofing & Stucco Repairs: Common	01/01/2035	10y	11y	9y	\$3.00	33,000 SF	\$99,000
011	Concrete Restoration, Exterior Walls: Common	01/01/2035	10y	11y	9y	\$13.54	1,650 SF	\$22,341
012	Concrete Restoration, Parking Garage: Common	01/01/2034	25y	39y	8y	\$14.23	1,593.6 SF	\$22,669
013	Concrete Restoration, Walkways & Balconies: Balconies	01/01/2045	20y	20y	19y	\$16.94	4,800 SF	\$81,302
013	Concrete Restoration, Walkways & Balconies: Walkways	01/01/2045	20y	20y	19y	\$16.94	4,000 SF	\$67,752
014	Concrete Restoration, Staircases : Common	01/01/2035	30y	40y	9y	\$19,436.56	1.4 Flr	\$27,211
015	Railings, Aluminum Picket: Walkways	01/01/2055	44y	60y	29y	\$110.00	267 LF	\$29,370
015	Railings, Aluminum Picket: Balconies	01/01/2055	44y	60y	29y	\$110.00	835 LF	\$91,850

ASSET N°	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
016	Piping & Plumbing, Major Renovations : Common	01/01/2050	55y	55y	24y	\$2,521.50	23 U	\$57,994
017	Windows & Doors, Impact Rated: Common	01/01/2055	60y	60y	29y	\$210.13	1,180 SF	\$247,948
018	Garage Doors, Roll-Up & Openers: Common	01/01/2048	25y	25y	22y	\$39.16	500 SF	\$19,578
019	Structural Integrity Reserve Study - UPDATE: Common	01/01/2035	10y	10y	9y	\$5,253.13	1 Ea	\$5,253
020	Milestone Inspection: FL Requirements	01/01/2034	10y	10y	8y	\$5,253.13	1 Ea	\$5,253
								\$1,183,716

Expenditures (By Year)

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2026 (Year 1)						
008.5	Roofs, Foam, Recoat: Common	\$4.00	9,475 SF	\$37,900	10y	2036
2026 (Year 1) Total				\$37,900		
2027 (Year 2)						
2027 (Year 2) Total				\$0		
2028 (Year 3)						
2028 (Year 3) Total				\$0		
2029 (Year 4)						
2029 (Year 4) Total				\$0		
2030 (Year 5)						
2030 (Year 5) Total				\$0		
2031 (Year 6)						
2031 (Year 6) Total				\$0		
2032 (Year 7)						
2032 (Year 7) Total				\$0		
2033 (Year 8)						
2033 (Year 8) Total				\$0		
2034 (Year 9)						
012	Concrete Restoration, Parking Garage: Common	\$17.33	1,593.6 SF	\$27,620	39y	N/A
020	Milestone Inspection: FL Requirements	\$6,400.00	1 Ea	\$6,400	10y	2044

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
007	Roofs, Flat, TPO: Common	\$25.60	250 SF	\$6,400	18y	N/A
2034 (Year 9) Total				\$40,420		
2035 (Year 10)						
011	Concrete Restoration, Exterior Walls: Common	\$16.91	1,650 SF	\$27,902	11y	2045
014	Concrete Restoration, Staircases : Common	\$24,273.57	1.4 Flr	\$33,983	40y	N/A
006	Domestic Water Pump System: Common	\$2,052.14	7 Flr	\$14,365	20y	N/A
010	Painting, Waterproofing & Stucco Repairs: Common	\$3.75	33,000 SF	\$123,651	11y	2045
009	Roofs, Concrete Tiles: Common	\$1,681.15	8.7 RS	\$14,626	40y	N/A
019	Structural Integrity Reserve Study - UPDATE: Common	\$6,560.00	1 Ea	\$6,560	10y	2045
2035 (Year 10) Total				\$221,087		
2036 (Year 11)						
008.5	Roofs, Foam, Recoat: Common	\$5.12	9,475 SF	\$48,512	10y	2046
008	Roofs, Foam, Replace: Common	\$16.14	9,475 SF	\$152,917	20y	N/A
2036 (Year 11) Total				\$201,429		
2037 (Year 12)						
003	Fire Suppression System, Piping & Heads: Common	\$137,852.00	.5 Allow	\$68,926	42y	N/A
2037 (Year 12) Total				\$68,926		
2038 (Year 13)						
2038 (Year 13) Total				\$0		
2039 (Year 14)						
2039 (Year 14) Total				\$0		
2040 (Year 15)						
004	Fire Pump, Electric, Controller, Motor & Piping: Common	\$110,596.00	1 Ea	\$110,596	45y	N/A
005	Fire Standpipes & Valves: Common	\$227.12	65 LF	\$14,763	45y	N/A

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2040 (Year 15) Total				\$125,359		
2041 (Year 16)						
2041 (Year 16) Total				\$0		
2042 (Year 17)						
2042 (Year 17) Total				\$0		
2043 (Year 18)						
2043 (Year 18) Total				\$0		
2044 (Year 19)						
020	Milestone Inspection: FL Requirements	\$8,193.00	1 Ea	\$8,193	10y	N/A
2044 (Year 19) Total				\$8,193		
2045 (Year 20)						
011	Concrete Restoration, Exterior Walls: Common	\$21.65	1,650 SF	\$35,716	10y	N/A
013	Concrete Restoration, Walkways & Balconies: Balconies	\$27.08	4,800 SF	\$129,974	20y	N/A
013	Concrete Restoration, Walkways & Balconies: Walkways	\$27.08	4,000 SF	\$108,312	20y	N/A
002	Fire Alarm Control Panel & Ancillary Devices: Common	\$3,090.44	23 U	\$71,080	25y	N/A
010	Painting, Waterproofing & Stucco Repairs: Common	\$4.80	33,000 SF	\$158,268	10y	N/A
019	Structural Integrity Reserve Study - UPDATE: Common	\$8,398.00	1 Ea	\$8,398	10y	N/A
2045 (Year 20) Total				\$511,748		
2046 (Year 21)						
008.5	Roofs, Foam, Recoat: Common	\$6.55	9,475 SF	\$62,099	10y	N/A
2046 (Year 21) Total				\$62,099		
2047 (Year 22)						
2047 (Year 22) Total				\$0		
2048 (Year 23)						

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
018	Garage Doors, Roll-Up & Openers: Common	\$67.41	500 SF	\$33,705	25y	N/A
2048 (Year 23) Total				\$33,705		
2049 (Year 24)						
2049 (Year 24) Total				\$0		
2050 (Year 25)						
016	Piping & Plumbing, Major Renovations : Common	\$4,560.70	23 U	\$104,896	55y	N/A
2050 (Year 25) Total				\$104,896		



Critical Expenditure Planning (3-Year Outlook)

LOCATION RESERVE ITEM	2026	2027	2028
Building Service Components			
Total Building Service Components			
Exterior Building Components			
Roofs, Foam, Recoat: Common	\$37,900		
Total Exterior Building Components	\$37,900		
Property Site Components			
Total Property Site Components			
Total	\$37,900		

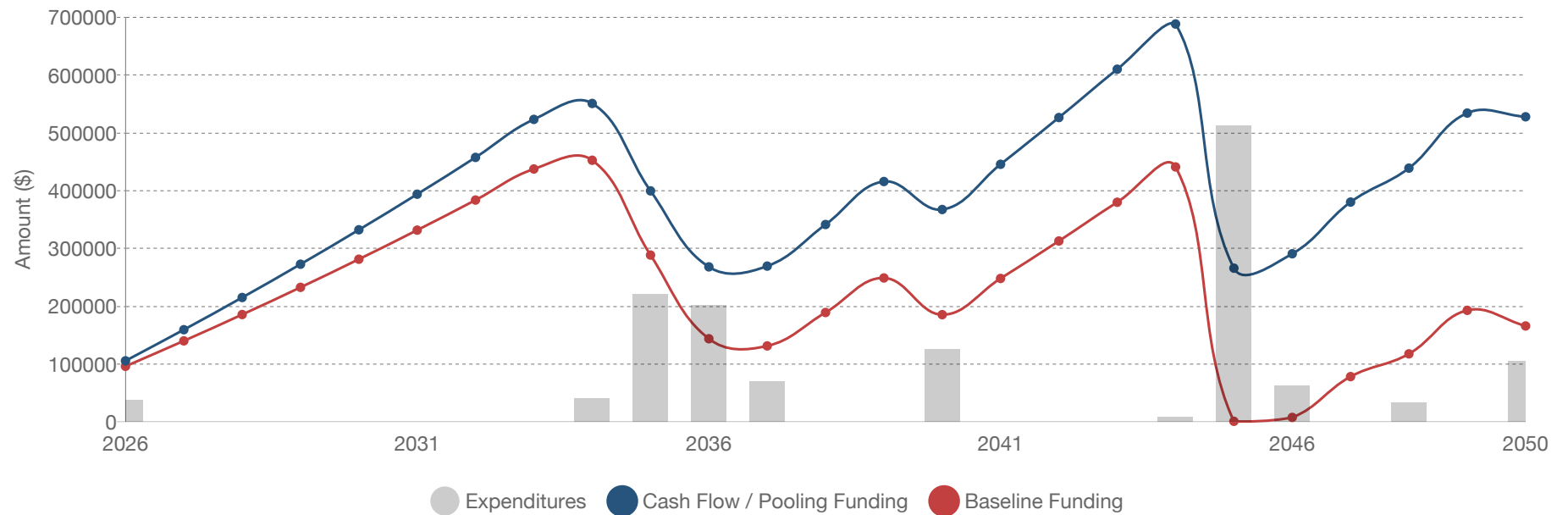
Annual Plan Comparison Table

YEAR	CASH FLOW / POOLING FUNDING			BASELINE FUNDING		
	FY CONTRIBUTIONS: \$51,500			FY CONTRIBUTIONS: \$42,000		
	ASSOC. END. BAL.	OWNER PER MO.	PERCENT FUNDED	ASSOC. END. BAL.	OWNER PER MO.	PERCENT FUNDED
2026	\$105,510	\$187	19%	\$96,010	\$152	18%
2027	\$159,353	\$191	26%	\$140,020	\$156	23%
2028	\$215,053	\$196	32%	\$185,547	\$160	28%
2029	\$272,664	\$201	37%	\$232,631	\$164	32%
2030	\$332,237	\$206	41%	\$281,318	\$168	35%
2031	\$393,827	\$211	45%	\$331,650	\$172	38%
2032	\$457,489	\$216	48%	\$383,674	\$176	40%
2033	\$523,281	\$222	51%	\$437,435	\$181	42%
2034	\$550,842	\$227	51%	\$452,563	\$185	42%
2035	\$399,580	\$233	43%	\$288,454	\$190	31%
2036	\$268,071	\$239	33%	\$143,673	\$195	18%
2037	\$269,398	\$245	33%	\$131,291	\$200	16%
2038	\$341,354	\$251	38%	\$189,089	\$205	21%
2039	\$415,761	\$257	42%	\$248,878	\$210	25%
2040	\$367,328	\$264	38%	\$185,352	\$215	19%
2041	\$445,588	\$270	43%	\$248,034	\$220	24%
2042	\$526,496	\$277	46%	\$312,864	\$226	27%
2043	\$610,124	\$284	49%	\$379,901	\$232	31%
2044	\$688,355	\$291	51%	\$441,012	\$237	33%

YEAR	CASH FLOW / POOLING FUNDING			BASELINE FUNDING		
	FY CONTRIBUTIONS: \$51,500			FY CONTRIBUTIONS: \$42,000		
	ASSOC. END. BAL.	OWNER PER MO.	PERCENT FUNDED	ASSOC. END. BAL.	OWNER PER MO.	PERCENT FUNDED
2045	\$265,821	\$298	29%	\$818	\$243	0%
2046	\$290,769	\$306	30%	\$7,549	\$249	1%
2047	\$380,175	\$313	36%	\$78,167	\$256	7%
2048	\$438,933	\$321	39%	\$117,549	\$262	10%
2049	\$534,200	\$329	43%	\$192,838	\$269	16%
2050	\$527,795	\$337	42%	\$165,837	\$275	13%

Funding Model Comparison

Projected Reserve Ending Balance



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

Cash-Flow (Pooled) Funding Methodology (25-Year Projection)

The 25-year Cash-Flow or "Pooled" Funding methodology involves determining reserve obligations that offset fluctuating annual expenses and create a positive cash flow throughout the projection. By consolidating funds from initial balances, a yearly reserve obligation rate is calculated to ensure a consistently positive cash flow over the analysis period.

The most significant element of the Cash-Flow or "Pooled" Funding methodology is that it significantly reduces the annual reserve obligation amount by maintaining an adequate level of funding year-over-year to the fully funded or 100% funded balance. This calculation allows the Reserve fund to operate at less than 100% so long as adequate reserves are present. 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. **This leads to the lowest monthly allocations for membership and prevents excess balances from accruing in the reserve account.**

This methodology is a widely accepted, logical, factual, and mathematical basis for calculating reserve obligations. This method, year after year, allows the total fund balance to offset expected expenditures adequately and ensures that future funds will be available as needed through the scope of the projection and thereafter. This calculation, when done correctly, is considered "fully" funded under Florida statutes.

The DBPR maintains that "The Pooling of reserves is allowable under current Florida laws."

See the "Useful Links" section for additional details.

Baseline Funding Methodology (25-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 Structural Integrity Reserve Studies (SIRS), but with new guidelines:

- **Permitted Use:**
 - Associations may use the Baseline Funding Method to calculate reserves for SIRS items like roofs, load-bearing walls, foundations, etc.
- **No Waiver for SIRS Components:**
 - Even if using the baseline method, funding for SIRS components may not be waived or reduced by a vote of the owners. This is still mandatory.
 - 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 SIRS component becomes underfunded or if emergency structural issues are identified. The method doesn't override the obligation to maintain safety.



25-Year Cash-Flow

Cash Flow / Pooling Funding

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2026	\$91,000	\$51,500	N/A	\$910	\$0	\$0	\$37,900	\$105,510	19.38%	\$544,303
2027	\$105,510	\$52,788	2.50%	\$1,055	\$0	\$0	\$0	\$159,353	26.30%	\$605,796
2028	\$159,353	\$54,107	2.50%	\$1,594	\$0	\$0	\$0	\$215,053	32.10%	\$670,018
2029	\$215,053	\$55,460	2.50%	\$2,151	\$0	\$0	\$0	\$272,664	36.99%	\$737,077
2030	\$272,664	\$56,846	2.50%	\$2,727	\$0	\$0	\$0	\$332,237	41.17%	\$807,069
2031	\$332,237	\$58,268	2.50%	\$3,322	\$0	\$0	\$0	\$393,827	44.75%	\$880,100
2032	\$393,827	\$59,724	2.50%	\$3,938	\$0	\$0	\$0	\$457,489	47.84%	\$956,279
2033	\$457,489	\$61,217	2.50%	\$4,575	\$0	\$0	\$0	\$523,281	50.52%	\$1,035,713
2034	\$523,281	\$62,748	2.50%	\$5,233	\$0	\$0	\$40,420	\$550,842	51.12%	\$1,077,500
2035	\$550,842	\$64,316	2.50%	\$5,508	\$0	\$0	\$221,087	\$399,580	42.59%	\$938,278
2036	\$399,580	\$65,924	2.50%	\$3,996	\$0	\$0	\$201,429	\$268,071	32.91%	\$814,600
2037	\$268,071	\$67,572	2.50%	\$2,681	\$0	\$0	\$68,926	\$269,398	32.65%	\$825,220
2038	\$269,398	\$69,262	2.50%	\$2,694	\$0	\$0	\$0	\$341,354	37.58%	\$908,280
2039	\$341,354	\$70,993	2.50%	\$3,414	\$0	\$0	\$0	\$415,761	41.79%	\$994,972
2040	\$415,761	\$72,768	2.50%	\$4,158	\$0	\$0	\$125,359	\$367,328	38.39%	\$956,942
2041	\$367,328	\$74,587	2.50%	\$3,673	\$0	\$0	\$0	\$445,588	42.51%	\$1,048,091
2042	\$445,588	\$76,452	2.50%	\$4,456	\$0	\$0	\$0	\$526,496	46.05%	\$1,143,205
2043	\$526,496	\$78,363	2.50%	\$5,265	\$0	\$0	\$0	\$610,124	49.11%	\$1,242,412
2044	\$610,124	\$80,322	2.50%	\$6,101	\$0	\$0	\$8,193	\$688,355	51.47%	\$1,337,471
2045	\$688,355	\$82,330	2.50%	\$6,884	\$0	\$0	\$511,748	\$265,821	28.88%	\$920,576

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2046	\$265,821	\$84,389	2.50%	\$2,658	\$0	\$0	\$62,099	\$290,769	30.42%	\$955,997
2047	\$290,769	\$86,498	2.50%	\$2,908	\$0	\$0	\$0	\$380,175	35.94%	\$1,057,858
2048	\$380,175	\$88,661	2.50%	\$3,802	\$0	\$0	\$33,705	\$438,933	38.85%	\$1,129,669
2049	\$438,933	\$90,877	2.50%	\$4,389	\$0	\$0	\$0	\$534,200	43.09%	\$1,239,817
2050	\$534,200	\$93,149	2.50%	\$5,342	\$0	\$0	\$104,896	\$527,795	42.32%	\$1,247,249



25-Year Baseline Funding

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2026	\$91,000	\$42,000	N/A	\$910	\$0	\$0	\$37,900	\$96,010	17.64%	\$544,303
2027	\$96,010	\$43,050	2.50%	\$960	\$0	\$0	\$0	\$140,020	23.11%	\$605,796
2028	\$140,020	\$44,126	2.50%	\$1,400	\$0	\$0	\$0	\$185,547	27.69%	\$670,018
2029	\$185,547	\$45,229	2.50%	\$1,855	\$0	\$0	\$0	\$232,631	31.56%	\$737,077
2030	\$232,631	\$46,360	2.50%	\$2,326	\$0	\$0	\$0	\$281,318	34.86%	\$807,069
2031	\$281,318	\$47,519	2.50%	\$2,813	\$0	\$0	\$0	\$331,650	37.68%	\$880,100
2032	\$331,650	\$48,707	2.50%	\$3,316	\$0	\$0	\$0	\$383,674	40.12%	\$956,279
2033	\$383,674	\$49,925	2.50%	\$3,837	\$0	\$0	\$0	\$437,435	42.24%	\$1,035,713
2034	\$437,435	\$51,173	2.50%	\$4,374	\$0	\$0	\$40,420	\$452,563	42.00%	\$1,077,500
2035	\$452,563	\$52,452	2.50%	\$4,526	\$0	\$0	\$221,087	\$288,454	30.74%	\$938,278
2036	\$288,454	\$53,764	2.50%	\$2,885	\$0	\$0	\$201,429	\$143,673	17.64%	\$814,600
2037	\$143,673	\$55,108	2.50%	\$1,437	\$0	\$0	\$68,926	\$131,291	15.91%	\$825,220
2038	\$131,291	\$56,485	2.50%	\$1,313	\$0	\$0	\$0	\$189,089	20.82%	\$908,280
2039	\$189,089	\$57,897	2.50%	\$1,891	\$0	\$0	\$0	\$248,878	25.01%	\$994,972
2040	\$248,878	\$59,345	2.50%	\$2,489	\$0	\$0	\$125,359	\$185,352	19.37%	\$956,942
2041	\$185,352	\$60,829	2.50%	\$1,854	\$0	\$0	\$0	\$248,034	23.67%	\$1,048,091
2042	\$248,034	\$62,349	2.50%	\$2,480	\$0	\$0	\$0	\$312,864	27.37%	\$1,143,205
2043	\$312,864	\$63,908	2.50%	\$3,129	\$0	\$0	\$0	\$379,901	30.58%	\$1,242,412
2044	\$379,901	\$65,506	2.50%	\$3,799	\$0	\$0	\$8,193	\$441,012	32.97%	\$1,337,471
2045	\$441,012	\$67,143	2.50%	\$4,410	\$0	\$0	\$511,748	\$818	0.09%	\$920,576
2046	\$818	\$68,822	2.50%	\$8	\$0	\$0	\$62,099	\$7,549	0.79%	\$955,997
2047	\$7,549	\$70,542	2.50%	\$75	\$0	\$0	\$0	\$78,167	7.39%	\$1,057,858

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2048	\$78,167	\$72,306	2.50%	\$782	\$0	\$0	\$33,705	\$117,549	10.41%	\$1,129,669
2049	\$117,549	\$74,114	2.50%	\$1,175	\$0	\$0	\$0	\$192,838	15.55%	\$1,239,817
2050	\$192,838	\$75,966	2.50%	\$1,928	\$0	\$0	\$104,896	\$165,837	13.30%	\$1,247,249

Funding Options

Significant expenses related to the repair or replacement of Reserve components are both expected and projected to occur within any community. When these expenses occur, there are essentially funding options available for addressing the cost associated with each expenditure:

Reserve Funds:

- The 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 present and future members, ensuring that future members don't bear the burden of past deficits. 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 each asset, such as a roof, the association has ample time to accumulate the necessary funds for the projected replacement. Additionally, these reserve obligations would be appropriately distributed among all members and have interest-earning potential.

If Critical elements prevent reserving funds over time, there are two alternative funding options:

Securing a Loan:

- For major repairs, such as a multi-million dollar Concrete Restoration project that can't be delayed, a long-term Reserve plan may not be sufficient. In such cases, the association may seek to secure a loan from a lending institution to finance any required repairs. In many cases, banks are willing to lend to associations using future homeowner assessments as collateral. However, this option comes with challenges as it commits the association's future assets and incurs additional expenses in the form of interest & fees. It is critical to account for loan repayments in addition to reserve obligations and communicate those costs to the membership.

Special Assessment:

- Another option would be for the board 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. SB-154 allows the Board of

Directors (BODs) to implement special assessments over the 115% threshold of the previous year if the repairs are for critical structural components.

Important Notes:

- The current statute does not permit associations to include special assessments in the funding plan for the SIRS.
- Any "Special Assessment" or "Loan" should be coordinated along with the Reserve Study to build a manageable financial plan for the membership over the period in which it is projected.

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 was assessed based on its physical condition observed during the inspection. The following factors were determined:

- **Installation Date:** When the component was originally installed
- **Estimated Market Expected Lifespan:** The maintenance plan currently implemented by the association
- **Subjective Remaining Lifespan:** The remaining lifespan based on visual inspection and current condition
- **Unit Current Cost:** The current cost of the component
- **Unit Projected Future Cost:** The estimated future cost of the component, considering inflation and other factors.
- **Maintenance Opportunities:** Potential actions to extend the useful lifespan of the component.

Component List - Full Detail

001 - Electric, Main Panels & Meter Bases

Basic Info

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

Comments/Notes

On the date of inspection, it was observed that the electrical service was in good working condition. This fund provides monies for the as needed repairs and eventual partial replacement of the electrical systems over a standard market observed 40-year life cycle.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	40y
Remaining Useful Life:	39y
Next Activity Date:	01/01/2065

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per U:	\$1,470.00
Total Quantity:	23 U
Total Current Cost:	\$34,655
Inflation Rate:	2.50%
Total Expenditures:	\$0



002 - Fire Alarm Control Panel & Ancillary Devices

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Life Safety Devices
Condition:	Good

Comments/Notes

This fund provides monies for the as needed repairs and eventual replacement of the Fire Alarm system over a standard market observed 25-year life cycle. Initial useful life extended due to good, working condition of fire system during inspection.

Useful Life

Last Activity Date:	01/01/2020
Est. Useful Life:	25y
Remaining Useful Life:	19y
Next Activity Date:	01/01/2045

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Estimate
Cost Per U:	\$1,886.00
Total Quantity:	23 U
Total Current Cost:	\$44,462
Inflation Rate:	2.50%
Total Expenditures:	\$71,080





003 - Fire Suppression System, Piping & Heads

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Fire & Life Safety
Condition:	Good

Comments/Notes

This fund provides the monies for as needed repairs to eventual major replacements of the fire suppression system over a market observed 42-year life. Allowance provided for 50% refurbishment/ replacement over components useful life.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	40y
Remaining Useful Life:	11y
Next Activity Date:	01/01/2037

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Allow:	\$100,000.00
Total Quantity:	1 Allow
Percent of Total to Maintain:	50%
Quantity to Maintain:	.5 Allow
Total Current Cost:	\$52,531
Inflation Rate:	2.50%
Total Expenditures:	\$68,926



004 - Fire Pump, Electric, Controller, Motor & Piping

Basic Info

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

Comments/Notes

This fund provides monies for the as needed repairs and eventual replacement of the Fire Pump system over a 45-year life cycle. The current cost estimate includes the pump, controller panel and ancillary equipment.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	45y
Remaining Useful Life:	14y
Next Activity Date:	01/01/2040

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Ea:	\$74,500.00
Total Quantity:	1 Ea
Total Current Cost:	\$78,272
Inflation Rate:	2.50%
Total Expenditures:	\$110,596



005 - Fire Standpipes & Valves

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Building Service Components
Category:	Fire & Life Safety
Condition:	Good

Comments/Notes

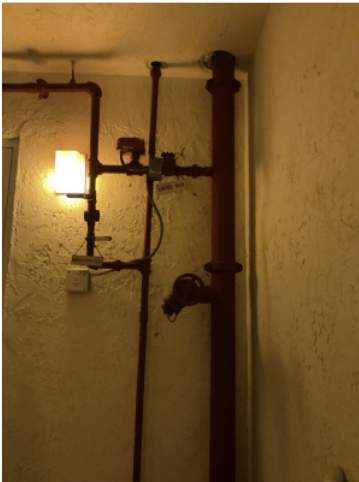
50% Allowance included for major refurbishment/
replacement of fire standpipes.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	45y
Remaining Useful Life:	14y
Next Activity Date:	01/01/2040

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per LF:	\$153.00
Total Quantity:	130 LF
Percent of Total to Maintain:	50%
Quantity to Maintain:	65 LF
Total Current Cost:	\$10,448
Inflation Rate:	2.50%
Total Expenditures:	\$14,763



006 - Domestic Water Pump System

Basic Info

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

Comments/Notes

This fund provides monies for the as needed repairs and eventual replacement of the domestic water pump system over a 25-year life cycle.

Useful Life

Last Activity Date:	01/01/2015
Est. Useful Life:	25y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Flr:	\$1,564.00
Total Quantity:	7 Flr
Total Current Cost:	\$11,502
Inflation Rate:	2.50%
Total Expenditures:	\$14,365



007 - Roofs, Flat, TPO

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Roofing
Condition:	Good

Comments/Notes

On the date of inspection it was noted the low roof is in good condition. This fund provides the monies to replace the low roof over a market observed 18-year life.

Useful Life

Last Activity Date:	01/01/2016
Est. Useful Life:	18y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	\$20.00
Total Quantity:	250 SF
Total Current Cost:	\$5,253
Inflation Rate:	2.50%
Total Expenditures:	\$6,400



008 - Roofs, Foam, Replace

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Roofing
Condition:	Good

Comments/Notes

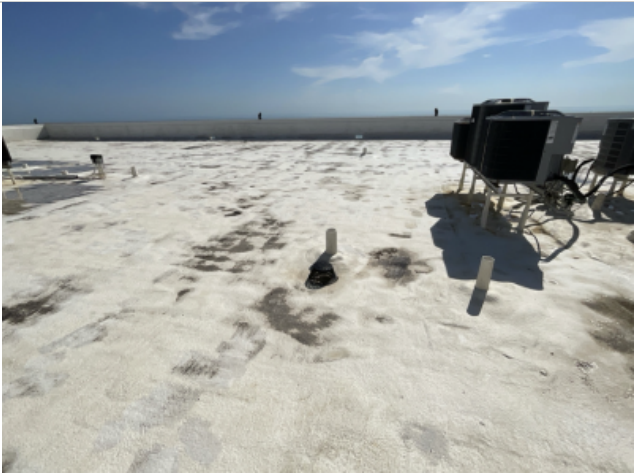
This component funds to completely remove and replace the foam roofing system. Combine cost with recoat component accounts for total cost estimate.

Useful Life

Last Activity Date:	01/01/2016
Est. Useful Life:	30y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2036

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	\$12.00
Total Quantity:	9,475 SF
Total Current Cost:	\$119,461
Inflation Rate:	2.50%
Total Expenditures:	\$152,917





008.5 - Roofs, Foam, Recoat

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Roofing
Condition:	Good

Comments/Notes

This component funds to recoat the foam roofing system.

Useful Life

Last Activity Date:	01/01/2016
Est. Useful Life:	10y
Remaining Useful Life:	0y
Next Activity Date:	01/01/2026

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Local Contractors
Cost Per SF:	\$4.00
Total Quantity:	9,475 SF
Total Current Cost:	\$37,900
Inflation Rate:	2.50%
Total Expenditures:	\$148,511

009 - Roofs, Concrete Tiles

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Roofing
Condition:	Good

Comments/Notes

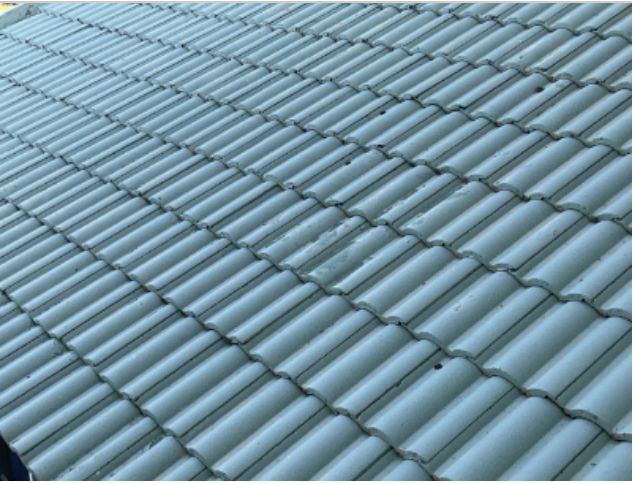
Useful life of tile roof was extended due to repairs being done on it in 2024-2025 building project.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	30y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2023
Estimate Source:	Local Contractors
Cost Per RS:	\$1,250.00
Total Quantity:	8.7 RS
Total Current Cost:	\$11,711
Inflation Rate:	2.50%
Total Expenditures:	\$14,626



010 - Painting, Waterproofing & Stucco Repairs

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Exterior Building Components
Category:	Weatherproofing
Condition:	Good

Comments/Notes

The building will be repainted in the 2025 project. This fund provides monies for the reapplication of paint & waterproofing layers to the building based on a 10-year life cycle.

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Association's Contract
Cost Per SF:	\$3.00
Total Quantity:	33,000 SF
Total Current Cost:	\$99,000
Inflation Rate:	2.50%
Total Expenditures:	\$281,919



011 - Concrete Restoration, Exterior Walls

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Exterior Building Components
Category:	Load Bearing Surfaces
Condition:	Good

Comments/Notes

This fund provides monies for the as needed repairs that will occur with each paint cycle. The stated cost is an projected partial rate of failure (5%) over the components life.

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Association's Contract
Cost Per SF:	\$13.54
Total Quantity:	33,000 SF
Percent of Total to Maintain:	5%
Quantity to Maintain:	1,650 SF
Total Current Cost:	\$22,341
Inflation Rate:	2.50%
Total Expenditures:	\$63,618



012 - Concrete Restoration, Parking Garage

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Exterior Building Components
Category:	Load Bearing Surfaces
Condition:	Good

Comments/Notes

This fund provides monies for the as needed repairs and eventual major concrete restoration projects that would need to take place over a market observed 25-year life cycle. Initial usefil life was extended due to good condition of parking garage observed during inspection. The stated cost is an projected partial rate of failure (20%) over the components expected market life cycle.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	25y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	\$13.54
Total Quantity:	7,968 SF
Percent of Total to Maintain:	20%
Quantity to Maintain:	1,593.6 SF
Total Current Cost:	\$22,669
Inflation Rate:	2.50%
Total Expenditures:	\$27,620





013 - Concrete Restoration, Walkways & Balconies

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Exterior Building Components
Category:	Load Bearing Surfaces
Condition:	Good

Comments/Notes

This fund provides monies for the as-needed repairs and eventual major concrete restoration projects that would need to take place over a market-observed 20-year life cycle.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	20y
Remaining Useful Life:	19y
Next Activity Date:	01/01/2045

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Association's Contract
Cost Per SF:	\$16.94
Total Quantity:	8,800 SF
Total Current Cost:	\$149,054
Inflation Rate:	2.50%
Total Expenditures:	\$238,286





014 - Concrete Restoration, Staircases

Basic Info

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

Comments/Notes

The staircases are inside and not exposed to the elements. On the inspection the stairs were observed to be in good condition with no areas of cracks or spalling identified. Due to this, the initial useful life has been extended. This fund provides monies for the as needed repairs to eventual major restoration of the staircases. The stated cost is an projected partial rate of failure (10%) over the components expected market life cycle.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	30y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per Flr:	\$18,500.00
Total Quantity:	14 Flr
Percent of Total to Maintain:	10%
Quantity to Maintain:	1.4 Flr
Total Current Cost:	\$27,211
Inflation Rate:	2.50%
Total Expenditures:	\$33,983



015 - Railings, Aluminum Picket

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Life Safety
Condition:	Good

Comments/Notes

The useful life of the railings has been extended due to necessary repairs being completed in 2024-2025 project.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	44y
Remaining Useful Life:	29y
Next Activity Date:	01/01/2055

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	XactRemodel
Cost Per LF:	\$110.00
Total Quantity:	1,102 LF
Total Current Cost:	\$121,220
Inflation Rate:	2.50%
Total Expenditures:	\$0





016 - Piping & Plumbing, Major Renovations

Basic Info

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

Comments/Notes

Based on the market expected life cycle of Plumbing Utilities, it is recommended that the association reserve for major refurbishment of this component during the projected cycle.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	55y
Remaining Useful Life:	24y
Next Activity Date:	01/01/2050

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per U:	\$2,400.00
Total Quantity:	23 U
Total Current Cost:	\$57,994
Inflation Rate:	2.50%
Total Expenditures:	\$104,896



017 - Windows & Doors, Impact Rated

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Windows & Doors
Condition:	Good

Comments/Notes

This fund provides the monies for the as needed repair and eventual major replacement of the exterior and parking garage windows and doors.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	60y
Remaining Useful Life:	29y
Next Activity Date:	01/01/2055

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per SF:	\$200.00
Total Quantity:	1,180 SF
Total Current Cost:	\$247,948
Inflation Rate:	2.50%
Total Expenditures:	\$0





018 - Garage Doors, Roll-Up & Openers

Basic Info

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

Comments/Notes

This fund provides the monies to replace the garage roll up doors over a market observed 25-year useful life.

Useful Life

Last Activity Date:	01/01/2023
Est. Useful Life:	25y
Remaining Useful Life:	22y
Next Activity Date:	01/01/2048

Financial Data

Estimate Date:	06/13/2023
Estimate Source:	Xactimate
Cost Per SF:	\$36.36
Total Quantity:	500 SF
Total Current Cost:	\$19,578
Inflation Rate:	2.50%
Total Expenditures:	\$33,705



019 - Structural Integrity Reserve Study - UPDATE

Basic Info

Type of Cost:	Upgrade/Modernization
Location:	Property Site Components
Category:	Professional Services
Condition:	Excellent

Comments/Notes

Based on the recommendations of the Community Associations Institute (CAI): Reserve Study Best Practices handbook; Associations should be preparing for the expense associated with professional inspections required by local mandate.

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:	01/01/2024
Estimate Source:	Stone Building Solutions
Cost Per Ea:	\$5,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$5,253
Inflation Rate:	2.50%
Total Expenditures:	\$14,958

020 - Milestone Inspection

Basic Info

Type of Cost:	Upgrade/Modernization
Location:	Property Site Components
Category:	Professional Services
Condition:	N/A

Comments/Notes

Based on the recommendations of the Community Associations Institute (CAI): Reserve Study Best Practices handbook; Associations should be preparing for the expense associated with professional inspections required by local mandate.

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	10y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Stone Building Solutions
Cost Per Ea:	\$5,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$5,253
Inflation Rate:	2.50%
Total Expenditures:	\$14,593

Definitions

Adequate: The required level of funding, determined by a qualified professional, that must be in place to allow for the coverage of reserve obligations as needed in the course of the projection and thereafter.

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 of replacing 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 obligation 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.

SBS: Stone Building Solutions

SIRS: Structural Integrity Reserve Study

SRS: Stone Reserve Studies

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)



Useful Links

Association of Professional Reserve Analysts

- [APRA Home](#)
- [APRA Reserve Study Standards](#)

Community Associations Institute

- [CAI Home](#)
- [CAI Reserve Study Standards](#)

Florida Department of Business and Professional Regulation (DBPR)-

- [DBPR Home](#)
- [DBPR Building Reporting](#)
- [DBPR Frequently Asked Questions](#)

Florida Statutes

- [SB-4D](#)
- [HB-154](#)
- [FL 718 - Condominiums](#)
- [FL 719 - Cooperatives](#)
- [FL 720](#)

State Funded Grant / Loan Options

- [MySafeFLHome Condo Grants](#)

Stone Building Solutions (SBS)

- [Stone Building Solutions](#)
- [Stone Webinars](#)
- [Leave a 5-Star Review for SBS](#)

Financial Management for HOAs and Associations

- [HOA Invest](#)



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.



Update Requirements

Florida State Statutes require an update for this study to be performed and published every 10 years.

We suggest yearly updates and provide a rock solid rate call 848-986-0367 or email reserves@stonebldg.com.

While Florida law requires updating the SIRS study only every 10 years, we suggest a yearly refresh to keep your reserve amounts as solid as a rock. Given that this study is still new, annual updates help ensure you're always on the cutting edge of funding requirements. Once your association is up to speed and has a smooth funding flow, we recommend shifting to updates every five years.

Communities that stay on top of their reserve planning often find their allocations drop over time, leading to stronger fiscal and structural health.

As a valued Stone Customer, we're offering a special deal: sign on now, save 10% today, and receive these discounted rates:

Annual Updates 4-year commitment 30% (normally 40%)

5-year update 68% (normally 80% plus market conditions at the time)

Stone Building Solutions will integrate the cost of these updates into your budgets so you can plan ahead without a hitch. Currently, your study does not allocate any updates for the next 10 years (SIRS).

Ready to keep your reserve funds as steady as granite? Contact us at 848-986-0367 or email us at info@stonebldg.com to order your updated study and keep your community rolling smoothly!