



Office: (888) 927-7865
Fax: (813) 200-8448
Contact@customreserves.com
5470 E Busch Blvd., Unit 171
Tampa, FL 33617

Opus Condominium Association, Inc.

**FULL RESERVE STUDY
REPORT**



For 30-Year Projection Period Beginning January 1, 2018

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PROPERTY OVERVIEW



DAYTONA BEACH SHORES, FL
LATITUDE: 29°11'56.80"N
LONGITUDE: 80°59'35.97"W

EXECUTIVE SUMMARY

A site visit was conducted on April 11, 2018. There were 41 common area components identified that require reserve funding during the noninvasive, visual inspection of the community. Supplemental information to the physical inspection typically includes the following sources:

1. Association board members, management and staff
2. Client's vendors
3. Declaration
4. Maintenance records of the reserve components where available
5. Project plans where available

Opus Condominium Association, Inc. (Opus Condominium) is an apartment style development located in Daytona Beach Shores, Florida and is responsible for the common elements shared by 54 property owners within one 11-story building. Opus Condominium was established in 2009. The development contains building services, exterior and interior building, pool and property site components.

A Reserve Study comprises two parts:

Physical Analysis

- Component Inventory
- Condition Assessment
- Estimated Useful Life
- Remaining Useful Life
- Replacement Cost

Financial Analysis

- Fund Status
- Funding Plan

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This Reserve Study complies with or exceeds all applicable statutes and national standards.

FINANCIAL ANALYSIS

This Reserve Study provides the 30-year cash flow analysis or pooling method to project and illustrate the reserve funding plan. The unaudited cash status of the reserve fund, as of June 20, 2018, as reported by Management is \$123,755.22. Opus Condominium budgeted \$79,874.45 for Reserves in the fiscal year FY¹ 2018.

The **cash flow method** of developing a reserve funding plan is where the reserve contributions are designed to offset the variable annual reserve expenses. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired adequate or sufficient funding goal is achieved.

The cash flow recommended 2019 reserve contribution is \$115,000. The Association can continue this budgeted amount until the next Reserve Study Update. The Division of Condominiums, Timeshares and Mobile Homes can cite Associations for non-compliance of the Florida Administration Code Rule 61B-22.0005(3)(b) for funding plans that are considered to use balloon payments.

The funding goal of the cash flow analysis is to keep the reserve balance above a sufficient, not excessive threshold when reserves are needed the most due to one or more years of significant expenses. This threshold or risk year falls in 2048. The age and long-lived components of the property are considered in the accumulated year 2048 ending reserves.

A **component method** contribution of \$194,281.27 is recommended if Opus Condominium elects to continue funding in this manner. This plan utilizes straight line accounting formulas. Straight line accounting is based on current costs and excludes both interest and inflation. Straight line accounting takes each individual line item component listed in the reserve schedule breakdown and computes the annual contribution amount by taking the unfunded balance (current replacement cost minus projected year end reserve

¹ FY 2018 starts January 1, 2018 and ends December 31, 2018.

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balance) and divides it by the remaining life of the components. This is the amount that should be contributed into the reserves accounts over the remaining life of the components. This method must be computed annually. The existing reserve balances and contributions are allocated among their respective reserve components in Appendix D.

The actual timing of the events depicted may not occur exactly as projected. However, items that are within a high degree of accuracy are measurements, pricing and interest on reserves. Internal changes such as deferred or accelerated projects, interest and inflation rates are likely. Updates to the Reserve Study incorporate these changes. To ensure equity in the adopted funding plan, ongoing annual Board reviews and an update of this Reserve Study with an on-site visit is recommended anywhere from two- to three-years depending on the complexity of the community and changes in external market factors. It is recommended by the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

PROPERTY COMPONENT INVENTORY

The analysis began by separating the property components into specific areas of responsibility for replacement and repair. These classes of property are as follows:

1. Reserve Components are defined by the following:
 - Association responsibility
 - Limited useful life expectancies
 - Predictable remaining useful life expectancies
 - Replacement cost above a minimum threshold

2. Long-Lived Components are defined as those items without predictable remaining useful life expectancies:
 - Foundations
 - Structural Frames

3. Operating Budget Components or money provided for repairs and replacements relating but not limited to:
 - General maintenance to the common elements
 - Expenses less than \$4,000
 - Infrequent Replacements
 - Exhaust Fans, Elevators
 - Irrigation System
 - Kitchen Renovations
 - Landscape
 - Light Bollards
 - Light Poles, Garage
 - Office Furniture
 - Pipes, Subsurface Utilities
 - Pool Table
 - Rest Room, Renovations
 - Retaining Wall, Wood, Pool Equipment
 - Signage
 - Storage Lockers
 - Storm Water System
 - Other Repairs normally funded through the Operating Budget

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A contingency is intended to provide a hedge for unforeseen events. There is no set rule for the amount of contingency to be set aside other than the use of common sense based on experience.

4. Home Owner Components:

- Doors
- Heating, Ventilating and Air Conditioning (HVAC) Equipment
- Interiors
- Windows

5. Other Property Components:

- Beach Ramp (City)

The following 11X17 spreadsheets depict the reserve components, quantities, useful lives projected costs and estimated times of replacements for the next 30 years in Appendix A with a narrative condition assessment to follow.



RESERVE EXPENSES

**Opus Condominium
Association, Inc.**

Projected Inflation Rate 0.0%

Line Item	Reserve Component	Total Cycle Quantity	Per Phase Quantity	Units	1st Year of Replacement	Useful Life Years	Remaining Life Years	2018 Unit Cost	Current Cost of Replacement per Phase	Total 30 Year Future Costs of Replacement	Fiscal Year 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027										
Building Services Components																														
										\$1,408,910																				
1	Electrical Systems, Partial	1	1	Allowance	2028	to 75	10	\$10,000.00	\$10,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
2	Elevator Cab Finishes	2	2	Each	2028	to 20	10	\$6,000.00	\$12,000	\$24,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
3	Elevators, Modernization	2	2	Each	2048	to 40	30	\$155,000.00	\$310,000	\$310,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
4	Exhaust Fans, Garage	1	1	Allowance	2030	10 to 15	12	\$10,000.00	\$10,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
5	Fire Alarm System	1	1	Each	2033	to 25	15	\$20,000.00	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
6	Fire Protection System, Partial	1	1	Each	2028	to 50	10	\$10,000.00	\$10,000	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
7	Fire Pump System, Partial	1	1	Each	2048	to 55	30	\$20,000.00	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
8	Generator	1	1	Each	2043	25 to 35	25	\$60,000.00	\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
9	HVAC Make-Up Air Unit	1	1	Each	2019	10 to 15	1	\$45,000.00	\$45,000	\$135,000	\$0	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
10	HVAC Split Systems	2	2	Each	2019	8 to 12	1	\$4,000.00	\$8,000	\$24,000	\$0	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
11	Plumbing System	1	1	Allowance	2048	to 75	30	\$635,910.00	\$635,910	\$635,910	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
12	Pumps and Controls, Domestic Water	1	1	Allowance	2028	15 to 20	10	\$20,000.00	\$20,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
13	Security System	1	1	Allowance	2025	10 to 15	7	\$10,000.00	\$10,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0										
14	Telephone Entry System	1	1	Each	2025	10 to 15	7	\$5,000.00	\$5,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0										
15	Trash Chute, Partial	1	1	Allowance	2048	to 55	30	\$20,000.00	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
Exterior Building Components																														
										\$1,595,950																				
16	Concrete Restoration, Partial	1	1	Allowance	2024	5 to 7	6	\$10,000.00	\$10,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0										
17	Doors, Common	20	20	Each	2033	to 25	15	\$950.00	\$19,000	\$19,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
18	Garage Coating Application, Initial	13,100	13,100	Square Feet	2019	NA	1	\$9.00	\$117,900	\$117,900	\$0	\$117,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
19	Garage Coating Applications	13,100	13,100	Square Feet	2030	8 to 12	12	\$3.00	\$39,300	\$78,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
20	Garage Door	1	1	Each	2033	10 to 15	15	\$13,500.00	\$13,500	\$27,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
21	HVAC Rooftop Stands	11	11	Each	2044	to 40	26	\$12,000.00	\$132,000	\$132,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
22	Light Fixtures	50	50	Each	2028	to 20	10	\$90.00	\$4,500	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
23	Paint Finish Applications	80,000	80,000	Square Feet	2024	5 to 7	6	\$2.45	\$196,000	\$784,000	\$0	\$0	\$0	\$0	\$0	\$0	\$196,000	\$0	\$0	\$0										
24	Railings, Aluminum	2,110	2,110	Linear Feet	2033	to 25	15	\$35.00	\$73,850	\$73,850	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
25	Roof, Flat	93	93	Squares	2026	15 to 20	8	\$1,700.00	\$158,100	\$316,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$158,100	\$0										
26	Roofs, Tile	35	35	Squares	2038	to 30	20	\$750.00	\$26,250	\$26,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										
27	Windows and Glass Doors	270	270	Square Feet	2046	to 40	28	\$45.00	\$12,150	\$12,150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										



RESERVE EXPENSES

Opus Condominium
Association, Inc.

Line Item	Reserve Component	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Building Services Components																						
1	Electrical Systems, Partial	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
2	Elevator Cab Finishes	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000
3	Elevators, Modernization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$310,000
4	Exhaust Fans, Garage	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0
5	Fire Alarm System	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Fire Protection System, Partial	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
7	Fire Pump System, Partial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
8	Generator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0
9	HVAC Make-Up Air Unit	\$0	\$0	\$0	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0	\$0	\$0	\$0
10	HVAC Split Systems	\$0	\$0	\$0	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000	\$0	\$0	\$0	\$0	\$0
11	Plumbing System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$635,910
12	Pumps and Controls, Domestic Water	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
13	Security System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Telephone Entry System	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0
15	Trash Chute, Partial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Exterior Building Components																						
16	Concrete Restoration, Partial	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0
17	Doors, Common	\$0	\$0	\$0	\$0	\$0	\$19,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Garage Coating Application, Initial	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19	Garage Coating Applications	\$0	\$0	\$39,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Garage Door	\$0	\$0	\$0	\$0	\$0	\$13,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,500
21	HVAC Rooftop Stands	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$132,000	\$0	\$0	\$0	\$0
22	Light Fixtures	\$4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,500
23	Paint Finish Applications	\$0	\$0	\$0	\$196,000	\$0	\$0	\$0	\$0	\$0	\$0	\$196,000	\$0	\$0	\$0	\$0	\$0	\$0	\$196,000	\$0	\$0	\$0
24	Railings, Aluminum	\$0	\$0	\$0	\$0	\$0	\$73,850	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Roof, Flat	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$158,100	\$0	\$0	\$0	\$0
26	Roofs, Tile	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Windows and Glass Doors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,150	\$0	\$0

Line Item	Reserve Component	Total Cycle Quantity	Per Phase Quantity	Units	1st Year of Replacement	Useful Life Years	Remaining Life Years	2018 Unit Cost	Current Cost of Replacement per Phase	Total 30 Year Future Costs of Replacement	Fiscal Year 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
Interior Building Components																						
28	Exercise Equipment, Phased	1	1	Allowance	2019	5 to 15	1	\$6,000.00	\$6,000	\$36,000	\$0	\$6,000	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0		
29	Exercise Room Floor	400	400	Square Yards	2024	12 to 18	6	\$10.00	\$4,000	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$0	\$0	\$0		
30	Floor Coverings, Carpet	550	550	Square Yards	2026	8 to 12	8	\$27.00	\$14,850	\$44,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,850	\$0		
31	Floor Coverings, Tile	1,820	1,820	Square Feet	2033	to 25	15	\$6.00	\$10,920	\$10,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
32	Light Fixtures	100	100	Each	2033	to 25	15	\$80.00	\$8,000	\$8,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
33	Paint Finish Applications, Hallways	25,630	25,630	Square Feet	2028	to 10	10	\$0.55	\$14,097	\$42,290	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
34	Paint Finish Applications, Garage and Stairwells	35,000	35,000	Square Feet	2026	to 12	8	\$0.55	\$19,250	\$57,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,250	\$0		
35	Mailboxes	54	54	Each	2041	to 35	23	\$90.00	\$4,860	\$4,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Pool and Spa Components																						
36	Deck, Pavers	3,800	3,800	Square Feet	2033	20 to 30	15	\$5.00	\$19,000	\$19,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
37	Fence	160	160	Linear Feet	2033	to 25	15	\$35.00	\$5,600	\$5,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
38	Furniture	1	1	Allowance	2023	5 to 10	5	\$5,000.00	\$5,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0		
39	Mechanical Equipment	1	1	Allowance	2024	5 to 10	6	\$10,000.00	\$10,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0		
40	Pool and Spa Finish	1,100	1,100	Square Feet	2019	8 to 12	1	\$12.00	\$13,200	\$39,600	\$0	\$13,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Property Site Components																						
41	Sea Wall, Repairs	130	130	Linear Feet	2028	to 10	10	\$135.00	\$17,550	\$52,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	Reserve Study Update	1	1	Allowance	2020	2 to 3	2	\$2,200.00	\$2,200	\$2,200			\$2,200									
Total Expenses																						
											\$3,406,280	\$0	\$190,100	\$2,200	\$0	\$0	\$5,000	\$226,000	\$15,000	\$192,200	\$0	

Appendix A

Line Item	Reserve Component	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
		Interior Building Components																				
28	Exercise Equipment, Phased	\$0	\$6,000	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$0
29	Exercise Room Floor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Floor Coverings, Carpet	\$0	\$0	\$0	\$0	\$0	\$0	\$14,850	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,850	\$0	\$0	\$0	\$0	\$0	\$0
31	Floor Coverings, Tile	\$0	\$0	\$0	\$0	\$0	\$10,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	Light Fixtures	\$0	\$0	\$0	\$0	\$0	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33	Paint Finish Applications, Hallways	\$14,097	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,097	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,097
34	Paint Finish Applications, Garage and Stairwells	\$0	\$0	\$0	\$0	\$0	\$0	\$19,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,250	\$0	\$0	\$0	\$0	\$0	\$0
35	Mailboxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pool and Spa Components																						
36	Deck, Pavers	\$0	\$0	\$0	\$0	\$0	\$19,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37	Fence	\$0	\$0	\$0	\$0	\$0	\$5,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	Furniture	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0
39	Mechanical Equipment	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0
40	Pool and Spa Finish	\$0	\$13,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Site Components																						
41	Sea Wall, Repairs	\$17,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,550
Reserve Study Update																						
Total Expenses		\$88,147	\$29,200	\$54,300	\$259,000	\$5,000	\$169,870	\$50,100	\$0	\$0	\$20,000	\$283,897	\$33,200	\$39,300	\$4,860	\$44,100	\$113,000	\$316,100	\$206,000	\$12,150	\$0	\$1,087,557

CONDITION ASSESSMENT

The condition assessment of this Full Reserve Study includes narratives that describe the reserve components, documents specific problems and conditions based on representative samples.

Building Services Components

1. **Electrical Systems** – The Association maintains common electrical systems. Electrical systems have a long useful life of up to 75 years and beyond. However, periodic repairs and partial replacements are likely as the system ages. The Association should budget for this activity by 2028 and every 10 years thereafter.

2. **Elevator, Cab Finishes** – The Association maintains two elevators. The cab finishes comprise tile floors, lighted ceiling and wood panel walls. The cab finishes are in fair condition at an age of 10 years. Cab finishes have a useful life of up to 20 years. The Association should budget for replacements by 2028 and again by 2048 in conjunction with a modernization.

3. **Elevators, Modernization** – The Association utilizes two 2,500 pound capacity traction elevators to serve 12 floors. Traction elevators are lifted by cables that pass over a wheel attached to an electric motor above the elevator shaft. A counter weight makes the elevators more efficient. These components are in good reported condition at an age of approximately 10 years. The useful lives of these components vary up to 40 years. However, the Association should budget for a modernization by 2048. The Association should contract with an independent elevator consultant to develop specifications for elevator replacement proposals.

4. **Exhaust Fans, Garage** – The Association maintains exhaust fans located in the garage and elevators. The two garage exhaust fans are in good condition at an age of approximately one year. Exhaust fans have a useful life from 10- to 15-years. Opus Condominium should budget for replacement of the garage fans by 2030 and every 12 years thereafter. The

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Association should fund replacement of the remaining fans through the operating budget as needed.

5. **Fire Alarm System** – The Association maintains a fire alarm system. A fire alarm system comprises a main panel that controls emergency devices such as annunciators and pull boxes. The fire alarm system is original and in good reported condition. Changes in building codes and/or technology may make a replacement necessary and/or desirable prior to the useful life of up to 25 years. Opus Condominium should budget for replacements by 2033. Annual fire alarm system inspections are required by the National Fire Protection Association (NFPA) 722 Standards. The Association should fund interim replacement of exit signs and smoke detectors through the operating budget as needed.

6. **Fire Protection System** – The Association maintains a fire protection system. A fire protection system comprises piping and sprinkler heads located throughout the building. The fire protection system is original and in good reported condition. Changes in building codes and/or technology may make a replacement necessary and/or desirable prior to the useful life of up to 50 years.

There is a class action lawsuit filed against certain manufacturers for high-rise buildings built from 2004 to 2009. These buildings are at risk for having incompatible products installed which can potentially result in damages. Opus Condominium should budget for partial replacements every 10 years beginning by 2028.

7. **Fire Pump System** – The Association utilizes a 100 Horsepower (HP) fire pump. The fire pump system is original and in good reported condition overall. Fire pumps have a useful life of up to 55 years with the benefit on periodic inspections. Opus Condominium should budget for partial replacement of up to seventy-five percent (75%) of the fire pump by 2048.

8. **Generator** – Opus Condominium utilizes a diesel generator to power the elevators and fire alarm systems during a power outage. Management reports recent repairs from hurricane damage. The generator is mostly original and in good overall reported condition.

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Generators have a useful life of up to 35 years. The Association should budget for replacement by 2043. The Association should fund replacement of the batteries through the operating budget as needed.

9. **HVAC Make-Up Air Unit** – The Association utilizes a make-up air unit atop the roof for heating, ventilating and air conditioning. This unit is original and operational at the time of inspection. It is at the end of its reported service life. Make-up air units have a useful life from 10- to 15-years. Opus Condominium should budget for replacement in 2019 and every 12 years thereafter.

10. **HVAC, Split Systems** – The exercise and recreational rooms each utilize a split system for heating, ventilating and air conditioning. The split systems are original and were operational at the time of inspection. Split systems have a useful life from 8- to 12-years. Opus Condominium should budget for replacements in 2019 and every 12 years thereafter. The replacement costs are based on a 14 seasonal energy efficiency ratio (SEER).

11. **Plumbing System** – Opus Condominium maintain the sewer and water lines within the buildings. The interior piping is in fair reported condition. Piping systems are failing at an alarming rate across the country as infrastructure ages. Communities often fail to account for the plumbing system because it is out of sight. The useful life of the interior pipes varies up to 75 years. The Association should anticipate periodic repairs. Potential mold and/or other damage may occur if leaks are left unrepaired. Hi-rise buildings constructed in Florida between 2003 through 2010 may contain defective pipes. Allied (ABF) piping used together with Chlorinated Polyvinyl Chloride (CPVC) deteriorates at a more rapid pace than expected. The statute of repose is 10 years to make a claim against the manufacturers and developers. The Association should budget for inspections and partial pipe lining repairs of up to thirty-three percent (33%) beginning by 2048. Pipe lining causes the least amount of disruption to the unit owners. The estimated times and costs may vary.

12. **Pumps and Controls, Domestic Water** – Opus Condominium maintains a set of controls for two domestic water pumps. The pump and controls are in good reported condition at an age of 10 years. Domestic water pumps and controls have a useful life from

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15- to 20-years. The Association should budget for replacements by 2028 and again by 2048.

13. **Security System** – The Association maintains a security system that comprises 14 cameras and a digital recording device. The security system is in good condition at age of five years. Technology advances tend to govern the time of replacements. Security systems have a useful life from 10- to 15-years. Opus Condominium should budget for replacements by 2025 and again by 2037.

14. **Telephone Entry System** – The Association maintains a telephone entry system for communication between residents and guests. The telephone entry system is original and in fair to good condition overall. Telephone entry systems have a useful life from 10- to 15-years. Opus Condominium should budget for replacement of the telephone entry system by 2025 and every 12 years thereafter.

15. **Trash Chute** – Opus Condominium utilizes a trash chute. The trash chute is original and in fair condition overall. Trash chutes in coastal areas have a useful life of up to 55 years. The Association should budget for partial replacements of up to sixty percent (60%) by 2048. The estimate of cost includes replacement of the doors on each floor.

Exterior Building Components

16. **Concrete Restoration** – Concrete cracks and spalling occurs from the expansion of the reinforcing steel bars due to corrosion. Concrete corrosion is caused by rainwater and chlorides getting into the concrete down to the level of the steel bars. The Association should budget an allowance for partial repairs as needed by 2024 and every five- to seven-years thereafter in conjunction with paint finish applications. It is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance. Updates to this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.

17. **Doors, Common** – Opus Condominium maintains approximately 20 common metal doors. The common doors are original and in good condition overall. Doors have a useful

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life of up to 25 years. The Association should budget for replacements by 2033. The estimate of cost is based on a fire rated self-closing door.

18. Garage Coating Application, Initial – The Association maintains a parking area atop the garage. Garages have a long useful life with the benefit of periodic maintenance. This area does not currently utilize a coating system to maximize the useful life. The Association should budget for an initial coating system that includes sealing expansion joints by 2019. This initial coating system cost is more significant than subsequent cycles. Opus Condominium should consider expediting the initial cycle to begin preserving the structure. The contractor should verify the planter beds are properly waterproofed.

19. Garage Coating Applications – The Association should also budget for subsequent coating applications every 8- to 12-years thereafter. Subsequent cycles are more aesthetic. As previously mentioned, the contractor should verify the planter beds are properly waterproofed.

20. Garage Door – Opus Condominium utilizes a garage door. Management reports that the Association replaced the door this year. Garage doors have a useful life from 10- to 15-years. The Association should budget for replacements by 2033 and again by 2048.

21. HVAC Rooftop Stands – The Association is responsible for the shared HVAC rooftop stands. These stands have an anticipated a useful life of up to 40 years. Opus Condominium should budget for replacements by 2044.

22. Light Fixtures – The Association maintains approximately 50 exterior wall and ceiling mounted light fixtures located at the garage. The light fixtures are in fair condition at an age of 10 years. Light fixtures of this type have a useful life of up to 20 years. Opus Condominium should budget for replacements by 2028 and again by 2048. The estimate of cost includes replacements with light emitting diode (LED) technology.

23. Paint Finish Applications – The Association maintains approximately 80,000 square feet of stucco paint finishes. Periodic applications of a protective paint finish or waterproof

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coating is essential in order to maintain the appearance and integrity of the stucco. Stucco is water resistant but not waterproof. Over time, stucco becomes more permeable which leads to cracks and moisture intrusion if maintenance is deferred.

The paint finish performance is affected by proper product selection, application, and surface preparation. Coating integrity and useful life will be reduced because of improperly prepared surfaces. The selection and implementation of proper surface preparation ensures coating adhesion to the substrate and prolongs the useful life of the coating system.

Opus Condominium maintains balconies that comprise approximately 5,350 square feet of concrete surface. The balconies are original and in good condition overall. Balconies have a long useful life with the benefit of periodic maintenance. Failure to maintain the balconies can lead to costly repairs. The Association should budget for waterproof coating applications and partial repairs as needed in conjunction with paint finish applications.

The paint finishes are in fair overall condition at an age of one year. Paint finishes have a useful life from five- to seven-years. Opus Condominium should budget for the next paint finish application by 2024 and every seven years thereafter. The Association should also plan for weatherizing the window sealants and any exterior penetrations as needed in conjunction with paint finish applications.

24. Railings, Aluminum – The Association maintains 2,110 linear feet of aluminum railings. The railings are original and in good condition overall. The major concern with railing is safety. Aluminum railings have a useful life of up to 25 years. Opus Condominium should budget for replacements by 2033 based on normal wear and tear.

25. Roof, Flat – The Association maintains 93 squares of flat roof. The flat roof is in good overall condition at an age of 10 years. Flat roof coverings have a useful life from 15- to 20-years. Exposure to ultraviolet light, heat and weather degrade the membrane overtime. Degradation results in membrane damage from thermal expansion and contraction. Aging of the roof makes the membrane less pliable and difficult to maintain. The most vulnerable parts of a roof are at the perimeters and penetrations such as vents, plumbing stacks and

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HVAC equipment. Water intrusion can lower insulation R-values and weaken the roof assembly.

Reroofing is more labor intensive than an original installation. Removal and disposal can be an issue in multistory buildings because of problems conveying materials on and off the roofs. Replacement costs are higher and make replacement less feasible economically.

New roofing can be accomplished by either a tear-off or an overlay. An overlay can cover up problems with the deck and flashings. The contractor should follow manufacturer's directions and specifications. The National Roofing Contractors Association (NRCA) recommends the use of a suitable cover board layer over insulation before a roof membrane installation.

There are several different options for flat roofs. The estimate of cost is based on a thermoplastic polyolefin (TPO) roofing system. The Association should budget for replacement of the flat roof system by 2026 and again by 2044. Interim annual inspections are recommended funded through the operating budget.

26. Roofs, Tile – The Association maintains approximately 35 squares of tile roofing. The tile roofs are in good overall condition at an age of 10 years. The useful life of a tile roof of this type is up to 30 years. The Association should budget for replacement of the tile roofs by 2038. Interim annual inspections are recommended funded through the operating budget.

27. Windows and Glass Doors – The windows and glass doors of the clubhouse comprise 270 square feet. The windows and glass doors are original and in good condition. Windows and glass doors of this type have a long useful life of up to 40 years. The need to replace windows can be due to various reasons such as consistency in style and condition. There will be a cost savings with coordinated replacement. Opus Condominium should budget for replacement of the windows and doors by 2046. The windows should meet the Florida Building Code for impact resistance. The estimate of cost includes an allowance for engineering fees.

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Interior Building Components

28. **Exercise Equipment** – Opus Condominium maintains various pieces of strength training and cardio exercise equipment. The exercise equipment is mostly original and in fair overall condition. Exercise equipment has a useful life from 5- to 15-years. The Association should budget for phased replacement of up to thirty-three percent (33.3%) of the equipment in 2019 and every five years thereafter.

29. **Exercise Room Floor** – The exercise room comprises 400 square feet of rubber floors. The exercise room floor is original and in fair overall condition. Carpet has a useful life from 12- to 18-years. Opus Condominium should budget for replacements by 2024 and again by 2039.

30. **Floors, Carpet** – The Association maintains 550 square yards of carpet floors. The carpet was being replaced at the time of inspection. Carpet has a useful life from 8- to 12-years. Opus Condominium should budget for subsequent replacements every eight years.

31. **Floors, Tile** – The Association maintains 1,820 square feet of tile floor coverings. The tile floors are original and in good overall condition. Tile floors have a long useful life of up to 30 years and beyond with the benefit of periodic maintenance. Periodic maintenance includes cleaning and partial replacements of cracked tiles as needed. Replacement is often predicated on the discretion of the active board's opinion of the need to update the appearance. For budgetary purposes, Opus Condominium should anticipate replacement by 2033.

32. **Light Fixtures** – The Association maintains approximately 100 exterior wall and ceiling mounted light fixtures. The light fixtures are in good condition at an age of 10 years. Light fixtures of this type have a useful life of up to 25 years. Opus Condominium should budget for replacement by 2033. The estimate of cost includes replacements with light emitting diode (LED) technology.

33. **Paint Finish Applications, Hallways** – Opus Condominium maintains approximately 25,630 square feet of interior hallway paint finishes. The paint finishes are in good condition

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at an age of less than one year. Paint finishes of this type have a useful life of up to 10 years. The Association should budget for the next hallway paint finish application by 2026 and every eight years thereafter.

34. Paint Finish Applications, Garages and Stairwells – The Association maintains approximately 35,000 square feet of garage and stairwell paint finishes. The paint finishes are in fair overall condition at an age of three years. Paint finishes have a useful life from 8- to 12-years. Opus Condominium should budget for the next paint finish application of the garages and stairwells by 2027 and every 12 years thereafter. The Association should fund interim stairwell paint finish applications through the operating budget as needed.

35. Mailboxes – Opus Condominium maintains 54 mailboxes. The mailboxes are original and in good condition. Metal mailboxes have a useful life of up to 25 years. The Association should budget for replacements by 2041. The Association should verify new mailboxes meet the specifications of the United States Postal Service.

Pool and Spa Components

36. Deck, Pavers – The pool deck comprises 3,800 square feet of pavers. The pavers are original and in fair to good overall condition. Pool deck pavers have a useful life from 20- to 30-years with the benefit of periodic maintenance. Periodic maintenance includes resetting as needed and an application of sand between the pavers followed by a sealer application every three years. Based on the condition, Opus Condominium should budget for replacement of the pavers by 2033. Interim repairs should be funded through the operating budget as needed.

37. Fence, Aluminum – The Association maintains 160 linear feet of aluminum fence. The aluminum fence is in good condition at an age of 10 years. The finish on aluminum fences is relatively maintenance free. Aluminum fences have a useful life of up to 25 years. Opus Condominium should budget for replacement by 2033 in conjunction with the pool deck.

38. Furniture – The pool furniture includes umbrellas, lounges, tables and chairs. The pool furniture is in fair condition overall at an age of two years. The pool furniture has a useful

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life from 5- to 10-years. Opus Condominium should budget for replacements by 2023 and every seven years thereafter.

39. **Mechanical Equipment** – The Association maintains pool mechanical equipment. The mechanical equipment includes heaters, pumps filters and chlorinators. The mechanical equipment is in good overall condition at various ages. Mechanical equipment has a useful life from 5- to 10-years. The Association should budget for replacements by 2024 and every five years thereafter.

40. **Pool and Spa Finish** – The Association maintains approximately 1,100 square feet of horizontal pool and spa finish. The finishes are in fair overall condition at an age of 10 years. The pool finish has a useful life of 8- to 12-years. Opus Condominium should budget for resurfacing of the pool and spa finishes in 2019 and every 10 years thereafter. In August of 2015, the Florida Building Commission ruled that a building permit be required to resurface a commercial swimming pool. Typically minor upgrades will be needed to bring the pool up to current code. The Association should ensure that bidding contractors have an active license with a “CPC” designation. An allowance for replacement of the waterline tile is included in the estimate of cost.

Property Site Components

41. **Sea Wall** – Opus Condominium maintains approximately 130 linear feet of concrete sea wall. The exact age is unknown. The pool area also utilizes a retaining wall atop the sea wall. The National Ocean Service, a division of the National Oceanic and Atmospheric Administration reports that global sea levels have been rising over the past century and the rate has increased in recent decades. The Ocean Service estimates that in most areas, the rise is about one-eighth inch annually. This rate is barely noticeable from year to year for long term coastal residents. That slow encroachment is claiming associations’ common areas.

The sea wall is in fair condition overall. Areas of cracks in the concrete cap are noted. Page 8 of Appendix B depicts this condition assessment in Figure 48. Management reports that the Association plans to repair the sea wall in the near term through a special assessment. Sea walls of this type have a long useful life with the benefit of ongoing

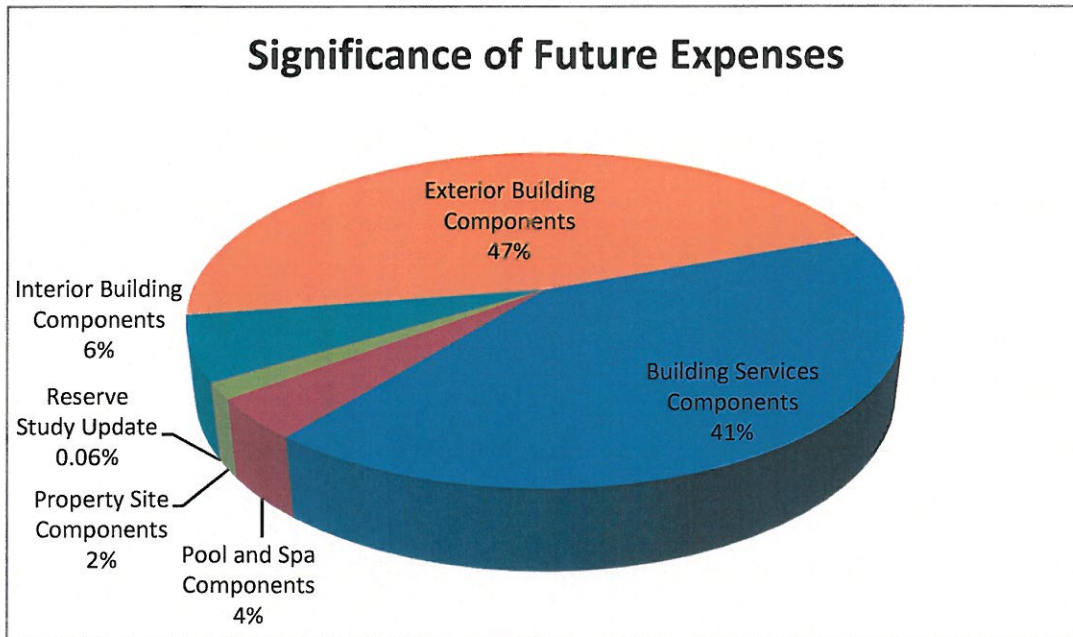
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maintenance. Ongoing maintenance includes partial replacements of the concrete every 10 years. The Association should budget for subsequent partial replacements of the walls by 2028 and every 10 years thereafter. The estimates of replacement and cost will vary based on weather conditions.

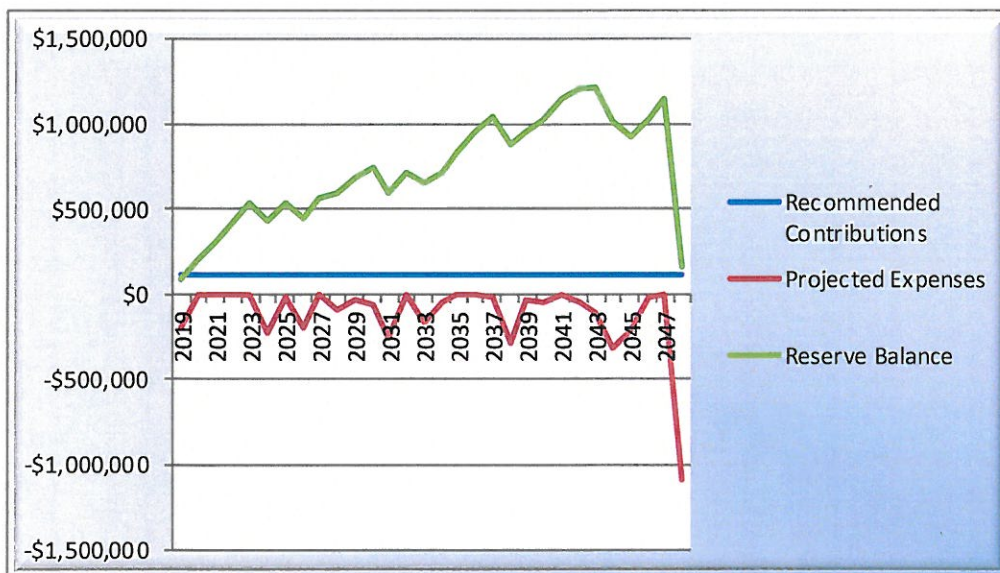
The following Appendix B pictures depict the reserve components and specific conditions noted in the condition assessment.

EXPENSE CHART AND COMPARISON GRAPH

The Reserve Expenses reflect current and future local costs of replacements with anticipated inflation. The following chart illustrates the relative importance of the Reserve Expenses.



The following graph depicts the next 30 years of Projected Expenses, Reserve Balances and cash flow Recommended Contributions:





Cash Flow Funding Plan or Pooling Method

Opus Condominium Association, Inc.

	FY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning of Year Reserves		\$123,755	\$163,692	\$88,592	\$201,392	\$316,392	\$431,392	\$541,392	\$430,392	\$530,392	\$453,192	\$568,192	\$595,046	\$680,846	\$741,546	\$597,546	\$707,546
Recommended Reserve Contributions		39,937	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Anticipated Interest Earned	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Projected Expenses		0	190,100	2,200	0	0	5,000	226,000	15,000	192,200	0	88,147	29,200	54,300	259,000	5,000	169,870
Projected Year End Reserves		\$163,692	\$88,592	\$201,392	\$316,392	\$431,392	\$541,392	\$430,392	\$530,392	\$453,192	\$568,192	\$595,046	\$680,846	\$741,546	\$597,546	\$707,546	\$652,676

		2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Beginning of Year Reserves		\$652,676	\$717,576	\$832,576	\$947,576	\$1,042,576	\$873,679	\$955,479	\$1,031,179	\$1,141,319	\$1,212,219	\$1,214,219	\$1,013,119	\$922,119	\$1,024,969	\$1,139,969
Recommended Reserve Contributions		115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Anticipated Interest Earned	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Projected Expenses		50,100	0	0	20,000	283,897	33,200	39,300	4,860	44,100	113,000	316,100	206,000	12,150	0	1,087,557
Projected Year End Reserves		\$717,576	\$832,576	\$947,576	\$1,042,576	\$873,679	\$955,479	\$1,031,179	\$1,141,319	\$1,212,219	\$1,214,219	\$1,013,119	\$922,119	\$1,024,969	\$1,139,969	\$167,413

Threshold/
Risk Year

Notes:

- 1) FY 2018 Begins January 1, 2018 and Ends December 31, 2018
- 2) FY 2018 Beginning Reserve Balance and Remaining Contributions are as of:

6/20/18



Component or Straight Line Funding Plan

Opus Condominium
Association, Inc.

Line Item	Reserve Component	Total Quantity	Units	1st Year of Replacement	Useful Life Years	Remaining Life Years	Unit Cost	Total Cost	6/20/2018 Reserve Balance	2018 Reserve Contribution	2017 Remaining Reserve Contribution	2018 Residual Cost/Balance	2019 Reserve Contribution	Opus Condominiums Line Item
Building Services Components														
1	Electrical Systems, Partial	1	Allowance	2028	to 75	10	\$10,000.00	\$10,000	\$0.00	\$0.00	\$0.00	\$10,000.00	\$1,000.00	
2	Elevator Cab Finishes	2	Each	2028	to 20	10	\$6,000.00	\$12,000	\$0.00	\$0.00	\$0.00	\$12,000.00	\$1,200.00	
3	Elevators, Modernization	2	Each	2048	to 40	30	\$155,000.00	\$310,000	\$0.00	\$0.00	\$0.00	\$310,000.00	\$10,333.33	
4	Exhaust Fans, Garage	1	Allowance	2030	10 to 15	12	\$10,000.00	\$10,000	\$0.00	\$0.00	\$0.00	\$10,000.00	\$833.33	
5	Fire Alarm System	1	Each	2033	to 25	15	\$20,000.00	\$20,000	\$0.00	\$0.00	\$0.00	\$20,000.00	\$1,333.33	
6	Fire Protection System, Partial	1	Each	2028	to 50	10	\$10,000.00	\$10,000	\$0.00	\$0.00	\$0.00	\$10,000.00	\$1,000.00	
7	Fire Pump System, Partial	1	Each	2048	to 55	30	\$20,000.00	\$20,000	\$0.00	\$0.00	\$0.00	\$20,000.00	\$666.67	
8	Generator	1	Each	2043	25 to 35	25	\$60,000.00	\$60,000	\$0.00	\$0.00	\$0.00	\$60,000.00	\$2,400.00	
9	HVAC Make-Up Air Unit	1	Each	2019	10 to 15	1	\$45,000.00	\$45,000	-\$15,004.12	\$79,874.45	\$39,937.23	\$20,066.90	\$20,066.90	2325/9171
10	HVAC Split Systems	2	Each	2019	8 to 12	1	\$4,000.00	\$8,000	\$0.00	\$0.00	\$0.00	\$8,000.00	\$8,000.00	
11	Plumbing System	1	Allowance	2048	to 75	30	\$635,910.00	\$635,910	\$0.00	\$0.00	\$0.00	\$635,910.00	\$21,197.00	
12	Pumps and Controls, Domestic Water	1	Allowance	2028	15 to 20	10	\$20,000.00	\$20,000	\$0.00	\$0.00	\$0.00	\$20,000.00	\$2,000.00	
13	Security System	1	Allowance	2025	10 to 15	7	\$10,000.00	\$10,000	\$0.00	\$0.00	\$0.00	\$10,000.00	\$1,428.57	
14	Telephone Entry System	1	Each	2025	10 to 15	7	\$5,000.00	\$5,000	\$0.00	\$0.00	\$0.00	\$5,000.00	\$714.29	
15	Trash Chute, Partial	1	Allowance	2048	to 55	30	\$20,000.00	\$20,000	\$0.00	\$0.00	\$0.00	\$20,000.00	\$666.67	
Exterior Building Components														
16	Concrete Restoration, Partial	1	Allowance	2024	5 to 7	6	\$10,000.00	\$10,000	\$0.00	\$0.00	\$0.00	\$10,000.00	\$1,666.67	
17	Doors, Common	20	Each	2033	to 25	15	\$950.00	\$19,000	\$0.00	\$0.00	\$0.00	\$19,000.00	\$1,266.67	
18	Garage Coating Application, Initial	13,100	Square Feet	2019	NA	1	\$9.00	\$117,900	\$95,659.76	\$0.00	\$0.00	\$22,240.24	\$22,240.24	2250/2271
19	Garage Coating Applications	13,100	Square Feet	2030	8 to 12	12	\$3.00	\$39,300	\$0.00	\$0.00	\$0.00	\$39,300.00	\$3,275.00	
20	Garage Door	1	Each	2033	10 to 15	15	\$13,500.00	\$13,500	\$0.00	\$0.00	\$0.00	\$13,500.00	\$900.00	
21	HVAC Rooftop Stands	11	Each	2044	to 40	26	\$12,000.00	\$132,000	\$0.00	\$0.00	\$0.00	\$132,000.00	\$5,076.92	
22	Light Fixtures	50	Each	2028	to 20	10	\$90.00	\$4,500	\$0.00	\$0.00	\$0.00	\$4,500.00	\$450.00	
23	Paint Finish Applications	80,000	Square Feet	2024	5 to 7	6	\$2.45	\$196,000	\$30,679.42	\$0.00	\$0.00	\$165,320.58	\$27,553.43	2230
24	Railings, Aluminum	2,110	Linear Feet	2033	to 25	15	\$35.00	\$73,850	\$0.00	\$0.00	\$0.00	\$73,850.00	\$4,923.33	
25	Roof, Flat	93	Squares	2026	15 to 20	8	\$1,700.00	\$158,100	\$11,935.26	\$0.00	\$0.00	\$146,164.74	\$18,270.59	2210
26	Roofs, Tile	35	Squares	2038	to 30	20	\$750.00	\$26,250	\$0.00	\$0.00	\$0.00	\$26,250.00	\$1,312.50	
27	Windows and Glass Doors	270	Square Feet	2046	to 40	28	\$45.00	\$12,150	\$0.00	\$0.00	\$0.00	\$12,150.00	\$433.93	
Interior Building Components														
28	Exercise Equipment, Phased	1	Allowance	2019	5 to 15	1	\$6,000.00	\$6,000	\$0.00	\$0.00	\$0.00	\$6,000.00	\$6,000.00	
29	Exercise Room Floor	400	Square Yards	2024	12 to 18	6	\$10.00	\$4,000	\$0.00	\$0.00	\$0.00	\$4,000.00	\$666.67	
30	Floor Coverings, Carpet	550	Square Yards	2026	8 to 12	8	\$27.00	\$14,850	\$0.00	\$0.00	\$0.00	\$14,850.00	\$1,856.25	
31	Floor Coverings, Tile	1,820	Square Feet	2033	to 25	15	\$6.00	\$10,920	\$0.00	\$0.00	\$0.00	\$10,920.00	\$728.00	
32	Light Fixtures	100	Each	2033	to 25	15	\$80.00	\$8,000	\$0.00	\$0.00	\$0.00	\$8,000.00	\$533.33	
33	Paint Finish Applications, Hallways	25,530	Square Feet	2028	to 10	10	\$0.55	\$14,097	\$0.00	\$0.00	\$0.00	\$14,096.50	\$1,409.65	

Appendix A

Line Item	Reserve Component	Total Quantity	Units	1st Year of Replacement	Useful Life Years	Remaining Life Years	Unit Cost	Total Cost	6/20/2018 Reserve Balance	2018 Reserve Contribution	2017 Remaining Reserve Contribution	2018 Residual Cost/Balance	2019 Reserve Contribution	Opus Condominiums Line Item
34	Paint Finish Applications, Garage and Stairwells	35,000	Square Feet	2026	to 12	8	\$0.55	\$19,250	\$0.00	\$0.00	\$0.00	\$19,250.00	\$2,406.25	
35	Mailboxes	54	Each	2041	to 35	23	\$90.00	\$4,860	\$0.00	\$0.00	\$0.00	\$4,860.00	\$211.30	
Pool and Spa Components														
36	Deck, Pavers	3,800	Square Feet	2033	20 to 30	15	\$5.00	\$19,000	\$0.00	\$0.00	\$0.00	\$19,000.00	\$1,266.67	
37	Fence	160	Linear Feet	2033	to 25	15	\$35.00	\$5,600	\$0.00	\$0.00	\$0.00	\$5,600.00	\$373.33	
38	Furniture	1	Allowance	2023	5 to 10	5	\$5,000.00	\$5,000	\$0.00	\$0.00	\$0.00	\$5,000.00	\$1,000.00	
39	Mechanical Equipment	1	Allowance	2024	5 to 10	6	\$10,000.00	\$10,000	\$0.00	\$0.00	\$0.00	\$10,000.00	\$1,666.67	
40	Pool and Spa Finish	1,100	Square Feet	2019	8 to 12	1	\$12.00	\$13,200	\$101.22	\$0.00	\$0.00	\$13,098.78	\$13,098.78	2290
Property Site Components														
41	Sea Wall, Repairs	130	Linear Feet	2028	to 10	10	\$135.00	\$17,550	\$0.00	\$0.00	\$0.00	\$17,550.00	\$1,755.00	
	Reserve Study Update	1	Allowance	2020	2 to 3	2	\$2,200.00	\$2,200	\$0.00	\$0.00	\$0.00	\$2,200.00	\$1,100.00	
Totals									\$123,371.54	\$79,874.45		\$194,281.27		

Notes:

- 1) FY 2018 Begins January 1, 2018 and Ends December 31, 2018
- 2) FY 2018 Beginning Reserve Balance and Remaining Contributions are as of: 6/20/18
- 3) Interest on Reserves is excluded

TERMS AND DEFINITIONS

Cash Flow Method - A method of calculating Reserve contributions where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

Component - An individual line item in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks of the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

Component Assessment and Valuation - The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. This task is accomplished either with or without onsite visual observations, based on Level of Service selected by the client.

Component Inventory - The task of selecting and quantifying Reserve Components. This task is accomplished through onsite visual observations, review of association design and organizational documents, and a review of established association precedents.

Component Method - A method of calculating Reserve contributions where the total reserve contribution is based on the sum of contributions for individual components.

Effective Age - The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computation.

Financial Analysis - The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived. The Financial Analysis is one of the two parts of a Reserve Study.

Fully Funded - 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

Fully Funded Balance (FFB) - Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. In essence, it is the Reserve balance that is proportional to the current Repair/replacement cost and the fraction of life "used up". This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: both yield identical results when interest and inflation are equivalent.

Funding Goals - Independent of methodology utilized, the following represent the basic categories of Funding Plan goals.

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Baseline Funding - Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Fully Funding - Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding - Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.

Threshold Funding - Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold this may be more or less conservative than "Fully Funded".

Funding Plan - An Association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Minimum Balance - A minimum Reserve balance established by the client.

Physical Analysis - The portion of the Reserve Study where the Component inventory, Condition Assessment and Life Adjustment and Valuation tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) - Also referred to as "Remaining Life (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Replacements anticipated to occur in the initial or base year have "zero" Remaining Useful Life.

Reserve Assessments - The portion of assessments contributed to the Reserve Fund.

Reserve Balance - Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves.

Special Assessment - An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by Governing Documents or local statutes.

Straight Line - A formula used to calculate the annual reserve fund contribution for a specific component. Projected replacement cost divided by the useful life equals the annual payment.

Useful Life (UL) - Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function in its present application or installation.

DISCLOSURES AND LIMITATIONS

No destructive testing was performed. Latent defects in design or construction are excluded from this report. There are no material issues to our knowledge that have not been disclosed to the client that would affect the integrity of this Reserve Study report. Custom Reserves has no interests with the client other than this Reserve Study.

Component quantities and estimates of costs indicated in this Report were developed by Custom Reserves unless otherwise noted in our "Condition Assessment" comments. The sources for the costs outlined in the study include experience, historical information and R.S. Means, Incorporated. This report should be used for budget and planning purposes only.

CREDENTIALS

PAUL GRIFONI – Licensed Home Inspector

EDUCATION - University of Massachusetts - Bachelor of Science in Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute



Professional Reserves Analyst (PRA) - Association of Professional Reserve Analysts

