Serving Florida & the Southeast USA
110 E. Broward Blvd., Suite 1700
Fort Lauderdale, FL 33301

Tel : (954) 210-7925
Fax : (954) 210-7926
www.reservestudy.com

ASSOCIATION RESERVES™
Planning For The Inevitable™

Regional Offices
Arizona
California
Colorado
Florida
Hawaii
Nevada
North Carolina
Texas
Washington

"Full" Reserve Study

Lakes at Deer Creek
Deerfield Beach, FL

Report #: 36235-0
For Period Beginning: January 1, 2020
Expires: December 31, 2020

Date Prepared: August 28, 2019

WILLIAM G. SIMONS
CAI-RS
00190
DESIGNATION
RESERVE SPECIALIST

Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

954-210-7925

ASSOCIATION RESERVES™

Table of Contents

3- Minute Executive Summary

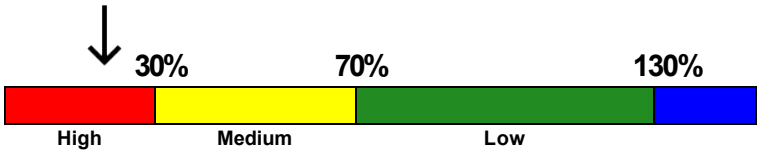
Association:	**Lakes at Deer Creek**	**Assoc. #: 36235-0**
Location:	**Deerfield Beach, FL**	**# of Units: 91**
Report Period:	**January 1, 2020 through December 31, 2020**	

Findings/Recommendations as-of: January 1, 2020

Projected Starting Reserve Balance	**$300,000**
Projected "Fully Funded" (Ideal) Reserve Balance	**$1,481,075**
Average Reserve Deficit (Surplus) Per Owner	**$12,979**
Percent Funded	**20.3 %**
Recommended 2020 "Full Funding" Contributions	**$130,100**
Recommended 2020 Special Assessments for Reserves	**$0**
Most Recent Reserve Contribution Rate	**$67,748**

Reserves % Funded: 20.3%

Special Assessment Risk:



Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	**1.00 %**
Annual Inflation Rate	**3.00 %**

This document is a "Full" Reserve Study (original, created “from scratch”), based on our site inspection on 6/21/2019.

This Reserve Study was prepared or overseen by a credentialed Reserve Specialist (RS). No assets appropriate for Reserve designation were excluded. As of the start of the initial fiscal year shown in this study, your Reserve fund is determined to be 20.3 % Funded. Based on this figure, the Client’s risk of special assessments & deferred maintenance is currently High. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where clients enjoy a low risk of such Reserve cash flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions in the upcoming fiscal year. Going forward, the contribution rate recommended here should be increased as illustrated on the 30-yr Summary Table.

According to information provided during this engagement, the Association is currently using the "straight-line" (AKA component) method for Reserve funding. If the Association were to switch to the "pooled" method of Reserve funding in 2020, the recommended reserve contributions would be $130,100, which is an increase of $62,352 over the 2019 total budgeted Reserve contribution of $67,748. This recommended increase would translate to an additional $57.10 in reserve contributions per unit owner, per month, assuming all units are assessed equally.

However, if the Association chooses to continue using the straight-line method, the resulting reserve contribution amounts would be $279,179.06. This amount would represent a net increase of $211,431.06, or an average of $193.62 per unit owner per month. Please refer to page 23 for more detail.

Reserve Funding Goals and Methodology:

This Reserve Study has been prepared using the "pooled" method of Reserve funding (also known as the cash flow method). The terms "full funding" and/or "fully funding" as used in this Reserve Study are based on the National Reserve Study Standards definition of full funding: "setting a Reserve funding goal to attain and maintain Reserves at or near 100 percent funded." (The definition and means of calculating percent-funded are addressed later in this report.)

In some jurisdictions, the minimum amount of Reserve contributions required when using the pooled method of funding may be less than the amount recommended in this study. For example, in Florida, state requirements require that, at minimum: "the current year contribution should not be less than that required to ensure that the balance on hand at the beginning of the period when the budget will go into effect plus the projected annual cash inflows over the estimated remaining lives of the items in the pool are greater than the estimated cash outflows over the estimated remaining lives of the items in the pool." In other words, the required contribution must be at least enough to ensure that the total Reserve fund balance does not fall below $0 at any point in the foreseeable future, based on the current projections. The National Reserve Study Standards label this funding goal as "baseline funding."

In our opinion, the National Reserve Study Standards definition of fully funding not only complies with all relevant jurisdictional requirements, but is also more likely to provide an adequate "cushion" of accumulated funds, which will help mitigate financial risks in the event of higher-than-expected component costs, reduced component life expectancies, or other unforeseen negative circumstances. In our experience, Clients that choose to fund their Reserves using a baseline (or threshold) funding goal are significantly more likely to experience special assessments and deferred maintenance in the event of these circumstances.

For Clients using the "straight-line" method of Reserve funding (also known as the component method), an additional table may be added to the Reserve Study to provide alternate recommendations calculated using this method. By nature, the straight-line method may only be used to generate recommended contribution rates for one fiscal year at a time, and does not include any assumptions for interest earnings or inflationary cost increases. When using this method, the required contribution for each component is calculated by estimating the replacement cost for the component, subtracting any available funds already collected, and dividing the resulting difference (herein labeled as the "unfunded balance," measured in dollars) by the remaining useful life of the component, measured in years. The resulting figure is the required amount to fund that component. For groups of like components (i.e. multiple individual roof components, all falling within a 'roof reserve'), the individual contribution amounts are added together to determine the total amount required to fund the group as a whole.

For additional questions or to request more information about reserve funding goals and methods, please contact our office.

Executive Summary 36235-0

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Roof (Tile)			
2383	Roofing (Tile) - Replace	30	15	$1,931,450
	Flat Roof			
2377	Roofing (Mod. Bitumen) - Replace	20	5	$211,550
2392	Clubhouse Roof Hatch - Replace	20	5	$2,550
	Paving			
2123	Asphalt - Seal/Repair	4	2	$17,150
2125	Asphalt - Resurface	20	5	$152,450
	Painting			
2343	Building Exterior - Seal/Paint	7	0	$93,500
	Pool/Spa			
2763	Pool Deck Furniture - Replace	8	6	$17,250
2769	Pool Deck (Pavers) - Resurface	30	23	$34,850
2771	Pool Fence - Replace	20	5	$11,200
2773	Swimming Pool - Resurface	12	4	$17,750
2775	Spa/Jacuzzi - Resurface	12	0	$2,700
2781	Pool/Spa Heaters - Replace	8	1	$18,000
2787	Pool Equipment - Maintain/Replace	5	1	$3,750
	Clubhouse			
2367	Windows & Doors (Common) - Replace	40	3	$11,000
2522	HVAC (Clubhouse) - Replace	15	3	$15,950
2543	Surveillance System-Upgrade/Replace	10	6	$7,000
2741	Clubhouse - Remodel Allowance	10	7	$15,500
2746	Kitchen - Remodel	20	7	$11,325
2749	Bathrooms - Remodel	20	7	$12,350
2752	Office - Remodel	20	7	$2,725
	Other			
2166	Mailboxes (Kiosks) - Replace	20	0	$16,450
2169	Sign/Monument - Refurbish/Replace	20	4	$18,750
2599	Golf Cart - Replace	10	2	$6,550
23	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this initial year, green highlighted items are expected to occur within the first-five years.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.

RESERVE STUDY RESULTS

Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology

For this Full Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

RESERVE COMPONENT "FOUR-PART TEST"

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client History (install dates & previous life cycle information)
4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

1) Actual client cost history, or current proposals
2) Comparison to Association Reserves database of work done at similar associations
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
2) Compare that to the Reserve Fund Balance, and express as a percentage.

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?

RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

FUNDING OBJECTIVES

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 6/21/2019, we started with a brief meeting with Andru, the on-site maintenance supervisor. We thank him and Melissa Cutrone, CAM for their assistance and input during this process. During our inspection, we visually inspected all common areas, amenities, and other components that are the responsibility of the Client. Please refer to the Component Details section at the end of this document for additional photos, observations and other information regarding each component.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Cash Flow Detail table.

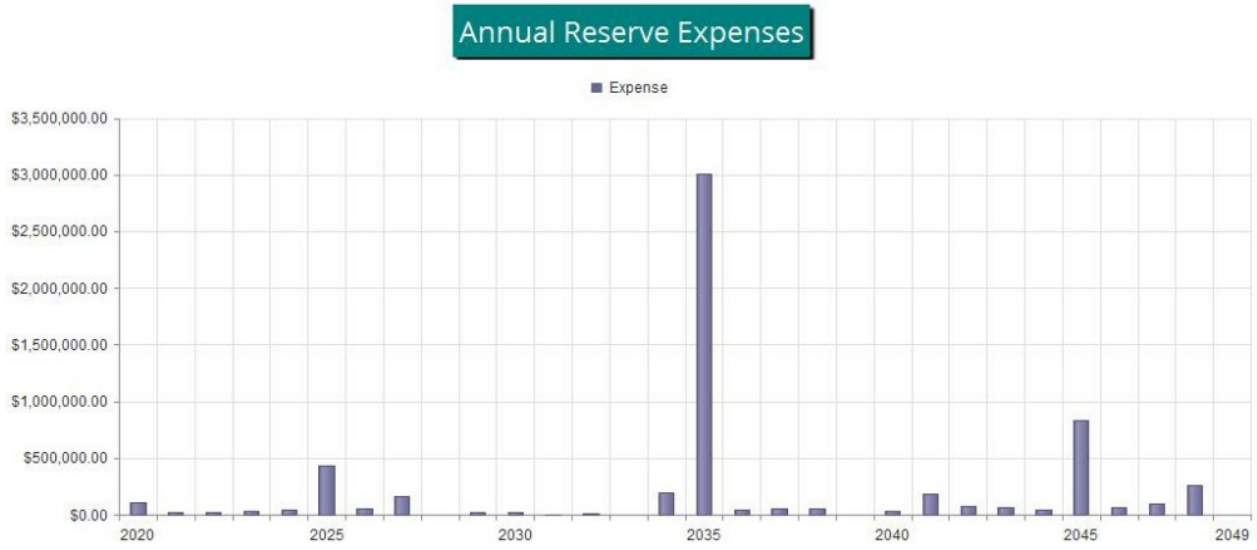


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $300,000 as-of the start of your Fiscal Year on 1/1/2020. This is based either on information provided directly to us, or using your most recent available Reserve account balance, plus any budgeted contributions and less any planned expenses through the end of your Fiscal Year. As of your Fiscal Year Start, your Fully Funded Balance is computed to be $1,481,075. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 20.3 % Funded. In our experience, approximately 35% of Clients funded in this range require special assessments as part of their recommended Reserve funding plans.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of $130,100 this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

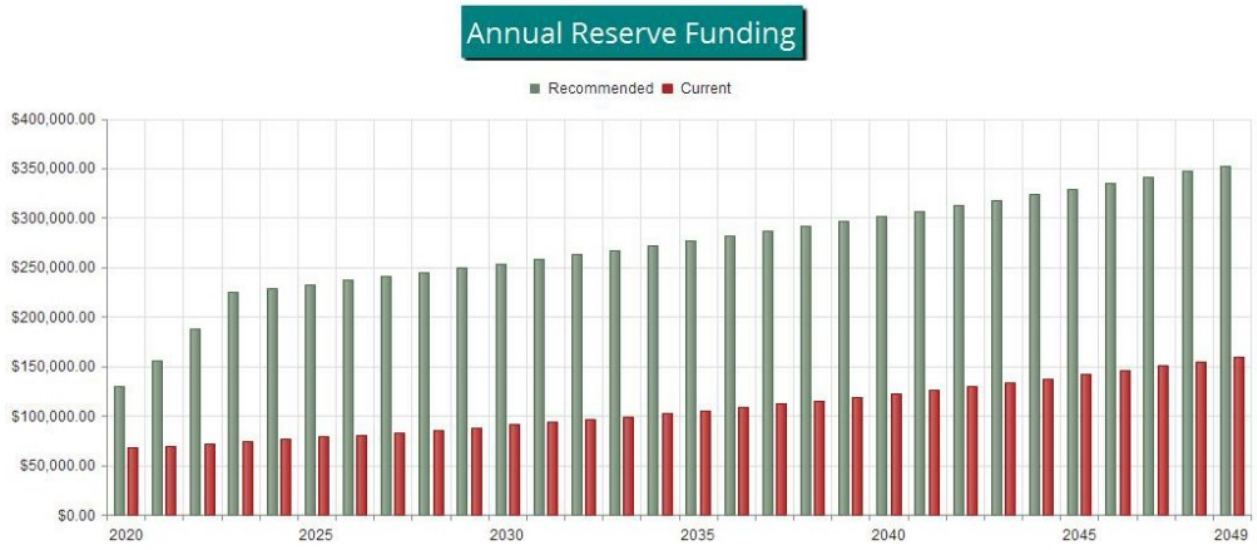


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target. Note that the "current" contribution rate as shown here is based on the most recent Reserve contribution rate as reported to us, and assumes an annual increase of 3% to that rate going forward. This rate is included here for comparison purposes only, to illustrate what might happen if the Client were to continue budgeting for Reserves at the same rate as it has most recently done, assuming routine, consistent annual increases.

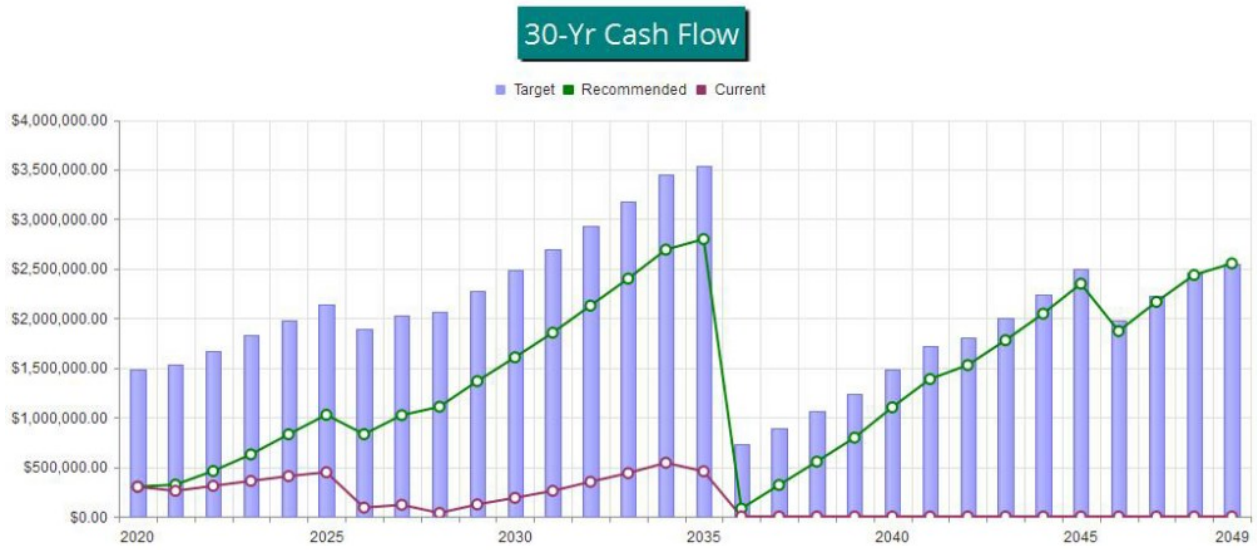


Figure 3

This figure shows the same information described above, but plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

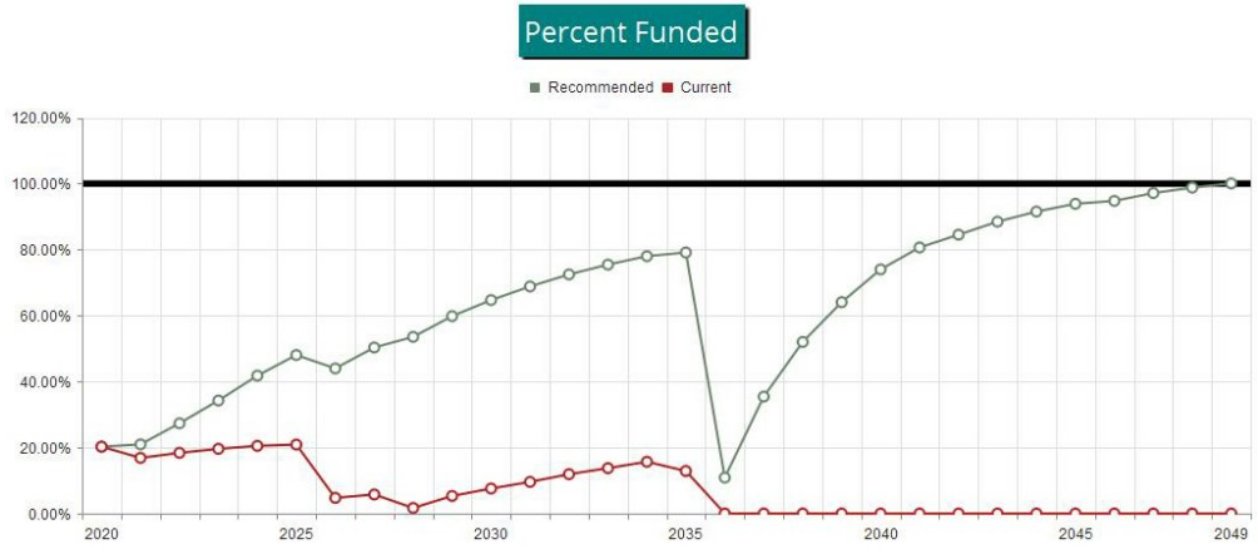


Figure 4

Table Descriptions

Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate Best Case	Current Cost Estimate Worst Case
	Roof (Tile)					
2383	Roofing (Tile) - Replace	160,000 GSF	30	15	$1,738,300	$2,124,600
	Flat Roof					
2377	Roofing (Mod. Bitumen) - Replace	Approx 20,150 GSF	20	5	$190,400	$232,700
2392	Clubhouse Roof Hatch - Replace	(1) Hatch	20	5	$2,300	$2,800
	Paving					
2123	Asphalt - Seal/Repair	Approx 12,700 GSY	4	2	$15,400	$18,900
2125	Asphalt - Resurface	Approx 12,700 GSY	20	5	$137,200	$167,700
	Painting					
2343	Building Exterior - Seal/Paint	Approx 163,000 GSF	7	0	$77,000	$110,000
	Pool/Spa					
2763	Pool Deck Furniture - Replace	Lump Sum Allowance	8	6	$15,600	$18,900
2769	Pool Deck (Pavers) - Resurface	Approx 6,972 GSF	30	23	$31,400	$38,300
2771	Pool Fence - Replace	Approx 289 LF	20	5	$10,100	$12,300
2773	Swimming Pool - Resurface	(1) Pool	12	4	$16,000	$19,500
2775	Spa/Jacuzzi - Resurface	(1) Spa	12	0	$2,400	$3,000
2781	Pool/Spa Heaters - Replace	(3) Heaters	8	1	$16,200	$19,800
2787	Pool Equipment - Maintain/Replace	Lump Sum Allowance	5	1	$2,500	$5,000
	Clubhouse					
2367	Windows & Doors (Common) - Replace	Lump Sum Allowance	40	3	$9,900	$12,100
2522	HVAC (Clubhouse) - Replace	(4) Systems	15	3	$14,400	$17,500
2543	Surveillance System-Upgrade/Replace	(8) Cameras	10	6	$6,300	$7,700
2741	Clubhouse - Remodel Allowance	Lump Sum Allowance	10	7	$13,000	$18,000
2746	Kitchen - Remodel	(1) Kitchen	20	7	$7,650	$15,000
2749	Bathrooms - Remodel	(2) Bathrooms	20	7	$8,000	$16,700
2752	Office - Remodel	Lump Sum Allowance	20	7	$2,150	$3,300
	Other					
2166	Mailboxes (Kiosks) - Replace	(12) Kiosks	20	0	$14,800	$18,100
2169	Sign/Monument - Refurbish/Replace	(3) Signs	20	4	$15,000	$22,500
2599	Golf Cart - Replace	(1) Cart	10	2	$5,900	$7,200

23 Total Funded Components

Fully Funded Balance

36235-0 Full

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Roof (Tile)							
2383	Roofing (Tile) - Replace	$1,931,450	X	15	/	30	=	$965,725
	Flat Roof							
2377	Roofing (Mod. Bitumen) - Replace	$211,550	X	15	/	20	=	$158,663
2392	Clubhouse Roof Hatch - Replace	$2,550	X	15	/	20	=	$1,913
	Paving							
2123	Asphalt - Seal/Repair	$17,150	X	2	/	4	=	$8,575
2125	Asphalt - Resurface	$152,450	X	15	/	20	=	$114,338
	Painting							
2343	Building Exterior - Seal/Paint	$93,500	X	7	/	7	=	$93,500
	Pool/Spa							
2763	Pool Deck Furniture - Replace	$17,250	X	2	/	8	=	$4,313
2769	Pool Deck (Pavers) - Resurface	$34,850	X	7	/	30	=	$8,132
2771	Pool Fence - Replace	$11,200	X	15	/	20	=	$8,400
2773	Swimming Pool - Resurface	$17,750	X	8	/	12	=	$11,833
2775	Spa/Jacuzzi - Resurface	$2,700	X	12	/	12	=	$2,700
2781	Pool/Spa Heaters - Replace	$18,000	X	7	/	8	=	$15,750
2787	Pool Equipment - Maintain/Replace	$3,750	X	4	/	5	=	$3,000
	Clubhouse							
2367	Windows & Doors (Common) - Replace	$11,000	X	37	/	40	=	$10,175
2522	HVAC (Clubhouse) - Replace	$15,950	X	12	/	15	=	$12,760
2543	Surveillance System-Upgrade/Replace	$7,000	X	4	/	10	=	$2,800
2741	Clubhouse - Remodel Allowance	$15,500	X	3	/	10	=	$4,650
2746	Kitchen - Remodel	$11,325	X	13	/	20	=	$7,361
2749	Bathrooms - Remodel	$12,350	X	13	/	20	=	$8,028
2752	Office - Remodel	$2,725	X	13	/	20	=	$1,771
	Other							
2166	Mailboxes (Kiosks) - Replace	$16,450	X	20	/	20	=	$16,450
2169	Sign/Monument - Refurbish/Replace	$18,750	X	16	/	20	=	$15,000
2599	Golf Cart - Replace	$6,550	X	8	/	10	=	$5,240
								$1,481,075

30-Year Reserve Plan Summary

36235-0
Full

Fiscal Year Start: 2020	Interest: 1.00 %	Inflation: 3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	% Increase In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2020	$300,000	$1,481,075	20.3 %		High	92.04 %	$130,100	$0	$3,101	$112,650
2021	$320,551	$1,529,225	21.0 %		High	20.00 %	$156,120	$0	$3,892	$22,403
2022	$458,161	$1,675,366	27.3 %		High	20.00 %	$187,344	$0	$5,417	$25,143
2023	$625,779	$1,826,769	34.3 %		Medium	20.00 %	$224,813	$0	$7,268	$29,449
2024	$828,411	$1,982,091	41.8 %		Medium	1.75 %	$228,747	$0	$9,265	$41,081
2025	$1,025,341	$2,134,016	48.0 %		Medium	1.75 %	$232,750	$0	$9,270	$437,916
2026	$829,446	$1,885,803	44.0 %		Medium	1.75 %	$236,823	$0	$9,251	$53,911
2027	$1,021,609	$2,029,833	50.3 %		Medium	1.75 %	$240,968	$0	$10,637	$166,525
2028	$1,106,688	$2,066,481	53.6 %		Medium	1.75 %	$245,185	$0	$12,349	$0
2029	$1,364,222	$2,280,167	59.8 %		Medium	1.75 %	$249,475	$0	$14,840	$23,486
2030	$1,605,052	$2,480,624	64.7 %		Medium	1.75 %	$253,841	$0	$17,284	$23,048
2031	$1,853,128	$2,692,233	68.8 %		Medium	1.75 %	$258,283	$0	$19,888	$5,191
2032	$2,126,108	$2,933,411	72.5 %		Low	1.75 %	$262,803	$0	$22,613	$13,188
2033	$2,398,336	$3,178,560	75.5 %		Low	1.75 %	$267,402	$0	$25,437	$0
2034	$2,691,175	$3,449,770	78.0 %		Low	1.75 %	$272,082	$0	$27,430	$193,460
2035	$2,797,227	$3,535,127	79.1 %		Low	1.75 %	$276,843	$0	$14,377	$3,009,136
2036	$79,311	$728,332	10.9 %		High	1.75 %	$281,688	$0	$1,982	$45,734
2037	$317,247	$895,235	35.4 %		Medium	1.75 %	$286,618	$0	$4,349	$55,370
2038	$552,843	$1,062,984	52.0 %		Medium	1.75 %	$291,633	$0	$6,736	$56,351
2039	$794,861	$1,240,694	64.1 %		Medium	1.75 %	$296,737	$0	$9,476	$0
2040	$1,101,074	$1,487,892	74.0 %		Low	1.75 %	$301,930	$0	$12,429	$29,711
2041	$1,385,722	$1,718,203	80.6 %		Low	1.75 %	$307,214	$0	$14,555	$180,914
2042	$1,526,577	$1,806,173	84.5 %		Low	1.75 %	$312,590	$0	$16,512	$78,464
2043	$1,777,215	$2,008,987	88.5 %		Low	1.75 %	$318,060	$0	$19,106	$68,779
2044	$2,045,601	$2,234,745	91.5 %		Low	1.75 %	$323,626	$0	$21,957	$43,603
2045	$2,347,581	$2,500,297	93.9 %		Low	1.75 %	$329,290	$0	$21,076	$828,613
2046	$1,869,334	$1,972,558	94.8 %		Low	1.75 %	$335,052	$0	$20,160	$60,169
2047	$2,164,377	$2,228,006	97.1 %		Low	1.75 %	$340,916	$0	$22,988	$93,072
2048	$2,435,209	$2,464,975	98.8 %		Low	1.75 %	$346,882	$0	$24,928	$254,532
2049	$2,552,487	$2,550,729	100.1 %		Low	1.75 %	$352,952	$0	$27,415	$0

	Fiscal Year	2020	2021	2022	2023	2024
	Starting Reserve Balance	$300,000	$320,551	$458,161	$625,779	$828,411
	Annual Reserve Contribution	$130,100	$156,120	$187,344	$224,813	$228,747
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,101	$3,892	$5,417	$7,268	$9,265
	Total Income	$433,201	$480,563	$650,922	$857,860	$1,066,422
#	Component					
	Roof (Tile)					
2383	Roofing (Tile) - Replace	$0	$0	$0	$0	$0
	Flat Roof					
2377	Roofing (Mod. Bitumen) - Replace	$0	$0	$0	$0	$0
2392	Clubhouse Roof Hatch - Replace	$0	$0	$0	$0	$0
	Paving					
2123	Asphalt - Seal/Repair	$0	$0	$18,194	$0	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Painting					
2343	Building Exterior - Seal/Paint	$93,500	$0	$0	$0	$0
	Pool/Spa					
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$0
2769	Pool Deck (Pavers) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$19,978
2775	Spa/Jacuzzi - Resurface	$2,700	$0	$0	$0	$0
2781	Pool/Spa Heaters - Replace	$0	$18,540	$0	$0	$0
2787	Pool Equipment - Maintain/Replace	$0	$3,863	$0	$0	$0
	Clubhouse					
2367	Windows & Doors (Common) - Replace	$0	$0	$0	$12,020	$0
2522	HVAC (Clubhouse) - Replace	$0	$0	$0	$17,429	$0
2543	Surveillance System-Upgrade/Replace	$0	$0	$0	$0	$0
2741	Clubhouse - Remodel Allowance	$0	$0	$0	$0	$0
2746	Kitchen - Remodel	$0	$0	$0	$0	$0
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
2752	Office - Remodel	$0	$0	$0	$0	$0
	Other					
2166	Mailboxes (Kiosks) - Replace	$16,450	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$21,103
2599	Golf Cart - Replace	$0	$0	$6,949	$0	$0
	Total Expenses	$112,650	$22,403	$25,143	$29,449	$41,081
	Ending Reserve Balance	$320,551	$458,161	$625,779	$828,411	$1,025,341

	Fiscal Year	2025	2026	2027	2028	2029
	Starting Reserve Balance	$1,025,341	$829,446	$1,021,609	$1,106,688	$1,364,222
	Annual Reserve Contribution	$232,750	$236,823	$240,968	$245,185	$249,475
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$9,270	$9,251	$10,637	$12,349	$14,840
	Total Income	$1,267,361	$1,075,520	$1,273,213	$1,364,222	$1,628,538
#	Component					
	Roof (Tile)					
2383	Roofing (Tile) - Replace	$0	$0	$0	$0	$0
	Flat Roof					
2377	Roofing (Mod. Bitumen) - Replace	$245,244	$0	$0	$0	$0
2392	Clubhouse Roof Hatch - Replace	$2,956	$0	$0	$0	$0
	Paving					
2123	Asphalt - Seal/Repair	$0	$20,478	$0	$0	$0
2125	Asphalt - Resurface	$176,731	$0	$0	$0	$0
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$114,993	$0	$0
	Pool/Spa					
2763	Pool Deck Furniture - Replace	$0	$20,597	$0	$0	$0
2769	Pool Deck (Pavers) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$12,984	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$0
2775	Spa/Jacuzzi - Resurface	$0	$0	$0	$0	$0
2781	Pool/Spa Heaters - Replace	$0	$0	$0	$0	$23,486
2787	Pool Equipment - Maintain/Replace	$0	$4,478	$0	$0	$0
	Clubhouse					
2367	Windows & Doors (Common) - Replace	$0	$0	$0	$0	$0
2522	HVAC (Clubhouse) - Replace	$0	$0	$0	$0	$0
2543	Surveillance System-Upgrade/Replace	$0	$8,358	$0	$0	$0
2741	Clubhouse - Remodel Allowance	$0	$0	$19,063	$0	$0
2746	Kitchen - Remodel	$0	$0	$13,928	$0	$0
2749	Bathrooms - Remodel	$0	$0	$15,189	$0	$0
2752	Office - Remodel	$0	$0	$3,351	$0	$0
	Other					
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$0
2599	Golf Cart - Replace	$0	$0	$0	$0	$0
	Total Expenses	$437,916	$53,911	$166,525	$0	$23,486
	Ending Reserve Balance	$829,446	$1,021,609	$1,106,688	$1,364,222	$1,605,052

	Fiscal Year	2030	2031	2032	2033	2034
	Starting Reserve Balance	$1,605,052	$1,853,128	$2,126,108	$2,398,336	$2,691,175
	Annual Reserve Contribution	$253,841	$258,283	$262,803	$267,402	$272,082
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$17,284	$19,888	$22,613	$25,437	$27,430
	Total Income	$1,876,176	$2,131,299	$2,411,524	$2,691,175	$2,990,687
#	Component					
	Roof (Tile)					
2383	Roofing (Tile) - Replace	$0	$0	$0	$0	$0
	Flat Roof					
2377	Roofing (Mod. Bitumen) - Replace	$0	$0	$0	$0	$0
2392	Clubhouse Roof Hatch - Replace	$0	$0	$0	$0	$0
	Paving					
2123	Asphalt - Seal/Repair	$23,048	$0	$0	$0	$25,941
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$141,427
	Pool/Spa					
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$26,092
2769	Pool Deck (Pavers) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$0
2775	Spa/Jacuzzi - Resurface	$0	$0	$3,850	$0	$0
2781	Pool/Spa Heaters - Replace	$0	$0	$0	$0	$0
2787	Pool Equipment - Maintain/Replace	$0	$5,191	$0	$0	$0
	Clubhouse					
2367	Windows & Doors (Common) - Replace	$0	$0	$0	$0	$0
2522	HVAC (Clubhouse) - Replace	$0	$0	$0	$0	$0
2543	Surveillance System-Upgrade/Replace	$0	$0	$0	$0	$0
2741	Clubhouse - Remodel Allowance	$0	$0	$0	$0	$0
2746	Kitchen - Remodel	$0	$0	$0	$0	$0
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
2752	Office - Remodel	$0	$0	$0	$0	$0
	Other					
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$0
2599	Golf Cart - Replace	$0	$0	$9,339	$0	$0
	Total Expenses	$23,048	$5,191	$13,188	$0	$193,460
	Ending Reserve Balance	$1,853,128	$2,126,108	$2,398,336	$2,691,175	$2,797,227

	Fiscal Year	2035	2036	2037	2038	2039
	Starting Reserve Balance	$2,797,227	$79,311	$317,247	$552,843	$794,861
	Annual Reserve Contribution	$276,843	$281,688	$286,618	$291,633	$296,737
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$14,377	$1,982	$4,349	$6,736	$9,476
	Total Income	$3,088,447	$362,981	$608,213	$851,212	$1,101,074
#	Component					
	Roof (Tile)					
2383	Roofing (Tile) - Replace	$3,009,136	$0	$0	$0	$0
	Flat Roof					
2377	Roofing (Mod. Bitumen) - Replace	$0	$0	$0	$0	$0
2392	Clubhouse Roof Hatch - Replace	$0	$0	$0	$0	$0
	Paving					
2123	Asphalt - Seal/Repair	$0	$0	$0	$29,197	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$0
	Pool/Spa					
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$0
2769	Pool Deck (Pavers) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$28,484	$0	$0	$0
2775	Spa/Jacuzzi - Resurface	$0	$0	$0	$0	$0
2781	Pool/Spa Heaters - Replace	$0	$0	$29,751	$0	$0
2787	Pool Equipment - Maintain/Replace	$0	$6,018	$0	$0	$0
	Clubhouse					
2367	Windows & Doors (Common) - Replace	$0	$0	$0	$0	$0
2522	HVAC (Clubhouse) - Replace	$0	$0	$0	$27,154	$0
2543	Surveillance System-Upgrade/Replace	$0	$11,233	$0	$0	$0
2741	Clubhouse - Remodel Allowance	$0	$0	$25,619	$0	$0
2746	Kitchen - Remodel	$0	$0	$0	$0	$0
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
2752	Office - Remodel	$0	$0	$0	$0	$0
	Other					
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$0
2599	Golf Cart - Replace	$0	$0	$0	$0	$0
	Total Expenses	$3,009,136	$45,734	$55,370	$56,351	$0
	Ending Reserve Balance	$79,311	$317,247	$552,843	$794,861	$1,101,074

	Fiscal Year	2040	2041	2042	2043	2044
	Starting Reserve Balance	$1,101,074	$1,385,722	$1,526,577	$1,777,215	$2,045,601
	Annual Reserve Contribution	$301,930	$307,214	$312,590	$318,060	$323,626
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$12,429	$14,555	$16,512	$19,106	$21,957
	Total Income	$1,415,432	$1,707,491	$1,855,679	$2,114,381	$2,391,184
#	Component					
	Roof (Tile)					
2383	Roofing (Tile) - Replace	$0	$0	$0	$0	$0
	Flat Roof					
2377	Roofing (Mod. Bitumen) - Replace	$0	$0	$0	$0	$0
2392	Clubhouse Roof Hatch - Replace	$0	$0	$0	$0	$0
	Paving					
2123	Asphalt - Seal/Repair	$0	$0	$32,861	$0	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Painting					
2343	Building Exterior - Seal/Paint	$0	$173,938	$0	$0	$0
	Pool/Spa					
2763	Pool Deck Furniture - Replace	$0	$0	$33,053	$0	$0
2769	Pool Deck (Pavers) - Resurface	$0	$0	$0	$68,779	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$0
2775	Spa/Jacuzzi - Resurface	$0	$0	$0	$0	$5,489
2781	Pool/Spa Heaters - Replace	$0	$0	$0	$0	$0
2787	Pool Equipment - Maintain/Replace	$0	$6,976	$0	$0	$0
	Clubhouse					
2367	Windows & Doors (Common) - Replace	$0	$0	$0	$0	$0
2522	HVAC (Clubhouse) - Replace	$0	$0	$0	$0	$0
2543	Surveillance System-Upgrade/Replace	$0	$0	$0	$0	$0
2741	Clubhouse - Remodel Allowance	$0	$0	$0	$0	$0
2746	Kitchen - Remodel	$0	$0	$0	$0	$0
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
2752	Office - Remodel	$0	$0	$0	$0	$0
	Other					
2166	Mailboxes (Kiosks) - Replace	$29,711	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$38,115
2599	Golf Cart - Replace	$0	$0	$12,550	$0	$0
	Total Expenses	$29,711	$180,914	$78,464	$68,779	$43,603
	Ending Reserve Balance	$1,385,722	$1,526,577	$1,777,215	$2,045,601	$2,347,581

	Fiscal Year	2045	2046	2047	2048	2049
	Starting Reserve Balance	$2,347,581	$1,869,334	$2,164,377	$2,435,209	$2,552,487
	Annual Reserve Contribution	$329,290	$335,052	$340,916	$346,882	$352,952
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$21,076	$20,160	$22,988	$24,928	$27,415
	Total Income	$2,697,946	$2,224,546	$2,528,281	$2,807,019	$2,932,854
#	Component					
	Roof (Tile)					
2383	Roofing (Tile) - Replace	$0	$0	$0	$0	$0
	Flat Roof					
2377	Roofing (Mod. Bitumen) - Replace	$442,939	$0	$0	$0	$0
2392	Clubhouse Roof Hatch - Replace	$5,339	$0	$0	$0	$0
	Paving					
2123	Asphalt - Seal/Repair	$0	$36,986	$0	$0	$0
2125	Asphalt - Resurface	$319,196	$0	$0	$0	$0
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$0	$213,921	$0
	Pool/Spa					
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$0
2769	Pool Deck (Pavers) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$23,450	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$40,611	$0
2775	Spa/Jacuzzi - Resurface	$0	$0	$0	$0	$0
2781	Pool/Spa Heaters - Replace	$37,688	$0	$0	$0	$0
2787	Pool Equipment - Maintain/Replace	$0	$8,087	$0	$0	$0
	Clubhouse					
2367	Windows & Doors (Common) - Replace	$0	$0	$0	$0	$0
2522	HVAC (Clubhouse) - Replace	$0	$0	$0	$0	$0
2543	Surveillance System-Upgrade/Replace	$0	$15,096	$0	$0	$0
2741	Clubhouse - Remodel Allowance	$0	$0	$34,430	$0	$0
2746	Kitchen - Remodel	$0	$0	$25,156	$0	$0
2749	Bathrooms - Remodel	$0	$0	$27,433	$0	$0
2752	Office - Remodel	$0	$0	$6,053	$0	$0
	Other					
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$0
2599	Golf Cart - Replace	$0	$0	$0	$0	$0
	Total Expenses	$828,613	$60,169	$93,072	$254,532	$0
	Ending Reserve Balance	$1,869,334	$2,164,377	$2,435,209	$2,552,487	$2,932,854

Component Method (Straight-Line) Funding

Component	Useful Life	Rem. Useful Life	Current Replacement Cost (Component)	Existing Funds (Group)	Group Fund Allocation	Unfunded Balance	2020 Funding (Component)	2020 Funding (Group)
Roof (Tile)								
Roofing (Tile) - Replace	30	15	$1,931,450	$145,000	$145,000	$1,786,450	$119,096.67	$119,096.67
Flat Roof								
Roofing (Mod. Bitumen) - Replace	20	5	$211,550	$19,000	$18,773.7	$192,776.3	$38,555.26	$39,020.00
Clubhouse Roof Hatch - Replace	20	5	$2,550	$19,000	$226.3	$2,323.7	$464.74	
Paving								
Asphalt - Seal/Repair	4	2	$17,150	$36,000	$3,640.33	$13,509.67	$6,754.83	$30,772.90
Asphalt - Resurface	20	5	$152,450	$36,000	$32,359.67	$120,090.33	$24,018.07	
Painting								
Building Exterior - Seal/Paint	7	0	$93,500	$71,000	$71,000	$22,500	$22,500	$22,500.00
Pool/Spa								
Pool Deck Furniture - Replace	8	6	$17,250	$11,000	$1,798.58	$15,451.42	$2,575.24	$31,814.45
Pool Deck (Pavers) - Resurface	30	23	$34,850	$11,000	$3,633.65	$31,216.35	$1,357.23	
Pool Fence - Replace	20	5	$11,200	$11,000	$1,167.77	$10,032.23	$2,006.45	
Swimming Pool - Resurface	12	4	$17,750	$11,000	$1,850.71	$15,899.29	$3,974.82	
Spa/Jacuzzi - Resurface	12	0	$2,700	$11,000	$281.52	$2,418.48	$2,418.48	
Pool/Spa Heaters - Replace	8	1	$18,000	$11,000	$1,876.78	$16,123.22	$16,123.22	
Pool Equipment - Maintain/Replace	5	1	$3,750	$11,000	$391	$3,359	$3,359	
Clubhouse								
Windows & Doors (Common) - Replace	40	3	$11,000	$16,000	$2,320.37	$8,679.63	$2,893.21	$12,732.00
HVAC (Clubhouse) - Replace	15	3	$15,950	$16,000	$3,364.54	$12,585.46	$4,195.15	
Surveillance System-Upgrade/Replace	10	6	$7,000	$16,000	$1,476.6	$5,523.4	$920.57	
Clubhouse - Remodel Allowance	10	7	$15,500	$16,000	$3,269.61	$12,230.39	$1,747.2	
Kitchen - Remodel	20	7	$11,325	$16,000	$2,388.93	$8,936.07	$1,276.58	
Bathrooms - Remodel	20	7	$12,350	$16,000	$2,605.14	$9,744.86	$1,392.12	
Office - Remodel	20	7	$2,725	$16,000	$574.82	$2,150.18	$307.17	
Other								
Mailboxes (Kiosks) - Replace	20	0	$16,450	$2,000	$788.02	$15,661.98	$15,661.98	$23,243.04
Sign/Monument - Refurbish/Replace	20	4	$18,750	$2,000	$898.2	$17,851.8	$4,462.95	
Golf Cart - Replace	10	2	$6,550	$2,000	$313.77	$6,236.23	$3,118.11	
							Grand Total:	$279,179.06

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. William G. Simons, RS is the President of Association Reserves – Florida, LLC and is a credentialed Reserve Specialist (#190). All work done by Association Reserves – Florida, LLC is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

In accordance with National Reserve Study Standards, information provided by the official representative(s) of the client regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable for use in preparing the Reserve Study, and is not intended to be used for the purpose of performing any type of audit, quality/forensic analysis, or background checks of historical records.

For "Full" Reserve Study levels of service, we attempt to establish measurements and component quantities within 5% accuracy through a combination of on-site measurements and observations, review of any available building plans or drawings, and/or any other reliable means. For "Update, With Site Visit" and "Update, No Site Visit" Reserve Study levels of service, the client is considered to have deemed previously developed component quantities as accurate and reliable, including quantities that may have been established by other individuals/firms.

The scope of work for this Reserve Study includes visual inspection of accessible areas and components, and does not include any destructive or other means of testing. We do not inspect or investigate for construction defects, hazardous materials, or hidden issues such as plumbing or electrical problems, or problems with sub-surface drainage system components. Information provided to us about historical or upcoming projects, including information provided by the client's vendors and suppliers, will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection. Our opinions of component useful life, remaining useful life, and cost estimates assume proper original installation/construction, adherence to recommended preventive maintenance guidelines and best practices, a stable economic environment and do not consider the frequency or severity of natural disasters. Our opinions of component useful life, remaining useful life and current and future cost estimates are not a warranty or guarantee of the actual costs and timing of any component repairs or replacements.

The actual or projected total Reserve account balance(s) presented in the Reserve Study is/are based upon information provided and was/were not audited. Because the physical condition of the client's components, the client's Reserve balance, the economic environment, and the legislative environment change each year, this Reserve Study is by nature a "one-year" document. Reality often differs from even the best assumptions due to the changing economy, physical factors including weather and usage, client financial decisions, legislation, or owner expectations. It is only because a long-term perspective improves the accuracy of near-term planning that this Reserve Study projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of these expense projections, and the funding necessary to prepare for those estimated expenses. Because we have no control over future events, we do not expect that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect Reserve funds to continue to earn interest, so we believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities.

The Funding Plan in this Report was developed using the cash-flow methodology to achieve the specified Funding Objective. Compensation for this Reserve Study is not contingent upon client's agreement with our conclusions or recommendations, and Association Reserves' liability in any matter involving this Reserve Study is limited to our Fees for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The following pages contain a great deal of detailed observations, photos, and commentary related to each component included in the Reserve Study. All components are included as necessary and appropriate, consistent with Florida Statutes and National Reserve Study Standards.

Inspecting for construction defects, performing destructive testing to search for hidden issues (such as plumbing or electrical problems), environmental hazards (asbestos, radon, lead, etc.), or accounting for unpredictable acts of nature are all outside our scope of work and such components are not included herein unless otherwise noted.

Roof (Tile)

Comp #: 2382 Roofing (Tile) - Pressure Wash **Quantity: 160,000 GSF**
Location: Building rooftop(s)
Funded?: No. Too indeterminate for Reserve designation - handle as an Operational Expense.
History: Handled out of operating budget per client
Comments: Poor condition: Tile roofs determined to be in poor condition for pressure washing typically exhibit easily noticeable discoloration and inconsistency of appearance. Curb appeal is affected at this stage and next cycle of cleaning should be scheduled in the near future.

Be sure to repair or replace all damaged sections before pressure-washing. Keep any surrounding trees or vegetation trimmed away from the roof line to prevent debris buildup and allow for good sun exposure, which will help to keep roof dry and inhibit organic growth. In general, costs related to this component are expected to be included in the Client's Operating budget. No recommendation for Reserve funding at this time. However, any repair and maintenance or other related expenditures should be tracked, and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding, component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2383 Roofing (Tile) - Replace **Quantity: 160,000 GSF**

Location: Building rooftop(s)

Funded?: Yes.

History: Roofs were replaced in 2005 per information provided by client. Two unit roofs have reportedly been replaced in 2018.

Comments: The timeline for tile roof replacement is generally estimated based on the age of the roof. Remaining useful life can also be adjusted based on inspection of any accessible areas, looking for any cracked, slipping or missing tiles, as well as consultation with the client about history of repairs and preventive maintenance. Typical replacement includes removal and replacement of tiles and underlayment, with repairs to any damaged substrate made as needed. Tile roofing is typically a long-lived component assuming it was properly installed and is properly maintained. The primary reason to replace tile roofs is not based on the condition of the tiles themselves, whose main purpose is to provide a barrier for the underlayment which is the actual waterproofing layer of the roof system. As routine maintenance, many manufacturers recommend inspections at least twice annually and after large storm events. Promptly replace any damaged/missing sections or conduct any other repair needed to ensure waterproof integrity of roof. We recommend having roof inspected in greater detail (including conditions of sub-surface materials) by an independent roofing consultant prior to replacement. There is a wealth of information available through organizations such as the Roof Consultant Institute http://www.rci-online.org/ and the National Roofing Contractors Association (NRCA) http://www.nrca.net/. If the roof has a warranty, be sure to review terms and conduct proper inspections/repairs as needed to keep warranty in force.

Useful Life:
30 years

Remaining Life:
15 years

Best Case:	$ 1,738,300	Worst Case:	$ 2,124,600
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Flat Roof

Comp #: 2377 Roofing (Mod. Bitumen) - Replace **Quantity: Approx 20,150 GSF**
Location: Clubhouse building rooftop, LakeShore Drive units
Funded?: Yes.
History: Replaced in 2005-2006 per client
Comments: Several inches of standing water on the clubhouse roof at time of inspection.

Poor condition: Modified bitumen built up roofs determined to be in poor condition typically exhibit more advanced signs of age, such as insufficient or inconsistent granule cover, clear signs of ponding water or inadequate drainage, easily noticeable bubbles/blisters, etc. At this stage, leaks often become more frequent and severe, and can lead to structural problems if not addressed. Several inches of standing water on the roof at time of inspection. The roof itself appears to be in fair condition, but there is little to no drainage. Without immediate repair, leaks will begin to form and the roof will wear much faster that normal.

Our inspection is limited to a visual evaluation of accessible areas and is not a substitute for a comprehensive inspection including destructive testing, sub-surface moisture evaluation, core sampling, etc. The typical useful life of a flat (AKA "low-slope") roof will vary depending on the quality of the roof system installed, weather/storm activity, and the maintenance receives throughout its life. As routine maintenance, many manufacturers recommend professional roofing inspections at least twice annually and after storms. We generally recommend consideration of ongoing roof maintenance contracts with professional vendors. Ongoing routine inspections by maintenance personnel are also advisable, to remove accumulated debris, clear drains and inspect for minor problems. Keep all drainage elements (scuppers, drains, gutters/downspouts, etc.) clear to allow proper drainage and prevent the ponding of water on the roof surface. We also recommend using walk pads or extra roofing material to provide pathways in high-traffic areas, such as around any HVAC units or other equipment. Take care to minimize any penetrations in the roof system. Rooftop satellite dishes or other equipment should not be permanently mounted into the roof if avoidable; most equipment can instead be weighed down by concrete blocks or other ballast. All penetrations including drains, vent pipes, conduit, etc. should be carefully flashed and waterproofed. For more information, we recommend consulting with independent roofing consultants or with organizations such as the Roof Consultant Institute http://www.rci-online.org/ and the National Roofing Contractors Association (NRCA) http://www.nrca.net/. If the roof has a warranty, be sure to review terms and conduct proper inspections/repairs as needed to keep warranty in force.

Useful Life:
20 years

Remaining Life:
5 years

Best Case: $ 190,400 Worst Case: $ 232,700

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2392 Clubhouse Roof Hatch - Replace **Quantity: (1) Hatch**

Location: Building rooftop

Funded?: Yes.

History:

Comments: Fair condition: Roof hatches determined to be in fair condition typically exhibit normal signs of wear and age, but function properly with no security or significant aesthetic concerns. Minor leaks may have been reported at this stage.

Roof access hatch should be scheduled for replacement at the approximate interval shown below. Best practice is often to coordinate replacement with the roof itself. Should be inspected, maintained and repaired periodically to ensure good function. Extra attention should be paid to moving parts such as hinges and latches to ensure safety and functionality. Inspect periodically for leaks around frame and repair as needed.

Useful Life:
20 years

Remaining Life:
5 years

Best Case: $ 2,300 Worst Case: $ 2,800

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Paving

Comp #: 2123 Asphalt - Seal/Repair **Quantity: Approx 12,700 GSY**
Location: Asphalt throughout development
Funded?: Yes.
History:
Comments: Per information provided, the association maintains Lake Shore Drive up to address 3119, Edgewater Drive up to address 672, all of the clubhouse area, and parking. Lake Point N Lane belongs to the association as well. It is recommended that this component is cycled with resurfacing.

Fair condition: Asphalt seal-coat determined to be in fair condition typically exhibits a mostly uniform but lighter, faded coloring. Traffic markings still make contrast with pavement, but are showing some fading and wear.

Regular cycles of seal coating (along with any needed repair) has proven to be the best program in our opinion for the long term care of asphalt pavement. The primary reason to seal coat asphalt pavement is to protect the pavement from the deteriorating effects of sun and water. When asphalt pavement is exposed, the asphalt oxidizes, or hardens which causes the pavement to become more brittle. As a result, the pavement will be more likely to crack because it is unable to bend and flex when subjected to traffic and temperature changes. A seal coat combats this situation by providing a water-resistant membrane, which not only slows down the oxidation process but also helps the pavement to shed water, preventing it from entering the base material. Seal coating also provides uniform appearance, concealing the inevitable patching and repairs which accumulate over time. Seal coating ultimately can extend the useful life of asphalt, postponing the need for asphalt resurfacing. If asphalt is already cracked, raveled and otherwise deteriorated, seal-coating will not provide much physical benefit, but still may have aesthetic benefits for curb appeal.

Useful Life:
4 years

Remaining Life:
2 years

Best Case: $ 15,400 Worst Case: $ 18,900

Lower estimate to seal/repair Higher estimate

Cost Source: AR Cost Database

Comp #: 2125 Asphalt - Resurface **Quantity: Approx 12,700 GSY**

Location: Asphalt throughout development

Funded?: Yes.

History:

Comments: Fair condition: Asphalt pavement determined to be in fair condition typically exhibits a mostly uniform surface but with minor to moderate raveling and surface wear. If present, crack patterns are normal for the age of the asphalt and not extreme, and there are no signs of advanced deterioration, such as large block cracking patterns, “alligatoring” or potholes. Overall appears to be aging normally and still up to an appropriate aesthetic standard.

As routine maintenance, keep roadway clean, free of debris and well drained; fill/seal cracks to prevent water from penetrating into the sub-base and accelerating damage. Even with ordinary care and maintenance, plan for eventual large scale resurface (milling and overlay of all asphalt surfaces is recommended here, unless otherwise noted) at roughly the time frame below. Take note of any areas of ponding water or other drainage concerns, and incorporate repairs into scope of work for resurfacing. Our inspection is visual only and does not incorporate any core sampling or other testing, which may be advisable when asphalt is nearing end of useful life. Some communities choose to work with independent paving consultants or engineering firms in order to identify any hidden concerns and develop scope of work prior to bidding. If more comprehensive analysis becomes available, incorporate findings into future Reserve Study updates as appropriate.

Useful Life:
20 years

Remaining Life:
5 years

Best Case: $ 137,200 Worst Case: $ 167,700

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Painting

Comp #: 2343 Building Exterior - Seal/Paint **Quantity: Approx 163,000 GSF**
Location: Building exteriors
Funded?: Yes.
History:
Comments: Fair condition: Painted exterior surfaces determined to be in fair condition typically exhibit some minor to moderate signs of wear and age such as chalking, peeling, blistering, etc. Problems tend to develop in more exposed areas first. Hairline cracks may be present at this stage. Overall appearance is satisfactory.

There are two important reasons for painting and waterproofing a building: to protect the structure from damage caused by exposure to the elements, and to restore or maintain good aesthetic standards for curb appeal. As routine maintenance, we recommend that regular inspections, spot repairs and touch-up painting be included in the operating budget. Typical paint cycles can vary greatly depending upon many factors including; type of material painted, surface preparations, quality of material, application methods, weather conditions during application, moisture beneath paint, and exposure to weather conditions. Proper sealant/caulking at window and door perimeters and other "gaps" in the building structure are critical to preventing water intrusion and resulting damage. The general rule of thumb is that sealant/caulking should be in place wherever two dissimilar building material surfaces meet, such as window frame to concrete structure junctions. For best results, the client may want to consult with a paint company representative, building envelope specialist and/or structural engineer to specify the types of materials to be used and define complete scope of work before bidding. In our experience, cost estimates for painting and waterproofing can vary widely, even when based on the same prescribed scope of work. Estimates shown here should be updated and revised as needed based on actual bids obtained or project cost history during future Reserve Study updates.

Useful Life:
7 years

Remaining Life:
0 years

Best Case: $ 77,000 Worst Case: $ 110,000

Lower estimate to seal/repaint Higher estimate

Cost Source: Estimate Provided by Client

Comp #: 2344 Mntc Shed - Repair/Repaint **Quantity: (1) Shed**

Location: Adjacent to clubhouse

Funded?: No. Too small for Reserve designation.

History:

Comments: There are two important reasons for painting and waterproofing a building: to protect the structure from damage caused by exposure to the elements, and to restore or maintain good aesthetic standards for curb appeal. As routine maintenance, we recommend that regular inspections, spot repairs and touch-up painting be included in the operating budget. Currently, costs related to this component are expected to be included in the Client's Operating budget. No recommendation for Reserve funding at this time. However, any repair and maintenance or other related expenditures should be tracked, and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding, component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Pool/Spa

Comp #: 2763 Pool Deck Furniture - Replace **Quantity: Lump Sum Allowance**
Location: Pool deck
Funded?: Yes.
History:
Comments: (25) lounge chairs, (11) drink tables, (8) dining tables, (33) chairs, (7) umbrellas counted during inspection. There are two distinct sections of pool furniture, and one is newer than the other. The newer model is made by Windward. The old pieces should be replaced/removed in the next couple of years, while the newer furniture will last longer.

Older Style: (6) lounge chairs, (5) dining tables, (7) chairs
Newer style: (19) lounge chairs, (4) dining tables, (7) umbrellas, (26) chairs, and (11) drink tables

Fair condition: Pool deck furniture determined to be in fair condition typically exhibits routine, noticeable signs of wear and age, but appearance is still decent and consistent, acceptable for the standards of the property. Some pieces, especially lounge chairs, tend to show more signs of age at this stage.

We recommend regular inspections and repair or replacement of any damaged pieces promptly to ensure safety. Protected storage of furniture when not in use can help to extend useful life. Best practice is to replace all pieces together in order to maintain consistent style and quality in the pool/recreation area. Individual pieces can be replaced as needed each year as an Operating expense. Costs can vary greatly based on quantity and type of pieces selected for replacement. Funding recommendation shown here is based on replacement with comparable number and quality of pieces.

Useful Life:
8 years

Remaining Life:
6 years

Best Case: $ 15,600 Worst Case: $ 18,900

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2769 Pool Deck (Pavers) - Resurface **Quantity: Approx 6,972 GSF**

Location: Pool deck
Funded?: Yes.
History: Resurfaced in 2013 per information provided by client.
Comments: Fair condition: Paver pool decks determined to be in fair condition typically exhibit some amount of minor displacement, lifting and tripping hazards, most often in high-traffic areas. Signs of wear and age are evident, but not advanced. Overall appear to be aging normally.

Paver decks should have a long useful life under normal circumstances. Should be pressure-washed as needed to preserve appearance and remove stains, chemical residue, etc. Replacement costs can vary depending on style of pavers chosen, configuration of deck, etc. We recommend budgeting for replacement at the approximate interval shown here.

Useful Life:
30 years

Remaining Life:
23 years

Best Case: $ 31,400 Worst Case: $ 38,300

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Comp #: 2771 Pool Fence - Replace **Quantity: Approx 289 LF**
Location: Perimeter of pool area
Funded?: Yes.
History:
Comments: Height: 83 feet at 5 feet height, 206 feet at 2 feet
Material: Aluminum

Poor condition: Pool fencing determined to be in poor condition typically exhibits more advanced or extensive surface wear and other signs of age, which may include damaged or vandalized sections, loose or missing hardware and other obvious concerns. At this stage, fencing is often an eyesore and replacement from an aesthetic standpoint should be considered, even if fencing is still technically upright and intact.

As a routine maintenance item, fence should be inspected regularly and repaired as-needed to ensure safety. Periodically clean with an appropriate cleaner and touch up paint as needed in between regular paint cycles. When evaluating replacements, be sure to comply with any applicable building codes. Gates and locks should be inspected to make sure they close and lock properly. Faulty perimeter around a pool area can expose a development to significant liability risk. When possible, replacement should be coordinated with other projects, such as pool deck projects, other fencing/railing work, etc.

Useful Life:
20 years

Remaining Life:
5 years

Best Case: $ 10,100 Worst Case: $ 12,300

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2773 Swimming Pool - Resurface **Quantity: (1) Pool**

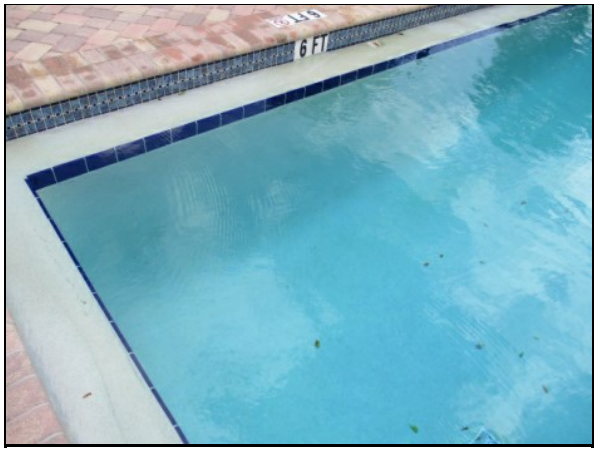
Location: Interior finishes of pool
Funded?: Yes.
History:
Comments: Approximately 1493 GSF footprint area with 199 waterline/perimeter length. Depth ranges from 3 FT' 0 IN" to 6 FT' 0 IN".

Fair condition: Swimming pools determined to be in fair condition typically exhibit some color fade/discoloration, and roughening of the surface, often more noticeable in the shallow areas and/or at steps. Waterline tiles are in fair condition. Generally believed to be aging normally.

Pool resurfacing will restore the aesthetic quality of the pool while protecting the actual concrete shell of the pool from deterioration. While drained for resurfacing, any other repairs to lighting, handrails, stairs, ladders, etc. should be conducted as needed. This type of project is best suited for slow/offseason to minimize downtime during periods when pool is used heavily. Should be expected at the approximate interval shown below; in some cases, schedule may need to be accelerated due to improper chemical balances or aesthetic preferences of the Client.

Useful Life:
12 years

Remaining Life:
4 years



Best Case: $ 16,000 Worst Case: $ 19,500

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Comp #: 2775 Spa/Jacuzzi - Resurface **Quantity: (1) Spa**

Location: Interior finishes of spa
Funded?: Yes.
History:
Comments: Dimensions/Size: 9 feet in diameter

Poor condition: Spas determined to be in poor condition typically exhibit obvious discoloration or staining, and/or chipped, scratched or cracked areas. Pitted, rough texture is usually noticeable in many/most areas at this stage, and delaying resurfacing may result in more accelerated deterioration to the surface and pool structure.

Spas sometimes need to be resurfaced more frequently than pools due to higher chance of chemical imbalances. Whenever possible, both should be done at the same time to achieve better pricing and minimize downtime. While drained for resurfacing, any other repairs to lighting, handrails, stairs, ladders, etc. should be conducted as needed. This type of project is best suited for slow/offseason to minimize downtime during periods when spa is used heavily.

Useful Life:
12 years

Remaining Life:
0 years

Best Case: $ 2,400 Worst Case: $ 3,000

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Comp #: 2781 Pool/Spa Heaters - Replace **Quantity: (3) Heaters**
Location: Adjacent to pool
Funded?: Yes.
History:
Comments: (All same make, model and age.)

Type: Electric
Manufacturer: Aqua-Cal
Model: 115AHDSBTB
Manufacture Date: 2013

Pool vendor should inspect heater regularly to ensure proper function, identify any required repairs, etc. Internal components were not analyzed during our site inspection. Many clients choose not to heat their pools year-round, which can prolong the life of the heater while reducing energy costs. When replacement models are being evaluated, we recommend considering high efficiency models which may have a higher initial cost but will ultimately be less expensive due to reduced energy usage. Minimal or no subjective/aesthetic value for pool and spa equipment. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted, remaining useful life expectancy is based primarily on original installation or last replacement/purchase date, our experience with similar systems/components, and assuming normal amount of usage and good preventive maintenance.

Useful Life:
8 years

Remaining Life:
1 years

Best Case: $ 16,200 Worst Case: $ 19,800

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2787 Pool Equipment - Maintain/Replace **Quantity: Lump Sum Allowance**
Location: Adjacent to pool
Funded?: Yes.
History:
Comments: Four pumps (1 HP, 1 HP, 2 HP, and 3 HP), one cartridge filter, and one grid filter.

Pool and spa pumps, filters, chemical feeders, and other miscellaneous equipment can be repaired or replaced for relatively low cost in most cases. However, if multiple repairs or replacements are required at the same time, then it may be warranted to use Reserve funds for these expenses. An allowance for ongoing projects is recommended here based on our experience with other properties. Minimal or no subjective/aesthetic value for pool and spa equipment. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted, remaining useful life expectancy is based primarily on original installation or last replacement/purchase date, our experience with similar systems/components, and assuming normal amount of usage and good preventive maintenance.

Useful Life:
5 years

Remaining Life:
1 years

Best Case: $ 2,500 Worst Case: $ 5,000

Lower allowance to repair/replace equipment Higher allowance

Cost Source: AR Cost Database

Clubhouse

Comp #: 2367 Windows & Doors (Common) - Replace **Quantity: Lump Sum Allowance**
Location: Windows and doors at common areas
Funded?: Yes.
History:
Comments: Approximately 330 GSF window area plus 2 sets of glass entry double doors.

Fair condition: Windows and doors determined to be in fair condition typically exhibit normal signs of wear for their age, including more surface wear to framework and hardware, but no advanced corrosion or other concerns. At this stage, windows and doors are believed to be functional and aging normally, but more advanced technology may be available.

Unless otherwise noted, this component refers only to exterior windows and doors. All are assumed to have been compliant with applicable building codes at time of installation. Inspect regularly for leaks and cracks around frame and repair as needed. For operable windows, clean tracks and ensure hardware is functional to prevent accidental damage during opening/closing. With ordinary care and maintenance, useful life is typically long but often difficult to predict. Many factors affect useful life including quality of window currently installed, waterproofing details, exposure to wind and rain, etc. Individual windows and doors should be replaced as an Operating expense if damaged or broken. Plan for comprehensive replacement of all areas (unless otherwise noted) at the approximate interval shown here. Costs are based on replacement with good quality, impact-resistant models.

Useful Life:
40 years

Remaining Life:
3 years

Best Case:	$ 9,900	Worst Case:	$ 12,100
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Comp #: 2522 HVAC (Clubhouse) - Replace **Quantity: (4) Systems**

Location: Clubhouse roof
Funded?: Yes.
History:
Comments: Manufacturer: Trane
Nominal tonnage: 3
Manufacture date: 2007

Manufacturer: Trane
Nominal tonnage: 3
Manufacture date: 2007

Manufacturer: Trane
Nominal tonnage: 3
Manufacture date: 2007

Manufacturer: Goodman
Nominal tonnage: 2
Manufacture date: 2007

We recommend that routine repairs and maintenance such as filter replacements, system flushing, etc. be budgeted as an Operating expense. Useful life can often be extended with proactive service and maintenance. Unless otherwise noted, funding for system with same size/capacity as the current system. For split systems, we recommend budgeting to replace the entire system (condensing unit and air handler) together in order to obtain better unit pricing and ensure maximum efficiency, refrigerant compatibility, etc. If additional costs are expected during replacement, such as for system reconfiguration or expansion, ductwork repairs, electrical work, etc. costs should be re-evaluated and adjusted as needed during future Reserve Study updates.

Useful Life:
15 years

Remaining Life:
3 years

Best Case: $ 14,400 Worst Case: $ 17,500

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2543 Surveillance System-Upgrade/Replace **Quantity: (8) Cameras**
Location: Central recording station, cameras in common areas
Funded?: Yes.
History: Camera system installed in 2016 per client
Comments: Number of Cameras: 8
Number of DVRs: 1

One camera was inoperable at time of inspection. Camera resolution was clear and viewable.

Security/surveillance systems should be monitored closely to ensure proper function. Whenever possible, camera locations should be protected and isolated to prevent tampering and/or theft. Typical modernization projects may include addition and/or replacement of cameras, recording equipment, monitors, software, etc. Unless otherwise noted, costs assume that existing wiring can be re-used and only the actual cameras and other equipment will be replaced. In many cases, replacement or modernization is warranted due to advancement in technology, not necessarily due to functional failure of the existing system. Keep track of any partial replacements and include cost history during future Reserve Study updates. Minimal or no subjective/aesthetic value for this component. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted, remaining useful life expectancy is based primarily on original installation or last replacement/purchase date, our experience with similar systems/components, and assuming normal amount of usage and good preventive maintenance.

Useful Life:
10 years

Remaining Life:
6 years

Best Case: $ 6,300 Worst Case: $ 7,700

Lower allowance to upgrade/replace Higher allowance

Cost Source: AR Cost Database

Comp #: 2567 Water Heater - Replace **Quantity: (1) Unit**
Location: Clubhouse
Funded?: No. Too small for Reserve designation.
History:
Comments: Manufacturer: State Select
Capacity (Gal): 30
Manufacture Date: 2015

In general, costs related to this component are expected to be included in the Client's Operating budget. No recommendation for Reserve funding at this time. However, any repair and maintenance or other related expenditures should be tracked, and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding, component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2729 Sauna - Refurbish/Restore **Quantity: (2) Saunas**
Location: Adjacent to bathrooms
Funded?: No. Too small for Reserve designation.
History:
Comments: Fair condition: Sauna rooms determined to be in fair condition typically exhibit routine signs of use and some light deterioration to wood surfaces, but no major wear or splintering. Appearance is still consistent overall.

In general, costs related to this component are expected to be included in the Client's Operating budget. No recommendation for Reserve funding at this time. However, any repair and maintenance or other related expenditures should be tracked, and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding, component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2730 Sauna Heater - Replace **Quantity: (2) Heaters**

Location: Inside sauna

Funded?: No. Too small for Reserve designation.

History:

Comments: Minimal or no subjective/aesthetic value for this sauna heater. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted, remaining useful life expectancy is based primarily on original installation or last replacement/purchase date, our experience with similar systems/components, and assuming normal amount of usage and good preventive maintenance.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2741 Clubhouse - Remodel Allowance **Quantity: Lump Sum Allowance**

Location: Clubhouse interiors
Funded?: Yes.
History:
Comments: (6) dining tables, (2) barstools, (29) leather assembly chairs, (35) cushioned chairs, (2) cushioned sofas, (4) end tables, (1) coffee table, (3) shelves, (1) TV cabinet, and (3) mirrors. Painting and flooring included in cost.

Fair condition: Clubhouse interiors determined to be in fair condition typically exhibit good physical characteristics, but style may be becoming outdated at this stage. Serviceable condition overall, but some assets may be nearing appropriate time for replacement.

Clubhouse interiors should be periodically remodeled/rejuvenated to maintain good property values. Funding amounts shown here are not based on complete replacement of all finishes, fixtures and furnishings at one time. Rather, an allowance for partial replacements and other aesthetic changes is recommended here, which may include but are not limited to painting, flooring replacements, replacement or upgrade of assets such as furniture, artwork, window treatments, misc. decorative items, etc. Costs can vary greatly depending on the type and scope of projects anticipated. Recommendation shown below is based on our experience with similar properties.

Useful Life:
10 years

Remaining Life:
7 years

Best Case:	$ 13,000	Worst Case:	$ 18,000
	Lower allowance for misc. remodeling/update projects		Higher allowance

Cost Source: AR Cost Database

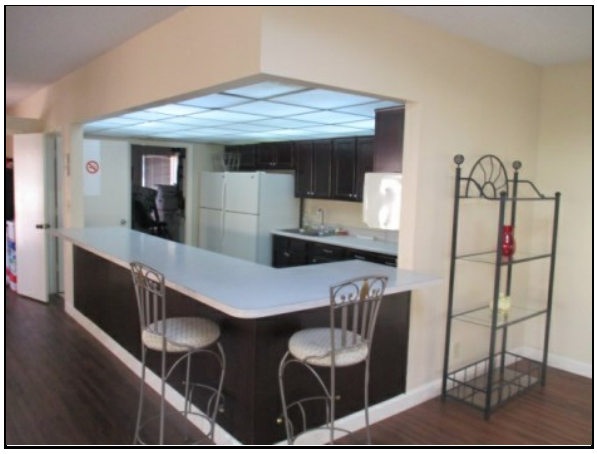
Comp #: 2746 Kitchen - Remodel **Quantity: (1) Kitchen**

Location: Clubhouse interior
Funded?: Yes.
History:
Comments: Tile flooring, (2) refrigerators, (1) microwave, and 28 LF of laminate countertop. Fair condition: Kitchens determined to be in fair condition typically exhibit some light signs of use and age, especially at countertops and cabinetry. Kitchen appears to be serviceable and clean. Appliances are assumed to be functional, but may be becoming outdated at this stage. The counters have impact marks and some scratching, as well as the visual appearance of being out of date.

Kitchen materials typically have an extended useful life. However, many clients choose to refurbish the kitchen periodically for aesthetic updating. This may include replacement (or addition) of appliances, refurbishment/refinishing of cabinets and countertops, replacement of sinks and fixtures, installation/replacement of under-cabinet lighting, etc. Best practice is to coordinate this project with other amenity areas, such as bathrooms or other amenity rooms.

Useful Life:
20 years

Remaining Life:
7 years



Best Case: $ 7,650 Worst Case: $ 15,000

Lower allowance to renovate/remodel Higher allowance

Cost Source: AR Cost Database

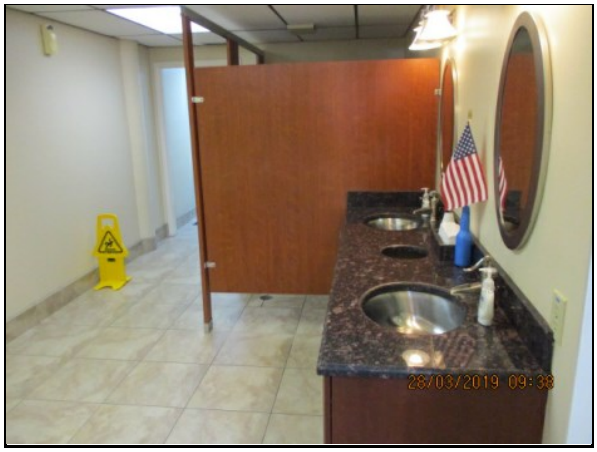
Comp #: 2749 Bathrooms - Remodel **Quantity: (2) Bathrooms**
Location: Inside clubhouse
Funded?: Yes.
History:
Comments: Tile flooring, 7 LF of granite countertop, 2 sinks, 1 urinal, and 1 regular stall in the men's restroom. We assume the women's restroom is in similar condition.

Fair condition: Bathrooms determined to be in fair condition typically exhibit some light to moderate signs of use and age. Finishes are clean but showing some wear. All fixtures are assumed to be functional, but may be becoming outdated at this stage. Generally in serviceable condition.

As routine maintenance, inspect regularly and perform any needed repairs promptly utilizing general Operating funds. Typical remodeling project can include some or all of the following: replacement of plumbing fixtures, partitions, countertops, lighting, flooring, ventilation fans, accessories, décor, etc. Costs can vary greatly depending on scope of work involved. Unless otherwise noted, estimates shown are based primarily on light to moderate cosmetic remodeling, not complete "gut" remodel projects.

Useful Life:
20 years

Remaining Life:
7 years



Best Case:	$ 8,000	Worst Case:	$ 16,700
	Lower allowance to remodel		Higher allowance

Cost Source: AR Cost Database

Comp #: 2752 Office - Remodel **Quantity: Lump Sum Allowance**
Location: Within Clubhouse
Funded?: Yes.
History:
Comments: (1) Desktop computer, (1) printer, (1) office chair, (1) office desk), various wall art, painting, and flooring included.

Fair condition: Offices determined to be in fair condition typically exhibit some routine signs of wear and tear, but no unusual or advanced deterioration. FF&E is in serviceable condition with no unusual conditions observed or reported by staff.

Periodic office remodeling is prudent in order to maintain an attractive, functional workspace for personnel. Typical projects often include replacement of room finishes and furnishings, and may also include replacement of IT equipment, phones, office supplies, storage units, etc. Life estimates can vary greatly depending on level of use and preferences of Client. If the office is used as a "public" area for hosting potential buyers and other important visitors, remodeling should be a high priority. Schedule and cost estimates should be re-evaluated during future Reserve Study updates and adjusted as needed based on any new information obtained.

Useful Life:
20 years

Remaining Life:
7 years

Best Case: $ 2,150 Worst Case: $ 3,300

Lower allowance to remodel Higher allowance

Cost Source: AR Cost Database

Other

Comp #: 2166 Mailboxes (Kiosks) - Replace **Quantity: (12) Kiosks**
Location: Kiosks at common areas throughout association
Funded?: Yes.
History:
Comments: (1) 8-box, (6) 12-box and (1) 16-box mailbox kiosks, plus (4) 2-parcel lockers.

Poor Condition: Mailboxes determined to be in poor condition typically exhibit more advanced surface wear, and may no longer be weather-proof. At this stage, appearance has diminished considerably and replacement should be considered (at least) for aesthetic if not physical reasons. One of the shelters is missing its roof, and the boxes themselves appear to be worn and weather-stained.

Inspect regularly and clean by wiping down exterior surfaces. If necessary, change lock cylinders, lubricate hinges and repair as an Operating expense. Best to plan for total replacement at roughly the time frame below due to constant exposure, usage and wear over time.

Useful Life:
20 years

Remaining Life:
0 years

Best Case: $ 14,800
Higher estimate

Worst Case: $ 18,100
Higher estimate

Cost Source: AR Cost Database

Comp #: 2169 Sign/Monument - Refurbish/Replace **Quantity: (3) Signs**
Location: Entrances to community
Funded?: Yes.
History:
Comments: Signs are 8' x 5' painted on a hollow wood frame.

Fair condition: Monument signage determined to be in fair condition typically exhibits acceptable appearance and aesthetics in keeping with local area, but with more weathering and wear showing on surfaces. If present, landscaping and lighting are still in serviceable condition. At this stage, signage may be becoming more dated and diminishing in appeal.

As routine maintenance, inspect regularly, clean/touch-up and repair as an Operating expense. Plan to refurbish or replace at the interval below. Timing and scope of refurbishing or replacement projects is subjective but should always be scheduled in order to maintain good curb appeal. In our experience, most clients choose to refurbish or replace signage periodically in order to maintain good appearance and aesthetics in keeping with local area, often before signage is in poor physical condition. If present, concrete walls are expected to be painted and repaired as part of refurbishing, but not fully replaced unless otherwise noted. Costs can vary significantly depending on style/type desired, and may include additional costs for design work, landscaping, lighting, water features, etc. Reserve Study updates should incorporate any estimates or information collected regarding potential projects.

Useful Life:
20 years

Remaining Life:
4 years

Best Case: $ 15,000 Worst Case: $ 22,500

Lower estimate to refurbish/replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2170 Directional/Street Signs - Replace **Quantity: Numerous Signs**
Location: Adjacent to streets and parking areas
Funded?: No. Too small for Reserve designation.
History:
Comments: The association is responsible for these; however, there are not enough to qualify for reserve funding.

Signs should be inspected regularly to make sure visibility is adequate, including at night. Repair any damaged or leaning posts as needed. At this time, costs related to this component are expected to be included in the Client's Operating budget. No recommendation for Reserve funding at this time. However, any repair and maintenance or other related expenditures should be tracked, and this component should be re-evaluated during future Reserve Study updates based on most recent information and data available at that time. If deemed appropriate for Reserve funding, component can be included in the funding plan at that time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2185 Landscaping - Refurbish **Quantity: Numerous Areas**
Location: Landscaping throughout association
Funded?: No. Too indeterminate for Reserve designation - handle as an Operational Expense.
History:
Comments: Landscaping costs are expected to be included in the Client's annual Operating budget. No recommendation for Reserve funding at this time. Monitor and include funding in Reserve Study updates if needed.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2551 Electrical System - Repair **Quantity: (91) Units**

Location: Throughout building

Funded?: No. Too indeterminate for Reserve designation - handle as an Operational Expense.

History:

Comments: Detailed analysis of electrical infrastructure is not included within the scope of this Reserve Study. Some electrical system components used historically have been found to be life-limited, but even when component failures occur, the predictability of such failures in terms of frequency and scope is very difficult to determine. Manufacturing defects may become apparent from time to time and certain site conditions can contribute to premature deterioration of system components. Typically, if installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. In our experience working with similar clients service life typically lasts well beyond rated life of components. Treat minor repairs as ongoing maintenance expense. Periodic inspections of distribution system by qualified electrician are wise to clean and tighten, exercise breakers, etc. Some clients employ infrared or other testing methodologies to identify trouble spots and potential hazards. Funding may be incorporated into future Reserve Study updates if conditions dictate. Keep track of any relevant expenses and include information during future Reserve Study updates as necessary. No basis for Reserve funding at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2579 Plumbing System - Repair/Replace **Quantity: (91) Units**

Location: Throughout building

Funded?: No. Too indeterminate for Reserve designation - handle as an Operational Expense.

History:

Comments: Analysis of plumbing systems beyond visual inspection of visible piping is not within the scope of a Reserve Study. Some types of piping used historically are known to be life limited. Manufacturing defects may become apparent from time to time and certain site conditions can contribute to premature deterioration of system components. Typically, if installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. If leaks, poor flow, sediments, defective material and/or installation become evident, have qualified plumber and/or engineer evaluate in more detail and develop scope of any repair/replacement needed; funding for even one time projects can be incorporated within Reserve Study updates if warranted. Treat minor local repairs as ongoing maintenance expense. If patterns of significant repair costs emerge, funding may be incorporated into future Reserve Study updates to supplement the Operating budget. No basis for Reserve funding at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2599 Golf Cart - Replace **Quantity: (1) Cart**
Location: Parked at/near clubhouse
Funded?: Yes.
History:
Comments: Manufacturer: EZ-GO
Model: 2779022
Manufacture Date: 2012

Routine maintenance should be performed to maximize useful life of the cart. Useful life will depend on application and level of daily use, but plan to replace at the approximate interval shown below. Unless otherwise noted, cost estimates reflect replacement with comparable type, either new or lightly used. Minimal or no subjective/aesthetic value for this component. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted, remaining useful life expectancy is based primarily on original installation or last replacement/purchase date, our experience with similar systems/components, and assuming normal amount of usage and good preventive maintenance.

Useful Life:
10 years

Remaining Life:
2 years

Best Case:	$ 5,900	Worst Case:	$ 7,200
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Comp #: 2610 Maintenance Equipment - Replace **Quantity: Numerous Components**

Location: Maintenance garage/shop

Funded?: No. Too indeterminate for Reserve designation - handle as an Operational Expense.

History:

Comments: Maintenance equipment is typically replaced on an ongoing basis as an Operating expense. If a pattern of larger expenses develops, or costs rise dramatically, this component should be re-evaluated during future Reserve Study updates. Minimal or no subjective/aesthetic value for this component. Useful life is based primarily on normal expectations for service/performance life in this location. Unless otherwise noted, remaining useful life expectancy is based primarily on original installation or last replacement/purchase date, our experience with similar systems/components, and assuming normal amount of usage and good preventive maintenance.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: