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"Full" Reserve Study

Stadium Villas
Rockledge, FL

Report #: 34587-0
For Period Beginning: January 1, 2019
Expires: December 31, 2019

Date Prepared: July 16, 2018

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:

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ASSOCIATION RESERVES
Est. 1986

Table of Contents

3- Minute Executive Summary

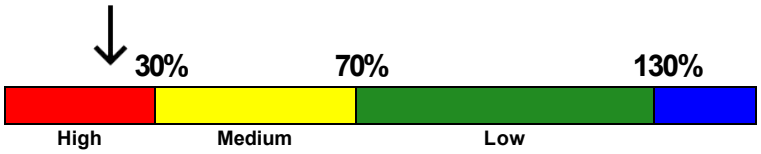
Association:	**Stadium Villas**	**Assoc. #: 34587-0**
Location:	**Rockledge, FL**	**# of Units:67**
Report Period:	**January 1, 2019 through December 31, 2019**	

Findings/Recommendations as-of: January 1, 2019

Projected Starting Reserve Balance	**$91,153**
Projected "Fully Funded" (Ideal) Reserve Balance	**$424,927**
Average Reserve Deficit (Surplus) Per Owner	**$4,982**
Percent Funded	**21.5 %**
Recommended 2019 "Full Funding" Contributions	**$103,000**
Recommended 2019 Special Assessments for Reserves	**$0**
Most Recent Reserve Contribution Rate	**$22,315**

Reserves % Funded: 21.5%

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 6/19/2018.

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 21.5 % 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.

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 34587-0

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Site and Grounds			
2107	Concrete Sidewalks - Repair	4	3	$7,150
2123	Asphalt - Seal/Repair	4	1	$16,600
2125	Asphalt - Resurface	20	15	$147,500
2143	Dog Park Fence - Replace	30	25	$7,050
2166	Mailboxes (Kiosks) - Replace	20	15	$7,400
2170	Directional/Street Signs - Replace	20	15	$6,550
2181	Outdoor/Site Furnishings - Replace	10	5	$7,400
2381	Poolhouse Roof (Shingle) - Replace	20	15	$7,000
2741	Poolhouse - Seal/Paint	7	2	$3,750
2749	Bathrooms - Remodel	20	15	$8,000
	Building Exteriors			
2340	Homes (2014) - Seal/Paint	7	2	$135,750
2340	Homes (2018) - Seal/Paint	7	6	$29,000
2383	Tile Roof (2014) - Replace	25	20	$1,179,000
2383	Tile Roof (2018) - Replace	25	24	$190,000
	Mechanical/Electrical/Plumbing			
2543	Surveillance System-Upgrade/Replace	10	6	$4,800
	Exterior Amenities			
2763	Pool Deck Furniture - Replace	8	4	$3,450
2767	Pool Deck (Coated) - Seal/Repair	5	2	$4,250
2768	Pool Deck (Coated) - Resurface	30	25	$17,100
2771	Pool Fence - Replace	20	15	$9,300
2773	Swimming Pool - Resurface	12	7	$7,550
20	**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 6/19/2018, we started with a brief meeting with Mr Eric Byrd. We thank him for his 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.

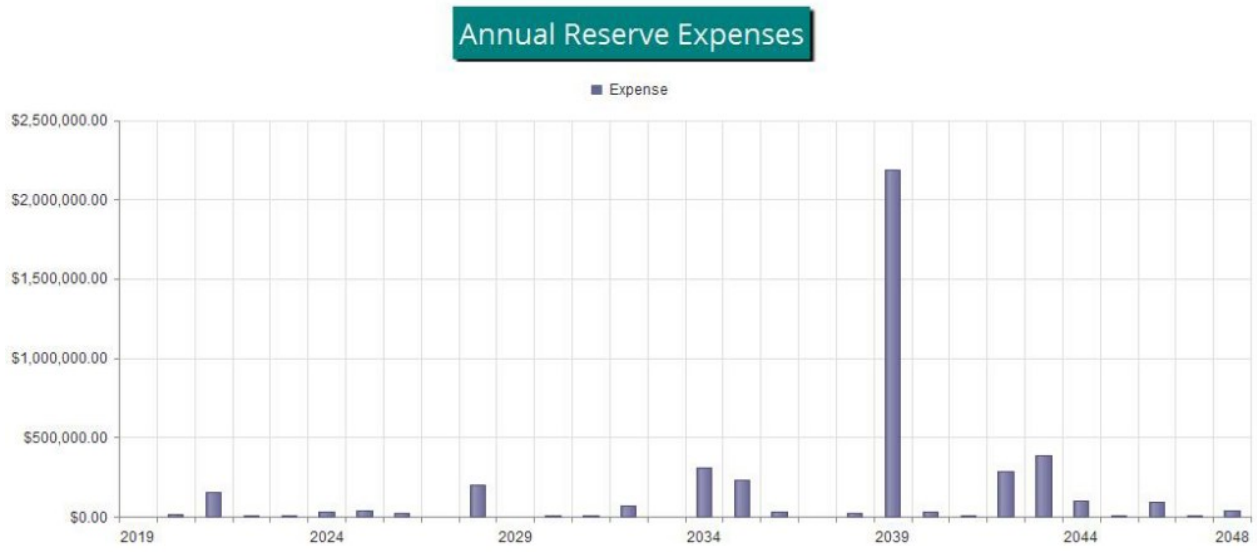


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $91,153 as-of the start of your Fiscal Year on 1/1/2019. 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 $424,927. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 21.5 % 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 $103,000 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.

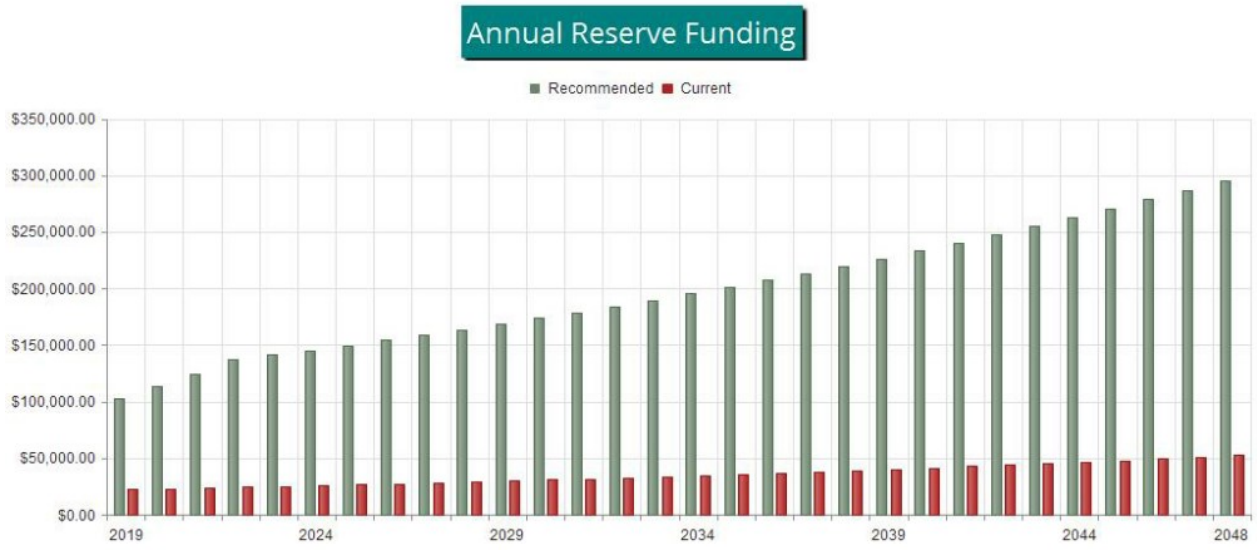


Figure 2

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.

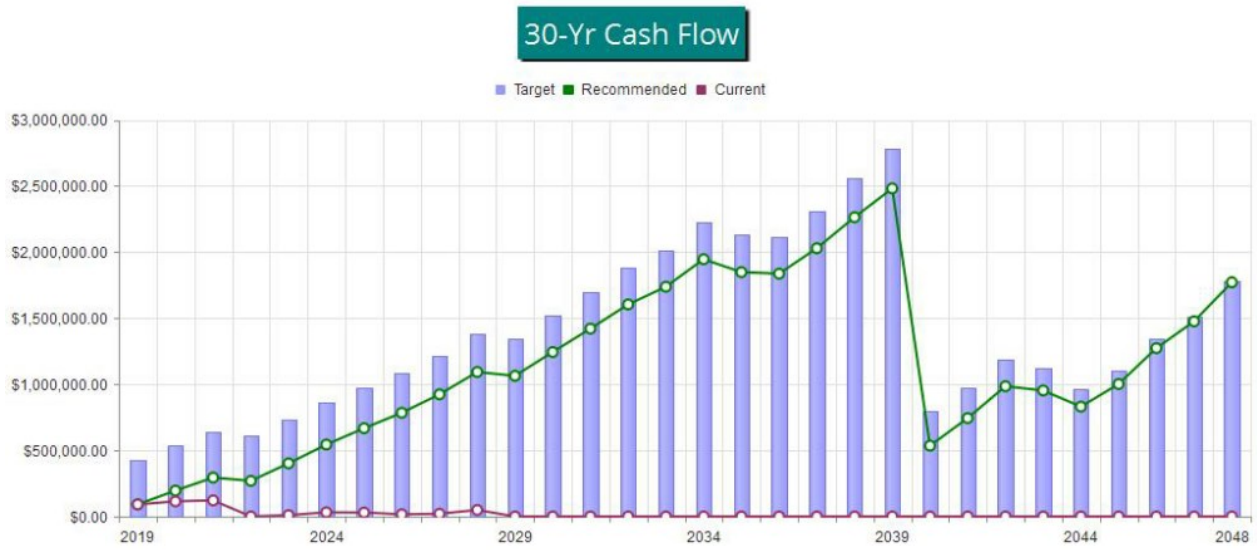


Figure 3

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.

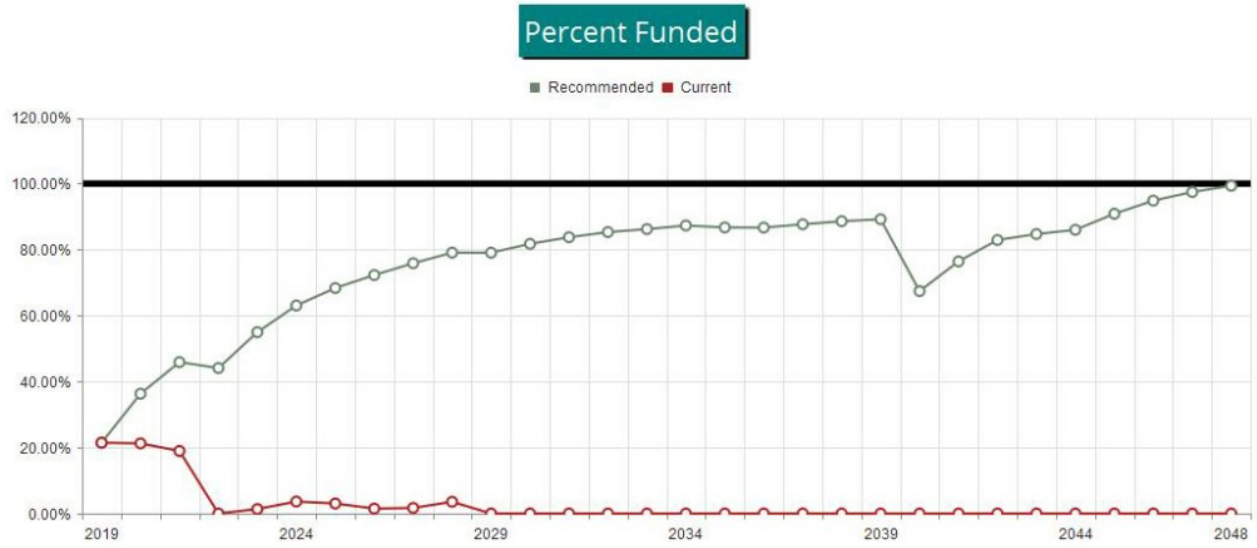


Figure 4

Table Descriptions

The tabular information in this Report is broken down into nine tables, not all which may have been chosen by your Project Manager to appear in your report. Tables are listed in the order in which they appear in your Report.

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Analysis Summary provides a summary of the starting financial information and your Project Manager's Financial Analysis decision points.

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 association total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Accounting-Tax Summary provides information on each Component's proportionate portion of key totals, valuable to accounting professionals primarily during tax preparation time of year.

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
	Site and Grounds					
2107	Concrete Sidewalks - Repair	Approx 650 GSF	4	3	$6,400	$7,900
2123	Asphalt - Seal/Repair	Approx 12,300 GSY	4	1	$14,900	$18,300
2125	Asphalt - Resurface	Approx 12,300 GSY	20	15	$133,000	$162,000
2143	Dog Park Fence - Replace	Approx 470 LF	30	25	$6,300	$7,800
2166	Mailboxes (Kiosks) - Replace	(5) Kiosks	20	15	$6,700	$8,100
2170	Directional/Street Signs - Replace	Numerous Signs	20	15	$5,900	$7,200
2181	Outdoor/Site Furnishings - Replace	Numerous Areas	10	5	$6,700	$8,100
2381	Poolhouse Roof (Shingle) - Replace	(1) Poolhouse	20	15	$5,250	$8,750
2741	Poolhouse - Seal/Paint	Lump Sum Allowance	7	2	$2,500	$5,000
2749	Bathrooms - Remodel	(2) Bathrooms	20	15	$6,500	$9,500
	Building Exteriors					
2340	Homes (2014) - Seal/Paint	(57) Homes	7	2	$123,500	$148,000
2340	Homes (2018) - Seal/Paint	(10) Homes	7	6	$27,500	$30,500
2383	Tile Roof (2014) - Replace	Approx 131,000 GSF	25	20	$1,048,000	$1,310,000
2383	Tile Roof (2018) - Replace	Approx 21,100 GSF	25	24	$169,000	$211,000
	Mechanical/Electrical/Plumbing					
2543	Surveillance System-Upgrade/Replace	(4) Cameras	10	6	$4,300	$5,300
	Exterior Amenities					
2763	Pool Deck Furniture - Replace	Approx (17) Pieces	8	4	$3,200	$3,700
2767	Pool Deck (Coated) - Seal/Repair	Approx 2,440 GSF	5	2	$3,800	$4,700
2768	Pool Deck (Coated) - Resurface	Approx 2,440 GSF	30	25	$15,400	$18,800
2771	Pool Fence - Replace	Approx 207 LF	20	15	$8,400	$10,200
2773	Swimming Pool - Resurface	(1) Pool	12	7	$6,800	$8,300

20 Total Funded Components

Fully Funded Balance

34587-0
Full

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Site and Grounds							
2107	Concrete Sidewalks - Repair	$7,150	X	1	/	4	=	$1,788
2123	Asphalt - Seal/Repair	$16,600	X	3	/	4	=	$12,450
2125	Asphalt - Resurface	$147,500	X	5	/	20	=	$36,875
2143	Dog Park Fence - Replace	$7,050	X	5	/	30	=	$1,175
2166	Mailboxes (Kiosks) - Replace	$7,400	X	5	/	20	=	$1,850
2170	Directional/Street Signs - Replace	$6,550	X	5	/	20	=	$1,638
2181	Outdoor/Site Furnishings - Replace	$7,400	X	5	/	10	=	$3,700
2381	Poolhouse Roof (Shingle) - Replace	$7,000	X	5	/	20	=	$1,750
2741	Poolhouse - Seal/Paint	$3,750	X	5	/	7	=	$2,679
2749	Bathrooms - Remodel	$8,000	X	5	/	20	=	$2,000
	Building Exteriors							
2340	Homes (2014) - Seal/Paint	$135,750	X	5	/	7	=	$96,964
2340	Homes (2018) - Seal/Paint	$29,000	X	1	/	7	=	$4,143
2383	Tile Roof (2014) - Replace	$1,179,000	X	5	/	25	=	$235,800
2383	Tile Roof (2018) - Replace	$190,000	X	1	/	25	=	$7,600
	Mechanical/Electrical/Plumbing							
2543	Surveillance System-Upgrade/Replace	$4,800	X	4	/	10	=	$1,920
	Exterior Amenities							
2763	Pool Deck Furniture - Replace	$3,450	X	4	/	8	=	$1,725
2767	Pool Deck (Coated) - Seal/Repair	$4,250	X	3	/	5	=	$2,550
2768	Pool Deck (Coated) - Resurface	$17,100	X	5	/	30	=	$2,850
2771	Pool Fence - Replace	$9,300	X	5	/	20	=	$2,325
2773	Swimming Pool - Resurface	$7,550	X	5	/	12	=	$3,146
								$424,927

30-Year Reserve Plan Summary

34587-0 Full

Fiscal Year Start: 2019	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
2019	$91,153	$424,927	21.5 %		High	361.57 %	$103,000	$0	$1,433	$0
2020	$195,586	$538,606	36.3 %		Medium	10.00 %	$113,300	$0	$2,448	$17,098
2021	$294,236	$641,113	45.9 %		Medium	10.00 %	$124,630	$0	$2,816	$152,504
2022	$269,177	$610,345	44.1 %		Medium	10.00 %	$137,093	$0	$3,354	$7,813
2023	$401,811	$730,899	55.0 %		Medium	3.00 %	$141,206	$0	$4,726	$3,883
2024	$543,860	$862,425	63.1 %		Medium	3.00 %	$145,442	$0	$6,054	$27,823
2025	$667,534	$976,648	68.3 %		Medium	3.00 %	$149,805	$0	$7,256	$40,359
2026	$784,236	$1,084,896	72.3 %		Low	3.00 %	$154,299	$0	$8,536	$23,306
2027	$923,765	$1,217,570	75.9 %		Low	3.00 %	$158,928	$0	$10,078	$0
2028	$1,092,772	$1,381,955	79.1 %		Low	3.00 %	$163,696	$0	$10,777	$203,675
2029	$1,063,570	$1,345,321	79.1 %		Low	3.00 %	$168,607	$0	$11,531	$0
2030	$1,243,709	$1,521,324	81.8 %		Low	3.00 %	$173,665	$0	$13,317	$9,897
2031	$1,420,794	$1,696,483	83.7 %		Low	3.00 %	$178,875	$0	$15,117	$10,978
2032	$1,603,807	$1,879,974	85.3 %		Low	3.00 %	$184,242	$0	$16,701	$66,965
2033	$1,737,784	$2,015,620	86.2 %		Low	3.00 %	$189,769	$0	$18,411	$0
2034	$1,945,964	$2,228,757	87.3 %		Low	3.00 %	$195,462	$0	$18,963	$312,061
2035	$1,848,329	$2,131,445	86.7 %		Low	3.00 %	$201,326	$0	$18,416	$231,559
2036	$1,836,511	$2,118,848	86.7 %		Low	3.00 %	$207,365	$0	$19,318	$34,462
2037	$2,028,733	$2,313,742	87.7 %		Low	3.00 %	$213,586	$0	$21,453	$0
2038	$2,263,773	$2,554,984	88.6 %		Low	3.00 %	$219,994	$0	$23,717	$25,777
2039	$2,481,708	$2,782,068	89.2 %		Low	3.00 %	$226,594	$0	$15,079	$2,188,013
2040	$535,367	$794,170	67.4 %		Medium	3.00 %	$233,392	$0	$6,395	$30,881
2041	$744,273	$973,950	76.4 %		Low	3.00 %	$240,393	$0	$8,644	$8,143
2042	$985,167	$1,188,176	82.9 %		Low	3.00 %	$247,605	$0	$9,687	$289,426
2043	$953,032	$1,124,909	84.7 %		Low	3.00 %	$255,033	$0	$8,915	$386,231
2044	$830,750	$966,012	86.0 %		Low	3.00 %	$262,684	$0	$9,159	$100,815
2045	$1,001,778	$1,102,481	90.9 %		Low	3.00 %	$270,565	$0	$11,371	$10,352
2046	$1,273,362	$1,342,561	94.8 %		Low	3.00 %	$278,682	$0	$13,741	$89,740
2047	$1,476,045	$1,514,604	97.5 %		Low	3.00 %	$287,042	$0	$16,230	$7,893
2048	$1,771,424	$1,782,836	99.4 %		Low	3.00 %	$295,654	$0	$19,084	$39,119

	Fiscal Year	2019	2020	2021	2022	2023
	Starting Reserve Balance	$91,153	$195,586	$294,236	$269,177	$401,811
	Annual Reserve Contribution	$103,000	$113,300	$124,630	$137,093	$141,206
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,433	$2,448	$2,816	$3,354	$4,726
	Total Income	$195,586	$311,334	$421,682	$409,624	$547,743
#	Component					
	Site and Grounds					
2107	Concrete Sidewalks - Repair	$0	$0	$0	$7,813	$0
2123	Asphalt - Seal/Repair	$0	$17,098	$0	$0	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2143	Dog Park Fence - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2170	Directional/Street Signs - Replace	$0	$0	$0	$0	$0
2181	Outdoor/Site Furnishings - Replace	$0	$0	$0	$0	$0
2381	Poolhouse Roof (Shingle) - Replace	$0	$0	$0	$0	$0
2741	Poolhouse - Seal/Paint	$0	$0	$3,978	$0	$0
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
	Building Exteriors					
2340	Homes (2014) - Seal/Paint	$0	$0	$144,017	$0	$0
2340	Homes (2018) - Seal/Paint	$0	$0	$0	$0	$0
2383	Tile Roof (2014) - Replace	$0	$0	$0	$0	$0
2383	Tile Roof (2018) - Replace	$0	$0	$0	$0	$0
	Mechanical/Electrical/Plumbing					
2543	Surveillance System-Upgrade/Replace	$0	$0	$0	$0	$0
	Exterior Amenities					
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$3,883
2767	Pool Deck (Coated) - Seal/Repair	$0	$0	$4,509	$0	$0
2768	Pool Deck (Coated) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$0
	Total Expenses	$0	$17,098	$152,504	$7,813	$3,883
	Ending Reserve Balance	$195,586	$294,236	$269,177	$401,811	$543,860

	Fiscal Year	2024	2025	2026	2027	2028
	Starting Reserve Balance	$543,860	$667,534	$784,236	$923,765	$1,092,772
	Annual Reserve Contribution	$145,442	$149,805	$154,299	$158,928	$163,696
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$6,054	$7,256	$8,536	$10,078	$10,777
	Total Income	$695,356	$824,595	$947,071	$1,092,772	$1,267,245
#	Component					
	Site and Grounds					
2107	Concrete Sidewalks - Repair	$0	$0	$8,794	$0	$0
2123	Asphalt - Seal/Repair	$19,244	$0	$0	$0	$21,659
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2143	Dog Park Fence - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2170	Directional/Street Signs - Replace	$0	$0	$0	$0	$0
2181	Outdoor/Site Furnishings - Replace	$8,579	$0	$0	$0	$0
2381	Poolhouse Roof (Shingle) - Replace	$0	$0	$0	$0	$0
2741	Poolhouse - Seal/Paint	$0	$0	$0	$0	$4,893
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
	Building Exteriors					
2340	Homes (2014) - Seal/Paint	$0	$0	$0	$0	$177,123
2340	Homes (2018) - Seal/Paint	$0	$34,628	$0	$0	$0
2383	Tile Roof (2014) - Replace	$0	$0	$0	$0	$0
2383	Tile Roof (2018) - Replace	$0	$0	$0	$0	$0
	Mechanical/Electrical/Plumbing					
2543	Surveillance System-Upgrade/Replace	$0	$5,731	$0	$0	$0
	Exterior Amenities					
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$0
2767	Pool Deck (Coated) - Seal/Repair	$0	$0	$5,227	$0	$0
2768	Pool Deck (Coated) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$9,286	$0	$0
	Total Expenses	$27,823	$40,359	$23,306	$0	$203,675
	Ending Reserve Balance	$667,534	$784,236	$923,765	$1,092,772	$1,063,570

	Fiscal Year	2029	2030	2031	2032	2033
	Starting Reserve Balance	$1,063,570	$1,243,709	$1,420,794	$1,603,807	$1,737,784
	Annual Reserve Contribution	$168,607	$173,665	$178,875	$184,242	$189,769
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$11,531	$13,317	$15,117	$16,701	$18,411
	Total Income	$1,243,709	$1,430,691	$1,614,786	$1,804,750	$1,945,964
#	Component					
	Site and Grounds					
2107	Concrete Sidewalks - Repair	$0	$9,897	$0	$0	$0
2123	Asphalt - Seal/Repair	$0	$0	$0	$24,378	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2143	Dog Park Fence - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2170	Directional/Street Signs - Replace	$0	$0	$0	$0	$0
2181	Outdoor/Site Furnishings - Replace	$0	$0	$0	$0	$0
2381	Poolhouse Roof (Shingle) - Replace	$0	$0	$0	$0	$0
2741	Poolhouse - Seal/Paint	$0	$0	$0	$0	$0
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
	Building Exteriors					
2340	Homes (2014) - Seal/Paint	$0	$0	$0	$0	$0
2340	Homes (2018) - Seal/Paint	$0	$0	$0	$42,587	$0
2383	Tile Roof (2014) - Replace	$0	$0	$0	$0	$0
2383	Tile Roof (2018) - Replace	$0	$0	$0	$0	$0
	Mechanical/Electrical/Plumbing					
2543	Surveillance System-Upgrade/Replace	$0	$0	$0	$0	$0
	Exterior Amenities					
2763	Pool Deck Furniture - Replace	$0	$0	$4,919	$0	$0
2767	Pool Deck (Coated) - Seal/Repair	$0	$0	$6,059	$0	$0
2768	Pool Deck (Coated) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$0
	Total Expenses	$0	$9,897	$10,978	$66,965	$0
	Ending Reserve Balance	$1,243,709	$1,420,794	$1,603,807	$1,737,784	$1,945,964

	Fiscal Year	2034	2035	2036	2037	2038
	Starting Reserve Balance	$1,945,964	$1,848,329	$1,836,511	$2,028,733	$2,263,773
	Annual Reserve Contribution	$195,462	$201,326	$207,365	$213,586	$219,994
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$18,963	$18,416	$19,318	$21,453	$23,717
	Total Income	$2,160,389	$2,068,071	$2,063,195	$2,263,773	$2,507,484
#	Component					
	Site and Grounds					
2107	Concrete Sidewalks - Repair	$11,139	$0	$0	$0	$12,538
2123	Asphalt - Seal/Repair	$0	$0	$27,437	$0	$0
2125	Asphalt - Resurface	$229,800	$0	$0	$0	$0
2143	Dog Park Fence - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$11,529	$0	$0	$0	$0
2170	Directional/Street Signs - Replace	$10,205	$0	$0	$0	$0
2181	Outdoor/Site Furnishings - Replace	$11,529	$0	$0	$0	$0
2381	Poolhouse Roof (Shingle) - Replace	$10,906	$0	$0	$0	$0
2741	Poolhouse - Seal/Paint	$0	$6,018	$0	$0	$0
2749	Bathrooms - Remodel	$12,464	$0	$0	$0	$0
	Building Exteriors					
2340	Homes (2014) - Seal/Paint	$0	$217,839	$0	$0	$0
2340	Homes (2018) - Seal/Paint	$0	$0	$0	$0	$0
2383	Tile Roof (2014) - Replace	$0	$0	$0	$0	$0
2383	Tile Roof (2018) - Replace	$0	$0	$0	$0	$0
	Mechanical/Electrical/Plumbing					
2543	Surveillance System-Upgrade/Replace	$0	$7,703	$0	$0	$0
	Exterior Amenities					
2763	Pool Deck Furniture - Replace	$0	$0	$0	$0	$0
2767	Pool Deck (Coated) - Seal/Repair	$0	$0	$7,025	$0	$0
2768	Pool Deck (Coated) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$14,489	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$13,239
	Total Expenses	$312,061	$231,559	$34,462	$0	$25,777
	Ending Reserve Balance	$1,848,329	$1,836,511	$2,028,733	$2,263,773	$2,481,708

	Fiscal Year	2039	2040	2041	2042	2043
	Starting Reserve Balance	$2,481,708	$535,367	$744,273	$985,167	$953,032
	Annual Reserve Contribution	$226,594	$233,392	$240,393	$247,605	$255,033
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$15,079	$6,395	$8,644	$9,687	$8,915
	Total Income	$2,723,381	$775,154	$993,310	$1,242,459	$1,216,981
#	Component					
	Site and Grounds					
2107	Concrete Sidewalks - Repair	$0	$0	$0	$14,111	$0
2123	Asphalt - Seal/Repair	$0	$30,881	$0	$0	$0
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2143	Dog Park Fence - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2170	Directional/Street Signs - Replace	$0	$0	$0	$0	$0
2181	Outdoor/Site Furnishings - Replace	$0	$0	$0	$0	$0
2381	Poolhouse Roof (Shingle) - Replace	$0	$0	$0	$0	$0
2741	Poolhouse - Seal/Paint	$0	$0	$0	$7,401	$0
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
	Building Exteriors					
2340	Homes (2014) - Seal/Paint	$0	$0	$0	$267,914	$0
2340	Homes (2018) - Seal/Paint	$52,377	$0	$0	$0	$0
2383	Tile Roof (2014) - Replace	$2,129,405	$0	$0	$0	$0
2383	Tile Roof (2018) - Replace	$0	$0	$0	$0	$386,231
	Mechanical/Electrical/Plumbing					
2543	Surveillance System-Upgrade/Replace	$0	$0	$0	$0	$0
	Exterior Amenities					
2763	Pool Deck Furniture - Replace	$6,231	$0	$0	$0	$0
2767	Pool Deck (Coated) - Seal/Repair	$0	$0	$8,143	$0	$0
2768	Pool Deck (Coated) - Resurface	$0	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$0
	Total Expenses	$2,188,013	$30,881	$8,143	$289,426	$386,231
	Ending Reserve Balance	$535,367	$744,273	$985,167	$953,032	$830,750

	Fiscal Year	2044	2045	2046	2047	2048
	Starting Reserve Balance	$830,750	$1,001,778	$1,273,362	$1,476,045	$1,771,424
	Annual Reserve Contribution	$262,684	$270,565	$278,682	$287,042	$295,654
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$9,159	$11,371	$13,741	$16,230	$19,084
	Total Income	$1,102,593	$1,283,714	$1,565,785	$1,779,318	$2,086,162
#	Component					
	Site and Grounds					
2107	Concrete Sidewalks - Repair	$0	$0	$15,882	$0	$0
2123	Asphalt - Seal/Repair	$34,757	$0	$0	$0	$39,119
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
2143	Dog Park Fence - Replace	$14,761	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2170	Directional/Street Signs - Replace	$0	$0	$0	$0	$0
2181	Outdoor/Site Furnishings - Replace	$15,494	$0	$0	$0	$0
2381	Poolhouse Roof (Shingle) - Replace	$0	$0	$0	$0	$0
2741	Poolhouse - Seal/Paint	$0	$0	$0	$0	$0
2749	Bathrooms - Remodel	$0	$0	$0	$0	$0
	Building Exteriors					
2340	Homes (2014) - Seal/Paint	$0	$0	$0	$0	$0
2340	Homes (2018) - Seal/Paint	$0	$0	$64,417	$0	$0
2383	Tile Roof (2014) - Replace	$0	$0	$0	$0	$0
2383	Tile Roof (2018) - Replace	$0	$0	$0	$0	$0
	Mechanical/Electrical/Plumbing					
2543	Surveillance System-Upgrade/Replace	$0	$10,352	$0	$0	$0
	Exterior Amenities					
2763	Pool Deck Furniture - Replace	$0	$0	$0	$7,893	$0
2767	Pool Deck (Coated) - Seal/Repair	$0	$0	$9,440	$0	$0
2768	Pool Deck (Coated) - Resurface	$35,804	$0	$0	$0	$0
2771	Pool Fence - Replace	$0	$0	$0	$0	$0
2773	Swimming Pool - Resurface	$0	$0	$0	$0	$0
	Total Expenses	$100,815	$10,352	$89,740	$7,893	$39,119
	Ending Reserve Balance	$1,001,778	$1,273,362	$1,476,045	$1,771,424	$2,047,043

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.

Comp #: 2107 Concrete Sidewalks - Repair **Quantity: Approx 650 GSF**

Location: Throughout development
Funded?: Yes.
History:
Evaluation: Good condition: Concrete sidewalks determined to be in good condition typically exhibit smooth surfaces with positive slopes. If present, cracking is minimal and sporadic, and any trip hazards are isolated, not consistent in all areas. Normal signs of wear and age.

Repair any trip and fall hazards immediately to ensure safety. As routine maintenance, inspect regularly, pressure wash for appearance and repair promptly as needed to prevent water penetrating into the base and causing further damage. In our experience, larger repair/replacement expenses emerge as the community ages, especially as trees adjacent to sidewalks continue to grow. Although difficult to predict timing, cost and scope, we suggest a rotating funding allowance to supplement the operating/maintenance budget for periodic larger repairs. Adjust as conditions, actual expense patterns dictate within future Reserve Study updates.

Useful Life:
4 years

Remaining Life:
3 years

Best Case: $ 6,400 Worst Case: $ 7,900

Lower allowance to repair ~ 3% Higher allowance

Cost Source: AR Cost Database

Comp #: 2113 Site Drainage System - Clean/Repair **Quantity: (1) Large System**

Location: Throughout development

Funded?: No.

History:

Evaluation: No access to inspect in-ground drainage infrastructure. Annual preventive maintenance work is typically performed as part of a Client's general maintenance/operating fund. Under normal circumstances, site drainage components are constructed of very durable materials which should have a very long useful life (often assumed to be 50 years or more). Repairs may occasionally be required, but timing and scope of work is too unpredictable for Reserve funding in accordance with National Reserve Study Standards. If there are specific, known concerns with drainage system, we recommend further investigation using cameras or other means to document and identify conditions. Some clients consult with civil and/or geotechnical engineers in order to develop scopes of work for repair/replacement. If more comprehensive analysis becomes available, findings should be incorporated into Reserve Study updates as appropriate.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2123 Asphalt - Seal/Repair **Quantity: Approx 12,300 GSY**

Location: Asphalt throughout development

Funded?: Yes.

History:

Evaluation: Poor condition: Asphalt seal-coat determined to be in poor condition is typically not uniform, and may be very light in color, especially in higher-traffic areas. Traffic markings do not contrast well with pavement and are faded and worn.

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:
1 years

Best Case: $ 14,900 Worst Case: $ 18,300

Lower estimate to seal/repair Higher estimate

Cost Source: AR Cost Database

Comp #: 2125 Asphalt - Resurface **Quantity: Approx 12,300 GSY**

Location: Asphalt throughout development

Funded?: Yes.

History:

Evaluation: 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:
15 years

Best Case:	$ 133,000	Worst Case:	$ 162,000
	Lower estimate to resurface		Higher estimate

Cost Source: AR Cost Database

Comp #: 2143 Dog Park Fence - Replace **Quantity: Approx 470 LF**

Location: Dog Park

Funded?: Yes.

History:

Evaluation: 6' tall chain link fence, noted in good condition: Chain-link fencing determined to be in good condition typically exhibit tights fabric and stable, upright posts. If present, vinyl coating on links is thick and providing good protection. No observed or reported concerns with appearance and curb appeal.

Chain link fencing generally has lower aesthetic value than other materials, so remaining useful life is mostly based on structural conditions, although appearance is also considered. Inspect regularly; clean and repair locally as needed as part of general maintenance/Operating funds. Assuming ordinary care and maintenance, plan to replace this fence as shown below.

Useful Life:
30 years

Remaining Life:
25 years

Best Case: $ 6,300 Worst Case: $ 7,800

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2166 Mailboxes (Kiosks) - Replace **Quantity: (5) Kiosks**

Location: Kiosks at common areas
Funded?: Yes.
History:
Evaluation: (3) 12 parcels/3 outgoing boxes, and (2) 16 parcels/4 outgoing boxes, manufacture date of August 2014, noted in fair condition: Mailbox kiosks determined to be in fair condition typically exhibit minor to moderate surface wear at this stage. All components and hardware appear to function properly, but appearance is diminishing.

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:
15 years

Best Case: $ 6,700 Worst Case: $ 8,100

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2169 Sign/Monument - Refurbish/Replace **Quantity: (1) Sign**

Location: Main entry to community

Funded?: No.

History:

Evaluation: 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.

Inspect regularly, clean/touch-up and repair as a routine maintenance expense. Timing and scope of refurbishing or replacement projects is very subjective but should always be scheduled in order to maintain good curb appeal. In our experience, most clients choose to replace signage in order to maintain good appearance and aesthetics in keeping with local area, often before signage is in poor physical condition. 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. 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 #: 2170 Directional/Street Signs - Replace **Quantity: Numerous Signs**
Location: Adjacent to streets and parking areas
Funded?: Yes.
History:
Evaluation: Fair condition: Directional and street signs determined to be in fair condition typically exhibit somewhat faded surface finish and may have minor damage to their supports/posts/hardware. Panels are clean but reflectiveness and contrasting of lettering or symbols may be diminished.

Street signs and posts are generally replaced at longer intervals due to weathering or style changes, or to coincide with other exterior projects such as replacement of entry signage, street lighting, etc. Signs should be inspected regularly to make sure visibility is adequate, including at night. Repair any damaged or leaning posts as needed. Costs for replacement can vary greatly depending on style selected; unless otherwise noted, costs shown here are based on replacement with a comparable type as are currently in place.

Useful Life:
20 years

Remaining Life:
15 years

Best Case: $ 5,900 Worst Case: $ 7,200

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2173 Street Lights - Replace **Quantity: Numerous Lights**
Location: Throughout development
Funded?: No.
History:
Evaluation: Street lights are not owned by the Client. No obligation to pay for replacement, so no Reserve funding is required.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 2181 Outdoor/Site Furnishings - Replace **Quantity: Numerous Areas**

Location: Common areas throughout development

Funded?: Yes.

History:

Evaluation: Fair condition: Outdoor/site furnishings determined to be in fair condition typically exhibits typical signs of wear and age. Style is still appropriate for the local aesthetic standards of the development. Inspect regularly, clean for appearance and repair as needed from general Operating funds. Cost to replace individual pieces may not meet threshold for Reserve funding. We recommend planning for regular intervals of complete replacement at the time frame indicated below, to maintain a good, consistent appearance in the common areas. Costs shown are based on replacement with comparable types unless otherwise noted.

Useful Life:
10 years

Remaining Life:
5 years

Best Case: $ 6,700 Worst Case: $ 8,100

Lower allowance to replace Higher allowance

Cost Source: AR Cost Database

Comp #: 2185 Landscaping - Refurbish **Quantity: Numerous Areas**

Location: Landscaped common areas

Funded?: No.

History:

Evaluation: 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 #: 2381 Poolhouse Roof (Shingle) - Replace **Quantity: (1) Poolhouse**

Location: Poolhouse

Funded?: Yes.

History:

Evaluation: Approximately 1,750 GSF of shingle roof noted during site inspection. Fair condition: Asphalt shingle roofs determined to be in fair condition typically exhibit normal signs of wear and deterioration, including some loss of granule cover, and light to moderate curling/lifting, especially in most exposed areas. Overall believed to be aging normally. Dimensional shingles typically have longer useful lives and are generally considered to be more valuable from an aesthetic standpoint. We recommend budgeting to replace with dimensional shingles upon failure. Also known as architectural shingles, these types of roofs are typically more durable and wind-resistant than 3-tab shingles. Unless otherwise noted, costs shown here assume that only a minimal amount of substrate/decking repairs or replacement will be required. For very old roofs or those with significant leak problems, additional repair costs may be incurred. 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. Keep roof surface, gutters and downspouts clear and free of moss or debris. Moss growth can decrease the life of the roofing shingles and should be removed promptly. 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:
20 years

Remaining Life:
15 years

Best Case: $ 5,250 Worst Case: $ 8,750

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2741 Poolhouse - Seal/Paint **Quantity: Lump Sum Allowance**

Location: Pool house interiors
Funded?: Yes.
History:
Evaluation: Approximately 2,500 GSF of exterior paint area noted during site inspection. 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. 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:
2 years

Best Case:	$ 2,500	Worst Case:	$ 5,000
	Lower allowance for misc. remodeling/update projects		Higher allowance

Cost Source: AR Cost Database

Comp #: 2749 Bathrooms - Remodel **Quantity: (2) Bathrooms**

Location: Pool deck

Funded?: Yes.

History:

Evaluation: 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:
15 years

Best Case:	$ 6,500	Worst Case:	$ 9,500
	Lower allowance to remodel		Higher allowance

Cost Source: AR Cost Database

Comp #: 2340 Homes (2014) - Seal/Paint **Quantity: (57) Homes**

Location: Home exteriors
Funded?: Yes.
History:
Evaluation: Approximately 112,000 GSF of exterior paint area noted during site inspection. 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. This component includes the painting of all railings at each home.

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:
2 years

Best Case: $ 123,500 Worst Case: $ 148,000

Lower estimate to repaint Higher estimate

Cost Source: AR Cost Database

Comp #: 2340 Homes (2018) - Seal/Paint **Quantity: (10) Homes**

Location: Home exteriors

Funded?: Yes.

History:

Evaluation: Approximately 19,600 GSF of exterior paint area noted during site inspection. 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:
6 years

Best Case: $ 27,500 Worst Case: $ 30,500

Lower estimate to repaint Higher estimate

Cost Source: AR Cost Database

Comp #: 2383 Tile Roof (2014) - Replace **Quantity: Approx 131,000 GSF**

Location: Building rooftop

Funded?: Yes.

History:

Evaluation: 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:
25 years

Remaining Life:
20 years

Best Case:	$ 1,048,000	Worst Case:	$ 1,310,000
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Comp #: 2383 Tile Roof (2018) - Replace **Quantity: Approx 21,100 GSF**

Location: Building rooftop

Funded?: Yes.

History:

Evaluation: (2) buildings were still under construction at time of inspection (see photo). Per information provided, both buildings will be completed before end of 2018. Please refer to the prior component in this series for more general information. Useful life, remaining useful life and cost ranges for this specific component are provided below.

Useful Life:
25 years

Remaining Life:
24 years

Best Case:	$ 169,000	Worst Case:	$ 211,000
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Comp #: 2543 Surveillance System-Upgrade/Replace **Quantity: (4) Cameras**
Location: Pool house
Funded?: Yes.
History:
Evaluation: Number of Cameras: 4
Number of DVRs: 1

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: $ 4,300 Worst Case: $ 5,300

Lower allowance to upgrade/replace Higher allowance

Cost Source: AR Cost Database

Comp #: 2763 Pool Deck Furniture - Replace **Quantity: Approx (17) Pieces**

Location: Pool deck
Funded?: Yes.
History:
Evaluation: (8) lounge chairs, (1) dining tables, and (8) chairs counted during inspection.

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:
4 years

Best Case: $ 3,200 Worst Case: $ 3,700

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2767 Pool Deck (Coated) - Seal/Repair **Quantity: Approx 2,440 GSF**

Location: Pool deck
Funded?: Yes.
History:
Evaluation: Fair condition: Coatings determined to be in fair condition typically exhibit some staining and fading, especially in higher-traffic or more exposed areas. At this stage, signs of deterioration may include increasing amounts of cracks, peeling sections, and bubbles/blisters in the surface, but in general, coating is believed to be aging normally.

Pool decks may be exposed to harsh chemicals that can leave stains if not addressed properly. Periodic pressure-washing and re-coating will restore the appearance and prolong the need for major restoration or replacement of the deck surface. Take note of any places where water is ponding, which may result in slip-and-fall hazards if not corrected.

Useful Life:
5 years

Remaining Life:
2 years

Best Case: $ 3,800 Worst Case: $ 4,700

Lower estimate to clean/seal/repair Higher estimate

Cost Source: AR Cost Database

Comp #: 2768 Pool Deck (Coated) - Resurface **Quantity: Approx 2,440 GSF**

Location: Pool deck
Funded?: Yes.
History:
Evaluation: Refer to component #2767 for more general information and observations on conditions. This component refers to the eventual need to completely resurface/replace decking systems, typically required after multiple finish coats have been applied, or in cases of advanced deterioration. Resurfacing may also be warranted for changes in design/appearance alone.

Useful Life:
30 years

Remaining Life:
25 years

Best Case: $ 15,400 Worst Case: $ 18,800

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Comp #: 2771 Pool Fence - Replace **Quantity: Approx 207 LF**
Location: Perimeter of pool area
Funded?: Yes.
History:
Evaluation: Height: 6'
Material: Aluminum

Fair condition: Pool fencing determined to be in fair condition typically exhibits some minor to moderate amounts of surface wear and other signs of age, which may include corrosion, loose or unstable pieces/sections or hardware, and/or overgrowth by surrounding vegetation. Overall, appears to be in serviceable but declining condition.

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:
15 years

Best Case: $ 8,400 Worst Case: $ 10,200

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

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

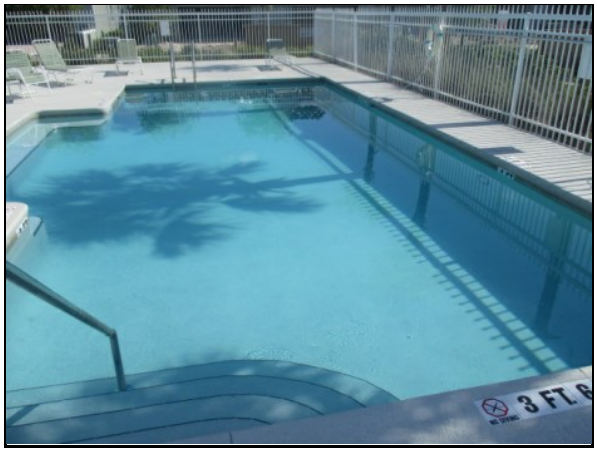
Location: Interior finishes of pool
Funded?: Yes.
History:
Evaluation: Approximately 1,100 GSF footprint area with 108 LF waterline/perimeter length. Depth ranges from 3' 6” to 6'.

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:
7 years



Best Case: $ 6,800 Worst Case: $ 8,300

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Comp #: 2783 Pool Pumps - Repair/Replace **Quantity: (2-3) Pumps**

Location: Enclosure adjacent to pool deck

Funded?: No.

History:

Evaluation: Locked - No access during site inspection. Reportedly 2-3 pumps. 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: