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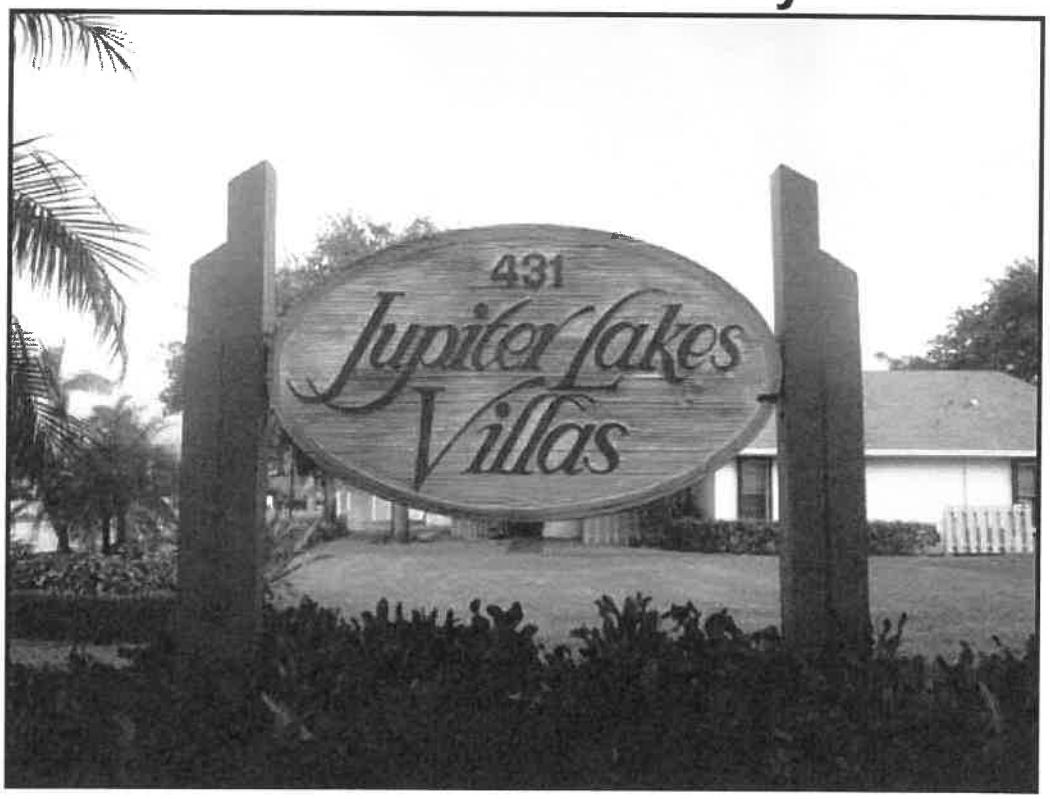
"Full" Reserve Study



Jupiter Lakes Villas Condominium Association, Inc.
Jupiter, FL

Report #: 39297-0
For Period Beginning: January 1, 2021
Expires: December 31, 2021

Date Prepared: April 1, 2020

ABE EL-MASRI
CAI-RS
00368
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:

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ASSOCIATION RESERVES™

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3- Minute Executive Summary

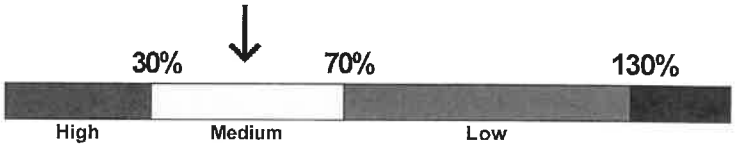
Association:	**Jupiter Lakes Villas Condominium Association, Inc.**	**Assoc. #: 39297-0**
Location:	**Jupiter, FL**	**# of Units: 136**
Report Period:	**January 1, 2021 through December 31, 2021**	

Findings/Recommendations as-of: January 1, 2021

Projected Starting Reserve Balance	**$398,210**
Projected "Fully Funded" (Ideal) Reserve Balance	**$795,331**
Average Reserve Deficit (Surplus) Per Owner	**$2,920**
Percent Funded	**50.1 %**
Recommended 2021 "Full Funding" Contributions	**$98,000**
Recommended 2021 Special Assessments for Reserves	**$0**
Most Recent Reserve Contribution Rate	**$64,720**

Reserves % Funded: 50.1%

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 3/26/2020.

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 50.1 % Funded. Based on this figure, the Client's risk of special assessments & deferred maintenance is currently Medium. 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).

A supplemental analysis ("Appendix A") has been added to the end of the document which provides an alternative version of the funding plan as required by Florida legislation. Please refer to that appendix for more information.

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 is 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 currently using the "straight-line" method of Reserve funding (also known as the component method), an additional table has been 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 39297-0

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Painting			
2343	Building Exterior - Seal/Paint	8	7	$190,000
	Roofs			
2381	Roofing (Asphalt Shingle) - Replace	20	7	$656,500
	Roads			
2123	Asphalt - Seal/Repair	4	1	$31,550
2125	Asphalt (Pkg Only) - Resurface	0	0	$194,000
2126	Asphalt (Roads & Pkg) - Resurface	20	19	$281,000
	Lake			
2159	Pond Erosion Control - Replace	30	22	$12,500
	Contingency/Other			
2107	Concrete Sidewalks - Repair	8	0	$4,100
2113	Site Drainage System - Clean/Repair	20	5	$10,000
2141	Site Fencing (Vinyl) - Replace	30	25	$22,200
2143	Site Fencing (Chain Link) - Replace	30	0	$29,250
2166	Mailboxes (Kiosks) - Replace	20	14	$21,100
2169	Sign/Monument - Refurbish/Replace	20	2	$3,000
2173	Street Lights - Replace	20	10	$17,550
2175	Site Pole Lights - Replace	20	2	$49,950
2585	Irrigation System - Allowance	10	5	$5,000
15	**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

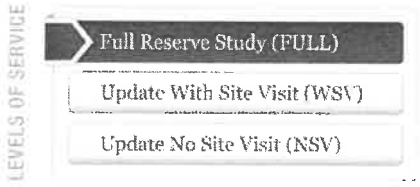
A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined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

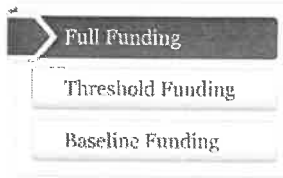
RESERVE FUNDING PRINCIPLES

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?

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.*



FUNDING OBJECTIVES

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 3/26/2020, we started with a brief meeting with Ms. Peggy Greene. We thank her for her 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.

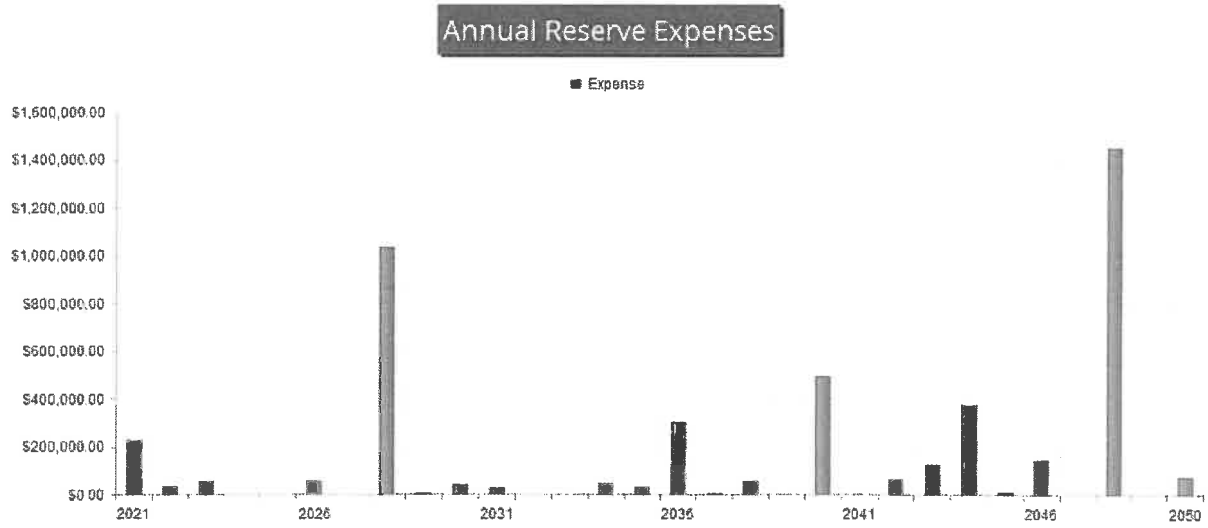


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $398,210 as-of the start of your Fiscal Year on 1/1/2021. 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 $795,331. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 50.1 % Funded. In our experience, approximately 13% 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 $98,000 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.

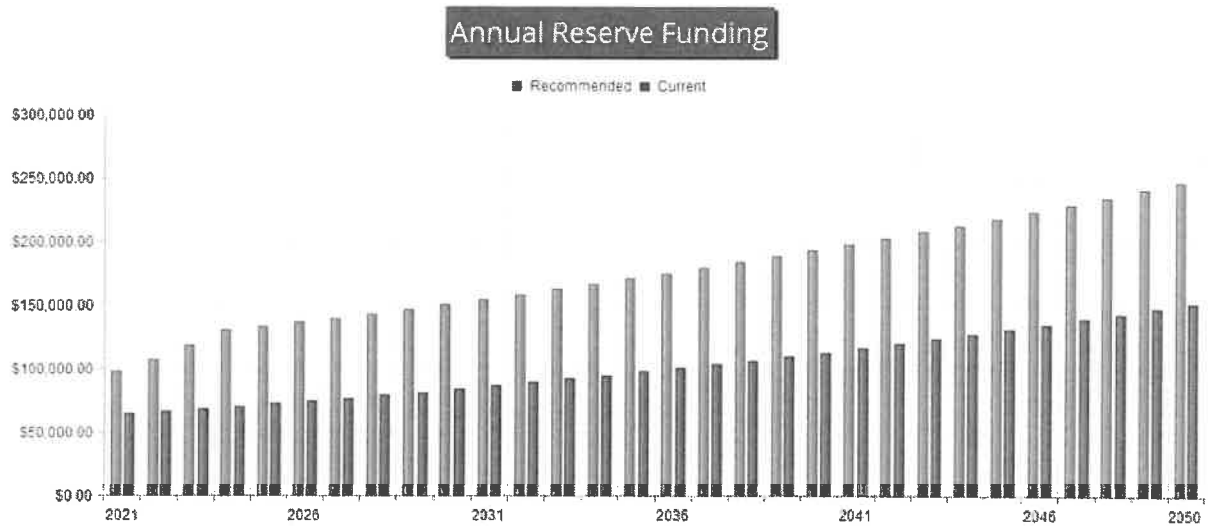


Figure 2

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.

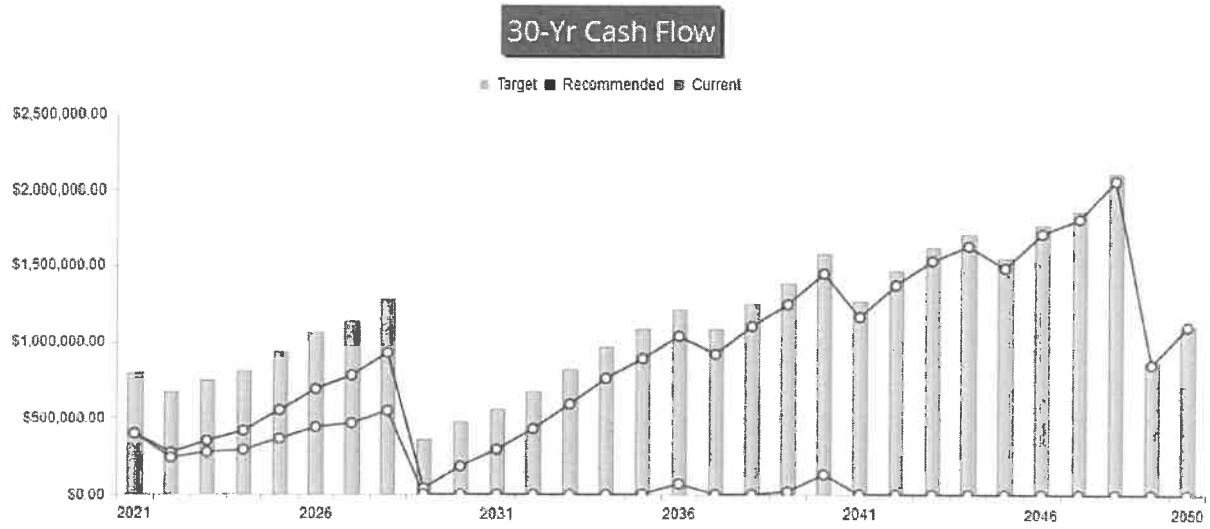


Figure 3

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.

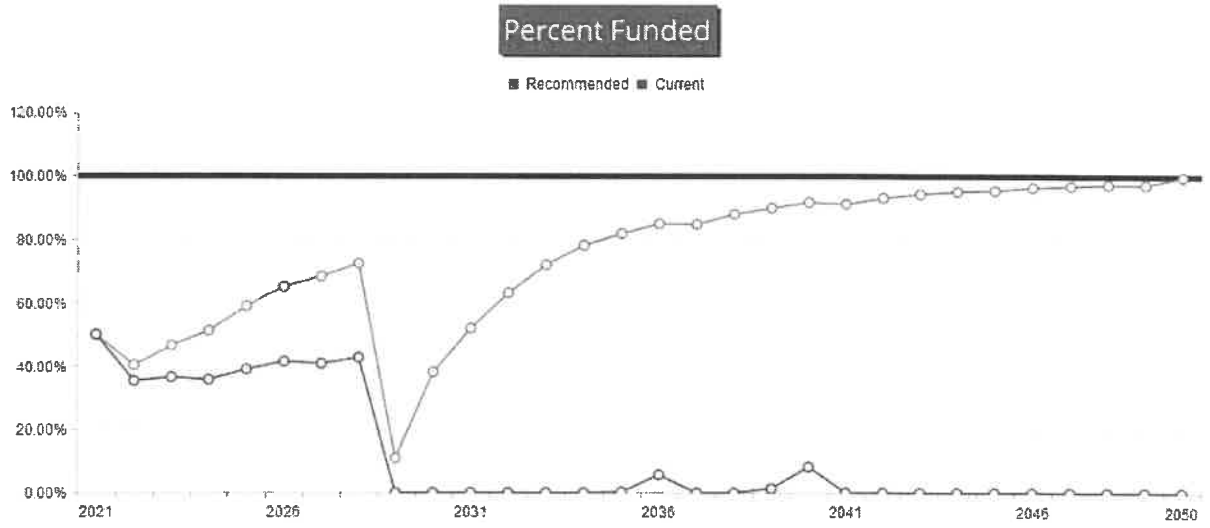


Figure 4

Table Descriptions

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
	Painting					
2343	Building Exterior - Seal/Paint	Approx 190,000 GSF	8	7	$180,000	$200,000
	Roofs					
2381	Roofing (Asphalt Shingle) - Replace	Approx 175,000 GSF	20	7	$591,000	$722,000
	Roads					
2123	Asphalt - Seal/Repair	Approx 23,400 GSY	4	1	$28,400	$34,700
2125	Asphalt (Pkg Only) - Resurface	Approx 17,400 GSY	0	0	$184,000	$204,000
2126	Asphalt (Roads & Pkg) - Resurface	Approx 23,400 GSY	20	19	$253,000	$309,000
	Lake					
2159	Pond Erosion Control - Replace	Approx 770 LF	30	22	$10,000	$15,000
	Contingency/Other					
2107	Concrete Sidewalks - Repair	Approx 3,700 GSF	8	0	$3,700	$4,500
2113	Site Drainage System - Clean/Repair	(1) Large System	20	5	$7,500	$12,500
2141	Site Fencing (Vinyl) - Replace	Approx 555 LF	30	25	$20,000	$24,400
2143	Site Fencing (Chain Link) - Replace	Approx 1,950 LF	30	0	$26,300	$32,200
2166	Mailboxes (Kiosks) - Replace	(15) Kiosks	20	14	$19,000	$23,200
2169	Sign/Monument - Refurbish/Replace	(1) Sign	20	2	$2,500	$3,500
2173	Street Lights - Replace	(7) Lights	20	10	$15,800	$19,300
2175	Site Pole Lights - Replace	Approx (37) Lights	20	2	$45,000	$54,900
2585	Irrigation System - Allowance	(3) Pumps	10	5	$4,000	$6,000

15 Total Funded Components

Fully Funded Balance

39297-0
Full

#	Component	Current Cost Estimate		Effective Age		Useful Life		Fully Funded Balance
	Painting							
2343	Building Exterior - Seal/Paint	$190,000	X	1	/	8	=	$23,750
	Roofs							
2381	Roofing (Asphalt Shingle) - Replace	$656,500	X	13	/	20	=	$426,725
	Roads							
2123	Asphalt - Seal/Repair	$31,550	X	3	/	4	=	$23,663
2125	Asphalt (Pkg Only) - Resurface	$194,000	X	0	/	0	=	$194,000
2126	Asphalt (Roads & Pkg) - Resurface	$281,000	X	1	/	20	=	$14,050
	Lake							
2159	Pond Erosion Control - Replace	$12,500	X	8	/	30	=	$3,333
	Contingency/Other							
2107	Concrete Sidewalks - Repair	$4,100	X	8	/	8	=	$4,100
2113	Site Drainage System - Clean/Repair	$10,000	X	15	/	20	=	$7,500
2141	Site Fencing (Vinyl) - Replace	$22,200	X	5	/	30	=	$3,700
2143	Site Fencing (Chain Link) - Replace	$29,250	X	30	/	30	=	$29,250
2166	Mailboxes (Kiosks) - Replace	$21,100	X	6	/	20	=	$6,330
2169	Sign/Monument - Refurbish/Replace	$3,000	X	18	/	20	=	$2,700
2173	Street Lights - Replace	$17,550	X	10	/	20	=	$8,775
2175	Site Pole Lights - Replace	$49,950	X	18	/	20	=	$44,955
2585	Irrigation System - Allowance	$5,000	X	5	/	10	=	$2,500
								$795,331

30-Year Reserve Plan Summary

39297-0
Full

Fiscal Year Start: 2021	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
2021	$398,210	$795,331	50.1 %		Medium	51.42 %	$98,000	$0	$3,351	$227,350
2022	$272,211	$674,359	40.4 %		Medium	10.00 %	$107,800	$0	$3,113	$32,497
2023	$350,627	$753,137	46.6 %		Medium	10.00 %	$118,580	$0	$3,836	$56,175
2024	$416,868	$812,651	51.3 %		Medium	10.00 %	$130,438	$0	$4,843	$0
2025	$552,149	$934,653	59.1 %		Medium	2.50 %	$133,699	$0	$6,218	$0
2026	$692,067	$1,063,245	65.1 %		Medium	2.50 %	$137,041	$0	$7,370	$53,964
2027	$782,514	$1,143,127	68.5 %		Medium	2.50 %	$140,467	$0	$8,567	$0
2028	$931,548	$1,284,096	72.5 %		Low	2.50 %	$143,979	$0	$4,852	$1,041,088
2029	$39,291	$360,173	10.9 %		High	2.50 %	$147,579	$0	$1,110	$5,194
2030	$182,786	$478,801	38.2 %		Medium	2.50 %	$151,268	$0	$2,389	$41,166
2031	$295,277	$567,331	52.0 %		Medium	2.50 %	$155,050	$0	$3,627	$23,586
2032	$430,368	$680,121	63.3 %		Medium	2.50 %	$158,926	$0	$5,122	$0
2033	$594,416	$824,191	72.1 %		Low	2.50 %	$162,899	$0	$6,790	$0
2034	$764,105	$976,292	78.3 %		Low	2.50 %	$166,972	$0	$8,282	$46,332
2035	$893,026	$1,089,056	82.0 %		Low	2.50 %	$171,146	$0	$9,671	$31,916
2036	$1,041,927	$1,223,987	85.1 %		Low	2.50 %	$175,425	$0	$9,822	$303,804
2037	$923,371	$1,086,976	84.9 %		Low	2.50 %	$179,810	$0	$10,146	$6,579
2038	$1,106,748	$1,256,171	88.1 %		Low	2.50 %	$184,305	$0	$11,782	$52,147
2039	$1,250,688	$1,387,808	90.1 %		Low	2.50 %	$188,913	$0	$13,513	$0
2040	$1,453,115	$1,581,535	91.9 %		Low	2.50 %	$193,636	$0	$13,096	$492,735
2041	$1,167,111	$1,278,120	91.3 %		Low	2.50 %	$198,477	$0	$12,722	$0
2042	$1,378,309	$1,477,820	93.3 %		Low	2.50 %	$203,439	$0	$14,574	$58,692
2043	$1,537,629	$1,627,898	94.5 %		Low	2.50 %	$208,525	$0	$15,864	$125,409
2044	$1,636,610	$1,718,746	95.2 %		Low	2.50 %	$213,738	$0	$15,631	$374,981
2045	$1,490,997	$1,560,395	95.6 %		Low	2.50 %	$219,081	$0	$16,037	$8,334
2046	$1,717,781	$1,780,229	96.5 %		Low	2.50 %	$224,558	$0	$17,662	$143,947
2047	$1,816,054	$1,872,426	97.0 %		Low	2.50 %	$230,172	$0	$19,400	$0
2048	$2,065,627	$2,121,266	97.4 %		Low	2.50 %	$235,927	$0	$14,611	$1,458,276
2049	$857,888	$881,327	97.3 %		Low	2.50 %	$241,825	$0	$9,833	$0
2050	$1,109,546	$1,112,167	99.8 %		Low	2.50 %	$247,870	$0	$12,018	$74,350

30-Year Income/Expense Detail

39297-0
Full

	Fiscal Year	2021	2022	2023	2024	2025
	Starting Reserve Balance	$398,210	$272,211	$350,627	$416,868	$552,149
	Annual Reserve Contribution	$98,000	$107,800	$118,580	$130,438	$133,699
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,351	$3,113	$3,836	$4,843	$6,218
	Total Income	$499,561	$383,124	$473,043	$552,149	$692,067
#	Component					
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$0
	Roofs					
2381	Roofing (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
	Roads					
2123	Asphalt - Seal/Repair	$0	$32,497	$0	$0	$0
2125	Asphalt (Pkg Only) - Resurface	$194,000	$0	$0	$0	$0
2126	Asphalt (Roads & Pkg) - Resurface	$0	$0	$0	$0	$0
	Lake					
2159	Pond Erosion Control - Replace	$0	$0	$0	$0	$0
	Contingency/Other					
2107	Concrete Sidewalks - Repair	$4,100	$0	$0	$0	$0
2113	Site Drainage System - Clean/Repair	$0	$0	$0	$0	$0
2141	Site Fencing (Vinyl) - Replace	$0	$0	$0	$0	$0
2143	Site Fencing (Chain Link) - Replace	$29,250	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$3,183	$0	$0
2173	Street Lights - Replace	$0	$0	$0	$0	$0
2175	Site Pole Lights - Replace	$0	$0	$52,992	$0	$0
2585	Irrigation System - Allowance	$0	$0	$0	$0	$0
	Total Expenses	$227,350	$32,497	$56,175	$0	$0
	Ending Reserve Balance	$272,211	$350,627	$416,868	$552,149	$692,067

	Fiscal Year	2026	2027	2028	2029	2030
	Starting Reserve Balance	$692,067	$782,514	$931,548	$39,291	$182,786
	Annual Reserve Contribution	$137,041	$140,467	$143,979	$147,579	$151,268
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$7,370	$8,567	$4,852	$1,110	$2,389
	Total Income	$836,478	$931,548	$1,080,379	$187,979	$336,443
#	Component					
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$233,676	$0	$0
	Roofs					
2381	Roofing (Asphalt Shingle) - Replace	$0	$0	$807,412	$0	$0
	Roads					
2123	Asphalt - Seal/Repair	$36,575	$0	$0	$0	$41,166
2125	Asphalt (Pkg Only) - Resurface	$0	$0	$0	$0	$0
2126	Asphalt (Roads & Pkg) - Resurface	$0	$0	$0	$0	$0
	Lake					
2159	Pond Erosion Control - Replace	$0	$0	$0	$0	$0
	Contingency/Other					
2107	Concrete Sidewalks - Repair	$0	$0	$0	$5,194	$0
2113	Site Drainage System - Clean/Repair	$11,593	$0	$0	$0	$0
2141	Site Fencing (Vinyl) - Replace	$0	$0	$0	$0	$0
2143	Site Fencing (Chain Link) - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$0
2173	Street Lights - Replace	$0	$0	$0	$0	$0
2175	Site Pole Lights - Replace	$0	$0	$0	$0	$0
2585	Irrigation System - Allowance	$5,796	$0	$0	$0	$0
	Total Expenses	$53,964	$0	$1,041,088	$5,194	$41,166
	Ending Reserve Balance	$782,514	$931,548	$39,291	$182,786	$295,277

	Fiscal Year	2031	2032	2033	2034	2035
	Starting Reserve Balance	$295,277	$430,368	$594,416	$764,105	$893,026
	Annual Reserve Contribution	$155,050	$158,926	$162,899	$166,972	$171,146
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,627	$5,122	$6,790	$8,282	$9,671
	Total Income	$453,954	$594,416	$764,105	$939,359	$1,073,843
#	Component					
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$0
	Roofs					
2381	Roofing (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
	Roads					
2123	Asphalt - Seal/Repair	$0	$0	$0	$46,332	$0
2125	Asphalt (Pkg Only) - Resurface	$0	$0	$0	$0	$0
2126	Asphalt (Roads & Pkg) - Resurface	$0	$0	$0	$0	$0
	Lake					
2159	Pond Erosion Control - Replace	$0	$0	$0	$0	$0
	Contingency/Other					
2107	Concrete Sidewalks - Repair	$0	$0	$0	$0	$0
2113	Site Drainage System - Clean/Repair	$0	$0	$0	$0	$0
2141	Site Fencing (Vinyl) - Replace	$0	$0	$0	$0	$0
2143	Site Fencing (Chain Link) - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$31,916
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$0
2173	Street Lights - Replace	$23,586	$0	$0	$0	$0
2175	Site Pole Lights - Replace	$0	$0	$0	$0	$0
2585	Irrigation System - Allowance	$0	$0	$0	$0	$0
	Total Expenses	$23,586	$0	$0	$46,332	$31,916
	Ending Reserve Balance	$430,368	$594,416	$764,105	$893,026	$1,041,927

	Fiscal Year	2036	2037	2038	2039	2040
	Starting Reserve Balance	$1,041,927	$923,371	$1,106,748	$1,250,688	$1,453,115
	Annual Reserve Contribution	$175,425	$179,810	$184,305	$188,913	$193,636
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$9,822	$10,146	$11,782	$13,513	$13,096
	Total Income	$1,227,174	$1,113,327	$1,302,836	$1,453,115	$1,659,846
#	Component					
	Painting					
2343	Building Exterior - Seal/Paint	$296,014	$0	$0	$0	$0
	Roofs					
2381	Roofing (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
	Roads					
2123	Asphalt - Seal/Repair	$0	$0	$52,147	$0	$0
2125	Asphalt (Pkg Only) - Resurface	$0	$0	$0	$0	$0
2126	Asphalt (Roads & Pkg) - Resurface	$0	$0	$0	$0	$492,735
	Lake					
2159	Pond Erosion Control - Replace	$0	$0	$0	$0	$0
	Contingency/Other					
2107	Concrete Sidewalks - Repair	$0	$6,579	$0	$0	$0
2113	Site Drainage System - Clean/Repair	$0	$0	$0	$0	$0
2141	Site Fencing (Vinyl) - Replace	$0	$0	$0	$0	$0
2143	Site Fencing (Chain Link) - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$0
2173	Street Lights - Replace	$0	$0	$0	$0	$0
2175	Site Pole Lights - Replace	$0	$0	$0	$0	$0
2585	Irrigation System - Allowance	$7,790	$0	$0	$0	$0
	Total Expenses	$303,804	$6,579	$52,147	$0	$492,735
	Ending Reserve Balance	$923,371	$1,106,748	$1,250,688	$1,453,115	$1,167,111

	Fiscal Year	2041	2042	2043	2044	2045
	Starting Reserve Balance	$1,167,111	$1,378,309	$1,537,629	$1,636,610	$1,490,997
	Annual Reserve Contribution	$198,477	$203,439	$208,525	$213,738	$219,081
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$12,722	$14,574	$15,864	$15,631	$16,037
	Total Income	$1,378,309	$1,596,322	$1,762,019	$1,865,979	$1,726,116
#	Component					
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$0	$374,981	$0
	Roofs					
2381	Roofing (Asphalt Shingle) - Replace	$0	$0	$0	$0	$0
	Roads					
2123	Asphalt - Seal/Repair	$0	$58,692	$0	$0	$0
2125	Asphalt (Pkg Only) - Resurface	$0	$0	$0	$0	$0
2126	Asphalt (Roads & Pkg) - Resurface	$0	$0	$0	$0	$0
	Lake					
2159	Pond Erosion Control - Replace	$0	$0	$23,951	$0	$0
	Contingency/Other					
2107	Concrete Sidewalks - Repair	$0	$0	$0	$0	$8,334
2113	Site Drainage System - Clean/Repair	$0	$0	$0	$0	$0
2141	Site Fencing (Vinyl) - Replace	$0	$0	$0	$0	$0
2143	Site Fencing (Chain Link) - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$5,748	$0	$0
2173	Street Lights - Replace	$0	$0	$0	$0	$0
2175	Site Pole Lights - Replace	$0	$0	$95,709	$0	$0
2585	Irrigation System - Allowance	$0	$0	$0	$0	$0
	Total Expenses	$0	$58,692	$125,409	$374,981	$8,334
	Ending Reserve Balance	$1,378,309	$1,537,629	$1,636,610	$1,490,997	$1,717,781

	Fiscal Year	2046	2047	2048	2049	2050
	Starting Reserve Balance	$1,717,781	$1,816,054	$2,065,627	$857,888	$1,109,546
	Annual Reserve Contribution	$224,558	$230,172	$235,927	$241,825	$247,870
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$17,662	$19,400	$14,611	$9,833	$12,018
	Total Income	$1,960,001	$2,065,627	$2,316,165	$1,109,546	$1,369,434
#	Component					
	Painting					
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$0
	Roofs					
2381	Roofing (Asphalt Shingle) - Replace	$0	$0	$1,458,276	$0	$0
	Roads					
2123	Asphalt - Seal/Repair	$66,059	$0	$0	$0	$74,350
2125	Asphalt (Pkg Only) - Resurface	$0	$0	$0	$0	$0
2126	Asphalt (Roads & Pkg) - Resurface	$0	$0	$0	$0	$0
	Lake					
2159	Pond Erosion Control - Replace	$0	$0	$0	$0	$0
	Contingency/Other					
2107	Concrete Sidewalks - Repair	$0	$0	$0	$0	$0
2113	Site Drainage System - Clean/Repair	$20,938	$0	$0	$0	$0
2141	Site Fencing (Vinyl) - Replace	$46,482	$0	$0	$0	$0
2143	Site Fencing (Chain Link) - Replace	$0	$0	$0	$0	$0
2166	Mailboxes (Kiosks) - Replace	$0	$0	$0	$0	$0
2169	Sign/Monument - Refurbish/Replace	$0	$0	$0	$0	$0
2173	Street Lights - Replace	$0	$0	$0	$0	$0
2175	Site Pole Lights - Replace	$0	$0	$0	$0	$0
2585	Irrigation System - Allowance	$10,469	$0	$0	$0	$0
	Total Expenses	$143,947	$0	$1,458,276	$0	$74,350
	Ending Reserve Balance	$1,816,054	$2,065,627	$857,888	$1,109,546	$1,295,085

Component Method (Straight-Line) Funding

Component	Useful Life	Rem. Useful Life	Current Replacement Cost (Component)	Existing Funds (Group)	Group Fund Allocation	Unfunded Balance	2021 Funding (Component)	2021 Funding (Group)
Painting								
Building Exterior - Seal/Paint	8	7	$190,000	$6,588.07	$6,588.07	$183,411.93	$26,201.7	$26,201.70
Roofs								
Roofing (Asphalt Shingle) - Replace	20	7	$656,500	$323,932.76	$323,932.76	$332,567.24	$47,509.61	$47,509.61
Roads								
Asphalt - Seal/Repair	4	1	$31,550	$60,289.18	$3,755.06	$27,794.94	$27,794.94	$211,734.46
Asphalt (Pkg Only) - Resurface	0	0	$194,000	$60,289.18	$23,089.73	$170,910.27	$170,910.27	
Asphalt (Roads & Pkg) - Resurface	20	19	$281,000	$60,289.18	$33,444.4	$247,555.6	$13,029.24	
Lake								
Pond Erosion Control - Replace	30	22	$12,500	$7,400.04	$7,400.04	$5,099.96	$231.82	$231.82
Contingency/Other								
Concrete Sidewalks - Repair	8	0	$4,100	$0	$0	$4,100	$4,100	$66,975.14
Site Drainage System - Clean/Repair	20	5	$10,000	$0	$0	$10,000	$2,000	
Site Fencing (Vinyl) - Replace	30	25	$22,200	$0	$0	$22,200	$888	
Site Fencing (Chain Link) - Replace	30	0	$29,250	$0	$0	$29,250	$29,250	
Mailboxes (Kiosks) - Replace	20	14	$21,100	$0	$0	$21,100	$1,507.14	
Sign/Monument - Refurbish/Replace	20	2	$3,000	$0	$0	$3,000	$1,500	
Street Lights - Replace	20	10	$17,550	$0	$0	$17,550	$1,755	
Site Pole Lights - Replace	20	2	$49,950	$0	$0	$49,950	$24,975	
Irrigation System - Allowance	10	5	$5,000	$0	$0	$5,000	$1,000	
							Grand Total:	$352,652.73

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.

Painting

Comp #: 2343 Building Exterior - Seal/Paint **Quantity: Approx 190,000 GSF**
Location: Building exteriors
Funded?: Yes.
History: Per information provided, all buildings to be completely repainted before end of 2020 for ~ $190,000
Comments: Approximately 13,400 LF of sealants noted at windows and door frames. Good condition: Painted exterior surfaces determined to be in good condition typically exhibit consistent, attractive color and texture with no unusual or significant signs of wear or deterioration. Appearance is good and upholding the aesthetic standards of the development.

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:
8 years

Remaining Life:
7 years

Best Case: $ 180,000 Worst Case: $ 200,000

Lower estimate to seal/repaint Higher estimate

Cost Source: Client Cost History

Roofs

Comp #: 2381 Roofing (Asphalt Shingle) - Replace **Quantity: Approx 175,000 GSF**
Location: Building rooftop
Funded?: Yes.
History: Per information provided, all roofs replaced after hurricane Wilma (~2005)
Comments: 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:
7 years

Best Case: $ 591,000 Worst Case: $ 722,000

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Roads

Comp #: 2123 Asphalt - Seal/Repair **Quantity: Approx 23,400 GSY**
Location: Asphalt throughout development
Funded?: Yes.
History:
Comments: 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:
1 years

Best Case: $ 28,400 Worst Case: $ 34,700

Lower estimate to seal/repair Higher estimate

Cost Source: AR Cost Database

Comp #: 2125 Asphalt (Pkg Only) - Resurface **Quantity: Approx 17,400 GSY**
Location: Parking Lots
Funded?: Yes.
History: Per information provided, parking lots to be resurfaced before end of 2020 for ~ $194,000
Comments: This component is a "one-time" expense for milling/paving only the parking lot portions on property. However, for future milling/paving, we recommend that both parking lots and main roads be completed as one project (simultaneously). With this approach, we have included a milling/paving component for all asphalt areas under component "#2126 Asphalt (Roads & Pkg) - Resurface".

Poor condition: Asphalt pavement determined to be in poor condition typically exhibits more substantial, consistent patterns of wear and age, including longer, wider cracks and/or patterns of cracking. Raveling is more advanced, resulting in dimpled, rougher texture over most (if not all) areas. Color has faded and curb appeal is declining. At this stage, timeline for resurfacing should be discussed and proper scope of work developed.

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:
0 years

Remaining Life:
0 years

Best Case: $ 184,000 Worst Case: $ 204,000

Lower estimate to resurface Higher estimate

Cost Source: Estimate Provided by Client

Comp #: 2126 Asphalt (Roads & Pkg) - Resurface **Quantity: Approx 23,400 GSY**
Location: Asphalt throughout development
Funded?: Yes.
History: Per information provided, main roads (excluding parking lots) were resurfaced in ~ 2015-16
Comments: Per information provided, parking lots to be resurfaced before end of 2020 for ~ $194,000. Given that all main roads were resurfaced ~2015-16, we have created this component to cycle both parking lots and main roads together for future resurfacing projects. Please refer to prior component "#2125 - Asphalt (Parking Lots) - Resurface" for the resurfacing project of parking lots for 2020.

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:
19 years

Best Case: $ 253,000 Worst Case: $ 309,000

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

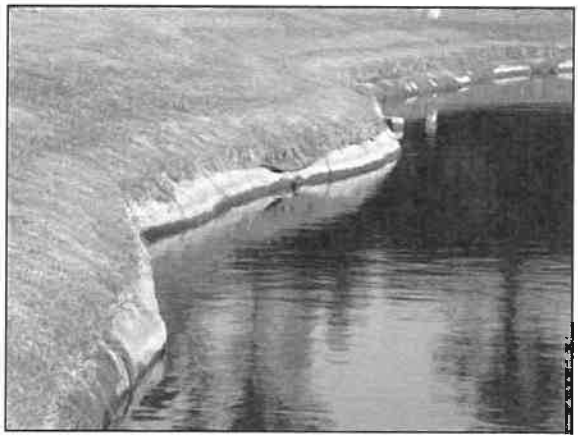
Lake

Comp #: 2159 Pond Erosion Control - Replace **Quantity: Approx 770 LF**
Location: Waterline at retention pond(s)
Funded?: Yes.
History: Per information provided at time of inspection, pond erosion system surrounding perimeter of pond (erosion control purposes) was replaced ~ 2013
Comments: Fair condition: Pond erosion control measures determined to be in fair condition typically exhibit a mostly uniform slope with minor erosion of shore material and possibly some gaps in ground cover. We recommend budgeting an ongoing allowance (~ 25% of total cost) for misc. repairs at the approximate interval shown here.

There are a variety of pond erosion control measures in use today. Some methods include installation of rock revetments and/or rip-rap. Increasingly, many developments are utilizing various geotextile fabric products, which are placed along shorelines and typically covered over with turf and/or rock. In our experience, once installed, these types of materials should have an indefinite lifespan with no predictable need to completely replace all areas at one time. In some cases, repairs to individual sections may be required and should be completed as needed.

Useful Life:
30 years

Remaining Life:
22 years



Best Case:	$ 10,000	Worst Case:	$ 15,000
	Lower allowance for partial replacements		Higher allowance

Cost Source: AR Cost Database

Contingency/Other

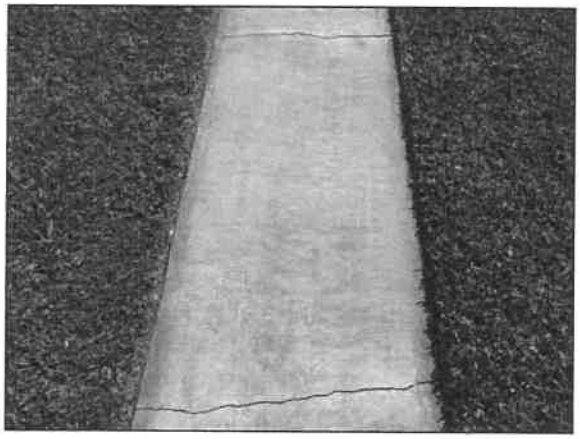
Comp #: 2107 Concrete Sidewalks - Repair **Quantity: Approx 3,700 GSF**
Location: Throughout development
Funded?: Yes.
History:
Comments: Although difficult to predict timing, cost and scope, we suggest a rotating funding allowance (approx. 10% of total, or 370 GSF / 3,700 GSF) to supplement the operating/maintenance budget for periodic larger repairs. Adjust as conditions, actual expense patterns dictate within future Reserve Study updates.

Poor condition: Concrete sidewalks in poor condition typically exhibit un-even and broken surfaces possibly due to lifting by adjacent tree roots or other external factors. Cracks and trip hazards are substantial and consistent over many areas, and present an urgent safety hazard. If present, sections with ponding water can also pose a slip and fall risk.

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.

Useful Life:
8 years

Remaining Life:
0 years



Best Case: $ 3,700 Worst Case: $ 4,500

Lower allowance to repair Higher allowance

Cost Source: AR Cost Database

Comp #: 2113 Site Drainage System - Clean/Repair **Quantity: (1) Large System**
Location: Throughout development
Funded?: Yes.
History: Per information provided, culvert located at pond recently repaired
Comments: Based on observed conditions and/or reports by the Client, we recommend further investigation using cameras or other means to document and identify existing 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. An allowance for repairs, inspections and certification is recommended here.

No access to inspect in-ground drainage infrastructure. Annual preventive maintenance work is typically performed as part of a property'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).

Useful Life:
20 years

Remaining Life:
5 years

Best Case: $ 7,500 Worst Case: $ 12,500

Lower allowance to clean/repair Higher allowance

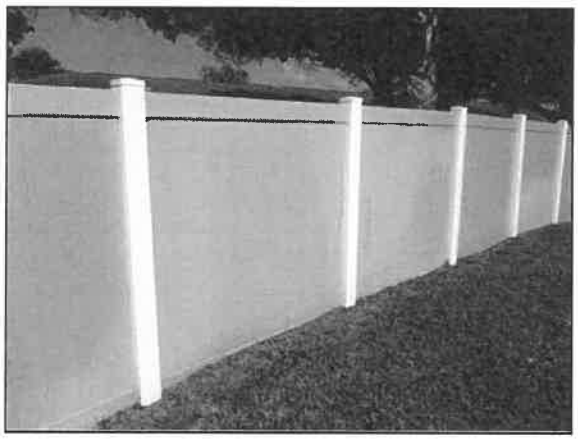
Cost Source: AR Cost Database

Comp #: 2141 Site Fencing (Vinyl) - Replace **Quantity: Approx 555 LF**
Location: Perimeter areas of development
Funded?: Yes.
History:
Comments: Approximately 6' tall vinyl fence, noted in good condition. Vinyl fencing determined to be in good condition typically exhibits little to no apparent surface wear or damage. Physically, fencing is straight and upright with no warped, cracked or damaged sections. Appearance is good and appropriate for curb appeal within the development.

As routine maintenance, inspect regularly for any damage and repair as needed from Operating budget; pressure-clean as a general maintenance item or along with larger building projects, not as separate Reserve item. Even with proactive maintenance, plan to replace at roughly the time frame below due to damage/deterioration that will result from constant exposure.

Useful Life:
30 years

Remaining Life:
25 years



Best Case: $ 20,000 Worst Case: $ 24,400

Lower estimate to replace Higher estimate

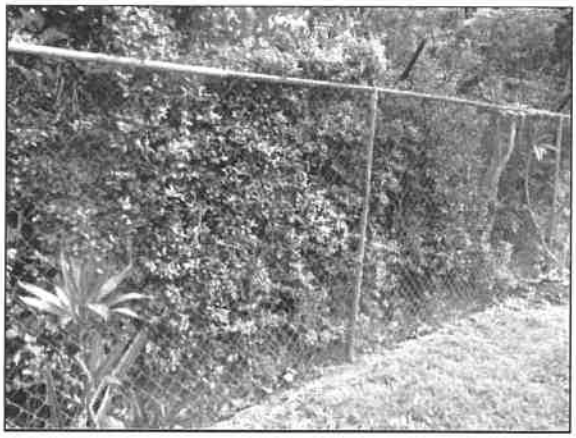
Cost Source: AR Cost Database

Comp #: 2143 Site Fencing (Chain Link) - Replace **Quantity: Approx 1,950 LF**
Location: Perimeter of development
Funded?: Yes.
History:
Comments: Approximately 920 LF of 6' tall chainlink, and ~ 1,030 LF of 5' tall fencing noted in poor condition. Poor condition: Chain-link site fencing determined to be in poor condition typically exhibits more advanced signs of surface wear, including rust or corrosion across most surfaces. In some cases, fabric has required repair, and posts may be leaning or bent. Generally unsightly appearance. Note: Scope of work/costs pertaining to the prep/removal of existing vegetation was not included in the costs below as the scope is unknown at this time. If any additional information becomes available at a later date, we recommend to update this reserve study. Cost shown below is for replacing/installing chainlink fence only.

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:
0 years



Best Case: $ 26,300 Worst Case: $ 32,200

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2166 Mailboxes (Kiosks) - Replace **Quantity: (15) Kiosks**
Location: Kiosks at common areas
Funded?: Yes.
History: Per information provided, majority of mailboxes replaced ~ 2015
Comments: 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:
14 years

Best Case: $ 19,000 Worst Case: $ 23,200

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?: Yes.
History:
Comments: Poor condition: Monument signage determined to be in poor condition typically exhibits poor appearance and aesthetics not up to aesthetic standards for the development. In some cases, determination may be made on physical/structural condition, or based on aesthetics/style alone. At this stage, major refurbishment or complete replacement should be considered.

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:
2 years

Best Case: $ 2,500 Worst Case: $ 3,500

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.
History:
Comments: 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 #: 2173 Street Lights - Replace **Quantity: (7) Lights**
Location: Throughout development
Funded?: Yes.
History:
Comments: Fair condition: Street lights determined to be in fair condition typically exhibit somewhat faded/worn appearance but overall assembly is sturdy and aging normally. Serviceable physical condition and still appropriate for aesthetic standards.

Lights were inspected during daylight hours but are assumed to be functional. Bulbs are expected to be replaced as needed as an Operating expense. Replacement should be considered at the approximate interval shown below to ensure good function and maintain good appearance in the common areas. Replacement costs can vary greatly depending on replacement type; estimates shown here are based on replacement with a comparable size and design as are currently in place, unless otherwise noted.

Useful Life:
20 years

Remaining Life:
10 years

Best Case: $ 15,800 Worst Case: $ 19,300

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2175 Site Pole Lights - Replace **Quantity: Approx (37) Lights**
Location: Common areas throughout development
Funded?: Yes.
History:
Comments: Poor condition: Pole lights determined to be in poor condition typically exhibit moderate to advanced wear or other signs of age. Timeline for replacement can often be determined by outdated style. At this stage, replacement for aesthetic reasons may still be warranted even if lights are functional.

Observed during daylight hours; assumed to be in functional operating condition. As routine maintenance, inspect, repair/change bulbs as needed. Best to plan for large scale replacement at roughly the time frame below for cost efficiency and consistent quality/appearance throughout property. Replacement costs can vary greatly; estimates shown here are based on replacement with a comparable size and design, unless otherwise noted.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 45,000 Worst Case: $ 54,900

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

Comp #: 2185 Landscaping - Refurbish **Quantity: Numerous Areas**
Location: Landscaped common areas
Funded?: No.
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 #: 2585 Irrigation System - Allowance **Quantity: (3) Pumps**
Location: Pump stations
Funded?: Yes.
History:
Comments: Total of (3) 2 HP pumps, replaced on as needed basis. Irrigation pumps can often be repaired or rebuilt rather than completely replaced. Motor rebuilds and other repairs are often considered an Operating expense. Pumps and motors need to be checked and serviced regularly by landscaping/irrigation vendor or other maintenance personnel to ensure proper function. If possible, should be protected from sunlight and weather to minimize exposure and prolong life. Costs to replace are based on similar size and horsepower. In most cases, age differences between pumps will dictate varying timelines for replacement. As such, the cost range shown here are based on replacement of a portion of the total quantity at recurring cycles, not complete replacement of all pumps together. The percentage of the total quantity and the timeline between replacement cycles 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:
10 years

Remaining Life:
5 years

Best Case: $ 4,000 Worst Case: $ 6,000

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database

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Appendix A: Supplemental Analysis

It is our recent understanding that the Florida Division of Condominiums, Timeshares and Mobile Homes ("the Division") has required that a community association's reserve funding must plan be presented without any increases in the recommended contribution rate. This is requested in order to satisfy the Division's requirement as noted in Florida Administrative Code rule 61B-22.005(3)(b), which states:

"If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal. The reserve funding formula shall not include any type of balloon payments."

It is our understanding that the Division has interpreted the last sentence in this statement to mean that any annual increase in the projected contribution rate is not acceptable. As such, in order to assist the Association with its budgeting and reporting process, we have prepared this supplemental analysis which includes the following assumptions:

1. No inflationary increases to the component cost estimates over the course of the forecast.
2. No interest earned on invested Reserve funds.
3. A level Reserve contribution rate with no increases following the initial fiscal year of the plan.
4. To satisfy the minimum requirements of Florida legislation, the funding plan has been designed to recommend the minimum contribution rate required in order to ensure a positive (greater than zero) cash balance throughout the forecast presented, a strategy sometimes known as "Baseline" funding.

It should be understood that this analysis is presented solely to satisfy the requirements of the Division as reported to us. We strongly encourage the Association to carefully examine the underlying assumptions presented within this analysis when deciding on a prudent budgeting strategy. In our opinion, excluding inflationary increases is unrealistic when making long-term financial forecasts. Furthermore, although it is considered "sufficient" by the state of Florida, baseline funding is widely regarded as the riskiest strategy an Association can employ and will incur significantly higher risks of future loans and/or special assessments. Please contact our office with any questions or requests for clarification.

Fiscal Year Start: 2021	Interest: 0.00%	Inflation: 0.00%

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
2021	$398,210	$795,331	50.1%	Medium	56.06%	$101,000	$0	$0	$227,350
2022	$271,860	$654,718	41.5%	Medium	0.00%	$101,000	$0	$0	$31,550
2023	$341,310	$709,904	48.1%	Medium	0.00%	$101,000	$0	$0	$52,950
2024	$389,360	$743,691	52.4%	Medium	0.00%	$101,000	$0	$0	$0
2025	$490,360	$830,428	59.0%	Medium	0.00%	$101,000	$0	$0	$0
2026	$591,360	$917,164	64.5%	Medium	0.00%	$101,000	$0	$0	$46,550
2027	$645,810	$957,351	67.5%	Medium	0.00%	$101,000	$0	$0	$0
2028	$746,810	$1,044,088	71.5%	Low	0.00%	$101,000	$0	$0	$846,500
2029	$1,310	$284,324	0.5%	High	0.00%	$101,000	$0	$0	$4,100
2030	$98,210	$366,961	26.8%	High	0.00%	$101,000	$0	$0	$31,550
2031	$167,660	$422,148	39.7%	Medium	0.00%	$101,000	$0	$0	$17,550
2032	$251,110	$491,334	51.1%	Medium	0.00%	$101,000	$0	$0	$0
2033	$352,110	$578,071	60.9%	Medium	0.00%	$101,000	$0	$0	$0
2034	$453,110	$664,808	68.2%	Medium	0.00%	$101,000	$0	$0	$31,550
2035	$522,560	$719,994	72.6%	Low	0.00%	$101,000	$0	$0	$21,100
2036	$602,460	$785,631	76.7%	Low	0.00%	$101,000	$0	$0	$195,000
2037	$508,460	$677,368	75.1%	Low	0.00%	$101,000	$0	$0	$4,100
2038	$605,360	$760,004	79.7%	Low	0.00%	$101,000	$0	$0	$31,550
2039	$674,810	$815,191	82.8%	Low	0.00%	$101,000	$0	$0	$0
2040	$775,810	$901,928	86.0%	Low	0.00%	$101,000	$0	$0	$281,000
2041	$595,810	$707,664	84.2%	Low	0.00%	$101,000	$0	$0	$0
2042	$696,810	$794,401	87.7%	Low	0.00%	$101,000	$0	$0	$31,550
2043	$766,260	$849,588	90.2%	Low	0.00%	$101,000	$0	$0	$65,450
2044	$801,810	$870,874	92.1%	Low	0.00%	$101,000	$0	$0	$190,000
2045	$712,810	$767,611	92.9%	Low	0.00%	$101,000	$0	$0	$4,100
2046	$809,710	$850,248	95.2%	Low	0.00%	$101,000	$0	$0	$68,750
2047	$841,960	$868,234	97.0%	Low	0.00%	$101,000	$0	$0	$0
2048	$942,960	$954,971	98.7%	Low	0.00%	$101,000	$0	$0	$656,500
2049	$387,460	$385,208	100.6%	Low	0.00%	$101,000	$0	$0	$0
2050	$488,460	$471,944	103.5%	Low	0.00%	$101,000	$0	$0	$31,550