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**Villages of Valencia HOA, Inc.
Duplexes
*St. Augustine, FL***



Report #: 47920-0
Beginning: January 1, 2024
Expires: December 31, 2024

RESERVE STUDY
"Full"

September 5, 2023

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**
Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**
A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**
A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.



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Villages of Valencia HOA, Inc. - Duplexes
St. Augustine, FL
Level of Service: "Full"

Report #: 47920-0
of Units: 70

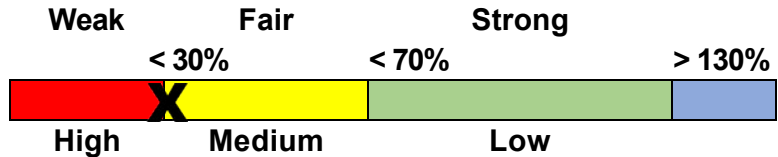
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Projected Starting Reserve Balance	\$70,571
Projected "Fully Funded" (Ideal) Reserve Balance	\$230,998
Average Reserve Deficit (Surplus) Per Owner	\$2,292
Percent Funded	30.6 %
Recommended Funding Contributions	\$87,200
Minimum Contributions Required per Florida Admin. Code	\$83,000
Recommended 2024 Special Assessments for Reserves	\$0
Most Recent Reserve Contribution Rate	\$18,340

Reserve Fund Strength: 30.6%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	2.00 %
Annual Inflation Rate	3.00 %

This document is a "Full" Reserve Study (original, created "from scratch"), based on our site inspection on 5/16/2023.

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 30.6 % 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. This Reserve Study analysis expires at the end of the initial fiscal year covered within, and should NOT be used for budgeting for Reserves in future fiscal years. Please contact our office to discuss options for updating your Reserve Study on an annual basis.

Reserve Funding Goals and Methodology:

POOLED FUNDING (AKA "Cash Flow Method"):

This Reserve Study includes two different options for funding based on the "pooled" method (also known as the cash flow method.)

Our "recommended" funding plan is designed to help the Association to attain and maintain Reserves at or near 100 percent-funded. This goal is more likely to provide an adequate cushion of accumulated funds, which will help reduce the risk of special assessments and/or loans in the event of higher-than-expected component costs, reduced component life expectancies, or other "surprise" circumstances.

We have also provided an "alternate" funding plan. For Florida associations using the pooled method, Florida Administrative Code requires 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 Florida, satisfying this objective is generally understood to be "fully funding" the Reserves, and any proposed budget that purports to provide less than the required amount must be voted on and approved by a majority vote of the ownership. (Please consult with your Association's legal counsel for additional guidance regarding the waiving or partial funding of reserves.)

It should be noted that while this is often understood to describe "fully funding" of reserves in Florida, this practice is also described in National Reserve Study Standards (NRSS) as "baseline funding." NRSS characterizes baseline funding as "establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs."

In accordance with Florida statutes, the Association may adjust reserve contributions annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life on a reserve item caused by deferred maintenance.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Duplexes			
2303 Exterior Lights - Replace	20	17	\$59,700
2343 Building Exterior - Seal/Paint	7	4	\$145,000
2381 Asphalt Shingle Roofing - Replace	15	12	\$799,500

3 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue 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 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?

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



RESERVE COMPONENT "FOUR-PART TEST"

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 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.

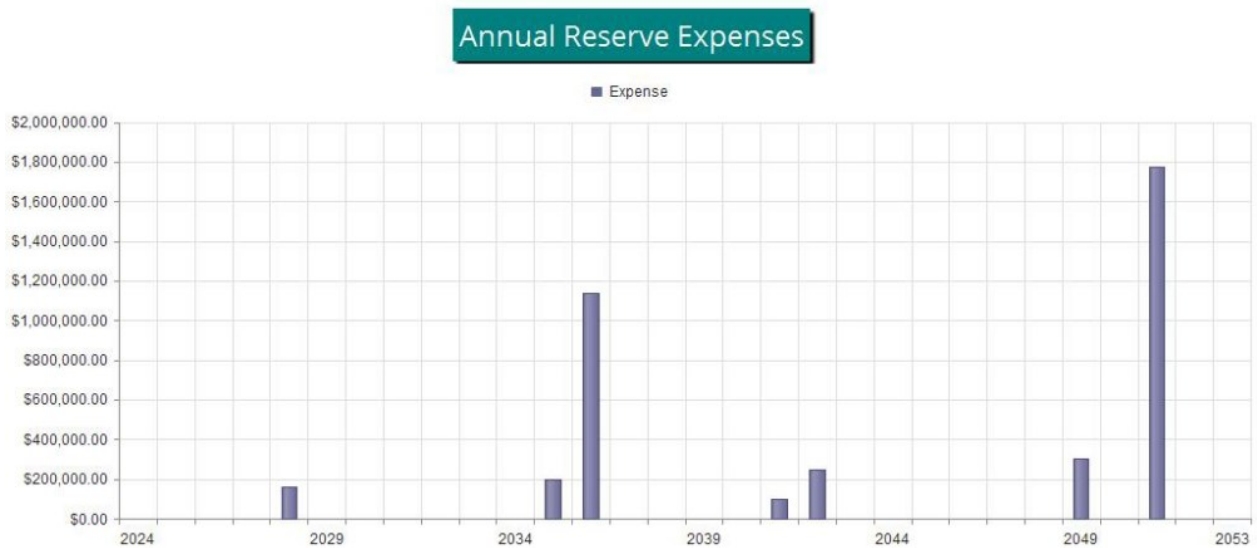


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$70,571 as-of the start of your Fiscal Year on 1/1/2024. 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 \$230,998. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 30.6 % 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 \$87,200 in the upcoming fiscal year. At minimum, the Association must budget \$83,000 for Reserves in the upcoming 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.

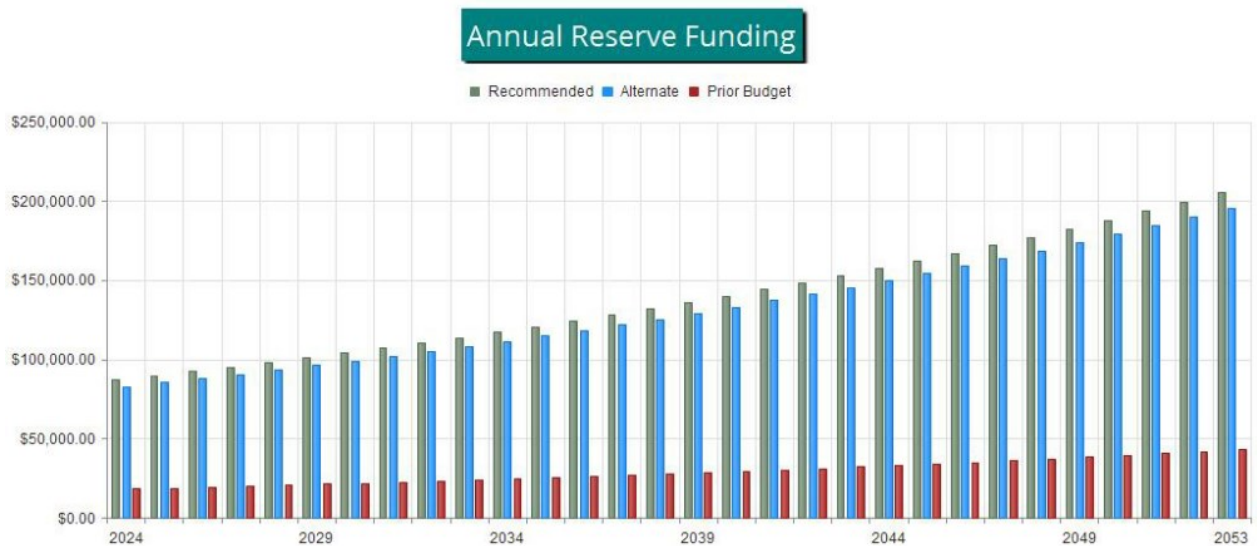


Figure 2

The following chart shows your Reserve balance under our recommended plan, the minimum funding plan and at the Association's current contribution rate, all 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. 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.

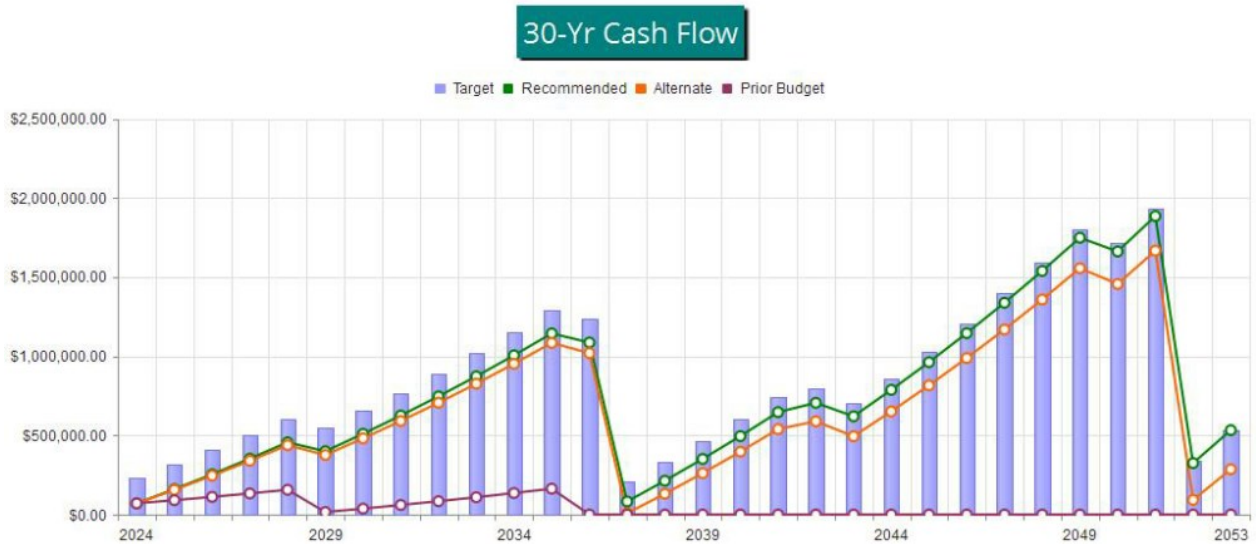


Figure 3

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.

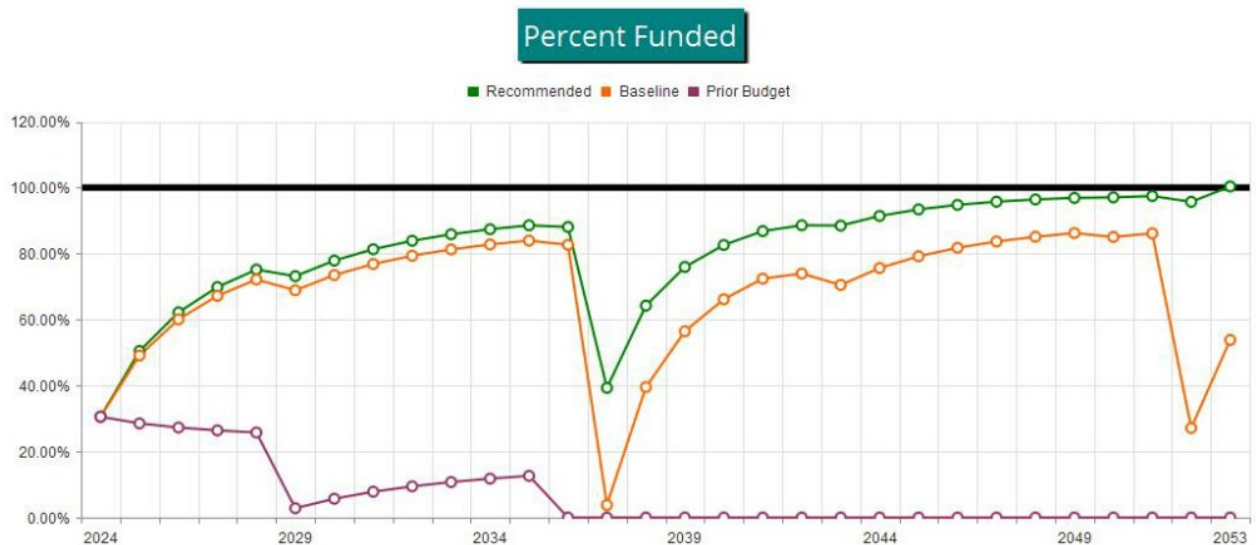


Figure 4



Executive Summary is a summary of your Reserve Components

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.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, 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.

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	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Duplexes								
2303	Exterior Lights - Replace	\$59,700	X	3	/	20	=	\$8,955
2343	Building Exterior - Seal/Paint	\$145,000	X	3	/	7	=	\$62,143
2381	Asphalt Shingle Roofing - Replace	\$799,500	X	3	/	15	=	\$159,900
								\$230,998



#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Duplexes					
2303	Exterior Lights - Replace	20	\$59,700	\$2,985	3.88 %
2343	Building Exterior - Seal/Paint	7	\$145,000	\$20,714	26.90 %
2381	Asphalt Shingle Roofing - Replace	15	\$799,500	\$53,300	69.22 %
3	Total Funded Components			\$76,999	100.00 %

30-Year Reserve Plan Summary

Report # 47920-0
Full

Fiscal Year Start: 2024

Interest: 2.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2024	\$70,571	\$230,998	30.6 %	Medium	375.46 %	\$87,200	\$0	\$2,304	\$0
2025	\$160,075	\$317,237	50.5 %	Medium	3.00 %	\$89,816	\$0	\$4,137	\$0
2026	\$254,029	\$408,443	62.2 %	Medium	3.00 %	\$92,510	\$0	\$6,061	\$0
2027	\$352,600	\$504,835	69.8 %	Medium	3.00 %	\$95,286	\$0	\$8,079	\$0
2028	\$455,965	\$606,644	75.2 %	Low	3.00 %	\$98,144	\$0	\$8,547	\$163,199
2029	\$399,457	\$546,011	73.2 %	Low	3.00 %	\$101,089	\$0	\$9,083	\$0
2030	\$509,629	\$654,333	77.9 %	Low	3.00 %	\$104,121	\$0	\$11,337	\$0
2031	\$625,087	\$768,662	81.3 %	Low	3.00 %	\$107,245	\$0	\$13,699	\$0
2032	\$746,032	\$889,263	83.9 %	Low	3.00 %	\$110,462	\$0	\$16,173	\$0
2033	\$872,667	\$1,016,407	85.9 %	Low	3.00 %	\$113,776	\$0	\$18,762	\$0
2034	\$1,005,206	\$1,150,380	87.4 %	Low	3.00 %	\$117,190	\$0	\$21,472	\$0
2035	\$1,143,867	\$1,291,476	88.6 %	Low	3.00 %	\$120,705	\$0	\$22,281	\$200,714
2036	\$1,086,139	\$1,233,268	88.1 %	Low	3.00 %	\$124,326	\$0	\$11,674	\$1,139,896
2037	\$82,244	\$209,249	39.3 %	Medium	3.00 %	\$128,056	\$0	\$2,952	\$0
2038	\$213,252	\$331,995	64.2 %	Medium	3.00 %	\$131,898	\$0	\$5,635	\$0
2039	\$350,786	\$461,917	75.9 %	Low	3.00 %	\$135,855	\$0	\$8,451	\$0
2040	\$495,092	\$599,336	82.6 %	Low	3.00 %	\$139,930	\$0	\$11,405	\$0
2041	\$646,428	\$744,584	86.8 %	Low	3.00 %	\$144,128	\$0	\$13,506	\$98,675
2042	\$705,387	\$796,373	88.6 %	Low	3.00 %	\$148,452	\$0	\$13,245	\$246,853
2043	\$620,231	\$701,024	88.5 %	Low	3.00 %	\$152,906	\$0	\$14,062	\$0
2044	\$787,199	\$861,124	91.4 %	Low	3.00 %	\$157,493	\$0	\$17,479	\$0
2045	\$962,171	\$1,030,199	93.4 %	Low	3.00 %	\$162,218	\$0	\$21,058	\$0
2046	\$1,145,446	\$1,208,644	94.8 %	Low	3.00 %	\$167,084	\$0	\$24,806	\$0
2047	\$1,337,337	\$1,396,868	95.7 %	Low	3.00 %	\$172,097	\$0	\$28,730	\$0
2048	\$1,538,164	\$1,595,298	96.4 %	Low	3.00 %	\$177,260	\$0	\$32,836	\$0
2049	\$1,748,259	\$1,804,376	96.9 %	Low	3.00 %	\$182,577	\$0	\$34,066	\$303,598
2050	\$1,661,305	\$1,711,857	97.0 %	Low	3.00 %	\$188,055	\$0	\$35,430	\$0
2051	\$1,884,790	\$1,934,251	97.4 %	Low	3.00 %	\$193,696	\$0	\$22,075	\$1,775,921
2052	\$324,641	\$339,249	95.7 %	Low	3.00 %	\$199,507	\$0	\$8,566	\$0
2053	\$532,714	\$530,880	100.3 %	Low	3.00 %	\$205,493	\$0	\$12,826	\$0

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 47920-0
Full

Fiscal Year Start: 2024

Interest: 2.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2024	\$70,571	\$230,998	30.6 %	Medium	352.56 %	\$83,000	\$0	\$2,262	\$0
2025	\$155,833	\$317,237	49.1 %	Medium	3.00 %	\$85,490	\$0	\$4,008	\$0
2026	\$245,331	\$408,443	60.1 %	Medium	3.00 %	\$88,055	\$0	\$5,841	\$0
2027	\$339,226	\$504,835	67.2 %	Medium	3.00 %	\$90,696	\$0	\$7,762	\$0
2028	\$437,685	\$606,644	72.1 %	Low	3.00 %	\$93,417	\$0	\$8,130	\$163,199
2029	\$376,034	\$546,011	68.9 %	Medium	3.00 %	\$96,220	\$0	\$8,561	\$0
2030	\$480,814	\$654,333	73.5 %	Low	3.00 %	\$99,106	\$0	\$10,705	\$0
2031	\$590,626	\$768,662	76.8 %	Low	3.00 %	\$102,080	\$0	\$12,952	\$0
2032	\$705,657	\$889,263	79.4 %	Low	3.00 %	\$105,142	\$0	\$15,304	\$0
2033	\$826,103	\$1,016,407	81.3 %	Low	3.00 %	\$108,296	\$0	\$17,767	\$0
2034	\$952,167	\$1,150,380	82.8 %	Low	3.00 %	\$111,545	\$0	\$20,345	\$0
2035	\$1,084,056	\$1,291,476	83.9 %	Low	3.00 %	\$114,891	\$0	\$21,015	\$200,714
2036	\$1,019,249	\$1,233,268	82.6 %	Low	3.00 %	\$118,338	\$0	\$10,263	\$1,139,896
2037	\$7,954	\$209,249	3.8 %	High	3.00 %	\$121,888	\$0	\$1,391	\$0
2038	\$131,233	\$331,995	39.5 %	Medium	3.00 %	\$125,545	\$0	\$3,916	\$0
2039	\$260,694	\$461,917	56.4 %	Medium	3.00 %	\$129,311	\$0	\$6,567	\$0
2040	\$396,572	\$599,336	66.2 %	Medium	3.00 %	\$133,191	\$0	\$9,349	\$0
2041	\$539,112	\$744,584	72.4 %	Low	3.00 %	\$137,186	\$0	\$11,270	\$98,675
2042	\$588,893	\$796,373	73.9 %	Low	3.00 %	\$141,302	\$0	\$10,821	\$246,853
2043	\$494,164	\$701,024	70.5 %	Low	3.00 %	\$145,541	\$0	\$11,443	\$0
2044	\$651,148	\$861,124	75.6 %	Low	3.00 %	\$149,907	\$0	\$14,656	\$0
2045	\$815,711	\$1,030,199	79.2 %	Low	3.00 %	\$154,404	\$0	\$18,023	\$0
2046	\$988,138	\$1,208,644	81.8 %	Low	3.00 %	\$159,037	\$0	\$21,550	\$0
2047	\$1,168,725	\$1,396,868	83.7 %	Low	3.00 %	\$163,808	\$0	\$25,243	\$0
2048	\$1,357,776	\$1,595,298	85.1 %	Low	3.00 %	\$168,722	\$0	\$29,109	\$0
2049	\$1,555,606	\$1,804,376	86.2 %	Low	3.00 %	\$173,784	\$0	\$30,089	\$303,598
2050	\$1,455,881	\$1,711,857	85.0 %	Low	3.00 %	\$178,997	\$0	\$31,192	\$0
2051	\$1,666,070	\$1,934,251	86.1 %	Low	3.00 %	\$184,367	\$0	\$17,566	\$1,775,921
2052	\$92,083	\$339,249	27.1 %	High	3.00 %	\$189,898	\$0	\$3,775	\$0
2053	\$285,756	\$530,880	53.8 %	Medium	3.00 %	\$195,595	\$0	\$7,742	\$0

Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	\$70,571	\$160,075	\$254,029	\$352,600	\$455,965
Annual Reserve Funding	\$87,200	\$89,816	\$92,510	\$95,286	\$98,144
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,304	\$4,137	\$6,061	\$8,079	\$8,547
Total Income	\$160,075	\$254,029	\$352,600	\$455,965	\$562,656
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$0	\$163,199
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$163,199
Ending Reserve Balance	\$160,075	\$254,029	\$352,600	\$455,965	\$399,457

Fiscal Year	2029	2030	2031	2032	2033
Starting Reserve Balance	\$399,457	\$509,629	\$625,087	\$746,032	\$872,667
Annual Reserve Funding	\$101,089	\$104,121	\$107,245	\$110,462	\$113,776
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$9,083	\$11,337	\$13,699	\$16,173	\$18,762
Total Income	\$509,629	\$625,087	\$746,032	\$872,667	\$1,005,206
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$0	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0
Ending Reserve Balance	\$509,629	\$625,087	\$746,032	\$872,667	\$1,005,206

Fiscal Year	2034	2035	2036	2037	2038
Starting Reserve Balance	\$1,005,206	\$1,143,867	\$1,086,139	\$82,244	\$213,252
Annual Reserve Funding	\$117,190	\$120,705	\$124,326	\$128,056	\$131,898
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$21,472	\$22,281	\$11,674	\$2,952	\$5,635
Total Income	\$1,143,867	\$1,286,853	\$1,222,140	\$213,252	\$350,786
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$200,714	\$0	\$0	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$1,139,896	\$0	\$0
Total Expenses	\$0	\$200,714	\$1,139,896	\$0	\$0
Ending Reserve Balance	\$1,143,867	\$1,086,139	\$82,244	\$213,252	\$350,786

Fiscal Year	2039	2040	2041	2042	2043
Starting Reserve Balance	\$350,786	\$495,092	\$646,428	\$705,387	\$620,231
Annual Reserve Funding	\$135,855	\$139,930	\$144,128	\$148,452	\$152,906
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,451	\$11,405	\$13,506	\$13,245	\$14,062
Total Income	\$495,092	\$646,428	\$804,062	\$867,084	\$787,199
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$98,675	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$246,853	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$98,675	\$246,853	\$0
Ending Reserve Balance	\$495,092	\$646,428	\$705,387	\$620,231	\$787,199

Fiscal Year	2044	2045	2046	2047	2048
Starting Reserve Balance	\$787,199	\$962,171	\$1,145,446	\$1,337,337	\$1,538,164
Annual Reserve Funding	\$157,493	\$162,218	\$167,084	\$172,097	\$177,260
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$17,479	\$21,058	\$24,806	\$28,730	\$32,836
Total Income	\$962,171	\$1,145,446	\$1,337,337	\$1,538,164	\$1,748,259
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$0	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0
Ending Reserve Balance	\$962,171	\$1,145,446	\$1,337,337	\$1,538,164	\$1,748,259

Fiscal Year	2049	2050	2051	2052	2053
Starting Reserve Balance	\$1,748,259	\$1,661,305	\$1,884,790	\$324,641	\$532,714
Annual Reserve Funding	\$182,577	\$188,055	\$193,696	\$199,507	\$205,493
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$34,066	\$35,430	\$22,075	\$8,566	\$12,826
Total Income	\$1,964,903	\$1,884,790	\$2,100,561	\$532,714	\$751,033
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$303,598	\$0	\$0	\$0	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$1,775,921	\$0	\$0
Total Expenses	\$303,598	\$0	\$1,775,921	\$0	\$0
Ending Reserve Balance	\$1,661,305	\$1,884,790	\$324,641	\$532,714	\$751,033

Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	\$70,571	\$155,833	\$245,331	\$339,226	\$437,685
Annual Reserve Funding	\$83,000	\$85,490	\$88,055	\$90,696	\$93,417
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,262	\$4,008	\$5,841	\$7,762	\$8,130
Total Income	\$155,833	\$245,331	\$339,226	\$437,685	\$539,232
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$0	\$163,199
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$163,199
Ending Reserve Balance	\$155,833	\$245,331	\$339,226	\$437,685	\$376,034

Fiscal Year	2029	2030	2031	2032	2033
Starting Reserve Balance	\$376,034	\$480,814	\$590,626	\$705,657	\$826,103
Annual Reserve Funding	\$96,220	\$99,106	\$102,080	\$105,142	\$108,296
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,561	\$10,705	\$12,952	\$15,304	\$17,767
Total Income	\$480,814	\$590,626	\$705,657	\$826,103	\$952,167
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$0	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0
Ending Reserve Balance	\$480,814	\$590,626	\$705,657	\$826,103	\$952,167

Fiscal Year	2034	2035	2036	2037	2038
Starting Reserve Balance	\$952,167	\$1,084,056	\$1,019,249	\$7,954	\$131,233
Annual Reserve Funding	\$111,545	\$114,891	\$118,338	\$121,888	\$125,545
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$20,345	\$21,015	\$10,263	\$1,391	\$3,916
Total Income	\$1,084,056	\$1,219,963	\$1,147,850	\$131,233	\$260,694
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$200,714	\$0	\$0	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$1,139,896	\$0	\$0
Total Expenses	\$0	\$200,714	\$1,139,896	\$0	\$0
Ending Reserve Balance	\$1,084,056	\$1,019,249	\$7,954	\$131,233	\$260,694

Fiscal Year	2039	2040	2041	2042	2043
Starting Reserve Balance	\$260,694	\$396,572	\$539,112	\$588,893	\$494,164
Annual Reserve Funding	\$129,311	\$133,191	\$137,186	\$141,302	\$145,541
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,567	\$9,349	\$11,270	\$10,821	\$11,443
Total Income	\$396,572	\$539,112	\$687,568	\$741,016	\$651,148
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$98,675	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$246,853	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$98,675	\$246,853	\$0
Ending Reserve Balance	\$396,572	\$539,112	\$588,893	\$494,164	\$651,148

Fiscal Year	2044	2045	2046	2047	2048
Starting Reserve Balance	\$651,148	\$815,711	\$988,138	\$1,168,725	\$1,357,776
Annual Reserve Funding	\$149,907	\$154,404	\$159,037	\$163,808	\$168,722
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$14,656	\$18,023	\$21,550	\$25,243	\$29,109
Total Income	\$815,711	\$988,138	\$1,168,725	\$1,357,776	\$1,555,606
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$0	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0
Ending Reserve Balance	\$815,711	\$988,138	\$1,168,725	\$1,357,776	\$1,555,606

Fiscal Year	2049	2050	2051	2052	2053
Starting Reserve Balance	\$1,555,606	\$1,455,881	\$1,666,070	\$92,083	\$285,756
Annual Reserve Funding	\$173,784	\$178,997	\$184,367	\$189,898	\$195,595
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$30,089	\$31,192	\$17,566	\$3,775	\$7,742
Total Income	\$1,759,478	\$1,666,070	\$1,868,004	\$285,756	\$489,093
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$303,598	\$0	\$0	\$0	\$0
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$1,775,921	\$0	\$0
Total Expenses	\$303,598	\$0	\$1,775,921	\$0	\$0
Ending Reserve Balance	\$1,455,881	\$1,666,070	\$92,083	\$285,756	\$489,093



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 "Full" and "Update, With-Site-Visit" Reserve Studies 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. The scope of work for "Update, No-Site-Visit" Reserve Studies does not include any inspections. 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 diagnostic or 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.

Informational

Comp #: 2000 Components - Client Not Responsible

Quantity: Numerous Components

Location: Throughout property/development

Funded?: No. Does not pass the National Reserve Study Standards Four-Part Test.

History:

Comments: The Community Associations Institute is a leading international authority with respect to Reserve Studies and has published a set of industry practices collectively known as "Reserve Study Standards." These standards include a Three-Part Test which professional providers use to determine which individual components should be included in the physical analysis. (For more information on Reserve Study Standards, please visit www.cai-online.org.)

The first part of the test is that the client/association "has the obligation to maintain or replace the existing element." Additional component selection guidelines state "Association maintenance/replacement responsibility is generally established by a review of governing documents as well as established association precedent."

In our opinion, there are multiple components throughout the property that do not pass this test on the basis that they are either the responsibility of individual unit owners or the responsibility of another entity (i.e. local municipality, third-party vendor, master association, or adjacent development). These components include but are not necessarily limited to:

- Driveway Concrete Repairs
- Concrete Sidewalks Repairs
- Concrete Curbs and Gutters Repairs
- Stormwater Drainage Infrastructure
- Asphalt Roadways Sealing/Repairs
- Asphalt Roadways Resurfacing
- Directional/Street Signage
- Retention Ponds
- Street Lights
- Utility Infrastructure (Cable, Electrical, Water, Sanitary Sewer)
- Unit Windows & Doors
- Unit Garage Doors
- Individual Unit Lots (Including Property/Assets Within)

Since the client is not deemed to be responsible for the above components, there is no basis for funding inclusion within the Reserve Study at this time. However, the findings/statements within this report are not intended to be a professional legal opinion and we reserve the right to incorporate funding for any of these components if the client is otherwise found to be responsible for replacement.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2010 Not Reasonably Anticipated

Quantity: Numerous Components

Location: Throughout property/development

Funded?: No. Does not pass the National Reserve Study Standards Four-Part Test.

History:

Comments: The Community Associations Institute is a leading international authority with respect to Reserve Studies and has published a set of industry practices collectively known as "Reserve Study Standards." These standards include a Three-Part Test which professional providers use to determine which individual components should be included in the physical analysis. (For more information on Reserve Study Standards, please visit www.cai-online.org.)

The second part of the test is that the "the need and schedule for this project can be reasonably anticipated." Additional component selection guidelines state: "When a project becomes 'reasonably anticipated' will vary based on building age, construction type, and the judgment of the reserve study provider. This test means that component definitions should be based on some degree of certainty."

There are multiple components throughout the property that do not currently pass this test on the basis that their useful life (need) and/or remaining useful life (schedule) cannot be reasonably anticipated. Those components include but are not limited to:

- Electrical System Repairs/Replacements
- Plumbing System Repairs/Replacements
- Utility Infrastructure (Cable, Electrical, Water, Sanitary Sewer)
- Irrigation System Repairs/Replacements
- Building Foundations
- Non-Accessible Building Structural Members (Load Bearing Walls, Beams, Columns, Etc.)

In some cases, adequate evaluation would require additional diagnostics, destructive testing, or inspection beyond the limited visual inspection which serves as the basis of this engagement. Since the components listed above are currently deemed to be too indeterminate for Reserve designation, there are no funding recommendations within this Reserve Study for those items. However, this determination is not a guarantee that substantial expenses will not occur, as these elements may eventually require repair/replacement projects at potentially a significant cost to the client. In the event that the client desires to incorporate funding for any of the above components within the Reserve Study, we recommend further consultation with qualified professionals (i.e. engineer, contractor, and/or vendor) in order to define the following values for projects under consideration:

1. Total Life Expectancy (Recurring Interval)
2. Remaining Useful Life (Before Next Project)
3. Total Project Cost Estimate (In Current Dollars)

In the event that these values can be reasonably anticipated, they can be provided for our review, at which time funding recommendations may be incorporated into subsequent Reserve Studies.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2020 Immaterial/Unpredictable Cost

Quantity: Numerous Components

Location: Throughout property/development

Funded?: No. Does not pass the National Reserve Study Standards Four-Part Test.

History:

Comments: The Community Associations Institute is a leading international authority with respect to Reserve Studies and has published a set of industry practices collectively known as "Reserve Study Standards." These standards include a Three-Part Test which professional providers use to determine which individual components should be included in the physical analysis. (For more information on Reserve Study Standards, please visit www.cai-online.org.)

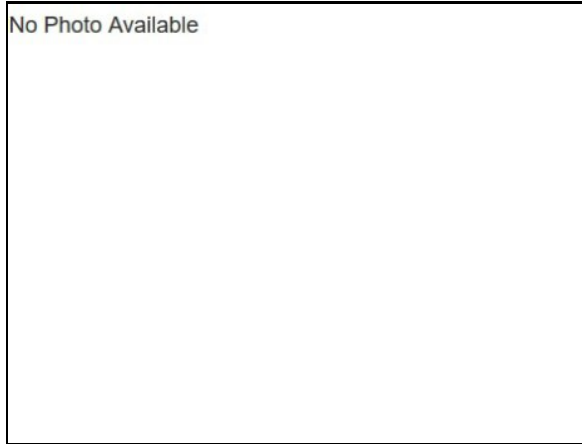
The third part of the test is that the "The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs." Additional component selection guidelines state: "The community's budget should be reviewed, to establish the amount of maintenance planned and which projects are being funded from the operating account."

After discussion with the client and/or consideration of the association's size, a minimum threshold of \$5,000 was used for Reserve consideration. No components fall into this category for this study.

Because the anticipated (full and/or partial) replacement costs for the above components are not anticipated to meet the above threshold, we anticipate that the client will incorporate any related expenditures within their Operating budget. However, in unison with these assumptions, we recommend that the client track any related expenditures, and funding assumptions should be re-evaluated during each Reserve Study update engagement to ensure accuracy. If any above project is deemed appropriate for Reserve funding during a future engagement, that component can be included within the client's Reserve funding plan at that time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 2030 Including in Operating Budget

Quantity: Numerous Components

Location: Throughout property/development

Funded?: No. Expected to be handled through the client's annual Operating budget.

History:

Comments: Certain components within a Reserve Study may not qualify for Reserve consideration based on the assumption that the client will incur all related costs through their general Operating budget. This may or may not include ongoing maintenance contracts with client vendors, or agreements between the client and management officials. The components included within this assumption are listed below:

- Pressure Washing
- Roof Cleaning/Treatment
- Cable/Utility Services

Because costs related to the above items are anticipated to be handled through the client's Operating budget, there is no recommendation for Reserve funding at this time. However, in unison with these assumptions, we recommend that the client track any related expenditures and funding assumptions should be re-evaluated during each Reserve Study update engagement to ensure accuracy. If any above project is deemed appropriate for Reserve funding during a future engagement, that component can be included within the client's Reserve funding plan at that time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Duplexes

Comp #: 2303 Exterior Lights - Replace

Quantity: Approx (398) Lights

Location: Building exteriors

Funded?: Yes.

History: Presumed to be original to the construction of the duplexes (2021, per information provided).

Comments: Approximate Fixture Count -

(118) Wall Lights

(280) Ceiling Lights

Good condition: Exterior lights determined to be in good condition typically exhibit only minor signs of normal wear and tear, and are consistent with local aesthetic standards for the development.

Observed during daylight hours, but assumed to be in functional operating condition. As routine maintenance, clean by wiping down with an appropriate cleaner, change bulbs and repair as needed. Best practice is to plan for replacement of all lighting together at roughly the time frame below for cost efficiency and consistent quality/appearance throughout development. Should be coordinated with exterior painting projects whenever possible. Individual replacements should be considered an Operating expense. If available, an extra supply of replacement fixtures should be kept on-site to allow for prompt replacement.

Useful Life:
20 years

Remaining Life:
17 years



Best Case: \$ 53,700

Worst Case: \$ 65,700

Lower estimate to replace

Higher estimate

Cost Source: AR Cost Database

Comp #: 2343 Building Exterior - Seal/Paint

Quantity: Approx 117,000 GSF

Location: Building exterior

Funded?: Yes.

History: Presumed to be original to the construction of the duplexes (2021-2022, per information provided).

Comments: Approximate Measurements -

117,000 GSF of Painted Surfaces

13,300 LF of Sealants

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. During our inspection, we attempted to measure/quantify sealant around window and door frames, but additional sealants may be present in the building envelop which should be replaced at time of painting/waterproofing project. 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:
4 years



Best Case: \$ 125,000

Worst Case: \$ 165,000

Lower estimate to seal/paint

Higher estimate

Cost Source: AR Cost Database

Comp #: 2381 Asphalt Shingle Roofing - Replace

Quantity: Approx 148,000 GSF

Location: Building rooftops

Funded?: Yes.

History: Presumed to be original to the construction of the duplexes (2021-2022, per information provided).

Comments: *NOTE: Although the roofing systems included within this component typically have a functional life expectancy of up to 20 years, the useful life shown within the following components has been adjusted to assume a 15-year life expectancy for financial planning purposes. This is due to insurance considerations, as a significant quantity of clients have had to replace asphalt shingle roofing systems over 15 years of age to maintain insurance coverage. As such, we believe at this time that the client/association should be "financially capable" of replacement once roofing systems of this type reach 15 years of age. We recommend that the client consult with their insurance vendor to verify this assumption, and any new information should be incorporated within a future Reserve Study revision or update based on the most current information available at that time.

Good condition: Asphalt shingle roofs determined to be in good condition typically exhibit few or no signs of curling/cupping of shingles, and granule cover appears to be thick and consistent. Little to no organic growth or staining patterns evident, and no unusual or significant leaks reported. Shingles and flashing appear to provide good coverage to all areas, especially at intersection points and around any penetrations.

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:
15 years

Remaining Life:
12 years



Best Case: \$ 719,500

Worst Case: \$ 879,500

Lower estimate to replace

Higher estimate

Cost Source: AR Cost Database

Comp #: 2389 Gutters/Downspouts - Replace

Quantity: Approx 4,900 LF

Location: Building rooftop/perimeters

Funded?: No. Per information provided - Client/Association not responsible.

History: Presumed to be original to the construction of the duplexes (2021, per information provided).

Comments: *NOTE (2023): During the revision period, the client stated the gutters are not the association's responsibility. As such funding recommendations have been removed.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:
