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Villages of Valencia HOA, Inc.
Townhomes
St. Augustine, FL

WILLIAM G. SIMONS
CAI-RS
00190
DESIGNATION
RESERVE SPECIALIST

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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Reserve Study Executive Summary — Full

Villages of Valencia HOA, Inc. - Townhomes Report #: **47920-0**
St. Augustine, FL # of Units: 84
Level of Service: **"Full"** **January 1, 2024** through **December 31, 2024**

Findings & Recommendations as of January 1, 2024

Projected Starting Reserve Balance	**$234,565**
Projected "Fully Funded" (Ideal) Reserve Balance	**$767,893**
Average Reserve Deficit (Surplus) Per Owner	**$6,349**
Percent Funded	**30.5 %**
Recommended Funding Contributions	**$112,500**
Minimum Contributions Required per Florida Admin. Code	**$105,800**
Recommended 2024 Special Assessments for Reserves	**$0**
Most Recent Reserve Contribution Rate	**$31,808**

Reserve Fund Strength: 30.5%

Weak	Fair	Strong
< 30%	< 70%	> 130%
X		

Risk of Special Assessment: High | Medium | Low

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 30.5 % 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.

For Clients currently using the “straight-line” method of Reserve funding (also known as the component method), an additional table has been added to the Reserve Study to provide 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.

Executive Summary Table

Report # 47920-0
Full

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Townhomes - Site & Grounds			
2125	Asphalt - Resurface	20	4	$20,250
	Townhomes - Building Exterior			
2303	Exterior Lights - Replace	20	10	$37,250
2343	Building Exterior - Seal/Paint	7	3	$94,750
2381	Shingle Roofing (Phase 1) - Replace	15	14	$145,500
2381	Shingle Roofing (Phase 2) - Replace	15	4	$399,500
2381	Shingle Roofing (Phase 3) - Replace	15	5	$220,000
2389	Gutters & DS (Phase 1) - Replace	30	14	$35,750
2389	Gutters & DS (Phase 2) - Replace	30	19	$428,250
2389	Gutters & DS (Phase 3) - Replace	30	20	$160,500
9	**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 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 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.

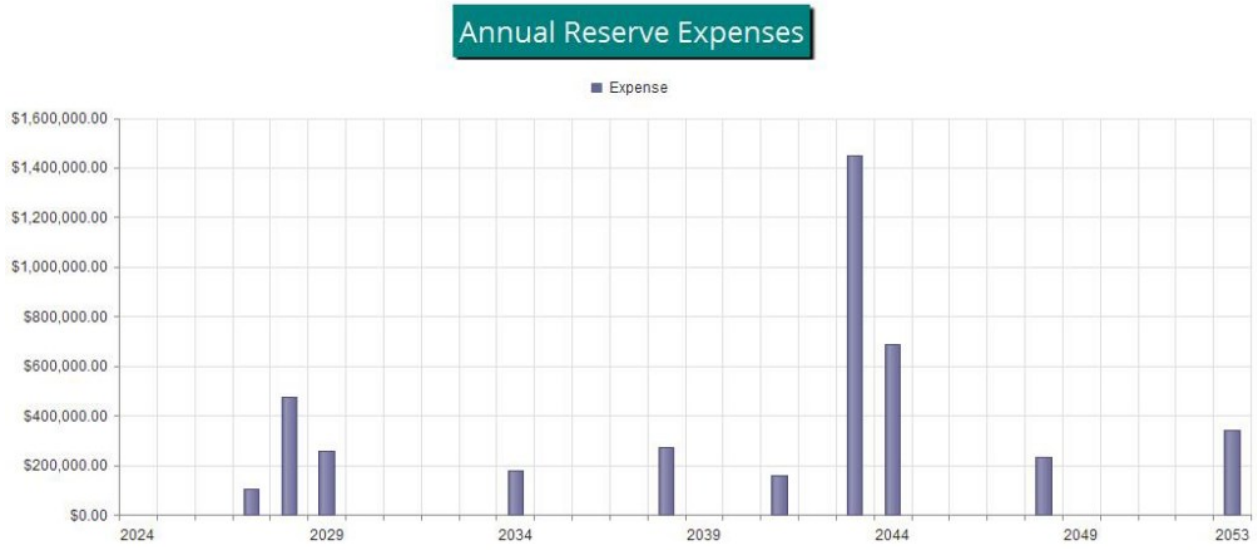


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $234,565 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 $767,893. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 30.5 % Funded. In our experience, approximately 20% 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 $112,500 in the upcoming fiscal year. At minimum, the Association must budget $105,800 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.

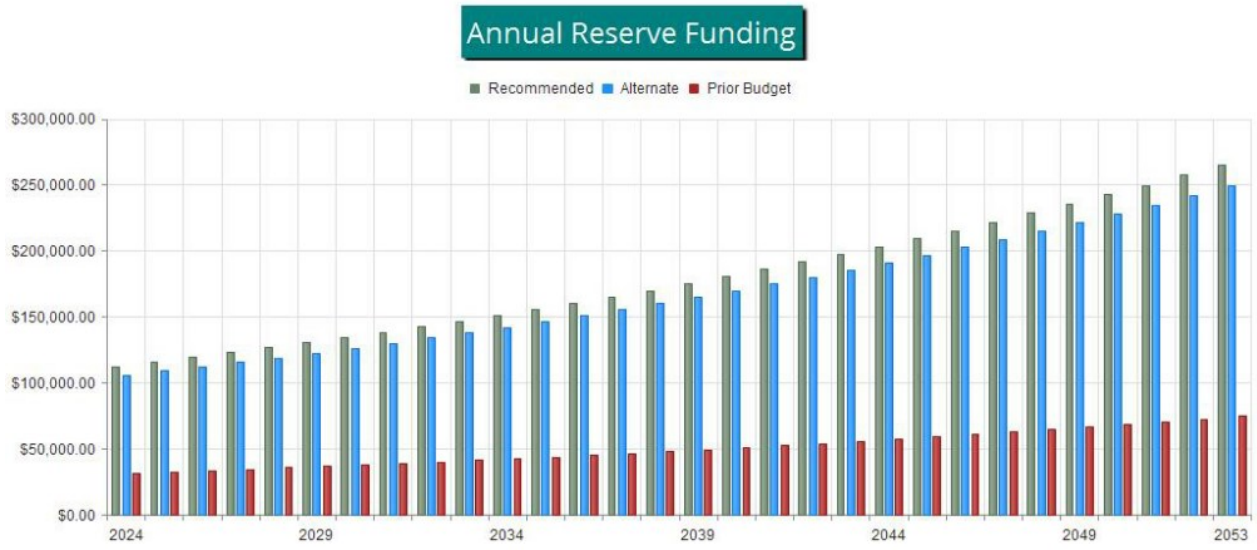


Figure 2

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.

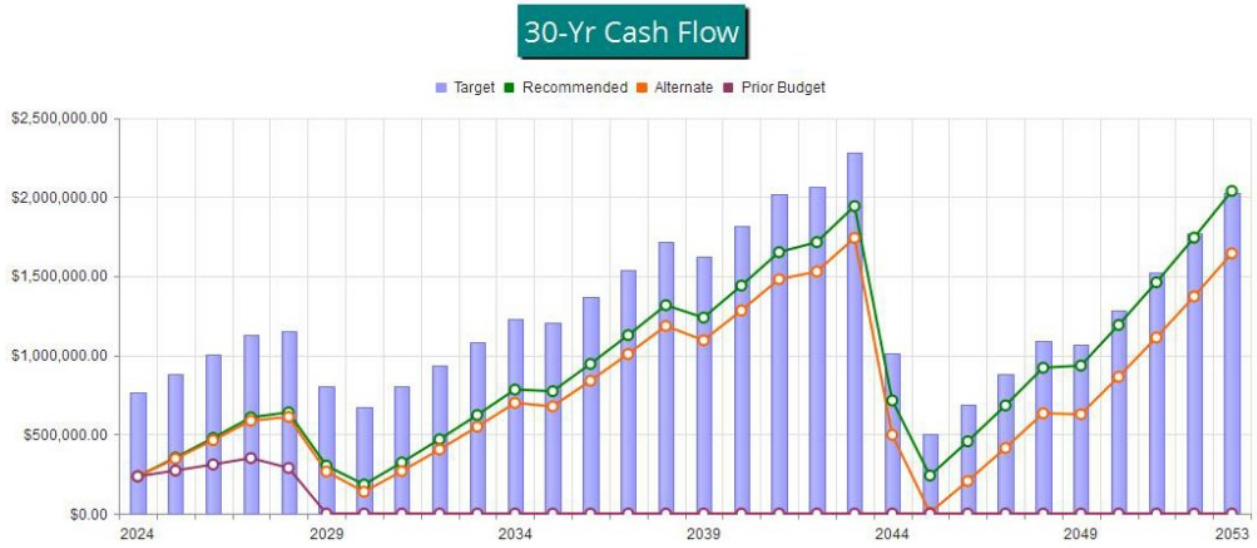


Figure 3

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.

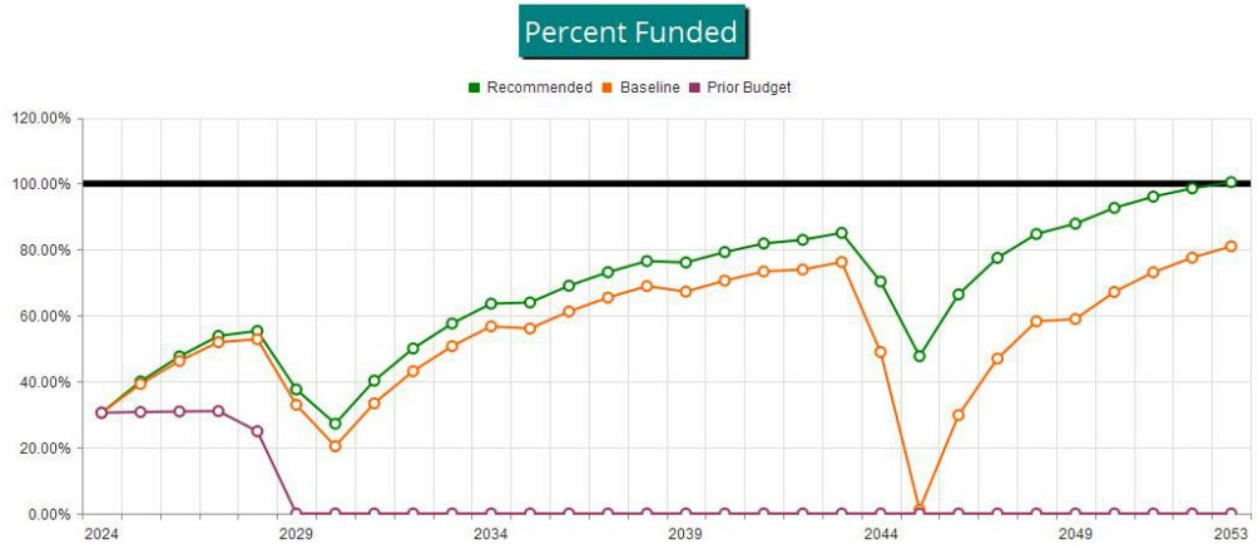


Figure 4

Table Descriptions

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
	Townhomes - Site & Grounds							
2125	Asphalt - Resurface	$20,250	X	16	/	20	=	$16,200
	Townhomes - Building Exterior							
2303	Exterior Lights - Replace	$37,250	X	10	/	20	=	$18,625
2343	Building Exterior - Seal/Paint	$94,750	X	4	/	7	=	$54,143
2381	Shingle Roofing (Phase 1) - Replace	$145,500	X	1	/	15	=	$9,700
2381	Shingle Roofing (Phase 2) - Replace	$399,500	X	11	/	15	=	$292,967
2381	Shingle Roofing (Phase 3) - Replace	$220,000	X	10	/	15	=	$146,667
2389	Gutters & DS (Phase 1) - Replace	$35,750	X	16	/	30	=	$19,067
2389	Gutters & DS (Phase 2) - Replace	$428,250	X	11	/	30	=	$157,025
2389	Gutters & DS (Phase 3) - Replace	$160,500	X	10	/	30	=	$53,500
								$767,893

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Townhomes - Site & Grounds				
2125	Asphalt - Resurface	20	$20,250	$1,013	1.15 %
	Townhomes - Building Exterior				
2303	Exterior Lights - Replace	20	$37,250	$1,863	2.11 %
2343	Building Exterior - Seal/Paint	7	$94,750	$13,536	15.34 %
2381	Shingle Roofing (Phase 1) - Replace	15	$145,500	$9,700	10.99 %
2381	Shingle Roofing (Phase 2) - Replace	15	$399,500	$26,633	30.19 %
2381	Shingle Roofing (Phase 3) - Replace	15	$220,000	$14,667	16.62 %
2389	Gutters & DS (Phase 1) - Replace	30	$35,750	$1,192	1.35 %
2389	Gutters & DS (Phase 2) - Replace	30	$428,250	$14,275	16.18 %
2389	Gutters & DS (Phase 3) - Replace	30	$160,500	$5,350	6.06 %
9	Total Funded Components			$88,227	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				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	$234,565	$767,893	30.5 %	Medium	253.68 %	$112,500	$0	$5,870	$0
2025	$352,935	$881,804	40.0 %	Medium	3.00 %	$115,875	$0	$8,293	$0
2026	$477,103	$1,001,858	47.6 %	Medium	3.00 %	$119,351	$0	$10,835	$0
2027	$607,289	$1,128,323	53.8 %	Medium	3.00 %	$122,932	$0	$12,453	$103,536
2028	$639,138	$1,154,831	55.3 %	Medium	3.00 %	$126,620	$0	$9,411	$472,432
2029	$302,736	$805,150	37.6 %	Medium	3.00 %	$130,418	$0	$4,853	$255,040
2030	$182,967	$671,961	27.2 %	High	3.00 %	$134,331	$0	$5,049	$0
2031	$322,347	$800,629	40.3 %	Medium	3.00 %	$138,361	$0	$7,903	$0
2032	$468,610	$936,412	50.0 %	Medium	3.00 %	$142,512	$0	$10,897	$0
2033	$622,019	$1,079,621	57.6 %	Medium	3.00 %	$146,787	$0	$14,036	$0
2034	$782,842	$1,230,579	63.6 %	Medium	3.00 %	$151,191	$0	$15,537	$177,397
2035	$772,172	$1,206,905	64.0 %	Medium	3.00 %	$155,726	$0	$17,157	$0
2036	$945,056	$1,368,904	69.0 %	Medium	3.00 %	$160,398	$0	$20,694	$0
2037	$1,126,148	$1,539,536	73.1 %	Low	3.00 %	$165,210	$0	$24,398	$0
2038	$1,315,756	$1,719,173	76.5 %	Low	3.00 %	$170,166	$0	$25,508	$274,157
2039	$1,237,274	$1,625,822	76.1 %	Low	3.00 %	$175,271	$0	$26,742	$0
2040	$1,439,288	$1,816,176	79.2 %	Low	3.00 %	$180,529	$0	$30,873	$0
2041	$1,650,690	$2,016,488	81.9 %	Low	3.00 %	$185,945	$0	$33,614	$156,607
2042	$1,713,642	$2,065,878	82.9 %	Low	3.00 %	$191,524	$0	$36,522	$0
2043	$1,941,688	$2,282,562	85.1 %	Low	3.00 %	$197,269	$0	$26,534	$1,451,465
2044	$714,027	$1,015,379	70.3 %	Low	3.00 %	$203,188	$0	$9,527	$687,225
2045	$239,516	$502,127	47.7 %	Medium	3.00 %	$209,283	$0	$6,947	$0
2046	$455,746	$686,243	66.4 %	Medium	3.00 %	$215,562	$0	$11,374	$0
2047	$682,682	$880,955	77.5 %	Low	3.00 %	$222,028	$0	$16,020	$0
2048	$920,731	$1,086,732	84.7 %	Low	3.00 %	$228,689	$0	$18,533	$233,771
2049	$934,182	$1,063,278	87.9 %	Low	3.00 %	$235,550	$0	$21,233	$0
2050	$1,190,965	$1,285,446	92.6 %	Low	3.00 %	$242,617	$0	$26,487	$0
2051	$1,460,069	$1,519,988	96.1 %	Low	3.00 %	$249,895	$0	$31,993	$0
2052	$1,741,956	$1,767,446	98.6 %	Low	3.00 %	$257,392	$0	$37,758	$0
2053	$2,037,106	$2,028,383	100.4 %	Low	3.00 %	$265,114	$0	$40,333	$342,880

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				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	$234,565	$767,893	30.5 %	Medium	232.62 %	$105,800	$0	$5,802	$0
2025	$346,167	$881,804	39.3 %	Medium	3.00 %	$108,974	$0	$8,087	$0
2026	$463,228	$1,001,858	46.2 %	Medium	3.00 %	$112,243	$0	$10,483	$0
2027	$585,954	$1,128,323	51.9 %	Medium	3.00 %	$115,611	$0	$11,949	$103,536
2028	$609,978	$1,154,831	52.8 %	Medium	3.00 %	$119,079	$0	$8,746	$472,432
2029	$265,370	$805,150	33.0 %	Medium	3.00 %	$122,651	$0	$4,020	$255,040
2030	$137,001	$671,961	20.4 %	High	3.00 %	$126,331	$0	$4,040	$0
2031	$267,372	$800,629	33.4 %	Medium	3.00 %	$130,121	$0	$6,710	$0
2032	$404,203	$936,412	43.2 %	Medium	3.00 %	$134,024	$0	$9,511	$0
2033	$547,738	$1,079,621	50.7 %	Medium	3.00 %	$138,045	$0	$12,449	$0
2034	$698,232	$1,230,579	56.7 %	Medium	3.00 %	$142,186	$0	$13,738	$177,397
2035	$676,760	$1,206,905	56.1 %	Medium	3.00 %	$146,452	$0	$15,138	$0
2036	$838,349	$1,368,904	61.2 %	Medium	3.00 %	$150,846	$0	$18,444	$0
2037	$1,007,639	$1,539,536	65.5 %	Medium	3.00 %	$155,371	$0	$21,907	$0
2038	$1,184,916	$1,719,173	68.9 %	Medium	3.00 %	$160,032	$0	$22,765	$274,157
2039	$1,093,556	$1,625,822	67.3 %	Medium	3.00 %	$164,833	$0	$23,736	$0
2040	$1,282,126	$1,816,176	70.6 %	Low	3.00 %	$169,778	$0	$27,592	$0
2041	$1,479,496	$2,016,488	73.4 %	Low	3.00 %	$174,871	$0	$30,047	$156,607
2042	$1,527,807	$2,065,878	74.0 %	Low	3.00 %	$180,117	$0	$32,656	$0
2043	$1,740,580	$2,282,562	76.3 %	Low	3.00 %	$185,521	$0	$22,356	$1,451,465
2044	$496,992	$1,015,379	48.9 %	Medium	3.00 %	$191,087	$0	$5,024	$687,225
2045	$5,878	$502,127	1.2 %	High	3.00 %	$196,819	$0	$2,105	$0
2046	$204,802	$686,243	29.8 %	High	3.00 %	$202,724	$0	$6,180	$0
2047	$413,706	$880,955	47.0 %	Medium	3.00 %	$208,805	$0	$10,458	$0
2048	$632,969	$1,086,732	58.2 %	Medium	3.00 %	$215,070	$0	$12,587	$233,771
2049	$626,854	$1,063,278	59.0 %	Medium	3.00 %	$221,522	$0	$14,888	$0
2050	$863,264	$1,285,446	67.2 %	Medium	3.00 %	$228,167	$0	$19,727	$0
2051	$1,111,159	$1,519,988	73.1 %	Low	3.00 %	$235,012	$0	$24,800	$0
2052	$1,370,971	$1,767,446	77.6 %	Low	3.00 %	$242,063	$0	$30,115	$0
2053	$1,643,149	$2,028,383	81.0 %	Low	3.00 %	$249,325	$0	$32,222	$342,880

	Fiscal Year	2024	2025	2026	2027	2028
	Starting Reserve Balance	$234,565	$352,935	$477,103	$607,289	$639,138
	Annual Reserve Funding	$112,500	$115,875	$119,351	$122,932	$126,620
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,870	$8,293	$10,835	$12,453	$9,411
	Total Income	$352,935	$477,103	$607,289	$742,674	$775,168
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$22,792
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$0	$103,536	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$449,641
2381	Shingle Roofing (Phase 3) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$103,536	$472,432
	Ending Reserve Balance	$352,935	$477,103	$607,289	$639,138	$302,736

	Fiscal Year	2029	2030	2031	2032	2033
	Starting Reserve Balance	$302,736	$182,967	$322,347	$468,610	$622,019
	Annual Reserve Funding	$130,418	$134,331	$138,361	$142,512	$146,787
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,853	$5,049	$7,903	$10,897	$14,036
	Total Income	$438,007	$322,347	$468,610	$622,019	$782,842
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 3) - Replace	$255,040	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$255,040	$0	$0	$0	$0
	Ending Reserve Balance	$182,967	$322,347	$468,610	$622,019	$782,842

	Fiscal Year	2034	2035	2036	2037	2038
	Starting Reserve Balance	$782,842	$772,172	$945,056	$1,126,148	$1,315,756
	Annual Reserve Funding	$151,191	$155,726	$160,398	$165,210	$170,166
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$15,537	$17,157	$20,694	$24,398	$25,508
	Total Income	$949,569	$945,056	$1,126,148	$1,315,756	$1,511,431
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$50,061	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$127,336	$0	$0	$0	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$220,082
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 3) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$54,075
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$177,397	$0	$0	$0	$274,157
	Ending Reserve Balance	$772,172	$945,056	$1,126,148	$1,315,756	$1,237,274

	Fiscal Year	2039	2040	2041	2042	2043
	Starting Reserve Balance	$1,237,274	$1,439,288	$1,650,690	$1,713,642	$1,941,688
	Annual Reserve Funding	$175,271	$180,529	$185,945	$191,524	$197,269
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$26,742	$30,873	$33,614	$36,522	$26,534
	Total Income	$1,439,288	$1,650,690	$1,870,250	$1,941,688	$2,165,491
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$156,607	$0	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$700,526
2381	Shingle Roofing (Phase 3) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$750,939
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$156,607	$0	$1,451,465
	Ending Reserve Balance	$1,439,288	$1,650,690	$1,713,642	$1,941,688	$714,027

	Fiscal Year	2044	2045	2046	2047	2048
	Starting Reserve Balance	$714,027	$239,516	$455,746	$682,682	$920,731
	Annual Reserve Funding	$203,188	$209,283	$215,562	$222,028	$228,689
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$9,527	$6,947	$11,374	$16,020	$18,533
	Total Income	$926,742	$455,746	$682,682	$920,731	$1,167,953
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$41,164
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$192,607
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 3) - Replace	$397,344	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$289,881	$0	$0	$0	$0
	Total Expenses	$687,225	$0	$0	$0	$233,771
	Ending Reserve Balance	$239,516	$455,746	$682,682	$920,731	$934,182

	Fiscal Year	2049	2050	2051	2052	2053
	Starting Reserve Balance	$934,182	$1,190,965	$1,460,069	$1,741,956	$2,037,106
	Annual Reserve Funding	$235,550	$242,617	$249,895	$257,392	$265,114
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$21,233	$26,487	$31,993	$37,758	$40,333
	Total Income	$1,190,965	$1,460,069	$1,741,956	$2,037,106	$2,342,553
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$342,880
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 3) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$0	$342,880
	Ending Reserve Balance	$1,190,965	$1,460,069	$1,741,956	$2,037,106	$1,999,672

	Fiscal Year	2024	2025	2026	2027	2028
	Starting Reserve Balance	$234,565	$346,167	$463,228	$585,954	$609,978
	Annual Reserve Funding	$105,800	$108,974	$112,243	$115,611	$119,079
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,802	$8,087	$10,483	$11,949	$8,746
	Total Income	$346,167	$463,228	$585,954	$713,514	$737,802
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$22,792
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$0	$103,536	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$449,641
2381	Shingle Roofing (Phase 3) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$103,536	$472,432
	Ending Reserve Balance	$346,167	$463,228	$585,954	$609,978	$265,370

	Fiscal Year	2029	2030	2031	2032	2033
	Starting Reserve Balance	$265,370	$137,001	$267,372	$404,203	$547,738
	Annual Reserve Funding	$122,651	$126,331	$130,121	$134,024	$138,045
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,020	$4,040	$6,710	$9,511	$12,449
	Total Income	$392,041	$267,372	$404,203	$547,738	$698,232
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 3) - Replace	$255,040	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$255,040	$0	$0	$0	$0
	Ending Reserve Balance	$137,001	$267,372	$404,203	$547,738	$698,232

	Fiscal Year	2034	2035	2036	2037	2038
	Starting Reserve Balance	$698,232	$676,760	$838,349	$1,007,639	$1,184,916
	Annual Reserve Funding	$142,186	$146,452	$150,846	$155,371	$160,032
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$13,738	$15,138	$18,444	$21,907	$22,765
	Total Income	$854,156	$838,349	$1,007,639	$1,184,916	$1,367,713
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$50,061	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$127,336	$0	$0	$0	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$220,082
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 3) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$54,075
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$177,397	$0	$0	$0	$274,157
	Ending Reserve Balance	$676,760	$838,349	$1,007,639	$1,184,916	$1,093,556

	Fiscal Year	2039	2040	2041	2042	2043
	Starting Reserve Balance	$1,093,556	$1,282,126	$1,479,496	$1,527,807	$1,740,580
	Annual Reserve Funding	$164,833	$169,778	$174,871	$180,117	$185,521
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$23,736	$27,592	$30,047	$32,656	$22,356
	Total Income	$1,282,126	$1,479,496	$1,684,414	$1,740,580	$1,948,457
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$156,607	$0	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$700,526
2381	Shingle Roofing (Phase 3) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$750,939
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$156,607	$0	$1,451,465
	Ending Reserve Balance	$1,282,126	$1,479,496	$1,527,807	$1,740,580	$496,992

	Fiscal Year	2044	2045	2046	2047	2048
	Starting Reserve Balance	$496,992	$5,878	$204,802	$413,706	$632,969
	Annual Reserve Funding	$191,087	$196,819	$202,724	$208,805	$215,070
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,024	$2,105	$6,180	$10,458	$12,587
	Total Income	$693,103	$204,802	$413,706	$632,969	$860,626
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$41,164
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$192,607
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 3) - Replace	$397,344	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$289,881	$0	$0	$0	$0
	Total Expenses	$687,225	$0	$0	$0	$233,771
	Ending Reserve Balance	$5,878	$204,802	$413,706	$632,969	$626,854

	Fiscal Year	2049	2050	2051	2052	2053
	Starting Reserve Balance	$626,854	$863,264	$1,111,159	$1,370,971	$1,643,149
	Annual Reserve Funding	$221,522	$228,167	$235,012	$242,063	$249,325
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$14,888	$19,727	$24,800	$30,115	$32,222
	Total Income	$863,264	$1,111,159	$1,370,971	$1,643,149	$1,924,695
#	Component					
	Townhomes - Site & Grounds					
2125	Asphalt - Resurface	$0	$0	$0	$0	$0
	Townhomes - Building Exterior					
2303	Exterior Lights - Replace	$0	$0	$0	$0	$0
2343	Building Exterior - Seal/Paint	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 1) - Replace	$0	$0	$0	$0	$342,880
2381	Shingle Roofing (Phase 2) - Replace	$0	$0	$0	$0	$0
2381	Shingle Roofing (Phase 3) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 1) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 2) - Replace	$0	$0	$0	$0	$0
2389	Gutters & DS (Phase 3) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$0	$342,880
	Ending Reserve Balance	$863,264	$1,111,159	$1,370,971	$1,643,149	$1,581,815

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
- Unit Windows & Doors
- Unit Garage Doors
- Screen Enclosures
- Directional/Street Signage
- Retention Ponds
- Street Lights
- Utility Infrastructure (Cable, Electrical, Water, Sanitary Sewer)
- Individual Unit Lots (Including Property/Assets Within)
- Mailboxes (Master Responsible for all mailboxes)

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/Repalcements
- Utility Infrastructure (Cable, Electrical, Water, Sanitary Sewer)
- Irrigation System Repairs/Replacements
- Building Foundations
- Building Restoration Projects
- 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.

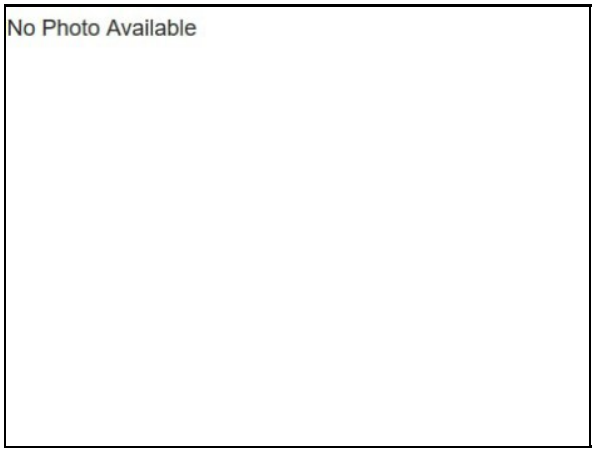
History:

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:

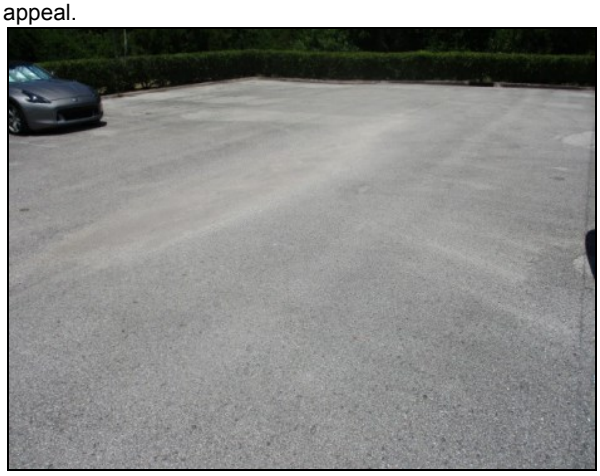
Comp #: 2123 Asphalt - Seal/Repair **Quantity: Approx 810 GSY**

Location: Parking Lot (Adjacent to Mailboxes)
Funded?: No. Informational component only.
History:
Comments: N/A: Asphalt does not exhibit any signs of prior seal-coating. May not have been done at any point, or has deteriorated completely.

GENERAL INFORMATION: 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:

Remaining Life:



Best Case: Worst Case:

Cost Source:

Comp #: 2125 Asphalt - Resurface **Quantity: Approx 810 GSY**

Location: Parking Lot (Adjacent to Mailboxes)
Funded?: Yes.
History: Presumed to be original to the construction of the property (2008, per information provided).
Comments: Fair condition: Asphalt pavement determined to be in fair condition typically exhibits a mostly uniform surface but with minor to moderate raveling and surface wear. If present, crack patterns are normal for the age of the asphalt and not extreme, and there are no signs of advanced deterioration, such as large block cracking patterns, “alligatoring” or potholes. Overall appears to be aging normally and still up to an appropriate aesthetic standard.

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

Useful Life:
20 years

Remaining Life:
4 years

Best Case: $ 18,200 Worst Case: $ 22,300

Lower estimate to resurface Higher estimate

Cost Source: AR Cost Database

Townhomes - Building Exterior

Comp #: 2303 Exterior Lights - Replace **Quantity: Approx (324) Lights**
Location: Building exteriors
Funded?: Yes.
History:
Comments: Approximate Fixture Count -
(162) Decorative Wall Lights
(162) Ceiling Lights

Fair condition: Exterior lights determined to be in fair condition typically exhibit more moderate signs of wear and age, but are generally believed to be aging normally with no unusual conditions noted.

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:
10 years

Best Case:	$ 33,500	Worst Case:	$ 41,000
	Lower estimate to replace		Higher estimate

Cost Source: AR Cost Database

Comp #: 2343 Building Exterior - Seal/Paint **Quantity: Approx 61,100 GSF**

Location: Building exterior
Funded?: Yes.
History: Repainted in 2019-2020 (per information provided).
Comments: Approximate Measurements -
61,100 GSF of Painted Surfaces
13,500 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. 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:
3 years

Best Case:	$ 84,500	Worst Case:	$ 105,000
	Lower estimate to seal/repaint		Higher estimate

Cost Source: AR Cost Database

Comp #: 2381 Shingle Roofing (Phase 1) - Replace **Quantity: Approx 26,900 GSF**
Location: Building rooftops
Funded?: Yes.
History: Replaced in 2023 at a cost of $145,000 (per information provided).
Comments: Properties Included within this component -
8-36 Amistad Dr
51-69 Amistad Dr
52-76 Amistad Dr

*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:
14 years

Best Case: $ 131,000 Worst Case: $ 160,000

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database/Client Cost History

Comp #: 2381 Shingle Roofing (Phase 2) - Replace **Quantity: Approx 73,900 GSF**
Location: Building rooftops
Funded?: Yes.
History: Presumed to be original to the construction of the Townhomes (2012-2013, per information provided).
Comments: Properties Included within this component -
13-37 Amistad Dr
84-104 Amistad Dr
85-107 Amistad Dr
116-136 Amistad Dr
119-143 Amistad Dr
155-177 Amistad Dr
160-180 Amistad Dr

*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.

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:
15 years

Remaining Life:
4 years

Best Case: $ 359,500 Worst Case: $ 439,500

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database/Client Cost History

Comp #: 2381 Shingle Roofing (Phase 3) - Replace **Quantity: Approx 40,700 GSF**
Location: Building rooftops
Funded?: Yes.
History: Presumed to be original to the construction of the Townhomes (2014, per information provided).
Comments: Properties Included within this component -
189-213 Amistad Dr
190-210 Amistad Dr
237-247 Amistad Dr
222-236 Amistad Dr

*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.

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:
15 years

Remaining Life:
5 years

Best Case: $ 198,000 Worst Case: $ 242,000

Lower estimate to replace Higher estimate

Cost Source: AR Cost Database/Client Cost History

Comp #: 2389 Gutters & DS (Phase 1) - Replace **Quantity: Approx 2,100 LF**
Location: Building rooftop/perimeter
Funded?: Yes.
History: Presumed to be original to the construction of the Townhomes (2007-2008, per information provided).
Comments: Properties Included within this component -
8-36 Amistad Dr
51-69 Amistad Dr
52-76 Amistad Dr

Fair condition: Gutters and downspouts determined to be in fair condition typically exhibit some normal wear and tear, but drainage away from the roof and building appears to be adequate. Generally believed to be aging normally.

Gutters and downspouts are assumed to be functioning properly unless otherwise noted. As routine maintenance, inspect regularly, keep gutters and downspouts free of debris. If buildings are located near trees, keep trees trimmed back to avoid accumulation of leaves on the roof surface which will accumulate in the gutters and increase maintenance requirements while reducing life expectancy. Repair or replace individual sections as needed as an Operating expense. We generally recommend that the gutters and downspouts be replaced when the roof is being resurfaced/replaced. National Roofing Contractor Association (NRCA) roofing standard includes installing eave flashings at the gutters. We suggest to plan for total replacement of gutter and downspouts at the same intervals as roof replacement for cost efficiency. Unless otherwise noted, costs shown here assume replacement with similar type as are currently in place.

Useful Life:
30 years

Remaining Life:
14 years

Best Case: $ 32,200 Worst Case: $ 39,300

Lower estimate to replace Higher estimate

Cost Source: Estimate Provided by Client

Comp #: 2389 Gutters & DS (Phase 2) - Replace **Quantity: Approx 25,100 LF**

Location: Building rooftop/perimeter
Funded?: Yes.
History: Presumed to be original to the construction of the Townhomes (2012-2013, per information provided).
Comments: Properties Included within this component -
13-37 Amistad Dr
84-104 Amistad Dr
85-107 Amistad Dr
116-136 Amistad Dr
119-143 Amistad Dr
155-177 Amistad Dr
160-180 Amistad Dr

Fair condition: Gutters and downspouts determined to be in fair condition typically exhibit some normal wear and tear, but drainage away from the roof and building appears to be adequate. Generally believed to be aging normally.

Gutters and downspouts are assumed to be functioning properly unless otherwise noted. As routine maintenance, inspect regularly, keep gutters and downspouts free of debris. If buildings are located near trees, keep trees trimmed back to avoid accumulation of leaves on the roof surface which will accumulate in the gutters and increase maintenance requirements while reducing life expectancy. Repair or replace individual sections as needed as an Operating expense. We generally recommend that the gutters and downspouts be replaced when the roof is being resurfaced/replaced. National Roofing Contractor Association (NRCA) roofing standard includes installing eave flashings at the gutters. We suggest to plan for total replacement of gutter and downspouts at the same intervals as roof replacement for cost efficiency. Unless otherwise noted, costs shown here assume replacement with similar type as are currently in place.

Useful Life:
30 years

Remaining Life:
19 years

Best Case: $ 385,500 Worst Case: $ 471,000

Lower estimate to replace Higher estimate

Cost Source: Estimate Provided by Client

Comp #: 2389 Gutters & DS (Phase 3) - Replace **Quantity: Approx 9,400 LF**

Location: Building rooftop/perimeter
Funded?: Yes.
History: Presumed to be original to the construction of the Townhomes (2014, per information provided).
Comments: Properties Included within this component -
189-213 Amistad Dr
190-210 Amistad Dr
237-247 Amistad Dr
222-236 Amistad Dr

Fair condition: Gutters and downspouts determined to be in fair condition typically exhibit some normal wear and tear, but drainage away from the roof and building appears to be adequate. Generally believed to be aging normally.

Gutters and downspouts are assumed to be functioning properly unless otherwise noted. As routine maintenance, inspect regularly, keep gutters and downspouts free of debris. If buildings are located near trees, keep trees trimmed back to avoid accumulation of leaves on the roof surface which will accumulate in the gutters and increase maintenance requirements while reducing life expectancy. Repair or replace individual sections as needed as an Operating expense. We generally recommend that the gutters and downspouts be replaced when the roof is being resurfaced/replaced. National Roofing Contractor Association (NRCA) roofing standard includes installing eave flashings at the gutters. We suggest to plan for total replacement of gutter and downspouts at the same intervals as roof replacement for cost efficiency. Unless otherwise noted, costs shown here assume replacement with similar type as are currently in place.

Useful Life:
30 years

Remaining Life:
20 years

Best Case: $ 144,500 Worst Case: $ 176,500

Lower estimate to replace Higher estimate

Cost Source: Estimate Provided by Client