FELTEN PROPERTY ASSESSMENT TEAM

RESERVE STUDIES | INSURANCE APPRAISALS | WIND MITIGATION

Reserve Study

Prepared exclusively for:

Bel-Forest Manor

For the period of January 1, 2024 - December 31, 2024

Felten Property Assessment Team
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FPAT File# RES2318594

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August 21, 2023

Bel-Forest Manor
c/o Ameri-Tech Property Management
1750 Belleair Forest Drive
Belleair, Florida 33756

Regarding: January 1, 2024 - Level I - Full Reserve Study

Dear Gloria Reed,

We are pleased to submit this Level I - Full Reserve Study for Bel-Forest Manor.

If you have questions about the Reserve Study, please contact us at (866) 568-7853. We look forward to doing business with you in the future.

Best,

Brad Felten, RS, PRA
Felten Property Assessment Team

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Reserve Study Summary

Bel-Forest Manor
January 1, 2024 - December 31, 2024

The following Level I - Full Reserve Study was performed for Bel-Forest Manor ("property") a Condominium located in Belleair, Florida. The property has 72 units. The reserve study is for the fiscal year starting January 1, 2024, and ending December 31, 2024.

The purpose of this reserve study is to produce a reserve funding plan that will project future contributions and expenditures to assure that reserve funds are available as needed.

As of January 1, 2024, the estimated unaudited reserve fund balance is $326,901. The estimated current replacement cost of the reserve items is $1,509,600.

This report presents the 30 Year Cash Flow Funding Analysis as well as the Component Funding Analysis (Straight-Line).

30 Year Pooled Cash Flow Funding Analysis - (Future Cost):

This 30 Year Funding Plan is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis utilizes future replacement costs for reserve components when they are due for replacement, and recognizes increases in construction costs. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow throughout the analysis period. This funding plan requires increased reserve funding for 2024 and reduced level reserve contributions over the 30 year analysis period.

Initial year recommendations based on the 30 year Pooled Cash Flow Funding Plan:

Recommended annual contribution 2024:	$302,400
Recommended annual contribution 2025-2053:	$146,880
Recommended monthly contribution 2024:	$25,200
Recommended monthly contribution 2025-2053:	$12,240
Average monthly contribution per unit 2024:	$350
Average monthly contribution per unit 2025-2053:	$170

Component Funding Analysis Summary:

The Component Funding Analysis (Straight-Line) calculates the annual contribution amount for each individual line item component by dividing the component's remaining unfunded balance by its remaining useful life. A component's unfunded remaining balance is its replacement cost less the reserve balance for the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis. Straight-line accounting is based on current costs and neither interest or inflation are factored into the calculations.

Initial year recommendations based on the Component Funding Plan:

Recommended annual contribution:	$433,917
Recommended monthly contribution:	$36,160
Average monthly contribution per unit (72):	$502

30 Year Pooled Cash Flow Funding Plan

This section of the reserve study presents an alternate funding plan to the Component Funding Analysis (Straight-Line). This method calculates the annual reserve contribution based on a 30 year positive cash flow.

The 30 Year Pooled Cash Flow Funding Plan is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow throughout the analysis period.

This funding plan utilizes the following assumptions:

- Annual Contribution Increase - 0.00%
- Interest Earned - 0.00%
- Taxes on Interest Earned - 0.00%
- Inflation on Reserve Items - 2.50%

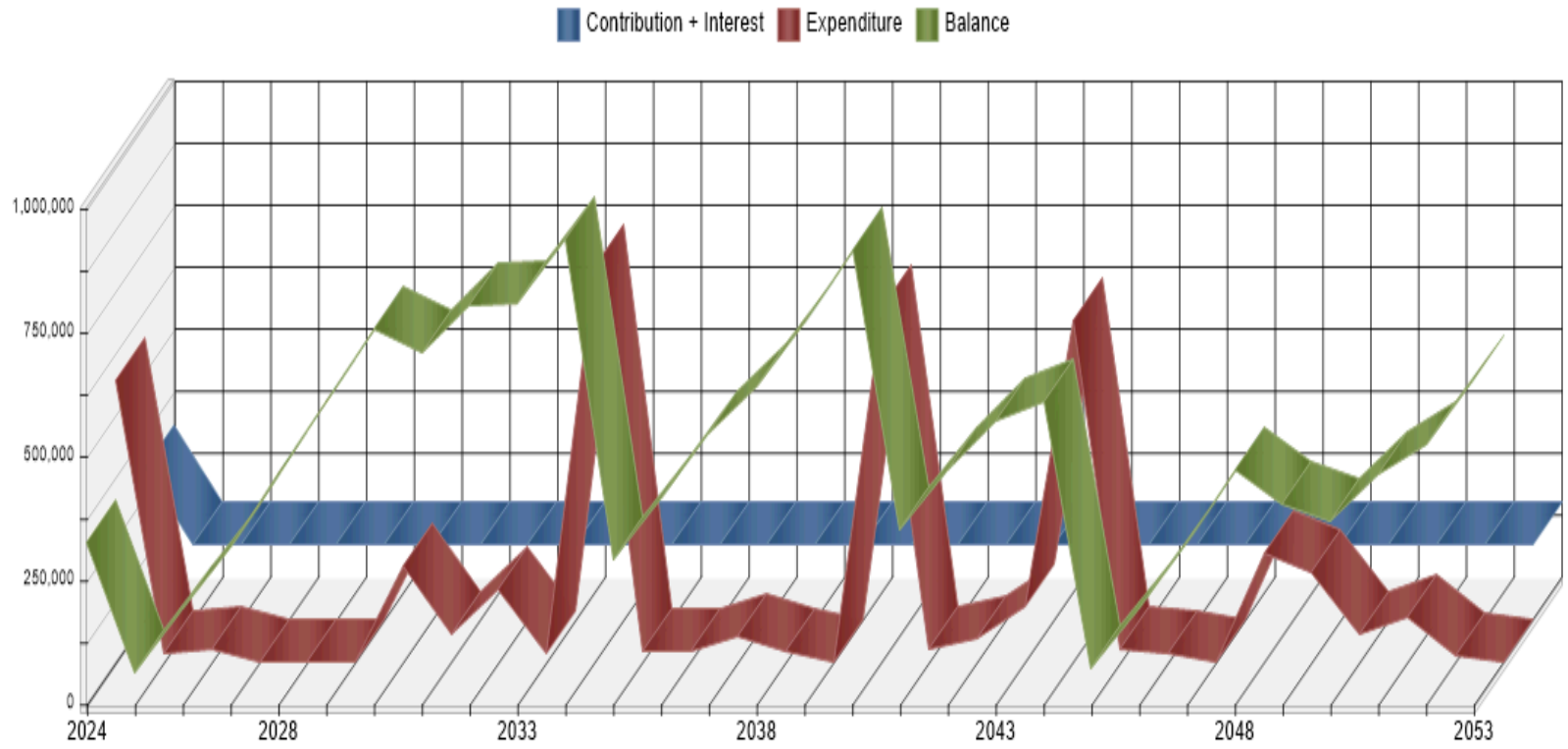
Cash Flow - Annual

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Begin Balance	326,901	61,101	192,606	316,110	462,990	609,870	756,750	710,198	804,757	805,843
Contribution	302,400	146,880	146,880	146,880	146,880	146,880	146,880	146,880	146,880	146,880
Average Per Unit	4,200	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040
Percent Change	0.00%	-51.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	568,200	15,375	23,375	0	0	0	193,432	52,321	145,794	14,674
Ending Balance	61,101	192,606	316,110	462,990	609,870	756,750	710,198	804,757	805,843	938,049

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Begin Balance	938,049	289,993	417,192	543,409	641,517	769,322	916,202	350,928	473,083	572,294
Contribution	146,880	146,880	146,880	146,880	146,880	146,880	146,880	146,880	146,880	146,880
Average Per Unit	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	794,935	19,681	20,663	48,771	19,075	0	712,153	24,725	47,669	108,335
Ending Balance	289,993	417,192	543,409	641,517	769,322	916,202	350,928	473,083	572,294	610,838

	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Begin Balance	610,838	72,282	193,968	325,786	472,666	403,113	370,065	462,786	521,919	655,662
Contribution	146,880	146,880	146,880	146,880	146,880	146,880	146,880	146,880	146,880	146,880
Average Per Unit	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040	2,040
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	685,436	25,193	15,062	0	216,432	179,928	54,158	87,746	13,136	0
Ending Balance	72,282	193,968	325,786	472,666	403,113	370,065	462,786	521,919	655,662	802,542

Cash Flow - Chart



Component Funding Analysis

This section of the reserve study report utilizes straight line accounting formulas to arrive at the required annual reserve contribution.

The Component Funding Analysis calculates the annual contribution amount for each individual line item component by dividing the component's remaining unfunded balance by its remaining useful life. A component's unfunded remaining balance is its replacement cost less the reserve balance for the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis. Straight-line accounting is based on current costs and neither interest or inflation are factored into the calculations.

The projected reserve fund balance at the end of the current fiscal year has been allocated to those components which have the shortest remaining life. This also provides for the lowest straight line contribution amount using this plan. However, if the property is a condominium association, per Florida Statute 718.112(2)(f)(3) condominium associations in Florida can only re-allocate (use) reserve funds for purposes other than which they were authorized for by getting approval in advance by a vote of the majority of the voting interests.

Component Funding Analysis

Category Reserve Item	Future Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2024
Building Service Components						
Clothes Dryers, Laundry	$ 6,304	12:00	2:00	$ 0	$ 6,304	$ 3,152
Electric, Main Panels & Meters (Partial)	57,985	50:00	6:00	0	57,985	9,664
Fire Alarm Panel & Devices, Bldg. A & C	47,669	25:00	18:00	0	47,669	2,648
Piping, Subsurface Sewer, Repairs	28,992	50:00	6:00	0	28,992	4,832
Valves, Potable Water	8,350	25:00	6:00	0	8,350	1,392
	149,300			0	149,300	21,688
Exterior Building Components						
Concrete Restore, Spalling, Walkways	$ 53,220	25:00	0:00	$ 0	$ 53,220	$ 55,349
Doors, Laundry Rooms	14,674	35:00	9:00	0	14,674	1,630
Exterior Paint & Stucco Repairs	115,760	8:00	0:00	0	115,760	130,230
Light Fixtures, Exterior	12,895	25:00	0:00	0	12,895	13,411
Mailbox Clusters, Aluminum, Multi-Tenant	12,409	25:00	6:00	0	12,409	2,068
Railings, Concrete Ballustrade (20%)	26,552	50:00	6:00	0	26,552	4,425
Roofs, Mansards, Concrete Tile	257,617	30:00	10:00	0	257,617	25,762
Roofs, Sprayed Polyurethane Foam	382,425	10:00	0:00	326,901	55,524	93,767
Stairs, Metal & Concrete, Repairs (Partial)	63,946	25:00	19:00	0	63,946	3,366
Windows, Laundry Rooms	8,896	45:00	12:00	0	8,896	741
	948,394			326,901	621,493	330,749
Interior Building Components						
Clothes Washer, Laundry	$ 7,880	12:00	2:00	$ 0	$ 7,880	$ 3,940
Flooring, Vinyl Plank, Laundry Rooms	3,860	15:00	13:00	0	3,860	297
Interior Painting, Laundry	5,211	15:00	13:00	0	5,211	401
	16,951			0	16,951	4,638

Component Funding Analysis

Category Reserve Item	Future Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2024
Pool Facility Components						
Pool Collector Tank & Equipment	$ 47,464	40:00	35:00	$ 0	$ 47,464	$ 1,356
Pool Deck, Textured Concrete	15,460	15:00	10:00	0	15,460	1,546
Pool Fence, 6' Aluminum Picket	20,134	30:00	25:00	0	20,134	805
Pool Furniture, Replace	10,241	15:00	10:00	0	10,241	1,024
Pool Restrooms, Interior Renovations	11,596	25:00	20:00	0	11,596	580
Pool/Spa Finish & Border Tiles	33,006	12:00	7:00	0	33,006	4,715
Roof, Concrete Tiles, Pool Building	22,081	30:00	10:00	0	22,081	2,208
	159,982			0	159,982	12,234
Property Site Components						
Asphalt Pavement, Mill & Overlay	$ 84,713	25:00	16:00	$ 0	$ 84,713	$ 5,295
Asphalt Pavement, Patch, Stripe & Sealcoat	9,192	5:00	2:00	0	9,192	4,596
Carports, Paint	33,399	7:00	6:00	0	33,399	5,567
Carports, Steel/Aluminum	427,538	60:00	16:00	0	427,538	26,721
Fountains, Aeration, Ponds	8,915	10:00	7:00	0	8,915	1,274
Landscaping, Tree Trimming & Mulch	10,250	5:00	1:00	0	10,250	10,250
Perimeter Walls, Paint & Repairs	3,900	8:00	0:00	0	3,900	4,388
Ponds, Erosion Control (Partial)	5,125	5:00	1:00	0	5,125	5,125
Sidewalks, Concrete, 4' Wide	8,350	50:00	6:00	0	8,350	1,392
	591,382			0	591,382	64,608
	1,866,009			326,901	1,539,108	433,917

Reserve Expenditures

This section of the report details the associations expenditures over the next 30 years.

Reports displayed in this section utilize the following assumptions:

- Inflation on Reserve Items - 2.50%

Expenditures

Category	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Building Service Components										
Clothes Dryers, Laundry			6,304							
Electric, Main Panels & Meters (Partial							57,985			
Piping, Subsurface Sewer, Repairs							28,992			
Valves, Potable Water							8,350			
	0	0	6,304	0	0	0	95,327	0	0	0
Exterior Building Components										
Concrete Restore, Spalling, Walkways	53,220									
Doors, Laundry Rooms										14,674
Exterior Paint & Stucco Repairs	115,760								141,042	
Light Fixtures, Exterior	12,895									
Mailbox Clusters, Aluminum, Multi-Te							12,409			
Railings, Concrete Ballustrade (20%)							26,552			
Roofs, Sprayed Polyurethane Foam	382,425									
	564,300	0	0	0	0	0	38,961	0	141,042	14,674
Interior Building Components										
Clothes Washer, Laundry			7,880							
	0	0	7,880	0	0	0	0	0	0	0
Pool Facility Components										
Pool/Spa Finish & Border Tiles								33,006		
	0	0	0	0	0	0	0	33,006	0	0
Property Site Components										
Asphalt Pavement, Patch, Stripe & Sea			9,192					10,400		
Carports, Paint							33,399			
Fountains, Aeration, Ponds								8,915		
Landscaping, Tree Trimming & Mulch		10,250					11,597			
Perimeter Walls, Paint & Repairs	3,900								4,752	

Expenditures

Category	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Ponds, Erosion Control (Partial)		5,125					5,798			
Sidewalks, Concrete, 4' Wide							8,350			
	3,900	15,375	9,192	0	0	0	59,144	19,315	4,752	0
	568,200	15,375	23,376	0	0	0	193,432	52,321	145,794	14,674

Expenditures

Category	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Building Service Components										
Clothes Dryers, Laundry					8,478					
Fire Alarm Panel & Devices, Bldg. A &									47,669	
	0	0	0	0	8,478	0	0	0	47,669	0
Exterior Building Components										
Exterior Paint & Stucco Repairs							171,846			
Roofs, Mansards, Concrete Tile	257,617									
Roofs, Sprayed Polyurethane Foam	489,536									
Stairs, Metal & Concrete, Repairs (Par										63,946
Windows, Laundry Rooms			8,896							
	747,153	0	8,896	0	0	0	171,846	0	0	63,946
Interior Building Components										
Clothes Washer, Laundry					10,597					
Flooring, Vinyl Plank, Laundry Rooms				3,860						
Interior Painting, Laundry				5,211						
	0	0	0	9,071	10,597	0	0	0	0	0
Pool Facility Components										
Pool Deck, Textured Concrete	15,460									
Pool Furniture, Replace	10,241									
Pool/Spa Finish & Border Tiles										44,390
Roof, Concrete Tiles, Pool Building	22,081									
	47,782	0	0	0	0	0	0	0	0	44,390
Property Site Components										
Asphalt Pavement, Mill & Overlay							84,713			
Asphalt Pavement, Patch, Stripe & Sea			11,767					13,313		
Carports, Paint				39,701						
Carports, Steel/Aluminum							427,538			

Expenditures

Category	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Fountains, Aeration, Ponds								11,412		
Landscaping, Tree Trimming & Mulch		13,121					14,845			
Perimeter Walls, Paint & Repairs							5,790			
Ponds, Erosion Control (Partial)		6,560					7,423			
	0	19,681	11,767	39,701	0	0	540,307	24,725	0	0
	794,935	19,681	20,663	48,772	19,075	0	712,154	24,725	47,669	108,336

Expenditures

Category	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Building Service Components										
Clothes Dryers, Laundry							11,402			
	0	0	0	0	0	0	11,402	0	0	0
Exterior Building Components										
Concrete Restore, Spalling, Walkways						98,667				
Exterior Paint & Stucco Repairs					209,378					
Light Fixtures, Exterior						23,907				
Roofs, Sprayed Polyurethane Foam	626,648									
	626,648	0	0	0	209,378	122,574	0	0	0	0
Interior Building Components										
Clothes Washer, Laundry							14,252			
Flooring, Vinyl Plank, Laundry Rooms									5,590	
Interior Painting, Laundry									7,547	
	0	0	0	0	0	0	14,252	0	13,137	0
Pool Facility Components										
Pool Deck, Textured Concrete						22,390				
Pool Fence, 6' Aluminum Picket						20,134				
Pool Furniture, Replace						14,832				
Pool Restrooms, Interior Renovations	11,596									
	11,596	0	0	0	0	57,355	0	0	0	0
Property Site Components										
Asphalt Pavement, Patch, Stripe & Sea			15,062					17,042		
Carports, Paint	47,192							56,097		
Fountains, Aeration, Ponds								14,609		
Landscaping, Tree Trimming & Mulch		16,796					19,003			
Perimeter Walls, Paint & Repairs					7,054					
Ponds, Erosion Control (Partial)		8,398					9,501			

Expenditures

Category	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
	47,192	25,194	15,062	0	7,054	0	28,504	87,747	0	0
	685,437	25,194	15,062	0	216,432	179,929	54,158	87,747	13,137	0

Reserve Items & Parameters

This section of the report details the physical analysis of the reserve study which includes a complete inventory of the association's major common area components.

For each reserve item we have determined estimated life, remaining life, current cost and future cost.

Reports displayed in this section utilize the following assumptions:

Inflation on Reserve Items - 2.50%

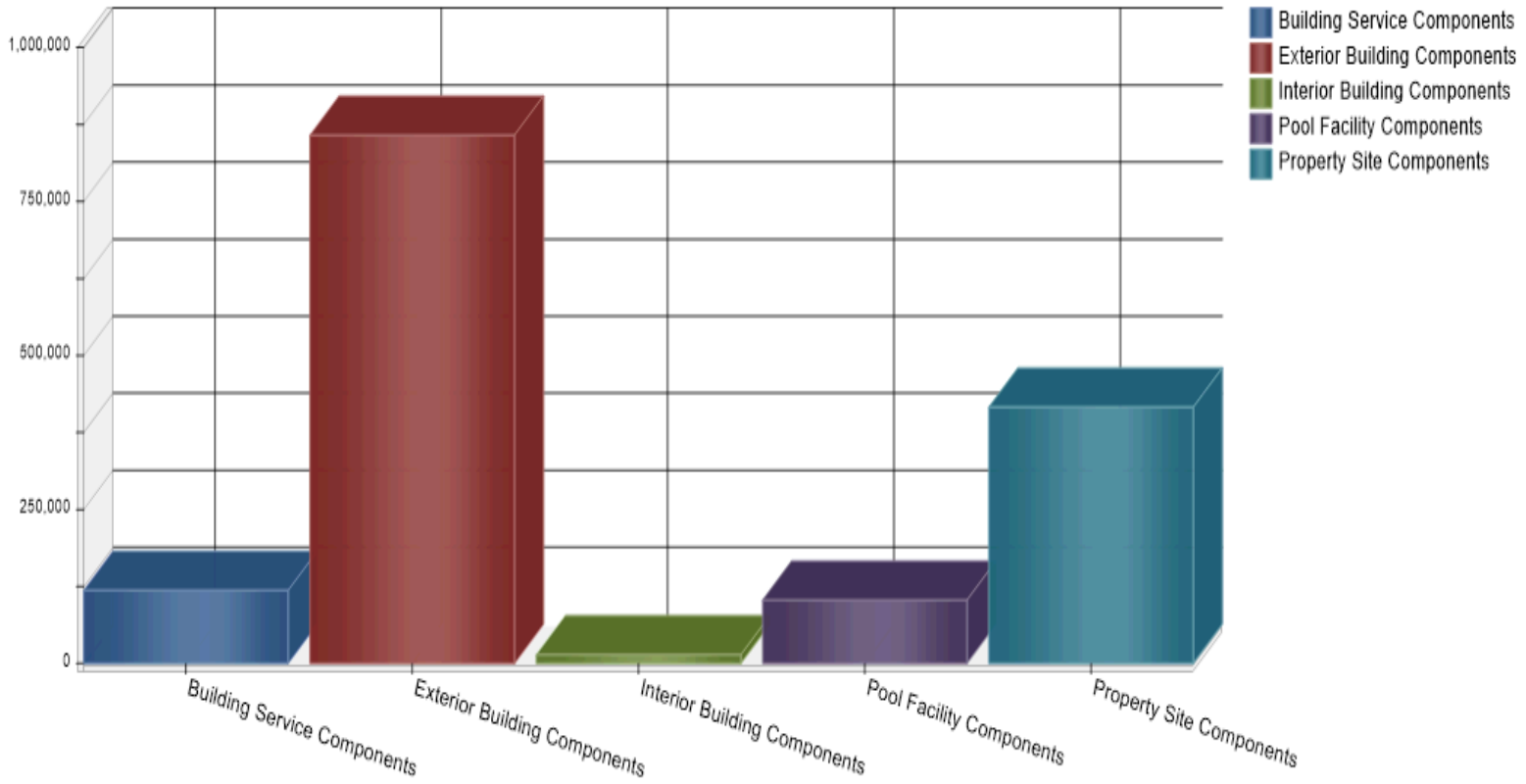
Item Parameters - Summary

Category / Reserve Item	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Building Service Components								
Clothes Dryers, Laundry	1/2026	$ 1,200.00	5 Ea	$ 6,000	12:00	12:00	2:00	$ 6,304
Electric, Main Panels & Meters (Partial)	1/2030	50,000.00	1 Allow	50,000	50:00	50:00	6:00	57,985
Fire Alarm Panel & Devices, Bldg. A & C	1/2042	30,564.00	1 Lp Sm	30,564	25:00	25:00	18:00	47,669
Piping, Subsurface Sewer, Repairs	1/2030	25,000.00	1 Allow	25,000	50:00	50:00	6:00	28,992
Valves, Potable Water	1/2030	100.00	72 Ea	7,200	25:00	25:00	6:00	8,350
				118,764				149,300
Exterior Building Components								
Concrete Restore, Spalling, Walkways	1/2024	$ 10.00	5,322 Sq Ft	$ 53,220	25:00	44:00	0:00	$ 53,220
Doors, Laundry Rooms	1/2033	2,350.00	5 Ea	11,750	35:00	53:00	9:00	14,674
Exterior Paint & Stucco Repairs	1/2024	2.00	57,880 Sq Ft	115,760	8:00	11:00	0:00	115,760
Light Fixtures, Exterior	1/2024	12,895.00	1 Lp Sm	12,895	25:00	44:00	0:00	12,895
Mailbox Clusters, Aluminum, Multi-Tenant	1/2030	10,700.00	1 Lp Sm	10,700	25:00	25:00	6:00	12,409
Railings, Concrete Ballustrade (20%)	1/2030	212.00	108 Ln Ft	22,896	50:00	50:00	6:00	26,552
Roofs, Mansards, Concrete Tile	1/2034	1,150.00	175 Sq	201,250	30:00	54:00	10:00	257,617
Roofs, Sprayed Polyurethane Foam	1/2024	7.50	50,990 Sq Ft	382,425	10:00	11:00	0:00	382,425
Stairs, Metal & Concrete, Repairs (Partial)	1/2043	40,000.00	1 Allow	40,000	25:00	25:00	19:00	63,946
Windows, Laundry Rooms	1/2036	105.00	63 Sq Ft	6,615	45:00	56:00	12:00	8,896
				857,511				948,395
Interior Building Components								
Clothes Washer, Laundry	1/2026	$ 1,500.00	5 Ea	$ 7,500	12:00	12:00	2:00	$ 7,880
Flooring, Vinyl Plank, Laundry Rooms	1/2037	5.00	560 Sq Ft	2,800	15:00	15:00	13:00	3,860
Interior Painting, Laundry	1/2037	1.75	2,160 Sq Ft	3,780	15:00	15:00	13:00	5,211
				14,080				16,950
Pool Facility Components								
Pool Collector Tank & Equipment	1/2059	$ 20,000.00	1 Ea	$ 20,000	40:00	40:00	35:00	$ 47,464

Item Parameters - Summary

Category Reserve Item	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Pool Facility Components								
Pool Deck, Textured Concrete	1/2034	$ 6.50	1,858 Sq Ft	$ 12,077	15:00	15:00	10:00	$ 15,460
Pool Fence, 6' Aluminum Picket	1/2049	60.00	181 Ln Ft	10,860	30:00	30:00	25:00	20,134
Pool Furniture, Replace	1/2034	8,000.00	1 Lp Sm	8,000	15:00	15:00	10:00	10,241
Pool Restrooms, Interior Renovations	1/2044	7,077.00	1 Lp Sm	7,077	25:00	25:00	20:00	11,596
Pool/Spa Finish & Border Tiles	1/2031	27,767.00	1 Lp Sm	27,767	12:00	12:00	7:00	33,006
Roof, Concrete Tiles, Pool Building	1/2034	1,150.00	15 Sq	17,250	30:00	54:00	10:00	22,081
				103,031				159,982
Property Site Components								
Asphalt Pavement, Mill & Overlay	1/2040	$ 13.50	4,227 Sq Yds	$ 57,065	25:00	25:00	16:00	$ 84,713
Asphalt Pavement, Patch, Stripe & Sealcoat	1/2026	0.23	38,040 Sq Ft	8,749	5:00	11:00	2:00	9,192
Carports, Paint	1/2030	2.00	14,400 Sq Ft	28,800	7:00	7:00	6:00	33,399
Carports, Steel/Aluminum	1/2040	20.00	14,400 Sq Ft	288,000	60:00	60:00	16:00	427,538
Fountains, Aeration, Ponds	1/2031	7,500.00	1 Ea	7,500	10:00	10:00	7:00	8,915
Landscaping, Tree Trimming & Mulch	1/2025	10,000.00	1 Allow	10,000	5:00	5:00	1:00	10,250
Perimeter Walls, Paint & Repairs	1/2024	2.00	1,950 Sq Ft	3,900	8:00	11:00	0:00	3,900
Ponds, Erosion Control (Partial)	1/2025	5,000.00	1 Allow	5,000	5:00	5:00	1:00	5,125
Sidewalks, Concrete, 4' Wide	1/2030	12.50	576 Sq Ft	7,200	50:00	50:00	6:00	8,350
				416,214				591,381
				1,509,600				1,866,009

Item Parameter - Category - Chart



Item Parameters - Full Detail

Clothes Dryers, Laundry

Item Number	30	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	12 Years
Category	Building Service Components	Basis Cost	$ 1,200.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0030	01/01/2014	01/01/2026	2:00	12:00	5	$ 6,000.00	$ 6,303.75
						6,000.00	6,303.75

Comments

Item Parameters - Full Detail

Electric, Main Panels & Meters (Partial)

Item Number	33	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	50 Years
Category	Building Service Components	Basis Cost	$ 50,000.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0033	01/01/1980	01/01/2030	6:00	50:00	1	$ 50,000.00	$ 57,984.67
						50,000.00	57,984.67

Comments

This reserve component allows for the partial replacement or repair of the main electric service components.

Item Parameters - Full Detail

Fire Alarm Panel & Devices, Bldg. A & C

Item Number	28	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	25 Years
Category	Building Service Components	Basis Cost	$ 30,564.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0028	01/01/2017	01/01/2042	18:00	25:00	1	$ 30,564.00	$ 47,669.41
						30,564.00	47,669.41

Comments

Basis for Lump Sum Replacement Cost Estimate				
Component	Basis	Basis Cost	Quantity	Current Cost
Fire Control Panel & Equipment	Each	$7,290.00	2	$14,580.00
Fire Control, Notifier	Each	$1,500.00	2	$3,000.00
Fire Alarm-Horn/Strobe	Each	$170.00	6	$1,020.00
Fire Alarm-Manual Pull Station	Each	$210.00	12	$2,520.00
Fire Extinguisher & Cabinet	Each	$459.00	16	$7,344.00
Exit Signs	Each	$150.00	14	$2,100.00
Total				$30,564

Item Parameters - Full Detail

Piping, Subsurface Sewer, Repairs

Item Number	32	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	50 Years
Category	Building Service Components	Basis Cost	$ 25,000.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0032	01/01/1980	01/01/2030	6:00	50:00	1	$ 25,000.00	$ 28,992.34
						25,000.00	28,992.34

Comments

This reserve component allows for the partial replacement, repair, or inspection of the subsurface sewer piping.

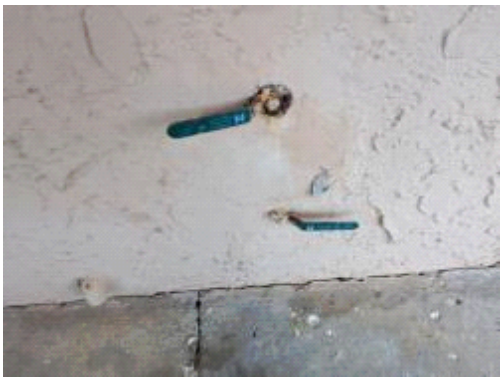
Item Parameters - Full Detail

Valves, Potable Water

Item Number	31	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	25 Years
Category	Building Service Components	Basis Cost	$ 100.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0031	01/01/2005	01/01/2030	6:00	25:00	72	$ 7,200.00	$ 8,349.79
						7,200.00	8,349.79

Comments



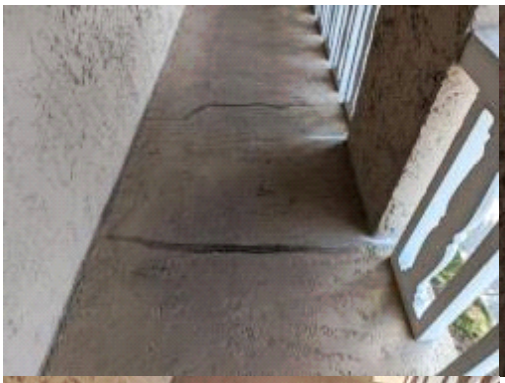
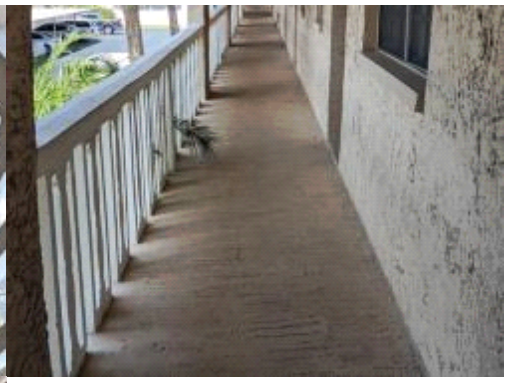
Item Parameters - Full Detail

Concrete Restore, Spalling, Walkways

Item Number	22	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	25 Years
Category	Exterior Building Components	Basis Cost	$ 10.00
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0022	01/01/1980	01/01/2024	0:00	44:00	5,322	$ 53,220.00	$ 53,220.00
						53,220.00	53,220.00

Comments

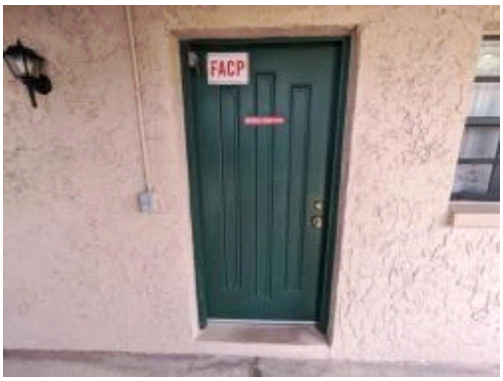

Item Parameters - Full Detail

Doors, Laundry Rooms

Item Number	27	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior Building Components	Basis Cost	$ 2,350.00
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0027	01/01/1980	01/01/2033	9:00	53:00	5	$ 11,750.00	$ 14,674.14
						11,750.00	14,674.14

Comments



Item Parameters - Full Detail

Exterior Paint & Stucco Repairs

Item Number	20	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	8 Years
Category	Exterior Building Components	Basis Cost	$ 2.00
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0020	01/01/2013	01/01/2024	0:00	11:00	57,880	$ 115,760.00	$ 115,760.00
						115,760.00	115,760.00

Comments

This reserve component includes all residential buildings and the pool building.

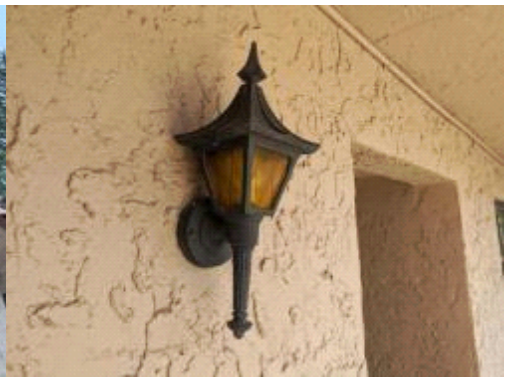
Item Parameters - Full Detail

Light Fixtures, Exterior

Item Number	23	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	25 Years
Category	Exterior Building Components	Basis Cost	$ 12,895.00
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0023	01/01/1980	01/01/2024	0:00	44:00	1	$ 12,895.00	$ 12,895.00
						12,895.00	12,895.00

Comments



Basis for Lump Sum Replacement Cost Estimate

Sub Component	Basis	Basis Cost	Quantity	Current Cost
Light Fixture, Wall-Mount	Ea	$115.00	98	$11,270.00
Light Fixture, Ceiling-Mount	Ea	$325.00	5	$1,625.00
Total				$12,895.00

Item Parameters - Full Detail

Mailbox Clusters, Aluminum, Multi-Tenant

Item Number	25	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	25 Years
Category	Exterior Building Components	Basis Cost	$ 10,700.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0025	01/01/2005	01/01/2030	6:00	25:00	1	$ 10,700.00	$ 12,408.72
						10,700.00	12,408.72

Comments

Basis for Lump Sum Replacement Cost Estimate

Sub Component	Basis	Basis Cost	Quantity	Current Cost
Mailbox Clusters, 4-Tenant	Each	$500.00	8	$4,000.00
Mailbox Clusters, 5-Tenant	Each	$625.00	8	$5,000.00
Labor to remove and install		$1,000.00	1	$1,000.00
Subtotal				$10,000.00
Tax		$700.00		$700.00
Grand Total				$10,700.00

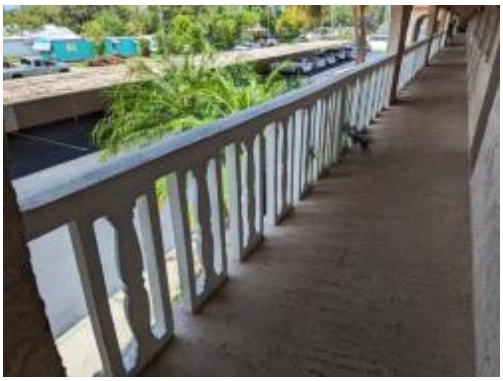
Item Parameters - Full Detail

Railings, Concrete Ballustrade (20%)

Item Number	24	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	50 Years
Category	Exterior Building Components	Basis Cost	$ 212.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0024	01/01/1980	01/01/2030	6:00	50:00	108	$ 22,896.00	$ 26,552.34
						22,896.00	26,552.34

Comments



This reserve component allows for replacement of approximately 20% of the concrete balustrade railing every 50 years. This does not reserve for full replacement of the concrete balustrade railing, only partial repairs or replacement of individual balusters.

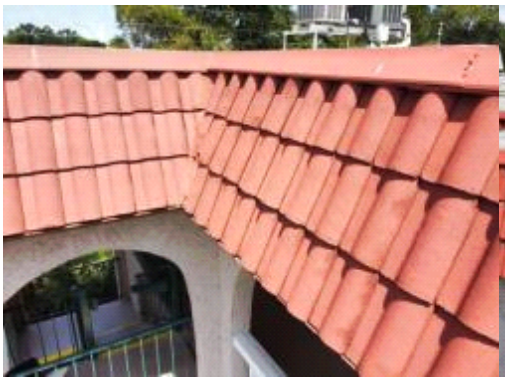
Item Parameters - Full Detail

Roofs, Mansards, Concrete Tile

Item Number	19	Measurement Basis	Sq
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior Building Components	Basis Cost	$ 1,150.00
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0019	01/01/1980	01/01/2034	10:00	54:00	175	$ 201,250.00	$ 257,617.01
						201,250.00	257,617.01

Comments




Item Parameters - Full Detail

Roofs, Sprayed Polyurethane Foam

Item Number	18	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	10 Years
Category	Exterior Building Components	Basis Cost	$ 7.50
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0018	01/01/2013	01/01/2024	0:00	11:00	50,990	$ 382,425.00	$ 382,425.00
						382,425.00	382,425.00

Comments

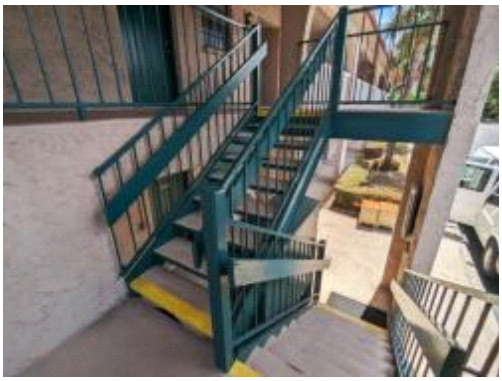
Item Parameters - Full Detail

Stairs, Metal & Concrete, Repairs (Partial)

Item Number	21	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	25 Years
Category	Exterior Building Components	Basis Cost	$ 40,000.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0021	01/01/2018	01/01/2043	19:00	25:00	1	$ 40,000.00	$ 63,946.01
						40,000.00	63,946.01

Comments



Item Parameters - Full Detail

Windows, Laundry Rooms

Item Number	26	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	45 Years
Category	Exterior Building Components	Basis Cost	$ 105.00
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0026	01/01/1980	01/01/2036	12:00	56:00	63	$ 6,615.00	$ 8,896.44
						6,615.00	8,896.44

Comments

Item Parameters - Full Detail

Clothes Washer, Laundry

Item Number	29	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	12 Years
Category	Interior Building Components	Basis Cost	$ 1,500.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0029	01/01/2014	01/01/2026	2:00	12:00	5	$ 7,500.00	$ 7,879.69
						7,500.00	7,879.69

Comments

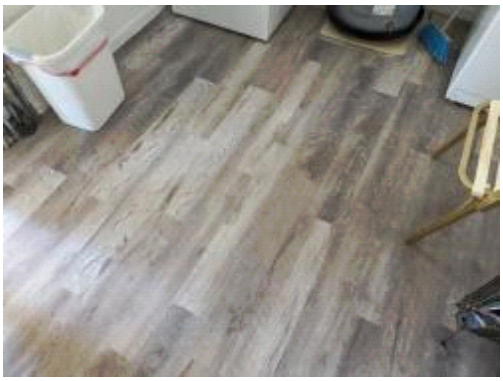
Item Parameters - Full Detail

Flooring, Vinyl Plank, Laundry Rooms

Item Number	34	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	15 Years
Category	Interior Building Components	Basis Cost	$ 5.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0034	01/01/2022	01/01/2037	13:00	15:00	560	$ 2,800.00	$ 3,859.83
						2,800.00	3,859.83

Comments



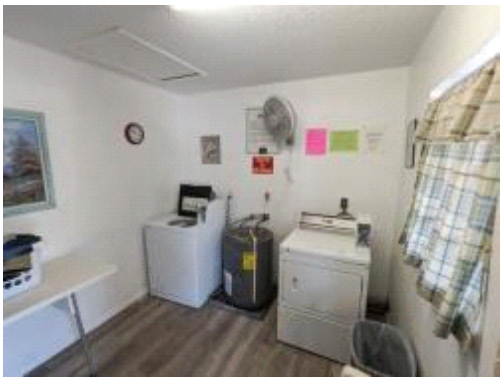
Item Parameters - Full Detail

Interior Painting, Laundry

Item Number	35	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	15 Years
Category	Interior Building Components	Basis Cost	$ 1.75
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0035	01/01/2022	01/01/2037	13:00	15:00	2,160	$ 3,780.00	$ 5,210.77
						3,780.00	5,210.77

Comments



Item Parameters - Full Detail

Pool Collector Tank & Equipment

Item Number	15	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	40 Years
Category	Pool Facility Components	Basis Cost	$ 20,000.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0015	01/01/2019	01/01/2059	35:00	40:00	1	$ 20,000.00	$ 47,464.10
						20,000.00	47,464.10

Comments

Item Parameters - Full Detail

Pool Deck, Textured Concrete

Item Number	17	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	15 Years
Category	Pool Facility Components	Basis Cost	$ 6.50
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0017	01/01/2019	01/01/2034	10:00	15:00	1,858	$ 12,077.00	$ 15,459.58
						12,077.00	15,459.58

Comments

Item Parameters - Full Detail

Pool Fence, 6' Aluminum Picket

Item Number	12	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	30 Years
Category	Pool Facility Components	Basis Cost	$ 60.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0012	01/01/2019	01/01/2049	25:00	30:00	181	$ 10,860.00	$ 20,133.83
						10,860.00	20,133.83

Comments

Item Parameters - Full Detail

Pool Furniture, Replace

Item Number	14	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	15 Years
Category	Pool Facility Components	Basis Cost	$ 8,000.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0014	01/01/2019	01/01/2034	10:00	15:00	1	$ 8,000.00	$ 10,240.68
						8,000.00	10,240.68

Comments


Basis for Lump Sum Replacement Cost Estimate

Sub Component	Basis	Basis Cost	Quantity	Current Cost
Chaise Lounges, Sling, Aluminum Frame	Each	$325.00	12	$3,900.00
Chairs, Sling, Aluminum Frame	Each	$275.00	8	$2,200.00
Tables, 42" Round	Each	$400.00	2	$800.00
Umbrella	Each	$550.00	2	$1,100.00
Total				$8,000.00

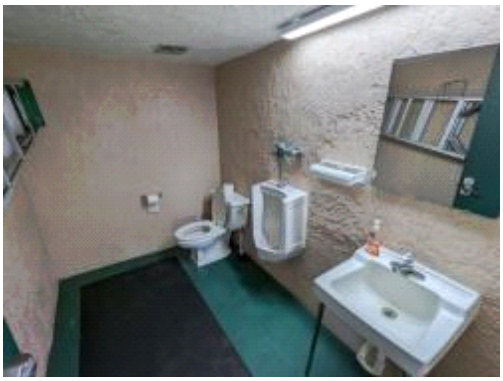
Item Parameters - Full Detail

Pool Restrooms, Interior Renovations

Item Number	11	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	25 Years
Category	Pool Facility Components	Basis Cost	$ 7,077.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0011	01/01/2019	01/01/2044	20:00	25:00	1	$ 7,077.00	$ 11,596.49
						7,077.00	11,596.49

Comments



Basis for Lump Sum Replacement Cost Estimate

Sub Component	Basis	Basis Cost	Quantity	Current Cost
Painting - Ceiling & Walls	Sq Ft	$1.50	688	$1,032.00
Bathroom Ventilation Fan	Each	$200.00	2	$400.00
Bathroom Mirrors	Sq Ft	$21.00	12	$252.00
Sink Faucets	Each	$280.00	2	$560.00
Wall Mount Sink	Each	$500.00	2	$1,000.00
Toilet Paper Holder	Each	$75.00	2	$150.00
Urinal	Each	$1,000.00	1	$1,000.00
Toilet	Each	$525.00	2	$1,050.00
Subtotal				$5,444.00
Grand Total with Contractor O&P Plus Contingency (30%)				$7,077

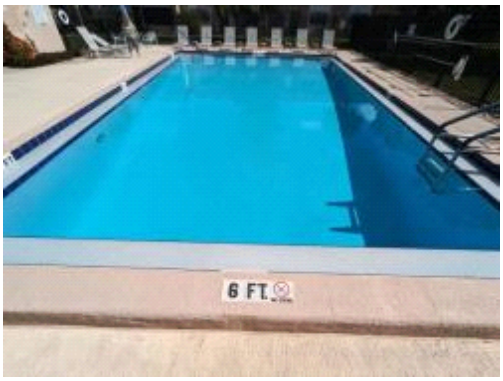
Item Parameters - Full Detail

Pool/Spa Finish & Border Tiles

Item Number	13	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	12 Years
Category	Pool Facility Components	Basis Cost	$ 27,767.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0013	01/01/2019	01/01/2031	7:00	12:00	1	$ 27,767.00	$ 33,006.24
						27,767.00	33,006.24

Comments



Basis for Lump Sum Replacement Cost Estimate

Sub Component	Basis	Basis Cost	Quantity	Current Cost
Prep for pool finish	Sq Ft	$1.92	1,400	$2,688.00
Refinish pool interior	SqFt	$9.23	1,400	$12,922.00
Refinish gutters	Ln Ft	$25.00	121	$3,025.00
Install border tiles	Ln Ft	$18.00	300	$5,400.00
Pool & spa lights, LED	Ea	$750.00	2	$1,500.00
Crack repair	Ln Ft	$100.00	10	$1,000.00
Spa hand rail - stainless	Ea	$582.00	1	$582.00
Ladder - stainless	Ea	$650.00	1	$650.00
Total				$27,767

Item Parameters - Full Detail

Roof, Concrete Tiles, Pool Building

Item Number	10	Measurement Basis	Sq
Type	Common Area	Estimated Useful Life	30 Years
Category	Pool Facility Components	Basis Cost	$ 1,150.00
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0010	01/01/1980	01/01/2034	10:00	54:00	15	$ 17,250.00	$ 22,081.46
						17,250.00	22,081.46

Comments

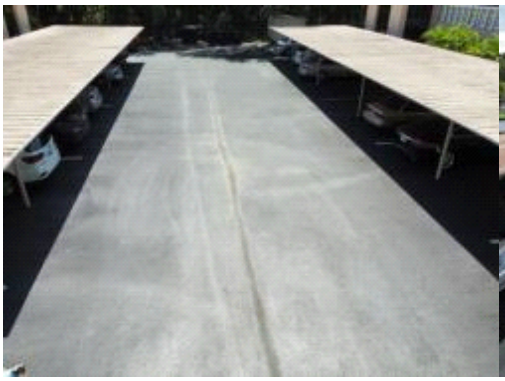
Item Parameters - Full Detail

Asphalt Pavement, Mill & Overlay

Item Number	1	Measurement Basis	Sq Yds
Type	Common Area	Estimated Useful Life	25 Years
Category	Property Site Components	Basis Cost	$ 13.50
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0001	01/01/2015	01/01/2040	16:00	25:00	4,227	$ 57,064.50	$ 84,712.57
						57,064.50	84,712.57

Comments




Item Parameters - Full Detail

Asphalt Pavement, Patch, Stripe & Sealcoat

Item Number	2	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	5 Years
Category	Property Site Components	Basis Cost	$ 0.23
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0002	01/01/2015	01/01/2026	2:00	11:00	38,040	$ 8,749.20	$ 9,192.13
						8,749.20	9,192.13

Comments

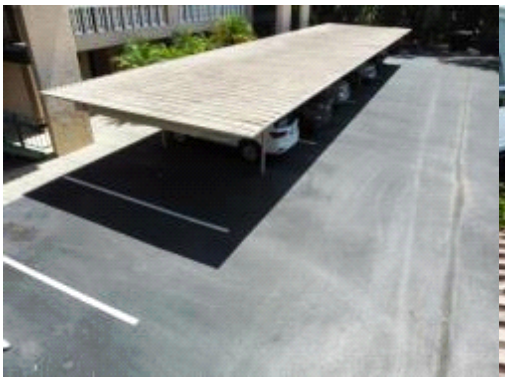
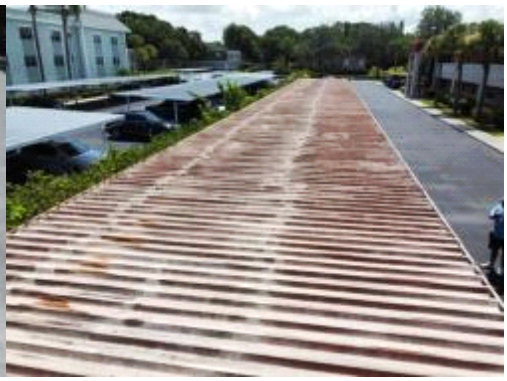
Item Parameters - Full Detail

Carports, Paint

Item Number	5	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	7 Years
Category	Property Site Components	Basis Cost	$ 2.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0005	01/01/2023	01/01/2030	6:00	7:00	14,400	$ 28,800.00	$ 33,399.17
						28,800.00	33,399.17

Comments

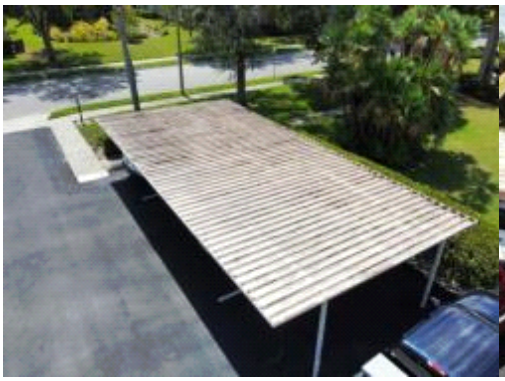
Item Parameters - Full Detail

Carports, Steel/Aluminum

Item Number	4	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	60 Years
Category	Property Site Components	Basis Cost	$ 20.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0004	01/01/1980	01/01/2040	16:00	60:00	14,400	$ 288,000.00	$ 427,537.62
						288,000.00	427,537.62

Comments



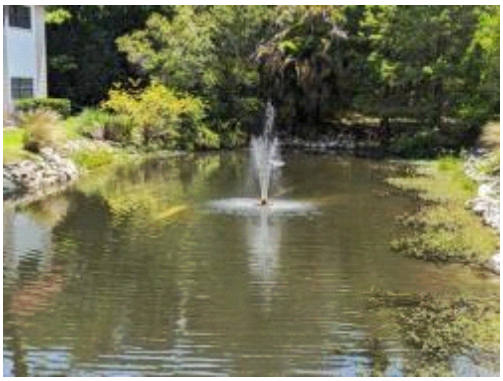

Item Parameters - Full Detail

Fountain, Aeration, Pond

Item Number	8	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	10 Years
Category	Property Site Components	Basis Cost	$ 7,500.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0008	01/01/2021	01/01/2031	7:00	10:00	1	$ 7,500.00	$ 8,915.14
						7,500.00	8,915.14

Comments



Item Parameters - Full Detail

Landscaping, Tree Trimming & Mulch

Item Number	6	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	5 Years
Category	Property Site Components	Basis Cost	$ 10,000.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0006	01/01/2020	01/01/2025	1:00	5:00	1	$ 10,000.00	$ 10,250.00
						10,000.00	10,250.00

Comments

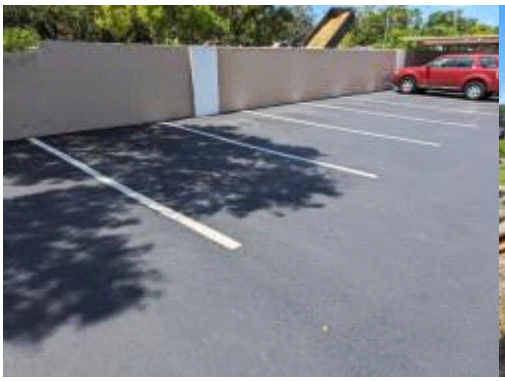
Item Parameters - Full Detail

Perimeter Walls, Paint & Repairs

Item Number	9	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	8 Years
Category	Property Site Components	Basis Cost	$ 2.00
Tracking	Logistical		
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0009	01/01/2013	01/01/2024	0:00	11:00	1,950	$ 3,900.00	$ 3,900.00
						3,900.00	3,900.00

Comments




Item Parameters - Full Detail

Ponds, Erosion Control (Partial)

Item Number	7	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	5 Years
Category	Property Site Components	Basis Cost	$ 5,000.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0007	01/01/2020	01/01/2025	1:00	5:00	1	$ 5,000.00	$ 5,125.00
						5,000.00	5,125.00

Comments

Item Parameters - Full Detail

Sidewalks, Concrete, 4' Wide

Item Number	3	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	50 Years
Category	Property Site Components	Basis Cost	$ 12.50
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0003	01/01/1980	01/01/2030	6:00	50:00	576	$ 7,200.00	$ 8,349.79
						7,200.00	8,349.79

Comments

Component Details

Total Concrete Area sf	Cost per sf	Total Cost	50 yr life failure rate	Reserve Requirement
7,200	$12.50	$90,000.00	20%	$18,000.00

Reserve Schedule

Years	Reserve Amount	Sq Footage
Years 1-10	no reserves	
Years 11-20	$1,800.00	144
Years 21-30	$3,600.00	288
Years 31-40	$5,400.00	432
Years 41-50	$7,200.00	576
Total	$18,000.00	
	Total Area	1,440

Explanations & Definitions

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by assessing an adequate level of reserves as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to acquire a loan from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a $150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to defer the required repair or replacement. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "special assessment" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs

or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Level I - Full Reserve Study with site visit;

Level II - Update with site visit; and

Level III - Update without site visit.

In a Full Reserve Study, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan".

In an Update with site inspection, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the "fund status and "funding plan."

In an Update without site inspection, the reserve provider conducts life and valuation estimates to determine the "fund status" and "funding plan."

Physical and Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an

operational budget from one year to the next. Examples of *operational expenses* include:

Utilities:	Administrative:	Services:	Repair Expenses:
Electricity	Supplies	Landscaping	Minor Roof Repairs
Gas	Licenses, Permits & Fees	Pool Maintenance	Minor Concrete Repairs
Water	Insurance(s)	Street Sweeping	Operating Contingency
Telephone	Bank Service Charges	Accounting	
Cable TV	Dues & Publications	Reserve Study	

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

Roof Replacements	Elevator Modernization
Painting	Interior Furnishings
Deck Resurfacing	Park/Play Equipment
Fencing Replacement	Pool/Spa Re-plastering
Asphalt Seal Coating	Pool Equipment Replacement
Asphalt Repairs	Pool Furniture Replacement
Asphalt Overlays	Tennis Court Resurfacing
Equipment Replacement	Lighting Replacement

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, wiring, plumbing, concrete driveways, etc. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or

as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

This report presents the two generally accepted means of estimating reserve contributions; the Straight Line Funding Plan and the 30 Year Pooled Cash Flow Plan.

Component Funding Analysis Plan (Straight-Line)

The Component Funding Analysis Plan calculates the annual contribution amount for each individual line item component by dividing the component's remaining unfunded balance by its remaining useful life. A component's unfunded remaining balance is its replacement cost less the reserve balance for the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis. Straight-line accounting is based on current costs and neither interest or inflation are factored into the calculations.

The projected reserve fund balance at the end of the current fiscal year has been allocated to those components which have the shortest remaining life. This also provides for the lowest straight line contribution amount using this plan. However, per Florida Statute 718.112(2)(f)(3) condominium associations in Florida can only re-allocate (use) reserve funds for purposes other than which they were authorized for by getting approval in advance by a vote of the majority of the voting interests.

30 Year Pooled Cash Flow Analysis Plan

The 30 Year Cash Flow Plan is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis calculates the future replacement cost for reserve components when they are due for replacement, and recognizes increases in construction costs as well as interest income attributable to reserve accounts. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow throughout the analysis period.

The following describes how the cash flow was produced:

Reserve Fund Balance – projected from the date this reserve study was prepared to the beginning of the fiscal year above;

Reserve Item Data - for each reserve item the following was determined: description, category, basis cost, cost, quantity, estimated useful life and estimated remaining life;

Expenditures - the reserve item data above was used to project when the initial and recurring expenditures will be incurred over the next 30 years;

Interest – calculated on the available funds;

Contribution – determined based on the following: annual contribution increases, interest earned with related taxes and inflation on reserve items.

Prior to December 23, 2002, Florida statute mandated that condominium associations calculate reserves via the Component Funding Analysis method, on an annual basis. Funding at less than 100% of the fully funded estimate, based on the Component Funding Analysis method, could occur only after a full vote of the association membership. As of December 23, 2002, amendments to the Florida Administrative Code recognize the Cash Flow Analysis method as an approved methodology for the calculation of reserve funding for condominium associations. The fund requirement estimated by the Cash Flow Analysis method can now be provided to the membership, on an annual basis as a fully funded figure. The analysis must be completed as a portion of the association's annual budget, include the total estimated useful lives, estimated remaining useful lives, and estimated replacement cost/deferred maintenance expenses of all assets in the reserve budget (minimum roofing, painting, paving and any other item with a replacement/repair cost over $10,000), and the estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

If the association maintains a pooled account for reserves, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal; the association may include annual percentage increases in costs for the reserve components, but these increases are not mandated. Fully funded reserve contributions utilizing this methodology may not include future special assessments, and the annual funding levels cannot include percentage increases.

Definitions

Reserves
Monies set aside for the projected repair and/or replacement of the associations common elements.

Component
A specific item or element which is part of the association's common area assets and is considered to require reserve funding.

Component Inventory
The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

Quantity
The quantity or amount of each reserve component element.

Units
The unit of measurement for each quantity.

Cost per Unit
The estimated cost to replace a reserve component per unit of measurement.

Current Replacement Cost
The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost
The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Placed-In-Service Date
The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life
The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life
Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year
The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Budget Year Beginning/Ending
The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases
If applicable, the number of units and/or phases included in this version of the report.

Inflation
This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase
This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate $10,000 in 10 years, you could set aside $1,000 per year. As an alternative, you could set aside $795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield
The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance
The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded
The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age
Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)
The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation
The sum of the monthly assessment and interest contribution figures.

Group and Category
The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs
In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Annual Fixed Reserves
An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment
An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value
The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement
Notation if the asset is to be replaced on a one-time basis.

Unit Abbreviations

Sq Ft - Square Feet	Lp Sm - Lump Sum	Dbl Ct - Double Tennis Court
Ln Ft - Linear Feet	Allow - Allowance	Ct - Court
Ea - Each	Hp - Horsepower	Units - Units
Sq Yds - Square Yards	Cu Ft - Cubic Feet	Cu Yds - Cubic Yards
Kw - Kilowatts	Pair - Pair	Sq - Squares (1 Sq = 100 sq ft)
Opngs - Openings (elevators)		

Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of Felten Property Assessment Team (FPAT). The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

FPAT has no present or prospective interest in the subject property of this report and also has no personal interest with respect to parties involved. Our assignment was not contingent upon producing or reporting predetermined results and our compensation is not contingent on any action or event resulting from this report.

The calculations, projections and reports in this reserve study were generated using our state of the art reserve study software. Our software has received a Quality Assurance Evaluation from a Certified Public Accounting firm verifying the system for accuracy and compliance with the American Institute of CPAs Audit and Accounting Guide for Common Interest Realty Associations, cash flow projections, and tax calculations consistent with IRS guidelines for 1120c and 1120h corporations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of replacement cost valuation, insurance adjusting and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. Invasive testing has not been performed on the subject assets. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Felten Property Assessment Team would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Annual Update Service

Inflation, labor rates, material availability, taxes, insurance and asset lives are just but a few of the ever changing variables addressed in your reserve study report.

To order updates please contact our office at (886) 568-7853 or email us at info@fpat.com.