FELTEN PROPERTY ASSESSMENT TEAM

RESERVE STUDIES | INSURANCE APPRAISALS | WIND MITIGATION

Structural Integrity Reserve Study

Prepared exclusively for:

Tuscany by the Sea - SIRS

For the period of January 1, 2025 - December 31, 2025

Felten Property Assessment Team
866.568.7853 | www.fpat.com

FPAT File# SRS2320903_SIRS

FELTEN PROPERTY ASSESSMENT TEAM

February 21, 2024

Tuscany by the Sea - SIRS
c/o West Coast Management
19520 Gulf Boulevard
Indian Shores, FL 33785

Regarding: January 1, 2025 - Structural Integrity Reserve Study (SIRS)

Dear Renee Wood,

We are pleased to submit this Structural Integrity Reserve Study for Tuscany by the Sea - SIRS.

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

Tuscany by the Sea - SIRS
January 1, 2025 - December 31, 2025

The following Structural Integrity Reserve Study (SIRS) was performed for Tuscany by the Sea - SIRS ("property") a condominium association located in Indian Shores, FL. The property consists of 12 privately owned residential units. The reserve study is for the fiscal year starting January 1, 2025, and ending December 31, 2025. This SIRS is based on an on-site analysis performed by Eric Dixon, RS of Felten Property Assessment Team on November 7th, 2023.

The purpose of this SIRS report is to identify common building components related to structural integrity and safety for each building on the condominium property that is three stories or higher in height and produce a funding plan recommending annual reserve contributions designed to offset the variable annual SIRS expenses. This report is in general conformance with the requirements of a SIRS inspection outlined in Florida Statutes § 718.112(2)(g).

As of January 1, 2025, Tuscany by the Sea - SIRS has reported a total estimated unaudited reserve fund balance of $382,435. Condominium associations are required to maintain separate reserve budgets for SIRS and Non-SIRS reserve components. For this reason, the total current reserve balance must be separated into SIRS and Non-SIRS related funds. We recommend the association begin with a SIRS balance of $179,207. The remaining reserve funds should be appropriated for Non-SIRS reserve components as identified in the accompanying "Traditional Reserve Study".

Reserve Study Key Facts:

Projection Period:	January 1, 2025 - December 31, 2025
Property Type:	Condominium Association
Initial Year of Construction:	January 1, 2005
Number of Buildings 3 Stories & Higher:	1
On-site Analysis Performed by:	Eric Dixon, RS
Report Prepared by:	Eric Dixon, RS
Level of Service:	II - Update w/ Site Analysis

Reserve Study Results & Financial Parameters:

Current Replacement Cost of All SIRS Components:	$1,642,160
Future Replacement Cost of All SIRS Components:	$2,366,762
Projected Beginning Balance of SIRS Funds:	$179,207
Percent Funded at January 1, 2025	20.90%
Projected Inflation Rate on Reserve Expenses:	2.50%
Projected Interest Rate on Reserve Funds:	1.00%

Recommended Funding Plan Results:

Plan A - 30 Year Pooled Cash Flow Funding Analysis (Pooling)

Funding Method:	Cash Flow Pooling (future cost)
Projected Special Assessment:	$0
Annual Contribution Requirement:	$75,600
Average Annual Contribution Per Unit:	$6,300
Average Monthly Contribution Per Unit:	$525

Components Excluded From This Report:

Major Component	Reason Excluded
Building Foundations	Lifetime Component
Load Bearing Walls	Lifetime Component
Unit Windows & Doors	Unit Owner Responsibility

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 - 2.50%
Interest Earned - 1.00%
Taxes on Interest Earned - 0.00%
Inflation on Reserve Items - 2.50%

Tuscany by the Sea - SIRS

Analysis Date - January 1, 2025

Inflation:2.50% Investment:1.00% Contribution Factor:2.50% Calc:Future

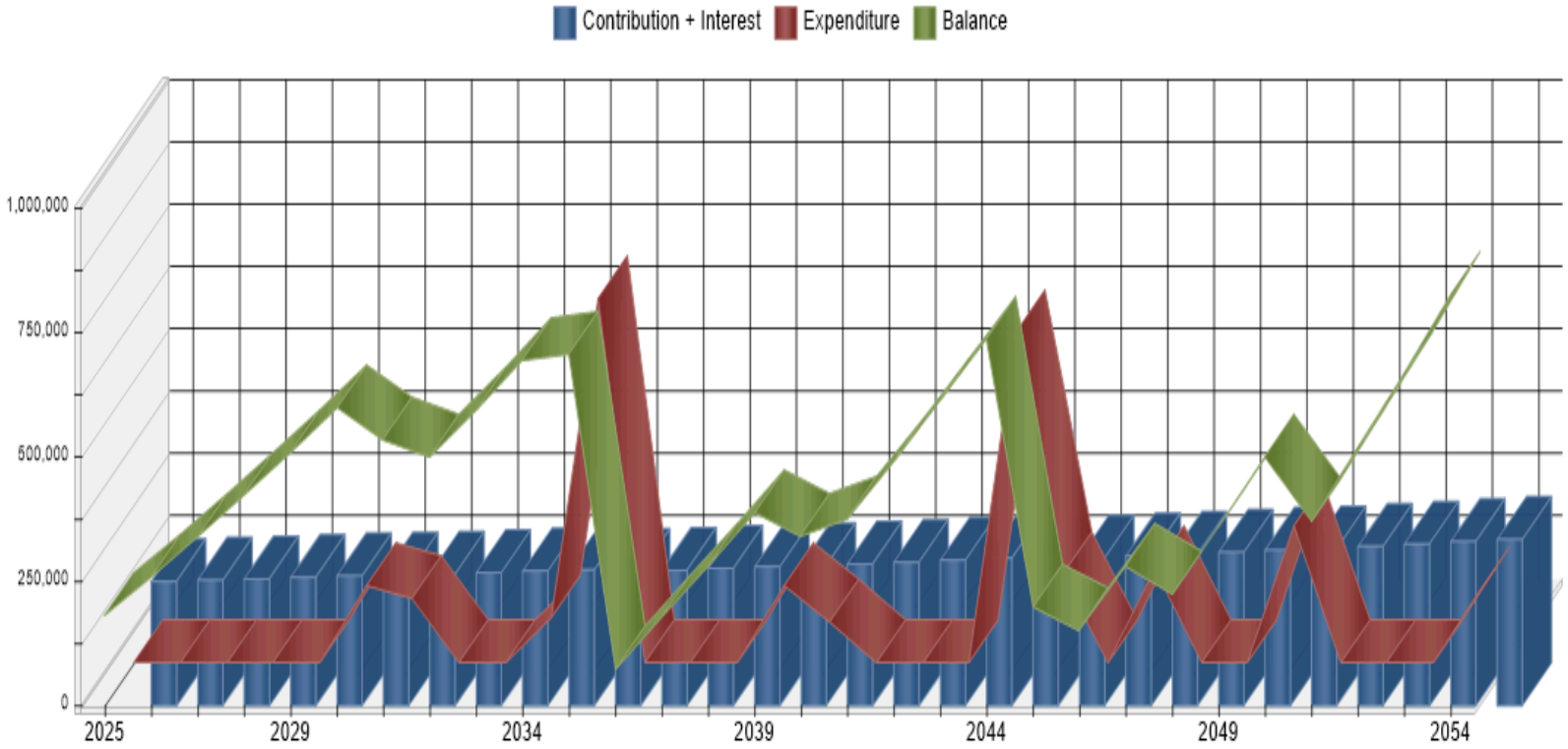
Cash Flow - Annual

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Begin Balance	179,207	256,986	337,447	420,662	506,709	595,666	533,061	498,437	593,759	692,297
Contribution	75,600	77,490	79,427	81,413	83,448	85,534	87,673	89,865	92,111	94,414
Average Per Unit	6,300	6,458	6,619	6,784	6,954	7,128	7,306	7,489	7,676	7,868
Percent Change	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	2,179	2,970	3,788	4,634	5,509	4,940	4,574	5,458	6,427	6,587
Less Expenditures	0	0	0	0	0	153,080	126,870	0	0	87,420
Ending Balance	256,986	337,447	420,662	506,709	595,666	533,061	498,437	593,759	692,297	705,878

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Begin Balance	705,878	72,925	173,349	277,273	384,797	339,952	373,271	489,812	610,344	734,977
Contribution	96,774	99,194	101,674	104,215	106,821	109,491	112,229	115,034	117,910	120,858
Average Per Unit	8,065	8,266	8,473	8,685	8,902	9,124	9,352	9,586	9,826	10,072
Percent Change	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	561	1,230	2,251	3,308	2,913	3,200	4,313	5,497	6,723	1,642
Less Expenditures	730,288	0	0	0	154,579	79,373	0	0	0	659,443
Ending Balance	72,925	173,349	277,273	384,797	339,952	373,271	489,812	610,344	734,977	198,034

	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Begin Balance	198,034	148,994	278,104	221,549	357,848	498,869	366,594	514,659	667,822	826,223
Contribution	123,880	126,977	130,151	133,405	136,740	140,158	143,662	147,254	150,935	154,709
Average Per Unit	10,323	10,581	10,846	11,117	11,395	11,680	11,972	12,271	12,578	12,892
Percent Change	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	937	2,134	1,634	2,895	4,281	3,063	4,403	5,909	7,466	7,697
Less Expenditures	173,857	0	188,340	0	0	275,496	0	0	0	143,249
Ending Balance	148,994	278,104	221,549	357,848	498,869	366,594	514,659	667,822	826,223	845,380

Cash Flow - Chart



Percent Funded - Cash Flow - Annual

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
100% Funded	857,083	943,980	1,034,686	1,129,337	1,228,075	1,331,043	1,281,485	1,259,405	1,368,713	1,482,700
Percent Funded	20.91%	27.22%	32.61%	37.25%	41.26%	44.75%	41.60%	39.58%	43.38%	46.69%
Begin Balance	179,207	256,986	337,447	420,662	506,709	595,666	533,061	498,437	593,759	692,297
Contribution	75,600	77,490	79,427	81,413	83,448	85,534	87,673	89,865	92,111	94,414
Average Per Unit	6,300	6,458	6,619	6,784	6,954	7,128	7,306	7,489	7,676	7,868
Percent Change	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Special Assessment	0	0	0	0	0	0	0	0	0	0
Interest	2,179	2,970	3,788	4,634	5,509	4,940	4,574	5,458	6,427	6,587
Less Tax on Interest	0	0	0	0	0	0	0	0	0	0
Net Interest	2,179	2,970	3,788	4,634	5,509	4,940	4,574	5,458	6,427	6,587
Less Expenditures	0	0	0	0	0	153,080	126,870	0	0	87,420
Less Deferred Expenditur	0	0	0	0	0	0	0	0	0	0
Ending Balance	256,986	337,447	420,662	506,709	595,666	533,061	498,437	593,759	692,297	705,878

Percent Funded - Cash Flow - Annual

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
100% Funded	1,511,924	884,984	993,010	1,105,885	1,223,783	1,188,441	1,231,615	1,359,595	1,493,205	1,632,646
Percent Funded	46.69%	8.24%	17.46%	25.07%	31.44%	28.60%	30.31%	36.03%	40.87%	45.02%
Begin Balance	705,878	72,925	173,349	277,273	384,797	339,952	373,271	489,812	610,344	734,977
Contribution	96,774	99,194	101,674	104,215	106,821	109,491	112,229	115,034	117,910	120,858
Average Per Unit	8,065	8,266	8,473	8,685	8,902	9,124	9,352	9,586	9,826	10,072
Percent Change	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Special Assessment	0	0	0	0	0	0	0	0	0	0
Interest	561	1,230	2,251	3,308	2,913	3,200	4,313	5,497	6,723	1,642
Less Tax on Interest	0	0	0	0	0	0	0	0	0	0
Net Interest	561	1,230	2,251	3,308	2,913	3,200	4,313	5,497	6,723	1,642
Less Expenditures	730,288	0	0	0	154,579	79,373	0	0	0	659,443
Less Deferred Expenditur	0	0	0	0	0	0	0	0	0	0
Ending Balance	72,925	173,349	277,273	384,797	339,952	373,271	489,812	610,344	734,977	198,034

Percent Funded - Cash Flow - Annual

	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
100% Funded	1,102,196	1,058,827	1,195,260	1,144,804	1,288,953	1,439,593	1,314,577	1,471,853	1,636,172	1,807,786
Percent Funded	17.97%	14.07%	23.27%	19.35%	27.76%	34.65%	27.89%	34.97%	40.82%	45.70%
Begin Balance	198,034	148,994	278,104	221,549	357,848	498,869	366,594	514,659	667,822	826,223
Contribution	123,880	126,977	130,151	133,405	136,740	140,158	143,662	147,254	150,935	154,709
Average Per Unit	10,323	10,581	10,846	11,117	11,395	11,680	11,972	12,271	12,578	12,892
Percent Change	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Special Assessment	0	0	0	0	0	0	0	0	0	0
Interest	937	2,134	1,634	2,895	4,281	3,063	4,403	5,909	7,466	7,697
Less Tax on Interest	0	0	0	0	0	0	0	0	0	0
Net Interest	937	2,134	1,634	2,895	4,281	3,063	4,403	5,909	7,466	7,697
Less Expenditures	173,857	0	188,340	0	0	275,496	0	0	0	143,249
Less Deferred Expenditur	0	0	0	0	0	0	0	0	0	0
Ending Balance	148,994	278,104	221,549	357,848	498,869	366,594	514,659	667,822	826,223	845,380

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	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Building Service Components										
Electric, Wiring, Panels & Meter Bases						28,285				
FACP & Emergency Devices						39,599				
Fire Pump Controller						23,533				
Piping, Sewer & Potable Water (Partia						28,285				
Water Boost Pump System, 6hp						33,377				
	0	0	0	0	0	153,080	0	0	0	0
Exterior Building Components										
Exterior Painting & Waterproofing							126,870			
Roof, Modified Bitumen										87,420
	0	0	0	0	0	0	126,870	0	0	87,420
	0	0	0	0	0	153,080	126,870	0	0	87,420

Expenditures

Category	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Exterior Building Components										
Concrete Pavers, Terrace Deck	103,047									
Concrete Restore, Spalling, Balconies	466,431									
Concrete Restore, Spalling, Terrace	128,809									
Doors, Front Entry						36,207				
Doors, Metal Utility						33,751				
Doors, Storefront, Aluminum, Double						9,414				
Exterior Painting & Waterproofing					154,579					
Railings, Concrete Balustrades, Repair	32,002									
Roof, Standing Seam Metal										659,443
	730,288	0	0	0	154,579	79,373	0	0	0	659,443
	730,288	0	0	0	154,579	79,373	0	0	0	659,443

Expenditures

Category	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Building Service Components										
Fire Piping, Risers & Valves						84,540				
Fire Pump, Electric, 75 HP						89,916				
	0	0	0	0	0	174,456	0	0	0	0
Exterior Building Components										
Exterior Painting & Waterproofing			188,340							
Louvers, Fixed, Aluminum, Stairwells	25,562									
Railings, Balconies, Aluminum	148,295									
Roof, Modified Bitumen										143,249
Windows, Impact, Common						101,040				
	173,857	0	188,340	0	0	101,040	0	0	0	143,249
	173,857	0	188,340	0	0	275,496	0	0	0	143,249

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.

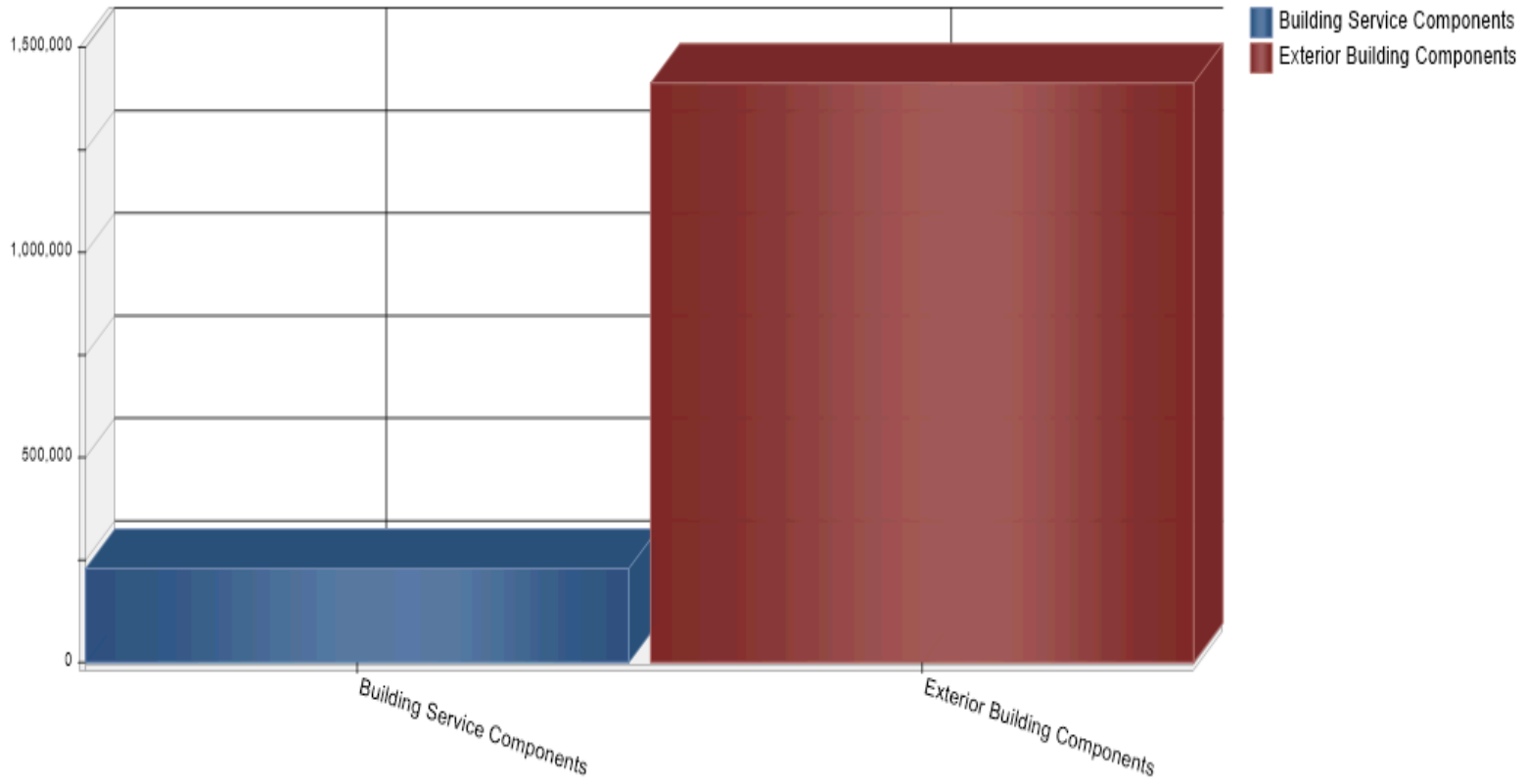
Reports displayed in this section utilize the following assumptions:

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								
Electric, Wiring, Panels & Meter Bases (Partial)	1/2030	$ 25,000.00	1 Allow	$ 25,000	25:00	25:00	5:00	$ 28,285
FACP & Emergency Devices	1/2030	35,000.00	1 Lp Sm	35,000	25:00	25:00	5:00	39,599
Fire Piping, Risers & Valves	1/2050	285.00	160 Ln Ft	45,600	45:00	45:00	25:00	84,540
Fire Pump Controller	1/2030	20,800.00	1 Ea	20,800	25:00	25:00	5:00	23,533
Fire Pump, Electric, 75 HP	1/2050	48,500.00	1 Ea	48,500	45:00	45:00	25:00	89,916
Piping, Sewer & Potable Water (Partial)	1/2030	25,000.00	1 Allow	25,000	25:00	25:00	5:00	28,285
Water Boost Pump System, 6hp	1/2030	29,500.00	1 Lp Sm	29,500	25:00	25:00	5:00	33,377
				229,400				327,536
Exterior Building Components								
Concrete Pavers, Terrace Deck	1/2035	$ 20.00	4,025 Sq Ft	$ 80,500	30:00	30:00	10:00	$ 103,047
Concrete Restore, Spalling, Balconies	1/2035	25.00	14,575 Sq Ft	364,375	30:00	30:00	10:00	466,431
Concrete Restore, Spalling, Terrace	1/2035	25.00	4,025 Sq Ft	100,625	30:00	30:00	10:00	128,809
Doors, Front Entry	1/2040	25,000.00	1 Lp Sm	25,000	35:00	35:00	15:00	36,207
Doors, Metal Utility	1/40 - 1/59	2,913.00	20 Ea	58,260	35:00	35:00	26:05	114,686
Doors, Storefront, Aluminum, Double	1/2040	6,500.00	1 Ea	6,500	35:00	35:00	15:00	9,414
Exterior Painting & Waterproofing	1/2031	109,400.00	1 Lp Sm	109,400	8:00	8:00	6:00	126,870
Louvers, Fixed, Aluminum, Stairwells	1/2045	195.00	80 Sq Ft	15,600	40:00	40:00	20:00	25,562
Railings, Balconies, Aluminum	1/2045	125.00	724 Ln Ft	90,500	40:00	40:00	20:00	148,295
Railings, Concrete Balustrades, Repairs (Partial)	1/2035	25,000.00	1 Allow	25,000	30:00	30:00	10:00	32,002
Roof, Modified Bitumen	1/2034	25.00	2,800 Sq Ft	70,000	20:00	20:00	9:00	87,420
Roof, Standing Seam Metal	1/2044	2,500.00	165 Sq	412,500	30:00	30:00	19:00	659,443
Windows, Impact, Common	1/2050	125.00	436 Sq Ft	54,500	45:00	45:00	25:00	101,040
				1,412,760				2,039,226
				1,642,160				2,366,762

Item Parameter - Category - Chart



Item Parameters - Full Detail

Electric, Wiring, Panels & Meter Bases (Partial)

Item Number	47	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	25 Years
Category	Building Service Components	Basis Cost	$ 25,000.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0047	01/01/2005	01/01/2030	5:00	25:00	1	$ 25,000.00	$ 28,285.21
						25,000.00	28,285.21

Comments

This reserve component is an allowance that creates a deferred maintenance account for repairs or partial replacement of items related to the electrical system. It does not reserve for the full replacement of the electrical system because it is considered a long-lived component with a life greater than 25 years.

Item Parameters - Full Detail

FACP & Emergency Devices

Item Number	36	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	25 Years
Category	Building Service Components	Basis Cost	$ 35,000.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0036	01/01/2005	01/01/2030	5:00	25:00	1	$ 35,000.00	$ 39,599.29
						35,000.00	39,599.29

Comments

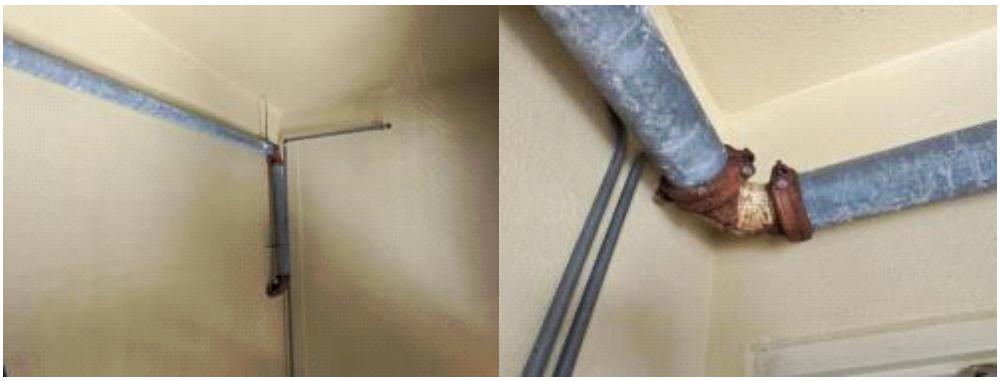
Item Parameters - Full Detail

Fire Piping, Risers & Valves

Item Number	46	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	45 Years
Category	Building Service Components	Basis Cost	$ 285.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0046	01/01/2005	01/01/2050	25:00	45:00	160	$ 45,600.00	$ 84,539.85
						45,600.00	84,539.85

Comments



Item Parameters - Full Detail

Fire Pump Controller

Item Number	37	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	25 Years
Category	Building Service Components	Basis Cost	$ 20,800.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0037	01/01/2005	01/01/2030	5:00	25:00	1	$ 20,800.00	$ 23,533.29
						20,800.00	23,533.29

Comments

Item Parameters - Full Detail

Fire Pump, Electric, 75 HP

Item Number	38	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	45 Years
Category	Building Service Components	Basis Cost	$ 48,500.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0038	01/01/2005	01/01/2050	25:00	45:00	1	$ 48,500.00	$ 89,916.29
						48,500.00	89,916.29

Comments

Item Parameters - Full Detail

Piping, Sewer & Potable Water (Partial)

Item Number	48	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	25 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
910-000-0048	01/01/2005	01/01/2030	5:00	25:00	1	$ 25,000.00	$ 28,285.21
						25,000.00	28,285.21

Comments

This reserve component is an allowance that creates a deferred maintenance account for repairs or partial replacement of items related to the sewer and potable water systems. It does not reserve for the full replacement of the sewer and potable water systems because they are considered a long-lived component with a life greater than 25 years.

Item Parameters - Full Detail

Water Boost Pump System, 6hp

Item Number	49	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	25 Years
Category	Building Service Components	Basis Cost	$ 29,500.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0049	01/01/2005	01/01/2030	5:00	25:00	1	$ 29,500.00	$ 33,376.54
						29,500.00	33,376.54

Comments

Item Parameters - Full Detail

Concrete Pavers, Terrace Deck

Item Number	45	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior Building Components	Basis Cost	$ 20.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0045	01/01/2005	01/01/2035	10:00	30:00	4,025	$ 80,500.00	$ 103,046.81
						80,500.00	103,046.81

Comments

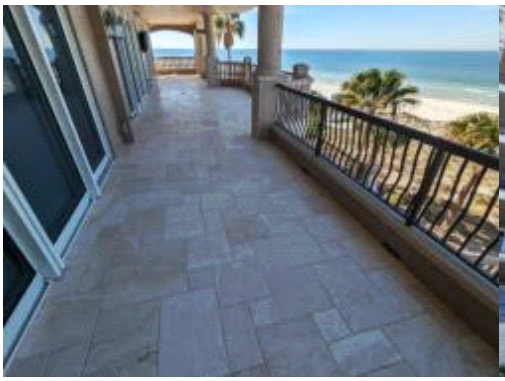
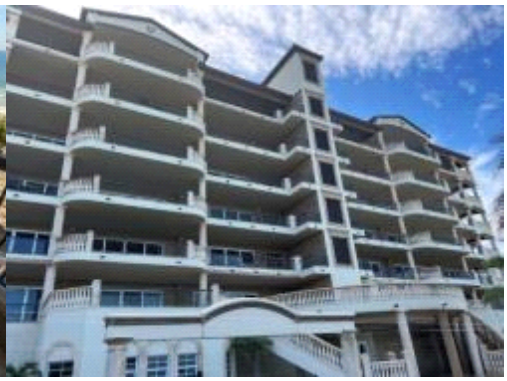
Item Parameters - Full Detail

Concrete Restore, Spalling, Balconies

Item Number	42	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior Building Components	Basis Cost	$ 25.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0042	01/01/2005	01/01/2035	10:00	30:00	14,575	$ 364,375.00	$ 466,430.81
						364,375.00	466,430.81

Comments

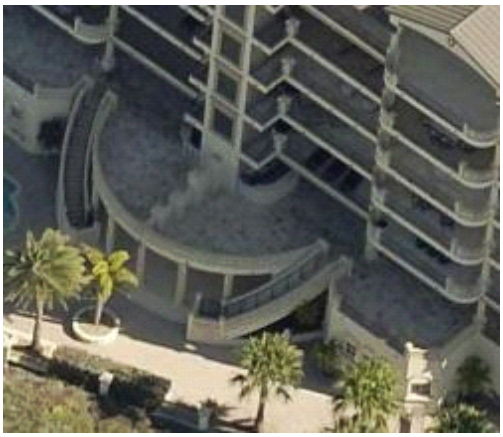
Item Parameters - Full Detail

Concrete Restore, Spalling, Terrace

Item Number	51	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior Building Components	Basis Cost	$ 25.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0051	01/01/2005	01/01/2035	10:00	30:00	4,025	$ 100,625.00	$ 128,808.51
						100,625.00	128,808.51

Comments



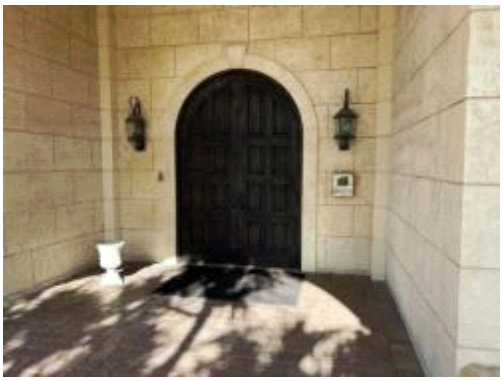
Item Parameters - Full Detail

Doors, Front Entry

Item Number	32	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior Building 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	01/01/2005	01/01/2040	15:00	35:00	1	$ 25,000.00	$ 36,207.45
						25,000.00	36,207.45

Comments



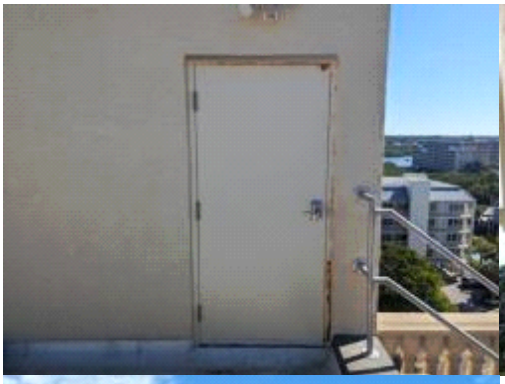
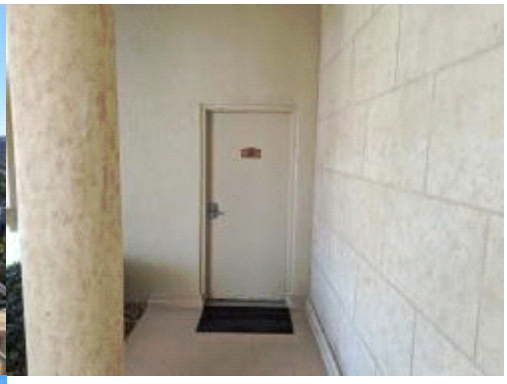
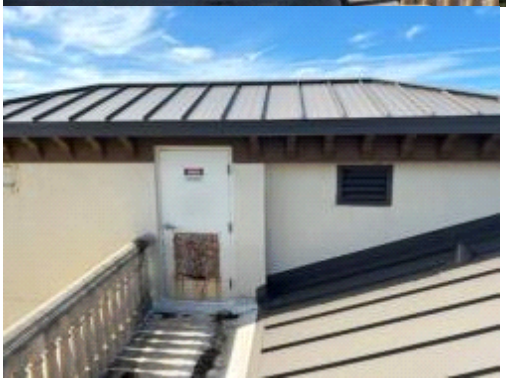
Item Parameters - Full Detail

Doors, Metal Utility

Item Number	17	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior Building Components	Basis Cost	$ 2,913.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
920-001-0017	01/01/2005	01/01/2040	15:00	35:00	8	$ 23,304.00	$ 33,751.14
920-002-0017	01/01/2024	01/01/2059	34:00	35:00	12	34,956.00	80,934.40
						58,260.00	114,685.54

Comments

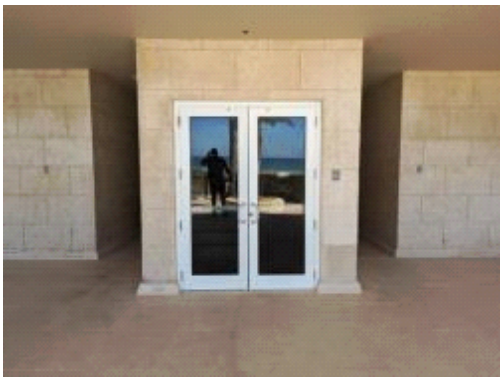
Item Parameters - Full Detail

Doors, Storefront, Aluminum, Double

Item Number	50	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior Building Components	Basis Cost	$ 6,500.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0050	01/01/2005	01/01/2040	15:00	35:00	1	$ 6,500.00	$ 9,413.94
						6,500.00	9,413.94

Comments



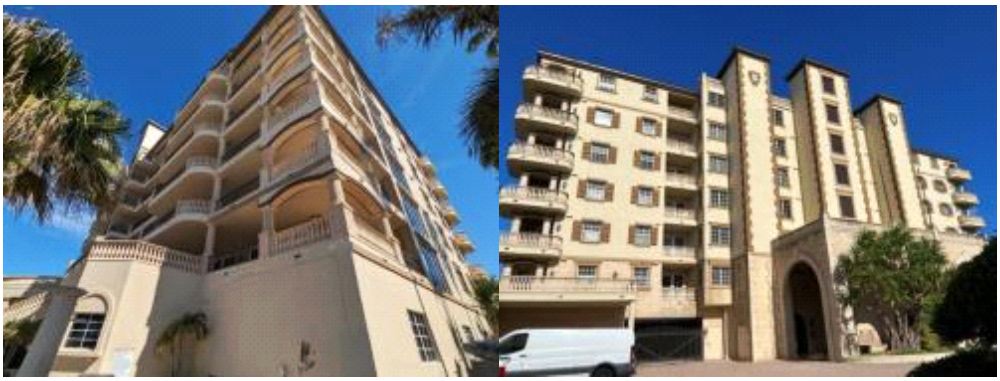
Item Parameters - Full Detail

Exterior Painting & Waterproofing

Item Number	3	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	8 Years
Category	Exterior Building Components	Basis Cost	$ 109,400.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0003	01/01/2023	01/01/2031	6:00	8:00	1	$ 109,400.00	$ 126,870.46
						109,400.00	126,870.46

Comments



The lump sum cost of this reserve component is based on a proposal from Lowe's Painting dated 6/21/2023.

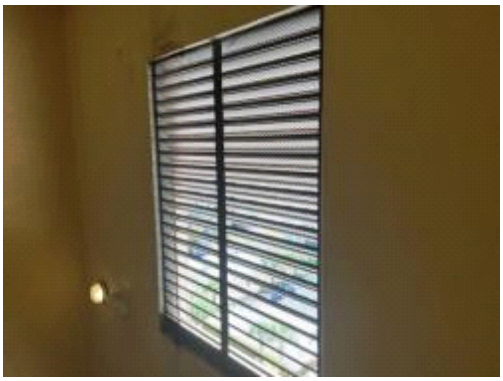
Item Parameters - Full Detail

Louvers, Fixed, Aluminum, Stairwells

Item Number	23	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	40 Years
Category	Exterior Building Components	Basis Cost	$ 195.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0023	01/01/2005	01/01/2045	20:00	40:00	80	$ 15,600.00	$ 25,562.42
						15,600.00	25,562.42

Comments



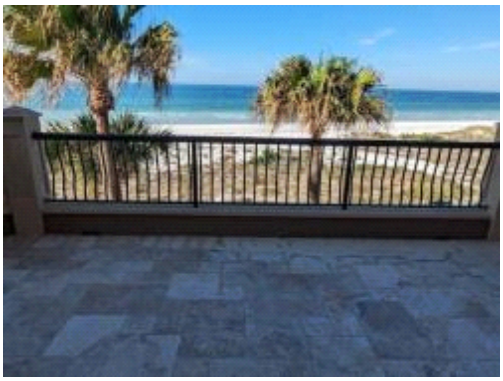
Item Parameters - Full Detail

Railings, Balconies, Aluminum

Item Number	14	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	40 Years
Category	Exterior Building Components	Basis Cost	$ 125.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0014	01/01/2005	01/01/2045	20:00	40:00	724	$ 90,500.00	$ 148,294.79
						90,500.00	148,294.79

Comments



Item Parameters - Full Detail

Railings, Concrete Balustrades, Repairs (Partial)

Item Number	52	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior Building Components	Basis Cost	$ 25,000.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0052	01/01/2005	01/01/2035	10:00	30:00	1	$ 25,000.00	$ 32,002.11
						25,000.00	32,002.11

Comments

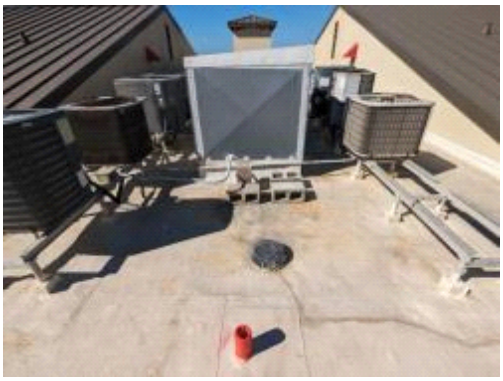
Item Parameters - Full Detail

Roof, Modified Bitumen

Item Number	2	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	20 Years
Category	Exterior Building Components	Basis Cost	$ 25.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0002	01/01/2014	01/01/2034	9:00	20:00	2,800	$ 70,000.00	$ 87,420.41
						70,000.00	87,420.41

Comments



According to management the flat roof was coated with a Silicone Roof Coating in late 2021.

Item Parameters - Full Detail

Roof, Standing Seam Metal

Item Number	1	Measurement Basis	Sq
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior Building Components	Basis Cost	$ 2,500.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0001	01/01/2014	01/01/2044	19:00	30:00	165	$ 412,500.00	$ 659,443.20
						412,500.00	659,443.20

Comments

Item Parameters - Full Detail

Windows, Impact, Common

Item Number	16	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	45 Years
Category	Exterior Building Components	Basis Cost	$ 125.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0016	01/01/2005	01/01/2050	25:00	45:00	436	$ 54,500.00	$ 101,039.95
						54,500.00	101,039.95

Comments

The common area windows have been identified as the fitness room, storage room, and trash hallway windows.

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.

Reserve Study

A reserve study is a budget planning tool that identifies the components a community association is responsible for maintaining or replacing, the status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenses.

Reserve Study Levels of Service

The following four levels of service describe the various types of reserve studies. In each case, minimum requirements are provided; definitions for each term are included within the "Terms and Definitions" section below.

Level I, Full
A reserve study in which the following five tasks are performed. This type of study includes the preparation of all five portions of the study based on both the reserve study provider's on-site evaluation and on information provided by the client and other subject matter experts, as applicable:

- Component inventory
- Condition assessment
- Life and valuation estimates
- Fund status
- Funding plan

Level II, Update, With Site Visit/On-Site Review
A reserve study update in which the following five tasks are performed, based on both the reserve study provider's on-site evaluation and on information provided by the client and other subject matter experts, as applicable:

- Component inventory
    - *This does not require quantities to be re-established, but it does require a review for a general conformance of the quantities in the study being updated to match the as-built conditions observed as part of the site visit.*
    - *Components are to be added that were not previously included within the study being updated and which now are anticipated to occur within 30 years.*
    - *Long-life components are to be recognized as described within the definition of long-life components provided within this document.*
- Condition assessment
- Life and valuation estimates
- Fund status
- Funding plan

Level III, Update, No-Site-Visit/Off Site Review
A reserve study update with no on-site visual observations, in which the following three tasks are performed based on both the reserve study provider's experience, as well as information provided by the client and other subject matter experts as applicable:

- Life and valuation estimates
- Fund status
- Funding plan

Level IV, Preliminary, Community Not Yet Constructed
A reserve study prepared before construction that is generally used for budget estimates. It is based on design documents such as architectural and engineering plans. The following three tasks are performed to prepare this type of study:

- Component inventory
- Life and valuation estimates
- 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 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, 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 components 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

There are two generally accepted means of estimating reserve contributions; the Component Funding Analysis (straight-line) and the 30 Year Pooled Cash Flow Funding Analysis (pooling).

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.

30 Year Pooled Cash Flow Analysis Plan (Pooling)

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.

Terms & Definitions

Adequate Reserves: A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.
Capital Improvements: Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.
Cash Flow Method (also known as pooling): A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund.
To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.
Common Area: The areas identified in the community association's master deed or declarations of covenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.
Community Association: A nonprofit entity that exists to preserve the nature of the community and protect the value of the property owned by members. Membership in the community association is mandatory and automatic for all owners. All owners pay mandatory lien-based assessments that fund the operation of the association and maintain the common area or elements, as defined in the governing documents. The community association is served and lead by an elected board of trustees or directors.
Components: The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. Components are selected to be included in the reserve study based on the following three-part test:

1. The association has the obligation to maintain or replace the existing element.
2. The need and schedule for this project can be reasonably anticipated.
3. The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

Component Inventory: The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.
The Reserve Specialist, in coordination with the client, will determine the methodology for including these components in the study. Typical evaluation techniques for consideration include:

- Inclusion of long-life components with funding in the study.
- Addition of long-life components with funding at the time when they fall within the 30-year period from the date of study preparation.
- Identification of long-life components in the component inventory even when they are not yet being funded in the 30-year funding plan.

Component Method (also known as Straight Line): A method of developing a reserve funding plan where the total funding is based on the sum of funding for the individual components.
Condition Assessment: The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.
Effective Age: The difference between useful life and estimated remaining useful life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

Financial Analysis: The portion of a reserve study in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.
Fully Funded: 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.
Fully Funded Balance (FFB): An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.
FFB = Current Cost X Effective Age/Useful Life
Example: For a component with a $10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be $4,000.
Fund Status: The status of the reserve fund reported in terms of cash or percent funded.
Funding Goals:
The three funding goals listed below range from the most aggressive to most conservative:

Baseline Funding

Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, and it is not recommended as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

Threshold Funding

Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "fully funded" with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

Full Funding

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance. *It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.*

Funding Plan: An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

Funding Principles: A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.

- Fiscally responsible.

Initial Year: The first fiscal year in the financial analysis or funding plan.
Life Estimates: The task of estimating useful life and remaining useful life of the reserve components.
Life Cycle Cost: The ongoing cost of deterioration which must be offset in order to maintain and replace
common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.
Maintenance: Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of "replacement" but may pass the defining test of a reserve component and be appropriate for reserve funding.
Maintenance types are categorized below:
Preventive Maintenance: Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.
Deferred Maintenance: Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.
This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.
Corrective Maintenance: Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.
Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.
Percent Funded: The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.
While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of "adequacy."
Periodic Structural Inspection: Structural system inspections aimed at identifying issues when they become evident.
Additional information and recommendations are included within the Condominium Safety Public Policy Report. www.condosafety.com

Physical Evaluation: The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.
Preventive Maintenance Schedule: A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components are

attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).
Remaining Useful Life (RUL): Also referred to as "remaining life" (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life.
Replacement Cost: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).
Reserve Balance: Actual or projected funds, clearly identified as existing either at the beginning or end of the association's fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.
Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.
Reserve Study: A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures. This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.
Reserve Study Provider: An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. Reserve Study Provider Firm: A company that prepares reserve studies as one of its primary business activities.
Site Visit: A visual assessment of the accessible areas of the components included within the reserve study.
The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.
Special Assessment: A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes. *Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.*
Structural Integrity Reserve Study (SIRS):
A non-invasive, visual inspection of critical infrastructure that relates to the safety of a building. Florida legislation requires certain components be included in the analysis and mandates reserve funding for the repair and replacement of the related components.

Useful Life (UL): The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.
Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

Valuation Estimates: The task of estimating the current repair or replacement costs for the reserve components.

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)		

Statutory Requirements in Florida

Structural Integrity Reserve Studies

Per Florida Statutes section 718.112 (2)(g):

(g) *Structural integrity reserve study.*—

1. A residential condominium association must have a structural integrity reserve study completed at least every 10 years after the condominium's creation for each building on the condominium property that is three stories or higher in height, as determined by the Florida Building Code, which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

a. Roof.

b. Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. 627.706.

c. Fireproofing and fire protection systems.

d. Plumbing.

e. Electrical systems.

f. Waterproofing and exterior painting.

g. Windows and exterior doors.

h. Any other item that has a deferred maintenance expense or replacement cost that exceeds $10,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.

Traditional Reserve Studies

Per Florida Statutes section 718.112 (2)(a):

2.a. In addition to annual operating expenses, the budget must include reserve accounts for capital expenditures and deferred maintenance. These accounts must include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other item that has a deferred maintenance expense or replacement cost that exceeds $10,000.

Disclosures & Limitations

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, and XactRemodel. 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.

General Exclusions from the analysis are:

Excluded Conditions	Reason for Exclusion
Building code or zoning violations or upgrades	Outside scope of study
Structural stability or engineering analysis	Outside scope of study
Environmental conditions *	Outside scope of study
Geological stability or soil conditions	Outside scope of study
Soil contamination	Outside scope of study
Hydrological conditions	Outside scope of study
Mold or fungus	Outside scope of study
Termites or other pest control	Outside scope of study
Risks of wildfire, flood or seismic activity	Outside scope of study
Water quality or testing	Outside scope of study
Illegal or controlled substances	Outside scope of study
Building values or appraisals	Outside scope of study
Adequacy of efficiency of any system or component Information not provided by the association necessary to identify all components	Outside scope of study

* Asbestos, radon, formaldehyde, lead, water or air quality, electromagnetic radiation or other environmental hazards.

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.

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.

Annual Update Service

Florida Statute 718.112(2)(g)

(g) Structural integrity reserve study.—

1. A residential condominium association must have a structural integrity reserve study completed at least every 10 years after the condominium's creation for each building on the condominium property that is three stories or higher in height, as determined by the Florida Building Code, which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

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Best practice, regardless of applicable statutes or governing document requirements, involves regularly updating your reserve study on a cycle that enables you to sufficiently budget and maintain adequate reserves. We recommend updating this reserve study at least every three years to capture changes in inflation, labor rates, material availabilities, component lives, etc.

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