

RESERVE STUDY

PREPARED FOR:

Topaz Oceanfront Condominium Association, Inc.

Indialantic, FL



For The Period Beginning January 1, 2026

PREPARED BY:



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Attention: **Board of Directors**
Property: Topaz Oceanfront Condominium Association, Inc., Indialantic, Florida
Service: Traditional Reserve Study
Period: Beginning January 1, 2026

March 28, 2025

Dear Board of Directors of Topaz Oceanfront Condominium Association, Inc.:

At the direction of the Board and management of Topaz Oceanfront Condominium Association, Inc.,

Stone Building Solutions has completed a Traditional Reserve Study for the Topaz Oceanfront Condominium Association, Inc. Association. Enclosed is our report for the Board's review and consideration.

This study is based on an on-site analysis. The on-site analysis of Topaz Oceanfront Condominium Association, Inc. upon which this study is based was performed by of Stone Building Solutions.

The effective date of this report is the date of inspection, November 26, 2024

This Reserve Study meets or exceeds all requirements outlined in Florida Statute 718.112 and the Association of Professional Reserve Analysts (APRA) standards, fulfilling the requirements of a "Level I Reserve Study."

If you have any questions or would like to direct any follow-up service, please don't hesitate to contact us.

Respectfully submitted,

Reviewed by:

A handwritten signature in black ink, appearing to read "Diego Duran".

Diego Duran, RS

Reserve Specialist #534

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Prepared by:

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Nick Vocke

Reserve Analyst

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Executive Summary

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

Stone Building Solutions was responsible for the physical evaluation. Stone Building Solutions provided analysis on key building components, their condition, and evaluation. Stone Building Solutions has received this information 'as is' and is not in a position to add or comment on the engineering analysis. Stone Building Solutions is using this information to create a financial evaluation for budgeting purposes.

Topaz Oceanfront Condominium Association, Inc. has 28 units. This study is for the fiscal year starting January 1, 2026, and ending Dec 31, 2026.

Financial Parameters & Assumptions

Projection Period:	January 1, 2026 - December 31, 2055	Association:	Condominiums (Condos)
Report Type:	Level I	Year Built:	2002
Inflation:	2.50%	Buildings:	1
Interest (Gained):	1.00%	Total Units:	28

As of January 1, 2026, the estimated unaudited reserve fund balance is \$242,536

The suggested yearly reserve contributions are not based on the condominium's governing documents, which allocate costs according to each unit's percentage of ownership in the property's total square footage.

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

The 30-year Funding Plan is an approach to determining reserve contributions in a way that balances the annual expenses from the reserve fund. This analysis takes into account future replacement costs for reserve components as they come due for replacement, acknowledges construction cost increases, and

considers interest income generated by reserve accounts. By pooling funds from initial balances, a yearly contribution rate is calculated to ensure a positive cash flow throughout the analysis period. Annual contributions will start at \$10,000 for the 2026 Fiscal Year. Going forward, the yearly contributions are illustrated on the 30-year cash flow table.

The recommendations for the initial year are based on the 30-year Pooled Cash Flow Funding Plan.

Recommended annual contribution:	\$10,000
Recommended annual contribution per unit:	\$357
First Year monthly contribution per unit:	\$30
Average monthly contribution per unit (Over 30 Years):	\$30
Special assessments:	\$0

30-Year Baseline Funding Analysis Summary

The Baseline Funding method plans reserve contributions so that the reserve balance never falls below zero during the study period. This approach focuses on meeting projected expenses just in time, without overfunding the reserve account. While it results in lower annual contributions compared to more conservative methods, the risk of special assessments is high, especially if unexpected repairs arise or costs increase. Baseline funding is often chosen for its affordability, but should be carefully considered in light of its potential financial risks. Annual contributions will start at \$0 for the 2026 Fiscal Year. Going forward, the yearly contributions are illustrated on the 30-year Baseline table.

Required First Year Association contribution:	\$0
Required First Year annual contribution per unit:	\$0
Required First Year monthly contribution per unit:	\$0
Average monthly contribution per unit (Over 30 Years):	\$26
Special assessments:	\$0

Cost Evaluation

The cost estimates identified are based on approximate quantities, costs, and published information, and they include labor, material, design fees, appropriate overhead, general conditions, and profit. The estimated costs to repair, replace, or upgrade the improvements are considered typical for the marketplace.

No contractors have been contacted for actual bids or price quotes, and the actual cost of repairs may vary from our estimates. These opinions of probable costs are for components or systems exhibiting material deferred maintenance, and for existing physical deficiencies requiring major repairs or replacement.

This report presents the 30 Year Cash Flow Funding Analysis.

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.

Expenditures

Individual Elements

NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
Access Control, Enterphone Panel: Common	01/01/2038	12y	12y	12y	\$2,460.00	1 Ea	\$2,460
Asphalt Pavement, Mill & Overlay: Common	01/01/2043	25y	N/A	17y	\$22.55	1,355 SY	\$30,555
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	01/01/2028	4y	4y	2y	\$2.562	1,355 SY	\$3,472
Bridge, Wood Deck, Railing, Joists: Common	01/01/2038	22y	22y	12y	\$17.425	1,117 SF	\$19,464
Deck, Wood Joists & Composite Decking: Common	01/01/2034	15y	15y	8y	\$2,050.00	1 LS	\$2,050
Doors, Steel, Fire Rated, Single: Common	01/01/2044	55y	55y	18y	\$3,280.00	5 Ea	\$16,400
Doors, Wood Bypass, Double: Common	01/01/2041	30y	30y	15y	\$1,230.00	1 Ea	\$1,230
Doors, Wood, Louvered: Common	01/01/2041	35y	35y	15y	\$358.75	1 Ea	\$359
Elevator Cabs, Refurbish: Common	01/01/2042	20y	20y	16y	\$12,812.50	1 Ea	\$12,812
Elevator, Hydraulic, Piston/Jack: Common	01/01/2082	60y	60y	56y	\$51,250.00	1 Ea	\$51,250
Flooring, Tile: Common	01/01/2053	35y	35y	27y	\$13.92	484 SF	\$6,737
Furniture, Interior, Lobby: Common	01/01/2038	15y	15y	12y	\$2,562.50	1 Allow	\$2,562
Garage, Exhaust Fans & Grills: Common	01/01/2036	15y	15y	10y	\$2,626.562	2 PC	\$5,253
Interior Renovation, Community Room: Common	01/01/2036	25y	34y	10y	\$15,375.00	1 Allow	\$15,375
Landscaping, Major Tree Remove/Replace: Common	01/01/2039	15y	15y	13y	\$10,250.00	1 Allow	\$10,250
Landscaping, Ornamental, Remove/Replace: Common	01/01/2031	7y	7y	5y	\$7,687.50	1 Allow	\$7,688
Light Fixtures, Exterior, Wall Mount: Common	01/01/2036	20y	20y	10y	\$128.125	196 Ea	\$25,112
Mailbox Clusters, Aluminum, Multi-Tenant: Common	01/01/2034	25y	25y	8y	\$1,537.50	1 Ea	\$1,538
Monuments, Signage, Refurbish: Common	01/01/2031	16y	16y	5y	\$5,125.00	1 Allow	\$5,125

NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
Perimeter Walls, Masonry Repairs & Paint Finishes: Common	01/01/2038	14y	N/A	12y	\$4.305	1,319 SF	\$5,678
Pool Deck, Textured Concrete: Common	01/01/2039	15y	15y	13y	\$7.657	750 SF	\$5,743
Pool Fence, 4' Aluminum Picket: Common	01/01/2032	30y	30y	6y	\$49.20	130 LF	\$6,396
Pool Finish & Border: Common	01/01/2030	12y	22y	4y	\$21.525	1,084 SF	\$23,333
Pool Furniture, Replace: Common	01/01/2035	12y	12y	9y	\$3,587.50	1 Allow	\$3,588
Trash Chute, Stainless Doors: Common	01/01/2042	35y	40y	16y	\$2,460.00	5 Flr	\$12,300
							\$276,730



Critical Expenditure Planning (3-Year Outlook)

LOCATION RESERVE ITEM	2026	2027	2028
Building Service Components			
Total Building Service Components			
Exterior Building Components			
Total Exterior Building Components			
Interior Building Components			
Total Interior Building Components			
Pool Facility Components			
Total Pool Facility Components			
Property Site Components			
Asphalt Pavement, Patch, Stripe & Sealcoat: Common			\$3,648
Total Property Site Components			\$3,648
Total			\$3,648



Expenditures (By Year)

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2026 (Year 1)					
2026 (Year 1) Total			\$0		
2027 (Year 2)					
2027 (Year 2) Total			\$0		
2028 (Year 3)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$2.692	1,355 SY	\$3,648	4y	2032
2028 (Year 3) Total			\$3,648		
2029 (Year 4)					
2029 (Year 4) Total			\$0		
2030 (Year 5)					
Pool Finish & Border: Common	\$23.76	1,084 SF	\$25,756	22y	2042
2030 (Year 5) Total			\$25,756		
2031 (Year 6)					
Landscaping, Ornamental, Remove/Replace: Common	\$8,698.00	1 Allow	\$8,698	7y	2038
Monuments, Signage, Refurbish: Common	\$5,798.00	1 Allow	\$5,798	16y	2047
2031 (Year 6) Total			\$14,496		
2032 (Year 7)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$2.971	1,355 SY	\$4,026	4y	2036
Pool Fence, 4' Aluminum Picket: Common	\$57.054	130 LF	\$7,417	30y	N/A
2032 (Year 7) Total			\$11,443		
2033 (Year 8)					
2033 (Year 8) Total			\$0		

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2034 (Year 9)					
Deck, Wood Joists & Composite Decking: Common	\$2,498.00	1 LS	\$2,498	15y	2049
Mailbox Clusters, Aluminum, Multi-Tenant: Common	\$1,873.00	1 Ea	\$1,873	25y	N/A
2034 (Year 9) Total			\$4,371		
2035 (Year 10)					
Pool Furniture, Replace: Common	\$4,480.00	1 Allow	\$4,480	12y	2047
2035 (Year 10) Total			\$4,480		
2036 (Year 11)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$3.28	1,355 SY	\$4,444	4y	2040
Garage, Exhaust Fans & Grills: Common	\$3,362.00	2 PC	\$6,724	15y	2051
Interior Renovation, Community Room: Common	\$19,681.00	1 Allow	\$19,681	34y	N/A
Light Fixtures, Exterior, Wall Mount: Common	\$164.01	196 Ea	\$32,146	20y	N/A
2036 (Year 11) Total			\$62,995		
2037 (Year 12)					
2037 (Year 12) Total			\$0		
2038 (Year 13)					
Access Control, Enterphone Panel: Common	\$3,308.00	1 Ea	\$3,308	12y	2050
Bridge, Wood Deck, Railing, Joists: Common	\$23.435	1,117 SF	\$26,177	22y	N/A
Furniture, Interior, Lobby: Common	\$3,446.00	1 Allow	\$3,446	15y	2053
Landscaping, Ornamental, Remove/Replace: Common	\$10,339.00	1 Allow	\$10,339	7y	2045
Perimeter Walls, Masonry Repairs & Paint Finishes: Common	\$5.79	1,319 SF	\$7,637	14y	2052
2038 (Year 13) Total			\$50,907		
2039 (Year 14)					
Landscaping, Major Tree Remove/Replace: Common	\$14,130.00	1 Allow	\$14,130	15y	2054

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
Pool Deck, Textured Concrete: Common	\$10.555	750 SF	\$7,916	15y	2054
2039 (Year 14) Total			\$22,046		
2040 (Year 15)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$3.62	1,355 SY	\$4,905	4y	2044
2040 (Year 15) Total			\$4,905		
2041 (Year 16)					
Doors, Wood Bypass, Double: Common	\$1,781.00	1 Ea	\$1,781	30y	N/A
Doors, Wood, Louvered: Common	\$520.00	1 Ea	\$520	35y	N/A
2041 (Year 16) Total			\$2,301		
2042 (Year 17)					
Elevator Cabs, Refurbish: Common	\$19,020.00	1 Ea	\$19,020	20y	N/A
Pool Finish & Border: Common	\$31.954	1,084 SF	\$34,638	12y	2054
Trash Chute, Stainless Doors: Common	\$3,651.80	5 Flr	\$18,259	40y	N/A
2042 (Year 17) Total			\$71,917		
2043 (Year 18)					
Asphalt Pavement, Mill & Overlay: Common	\$34.312	1,355 SY	\$46,493	25y	N/A
2043 (Year 18) Total			\$46,493		
2044 (Year 19)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$3.996	1,355 SY	\$5,415	4y	2048
Doors, Steel, Fire Rated, Single: Common	\$5,115.60	5 Ea	\$25,578	55y	N/A
2044 (Year 19) Total			\$30,993		
2045 (Year 20)					
Landscaping, Ornamental, Remove/Replace: Common	\$12,290.00	1 Allow	\$12,290	7y	2052
2045 (Year 20) Total			\$12,290		
2046 (Year 21)					
2046 (Year 21) Total			\$0		
2047 (Year 22)					
Monuments, Signage, Refurbish: Common	\$8,608.00	1 Allow	\$8,608	16y	N/A

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
Pool Furniture, Replace: Common	\$6,026.00	1 Allow	\$6,026	12y	N/A
2047 (Year 22) Total			\$14,634		
2048 (Year 23)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$4.411	1,355 SY	\$5,977	4y	2052
2048 (Year 23) Total			\$5,977		
2049 (Year 24)					
Deck, Wood Joists & Composite Decking: Common	\$3,617.00	1 LS	\$3,617	15y	N/A
2049 (Year 24) Total			\$3,617		
2050 (Year 25)					
Access Control, Enterphone Panel: Common	\$4,449.00	1 Ea	\$4,449	12y	N/A
2050 (Year 25) Total			\$4,449		
2051 (Year 26)					
Garage, Exhaust Fans & Grills: Common	\$4,869.50	2 PC	\$9,739	15y	N/A
2051 (Year 26) Total			\$9,739		
2052 (Year 27)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$4.869	1,355 SY	\$6,597	4y	N/A
Landscaping, Ornamental, Remove/Replace: Common	\$14,608.00	1 Allow	\$14,608	7y	N/A
Perimeter Walls, Masonry Repairs & Paint Finishes: Common	\$8.181	1,319 SF	\$10,791	14y	N/A
2052 (Year 27) Total			\$31,996		
2053 (Year 28)					
Flooring, Tile: Common	\$27.114	484 SF	\$13,123	35y	N/A
Furniture, Interior, Lobby: Common	\$4,991.00	1 Allow	\$4,991	15y	N/A
2053 (Year 28) Total			\$18,114		
2054 (Year 29)					
Landscaping, Major Tree Remove/Replace: Common	\$20,464.00	1 Allow	\$20,464	15y	N/A
Pool Deck, Textured Concrete: Common	\$15.287	750 SF	\$11,465	15y	N/A

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
Pool Finish & Border: Common	\$42.975	1,084 SF	\$46,585	12y	N/A
2054 (Year 29) Total			\$78,514		
2055 (Year 30)					
2055 (Year 30) Total			\$0		



Expenditures (By Year and Category)

LOCATION RESERVE ITEM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Building Service Components															
Garage, Exhaust Fans & Grills: Common											\$6,724				
Total Building Service Components											\$6,724				
Exterior Building Components															
Light Fixtures, Exterior, Wall Mount: Common											\$32,146				
Total Exterior Building Components											\$32,146				
Interior Building Components															
Furniture, Interior, Lobby: Common													\$3,446		
Interior Renovation, Community Room: Common											\$19,681				
Total Interior Building Components											\$19,681		\$3,446		
Pool Facility Components															
Pool Deck, Textured Concrete: Common														\$7,916	

LOCATION RESERVE ITEM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Pool Fence, 4' Aluminum Picket: Common							\$7,417								
Pool Finish & Border: Common					\$25,756										
Pool Furniture, Replace: Common										\$4,480					
Total Pool Facility Components					\$25,756		\$7,417			\$4,480				\$7,916	
Property Site Components															
Access Control, Enterphone Panel: Common													\$3,308		
Asphalt Pavement, Patch, Stripe & Sealcoat: Common			\$3,648				\$4,026				\$4,444				\$4,905
Bridge, Wood Deck, Railing, Joists: Common													\$26,177		
Deck, Wood Joists & Composite Decking: Common									\$2,498						
Landscaping, Major Tree Remove/ Replace: Common														\$14,130	
Landscaping, Ornamental, Remove/ Replace: Common						\$8,698							\$10,339		
Mailbox Clusters, Aluminum, Multi- Tenant: Common									\$1,873						
Monuments, Signage, Refurbish: Common						\$5,798									
Perimeter Walls, Masonry Repairs & Paint Finishes: Common													\$7,637		
Total Property Site Components			\$3,648			\$14,496	\$4,026		\$4,371		\$4,444		\$47,461	\$14,130	\$4,905
Total			\$3,648		\$25,756	\$14,496	\$11,443		\$4,371	\$4,480	\$62,995		\$50,907	\$22,046	\$4,905

LOCATION RESERVE ITEM	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Building Service Components															
Garage, Exhaust Fans & Grills: Common											\$9,739				
Trash Chute, Stainless Doors: Common		\$18,259													
Total Building Service Components		\$18,259									\$9,739				
Exterior Building Components															
Doors, Steel, Fire Rated, Single: Common				\$25,578											
Doors, Wood Bypass, Double: Common	\$1,781														
Doors, Wood, Louvered: Common	\$520														
Total Exterior Building Components	\$2,301			\$25,578											
Interior Building Components															
Elevator Cabs, Refurbish: Common		\$19,020													
Flooring, Tile: Common													\$13,123		
Furniture, Interior, Lobby: Common													\$4,991		
Total Interior Building Components		\$19,020											\$18,114		
Pool Facility Components															
Pool Deck, Textured Concrete: Common														\$11,465	
Pool Finish & Border: Common		\$34,638												\$46,585	
Pool Furniture, Replace: Common							\$6,026								
Total Pool Facility Components		\$34,638					\$6,026							\$58,050	
Property Site Components															

LOCATION RESERVE ITEM	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Access Control, Enterphone Panel: Common										\$4,449					
Asphalt Pavement, Mill & Overlay: Common			\$46,493												
Asphalt Pavement, Patch, Stripe & Sealcoat: Common				\$5,415				\$5,977				\$6,597			
Deck, Wood Joists & Composite Decking: Common								\$3,617							
Landscaping, Major Tree Remove/ Replace: Common														\$20,464	
Landscaping, Ornamental, Remove/ Replace: Common					\$12,290							\$14,608			
Monuments, Signage, Refurbish: Common							\$8,608								
Perimeter Walls, Masonry Repairs & Paint Finishes: Common												\$10,791			
Total Property Site Components			\$46,493	\$5,415	\$12,290		\$8,608	\$5,977	\$3,617	\$4,449		\$31,996		\$20,464	
Total	\$2,301	\$71,917	\$46,493	\$30,993	\$12,290		\$14,634	\$5,977	\$3,617	\$4,449	\$9,739	\$31,996	\$18,114	\$78,514	

Pooled/Cash-Flow Funding (30-Year Projection)

This part of the Reserve Study introduces an alternative approach to funding compared to the Component Funding Analysis (Straight-Line).

This method entails computing the yearly Reserve contribution based on a 30-year positive cash flow projection. Known as the 30-year "Pooled" or "Cash Flow" Funding Plan, it involves determining Reserve contributions aimed at balancing out the fluctuating annual expenses from the Reserve fund. By consolidating funds from initial balances, a yearly contribution rate is computed to ensure a consistent positive cash flow over the analysis period.

This methodology is a widely accepted, logical, factual, and mathematical basis for calculating Reserve contributions where the Reserve fund total balance at any one point in the projection can offset the expected annual expenditures from the Reserve fund, in perpetuity, on a year-over-year basis.

In this methodology, Reserve funds can only be collectively allocated (used) for purposes authorized under the categorical nature of the components identified within the pool as they become due.



Cash-Flow Projection

Inflation: 2.50% | Calc: Inflation-Adjusted Cost

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2026	\$242,536	\$10,000	N/A	\$2,425	\$0	\$0	\$0	\$254,961	205.33%	\$124,172
2027	\$254,961	\$10,000	0.00%	\$2,550	\$0	\$0	\$0	\$267,511	190.67%	\$140,303
2028	\$267,511	\$10,000	0.00%	\$2,675	\$0	\$0	\$3,648	\$276,538	180.24%	\$153,424
2029	\$276,538	\$10,000	0.00%	\$2,765	\$0	\$0	\$0	\$289,303	169.24%	\$170,944
2030	\$289,303	\$10,000	0.00%	\$2,893	\$0	\$0	\$25,756	\$276,440	168.72%	\$163,844
2031	\$276,440	\$10,000	0.00%	\$2,764	\$0	\$0	\$14,496	\$274,709	163.05%	\$168,485
2032	\$274,709	\$10,000	0.00%	\$2,747	\$0	\$0	\$11,443	\$276,013	156.16%	\$176,755
2033	\$276,013	\$10,000	0.00%	\$2,760	\$0	\$0	\$0	\$288,773	146.32%	\$197,359
2034	\$288,773	\$10,000	0.00%	\$2,888	\$0	\$0	\$4,371	\$297,290	138.66%	\$214,402
2035	\$297,290	\$10,000	0.00%	\$2,973	\$0	\$0	\$4,480	\$305,783	131.71%	\$232,169
2036	\$305,783	\$10,000	0.00%	\$3,058	\$0	\$0	\$62,995	\$255,846	133.92%	\$191,046
2037	\$255,846	\$10,000	0.00%	\$2,558	\$0	\$0	\$0	\$268,404	125.48%	\$213,901
2038	\$268,404	\$10,000	0.00%	\$2,684	\$0	\$0	\$50,907	\$230,181	124.00%	\$185,628
2039	\$230,181	\$10,000	0.00%	\$2,302	\$0	\$0	\$22,046	\$220,437	118.08%	\$186,691

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2040	\$220,437	\$10,000	0.00%	\$2,204	\$0	\$0	\$4,905	\$227,736	110.65%	\$205,826
2041	\$227,736	\$10,000	0.00%	\$2,277	\$0	\$0	\$2,301	\$237,713	103.99%	\$228,594
2042	\$237,713	\$10,000	0.00%	\$2,377	\$0	\$0	\$71,917	\$178,173	98.36%	\$181,144
2043	\$178,173	\$10,000	0.00%	\$1,782	\$0	\$0	\$46,493	\$143,461	90.18%	\$159,080
2044	\$143,461	\$10,000	0.00%	\$1,435	\$0	\$0	\$30,993	\$123,903	81.05%	\$152,877
2045	\$123,903	\$10,000	0.00%	\$1,239	\$0	\$0	\$12,290	\$122,852	73.90%	\$166,230
2046	\$122,852	\$10,000	0.00%	\$1,229	\$0	\$0	\$0	\$134,081	69.45%	\$193,068
2047	\$134,081	\$10,000	0.00%	\$1,341	\$0	\$0	\$14,634	\$130,787	63.44%	\$206,144
2048	\$130,787	\$10,000	0.00%	\$1,308	\$0	\$0	\$5,977	\$136,118	59.44%	\$229,001
2049	\$136,118	\$10,000	0.00%	\$1,361	\$0	\$0	\$3,617	\$143,862	56.32%	\$255,445
2050	\$143,862	\$10,000	0.00%	\$1,439	\$0	\$0	\$4,449	\$150,852	53.43%	\$282,310
2051	\$150,852	\$10,000	0.00%	\$1,509	\$0	\$0	\$9,739	\$152,622	50.03%	\$305,045
2052	\$152,622	\$10,000	0.00%	\$1,526	\$0	\$0	\$31,996	\$132,152	43.16%	\$306,180
2053	\$132,152	\$10,000	0.00%	\$1,322	\$0	\$0	\$18,114	\$125,359	38.90%	\$322,231
2054	\$125,359	\$10,000	0.00%	\$1,254	\$0	\$0	\$78,514	\$58,099	20.94%	\$277,450
2055	\$58,099	\$10,000	0.00%	\$581	\$0	\$0	\$0	\$68,680	21.96%	\$312,713



Baseline Projection

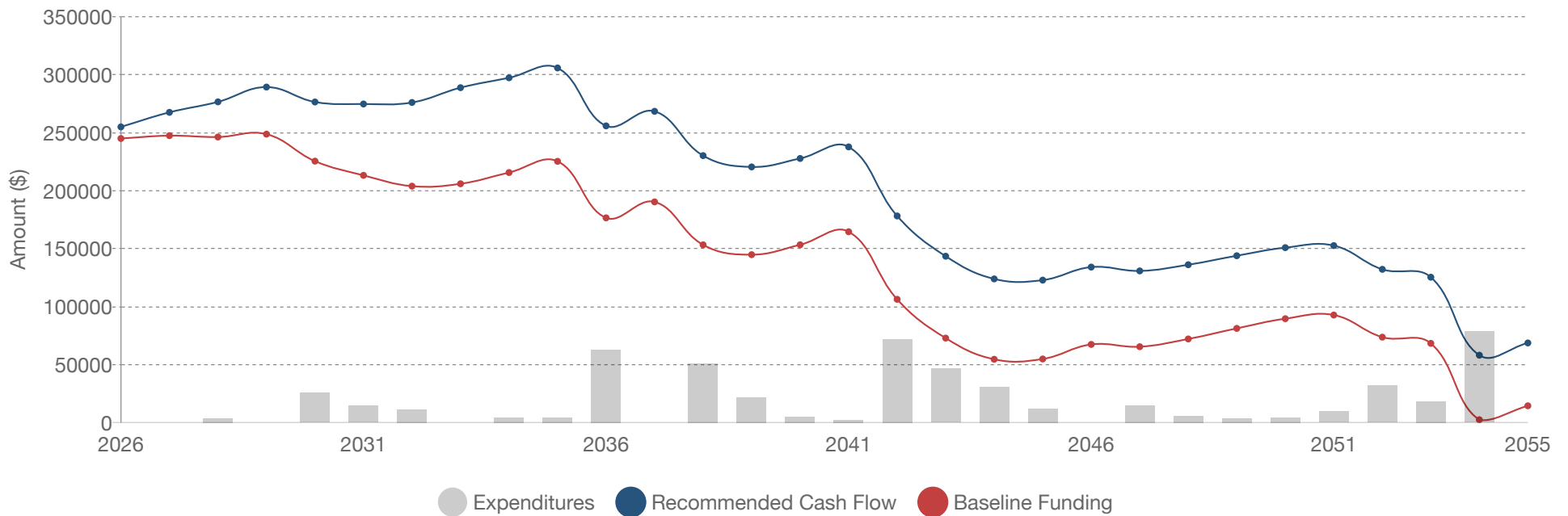
Inflation: 2.50% | Calc: Inflation-Adjusted Cost

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE		ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
							FUTURE COST				
2026	\$242,536	\$0	N/A	\$2,425	\$0	\$0	\$0		\$244,961	197.28%	\$124,172
2027	\$244,961	\$0	N/A	\$2,450	\$0	\$0	\$0		\$247,411	176.34%	\$140,303
2028	\$247,411	\$0	N/A	\$2,474	\$0	\$0	\$3,648		\$246,237	160.49%	\$153,424
2029	\$246,237	\$0	N/A	\$2,462	\$0	\$0	\$0		\$248,699	145.49%	\$170,944
2030	\$248,699	\$0	N/A	\$2,487	\$0	\$0	\$25,756		\$225,430	137.59%	\$163,844
2031	\$225,430	\$0	N/A	\$2,254	\$0	\$0	\$14,496		\$213,189	126.53%	\$168,485
2032	\$213,189	\$0	N/A	\$2,132	\$0	\$0	\$11,443		\$203,878	115.34%	\$176,755
2033	\$203,878	\$0	N/A	\$2,039	\$0	\$0	\$0		\$205,916	104.34%	\$197,359
2034	\$205,916	\$12,000	N/A	\$2,059	\$0	\$0	\$4,371		\$215,605	100.56%	\$214,402
2035	\$215,605	\$12,000	0.00%	\$2,156	\$0	\$0	\$4,480		\$225,281	97.03%	\$232,169
2036	\$225,281	\$12,000	0.00%	\$2,253	\$0	\$0	\$62,995		\$176,538	92.41%	\$191,046
2037	\$176,538	\$12,000	0.00%	\$1,765	\$0	\$0	\$0		\$190,304	88.97%	\$213,901
2038	\$190,304	\$12,000	0.00%	\$1,903	\$0	\$0	\$50,907		\$153,300	82.58%	\$185,628
2039	\$153,300	\$12,000	0.00%	\$1,533	\$0	\$0	\$22,046		\$144,787	77.55%	\$186,691
2040	\$144,787	\$12,000	0.00%	\$1,448	\$0	\$0	\$4,905		\$153,330	74.49%	\$205,826
2041	\$153,330	\$12,000	0.00%	\$1,533	\$0	\$0	\$2,301		\$164,562	71.99%	\$228,594
2042	\$164,562	\$12,000	0.00%	\$1,646	\$0	\$0	\$71,917		\$106,291	58.68%	\$181,144
2043	\$106,291	\$12,000	0.00%	\$1,063	\$0	\$0	\$46,493		\$72,861	45.80%	\$159,080
2044	\$72,861	\$12,000	0.00%	\$729	\$0	\$0	\$30,993		\$54,596	35.71%	\$152,877
2045	\$54,596	\$12,000	0.00%	\$546	\$0	\$0	\$12,290		\$54,852	33.00%	\$166,230
2046	\$54,852	\$12,000	0.00%	\$549	\$0	\$0	\$0		\$67,401	34.91%	\$193,068
2047	\$67,401	\$12,000	0.00%	\$674	\$0	\$0	\$14,634		\$65,441	31.75%	\$206,144
2048	\$65,441	\$12,000	0.00%	\$654	\$0	\$0	\$5,977		\$72,118	31.49%	\$229,001
2049	\$72,118	\$12,000	0.00%	\$721	\$0	\$0	\$3,617		\$81,222	31.80%	\$255,445

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
							FUTURE COST			
2050	\$81,222	\$12,000	0.00%	\$812	\$0	\$0	\$4,449	\$89,585	31.73%	\$282,310
2051	\$89,585	\$12,000	0.00%	\$896	\$0	\$0	\$9,739	\$92,742	30.40%	\$305,045
2052	\$92,742	\$12,000	0.00%	\$927	\$0	\$0	\$31,996	\$73,674	24.06%	\$306,180
2053	\$73,674	\$12,000	0.00%	\$737	\$0	\$0	\$18,114	\$68,296	21.19%	\$322,231
2054	\$68,296	\$12,000	0.00%	\$683	\$0	\$0	\$78,514	\$2,465	0.89%	\$277,450
2055	\$2,465	\$12,000	0.00%	\$25	\$0	\$0	\$0	\$14,490	4.63%	\$312,713

Funding Model Comparison

Projected Reserve Ending Balance



The chart above compares the projected annual reserve fund ending balances for funding plans.

Funding Options

Significant expenses for repair or replacement of reserve components are expected within a community. When these expenses occur there are essentially four funding options available for addressing the expenditure:

- The *First and most logical option* for the Board of Directors is to ensure the association's ability to maintain the obligated assets by assessing an adequate level of reserves as part of the regular membership fees. This approach allows for the cost of replacements to be uniformly distributed among all members, both present and future. The board needs to avoid adopting a calculation method or funding plan that unfairly burdens future members to compensate for past reserve deficits. The board has a fiduciary responsibility to the entire community and should act in their best interest. By setting aside reserves over the lifespan of the asset, such as a roof, the association has ample time to accumulate the necessary funds. Additionally, these contributions would be evenly distributed among all members and could earn interest.
- The *Second option* is for the association to secure a loan from a lending institution to finance any immediately required repairs. In many cases, banks are willing to lend to associations using future homeowner assessments as collateral. However, this method commits the association's future assets and incurs additional expenses in the form of interest fees. For instance, in the case of a \$150,000 roofing replacement, the association may be required to repay the loan over three to five years, along with the accrued interest.
- The *Third option* is to pass a "special assessment" to the membership, requiring each member to contribute an amount necessary to cover the expenditure. When a special assessment is implemented, the association has the authority and responsibility to collect the assessments, even through foreclosure if necessary. However, it is important to note that there is no guarantee that an assessment will be passed when it is needed. Therefore, the association cannot ensure its ability to perform the required repairs or replacements for major components when the need arises. Furthermore, as communities age, the need for major reserve expenditures increases. Associations that are 12 to 15 years old or older often encounter numerous components reaching the end of their useful lives. If these required expenditures coincide, they can have a detrimental impact on the association's overall budget.
- The *Fourth option*, although not recommended, is to defer the necessary repair or replacement. This approach can lead to declining property values due to an expanding list of deferred maintenance items. The association may struggle to keep up with the natural aging process of common area components. Consequently, this can make it difficult, or even impossible, for potential buyers to obtain financing from lenders. Lending institutions are increasingly requesting copies of the association's most recent reserve study before granting loans, whether to the association itself, a

prospective purchaser, or an individual within the association.

Reserve Components

In this section of the report, we provide a comprehensive examination of the Reserve Study's physical analysis, encompassing a thorough inventory of the significant components within the association's "common" areas. This includes "Limited Common Elements" or (LCE).

Each Reserve Component has been assessed based on its physical condition during the inspection. A determination was made regarding the following:

- *Installation date*
- *Estimated market expected lifespan*
- *Subjective remaining lifespan*
- *Unit current cost*
- *Unit projected future cost*

Component List - Full Detail

Access Control, Enterphone Panel

Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Access Control Systems
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	12y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per Ea:	\$2,400.00
Total Quantity:	1 Ea
Total Current Cost:	\$2,460
Inflation Rate:	2.50%
Total Expenditures:	\$7,757



Asphalt Pavement, Mill & Overlay

Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Ground Surfaces
Condition:	Good

Comments/Notes

The BoD is not aware of the parking lot being repaved but is sealed regularly. No compromised pavement was observed.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	17y
Next Activity Date:	01/01/2043

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per SY:	\$22.00
Total Quantity:	1,355 SY
Total Current Cost:	\$30,555
Inflation Rate:	2.50%
Total Expenditures:	\$46,493



Asphalt Pavement, Patch, Stripe & Sealcoat

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Property Site Components
Category:	Ground Surfaces
Condition:	Good

Comments/Notes

The parking lot was sealed and striped in 2024.

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	4y
Remaining Useful Life:	2y
Next Activity Date:	01/01/2028

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per SY:	\$2.50
Total Quantity:	1,355 SY
Total Current Cost:	\$3,472
Inflation Rate:	2.50%
Total Expenditures:	\$35,012



Bridge, Wood Deck, Railing, Joists

Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	22y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per SF:	\$17.00
Total Quantity:	1,117 SF
Total Current Cost:	\$19,464
Inflation Rate:	2.50%
Total Expenditures:	\$26,177



Deck, Wood Joists & Composite Decking

Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2025
Cost Per LS:	\$2,000.00
Total Quantity:	1 LS
Total Current Cost:	\$2,050
Inflation Rate:	2.50%
Total Expenditures:	\$6,115



Doors, Steel, Fire Rated, Single

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Access Control Systems
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	55y
Remaining Useful Life:	18y
Next Activity Date:	01/01/2044

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per Ea:	\$3,200.00
Total Quantity:	5 Ea
Total Current Cost:	\$16,400
Inflation Rate:	2.50%
Total Expenditures:	\$25,578



Doors, Wood Bypass, Double

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Access Control Systems
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	30y
Remaining Useful Life:	15y
Next Activity Date:	01/01/2041

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per Ea:	\$1,200.00
Total Quantity:	1 Ea
Total Current Cost:	\$1,230
Inflation Rate:	2.50%
Total Expenditures:	\$1,781



Doors, Wood, Louvered

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Access Control Systems
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	35y
Remaining Useful Life:	15y
Next Activity Date:	01/01/2041

Financial Data

Estimate Date:	01/01/2025
Cost Per Ea:	\$350.00
Total Quantity:	1 Ea
Total Current Cost:	\$359
Inflation Rate:	2.50%
Total Expenditures:	\$520



Elevator Cabs, Refurbish

Basic Info

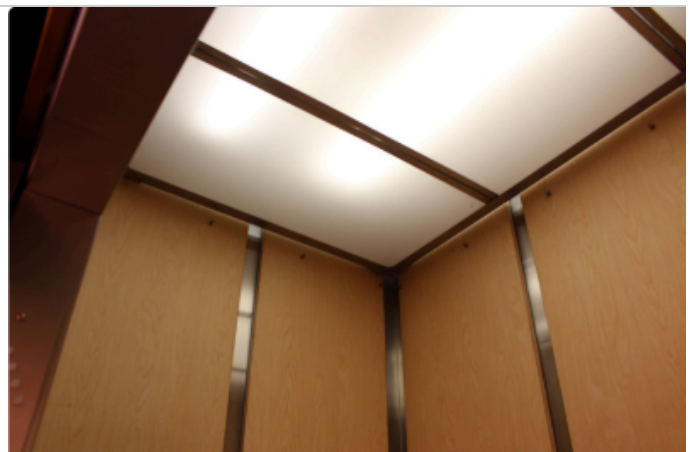
Type of Cost:	Repairs & Maintenance
Location:	Interior Building Components
Category:	Mechanical
Condition:	Good

Useful Life

Last Activity Date:	01/01/2022
Est. Useful Life:	20y
Remaining Useful Life:	16y
Next Activity Date:	01/01/2042

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	MVS
Cost Per Ea:	\$12,500.00
Total Quantity:	1 Ea
Total Current Cost:	\$12,812
Inflation Rate:	2.50%
Total Expenditures:	\$19,020



Elevator, Hydraulic, Piston/Jack

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Useful Life

Last Activity Date:	01/01/2022
Est. Useful Life:	60y
Remaining Useful Life:	56y
Next Activity Date:	01/01/2082

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Xactimate
Cost Per Ea:	\$50,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$51,250
Inflation Rate:	2.50%
Total Expenditures:	\$0



Flooring, Tile

Basic Info

Type of Cost:	Replacement
Location:	Interior Building Components
Category:	Flooring
Condition:	Good

Comments/Notes

The tile flooring in the lobby, kitchen, and elevator car areas were installed between 2016-2018

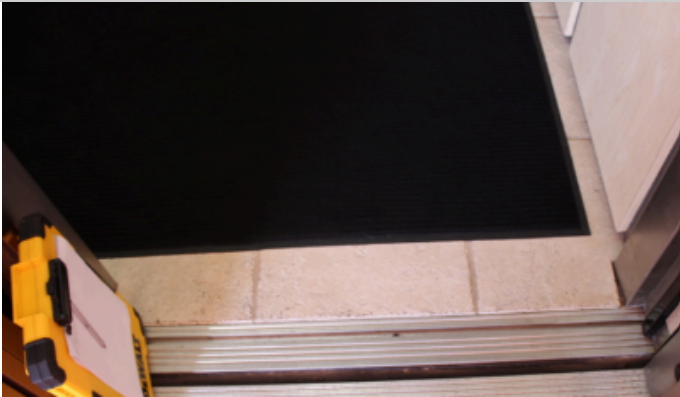


Useful Life

Last Activity Date:	01/01/2018
Est. Useful Life:	35y
Remaining Useful Life:	27y
Next Activity Date:	01/01/2053

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	MVS
Cost Per SF:	\$13.58
Total Quantity:	484 SF
Total Current Cost:	\$6,737
Inflation Rate:	2.50%
Total Expenditures:	\$13,123



Furniture, Interior, Lobby

Basic Info

Type of Cost:	Replacement
Location:	Interior Building Components
Category:	Furniture
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	MVS
Cost Per Allow:	\$2,500.00
Total Quantity:	1 Allow
Total Current Cost:	\$2,562
Inflation Rate:	2.50%
Total Expenditures:	\$8,437



Garage, Exhaust Fans & Grills

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Life Safety
Condition:	Good

Comments/Notes

2 exhaust fans and 2 intake grills

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2036

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractor
Cost Per PC:	\$2,500.00
Total Quantity:	2 PC
Total Current Cost:	\$5,253
Inflation Rate:	2.50%
Total Expenditures:	\$16,463



Interior Renovation, Community Room

Basic Info

Type of Cost:	Improvement
Location:	Interior Building Components
Category:	
Condition:	Good

Comments/Notes

Includes lights, flooring, furniture, and appliances.

Useful Life

Last Activity Date:	01/01/2002
Est. Useful Life:	25y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2036

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per Allow:	\$15,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$15,375
Inflation Rate:	2.50%
Total Expenditures:	\$19,681



Landscaping, Major Tree Remove/Replace

Basic Info

Type of Cost:	Removal
Location:	Property Site Components
Category:	Landscaping
Condition:	Good

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	15y
Remaining Useful Life:	13y
Next Activity Date:	01/01/2039

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per Allow:	\$10,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$10,250
Inflation Rate:	2.50%
Total Expenditures:	\$34,594



Landscaping, Ornamental, Remove/Replace

Basic Info

Type of Cost:	Improvement
Location:	Property Site Components
Category:	Landscaping
Condition:	Good

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	7y
Remaining Useful Life:	5y
Next Activity Date:	01/01/2031

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per Allow:	\$7,500.00
Total Quantity:	1 Allow
Total Current Cost:	\$7,688
Inflation Rate:	2.50%
Total Expenditures:	\$45,935



Light Fixtures, Exterior, Wall Mount

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Mechanical
Condition:	Good

Comments/Notes

Most light fixtures were in good condition except for the north, east, and south exterior oblong and round light fixtures (Oblong: 10 | Round: 2).

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	20y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2036

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	MVS
Cost Per Ea:	\$125.00
Total Quantity:	196 Ea
Total Current Cost:	\$25,112
Inflation Rate:	2.50%
Total Expenditures:	\$32,146



Mailbox Clusters, Aluminum, Multi-Tenant

Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Mailboxes
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	USPS
Cost Per Ea:	\$1,500.00
Total Quantity:	1 Ea
Total Current Cost:	\$1,538
Inflation Rate:	2.50%
Total Expenditures:	\$1,873



Monuments, Signage, Refurbish

Basic Info

Type of Cost:	Improvement
Location:	Property Site Components
Category:	Signage
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	16y
Remaining Useful Life:	5y
Next Activity Date:	01/01/2031

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per Allow:	\$5,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$5,125
Inflation Rate:	2.50%
Total Expenditures:	\$14,406



Perimeter Walls, Masonry Repairs & Paint Finishes

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Property Site Components
Category:	Access Controls
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	14y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SF:	\$4.20
Total Quantity:	1,319 SF
Total Current Cost:	\$5,678
Inflation Rate:	2.50%
Total Expenditures:	\$18,428



Pool Deck, Textured Concrete

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Ground Surfaces
Condition:	Good

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	15y
Remaining Useful Life:	13y
Next Activity Date:	01/01/2039

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	XactRemodel
Cost Per SF:	\$7.47
Total Quantity:	750 SF
Total Current Cost:	\$5,743
Inflation Rate:	2.50%
Total Expenditures:	\$19,381



Pool Fence, 4' Aluminum Picket

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Access Controls
Condition:	Good

Useful Life

Last Activity Date:	01/01/2002
Est. Useful Life:	30y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	MVS
Cost Per LF:	\$48.00
Total Quantity:	130 LF
Total Current Cost:	\$6,396
Inflation Rate:	2.50%
Total Expenditures:	\$7,417



Pool Finish & Border

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Pool Facility Components
Category:	Ground Surfaces
Condition:	Good

Useful Life

Last Activity Date:	01/01/2008
Est. Useful Life:	12y
Remaining Useful Life:	4y
Next Activity Date:	01/01/2030

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SF:	\$21.00
Total Quantity:	1,084 SF
Total Current Cost:	\$23,333
Inflation Rate:	2.50%
Total Expenditures:	\$106,979



Pool Furniture, Replace

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Furniture
Condition:	Good

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	12y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per Allow:	\$3,500.00
Total Quantity:	1 Allow
Total Current Cost:	\$3,588
Inflation Rate:	2.50%
Total Expenditures:	\$10,506



Trash Chute, Stainless Doors

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Useful Life

Last Activity Date:	01/01/2002
Est. Useful Life:	35y
Remaining Useful Life:	16y
Next Activity Date:	01/01/2042

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	MVS
Cost Per Flr:	\$2,400.00
Total Quantity:	5 Flr
Total Current Cost:	\$12,300
Inflation Rate:	2.50%
Total Expenditures:	\$18,259



Useful Definitions

Adjustment to Useful Life: The estimated useful life may be adjusted, up or down, by this separate figure for the current cycle of replacement. This allows for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Annual Assessment Increase: This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. It ensures the accumulation of the desired amount over a specific timeframe.

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

Budget Year Beginning/Ending: The fiscal year for which the report is prepared. Monthly contribution figures indicated are for the 12 months beginning on January 1st and ending on December 31st of a specific year for associations with a fiscal year ending on December 31st.

Component: A specific item or element that is part of the association's common area assets and requires reserve funding.

Component Inventory: The process of selecting and qualifying reserve components. This can be done through on-site visual inspections, reviewing association documents, considering established precedents, and consulting with relevant association representatives.

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

Current Replacement Cost: The estimated cost of replacing the asset at the beginning of the fiscal year for which the report is prepared.

Estimated Remaining Life: A calculation based on the report's fiscal year date and the asset's placed-in-service date to determine the remaining life of the asset.

Estimated Useful Life: The anticipated lifespan of an asset based on industry standards, manufacturer specifications, visual inspection, location, usage, association standards, and prior history.

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

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.

Inflation: A figure used to estimate the future cost of repairing or replacing each component. The current cost of each component is compounded annually based on the number of remaining years to replacement, and the total is used to calculate the monthly reserve contribution needed to accumulate the required funds in time for replacement.

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



Investment Yield Before Taxes: The average interest rate anticipated by the association based on its current investment practices.

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

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 the aging of the components based on the construction date or date of acceptance by the association.

Placed-In-Service Date: The month and year when the asset was placed in service, which could be the construction date, the first escrow closure date in a phase, or the date of the last servicing or replacement.

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 on the provided information and is not audited.

Quantity: The amount or number of each reserve component element.

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

Reserves: Funds set aside for projected repairs and/or replacements of the association's common elements.

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

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

Units: The unit of measurement used for each quantity.

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

Monthly Assessment: The assessment to reserves required by the association each month.

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

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

Unit Abbreviations:

Sq Ft - Square Feet Sq Yds - Square Yards Ln Ft - Linear Feet

Cu Ft - Cubic Feet Cu Yds - Cubic Yards Opngs - Openings (elevators)

Lp Sm - Lump Sum Allow - Allowance

Hp - Horsepower

Units - Units

Ct - Court

Bldg- Building

Ea - Each

Kw - Kilowatts

Sq - Squares (1 Sq = 100 sq ft)

Disclosures

Topaz Oceanfront Condominium Association, Inc. contracted with Stone Building Solutions to conduct a Reserve Study. Stone Building Solutions completed the site review and has conducted interviews with the building engineer, ownership group, and property manager in an attempt to evaluate the physical condition of the various components and their maintenance schedules, as well as to obtain information related to any previous defects that may exist and any repairs that have been performed.

Stone Building Solutions has no present or prospective interest in the subject property of this report and also has no personal interest concerning the 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 catalogs, actual quotations or historical costs, and our own experience in the field of replacement cost valuation, insurance adjusting, and reserve study preparation.

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 occur as described.



Annual Update Requirements

We recommend updating this study yearly, no longer than every 3 years.

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 an updated study, please contact us at (800) 892-1116, or email us at reserves@stonebldg.com.