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ASSOCIATION RESERVES®
Planning For The Inevitable

Regional Offices

Arizona, California, Colorado, Florida, Hawaii, Mid-Atlantic, Midwest, Nevada, New Jersey, New Mexico, North Carolina, Ohio, Texas, Washington

Verona Reserve Villas

Venice, FL

Report #: 27039-5
Beginning: January 1, 2027
Expires: December 31, 2027

RESERVE STUDY

Update "No-Site-Visit"

June 24, 2026

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.

ASSOCIATION RESERVES®

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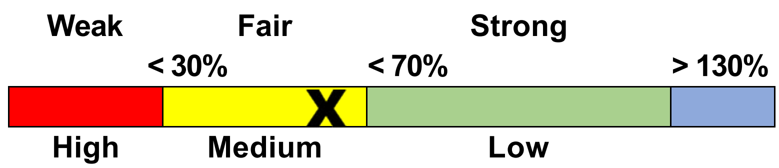
Reserve Study Executive Summary — No-Site-Visit

Verona Reserve - Villas | Report #: **27039-5**
Venice, FL | # of Units: 102
Level of Service: **Update "No-Site-Visit"** | **January 1, 2027** through **December 31, 2027**

Findings & Recommendations — as of January 1, 2027

Projected Starting Reserve Balance	**$677,227**
Projected "Fully Funded" (Ideal) Reserve Balance	**$1,085,953**
Percent Funded	**62.4 %**
Required 2027 Special Assessments	**$0**
Minimum 2027 Reserve Funding (Baseline Funding)	**$137,000**
Recommended 2027 Reserve Funding (Fully Funding, Achieve 100% by Year 30)	**$150,000**

Reserve Fund Strength: 62.4%



Risk of Special Assessment:

Economic Assumptions:

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

This document is a "Update, No-Site-Visit" Reserve Study based on a prior Report prepared by Association Reserves for your 2026 Fiscal Year. The most recent visual inspection of the property was conducted 8/22/2024.

This analysis was prepared or verified by a credentialed Reserve Specialist (RS). No assets appropriate for Reserve designation were excluded. As of the start of the initial fiscal year shown in this study, your Reserve fund is determined to be 62.4 % Funded. Based on this figure, the Client's risk of special assessments & deferred maintenance is currently Medium.

Component cost estimates, life expectancies, and recommended reserve funding amounts are subject to change in subsequent years. As such, this Reserve Study analysis expires at the end of the initial fiscal year (December, 31, 2027). Please contact our office to discuss options for updating your Reserve Study in future years.

Assumption of Continued Preventive Maintenance:

Preventive maintenance is a critical aspect affecting a community's life cycle costs and structural safety, and should be completed as recommended by respective component manufacturers, suppliers and/or service providers for all applicable common elements, not just those that are included within this Reserve Study. Association Reserves can only be aware of preventive maintenance plans or programs that are disclosed to us. According to the Client, the Association actively conducts ongoing preventive maintenance to the common area components, including but not limited to Villa buildings touching up paint and Villa driveways power washed as needed. The useful life and remaining useful life estimates used in this Reserve Study assume that this type of preventive maintenance will be carried out on an ongoing basis.

Reserve Funding Goals and Methodology:

This Reserve Study has been prepared using the "pooled" method of Reserve funding (also known as the cash flow method). The terms "full funding" and/or "fully funding" as used in this Reserve Study are based on the National Reserve Study Standards definition of full funding: "setting a Reserve funding goal to attain and maintain Reserves at or near 100 percent funded." (The definition and means of calculating percent-funded are addressed later in this report.)

In our opinion, the National Reserve Study Standards definition of fully funding not only complies with all relevant jurisdictional requirements, but is also more likely to provide an adequate "cushion" of accumulated funds, which will help mitigate financial risks in the event of higher-than-expected component costs, reduced component life expectancies, or other unforeseen negative circumstances. In our experience, Clients that choose to fund their Reserves using a baseline (or threshold) funding goal are significantly more likely to experience special assessments and deferred maintenance in the event of these circumstances.

For additional questions or to request more information about reserve funding goals and methods, please contact our office.

Special Assessments:

There are no recommendations for any special assessments for Reserve funding included in the Reserve Study at this time.

Minimum Reserve Funding (Baseline Funding):

As of 2025, Florida statutes have been amended to define baseline funding as follows: "...a baseline funding plan…provides a reserve funding goal in which the reserve funding for each budget year is sufficient to maintain the reserve cash balance above zero. Our projection of the minimum reserve funding required (taken together with any projected special assessments) is designed to maintain this pooled fund balance above $0 throughout the forecast period.

Recommended Reserve Funding (Fully Funding, Achieve 100% by Year 30):

Our "recommended" funding plan is an optional, more conservative alternative to the minimum funding plan described above. This recommended amount is intended to help the Association to (gradually, over 30 years) attain and maintain Reserves at or near 100 percent-funded. This goal is more likely to provide an adequate cushion of accumulated funds, which will help reduce the risk of special assessments and/or loans in the event of higher-than-expected component costs, reduced component life expectancies, or other "surprise" circumstances.

Annual Increases to Reserve Funding:

NOTE: In 2030, we project that the Client should be able to reduce the Reserve contribution amount; however, this one-time reduction is then followed by continuing, subsequent annual increases in the remaining years of the forecast.

In accordance with Florida statutes, the Association may adjust reserve funding amounts annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life on a reserve item caused by deferred maintenance. As such, we recommend increasing the Reserve funding annually as illustrated in the 30-Year Reserve Plan Summary Tables shown later in this document, or in accordance with subsequent Reserve Study updates.

Waiving or Partial Funding of Reserves:

For components not considered "structural" in nature, Florida statutes allow that: "The members of a unit-owner-controlled association may determine, by a majority vote of the total voting interests of the association, to provide no reserves or less reserves than required by this subsection." As such, a majority of the association's voting interests may elect to fund the reserves at lower amounts than shown in this study--or to waive reserve funding entirely—but only for these specific components. Please consult with your Association's legal counsel for additional guidance regarding the waiving or partial funding of reserves.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Villas			
2343	Phase 1 Villas (2019) - Seal/Paint	10	2	$48,200
2343	Phase 2 Villas (2020) - Seal/Paint	10	3	$36,800
2343	Phase 3 Villas (2021) - Seal/Paint	10	4	$59,500
2381	Phase 1 Asphalt Shingle (2026) - Replace	15	13	$285,000
2381	Phase 2 Asphalt Shingle (2027) - Replace	15	0	$233,000
2381	Phase 3 Asphalt Shingle (2028) - Replace	15	1	$285,000
2381	Phase 4 Asphalt Shingle (2029) - Replace	15	2	$518,000

7 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.

Reserve funding is not "for the future". Ongoing Reserve transfers are intended to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology

For this Update No-Site-Visit Reserve Study, we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard three-part test to determine which projects should appear in a Reserve Component List. First, it must be a common area maintenance obligation. Second, both the need and schedule of a component's project can be reasonably anticipated. Third, the project's total cost is material to the client, can be reasonably anticipated, and includes all direct and related costs. A project cost is commonly considered *material* if it is more than 0.5% to 1% of the total annual budget. This limits Reserve components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to natural disasters and/or insurable events), and expenses more appropriately handled from the Operational budget.

How do we establish Useful Life and Remaining Useful Life estimates?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client History (install dates & previous life cycle information)
4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

1) Actual client cost history, or current proposals
2) Comparison to Association Reserves database of work done at similar associations
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
2) Compare that to the Reserve Fund Balance, and express as a percentage.

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we transfer to Reserves?

RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable rate of ongoing Reserve transfers is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve transfers that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Board members to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Board members invite liability exposure when Reserve transfers are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*

FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, recommended Reserve transfers for Baseline Funding average only 10% to 15% less than Full Funding recommendations. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections. The figure below summarizes the projected future expenses as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Cash Flow Detail table.

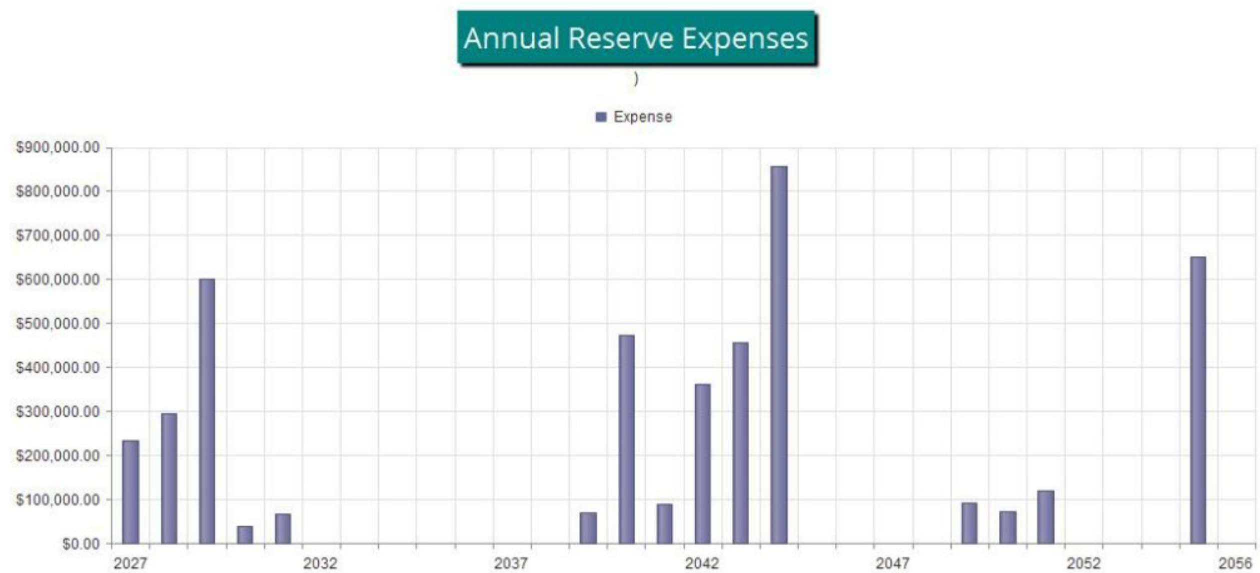


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $677,227 as-of the start of your Fiscal Year on 1/1/2027.

(Refer to information forms) This balance was provided by Jodi Mercer, the association's board//committee member as of 05/31/26.

As of your Fiscal Year Start, your Fully Funded Balance is computed to be $1,085,953. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 62.4 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted funding of $150,000 in the upcoming fiscal year. At minimum, the Association must budget $137,000 for Reserves in the upcoming year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

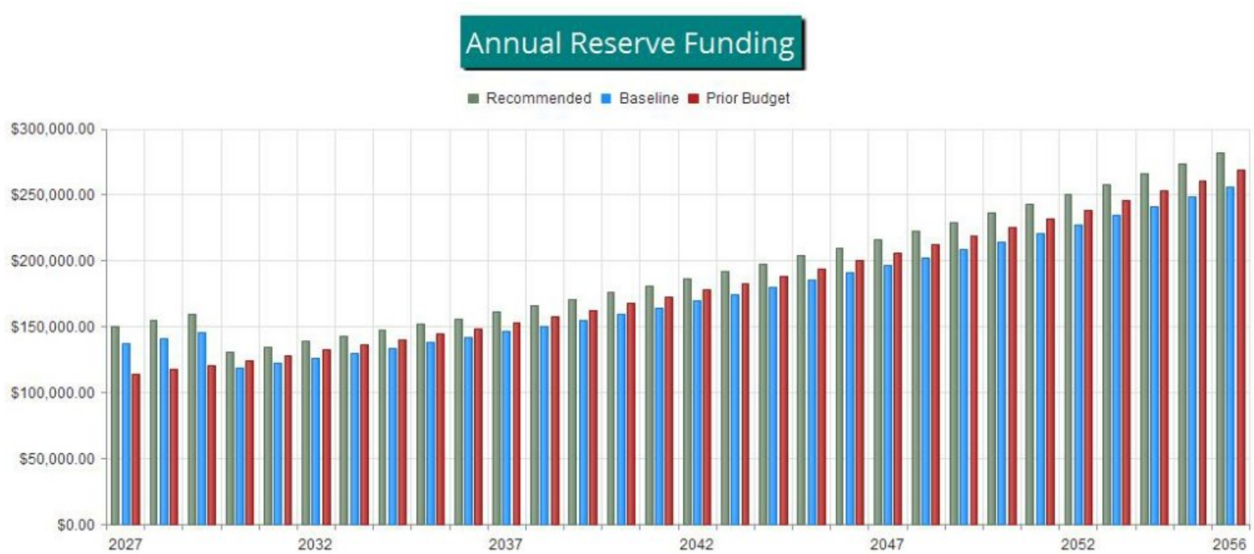


Figure 2

The following chart shows your Reserve balance under our recommended plan, the minimum funding plan and at the Association's current funding rate, all compared to your always-changing Fully Funded Balance target.

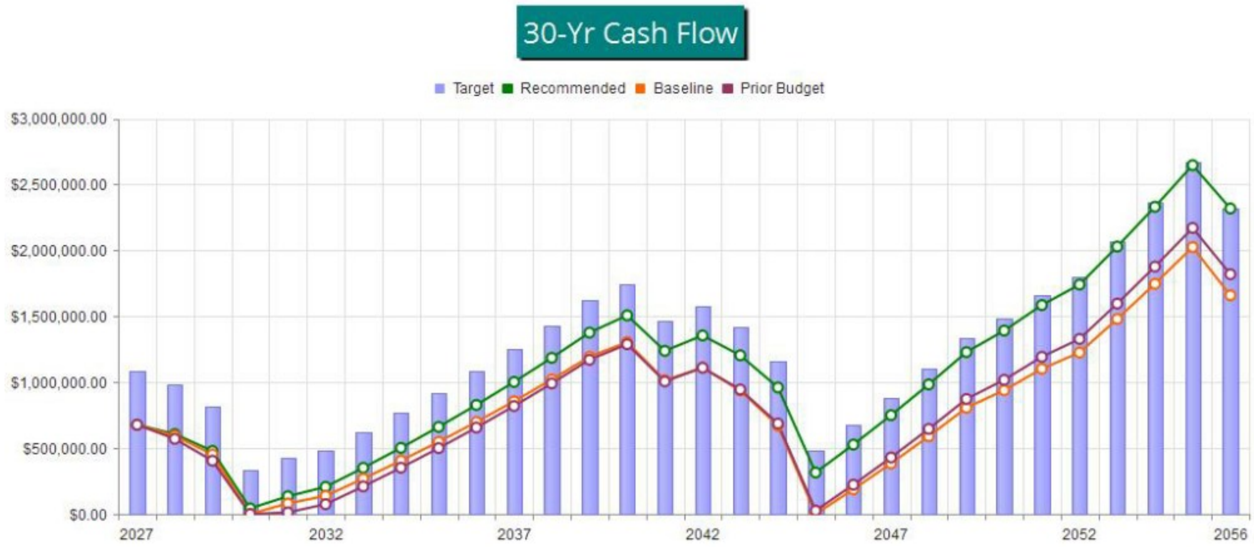


Figure 3

This figure shows the same information described above, but plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

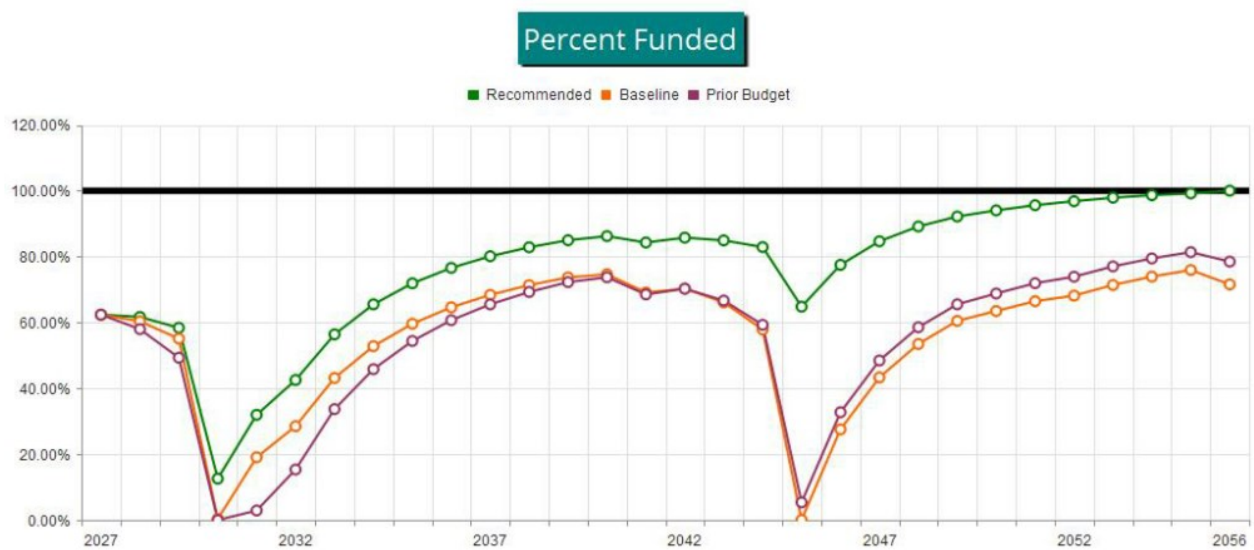


Figure 4

Table Descriptions

<u>Executive Summary</u> is a summary of your Reserve Components

<u>Fully Funded Balance</u> shows the calculation of the Fully Funded Balance for each of your components, and their specific proportion related to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

<u>Component Significance</u> shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve funding requirements. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

<u>30-Yr Reserve Plan Summary</u> provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

<u>30-Year Income/Expense Detail</u> shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Villas							
2343	Phase 1 Villas (2019) - Seal/Paint	$48,200	X	8	/	10	=	$38,560
2343	Phase 2 Villas (2020) - Seal/Paint	$36,800	X	7	/	10	=	$25,760
2343	Phase 3 Villas (2021) - Seal/Paint	$59,500	X	6	/	10	=	$35,700
2381	Phase 1 Asphalt Shingle (2026) - Replace	$285,000	X	2	/	15	=	$38,000
2381	Phase 2 Asphalt Shingle (2027) - Replace	$233,000	X	15	/	15	=	$233,000
2381	Phase 3 Asphalt Shingle (2028) - Replace	$285,000	X	14	/	15	=	$266,000
2381	Phase 4 Asphalt Shingle (2029) - Replace	$518,000	X	13	/	15	=	$448,933
								$1,085,953

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Villas				
2343	Phase 1 Villas (2019) - Seal/Paint	10	$48,200	$4,820	4.70 %
2343	Phase 2 Villas (2020) - Seal/Paint	10	$36,800	$3,680	3.59 %
2343	Phase 3 Villas (2021) - Seal/Paint	10	$59,500	$5,950	5.80 %
2381	Phase 1 Asphalt Shingle (2026) - Replace	15	$285,000	$19,000	18.53 %
2381	Phase 2 Asphalt Shingle (2027) - Replace	15	$233,000	$15,533	15.15 %
2381	Phase 3 Asphalt Shingle (2028) - Replace	15	$285,000	$19,000	18.53 %
2381	Phase 4 Asphalt Shingle (2029) - Replace	15	$518,000	$34,533	33.69 %
7	Total Funded Components			$102,517	100.00 %

Fiscal Year Start: 2027	Net After Tax Interest: 2.00 %	Avg 30-Yr Inflation: 3.00 %

Reserve Fund Strength (as-of Fiscal Year Start)					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2027	$677,227	$1,085,953	62.4 %	Medium	31.58 %	$150,000	$0	$12,832	$233,000
2028	$607,059	$984,134	61.7 %	Medium	3.00 %	$154,500	$0	$10,850	$293,550
2029	$478,859	$820,062	58.4 %	Medium	3.00 %	$159,135	$0	$5,209	$600,682
2030	$42,521	$337,984	12.6 %	High	-17.77 %	$130,850	$0	$1,773	$40,212
2031	$134,932	$422,088	32.0 %	Medium	3.00 %	$134,776	$0	$3,408	$66,968
2032	$206,147	$484,619	42.5 %	Medium	3.00 %	$138,819	$0	$5,562	$0
2033	$350,528	$621,568	56.4 %	Medium	3.00 %	$142,983	$0	$8,518	$0
2034	$502,030	$766,298	65.5 %	Medium	3.00 %	$147,273	$0	$11,619	$0
2035	$660,922	$919,151	71.9 %	Low	3.00 %	$151,691	$0	$14,871	$0
2036	$827,484	$1,080,487	76.6 %	Low	3.00 %	$156,242	$0	$18,279	$0
2037	$1,002,005	$1,250,675	80.1 %	Low	3.00 %	$160,929	$0	$21,849	$0
2038	$1,184,783	$1,430,103	82.8 %	Low	3.00 %	$165,757	$0	$25,587	$0
2039	$1,376,127	$1,619,170	85.0 %	Low	3.00 %	$170,730	$0	$28,806	$68,722
2040	$1,506,940	$1,747,511	86.2 %	Low	3.00 %	$175,851	$0	$27,422	$472,574
2041	$1,237,640	$1,468,251	84.3 %	Low	3.00 %	$181,127	$0	$25,901	$89,999
2042	$1,354,668	$1,579,317	85.8 %	Low	3.00 %	$186,561	$0	$25,562	$363,006
2043	$1,203,785	$1,417,309	84.9 %	Low	3.00 %	$192,158	$0	$21,621	$457,341
2044	$960,223	$1,158,211	82.9 %	Low	3.00 %	$197,922	$0	$12,738	$856,175
2045	$314,708	$485,625	64.8 %	Medium	3.00 %	$203,860	$0	$8,410	$0
2046	$526,978	$679,957	77.5 %	Low	3.00 %	$209,976	$0	$12,756	$0
2047	$749,709	$885,512	84.7 %	Low	3.00 %	$216,275	$0	$17,315	$0
2048	$983,300	$1,102,789	89.2 %	Low	3.00 %	$222,763	$0	$22,095	$0
2049	$1,228,158	$1,332,305	92.2 %	Low	3.00 %	$229,446	$0	$26,173	$92,356
2050	$1,391,422	$1,479,473	94.0 %	Low	3.00 %	$236,330	$0	$29,737	$72,628
2051	$1,584,860	$1,657,445	95.6 %	Low	3.00 %	$243,420	$0	$33,225	$120,951
2052	$1,740,554	$1,797,236	96.8 %	Low	3.00 %	$250,722	$0	$37,662	$0
2053	$2,028,938	$2,072,240	97.9 %	Low	3.00 %	$258,244	$0	$43,559	$0
2054	$2,330,741	$2,362,126	98.7 %	Low	3.00 %	$265,991	$0	$49,729	$0
2055	$2,646,461	$2,667,541	99.2 %	Low	3.00 %	$273,971	$0	$49,601	$652,059
2056	$2,317,974	$2,317,533	100.0 %	Low	3.00 %	$282,190	$0	$49,635	$0

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 27039-5
No-Site-Visit

Fiscal Year Start: 2027	Net After Tax Interest: 2.00 %	Avg 30-Yr Inflation: 3.00 %
Reserve Fund Strength (as-of Fiscal Year Start)	**Projected Reserve Balance Changes**	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2027	$677,227	$1,085,953	62.4 %	Medium	20.18 %	$137,000	$0	$12,701	$233,000
2028	$593,928	$984,134	60.4 %	Medium	3.00 %	$141,110	$0	$10,450	$293,550
2029	$451,937	$820,062	55.1 %	Medium	3.00 %	$145,343	$0	$4,527	$600,682
2030	$1,126	$337,984	0.3 %	High	-18.26 %	$118,800	$0	$816	$40,212
2031	$80,529	$422,088	19.1 %	High	3.00 %	$122,364	$0	$2,184	$66,968
2032	$138,110	$484,619	28.5 %	High	3.00 %	$126,035	$0	$4,060	$0
2033	$268,204	$621,568	43.1 %	Medium	3.00 %	$129,816	$0	$6,724	$0
2034	$404,744	$766,298	52.8 %	Medium	3.00 %	$133,710	$0	$9,519	$0
2035	$547,973	$919,151	59.6 %	Medium	3.00 %	$137,722	$0	$12,450	$0
2036	$698,145	$1,080,487	64.6 %	Medium	3.00 %	$141,853	$0	$15,523	$0
2037	$855,522	$1,250,675	68.4 %	Medium	3.00 %	$146,109	$0	$18,743	$0
2038	$1,020,374	$1,430,103	71.3 %	Low	3.00 %	$150,492	$0	$22,114	$0
2039	$1,192,981	$1,619,170	73.7 %	Low	3.00 %	$155,007	$0	$24,950	$68,722
2040	$1,304,216	$1,747,511	74.6 %	Low	3.00 %	$159,657	$0	$23,167	$472,574
2041	$1,014,466	$1,468,251	69.1 %	Medium	3.00 %	$164,447	$0	$21,228	$89,999
2042	$1,110,142	$1,579,317	70.3 %	Low	3.00 %	$169,380	$0	$20,453	$363,006
2043	$936,969	$1,417,309	66.1 %	Medium	3.00 %	$174,462	$0	$16,057	$457,341
2044	$670,147	$1,158,211	57.9 %	Medium	3.00 %	$179,696	$0	$6,699	$856,175
2045	$367	$485,625	0.1 %	High	3.00 %	$185,087	$0	$1,875	$0
2046	$187,329	$679,957	27.6 %	High	3.00 %	$190,639	$0	$5,705	$0
2047	$383,673	$885,512	43.3 %	Medium	3.00 %	$196,358	$0	$9,726	$0
2048	$589,757	$1,102,789	53.5 %	Medium	3.00 %	$202,249	$0	$13,945	$0
2049	$805,951	$1,332,305	60.5 %	Medium	3.00 %	$208,317	$0	$17,438	$92,356
2050	$939,349	$1,479,473	63.5 %	Medium	3.00 %	$214,566	$0	$20,393	$72,628
2051	$1,101,680	$1,657,445	66.5 %	Medium	3.00 %	$221,003	$0	$23,246	$120,951
2052	$1,224,978	$1,797,236	68.2 %	Medium	3.00 %	$227,633	$0	$27,023	$0
2053	$1,479,634	$2,072,240	71.4 %	Low	3.00 %	$234,462	$0	$32,232	$0
2054	$1,746,328	$2,362,126	73.9 %	Low	3.00 %	$241,496	$0	$37,686	$0
2055	$2,025,509	$2,667,541	75.9 %	Low	3.00 %	$248,741	$0	$36,813	$652,059
2056	$1,659,004	$2,317,533	71.6 %	Low	3.00 %	$256,203	$0	$36,072	$0

#	Fiscal Year	2027	2028	2029	2030	2031
	Starting Reserve Balance	$677,227	$607,059	$478,859	$42,521	$134,932
	Annual Reserve Funding	$150,000	$154,500	$159,135	$130,850	$134,776
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$12,832	$10,850	$5,209	$1,773	$3,408
	Total Income	$840,059	$772,409	$643,203	$175,144	$273,115
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$51,135	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$40,212	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$66,968
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$0	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$233,000	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$293,550	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$549,546	$0	$0
	Total Expenses	$233,000	$293,550	$600,682	$40,212	$66,968
	Ending Reserve Balance	$607,059	$478,859	$42,521	$134,932	$206,147

#	Fiscal Year	2032	2033	2034	2035	2036
	Starting Reserve Balance	$206,147	$350,528	$502,030	$660,922	$827,484
	Annual Reserve Funding	$138,819	$142,983	$147,273	$151,691	$156,242
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,562	$8,518	$11,619	$14,871	$18,279
	Total Income	$350,528	$502,030	$660,922	$827,484	$1,002,005
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$0
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$0	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$0	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$0	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$0	$0
	Ending Reserve Balance	$350,528	$502,030	$660,922	$827,484	$1,002,005

#	Fiscal Year	2037	2038	2039	2040	2041
	Starting Reserve Balance	$1,002,005	$1,184,783	$1,376,127	$1,506,940	$1,237,640
	Annual Reserve Funding	$160,929	$165,757	$170,730	$175,851	$181,127
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$21,849	$25,587	$28,806	$27,422	$25,901
	Total Income	$1,184,783	$1,376,127	$1,575,662	$1,710,214	$1,444,667
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$68,722	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$54,042	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$89,999
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$418,532	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$0	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$0	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$68,722	$472,574	$89,999
	Ending Reserve Balance	$1,184,783	$1,376,127	$1,506,940	$1,237,640	$1,354,668

#	Fiscal Year	2042	2043	2044	2045	2046
	Starting Reserve Balance	$1,354,668	$1,203,785	$960,223	$314,708	$526,978
	Annual Reserve Funding	$186,561	$192,158	$197,922	$203,860	$209,976
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$25,562	$21,621	$12,738	$8,410	$12,756
	Total Income	$1,566,791	$1,417,564	$1,170,883	$526,978	$749,709
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$0
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$0	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$363,006	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$457,341	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$856,175	$0	$0
	Total Expenses	$363,006	$457,341	$856,175	$0	$0
	Ending Reserve Balance	$1,203,785	$960,223	$314,708	$526,978	$749,709

#	Fiscal Year	2047	2048	2049	2050	2051
	Starting Reserve Balance	$749,709	$983,300	$1,228,158	$1,391,422	$1,584,860
	Annual Reserve Funding	$216,275	$222,763	$229,446	$236,330	$243,420
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$17,315	$22,095	$26,173	$29,737	$33,225
	Total Income	$983,300	$1,228,158	$1,483,778	$1,657,488	$1,861,505
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$92,356	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$72,628	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$120,951
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$0	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$0	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$0	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$92,356	$72,628	$120,951
	Ending Reserve Balance	$983,300	$1,228,158	$1,391,422	$1,584,860	$1,740,554

#	Fiscal Year	2052	2053	2054	2055	2056
	Starting Reserve Balance	$1,740,554	$2,028,938	$2,330,741	$2,646,461	$2,317,974
	Annual Reserve Funding	$250,722	$258,244	$265,991	$273,971	$282,190
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$37,662	$43,559	$49,729	$49,601	$49,635
	Total Income	$2,028,938	$2,330,741	$2,646,461	$2,970,034	$2,649,799
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$0
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$652,059	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$0	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$0	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$652,059	$0
	Ending Reserve Balance	$2,028,938	$2,330,741	$2,646,461	$2,317,974	$2,649,799

#	Fiscal Year	2027	2028	2029	2030	2031
	Starting Reserve Balance	$677,227	$593,928	$451,937	$1,126	$80,529
	Annual Reserve Funding	$137,000	$141,110	$145,343	$118,800	$122,364
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$12,701	$10,450	$4,527	$816	$2,184
	Total Income	$826,928	$745,487	$601,807	$120,741	$205,078
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$51,135	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$40,212	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$66,968
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$0	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$233,000	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$293,550	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$549,546	$0	$0
	Total Expenses	$233,000	$293,550	$600,682	$40,212	$66,968
	Ending Reserve Balance	$593,928	$451,937	$1,126	$80,529	$138,110

#	Fiscal Year	2032	2033	2034	2035	2036
	Starting Reserve Balance	$138,110	$268,204	$404,744	$547,973	$698,145
	Annual Reserve Funding	$126,035	$129,816	$133,710	$137,722	$141,853
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,060	$6,724	$9,519	$12,450	$15,523
	Total Income	$268,204	$404,744	$547,973	$698,145	$855,522
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$0
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$0	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$0	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$0	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$0	$0
	Ending Reserve Balance	$268,204	$404,744	$547,973	$698,145	$855,522

#	Fiscal Year	2037	2038	2039	2040	2041
	Starting Reserve Balance	$855,522	$1,020,374	$1,192,981	$1,304,216	$1,014,466
	Annual Reserve Funding	$146,109	$150,492	$155,007	$159,657	$164,447
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$18,743	$22,114	$24,950	$23,167	$21,228
	Total Income	$1,020,374	$1,192,981	$1,372,938	$1,487,040	$1,200,141
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$68,722	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$54,042	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$89,999
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$418,532	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$0	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$0	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$68,722	$472,574	$89,999
	Ending Reserve Balance	$1,020,374	$1,192,981	$1,304,216	$1,014,466	$1,110,142

#	Fiscal Year	2042	2043	2044	2045	2046
	Starting Reserve Balance	$1,110,142	$936,969	$670,147	$367	$187,329
	Annual Reserve Funding	$169,380	$174,462	$179,696	$185,087	$190,639
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$20,453	$16,057	$6,699	$1,875	$5,705
	Total Income	$1,299,975	$1,127,488	$856,542	$187,329	$383,673
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$0
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$0	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$363,006	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$457,341	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$856,175	$0	$0
	Total Expenses	$363,006	$457,341	$856,175	$0	$0
	Ending Reserve Balance	$936,969	$670,147	$367	$187,329	$383,673

#	Fiscal Year	2047	2048	2049	2050	2051
	Starting Reserve Balance	$383,673	$589,757	$805,951	$939,349	$1,101,680
	Annual Reserve Funding	$196,358	$202,249	$208,317	$214,566	$221,003
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$9,726	$13,945	$17,438	$20,393	$23,246
	Total Income	$589,757	$805,951	$1,031,705	$1,174,308	$1,345,929
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$92,356	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$72,628	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$120,951
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$0	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$0	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$0	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$92,356	$72,628	$120,951
	Ending Reserve Balance	$589,757	$805,951	$939,349	$1,101,680	$1,224,978

#	Fiscal Year	2052	2053	2054	2055	2056
	Starting Reserve Balance	$1,224,978	$1,479,634	$1,746,328	$2,025,509	$1,659,004
	Annual Reserve Funding	$227,633	$234,462	$241,496	$248,741	$256,203
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$27,023	$32,232	$37,686	$36,813	$36,072
	Total Income	$1,479,634	$1,746,328	$2,025,509	$2,311,063	$1,951,279
#	Component					
	Villas					
2343	Phase 1 Villas (2019) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 2 Villas (2020) - Seal/Paint	$0	$0	$0	$0	$0
2343	Phase 3 Villas (2021) - Seal/Paint	$0	$0	$0	$0	$0
2381	Phase 1 Asphalt Shingle (2026) - Replace	$0	$0	$0	$652,059	$0
2381	Phase 2 Asphalt Shingle (2027) - Replace	$0	$0	$0	$0	$0
2381	Phase 3 Asphalt Shingle (2028) - Replace	$0	$0	$0	$0	$0
2381	Phase 4 Asphalt Shingle (2029) - Replace	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$652,059	$0
	Ending Reserve Balance	$1,479,634	$1,746,328	$2,025,509	$1,659,004	$1,951,279

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. William G. Simons, RS is the President of Association Reserves – Florida, LLC and is a credentialed Reserve Specialist (#190). All work done by Association Reserves – Florida, LLC is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS).

There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation. Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, preventive maintenance, structural inspections, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing.

Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, maintenance or structural evaluations, and the identification of construction defects, hazardous materials, or dangerous structural conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems, structural deterioration, or other hidden issues are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters.

Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are influenced by preventive maintenance schedules or structural conditions reported by the client, and are not a warranty or guarantee of actual costs or timing. Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned.

This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses far into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses. In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
UOM	Unit of Measure
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The following pages contain a great deal of detailed observations, photos, and commentary related to each component included in the Reserve Study. All components are included as necessary and appropriate, consistent with Florida Statutes and National Reserve Study Standards. Inspecting for construction defects, performing diagnostic or destructive testing to search for hidden issues (such as plumbing or electrical problems), environmental hazards (asbestos, radon, lead, etc.), or accounting for unpredictable acts of nature are all outside our scope of work and such components are not included herein unless otherwise noted.

Excluded Components

Comp #: 2000 Client Not Responsible **Approx Quantity: 1 Informational Component**
Location: Throughout property/development
Funded?: No. Per information provided - Client/Association not responsible.
History:
Comments: The Community Associations Institute is a leading international authority with respect to Reserve Studies and has published a set of industry practices collectively known as "Reserve Study Standards." These standards include a Three-Part Test which professional providers use to determine which individual components should be included in the physical analysis. For more information on Reserve Study Standards, please visit www.cai-online.org.

The first part of the test is that the client/association "has the obligation to maintain or replace the existing element." Additional component selection guidelines state "Association maintenance/replacement responsibility is generally established by a review of governing documents as well as established association precedent." In our opinion, there are multiple components throughout the property that do not pass this test on the basis that they are either the responsibility of individual unit owners or the responsibility of another entity (i.e. local municipality, third-party vendor, master association, or adjacent development). These components include but are not necessarily limited to:

- Exterior Lights
- Lanai Lights & Fixtures
- Lanai Screen Enclosures
- Unit Windows & Doors
- Unit Garage Doors
- Villa Gutters/Downspouts (Owner Responsibility)
- Unit Interiors (Within Wall Boundaries)
- Unit Electrical Infrastructure (Serving Individual Unit Only)
- Unit HVAC Systems (Serving Individual Unit Only)
- Unit Plumbing Infrastructure (Serving Individual Unit Only)

Since the client is not deemed to be responsible for the above components, there is no basis for funding inclusion within the Reserve Study at this time. However, the findings/statements within this report are not intended to be a professional legal opinion and we reserve the right to incorporate funding for any of these components if the client is otherwise found to be responsible for replacement.
Useful Life: **Remaining Life:**
Lower Estimate: $ 0 **Higher Estimate:** $0
Cost Source:

Comp #: 2010 Not Reasonably Anticipated **Approx Quantity: 1 Informational Component**
Location: Throughout property/development
Funded?: No. Life expectancy and/or cost too indeterminate for Reserve designation.
History:
Comments: The Community Associations Institute is a leading international authority with respect to Reserve Studies and has published a set of industry practices collectively known as "Reserve Study Standards." These standards include a Three-Part Test which professional providers use to determine which individual components should be included in the physical analysis. For more information on Reserve Study Standards, please visit www.cai-online.org.

The second part of the test is that the "the need and schedule for this project can be reasonably anticipated." Additional component selection guidelines state: "When a project becomes 'reasonably anticipated' will vary based on building age, construction type, and the judgment of the reserve study provider. This test means that component definitions should be based on some degree of certainty." There are multiple components throughout the property that do not currently pass this test on the basis that their useful life (need) and/or remaining useful life (schedule) cannot be reasonably anticipated. Those components include but are not limited to:

- Comprehensive Repair/Replacement of Utility Infrastructure (Electrical, Water, Sanitary Sewer)
- Comprehensive Repair/Replacement of Building Foundation(s)
- Comprehensive Repair/Replacement of Non-Accessible Building Structural Members (Load Bearing Walls, Beams, Columns, Etc.)

In some cases, adequate evaluation would require additional diagnostics, destructive testing, or inspection beyond the limited visual inspection which serves as the basis of this engagement. Since the components listed above are currently deemed to be too indeterminate for Reserve designation, there are no funding recommendations within this Reserve Study for those items. However, this determination is not a guarantee that substantial expenses will not occur, as these elements may eventually require repair/replacement projects at potentially a significant cost to the client. In the event that the client desires to incorporate funding for any of the above components within the Reserve Study, we recommend further consultation with qualified professionals (i.e. engineer, contractor, and/or vendor) in order to define the following values for projects under consideration: 1. Total Life Expectancy (Recurring Interval Between Project Cycles) 2. Remaining Useful Life (Before Next Project) 3. Total Project Cost Estimate (In Current Dollars) In the event that these values can be reasonably anticipated, they can be provided for our review, at which time funding recommendations may be incorporated into subsequent Reserve Studies.
Useful Life: **Remaining Life:**
Lower Estimate: $ 0 **Higher Estimate:** $0
Cost Source:

Comp #: 2020 Immaterial/Unpredictable Cost **Approx Quantity: 1 Informational Component**
Location: Throughout property/development
Funded?: No. Cost estimates below minimum threshold set for Reserve consideration.
History:
Comments: The Community Associations Institute is a leading international authority with respect to Reserve Studies and has published a set of industry practices collectively known as "Reserve Study Standards." These standards include a Three-Part Test which professional providers use to determine which individual components should be included in the physical analysis. For more information on Reserve Study Standards, please visit www.cai-online.org.

The third part of the test is that the "The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs." Additional component selection guidelines state: "The community's budget should be reviewed, to establish the amount of maintenance planned and which projects are being funded from the operating account." After discussion with the client and/or consideration of the association's size, a minimum threshold of $10,000 was used for Reserve consideration.

There are multiple components throughout the property that do not pass this test on the basis that projected costs are immaterial in nature, or cannot be reasonably estimated. Those components include but are not limited to:

- NONE

Because the anticipated (full and/or partial) replacement costs for the above components are not anticipated to meet the above threshold, we anticipate that the client will incorporate any related expenditures within their Operating budget. However, in unison with these assumptions, we recommend that the client track any related expenditures, and funding assumptions should be re-evaluated during each Reserve Study update engagement to ensure accuracy. If any above project is deemed appropriate for Reserve funding during a future engagement, that component can be included within the client's Reserve funding plan at that time.
Useful Life: **Remaining Life:**
Lower Estimate: $ 0 **Higher Estimate:** $0
Cost Source:

Comp #: 2030 Including in Operating Budget **Approx Quantity: 1 Informational Component**
Location: Throughout property/development
Funded?: No. Expected to be handled through the client's annual Operating budget.
History:
Comments: Certain components within a Reserve Study may not qualify for Reserve consideration based on the assumption that the client will incur all related costs through their general Operating budget. This may or may not include ongoing maintenance contracts with client vendors, or agreements between the client and management officials. The components included within this assumption are listed below:

- Concrete Driveway Repairs
- Pressure Washing
- Roof Cleaning/Treatment

Because costs related to the above items are anticipated to be handled through the client’s Operating budget, there is no recommendation for Reserve funding at this time. However, in unison with these assumptions, we recommend that the client track any related expenditures and funding assumptions should be re-evaluated during each Reserve Study update engagement to ensure accuracy. If any above project is deemed appropriate for Reserve funding during a future engagement, that component can be included within the client’s Reserve funding plan at that time.
Useful Life: **Remaining Life:**
Lower Estimate: $ 0 **Higher Estimate:** $0
Cost Source:

Villas

Comp #: 2343 Phase 1 Villas (2019) - Seal/Paint **Approx Quantity: 48,800 GSF**
Location: Building exteriors (individual villas listed below)
Funded?: Yes.
History: Phase 1 villas painted in 2019 at a cost of $51,000 (per information provided).
Comments: Villas included in phase 1:
2441/2447 Terracina Drive
2453/2459 Terracina Drive
2465/2471 Terracina Drive
2466/2472 Terracina Drive
2477/2483 Terracina Drive
2478/2484 Terracina Drive
2489/2509 Terracina Drive
2490/2496 Terracina Drive
2502/2508 Terracina Drive
2514/2520 Terracina Drive
2515/2521 Terracina Drive
2526/2532 Terracina Drive
2527/2533 Terracina Drive
2538/2544 Terracina Drive
2539/2545 Terracina Drive
2550/2556 Terracina Drive
2551/2557 Terracina Drive

Client estimates $2,750 per building.

No project history or other relevant information was provided by the client during this engagement (2026). Remaining useful life and cost estimates shown below have been adjusted to account for age and market differences since the prior Reserve Study engagement (completed in 2025 for the 2026 fiscal year).
Useful Life: 10 years **Remaining Life:** 2 years
Lower Estimate: $ 43,400 **Higher Estimate:** $53,000
Cost Source: Prior Estimate Provided by Client, plus Inflation

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Comp #: 2343 Phase 2 Villas (2020) - Seal/Paint **Approx Quantity: 37,300 GSF**
Location: Building exteriors (individual villas listed below)
Funded?: Yes.
History: Phase 2 villas painted in 2020 at a cost of $56,650 (per information provided).
Comments: Villas included in phase 2:
131/137 Fontanelle Circle
143/149 Fontanelle Circle
161/167 Fontanelle Circle
173/179 Fontanelle Circle
191/197 Fontanelle Circle
203/209 Fontanelle Circle
215/221 Fontanelle Circle
227/233 Fontanelle Circle
239/245 Fontanelle Circle
2555/2561 Cortenova Court
2567/2573 Cortenova Court
2579/2585 Cortenova Court
2591/2597 Cortenova Court

Client estimates $2,750 per building.

No project history or other relevant information was provided by the client during this engagement (2026). Remaining useful life and cost estimates shown below have been adjusted to account for age and market differences since the prior Reserve Study engagement (completed in 2025 for the 2026 fiscal year).
Useful Life: 10 years **Remaining Life:** 3 years
Lower Estimate: $ 33,100 **Higher Estimate:** $40,500
Cost Source: Prior Estimate Provided by Client, plus Inflation

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Comp #: 2343 Phase 3 Villas (2021) - Seal/Paint **Approx Quantity: 60,300 GSF**
Location: Building exteriors in Phase 3
Funded?: Yes.
History: Phase 3 villas painted in 2021 at a cost of $44,000 (per information provided).
Comments: Villas included in phase 2:
250/256 Capulet Drive
251/257 Capulet Drive
262/268 Capulet Drive
263/269 Capulet Drive
274/280 Capulet Drive
275/281 Capulet Drive
286/292 Capulet Drive
287/293 Capulet Drive
298/304 Capulet Drive
299/305 Capulet Drive
310/316 Capulet Drive
311/317 Capulet Drive
322/328 Capulet Drive
323/329 Capulet Drive
335/341 Capulet Drive
347/353 Capulet Drive
359/365 Capulet Drive
371/377 Capulet Drive
383/389 Capulet Drive
395/401 Capulet Drive
407/413 Capulet Drive

Client estimates $2,500 per building.

No project history or other relevant information was provided by the client during this engagement (2026). Remaining useful life and cost estimates shown below have been adjusted to account for age and market differences since the prior Reserve Study engagement (completed in 2025 for the 2026 fiscal year).
Useful Life: 10 years **Remaining Life:** 4 years
Lower Estimate: $ 53,600 **Higher Estimate:** $65,500
Cost Source: Prior Estimate Provided by Client, plus Inflation

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Comp #: 2381 Phase 1 Asphalt Shingle (2026) - Replace **Approx Quantity: 50,600 GSF**
Location: Building rooftops at Villas (individual villas listed below)
Funded?: Yes.
History: Phase 1 villas roofing was replaced in 2026 at a cost of $285,000 (per information provided).
Comments: *NOTE: Although the roofing systems included within this component typically have a functional life expectancy of up to 20 years, the useful life shown within the following components has been adjusted to assume a 15-year life expectancy for financial planning purposes. This is due to insurance considerations, as a significant quantity of clients have had to replace asphalt shingle roofing systems over 15 years of age to maintain insurance coverage. As such, we believe at this time that the client/association should be "financially capable" of replacement once roofing systems of this type reach 15 years of age. We recommend that the client consult with their insurance vendor to verify this assumption, and any new information should be incorporated within a future Reserve Study revision or update based on the most current information available at that time.

(11) Villas included in this phase:
2453/2459 Terracina Drive
2466/2472 Terracina Drive
2477/2483 Terracina Drive
2478/2484 Terracina Drive
2489/2509 Terracina Drive
2490/2496 Terracina Drive
2502/2508 Terracina Drive
2550/2556 Terracina Drive
2526/2532 Terracina Drive
2527/2533 Terracina Drive
2555/2561 Cortenova Court

No project history reported for this component since the prior Reserve Study engagement (completed in 2024 for the 2025 fiscal year).
Useful Life: 15 years **Remaining Life:** 13 years
Lower Estimate: $ 257,000 **Higher Estimate:** $314,000
Cost Source: Client Cost History

Comp #: 2381 Phase 2 Asphalt Shingle (2027) - Replace **Approx Quantity: 41,400 GSF**
Location: Building rooftops at Villas (individual villas listed below)
Funded?: Yes.
History: Previously replaced in 2012 (per information provided).
Comments: *NOTE: Although the roofing systems included within this component typically have a functional life expectancy of up to 20 years, the useful life shown within the following components has been adjusted to assume a 15-year life expectancy for financial planning purposes. This is due to insurance considerations, as a significant quantity of clients have had to replace asphalt shingle roofing systems over 15 years of age to maintain insurance coverage. As such, we believe at this time that the client/association should be "financially capable" of replacement once roofing systems of this type reach 15 years of age. We recommend that the client consult with their insurance vendor to verify this assumption, and any new information should be incorporated within a future Reserve Study revision or update based on the most current information available at that time.

(9) Villas included in this phase:
2465/2471 Terracina Drive
2514/2520 Terracina Drive
2515/2521 Terracina Drive
2551/2557 Terracina Drive
131/137 Fontanelle Circle
173/179 Fontanelle Circle
191/197 Fontanelle Circle
227/233 Fontanelle Circle
239/245 Fontanelle Circle

No project history or other relevant information was provided by the client during this engagement (2026). Remaining useful life and cost estimates shown below have been adjusted to account for age and market differences since the prior Reserve Study engagement (completed in 2025 for the 2026 fiscal year).
Useful Life: 15 years **Remaining Life:** 0 years
Lower Estimate: $ 210,000 **Higher Estimate:** $256,000
Cost Source: Estimate Provided by Client

Comp #: 2381 Phase 3 Asphalt Shingle (2028) - Replace **Approx Quantity: 50,600 GSF**
Location: Building rooftops at Villas (individual villas listed below)
Funded?: Yes.
History: Previously replaced in 2013 (per information provided).
Comments: *NOTE: Although the roofing systems included within this component typically have a functional life expectancy of up to 20 years, the useful life shown within the following components has been adjusted to assume a 15-year life expectancy for financial planning purposes. This is due to insurance considerations, as a significant quantity of clients have had to replace asphalt shingle roofing systems over 15 years of age to maintain insurance coverage. As such, we believe at this time that the client/association should be "financially capable" of replacement once roofing systems of this type reach 15 years of age. We recommend that the client consult with their insurance vendor to verify this assumption, and any new information should be incorporated within a future Reserve Study revision or update based on the most current information available at that time.

(11) Villas included in this phase:
2538/2544 Terracina Drive
2539/2545 Terracina Drive
143/149 Fontanelle Circle
161/167 Fontanelle Circle
203/209 Fontanelle Circle
215/221 Fontanelle Circle
2567/2573 Cortenova Court
2579/2585 Cortenova Court
2591/2597 Cortenova Court
383/389 Capulet Drive
395/401 Capulet Drive

No project history or other relevant information was provided by the client during this engagement (2026). Remaining useful life and cost estimates shown below have been adjusted to account for age and market differences since the prior Reserve Study engagement (completed in 2025 for the 2026 fiscal year).
Useful Life: 15 years **Remaining Life:** 1 years
Lower Estimate: $ 257,000 **Higher Estimate:** $314,000
Cost Source: Estimate Provided by Client

Comp #: 2381 Phase 4 Asphalt Shingle (2029) - Replace **Approx Quantity: 92,000 GSF**
Location: Building rooftops at Villas (individual villas listed below)
Funded?: Yes.
History: Previously replaced in 2014 (per information provided).
Comments: *NOTE: Although the roofing systems included within this component typically have a functional life expectancy of up to 20 years, the useful life shown within the following components has been adjusted to assume a 15-year life expectancy for financial planning purposes. This is due to insurance considerations, as a significant quantity of clients have had to replace asphalt shingle roofing systems over 15 years of age to maintain insurance coverage. As such, we believe at this time that the client/association should be "financially capable" of replacement once roofing systems of this type reach 15 years of age. We recommend that the client consult with their insurance vendor to verify this assumption, and any new information should be incorporated within a future Reserve Study revision or update based on the most current information available at that time.

(20) Villas included in this phase:
2441/2447 Terracina Drive
250/256 Capulet Drive
251/257 Capulet Drive
262/268 Capulet Drive
263/269 Capulet Drive
274/280 Capulet Drive
275/281 Capulet Drive
286/292 Capulet Drive
287/293 Capulet Drive
298/304 Capulet Drive
299/305 Capulet Drive
310/316 Capulet Drive
311/317 Capulet Drive
322/328 Capulet Drive
323/329 Capulet Drive
335/341 Capulet Drive
347/353 Capulet Drive
359/365 Capulet Drive
371/377 Capulet Drive
407/413 Capulet Drive

No project history or other relevant information was provided by the client during this engagement (2026). Remaining useful life and cost estimates shown below have been adjusted to account for age and market differences since the prior Reserve Study engagement (completed in 2025 for the 2026 fiscal year).
Useful Life: 15 years **Remaining Life:** 2 years
Lower Estimate: $ 466,000 **Higher Estimate:** $570,000
Cost Source: Estimate Provided by Client