FELTEN PROPERTY ASSESSMENT TEAM

RESERVE STUDIES | INSURANCE APPRAISALS | WIND MITIGATION

Structural Integrity Reserve Study

Level I, Full

Prepared exclusively for:

Shore Mariner Condominium

For the fiscal year starting on January 1, 2026

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FPAT File#: SRS2420889

FELTEN PROPERTY ASSESSMENT TEAM

October 16, 2025

Shore Mariner Condominium
Redington Shores, FL 33708

To the Board of Directors of Shore Mariner Condominium,

We are pleased to submit this Structural Integrity Reserve Study for Shore Mariner Condominium, located in Redington Shores, FL. This study has been prepared based on a visual, non-invasive inspection conducted on November 7, 2024.

The contents of this report are designed to meet or exceed the requirements outlined in Florida Statute §718.112 and are in full compliance with the Community Associations Institute (CAI) National Reserve Study Standards. Accordingly, this study qualifies as a Level I, Full Reserve Study.

Should you have any questions regarding the findings, methodologies, or recommendations within this report, please feel free to contact our office at (866) 568-7853. We appreciate the opportunity to assist you and look forward to serving you in the future.

Respectfully submitted,

Felten Professional Adjustment Team, LLC
dba Felten Property Assessment Team

Reviewed by: Eric Dixon, RS

Eric Dixon, RS

RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI).
PRA (Professional Reserve Analyst) is the professional designation of the Assn. of Professional Reserve Analysts (APRA).

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Reserve Study Summary

Structural Integrity Reserve Study - Level I, Full

For fiscal year starting on January 1, 2026

The following Structural Integrity Reserve Study (SIRS) was performed for Shore Mariner Condominium ("property") a Condominium Association located in Redington Shores, Florida.

Shore Mariner Condominium Association, located at 18304 Gulf Blvd, Redington Shores, FL 33708, is a seven-story gulf-front concrete/block condominium completed in 1975 with a membrane roof system. Units are predominantly two-bedroom, two-bath layouts of approximately 1,025 sq ft (some smaller one-bed/one-bath units also exist). The association maintains structural exterior elements, roofing, common-area finishes, landscaping, irrigation, hardscape, elevators (three in total), HVAC and plumbing in common areas, building insurance, site lighting, and parking. Resident amenities include a heated pool and spa, sauna, fitness room, shuffleboard courts, social/meeting room with kitchen and billiards/card tables, on-floor laundry rooms, storage units, guest parking, and beach frontage access.

This SIRS is for the fiscal year starting on January 1, 2026. The report findings are based on an on-site analysis performed by Scott Ackerman, PRA of Felten Property Assessment Team on November 7, 2024.

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

As of January 1, 2026, Shore Mariner Condominium has reported a total estimated unaudited reserve fund balance of **$273,280.00**. Condominium associations are required to maintain separate reserve funds for SIRS and Non-SIRS reserve components. For this reason, the total current reserve balance must be separated into SIRS and Non-SIRS related funds. We recommend the association begin with a SIRS balance of **$273,280**. The remaining reserve funds should be appropriated for Non-SIRS reserve components as identified in the accompanying "Traditional Reserve Study".

Shore Mariner Condominium currently utilizes the 30-Year Cash Flow Analysis (Pooling) method of funding reserves. Reserve accounts are typically funded using either the 30-Year Cash Flow Analysis (Pooling) or the Component Funding Analysis (Straight-Line). The definitions of these funding plans can be found in the Explanations & Definitions section of this report. This Reserve Study presents **only** the 30-Year Cash Flow Analysis (Pooling) method. The Assocation should maintain all SIRS components in one pooled account and all Non-SIRS components in a separate pooled account.

The current Structural Integrity Reserve Study (SIRS) statute does not clearly specify whether unit owner approval is required for an association to repurpose or reallocate existing reserve funds. Due to this lack of statutory clarity, we strongly recommend that the association consult

with qualified legal counsel prior to reallocating any existing reserve funds. Legal guidance is essential to ensure compliance with applicable laws, governing documents, and fiduciary responsibilities.

Reserve Study Key Facts:

Projection Period Start Date:	January 1, 2026
Property Type:	Condominiums (Condos)
Initial Year of Construction:	1975
Total Number of Units:	121
Visual Inspection Performed by:	Scott Ackerman, PRA
Report Prepared by:	Scott Ackerman, PRA
Report Reviewed by:	Eric Dixon, RS
Level of Service:	Level I, Full

Excluded Components:

- Long-life components
- Common components reported by the Assocation as operating expenses
- Common components that are leased

Reserve Study Results & Financial Parameters:

Number of SIRS Reserve Components Identified:	19
Current Replacement Cost of All Components:	$3,152,053
Future Replacement Cost of All Components:	$5,072,308
Projected Beginning Balance of SIRS Funds:	$273,280
Percent Funded at Jan 1, 2026:	32.04%
Projected Inflation Rate on Reserve Expenses:	2.50%
Projected Interest Rate on Reserve Funds:	2.00%
Taxes on Interest Earned	30.00%

Funding Plan Results:

After analyzing the common area SIRS components and considering the unaudited financial parameters outlined in the previous section, we have prepared several funding strategies for the client's consideration. These strategies are presented in order from most aggressive to most conservative.

While FPAT does not recommend selecting the most aggressive approach—due to its higher risk of leading to a future special assessment—the final decision rests with the board of directors, who should choose the strategy that best aligns with the needs and priorities of the association and its members.

Strategy A - 30-Year Cash Flow Funding Analysis (Pooling) - Baseline Funding

Funding Goal:	Baseline Funding
Projected Special Assessment:	$0
Initial Year Annual Contribution Requirement:	$136,488
Initial Year Monthly Contribution Requirement:	$11,374
Initial Year Average Monthly Contribution Per Unit:	$94

Strategy B - 30-Year Cash Flow Funding Analysis (Pooling) - Threshold Funding

Funding Goal:	Threshold Funding
Projected Special Assessment:	$0
Initial Year Annual Contribution Requirement:	$151,008
Initial Year Monthly Contribution Requirement:	$12,584
Initial Year Average Monthly Contribution Per Unit:	$104

Cash Flow Funding Analysis Parameters

This section of the reserve study report applies cash flow accounting methods to determine the necessary annual reserve contribution. We have developed two cash flow funding strategies for the client's consideration: one based on the **baseline funding goal**, and the other on the **threshold funding goal**. Detailed definitions of these funding goals are provided in the "Explanations & Definitions" section of this report.

The 30-Year Cash Flow Funding Analysis (Pooling) 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.

These funding plans utilize the following assumptions:

Annual Contribution Increase - 2.50%
Interest Earned - 2.00%
Inflation on Reserve Items - 2.50%
Taxes on Interest Earned - 30.00%

Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Investment: 2.00% | Contributions Factor: 2.50% | Calc: Future

30-Year Cash Flow - Annual - Baseline Funding

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Begin Balance	$273,280	$407,594	$547,050	$670,921	$820,835	$948,766	$1,109,685	$1,276,546	$654,703	$657,505
Contribution	$136,488	$139,900	$143,398	$146,983	$150,657	$154,424	$158,284	$162,241	$166,297	$170,455
Average Per Unit	$1,128	$1,156	$1,185	$1,215	$1,245	$1,276	$1,308	$1,341	$1,374	$1,409
Percent Change	N/A	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	$3,826	$5,706	$7,659	$9,393	$11,492	$13,283	$15,536	$17,872	$9,166	$9,205
Additional Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Expenditures	$6,000	$6,150	$27,186	$6,461	$34,218	$6,788	$6,958	$801,956	$172,662	$7,493
Ending Balance	$407,594	$547,050	$670,921	$820,835	$948,766	$1,109,685	$1,276,546	$654,703	$657,505	$829,672
Percent Funded	39.90%	45.67%	49.29%	52.83%	54.94%	57.30%	59.21%	41.69%	40.60%	45.00%

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Begin Balance	$829,672	$1,008,322	$1,193,650	$1,289,021	$1,486,946	$1,692,140	$1,904,815	$1,617,793	$1,838,994	$538,255
Contribution	$174,716	$179,084	$183,561	$188,150	$192,854	$197,675	$202,617	$207,683	$212,875	$218,197
Average Per Unit	$1,444	$1,480	$1,517	$1,555	$1,594	$1,634	$1,675	$1,716	$1,759	$1,803
Percent Change	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	$11,615	$14,117	$16,711	$18,046	$20,817	$23,690	$26,667	$22,649	$25,746	$7,536
Additional Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Expenditures	$7,681	$7,873	$104,901	$8,271	$8,478	$8,690	$516,307	$9,130	$1,539,360	$9,592
Ending Balance	$1,008,322	$1,193,650	$1,289,021	$1,486,946	$1,692,140	$1,904,815	$1,617,793	$1,838,994	$538,255	$754,395
Percent Funded	48.51%	51.37%	51.95%	54.14%	55.96%	57.49%	52.27%	54.13%	25.11%	31.00%

Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Investment: 2.00% | Contributions Factor: 2.50% | Calc: Future

Cash Flow - Annual - Baseline Funding

	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Begin Balance	$754,395	$978,776	$1,211,645	$1,453,252	$850,072	$1,052,773	$675,805	$21,092	$275,551	$539,928
Contribution	$223,651	$229,243	$234,974	$240,848	$246,869	$253,041	$259,367	$265,851	$272,498	$279,310
Average Per Unit	$1,848	$1,895	$1,942	$1,990	$2,040	$2,091	$2,144	$2,197	$2,252	$2,308
Percent Change	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	$10,562	$13,703	$16,963	$20,346	$11,901	$14,739	$9,461	$295	$3,858	$7,559
Additional Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Expenditures	$9,832	$10,077	$10,329	$864,374	$56,070	$644,747	$923,542	$11,687	$11,979	$12,278
Ending Balance	$978,776	$1,211,645	$1,453,252	$850,072	$1,052,773	$675,805	$21,092	$275,551	$539,928	$814,519
Percent Funded	35.77%	39.69%	42.96%	29.80%	33.48%	23.73%	0.93%	10.56%	18.19%	24.35%

Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Investment: 2.00% | Contributions Factor: 2.50% | Calc: Future

30-Year Cash Flow - Annual - Threshold Funding

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Begin Balance	$273,280	$422,114	$576,657	$716,197	$882,382	$1,027,201	$1,205,646	$1,390,690	$787,705	$810,059
Contribution	$151,008	$154,783	$158,653	$162,619	$166,685	$170,852	$175,123	$179,501	$183,989	$188,588
Average Per Unit	$1,248	$1,279	$1,311	$1,344	$1,378	$1,412	$1,447	$1,483	$1,521	$1,559
Percent Change	N/A	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	$3,826	$5,910	$8,073	$10,027	$12,353	$14,381	$16,879	$19,470	$11,028	$11,341
Additional Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Expenditures	$6,000	$6,150	$27,186	$6,461	$34,218	$6,788	$6,958	$801,956	$172,662	$7,493
Ending Balance	$422,114	$576,657	$716,197	$882,382	$1,027,201	$1,205,646	$1,390,690	$787,705	$810,059	$1,002,495
Percent Funded	41.33%	48.14%	52.62%	56.79%	59.48%	62.25%	64.50%	50.16%	50.02%	54.37%

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Begin Balance	$1,002,495	$1,202,152	$1,409,245	$1,527,162	$1,748,438	$1,977,808	$2,215,512	$1,954,395	$2,202,403	$929,397
Contribution	$193,303	$198,136	$203,089	$208,166	$213,370	$218,705	$224,172	$229,777	$235,521	$241,409
Average Per Unit	$1,598	$1,637	$1,678	$1,720	$1,763	$1,807	$1,853	$1,899	$1,946	$1,995
Percent Change	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	$14,035	$16,830	$19,729	$21,380	$24,478	$27,689	$31,017	$27,362	$30,834	$13,012
Additional Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Expenditures	$7,681	$7,873	$104,901	$8,271	$8,478	$8,690	$516,307	$9,130	$1,539,360	$9,592
Ending Balance	$1,202,152	$1,409,245	$1,527,162	$1,748,438	$1,977,808	$2,215,512	$1,954,395	$2,202,403	$929,397	$1,174,226
Percent Funded	57.84%	60.64%	61.55%	63.66%	65.41%	66.87%	63.14%	64.83%	43.35%	48.25%

Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Investment: 2.00% | Contributions Factor: 2.50% | Calc: Future

Cash Flow - Annual - Threshold Funding

	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Begin Balance	$1,174,226	$1,428,277	$1,691,826	$1,965,154	$1,394,762	$1,631,351	$1,289,403	$670,872	$962,711	$1,265,697
Contribution	$247,444	$253,630	$259,971	$266,470	$273,132	$279,960	$286,959	$294,133	$301,487	$309,024
Average Per Unit	$2,045	$2,096	$2,149	$2,202	$2,257	$2,314	$2,372	$2,431	$2,492	$2,554
Percent Change	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest	$16,439	$19,996	$23,686	$27,512	$19,527	$22,839	$18,052	$9,392	$13,478	$17,720
Additional Capital	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Expenditures	$9,832	$10,077	$10,329	$864,374	$56,070	$644,747	$923,542	$11,687	$11,979	$12,278
Ending Balance	$1,428,277	$1,691,826	$1,965,154	$1,394,762	$1,631,351	$1,289,403	$670,872	$962,711	$1,265,697	$1,580,162
Percent Funded	52.20%	55.42%	58.09%	48.89%	51.88%	45.28%	29.63%	36.91%	42.64%	47.25%

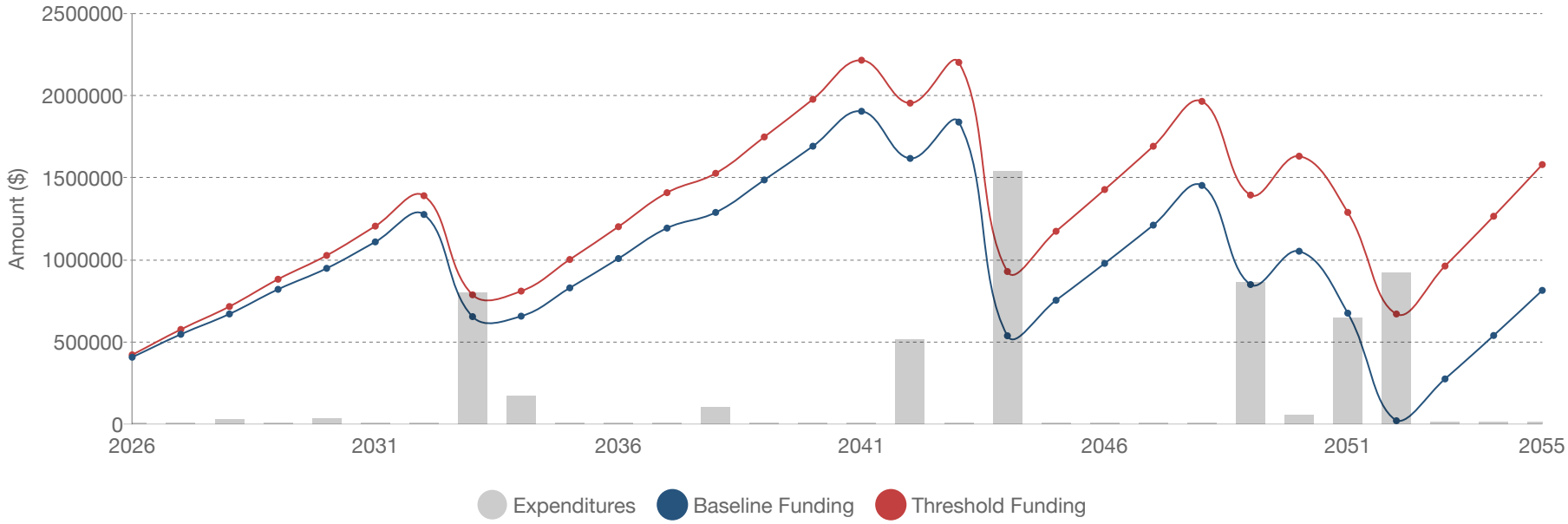
Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Investment: 2.00% | Contributions Factor: 2.50% | Calc: Future

Funding Plan Comparison Chart

Expenditures & Ending Balances Chart



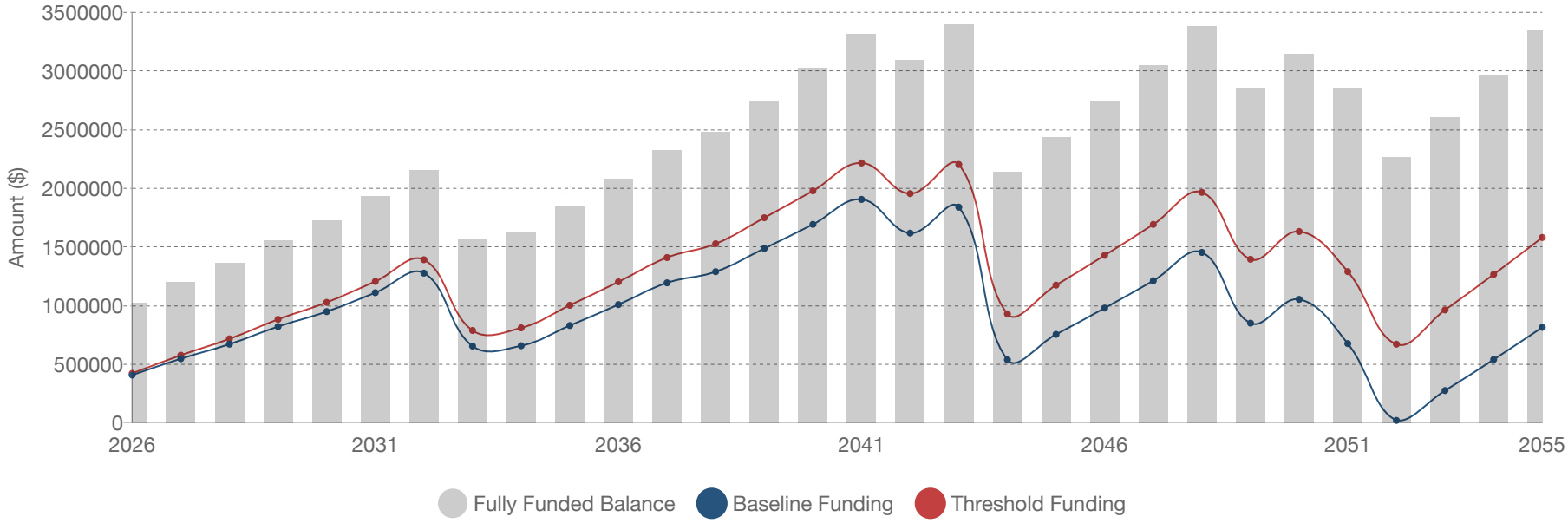
Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Investment: 2.00% | Contributions Factor: 2.50% | Calc: Future

Funding Plan Comparison Chart

Fully Funded Balances and Ending Balances Chart



Reserve Expenditures Parameters

This section of the reserve study report details the association's expenditures over the next 30 years.

Reports displayed in this section utilize the following assumptions:

Inflation on Reserve Items - 2.50%

Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Calc: Future

Reserve Expenditures - Years 1-10

CATEGORY RESERVE ITEM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Building Service Components										
Electric, Main Panels & Meter Bases (Partial)								$29,717		
Fire Pump Controller					$27,595					
Fire Pump, Electric								$47,191		
Piping, Sewer & Water, Inspect & Replace								$29,717		
Total Building Service Components					**$27,595**			**$106,625**		
Exterior Building Components										
Concrete Restore, Spalling, Walkways								$268,884		
Doors, Metal Utility, Double			$12,608							
Doors, Metal Utility, Single (Phased)	$6,000	$6,150	$6,304	$6,461	$6,623	$6,788	$6,958	$7,132	$7,310	$7,493
Doors, Overhead Roll-up								$13,076		
Exterior Paint & Stucco Repairs								$406,239		
Walkway Coatings, Gemstone, Resurface									$165,352	
Windows, Exterior, Impact, Laundry Rooms			$8,274							
Total Exterior Building Components	**$6,000**	**$6,150**	**$27,186**	**$6,461**	**$6,623**	**$6,788**	**$6,958**	**$695,331**	**$172,662**	**$7,493**
Total	**$6,000**	**$6,150**	**$27,186**	**$6,461**	**$34,218**	**$6,788**	**$6,958**	**$801,956**	**$172,662**	**$7,493**

Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Calc: Future

Reserve Expenditures - Years 11-20

CATEGORY RESERVE ITEM	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Building Service Components										
Fire Piping, Stand Pipes & Valves			$96,832							
Total Building Service Components			**$96,832**							
Exterior Building Components										
Doors, Metal Utility, Single (Phased)	$7,681	$7,873	$8,069	$8,271	$8,478	$8,690	$8,907	$9,130	$9,358	$9,592
Exterior Paint & Stucco Repairs							$507,400			
Railings, Aluminum Picket, Walkways									$445,203	
Roofs, Modified Bitumen									$1,084,799	
Total Exterior Building Components	**$7,681**	**$7,873**	**$8,069**	**$8,271**	**$8,478**	**$8,690**	**$516,307**	**$9,130**	**$1,539,360**	**$9,592**
Total	**$7,681**	**$7,873**	**$104,901**	**$8,271**	**$8,478**	**$8,690**	**$516,307**	**$9,130**	**$1,539,360**	**$9,592**

Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Calc: Future

Reserve Expenditures - Years 21-30

CATEGORY RESERVE ITEM	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Building Service Components										
Fire Alarm Control Panel & Devices				$349,393						
Fire Pump Controller					$45,218					
Total Building Service Components				**$349,393**	**$45,218**					
Exterior Building Components										
Concrete Restore, Spalling, Balconies				$504,393						
Doors, Metal Utility, Single (Phased)	$9,832	$10,077	$10,329	$10,588	$10,852	$11,124	$11,402	$11,687	$11,979	$12,278
Exterior Paint & Stucco Repairs						$633,623				
Roofs, Concrete Tiles							$912,140			
Total Exterior Building Components	**$9,832**	**$10,077**	**$10,329**	**$514,981**	**$10,852**	**$644,747**	**$923,542**	**$11,687**	**$11,979**	**$12,278**
Total	**$9,832**	**$10,077**	**$10,329**	**$864,374**	**$56,070**	**$644,747**	**$923,542**	**$11,687**	**$11,979**	**$12,278**

Reserve Component Parameters

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

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

Reports displayed in this section utilize the following assumptions:

Inflation on Reserve Items - 2.50%

Shore Mariner Condominium

Analysis Date - January 1, 2026

Inflation: 2.50% | Calc: Future

Reserve Component Parameters - Summary

Category/Reserve Item	Replace Date	Basis Cost	Quantity	Current Cost	Useful Life	Adj Life (+/-)	Rem Life	Future Cost
Building Service Components								
Electric, Main Panels & Meter Bases (Partial)	01/01/2033	$25,000.00	1 Ea	$25,000	25y	0y	7y	$29,717
Fire Alarm Control Panel & Devices	01/01/2049	$198,000.00	1 LS	$198,000	25y	0y	23y	$349,393
Fire Piping, Stand Pipes & Valves	01/01/2038	$225.00	320 LF	$72,000	45y	10y	12y	$96,832
Fire Pump Controller	01/01/2030	$25,000.00	1 Ea	$25,000	20y	0y	4y	$27,595
Fire Pump, Electric	01/01/2033	$39,700.00	1 Ea	$39,700	50y	0y	7y	$47,191
Piping, Sewer & Water, Inspect & Replace	01/01/2033	$25,000.00	1 Allow	$25,000	25y	0y	7y	$29,717
Building Service Components Total				$384,700				$580,445
Exterior Building Components								
Balcony/Patio Enclosures, Full Screen	01/01/2059	$62.00	3,064	$189,968	35y	0y	33y	$429,109
Concrete Restore, Spalling, Balconies	01/01/2049	$20.00	14,292 SF	$285,840	25y	0y	23y	$504,393
Concrete Restore, Spalling, Walkways	01/01/2033	$10.00	22,620 SF	$226,200	25y	0y	7y	$268,884
Doors, Metal Utility, Double	01/01/2028	$6,000.00	2 Ea	$12,000	35y	18y	2y	$12,608
Doors, Metal Utility, Single (Phased)	01/01/2026	$3,000.00	2 Ea	$6,000	1y	0y	0y	$6,000
Doors, Overhead Roll-up	01/01/2033	$2,750.00	4 Ea	$11,000	25y	0y	7y	$13,076
Exterior Paint & Stucco Repairs	01/01/2033	$3.00	113,920 SF	$341,760	9y	0y	7y	$406,239
Railings, Aluminum Picket, Walkways	01/01/2044	$110.00	2,595 LF	$285,450	40y	0y	18y	$445,203
Roofs, Concrete Tiles	01/01/2052	$3,000.00	160 SQ	$480,000	30y	0y	26y	$912,140
Roofs, Modified Bitumen	01/01/2044	$20.00	34,777 SF	$695,540	20y	0y	18y	$1,084,799
Storefront Doors & Windows, Lobby	01/01/2065	$125.00	720 SF	$90,000	40y	0y	39y	$235,762
Walkway Coatings, Gemstone, Resurface	01/01/2034	$6.00	22,620	$135,720	25y	0y	8y	$165,352
Windows, Exterior, Impact, Laundry Rooms	01/01/2028	$125.00	63 SF	$7,875	45y	8y	2y	$8,274
Exterior Building Components Total				$2,767,353				$4,491,839
Grand Total				**$3,152,053**				**$5,072,284**

Balcony/Patio Enclosures, Full Screen

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	35y

Cost Data

Unit Cost (01/01/2026):	$62.00
Total Qty to Maintain (100% of Total):	3,064
Total Current Cost:	$189,968
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Balcony/Patio Enclosures, Full Screen	01/01/2024	01/01/2059	33y	0y	3,064	$189,968	$429,109
Total					3,064	$189,968	$429,109

Concrete Restore, Spalling, Balconies

Basic Info

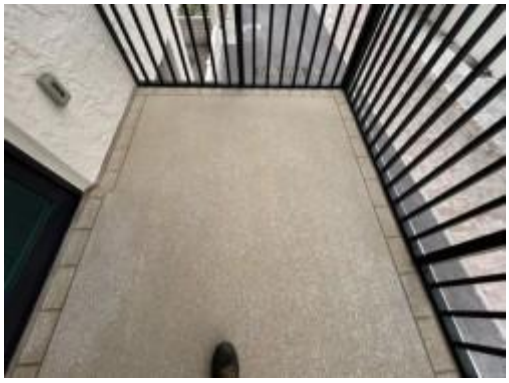
Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	25y

Cost Data

Unit Cost (01/01/2026):	$20.00
Total Qty to Maintain (100% of Total):	14,292 SF
Total Current Cost:	$285,840
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Concrete Restore, Spalling, Balconies	01/01/2024	01/01/2049	23y	0y	14,292 SF	$285,840	$504,393
Total					14,292 SF	$285,840	$504,393



Concrete Restore, Spalling, Walkways

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	25y

Cost Data

Unit Cost (01/01/2026):	$10.00
Total Qty to Maintain (100% of Total):	22,620 SF
Total Current Cost:	$226,200
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Concrete Restore, Spalling, Walkways	01/01/2008	01/01/2033	7y	0y	22,620 SF	$226,200	$268,884
Total					22,620 SF	$226,200	$268,884

Doors, Metal Utility, Double

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	35y

Cost Data

Unit Cost (01/01/2026):	$6,000.00
Total Qty to Maintain (100% of Total):	2 Ea
Total Current Cost:	$12,000
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Doors, Metal Utility, Double	01/01/1975	01/01/2028	2y	18y	2 Ea	$12,000	$12,608
Total					2 Ea	$12,000	$12,608

Doors, Metal Utility, Single (Phased)

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	1y

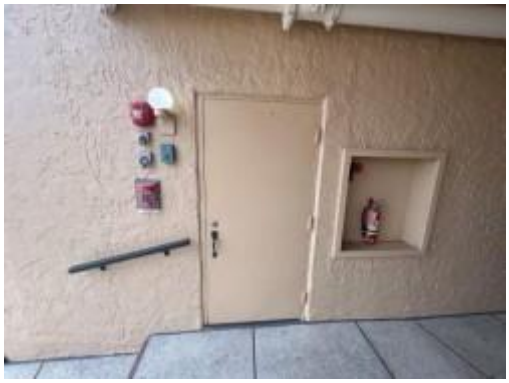
Cost Data

Unit Cost (01/01/2026):	$3,000.00
Total Qty to Maintain (100% of Total):	2 Ea
Total Current Cost:	$6,000
Inflation Rate:	2.50%
Condition:	Good

Notes

This reserve component allows for the replacement of 2 metal utility doors every year with all 72 doors being replaced every 36 years.

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Doors, Metal Utility, Single (Phased)	01/01/2025	01/01/2026	0y	0y	2 Ea	$6,000	$6,000
Total					2 Ea	$6,000	$6,000



Doors, Overhead Roll-up

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	25y

Cost Data

Unit Cost (01/01/2026):	$2,750.00
Total Qty to Maintain (100% of Total):	4 Ea
Total Current Cost:	$11,000
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Doors, Overhead Roll-up	01/01/2008	01/01/2033	7y	0y	4 Ea	$11,000	$13,076
Total					4 Ea	$11,000	$13,076

Electric, Main Panels & Meter Bases (Partial)

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Building Service Components
Sub Category:	
Est. Useful Life:	25y

Cost Data

Unit Cost (01/01/2026):	$25,000.00
Total Qty to Maintain (100% of Total):	1 Ea
Total Current Cost:	$25,000
Inflation Rate:	2.50%
Condition:	Good

Notes

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

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Electric, Main Panels & Meter Bases (Partial)	01/01/2008	01/01/2033	7y	0y	1 Ea	$25,000	$29,717
Total					1 Ea	$25,000	$29,717

Exterior Paint & Stucco Repairs

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	9y

Cost Data

Unit Cost (01/01/2026):	$3.00
Total Qty to Maintain (100% of Total):	113,920 SF
Total Current Cost:	$341,760
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Exterior Paint & Stucco Repairs	01/01/2024	01/01/2033	7y	0y	113,920 SF	$341,760	$406,239
Total					113,920 SF	$341,760	$406,239

Fire Alarm Control Panel & Devices

Basic Info		Cost Data	
Asset ID:		Unit Cost (01/01/2026):	$198,000.00
Type of Cost:	Replacement	Total Qty to Maintain (100% of Total):	1 LS
Category:	Building Service Components	Total Current Cost:	$198,000
Sub Category:		Inflation Rate:	2.50%
Est. Useful Life:	25y	Condition:	Good

Notes

The fire alarm system was in the process of being replaced at the time of our site inspection. This included a new fire panel and new communicator. The cost basis is from the permit information available at the Pinellas County Property Appraiser.

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Fire Alarm Control Panel & Devices	01/01/2024	01/01/2049	23y	0y	1 LS	$198,000	$349,393
Total					1 LS	$198,000	$349,393

Fire Piping, Stand Pipes & Valves

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Building Service Components
Sub Category:	
Est. Useful Life:	45y

Cost Data

Unit Cost (01/01/2026):	$225.00
Total Qty to Maintain (100% of Total):	320 LF
Total Current Cost:	$72,000
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Fire Piping, Stand Pipes & Valves	01/01/1983	01/01/2038	12y	10y	320 LF	$72,000	$96,832
Total					320 LF	$72,000	$96,832

Fire Pump Controller

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Building Service Components
Sub Category:	
Est. Useful Life:	20y

Cost Data

Unit Cost (01/01/2026):	$25,000.00
Total Qty to Maintain (100% of Total):	1 Ea
Total Current Cost:	$25,000
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Fire Pump Controller	01/01/2010	01/01/2030	4y	0y	1 Ea	$25,000	$27,595
Total					1 Ea	$25,000	$27,595

Fire Pump, Electric

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Building Service Components
Sub Category:	
Est. Useful Life:	50y

Cost Data

Unit Cost (01/01/2026):	$39,700.00
Total Qty to Maintain (100% of Total):	1 Ea
Total Current Cost:	$39,700
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Fire Pump, Electric	01/01/1983	01/01/2033	7y	0y	1 Ea	$39,700	$47,191
Total					1 Ea	$39,700	$47,191

Piping, Sewer & Water, Inspect & Replace

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Building Service Components
Sub Category:	
Est. Useful Life:	25y

Cost Data

Unit Cost (01/01/2026):	$25,000.00
Total Qty to Maintain (100% of Total):	1 Allow
Total Current Cost:	$25,000
Inflation Rate:	2.50%
Condition:	Good

Notes

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

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Piping, Sewer & Water, Inspect & Replace	01/01/2008	01/01/2033	7y	0y	1 Allow	$25,000	$29,717
Total					1 Allow	$25,000	$29,717

Railings, Aluminum Picket, Walkways

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	40y

Cost Data

Unit Cost (01/01/2026):	$110.00
Total Qty to Maintain (100% of Total):	2,595 LF
Total Current Cost:	$285,450
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Railings, Aluminum Picket, Walkways	01/01/2004	01/01/2044	18y	0y	2,595 LF	$285,450	$445,203
Total					2,595 LF	$285,450	$445,203

Roofs, Concrete Tiles

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	30y

Cost Data

Unit Cost (01/01/2026):	$3,000.00
Total Qty to Maintain (100% of Total):	160 SQ
Total Current Cost:	$480,000
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Roofs, Concrete Tiles	01/01/2022	01/01/2052	26y	0y	160 SQ	$480,000	$912,140
Total					160 SQ	$480,000	$912,140

Roofs, Modified Bitumen

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	20y

Cost Data

Unit Cost (01/01/2026):	$20.00
Total Qty to Maintain (100% of Total):	34,777 SF
Total Current Cost:	$695,540
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Roofs, Modified Bitumen	01/01/2024	01/01/2044	18y	0y	34,777 SF	$695,540	$1,084,799
Total					34,777 SF	$695,540	$1,084,799

Storefront Doors & Windows, Lobby

Basic Info

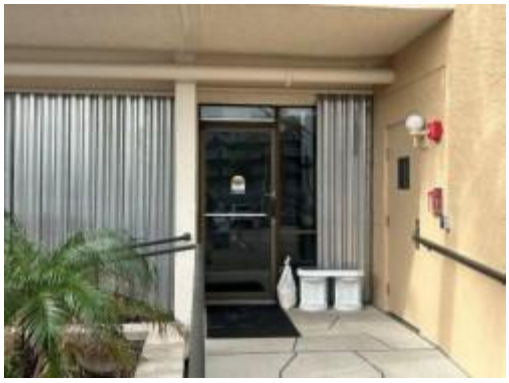
Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	40y

Cost Data

Unit Cost (01/01/2026):	$125.00
Total Qty to Maintain (100% of Total):	720 SF
Total Current Cost:	$90,000
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Storefront Doors & Windows, Lobby	01/01/2025	01/01/2065	39y	0y	720 SF	$90,000	$235,762
Total					720 SF	$90,000	$235,762



Walkway Coatings, Gemstone, Resurface

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	25y

Cost Data

Unit Cost (01/01/2026):	$6.00
Total Qty to Maintain (100% of Total):	22,620
Total Current Cost:	$135,720
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Walkway Coatings, Gemstone, Resurface	01/01/2009	01/01/2034	8y	0y	22,620	$135,720	$165,352
Total					22,620	$135,720	$165,352

Windows, Exterior, Impact, Laundry Rooms

Basic Info

Asset ID:	
Type of Cost:	Replacement
Category:	Exterior Building Components
Sub Category:	
Est. Useful Life:	45y

Cost Data

Unit Cost (01/01/2026):	$125.00
Total Qty to Maintain (100% of Total):	63 SF
Total Current Cost:	$7,875
Inflation Rate:	2.50%
Condition:	Good

Notes

Reserve Item	Service Date	Replace Date	Rem Life	Adj Life (+/-)	Qty	Current Cost	Future Cost
Windows, Exterior, Impact, Laundry Rooms	01/01/1975	01/01/2028	2y	8y	63 SF	$7,875	$8,274
Total					63 SF	$7,875	$8,274

Explanations & Definitions

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

Funding Options

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

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

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

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

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

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

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

What is a Reserve Study?

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

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventative maintenance plans, and structural or safety evaluations.

Reserve Study Levels of Service

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

Level I, Full

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

- Component inventory
- Condition assessment
- Life and valuation estimates
- Fund status
- Funding plan(s) - Cash Flow Funding (pooling) and/or Component Funding (straight-line)

Level II, Update, With Site Analysis

A reserve study update in which the following five tasks are performed, based on both the reserve study provider's on-site evaluation and on information provided by the client and other subject matter experts, as applicable:

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

Level III, Update, Without Site Analysis

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

- Life and valuation estimates
- Fund status
- Funding plan(s) - Cash Flow Funding (pooling) and/or Component Funding (straight-line)

Level IV, Preliminary, Community Not Yet Constructed

A reserve study prepared before construction that is generally used for budget estimates. It is based on design documents such as architectural and engineering plans. The following three tasks are performed to prepare this type of study:

- Component inventory
- Life and valuation estimates
- Funding plan(s) - Cash Flow Funding (pooling) and/or Component Funding (straight-line)

Reserve Study Preparation Procedure

The process for preparing a reserve study consists of assembling and systematically analyzing information and data regarding the components comprising the physical assets of the community association which are to be included. A general procedure for conducting a reserve study is listed in the 8 steps below. The precise procedure for the preparation of the study shall be determined by the qualified reserve study provider and based on one of the levels of services described within this standard. This standard does not preclude the use of other procedures.

1. Establish/update components to be included
2. Establish/update physical attributs and conditions or needs of components
3. Establish/update current component costs
4. Establish/update component useful life and remaining life
5. Establish/update project starting reserve balance
6. Evaluate/calculate reserve fund strength (e.g. percent funded)
7. Establish/confirm funding methodology and goal
8. Establish multiyear funding plan

Establish Components Included in the Reserve Study

Component Inventory
The task of selecting and quantifying reserve components

Components
The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study.
Components are selected to be included in the reserve study based on the following three-part test:

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

Components Selection Guildelines

In selecting the components to be included within the reserve study, the following guidelines, although not exclusive of the reserve study provider's expertise, are provided:

1. Association maintenance/replacement responsibility is generally established by a review of governing documents as well as established association precedent.
2. 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.
3. The community’s budget should be reviewed, to establish the amount of maintenance planned and which projects are being funded from the operating account.
4. The amount and types of maintenance occurring at the community.
5. The community’s historical pattern of expenses, helping to determine which projects in the past have been funded from the operating account, as well as to establish their inclusion within the reserve study.
6. Any work performed on the reserve components since the prior study was performed.
7. All available reports and information regarding the physical components within the community.
8. All maintenance contracts in place for the physical components within the community
9. Component definitions are not constrained by capital or non-capital state or Internal Revenue Service definitions. If desired at reserve study provider’s discretion, all non-capital (per IRS or other tax authority definitions) items may be categorized separately.
10. Components are not restricted to physical items. Components may be projects that do not particularly involve the repair or replacement of a physical asset. In many cases, “components” may not be tangible objects or visually observable yet but should still be considered for inclusion in the study based on the expertise of the reserve study provider, a review of any available design drawings, or other subject matter

experts.

11. Professional inspections, evaluations, or related building services qualify as reserve components if they otherwise meet the definition of “component.”
12. Common area preventive or corrective maintenance projects qualify as reserve components if they otherwise meet the definition of “component.” In other words, a “component” does not need to be a cyclical repair or replacement of a tangible physical item.
13. A reserve component is not required to be a cyclical replacement. An example may be corrective maintenance required per a periodic structural inspection.
14. In certain jurisdictions, there may be statutory requirements for or limitations to including components or groups of components in the reserve study. Those statutory requirements are to be respected with this standard, representing the minimum requirements in all cases.
15. A component replacement is not required to be with a similar component. Logical upgrades to an existing asset or system that is obsolete, inefficient, or no longer effectively serves the needs of the association can be accomplished as a reserve project. These upgrades also can be based on ongoing preventive maintenance costs and an evaluation of energy costs based on higher efficiency equipment.
16. There is no minimum or maximum limit to useful life or remaining useful life estimates used in a reserve study.
17. Selection of components, or selection of useful life and remaining useful life, may consider energy usage and ongoing maintenance costs which have an impact on total budgetary expenses and total life cycle costs.
18. No destructive testing is included in the scope of a reserve study.

Long-Life Component

Those components with an estimated remaining life of more than 30 years from the date of the study being prepared.

- Inclusion of long-life components with funding in the study. Funding could be in the form of partially funding periodic maintenance or partial replacements.
- Addition of long-life components with funding at the time when they fall within the 30-year period from the date of the reserve study preparation.
- Indentification of long-life components in the component inventory, even when they are not yet being funded in the 30-year funding plan.

Key Terms Related to Components

Establish Physical Attributes and Condition of Components/Condition Assessment

The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Establish Budgetary Replacement Costs of Components/Valuation Estimates

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

Establish Estimated Remaining Useful Life of Each Component/Life Estimates

The task of estimating useful life and remaining useful life of the reserve components.

Develop a Funding Plan

Funding Methods

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

Component Funding Analysis Plan (Straight-Line)

The Component Funding Analysis Plan calculates the annual contribution amount for each individual line item component by dividing the component’s remaining unfunded balance by its remaining useful life. A component’s unfunded remaining balance is its replacement cost less the reserve balance for the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis. Straight-line accounting is based on current costs and

neither interest or inflation are factored into the calculations.

30-Year Pooled Cash Flow Analysis Plan (Pooling)

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

Cash Flow Funding Goals (applicable to pooling method only)

Reserve studies shall be developed based on one of the following funding goals. The funding goal shall be determined by the reserve study provider in consultation with their client to reflect the community's risk tolerance, as well as other variables explained by the reserve study provider.

Adequate funding (or adequate reserves) is defined as a replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

The three funding goals listed below range from the most aggressive to the most conservative.

Baseline Funding

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

Threshold Funding

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

Full Funding

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance.

Terms & Definitions

Adequate Reserves: A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

Capital Improvements: Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.

Cash Flow Method (also known as pooling): A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund.

To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Common Area: The areas identified in the community association's master deed or declarations of covenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.

Community Association: A nonprofit entity that exists to preserve the nature of the community and protect the value of the property owned by members. Membership in the community association is mandatory and automatic for all owners. All owners pay mandatory lien-based assessments that fund the operation of the association and maintain the common area or elements, as defined in the governing documents. The community association is served and lead by an elected board of trustees or directors.

Components: The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. Components are selected to be included in the reserve study based on the following three-part test:

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

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

The Reserve Specialist, in coordination with the client, will determine the methodology for including these components in the study. Typical evaluation techniques for consideration include:

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

Component Method (also known as Straight Line): A method of developing a reserve funding plan where the total funding is based on the sum of funding for the individual components.

Condition Assessment: The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Effective Age: The difference between useful life and estimated remaining useful life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

Financial Analysis: The portion of a reserve study in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.

Fully Funded: 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

Fully Funded Balance (FFB): An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

FFB = Current Cost X Effective Age/Useful Life
Example: For a component with a $10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be $4,000.

Fund Status: The status of the reserve fund reported in terms of cash or percent funded.

Funding Goals:
The three funding goals listed below range from the most aggressive to most conservative:

Baseline Funding
Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below

zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, and it is not recommended as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

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

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

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

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

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

Initial Year: The first fiscal year in the financial analysis or funding plan.

Life Estimates: The task of estimating useful life and remaining useful life of the reserve components. Life Cycle Cost: The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

Maintenance: Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of "replacement" but may pass the defining test of a reserve component and be appropriate for reserve funding.

Maintenance types are categorized below:

Preventive Maintenance: Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

Deferred Maintenance: Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.

This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Corrective Maintenance: Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.

Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost

significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded: The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.

While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of "adequacy."

Periodic Structural Inspection: Structural system inspections aimed at identifying issues when they become evident.

Additional information and recommendations are included within the Condominium Safety Public Policy Report. www.condosafety.com

Physical Evaluation: The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

Preventive Maintenance Schedule: A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL): Also referred to as "remaining life" (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life.

Replacement Cost: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

Reserve Balance: Actual or projected funds, clearly identified as existing either at the beginning or end of the association's fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.

Reserve Study: A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures. This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

Reserve Study Provider: An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist (RS) designation administered by Community Associations Institute (CAI) or Professional Reserve Analyst (PRA) designation administered by Association of Professional Reserve Analysts (APRA). These designations indicate that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

Reserve Study Provider Firm: A company that prepares reserve studies as one of its primary business activities.

Site Analysis: A visual assessment of the accessible areas of the components included within the reserve study.

The site analysis includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.

Special Assessment: A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.

Structural System: The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.

Structural Integrity Reserve Study (SIRS): A budget planning tool that separates items depicted in Florida Statute 718.112(2)(g), identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures

Traditional Reserve Study (TRS): A reserve study completed for a property required to obatain a SIRS in which the reserve study contains only Non-SIRS related components.

Useful Life (UL): The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

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

Unit Abbreviations

SF - Square Feet	LS - Lump Sum	Dbl Ct - Double Tennis Court
LF - Linear Feet	Allow - Allowance	Ct - Court
Ea - Each	HP - Horsepower	U - Units
SY - Square Yards	CF - Cubic Feet	CY - Cubic Yards
KW - Kilowatts	Pair - Pair	SQ - Squares (1 Sq = 100 sq ft)
Opngs - Openings (elevators)		

SIRS & TRS Frequently Asked Questions

What is a Structural Integrity Reserve Study (SIRS)?

A SIRS is based off a visual inspection of the items required in s. 718.112(2)(g), F.S. and is a budget planning tool that identifies components of a condominium that are the responsibility of the association to maintain and replace and includes a plan to fund future maintenance and repairs.

A reserve study is a budget planning tool that looks at the parts of a building a condominium association is required to maintain, the status of the condominium's existing reserve fund, and the amount of funding needed to offset anticipated expenses. A SIRS is a type of reserve study used to ensure condominium owners are reserving the funds needed for future major repairs and replacement of structural elements on the condominium property.

Which building components are required to be included in a SIRS?

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

(g) Structural integrity reserve study.—

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

a. Roof.

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

c. Fireproofing and fire protection systems.

d. Plumbing.

e. Electrical systems.

f. Waterproofing and exterior painting.

g. Windows and exterior doors.

h. Any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.

Who can perform a SIRS?

There are two parts to a SIRS – the financial study and the visual inspection. The financial portion of the SIRS must be completed by a person qualified to perform such a study. The visual inspection portion of the SIRS must be performed or verified by a licensed Engineer, Architect, or a certified Reserve Specialist (RS) or Professional Reserve Analyst (PRA) licensed by the Community Associations Institute or the Association of Professional Reserve Analysts. The visual inspection portion of this reserve study has been prepared by an individual certified by the Community Associations Institute.

What happens after a SIRS is completed?

As of July 1, 2024, within 45 days of the SIRS being completed, condo associations must:

- Provide written notice to unit owners that the SIRS is complete and available to review and copy.
- Notify DBPR's Division of Condominiums, Timeshares and Mobile Homes that the SIRS is completed.

Once a SIRS is complete, the association will have a component list that provides the life expectancy of each common element in the building that was visually inspected, an evaluation of the current reserve fund, and the recommended funding plan.

How does my association report a SIRS to the Division?

- FPAT does not submit your SIRS to any local or state agency on the Association's behalf.
- Submit your SIRS online at https://www2.myfloridalicense.com/condominiums/condominiums-and-cooperatives-sirs-reporting/
- Mail your SIRS to:
    - Division of Florida Condominiums, Timeshares and Mobile Homes
      Attention: Structural Integrity Reserve Study Reporting
      2601 Blair Stone Road
      Tallahassee, FL 32399-1030

How does a SIRS affect fee assessments?

To remain in compliance, condominium associations must meet the reserve funding schedule outlined in the SIRS. If a condominium's SIRS finds that the association does not have enough reserve funding to cover the anticipated cost to maintain or replace major structural items, fee assessments may be necessary to meet the funding schedule in the SIRS.

As of June 9, 2023, condominium associations that are required to complete a SIRS are required by Florida law to base their budget adopted on or after January 1, 2025, on the findings and recommendations in the association's most recent SIRS. Reserves cannot be waived for the structural items identified in the SIRS.

When does my association have to start reserving for the items in the SIRS report?

If your budget is adopted on or before December 31, 2024, you may vote to waive or provide less than required SIRS reserves with a majority vote of the total voting interest of the association. You will need to begin funding your SIRS reserves in accordance with the reserve study January 1, 2026.

If your budget is adopted on or after January 1, 2025, you may not waive your SIRS reserves and need to begin funding your SIRS reserves in accordance with the reserve study.

What is the difference between a Milestone Inspection and a SIRS?

A Milestone inspection is a structural inspection of the building, including the load-bearing elements.

A Structural Integrity Reserve Study (SIRS) is based off a visual inspection of the items required in s. 718.112(2)(g), F.S. and is a budget planning tool that identifies components of a condominium that are the responsibility of the association to maintain and replace and includes a plan to fund future maintenance and repairs.

What is a Traditional Reserve Study (TRS)?

The term Traditional Reserve Study has been widely adopted by the industry to refer to reserve studies completed in conjunction with a SIRS recommending a seperate funding plan for Non-SIRS components.

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

2. a. In addition to annual operating expenses, the budget must include reserve accounts for capital expenditures and deferred maintenance. These accounts must include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000.

Examples of statutory Non-SIRS compoents include but are not limeted to:

- Paving
- Painting for buildings under 3 stories in height
- Roofing for buildings under 3 stories in height
- Elevators
- Fencing
- Swimming Pool Resurfacing
- Any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000.

Can TRS funding be waived or partially funded?

Yes, in Florida, non-SIRS (non-structural integrity reserve study) items can be waived by a majority vote of the community's voting interests, meaning that owners can choose to not fund reserves for items not considered structurally critical, unlike SIRS components which must be fully funded by law; however, careful consideration should be given before waiving funding for any non-structural items as they can still be significant costs to the association.

Can SIRS funds be commingled with Non-SIRS funds?

No, SIRS funds cannot be commingled with non-SIRS funds in Florida. SIRS and non-SIRS funds must be kept separate in the balance sheet and it's recommended to have separate bank accounts for each.

Can we still use the Pooling Method for SIRS items?

Yes, SIRS items can be funding utilizing the 30-year cash flow funding plan; however, Non-SIRS items must be funded in a separate pooled acccount. To clarify, this result is two pooled accounts, one for SIRS items and one for Non-SIRS items.

Disclosures & Conditions

1. This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of Felten Property Assessment Team (FPAT). The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.
2. FPAT has no present or prospective interest in the subject property of this report and also has no personal interest with respect to parties involved. Our assignment was not contingent upon producing or reporting predetermined results and our compensation is not contingent on any action or event resulting from this report.
3. Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. FPAT inspects sloped roofs from the ground or with drones and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. Component quantities are calculated utilizing a combination of field measurements, drawing take-offs, aerial imagery software, and contractor estimates provided by the client.
4. Due to the nature of the inspection, only representative sampling was conducted, and not all areas or components of the property were evaluated. As such, there may be conditions present elsewhere that were not identified during the inspection.
5. This reserve study report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property component.
6. Material issues not disclosed to FPAT may cause a distortion of the association's physical and financial situation.
7. This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, and XactRemodel. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of replacement cost valuation, insurance adjusting and reserve study preparation.
8. The actual or projected total reserve beginning balance presented in the reserve study is based upon information provided and was not audited. If the beginning balance was not provided by the client the beginning balance may be estimated by FPAT using the following formula: ((balance from most recent financial statement + remaining monthly contributions) - current fiscal years anticipated reserve expenses)
9. For update with site visit and update with no site visit levels of service, the client is considered to have deemed previously developed component quantities as accurate and reliable.
10. Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.
11. Structural integrity evaluations are not included in the reserve study unless otherwise noted.
12. Maintenance:
    1. Preventive maintenance is a critical aspect affecting a community's life cycle costs and structural safety. It is encouraged that every association have a preventive maintenance plan prepared in conjunction with the reserve study (if required). The preventive maintenance plan should incorporate all applicable common elements, not just those components included within this reserve study.
    2. FPAT can only be aware of preventive maintenance plans or programs that have been disclosed by the client. An audit or evaluation of any maintenance plans or maintenance contract is outside the scope of services performed by FPAT.
    3. FPAT lacks information to incorporate necessary corrective maintenance costs and timing unless they have been provided with a copy of the most recent periodic structural inspection report.
13. Unless specifically noted, the components included within this study have an anticipated remaining

useful life within 30 years from the time the field observations used in preparing the study was performed.

14. The Reserve Specialist shall incur no civil liability for performing the physical or financial portions of a reserve study performed in accordance with CAI standards.
15. It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer 's specifications. Invasive testing has not been performed on the subject assets. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.
16. FPAT is not responsible for conditions that have changed after the date of the inspection. FPAT reserves the right to charge the client an additional fee for report revisions needed as a result of the aforementioned conditions.
17. General Exclusions from this reserve analysis are:

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

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

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

Reserve Study Update

Updating the Reserve Study

To keep the reserve study current and reflect the ongoing changes to the components and the financial needs of the community, the reserve study should be updated on a regular basis reguardless of statutory requirements. Best practice is for a site analysis-based reserve study update every two-to three-years.

Many variables can change after a reserve study is completed that may result in significant overfunding or underfunding the reserve accounts. Below is a list of variables that may affect the funding plans of this reserve study:

- Changes in the interest rates on reserve investments
- Changes in the inflation rates
- Deferred or accelerated reserve projects
- Increased wear and tear to reserve components due to extreme weather conditions
- Changes to local building codes
- Technological advancements of product or materials
- Workmanship of completed reserve projects
- Additional or deletions to the reserve component inventory based on prevous or future boards

Note: Preventive maintenance evaluations and periodic structural inspections should be updated prior to the reserve study so they may be incorporated into the reserve study update.

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