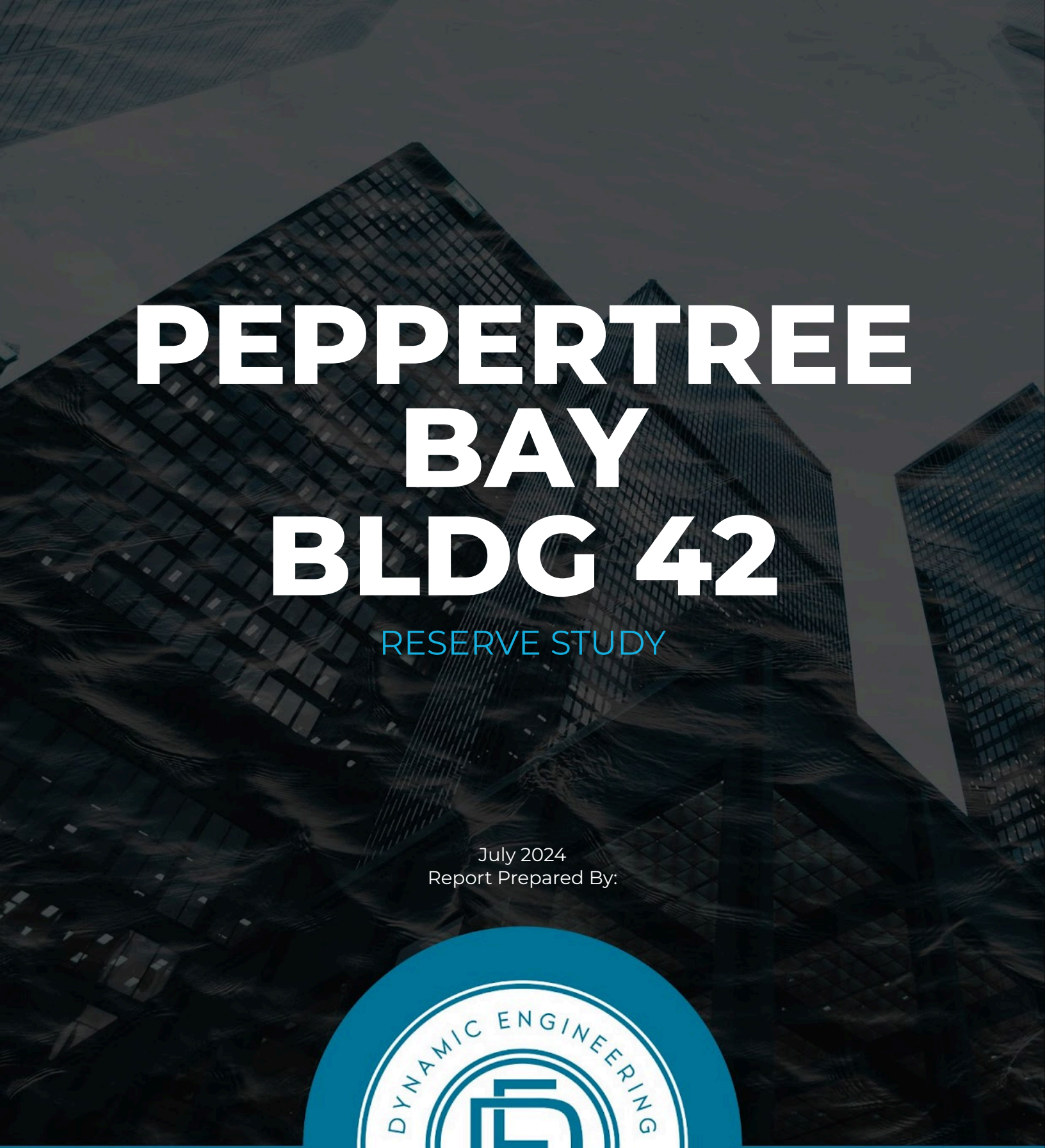

PEPPERTREE BAY BLDG 42

RESERVE STUDY

July 2024
Report Prepared By:

DYNAMIC ENGINEERING
DESIGN & INSPECTION

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Peppertree Bay Association, Inc.
6056 Midnight Pass Road
Sarasota, FL 34242

Attention: Will Seeley

Property: Peppertree Bay
6056 Midnight Pass Rd.
Sarasota, FL 34242

Regarding: Reserve Study

Mr. Seeley:

Dynamic Engineering Design & Inspection (Dynamic) recently performed a Reserve Study for Building 42 at Peppertree Bay at your request for Peppertree Bay Association, Inc., (Peppertree Bay) which included a study of the reserve funds required for future major repairs and replacement of the condominium property based on a visual inspection. This report and attachments contain the results of our study.

We appreciate the opportunity to provide this study. Should you have any questions regarding this report, please do not hesitate to contact me.

Sincerely,

Matthew T. Mullins, PE
RRC, RRO, CCS, CCCA
President
Dynamic Engineering Design & Inspection

1. Introduction

Dynamic performed a Reserve Study for Building 42 at Peppertree Bay, located at 6056 Midnight Pass Rd., Sarasota, FL 34242 in 2024 at the Association's request.

1.1. Purpose

The purpose of this Reserve Study was to:

> assist the association with complying with the requirements of Florida Statute 718, by performing a Structural Integrity Reserve Study (SIRS), which includes identifying the items to be visually inspected, performing a visual inspection of the condominium property items listed as part of a SIRS, estimating the reserve funds with a recommended annual reserve amount required for future major repairs or replacement of the condominium property items listed as part of a SIRS, based on a visual inspection of the common areas.

1.2. Scope

The scope of our services included a review of readily available documents, interviews with on-site personnel during the site visit, identifying each item of the condominium property being visually inspected, estimating the remaining useful life and estimated replacement cost or deferred maintenance expense of each item of the condominium property being visually inspected, and a visual inspection of the common area items.

As noted in Florida Statutes Section 718.112 Bylaws, the visual Inspection as part of the Structural Integrity Reserve Study is not required, because a milestone inspection report was issued by Karins Engineering in 2023.

> *If the milestone inspection required by s. 553.899, or an inspection completed for a similar local requirement, was performed within the past 5 years and meets the requirements of this paragraph, such inspection may be used in place of the visual inspection portion of the structural integrity reserve study.*

Dynamic will rely upon the findings in this report.

1.3. Personnel

The on site review was performed by James Stock, PE, and Matthew Mullins, PE.

2. Requirements

Buildings 3 stories or greater at Peppertree Bay are required to complete a SIRS by December 31, 2024, and every ten years thereafter, in accordance with Florida Statutes 718. Reserve studies for SIRS and non-SIRS components should be reviewed and updated every three years. The association has requested all buildings be reviewed and a study prepared for all buildings following the SIRS requirements.

The following items are required to be included in the study:

- SIRS Items
    - Roof Systems and Components
    - Structure
    - Fireproofing and Fire Protection Systems and Components
    - Plumbing Systems and Components
    - Electrical Systems and Components
    - Waterproofing Systems and Components
    - Exterior Painting Systems and Components
    - Windows, Doors and Other Fenestrations
    - Any other item that has a deferred maintenance expense or replacement cost that exceeds $10,000 and the failure to replace or maintain such item negatively affects the items listed above.

These items are included in the Study if:

- The component is the responsibility of the association
- The component will require a future major repair or replacement; or the component has a deferred maintenance expense
- The component has an estimated remaining useful life of 25 years or less; and
- The component has an estimated remaining useful life that is readily ascertainable
- The cost of the future major repair, replacement, or deferred maintenance is greater than $10,000.

This Reserve Study may include other items that have a deferred maintenance expense or replacement cost that exceeds $10,000 at the direction of the association.

3. Reserve Study Assumptions

Reserve Study Level of Service:	Update with Site Visit
Prepared for Fiscal Year:	2025
Legal Definition of Property:	Condominium
Funding Method:	Component
Funding Goal:	Full Funding
Inflation Rate (annual):	2.5%
Projection Period:	25 years

4. Description & Background

4.1. General

The community consists of five mid-rise residential buildings, and twenty-three low rise residential buildings, with a clubhouse/office building, a clubhouse/sauna building, and a maintenance/security/fitness building. Based on information available, Dynamic understands Peppertree was built approximately 50 years ago, approximately 1974.

4.2. Mid Rise Buildings

Buildings 11 and 21 are 7-story, concrete-framed structures. The roof deck and floors are composite decks supported by open web steel joists supported on reinforced concrete beams which are supported by reinforced concrete columns over spread footings below grade. A parking garage is provided at the ground level. The terrace deck is a split slab construction. The terrace deck is a concrete topping slab over waterproofing over a structural concrete slab with concrete T's. The terrace deck is supported by concrete beams, which are supported by reinforced concrete columns over spread footings below grade.

Buildings 11 and 21 have 36 units each.

Buildings 31, 41 and 42 are 9-story, concrete-framed structures. The roof deck and floors are structural concrete slab with concrete T's. The floors and roof deck are supported by concrete beams, which are supported by reinforced concrete columns over spread footings below grade. A parking garage is provided at the ground level. The terrace deck is a split slab construction. The terrace deck is a concrete topping slab over waterproofing over a structural concrete slab with concrete T's. The terrace deck is supported by concrete beams, which are supported by reinforced concrete columns over spread footings below grade.

Buildings 31, 41 and 42 have 48 units each.

4.3. History of Recent Related Services

Delta Engineering issued a Reserve Study Report for Peppertree Bay in September, 2021. Karins Engineering issued a Milestone Inspection Report at Peppertree Bay in June, 2023. Dynamic issued a Limited Structural Condition Assessment Report for Building 1080 in November 2023. Staebler Appraisal & Consulting issued a Structural Integrity Reserve Study for the Low Rise Structures in February 2024. Socotec issued a Penthouse Window Evaluation Report in May 2024.

5. Reserve Study Items

The following items of condominium property were included in the study:

- Roof Systems and Components
  - Low Slope Roofs - Main Roofs
  - Penthouse Balcony Mansard Roofs
  - Penthouse Balcony Soffits
- Structure
  - Structural Components, such as the penthouse balconies and balcony frames
  - Terrace Railings
- Fire Protection
  - Fire Suppression Supply Pump
  - Fire Suppression Supply Piping
  - Fire Detection and Alarm Annunciation Panels

- Plumbing Systems and Components
    - Potable
        - Potable Water Supply Pump
        - Potable Water Supply Piping
    - Sanitary
        - Sanitary Sewer Piping
    - Stormwater
        - Stormwater Drainage Piping
- Electrical Systems and Components
    - Generator
    - Switchgear and Switchboards
    - Electrical Wiring
- Waterproofing Systems and Components
    - Horizontal Waterproofing - Traffic Coating
    - Planter Waterproofing
    - Below Grade Vertical Waterproofing
- Exterior Painting Systems and Components
    - Exterior Wall Painting
    - Garage Painting
- Windows, Doors and Other Fenestrations
    - Exterior Metal Doors
    - Terrace Deck Entrance Doors
- Elevators
- Trash Chute
- Heating, Ventilation and Air Conditioning
    - Common Area Split System Air Conditioners

The following items were ***not*** included in the study:

- **Fireproofing -** These items are below the $10,000 threshold, are covered under the operating budget, or do not have an estimated remaining useful life that is readily ascertainable
- **Select Fire Protection Components** - such as extinguishers, and fire alarms that are below the $10,000 threshold, or are covered under the operating budget
- **Windows and Sliding Glass Doors** - within the residential units are not the responsibility of the association
- **Plumbing Systems and Components** - such as fixtures and piping within the residential units that are not the responsibility of the association

- **Electrical Systems and Components** - such as panels and wiring within the residential units that are not the responsibility of the association

5.1. Roofing Systems & Components

5.1.1. Low Slope Roofing

Description	Thermoplastic Single Ply Roof System		
Age	4	**ERUL**	16
Condition	Good to Fair	**EUL**	20
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2041, 2061
PV of Replacement, Major Repair Cost or Deferred Maintenance			$315,000
Reserve Balance			$57,005.10
Fully Funded Balance			$63,000
Fully Funded Status			90.48%
Recommended Annual Reserve Amount			$23,937.18 before 2041 $38,312.43 after 2041
Observations			
Comments	A KEE roof membrane can last between 20-30 years. However, insurance providers have been requiring roof replacement every 20 years.		

5.1.2. Steep Slope Roofing

Description	Penthouse Balcony Mansard Metal Panels		
Age	50+	**ERUL**	1
Condition	Fair to Poor	**EUL**	40
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$0.00
Fully Funded Balance			N/A
Fully Funded Status			N/A
Recommended Annual Reserve Amount			N/A
Observations	The panels have been painted, but have not been replaced		
Comments	Metal panels roofs can last up to 40 years. One mansard roof on Bldg 1080 was replaced in 2023 for approximately $117,316. This price was used as the basis. This work will be funded by special assessment.		

5.1.3. Soffits

Description	Fiber Cement Panels on Penthouse Balcony Soffits		
Age	50+	**ERUL**	1
Condition	Fair to Poor	**EUL**	40
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$0.00
Fully Funded Balance			N/A
Fully Funded Status			N/A
Recommended Annual Reserve Amount			N/A
Observations	The panels have been painted, but have not been replaced		
Comments	Soffit panels to be replaced with metal mansard panels in 2026. One soffit on Bldg 1055 was replaced in 2023 for approximately $108,629. Access costs are included in the mansard roof costs. This work will be funded by special assessment.		

5.2. Primary Structural Members and Systems (Structure)

5.2.1. Standard Foundations

Description	Cast-in-place reinforced concrete spread footings.		
Age	50	**ERUL**	25+
Condition	Good to Fair	**EUL**	50+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			No
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			N/A
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$0
Observations	None		
Comments	Issues with this component were not observed or reported.		

5.2.2. Slabs on Grade

Description	Cast-in-place concrete slabs on grade.		
Age	50	**ERUL**	25+
Condition	Good to Fair	**EUL**	50+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			No
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			N/A
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$0
Observations	None		
Comments	Issues with this component were not observed or reported.		

5.2.3. Floor Structural Frame (Load Bearing Walls, Columns & Beams, etc.)

Description	Concrete columns and beams and masonry garage walls		
Age	50	**ERUL**	TBD
Condition	Good to Fair	**EUL**	50+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$0
Observations	Shear and flexural cracks were observed in primary structural members. Delaminations and spalls were also observed in walls and columns. Stair step cracks were observed in the masonry walls of the pump room.		
Comments	These types of cracks warrant further investigation to determine severity and the most appropriate repair method(s).		

5.2.4. Terrace Construction (Structure Only)

Description	Concrete Deck with Concrete Joists		
Age	50	**ERUL**	25+
Condition	Fair	**EUL**	50+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			Yes
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			2030, 2037
PV of Replacement, Major Repair Cost or Deferred Maintenance			$100,000
Reserve Balance			($3,042.84)
Fully Funded Balance			$28,571.43
Fully Funded Status			-10.65%
Recommended Annual Reserve Amount			$23,316.70 before 2030, $19,212.70 after 2030
Observations	None		
Comments	Costs associated with concrete restoration are included here. Restoration will be performed during the repainting project, every 7 years		

5.2.5. Floors

Description	Reinforced Concrete		
Age	50	**ERUL**	25+
Condition	Good to Fair	**EUL**	50+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			No
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			N/A
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$0
Observations	None		
Comments	Issues with this component were not observed or reported.		

5.2.6. Balcony Construction (Structure Only)

Description	Reinforced Concrete		
Age	50	**ERUL**	25+
Condition	Good to Fair	**EUL**	50+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			No
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			N/A
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$0
Observations	None		
Comments	Issues with this component were not observed or reported.		

5.2.7. Penthouse Balcony Frames (Structure Only)

Description	Steel frames supporting windows, mansard roofs above the balcony and soffits below the balcony		
Age	50	**ERUL**	1
Condition	Varies	**EUL**	25+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$0.00
Fully Funded Balance			N/A
Fully Funded Status			N/A
Recommended Annual Reserve Amount			N/A
Observations	None		
Comments	Refer to Dynamic's and Socotec's Assessment Report on the Midrise Penthouse Balconies This work will be funded by special assessment.		

5.2.8. Roof Construction (Structure Only)

Description	Composite Decks (Concrete over metal decks)		
Age	50	**ERUL**	25+
Condition	Good to Fair	**EUL**	50+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			No
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			N/A
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$0
Observations	None		
Comments	Issues with this component were not observed or reported.		

5.2.9. Stairs & Landings (Structure Only)

Description	Steel Stairs with concrete treads		
Age	50	**ERUL**	25+
Condition	Good to Fair	**EUL**	50+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			No
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			N/A
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$0
Observations	None		
Comments	Issues with this component were not observed or reported.		

5.2.10. Railings

Description	Aluminum Railings at the Terrace level		
Age	15	**ERUL**	25
Condition	Good to Fair	**EUL**	40
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2050
PV of Replacement, Major Repair Cost or Deferred Maintenance			$89,600
Reserve Balance			$0
Fully Funded Balance			$33,600
Fully Funded Status			0.00%
Recommended Annual Reserve Amount			$6,644.54
Observations	The railings were replaced in 2012.		
Comments	Issues with this component were not observed or reported. The second replacement period exceeds 25 years; accrual is not required unless within 25 years of replacement/major repair.		

5.3. Fire Protection

5.3.1. Fire Suppression Pump

Description	Fire Pump		
Age	18	**ERUL**	2
Condition	Poor	**EUL**	20
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2027
PV of Replacement, Major Repair Cost or Deferred Maintenance			$90,000
Reserve Balance			($812.18)
Fully Funded Balance			$81,000
Fully Funded Status			-1.00%
Recommended Annual Reserve Amount			$47,704.77 before 2027, $7,747.07 after 2027
Observations	Fire pump was replaced in 2007		
Comments	The Association should engage a contractor to provide an accurate estimate of costs		

5.3.2. Fire Suppression Supply Piping

Description	Fire Suppression Supply Piping		
Age	50	**ERUL**	0
Condition	Varies	**EUL**	40
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			Yes
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026
PV of Replacement, Major Repair Cost or Deferred Maintenance			$64,000
Reserve Balance			$0
Fully Funded Balance			$ 62,400.00
Fully Funded Status			0.00%
Recommended Annual Reserve Amount			$65,600 in 2026, $12,800 after 2026
Observations	Significant corrosion of the fire suppression supply piping and fittings was observed in the garage and pump room.		
Comments	The sprinkler lines in the garage should be replaced in 2026, and a deferred maintenance amount set afterwards The cost to replace the lines is estimated to be $64,000 per floor. Sections of pipe will be replaced as needed and therefore are considered a deferred maintenance item. The Association should engage a contractor to provide an accurate estimate of costs		

5.3.3. Fire Detection and Alarm Annunciation Panels

Description	Fire Alarm Panels		
Age	9	**ERUL**	6
Condition	Fair	**EUL**	15
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026, 2041
PV of Replacement, Major Repair Cost or Deferred Maintenance			$20,000
Reserve Balance			$103,138.01
Fully Funded Balance			$18,666.67
Fully Funded Status			552.53%
Recommended Annual Reserve Amount			$0 before 2031, $1,979.34 after 2031
Observations	Fire alarm control panel was replaced in 2010		
Comments	Some of the funds should be reallocated to the sprinklers and fire pump		

5.4. Plumbing

5.4.1. Potable Water Pump

Description	Potable Water Pump		
Age	Unknown	**ERUL**	9
Condition	Fair	**EUL**	15
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2034, 2049
PV of Replacement, Major Repair Cost or Deferred Maintenance			$32,000
Reserve Balance			$0
Fully Funded Balance			$12,800
Fully Funded Status			0%
Recommended Annual Reserve Amount			$4,440.40 before 2034, $3,858.62 after 2034
Observations	None		
Comments	Unable to determine actual age of pump, therefore, for budgeting purposes, it is assumed that the pump was replaced at the end of 3 consecutive cycles of 15 years each making the current pump 6 years old.		

5.4.2. Potable Water Piping

Description	Domestic Water Distribution (Copper Pipe)		
Age	50+	**ERUL**	0
Condition	Varies	**EUL**	50
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			Yes
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			As needed
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$1,293.93
Fully Funded Balance			N/A
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$2,000
Observations	Some sections of pipe have been replaced while others appear to be original		
Comments	Sections of pipe are replaced as needed and, therefore, are considered a deferred maintenance item. Given the age, 50% are assumed to have been replaced. An estimated $2,000 per unit is needed to replace the water distribution lines in 2026, assuming it is done concurrently with the sanitary and sewer lines during a remodel.		

5.4.3. Sanitary Sewerage Piping

Description	Sanitary Sewer Piping (Cast Iron)		
Age	50	**ERUL**	0
Condition	Varies	**EUL**	50
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			Yes
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			As needed
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$0
Fully Funded Balance			N/A
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$2,000
Observations	Some sections of pipe have been replaced with PVC while others appear to be original cast iron pipe		
Comments	Sections of pipe are replaced as needed and, therefore, are considered a deferred maintenance item. Given the age, 50% are assumed to have been replaced. An estimated $2,000 per unit is needed to replace the sewer lines in 2026, assuming it is done concurrently with the potable and storm sewer lines during a remodel.		

5.4.4. Stormwater Drainage Piping

Description	Stormwater Roof Drainage		
Age	50+	**ERUL**	0
Condition	Varies	**EUL**	50
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			Yes
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			As needed
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$0
Fully Funded Balance			N/A
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$2,000
Observations	Some sections of pipe have been replaced with PVC while others appear to be original cast iron pipe		
Comments	Sections of pipe are replaced as needed and, therefore, are considered a deferred maintenance item. Given the age, 50% are assumed to have been replaced. An estimated $2,000 per unit is needed to replace the sewer lines in 2026, assuming it is done concurrently with the potable and sanitary sewer lines during a remodel.		

5.5. Electrical Systems and Components

5.5.1. Generator

Description	Generator		
Age	5	**ERUL**	20
Condition	Good to Fair	**EUL**	25
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2045, 2070
PV of Replacement, Major Repair Cost or Deferred Maintenance			$80,000
Reserve Balance			$0
Fully Funded Balance			$16,000
Fully Funded Status			0%
Recommended Annual Reserve Amount			$6,554.47 before 2045
Observations	None		
Comments	Generator appears to have been replaced in 2020 Issues with this component were not observed or reported. The second replacement period exceeds 25 years; accrual is not required unless within 25 years of replacement/major repair.		

5.5.2. Main Breakers & Panels

Description	Switchgear and switchboards, main		
Age	50+	**ERUL**	0
Condition	Poor	**EUL**	50
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026
PV of Replacement, Major Repair Cost or Deferred Maintenance			$20,000
Reserve Balance			$17,501.80
Fully Funded Balance			$20,000
Fully Funded Status			87.51%
Recommended Annual Reserve Amount			$0 before 2026
Observations			
Comments	The second replacement period exceeds 25 years; accrual is not required unless within 25 years of replacement/major repair.		

5.5.3. Main Breakers & Panels

Description	Switchgear and switchboards, each floor		
Age	50+	**ERUL**	0
Condition	Fair to Poor	**EUL**	50
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026
PV of Replacement, Major Repair Cost or Deferred Maintenance			$48,000
Reserve Balance			$0.00
Fully Funded Balance			$47,040
Fully Funded Status			0.00%
Recommended Annual Reserve Amount			$49,200 before 2026
Observations			
Comments	The second replacement period exceeds 25 years; accrual is not required unless within 25 years of replacement/major repair.		

5.5.4. Electrical Wiring

Description	Electrical wiring		
Age	50+	**ERUL**	0
Condition	Fair	**EUL**	40
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			Yes
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			As needed
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$0
Fully Funded Balance			$10,000
Fully Funded Status			0%
Recommended Annual Reserve Amount			$10,000
Observations	None		
Comments	Sections of wiring can be replaced as needed and therefore, are considered a deferred maintenance item. An estimated annual amount of $10,000 per year is recommended.		

5.5.5. Lightning Protection

Description	Roof Lightning Protection		
Age	NA	**ERUL**	50
Condition	Good to Fair	**EUL**	25+
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			N/A
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			0.00%
Recommended Annual Reserve Amount			$0
Observations	Issues with this component were not observed or reported.		
Comments	Costs associated with lightning protection are included in the roof costs		

5.6. Waterproofing Systems & Components

5.6.1. Horizontal Waterproofing Membrane

Description	Includes traffic coating on the split slab of the terrace deck		
Age	1	**ERUL**	6
Condition	Good to Fair	**EUL**	7
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2031, 2038
PV of Replacement, Major Repair Cost or Deferred Maintenance			$140,000
Reserve Balance			$25,981.16
Fully Funded Balance			$20,000
Fully Funded Status			129.91%
Recommended Annual Reserve Amount			$22,037.82 before 2031 $27,570.22 after 2031
Observations	None		
Comments	The Terrace deck is a split slab with waterproofing between the slabs. The association intends to waterproof this deck by applying a traffic coating on top of the topping slab every 7 years.		

5.6.2. Planter Waterproofing

Description	Includes replacement of the planter waterproofing on the terraces		
Age	50+	**ERUL**	1
Condition	Poor	**EUL**	30
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2026
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$0.00
Fully Funded Balance			N/A
Fully Funded Status			N/A
Recommended Annual Reserve Amount			N/A
Observations	Observation was limited. Planters are full of landscaping		
Comments	Alternative solutions, such as leaving the planters empty, may be cheaper This work will be funded by special assessment.		

5.6.3. Below Grade Waterproofing/Dampproofing

Description	Below grade waterproofing/dampproofing on vertical walls		
Age	50	**ERUL**	Unknown
Condition	Fair	**EUL**	30-50
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			No
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			No
Year of Replacement, Major Repair, or Deferred Maintenance			N/A
PV of Replacement, Major Repair Cost or Deferred Maintenance			$0
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			0.00%
Recommended Annual Reserve Amount			$0
Observations	Issues with this component were not observed or reported.		
Comments			

5.7. Painting Systems & Components

5.7.1. Exterior Wall Painting

Description	Exterior Wall Coatings and Sealants		
Age	2	**ERUL**	5
Condition	Good to Fair	**EUL**	7
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2030, 2037
PV of Replacement, Major Repair Cost or Deferred Maintenance			$ 95,625.00
Reserve Balance			$23,319.70
Fully Funded Balance			$27,321.43
Fully Funded Status			85.35%
Recommended Annual Reserve Amount			$16,361.36 before 2030, $18,372.14 after 2030
Observations	None		
Comments	Dynamic recommends engaging a manufacturer's paint rep to review the existing paint. Depending on the overall thickness of the existing paint systems, the existing paint may need to be removed before applying a new paint coating.		

5.7.2. Garage Painting

Description	Garage Wall and Ceiling Coatings and Sealants		
Age	2	**ERUL**	5
Condition	Good to Fair	**EUL**	7
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2030, 2037
PV of Replacement, Major Repair Cost or Deferred Maintenance			$29,380
Reserve Balance			$0
Fully Funded Balance			$0
Fully Funded Status			0%
Recommended Annual Reserve Amount			$6,648.15 before 2030, $5,644.69 after 2030
Observations	Some blistering and peeling of existing garage wall coating		
Comments	Dynamic recommends engaging a manufacturer's paint rep to review the existing paint. Depending on the overall thickness of the existing paint systems, the existing paint may need to be removed before applying a new paint coating.		

5.8. Windows & Doors

5.8.1. Common Area Metal Doors

Description	Metal Doors at roof, mechanical room, etc.		
Age	50+	**ERUL**	2
Condition	Fair to Poor	**EUL**	25
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2027
PV of Replacement, Major Repair Cost or Deferred Maintenance			$17,500
Reserve Balance			$0.00
Fully Funded Balance			$16,100
Fully Funded Status			0.00%
Recommended Annual Reserve Amount			$9,192.97 before 2027
Observations	Doors appear original		
Comments	The second replacement period exceeds 25 years; accrual is not required unless within 25 years of replacement/major repair.		

5.8.2. Terrace Entrance Doors

Description	Wood doors with side lites at Terrace level		
Age	50+	**ERUL**	2
Condition	Fair to Poor	**EUL**	25
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2027
PV of Replacement, Major Repair Cost or Deferred Maintenance			$30,000
Reserve Balance			$0.00
Fully Funded Balance			$27,600
Fully Funded Status			0.00%
Recommended Annual Reserve Amount			$15,759.37 before 2027
Observations	Doors appear original		
Comments	The second replacement period exceeds 25 years; accrual is not required unless within 25 years of replacement/major repair.		

5.9. Elevators

5.9.1. Elevator Replacement - Long Term

Description	Hydraulic Elevators		
Age	unknown	**ERUL**	15
Condition	Fair	**EUL**	35
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2030, 2040
PV of Replacement, Major Repair Cost or Deferred Maintenance			$500,000
Reserve Balance			$41,182.95
Fully Funded Balance			$285,714.29
Fully Funded Status			14.41%
Recommended Annual Reserve Amount			$44,300.26 before 2040
Observations	None		
Comments	The Association should engage a contractor to provide an estimate of costs The second replacement period exceeds 25 years; accrual is not required unless within 25 years of replacement/major repair.		

5.9.2. Elevator Refurbishment - Short Term

Description	Hydraulic Elevators		
Age	unknown	**ERUL**	5*
Condition	Fair	**EUL**	15
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2030, 2045
PV of Replacement, Major Repair Cost or Deferred Maintenance			$100,000
Reserve Balance			$3,851.44
Fully Funded Balance			$66,666.67
Fully Funded Status			5.78%
Recommended Annual Reserve Amount			$21,756.65 before 2030 $10,924.11after 2030
Observations	None		
Comments	The Association should engage a contractor to provide an accurate estimate of costs The short term costs have been postponed 5 years based on the letter from TKE		

5.10. Trash Chute

Description	Sheet Metal Trash Chute		
Age	50	**ERUL**	5
Condition	Fair to Poor	**EUL**	40
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2030
PV of Replacement, Major Repair Cost or Deferred Maintenance			$54,000
Reserve Balance			$0.00
Fully Funded Balance			$48,600
Fully Funded Status			0.00%
Recommended Annual Reserve Amount			$12,219.21 before 2030
Observations	Signs of age including corrosion were observed. Replacement may be postponed with proactive maintenance		
Comments	An estimated $6,000 per floor is required to replace the chute in 2030. The second replacement period exceeds 25 years; accrual is not required unless within 25 years of replacement/major repair.		

5.11. Mechanical Systems

5.11.1. Split System Air Conditioners

Description	Split System Air Conditioners for the common areas and elevator		
Age	5	**ERUL**	7
Condition	Fair	**EUL**	12
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			As needed
PV of Replacement, Major Repair Cost or Deferred Maintenance			N/A
Reserve Balance			$0
Fully Funded Balance			N/A
Fully Funded Status			N/A
Recommended Annual Reserve Amount			$2,000
Observations	None		
Comments	Units are replaced as needed and therefore, are considered a deferred maintenance item. An estimated $2,000 per year and replacing the units every 12 years on average		

5.12. Electronic Safety and Security

5.12.1. Building Access Pads

Description	Building Access Pads		
Age	10	**ERUL**	5
Condition	Fair	**EUL**	15
Is the component the association's responsibility?			Yes
Will the component require a future major repair or replacement?			Yes
Does the component have a deferred maintenance expense?			No
Does the component have an estimated remaining useful life of 25 years or less and have an estimated remaining useful life that is readily ascertainable?			Yes
Year of Replacement, Major Repair, or Deferred Maintenance			2030, 2045
PV of Replacement, Major Repair Cost or Deferred Maintenance			$12,500
Reserve Balance			$0
Fully Funded Balance			$8,333.33
Fully Funded Status			0%
Recommended Annual Reserve Amount			$2,828.52 before 2030, $1,365.51 after 2030
Observations	None		
Comments			

6. Reserve Component Inventory

Refer to Exhibit 1.

7. Fully Funded Balance

	Amount
Current Reserve Amount	$290,379.69
Fully Funded Balance Amount	$922,208.10
Fully Funded Balance Status	31.49%

8. Schedule of Expenditures

The schedules of expenditures and annual amounts are for a period of 25 years, or for two replacement cycles, whichever is less.

8.1. Present Value

Refer to Exhibit 2.

8.2. Future Value

Refer to Exhibit 2.

9. Schedule of Annual Amounts

Refer to Exhibit 3. The annual amounts for the next ten years are provided below.

Year	Annual Amount
2025	$411,863.03
2026	$296,481.72
2027	$231,571.67
2028	$231,571.67
2029	$231,571.67
2030	$203,960.22
2031	$209,492.63
2032	$209,492.63
2033	$209,492.63
2034	$208,910.84

10. Standards Used to Prepare This Report

10.1. UniFormat

UniFormat is a classification system for building elements, systems, and assemblies, providing a framework for design and management across a building's lifecycle.

UniFormat is an arrangement of construction information based on physical parts of a facility called functional elements, otherwise known as systems and assemblies. These elements are characterized by their function without identifying the work results that compose them. Elements render a view of a constructed facility different from the view rendered by a breakdown of

building materials, products, and activities that comprise work results. In this way, UniFormat complements MasterFormat. UniFormat subdivides a facility by functional elements and MasterFormat subdivides by work results.

UniFormat includes elements for a range of building types and construction related to buildings. Future expansions to UniFormat will include elements related to other project types in addition to buildings. Besides elements, detailed titles are presented that provide some designed elements that may apply to any given element; these designed element titles are cross-referenced to MasterFormat. The term designed elements refers to physical parts of buildings with a particular design, construction, or technical solution.

10.2. MasterFormat

MasterFormat is the architecture, engineering, and construction (AEC) industry's standard for organizing and communicating specifications and work results for construction projects. MasterFormat is a master list of numbers and titles classified by work results or construction practices, primarily used to organize project manuals, organize detailed cost information, and relate drawing notations to specifications.

11. Out of Scope Considerations

The following items were excluded from the scope of work:

- Walking on surfaces or in spaces that in the assessor's opinion appear to be dangerous or unsafe.
- Removal of electrical panel covers, testing, or operating any electrical devices.
- Identification of utilities, service providers or condition of service provider equipment.
- Identification of life safety or fire protection deficiencies or risks.
- Identification of security risks.
- Identification of hazardous materials.
- Performing an environmental assessment.
- Assessing systems or components that require specialized knowledge.
- Operating, testing or commissioning of existing systems.
- Engineering calculations or verification of adequacy of existing systems.
- Removing or relocating materials, equipment or other items for observation of the underlying conditions.
- Investigation, destructive or otherwise.

- Testing.
- Confirming information provided by others

12. Limitations

This report has been prepared exclusively for Peppertree Bay Association, Inc. and its authorized representatives. No other person or entity may rely upon this report without written authorization from Dynamic.

Dynamic provides other services to the association, including but not limited to engineering design, contract administration, and quality assurance for miscellaneous rehabilitation projects at Peppertree Bay, which may be perceived as a conflict of interest. Acceptance of this report or proposals for other services from Dynamic

The standard of care and skill for the services provided by Dynamic is consistent with the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Dynamic makes no warranties, express or implied, in connection with any services provided by Dynamic.

This study is limited to portions of the property that were readily accessible and visible at the time of our site visit. Any areas of the property that were concealed, inaccessible or not readily visible at the time of the site visit are not included. Unless explicitly stated in this report, extrapolations should not be made from the observations or opinions provided in this report.

Dynamic may rely on the information provided by the Client, and may rely on information furnished by others, including but not limited to, specialty contractors, manufacturer's suppliers, and publishers of technical standards.

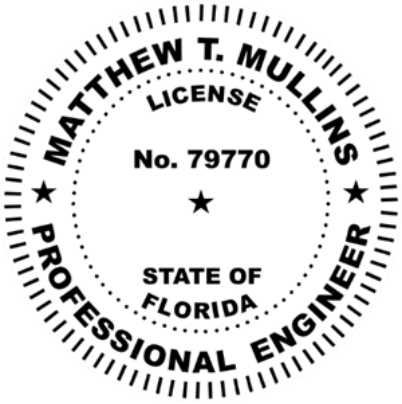
The conclusions and recommendations offered in this report are based in part upon information gathered from the documents reviewed and interviews performed, and site observations. While reasonable efforts were made to verify the existing conditions as reported, verifying the veracity of this information is beyond this scope of service. Dynamic should be allowed to review any additional information that is discovered after the issuance of this report and determine if the original opinions should be revised.

A Reserve Study is a budget planning tool only. Dynamic's opinions of probable Cost are to be made based on Dynamic's experience and qualifications and represent Dynamic's best judgment as an experienced and qualified professional generally familiar with the construction industry. However, since Dynamic has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions, Dynamic cannot and does not guarantee that proposals, bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by Engineer. If Client wishes greater assurance as to probable Construction Cost, Client shall employ an independent cost estimator. Dynamic assumes no responsibility for the accuracy of any opinions of Total Project Costs.

All quantities listed in this report are estimates only. Actual quantities may vary from the estimated quantities.

13. Closing

To the best of my knowledge and ability, this report represents an accurate physical analysis and financial analysis for the association's budget planning purposes based upon the evaluation of the observed conditions, to the extent reasonably possible. I appreciate the opportunity to provide these services and trust that this report will be informative. Should you have any questions regarding our report, please do not hesitate to contact me.



Matthew T Mullins

Digitally signed by Matthew T Mullins
DN: CN=Matthew T Mullins, dnQualifier=A01410C0000017BF120EF6600006F80, O=Florida, C=US
Date: 2024.07.30 15:42:07-04'00'

Matthew Mullins, PE
RRC, RRO, CCS, CCCA
President
941-212-0398
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07/30/24

This item has been digitally signed and sealed by Matthew T. Mullins, PE on the date adjacent to the seal. Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

List of Exhibits

Exhibit 1 - Inventory of Reserve Component
Exhibit 2 - Schedule of Annual Expenditures
Exhibit 3 - Schedule of Annual Amounts
Exhibit 4 - Definitions
Exhibit 5 - Photo Exhibit (Available but not included)

Exhibit 1

Inventory of Reserve Components

Reserve Item	Notes	Repair or Rplcmnt Required	One Time Rplcmnt or Repair	Annual Amount	Useful Life	Remaining Useful Life	Repair Rplcmnt Year	Rplcmnt Year	Quantity	Cost per Unit	Unit	Total Costs (PV)	Current Reserve Amount	Fully Funded Balance	Fully Funded Status	First Replacement /Repair Total Costs (FV)	First Replacement /Repair Total Costs Less Current Reserve Amount (FV)	Second Replacement Total Costs (FV)	First Annual Amount	Second Annual Amount
Roofing																				
Low Slope Roof	Issues with this component were not observed or reported.	☑	☐	☐	20	16	2041	2061	10,500	$30.00	sf	$ 315,000.00	$57,005.10	$ 63,000.00	90.48%	$ 467,619.27	$ 382,994.88	$ 766,248.62	$ 23,937.18	$ 38,312.43
Metal Mansard Panels	Funded by Special Assessment after scope is established	☑	☑	☐	40	1	2026					$ -				$ -	$ -		$ -	
Soffit Panels	Funded by Special Assessment after scope is established	☑	☑	☐	40	1	2026					$ -				$ -	$ -		$ -	
Structure																				
Spread Footings	Issues with this component were not observed or reported.	☐	☐	☐	50	25														
Slab on Grade	Issues with this component were not observed or reported.	☐	☐	☐	50	25														
Parking Garage Walls	Issues with this component were not observed or reported.	☐	☐	☐	50	25														
Floor and Roof Support Columns & Walls	Various crack types, delaminations and spalls observed in the structural components in the garage and pump room.. Further investigation is recommended.	☑	☑	☐	50	1	2026					$ -				$ -	$ -		$ -	
Terrace Structural Frame	Periodic Concrete Restoration - Deferred Maintenance Annual Amount	☑	☐	☐	7	5	2030	2037	200	$500.00	cf	$ 100,000.00	-$3,042.84	$ 28,571.43	-10.65%	$ 113,140.82	$ 116,583.52	$ 134,488.88	$ 23,316.70	$ 19,212.70
Floors	Issues with this component were not observed or reported.	☐	☐	☐	50	25														
Balconies	Issues with this component were not observed or reported.	☐	☐	☐	50	25														
Penthouse Balcony Frames	Funded by Special Assessment after scope is established	☑	☑	☐	50	1	2026					$ -				$ -	$ -		$ -	
Roof Structure	Issues with this component were not observed or reported.	☐	☐	☐	50	25														
Stairs and Landings	Issues with this component were not observed or reported.	☐	☐	☐	50	25														
Terrace Railings	Replaced in 2012	☑	☑	☐	40	25	2050		560	$160.00	lf	$ 89,600.00	$0.00	$ 33,600.00	0.00%	$ 166,113.39	$ 166,113.39		$ 6,644.54	
Fireproofing and Fire Protection																				
Fire Pump	Replaced 2007	☑	☐	☐	20	2	2027	2047	1	$90,000.00	ea	$ 90,000.00	-$812.18	$ 81,000.00	-1.00%	$ 94,556.25	$ 95,409.55	$ 154,941.43	$ 47,704.77	$ 7,747.07
Fire Suppression Sprinkler Systems - Garage	Fire sprinkler lines are corroded	☑	☑	☐	40	1	2026		16,000	$4.00	sf	$ 64,000.00	$0.00	$ 62,400.00	0.00%	$ 65,600.00	$ 65,600.00		$ 65,600.00	
Fire Suppression Sprinkler Systems - All other Floors	Deferred Maintenance Annual Amount - $512,000 divided by 40 years	☑	☐	☑	0	0	2025	2025	1	$12,800.00	ls	$ 12,800.00	$0.00	$ 12,800.00	0.00%	$ 12,800.00	$ 12,800.00	$ 12,800.00	$ 12,800.00	$ 12,800.00
Fire Alarm Panels	Fire alarm control panel replaced 2010	☑	☐	☐	15	1	2026	2041	1	$20,000.00	ls	$ 20,000.00	$103,138.01	$ 18,666.67	552.53%	$ 20,500.00	$ (85,216.46)	$ 29,690.11	$ -	$ 1,979.34
Plumbing																				
Potable Water Supply Pump		☑	☐	☐	15	9	2034	2049	1	$32,000.00	ea	$ 32,000.00	$0.00	$ 12,800.00	0.00%	$ 39,963.62	$ 39,963.62	$ 57,879.23	$ 4,440.40	$ 3,858.62
Domestic Water Distribution	Sections are replaced as needed - Deferred Maintenance Annual Amount	☑	☐	☑	0	0	2025	2025	1	$2,000.00	ea	$ 2,000.00	$1,293.93	$ 2,000.00	64.70%	$ 2,000.00	$ 706.07	$ 2,000.00	$ 706.07	$ 2,000.00
Sanitary Drainage	Sections are replaced as needed - Deferred Maintenance Annual Amount	☑	☐	☑	0	0	2025	2025	1	$2,000.00	ea	$ 2,000.00	$0.00	$ 2,000.00	0.00%	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00
Stormwater Drainage	Sections are replaced as needed - Deferred Maintenance Annual Amount	☑	☐	☑	0	0	2025	2025	1	$2,000.00	ea	$ 2,000.00	$0.00	$ 2,000.00	0.00%	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00
Electrical																				
Generator	Replaced 2020	☑	☑	☐	25	20	2045		1	$80,000.00	ea	$ 80,000.00	$0.00	$ 16,000.00	0.00%	$ 131,089.32	$ 131,089.32		$ 6,554.47	
Main Switchgear and Switchboards		☑	☑	☐	50	1	2026		1	$20,000.00	ea	$ 20,000.00	$17,501.80	$ 19,600.00	89.29%	$ 20,500.00	$ 2,560.66		$ 2,560.66	
Switchgear and Switchboards- Each Floor	600 Amp breaker	☑	☑	☐	50	1	2026		8	$6,000.00	ea	$ 48,000.00	$0.00	$ 47,040.00	0.00%	$ 49,200.00	$ 49,200.00		$ 49,200.00	
Wiring	Sections are replaced as needed - Deferred Maintenance Annual Amount	☑	☐	☑	0	0	2025	2025	1	$10,000.00	ea	$ 10,000.00	$0.00	$ 10,000.00	0.00%	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
Waterproofing																				
Terrace Deck waterproofing	Traffic coating applied over the topping slab	☑	☐	☐	7	6	2031	2038	7,000	$20.00	sf	$ 140,000.00	$25,981.16	$ 20,000.00	129.91%	$ 162,357.08	$ 132,226.90	$ 192,991.55	$ 22,037.82	$ 27,570.22
Planter waterproofing	Funded by Special Assessment after scope is established	☑	☑	☐	30	1	2026					$ -				$ -	$ -		$ -	
Below grade waterproofing	Issues with this component were not observed or reported.	☐	☐	☑	50	1														
Painting																				
Exterior Wall Painting		☑	☐	☐	7	5	2030	2037	38,250	$2.50	sf	$ 95,625.00	$23,319.70	$ 27,321.43	85.35%	$ 108,190.91	$ 81,806.81	$ 128,604.99	$ 16,361.36	$ 18,372.14
Garage Painting		☑	☐	☐	7	5	2030	2037	22,600	$1.30	sf	$ 29,380.00	$0.00	$ 8,394.29	0.00%	$ 33,240.77	$ 33,240.77	$ 39,512.83	$ 6,648.15	$ 5,644.69
Windows and Exterior Doors																				
Common Area Doors	Metal Doors	☑	☑	☐	25	2	2027		7	$2,500.00	ea	$ 17,500.00	$0.00	$ 16,100.00	0.00%	$ 18,385.94	$ 18,385.94		$ 9,192.97	

Reserve Item	Notes	Repair or Rplcmnt Required	One Time Rplcmnt or Repair	Annual Amount	Useful Life	Remaining Useful Life	Repair Rplcmnt Year	Rplcmnt Year	Quantity	Cost per Unit	Unit	Total Costs (PV)	Current Reserve Amount	Fully Funded Balance	Fully Funded Status	First Replacement /Repair Total Costs (FV)	First Replacement /Repair Total Costs Less Current Reserve Amount (FV)	Second Replacement Total Costs (FV)	First Annual Amount	Second Annual Amount
Common Area Doors	Terrace Deck Entrance doors	☑	☑	☐	25	2	2027		2	$15,000.00	ea	$ 30,000.00	$0.00	$ 27,600.00	0.00%	$ 31,518.75	$ 31,518.75		$ 15,759.37	
Conveyance																				
Elevators -Replacement	2 Hydraulic Elevators	☑	☑	☐	35	15	2040		2	$250,000.00	ea	$ 500,000.00	$41,182.95	$ 285,714.29	14.41%	$ 724,149.08	$ 664,503.89		$ 44,300.26	
Elevators - Refurbishment	See letter from TKE	☑	☐	☐	15	5	2030	2045	2	$50,000.00	ea	$ 100,000.00	$3,851.44	$ 66,666.67	5.78%	$ 113,140.82	$ 108,783.27	$ 163,861.64	$ 21,756.65	$ 10,924.11
Material Handling																				
Trash Chute		☑	☑	☐	50	5	2030		9	$6,000.00	floor	$ 54,000.00	$0.00	$ 48,600.00	0.00%	$ 61,096.04	$ 61,096.04		$ 12,219.21	
HVAC																				
Common Area HVAC units	Units are replaced as needed - Deferred Maintenance Annual Amount	☑	☐	☑	0	0	2025	2025	1	$2,000.00	ea	$ 2,000.00	$0.00	$ 2,000.00	0.00%	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00
Electronic Safety and Security																				
Building Access Pads		☑	☐	☐	15	5	2030	2045	1	$12,500.00	ls	$ 12,500.00	$0.00	$ 8,333.33	0.00%	$ 14,142.60	$ 14,142.60	$ 20,482.71	$ 2,828.52	$ 1,365.51

Exhibit 2

Schedule of Annual Expenditures

Present Value and Future Value

Bldg 42 Reserve Study Worksheet

PV Annual Expenditures

Reserve Item	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Roofing																										
Low Slope Roof																	$315,000									
Metal Mansard Panels		$0																								
Soffit Panels		$0																								
Structure																										
Spread Footings																										
Slab on Grade																										
Parking Garage Walls																										
Floor and Roof Support Columns & Walls		$0																								
Terrace Structural Frame						$100,000							$100,000													
Floors																										
Balconies																										
Penthouse Balcony Frames		$0																								
Roof Structure																										
Stairs and Landings																										
Terrace Railings																										$89,600
Fireproofing and Fire Protection																										
Fire Pump			$90,000																				$90,000			
Fire Suppression Sprinkler Systems - Garage		$64,000																								
Fire Suppression Sprinkler Systems - All other Floors																										
Fire Alarm Panels		$20,000															$20,000									
Plumbing																										
Potable Water Supply Pump										$32,000															$32,000	
Domestic Water Distribution																										
Sanitary Drainage																										
Stormwater Drainage																										
Electrical																										
Generator																					$80,000					
Main Switchgear and Switchboards		$20,000																								
Switchgear and Switchboards- Each Floor		$48,000																								
Wiring																										
Waterproofing																										
Terrace Deck waterproofing							$140,000							$140,000												
Planter waterproofing		$0																								
Below grade waterproofing																										
Painting																										
Exterior Wall Painting						$95,625							$95,625													
Garage Painting						$29,380							$29,380													
Windows and Exterior Doors																										
Common Area Doors			$17,500																							
Common Area Doors			$30,000																							
Conveyance																										
Elevators -Replacement																$500,000										
Elevators - Refurbishment						$100,000															$100,000					
Material Handling																										
Trash Chute						$54,000																				
HVAC																										
Common Area HVAC units																										
Electronic Safety and Security																										
Building Access Pads						$12,500															$12,500					
Total	**$0.00**	**$152,000.00**	**$137,500.00**	**$0.00**	**$0.00**	**$391,505.00**	**$140,000.00**	**$0.00**	**$0.00**	**$32,000.00**	**$0.00**	**$0.00**	**$225,005.00**	**$140,000.00**	**$0.00**	**$500,000.00**	**$335,000.00**	**$0.00**	**$0.00**	**$0.00**	**$192,500.00**	**$0.00**	**$90,000.00**	**$0.00**	**$32,000.00**	**$89,600.00**

Reserve Item	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Roofing																										
Low Slope Roof																	$467,619									
Metal Mansard Panels		$0																								
Soffit Panels		$0																								
Structure																										
Spread Footings																										
Slab on Grade																										
Parking Garage Walls																										
Floor and Roof Support Columns & Walls		$0																								
Terrace Structural Frame						$113,141							$134,489													
Floors																										
Balconies																										
Penthouse Balcony Frames		$0																								
Roof Structure																										
Stairs and Landings																										
Terrace Railings																										$166,113
Fireproofing and Fire Protection																										
Fire Pump			$94,556																				$154,941			
Fire Suppression Sprinkler Systems - Garage		$65,600																								
Fire Suppression Sprinkler Systems - All other Floors																										
Fire Alarm Panels		$20,500															$29,690									
Plumbing																										
Potable Water Supply Pump										$39,964															$57,879	
Domestic Water Distribution																										
Sanitary Drainage																										
Stormwater Drainage																										
Electrical																										
Generator																					$131,089					
Main Switchgear and Switchboards		$20,500																								
Switchgear and Switchboards- Each Floor		$49,200																								
Wiring																										
Waterproofing																										
Terrace Deck waterproofing							$162,357							$192,992												
Planter waterproofing		$0																								
Below grade waterproofing																										
Painting																										
Exterior Wall Painting						$108,191							$128,605													
Garage Painting						$33,241							$39,513													
Windows and Exterior Doors																										
Common Area Doors			$18,386																							
Common Area Doors			$31,519																							
Conveyance																										
Elevators -Replacement																$724,149										
Elevators - Refurbishment						$113,141															$163,862					
Material Handling																										
Trash Chute						$61,096																				
HVAC																										
Common Area HVAC units																										
Electronic Safety and Security																										
Building Access Pads						$14,143															$20,483					
Total	**$0.00**	**$155,800.00**	**$144,460.94**	**$0.00**	**$0.00**	**$442,951.97**	**$162,357.08**	**$0.00**	**$0.00**	**$39,963.62**	**$0.00**	**$0.00**	**$302,606.71**	**$192,991.55**	**$0.00**	**$724,149.08**	**$497,309.38**	**$0.00**	**$0.00**	**$0.00**	**$315,433.66**	**$0.00**	**$154,941.43**	**$0.00**	**$57,879.23**	**$166,113.39**

Exhibit 3

Schedule of Annual Amounts

Bldg 42 Reserve Study Worksheet

Annual Amounts

Reserve Item	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Roofing																										
Low Slope Roof	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$23,937.18	$38,312.43	$38,312.43	$38,312.43	$38,312.43	$38,312.43	$38,312.43	$38,312.43	$38,312.43	$38,312.43	$38,312.43
Metal Mansard Panels	$0.00																									
Soffit Panels	$0.00																									
Structure																										
Spread Footings																										
Slab on Grade																										
Parking Garage Walls																										
Floor and Roof Support Columns & Walls	$0.00																									
Terrace Structural Frame	$23,316.70	$23,316.70	$23,316.70	$23,316.70	$23,316.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70	$19,212.70
Floors																										
Balconies																										
Penthouse Balcony Frames	$0.00																									
Roof Structure																										
Stairs and Landings																										
Terrace Railings	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	$6,644.54	
Fireproofing and Fire Protection																										
Fire Pump	$47,704.77	$47,704.77	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07	$7,747.07
Fire Suppression Sprinkler Systems - Garage	$65,600.00																									
Fire Suppression Sprinkler Systems - All other Floors	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00	$12,800.00
Fire Alarm Panels	$0.00	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34	$1,979.34
Plumbing																										
Potable Water Supply Pump	$4,440.40	$4,440.40	$4,440.40	$4,440.40	$4,440.40	$4,440.40	$4,440.40	$4,440.40	$4,440.40	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62	$3,858.62
Domestic Water Distribution	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00
Sanitary Drainage	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00
Stormwater Drainage	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00
Electrical																										
Generator	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47	$6,554.47						
Main Switchgear and Switchboards	$2,560.66																									
Switchgear and Switchboards- Each Floor	$49,200.00																									
Wiring	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00	$10,000.00
Waterproofing																										
Terrace Deck waterproofing	$22,037.82	$22,037.82	$22,037.82	$22,037.82	$22,037.82	$22,037.82	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22	$27,570.22
Planter waterproofing	$0.00																									
Below grade waterproofing																										
Painting																										
Exterior Wall Painting	$16,361.36	$16,361.36	$16,361.36	$16,361.36	$16,361.36	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14	$18,372.14
Garage Painting	$6,648.15	$6,648.15	$6,648.15	$6,648.15	$6,648.15	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69	$5,644.69
Windows and Exterior Doors																										
Common Area Doors	$9,192.97	$9,192.97																								
Common Area Doors	$15,759.37	$15,759.37																								
Conveyance																										
Elevators -Replacement	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26	$44,300.26											
Elevators - Refurbishment	$21,756.65	$21,756.65	$21,756.65	$21,756.65	$21,756.65	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11	$10,924.11
Material Handling																										
Trash Chute	$12,219.21	$12,219.21	$12,219.21	$12,219.21	$12,219.21																					
HVAC																										
Common Area HVAC units	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00	$2,000.00
Electronic Safety and Security																										
Building Access Pads	$2,828.52	$2,828.52	$2,828.52	$2,828.52	$2,828.52	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51	$1,365.51
Total	**$411,863.03**	**$296,481.72**	**$231,571.67**	**$231,571.67**	**$231,571.67**	**$203,960.22**	**$209,492.63**	**$209,492.63**	**$209,492.63**	**$208,910.84**	**$208,910.84**	**$208,910.84**	**$208,910.84**	**$208,910.84**	**$208,910.84**	**$164,610.58**	**$178,985.83**	**$178,985.83**	**$178,985.83**	**$178,985.83**	**$172,431.37**	**$172,431.37**	**$172,431.37**	**$172,431.37**	**$172,431.37**	**$165,786.83**

Exhibit 4

Definitions

ASSESSMENT: Systematic collection and analysis of data, evaluation, and recommendations regarding an existing building or portion thereof.

BUILDING SYSTEMS: Interacting or independent components or assemblies, which form single integrated units that comprise a building and its site work, such as, pavement and flatwork, structural frame, roofing, exterior walls, plumbing, HVAC, electrical, etc.

CAPITAL EXPENDITURE: any expenditure of funds for: The purchase of an asset whose useful life is greater than one year in length; The replacement of an asset whose useful life is greater than one year in length; or The addition to an asset that extends the useful life of the previously existing asset for a period greater than one year in length.

CAPITAL IMPROVEMENTS: Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.

CASH FLOW METHOD: A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

COMPONENT: The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. with limited useful life expectancies, 3. predictable remaining useful life expectancies, and 4. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.

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.

COMPONENT METHOD: A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.

CONDITION, GOOD: in working condition and does not require immediate or short-term repairs within the next two years.

CONDITION, FAIR: in working condition, but may require immediate or short-term repairs

CONDITION, POOR: Not in working condition, or requires immediate or short-term repairs

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

DEFERRED MAINTENANCE: any maintenance or repair that: will be performed less frequently than yearly; and will result in maintaining the useful life of an asset.

EFFECTIVE AGE: The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

ESTIMATED USEFUL LIFE (EUL): The average amount of time in years that an item, component, or system is estimated to function without material repair when installed new and assuming routine maintenance is practiced.

ESTIMATED REMAINING USEFUL LIFE (ERUL): A subjective estimate based upon observations, or average estimates of similar items, components, or systems, or a combination thereof, of the number of remaining years that an item, component, or system is estimated to be able to function in accordance with its intended purpose before warranting replacement. Such a period of time is affected by the initial quality of an item, component, or system, the quality of the initial installation, the quality and amount of preventive maintenance exercised, climatic conditions, extent of use, etc.

FINANCIAL ANALYSIS: The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (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.

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

FULLY FUNDED BALANCE STATUS: Fully Funded Balance, expressed as a percentage.

FUND STATUS: The status of the reserve fund reported in terms of cash or percent funded.

FULLY FUNDED STATUS: 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance, expressed as a percentage.

FULLY FUNDED BALANCE STATUS (FFB): Fully Funded Balance, expressed as a percentage.

FUNDING GOALS: Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

BASELINE FUNDING: Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.

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.

FULL FUNDING: Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

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 twenty (20) years.

LIFE AND VALUATION ESTIMATES: The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.

METHOD, COMPONENT:The component method, also known as the component analysis method or the inventory method, is a more detailed and comprehensive approach. In this method, each individual component or asset (e.g., roofs, parking lots, HVAC systems) is assessed separately. The study identifies the condition, remaining useful life, and cost of replacement for each component. The component method provides a detailed breakdown of expenses, allowing for more accurate budgeting and planning. It offers a more accurate representation of the property's maintenance needs, allowing for better long-term financial planning. It is often used by larger organizations with complex property portfolios.

METHOD, POOLING: The pooling method, also known as the cash flow method or the cash reserve method, is a simplified approach to reserve studies. In this method, all reserve funds are combined into a single pool of money. There is typically one reserve fund, and all expenses are paid from this fund.: The pooling method provides less detailed information because it doesn't break down expenses by individual components or assets. It is straightforward to manage and requires less administrative overhead. It is often used for smaller organizations with a limited number of assets.

OBSERVATION: The visual survey of items, systems, conditions, or components that are readily accessible and easily visible during a walk-through survey of the subject property.

PERCENT FUNDED: The ratio, at a particular point in time related to the fiscal year end, 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.

PHYSICAL ANALYSIS: 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.

PROJECTION PERIOD: A period projecting the reserve starting balance, recommended reserve contributions, projected reserve expenses, and projected ending reserve fund balance

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 and design, permits, installation, disposal, etc.).

RESERVE BALANCE: Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE STUDY: A budget planning tool which identifies the components that the 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. The reserve study consists of two parts: the physical analysis and the financial analysis.

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.