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RESERVE STUDY REPORT



Errol by the Sea
4501 S Atlantic Ave
New Smyrna Beach, Florida 32169

Condominium Association

January 1, 2022

Expert Inspectors, Inc. (386) 677-8886
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**Errol by the Sea
Condominium Association
4501 S Atlantic Ave, New Smyrna Beach, Fl 32169
July 28,02021**

As authorized, a reserve study report has been prepared for Condominium Association located at 4501 S Atlantic Ave, New Smyrna Beach, Florida 32169. Built in 1974 containing 130 units with components including but not limited to, items listed in this report.

Your report has been divided into sections for easier referencing. The first section contains all general information including definitions, accounting formulas, statutory requirements, etc. An index of sections and components can be found at the end of Detail Report by Category pages.

In this report, we have taken both approved accounting formulas as outlined by The State of Florida, the Threshold and the Component Method. These schedules will give you the recommended contribution per unit for the report year 2022.

This report contains information to act as a guideline to assist in budget preparation and in no way constitutes a complete budget or any opinion regarding the implication of such and consists of suggested contributions for Reserves only and in no way affects the operating budget.

It is the opinion of Expert Inspectors, Inc. that Errol by the Sea Condominium Association's reserve schedule is adequate for risk management, State requirements and budget planning provided the suggested contribution in this report is adopted based on the association's appropriate funding method.

This report identifies the major assets maintained by the Association and provides estimates on useful life, remaining life, and scheduled replacement date, and future replacement cost. This information was derived from a combination of market standards, cost databases, historical and provided

information, local vendors estimates, and experience with similar properties.

FINANCIAL SUMMARY

Fiscal Year

Proposed Reserve Contribution:

Component, Full Funding \$959,574.00

Proposed Reserve Contribution:

Threshold, 30 Year \$718,315.00

Based on all components stated above and our inspection, it is our opinion, that Errol by the Sea Condominium Association is of good maintenance and most components are in well maintained condition unless otherwise noted.

As with many associations of this age, environmental elements and construction techniques play a large part in useful life and remaining life of components. Fluctuations in construction costs, disasters, and insurance policy limitations cannot be foretold in specific form to regulate guaranteed results and therefore, we reserve the right to amend this statement upon future events and information provided. Future updates can be obtained on an annual basis and is highly recommended in this uncertain economy.

This report is prepared for the sole benefit of the client. Any unauthorized use without our permission shall result in no liability or legal exposure to Expert Inspectors, Inc.

Thank you for allowing Expert Inspectors, Inc. the opportunity to serve your Association. Upon your review of this report, please do not hesitate to contact us with any questions that may arise.

Anastasia Kolodzik

Expert Inspectors, Inc.

Expert Professional Consulting, Inc.

RS, PRA # 2294, CAM 52338



Please note, considering the recent disaster in South Florida, we have been advised to include 2 additional lines in each reserve study for Condominium Associations in addition to the Insurance Deductible and Debris Cleanup Allowances.

They are:

Capital Expenditures & Deferred Maintenance Allowance

These lines are completely based on historical values of the association, current conditions of the property, and advice from the Board. Components of this nature are for information and can be adjusted accordingly. They may include items not listed in the component schedule.

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Important Information

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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. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. 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.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Expert Inspectors, Inc. would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance.

This reserve analysis study is provided as an aid for planning purposes and as an accounting and budgeting 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.

Part I

Introduction

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

Funding Options

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

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

breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the “community” as a whole.

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

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

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

The fourth option is to pass a “**special assessment**” to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major “reserve” expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association’s overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Level I: Full Reserve Study;

Level II: Update with site inspection; and

Level III: Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to

determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association’s major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of *operational expenses* include:

Utilities:	Bank Service Charges	Accounting
Electricity	Dues & Publications	Reserve Study
Gas	Licenses, Permits & Fees	Repair Expenses:
Water	Insurance(s)	Tile Roof Repairs
Telephone	Services:	Equipment Repairs
Cable TV	Landscaping	Minor Concrete Repairs
Administrative:	Pool Maintenance	Operating Contingency
Supplies	Street Sweeping	

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

- Roof Replacements (Statutory) Park/Play Equipment
- Painting (Statutory) Pool/Spa Re-plastering
- Deck Resurfacing Pool Equipment Replacement
- Fencing Replacement Pool Furniture Replacement

Asphalt Seal Coating (Statutory) Tennis Court Resurfacing
Asphalt Repairs Lighting Replacement
Asphalt Overlays Insurance(s)
Equipment Replacement Reserve Study
Interior Furnishings

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association’s governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Financial Analysis

The financial analysis assesses the association’s reserve balance or “fund status” (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the “funding plan”.

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops 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 actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a “window” in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Expert Inspectors, Inc. Threshold and the Expert Inspectors, Inc. Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the

two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Expert Inspectors, Inc. Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = Age divided by Useful Life the results multiplied by Current Replacement Cost

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

Threshold Funding Model (Minimum Funding). The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

Threshold Funding Model. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0).

Current Assessment Funding Model. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

Component Funding Model. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

The “Distribution of Accumulated Reserves Report” is a “Component Funding Model” calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can “fix” the accumulated reserve balance within the program on the individual asset’s detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component’s age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The Expert Inspectors, Inc. software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to “replenish” the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding

requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment Required”, the “Average Net Monthly Interest Earned” contribution and the “Total Monthly Allocation to Reserves.” The association should allocate the “Monthly Reserve Assessment Required” amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the “Total Monthly Allocation” to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association’s operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users’ Guide to your Expert Inspectors, Inc. Reserve Study

Part II of your Reserve Study Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the “Component Funding Model” calculation.

The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Expert Inspectors, Inc. Detail Index is an alphabetical listing of all assets, together with the page number of the asset’s detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.

Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

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

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

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

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your Expert Inspectors, Inc. report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your Expert Inspectors, Inc. Reserve Study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The Expert Inspectors, Inc. reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Expert Inspectors, Inc. report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your Expert Inspectors, Inc. report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the Expert Inspectors, Inc. reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The Expert Inspectors, Inc. reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The Expert Inspectors, Inc. Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your Expert Inspectors, Inc. Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

Errol by the Sea
 New Smyrna Beach, Florida
Current Assessment Funding Model Summary

Report Date	July 27, 2021
Account Number	9955
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	130

<i>Report Parameters</i>	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.00%
2022 Beginning Balance	\$508,839

Current Assessment Funding Model

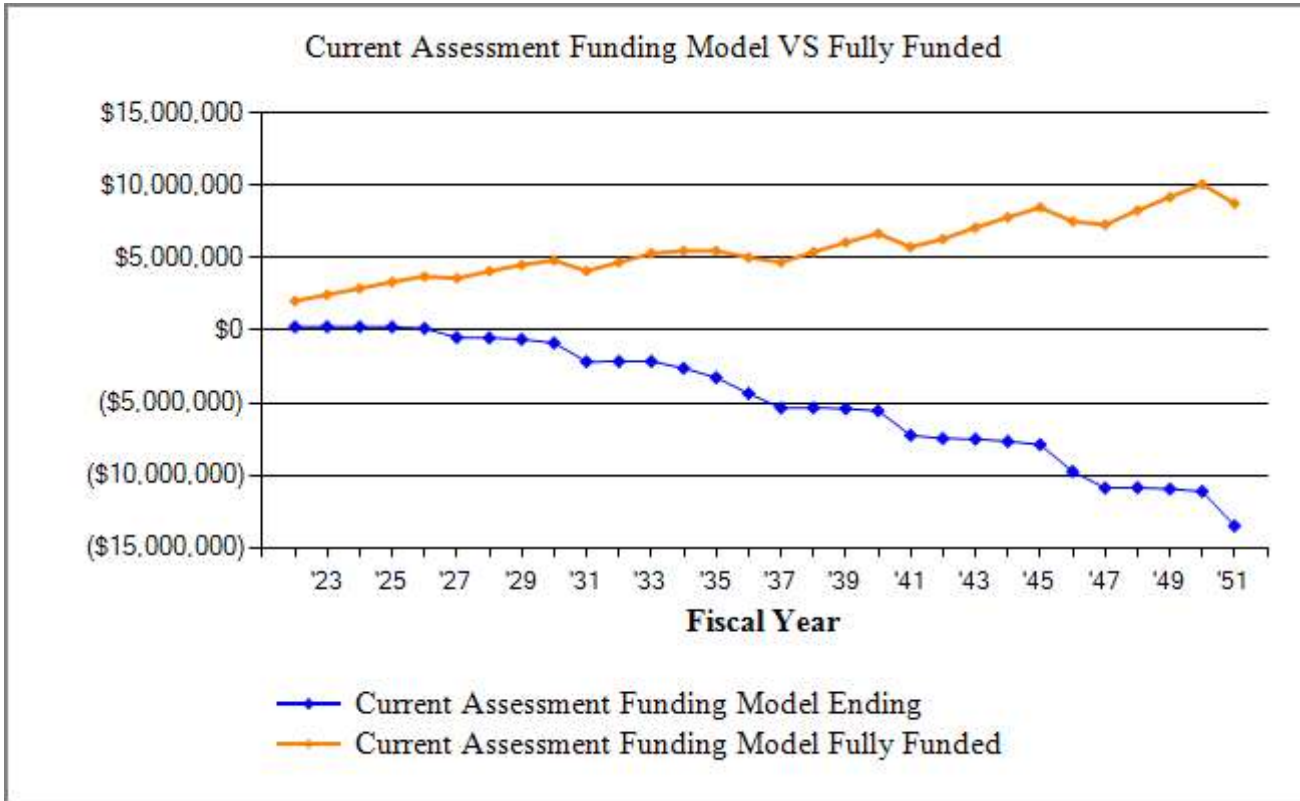
<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Month Contribution	\$15,447.65
<i>\$118.83 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$0.00</u>
Total Month Allocation to Reserves	\$15,447.65
<i>\$118.83 per unit monthly</i>	

**Errol by the Sea
Current Assessment Funding Model Projection**

Beginning Balance: \$508,839

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	7,142,710	185,372		456,648	237,562	2,025,079	12%
2023	6,968,220	12,570			250,132	2,453,544	10%
2024	7,177,266	12,947		14,829	248,251	2,889,093	9%
2025	7,392,584	13,336		27,318	234,268	3,336,161	7%
2026	7,614,362	13,736		112,551	135,453	3,720,507	4%
2027	7,842,793	14,148		640,684	-491,083	3,584,412	
2028	8,078,077	14,572		37,971	-514,482	4,077,395	
2029	8,320,419	15,009		118,635	-618,107	4,514,821	
2030	8,570,031	15,460		266,247	-868,894	4,826,447	
2031	8,827,132	15,923		1,303,599	-2,156,570	4,092,463	
2032	9,091,946	16,401			-2,140,169	4,693,083	
2033	9,364,705	16,893		17,801	-2,141,077	5,307,722	
2034	9,645,646	17,400		485,006	-2,608,682	5,476,398	
2035	9,935,015	17,922		666,714	-3,257,475	5,478,245	
2036	10,233,066	18,460		1,121,204	-4,360,219	5,027,750	
2037	10,540,058	19,013		1,015,888	-5,357,093	4,688,417	
2038	10,856,259	19,584			-5,337,509	5,401,953	
2039	11,181,947	20,171		86,655	-5,403,992	6,062,448	
2040	11,517,406	20,776		165,970	-5,549,186	6,678,694	
2041	11,862,928	21,400		1,709,668	-7,237,455	5,741,578	
2042	12,218,816	22,042		249,243	-7,464,656	6,299,291	
2043	12,585,380	22,703		59,157	-7,501,111	7,088,789	
2044	12,962,941	23,384		184,829	-7,662,555	7,792,374	
2045	13,351,830	24,086		242,165	-7,880,634	8,478,449	
2046	13,752,385	24,808		1,887,399	-9,743,225	7,511,568	
2047	14,164,956	25,552		1,157,147	-10,874,819	7,289,523	
2048	14,589,905	26,319			-10,848,500	8,275,012	
2049	15,027,602	27,109		126,201	-10,947,592	9,186,281	
2050	15,478,430	27,922		196,705	-11,116,375	10,076,060	
2051	15,942,783	28,760		2,403,697	-13,491,312	8,743,833	

Errol by the Sea
Current Assessment Funding Model VS Fully Funded Chart



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Errol by the Sea
 New Smyrna Beach, Florida
Threshold Funding Model Summary

Report Date	July 27, 2021
Account Number	9955
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	130

<i>Report Parameters</i>	
Inflation	4.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.00%
2022 Beginning Balance	\$508,839

Threshold Funding Model

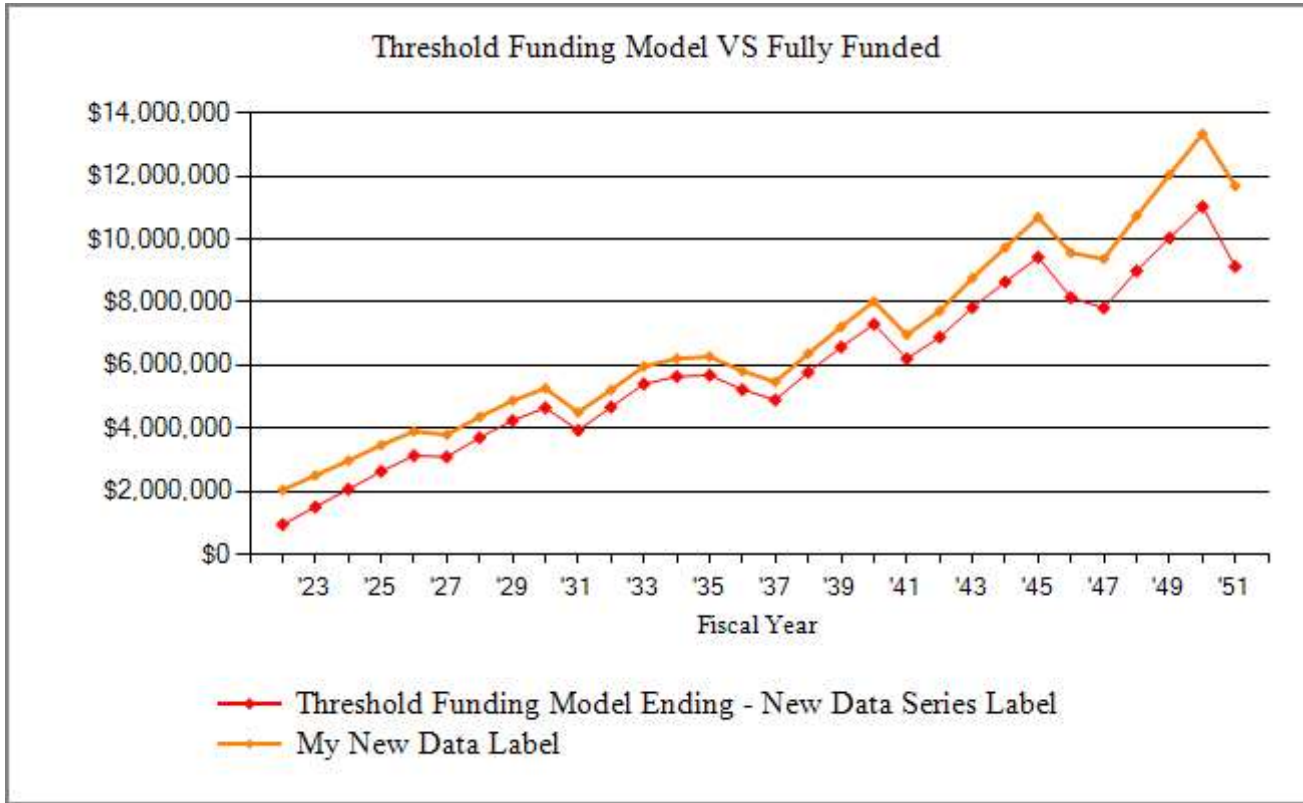
<i>Threshold Funding Model Summary of Calculations</i>	
Required Month Contribution	\$59,859.57
<i>\$460.46 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$0.00</u>
Total Month Allocation to Reserves	\$59,859.57
<i>\$460.46 per unit monthly</i>	

**Errol by the Sea
Threshold Funding Model Projection**

Beginning Balance: \$508,839

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	7,142,710	718,315		456,648	943,673	2,044,740	46%
2023	7,035,872	561,501			1,505,175	2,501,416	60%
2024	7,317,307	578,347		15,118	2,068,403	2,974,061	70%
2025	7,610,000	595,697		28,122	2,635,978	3,467,619	76%
2026	7,914,400	613,568		116,986	3,132,560	3,904,655	80%
2027	8,230,976	631,975		672,395	3,092,140	3,798,347	81%
2028	8,560,215	650,934		40,237	3,702,837	4,362,703	85%
2029	8,902,623	670,462		126,936	4,246,364	4,877,637	87%
2030	9,258,728	690,576		287,643	4,649,297	5,264,930	88%
2031	9,629,077	711,293		1,422,031	3,938,559	4,507,605	87%
2032	10,014,240	732,632			4,671,191	5,219,339	89%
2033	10,414,810	754,611		19,797	5,406,005	5,960,210	91%
2034	10,831,402	777,249		544,628	5,638,626	6,209,327	91%
2035	11,264,658	800,567		755,943	5,683,250	6,271,725	91%
2036	11,715,245	824,584		1,283,601	5,224,232	5,811,864	90%
2037	12,183,854	849,321		1,174,323	4,899,231	5,472,226	90%
2038	12,671,209	874,801			5,774,032	6,366,266	91%
2039	13,178,057	901,045		102,124	6,572,954	7,214,033	91%
2040	13,705,179	928,076		197,497	7,303,533	8,024,496	91%
2041	14,253,386	955,919		2,054,178	6,205,274	6,965,520	89%
2042	14,823,522	984,596		302,375	6,887,495	7,716,317	89%
2043	15,416,463	1,014,134		72,465	7,829,165	8,767,718	89%
2044	16,033,121	1,044,558		228,604	8,645,119	9,731,514	89%
2045	16,674,446	1,075,895		302,428	9,418,586	10,691,119	88%
2046	17,341,424	1,108,172		2,379,964	8,146,794	9,563,865	85%
2047	18,035,081	1,141,417		1,473,300	7,814,911	9,371,263	83%
2048	18,756,484	1,175,659			8,990,570	10,741,471	84%
2049	19,506,744	1,210,929		163,817	10,037,682	12,040,124	83%
2050	20,287,013	1,247,257		257,814	11,027,126	13,334,540	83%
2051	21,098,494	1,284,675		3,181,024	9,130,776	11,683,832	78%

**Errol by the Sea
Threshold Funding Model VS Fully Funded Chart**



The **Threshold Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below \$0 or other predetermined threshold, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Threshold Funding Model** allows the client to choose the level of conservative funding they desire by choosing the threshold dollar amount.

Errol by the Sea
 New Smyrna Beach, Florida
Component Funding Model Summary

Report Date	July 27, 2021
Account Number	9955
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	130

<i>Report Parameters</i>	
Inflation	4.00%
Interest Rate on Reserve Deposit	0.00%
2022 Beginning Balance	\$508,839

Component Funding Model

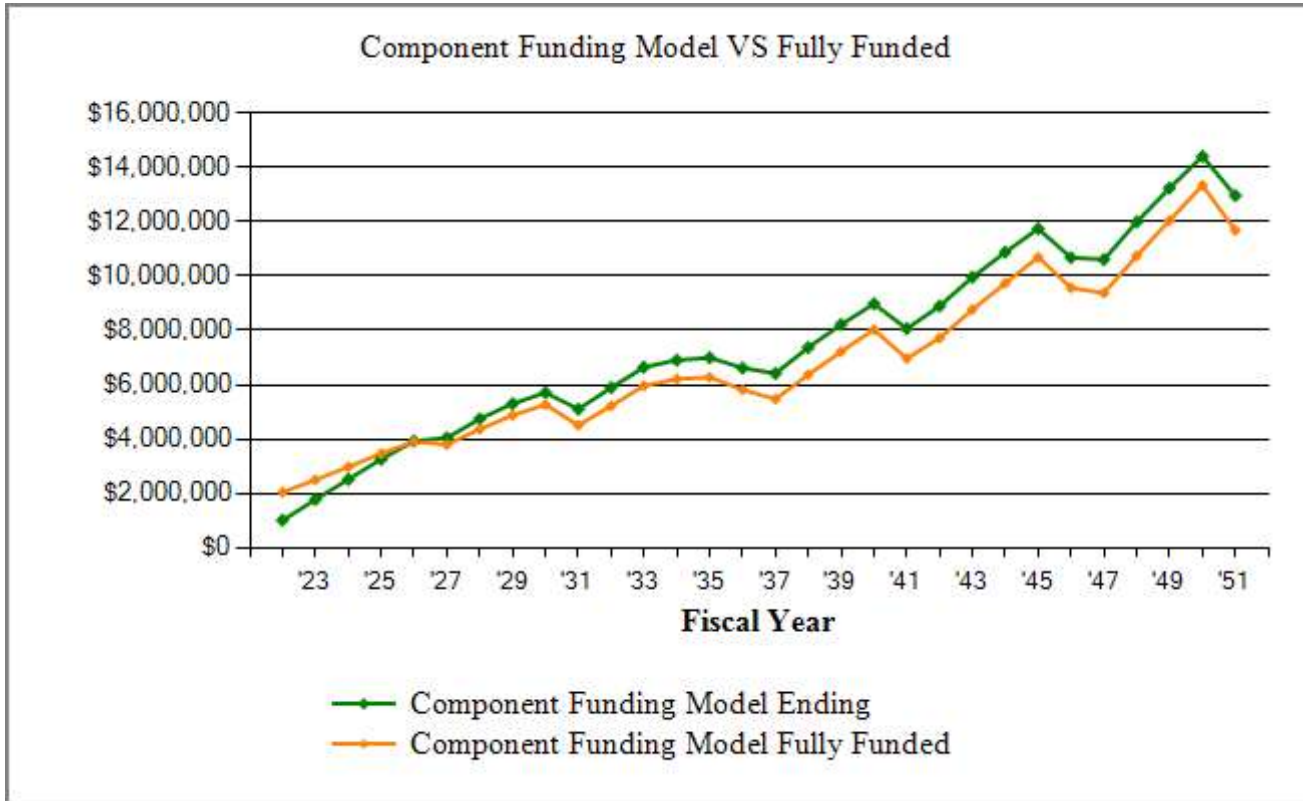
<i>Component Funding Model Summary of Calculations</i>	
Required Month Contribution	\$79,964.46
<i>\$615.11 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$0.00</u>
Total Month Allocation to Reserves	\$79,964.46
<i>\$615.11 per unit monthly</i>	

**Errol by the Sea
Component Funding Model Projection**

Beginning Balance: \$508,839

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	7,142,710	959,574		456,648	1,011,764	2,044,740	49%
2023	7,035,872	761,317			1,773,081	2,501,416	71%
2024	7,317,307	760,909		15,118	2,518,872	2,974,061	85%
2025	7,610,000	767,151		28,122	3,257,902	3,467,619	94%
2026	7,914,400	785,268		116,986	3,926,184	3,904,655	101%
2027	8,230,976	789,001		672,395	4,042,790	3,798,347	106%
2028	8,560,215	740,727		40,237	4,743,279	4,362,703	109%
2029	8,902,623	687,125		126,936	5,303,469	4,877,637	109%
2030	9,258,728	691,434		287,643	5,707,260	5,264,930	108%
2031	9,629,077	812,548		1,422,031	5,097,777	4,507,605	113%
2032	10,014,240	794,781			5,892,559	5,219,339	113%
2033	10,414,810	772,436		19,797	6,645,197	5,960,210	111%
2034	10,831,402	802,910		544,628	6,903,479	6,209,327	111%
2035	11,264,658	843,398		755,943	6,990,934	6,271,725	111%
2036	11,715,245	910,978		1,283,601	6,618,310	5,811,864	114%
2037	12,183,854	969,987		1,174,323	6,413,975	5,472,226	117%
2038	12,671,209	951,238			7,365,214	6,366,266	116%
2039	13,178,057	950,897		102,124	8,213,987	7,214,033	114%
2040	13,705,179	958,067		197,497	8,974,558	8,024,496	112%
2041	14,253,386	1,142,666		2,054,178	8,063,046	6,965,520	116%
2042	14,823,522	1,134,981		302,375	8,895,651	7,716,317	115%
2043	15,416,463	1,131,864		72,465	9,955,050	8,767,718	114%
2044	16,033,121	1,147,814		228,604	10,874,260	9,731,514	112%
2045	16,674,446	1,169,908		302,428	11,741,740	10,691,119	110%
2046	17,341,424	1,312,266		2,379,964	10,674,043	9,563,865	112%
2047	18,035,081	1,404,695		1,473,300	10,605,438	9,371,263	113%
2048	18,756,484	1,383,591			11,989,029	10,741,471	112%
2049	19,506,744	1,405,714		163,817	13,230,926	12,040,124	110%
2050	20,287,013	1,432,007		257,814	14,405,119	13,334,540	108%
2051	21,098,494	1,732,679		3,181,024	12,956,773	11,683,832	111%

**Errol by the Sea
Component Funding Model VS Fully Funded Chart**



The **Component Funding Model's** long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model.

Errol by the Sea
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Allowances							
Club House Remodel Allowance	2036	15	0	14	45,000	0	3,000
Concrete Repair Allowance	2026	5	0	4	100,000	20,000	20,000
Debris Cleanup Allowance	2031	10	0	9	100,000	0	10,000
Deferred Maintenance & Capitol Expenditur..	2031	10	0	9	175,000	0	17,500
Insurance Deductible Allowance	2022	10	0	0	377,448	377,448	377,448
Landscaping Allowance	2031	10	0	9	100,000	0	10,000
Plumbing & Electrical Allowance	2031	10	0	9	<u>500,000</u>	<u>0</u>	<u>50,000</u>
Allowances - Total					\$1,397,448	\$397,448	\$487,948
Balconies & Railings							
Balcony Decks Replace	2057	40	0	35	884,000	0	110,500
Balcony Railings Replace	2057	40	0	35	<u>728,000</u>	<u>0</u>	<u>91,000</u>
Balconies & Railings - Total					\$1,612,000		\$201,500
Building Components							
Roof Hatches	2040	35	0	18	<u>49,000</u>	<u>0</u>	<u>23,800</u>
Building Components - Total					\$49,000		\$23,800
Doors & Windows							
Common Are Door & Windows	2037	20	0	15	<u>64,400</u>	<u>0</u>	<u>16,100</u>
Doors & Windows - Total					\$64,400		\$16,100
Electrical/ Mechanical							
Elevator Modernization	2042	25	0	20	138,000	0	27,600
Elevator Replacement	2035	35	0	13	429,000	0	269,657
Gates and Motor	2030	20	0	8	37,000	0	22,200
Office & Clubhouse HVAC	2031	15	0	9	<u>11,600</u>	<u>0</u>	<u>4,640</u>
Electrical/ Mechanical - Total					\$615,600		\$324,097
Equipment							
Laundry Equipment	2031	15	0	9	<u>12,500</u>	<u>0</u>	<u>5,000</u>
Equipment - Total					\$12,500		\$5,000
Fencing							
Fencing/ Pool Area	2036	25	0	14	360,630	0	158,677
Fencing/ Tennis Courts	2034	25	0	12	<u>283,359</u>	<u>0</u>	<u>147,347</u>
Fencing - Total					\$643,989		\$306,024
Fire Prevention Systems							
Fire Prevention System	2030	20	0	8	<u>23,075</u>	<u>0</u>	<u>13,845</u>
Fire Prevention Systems - Total					\$23,075		\$13,845

Errol by the Sea
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Grounds Components							
Beach Access Stairs & Railing	2030	25	0	8	<u>26,500</u>	0	<u>18,020</u>
Grounds Components - Total					\$26,500		\$18,020
Landscaping							
Irrigation System	2028	15	0	6	<u>31,800</u>	0	<u>19,080</u>
Landscaping - Total					\$31,800		\$19,080
Lighting							
Lighting Allowance	2025	5	0	3	<u>25,000</u>	<u>10,000</u>	<u>10,000</u>
Lighting - Total					\$25,000	\$10,000	\$10,000
Mailboxes							
Mailboxes	2040	40	0	18	<u>22,590</u>	0	<u>12,424</u>
Mailboxes - Total					\$22,590		\$12,424
Painting							
Unit Building Exterior Paint	2027	10	0	5	<u>552,660</u>	<u>13,804</u>	<u>276,330</u>
Painting - Total					\$552,660	\$13,804	\$276,330
Recreation/Pool/ Spa							
Pool / Ocean Deck Pavers	2036	25	0	14	235,618	0	103,672
Pool Equipment	2039	20	0	17	38,450	0	5,767
Pool Furniture	2030	15	0	8	36,250	0	16,917
Pool Resurface	2034	15	0	12	42,837	0	8,567
Shuffle Board Court	2030	15	0	8	9,913	0	4,626
Tennis Courts	2030	15	0	8	<u>51,540</u>	0	<u>24,052</u>
Recreation/Pool/ Spa - Total					\$414,607		\$163,601
Roofing							
Mansard Metal Roofs	2056	35	0	34	435,600	0	12,446
Office/ Maintenance Roof	2022	40	0	0	79,200	79,200	79,200
Unit Building Roof	2046	25	0	24	<u>804,375</u>	<u>0</u>	<u>32,175</u>
Roofing - Total					\$1,319,175	\$79,200	\$123,821
Security Systems							
Key Pad Entry System	2033	20	0	11	12,860	0	5,787
Security Ring Cameras	2030	10	0	8	<u>900</u>	0	<u>180</u>
Security Systems - Total					\$13,760		\$5,967
Signs							
Signage	2037	20	0	15	<u>35,000</u>	0	<u>8,750</u>
Signs - Total					\$35,000		\$8,750

**Errol by the Sea
Component Funding Model Assessment & Category Summary**

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Streets/Asphalt							
Pavement/ Asphalt Resurface	2029	15	0	7	96,461	0	51,446
Pavement/ Asphalt Sealant	2024	5	0	2	<u>13,978</u>	<u>8,387</u>	<u>8,387</u>
Streets/Asphalt - Total					\$110,438	\$8,387	\$59,832
Special Assessments							
Special Assessment	2022	(credit)					
Total Asset Summary					<u>\$6,969,543</u>	<u>\$508,839</u>	<u>\$2,076,140</u>

Percent Fully Funded	25%
Current Average Liability per Unit (Total Units: 130)	-\$12,056

**Errol by the Sea
Distribution of Accumulated Reserves**

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Office/ Maintenance Roof	0	2022	79,200	79,200
Insurance Deductible Allowance	0	2022	F 377,448	377,448
Pavement/ Asphalt Sealant	2	2024	8,387	8,387
Lighting Allowance	3	2025	10,000	10,000
Concrete Repair Allowance	4	2026	20,000	20,000
Unit Building Exterior Paint	5	2027	* 13,804	276,330
Irrigation System	6	2028		19,080
Pavement/ Asphalt Resurface	7	2029		51,446
Security Ring Cameras	8	2030		180
Shuffle Board Court	8	2030		4,626
Fire Prevention System	8	2030		13,845
Pool Furniture	8	2030		16,917
Beach Access Stairs & Railing	8	2030		18,020
Gates and Motor	8	2030		22,200
Tennis Courts	8	2030		24,052
Office & Clubhouse HVAC	9	2031		4,640
Laundry Equipment	9	2031		5,000
Debris Cleanup Allowance	9	2031		10,000
Landscaping Allowance	9	2031		10,000
Deferred Maintenance & Capitol Expenditur..	9	2031		17,500
Plumbing & Electrical Allowance	9	2031		50,000
Key Pad Entry System	11	2033		5,787
Pool Resurface	12	2034		8,567
Fencing/ Tennis Courts	12	2034		147,347
Elevator Replacement	13	2035		269,657
Club House Remodel Allowance	14	2036		3,000
Pool / Ocean Deck Pavers	14	2036		103,672
Fencing/ Pool Area	14	2036		158,677
Signage	15	2037		8,750
Common Are Door & Windows	15	2037		16,100
Pool Equipment	17	2039		5,767
Mailboxes	18	2040		12,424
Roof Hatches	18	2040		23,800
Elevator Modernization	20	2042		27,600
Unit Building Roof	24	2046		32,175
Mansard Metal Roofs	34	2056		12,446
Balcony Railings Replace	35	2057		91,000
Balcony Decks Replace	35	2057		110,500

**Errol by the Sea
Distribution of Accumulated Reserves**

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Total Asset Summary			<u>\$508,839</u>	<u>\$2,076,140</u>

Percent Fully Funded	25%
Current Average Liability per Unit (Total Units: 130)	-\$12,056
<i>'*' Indicates Partially Funded</i>	
<i>'F' Indicates Fixed Reserve</i>	

The following is the per unit per annum contribution.

Year	Current Funding Model	Threshold Funding Model	Component Funding Model
2022	94	4,193	7,381
2023	97	4,319	5,856
2024	100	4,449	5,853
2025	103	4,582	5,901
2026	106	4,720	6,041
2027	109	4,861	6,069
2028	112	5,007	5,698
2029	115	5,157	5,286
2030	119	5,312	5,319
2031	122	5,471	6,250
2032	126	5,636	6,114
2033	130	5,805	5,942
2034	134	5,979	6,176
2035	138	6,158	6,488
2036	142	6,343	7,008
2037	146	6,533	7,461
2038	151	6,729	7,317
2039	155	6,931	7,315
2040	160	7,139	7,370
2041	165	7,353	8,790
2042	170	7,574	8,731
2043	175	7,801	8,707
2044	180	8,035	8,829
2045	185	8,276	8,999
2046	191	8,524	10,094
2047	197	8,780	10,805
2048	202	9,044	10,643
2049	209	9,315	10,813
2050	215	9,594	11,015
2051	221	9,882	13,328

The following is the per unit per monthly contribution.

Year	Current Funding Model	Threshold Funding Model	Component Funding Model
2022	8	349	615
2023	8	360	488
2024	8	371	488
2025	9	382	492
2026	9	393	503
2027	9	405	506
2028	9	417	475
2029	10	430	440
2030	10	443	443
2031	10	456	521
2032	11	470	509
2033	11	484	495
2034	11	498	515
2035	11	513	541
2036	12	529	584
2037	12	544	622
2038	13	561	610
2039	13	578	610
2040	13	595	614
2041	14	613	732
2042	14	631	728
2043	15	650	726
2044	15	670	736
2045	15	690	750
2046	16	710	841
2047	16	732	900
2048	17	754	887
2049	17	776	901
2050	18	800	918
2051	18	824	1,111

**Errol by the Sea
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2022	
Insurance Deductible Allowance	377,448
Office/ Maintenance Roof	79,200
Special Assessment	<u>(173,168)</u>
Total for 2022	<u>\$456,648</u>
 <i>No Replacement in 2023</i>	
Replacement Year 2024	
Pavement/ Asphalt Sealant	<u>15,118</u>
Total for 2024	<u>\$15,118</u>
Replacement Year 2025	
Lighting Allowance	<u>28,122</u>
Total for 2025	<u>\$28,122</u>
Replacement Year 2026	
Concrete Repair Allowance	<u>116,986</u>
Total for 2026	<u>\$116,986</u>
Replacement Year 2027	
Unit Building Exterior Paint	<u>672,395</u>
Total for 2027	<u>\$672,395</u>
Replacement Year 2028	
Irrigation System	<u>40,237</u>
Total for 2028	<u>\$40,237</u>
Replacement Year 2029	
Pavement/ Asphalt Resurface	<u>126,936</u>
Total for 2029	<u>\$126,936</u>
Replacement Year 2030	
Beach Access Stairs & Railing	36,267
Fire Prevention System	31,580
Gates and Motor	50,637

**Errol by the Sea
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2030 continued...</i>	
Lighting Allowance	34,214
Pool Furniture	49,611
Security Ring Cameras	1,232
Shuffle Board Court	13,566
Tennis Courts	70,536
Total for 2030	\$287,643
Replacement Year 2031	
Concrete Repair Allowance	142,331
Debris Cleanup Allowance	142,331
Deferred Maintenance & Capitol Expenditures Allowance	249,080
Landscaping Allowance	142,331
Laundry Equipment	17,791
Office & Clubhouse HVAC	16,510
Plumbing & Electrical Allowance	711,656
Total for 2031	\$1,422,031
<i>No Replacement in 2032</i>	
Replacement Year 2033	
Key Pad Entry System	19,797
Total for 2033	\$19,797
Replacement Year 2034	
Fencing/ Tennis Courts	453,667
Pavement/ Asphalt Sealant	22,379
Pool Resurface	68,583
Total for 2034	\$544,628
Replacement Year 2035	
Elevator Replacement	714,317
Lighting Allowance	41,627
Total for 2035	\$755,943
Replacement Year 2036	
Club House Remodel Allowance	77,925

**Errol by the Sea
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2036 continued...</i>	
Concrete Repair Allowance	173,168
Fencing/ Pool Area	624,495
Pool / Ocean Deck Pavers	408,013
Total for 2036	\$1,283,601
Replacement Year 2037	
Common Are Door & Windows	115,981
Signage	63,033
Unit Building Exterior Paint	995,309
Total for 2037	\$1,174,323
<i>No Replacement in 2038</i>	
Replacement Year 2039	
Pavement/ Asphalt Sealant	27,227
Pool Equipment	74,897
Total for 2039	\$102,124
Replacement Year 2040	
Lighting Allowance	50,645
Mailboxes	45,763
Roof Hatches	99,265
Security Ring Cameras	1,823
Total for 2040	\$197,497
Replacement Year 2041	
Concrete Repair Allowance	210,685
Debris Cleanup Allowance	210,685
Deferred Maintenance & Capitol Expenditures Allowance	368,699
Landscaping Allowance	210,685
Plumbing & Electrical Allowance	1,053,425
Total for 2041	\$2,054,178
Replacement Year 2042	
Elevator Modernization	302,375
Total for 2042	\$302,375

**Errol by the Sea
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2043	
Irrigation System	72,465
Total for 2043	\$72,465
Replacement Year 2044	
Pavement/ Asphalt Resurface	228,604
Total for 2044	\$228,604
Replacement Year 2045	
Lighting Allowance	61,618
Pool Furniture	89,346
Shuffle Board Court	24,432
Tennis Courts	127,031
Total for 2045	\$302,428
Replacement Year 2046	
Concrete Repair Allowance	256,330
Laundry Equipment	32,041
Office & Clubhouse HVAC	29,734
Unit Building Roof	2,061,858
Total for 2046	\$2,379,964
Replacement Year 2047	
Unit Building Exterior Paint	1,473,300
Total for 2047	\$1,473,300
<i>No Replacement in 2048</i>	
Replacement Year 2049	
Pavement/ Asphalt Sealant	40,303
Pool Resurface	123,514
Total for 2049	\$163,817
Replacement Year 2050	
Fire Prevention System	69,195
Gates and Motor	110,952
Lighting Allowance	74,968

**Errol by the Sea
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2050 continued...</i>	
Security Ring Cameras	2,699
Total for 2050	\$257,814
Replacement Year 2051	
Club House Remodel Allowance	140,339
Concrete Repair Allowance	311,865
Debris Cleanup Allowance	311,865
Deferred Maintenance & Capitol Expenditures Allowance	545,764
Landscaping Allowance	311,865
Plumbing & Electrical Allowance	1,559,326
Total for 2051	\$3,181,024

**Errol by the Sea
Spread Sheet**

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Balcony Decks Replace										
Balcony Railings Replace										
Beach Access Stairs & Railing									33,569	
Club House Remodel Allowance										
Common Are Door & Windows										
Concrete Repair Allowance					112,551					130,477
Debris Cleanup Allowance										130,477
Deferred Maintenance & Capitol Expenditures A..										228,335
Elevator Modernization										
Elevator Replacement										
Fencing/ Pool Area										
Fencing/ Tennis Courts										
Fire Prevention System									29,231	
Gates and Motor									46,870	
Insurance Deductible Allowance	377,448									
Irrigation System							37,971			
Key Pad Entry System										
Landscaping Allowance										130,477
Laundry Equipment										16,310
Lighting Allowance				27,318					31,669	
Mailboxes										
Mansard Metal Roofs										
Office & Clubhouse HVAC										15,135
Office/ Maintenance Roof	79,200									
Pavement/ Asphalt Resurface								118,635		
Pavement/ Asphalt Sealant			14,829							
Plumbing & Electrical Allowance										652,387
Pool / Ocean Deck Pavers										
Pool Equipment										
Pool Furniture									45,920	
Pool Resurface										
Roof Hatches										
Security Ring Cameras									1,140	
Shuffle Board Court									12,557	

**Errol by the Sea
Spread Sheet**

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Signage										
Special Assessment	(173,168)									
Tennis Courts									65,289	
Unit Building Exterior Paint						640,684				
Unit Building Roof										
Year Total:	456,648		14,829	27,318	112,551	640,684	37,971	118,635	266,247	1,303,599

**Errol by the Sea
Spread Sheet**

Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Balcony Decks Replace										
Balcony Railings Replace										
Beach Access Stairs & Railing										
Club House Remodel Allowance					68,067					
Common Are Door & Windows						100,333				
Concrete Repair Allowance					151,259					175,351
Debris Cleanup Allowance										175,351
Deferred Maintenance & Capitol Expenditures A..										306,864
Elevator Modernization										
Elevator Replacement				630,001						
Fencing/ Pool Area					545,485					
Fencing/ Tennis Courts			404,002							
Fire Prevention System										
Gates and Motor										
Insurance Deductible Allowance										
Irrigation System										
Key Pad Entry System		17,801								
Landscaping Allowance										175,351
Laundry Equipment										
Lighting Allowance				36,713					42,561	
Mailboxes									38,458	
Mansard Metal Roofs										
Office & Clubhouse HVAC										
Office/ Maintenance Roof										
Pavement/ Asphalt Resurface										
Pavement/ Asphalt Sealant			19,929					23,103		
Plumbing & Electrical Allowance										876,753
Pool / Ocean Deck Pavers					356,393					
Pool Equipment								63,552		
Pool Furniture										
Pool Resurface			61,075							
Roof Hatches									83,419	
Security Ring Cameras									1,532	
Shuffle Board Court										

**Errol by the Sea
Spread Sheet**

Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Signage						54,529				
Special Assessment										
Tennis Courts										
Unit Building Exterior Paint						861,026				
Unit Building Roof										
Year Total:		17,801	485,006	666,714	1,121,204	1,015,888		86,655	165,970	1,709,668

**Errol by the Sea
Spread Sheet**

Description	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Balcony Decks Replace										
Balcony Railings Replace										
Beach Access Stairs & Railing										
Club House Remodel Allowance										106,045
Common Are Door & Windows										
Concrete Repair Allowance					203,279					235,657
Debris Cleanup Allowance										235,657
Deferred Maintenance & Capitol Expenditures A..										412,399
Elevator Modernization	249,243									
Elevator Replacement										
Fencing/ Pool Area										
Fencing/ Tennis Courts										
Fire Prevention System									52,794	
Gates and Motor									84,653	
Insurance Deductible Allowance										
Irrigation System		59,157								
Key Pad Entry System										
Landscaping Allowance										235,657
Laundry Equipment					25,410					
Lighting Allowance				49,340					57,198	
Mailboxes										
Mansard Metal Roofs										
Office & Clubhouse HVAC					23,580					
Office/ Maintenance Roof										
Pavement/ Asphalt Resurface			184,829							
Pavement/ Asphalt Sealant								31,048		
Plumbing & Electrical Allowance										1,178,283
Pool / Ocean Deck Pavers										
Pool Equipment										
Pool Furniture				71,543						
Pool Resurface								95,153		
Roof Hatches										
Security Ring Cameras										2,059
Shuffle Board Court				19,564						

**Errol by the Sea
Spread Sheet**

Description	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Signage										
Special Assessment										
Tennis Courts				101,719						
Unit Building Exterior Paint						1,157,147				
Unit Building Roof					1,635,129					
Year Total:	249,243	59,157	184,829	242,165	1,887,399	1,157,147		126,201	196,705	2,403,697

**Errol by the Sea
Florida Funding Summary**

Description	Future Cost	Useful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
Allowances							
Club House Remodel Allowance	68,067	15	14		77	68,067	3,000
Concrete Repair Allowance	112,551	5	4	20,000	366	92,551	20,000
Debris Cleanup Allowance	130,477	10	9		229	130,477	10,000
Deferred Maintenance & Capitol Expendit..	228,335	10	9		402	228,335	17,500
Insurance Deductible Allowance	377,448	10	0	377,448	0	0	377,448
Landscaping Allowance	130,477	10	9		229	130,477	10,000
Plumbing & Electrical Allowance	652,387	10	9		1,147	652,387	50,000
Allowances - Total				\$397,448	\$2,451	\$1,302,294	\$487,948
Balconies & Railings							
Balcony Decks Replace	2,487,454	40	35		1,125	2,487,454	110,500
Balcony Railings Replace	2,048,492	40	35		926	2,048,492	91,000
Balconies & Railings - Total				\$0	\$2,051	\$4,535,946	\$201,500
Building Components							
Roof Hatches	83,419	35	18		73	83,419	23,800
Building Components - Total				\$0	\$73	\$83,419	\$23,800
Doors & Windows							
Common Are Door & Windows	100,333	20	15		106	100,333	16,100
Doors & Windows - Total				\$0	\$106	\$100,333	\$16,100
Electrical/ Mechanical							
Elevator Modernization	249,243	25	20		197	249,243	27,600
Elevator Replacement	630,001	35	13		767	630,001	269,657
Gates and Motor	46,870	20	8		93	46,870	22,200
Office & Clubhouse HVAC	15,135	15	9		27	15,135	4,640
Electrical/ Mechanical - Total				\$0	\$1,084	\$941,250	\$324,097
Equipment							
Laundry Equipment	16,310	15	9		29	16,310	5,000
Equipment - Total				\$0	\$29	\$16,310	\$5,000
Fencing							
Fencing/ Pool Area	545,485	25	14		617	545,485	158,677
Fencing/ Tennis Courts	404,002	25	12		533	404,002	147,347
Fencing - Total				\$0	\$1,150	\$949,487	\$306,024
Fire Prevention Systems							
Fire Prevention System	29,231	20	8		58	29,231	13,845
Fire Prevention Systems - Total				\$0	\$58	\$29,231	\$13,845

**Errol by the Sea
Florida Funding Summary**

Description	Future Cost	Useful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
Grounds Components							
Beach Access Stairs & Railing	33,569	25	8		<u>66</u>	<u>33,569</u>	<u>18,020</u>
Grounds Components - Total				\$0	\$66	\$33,569	\$18,020
Landscaping							
Irrigation System	37,971	15	6		<u>100</u>	<u>37,971</u>	<u>19,080</u>
Landscaping - Total				\$0	\$100	\$37,971	\$19,080
Lighting							
Lighting Allowance	27,318	5	3	<u>10,000</u>	<u>91</u>	<u>17,318</u>	<u>10,000</u>
Lighting - Total				\$10,000	\$91	\$17,318	\$10,000
Mailboxes							
Mailboxes	38,458	40	18		<u>34</u>	<u>38,458</u>	<u>12,424</u>
Mailboxes - Total				\$0	\$34	\$38,458	\$12,424
Painting							
Unit Building Exterior Paint	640,684	10	5	<u>13,804</u>	<u>1,984</u>	<u>626,880</u>	<u>276,330</u>
Painting - Total				\$13,804	\$1,984	\$626,880	\$276,330
Recreation/Pool/ Spa							
Pool / Ocean Deck Pavers	356,393	25	14		403	356,393	103,672
Pool Equipment	63,552	20	17		59	63,552	5,767
Pool Furniture	45,920	15	8		91	45,920	16,917
Pool Resurface	61,075	15	12		81	61,075	8,567
Shuffle Board Court	12,557	15	8		25	12,557	4,626
Tennis Courts	65,289	15	8		<u>129</u>	<u>65,289</u>	<u>24,052</u>
Recreation/Pool/ Spa - Total				\$0	\$788	\$604,787	\$163,601
Roofing							
Mansard Metal Roofs	1,190,018	35	34		554	1,190,018	12,446
Office/ Maintenance Roof	79,200	40	0	79,200	102	0	79,200
Unit Building Roof	1,635,129	25	24		<u>1,078</u>	<u>1,635,129</u>	<u>32,175</u>
Roofing - Total				\$79,200	\$1,735	\$2,825,147	\$123,821
Security Systems							
Key Pad Entry System	17,801	20	11		26	17,801	5,787
Security Ring Cameras	1,140	10	8		<u>2</u>	<u>1,140</u>	<u>180</u>
Security Systems - Total				\$0	\$28	\$18,941	\$5,967
Signs							
Signage	54,529	20	15		<u>58</u>	<u>54,529</u>	<u>8,750</u>
Signs - Total				\$0	\$58	\$54,529	\$8,750

**Errol by the Sea
Florida Funding Summary**

Description	Future Cost	Useful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
Streets/Asphalt							
Pavement/ Asphalt Resurface	118,635	15	7		268	118,635	51,446
Pavement/ Asphalt Sealant	14,829	5	2	8,387	51	6,442	8,387
Streets/Asphalt - Total				<u>\$8,387</u>	<u>\$319</u>	<u>\$125,077</u>	<u>\$59,832</u>
Special Assessments							
Special Assessment	(credit)						
 Grand Total:	<u>\$12,849,786</u>			<u>\$508,839</u>	<u>\$12,204</u>	<u>\$12,340,947</u>	<u>\$2,076,140</u>

Percent Fully Funded	25%
Current Average Liability per Unit (Total Units: 130)	-\$12,056

**Errol by the Sea
Fully Funded Calculation**

Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
Allowances								
1027	Club House Remodel Allowa...	\$45,000	x	1	/	15	=	\$3,000
1012	Concrete Repair Allowance	\$100,000	x	1	/	5	=	\$20,000
1002	Debris Cleanup Allowance	\$100,000	x	1	/	10	=	\$10,000
1003	Deferred Maintenance & Cap...	\$175,000	x	1	/	10	=	\$17,500
1001	Insurance Deductible Allowa...	\$377,449	x	10	/	10	=	\$377,449
1020	Landscaping Allowance	\$100,000	x	1	/	10	=	\$10,000
1036	Plumbing & Electrical Allow...	\$500,000	x	1	/	10	=	\$50,000
Allowances - Total:								<u>\$487,949</u>
Balconies & Railings								
1008	Balcony Decks Replace	\$884,000	x	5	/	40	=	\$110,500
1009	Balcony Railings Replace	\$728,000	x	5	/	40	=	\$91,000
Balconies & Railings - Total:								<u>\$201,500</u>
Building Components								
1038	Roof Hatches	\$49,000	x	17	/	35	=	\$23,800
Building Components - Total:								<u>\$23,800</u>
Doors & Windows								
1025	Common Are Door & Windo...	\$64,400	x	5	/	20	=	\$16,100
Doors & Windows - Total:								<u>\$16,100</u>
Electrical/ Mechanical								
1023	Elevator Modernization	\$138,000	x	5	/	25	=	\$27,600
1024	Elevator Replacement	\$429,000	x	22	/	35	=	\$269,657
1035	Gates and Motor	\$37,000	x	12	/	20	=	\$22,200
1026	Office & Clubhouse HVAC	\$11,600	x	6	/	15	=	\$4,640
Electrical/ Mechanical - Total:								<u>\$324,097</u>
Equipment								
1037	Laundry Equipment	\$12,500	x	6	/	15	=	\$5,000
Equipment - Total:								<u>\$5,000</u>
Fencing								
1013	Fencing/ Pool Area	\$360,630	x	11	/	25	=	\$158,677
1014	Fencing/ Tennis Courts	\$283,359	x	13	/	25	=	\$147,347
Fencing - Total:								<u>\$306,024</u>
Fire Prevention Systems								
1022	Fire Prevention System	\$23,075	x	12	/	20	=	\$13,845
Fire Prevention Systems - Total:								<u>\$13,845</u>

**Errol by the Sea
Fully Funded Calculation**

Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
Grounds Components								
1015	Beach Access Stairs & Railing	\$26,500	x	17	/	25	=	<u>\$18,020</u>
Grounds Components - Total:								<u>\$18,020</u>
Landscaping								
1021	Irrigation System	\$31,800	x	9	/	15	=	<u>\$19,080</u>
Landscaping - Total:								<u>\$19,080</u>
Lighting								
1030	Lighting Allowance	\$25,000	x	2	/	5	=	<u>\$10,000</u>
Lighting - Total:								<u>\$10,000</u>
Mailboxes								
1032	Mailboxes	\$22,590	x	22	/	40	=	<u>\$12,425</u>
Mailboxes - Total:								<u>\$12,425</u>
Painting								
1007	Unit Building Exterior Paint	\$552,660	x	5	/	10	=	<u>\$276,330</u>
Painting - Total:								<u>\$276,330</u>
Recreation/Pool/ Spa								
1019	Pool / Ocean Deck Pavers	\$235,618	x	11	/	25	=	<u>\$103,672</u>
1017	Pool Equipment	\$38,450	x	3	/	20	=	<u>\$5,768</u>
1018	Pool Furniture	\$36,250	x	7	/	15	=	<u>\$16,917</u>
1016	Pool Resurface	\$42,837	x	3	/	15	=	<u>\$8,567</u>
1029	Shuffle Board Court	\$9,913	x	7	/	15	=	<u>\$4,626</u>
1028	Tennis Courts	\$51,540	x	7	/	15	=	<u>\$24,052</u>
Recreation/Pool/ Spa - Total:								<u>\$163,601</u>
Roofing								
1005	Mansard Metal Roofs	\$435,600	x	1	/	35	=	<u>\$12,446</u>
1006	Office/ Maintenance Roof	\$79,200	x	40	/	40	=	<u>\$79,200</u>
1004	Unit Building Roof	\$804,375	x	1	/	25	=	<u>\$32,175</u>
Roofing - Total:								<u>\$123,821</u>
Security Systems								
1034	Key Pad Entry System	\$12,860	x	9	/	20	=	<u>\$5,787</u>
1033	Security Ring Cameras	\$900	x	2	/	10	=	<u>\$180</u>
Security Systems - Total:								<u>\$5,967</u>

**Errol by the Sea
Fully Funded Calculation**

Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
Signs								
1031	Signage	\$35,000	x	5	/	20	=	\$8,750
Signs - Total:								<u>\$8,750</u>
Streets/Asphalt								
1011	Pavement/ Asphalt Resurface	\$96,461	x	8	/	15	=	\$51,446
1010	Pavement/ Asphalt Sealant	\$13,978	x	3	/	5	=	\$8,387
Streets/Asphalt - Total:								<u>\$59,832</u>
Special Assessments								
1039	Special Assessment						Payment	<u>\$0</u>
Special Assessments - Total:								<u>\$0</u>
Total Asset Summary:								<u><u>\$2,076,140</u></u>

**Errol by the Sea
Asset Summary Report**

Description	Asset ID	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Balcony Decks Replace	1008	2057	884,000	40	0	35	2,487,454	130 @	6,800.00
Balcony Railings Replace	1009	2057	728,000	40	0	35	2,048,492	130 @	5,600.00
Beach Access Stairs & Railing	1015	2030	26,500	25	0	8	33,569	1 @	26,500.00
Club House Remodel Allowance	1027	2036	45,000	15	0	14	68,067	1 @	45,000.00
Common Are Door & Windows	1025	2037	64,400	20	0	15	100,333	28 @	2,300.00
Concrete Repair Allowance	1012	2026	100,000	5	0	4	112,551	1 @	100,000.00
Debris Cleanup Allowance	1002	2031	100,000	10	0	9	130,477	1 @	100,000.00
Deferred Maintenance & Capitol Ex..	1003	2031	175,000	10	0	9	228,335	1 @	175,000.00
Elevator Modernization	1023	2042	138,000	25	0	20	249,243	3 @	46,000.00
Elevator Replacement	1024	2035	429,000	35	0	13	630,001	3 @	143,000.00
Fencing/ Pool Area	1013	2036	360,630	25	0	14	545,485	12001 @	30.05
Fencing/ Tennis Courts	1014	2034	283,359	25	0	12	404,002	6981 @	40.59
Fire Prevention System	1022	2030	23,075	20	0	8	29,231	1 @	23,075.00
Gates and Motor	1035	2030	37,000	20	0	8	46,870	2 @	18,500.00
Insurance Deductible Allowance	1001	2022	377,448	10	0	0	377,448	1 @	377,448.50
Irrigation System	1021	2028	31,800	15	0	6	37,971	1 @	31,800.00
Key Pad Entry System	1034	2033	12,860	20	0	11	17,801	1 @	12,860.00
Landscaping Allowance	1020	2031	100,000	10	0	9	130,477	1 @	100,000.00
Laundry Equipment	1037	2031	12,500	15	0	9	16,310	10 @	1,250.00
Lighting Allowance	1030	2025	25,000	5	0	3	27,318	1 @	25,000.00
Mailboxes	1032	2040	22,590	40	0	18	38,458	1 @	22,590.00
Mansard Metal Roofs	1005	2056	435,600	35	0	34	1,190,018	198 @	2,200.00
Office & Clubhouse HVAC	1026	2031	11,600	15	0	9	15,135	2 @	5,800.00
Office/ Maintenance Roof	1006	2022	79,200	40	0	0	79,200	36 @	2,200.00
Pavement/ Asphalt Resurface	1011	2029	96,461	15	0	7	118,635	7680 @	12.56
Pavement/ Asphalt Sealant	1010	2024	13,978	5	0	2	14,829	7680 @	1.82
Plumbing & Electrical Allowance	1036	2031	500,000	10	0	9	652,387	1 @	500,000.00
Pool / Ocean Deck Pavers	1019	2036	235,618	25	0	14	356,393	15420 @	15.28
Pool Equipment	1017	2039	38,450	20	0	17	63,552	1 @	38,450.00
Pool Furniture	1018	2030	36,250	15	0	8	45,920	1 @	36,250.00
Pool Resurface	1016	2034	42,837	15	0	12	61,075	2313 @	18.52
Roof Hatches	1038	2040	49,000	35	0	18	83,419	5 @	9,800.00
Security Ring Cameras	1033	2030	900	10	0	8	1,140	3 @	300.00
Shuffle Board Court	1029	2030	9,913	15	0	8	12,557	1154 @	8.59
Signage	1031	2037	35,000	20	0	15	54,529	1 @	35,000.00
Special Assessment	1039	2022	(173,168)	1	0	0			
Tennis Courts	1028	2030	51,540	15	0	8	65,289	6000 @	8.59
Unit Building Exterior Paint	1007	2027	552,660	10	0	5	640,684	339055 @	1.63
Unit Building Roof	1004	2046	804,375	25	0	24	1,635,129	429 @	1,875.00

**Errol by the Sea
Detail Report by Category**

Club House Remodel Allowance - 2036

Asset ID	1027	1 each	@ \$45,000.00
		Asset Actual Cost	\$45,000.00
		Percent Replacement	100%
	Allowances	Future Cost	\$68,066.54
Placed in Service	December 2021	Assigned Reserves	<i>none</i>
Useful Life	15		
Replacement Year	2036	Monthly Assessment	<u>\$6.41</u>
Remaining Life	14	Reserve Allocation	\$6.41



This allowance was included for as needed furniture/furnishings replacement and/or renovations within the common area lobbies, meeting room and restroom, including (but not necessarily limited to) furniture, decorative lighting/lamps, window treatments, area rugs, mirrors, wall art, plants, electrical/plumbing fixtures, wall/ceiling finishes, flooring, etc. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences. Includes kitchen appliances.

Concrete Repair Allowance - 2026

Asset ID	1012	1 each	@ \$100,000.00
		Asset Actual Cost	\$100,000.00
		Percent Replacement	100%
	Allowances	Future Cost	\$112,550.88
Placed in Service	December 2021	Assigned Reserves	\$20,000.00
Useful Life	5		
Replacement Year	2026	Monthly Assessment	<u>\$30.52</u>
Remaining Life	4	Reserve Allocation	\$30.52

**Errol by the Sea
Detail Report by Category**

Concrete Repair Allowance continued...



Replacement of the concrete paving (curbing, sidewalks, etc.), breezeway concrete, decorative concrete features, seawall (430 lin ft), walkways, and car stops, should not be necessary at any one given time under normal operating conditions. As such, reserving for total replacement is not considered practical or necessary. This allowance is designed to cover approximately 20% of the total square feet of concrete /pavement to begin after an initial life of 20 years has been achieved, in keeping with our experience with similar properties. The amount of this allowance and the useful life cycle may vary widely from actual expenses in the future and this report can be amended as more information becomes available. ***Allowances accrues funding for specific components' repair to extend remaining life until complete replacement is required or if partial replacement is adequate for maintaining area. This estimate does not include the cost of engineering studies or building restoration.***

Debris Cleanup Allowance - 2031			
Asset ID	1002	1 each	@ \$100,000.00
		Asset Actual Cost	\$100,000.00
		Percent Replacement	100%
	Allowances	Future Cost	\$130,477.32
Placed in Service	December 2021	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2031	Monthly Assessment	<u>\$19.12</u>
Remaining Life	9	Reserve Allocation	<u>\$19.12</u>

**Errol by the Sea
Detail Report by Category**

Debris Cleanup Allowance continued...



Data taken from properties within the Florida marketplace suggests that major disaster cleanup should be budgeted for considering these costs are not usually covered by hurricane insurance, which assumes the responsibility of the association and unit owners.

Allowances of funding for specific components repair to extend remaining life until complete replacement is required or if partial replacement is adequate for maintaining area.

Deferred Maintenance & Capitol Expenditures Allowance - 2031

Asset ID	1003	1 each	@ \$175,000.00
		Asset Actual Cost	\$175,000.00
		Percent Replacement	100%
		Future Cost	\$228,335.31
Placed in Service	December 2021	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2031	Monthly Assessment	<u>\$33.46</u>
Remaining Life	9	Reserve Allocation	\$33.46



This allowance was included for as needed replacement and/or renovations within the common area

**Errol by the Sea
Detail Report by Category**

Deferred Maintenance & Capitol Expenditures Allowance continued...

not included in other line-item entries and professional fees such as engineering studies, drone studies, etc. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with many unforeseen cost, the actual costs and time frames may vary from our estimates, based on association preferences.

Insurance Deductible Allowance - 2022			
Asset ID	1001	1 each @	\$377,448.50
		Asset Actual Cost	\$377,448.50
		Percent Replacement	100%
	Allowances	Future Cost	\$377,448.50
Placed in Service	January 2012	Fixed Assigned Reserves	\$350,000.00
Useful Life	10		
Replacement Year	2022	<i>No Future Assessments</i>	
Remaining Life	0		



Data taken from properties within the Florida marketplace suggests that major disaster insurance deductibles should be budgeted for, which assumes the responsibility of the association and unit owners.

Allowances of funding for specific components repair to extend remaining life until complete replacement is required or if partial replacement is adequate for maintaining area.

********This subject has \$350,000 dedicated to this component***

Based on 2% of a replacement cost valuation of \$18,872,425.00 done April 22, 2021

**Errol by the Sea
Detail Report by Category**

Landscaping Allowance - 2031

		1 each	@ \$100,000.00
Asset ID	1020	Asset Actual Cost	\$100,000.00
		Percent Replacement	100%
	Allowances	Future Cost	\$130,477.32
Placed in Service	December 2021	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2031	Monthly Assessment	<u>\$19.12</u>
Remaining Life	9	Reserve Allocation	\$19.12



This allowance is based to begin in the current reserve schedule and is included at the association's sole discretion. This is to replace sod, shrubs, flowers, and trees on an as needed basis.

Plumbing & Electrical Allowance - 2031

		1 each	@ \$500,000.00
Asset ID	1036	Asset Actual Cost	\$500,000.00
		Percent Replacement	100%
	Allowances	Future Cost	\$652,386.59
Placed in Service	December 2021	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2031	Monthly Assessment	<u>\$95.61</u>
Remaining Life	9	Reserve Allocation	\$95.61

**Errol by the Sea
Detail Report by Category**

Plumbing & Electrical Allowance continued...



This entry was included for as needed repair to plumbing lines, electrical boxes, wiring, etc. As the entirety of the assemblies are not required to be replaced at one given time, an allowance approach is suggested.

Allowances - Total Current Cost	\$1,397,448
Assigned Reserves	\$397,448
Fully Funded Reserves	\$487,948

**Errol by the Sea
Detail Report by Category**

Balcony Decks Replace - 2057

		130 each	@ \$6,800.00
Asset ID	1008	Asset Actual Cost	\$884,000.00
		Percent Replacement	100%
Balconies & Railings		Future Cost	\$2,487,454.41
Placed in Service	January 2017	Assigned Reserves	<i>none</i>
Useful Life	40		
Replacement Year	2057	Monthly Assessment	<u>\$93.74</u>
Remaining Life	35	Reserve Allocation	\$93.74



This category refers to costs associated with replacement of balcony decks. Barring unforeseen damage to the subject's concrete decks, and assuming proper and routine maintenance, a minimum useful life of approximately 40 years can be expected. The current replacement cost estimate is based on industry standards in the current market. This includes a 20% mobilization cost and rebar replacement. It is recommended to acquire a full engineering study on all concrete works, including balcony decks, after 40 years of age.

Balcony Railings Replace - 2057

		130 units	@ \$5,600.00
Asset ID	1009	Asset Actual Cost	\$728,000.00
		Percent Replacement	100%
Balconies & Railings		Future Cost	\$2,048,491.86
Placed in Service	January 2017	Assigned Reserves	<i>none</i>
Useful Life	40		
Replacement Year	2057	Monthly Assessment	<u>\$77.20</u>
Remaining Life	35	Reserve Allocation	\$77.20

**Errol by the Sea
Detail Report by Category**

Balcony Railings Replace continued...



This category refers to costs associated with replacement of balcony railings. Barring unforeseen damage to the subject's decking, and assuming proper and routine maintenance, a minimum useful life of approximately 40-50 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, number and placement of association's balcony railings, and our experience with this type of component. Recoating of balconies has historically lengthened the life of railing assemblies.

Balconies & Railings - Total Current Cost	\$1,612,000
Assigned Reserves	\$0
Fully Funded Reserves	\$201,500

**Errol by the Sea
Detail Report by Category**

Roof Hatches - 2040

		5 each	@ \$9,800.00
Asset ID	1038	Asset Actual Cost	\$49,000.00
		Percent Replacement	100%
	Building Components	Future Cost	\$83,419.22
Placed in Service	January 2005	Assigned Reserves	<i>none</i>
Useful Life	35		
Replacement Year	2040	Monthly Assessment	<u>\$6.11</u>
Remaining Life	18	Reserve Allocation	\$6.11



This allowance is to replace/ repair roof access ladders, bushings, hatches and structures including installation. As with all components of this nature, actual replacement, repair and refurbishment will vary depending on installation, elements, and quality of product.

Building Components - Total Current Cost	\$49,000
Assigned Reserves	\$0
Fully Funded Reserves	\$23,800

**Errol by the Sea
Detail Report by Category**

Common Are Door & Windows - 2037

		28 each	@ \$2,300.00
Asset ID	1025	Asset Actual Cost	\$64,400.00
		Percent Replacement	100%
	Doors & Windows	Future Cost	\$100,333.10
Placed in Service	January 2017	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2037	Monthly Assessment	<u>\$8.82</u>
Remaining Life	15	Reserve Allocation	\$8.82



This category refers to common doors & windows including facings and installation. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component. Doors & windows inside lobbies, on landings, and housing common elements (clubhouse entrance, library entrance, etc) , which are replaced on a historical 20-year schedule, are subject to conditions such as construction, quality, material, and elements

Doors & Windows - Total Current Cost	\$64,400
Assigned Reserves	\$0
Fully Funded Reserves	\$16,100

**Errol by the Sea
Detail Report by Category**

Elevator Modernization - 2042

		3 each	@ \$46,000.00
Asset ID	1023	Asset Actual Cost	\$138,000.00
		Percent Replacement	100%
	Electrical/ Mechanical	Future Cost	\$249,243.35
Placed in Service	January 2017	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2042	Monthly Assessment	<u>\$16.44</u>
Remaining Life	20	Reserve Allocation	<u>\$16.44</u>



Full modernization of elevator cabs, walls, flooring, buttons, including (but not necessarily limited to), controllers, door hardware, etc. has been observed on life cycles in the 25–30-year range in properties of similar quality, assuming a typical maintenance program. The useful life is often determined by an association's dissatisfaction with the elevator's appearance and functional interior components. The current cost estimate is based on construction cost indexes and is in keeping with actual costs incurred for similar modernization projects.

Elevator Replacement - 2035

		3 each	@ \$143,000.00
Asset ID	1024	Asset Actual Cost	\$429,000.00
		Percent Replacement	100%
	Electrical/ Mechanical	Future Cost	\$630,000.96
Placed in Service	January 2000	Assigned Reserves	<i>none</i>
Useful Life	35		
Replacement Year	2035	Monthly Assessment	<u>\$63.92</u>
Remaining Life	13	Reserve Allocation	<u>\$63.92</u>

**Errol by the Sea
Detail Report by Category**

Elevator Replacement continued...



Full replacement of traction elevator mechanical and electrical components, including (but not necessarily limited to), pumps, pulleys etc. has been observed on life cycles in the 30-35year range in properties of similar quality, assuming a typical maintenance program. The useful life is often determined by an association's dissatisfaction with the elevators' speed, smoothness of ride, and noise. The current cost estimate is based on construction cost indexes and is in keeping with actual costs incurred for similar modernization projects.

Gates and Motor - 2030

		2 each	@ \$18,500.00
Asset ID	1035	Asset Actual Cost	\$37,000.00
		Percent Replacement	100%
	Electrical/ Mechanical	Future Cost	\$46,870.49
Placed in Service	January 2010	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2030	Monthly Assessment	<u>\$7.73</u>
Remaining Life	8	Reserve Allocation	\$7.73



The gate motor/ opener has a market indicated life cycle of 15 years, given its location and assuming proper and routine maintenance. The current cost estimate includes the motor, electrical and electronic

**Errol by the Sea
Detail Report by Category**

Gates and Motor continued...

sensor components.

This category refers to costs associated with replacement of entrance/ exit gates. Barring unforeseen damage to the subject's gate structure, and assuming proper and routine maintenance, a minimum useful life of approximately 25 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, number and placement of association's gates, and our experience with this type of component.

Office & Clubhouse HVAC - 2031

Asset ID	1026	2 each	@ \$5,800.00
		Asset Actual Cost	\$11,600.00
		Percent Replacement	100%
		Future Cost	\$15,135.37
		Assigned Reserves	<i>none</i>
Placed in Service	January 2016	Monthly Assessment	<u>\$2.22</u>
Useful Life	15	Reserve Allocation	\$2.22
Replacement Year	2031		
Remaining Life	9		



With routine maintenance, including (but not necessarily limited to) periodic pump rebuilds, motor replacements, etc., a life cycle in the 20-year range is the market norm we have observed for system modernization and replacement of the pumps. The current cost estimate is based on our experience with similar properties. Life cycles in the 10-15-year range have been most typically observed for replacement of interior air condition units. Sometimes these units are changed out earlier than expected and/or replaced with a unit which differs in type/size from that noted in the mechanical blueprints. Also, worthy to note the other units within the building only service the residential units and are therefore not included within this analysis.

**Errol by the Sea
Detail Report by Category**

Electrical/ Mechanical - Total Current Cost	\$615,600
Assigned Reserves	\$0
Fully Funded Reserves	\$324,097

**Errol by the Sea
Detail Report by Category**

Laundry Equipment - 2031

Asset ID	1037	10 each	@ \$1,250.00
		Asset Actual Cost	\$12,500.00
		Percent Replacement	100%
Placed in Service	Equipment January 2016	Future Cost	\$16,309.66
Useful Life	15	Assigned Reserves	<i>none</i>
Replacement Year	2031	Monthly Assessment	<u>\$2.39</u>
Remaining Life	9	Reserve Allocation	\$2.39



This category refers to costs associated with the replacement of washers and dryers in common areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 15 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of components.

Equipment - Total Current Cost	\$12,500
Assigned Reserves	\$0
Fully Funded Reserves	\$5,000

**Errol by the Sea
Detail Report by Category**

Fencing/ Pool Area - 2036

		12,001 lin ft	@ \$30.05
Asset ID	1013	Asset Actual Cost	\$360,630.05
		Percent Replacement	100%
	Fencing	Future Cost	\$545,485.31
Placed in Service	January 2011	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2036	Monthly Assessment	<u>\$51.39</u>
Remaining Life	14	Reserve Allocation	\$51.39



This entry was included for as needed for fencing in common areas, perimeter, and separation areas. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

This subject contains approximately 12,001 lin ft of fencing.

Fencing/ Tennis Courts - 2034

		6,981 lin ft	@ \$40.59
Asset ID	1014	Asset Actual Cost	\$283,358.79
		Percent Replacement	100%
	Fencing	Future Cost	\$404,001.88
Placed in Service	January 2009	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2034	Monthly Assessment	<u>\$44.41</u>
Remaining Life	12	Reserve Allocation	\$44.41

**Errol by the Sea
Detail Report by Category**

Fencing/ Tennis Courts continued...



This entry was included for as needed for fencing in tennis court area . The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

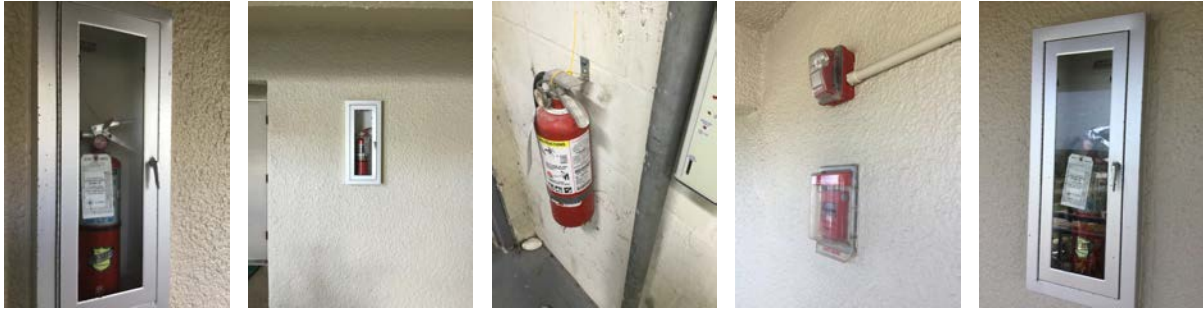
This subject contains approximately 6,981 lin ft of fencing.

Fencing - Total Current Cost	\$643,989
Assigned Reserves	\$0
Fully Funded Reserves	\$306,024

**Errol by the Sea
Detail Report by Category**

Fire Prevention System - 2030

		1 each	@ \$23,075.00
Asset ID	1022	Asset Actual Cost	\$23,075.00
		Percent Replacement	100%
	Fire Prevention Systems	Future Cost	\$29,230.72
Placed in Service	January 2010	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2030	Monthly Assessment	<u>\$4.82</u>
Remaining Life	8	Reserve Allocation	\$4.82



Due to improvements in technology and/or parts obsolescence, major modernization of fire alarm system components (panels, pull stations, horns/strobes, detectors, hoses, extinguishers) is typically necessary on a 20-30-year schedule. Given ever changing technologies and/or changing fire codes, we recommend that as these systems age, a qualified life safety engineer(s) assess the subject's fire alarm systems periodically to determine more specific remaining useful life and cost parameters. We reserve the right to modify this report upon receipt of such an assessment(s).

- Extinguishers 30
- Alarms/ Strobes 25
- Pull Stations 25

Fire Prevention Systems - Total Current Cost	\$23,075
Assigned Reserves	\$0
Fully Funded Reserves	\$13,845

**Errol by the Sea
Detail Report by Category**

Beach Access Stairs & Railing - 2030

Asset ID	1015	1 area	@ \$26,500.00
		Asset Actual Cost	\$26,500.00
		Percent Replacement	100%
Grounds Components		Future Cost	\$33,569.41
Placed in Service	January 2005	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2030	Monthly Assessment	<u>\$5.53</u>
Remaining Life	8	Reserve Allocation	\$5.53



This category refers to wooden or concrete beach access stairs/ walkover and installation. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component. This subject consists of approximately 110 lin ft of stairs and railing.

Grounds Components - Total Current Cost	\$26,500
Assigned Reserves	\$0
Fully Funded Reserves	\$18,020

**Errol by the Sea
Detail Report by Category**

Irrigation System - 2028

		1 each	@ \$31,800.00
Asset ID	1021	Asset Actual Cost	\$31,800.00
		Percent Replacement	100%
	Landscaping	Future Cost	\$37,970.86
Placed in Service	January 2013	Assigned Reserves	<i>none</i>
Useful Life	15		
Replacement Year	2028	Monthly Assessment	<u>\$8.35</u>
Remaining Life	6	Reserve Allocation	\$8.35



With routine maintenance, including (but not necessarily limited to) periodic pump rebuilds, sprinkler head replacement, etc., a life cycle in the 15-year range is the market norm we have observed for system modernization and replacement of the components. The current cost estimate is based on our experience with similar properties.

Landscaping - Total Current Cost	\$31,800
Assigned Reserves	\$0
Fully Funded Reserves	\$19,080

**Errol by the Sea
Detail Report by Category**

Lighting Allowance - 2025

		1 each	@ \$25,000.00
Asset ID	1030	Asset Actual Cost	\$25,000.00
		Percent Replacement	100%
	Lighting	Future Cost	\$27,318.17
Placed in Service	January 2020	Assigned Reserves	\$10,000.00
Useful Life	5		
Replacement Year	2025	Monthly Assessment	<u>\$7.61</u>
Remaining Life	3	Reserve Allocation	\$7.61



This entry was included for as needed for light fixtures in common area hallways, entrance, garage, driveways, and landscape replacement. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

- Tennis Court 4
- Landscape 33
- Pool Area 2
- Walkways & Courtyard 24
- Building 3200

Lighting - Total Current Cost	\$25,000
Assigned Reserves	\$10,000
Fully Funded Reserves	\$10,000

**Errol by the Sea
Detail Report by Category**

Mailboxes - 2040

		1 each	@ \$22,590.00
Asset ID	1032	Asset Actual Cost	\$22,590.00
		Percent Replacement	100%
	Mailboxes	Future Cost	\$38,457.96
Placed in Service	January 2000	Assigned Reserves	<i>none</i>
Useful Life	40		
Replacement Year	2040	Monthly Assessment	<u>\$2.82</u>
Remaining Life	18	Reserve Allocation	\$2.82



This category refers to mailboxes and structures including installation. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component. This type of components is replaced on a historical 40-year schedule, and are subject to conditions such as construction, quality, material, and elements

*****Need photo*****

Mailboxes - Total Current Cost	\$22,590
Assigned Reserves	\$0
Fully Funded Reserves	\$12,424

**Errol by the Sea
Detail Report by Category**

Unit Building Exterior Paint - 2027

		339,055 sq ft	@ \$1.63
Asset ID	1007	Asset Actual Cost	\$552,659.65
		Percent Replacement	100%
	Painting	Future Cost	\$640,684.00
Placed in Service	January 2017	Assigned Reserves	\$13,803.94
Useful Life	10		
Replacement Year	2027	Monthly Assessment	<u>\$165.37</u>
Remaining Life	5	Reserve Allocation	\$165.37



To ensure proper protection of the underlying concrete, stucco, wood and metal surfaces, the market reflects a maximum 7-year useful life for exterior painting & waterproofing (in lieu of an association purchased 10-year warranty). The current average per dwelling cost in keeping with market standards for similar buildings, includes typical minor concrete/stucco repairs, surface preparation, as needed window/sliding glass door caulking and painting/refinishing of all exterior concrete, stucco, wood and metal surfaces (including railings and window/slider frames). This does not include windows and doors (see separate entry where applicable).

Painting - Total Current Cost	\$552,660
Assigned Reserves	\$13,804
Fully Funded Reserves	\$276,330

**Errol by the Sea
Detail Report by Category**

Pool / Ocean Deck Pavers - 2036		15,420 sq ft	@ \$15.28
Asset ID	1019	Asset Actual Cost	\$235,617.60
		Percent Replacement	100%
	Recreation/Pool/ Spa	Future Cost	\$356,392.76
Placed in Service	January 2011	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2036	Monthly Assessment	<u>\$33.58</u>
Remaining Life	14	Reserve Allocation	\$33.58



This category refers to costs associated with the replacement and repair/ resealing of pool deck areas/ pavers areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 25 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component

Pool Equipment - 2039		1 each	@ \$38,450.00
Asset ID	1017	Asset Actual Cost	\$38,450.00
		Percent Replacement	100%
	Recreation/Pool/ Spa	Future Cost	\$63,551.99
Placed in Service	January 2019	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2039	Monthly Assessment	<u>\$4.93</u>
Remaining Life	17	Reserve Allocation	\$4.93

**Errol by the Sea
Detail Report by Category**

Pool Equipment continued...



With routine maintenance, including (but not necessarily limited to) periodic assembly replacements, housing replacements, plumbing repairs, pump replacements, etc., a life cycle in the 20-year range is the market norm we have observed for system modernization and replacement of these components. The current cost estimate is based on our experience with similar properties.

Salt Water

2 Main pumps 1.25 hp, 2 vacuum pumps, 4 filters

Pool Furniture - 2030

Asset ID	1018	1 each	@ \$36,250.00
		Asset Actual Cost	\$36,250.00
		Percent Replacement	100%
		Future Cost	\$45,920.42
		Assigned Reserves	<i>none</i>
Placed in Service	Recreation/Pool/ Spa January 2015	Monthly Assessment	<u>\$7.57</u>
Useful Life	15	Reserve Allocation	<u>\$7.57</u>
Replacement Year	2030		
Remaining Life	8		



This allowance was included for as needed furniture/furnishings replacement and/or renovations

**Errol by the Sea
Detail Report by Category**

Pool Furniture continued...

within the pool area including chairs, tables, chaise lounges, and umbrellas, etc. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

Pool Resurface - 2034			
Asset ID	1016	2,313 sq ft	@ \$18.52
		Asset Actual Cost	\$42,836.76
		Percent Replacement	100%
	Recreation/Pool/ Spa	Future Cost	\$61,074.98
Placed in Service	January 2019	Assigned Reserves	<i>none</i>
Useful Life	15		
Replacement Year	2034	Monthly Assessment	<u>\$6.71</u>
Remaining Life	12	Reserve Allocation	<u>\$6.71</u>



This category refers to costs associated with recoating of pool interior area, any minor repair to pool floor and labor to refill and reestablish pool for use. Barring unforeseen extreme damage to the subject's base floor, and assuming proper and routine maintenance, a minimum useful life of approximately 15 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, size, relating costs of associations nearby, and our experience with this type of component.

**Errol by the Sea
Detail Report by Category**

Shuffle Board Court - 2030

		1,154 sq ft	@ \$8.59
Asset ID	1029	Asset Actual Cost	\$9,912.86
		Percent Replacement	100%
	Recreation/Pool/ Spa	Future Cost	\$12,557.31
Placed in Service	January 2015	Assigned Reserves	<i>none</i>
Useful Life	15		
Replacement Year	2030	Monthly Assessment	<u>\$2.07</u>
Remaining Life	8	Reserve Allocation	<u>\$2.07</u>



This category refers to costs associated with the recoating of shuffleboard/ pickleball areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 15 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component

Tennis Courts - 2030

		6,000 sq ft	@ \$8.59
Asset ID	1028	Asset Actual Cost	\$51,540.00
		Percent Replacement	100%
	Recreation/Pool/ Spa	Future Cost	\$65,289.33
Placed in Service	January 2015	Assigned Reserves	<i>none</i>
Useful Life	15		
Replacement Year	2030	Monthly Assessment	<u>\$10.76</u>
Remaining Life	8	Reserve Allocation	<u>\$10.76</u>

**Errol by the Sea
Detail Report by Category**

Tennis Courts continued...



This category refers to costs associated with the milling, recoating, and striping of tennis/ bocce/ pickleball courts. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 15 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of components.

Recreation/Pool/ Spa - Total Current Cost	\$414,607
Assigned Reserves	\$0
Fully Funded Reserves	\$163,601

**Errol by the Sea
Detail Report by Category**

Mansard Metal Roofs - 2056		198 sq	@ \$2,200.00
Asset ID	1005	Asset Actual Cost	\$435,600.00
		Percent Replacement	100%
	Roofing	Future Cost	\$1,190,017.94
Placed in Service	January 2021	Assigned Reserves	<i>none</i>
Useful Life	35		
Replacement Year	2056	Monthly Assessment	<u>\$46.16</u>
Remaining Life	34	Reserve Allocation	\$46.16



Mansard metal roofing approximately 19,730 sq ft. Data gathered from within the local market suggests a probable life cycle in the 35-40-year range for a professionally designed, installed and maintained roof. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, etc. and installation of like roofing.

Office/ Maintenance Roof - 2022		36 sq	@ \$2,200.00
Asset ID	1006	Asset Actual Cost	\$79,200.00
		Percent Replacement	100%
	Roofing	Future Cost	\$79,200.00
Placed in Service	January 1974	Assigned Reserves	\$79,200.00
Useful Life	40		
Replacement Year	2022	Monthly Assessment	<u>\$8.52</u>
Remaining Life	0	Reserve Allocation	\$8.52

**Errol by the Sea
Detail Report by Category**

Office/ Maintenance Roof continued...



Metal roofing approximately 3572 sq ft. Data gathered from within the local market suggests a probable life cycle in the 35-40-year range for a professionally designed, installed and maintained roof. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, etc. and installation of like roofing.

Unit Building Roof - 2046		429 sq	@ \$1,875.00
Asset ID	1004	Asset Actual Cost	\$804,375.00
		Percent Replacement	100%
	Roofing	Future Cost	\$1,635,128.76
Placed in Service	June 2021	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2046	Monthly Assessment	<u>\$89.86</u>
Remaining Life	24	Reserve Allocation	<u>\$89.86</u>



Flat membrane roofing approximately 40,921 sq ft. Data gathered from within the local market suggests a probable life cycle in the 18-25-year range for a professionally designed, installed, and maintained flat/membrane roof including gutters. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying

**Errol by the Sea
Detail Report by Category**

Unit Building Roof continued...

roof structures, flashing, etc. and installation of like roofing.

Roofing - Total Current Cost	\$1,319,175
Assigned Reserves	\$79,200
Fully Funded Reserves	\$123,821

**Errol by the Sea
Detail Report by Category**

Key Pad Entry System - 2033

		1 each	@ \$12,860.00
Asset ID	1034	Asset Actual Cost	\$12,860.00
		Percent Replacement	100%
	Security Systems	Future Cost	\$17,801.25
Placed in Service	January 2013	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2033	Monthly Assessment	<u>\$2.13</u>
Remaining Life	11	Reserve Allocation	\$2.13



Data gathered from within the local market area indicates that while minor component repairs/replacements (key fob readers, keypad, hardware/software, etc.) can be expected as a function of ongoing maintenance, total system modernization and/or replacement can be expected on a life cycle in the 15–20-year range.

Parking Area 2
Beach Access 1

Security Ring Cameras - 2030

		3 each	@ \$300.00
Asset ID	1033	Asset Actual Cost	\$900.00
		Percent Replacement	100%
	Security Systems	Future Cost	\$1,140.09
Placed in Service	January 2020	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2030	Monthly Assessment	<u>\$0.19</u>
Remaining Life	8	Reserve Allocation	\$0.19

**Errol by the Sea
Detail Report by Category**

Security Ring Cameras continued...



Data gathered from within the local market area indicates that while minor component repairs/replacements (cameras, monitors, recording equipment, key fob readers, key pad, hardware/software, etc.) can be expected as a function of ongoing maintenance, total system modernization and/or replacement can be expected on a life cycle in the 10 year range.

Security Systems - Total Current Cost	\$13,760
Assigned Reserves	\$0
Fully Funded Reserves	\$5,967

**Errol by the Sea
Detail Report by Category**

Signage - 2037

		1 each	@ \$35,000.00
Asset ID	1031	Asset Actual Cost	\$35,000.00
		Percent Replacement	100%
	Signs	Future Cost	\$54,528.86
Placed in Service	January 2017	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2037	Monthly Assessment	<u>\$4.79</u>
Remaining Life	15	Reserve Allocation	<u>\$4.79</u>



This entry was included for as needed for signage in common area hallways, entrance, garage, units and driveways. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

Monument 1

Unit 130

Utility 6

Misc building, exit, street, handicap, parking & towing

Signs - Total Current Cost	\$35,000
Assigned Reserves	\$0
Fully Funded Reserves	\$8,750

**Errol by the Sea
Detail Report by Category**

Pavement/ Asphalt Resurface - 2029		7,680 sq yds	@ \$12.56
Asset ID	1011	Asset Actual Cost	\$96,460.80
		Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$118,634.62
Placed in Service	January 2014	Assigned Reserves	<i>none</i>
Useful Life	15		
Replacement Year	2029	Monthly Assessment	<u>\$22.35</u>
Remaining Life	7	Reserve Allocation	\$22.35



This category refers to costs associated with the milling, recoating, and striping of asphalt parking areas and replacement of car stops. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 15 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component.

Pavement/ Asphalt Sealant - 2024		7,680 sq yds	@ \$1.82
Asset ID	1010	Asset Actual Cost	\$13,977.60
		Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$14,828.84
Placed in Service	January 2019	Assigned Reserves	\$8,386.56
Useful Life	5		
Replacement Year	2024	Monthly Assessment	<u>\$4.25</u>
Remaining Life	2	Reserve Allocation	\$4.25

**Errol by the Sea
Detail Report by Category**

Pavement/ Asphalt Sealant continued...



This category refers to costs associated with the seal coating of asphalt parking areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 5 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component.

Streets/Asphalt - Total Current Cost	\$110,438
Assigned Reserves	\$8,387
Fully Funded Reserves	\$59,832

**Errol by the Sea
Detail Report by Category**

Special Assessment

Asset ID	1039	Contribution	(173,167.81)
Special Assessments			
Placed in Service	January 2021		
Useful Life	1		
Replacement Year	2022		
Remaining Life	0		



This entry was included for the addition of funding from a special assessment for certain projects. As with all associations, the unique financial scale is taken into consideration and is subject to change.

Special Assessments - Total Current Cost	\$0
Assigned Reserves	\$0
Fully Funded Reserves	\$0

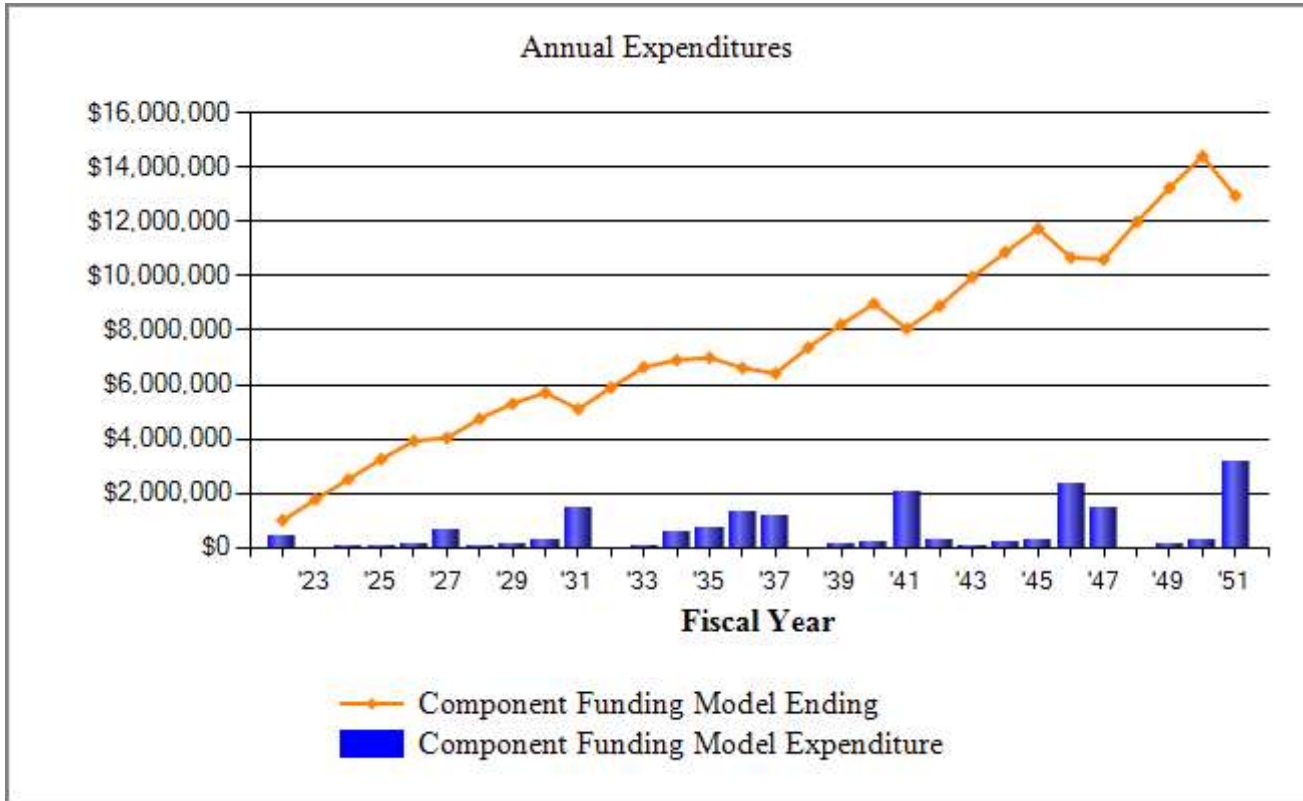
**Errol by the Sea
Category Detail Index**

Asset ID	Description	Replacement	Page
1008	Balcony Decks Replace	2057	2-41
1009	Balcony Railings Replace	2057	2-41
1015	Beach Access Stairs & Railing	2030	2-53
1027	Club House Remodel Allowance	2036	2-35
1025	Common Are Door & Windows	2037	2-44
1012	Concrete Repair Allowance	2026	2-35
1002	Debris Cleanup Allowance	2031	2-36
1003	Deferred Maintenance & Capitol Expenditures Allo..	2031	2-37
1023	Elevator Modernization	2042	2-45
1024	Elevator Replacement	2035	2-45
1013	Fencing/ Pool Area	2036	2-50
1014	Fencing/ Tennis Courts	2034	2-50
1022	Fire Prevention System	2030	2-52
1035	Gates and Motor	2030	2-46
1001	Insurance Deductible Allowance	2022	2-38
1021	Irrigation System	2028	2-54
1034	Key Pad Entry System	2033	2-66
1020	Landscaping Allowance	2031	2-39
1037	Laundry Equipment	2031	2-49
1030	Lighting Allowance	2025	2-55
1032	Mailboxes	2040	2-56
1005	Mansard Metal Roofs	2056	2-63
1026	Office & Clubhouse HVAC	2031	2-47
1006	Office/ Maintenance Roof	2022	2-63
1011	Pavement/ Asphalt Resurface	2029	2-69
1010	Pavement/ Asphalt Sealant	2024	2-69
1036	Plumbing & Electrical Allowance	2031	2-39
1019	Pool / Ocean Deck Pavers	2036	2-58
1017	Pool Equipment	2039	2-58
1018	Pool Furniture	2030	2-59
1016	Pool Resurface	2034	2-60
1038	Roof Hatches	2040	2-43
1033	Security Ring Cameras	2030	2-66
1029	Shuffle Board Court	2030	2-61
1031	Signage	2037	2-68
1039	Special Assessment	2022	2-71
1028	Tennis Courts	2030	2-61
1007	Unit Building Exterior Paint	2027	2-57

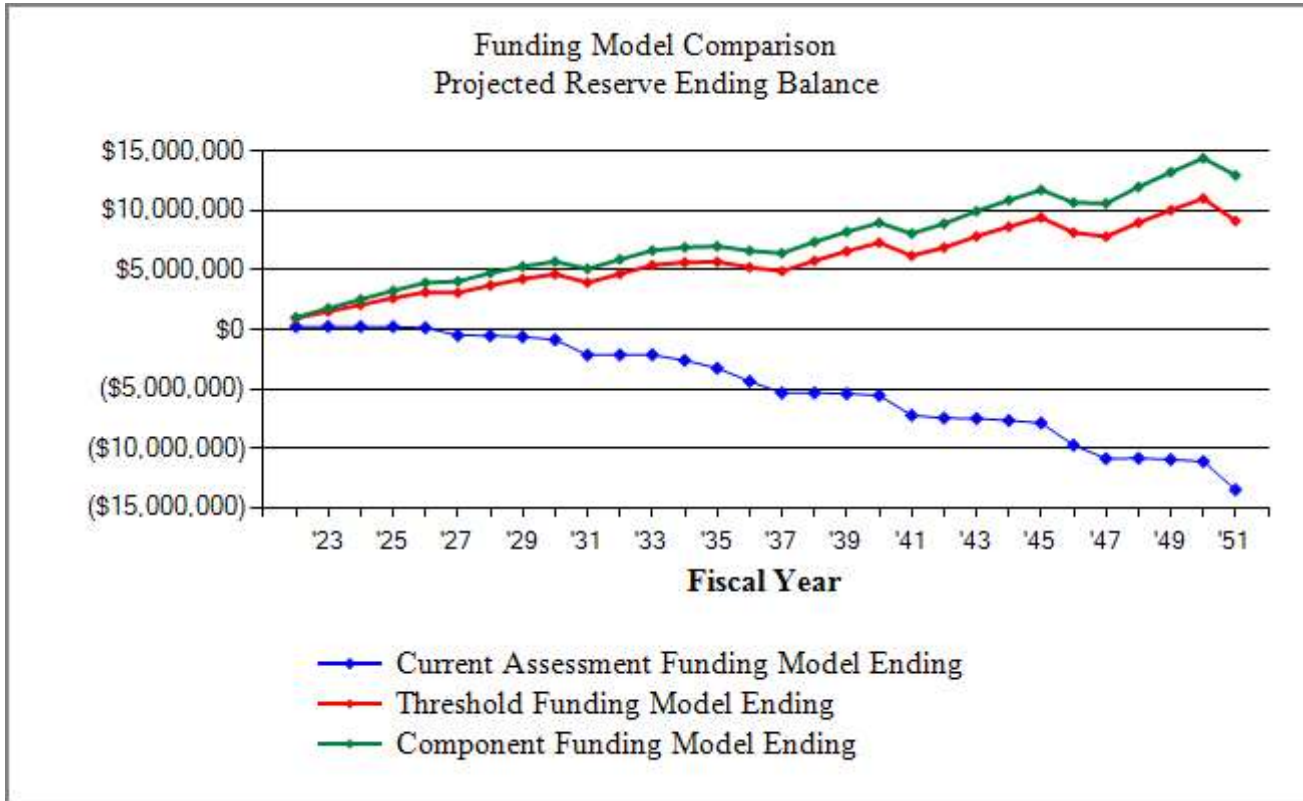
**Errol by the Sea
Category Detail Index**

Asset ID	Description	Replacement	Page
1004	Unit Building Roof	2046	2-64
	Total Funded Assets	38	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	39	

Errol by the Sea Annual Expenditure Chart

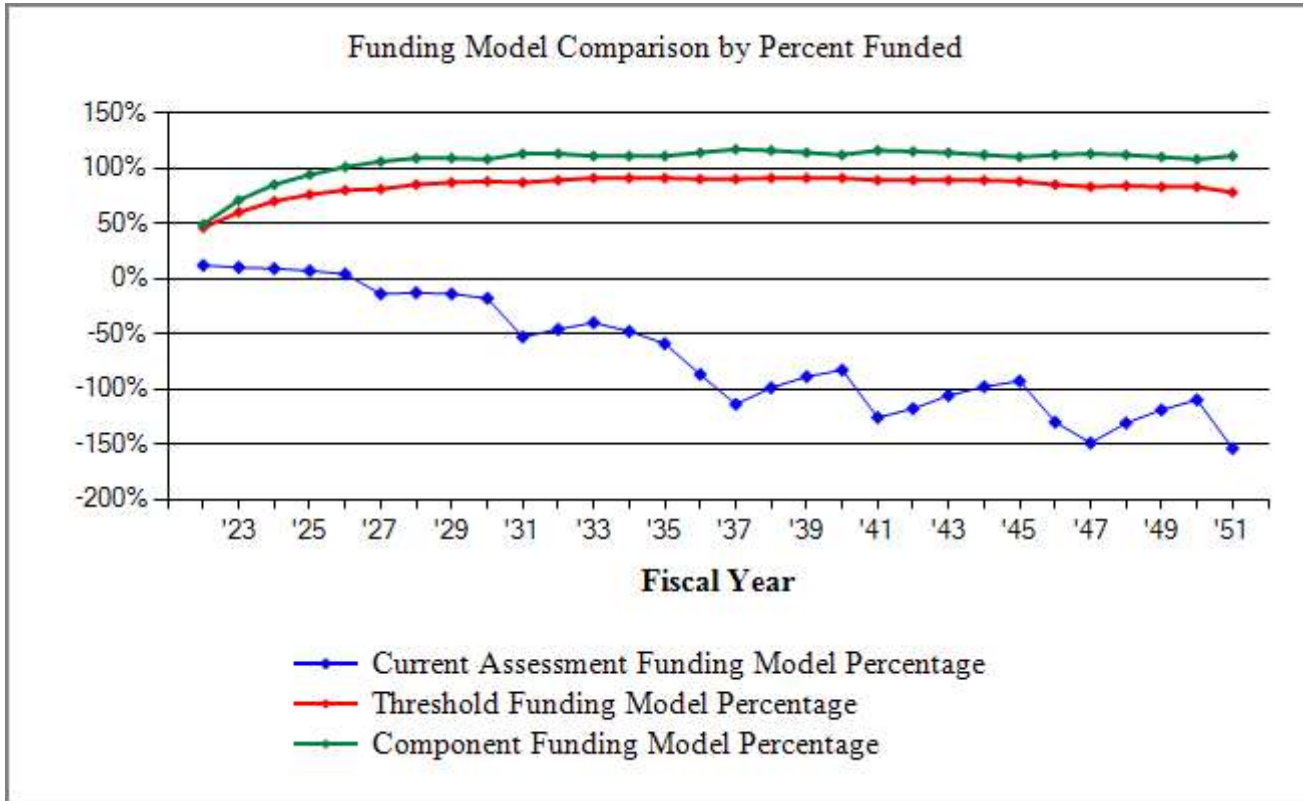


**Errol by the Sea
Funding Model Reserve Ending Balance Comparison Chart**



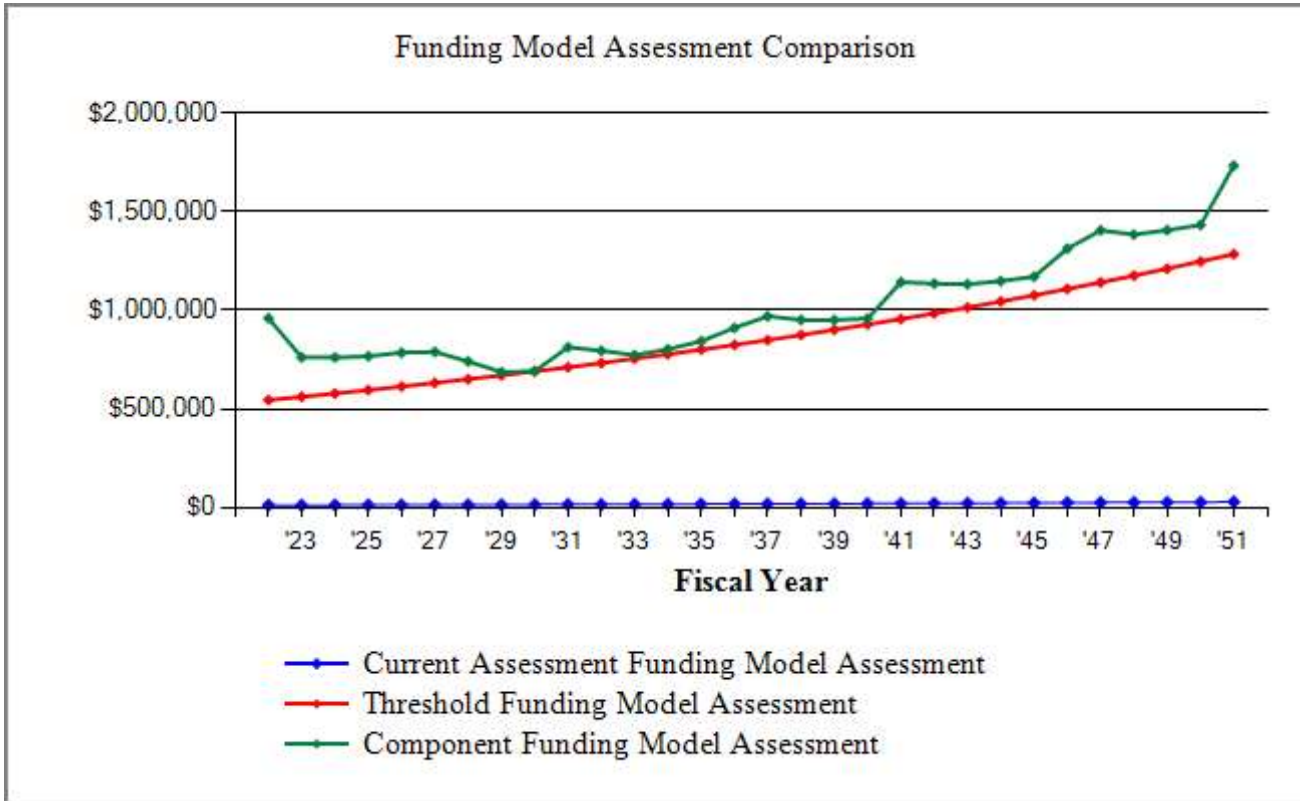
The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

**Errol by the Sea
Funding Model Comparison by Percent Funded**

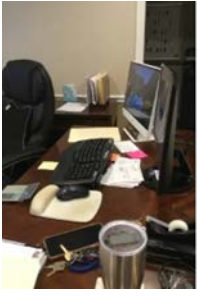


The chart above compares the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) by the percentage fully funded over 30 years. This allows your association to view and then choose the funding model that might best fit your community’s needs.

**Errol by the Sea
Funding Model Assessment Comparison Chart**



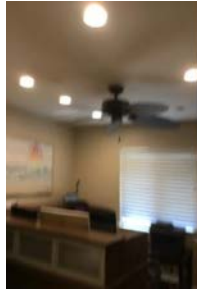
The chart above compares the annual assessment of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.



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2N Laundry 2



4N Laundry 2



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Office HVAC 2



4N Laundry 1



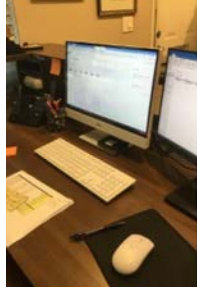
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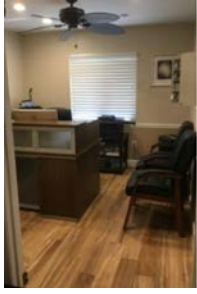
Office HVAC 1



2S Laundry 2



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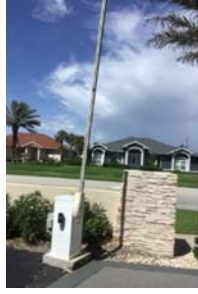
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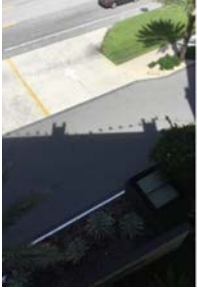
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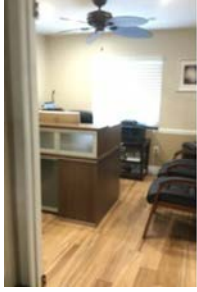
Mailboxes 2



2S Laundry 1



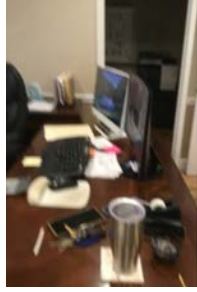
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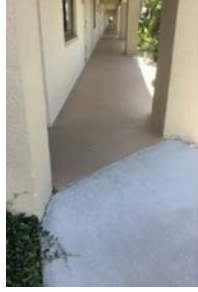
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Mailboxes 1



2N Laundry 2



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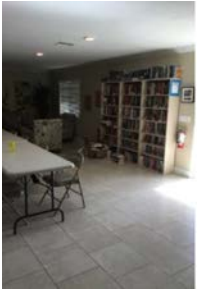
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Clubhouse HVAC 2



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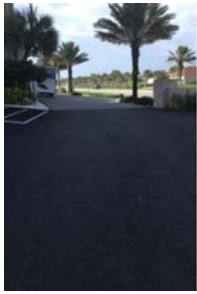
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Clubhouse HVAC 1



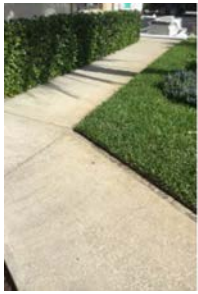
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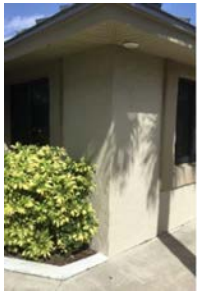
4S Laundry



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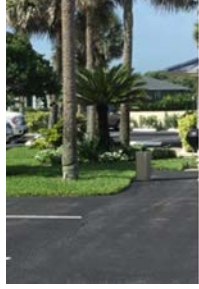
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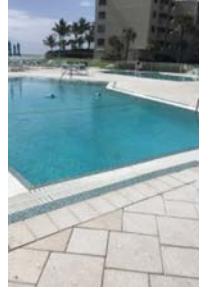
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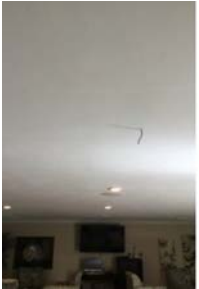
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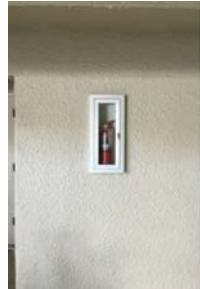
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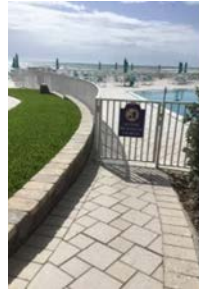
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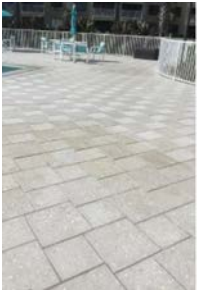
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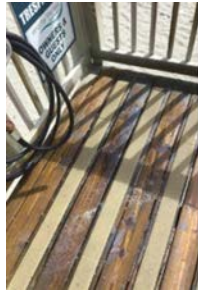
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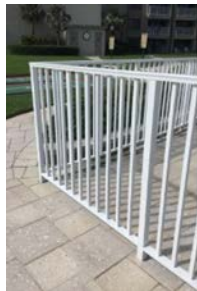
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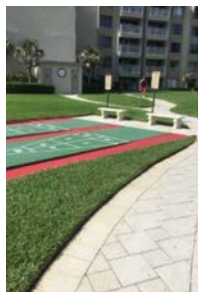
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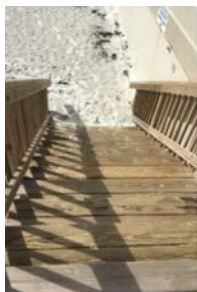
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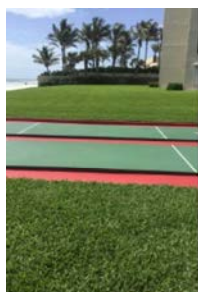
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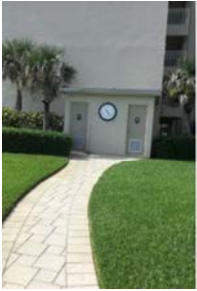
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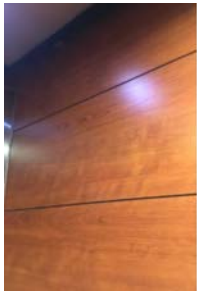
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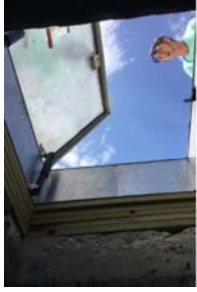
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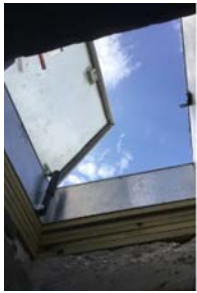
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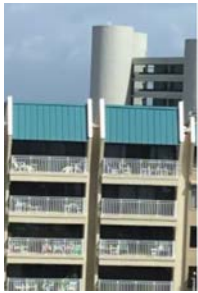
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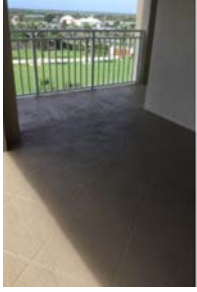
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Florida Statutory Reserve Requirements

Note-Part of Chapter 718, Florida Statutes, addresses the reserve budget requirements for condominiums. Below is an excerpt from this Chapter which addresses this requirement.

(Taken from Part I General Provisions, Chapter 718.112(2)(f)2., Florida Statutes)

...(f) Annual budget.

1. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in s. 718.504(21). A multi-condominium association shall adopt a separate budget of common expenses for each condominium the association operates and shall adopt a separate budget of common expenses for the association. In addition, if the association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements as provided for in s. 718.113(1), the budget or a schedule attached thereto shall show amounts budgeted therefore. If, after turnover of control of the association to the unit owners, any of the expenses listed in s. 718,504(21) are not applicable, they need not be listed.
2. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall 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 for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of the reserve item caused by deferred maintenance. This subsection does not apply to an adopted budgets in which the members of an association have determined, by a majority vote at a duly called meeting of the association, to provide no reserves or reserves less adequate than required by this subsection. However, prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to s.718.301, the developer may vote to waive the reserves or reduce the funding of reserves for the first 2 fiscal years of the association's operations, beginning with the fiscal year in which the initial declaration is recorded, after which time reserves may be waived or reduced only upon the vote of a majority of all non-developer voting interests voting in person or by limited proxy at a duly called meeting of the association. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves, and no such result is achieved or a quorum is not attained, the reserves as included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves.
3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the association. Prior to turnover of control of an association by a developer to unit owners other than the developer pursuant to s. 718.301, the developer-controlled association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all non-developer voting interests, voting in person or by limited proxy at a duly called meeting of the association.

Florida Administrative Code Reserve Requirements

Note- Part of Chapter 61B-22, Florida Administrative Code, addresses the reserve budget requirements for condominiums. Below are excerpts from this Chapter which address this requirement. Areas underlined or stricken out are the recent amended changes effective 12-23-2002.

(Taken from Chapter 61B-22, Florida Administrative Code)

61B-22.001 Definitions. For the purposes of this chapter, the following definitions shall apply:

- (1) "Accounting records" include all of the books and records identified in Section 718.111(12)(a)11., Florida Statutes, and any other records that identify, measure, record, or communicate financial information whether the records are maintained electronically or otherwise, including, all payroll and personnel records of the association, all invoices for purchases made by the association, and all invoices for services provided to the association.
- (2) "Capital expenditure" means an expenditure of funds for:
 - (a) The purchase of an asset whose useful life is greater than one year in length;
 - (b) The replacement of an asset whose useful life is greater than one year in length;
 - (c) The addition to an asset which extends the useful life of the previously existing asset for a period greater than one year in length.
- (3) "Deferred maintenance" means any maintenance or repair that:
 - (a) Will be performed less frequently than yearly; and
 - (b) Will result in maintaining the useful life of an asset.
- (4) "Funds" means money and negotiable instruments including, for example, cash, checks, notes, and securities.
- (5) "Reserves" means any funds, other than operating funds, that are restricted for deferred maintenance and capital expenditures, including the items required by section 718.112(2)(f)2., Florida Statutes, and any other funds restricted as to use by the condominium documents or the condominium association. Funds that are not restricted as to use by Section 718.112(2)(f), Florida Statutes, the condominium documents or by the association shall not be considered reserves within the meaning of this rule.
- (6) "Turnover" means transfer of association control from developers to non-developer unit owners pursuant to Section 718.301, Florida Statutes.

61B-22.003 Budgets.

- (1) Required elements for estimated operating budgets. The budget for each association shall:
 - (d) Include all estimated common expenses or expenditures of the association including the categories set forth in section 718.504(20)(c), Florida Statutes. Reserves for capital expenditures and deferred maintenance required by section 718.112(2)(f), Florida Statutes, must be included in the proposed annual budget and shall not be waived or reduced prior to the mailing to unit owners of a proposed annual budget. If the estimated common expense for any category set forth in the statute is not applicable, the category shall be listed followed by an indication that the expense is not applicable;
 - (e) Unless the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures:
 1. The total estimated useful life of the asset;
 2. The estimated remaining useful life of the asset;
 3. The estimated replacement cost or deferred maintenance expense of the asset;
 4. The estimated fund balance as of the beginning of the period for which the budget will be in effect; and
 5. The developer's total funding obligation, when all units are sold, for each converter reserve account established pursuant to section 718.618, Florida Statutes, if applicable.
 - (f) If the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a separate schedule of any pooled reserves with the following minimum disclosures:
 1. The total estimated useful life of each asset within the pooled analysis;
 2. The estimated remaining useful life of each asset within the pooled analysis;
 3. The estimated replacement cost or deferred maintenance expense of each asset within the pooled analysis; and
 4. The estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

Florida Administrative Code Reserve Requirements

- (g) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures:
 - 1. The intended use of the restricted funds; and,
 - 2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.
- (2) Unrestricted expense categories. Expense categories that are not restricted as to use shall be stated in the operating portion of the budget rather than the reserve portion of the budget.
- (4) Multi-condominium association. Multi-condominium associations shall comply with the following requirements:
 - (a) Provide a separate budget for each condominium operated by the association as well as for the association. Each such budget shall disclose:
 - 1. Estimated expenses specific to a condominium such as the maintenance, deferred maintenance or replacement of the common elements of the condominium which shall be provided for in the budget of the specific condominium
 - 2. Estimated expenses of the association that are not specific to a condominium such as the maintenance, deferred maintenance or replacement of the property serving more than one condominium which shall be provided for in the association budget; and,
 - 3. Multi-condominium associations created after June 30, 2000, or that have created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall include each unit's share of the estimated expenses of the association, referred to in subsection (2) of this rule, which shall be shown on the individual condominium budgets. Multi-condominium associations created prior to July 1, 2000, that have not created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall include each condominiums share of the estimated expenses of the association, referred to in subsection (2.) of this rule, which shall be shown on the individual condominium budgets.
 - 4. The budgets of multi-condominium associations created after June 30, 2000 or of multi-condominium associations that have created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall show the estimated revenues of each condominium and of the association.
 - (b) Associations that operate separate condominiums in a consolidated fashion pursuant to section 718.111(6), Florida Statutes, may utilize a single consolidated budget.
- (5) Limited common elements. If an association maintains limited common elements at the expense of only those unit owners entitled to use the limited common elements pursuant to section 718.113(1), Florida Statutes, the budget shall include a separate schedule, or schedules, conforming to the requirements for budgets as stated in this rule, of all estimated expenses specific to each of the limited common elements, including any applicable reserves for deferred maintenance and capital expenditures. The schedule or schedules may group the maintenance expense of any limited common elements for which the declaration provides that the maintenance expense is to be shared by a group of unit owners.
- (6) Phase condominium budgets. By operation of law, the annual budget of a phase condominium created pursuant to Section 718.403, Florida Statutes, shall automatically be adjusted to incorporate the change in proportionate ownership of the common elements by the purchasers and to incorporate any other changes related to the addition of phases in accordance with the declaration of condominium. The adjusted annual budget shall be effective on the date that the amendment to the declaration adding a phase to a phase condominium is recorded in the official records of the county in which the condominium is located. Notwithstanding the requirements of subsection (7) of this rule, the association shall not be required to follow the provisions of Section 718.112(2)(c), Florida Statutes, unless, as a result of the budget adjustment, the assessment per unit has changed.
- (7) Budget assessment amendments. The association may amend a previously approved annual budget. In order to do so the board of administration shall follow the provisions of Section 718.112(2)(e), Florida Statutes. For example, the board shall mail a meeting notice and copies of the proposed amended annual budget to the unit owners not less than 14 days prior to the meeting at which the budget amendment will be considered.

Levels of Service

- A) Level 1 Reserve Study (Full or Comprehensive) – A Reserve Study in which the following five Reserve Study tasks are performed:
- a) Component Inventory
 - b) Condition Assessment (based upon on-site visual observations)
 - c) Life and Valuation Estimates
 - d) Fund Status
 - e) Funding Plan
- B) Level 2 Reserve Study (Update, With-Site-Visit/On-Site Review) – A Reserve Study update in which the following five tasks are performed:
- a) Component Inventory
 - b) Condition Assessment (based upon on-site visual observations)
 - c) Life and Valuation Estimates
 - d) Fund Status
 - e) Funding Plan
- C) Level 3 Reserve Study (Update, No-Site-Visit/Off-Site Review) – A Reserve Study update with no on-site visual observations in which the following three tasks are performed:
- a) Life and Valuation Estimates
 - b) Fund Status
 - c) Funding Plan

Which level do you need?

**Note – Updates are reliant on the validity of prior Reserve Studies*



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POLICY NOTICE

All quotes are expressed to include a 2 hour meeting time. Each additional hour required of meeting time will be invoiced at \$175.00 per hour at time of complete report.

All quotes are expressed to include three (3) reports:

1. First Draft
2. First Draft with requested adjustments (subject to regulations of state statutes and condition inspections)
3. Complete Report (final version)

Any reports required or requested after invoice is delivered will be invoiced at \$100.00 per report

Expert Inspectors does not interpret the law or its statutes and regulations. All legal questions should be directed to the Association's attorney.

All information including financial, condition of property and Association status remains confidential unless express written permission is granted.

Expert Inspectors does not generate budgets, make decisions for Associations regarding assessments, or refer specific vendors.

Payment is due at time of component schedule delivery to:

Expert Inspectors, Inc. 210 Charles St, Port Orange, FL 32129

Payments are considered late at 30 days.

Reserve Studies are living, breathing documents and the validity depends upon current information available and information gathered from the Association.

Transfer of information is expected within 7 days of request. This is to include: component schedule, draft changes, and bids or invoices requested from the Association relevant to the work performed.