

A FULL RESERVE STUDY FOR

**Coconut Shores Community Association, Inc.
Bonita Springs, Florida**

File # 22920-05867



FOR PERIOD: January 1, 2012 – December 31, 2012

**PREPARED BY
GAB ROBINS, A DIVISION OF CUNNINGHAM LINDSEY
610 CRESCENT EXECUTIVE COURT
SUITE 212
LAKE MARY, FLORIDA 32746-3432
(800) 248-3376 ext 257 (FL only)
(407) 805-0086 ext. 257**

610 Crescent Executive Court
Suite 212
Lake Mary, FL 32746
T: 800-248-3376 x 257
F: 407-805-9921
Email: service@gabvalue.com
On-Line: www.gabvalue.com

July 25, 2011

Coconut Shores Community Association, Inc.
Attn: Mr. James E. Struve
c/o Ms. Kim Hertner, Association Manager
Alliant Association Management
6719 Winkler Road, Suite 200
Fort Myers, FL 33919

Dear: Mr. Struve:

On June 9, 2011, we completed an on-site inspection of Coconut Shores Community Association, Inc.'s common area reserve items. The intent of this Reserve Study report is to show cash reserves necessary for the future repair or replacement of expendable components incorporated into the subject property. The purpose of this report is to aid Coconut Shores Community Association, Inc. in making a determination for cash reserves that are needed to repair or replace short-lived building and/or site components.

The report identifies each component selected, it's estimated useful life, adjusted life, scheduled replacement date, and current cost to repair/replace. The useful and remaining lives of the building components in this study, as well as the current replacement costs, have been selected from market standards, cost estimating services, and consideration of actual recent costs incurred by the association for reserve upgrades. This report is classified as a full reserve study under the guidelines of the National Reserve Study Standards of the Community Associations Institute, and conforms to the Community Associations Institute Professional Reserve Specialist Code of Ethics. The Reserve Specialist/GAB Robins have no relationships with the association that would result in actual or perceived conflicts of interest.

This report is our opinion and is based upon market typical useful lives and repair/replacement cost estimates. Actual determinations of the current conditions and state of repair for certain items may be beyond the scope of this analysis. Items may not last as long as projected or may exceed their estimated lives. Influences such as weather, catastrophe, improper maintenance, physical abuse, or abnormal use can affect these lives and/or replacement costs. When such occurrences happen, another inspection should be made and a new revised study prepared. While we have attempted to create a useful tool for the association to plan their needs, the actual reserves set aside are solely at the association's discretion. The findings of this study are not for use in performing an audit, quality/forensic analyses, or background checks of historical records.

In completing this report, the reserve specialist/analyst completed the physical on-site inspection of the subject property. Appropriate measurements and counts were taken to determine quantities (blueprints were also used to aid in the determination of quantities). Current financial data, including the actual or projected reserve fund balance(s) as of the analysis date, and property histories provided, were utilized in the completion of this report. This data was not audited, and was assumed to be complete and correct. The reserve specialist/analyst estimated the repair/replacement cost taking into account contingencies inherent to this type of work. The report was prepared utilizing the information gathered in the field and the costs estimated by the reserve specialist/analyst.

Respectfully submitted,
GAB Robins, A Division of Cunningham Lindsey

J. Dawson
Reserve Analyst

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PROJECT OVERVIEW

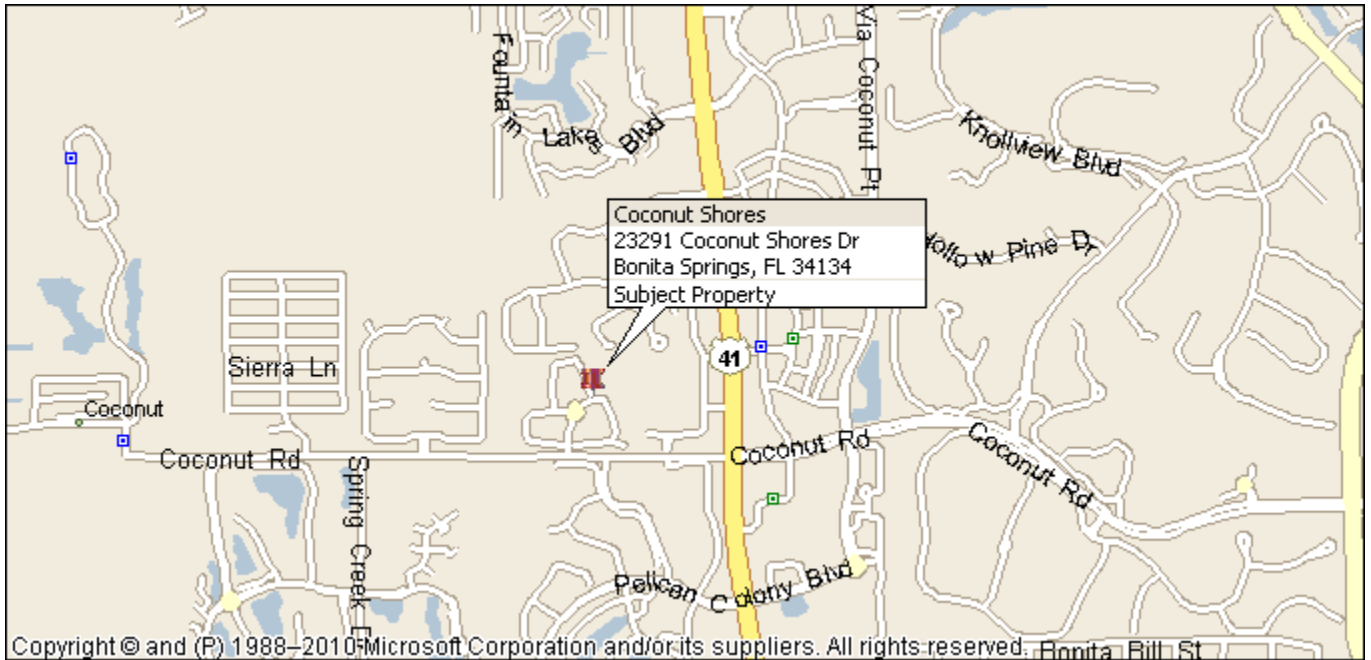
The subject of this reserve study is the common areas within Coconut Shores Community Association, Inc., a 168 unit residential development located in Bonita Springs, Florida. The common areas were constructed at or near January 1, 2000, and include a clubhouse, guardhouse, swimming pool, spa, tennis courts, tiki huts, security gates, entry keypad, boardwalk, asphalt paved roadways and parking areas, brick pavers, concrete sidewalks and curbing, entry and street signage, privacy wall, street/site lighting, landscaping and irrigation systems, and drainage and retention systems. As of the date of our latest physical inspection, the common areas were observed to be in good overall condition, with no significant items of deferred maintenance noted.

The clubhouse, pictured above, is a single story building of concrete block/stucco construction, with painted stucco exteriors and pitched tile roofing. The clubhouse supports a kitchen, fitness area, and restrooms. The interior finishes are representative of a good quality property, with carpet and ceramic tile flooring, painted gypsum board interior walls and ceilings, good quality built ins (doors/frames, glass, cabinetry, countertops, vanities, etc., and plumbing and electrical fixtures), and inventories of good quality furniture/furnishings and commercial grade fitness equipment. Air conditioning is via a split HVAC system, with interior air handler and exterior ground mounted condenser.

The adjacent pool is of standard concrete/gunite construction, and is supported by brick paver decking, perimeter fencing and gates, and inventories of equipment and deck furniture. The tennis courts are asphalt paved, with perimeter fencing and gates.

This report is designed to provide reasonable, appropriate budgetary cost and useful life data based on market standards for the subject's property type. Reserves are only calculated for the replacement of short-lived building or site components. This includes components that require replacement prior to the overall estimated end life of the buildings or structures.

PROPERTY LOCATION



RESERVE STUDY FUNDING ANALYSIS

There are two generally accepted means of estimating reserves; the Component Funding Analysis and the Cash Flow Analysis methodologies. The **Component Funding Analysis** (or Straight Line Method) calculates the annual contribution amount for each individual line item component by dividing the component's unfunded balance by its remaining useful life. A component's unfunded balance is its replacement cost less the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis.

The **Cash Flow Analysis** (or Pooling Method) is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis recognizes interest income attributable to reserve accounts over the period of the analysis. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow and reserve account balance to adequately fund the future projected expenditures throughout the period of the analysis.

If the association maintains a pooled account for reserves, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal; the association may include annual percentage increases in costs for the reserve components, but these increases are not mandated. Fully funded reserve contributions utilizing this methodology may not include future special assessments, and the annual funding levels cannot include percentage increases.

In our Cash Flow Analysis calculations, we do not include percentage increases in construction costs/inflation. While future costs are expected to be higher than today's costs, which is supported by our analysis of past indexes/trends, increases in costs should be recognized as the association estimates current repair/replacement costs during their annual calculations of full reserve funding. A current cost estimate during the existing fiscal year would theoretically be higher than a current cost for the pending fiscal year, and so on. That way the estimates of current cost moving forward will eventually represent current costs as of the date of forecast expenditure. Funding the reserves annually on that basis should ensure that adequate monies are available as of the date of expense, assuming that the current cost estimate is appropriate and that the reserve was fully funded since its last repair/replacement project was completed.

As of July 1, 2007, homeowner's associations are mandated by Florida Statute 720 to include a disclaimer in their annual budgets if reserves are excluded from the budget. If homeowner's associations have previously funded reserves, they must include full funding reserve estimates under similar criteria as condominium associations in the state of Florida. A copy of these requirements is included in the addendum to this report.

EXECUTIVE SUMMARY

PROPERTY DATA

Property Name: Coconut Shores Community Association, Inc.

Property Location: Bonita Springs, Florida

Property Type: Homeowners Association

Total Units: 168

Report Run Date: July 25, 2011

Budget Year Begins: January 1, 2012

Budget Year Ends: December 31, 2012

PROJECTED COMPONENT CATEGORIES AND PARAMETERS

Component Categories in Reserve Analysis:

1. Clubhouse Interior
2. Painting & Waterproofing
3. Pavement
4. Pool & Spa
5. Roofs
6. Security
7. Site Improvements

Total current cost of all reserve components in reserve analysis:	\$	419,562
Estimated beginning reserve fund balance for reserve analysis*:	\$	104,089
Total number of components scheduled for replacement in the 2012 budget year:		3
Total cost of components scheduled for replacement in the 2012 budget year:	\$	20,216

ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

Current annual reserve funding contributions amount (2011 Budget):	\$	26,272
Recommended annual reserve funding contribution amount:	\$	42,480
Increase (decrease) between current and recommended annual contribution amounts:	\$	16,208
Increase (decrease) between current and recommended annual contribution amounts:		61.7%

ANALYSIS RESULTS –CASH FLOW ANALYSIS

Current annual reserve funding contributions amount (2011 Budget):	\$	26,272
Recommended annual reserve funding contribution amount:	\$	28,800
Increase (decrease) between current and recommended annual contribution amounts:	\$	2,528
Increase (decrease) between current and recommended annual contribution amounts:	\$	9.6%

*The estimated reserve balance as of 12/31/2011 excludes projected 2011 reserve expenditures for sealcoating of the roadways and resurfacing of the tennis courts.

RESERVE BUDGET COMPARISON

The previous page provides a comparison of the subject property's approved fiscal year 2011 reserve contribution level and our estimates for full reserve funding for fiscal year 2012. The funding requirement estimated for fiscal year 2012 via the Component Funding Analysis is moderately higher than the association's approved fiscal year 2011 contribution level, while the recommendation based on the Cash Flow analysis method is only slightly higher.

Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in 2012, the contribution should be \$42,480.

Based on the Cash Flow Analysis method, the association can fully fund reserves at \$28,800 annually over the remainder of the 30 year study period. This funding plan would provide adequate funds to offset planned reserve expenditures and maintain positive reserve fund balance. In this analysis we have utilized a 1.10% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

COMPONENT FUNDING ANALYSIS

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Component Funding Analysis - Category

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2012
Clubhouse Interior	\$ 22,280.00	5:00 -14:00	2:00 - 8:00	\$ 12,728.00	\$ 9,552.00	\$ 4,577.25
Painting & Waterproofing	22,612.00	7:00	5:01 - 6:04	601.00	22,011.00	3,537.54
Pavement	168,131.40	4:00 -30:00	3:00 -18:00	0.00	168,131.40	15,776.66
Pool & Spa	97,130.00	10:00 -30:00	0:00 -18:00	42,410.00	54,720.00	9,255.68
Roofs	14,210.00	25:00	13:00	2,845.00	11,365.00	874.23
Security	23,550.00	10:00 -25:00	0:00 -13:00	12,004.00	11,546.00	1,110.75
Site Improvements	71,102.50	8:00 -25:00	2:00 -13:00	31,701.00	39,401.50	7,347.46
Unallocated Interest	546.00	0:00	0:00	1,800.00	-1,254.00	0.00
	\$ 419,561.90			\$ 104,089.00	\$ 315,472.90	\$ 42,479.57

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2012
Clubhouse Interior						
Fitness Equipment	\$ 12,100.00	5:00	2:00	\$ 6,544.00	\$ 5,556.00	\$ 2,778.00
Furnishings/Finishes, Clubhouse	5,000.00	14:00	8:00	4,470.00	530.00	66.00
HVAC Split Unit, Clubhouse	5,180.00	14:00	2:00	1,714.00	3,466.00	1,733.00
	\$ 22,280.00			\$ 12,728.00	\$ 9,552.00	\$ 4,577.00
Painting & Waterproofing						
Paint/Waterproof Club & G.H.	\$ 2,200.00	7:00	5:01	\$ 600.00	\$ 1,600.00	\$ 315.00
Paint/Waterproof Perimeter Wall	20,412.00	7:00	6:04	1.00	20,411.00	3,223.00
	\$ 22,612.00			\$ 601.00	\$ 22,011.00	\$ 3,538.00
Pavement						
Asphalt Overlay	\$ 102,034.10	25:00	13:00	\$ 0.00	\$ 102,034.10	\$ 7,849.00
Asphalt Sealcoat/Rejuvenation	18,682.30	4:00	3:00 - 3:07	0.00	18,682.30	5,294.00
Brick Pavers, Entry	47,415.00	30:00	18:00	0.00	47,415.00	2,634.00
	\$ 168,131.40			\$ 0.00	\$ 168,131.40	\$ 15,777.00
Pool & Spa						
Pool Deck Brick Pavers	\$ 34,800.00	30:00	18:00	\$ 13,834.00	\$ 20,966.00	\$ 1,165.00
Pool Deck Fencing/Gates	15,330.00	25:00	13:00	0.00	15,330.00	1,179.00
Pool Deck Furniture	14,880.00	10:00	8:00	3,000.00	11,880.00	1,485.00
Pool/Spa Equipment Allowance	15,000.00	10:00	1:00	11,000.00	4,000.00	4,000.00
Pool/Spa Interior Resurfacing	17,120.00	10:00	0:00	14,576.00	2,544.00	1,427.00
	\$ 97,130.00			\$ 42,410.00	\$ 54,720.00	\$ 9,256.00
Roofs						
Roof Replacement, Clubhouse	\$ 14,210.00	25:00	13:00	\$ 2,845.00	\$ 11,365.00	\$ 874.00
	\$ 14,210.00			\$ 2,845.00	\$ 11,365.00	\$ 874.00
Security						
Security Barrier Gates	\$ 6,400.00	14:00	2:00	\$ 6,400.00	\$ 0.00	\$ 0.00
Security Entry Keypad	2,550.00	10:00	0:00	2,550.00	0.00	213.00
Security Gate Operators	4,000.00	12:00	11:05	3,054.00	946.00	83.00
Security Gates Replacement	10,600.00	25:00	13:00	0.00	10,600.00	815.00

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2012
Security	\$ 23,550.00			\$ 12,004.00	\$ 11,546.00	\$ 1,111.00
Site Improvements						
Boardwalk Restoration	\$ 10,060.00	15:00	3:00	\$ 0.00	\$ 10,060.00	\$ 3,353.00
Irrigation Allowance	15,000.00	20:00	8:00	4,419.00	10,581.00	1,323.00
Lake Fountains	14,400.00	14:00	2:00	16,000.00	-1,600.00	0.00
Tennis Courts Fencing/Gates	9,742.50	25:00	13:00	0.00	9,742.50	749.00
Tennis Courts Resurfacing	6,900.00	8:00	7:07	700.00	6,200.00	818.00
Tiki Huts Restoration	15,000.00	8:00	4:00	10,582.00	4,418.00	1,105.00
	\$ 71,102.50			\$ 31,701.00	\$ 39,401.50	\$ 7,348.00
Unallocated Interest						
Unallocated Interest	\$ 546.00	0:00	0:00	\$ 1,800.00	\$ -1,254.00	\$ 0.00
	\$ 546.00			\$ 1,800.00	\$ -1,254.00	\$ 0.00
	\$ 419,561.90			\$ 104,089.00	\$ 315,472.90	\$ 42,481.00

CASH FLOW ANALYSIS

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/12 - 12/12	\$ 104,089.00	\$ 28,800.00	\$ 1,095.53	\$ 20,216.00	113,768.53
01/13 - 12/13	113,768.53	28,800.00	1,257.80	15,000.00	128,826.33
01/14 - 12/14	128,826.33	28,800.00	1,179.82	38,080.00	120,726.15
01/15 - 12/15	120,726.15	28,800.00	1,298.65	28,742.30	122,082.50
01/16 - 12/16	122,082.50	28,800.00	1,349.71	15,000.00	137,232.21
01/17 - 12/17	137,232.21	28,800.00	1,654.83	2,200.00	165,487.04
01/18 - 12/18	165,487.04	28,800.00	1,847.73	20,412.00	175,722.77
01/19 - 12/19	175,722.77	28,800.00	1,856.56	37,682.30	168,697.03
01/20 - 12/20	168,697.03	28,800.00	1,654.50	34,880.00	164,271.53
01/21 - 12/21	164,271.53	28,800.00	1,975.03	0.00	195,046.56
	<u>\$ 104,089.00</u>	<u>\$ 288,000.00</u>	<u>\$ 15,170.16</u>	<u>\$ 212,212.60</u>	<u>\$ 195,046.56</u>

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/22 - 12/22	195,046.56	28,800.00	2,106.91	19,670.00	206,283.47
01/23 - 12/23	206,283.47	28,800.00	2,168.33	37,682.30	199,569.50
01/24 - 12/24	199,569.50	28,800.00	2,056.95	29,300.00	201,126.45
01/25 - 12/25	201,126.45	28,800.00	632.55	172,328.60	58,230.40
01/26 - 12/26	58,230.40	28,800.00	802.69	0.00	87,833.09
01/27 - 12/27	87,833.09	28,800.00	1,013.05	25,582.30	92,063.84
01/28 - 12/28	92,063.84	28,800.00	901.53	25,980.00	95,785.37
01/29 - 12/29	95,785.37	28,800.00	1,089.71	12,100.00	113,575.08
01/30 - 12/30	113,575.08	28,800.00	279.51	107,155.00	35,499.59
01/31 - 12/31	35,499.59	28,800.00	441.71	20,882.30	43,859.00
	<u>\$ 195,046.56</u>	<u>\$ 576,000.00</u>	<u>\$ 26,663.10</u>	<u>\$ 662,893.10</u>	<u>\$ 43,859.00</u>

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/32 - 12/32	43,859.00	28,800.00	135.79	55,082.00	17,712.79
01/33 - 12/33	17,712.79	28,800.00	195.86	15,000.00	31,708.65
01/34 - 12/34	31,708.65	28,800.00	328.33	17,100.00	43,736.98
01/35 - 12/35	43,736.98	28,800.00	501.66	29,582.30	43,456.34
01/36 - 12/36	43,456.34	28,800.00	639.33	0.00	72,895.67
01/37 - 12/37	72,895.67	28,800.00	964.82	0.00	102,660.49
01/38 - 12/38	102,660.49	28,800.00	1,272.62	2,200.00	130,533.11
01/39 - 12/39	130,533.11	28,800.00	1,244.72	51,194.30	109,383.53
01/40 - 12/40	109,383.53	28,800.00	892.82	44,880.00	94,196.35
01/41 - 12/41	94,196.35	28,800.00	1,200.31	0.00	124,196.66
	<u>\$ 43,859.00</u>	<u>\$ 864,000.00</u>	<u>\$ 34,039.36</u>	<u>\$ 877,931.70</u>	<u>\$ 124,196.66</u>

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Expenditures - Description

Description	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Asphalt Overlay										
Asphalt Sealcoat/Rejuvenation				18,682				18,682		
Boardwalk Restoration				10,060						
Brick Pavers, Entry										
Fitness Equipment			12,100					12,100		
Furnishings/Finishes, Clubhouse									5,000	
HVAC Split Unit, Clubhouse			5,180							
Irrigation Allowance									15,000	
Lake Fountains			14,400							
Paint/Waterproof Club & G.H.						2,200				
Paint/Waterproof Perimeter Wall							20,412			
Pool Deck Brick Pavers										
Pool Deck Fencing/Gates										
Pool Deck Furniture									14,880	
Pool/Spa Equipment Allowance		15,000								
Pool/Spa Interior Resurfacing	17,120									
Roof Replacement, Clubhouse										
Security Barrier Gates				6,400						
Security Entry Keypad	2,550									
Security Gate Operators										
Security Gates Replacement										
Tennis Courts Fencing/Gates										
Tennis Courts Resurfacing								6,900		
Tiki Huts Restoration					15,000					
Unallocated Interest	546									
	20,216	15,000	38,080	28,742	15,000	2,200	20,412	37,682	34,880	0

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Expenditures - Description

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Asphalt Overlay				102,034						
Asphalt Sealcoat/Rejuvenation		18,682				18,682				18,682
Boardwalk Restoration									10,060	
Brick Pavers, Entry									47,415	
Fitness Equipment			12,100					12,100		
Furnishings/Finishes, Clubhouse										
HVAC Split Unit, Clubhouse							5,180			
Irrigation Allowance										
Lake Fountains							14,400			
Paint/Waterproof Club & G.H.			2,200							2,200
Paint/Waterproof Perimeter Wall				20,412						
Pool Deck Brick Pavers									34,800	
Pool Deck Fencing/Gates				15,330						
Pool Deck Furniture									14,880	
Pool/Spa Equipment Allowance		15,000								
Pool/Spa Interior Resurfacing	17,120									
Roof Replacement, Clubhouse				14,210						
Security Barrier Gates							6,400			
Security Entry Keypad	2,550									
Security Gate Operators		4,000								
Security Gates Replacement				10,600						
Tennis Courts Fencing/Gates				9,742						
Tennis Courts Resurfacing						6,900				
Tiki Huts Restoration			15,000							
Unallocated Interest										
	19,670	37,682	29,300	172,328	0	25,582	25,980	12,100	107,155	20,882

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Expenditures - Description

Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Asphalt Overlay										
Asphalt Sealcoat/Rejuvenation				18,682				18,682		
Boardwalk Restoration										
Brick Pavers, Entry										
Fitness Equipment			12,100					12,100		
Furnishings/Finishes, Clubhouse			5,000							
HVAC Split Unit, Clubhouse										
Irrigation Allowance									15,000	
Lake Fountains										
Paint/Waterproof Club & G.H.							2,200			
Paint/Waterproof Perimeter Wall	20,412							20,412		
Pool Deck Brick Pavers										
Pool Deck Fencing/Gates										
Pool Deck Furniture									14,880	
Pool/Spa Equipment Allowance		15,000								
Pool/Spa Interior Resurfacing	17,120									
Roof Replacement, Clubhouse										
Security Barrier Gates										
Security Entry Keypad	2,550									
Security Gate Operators					4,000					
Security Gates Replacement										
Tennis Courts Fencing/Gates										
Tennis Courts Resurfacing					6,900					
Tiki Huts Restoration	15,000								15,000	
Unallocated Interest										
	55,082	15,000	17,100	29,582	0	0	2,200	51,194	44,880	0

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Detail

Description	Service Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Measurement Basis	Basis Cost
Clubhouse Interior								
Fitness Equipment	01/01/2009	\$ 12,100.00	5:00	5:00	2:00	\$ 12,100.00	Lump Sum	\$ 12,100.00
Furnishings/Finishes, Clubhouse	01/01/2006	5,000.00	14:00	14:00	8:00	5,000.00	Lump Sum	5,000.00
HVAC Split Unit, Clubhouse	01/01/2000	5,180.00	14:00	14:00	2:00	5,180.00	Tons	1,295.00
		\$ 22,280.00				\$ 22,280.00		
Painting & Waterproofing								
Paint/Waterproof Club & G.H.	02/01/2010	2,200.00	7:00	7:00	5:01	2,200.00	Lump Sum	2,200.00
Paint/Waterproof Perimeter Wall	05/01/2011	20,412.00	7:00	7:00	6:04	20,412.00	Sq Ft	1.05
		\$ 22,612.00				\$ 22,612.00		
Pavement								
Asphalt Overlay	01/01/2000	9,478.50	25:00	25:00	13:00	9,478.50	Sq Yds	7.10
Asphalt Overlay	01/01/2000	92,555.60	25:00	25:00	13:00	92,555.60	Sq Yds	7.10
Asphalt Sealcoat/Rejuvenation	01/01/2011	1,735.50	4:00	4:00	3:00	1,735.50	Sq Yds	1.30
Asphalt Sealcoat/Rejuvenation	08/01/2011	16,946.80	4:00	4:00	3:07	16,946.80	Sq Yds	1.30
Brick Pavers, Entry	01/01/2000	47,415.00	30:00	30:00	18:00	47,415.00	Sq Ft	4.35
		\$ 168,131.40				\$ 168,131.40		
Pool & Spa								
Pool Deck Brick Pavers	01/01/2000	34,800.00	30:00	30:00	18:00	34,800.00	Sq Ft	4.35
Pool Deck Fencing/Gates	01/01/2000	15,330.00	25:00	25:00	13:00	15,330.00	Ln Ft	42.00
Pool Deck Furniture	01/01/2010	14,880.00	10:00	10:00	8:00	14,880.00	Pieces	155.00
Pool/Spa Equipment Allowance	01/01/2000	15,000.00	10:00	13:00	1:00	15,000.00	Lump Sum	15,000.00
Pool/Spa Interior Resurfacing	01/01/2000	17,120.00	10:00	12:00	0:00	17,120.00	Lump Sum	17,120.00
		\$ 97,130.00				\$ 97,130.00		
Roofs								
Roof Replacement, Clubhouse	01/01/2000	14,210.00	25:00	25:00	13:00	14,210.00	Squares	725.00
		\$ 14,210.00				\$ 14,210.00		
Security								
Security Barrier Gates	01/01/2000	6,400.00	14:00	14:00	2:00	6,400.00	Each	3,200.00
Security Entry Keypad	01/01/2000	2,550.00	10:00	12:00	0:00	2,550.00	Lump Sum	2,550.00
Security Gate Operators	06/01/2011	4,000.00	12:00	12:00	11:05	4,000.00	Each	2,000.00
Security Gates Replacement	01/01/2000	10,600.00	25:00	25:00	13:00	10,600.00	Gates	2,650.00
		\$ 23,550.00				\$ 23,550.00		
Site Improvements								
Boardwalk Restoration	01/01/2000	10,060.00	15:00	15:00	3:00	10,060.00	Sq Ft	25.15
Irrigation Allowance	01/01/2000	15,000.00	20:00	20:00	8:00	15,000.00	Lump Sum	15,000.00
Lake Fountains	01/01/2000	4,800.00	14:00	14:00	2:00	4,800.00	Lump Sum	4,800.00
Lake Fountains	01/01/2000	4,800.00	14:00	14:00	2:00	4,800.00	Lump Sum	4,800.00
Lake Fountains	01/01/2000	4,800.00	14:00	14:00	2:00	4,800.00	Lump Sum	4,800.00
Tennis Courts Fencing/Gates	01/01/2000	9,742.50	25:00	25:00	13:00	9,742.50	Ln Ft	21.65
Tennis Courts Resurfacing	08/01/2011	6,900.00	8:00	8:00	7:07	6,900.00	Courts	3,450.00
Tiki Huts Restoration	01/01/2008	15,000.00	8:00	8:00	4:00	15,000.00	Lump Sum	15,000.00
		\$ 71,102.50				\$ 71,102.50		
Unallocated Interest								
Unallocated Interest	01/01/2012	546.00	0:00	0:00	0:00	546.00	Lump Sum	546.00
		\$ 546.00				\$ 546.00		

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Asphalt Overlay

Item Number	2	Measurement Basis	Sq Yds
Type	Common Area	Estimated Useful Life	25:00
Category	Pavement	Basis Cost	7.10
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
920-001-0002	01/01/2000	01/01/2025	13:00	25:00	1335.00	\$ 9,478.50	\$ 9,478.50
920-002-0002	01/01/2000	01/01/2025	13:00	25:00	13036.00	\$ 92,555.60	\$ 92,555.60
						\$ 102,034.10	\$ 102,034.10

Comments

We have observed life cycles of less than 15 years, to 25+ years, for installation of asphalt overlays/repaving. The useful life typically depends on the quality of installation/materials, level of ongoing maintenance, and association cosmetic tastes. Since they may not be completed consecutively, we have provided separate line items for the clubhouse parking lot (+/- 1,335 sq yds) and the roadways (+/- 13,036 sq yds). The current cost estimates include as needed milling of the asphalt paving at its junction with adjacent concrete paving, typical minor repairs to the underlying pavement structures and drainage systems, installation of a 1" asphalt overlay, curb stops replacement and restriping.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Asphalt Sealcoat/Rejuvenation

Item Number	3	Measurement Basis	Sq Yds
Type	Common Area	Estimated Useful Life	4:00
Category	Pavement	Basis Cost	1.30
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
920-001-0003	01/01/2011	01/01/2015	3:00	4:00	1335.00	\$ 1,735.50	\$ 1,735.50
920-002-0003	08/01/2011	08/01/2015	3:07	4:00	13036.00	\$ 16,946.80	\$ 16,946.80
						\$ 18,682.30	\$ 18,682.30

Comments

Sealcoating/rejuvenation serves as not only a cosmetic upgrade; it also insures minimal moisture intrusion into the underlying pavement structure. Without a proper moisture barrier, premature deterioration in the form of potholes, etc. can occur, causing the need for more frequent (and costly) asphalt overlays. As reported, the association completed this expense for the clubhouse parking lot in 2011, and plans on sealcoating the roadways in late 2011. This analysis assumes that sealcoating of the roadways will be completed. The market reflects a typical useful life of 3-4 years for this upgrade. The current costs include typical minor pavement repairs and restriping.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Boardwalk Restoration

Item Number	23	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	15:00
Category	Site Improvements	Basis Cost	25.15
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0023	01/01/2000	01/01/2015	3:00	15:00	400.00	\$ 10,060.00	\$ 10,060.00
						\$ 10,060.00	\$ 10,060.00

Comments

Assuming proper and routine maintenance, including as needed board replacements, sealing/waterproofing, and barring any unforeseen storm damages, a life cycle in the low to mid 10 year range is the market norm we have observed for major restoration of wood decking like that at the subject's boardwalk. The current cost estimate includes replacement of the wood decking and typical minor repairs to the underlying framing, stringers, and pilings. This cost is not reflective of total replacement, which should not be necessary in the foreseeable future under normal conditions.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Brick Pavers, Entry

Item Number	24	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	30:00
Category	Pavement	Basis Cost	4.35
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0024	01/01/2000	01/01/2030	18:00	30:00	10900.00	\$ 47,415.00	\$ 47,415.00
						\$ 47,415.00	\$ 47,415.00

Comments

Some associations consider brick paver parking/drives, walkways, pool and spa decks, etc. to be effectively permanent, and chose to exclude replacement from their annual reserve budgets. Others do establish and fund reserves for eventual replacement, on observed life cycle estimates of +/- 20 to 40 years. It is our opinion that reserving for eventual replacement is prudent, if only for cosmetic purposes; we have observed older brick pavers that appear worn and dated, even with periodic pressure washing and/or sealing. Data gleaned from similar properties indicates a typical cost in the low \$4.00 to mid \$5.00/sq.ft.unit cost range.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Fitness Equipment

Item Number	14	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	5:00
Category	Clubhouse Interior	Basis Cost	12,100.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0014	01/01/2009	01/01/2014	2:00	5:00	1.00	\$ 12,100.00	\$ 12,100.00
						\$ 12,100.00	\$ 12,100.00

Comments

The fitness room includes average to good quality exercise equipment (2 treadmills-2009, 2 bikes-2009, 2 elliptical machines-2000/2004, and 1 multi-strength training machine-2000). Depending on the amount of usage, life cycles for cardiovascular equipment generally range from 6-10 years. A 10-12 year useful life is indicated for inventories of strength equipment. Considering the various placed in service dates and the association's operating history, for the association's consideration, we have scheduled 50% of the total estimated replacement cost to be incurred on a 5 year life cycle. The current total cost estimate of \$24,200 (50%=\$12,100) is based on the observed quality of the existing equipment and the reserve analyst's experience with exercise equipment on a lump sum and \$/piece basis. Considering the most recent expense in 2009 for the two exercise bikes, we have scheduled the next expense in 2014.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Furnishings/Finishes, Clubhouse

Item Number	13	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	14:00
Category	Clubhouse Interior	Basis Cost	5,000.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0013	01/01/2006	01/01/2020	8:00	14:00	1.00	\$ 5,000.00	\$ 5,000.00
						\$ 5,000.00	\$ 5,000.00

Comments

This reserve refers to costs associated with periodic furniture replacements and interior painting/wall finishes within the +/- 1,600 square foot clubhouse. Life cycles in the low to mid 10 year range have been observed for this scope of renovation, which recognizes that minor additions and/or replacement will be necessary from time to time. Based on reported interior painting project in 2006 and the observed condition of the clubhouse interiors, we do not anticipate this expense in the near future. It was assumed that the carpet was replaced in or around this time as well. The current cost estimate is an order of magnitude based on the size of the clubhouse interior.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

HVAC Split Unit, Clubhouse

Item Number	15	Measurement Basis	Tons
Type	Common Area	Estimated Useful Life	14:00
Category	Clubhouse Interior	Basis Cost	1,295.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0015	01/01/2000	01/01/2014	2:00	14:00	4.00	\$ 5,180.00	\$ 5,180.00
						\$ 5,180.00	\$ 5,180.00

Comments

The clubhouse is supported by a single 4 ton HVAC split unit. The market suggests a useful life in the 20 year range for interior air handlers, while exterior ground mounted condenser units should be expected on a 12-14 life cycle, which is typical of the market. As reported by other associations, the state of Florida requires replacement concurrently for corresponding air handlers and condenser units. The current cost estimate is based on the size in tons and our experience with this type of equipment on an average \$/ton basis.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Irrigation Allowance

Item Number	11	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	20:00
Category	Site Improvements	Basis Cost	15,000.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0011	01/01/2000	01/01/2020	8:00	20:00	1.00	\$ 15,000.00	\$ 15,000.00
						\$ 15,000.00	\$ 15,000.00

Comments

Day to day upkeep of the association's common area landscaping and irrigation systems is typically funded through an association's annual operating budget. Some associations do establish and fund landscaping reserves; in many cases, this type of reserve is included as a contingency against unforeseen damage due to weather, blight, etc. Landscaping, like interior renovation, is a cosmetic upgrade; therefore, costs can vary widely from property to property. Because quantifying a market supported total cost and useful life estimate is difficult, we include this type of reserve only when provided parameters by each association, and then only at that association's sole discretion. At the association's sole discretion, we have kept with the parameters set forth in the association's 2011 reserve budget for irrigation.

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Lake Fountains

Item Number	12	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	14:00
Category	Site Improvements	Basis Cost	4,800.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
920-001-0012	01/01/2000	01/01/2014	2:00	14:00	1.00	\$ 4,800.00	\$ 4,800.00
920-002-0012	01/01/2000	01/01/2014	2:00	14:00	1.00	\$ 4,800.00	\$ 4,800.00
920-003-0012	01/01/2000	01/01/2014	2:00	14:00	1.00	\$ 4,800.00	\$ 4,800.00
						\$ 14,400.00	\$ 14,400.00

Comments

The retention lakes are supported by three lake fountains. Some associations choose to fund as needed repairs/upgrades on an as needed basis through their operating budgets, while others choose to maintain reserves for this type of equipment. We have observed typical life cycles of 12-15 years for replacement of lake fountains; this life cycle recognizes that over the life of these systems, pump rebuilds/replacements and other minor upgrades will be necessary as a function of general maintenance. A separate line item was included for each fountain, since their replacement may not be necessary concurrently.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Paint/Waterproof Club & G.H.

Item Number	4	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	7:00
Category	Painting & Waterproofing	Basis Cost	2,200.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0004	02/01/2010	02/01/2017	5:01	7:00	1.00	\$ 2,200.00	\$ 2,200.00
						\$ 2,200.00	\$ 2,200.00

Comments

To insure proper protection of the underlying concrete, stucco, metal, and wood surfaces, the market reflects a maximum 6 to 7 year life cycle for exterior painting and waterproofing. The current cost is an order of magnitude cost estimate based on the observed size of the clubhouse and guardhouse. This cost includes typical minor exterior repairs, surface preparation, as needed window and door caulking/waterproofing, repainting of all exterior surfaces including the window frames.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Paint/Waterproof Perimeter Wall

Item Number	5	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	7:00
Category	Painting & Waterproofing	Basis Cost	1.05
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0005	05/01/2011	05/01/2018	6:04	7:00	19440.00	\$ 20,412.00	\$ 20,412.00
						\$ 20,412.00	\$ 20,412.00

Comments

A line item was included for painting the concrete/foam perimeter wall across the front of the property. The +/- 6ft tall (2 sides) wall was measured to be approximately 1,620 linear feet. The total square footage of surface area equates to +/- 19,440 square feet. As reported, this expense was last incurred in 2011. We have scheduled a typical market supported 7 year useful life thereafter. This expense includes as needed structural/stucco repairs, surface preparation, and paint.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

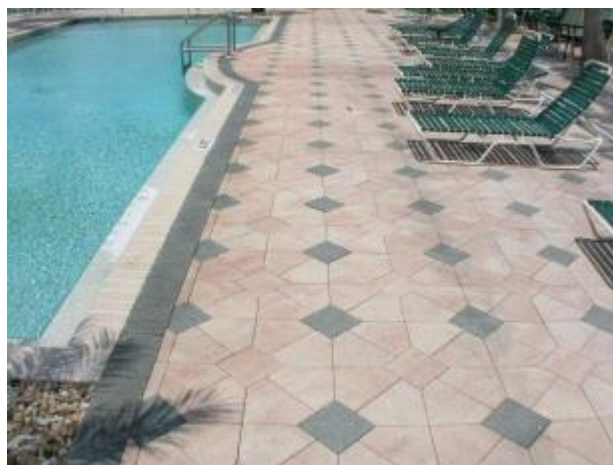
Pool Deck Brick Pavers

Item Number	7	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	30:00
Category	Pool & Spa	Basis Cost	4.35
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0007	01/01/2000	01/01/2030	18:00	30:00	8000.00	\$ 34,800.00	\$ 34,800.00
						\$ 34,800.00	\$ 34,800.00

Comments

Some associations consider brick paver parking/drives, walkways, pool and spa decks, etc. to be effectively permanent, and chose to exclude replacement from their annual reserve budgets. Others do establish and fund reserves for eventual replacement, on observed life cycle estimates of +/- 20 to 40 years. It is our opinion that reserving for eventual replacement is prudent, if only for cosmetic purposes; we have observed older brick pavers that appear worn and dated, even with periodic pressure washing and/or sealing. Data gleaned from similar properties indicates a typical cost in the low \$4.00 to mid \$5.00/sq.ft.unit cost range. This cost includes the pavers at the pool and the walkway areas at the clubhouse.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Pool Deck Fencing/Gates

Item Number	10	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	25:00
Category	Pool & Spa	Basis Cost	42.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0010	01/01/2000	01/01/2025	13:00	25:00	365.00	\$ 15,330.00	\$ 15,330.00
						\$ 15,330.00	\$ 15,330.00

Comments

Assuming routine maintenance, total replacement of the metal fencing and gates at the pool perimeter should be expected on a life cycle in the low to mid 20 year range. The current cost estimate includes removal and disposal of the existing fencing and gates and replacement with fencing and gates of similar height and quality, and is reflective of the total approximate linear feet and a market supported cost per linear foot.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Pool Deck Furniture

Item Number	9	Measurement Basis	Pieces
Type	Common Area	Estimated Useful Life	10:00
Category	Pool & Spa	Basis Cost	155.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0009	01/01/2010	01/01/2020	8:00	10:00	96.00	\$ 14,880.00	\$ 14,880.00
						\$ 14,880.00	\$ 14,880.00

Comments

While minor replacements/additions should be expected from time to time, properties like the subject generally complete major pool and spa deck furniture inventory replacements on a 10-12 year life cycle. As reported, major restrapping and additions were completed in 2009/2010. As such, the association should not expect total replacement anytime in the near future. The current cost estimate is based on the quality of the existing inventory (30 lounge, 40 chairs, 13 tables, and 13 bar stools), retail pricing guides, and our experience with pool furniture replacement on both an average \$/piece and lump sum basis in similar quality pools. Actual costs may vary depending on the type and quality of furniture chosen in the future.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Pool/Spa Equipment Allowance

Item Number	8	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	10:00
Category	Pool & Spa	Basis Cost	15,000.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0008	01/01/2000	01/01/2013	1:00	13:00	1.00	\$ 15,000.00	\$ 15,000.00
						\$ 15,000.00	\$ 15,000.00

Comments

Under normal operating conditions, total replacement of the inventory of pool and spa equipment (pumps, filters, chlorination systems, heaters, etc.) should not be necessary at any one given time. Some associations do establish and fund reserves for as needed equipment replacements, while others prefer to fund as needed expenses through their annual operating budgets as a function of general maintenance. For the association's consideration we have provided an allowance of \$15,000 on a future 10 year life cycle to provide monies for as needed replacements of the pool and spa equipment. Since no plans were reported to complete major expenses relating the to pool and spa equipment in 2012, we have adjusted the next expense date in 2013 for as needed equipment replacements.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Pool/Spa Interior Resurfacing

Item Number	6	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	10:00
Category	Pool & Spa	Basis Cost	17,120.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0006	01/01/2000	01/01/2012	0:00	12:00	1.00	\$ 17,120.00	\$ 17,120.00
						\$ 17,120.00	\$ 17,120.00

Comments

With proper installation, chemical balancing, and routine maintenance, pool interior resurfacing/restoration can be expected on a 10-12 year life cycle. Due to the higher temperatures and chemical concentrations, resurfacing of concrete/gunite spas is generally necessary on an 8-10 year life cycle under normal conditions. Assuming resurfacing has not been completed since the installation date, we have adjusted the next expense to be completed in 2012. A recurring 10 year life cycle was scheduled thereafter. The current cost estimate is based on the total square feet of the pool interior, at a market supported \$12.10 for the +/- 1,200 square feet of surface area, plus an allowance of \$2,600 for resurfacing the spa interior. The current cost includes typical minor structural/tank repairs, tile upgrades/replacements, and installation of new aggregate surface materials (“diamond brite”, “pebble crete”, etc.)



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Roof Replacement, Clubhouse

Item Number	1	Measurement Basis	Squares
Type	Common Area	Estimated Useful Life	25:00
Category	Roofs	Basis Cost	725.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0001	01/01/2000	01/01/2025	13:00	25:00	19.60	\$ 14,210.00	\$ 14,210.00
						\$ 14,210.00	\$ 14,210.00

Comments

Assuming proper installation and routine maintenance, tile roofing, like that at the clubhouse (+/- 17.5 squares*) and guardhouse (+/- 2.1 squares), does not typically require replacement prior to a 25-30+ year life under normal operating conditions. The current replacement cost includes tear off and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, as needed repair/replacement of fascia, soffits, and/or gutters and downspouts, and installation of like roofing.

*1 square = 100 square feet



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Security Barrier Gates

Item Number	21	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	14:00
Category	Security	Basis Cost	3,200.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0021	01/01/2000	01/01/2014	2:00	14:00	2.00	\$ 6,400.00	\$ 6,400.00
						\$ 6,400.00	\$ 6,400.00

Comments

Barring any unforeseen vehicular damage, replacement of the two automatic barrier gates/operators should be necessary on a 12-14 year life cycle. We have utilized a 14 year life cycle and have scheduled this expense for 2014, based on the estimated placed in service date of 2000. Each gate/operator was assigned a current replacement cost estimate of \$3,200, which includes removal and disposal of the existing units, typical minor electrical upgrades, and installation with a similar quality.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Security Entry Keypad

Item Number	22	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	10:00
Category	Security	Basis Cost	2,550.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0022	01/01/2000	01/01/2012	0:00	12:00	1.00	\$ 2,550.00	\$ 2,550.00
						\$ 2,550.00	\$ 2,550.00

Comments

Replacement of the security entry keypad unit has a market indicated life cycle in the 10 year range under normal conditions. As reported, the keypad system is original to 2000, suggesting an actual age of +/- 11 years. Considering replacement should be expected in the near future, we have scheduled this expense for 2012. A recurring market supported 10 year life cycle was scheduled thereafter. The actual cost may vary based on the type of panel chosen in the future.

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Security Gate Operators

Item Number	20	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	12:00
Category	Security	Basis Cost	2,000.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0020	06/01/2011	06/01/2023	11:05	12:00	2.00	\$ 4,000.00	\$ 4,000.00
						\$ 4,000.00	\$ 4,000.00

Comments

Barring any unforeseen vehicular damage, etc., replacement of the automatic security gate operators should be necessary on a life cycle of 12-15 years; some units may require replacement sooner, while others may last slightly longer. As reported, the association is currently in the process of replacing the two operators that service the four metal security gates at an actual third party cost of roughly \$2,000. Based on the operating history, we forecast that replacement of the two operators will be necessary over a 12 year life cycle, accordingly.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Security Gates Replacement

Item Number	19	Measurement Basis	Gates
Type	Common Area	Estimated Useful Life	25:00
Category	Security	Basis Cost	2,650.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0019	01/01/2000	01/01/2025	13:00	25:00	4.00	\$ 10,600.00	\$ 10,600.00
						\$ 10,600.00	\$ 10,600.00

Comments

Barring any unforeseen vehicular damages, replacement of the four decorative metal swing gates should not be necessary for 20-25+ years. This life cycle assumes that periodic painting/refinishing is completed as a function of routine maintenance. A 25 year life cycle suggests this expense in 2025.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Tennis Courts Fencing/Gates

Item Number	17	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	25:00
Category	Site Improvements	Basis Cost	21.65
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0017	01/01/2000	01/01/2025	13:00	25:00	450.00	\$ 9,742.50	\$ 9,742.50
						\$ 9,742.50	\$ 9,742.50

Comments

A maximum life cycle in the mid 20 year range has been observed for replacement of standard chain link tennis court fencing. The current cost estimate includes removal and disposal of the existing fencing and gates and replacement with like height/quality, and is based on our experience with tennis court fencing on both an average \$/linear foot and \$/court basis.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Tennis Courts Resurfacing

Item Number	16	Measurement Basis	Courts
Type	Common Area	Estimated Useful Life	8:00
Category	Site Improvements	Basis Cost	3,450.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0016	08/01/2011	08/01/2019	7:07	8:00	2.00	\$ 6,900.00	\$ 6,900.00
						\$ 6,900.00	\$ 6,900.00

Comments

The market suggests replacement on a 6-8 year schedule, to insure proper protection of the underlying waterproofing systems and decking, as well as a high cosmetic appeal. As reported, the association has plans to complete this expense in 2011. This analysis assumes that this project will be completed. The current cost estimate includes typical minor court structural repairs.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Tiki Huts Restoration

Item Number	18	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	8:00
Category	Site Improvements	Basis Cost	15,000.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0018	01/01/2008	01/01/2016	4:00	8:00	1.00	\$ 15,000.00	\$ 15,000.00
						\$ 15,000.00	\$ 15,000.00

Comments

The association maintains 1 +/- 850 square feet tiki hut by the pool deck, and 6 smaller tiki hut structures. While total replacement of the wood structures should not be necessary under normal operating conditions, restoration/replacement of the straw roofs can be expected on a 6-8 year life cycle. For the purposes of this analysis, we have provided an allowance of \$6,000 for the larger structure, and \$1,500 for each of the smaller tiki huts. Assuming some measure of restoration/replacement occurred within the past few years, we have scheduled the next expense accordingly.



Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Item Parameters - Full Detail

Unallocated Interest

Item Number	25	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	0:00
Category	Unallocated Interest	Basis Cost	546.00
Tracking	Logistical	Salvage Value	\$ 0.00
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0025	01/01/2012	01/01/2012	0:00	0:00	1.00	\$ 546.00	\$ 546.00
						\$ 546.00	\$ 546.00

Comments

In order to include the association's projected interest balance as of 12/31/2012, we have created a separate line item.

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

Supplementary Information on Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2012 Funding Requirement	Components of Fund Balance at 12/31/2011
Clubhouse Interior				
Fitness Equipment	2:00	\$ 12,100.00	\$ 2,401.73	\$ 3,707.67
Furnishings/Finishes, Clubhouse	8:00	5,000.00	354.42	1,094.36
HVAC Split Unit, Clubhouse	2:00	5,180.00	367.16	2,267.50
Painting & Waterproofing				
Paint/Waterproof Club & G.H.	5:01	2,200.00	311.90	307.63
Paint/Waterproof Perimeter Wall	6:04	20,412.00	2,893.93	992.80
Pavement				
Asphalt Overlay	13:00	102,034.10	4,050.44	25,012.16
Asphalt Sealcoat/Rejuvenation	3:00 - 3:07	18,682.30	4,635.18	1,123.11
Brick Pavers, Entry	18:00	47,415.00	1,568.56	9,685.91
Pool & Spa				
Pool Deck Brick Pavers	18:00	34,800.00	1,151.26	7,108.92
Pool Deck Fencing/Gates	13:00	15,330.00	608.56	3,757.92
Pool Deck Furniture	8:00	14,880.00	1,476.74	1,519.84
Pool/Spa Equipment Allowance	1:00	15,000.00	1,145.07	7,071.21
Pool/Spa Interior Resurfacing	0:00	17,120.00	1,415.88	8,743.16
Roofs				
Roof Replacement, Clubhouse	13:00	14,210.00	564.14	3,483.37
Security				
Security Barrier Gates	2:00	6,400.00	453.74	2,801.54
Security Entry Keypad	0:00	2,550.00	210.91	1,302.28
Security Gate Operators	11:05	4,000.00	330.84	99.30

Coconut Shores Community Association, Inc.

Analysis Date - January 1, 2012

**Supplementary Information
on Future Major Repairs and Replacements**

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2012 Funding Requirement	Components of Fund Balance at 12/31/2011
Security				
Security Gates Replacement	13:00	\$ 10,600.00	\$ 420.75	\$ 2,598.43
Site Improvements				
Boardwalk Restoration	3:00	10,060.00	665.60	4,110.10
Irrigation Allowance	8:00	15,000.00	744.32	4,596.29
Lake Fountains	2:00	14,400.00	1,020.74	6,303.48
Tennis Courts Fencing/Gates	13:00	9,742.50	386.81	2,388.23
Tennis Courts Resurfacing	7:07	6,900.00	856.03	183.53
Tiki Huts Restoration	4:00	15,000.00	1,860.81	3,830.24
Unallocated Interest				
Unallocated Interest	0:00	546.00	0.00	0.00
		<u>\$ 419,561.90</u>	<u>\$ 29,895.52</u>	<u>\$ 104,089.00</u>

ADDENDUM

Chapter 720 Florida Statutes

720.303 - Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.--

(6) BUDGETS.--

(a) The association shall prepare an annual budget that sets out the annual operating expenses. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges paid for by the association for recreational amenities, whether owned by the association, the developer, or another person. The association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The copy must be provided to the member within the time limits set forth in subsection (5).

(b) In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance for which the association is responsible. If reserve accounts are not established pursuant to paragraph (d), funding of such reserves is limited to the extent that the governing documents limit increases in assessments, including reserves. If the budget of the association includes reserve accounts established pursuant to paragraph (d), such reserves shall be determined, maintained, and waived in the manner provided in this subsection. Once an association provides for reserve accounts pursuant to paragraph (d) 2612 the association shall thereafter determine, maintain, and waive reserves in compliance with this subsection. This section does not preclude the termination of a reserve account established pursuant to this paragraph upon approval of a majority of the total voting interests of the association. Upon such approval, the terminating reserve account shall be removed from the budget.

(c)

1. If the budget of the association does not provide for reserve accounts pursuant to paragraph (d) and the association is responsible for the repair and maintenance of capital improvements that may result in a special assessment if reserves are not provided, each financial report for the preceding fiscal year required by subsection (7) must contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

2. If the budget of the association does provide for funding accounts for deferred expenditures, including, but not limited to, funds for capital expenditures and deferred maintenance, but such accounts are not created or established pursuant to paragraph (d), each financial report for the preceding fiscal year required under subsection (7) must also contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

(d) An association is deemed to have provided for reserve accounts if when reserve accounts have been initially established by the developer or if the membership of the association affirmatively elects to provide for reserves. If

reserve accounts are not initially provided by the developer, the membership of the association may elect to do so upon the affirmative approval of a majority of the total voting interests of the association. Such approval may be obtained by vote of the members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the membership, the board of directors shall include provide for the required reserve accounts in the budget in the next fiscal year following the approval and in each year thereafter. Once established as provided in this subsection, the reserve accounts must shall be funded or maintained or have their funding waived in the manner provided in paragraph (f).

(e) The amount to be reserved in any account established shall be computed by means of a formula that 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 of cost or useful life of a reserve item.

(f) After one or more reserve accounts are established, the membership of the association, upon a majority vote at a meeting at which a quorum is present, may provide for no reserves or less reserves than required by this section. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and such result is not achieved or a quorum is not present, the reserves as included in the budget go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves. Any vote taken pursuant to this subsection to waive or reduce reserves is applicable only to one budget year.

(g) Funding formulas for reserves authorized by this section must be based on a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.

1. If the association maintains separate reserve accounts for each of the required assets, the amount of the contribution to each reserve account is the sum of the following two calculations:

The total amount necessary, if any, to bring a negative

a. component balance to zero.

b. The total estimated deferred maintenance expense or estimated replacement cost of the reserve component less the estimated balance of the reserve component as of the beginning of the period the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the component. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may include factors such as inflation and earnings on invested funds.

2. If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget may not be less than that required to ensure that the balance on hand at the beginning of the period the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful life of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal and accounts receivable minus the allowance for doubtful accounts. The reserve funding formula may not include any type of balloon payments.

(h) 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 meeting at which a quorum is present. Prior to turnover of control of an association by a developer to parcel owners, the developer-controlled association shall not vote to use reserves for purposes other than those for which they were intended without the approval of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association.

Amended Rule Text

Amends 720.303(6) to provide clarification of reserve requirements to distinguish between "statutory" and "non-statutory/voluntary" reserves (called "limited voluntary deferred expenditure accounts"). Under the amended language, the Association, if the proper disclaimer is provided in the financial report for the prior fiscal year, may collect these limited voluntary deferred expenditure accounts which would not be subject to the use restrictions present for statutory reserves. A statutory reserve account may also be terminated by a vote of a majority of the total voting interests.

TERMS AND DEFINITIONS

ACCRUED FUND BALANCE (AFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association tool. Two formulae can be utilized, depending on the provider’s sensitivity to interest and inflation effects. Note: both yield identical results when interest and inflation are equivalent.

$$\text{AFB} = \text{Current Cost} \times \text{Effective Age/Useful Life}$$

or

$$\text{AFB} = (\text{Current Cost} \times \text{Effective Age/Useful Life}) + [(\text{Current Cost} \times \text{Effective Age/Useful Life}) / (1 + \text{Interest Rate})^{\text{Remaining Life}}] - [(\text{Current Cost} \times \text{Effective Age/Useful Life}) / (1 + \text{Inflation Rate})^{\text{Remaining Life}}]$$

CASH FLOW METHOD: A method of calculating Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved. “Because we use the cash flow method, we compute individual line item contributions after the total contribution rate has been established.” See “Component Method”.

CAPITAL EXPENDITURES: A capital expenditure means any expenditure of funds for: (1) the purchase or replacement of an asset whose useful life is greater than one year, or (2) the addition to an asset that extends the useful life of the previously existing asset for a period greater than one year.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, and 4) above a minimum threshold cost, and 5) as required by local codes. “We have 17 components in our reserve Study.”

COMPONENT ASSESSMENT AND VALUATION: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. This task is accomplished either with or without an on-site inspection, based on Level or Service selected by the client.

COMPONENT FULL FUNDING: When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task is accomplished through an on-site inspection, review of association design and organizational documents, and a review of established association precedents, and discussion with appropriate association representative(s).

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. “Since we calculate a Reserve contribution rate for each component and then sum them all together, we are using the component method to calculate our Reserve contributions.” See “Cash Flow Method”.

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

CURRENT REPLACEMENT COST: See “Replacement Cost”.

DEFERRED MAINTENANCE: Deferred maintenance means any maintenance or repair that: (1) will be performed less frequently than yearly, and (2) will result in maintaining the useful life of an asset.

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED: When the budget is provided to the owners, it will show the amount of money that must be deposited that year for each reserve item to ensure that, when the time comes, sufficient funds will be available for deferred maintenance or a capital expenditure. (Definition published in “Budgets & Reserve Schedules Made Easy” training manual by the State of Florida Department of Business and Professional Regulations in January 1997).

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING PLAN: An association’s plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

- **Baseline Funding** – Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Component Full Funding** – Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100%.
- **Statutory Funding** – Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves of component required by local statutes.
- **Threshold Funding** – Establishing a Reserve funding goal of keeping the Reserve balance above a

specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than “Component Full Funding.”

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve Components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage. “With \$76,000 in Reserves, and since our 100% Funded Balance is \$100,000, our association is 76% Funded”.

Editor’s Note: since funds can typically be allocated from one component to another with ease, this parameter has no real meaning on an individual Component basis. The purpose of this parameter is to identify the relative strength or weakness of the entire Reserve fund as of a particular point in time. The value of this parameter is in providing a more stable measure of Reserve Fund strength, since cash in Reserves may mean very different things to different associations.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE (RUL): Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have “zero” Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray to the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based on information provided and not audited

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.” The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. “Our budget and finance committee is soliciting proposals to update our Reserve Study for the next year’s budget.”

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve duty of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advanced notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by Governing Documents or local statutes. “Since we need a new roof and there wasn’t enough money in the Reserve fund, we had to pass a special assessment.”

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balances. See Deficit”.

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

ANNUAL UPDATE PROGRAM

GAB Robins is pleased to offer our clients a program to provide annual updates on their Reserve Studies for the next three years for a guaranteed fee.

The Update Program is valid only if there are no changes to the property, i.e. new construction, major upgrades, etc. Changes to the property within the three-year update program period would require a re-inspection of the property at a higher fee.

Benefits:

- Annual Reserve Study updates on the property provide a written validation of reserve study needs.
- Demonstrates due diligence and impartiality on the part of the property manager and board members by the involvement of a third party professional.
- The cost of your update reserve study is lower if enrolled in the update program.
- Provides peace of mind to clients knowing that their property is adequately funded year after year.

If you have not already chosen to accept the three-year annual update program, and would like to do so at this time, please contact our bid proposal specialist at (407) 805-0086 x 257, or (800) 248-3379 x 257 (FL only) or fax your request to (407) 805-9921. We will be pleased to provide you with a bid for the three year annual program.