

Tarpon Harbor at Myakka Pointe Condominium Association, Inc.

Port Charlotte, FL • September 15, 2022

FULL RESERVE STUDY



Tarpon Harbor at Myakka Pointe Condominium Association, Inc.
Port Charlotte, Florida

Dear Board of Directors of Tarpon Harbor at Myakka Pointe Condominium Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Tarpon Harbor at Myakka Pointe Condominium Association, Inc. in Port Charlotte, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 15, 2022.

This *Full Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Tarpon Harbor at Myakka Pointe Condominium Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on October 12, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Tyler Thompson

Review by: Alan M. Ebert, RS¹, PRA², Director of Quality Assurance



¹ RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

² PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.





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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Tarpon Harbor at Myakka Pointe Condominium Association, Inc. (Tarpon Harbor at Myakka Pointe)

Location: Port Charlotte, Florida

Reference: 221106

Property Basics: Tarpon Harbor at Myakka Pointe Condominium Association, Inc. is a condominium style development which consists of 36 units in nine buildings. The buildings were built in 2004.

Reserve Components Identified: 11 Reserve Components.

Inspection Date: September 15, 2022.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2047 due to replacement of concrete tile roofs. The component method does not allow for a threshold funding goal which is one of the reasons most communities use the cash flow methodology.

Methodology: Component Method - Also known as the straight line method, this methodology calculates the reserve funding requirements necessary to fund the portion of the unfunded balance of a component relative to its remaining useful life. The overall funding recommendations is the sum of the required funding item for each individual component.

Cash Flow Method – We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 0.7% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Unaudited Cash Status of Reserve Fund:

- \$422,443 as of August 31, 2022
- 2022 budgeted Reserve Contributions of \$35,874
- A potential deficit in reserves might occur by 2046 based upon continuation of the most recent annual reserve contribution of \$35,874 and the identified Reserve Expenditures.

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the **Reserve Expenditures** tables and include a **Five-Year Outlook** table following the **Reserve Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- Paint finish applications and partial replacement to limit water infiltration into the units, and to maintain a uniformly clean and consistent appearance of the buildings

Recommended Reserve Funding: The Association currently uses component methodology to calculate their reserve requirements. Component reserve funds are restricted to be used only on the specific reserve component(s). Under this methodology, the required total annual funding for



2023 is \$68,243. This initial adjustment recommends an increase of 11.1% in the operating budget or an average quarterly increase of \$224.79 per homeowner. We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Increase to \$68,300 in 2023
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$32,426 represents an average quarterly increase of \$225.18 per homeowner and about an eleven percent (11.2%) adjustment in the 2022 total Operating Budget of \$290,473.

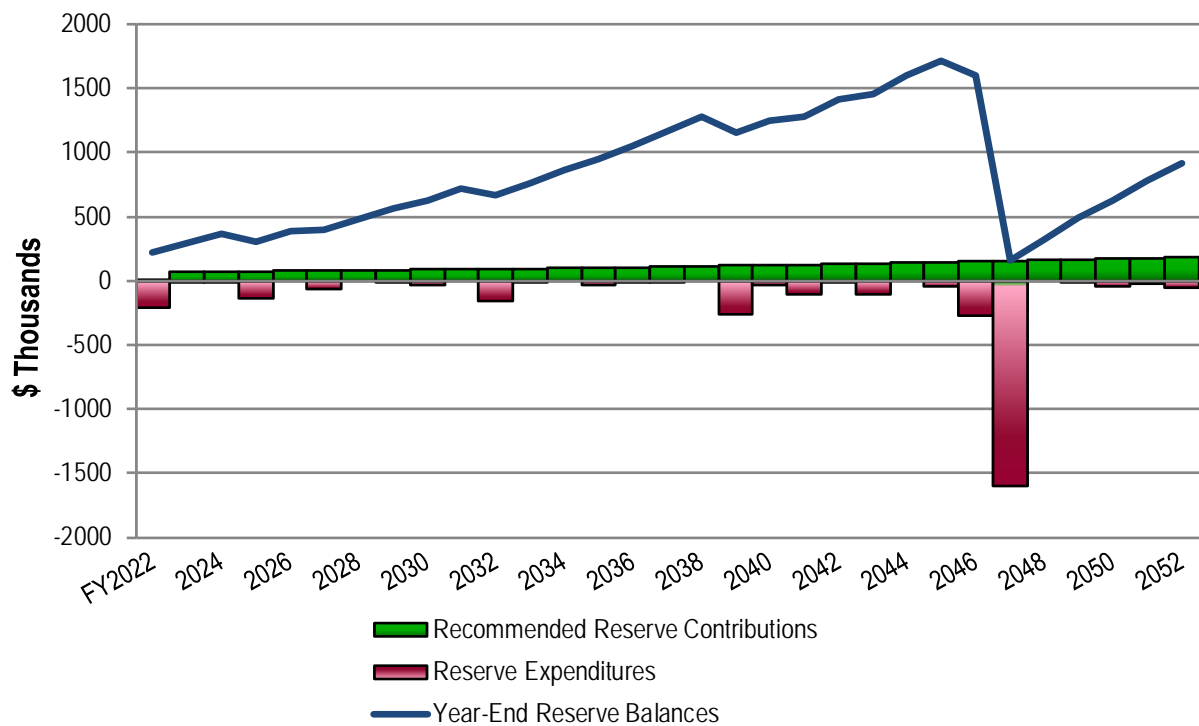
The difference in the two methodologies leads to our recommendation to fund the Reserve Account using the Cash Flow Method. The reclassification of existing funds as cash flow (aka pooled) reserves would not be allowed unless approved by a majority vote of the Homeowners at a duly called meeting of the Association. In lieu of obtaining a vote of the Homeowners, a Board may vote to fund future reserves based on a pooled analysis. The Association then simply spends the funds in their existing segregated accounts on the initial repair or replacement project for that component. When all of the existing segregated funds in an account are expended, the account is eliminated, thus eliminating the need to get a vote to reallocate.

The restrictions on reserve funds do not apply to Homeowners Associations without statutory reserves. In Florida, Homeowners Association reserves are considered statutory if they were approved by a vote of a majority of the voting interest or otherwise required by their governing documents.

Tarpon Harbor at Myakka Pointe

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2023	68,300	292,166	2033	96,300	757,872	2043	135,800	1,450,064
2024	70,700	362,349	2034	99,700	863,226	2044	140,600	1,601,307
2025	73,200	304,251	2035	103,200	941,916	2045	145,500	1,710,491
2026	75,800	382,446	2036	106,800	1,047,562	2046	150,600	1,597,441
2027	78,500	396,041	2037	110,500	1,160,738	2047	155,900	162,078
2028	81,200	480,297	2038	114,400	1,283,664	2048	161,400	325,177
2029	84,000	564,123	2039	118,400	1,150,805	2049	167,000	487,416
2030	86,900	626,605	2040	122,500	1,250,665	2050	172,800	620,330
2031	89,900	721,206	2041	126,800	1,283,615	2051	178,800	782,327
2032	93,000	663,913	2042	131,200	1,414,276	2052	185,100	915,388





2.RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of

Tarpon Harbor at Myakka Pointe Condominium Association, Inc.

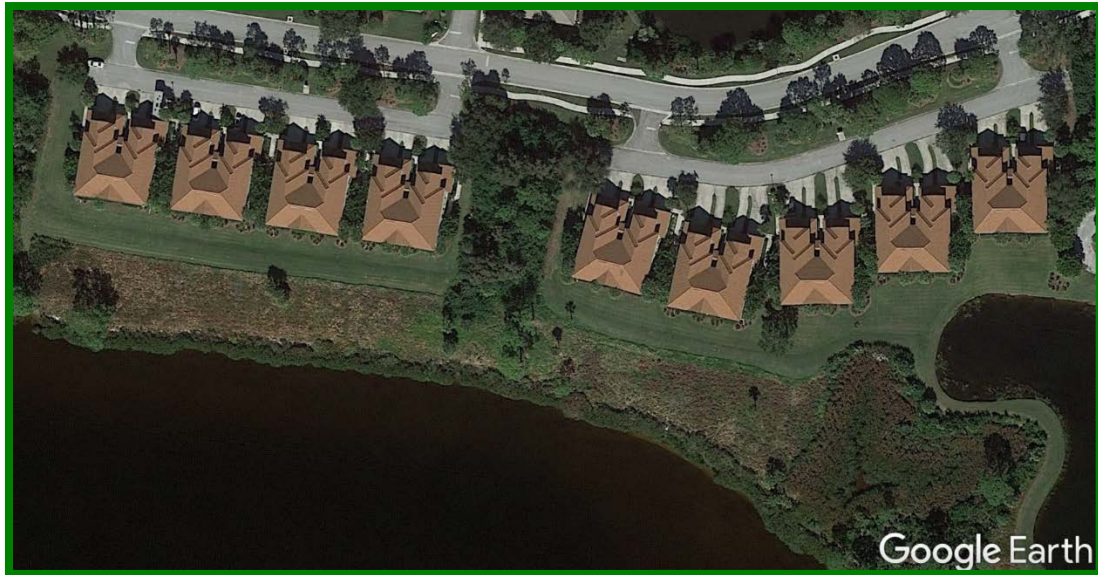
Port Charlotte, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 15, 2022.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook** - Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Homeowners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management and the Board. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Homeowners
- Property Maintained by Riverwood Master

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Tarpon Harbor at Myakka Pointe responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time.

- Foundations
- Pipes, Interior Building, Domestic Water, Sanitary Waste, Vent, Sprinkler, Building Heating and Cooling, Common
- Pipes, Subsurface Utilities
- Structural Frames
- Valves, Water Main Shutoff



Water main shutoff valve

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$10,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Asphalt Pavement, Patch Repairs
- Catch Basins
- Irrigation System, Controls and Maintenance
- Landscape
- Light Fixture, Exterior
- Paint Finishes, Touch Up
- Patios, Concrete, Repairs and Maintenance
- Other Repairs normally funded through the Operating Budget



Exterior light fixture

Certain items have been designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to unit:

- Balconies & Patios, Screens, Frames & Railings
- Balconies & Patios, Floor Coverings
- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Hurricane Shutters
- Interiors
- Pipes (Within Units)
- Windows and Doors (Including Garage Doors)

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Riverwood Master relates to:

- Asphalt Street System, Club Drive
- Sidewalks, Along Club Drive
- Signage, Entrance Monument
- Ponds, Maintenance (Incl. Conservation Area)

3.RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- 2022 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

Component Method

- Component information as also shown in Reserve Expenditures
- Current balance, remaining contributions and remaining expenditures
- Projected beginning year balance for 2022
- Unfunded residual balance
- 2023 recommended contribution

Component Method Summary

- The existing reserve categories
- Summarized life and cost valuations by category



- Projected category balances and recommended contributions

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

RESERVE EXPENDITURES

Tarpon Harbor at Myakka Pointe
Condominium Association, Inc.
Port Charlotte, Florida

Explanatory Notes:

- 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037
						Useful	Remaining	Unit (2022)	Per Phase (2022)	Total (2022)																	
Exterior Building Elements																											
1.060	2,600	2,600	Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2025	to 25	3	12.00	31,200	31,200	3.3%				34,592												
1.240	2,950	2,950	Linear Feet	Gutters and Downspouts, Aluminum	2032	15 to 20	10	7.00	20,650	20,650	2.7%										29,129						
1.360	570	570	Squares	Roofs, Concrete Tiles (2022 is Budgeted Remaining)	2022	to 30	0	1,100.00	627,000	627,000	52.5%	207,000															
1.361	1	1	Allowance	Roofs, Concrete Tiles, Pressure Wash	2027	to 3	5	5,000.00	5,000	5,000	2.2%						5,938		6,584		7,300				8,093		
1.880	63,800	63,800	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2025	5 to 7	3	1.40	89,320	89,320	18.3%				99,031						125,995						
1.881	1	1	Allowance	Walls, Stucco, Pressure Wash (2023 is Planned)	2023	to 2	1	3,000.00	3,000	3,000	1.5%		3,105				3,563		3,817					4,692		5,026	
Property Site Elements																											
4.040	2,800	2,800	Square Yards	Asphalt Pavement, Mill and Overlay, Access Drives	2027	15 to 20	5	14.00	39,200	39,200	4.3%						46,557										
4.110	2,200	330	Linear Feet	Concrete Gutters, Partial	2027	to 65	5 to 30+	29.50	9,735	64,900	1.1%						11,562										
4.120	16,700	1,000	Square Feet	Concrete Driveways, Partial	2030	to 65	8 to 30+	12.50	12,500	208,750	3.7%								16,460					19,549			
4.140	6,100	365	Square Feet	Concrete Walkways, Partial	2030	to 65	8 to 30+	11.50	4,198	70,150	1.2%								5,527					6,565			
4.420	40	13	Zones	Irrigation System, Phased	2039	to 40+	17 to 21	3,782.00	50,414	151,280	9.1%																
		1	Allowance	Reserve Study Update with Site Visit	2024	2	2	2,800.00	2,800	2,800	0.1%			2,800													
Anticipated Expenditures, By Year (\$3,217,745 over 30 years)												207,000	3,105	2,800	133,623	0	67,620	0	3,817	28,571	0	155,124	7,300	0	30,806	8,093	5,026

RESERVE EXPENDITURES

Tarpon Harbor at Myakka Pointe
Condominium Association, Inc.
Port Charlotte, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047	26 2048	27 2049	28 2050	29 2051	30 2052	
						Useful	Remaining	Unit (2022)	Per Phase (2022)	Total (2022)																	
Exterior Building Elements																											
1.060	2,600	2,600	Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2025	to 25	3	12.00	31,200	31,200	3.3%								71,240								
1.240	2,950	2,950	Linear Feet	Gutters and Downspouts, Aluminum	2032	15 to 20	10	7.00	20,650	20,650	2.7%															57,960	
1.360	570	570	Squares	Roofs, Concrete Tiles (2022 is Budgeted Remaining)	2022	to 30	0	1,100.00	627,000	627,000	52.5%								1,481,755								
1.361	1	1	Allowance	Roofs, Concrete Tiles, Pressure Wash	2027	to 3	5	5,000.00	5,000	5,000	2.2%		8,973			9,949		11,031							13,559		
1.880	63,800	63,800	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2025	5 to 7	3	1.40	89,320	89,320	18.3%		160,300						203,947								
1.881	1	1	Allowance	Walls, Stucco, Pressure Wash (2023 is Planned)	2023	to 2	1	3,000.00	3,000	3,000	1.5%				5,768		6,178					7,595			8,136		
Property Site Elements																											
4.040	2,800	2,800	Square Yards	Asphalt Pavement, Mill and Overlay, Access Drives	2027	15 to 20	5	14.00	39,200	39,200	4.3%								92,639								
4.110	2,200	330	Linear Feet	Concrete Gutters, Partial	2027	to 65	5 to 30+	29.50	9,735	64,900	1.1%								23,006								
4.120	16,700	1,000	Square Feet	Concrete Driveways, Partial	2030	to 65	8 to 30+	12.50	12,500	208,750	3.7%			23,219				27,576						32,752			
4.140	6,100	365	Square Feet	Concrete Walkways, Partial	2030	to 65	8 to 30+	11.50	4,198	70,150	1.2%			7,797				9,260						10,998			
4.420	40	13	Zones	Irrigation System, Phased	2039	to 40+	17 to 21	3,782.00	50,414	151,280	9.1%		90,477		96,921		103,824										
		1	Allowance	Reserve Study Update with Site Visit	2024	2	2	2,800.00	2,800	2,800	0.1%																
Anticipated Expenditures, By Year (\$3,217,745 over 30 years)												0	259,750	31,016	102,689	9,949	110,002	0	47,867	275,187	1,597,400	0	7,595	43,750	21,695	57,960	

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Tarpon Harbor at Myakka Pointe
Condominium Association, Inc.

Port Charlotte, Florida		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Reserves at Beginning of Year	(Note 1)	422,443	225,167	292,166	362,349	304,251	382,446	396,041	480,297	564,123	626,605	721,206	663,913	757,872	863,226	941,916	1,047,562
Total Recommended Reserve Contributions	(Note 2)	8,969	68,300	70,700	73,200	75,800	78,500	81,200	84,000	86,900	89,900	93,000	96,300	99,700	103,200	106,800	110,500
Estimated Interest Earned, During Year	(Note 3)	755	1,804	2,283	2,325	2,395	2,715	3,056	3,643	4,153	4,701	4,831	4,959	5,654	6,296	6,939	7,702
Anticipated Expenditures, By Year		(207,000)	(3,105)	(2,800)	(133,623)	0	(67,620)	0	(3,817)	(28,571)	0	(155,124)	(7,300)	0	(30,806)	(8,093)	(5,026)
Anticipated Reserves at Year End		<u>\$225,167</u>	<u>\$292,166</u>	<u>\$362,349</u>	<u>\$304,251</u>	<u>\$382,446</u>	<u>\$396,041</u>	<u>\$480,297</u>	<u>\$564,123</u>	<u>\$626,605</u>	<u>\$721,206</u>	<u>\$663,913</u>	<u>\$757,872</u>	<u>\$863,226</u>	<u>\$941,916</u>	<u>\$1,047,562</u>	<u>\$1,160,738</u>
Predicted Reserves based on 2022 funding level of:	\$35,874	225,167	259,627	294,634	198,605	235,995	205,790	243,230	277,102	286,370	324,374	206,977	237,100	274,759	281,768	311,619	344,756

(continued)		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Reserves at Beginning of Year		1,160,738	1,283,664	1,150,805	1,250,665	1,283,615	1,414,276	1,450,064	1,601,307	1,710,491	1,597,441	162,078	325,177	487,416	620,330	782,327
Total Recommended Reserve Contributions		114,400	118,400	122,500	126,800	131,200	135,800	140,600	145,500	150,600	155,900	161,400	167,000	172,800	178,800	185,100
Estimated Interest Earned, During Year		8,526	8,491	8,376	8,839	9,410	9,990	10,643	11,551	11,537	6,137	1,699	2,834	3,864	4,892	5,921
Anticipated Expenditures, By Year		0	(259,750)	(31,016)	(102,689)	(9,949)	(110,002)	0	(47,867)	(275,187)	(1,597,400)	0	(7,595)	(43,750)	(21,695)	(57,960)
Anticipated Reserves at Year End		<u>\$1,283,664</u>	<u>\$1,150,805</u>	<u>\$1,250,665</u>	<u>\$1,283,615</u>	<u>\$1,414,276</u>	<u>\$1,450,064</u>	<u>\$1,601,307</u>	<u>\$1,710,491</u>	<u>\$1,597,441</u>	<u>\$162,078</u>	<u>\$325,177</u>	<u>\$487,416</u>	<u>\$620,330</u>	<u>\$782,327</u>	<u>\$915,388</u>
											(NOTE 5)					(NOTE 4)
Predicted Reserves based on 2022 funding level of:	\$35,874	383,169	161,192	167,195	101,317	128,042	54,551	90,932	79,534	(160,060)	(1,728,172)					

Explanatory Notes:

- 1) Year 2022 starting reserves are as of August 31, 2022 and EXCLUDES Hurricane Deduct; FY2022 starts January 1, 2022 and ends December 31, 2022.
- 2) Reserve Contributions for 2022 are the remaining budgeted 1 quarter; 2023 is the first year of recommended contributions.
- 3) 0.7% is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.
- 4) Accumulated year 2052 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

FIVE-YEAR OUTLOOK**Tarpon Harbor at Myakka Pointe
Condominium Association, Inc.**

Port Charlotte, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
<u>Exterior Building Elements</u>							
1.060	Balconies, Concrete, Repairs and Waterproof Coating Applications				34,592		
1.360	Roofs, Concrete Tiles (2022 is Budgeted Remaining)	207,000					
1.361	Roofs, Concrete Tiles, Pressure Wash						5,938
1.880	Walls, Stucco, Paint Finishes and Capital Repairs				99,031		
1.881	Walls, Stucco, Pressure Wash (2023 is Planned)		3,105				3,563
<u>Property Site Elements</u>							
4.040	Asphalt Pavement, Mill and Overlay, Access Drives						46,557
4.110	Concrete Gutters, Partial						11,562
	Reserve Study Update with Site Visit			2,800			
Anticipated Expenditures, By Year (\$3,217,745 over 30 years)							
		207,000	3,105	2,800	133,623	0	67,620

COMPONENT METHOD RESERVE ANALYSIS

for
Tarpon Harbor at Myakka Pointe
Condominium Association, Inc.
Port Charlotte, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	2022 Cost of Replacement, \$	Aug 31, 2022 Estimated Balance, \$	2022 Budgeted Contributions, \$	2022 Remaining Contributions, \$	2022 Remaining Expenditures, \$	Jan 1, 2023 Projected Balance, \$	Unfunded Residual Balance, \$	2023 Recommended Contribution, \$	Reserve Category
					Useful	Remaining ³										
Exterior Building Elements																
1.060	2,600 Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications		2025	to 25	3	12.00	31,200	0	0	0	0	0	31,200	10,400	Other
1.240	2,950 Linear Feet	Gutters and Downspouts, Aluminum		2032	15 to 20	10	7.00	20,650	0	0	0	0	0	20,650	2,065	Other
1.360	570 Squares	Roofs, Concrete Tiles (2022 is Budgeted Remaining)		2022	to 30	25	1,100.00	627,000	376,727	25,851	6,463	207,000	176,189	450,811	18,032	Roof Replacement
1.361	1 Allowance	Roofs, Concrete Tiles, Pressure Wash		2027	to 3	5	5,000.00	5,000	0	0	0	0	0	5,000	1,000	Pressure Wash
1.880	63,800 Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs		2025	5 to 7	3	1.40	89,320	38,487	7,452	1,863	0	40,350	48,970	16,323	Painting
1.881	1 Allowance	Walls, Stucco, Pressure Wash (2023 is Planned)		2023	to 2	1	3,000.00	3,000	2,424	1,494	374	0	2,797	203	203	Pressure Wash
Property Site Elements																
4.040	2,800 Square Yards	Asphalt Pavement, Mill and Overlay, Access Drives		2027	15 to 20	5	14.00	39,200	4,806	1,077	269	0	5,076	34,125	6,825	Paving
4.110	330 Linear Feet	Concrete Gutters, Partial		2027	to 65	5	29.50	9,735	0	0	0	0	0	9,735	1,947	Paving
4.120	1,000 Square Feet	Concrete Driveways, Partial		2030	to 65	8	12.50	12,500	0	0	0	0	0	12,500	1,563	Other
4.140	365 Square Feet	Concrete Walkways, Partial		2030	to 65	8	11.50	4,198	0	0	0	0	0	4,198	525	Other
4.420	40 Zones	Irrigation System		2039	to 40+	19	3,782.00	151,242	0	0	0	0	0	151,242	7,960	Other
	1 Allowance	Reserve Study Update with Site Visit		2024	2	2	2,800.00	2,800	0	0	0	0	0	2,800	1,400	Other
									\$422,443 (Note 1)	\$35,874	\$8,969 (Note 2)	\$207,000	\$224,412	\$771,433	\$68,243	

Explanatory Notes:

1) Year 2022 starting reserves are as of August 31, 2022; FY2022 starts January 1, 2022 and ends December 31, 2022.

2) Reserve Contributions for 2022 are the remaining budgeted 1 quarter; 2023 is the first year of recommended contributions.

3) Our estimates of remaining useful life reflect averages for phased projects. The estimated first year of replacement indicates the year of the initial phase.

4) The Hurricane Deduct Reserve Funds are not allocated to any identified Reserve Components.

COMPONENT METHOD SUMMARY

for

Tarpon Harbor at Myakka Pointe

Condominium Association, Inc.

Port Charlotte, Florida

Existing Reserve Categories	Life Analysis, Years		2022 Cost of Replacement, \$	Jan 1, 2023	2023
	Useful	Remaining		Projected Balance, \$	Recommended Contribution, \$
Roof Replacement	to 30	25	\$627,000	\$176,189	\$18,032
Painting	5 to 7	3	\$89,320	\$40,350	\$16,323
Pressure Wash	to 3	1 to 5	\$8,000	\$2,797	\$1,203
Paving	15 to 65	5	\$48,935	\$5,076	\$8,772
Hurricane Deduct	N/A	N/A	N/A	N/A	N/A
Subtotal			\$773,255	\$224,412	\$44,331
Other (Currently Unfunded)	2 to 65	3 to 19	\$222,590	\$0	\$23,912
Grand Total			\$995,845	\$224,412	\$68,243

Explanatory Notes:

- 1) We allocate the existing Unallocated Reserves Interest Reserve Funds to Reserve Components associated with the Painting Reserve Funds.
- 2) The Hurricane Deduct Reserve Funds are not allocated to any identified Reserve Components.

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Exterior Building Elements



Front elevation



Rear elevation

Balconies, Concrete

Line Item: 1.060

Quantity: 18 concrete balconies comprising approximately 2,600 square feet of horizontal surface area. The balconies comprise reinforced concrete with tile floor coverings.

History: Original

Condition: Good to fair overall with no significant deterioration evident from our visual inspection from the ground.



Balcony overview



Balcony overview

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every up to 25 years.

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the balconies will result in increased concrete repairs and replacements as the balconies age.* Capital repairs may also include replacement of the caulked joint between the balcony and the building, and repair or replacement of the metal railings and railing fastener attachments as needed.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes the following activities per event:

- Partial depth replacement of up to one percent (1%) of the concrete topsides, edges and undersides
- Crack repairs as necessary
- Removal of tile floor coverings
- Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)

The cost of replacement of the tile floor coverings is the responsibility of the homeowners. The Association should coordinate both balcony and facade capital repairs and maintenance to allow for the possible use of a single contractor and combine any applicable staging or mobilization costs. Also, coordinated repairs will reduce disruption to homeowners.

Gutters and Downspouts, Aluminum

Line Item: 1.240

Quantity: Approximately 2,950 linear feet of aluminum six-inch seamless gutters and three-inch by four-inch downspouts

History: Installed in approximately 2012.

Condition: Good to fair overall with isolated leakage at seams and dented sections evident.



Aluminum gutters and downspouts



Aluminum gutters and downspouts



Dented downspout



Building 4628 unit 202 – gutter leak



Building 4628 unit 202 – gutter leak

Useful Life: 15- to 20-years

Component Detail Notes: The size of the gutter is determined by the roof's watershed area, a roof pitch factor and the rainfall intensity number of the Association's region. We recommend sloping gutters 1/16 inch per linear foot and providing fasteners a maximum of every three feet.

Downspouts can drain 100 square feet of roof area per one square inch of downspout cross sectional area. We recommend the use of downspout extensions and splash blocks at the downspout discharge to direct storm water away from the foundations.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Clean out debris and leaves that collect in the gutters
 - Repair and refasten any loose gutter fasteners
 - Repair and seal any leaking seams or end caps
 - Verify downspouts discharge away from foundations

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Roofs, Concrete Tiles

Line Items: 1.360 and 1.361

Quantity: Approximately 570 squares¹

History: Replaced in 2022.

Condition: Good overall



Roof overview



Roof overview



Roof overview



Roof overview

Useful Life: Up to 30 years. At the request of Management and the Board, we include for pressure washing of the roofs up to every three years.

Component Detail Notes: A tile roof rarely fails at all points of application simultaneously. Rather, occurrences of roof leaks will increase as more concrete tiles crack, break and dislodge. This deterioration will result in increased maintenance costs

¹ We quantify the roof area in squares where one square is equal to 100 square feet of surface area.

such that replacement becomes the least costly long-term alternative as compared to ongoing repairs.

A concrete tile roof system comprises sheathing, underlayments, battens and the tiles themselves. Replacement standards should conform to the local building code and manufacturer's specifications at the time of actual replacement. The manner of construction is such that the underlayment is the primary line of defense from water infiltration. The tiles act to shade the underlayment from harmful sunlight and to protect the roof from heavy winds. Most storm water is shed from the roof tiles into the gutters or over the edge of the roof. However, this tile style is meant to allow water to pass between the tiles onto the underlayment. The underlayment thus sheds any remaining water into the gutters. In fact, horizontal driving rains will force their way up and under the tile only to be shed at some other point.

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Record any areas of water infiltration, flashing deterioration, damage or loose tiles
 - Implement repairs as needed if issues are reoccurring
 - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
 - Trim tree branches that are near or in contact with roof
 - Periodic cleaning at areas with organic growth

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. At the request of the Management and the Board, we have included an allowance for soft pressure washing of the concrete tile roofs. Our estimate of cost for replacement and pressure washing is based on information provided to us by Management. The Association has budgeted to replace the roofs in 2022 and we are including for the remaining budgeted payments.

Walls, Stucco

Line Items: 1.880 and 1.881

Quantity: Approximately 63,800 square feet of the building exteriors

History: Applied paint finishes and repaired in 2019

Condition: Good overall



Stucco wall finishes



Stucco wall finishes



Stucco wall finishes



Stucco wall finishes

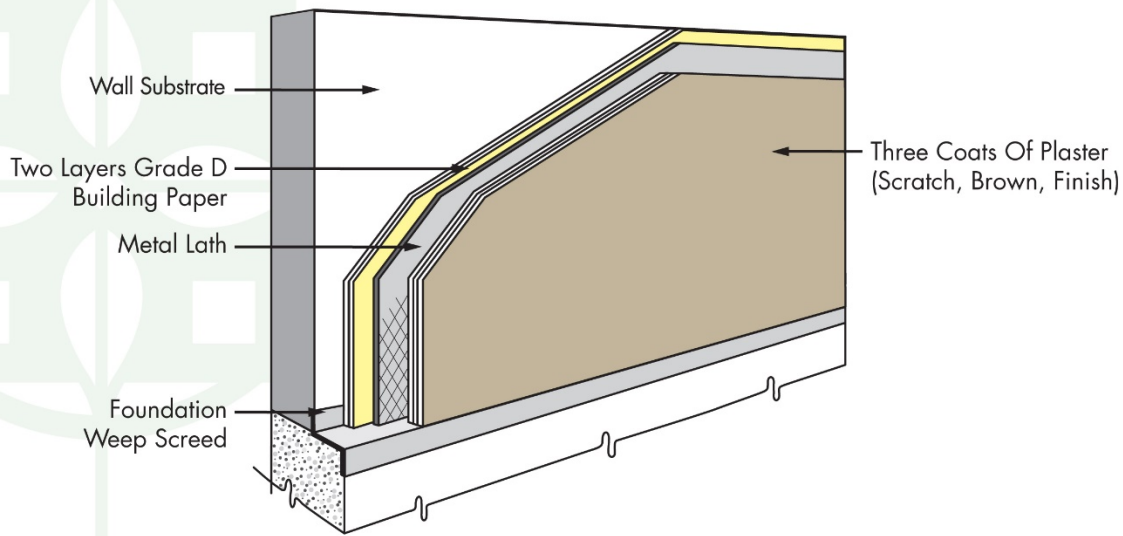


Stucco wall finishes

Useful Life: We recommend inspections, repairs and paint finish applications every five- to seven-years. At the request of Management and the Board, we have included pressure washing of the exterior walls every two years.

Component Detail Notes: The following graphic details the typical components of a stucco wall system on frame construction although it may not reflect the actual configuration at Tarpon Harbor at Myakka Pointe:

STUCCO DETAIL



© Reserve Advisors

Correct and complete preparation of the surface before application of the paint finish maximizes the useful life of the paint finish and surface. The contractor should remove all loose, peeled or blistered paint before application of the new paint finish. The contractor should then power wash the surface to remove all dirt and biological growth. Water-soluble cleaners that will not attack Portland cement are acceptable for removing stains.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We include an allowance for pressure washing of the exterior walls. Our estimate of cost for pressure washing is based on information provided to us by Management. Our estimate of cost anticipates the following in coordination with each paint finish application:

- Complete inspection of the stucco
- Crack repairs as needed (Each paint product has the limited ability to cover and seal cracks but we recommend repair of all cracks which exceed the ability of the paint product to bridge.)
- Replacement of up to one percent (1%), of the stucco walls (The exact amount of area in need of replacement will be discretionary based on the actual future conditions and the desired appearance.)

- Replacement of up to thirty-three percent (33%) of the sealants in coordination with each paint finish application.

Property Site Elements

Asphalt Pavement, Repaving

Line Item: 4.040

Quantity: Approximately 2,800 square yards at the access drives

History: Original

Condition: Good to fair overall with isolated cracks evident



Pavement cracks



Asphalt pavement parking lot overview



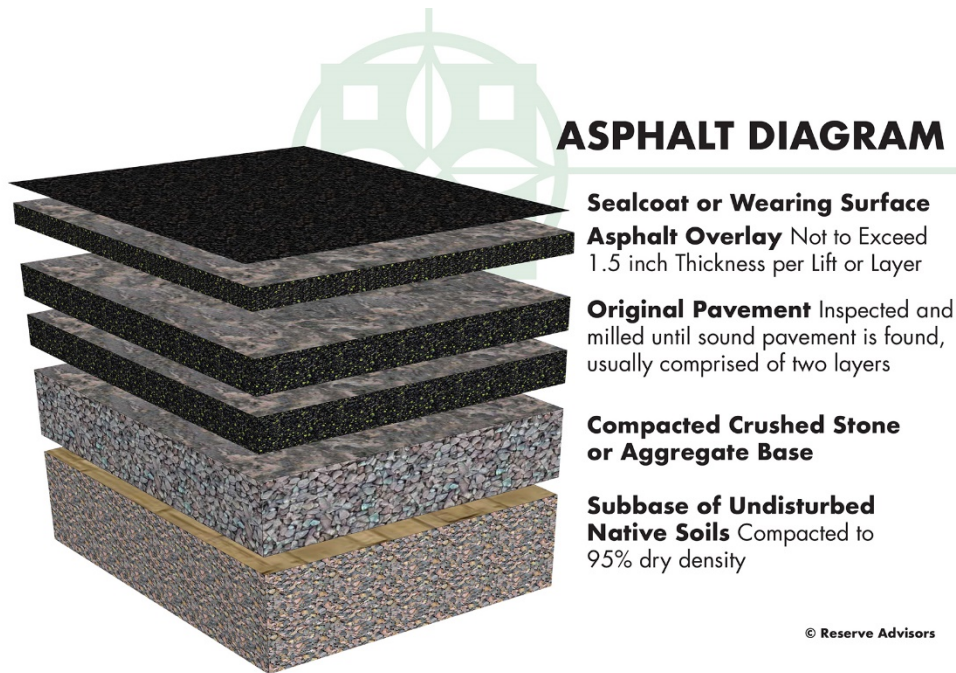
Asphalt pavement parking lot overview



Asphalt pavement parking lot overview

Useful Life: 15- to 20-years with the benefit of timely crack repairs and patching

Component Detail Notes: The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Tarpon Harbor at Myakka Pointe:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlayment at Tarpon Harbor at Myakka Pointe.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
 - Repair areas which could cause vehicular damage such as potholes

- As needed:
 - Perform crack repairs and patching

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost for milling and overlayment includes area patching of up to ten percent (10%).

Concrete Gutters

Line Item: 4.110

Quantity: Approximately 2,200 linear feet

History and Condition: Original; Good to fair overall with isolated cracks and standing water evident



Concrete gutter



Standing water



Gutter cracks

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 660 linear feet of gutters, or thirty percent (30%) of the total, will require replacement during the next 30 years.

Concrete Driveways

Line Item: 4.120

Quantity: Approximately 16,700 square feet

History and Condition: Good to fair overall with isolated cracks evident.



Driveway cracks



Concrete driveway

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 5,000 square feet of concrete driveways, or thirty percent (29.9%) of the total, will require replacement during the next 30 years.

Concrete Walkways

Line Item: 4.140

Quantity: Approximately 6,100 square feet

History and Condition: Original; Good to fair overall



Concrete walkway

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 1,825 square feet of concrete sidewalks, or thirty percent (29.9%) of the total, will require replacement during the next 30 years.

Irrigation System

Line Item: 4.420

Quantity: Approximately 40 zones

History: Original

Condition: Satisfactory operational condition and Management and the Board do not report any deficiencies

Useful Life: Up to 40+ years

Component Detail Notes: Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Valves

Tarpon Harbor at Myakka Pointe should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3.

Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

5.METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Tarpon Harbor at Myakka Pointe can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level quarterly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Homeowners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards¹ set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level I Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local² costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Port

¹ Identified in the APRA "Standards - Terms and Definitions" .

² See Credentials for additional information on our use of published sources of cost data.

Charlotte, Florida at an annual inflation rate³. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Tarpon Harbor at Myakka Pointe and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.

³ Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.



6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.

TYLER D. THOMPSON
Responsible Advisor

CURRENT CLIENT SERVICES

Tyler Thompson, a Mechanical Engineer, is an Advisor for Reserve Advisors. Mr. Thompson is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Tyler Thompson demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.



The Gates at Quail Hollow Homeowners' Association, Ltd. – Located in Charlotte, North Carolina, this townhome community has 38 buildings comprised of 174 units. The community has a clubhouse and pool with full amenities. The exteriors of the townhomes are built with wood siding and asphalt shingle roofs.

Schooner Cove Condominium Owners Association, Inc. – A 249-unit, 83-building townhome association in Tampa, Florida that includes multiple funding plans. The community has a clubhouse with full amenities including a pool, spa, and exercise room.

Windsor Oaks Condominiums, Inc. – A 156-unit, 39-building townhome association located in Charlotte, North Carolina. The townhomes in this community consist of a masonry façade with asphalt shingle roofs. The community is also equipped with a clubhouse and pool. Due to the complexity of the terrain, the community is responsible for many retaining walls providing support for many of the buildings.

Grand Oaks Master Association, Inc. – In the north suburbs of Tampa, Florida, this 577 home master association includes a full amenity clubhouse with a large playground, basketball courts, and pool area.

Edgewater Walk II on Harbour Isle, A Condominium Association, Inc. &

Mangrove Walk on Harbour Isle, A Condominium Association, Inc. – These two gated sister communities sit on Perico Island in Bradenton, Florida. The coastal associations include third floor look-out towers and complex balconies. The exteriors have fiber cement siding and concrete tile roofing systems.

Park Brook of Citrus Park Homeowners Association, Inc. – Located just outside of Tampa, Florida this community consists of 21 two-unit townhomes and 19 single family homes. These homeowners share responsibilities throughout the community including a pool and pool house.

Hammocks at Riviera Dunes Association, Inc. – This 65-unit, 26 building townhome association is located in Palmetto, Florida along the Manatee River. This coastal property includes a pool, as well as, a boardwalk and viewing area.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, LLC, Mr. Thompson was a Product Engineer for a specialty valve manufacturer. He was responsible for processing sales orders through the engineering department by creating bill of materials. This would include designing and drafting various parts and assemblies for the shop and creating processes to streamline production.

EDUCATION

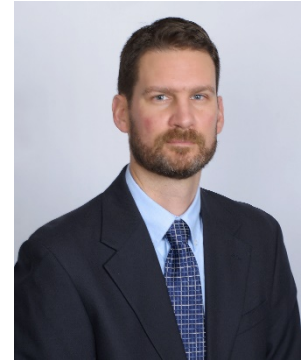
University of Illinois at Chicago (UIC) - B.S. Mechanical Engineering

ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.



Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado

Reserve Specialist (RS) - Community Associations Institute

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts



RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.marshallswift.com.

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at www.rsmeans.com.

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local*/market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Tarpon Harbor at Myakka Pointe responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

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 Fully Funded Balance, expressed as a percentage.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Tarpon Harbor at Myakka Pointe responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in *Reserve Expenditures* that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.

8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, LLC (RA) performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan to create reserves for anticipated future replacement expenditures of the property.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in our report. The inspection is made by employees generally familiar with real estate and building construction but in the absence of invasive testing RA cannot opine on, nor is RA responsible for, the structural integrity of the property including its conformity to specific governmental code requirements for fire, building, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the report. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services; nor does RA investigate water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions. RA assumes no responsibility for any such conditions. The Report contains opinions of estimated costs and remaining useful lives which are neither a guarantee of the actual costs of replacement nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

Report - RA completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations and is deemed complete. RA, however, considers any additional information made available to us within 6 months of issuing the Report if a timely request for a revised Report is made. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit.

Your Obligations - You agree to provide us access to the subject property for an on-site visual inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

Use of Our Report and Your Name - Use of this Report is limited to only the purpose stated herein. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and you shall hold RA harmless from any consequences of such use. Use by any unauthorized third party is unlawful. The Report in whole or in part **is not and cannot be used as a design specification for design engineering purposes or as an appraisal**. You may show our Report in its entirety to the following third parties: members of your organization, your accountant, attorney, financial institution and property manager who need to review the information contained herein. Without the written consent of RA, you shall not disclose the Report to any other third party. The Report contains intellectual property developed by RA and **shall not be reproduced or distributed to any party that conducts reserve studies without the written consent of RA**.

RA will include your name in our client lists. RA reserves the right to use property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

Payment Terms, Due Dates and Interest Charges - Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court for the State of Wisconsin.