

Contract # 22747

Reserve Study

Prepared for the Board of Directors for the
**Terrace Park of Five Towns 20 COA,
Inc.**



This Report contains Structural Reserve Study for the Property
with Address of:

5973 Terrace Park Dr N, St. Petersburg, Florida 33709

August 23, 2023



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This document has been prepared for the use of the client for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to Beryl Engineering & Inspection, LLC (Beryl) constitute the opinions of Beryl. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, Beryl has relied upon the same to be accurate, and for which no assurances are intended, and no representations or warranties are made. Beryl makes no certification and gives no assurances except as explicitly set forth in this document.

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Purpose and Non-Conflict of Interest Disclosure

The purpose of this report is to certify the enclosed Reserve Study and Report prepared for Terrace Park of Five Towns 20 COA, Inc. and is the result of work performed by Beryl Engineering & Inspection, LLC (Beryl).

In addition, we certify that, to the best of our knowledge and belief:

1. All facts contained in this report are true and accurate.
2. Beryl has no present or prospective interest in the subject property of this report, and also has no personal interest with respect to the parties involved.
3. Beryl has no bias with respect to the subject property of this report or to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon producing or reporting predetermined results.
5. Our compensation is not contingent on any action or event resulting from this report.
6. We have the knowledge and experience to generate accurate Reserve Study and Report on all buildings contained within this report
7. We have performed a physical inspection of the subject risk(s) contained in this report.

Key Staff:

Leo Cannyn

Richard Leon Cannyn
Florida Professional Engineering License #65994

Introduction

Beryl Engineering & Inspection, LLC (“Beryl”) has conducted this Reserve Study (“Study”) as part of performing Professional Services (Services) for the Terrace Park of Five Towns 20 COA, Inc. (“Terrace Park of Five Towns 20 COA, Inc.”). A Reserve Study is 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. A typical Reserve Study consists of two parts: the physical analysis and the financial analysis. The purpose of this study and supplemental survey is to assist Terrace Park of Five Towns 20 COA, Inc. in its due diligence for preparing their budgets for upcoming years.

This memorandum has been prepared in accordance with generally accepted practices from the Community Associations Institute (“CAI”). No warranty, expressed or implied, is provided with this report. The findings and recommendations contained herein are based upon the data and information provided to and reviewed by Beryl from Pam Askin and Stephen Stanley and at the time of the site visits only. The discovery of any additional information concerning the components evaluated may be forwarded to our firm for review. If necessary, we will reassess the potential impact and modify our recommendations as needed.

As part of the assessment process, Beryl performs the following tasks to investigate and evaluate the roofs of the Property:

- Reviewed applicable reports and documents;
- Conducted interviews with applicable parties;
- Reviewed the industry standards and building codes applicable to the inspection;
- Conducted a limited visual, non-destructive assessment of the Property; and
- Prepared this Report.

Site visits to the Terrace Park of Five Towns 20 COA, Inc. were conducted by Beryl on 8/23/2023, where Beryl met with Pam Askin. The interviews with the Terrace Park of Five Towns 20 COA, Inc. included a discussion of the property, a review of what is covered by the Terrace Park of Five Towns 20 COA, Inc., a review of the current budget, and current operational and maintenance issues. The information from the interviews and discussions are presented in the various sections of this report.

This Report has been prepared in accordance with generally accepted inspection practices. No warranty, expressed or implied, is provided with this report. The findings and recommendations contained herein are based upon the data and information provided to and reviewed by Beryl from the Terrace Park of Five Towns 20 COA, Inc. and at the time of the site visits only. The discovery of any additional information concerning the components evaluated may be forwarded to our firm for review. If necessary, we will reassess the potential impact and modify our recommendations as needed.

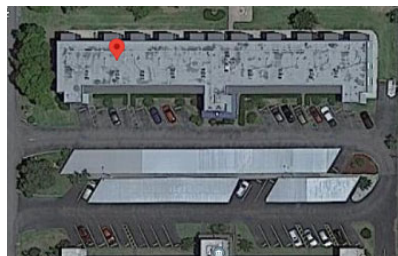
Assumptions

In conducting this review and performing our evaluation, Beryl has made certain assumptions, as follows:

1. Beryl has made no determination as to the validity and enforceability of any contract, agreement, rule, or regulation applicable to the Terrace Park of Five Towns 20 COA, Inc.. For purposes of this Study, we have assumed that all such contracts, agreements, rules and regulations will be fully enforceable in accordance with their terms.
2. The documents, reports, verbal communications, and the records supplied to us are accurate.
3. Beryl did not provide a financial audit of the bank statements or budgets provided by the Terrace Park of Five Towns 20 COA, Inc..
4. Information provided about current reserve projects is considered reliable. Any on-site inspection of an active reserve project should not be considered a project audit or quality inspection.
5. The Terrace Park of Five Towns 20 COA, Inc. will continue to maintain the grounds and common elements as set forth by common industry standards.
6. The scope of Beryl's review included a review of selective cost information pertaining to the maintenance of the Terrace Park of Five Towns 20 COA, Inc. identified as Reserve items. It did not include a review of the overall economic performance for the non-Reserve items.
7. There will be no significant changes in the maintenance conditions or costs in the future other than those identified during the review.
8. On May 28, 2023, the price of crude oil was \$72.67 per barrel. As this price continues to rise or fall, the price of petroleum based products will also increase or decrease. Petroleum based products include asphalt, slurry seal, and roofing shingles.

Site Information

The Property is a Condominium Tower City of St. Petersburg, Pinellas County, Florida, located East of Park St N and North of 54th Ave N. The structural system is consistent with a slab-on-grade construction with stucco veneer. According to the Pinellas County Property Appraiser Website, the building was built in 1979. The structural systems are consistent with a Slab-on-Grade foundation with Concrete Masonry Units (CMU) walls clad in Stucco veneer. The roof structure is consistent with a predominantly Flat roof design covered with a coated Spray Polyurethan Foam and Acrylic Coating. A site map provided by Google Maps is provided below:



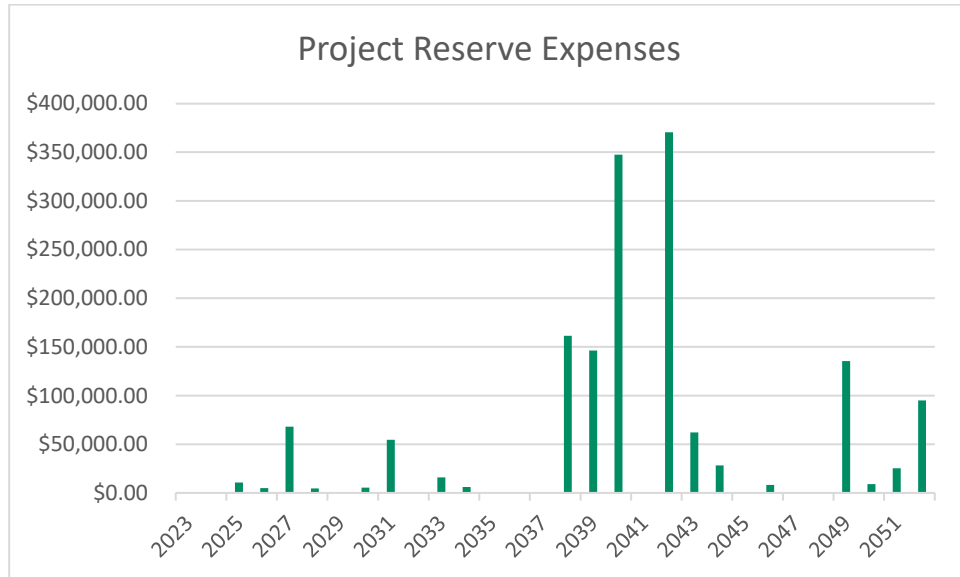
Findings and Conclusions

Set forth below are the principal opinions we have reached after our limited review of the Property and documents. Please note that such opinions do not constitute a legal opinion. For a complete understanding of the estimates, assumptions, and calculations upon which these opinions are based, the Study should be read in its entirety. On the basis of our Reserve Study analysis of the Terrace Park of Five Towns 20 COA, Inc. and the assumptions set forth in the Report:

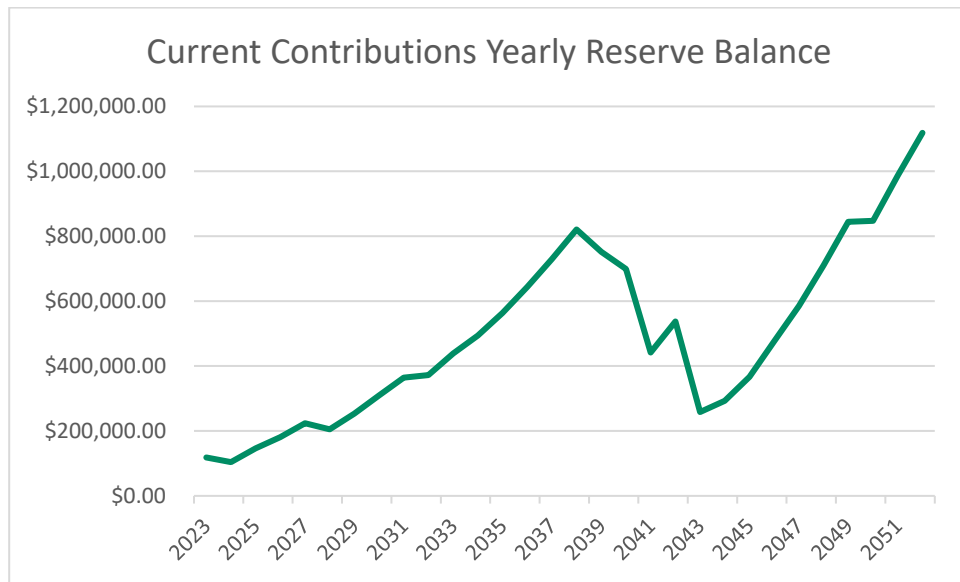
1. The table below contains a partial summary of the Reserves Study along with a calculated value for Reserve Contributions starting with the next Fiscal Year:

Fiscal Year Ending:	2023		
Funding Study Length in Years:	30		
Total Units:	32		
Annual Inflation Rate:	3.50%		
Annual Assessment Increase Rate:	4.50%		
Interest Rate:	3.00%		
Beginning Balance	\$118,140.34		
Recommended Reserve Contributions	\$3,166.67	per month per unit	\$38,000.00 per Year
	\$98.96	monthly	
Average Net Interest Earned:	\$355.00	per month	\$4,387.14 per Year
Allocation to Reserves:	\$3,521.67	per month per unit	\$42,387.14 per Year
	\$98.96	monthly	

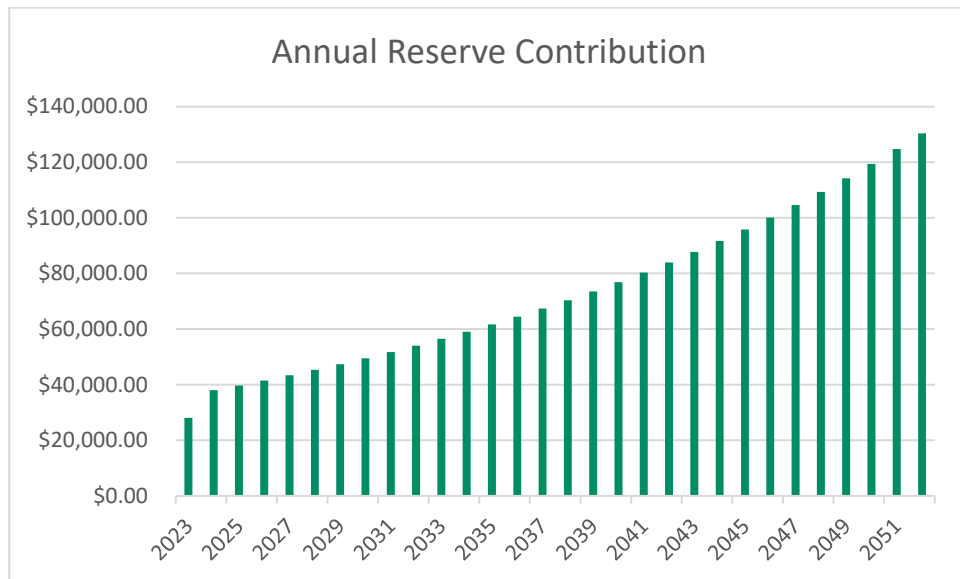
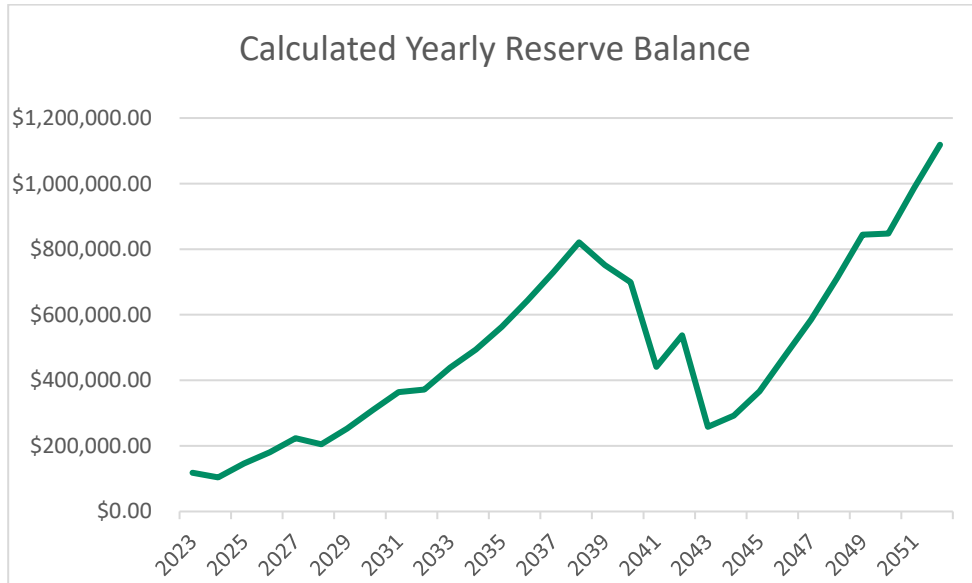
2. Reserve fund strength is measured as a percentage. Typically, associations with a percent funded level of more than 70% have a lower risk for special assessments. Associations with a percent funded level of less than 35% have a higher risk of special assessments and deferred maintenance. The Terrace Park of Five Towns 20 COA, Inc.'s Reserve fund percentage is currently at 20.56%, which is considered Weak. Below is a graph showing the projected Reserve Expenses by year.



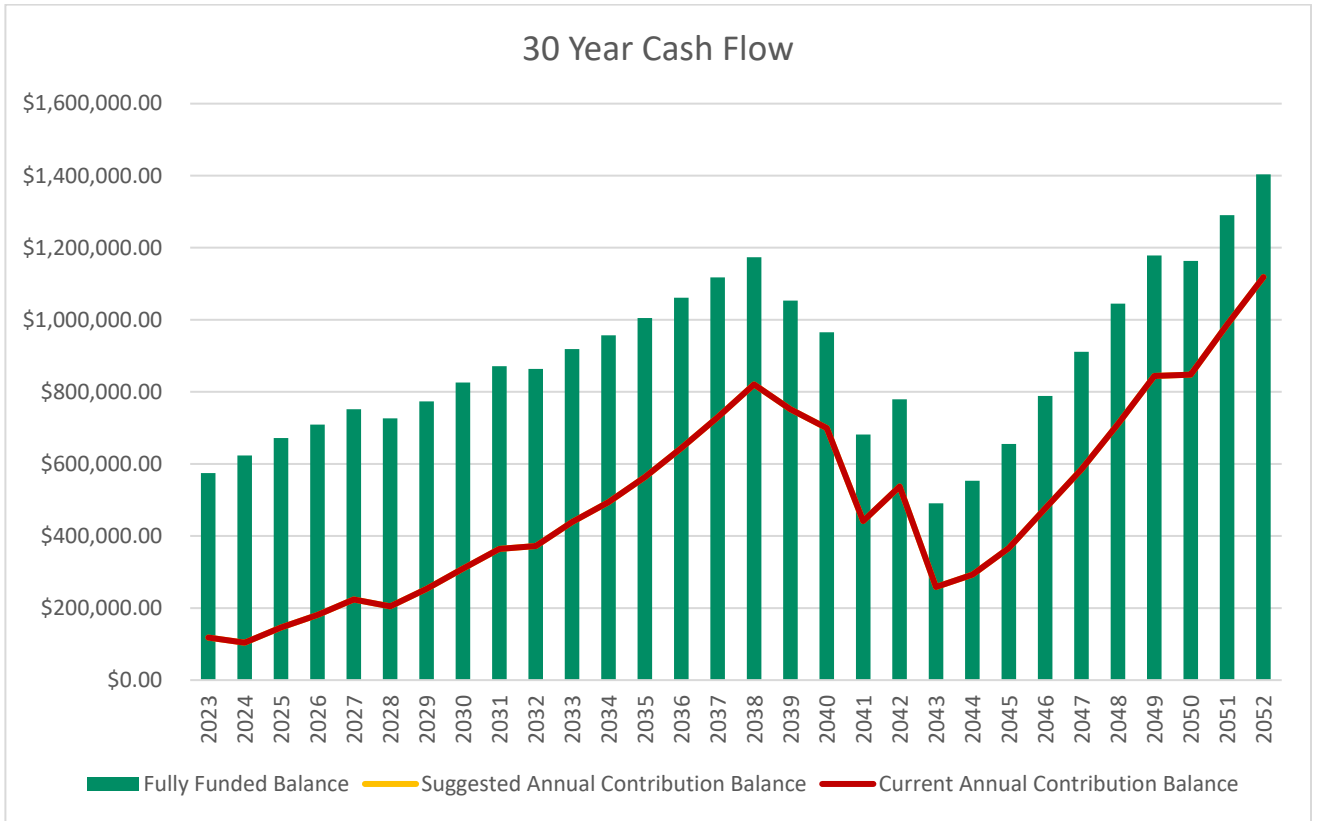
- Currently the Terrace Park of Five Towns 20 COA, Inc. contributes \$38,000 per year into the Reserve Fund. This value is adequate due to the Terrace Park of Five Towns 20 COA, Inc. maintaining a positive throughout the course of the Reserve Study. Below is a graph showing the yearly balances based upon continuing current contribution rates. This amount factors in a yearly dues increase in an estimated amount of 4.5%.



- Using a 10% Baseline Funding Strategy, Beryl recommends that the Terrace Park of Five Towns 20 COA, Inc. contribute at least \$38,000 per year into the Reserve Fund. This value allows the Terrace Park of Five Towns 20 COA, Inc. to have a positive value in the Reserve Fund throughout the course of the Reserve Study. Below is a graph showing the yearly balances based upon a 10% Baseline Funding strategy followed by a graph showing the yearly contributions factoring in a yearly dues increase in an estimated amount of 4.5%.



- The graphic below compares the Fully Funded Reserve Balance to Beryl's suggested Annual Contribution Balance and the Current Annual Contribution Balance.



Background

A Reserve Study is made up of two parts, 1) the information about the physical status and repair/replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and 2) the evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis). The Physical Analysis is comprised of the Component Inventory, Condition Assessment, and Life and Valuation Estimates. The Component Inventory should be relatively "stable" from year to year, while the Condition Assessment and Life and Valuation Estimates will necessarily change from year to year. The Financial Analysis is made up of a finding of Terrace Park of Five Towns 20 COA, Inc. Homeowner Association's current Reserve Fund Status (measured in cash or as Percent Funded) and a recommendation for an appropriate Reserve contribution rate (Funding Plan).

Physical Analysis

Component Inventory

Condition Assessment

Life and Valuation Estimates

Financial Analysis

Fund Status

Funding Plan

Level of Service

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal.

For a Level 1 Reserve Study, Full, the Reserves Study will have the following five (5) tasks performed:

- Component Inventory (Quantification)
- Condition Assessment (Based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

For a Level 2 Reserve Study, With-Site-Visit/On-Site Review, the Reserves Study will have the following five (5) tasks performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

For a Level 3 Reserve Study, No-Site-Visit/Off-Site Review, the Reserves Study with no on-site visual observations in which the following three (3) Reserves Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

* = The Limited Condition Assessment of the property is limited to a non-invasive and visual observation. Beryl does not investigate nor assume any responsibility for any existence or impact of any structural, latent, or hidden defects which may or may not be present for the property. Beryl further does not perform any Engineering Analysis, or probing for Termites, pests, other wood destroying organisms, or identify environmental hazards. This Limited Condition Assessment is not to identify construction deficiencies and is limited to areas of immediate access. These opinions of estimated costs and remaining useful lives are not a guarantee or a warranty of the common components.

This Revere Study prepared for the Terrace Park of Five Towns 20 COA, Inc. is a Level 1 Reserve Study.

Contents of a Reserve Study

A reserve study prepared by Beryl will include the following:

- A summary of the association, including the number of units, physical description, and the financial condition of the reserve fund.
- A projection of the reserve starting balance, recommended reserve contributions, projected reserve expenses, and the projected ending reserve fund balance for a minimum of 20 years.
- A tabular listing of the component inventory, component quantity or identifying descriptions, useful life, remaining useful life, and current replacement cost.
- A description of the methods and objectives utilized in computing the fund status and in the development of the funding plan.
- Source(s) utilized to obtain component repair or replacement cost estimates.
- A description of the level of service by which the reserve study

Reserve Components

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, the expense must be a common area maintenance responsibility. Second, the component considered must have a limited life. Third, the limited life of the component must be predictable. Fourth, the component must be above a minimum threshold cost. For the purpose of this Reserve Study, Beryl assumes that items with an estimated useful life of less than one year or a total cost less than \$1,000 are excluded even if they meet the other three criteria explained above.

Ultimately, the tests means that components should be major, predictable expenses. It is incorrect to include “lifetime” components, unpredictable expenses (such as insurance related losses), and expenses more appropriately handled from the operational budget.

The Reserve Components included in this Reserve Study includes:

SIRS COMPONENTS

- Roofs Coating

- Painting Walkway
- Painting Building
- Stairway and Lobby Paint
- Elevator Cab
- Elevator Motor
- Elevator Controls
- Fire Alarm System
- Electrical Panels (Main)
- Electrical Panels (Subs)
- Plumbing Chases
- Stairway Railings
- Balcony Railings
- Walkway Railings
- Utility Doors

NON SIRS COMPONENTS

- Pavement Resurface
- Water Heater
- HVAC Splits
- Lighting
- Pool/Common Bath
- Trash Chute
- Car Ports

Funding Strategy

There are two accepted means of estimating the Reserves: the Component Funding Method and the Cash Flow Funding Method. The Component Funding Method a method of developing a reserve funding plan where the total contribution is based on the sum of contributions for individual components. The Cash Flow Funding Method is method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved. Unlike the Component Funding Method, the Cash Flow Method does not require one hundred percent of funding of components to meet projected future expenditures. There are several strategies involved with the Cash Flow Funding Method. Beryl described these strategies below.

There are four basic strategies from which most associations select. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. The four funding plans and descriptions of each are detailed below. Associations will need to update their reserve studies more or less frequently depending on the funding strategy they select.

- **Full funding**— The goal of this funding strategy is to attain and maintain the reserves at or near 100 percent. For example, if an association has a component with a 10-year life and a \$10,000 replacement cost, it should have \$3,000 set aside for its replacement after three years ($\$10,000 \div 10 \text{ years} = \$1,000 \text{ per year} \times 3 \text{ years} = \$3,000$). In this case, \$3,000 equals full funding.

- **Baseline funding**— The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component’s remaining useful life can result in a deficit in the reserve cash balance. Associations can implement this funding method more safely by conducting annual reserve updates that include field observations.

- **Threshold funding**— This method is based on the baseline funding concept. The minimum reserve cash balance in threshold funding; however, is set at a predetermined dollar amount.
- **Statutory funding**— This method is based on local statutes. To use it, associations set aside a specific minimum amount of reserves as required by statutes.

For the purpose of this Reserve Study, Beryl used a Baseline Funding methodology as a funding strategy. As Beryl provides both Component Funding and Cash Funding Methods, Beryl provides a Full funding strategy.

Referenced Information

The following documents were received by Beryl in preparation of this Study:

- InterNACHI's Standard Operating Procedures
- FHA HUD Handbook 4000.1
- Florida Building Code 2020 Editions
- Senate Bill 4D
- North American Fenestration Standard/Specification for windows, doors, and skylights – 2017 Edition (NAFS 2017)
- FEMA P-762, Local Officials Guide for Coastal Construction (2009)
- FEMA P-55, Coastal Construction Manual: Principles and Practices of Planning, Siting, Designing, Constructing, and Maintaining Residential Buildings in Coastal Areas, 4th Edition (2011)
- Improvenet.com
- Inflationdata.com;
- Inspectapedia.com;
- Beryl Pre-Site Visit Question Form;
- Declaration of Association and Bylaw Documents;
- Preventative Maintenance Plan;
- Previous Budgets;
- Maintenance Records;
- Previous inspection reports;
- Prior repair estimates and/or invoices;
- Previous Experience; and
- Warranties.

Establishing a Preventive Maintenance Schedule

Once the Board has determined which items are reserve components, it is time to establish a preventive maintenance schedule. Associations should establish a preventive maintenance schedule for two primary reasons:

1. If associations do not maintain the components on the reserve schedule, they will not attain their full useful life. Consequently, the components will need to be replaced earlier and the replacement cost will need to be collected over a shorter period of time. This could result in possible special assessments

2. If associations do not maintain the components that are not included in the reserve schedule, they may require replacement whereas if they were maintained, they would not. For example, wood siding, when maintained properly, will last indefinitely. Without proper maintenance, it may need to be completely replaced in the future.

Statement of Qualifications

Beryl is a professional engineering management and inspection firm with knowledge and experience in lowering costs and improving quality through project organizational management. Beryl's consulting services couple best practices with innovative approaches to save associations money. Portions of this report was prepared by Richard Leon Cannyn, P.E., PMP, Anthony Miceli, CMI, and Lance Weister, CMI.

Mr. Cannyn is a licensed Professional Engineer, Mold Assessor, Mold Remediator, and Home Inspector in the State of Florida (Reg. No. 65994, MRSA3730, MRSR3897, & HI#8165). Mr. Cannyn is a Community Associations Institute Reserve Specialist (RS 471). Mr. Cannyn has a Remote Pilot License 4418248 from the Federal Aviation Administration, and a Certified Master Inspector by the International Association of Certified Home Inspectors ("InterNACHI") (#13030204). Cannyn is a Project Management Professional by the Project Management Institute (#222171). Mr. Miceli and Mr. Weister are licensed Home Inspectors in the State of Florida along with being Certified Master Inspectors by the International Association of Certified Home Inspectors ("InterNACHI").

In this section, Beryl presents the following tables as supporting documentation to the graphs presented in the Findings and Conclusions section above:

- Reserve Study Component List Detail
- Percent Funded Report
- Reserve Funding Summary
- Cash Flow Basis for 30 Years
- Average Monthly Dues Report by Year
- Annual Expenditure Details

Terrace Park of Five Towns 20 COA, Inc.
Percent Funded Report - Recommended Funding Strategy



Interest Rate: 3.00%
Inflation Rate: 3.50%
Dues Increases: 4.50%

Year	Beginning Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribution	Loans or Special Assessment	Interest Income	Project Reserve Expenses
2023	\$118,140.34	\$574,528.66	20.56%	Weak	\$28,097.68	\$0.00	\$4,387.14	\$0.00
2024	\$104,000.00	\$623,128.80	16.69%	Weak	\$38,000.00	\$0.00	\$4,260.00	\$0.00
2025	\$146,260.00	\$671,728.93	21.77%	Weak	\$39,710.00	\$0.00	\$5,257.73	\$10,712.25
2026	\$180,515.48	\$709,188.33	25.45%	Weak	\$41,496.95	\$0.00	\$6,513.69	\$4,889.45
2027	\$223,636.68	\$751,853.34	29.74%	Weak	\$43,364.31	\$0.00	\$5,967.21	\$68,094.01
2028	\$204,874.18	\$726,311.39	28.21%	Weak	\$45,315.71	\$0.00	\$7,368.52	\$4,572.59
2029	\$252,985.82	\$773,569.58	32.70%	Weak	\$47,354.91	\$0.00	\$9,010.22	\$0.00
2030	\$309,350.95	\$825,929.05	37.45%	Fair	\$49,485.88	\$0.00	\$10,602.47	\$5,421.02
2031	\$364,018.30	\$871,060.50	41.79%	Fair	\$51,712.75	\$0.00	\$10,835.42	\$54,550.46
2032	\$372,016.00	\$863,610.92	43.08%	Fair	\$54,039.82	\$0.00	\$12,781.67	\$0.00
2033	\$438,837.50	\$918,406.68	47.78%	Fair	\$56,471.62	\$0.00	\$14,383.20	\$15,869.24
2034	\$493,823.08	\$956,936.47	51.60%	Fair	\$59,012.84	\$0.00	\$16,404.77	\$6,010.38
2035	\$563,230.30	\$1,004,892.42	56.05%	Fair	\$61,668.42	\$0.00	\$18,746.96	\$0.00
2036	\$643,645.68	\$1,061,080.02	60.66%	Fair	\$64,443.49	\$0.00	\$21,242.68	\$0.00
2037	\$729,331.85	\$1,117,267.62	65.28%	Fair	\$67,343.45	\$0.00	\$23,900.26	\$0.00
2038	\$820,575.56	\$1,173,455.22	69.93%	Fair	\$70,373.91	\$0.00	\$21,887.85	\$161,354.35
2039	\$751,482.97	\$1,053,260.15	71.35%	Strong	\$73,540.73	\$0.00	\$20,361.56	\$146,305.07
2040	\$699,080.19	\$965,377.77	72.42%	Strong	\$76,850.07	\$0.00	\$12,854.97	\$347,431.24
2041	\$441,353.98	\$681,371.72	64.77%	Fair	\$80,308.32	\$0.00	\$15,649.87	\$0.00
2042	\$537,312.17	\$779,186.17	68.96%	Fair	\$83,922.19	\$0.00	\$7,524.87	\$370,405.30
2043	\$258,353.94	\$490,716.31	52.65%	Fair	\$87,698.69	\$0.00	\$8,517.95	\$62,120.82
2044	\$292,449.76	\$553,351.77	52.85%	Fair	\$91,645.13	\$0.00	\$10,673.33	\$28,317.18
2045	\$366,451.04	\$655,252.90	55.93%	Fair	\$95,769.16	\$0.00	\$13,866.61	\$0.00
2046	\$476,086.81	\$788,634.21	60.37%	Fair	\$100,078.78	\$0.00	\$17,039.22	\$8,191.53
2047	\$585,013.28	\$911,093.48	64.21%	Fair	\$104,582.32	\$0.00	\$20,687.87	\$0.00
2048	\$710,283.47	\$1,044,771.64	67.98%	Fair	\$109,288.53	\$0.00	\$24,587.16	\$0.00
2049	\$844,159.16	\$1,178,449.80	71.63%	Strong	\$114,206.51	\$0.00	\$24,686.19	\$135,492.71
2050	\$847,559.14	\$1,163,085.97	72.87%	Strong	\$119,345.80	\$0.00	\$28,734.69	\$9,082.09
2051	\$986,557.54	\$1,290,217.99	76.46%	Strong	\$124,716.36	\$0.00	\$32,578.75	\$25,315.67
2052	\$1,118,536.98	\$1,403,460.29	79.70%	Strong	\$130,328.60	\$0.00	\$34,618.50	\$94,915.73

Terrace Park of Five Towns 20 COA, Inc.
Percent Funded Report - Current Funding Strategy

Interest Rate: 3.00%
Inflation Rate: 3.50%
Dues Increases: 4.50%

Year	Beginning Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribution	Loans or Special Assessment	Interest Income	Project Reserve Expenses
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2041	\$441,353.98	\$681,371.72	64.77%	Fair	\$80,308.32	\$0.00	\$15,649.87	\$0.00
2042	\$537,312.17	\$779,186.17	68.96%	Fair	\$83,922.19	\$0.00	\$7,524.87	\$370,405.30
2043	\$258,353.94	\$490,716.31	52.65%	Fair	\$87,698.69	\$0.00	\$8,517.95	\$62,120.82
2044	\$292,449.76	\$553,351.77	52.85%	Fair	\$91,645.13	\$0.00	\$10,673.33	\$28,317.18
2045	\$366,451.04	\$655,252.90	55.93%	Fair	\$95,769.16	\$0.00	\$13,866.61	\$0.00
2046	\$476,086.81	\$788,634.21	60.37%	Fair	\$100,078.78	\$0.00	\$17,039.22	\$8,191.53
2047	\$585,013.28	\$911,093.48	64.21%	Fair	\$104,582.32	\$0.00	\$20,687.87	\$0.00
2048	\$710,283.47	\$1,044,771.64	67.98%	Fair	\$109,288.53	\$0.00	\$24,587.16	\$0.00
2049	\$844,159.16	\$1,178,449.80	71.63%	Strong	\$114,206.51	\$0.00	\$24,686.19	\$135,492.71
2050	\$847,559.14	\$1,163,085.97	72.87%	Strong	\$119,345.80	\$0.00	\$28,734.69	\$9,082.09
2051	\$986,557.54	\$1,290,217.99	76.46%	Strong	\$124,716.36	\$0.00	\$32,578.75	\$25,315.67
2052	\$1,118,536.98	\$1,403,460.29	79.70%	Strong	\$130,328.60	\$0.00	\$34,618.50	\$94,915.73

Terrace Park of Five Towns 20 COA, Inc.
Reserve Funding Summary



Year 2023

ID	Component	Replacement Cost	Useful Life	Remaining Life	Beginning Fund Balance	Remaining Balance		
1	SIRS COMPONENTS							
2	Roofs Coating	\$68,094.01	10	2027	4	\$40,856.41	\$27,237.61	
3	Painting Walkway	\$7,072.91	10	2031	8	\$1,414.58	\$5,658.33	
4	Painting Building	\$41,716.51	10	2031	8	\$8,343.30	\$33,373.21	
5	Stairway and Lobby Paint	\$5,761.04	10	2031	8	\$1,152.21	\$4,608.83	
6	Elevator Cab	\$94,915.73	30	2052	29	\$3,163.86	\$91,751.87	
7	Elevator Motor	\$203,280.62	40	2061	38	\$10,164.03	\$193,116.59	
8	Elevator Controls	\$10,712.25	25	2025	2	\$9,855.27	\$856.98	
9	Fire Alarm System	\$54,719.19	25	2043	20	\$10,943.84	\$43,775.35	
10	Electrical Panels (Main)	\$17,505.17	50	2044	21	\$10,153.00	\$7,352.17	
11	Electrical Panels (Subs)	\$10,812.02	50	2044	21	\$6,270.97	\$4,541.05	
12	Plumbing Chases	\$286,068.20	50	2042	19	\$177,362.28	\$108,705.91	
13	Stairway Railings	\$23,743.56	40	2040	17	\$13,652.55	\$10,091.01	
14	Balcony Railings	\$189,948.46	40	2040	17	\$109,220.36	\$80,728.10	
15	Walkway Railings	\$133,739.22	40	2040	17	\$76,900.05	\$56,839.17	
16	Utility Doors	\$15,869.24	40	2033	10	\$11,901.93	\$3,967.31	
17	NON SIRS COMPONENTS							
18	Pavement Resurface	\$4,889.45	3	2026	3	\$0.00	\$4,889.45	
19	Water Heater	\$41,883.72	16	2038	15	\$2,617.73	\$39,265.99	
20	HVAC Splits	\$4,572.59	14	2028	5	\$2,939.52	\$1,633.07	
21	Lighting	\$7,539.07	35	2038	15	\$4,308.04	\$3,231.03	
22	Pool/Common Bath	\$9,214.42	25	2038	15	\$3,685.77	\$5,528.65	
23	Trash Chute	\$3,368.15	50	2053	30	\$1,347.26	\$2,020.89	
24	Car Ports	\$146,305.07	30	2039	16	\$68,275.70	\$78,029.37	
25								
26								
27		0	\$0.00	0	2023	0	\$0.00	\$0.00
28		0	\$0.00	0	2023	0	\$0.00	\$0.00
29		0	\$0.00	0	2023	0	\$0.00	\$0.00
30		0	\$0.00	0	2023	0	\$0.00	\$0.00
31		0	\$0.00	0	2023	0	\$0.00	\$0.00
32		0	\$0.00	0	2023	0	\$0.00	\$0.00
33		0	\$0.00	0	2023	0	\$0.00	\$0.00
34		0	\$0.00	0	2023	0	\$0.00	\$0.00
35		0	\$0.00	0	2023	0	\$0.00	\$0.00
36		0	\$0.00	0	2023	0	\$0.00	\$0.00
37		0	\$0.00	0	2023	0	\$0.00	\$0.00
38		0	\$0.00	0	2023	0	\$0.00	\$0.00
39		0	\$0.00	0	2023	0	\$0.00	\$0.00
40		0	\$0.00	0	2023	0	\$0.00	\$0.00
TOTALS:		\$1,381,730.60				\$574,528.66	\$807,201.94	

Percent Funding 20.56%

Items Highlighted in Orange have no estimated remaining life.

Terrace Park of Five Towns 20 COA, Inc.
Cash Flow Basis



Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Starting Reserve Balance	118,140	150,625	192,885	227,141	270,262	251,499	299,611	355,976	410,643	418,641
Annual Reserve Contribution	28,098	38,000	39,710	41,497	43,364	45,316	47,355	49,486	51,713	54,040
Special Assessments/Loans	0	0	0	0	0	0	0	0	0	0
Interest Income	4,387	4,260	5,258	6,514	5,967	7,369	9,010	10,602	10,835	12,782
TOTAL RESERVE FUNDS	150,625	192,885	237,853	275,151	319,593	304,184	355,976	416,064	473,192	485,463

ID EXPENDITURES

1 SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
2 Roofs Coating	0	0	0	0	68,094	0	0	0	0	0
3 Painting Walkway	0	0	0	0	0	0	0	0	7,073	0
4 Painting Building	0	0	0	0	0	0	0	0	41,717	0
5 Stairway and Lobby Paint	0	0	0	0	0	0	0	0	5,761	0
6 Elevator Cab	0	0	0	0	0	0	0	0	0	0
7 Elevator Motor	0	0	0	0	0	0	0	0	0	0
8 Elevator Controls	0	0	10,712	0	0	0	0	0	0	0
9 Fire Alarm System	0	0	0	0	0	0	0	0	0	0
10 Electrical Panels (Main)	0	0	0	0	0	0	0	0	0	0
11 Electrical Panels (Subs)	0	0	0	0	0	0	0	0	0	0
12 Plumbing Chases	0	0	0	0	0	0	0	0	0	0
13 Stairway Railings	0	0	0	0	0	0	0	0	0	0
14 Balcony Railings	0	0	0	0	0	0	0	0	0	0
15 Walkway Railings	0	0	0	0	0	0	0	0	0	0
16 Utility Doors	0	0	0	0	0	0	0	0	0	0
17 NON SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
18 Pavement Resurface	0	0	0	4,889	0	0	0	5,421	0	0
19 Water Heater	0	0	0	0	0	0	0	0	0	0
20 HVAC Splits	0	0	0	0	0	4,573	0	0	0	0
21 Lighting	0	0	0	0	0	0	0	0	0	0
22 Pool/Common Bath	0	0	0	0	0	0	0	0	0	0
23 Trash Chute	0	0	0	0	0	0	0	0	0	0
24 Car Ports	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0

Total Expenditures:	0	0	10,712	4,889	68,094	4,573	0	5,421	54,550	0
Ending Reserve Balance:	150,625	192,885	227,141	270,262	251,499	299,611	355,976	410,643	418,641	485,463

Terrace Park of Five Towns 20 COA, Inc.
Cash Flow Basis, Page 2



Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Starting Reserve Balance	485,463	540,448	609,855	690,271	775,957	867,201	798,108	745,705	487,979	583,937
Annual Reserve Contribution	56,472	59,013	61,668	64,443	67,343	70,374	73,541	76,850	80,308	83,922
Special Assessments/Loans	0	0	0	0	0	0	0	0	0	0
Interest Income	14,383	16,405	18,747	21,243	23,900	21,888	20,362	12,855	15,650	7,525
TOTAL RESERVE FUNDS	556,317	615,866	690,271	775,957	867,201	959,462	892,010	835,410	583,937	675,384

ID EXPENDITURES

1 SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
2 Roofs Coating	0	0	0	0	0	96,053	0	0	0	0
3 Painting Walkway	0	0	0	0	0	0	0	0	0	9,977
4 Painting Building	0	0	0	0	0	0	0	0	0	58,845
5 Stairway and Lobby Paint	0	0	0	0	0	0	0	0	0	8,127
6 Elevator Cab	0	0	0	0	0	0	0	0	0	0
7 Elevator Motor	0	0	0	0	0	0	0	0	0	0
8 Elevator Controls	0	0	0	0	0	0	0	0	0	0
9 Fire Alarm System	0	0	0	0	0	0	0	0	0	0
10 Electrical Panels (Main)	0	0	0	0	0	0	0	0	0	0
11 Electrical Panels (Subs)	0	0	0	0	0	0	0	0	0	0
12 Plumbing Chases	0	0	0	0	0	0	0	0	0	286,068
13 Stairway Railings	0	0	0	0	0	0	0	23,744	0	0
14 Balcony Railings	0	0	0	0	0	0	0	189,948	0	0
15 Walkway Railings	0	0	0	0	0	0	0	133,739	0	0
16 Utility Doors	15,869	0	0	0	0	0	0	0	0	0
17 NON SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
18 Pavement Resurface	0	6,010	0	0	0	6,664	0	0	0	7,388
19 Water Heater	0	0	0	0	0	41,884	0	0	0	0
20 HVAC Splits	0	0	0	0	0	0	0	0	0	0
21 Lighting	0	0	0	0	0	7,539	0	0	0	0
22 Pool/Common Bath	0	0	0	0	0	9,214	0	0	0	0
23 Trash Chute	0	0	0	0	0	0	0	0	0	0
24 Car Ports	0	0	0	0	0	0	146,305	0	0	0
25	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0

Total Expenditures: 15,869 6,010 0 0 0 161,354 146,305 347,431 0 370,405

Ending Reserve Balance: 540,448 609,855 690,271 775,957 867,201 798,108 745,705 487,979 583,937 304,979

Terrace Park of Five Towns 20 COA, Inc.
Cash Flow Basis, Page 3



Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Starting Reserve Balance	304,979	339,075	413,076	522,712	631,638	756,909	890,784	894,184	1,033,183	1,165,162
Annual Reserve Contribution	87,699	91,645	95,769	100,079	104,582	109,289	114,207	119,346	124,716	130,329
Special Assessments/Loans	0	0	0	0	0	0	0	0	0	0
Interest Income	8,518	10,673	13,867	17,039	20,688	24,587	24,686	28,735	32,579	34,618
TOTAL RESERVE FUNDS	401,196	441,393	522,712	639,830	756,909	890,784	1,029,677	1,042,265	1,190,478	1,330,109

ID EXPENDITURES

1 SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
2 Roofs Coating	0	0	0	0	0	0	135,493	0	0	0
3 Painting Walkway	0	0	0	0	0	0	0	0	0	0
4 Painting Building	0	0	0	0	0	0	0	0	0	0
5 Stairway and Lobby Paint	0	0	0	0	0	0	0	0	0	0
6 Elevator Cab	0	0	0	0	0	0	0	0	0	94,916
7 Elevator Motor	0	0	0	0	0	0	0	0	0	0
8 Elevator Controls	0	0	0	0	0	0	0	0	25,316	0
9 Fire Alarm System	54,719	0	0	0	0	0	0	0	0	0
10 Electrical Panels (Main)	0	17,505	0	0	0	0	0	0	0	0
11 Electrical Panels (Subs)	0	10,812	0	0	0	0	0	0	0	0
12 Plumbing Chases	0	0	0	0	0	0	0	0	0	0
13 Stairway Railings	0	0	0	0	0	0	0	0	0	0
14 Balcony Railings	0	0	0	0	0	0	0	0	0	0
15 Walkway Railings	0	0	0	0	0	0	0	0	0	0
16 Utility Doors	0	0	0	0	0	0	0	0	0	0
17 NON SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
18 Pavement Resurface	0	0	0	8,192	0	0	0	9,082	0	0
19 Water Heater	0	0	0	0	0	0	0	0	0	0
20 HVAC Splits	7,402	0	0	0	0	0	0	0	0	0
21 Lighting	0	0	0	0	0	0	0	0	0	0
22 Pool/Common Bath	0	0	0	0	0	0	0	0	0	0
23 Trash Chute	0	0	0	0	0	0	0	0	0	0
24 Car Ports	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0

Total Expenditures: 62,121 28,317 0 8,192 0 0 135,493 9,082 25,316 94,916

Ending Reserve Balance: 339,075 413,076 522,712 631,638 756,909 890,784 894,184 1,033,183 1,165,162 1,235,194

Terrace Park of Five Towns 20 COA, Inc.
Average Monthly Dues Report by Year



Year	Monthly Dues	Year	Monthly Dues	Year	Monthly Dues
2023	\$73.17	2033	\$147.06	2043	\$228.38
2024	\$98.96	2034	\$153.68	2044	\$238.66
2025	\$103.41	2035	\$160.59	2045	\$249.40
2026	\$108.06	2036	\$167.82	2046	\$260.62
2027	\$112.93	2037	\$175.37	2047	\$272.35
2028	\$118.01	2038	\$183.27	2048	\$284.61
2029	\$123.32	2039	\$191.51	2049	\$297.41
2030	\$128.87	2040	\$200.13	2050	\$310.80
2031	\$134.67	2041	\$209.14	2051	\$324.78
2032	\$140.73	2042	\$218.55	2052	\$339.40

Terrace Park of Five Towns 20 COA, Inc.
Annual Expenditure Detail



Fiscal Year	ID	Component	Expenditure
2023			

Fiscal Year	ID	Component	Expenditure
2024			

Fiscal Year	ID	Component	Expenditure
2025			
	8	Elevator Controls	\$ 10,712.25
Subtotal			\$ 10,712.25

Fiscal Year	ID	Component	Expenditure
2026			
	18	Pavement Resurface	\$ 4,889.45
Subtotal			\$ 4,889.45

Fiscal Year	ID	Component	Expenditure
2027			
	2	Roofs Coating	\$ 68,094.01
Subtotal			\$ 68,094.01

Fiscal Year	ID	Component	Expenditure
2028			
	20	HVAC Splits	\$ 4,572.59
Subtotal			\$ 4,572.59

Fiscal Year	ID	Component	Expenditure
2029			

Fiscal Year	ID	Component	Expenditure
2030			
	18	Pavement Resurface	\$ 5,421.02
Subtotal			\$ 5,421.02

Fiscal Year	ID	Component	Expenditure
2031			
	3	Painting Walkway	\$ 7,072.91
	4	Painting Building	\$ 41,716.51
	5	Stairway and Lobby Paint	\$ 5,761.04
Subtotal			\$ 54,550.46

Fiscal Year	ID	Component	Expenditure
2032			

Fiscal Year	ID	Component	Expenditure
2033			
	16	Utility Doors	\$ 15,869.24
Subtotal			\$ 15,869.24

Fiscal Year	ID	Component	Expenditure
2034			
	18	Pavement Resurface	\$ 6,010.38
Subtotal			\$ 6,010.38

Fiscal Year	ID	Component	Expenditure

2035

Fiscal Year	ID	Component	Expenditure
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2036

Fiscal Year	ID	Component	Expenditure
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2037

Fiscal Year	ID	Component	Expenditure
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2038

2	Roofs Coating	\$	96,053.33
18	Pavement Resurface	\$	6,663.81
19	Water Heater	\$	41,883.72
21	Lighting	\$	7,539.07
22	Pool/Common Bath	\$	9,214.42

Subtotal		\$	161,354.35
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Fiscal Year	ID	Component	Expenditure
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2039

24	Car Ports	\$	146,305.07
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Subtotal		\$	146,305.07
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Fiscal Year	ID	Component	Expenditure
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2040

13	Stairway Railings	\$	23,743.56
14	Balcony Railings	\$	189,948.46
15	Walkway Railings	\$	133,739.22

Subtotal		\$	347,431.24
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Fiscal Year	ID	Component	Expenditure
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2041

Fiscal Year	ID	Component	Expenditure
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2042

3	Painting Walkway	\$	9,977.04
4	Painting Building	\$	58,845.26
5	Stairway and Lobby Paint	\$	8,126.52
12	Plumbing Chases	\$	286,068.20
18	Pavement Resurface	\$	7,388.29

Subtotal		\$	370,405.30
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Fiscal Year	ID	Component	Expenditure
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2043

9	Fire Alarm System	\$	54,719.19
20	HVAC Splits	\$	7,401.63

Subtotal		\$	62,120.82
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Fiscal Year	ID	Component	Expenditure
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2044

10	Electrical Panels (Main)	\$	17,505.17
11	Electrical Panels (Subs)	\$	10,812.02

Subtotal		\$	28,317.18
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Fiscal Year	ID	Component	Expenditure
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2045

Fiscal Year	ID	Component	Expenditure
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2046

18	Pavement Resurface	\$	8,191.53
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Subtotal			\$ 8,191.53
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Fiscal Year	ID	Component	Expenditure
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Fiscal Year	ID	Component	Expenditure
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Fiscal Year	ID	Component	Expenditure
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	2	Roofs Coating	\$ 135,492.71
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Subtotal			\$ 135,492.71
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Fiscal Year	ID	Component	Expenditure
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	18	Pavement Resurface	\$ 9,082.09
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Subtotal			\$ 9,082.09
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Fiscal Year	ID	Component	Expenditure
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	8	Elevator Controls	\$ 25,315.67
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Subtotal			\$ 25,315.67
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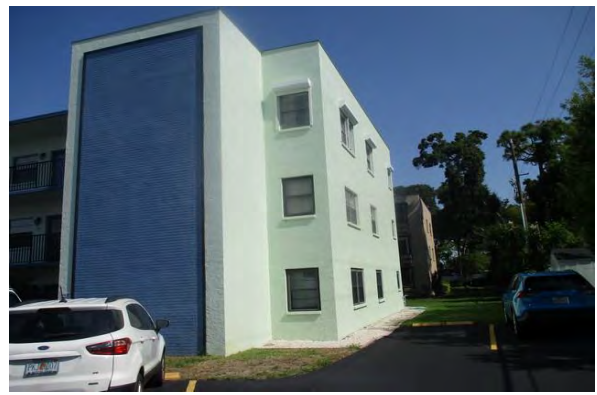
Fiscal Year	ID	Component	Expenditure
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	6	Elevator Cab	\$ 94,915.73
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Subtotal			\$ 94,915.73
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1 Front



2 Right Side



3 Rear



4 Left Side



5 HVAC Stand/s Overview



6 Roof Overview



7 Roof Overview



8 Roof Overview



9 HVAC Stand/s Overview



10 Roof Overview



11 Roof Overview



12 Water Heater Overview



13 Plumbing Overview



14 Walkway Overview



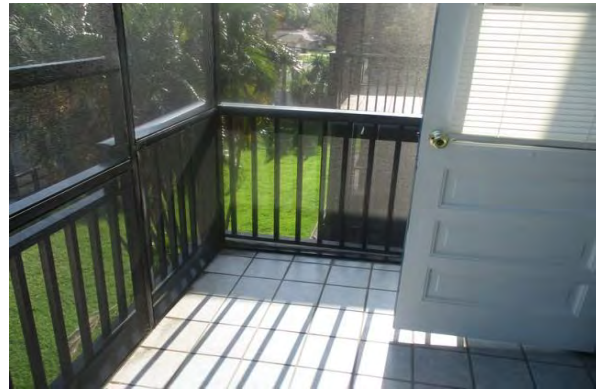
15 Parking Overview



16 Carport Overview



17 Interior Balcony Overview



18 Interior Balcony Overview



19 Interior Balcony Overview



20 Laundry Room



21 Laundry Room HVAC



22 Trash Chute Overview



23 Common Bathroom



24 Common Bathroom



25 Fire Alarm



26 Sub Panel Overview



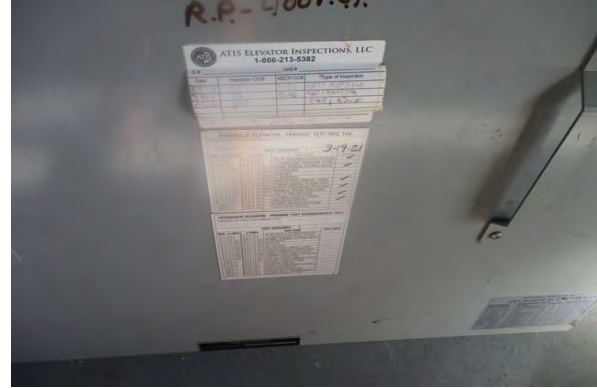
27 Main Shut Off Overview



28 Elevator Control Board



29 Elevator Shut Off



30 Elevator Hydraulic Box



31 Elevator Overview



32 Walkway Railings Overview



33 Elevator Control Board



34 Elevator Overview



35 Walkway Overview



36 Walkway Overview



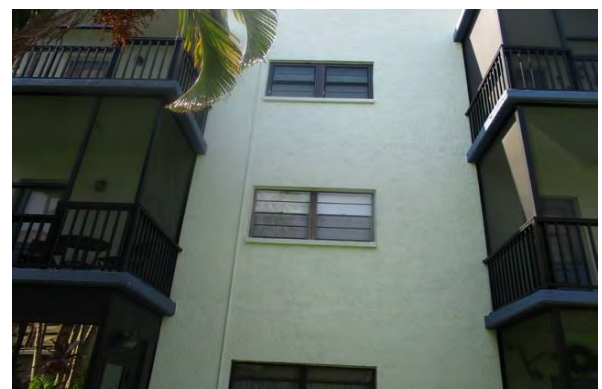
37 Exterior Balcony Overview



38 Exterior Balcony Overview



39 Exterior Balcony Overview



40 Exterior Building Overview



41 Exterior Building Overview



42 Parking Overview



43 Carport Overview



44 Parking Overview

45

46

47

48

Terms and Definitions

ANNUAL RESERVES CONTRIBUTION (ARC): The annual Reserve Contribution is calculated by multiplying the Monthly Dues (MD) times 12 times the number of units (U) and then subtracting out the Monthly Expenses (ME) times 12.

$$\text{ARC} = \text{MD} * 12 * \text{U} - (\text{ME} * 12)$$

ANNUAL RESERVES EXPENSES: The sum of all reserve components that are expected to be repaired or replaced for a given year.

BEGINNING RESERVE BALANCE: The amount of Reserve Funds that have been rolled over from the previous year.

CASH FLOW METHOD: A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are:

1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, and a review of established association precedents, and discussion with appropriate association representative of the association or cooperative.

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.

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

CURRENT REPLACEMENT COST: The amount of money, as of the Fiscal Year beginning date, for which the reserve analysis is prepared, that a Reserve Component is expected to cost to repair or replace.

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.

FISCAL YEAR: Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year end date is the last date of the budget year.

FULLY FUNDED: 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE (FFB): 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 total. 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.

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

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

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

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.

Full Funding: Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding: Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves 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 “Fully Funding.”

FUTURE REPLACEMENT COST: The amount of money, as of the Fiscal Year during which replacement of a Reserve Component is scheduled, that a Reserve Component is expected to cost to repair or replace. This cost is calculated using the Current Replacement Cost compounded annually by the Inflation Rate.

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

INFLATION: Cost factors are adjusted for inflation at the rate defined in the Reserve Summary tab of the application. This rate is used on an annual compounding basis. These increasing costs can be seen as you follow the recurring cycles of a component on the “reserve Funding Analysis – Cash Flow Basis” report.

INTEREST: The type of interest calculation varies by vendor. Lucid Reserve Study calculates interest based on compounded interest. The expected Annual Reserve Expenses are subtracted from the

Beginning Reserve Balance for each year. Yearly compound interest is calculated for this number. It is assumed that the monthly Reserve Contributions will be added to an interest bearing account and compound interest for an increasing balance of Reserve Contributions is added to the accrued interest income.

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

MINIMUM CASH FLOW METHOD: This calculation method develops a funding plan based on current reserve funds and projected expenditures for the 30-year reporting period. This calculation method will typically produce a lower monthly reserve contribution than other methods. This method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not concerned with the ideal level of reserves through time, but prevents reserve fund from reaching zero, or a specified minimum reserve balance.

MONTHLY DUES: The monthly dues paid by each member.

MONTHLY DUES RATE INCREASE: The rate of increase per year that the monthly dues will increase. Normally, the rate matches the specified rate of inflation, so the rate of inflation rate should be used. Sometimes this rate is adjusted higher so that special assessments may be avoided in future 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. 4

PERCENT FUNDED: The ratio of the projected Reserve Balance (RB) to the Fully Funded Balance (FFB), expressed as a percentage. An association that is 100% funded does not have all of the Reserve Funds necessary to replace all of its Reserve Components immediately; it has the proportionately appropriate Reserve Funds for the Reserve Components it maintains, based on each component's Current Replacement Cost, age and Useful Life.

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 before having to be repaired or replaced based on when it was last repaired or replaced. 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.

REPLACEMENT YEAR: The Fiscal Year that a Reserve Component is scheduled to be repaired or replaced. Reserve Component Line Items include in the reserve analysis. Each component will be assigned a unique ID and Account Numbers may optionally be assigned to each component.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray 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 upon 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.

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 study 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; expect 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 advance 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.

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

TAX RATE ON ACCRUED INTEREST: If specified, Interest accruals added to the reserve balance may be reduced by the expected tax rate expected to be paid for interest income. Typically, an amount of 30% is specified here. Do not use this option if you detail taxes in the Monthly Expenses section of the application.

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.

USEFUL LIFE: The estimated time, in years that a component can be expected to serve its intended function before having to be repaired or replaced.

YEAR NEW: The year that the Reserve Component was originally put into service or last replaced.

Limitations

The scope of work for this Reserve Study was limited to performing tasks as defined in the Professional Service Agreement between Beryl and Terrace Park of Five Towns 20 COA, Inc.. The use of this report by any unauthorized third parties shall be at their own risk.

The opinions expressed herein are based on the information collected during our study, our present understanding of the site conditions, and our professional judgment in light of such information at the time of this report. The report is a professional opinion, and no warranty is expressed, implied, or made as to the conclusions, advice, and recommendations offered in this report. In expressing the opinions stated in this report, Beryl has exercised a reasonable degree of care and skill ordinarily exercised by a reasonably prudent professional in the same community and in the same time frame given the same facts and circumstances. Documentation and data provided by Terrace Park of Five Towns 20 COA, Inc., designated representatives of Terrace Park of Five Towns 20 COA, Inc., or other interested third parties, or from public domain, and referred to in preparation of this report, have been used and referenced with the understanding that Beryl assumes no responsibility or liability for their accuracy.

Independent conclusions represent our professional judgment based on the information and data available to us during the course of this assignment. Beryl's evaluations, analyses, and opinions do not represent design integrity, structural soundness, or actual value of the property. Factual information regarding operations, conditions, and test data provided by Terrace Park of Five Towns 20 COA, Inc. or their representative has been assumed to be correct and complete. The conclusions presented are based on the data provided, observations, and conditions that existed on the date of the site investigation. Our work was performed and prepared in accordance with procedures, practices, and standards generally accepted and customary in Beryl's profession for use in similar assignments.

This report is prepared for the exclusive use of Terrace Park of Five Towns 20 COA, Inc., and opinions and recommendations contained in this report apply to the conditions existing when services were performed and are intended only for the client, purposes, locations, timeframes, and project parameters indicated. This report is not for the use and benefit of, nor may be relied upon by, any other person or entity without the advance written consent of Beryl.

The information reported was obtained through sources deemed reliable via a visual site survey of the areas readily observable, easily accessible or made accessible, by the property contact and interviews with owners, agents, occupants, or other appropriate persons involved with the subject property. Applicable municipal information was obtained through file reviews of reasonably ascertainable standard government record sources, and interviews with authorities having jurisdiction over the property. Finding, conclusions, and recommendations included in the report are based on our visual observations in the field, the municipal information reasonably obtained, information provided by the Client, and/or a review of readily available and supplied drawings and documents. No disassembly of system or building components or physical or invasive testing was performed. Beryl renders no opinion as to the property condition at un-surveyed and/or inaccessible portions of the subject property. Beryl relies completely on the information, whether written, graphic, or verbal, provided by the property contact or as shown on the information on any documents reviewed or received from the property contact, owner or agent, or municipal source, and assumes that information to be true and correct. The observations in this report are valid on the date of the survey. Beryl used the date established by the local Property Appraisers information as the effective year built of the subject property age. It is

important to note that all but an exhaustive investigation might fail to locate or identify deficiencies that may not be reasonably visible.

The contents of this report are not intended to represent an in-depth evaluation or analysis of the systems and components of the subject property. The extent of the physical survey for the production of this report has been limited by contract and agreed upon Scope of Work. Assumptions regarding the overall conditions of the property have been developed based upon a survey of representative areas of the subject property. As such, no representative of ALL aspects of ALL areas or components was made. Routine maintenance items are not reported or included in this report. Where quantities could not be derived from actual takeoffs, lump sum figures or allowances were used. Estimated costs are based on professional judgment and probable or actual extent of the observed defect inclusive of the cost to design, procure, construct, and manage the corrections. Where property-unique or specialty equipment is present, Beryl relies solely on data regarding maintenance and/or replacement costs provided by the designated site contact or on-site individuals with first-hand knowledge of the specific equipment.

This Reserve Study is a reflection of information provided to Beryl and assembled for the Terrace Park of Five Towns 20 COA, Inc.'s use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.

The survey was conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the profession, and in accordance with generally accepted practices of other consultants currently practicing in the same locality under similar conditions. No other representative, express or implied, and no warranty or guarantee is included or intended. The report speaks only as of its date, in the absence of a specific written update of the report, signed, and delivered by Beryl.

Any additional information that becomes available after our survey concerning the subject property should be provided to Beryl so that our conclusions may be revised and modified if necessary, at additional cost. This report has been prepared in accordance with our Professional Services Agreement, which is an integral part of this report.

Any site plans or drawings provided show approximate dimensions and are included in this report to assist Terrace Park of Five Towns 20 COA, Inc. in visualizing the site and the surroundings, not to give a necessarily accurate dimensional representation of the site. Conclusions drawn from the results noted herein are limited by the methods used as agreed upon with Terrace Park of Five Towns 20 COA, Inc. and do not represent a warranty, guarantee, insurance policy, or substitute for exhaustive testing and analysis of any component.