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ASTURIA COMMUNITY DEVELOPMENT DISTRICT FULL RESERVE STUDY REPORT

For 30-Year Projection Period: FY 2023 through FY 2053

CustomReserves

Table of Contents

Property Overview

Odessa, FL

Latitude: 28° 11' 39"

Longitude: 82° 34' 11"

Executive Summary

Custom Reserves, LLC conducted a site visit on February 10, 2023. We identified 27 reserve components comprising 29 line items that require reserve funding during the noninvasive, visual inspection of the community. Supplemental information to the physical inspection typically includes the following sources:

1. District board members, management and staff
2. Client's vendors
3. Declaration
4. Maintenance records of the reserve components where available
5. Project plans where available

Asturia Community Development District (Asturia CDD) is a local unit of special purpose government located in Odessa, FL and is responsible for the common elements shared by 668 owners. Asturia CDD began construction in 2016. The development contains Property Site, Clubhouse and Fitness Center, and Pool components.

A Reserve Study comprises two parts:

Physical Analysis	Financial Analysis
• Component Inventory • Condition Assessment • Estimated Useful Life • Remaining Useful Life • Replacement Cost	• Fund Status • Funding Plan

The intention of this Reserve Study is to forecast the District's ability to repair or replace major components as they wear out in future years. This Reserve Study complies with or exceeds all applicable statutes and national standards. Reserve Studies are a guide and should be used for budgetary purposes. Actual expenditures and times of replacements can and/or will vary.

Reference #:	**Inspection and Report by**:	**Review by**:
940.23	Graham Culkar, RS	Paul Grifoni, PRA, RS

Financial Analysis

Cash Flow Method

The **Cash Flow** method of funding utilizes reserve contributions designed to offset the variable annual reserve expenditures over the next 30 years. In this method, we test different reserve funding scenarios against the anticipated schedule of reserve expenditures on a year-by-year basis until the desired adequate or sufficient funding goal is achieved. In this method, funding recommendations are driven by a threshold (risk) year, determined by the schedule of reserve expenditures. Within the Cash Flow method, the District **may** use reserve funds, as needed, for those expenditures related to components which are included in the Reserve Component inventory.

Reserve Recommendations for Asturia CDD

We include the Cash Flow, or pooling method to project and illustrate the reserve funding plan as depicted in **Appendix B**. The unaudited cash status of the District's pooled reserve fund, as of December 31, 2022, as reported by Management and the Board is $44,908. Asturia CDD budgeted $25,000 for **combined** reserves contributions in FY[1] 2023. Based on our analysis of the District's existing individual reserve accounts, we note that a reserve contribution of $200,000 would be required in 2024 to adequately fund reserves using the Cash Flow method. This equates to a 16.9% increase in the 2023 operating budget of $1,034,994. The threshold or risk year falls in 2045 due to repaving of the asphalt pavement streets. In addition, we consider the age and overall condition of the community in the accumulated year 2053 ending reserve balance of $892,138.

We encourage all clients to adequately fund their reserves. However, we recognize that the recommended increase in reserve contributions is significant. We suggest the District discuss funding options with management, legal counsel and/or their accounting team. In many cases the District can legally partially fund their reserves as long as a fully-funded budget is disclosed to the owners and the appropriate voting procedures are followed.

External market factors incorporated in this Reserve Study are an inflation rate of 3.50% and an interest rate of 1.15%. The Consumer Price Index published by the Bureau of Labor Statistics is

[1] FY 2023 Begins October 1, 2022 and Ends September 30, 2023.

currently 6.5%. However, using this rate may not be realistic over the next 30 years or more importantly projecting to the risk year. Most community bylaws provide that funds shall be held in a bank, with FDIC or similar insurance to cover all funds.

The actual timing of the events depicted may not occur exactly as projected. Internal changes such as deferred or accelerated projects, and external changes such as interest and inflation rates, are likely. Updates to the Reserve Study will incorporate these changes. To ensure equity in the adopted funding plan, ongoing annual Board reviews and an update of this Reserve Study with an on-site visit are recommended in two- to three-years depending on the complexity of the community, and changes in external and internal factors. It is recommended by the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Property Component Definitions

The analysis began by separating the property components into specific areas of responsibility for replacement and repair. These classes of property are as follows:

1. Reserve Components are defined as follows:
    - District responsibility
    - Limited useful life expectancies
    - Predictable remaining useful life expectancies
    - Replacement cost above a minimum threshold

2. Operating Budget Components are defined as follows:
    - Common area components historically funded through operating funds rather than reserve funds
    - Common area components whose replacement or repair costs fall below a specific dollar amount

3. Long-Lived Components are defined as follows:
    - Common area components without a predictable remaining useful life
    - Common area components with a remaining useful life beyond the 30-year scope of this reserve study

4. Owner Components are defined as follows:
    - Components that are not the responsibility of the District to maintain, repair or replace

5. Other Components are defined as follows:
    - Components that are neither the responsibility of the District nor the Owner to maintain, repair or replace

CustomReserves

Property Component Model

	COMPONENT	RESERVES	OPERATING	ONG-LIVE	OWNER	OTHER
	Air Handling and Condensing Units, Split Systems	X				
Property Site	Asphalt Pavement, Mill and Overlay, Phased	X				
Property Site	Asphalt Pavement, Patch	X				
Property Site	Asphalt Pavement, Total Replacement, Walking Paths	X				
Property Site	Boardwalks, Wood, Phased	X				
Property Site	Concrete Curbs and Gutters, Partial	X				
Property Site	Concrete Sidewalks, Partial	X				
Pool	Deck, Pavers	X				
	Driveways				O	
Property Site	Entrance Monuments, Renovations	X				
Clubhouse and Fitness Center	Exercise Equipment, Cardiovascular	X				
Clubhouse and Fitness Center	Exercise Equipment, Strength Training	X				
	Expenses Less Than $10000		X			
	Exterior Paint Finishes, Clubhouse and Fitness Building		X			
Pool	Fence, Aluminum (Incl. Dog Park and Playground)	X				
	Fences, at Lots				O	
	Foundation(s)			X		
Pool	Furniture, Phased	X				
	Homes and Lots				O	
Clubhouse and Fitness Center	Interior Renovations, Complete	X				
Clubhouse and Fitness Center	Interior Renovations, Partial	X				
	Irrigation System, Controllers		X			
Property Site	Irrigation System, Partial	X				
Property Site	Landscape, Partial Replacements	X				
	Lift Stations (Pasco County)					O
Pool	Light Poles and Fixtures, Pool	X				
	Light Poles and Fixtures, Streets (Utility Company)					O
Property Site	Mailbox Stations	X				
Property Site	Maintenance Cart	X				
Pool	Mechanical Equipment, Phased	X				
	Other Repairs Normally Funded Through the Operating Budget		X			
	Pet Waste Stations		X			
	Pipes, Subsurface Utilities, Sanitary Waste			X		
	Pipes, Subsurface Utilities, Water Supply			X		
Property Site	Playground Equipment	X				
Pool	Pool Finishes, Plaster and Tile (Incl. Coping)	X				
	Pool Handicap Lift		X			
	Pool Structure			X		
	Pressure Washer		X			
Clubhouse and Fitness Center	Rest Rooms, Renovations	X				
Clubhouse and Fitness Center	Roofs, Metal	X				
	Security System, Clubhouse		X			
	Shade Structure, Pool		X			
Property Site	Signage, Street Identification and Traffic Management	X				
Property Site	Site Furniture	X				
Property Site	Stormwater System, Partial	X				
	Structural Frame(s)			X		
Clubhouse and Fitness Center	Windows and Doors	X				

Reserve Expenditures

Asturia Community Development District

Projected Inflation Rate 3.5%

Line Item	Reserve Components	Total Quantity	Per Phase Quantity	Unit of Measurement	1st Year of Replacement	Useful Life Years	Age (Year)	Remaining Life Years	2023 Unit Cost	2023 Cost of Replacement per Phase	2023 Cost of Replacement per Total	Total 30 Year Future Costs of Replacement	Fiscal Year 2023	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028	Year 6 2029	Year 7 2030	Year 8 2031	Year 9 2032
	Property Site Components									***$1,263,935***	***$7,767,810***	***$7,210,319***										
1	Asphalt Pavement, Patch	**107,300**	107,300	Square Yards	2027	5 to 8	Varies	4	$0.70	$75,110	$75,110	**$519,181**					$86,190					
2	Asphalt Pavement, Mill and Overlay, Phased	**105,350**	21,070	Square Yards	2041	15 to 25	Varies	18	$15.00	$316,050	$1,580,250	**$3,148,086**										
3	Asphalt Pavement, Total Replacement, Walking Paths	**1,950**	1,950	Square Yards	2033	15 to 20	2016	10	$28.00	$54,600	$54,600	**$220,080**										
4	Boardwalks, Wood, Phased	**6,850**	3,425	Square Feet	2043	25 to 30	Varies	20	$36.00	$123,300	$246,600	**$536,729**										
5	Concrete Curbs and Gutters, Partial	**78,900**	790	Linear Feet	2041	to 65	Varies	18	$35.00	$27,650	$2,761,500	**$275,414**										
6	Concrete Sidewalks, Partial	**327,500**	9,830	Square Feet	2029	to 65	Varies	6	$7.50	$73,725	$2,456,250	**$865,192**							$90,627			
7	Entrance Monuments, Renovations	**1**	1	Allowance	2036	15 to 20	2016	13	$16,000	$16,000	$16,000	**$25,023**										
8	Irrigation System, Partial	**1**	1	Allowance	2042	to 40+	Varies	19	$50,000	$50,000	$50,000	**$231,719**										
9	Landscape, Partial Replacements	**1**	1	Allowance	2025	to 5	Varies	2	$10,000	$10,000	$10,000	**$103,123**			$10,712					$12,723		
10	Mailbox Stations	**45**	45	Each	2047	25 to 30	Varies	24	$3,500	$157,500	$157,500	**$359,624**										
11	Maintenance Cart	**1**	1	Each	2029	5 to 10	2022	6	$8,000	$8,000	$8,000	**$58,517**							$9,834			
12	Playground Equipment	**1**	1	Allowance	2040	20 to 25	2016	17	$75,000	$75,000	$75,000	**$134,601**										
13	Signage, Street Identification and Traffic Management	**190**	190	Each	2040	20 to 25	Varies	17	$800.00	$152,000	$152,000	**$272,791**										
14	Site Furniture	**1**	1	Allowance	2035	15 to 20	Varies	12	$25,000	$25,000	$25,000	**$107,947**										
15	Stormwater System, Partial	**1**	1	Allowance	2031	to 70+	Varies	8	$100,000	$100,000	$100,000	**$352,292**									$131,681	
	Clubhouse and Fitness Center Components									***$448,500***	***$448,500***	***$1,004,107***										
16	Air Handling and Condensing Units, Split Systems	**4**	4	Each	2029	10 to 15	2016	6	$6,000	$24,000	$24,000	**$75,642**							$29,502			
17	Exercise Equipment, Cardiovascular	**1**	1	Allowance	2025	5 to 10	2016	2	$52,000	$52,000	$52,000	**$477,413**			$55,704							$70,871
17.1	Exercise Equipment, Strength Training	**1**	1	Allowance	2030	10 to 15	2016	7	$36,000	$36,000	$36,000	**$119,942**								$45,802		
18	Interior Renovations, Complete	**1**	1	Allowance	2040	20 to 25	2016	17	$70,000	$70,000	$70,000	**$125,627**										
18.1	Interior Renovations, Partial	**1**	1	Allowance	2028	10 to 15	2016	5	$44,000	$44,000	$44,000	**$52,258**						$52,258				
19	Rest Rooms, Renovations	**4**	4	Each	2040	to 25	2016	17	$15,500	$62,000	$62,000	**$111,270**										
20	Roofs, Metal	**75**	75	Squares	2048	30 to 35	2016	25	$1,500	$112,500	$112,500	**$265,865**										
21	Windows and Doors	**2,000**	2,000	Square Feet	2053	35 to 40	2016	30	$80.00	$160,000	$160,000	**$449,087**										
	Pool Components									***$259,500***	***$301,500***	***$1,034,242***										
22	Deck, Pavers	**9,500**	9,500	Square Feet	2046	to 30	2016	23	$7.50	$71,250	$71,250	**$157,186**										
23	Fence, Aluminum (Incl. Dog Park and Playground)	**1,125**	1,125	Linear Feet	2041	to 25	2016	18	$50.00	$56,250	$56,250	**$104,484**										
24	Furniture, Phased	**1**	0.5	Allowance	2026	to 10	2016	3	$14,000	$14,000	$28,000	**$170,471**				$15,522				$17,812		
25	Light Poles and Fixtures, Pool	**8**	8	Each	2046	25 to 30	2016	23	$5,000	$40,000	$40,000	**$88,245**										
26	Mechanical Equipment, Phased	**1**	0.33	Allowance	2026	5 to 15	2016	3	$14,000	$14,000	$42,000	**$149,426**				$15,522					$18,435	
27	Pool Finishes, Plaster and Tile (Incl. Coping)	**3,200**	3,200	Square Feet	2028	8 to 12	2016	5	$20.00	$64,000	$64,000	**$364,431**						$76,012				
	Total Expenditures									$1,971,935	$8,517,810	**$9,248,669**	**$0**	**$0**	**$66,416**	**$31,044**	**$86,190**	**$128,270**	**$129,963**	**$76,337**	**$150,116**	**$70,871**

Reserve Expenditures

Asturia Community Development District

Line Item	Reserve Components	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
		2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
	Property Site Components																					
1	Asphalt Pavement, Patch	$105,950						$130,240												$196,801		
2	Asphalt Pavement, Mill and Overlay, Phased									$587,059	$607,607	$628,873	$650,883	$673,664								
3	Asphalt Pavement, Total Replacement, Walking Paths	$77,019																		$143,061		
4	Boardwalks, Wood, Phased											$245,341					$291,388					
5	Concrete Curbs and Gutters, Partial									$51,360	$53,157	$55,018	$56,943	$58,936								
6	Concrete Sidewalks, Partial		$107,636					$127,838					$151,832					$180,328				$206,931
7	Entrance Monuments, Renovations				$25,023																	
8	Irrigation System, Partial										$96,125										$135,594	
9	Landscape, Partial Replacements			$15,111					$17,947					$21,315					$25,316			
10	Mailbox Stations															$359,624						
11	Maintenance Cart				$12,512							$15,918							$20,253			
12	Playground Equipment								$134,601													
13	Signage, Street Identification and Traffic Management								$272,791													
14	Site Furniture			$37,777																		$70,170
15	Stormwater System, Partial														$220,611							
	Clubhouse and Fitness Center Components																					
16	Air Handling and Condensing Units, Split Systems										$46,140											
17	Exercise Equipment, Cardiovascular							$90,167							$114,718							$145,953
17.1	Exercise Equipment, Strength Training												$74,140									
18	Interior Renovations, Complete								$125,627													
18.1	Interior Renovations, Partial																					
19	Rest Rooms, Renovations								$111,270													
20	Roofs, Metal																$265,865					
21	Windows and Doors																					$449,087
	Pool Components																					
22	Deck, Pavers														$157,186							
23	Fence, Aluminum (Incl. Dog Park and Playground)									$104,484												
24	Furniture, Phased		$20,440				$23,455				$26,915				$30,886				$35,442			
25	Light Poles and Fixtures, Pool														$88,245							
26	Mechanical Equipment, Phased				$21,895					$26,005					$30,886					$36,682		
27	Pool Finishes, Plaster and Tile (Incl. Coping)								$114,859												$173,560	
	Total Expenditures	**$182,969**	**$128,076**	**$52,887**	**$59,430**	**$0**	**$23,455**	**$348,245**	**$777,095**	**$768,908**	**$829,944**	**$945,150**	**$933,798**	**$753,916**	**$642,531**	**$359,624**	**$557,253**	**$180,328**	**$81,010**	**$376,545**	**$309,154**	**$872,141**

Appendix B

Cash Flow Funding Plan (Pooling Method)

Asturia Community Development District

	FY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Beginning of Year Reserves		$44,908	$70,424	$271,234	$414,937	$602,865	$745,307	$855,108	$972,479	$1,153,126	$1,270,671	$1,477,713	$1,584,239	$1,756,382	$2,015,592	$2,281,441	$2,620,378
Recommended Reserve Contributions		25,000	**200,000**	207,000	214,200	221,700	229,500	237,500	245,800	254,400	263,300	272,500	282,000	291,900	302,100	312,700	323,600
Anticipated Interest Earned	**1.15%**	516	810	3,119	4,772	6,933	8,571	9,834	11,184	13,261	14,613	16,994	18,219	20,198	23,179	26,237	30,134
Projected Expenditures		0	0	(66,416)	(31,044)	(86,190)	(128,270)	(129,963)	(76,337)	(150,116)	(70,871)	(182,969)	(128,076)	(52,887)	(59,430)	0	(23,455)
Projected Year End Reserves		70,424	271,234	414,937	602,865	745,307	855,108	972,479	1,153,126	1,270,671	1,477,713	1,584,239	1,756,382	2,015,592	2,281,441	2,620,378	2,950,657

		2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning of Year Reserves		$2,950,657	$2,971,245	$2,574,920	$2,194,324	$1,760,915	$1,220,316	$698,353	$364,168	$151,925	$235,048	$136,898	$430,544	$843,384	$982,538	$1,208,383
Recommended Reserve Contributions		334,900	346,600	358,700	371,300	384,300	397,800	411,700	426,100	441,000	456,400	472,400	488,900	506,000	523,700	542,000
Anticipated Interest Earned	**1.15%**	33,933	34,169	29,612	25,235	20,251	14,034	8,031	4,188	1,747	2,703	1,574	4,951	9,699	11,299	13,896
Projected Expenditures		(348,245)	(777,095)	(768,908)	(829,944)	(945,150)	(933,798)	(753,916)	(642,531)	(359,624)	(557,253)	(180,328)	(81,010)	(376,545)	(309,154)	(872,141)
Projected Year End Reserves		2,971,245	2,574,920	2,194,324	1,760,915	1,220,316	698,353	364,168	151,925	235,048	136,898	430,544	843,384	982,538	1,208,383	892,138
											Threshold/ Risk Year					

Notes:

1) FY 2023 Begins October 1, 2022 and Ends September 30, 2023

2) FY 2023 Beginning Reserve Balance and Remaining Contributions are as of December 31, 2022

3) Interest Earned is compounded on the Beginning Year Reserve Balance, the first year is a partial amount earned

4) Taxes on the interest earned are considered negligible

Property Site Components

1. Asphalt Pavement, Patch

The District maintains approximately 107,300 square yards of asphalt pavement streets and walking paths throughout the community. The pavement is in good overall condition and dates from 2016 to 2020. We recommend the District budget for repairs and area patching as needed, every five- to eight-years beginning by 2027, except when repaving occurs.

2. Asphalt Pavement, Mill and Overlay

The District maintains approximately 105,350 square yards of asphalt pavement streets throughout the community, including the clubhouse parking area. The pavement is in good overall condition and dates from 2016 to 2020. Asphalt pavement comprises multiple layers. Typically the top layer, or surface course (comprised of a wearing course atop a binder course) deteriorates over time and can be milled, or removed, and overlaid, or replaced. The following diagram depicts typical pavement layers.

A mill and overlay is a method of repaving of the surface course where cracked, worn and failed pavement is mechanically removed or milled. A new layer of asphalt is overlaid atop the remaining sound pavement. Milled pavement removes part of the existing pavement and permits the overlay to match the elevation of areas such as adjacent catch basins, curbs and gutters. The milled pavement should be properly bonded to the new overlayment. Overlayment thicknesses typically range from one- to two- inches. Variable thicknesses are often necessary for proper drainage.

A combination of area patching, crack repair and milling should occur before the overlayment. Areas that exhibit potholes, alligator cracks and areas of pavement that are deteriorated from vehicle

fluids should all be repaired prior to overlayment. Area patching may require total replacement of isolated areas of pavement. The base course for residential subdivision roadways designed for light traffic is often six inches thick. The paving contractor should seal all cracks. Crack repair minimizes the chance of underlying cracks coming through the overlayment, a mode of failure also known as reflective cracking.

The useful life of the asphalt pavement surface course is from 15- to 25-years. We recommend the District budget for phased milling and overlayment of the pavement beginning by 2041 and concluding by 2045. The District should retain an engineer for quality control.

Asphalt pavement at Renaissance Avenue

Asphalt pavement at Aviles Parkway

Asphalt pavement at Verona Lane

Asphalt pavement at Trails Edge Boulevard

Vehicular fluid stains at alley adjacent to Claymore Street

Pavement repair due to subsurface pipe repair at Claymore Street

3. Asphalt Pavement, Total Replacement, Walking Path

The District maintains approximately 1,950 square yards of asphalt pavement walking paths along Long Bow Way, Verona Lane, and adjacent to the playground. The paths are original and in good overall condition with previous repairs and minor deterioration evident. Unlike vehicular pavement, pedestrian walking paths are typically constructed with one pavement course due to a lighter traffic load. Therefore, a mill and overlay is not possible. We anticipate a useful life of 15- to 20-years and recommend the District budget for total replacement of the walking paths by 2033 and again by 2051.

Asphalt pavement walking path at Long Bow Way

Asphalt walking path adjacent to playground

Previous repairs adjacent to boardwalk

Asphalt pavement walking path edge deterioration

4. Boardwalks, Wood

The District maintains three wood boardwalks throughout the community. The boardwalk over the lake between Renaissance Avenue and Caravan Avenue dates to 2016, the boardwalk behind the homes at Satilla Loop and Aviles Parkway dates to 2017 and the boardwalk through the natural preservation area between Aviles Parkway and Renaissance Avenue dates to 2021. The boardwalks are in good overall condition. We anticipate a useful life of 25- to 30-years and recommend the District budget for phased replacement beginning by 2043 and concluding by 2048. The District should fund repairs through the operating budget on an as needed basis to maximize the useful life of the boardwalks. Repairs may include inspection for warped or loose deck boards or railing components, replacement or additional installation of connections or fasteners, and partial replacements of structural members as needed.

Boardwalk over pond

Boardwalk deck and railings

Boardwalk behind homes at Satilla Loop and Aviles Parkway

Boardwalk deck and railings

Boardwalk through natural preservation area

Boardwalk through natural preservation area

5. Concrete Curbs and Gutters

The District maintains approximately 78,900 linear feet of concrete curbs and gutters that line the asphalt pavement streets. The curbs and gutters are original and in good overall condition. Concrete has a long useful life of up to 65 years. Therefore, we do not anticipate the need for complete replacement of the concrete. We recommend the District budget for partial replacement of up to five percent (5.0%) of the concrete curbs and gutters in the next 30 years in conjunction with repaving.

Concrete gutter overview

Concrete gutter overview

Isolated curb damage

Isolated curb damage

6. Concrete Sidewalks

The District maintains approximately 327,500 square feet of concrete sidewalks located throughout the community. The concrete sidewalks are original and in good overall condition with isolated spalling evident. Concrete has a long useful life of up to 65 years. Therefore, we do not anticipate the need for complete replacement of the concrete. We recommend the District budget for partial replacement of up to eighteen percent (18%) of the concrete sidewalks in the next 30 years.

Concrete sidewalk

Concrete sidewalk

Concrete sidewalk

Isolated concrete spalling

7. Entrance Monuments, Renovations

The District maintains the monument signage at the two community entrances. These components are original and in good overall condition. Entrance monuments contribute to the overall aesthetic appeal of the property. Renovations are based on the desire to update the perceived identity of the community. Therefore, the timing of renovations is discretionary. We recommend the District budget for renovation of the entrance monuments by 2036. Renovation should include replacement of the metal letters, tile and faux wood, and capital repairs to the structure. Interim repairs and paint finish applications should be funded through the operating budget as needed.

Entrance monument at Asturian Parkway

Entrance monument at Asturian Parkway

Entrance monument at Promenade Parkway

Metal letters at entrance monument

8. Irrigation System

An irrigation system waters the common lawn and landscaped areas throughout the community. The system is original and reported in satisfactory operational condition. Over time, the effects of the elements will reduce the flexibility and durability of the underground pipe network. As such, we recommend the District budget for partial replacement of the system by 2042 and again by 2052. The District should fund interim head and controller replacements through the operating budget as needed.

Irrigation system controller

Irrigation system controller

9. Landscape, Partial Replacements

The District maintains the common landscaped areas throughout the community. The useful lives of these living components are variable and relatively indeterminate. Many communities choose to fund landscaping maintenance through the operating budget while others prefer to fund it through reserves. In some cases, large, capitally intensive landscaping projects may be required or desired. If the cost of removal and replacement is substantial, funding from reserves is logical. The District may also desire to periodically update the appearance of the community for aesthetic reasons through major improvements to the landscaping. At the request of Management, we include an allowance of $10,000, plus inflation, for partial replacements of the landscaping by 2025 and every five years thereafter.

10. Mailbox Stations

The District is responsible for 45 mailbox stations throughout the community. The mailbox stations are original and in good overall condition. We anticipate a useful life of 25- to 30-years and recommend the District budget for replacement by 2047. The District should fund interim paint finishes through the operating budget as needed.

Mailbox stations

Mailbox stations

11. Maintenance Cart

The District is responsible for the maintenance cart that serves the community. The maintenance cart is reported in satisfactory operational condition and dates to 2022. We anticipate a useful life of 5- to 10-years and recommend the District budget for replacement by 2029 and every seven years thereafter. The estimate of cost is based on a historical cost provided by Management.

Maintenance cart

12. Playground Equipment

The District maintains the playground equipment at the intersection of Trails Edge Boulevard and Renaissance Avenue. The metal play structure, swing set and surrounding components date to 2016. The plastic play structure was installed in 2019. The playground equipment is in good overall condition. Playground equipment has a useful life of 20- to 25-years. We recommend the District budget for replacement by 2040.

Plastic play structure

Metal play structure

13. Signage, Street Identification and Traffic Management

The District maintains the street identification and traffic management signage throughout the community. The signage is original and in good overall condition. We anticipate a useful life of 20- to 25-years, however the timing of replacement is discretionary based on aesthetic concerns rather than functionality. We recommend the District budget for replacement by 2040. Interim repairs and paint finish applications should be funded through the operating budget as needed.

Street identification signage

Traffic management signage

14. Site Furniture

The District maintains the site furniture throughout the community. The site furniture is original and in good overall condition. We anticipate a useful life of 15- to 20-years and recommend the District budget for replacement by 2035 and again by 2053.

Bench and trash receptacle

Bench and trash receptacle

15. Stormwater System

The District maintains the stormwater drainage system throughout the community. The system includes catch basins that collect stormwater from the pavement and drain into a connected series of pipes designed to carry the stormwater to the pond for processing. The District utilizes a wet pond system. Wet ponds treat storm water runoff by utilizing sunlight and vegetation which breaks down, filters and cleanses pollutants. The pond shorelines comprise approximately 20,000 linear feet. The ponds are original and in in good overall condition. Shoreline erosion can be caused by a variety of natural factors including steep slopes, changes in water elevation and storm water runoff. Several forms of shoreline stabilization methods exist, including but not limited to, installation of plantings, stone rip rap and bio-engineered synthetic stabilization systems. Erosion can lead to partial dredging of the pond and canal particularly near the drainage inlet and outlet structures. The District should map the shorelines and place marked stakes along the shorelines at multiple locations to monitor the effects of erosion.

Stormwater systems are low maintenance and are often overlooked. However, overlooking systems of this type may lead to major problems. Over time, drains can become clogged with leaves and other debris. Maintenance of stormwater systems is required in every municipality as a condition for use of the land to prevent adverse impacts on adjoining properties. The District should routinely keep drains clear.

Storm water systems have a long useful life with the benefit of ongoing maintenance. Achieving this useful life typically requires interim capital repairs or partial replacements. The District should anticipate occasional displacement of a catch basin and the surrounding pavement from erosion as time goes on. Erosion causes settlement of catch basins. The catch basin can shift and need replacement if left unrepaired. The District should plan to repair any displaced catch basins and partial pipe replacements concurrently with the surrounding pavement.

The exact times and amount of capital repairs or replacements varies depending on natural forces. For budgetary purposes, we recommend the District budget for stormwater system maintenance, including catch basin repairs and pond shoreline erosion control, by 2031 and again by 2046. The District should consult with a pond specialist at the time of the project to determine the exact type of shoreline stabilization system to use.

Typical catch basin

Minor settlement adjacent to catch basin

Pond shoreline

Pond shoreline

Minor settlement behind pond inlet structure

Pond shoreline and outlet structure

16. Air Handling and Condensing Units, Split Systems

The District maintains four split system air conditioning units which serve the clubhouse and Fitness Center. A split system consists of an interior air handling unit and an exterior condensing unit. The split systems are original and reported in satisfactory operational condition. Management informs us one condensing unit was replaced in 2021 due to damage caused by a vehicle. We anticipate a useful life of 10- to 15-years and recommend the District budget for replacement by 2029 and again by 2042.

Air condensing units at clubhouse

Air condensing units at Fitness Center

17. Exercise Equipment

The District maintains various exercise equipment located at the Fitness Center, including treadmills, ellipticals, stationary cycles and various strength training equipment. The equipment is original and in good overall condition. The useful life of cardiovascular exercise equipment ranges from 5- to 10-years as a function of usage and regular maintenance. We recommend the District budget for replacement of the cardiovascular exercise equipment by 2025 and every seven years thereafter. The useful life of strength training exercise equipment ranges from 10- to 15-years as a function of usage and regular maintenance. We recommend the District budget for replacement of the strength training exercise equipment by 2030 and again by 2044. The District should fund interim maintenance through the operating budget on an as needed basis.

Cardiovascular exercise equipment

Cardiovascular exercise equipment

Strength training machines

Strength training equipment

18. Interior Renovations

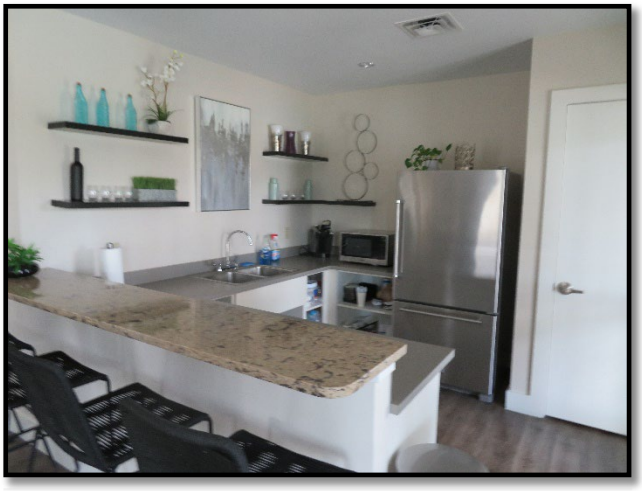
The clubhouse and Fitness Center interiors comprise vinyl plank, carpet and rubber floor coverings, paint finishes on the walls and ceilings, light and plumbing fixtures, cabinets and countertops, and various pieces of furniture. These components are original and in good overall condition. We recommend the District budget for a complete renovation of the clubhouse and Fitness Center every 20- to 25-years, with partial renovations every 10- to 15-years. We recommend the District budget for partial interior renovations by 2028. Our cost includes replacement of the carpet and rubber floor coverings, paint finish applications, and replacement of up to fifty percent (50%) of the appliances and furnishings. We recommend the District budget for a complete

renovation of the clubhouse and Fitness Center by 2040. Our cost includes an allowance for replacement of all aforementioned components.

Clubhouse interior overview

Clubhouse interior furnishings

Clubhouse interior furnishings



Clubhouse kitchenette

19. Rest Rooms, Renovations

The District maintains four common area rest rooms located at the clubhouse and Fitness Center. The rest rooms comprise tile floor and wall coverings, paint finishes on the walls and ceilings, light and plumbing fixtures, and partitions. These components are original and in good overall condition. We anticipate a useful life of up to 25 years and recommend the District budget for rest room renovations by 2040.

Clubhouse rest room

Clubhouse rest room

Fitness Center rest room

Fitness Center rest room

20. Roofs, Metal

The District is responsible for approximately 75 squares of standing seam metal roofs located at the clubhouse and Fitness Center. Roof panels are crimped together rather than fastened by screws. The metal roofs are original and in good overall condition. Metal roofs of this type have a useful life of 30- to 35-years. The District should budget for replacement of the metal roofs by 2048.

Clubhouse metal roof

Clubhouse metal roof

21. Windows and Doors

The clubhouse and Fitness Center utilize approximately 2,000 square feet of windows and doors. The windows and doors are original and in good overall condition. Windows and doors of this type have a long useful life of 35- to 40-years. The need to replace windows can be due to various reasons such as consistency in style and condition. We recommend the District budget for replacement of the windows and doors by 2053. Interim replacement of individual windows and/or doors is likely and should be funded through the operating budget on an as needed basis.

Clubhouse windows

Clubhouse windows

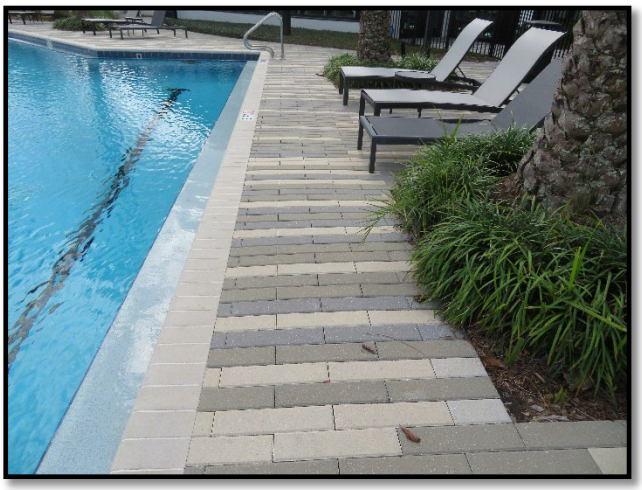
22. Deck, Pavers

The District maintains the masonry pavers located at the pool deck. The pool deck is original and in good overall condition. Pavers are subject to settlement as a function of pedestrian traffic and discoloration or erosion as a function of the elements and pool water. We anticipate a useful life of up to 30 years and recommend the District budget for replacement of the pavers by 2046. The District should fund interim resetting and partial replacements through the operating budget on an as needed basis.

Masonry paver pool deck

Masonry paver pool deck

Masonry paver pool deck



Masonry paver pool deck

23. Fence, Aluminum

The District maintains approximately 1,125 linear feet of aluminum fence surrounding the pool area. This quantity includes the fence at the dog park and adjacent to the playground. The fence is original and in good overall condition. We anticipate a useful life of up to 25 years and recommend the District budget for replacement by 2041. Fence repairs including replacement of fasteners and connections should be funded through the operating budget on an as needed basis.

Aluminum pool fence

Aluminum fence adjacent to playground

24. Furniture

The furniture surrounding the pool includes chairs, lounge chairs, tables, umbrellas and trash receptacles. The furniture is original and in good overall condition. Management informs us the District re-straps the furniture on an as-needed basis. We anticipate a useful life of up to 10 years and recommend the District budget for phased replacement of up to fifty percent (50%) of the furniture by 2026 and every four years thereafter.

Pool furniture

Pool furniture

Pool furniture

Stain at pool furniture fabric

25. Light Poles and Fixtures

The District maintains eight decorative light poles and fixtures at the pool area. The light poles and fixtures located along the streets throughout the community are maintained by the Utility Company. These components are original and in good overall condition. We anticipate a useful life of 25- to 30-years and recommend the District budget for replacement of the light poles and fixtures by 2046. Our cost includes an allowance for replacement of the pole, base, fixture, and minor electrical repairs at the time of replacement. Interim replacement of light bulbs and/or fixtures should be funded through the operating budget on an as needed basis.

Light pole and fixture at pool

Light pole and fixture at pool

26. Mechanical Equipment

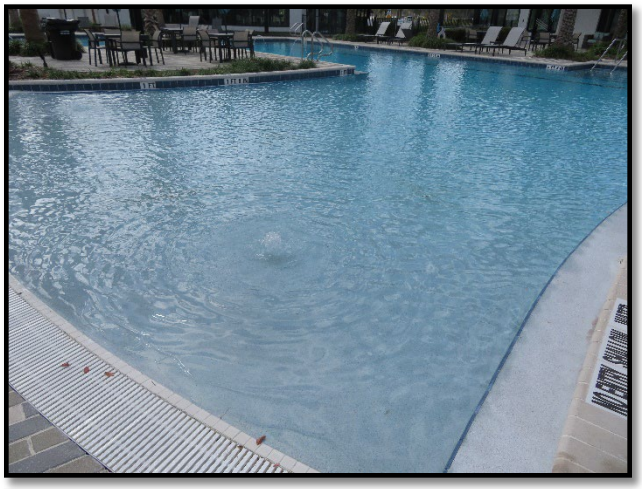
The pool is served by various pipes, valves, electrical systems, pumps, filters, and chlorinators. The equipment is primarily original and reported in satisfactory operational condition. Simultaneous failure of the equipment is unlikely. We instead include an allowance to fund replacement of up to thirty-three percent (33%) of the pool equipment by 2026 and every five years thereafter.

Pool mechanical equipment

Pool mechanical equipment

27. Pool Finishes

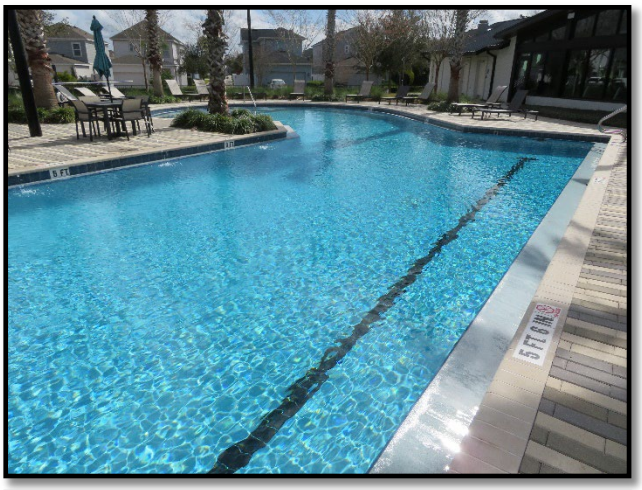
The finish at the pool wall and floor surfaces is original and in good overall condition. We anticipate a useful life of 8- to 12-years and recommend the District budget for resurfacing of the wall and floor areas, as well as replacement of the pool tile, and replacement of the pool coping, as needed, by 2028 and every 12 years thereafter. Our cost includes an allowance for minor repairs to the underlying pool structure at the time of pool finish replacement.



Pool plaster finish

Pool overview

Pool plaster finish



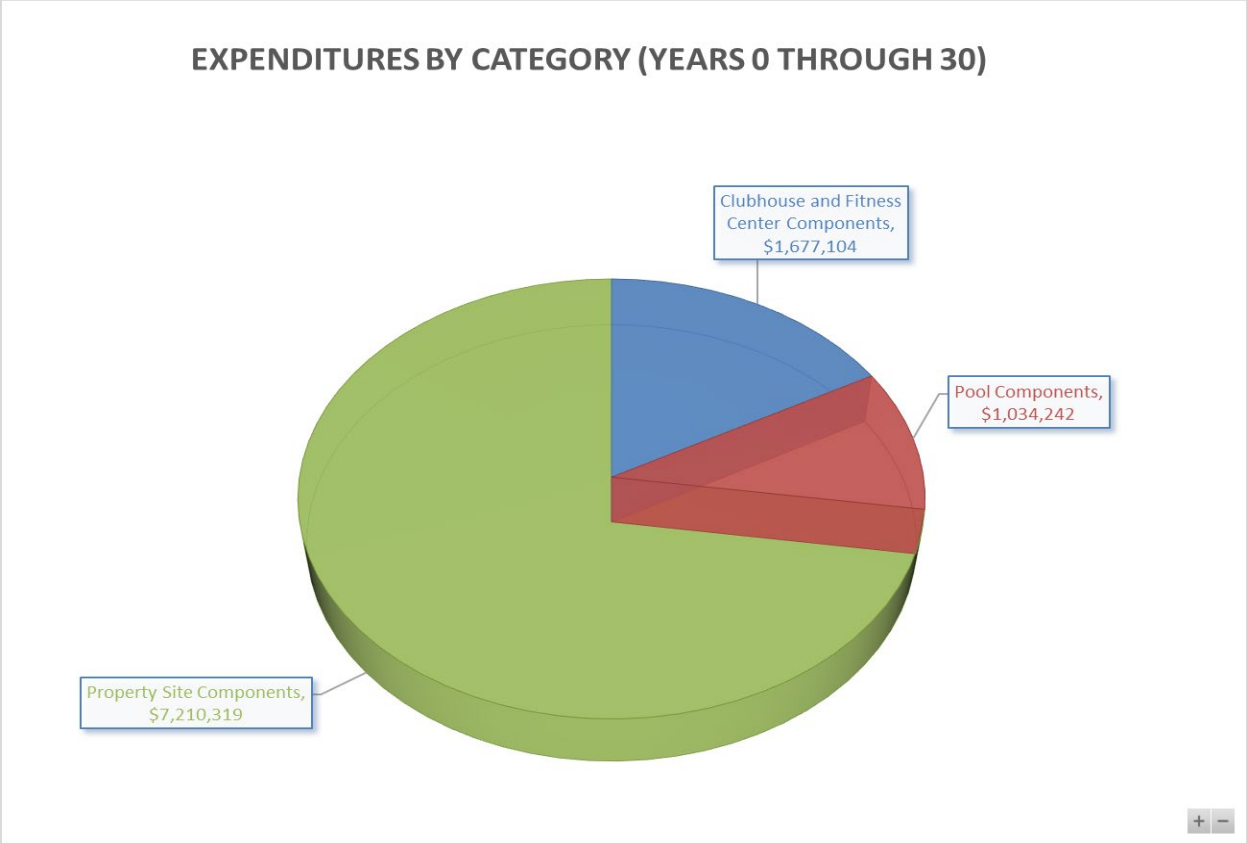
Pool overview

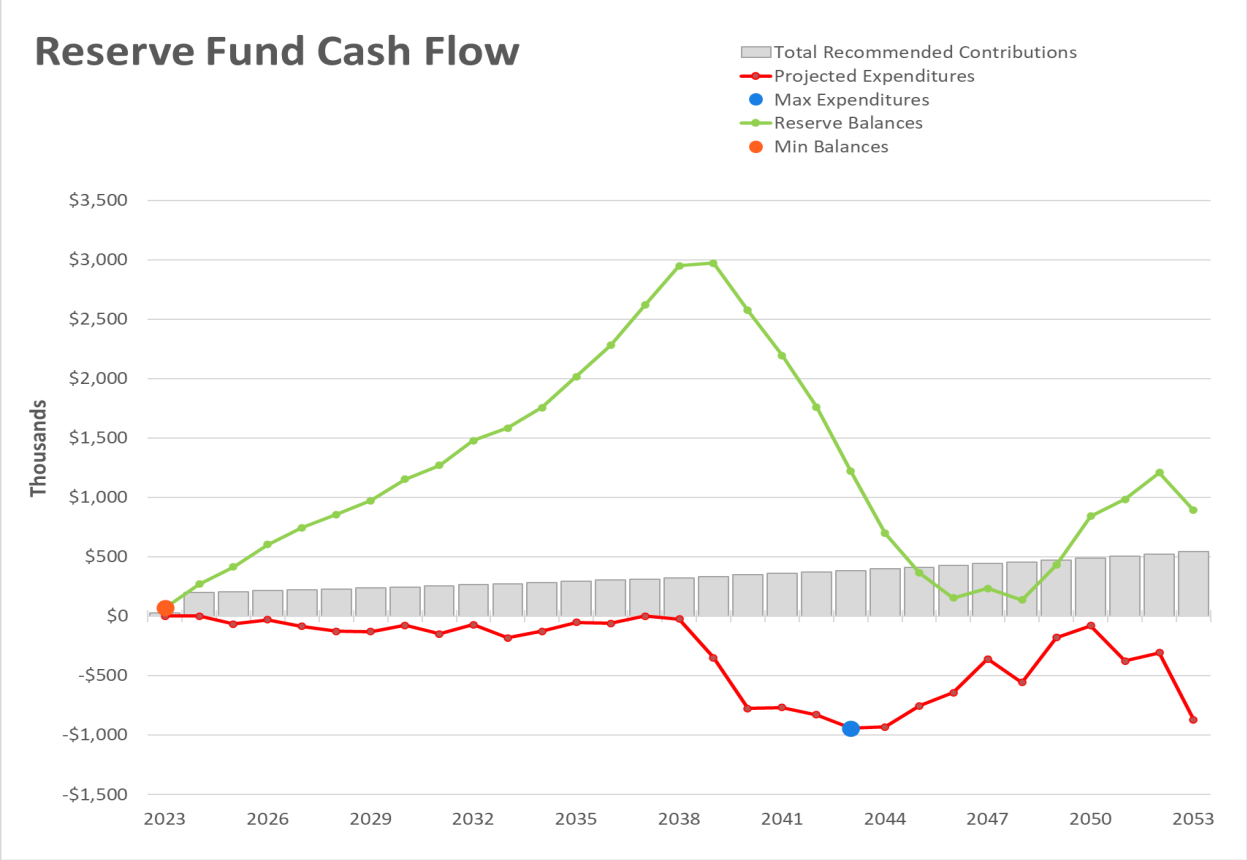
CustomReserves

Condition Model

Component Type	Component Name	Condition	Urgency	1st Year of Replacement
Property Site	Asphalt Pavement, Patch	7	✓	2027
Property Site	Asphalt Pavement, Mill and Overlay, Phased	8	✓	2041
Property Site	Asphalt Pavement, Total Replacement, Walking Paths	7	✓	2033
Property Site	Boardwalks, Wood, Phased	8	✓	2043
Property Site	Concrete Curbs and Gutters, Partial	9	✓	2041
Property Site	Concrete Sidewalks, Partial	7	✓	2029
Property Site	Entrance Monuments, Renovations	7	✓	2036
Property Site	Irrigation System, Partial	7	✓	2042
Property Site	Landscape, Partial Replacements	7	✓	2025
Property Site	Mailbox Stations	8	✓	2047
Property Site	Maintenance Cart	9	✓	2029
Property Site	Playground Equipment	7	✓	2040
Property Site	Signage, Street Identification and Traffic Management	7	✓	2040
Property Site	Site Furniture	6	✓	2035
Property Site	Stormwater System, Partial	8	✓	2031
Clubhouse and Fitness Center	Air Handling and Condensing Units, Split Systems	6	✓	2029
Clubhouse and Fitness Center	Exercise Equipment, Cardiovascular	5	✓	2025
Clubhouse and Fitness Center	Exercise Equipment, Strength Training	6	✓	2030
Clubhouse and Fitness Center	Interior Renovations, Complete	8	✓	2040
Clubhouse and Fitness Center	Interior Renovations, Partial	7	✓	2028
Clubhouse and Fitness Center	Rest Rooms, Renovations	8	✓	2040
Clubhouse and Fitness Center	Roofs, Metal	9	✓	2048
Clubhouse and Fitness Center	Windows and Doors	10	✓	2053
Pool	Deck, Pavers	8	✓	2046
Pool	Fence, Aluminum (Incl. Dog Park and Playground)	8	✓	2041
Pool	Furniture, Phased	5	✓	2026
Pool	Light Poles and Fixtures, Pool	8	✓	2046
Pool	Mechanical Equipment, Phased	5	✓	2026
Pool	Pool Finishes, Plaster and Tile (Incl. Coping)	7	✓	2028

Expenditure Chart and Funding Graph





Terms and Definitions

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 expenditures until the desired Funding Goal is achieved.

Component - An individual line item in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks of 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 Assessment and Valuation - The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. This task is accomplished either with or without onsite visual observations, based on Level of Service selected by the client.

Component Inventory - The task of selecting and quantifying Reserve Components. This task is accomplished through onsite visual observations, review of association design and organizational documents, and a review of established association precedents.

Component Method - A method of calculating Reserve contributions where the total reserve contribution is based on the sum of contributions for individual components.

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 computation.

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. The Financial Analysis is one of the two parts of a Reserve Study.

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. In essence, it is the Reserve balance that is proportional to the current Repair/replacement cost and the fraction of life "used up". This number is calculated for each component, them 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.

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.

Fully 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 statues.

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 Funded".

Funding Plan - An Association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Minimum Balance - A minimum Reserve balance established by the client.

Physical Analysis - The portion of the Reserve Study where the Component inventory, Condition Assessment and Life Adjustment and Valuation 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. Replacements anticipated to occur in the initial or base year have "zero" Remaining Useful Life.

Reserve Assessments - The portion of assessments contributed to the Reserve Fund.

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.

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.

Straight-Line - A formula used to calculate the annual reserve fund contribution for a specific component. Projected replacement cost divided by the useful life equals the annual payment.

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 in its present application or installation.

Disclosures and Limitations

No destructive testing was performed. Latent defects in design or construction are excluded from this report. There are no material issues to our knowledge that have not been disclosed to the client that would affect the integrity of this Reserve Study report. Custom Reserves has no interests with the client other than this Reserve Study.

Component quantities and estimates of costs indicated in this Report were developed by Custom Reserves unless otherwise noted in our "Condition Assessment" comments. The sources for the costs outlined in the study include experience, historical information and R.S. Means, Incorporated. This report should be used for budget and planning purposes only.

Inspection and Report Credentials

GRAHAM CULKAR - Senior Engineer, Reserve Specialist

EDUCATION - Florida Gulf Coast University - Bachelor of Science in Environmental Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (RS)
Community Associations Institute

CustomReserves

Quality Assurance Credentials

PAUL GRIFONI – Senior Engineer, Licensed Home Inspector

EDUCATION - University of Massachusetts - Bachelor of Science in Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Professional Reserve Analyst (PRA)
Association of Professional Reserve Analysts

Reserve Specialist (RS)
Community Associations Institute