

# RESERVE STUDY

PREPARED FOR:

Seven Lakes Golf and Tennis Community Condo 20

Fort Myers, FL



For The Period Beginning April 1, 2025

PREPARED BY:



260 1st Ave South, STE 225

St. Petersburg, FL 33701

1-800-892-1116

[www.stonebldg.com](http://www.stonebldg.com)



Stone Building Solutions  
reserves@stonebldg.com  
www.stonebldg.com  
1-800-892-1116

Attention: **Board of Directors**  
Property: Seven Lakes Golf and Tennis Community Condo 20, Fort Myers, Florida  
Service: Traditional Reserve Study  
Period: Beginning April 1, 2025

January 8, 2025

Dear Board of Directors of Seven Lakes Golf and Tennis Community Condo 20:

At the direction of the Board and management of Seven Lakes Golf and Tennis Community Condo 20, Stone Building Solutions has completed a Traditional Reserve Study for the Seven Lakes Golf and Tennis Community Condo 20 Association. Enclosed is our report for the Board's review and consideration.

This study is based on an on-site analysis. The on-site analysis of Seven Lakes Golf and Tennis Community Condo 20 upon which this study is based was performed by of Stone Building Solutions.

The effective date of this report is the date of inspection, June 4, 2024

This Reserve Study meets or exceeds all requirements outlined in Florida Statute 718.112 and the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Reserve Study."

If you have any questions or would like to direct any follow-up service, please don't hesitate to contact us.

Respectfully submitted,

Stone Building Solutions

Summer Megdadi

Summer Megdadi, RS

Reserve Specialist #411

Reserves@stonebldg.com

Summer  
Megdadi

# Table of Contents

---

Executive Summary ..... 4

Cost Evaluation ..... 6

Expenditures..... 7

Expenditures (By Year) ..... 9

Pooling Methodology..... 16

Cash Flow Analysis..... 17

Charts & Graphs ..... 19

Funding Options ..... 20

Reserve Component Summary ..... 22

Component Details ..... 23

Definitions ..... 34

Disclosures ..... 37

Update Service ..... 38



## Executive Summary

The purpose of this reserve study is to produce a reserve funding plan that will project future contributions and expenditures to ensure that reserve funds are available as needed.

Stone Building Solutions was responsible for the physical evaluation. Stone Building Solutions provided analysis on key building components, their condition, and evaluation. Stone Building Solutions has received this information 'as is' and is not in a position to add or comment on the engineering analysis. Stone Building Solutions is using this information to create a financial evaluation for budgeting purposes.

Seven Lakes Golf and Tennis Community Condo 20 has 70 units. This study is for the fiscal year starting April 1, 2025, and ending Mar 31, 2026.

### Financial Parameters & Assumptions

---

Projection Period:	April 1, 2025 - March 31, 2025	Report Type:	Type 1
Inflation:	2.50%	Association:	Condominium
Annual Percent Contribution Change:	3.00%	Buildings:	1
Interest (Gained):	1.00%	Total Units:	70
		Year Built:	1985

---

Note- For this projection, 25% of the available Reserve Balances have been allocated as the starting balance of the proposed Traditional Reserve Account.

As of April 1, 2025, the estimated unaudited reserve fund balance is \$70,585

The estimated *current replacement* cost of the reserve items is \$478,136

### 30-Year Pooled Cash Flow Funding Analysis Summary - (Future Cost):

The 30-year Funding Plan is an approach to determining reserve contributions in a way that balances the annual expenses from the reserve fund. This analysis takes into account future replacement costs for reserve components as they come due for replacement, acknowledges construction cost increases, and considers interest income generated by reserve accounts. By pooling funds from initial balances, a yearly contribution rate is calculated to ensure a positive cash flow throughout the analysis period. **This funding**

plan requires level contributions to Reserves over the projected period.

The recommendations for the initial year are based on the 30-year Pooled Cash Flow Funding Plan.

Recommended annual contribution:	\$30,000
Recommended annual contribution per unit:	\$429
First Year monthly contribution per unit:	\$36
Average monthly contribution per unit (Over 30 Years):	\$57
Special assessments:	\$0



## Cost Evaluation

The cost estimates identified are based on approximate quantities, costs, and published information, and they include labor, material, design fees, appropriate overhead, general conditions, and profit. The estimated costs to repair, replace, or upgrade the improvements are considered typical for the marketplace.

No contractors have been contacted for actual bids or price quotes, and the actual cost of repairs may vary from our estimates. These opinions of probable costs are for components or systems exhibiting material deferred maintenance, and for existing physical deficiencies requiring major repairs or replacement.

This report presents the 30 Year Cash Flow Funding Analysis.

The 30-year Pooled Cash Flow Funding Plan is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow throughout the analysis period.



## Expenditures

### Individual Elements

NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	SPLIT	YEAR 1 REPLACEMENT COST
Asphalt Pavement, Mill & Overlay: Common	04/01/2046	25y	25y	21y	\$21.525	5,337 SY	Association (100%)	\$114,879
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	04/01/2025	5y	4y	0y	\$0.473	48,033 SF	Association (100%)	\$22,720
Elevator Cabs, Refurbish: Common	04/01/2029	20y	12y	4y	\$30,750.00	1 Ea	Association (100%)	\$30,750
Elevators, 5-Stop, Hydraulic, Modernization : Common	04/01/2033	30y	33y	8y	\$179,375.00	1 Ea	Association (100%)	\$179,375
Gutters & Downspouts, 6" Aluminum: Common	04/01/2030	30y	17y	5y	\$13.838	1,500 LF	Association (100%)	\$20,757
Light Fixtures, Exterior: Common	04/01/2035	25y	25y	10y	\$252.15	85 Ea	Association (100%)	\$21,433
Mailbox Clusters, Aluminum, Multi-Tenant: Common	04/01/2033	25y	25y	8y	\$3,546.50	5 Ea	Association (100%)	\$17,732
Pavers, Clean, Sand & Seal, Drives & Walks: Common	04/01/2025	5y	4y	0y	\$1.23	3,338 SF	Association (100%)	\$4,106
Pavers, Concrete, Walkways: Common	04/01/2049	35y	35y	24y	\$15.375	3,338 SF	Association (100%)	\$51,322
SIRS and TRS Yearly Update: Update	04/01/2025	1y	1y 3m	0y	\$2,762.375	1 Ea	Association (100%)	\$2,762
Trash Chute, Stainless Doors: Common	04/01/2040	35y	35y	15y	\$2,460.00	5 Flr	Association (100%)	\$12,300
								<b>\$478,136</b>



## Critical Expenditure Planning ( 3-Year Outlook )

LOCATION RESERVE ITEM	2025	2026	2027
<b>Building Service Components</b>			
<b>Total Building Service Components</b>			
<b>Exterior Building Components</b>			
<b>Total Exterior Building Components</b>			
<b>General</b>			
SIRS and TRS Yearly Update: Update	\$2,831	\$2,902	\$2,975
<b>Total General</b>	<b>\$2,831</b>	<b>\$2,902</b>	<b>\$2,975</b>
<b>Interior Building Components</b>			
<b>Total Interior Building Components</b>			
<b>Property Site Components</b>			
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$22,720		
Pavers, Clean, Sand & Seal, Drives & Walks: Common	\$4,106		
<b>Total Property Site Components</b>	<b>\$26,826</b>		
<b>Total</b>	<b>\$29,657</b>	<b>\$2,902</b>	<b>\$2,975</b>





## Expenditures (By Year)

NAME	UNIT COST	QTY.	SPLIT	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
<b>2025-26 (Year 1)</b>						
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$0.473	48,033 SF		\$22,720	4y	2030-31
Pavers, Clean, Sand & Seal, Drives & Walks: Common	\$1.23	3,338 SF		\$4,106	4y	2030-31
SIRS and TRS Yearly Update: Update	\$2,831.00	1 Ea		\$2,831	1y	2026-27
<b>2025-26 (Year 1) Total</b>				<b>\$29,657</b>		
<b>2026-27 (Year 2)</b>						
SIRS and TRS Yearly Update: Update	\$2,902.00	1 Ea		\$2,902	1y	2027-28
<b>2026-27 (Year 2) Total</b>				<b>\$2,902</b>		
<b>2027-28 (Year 3)</b>						
SIRS and TRS Yearly Update: Update	\$2,975.00	1 Ea		\$2,975	1y	2028-29
<b>2027-28 (Year 3) Total</b>				<b>\$2,975</b>		
<b>2028-29 (Year 4)</b>						
SIRS and TRS Yearly Update: Update	\$3,049.00	1 Ea		\$3,049	1y	2029-30
<b>2028-29 (Year 4) Total</b>				<b>\$3,049</b>		
<b>2029-30 (Year 5)</b>						
Elevator Cabs, Refurbish: Common	\$33,942.00	1 Ea		\$33,942	12y	2049-50
SIRS and TRS Yearly Update: Update	\$3,125.00	1 Ea		\$3,125	1y	2030-31
<b>2029-30 (Year 5) Total</b>				<b>\$37,067</b>		
<b>2030-31 (Year 6)</b>						
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$0.535	48,033 SF		\$25,698	5y	2035-36
Gutters & Downspouts, 6" Aluminum: Common	\$15.656	1,500 LF		\$23,484	17y	N/A

NAME	UNIT COST	QTY.	SPLIT	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
Pavers, Clean, Sand & Seal, Drives & Walks: Common	\$1.392	3,338 SF		\$4,646	5y	2035-36
SIRS and TRS Yearly Update: Update	\$3,204.00	1 Ea		\$3,204	1y	2031-32
2030-31 (Year 6) Total				\$57,032		
2031-32 (Year 7)						
SIRS and TRS Yearly Update: Update	\$3,284.00	1 Ea		\$3,284	1y	2032-33
2031-32 (Year 7) Total				\$3,284		
2032-33 (Year 8)						
SIRS and TRS Yearly Update: Update	\$3,366.00	1 Ea		\$3,366	1y	2033-34
2032-33 (Year 8) Total				\$3,366		
2033-34 (Year 9)						
Elevators, 5-Stop, Hydraulic, Modernization : Common	\$218,551.00	1 Ea		\$218,551	33y	N/A
Mailbox Clusters, Aluminum, Multi-Tenant: Common	\$4,321.00	5 Ea		\$21,605	25y	N/A
SIRS and TRS Yearly Update: Update	\$3,450.00	1 Ea		\$3,450	1y	2034-35
2033-34 (Year 9) Total				\$243,606		
2034-35 (Year 10)						
SIRS and TRS Yearly Update: Update	\$3,536.00	1 Ea		\$3,536	1y	2035-36
2034-35 (Year 10) Total				\$3,536		
2035-36 (Year 11)						
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$0.605	48,033 SF		\$29,060	5y	2040-41
Light Fixtures, Exterior: Common	\$322.776	85 Ea		\$27,436	25y	N/A
Pavers, Clean, Sand & Seal, Drives & Walks: Common	\$1.575	3,338 SF		\$5,257	5y	2040-41
SIRS and TRS Yearly Update: Update	\$3,624.00	1 Ea		\$3,624	1y	2036-37
2035-36 (Year 11) Total				\$65,377		
2036-37 (Year 12)						
SIRS and TRS Yearly Update: Update	\$3,715.00	1 Ea		\$3,715	1y	2037-38
2036-37 (Year 12) Total				\$3,715		

NAME	UNIT COST	QTY.	SPLIT	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
<b>2037-38 (Year 13)</b>						
SIRS and TRS Yearly Update: Update	\$3,808.00	1 Ea		\$3,808	1y	2038-39
<b>2037-38 (Year 13) Total</b>				<b>\$3,808</b>		
<b>2038-39 (Year 14)</b>						
SIRS and TRS Yearly Update: Update	\$3,903.00	1 Ea		\$3,903	1y	2039-40
<b>2038-39 (Year 14) Total</b>				<b>\$3,903</b>		
<b>2039-40 (Year 15)</b>						
SIRS and TRS Yearly Update: Update	\$4,001.00	1 Ea		\$4,001	1y	2040-41
<b>2039-40 (Year 15) Total</b>				<b>\$4,001</b>		
<b>2040-41 (Year 16)</b>						
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$0.685	48,033 SF		\$32,903	5y	2045-46
Pavers, Clean, Sand & Seal, Drives & Walks: Common	\$1.781	3,338 SF		\$5,945	5y	2045-46
SIRS and TRS Yearly Update: Update	\$4,101.00	1 Ea		\$4,101	1y	2041-42
Trash Chute, Stainless Doors: Common	\$3,562.80	5 Flr		\$17,814	35y	N/A
<b>2040-41 (Year 16) Total</b>				<b>\$60,763</b>		
<b>2041-42 (Year 17)</b>						
SIRS and TRS Yearly Update: Update	\$4,203.00	1 Ea		\$4,203	1y	2042-43
<b>2041-42 (Year 17) Total</b>				<b>\$4,203</b>		
<b>2042-43 (Year 18)</b>						
SIRS and TRS Yearly Update: Update	\$4,308.00	1 Ea		\$4,308	1y	2043-44
<b>2042-43 (Year 18) Total</b>				<b>\$4,308</b>		
<b>2043-44 (Year 19)</b>						
SIRS and TRS Yearly Update: Update	\$4,416.00	1 Ea		\$4,416	1y	2044-45
<b>2043-44 (Year 19) Total</b>				<b>\$4,416</b>		
<b>2044-45 (Year 20)</b>						
SIRS and TRS Yearly Update: Update	\$4,526.00	1 Ea		\$4,526	1y	2045-46
<b>2044-45 (Year 20) Total</b>				<b>\$4,526</b>		
<b>2045-46 (Year 21)</b>						

NAME	UNIT COST	QTY.	SPLIT	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$0.775	48,033 SF		\$37,226	5y	2050-51
Pavers, Clean, Sand & Seal, Drives & Walks: Common	\$2.015	3,338 SF		\$6,726	5y	2050-51
SIRS and TRS Yearly Update: Update	\$4,640.00	1 Ea		\$4,640	1y	2046-47
2045-46 (Year 21) Total				\$48,592		
2046-47 (Year 22)						
Asphalt Pavement, Mill & Overlay: Common	\$36.153	5,337 SY		\$192,949	25y	N/A
SIRS and TRS Yearly Update: Update	\$4,756.00	1 Ea		\$4,756	1y	2047-48
2046-47 (Year 22) Total				\$197,705		
2047-48 (Year 23)						
SIRS and TRS Yearly Update: Update	\$4,875.00	1 Ea		\$4,875	1y	2048-49
2047-48 (Year 23) Total				\$4,875		
2048-49 (Year 24)						
SIRS and TRS Yearly Update: Update	\$4,996.00	1 Ea		\$4,996	1y	2049-50
2048-49 (Year 24) Total				\$4,996		
2049-50 (Year 25)						
Elevator Cabs, Refurbish: Common	\$55,618.00	1 Ea		\$55,618	20y	N/A
Pavers, Concrete, Walkways: Common	\$27.809	3,338 SF		\$92,826	35y	N/A
SIRS and TRS Yearly Update: Update	\$5,121.00	1 Ea		\$5,121	1y	2050-51
2049-50 (Year 25) Total				\$153,565		
2050-51 (Year 26)						
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	\$0.877	48,033 SF		\$42,125	5y	N/A
Pavers, Clean, Sand & Seal, Drives & Walks: Common	\$2.28	3,338 SF		\$7,611	5y	N/A
SIRS and TRS Yearly Update: Update	\$5,249.00	1 Ea		\$5,249	1y	2051-52
2050-51 (Year 26) Total				\$54,985		
2051-52 (Year 27)						
SIRS and TRS Yearly Update: Update	\$5,381.00	1 Ea		\$5,381	1y	2052-53
2051-52 (Year 27) Total				\$5,381		

NAME	UNIT COST	QTY.	SPLIT	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2052-53 (Year 28)						
SIRS and TRS Yearly Update: Update	\$5,515.00	1	Ea	\$5,515	1y	2053-54
2052-53 (Year 28) Total				\$5,515		
2053-54 (Year 29)						
SIRS and TRS Yearly Update: Update	\$5,653.00	1	Ea	\$5,653	1y	N/A
2053-54 (Year 29) Total				\$5,653		
2054-55 (Year 30)						
2054-55 (Year 30) Total				\$0		

# Default Components

NAME	UNIT COST	QTY.	SPLIT	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2025-26 (Year 1)						
2025-26 (Year 1) Total				\$0		
2026-27 (Year 2)						
2026-27 (Year 2) Total				\$0		
2027-28 (Year 3)						
2027-28 (Year 3) Total				\$0		
2028-29 (Year 4)						
2028-29 (Year 4) Total				\$0		
2029-30 (Year 5)						
2029-30 (Year 5) Total				\$0		
2030-31 (Year 6)						
2030-31 (Year 6) Total				\$0		
2031-32 (Year 7)						
2031-32 (Year 7) Total				\$0		
2032-33 (Year 8)						
2032-33 (Year 8) Total				\$0		
2033-34 (Year 9)						
2033-34 (Year 9) Total				\$0		
2034-35 (Year 10)						
2034-35 (Year 10) Total				\$0		
2035-36 (Year 11)						
2035-36 (Year 11) Total				\$0		
2036-37 (Year 12)						
2036-37 (Year 12) Total				\$0		
2037-38 (Year 13)						
2037-38 (Year 13) Total				\$0		
2038-39 (Year 14)						
2038-39 (Year 14) Total				\$0		
2039-40 (Year 15)						

NAME	UNIT COST	QTY.	SPLIT	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2039-40 (Year 15) Total				\$0		
2040-41 (Year 16)						
2040-41 (Year 16) Total				\$0		
2041-42 (Year 17)						
2041-42 (Year 17) Total				\$0		
2042-43 (Year 18)						
2042-43 (Year 18) Total				\$0		
2043-44 (Year 19)						
2043-44 (Year 19) Total				\$0		
2044-45 (Year 20)						
2044-45 (Year 20) Total				\$0		
2045-46 (Year 21)						
2045-46 (Year 21) Total				\$0		
2046-47 (Year 22)						
2046-47 (Year 22) Total				\$0		
2047-48 (Year 23)						
2047-48 (Year 23) Total				\$0		
2048-49 (Year 24)						
2048-49 (Year 24) Total				\$0		
2049-50 (Year 25)						
2049-50 (Year 25) Total				\$0		
2050-51 (Year 26)						
2050-51 (Year 26) Total				\$0		
2051-52 (Year 27)						
2051-52 (Year 27) Total				\$0		
2052-53 (Year 28)						
2052-53 (Year 28) Total				\$0		
2053-54 (Year 29)						
2053-54 (Year 29) Total				\$0		
2054-55 (Year 30)						
2054-55 (Year 30) Total				\$0		

## Pooled/Cash-Flow Funding (30-Year Projection)

This part of the Reserve Study introduces an alternative approach to funding compared to the Component Funding Analysis (Straight-Line).

This method entails computing the yearly Reserve contribution based on a 30-year positive cash flow projection. Known as the 30-year "Pooled" or "Cash Flow" Funding Plan, it involves determining Reserve contributions aimed at balancing out the fluctuating annual expenses from the Reserve fund. By consolidating funds from initial balances, a yearly contribution rate is computed to ensure a consistent positive cash flow over the analysis period.

This methodology is a widely accepted, logical, factual, and mathematical basis for calculating Reserve contributions where the Reserve fund total balance at any one point in the projection can offset the expected annual expenditures from the Reserve fund, in perpetuity, on a year-over-year basis.

In this methodology, Reserve funds can only be collectively allocated (used) for purposes authorized under the categorical nature of the components identified within the pool as they become due.



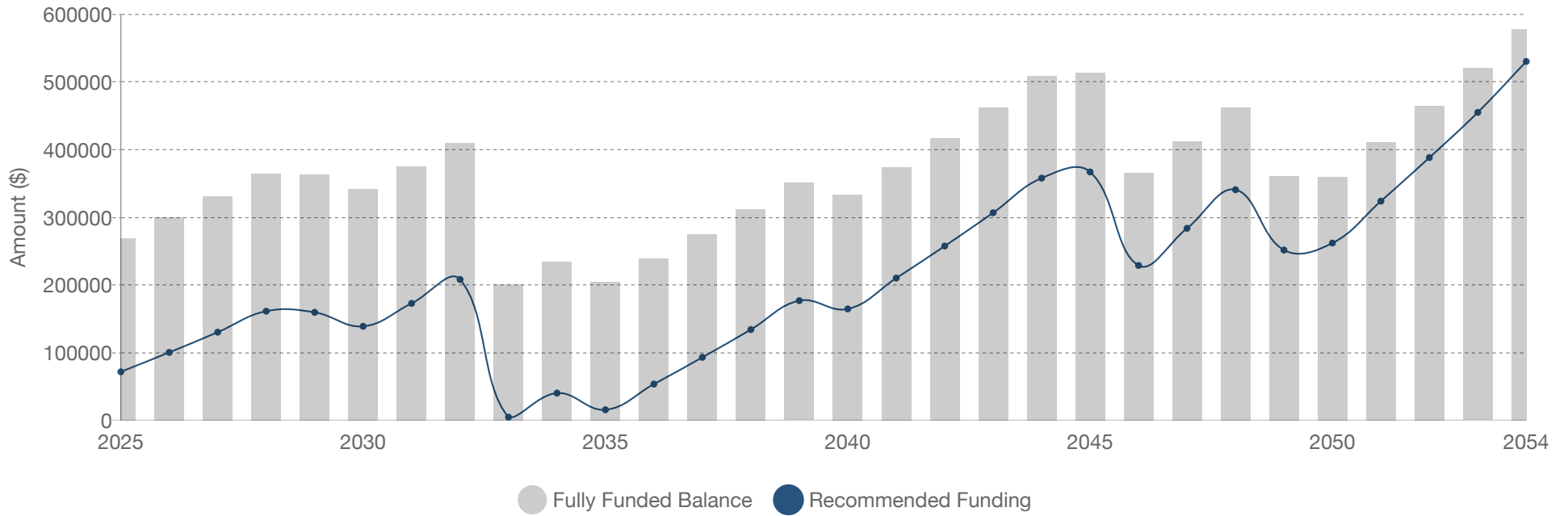


## Cash-Flow Projection

Inflation: 2.50% | Calc: Inflation-Adjusted

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2025-26	\$70,585	\$30,000	N/A	\$706	\$0	\$0	\$29,657	\$71,634	26.59%	\$269,395
2026-27	\$71,634	\$30,900	3.00%	\$716	\$0	\$0	\$2,902	\$100,348	33.47%	\$299,836
2027-28	\$100,348	\$31,827	3.00%	\$1,003	\$0	\$0	\$2,975	\$130,204	39.26%	\$331,628
2028-29	\$130,204	\$32,782	3.00%	\$1,302	\$0	\$0	\$3,049	\$161,239	44.20%	\$364,829
2029-30	\$161,239	\$33,765	3.00%	\$1,612	\$0	\$0	\$37,067	\$159,549	43.89%	\$363,530
2030-31	\$159,549	\$34,778	3.00%	\$1,595	\$0	\$0	\$57,032	\$138,891	40.64%	\$341,799
2031-32	\$138,891	\$35,822	3.00%	\$1,389	\$0	\$0	\$3,284	\$172,817	46.05%	\$375,317
2032-33	\$172,817	\$36,896	3.00%	\$1,728	\$0	\$0	\$3,366	\$208,076	50.71%	\$410,298
2033-34	\$208,076	\$38,003	3.00%	\$2,081	\$0	\$0	\$243,606	\$4,554	2.26%	\$201,312
2034-35	\$4,554	\$39,143	3.00%	\$46	\$0	\$0	\$3,536	\$40,206	17.19%	\$233,938
2035-36	\$40,206	\$40,318	3.00%	\$402	\$0	\$0	\$65,377	\$15,549	7.59%	\$204,744
2036-37	\$15,549	\$41,527	3.00%	\$155	\$0	\$0	\$3,715	\$53,516	22.41%	\$238,851
2037-38	\$53,516	\$42,773	3.00%	\$535	\$0	\$0	\$3,808	\$93,016	33.88%	\$274,532
2038-39	\$93,016	\$44,056	3.00%	\$930	\$0	\$0	\$3,903	\$134,100	43.00%	\$311,849

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2039-40	\$134,100	\$45,378	3.00%	\$1,341	\$0	\$0	\$4,001	\$176,817	50.40%	\$350,861
2040-41	\$176,817	\$46,739	3.00%	\$1,768	\$0	\$0	\$60,763	\$164,561	49.34%	\$333,546
2041-42	\$164,561	\$48,141	3.00%	\$1,646	\$0	\$0	\$4,203	\$210,145	56.09%	\$374,681
2042-43	\$210,145	\$49,585	3.00%	\$2,101	\$0	\$0	\$4,308	\$257,524	61.66%	\$417,664
2043-44	\$257,524	\$51,073	3.00%	\$2,575	\$0	\$0	\$4,416	\$306,756	66.32%	\$462,561
2044-45	\$306,756	\$52,605	3.00%	\$3,068	\$0	\$0	\$4,526	\$357,903	70.25%	\$509,443
2045-46	\$357,903	\$54,183	3.00%	\$3,579	\$0	\$0	\$48,592	\$367,073	71.51%	\$513,324
2046-47	\$367,073	\$55,809	3.00%	\$3,671	\$0	\$0	\$197,705	\$228,848	62.61%	\$365,491
2047-48	\$228,848	\$57,483	3.00%	\$2,288	\$0	\$0	\$4,875	\$283,745	68.76%	\$412,661
2048-49	\$283,745	\$59,208	3.00%	\$2,837	\$0	\$0	\$4,996	\$340,794	73.77%	\$461,960
2049-50	\$340,794	\$60,984	3.00%	\$3,408	\$0	\$0	\$153,565	\$251,620	69.64%	\$361,312
2050-51	\$251,620	\$62,813	3.00%	\$2,516	\$0	\$0	\$54,985	\$261,965	72.70%	\$360,326
2051-52	\$261,965	\$64,698	3.00%	\$2,620	\$0	\$0	\$5,381	\$323,901	78.75%	\$411,314
2052-53	\$323,901	\$66,639	3.00%	\$3,239	\$0	\$0	\$5,515	\$388,264	83.56%	\$464,627
2053-54	\$388,264	\$68,638	3.00%	\$3,883	\$0	\$0	\$5,653	\$455,132	87.47%	\$520,352
2054-55	\$455,132	\$70,697	3.00%	\$4,551	\$0	\$0	\$0	\$530,380	91.67%	\$578,571



## Funding Options

Significant expenses for repair or replacement of reserve components are expected within a community. When these expenses occur there are essentially four funding options available for addressing the expenditure:

- The *First and most logical option* for the Board of Directors is to ensure the association's ability to maintain the obligated assets by assessing an adequate level of reserves as part of the regular membership fees. This approach allows for the cost of replacements to be uniformly distributed among all members, both present and future. The board needs to avoid adopting a calculation method or funding plan that unfairly burdens future members to compensate for past reserve deficits. The board has a fiduciary responsibility to the entire community and should act in their best interest. By setting aside reserves over the lifespan of the asset, such as a roof, the association has ample time to accumulate the necessary funds. Additionally, these contributions would be evenly distributed among all members and could earn interest.
- The *Second option* is for the association to secure a loan from a lending institution to finance any immediately required repairs. In many cases, banks are willing to lend to associations using future homeowner assessments as collateral. However, this method commits the association's future assets and incurs additional expenses in the form of interest fees. For instance, in the case of a \$150,000 roofing replacement, the association may be required to repay the loan over three to five years, along with the accrued interest.
- The *Third option* is to pass a "special assessment" to the membership, requiring each member to contribute an amount necessary to cover the expenditure. When a special assessment is implemented, the association has the authority and responsibility to collect the assessments, even through foreclosure if necessary. However, it is important to note that there is no guarantee that an assessment will be passed when it is needed. Therefore, the association cannot ensure its ability to perform the required repairs or replacements for major components when the need arises. Furthermore, as communities age, the need for major reserve expenditures increases. Associations that are 12 to 15 years old or older often encounter numerous components reaching the end of their useful lives. If these required expenditures coincide, they can have a detrimental impact on the association's overall budget.
- The *Fourth option*, although not recommended, is to defer the necessary repair or replacement. This approach can lead to declining property values due to an expanding list of deferred maintenance items. The association may struggle to keep up with the natural aging process of common area components. Consequently, this can make it difficult, or even impossible, for potential buyers to obtain financing from lenders. Lending institutions are increasingly requesting copies of the association's most recent reserve study before granting loans, whether to the association itself, a

prospective purchaser, or an individual within the association.

## Reserve Components

In this section of the report, we provide a comprehensive examination of the Reserve Study's physical analysis, encompassing a thorough inventory of the significant components within the association's "common" areas. This includes "Limited Common Elements" or (LCE).

Each Reserve Component has been assessed based on its physical condition during the inspection. A determination was made regarding the following:

- *Installation date*
- *Estimated market expected lifespan*
- *Subjective remaining lifespan*
- *Unit current cost*
- *Unit projected future cost*

## Component List - Full Detail

### Asphalt Pavement, Mill & Overlay

#### Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Ground Surfaces
Condition:	Good

#### Useful Life

Last Activity Date:	04/01/2021
Est. Useful Life:	25y
Remaining Useful Life:	21y
Next Activity Date:	04/01/2046

#### Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Xactimate
Cost Per SY:	\$21.00
Total Quantity:	5,337 SY
Total Current Cost:	\$114,879
Inflation Rate:	2.50%
Total Expenditures:	\$192,949



# Asphalt Pavement, Patch, Stripe & Sealcoat

## Basic Info

Type of Cost: Repairs & Maintenance  
Location: Property Site Components  
Category: Ground Surfaces  
Condition: Good

## Useful Life

Last Activity Date: 04/01/2021  
Est. Useful Life: 5y  
Remaining Useful Life: 0y  
Next Activity Date: 04/01/2025

## Financial Data

Estimate Date: 06/13/2023  
Estimate Source: Xactimate  
Cost Per SF: \$0.45  
Total Quantity: 48,033 SF  
Total Current Cost: \$22,720  
Inflation Rate: 2.50%  
Total Expenditures: \$189,732





# Elevator Cabs, Refurbish

## Basic Info

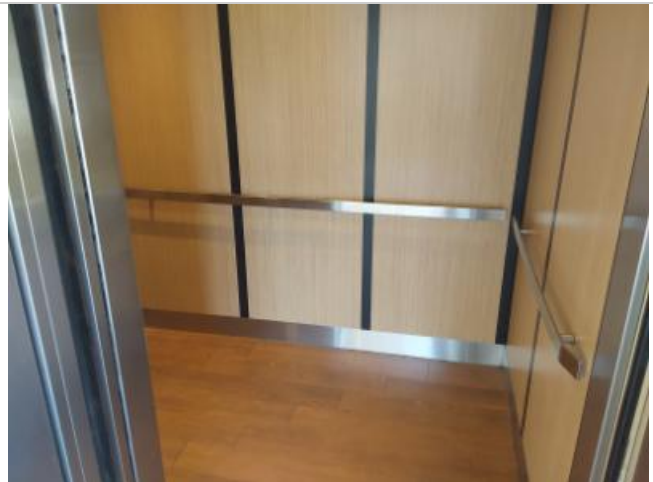
Type of Cost: Repairs & Maintenance  
Location: Interior Building Components  
Category: Mechanical  
Condition: Good

## Useful Life

Last Activity Date: 04/01/2017  
Est. Useful Life: 20y  
Remaining Useful Life: 4y  
Next Activity Date: 04/01/2029

## Financial Data

Estimate Date: 01/01/2024  
Estimate Source: MVS  
Cost Per Ea: \$30,000.00  
Total Quantity: 1 Ea  
Total Current Cost: \$30,750  
Inflation Rate: 2.50%  
Total Expenditures: \$89,560



# Elevators, 5-Stop, Hydraulic, Modernization

## Basic Info

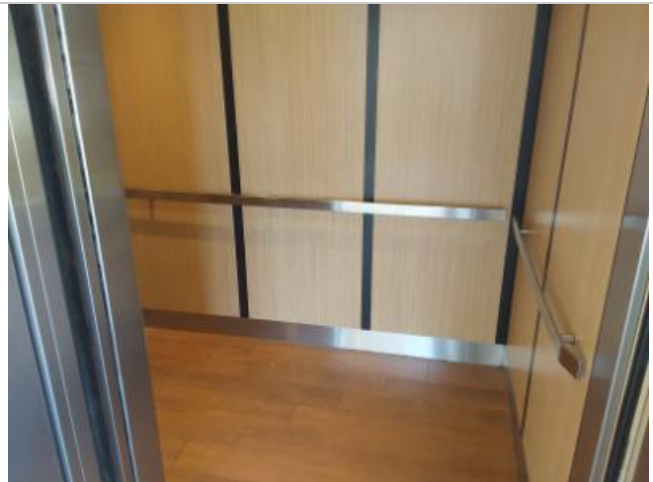
Type of Cost: Repairs & Maintenance  
Location: Building Service Components  
Category: Mechanical  
Condition: Good

## Useful Life

Last Activity Date: 04/01/2000  
Est. Useful Life: 30y  
Remaining Useful Life: 8y  
Next Activity Date: 04/01/2033

## Financial Data

Estimate Date: 01/01/2024  
Estimate Source: MVS  
Cost Per Ea: \$175,000.00  
Total Quantity: 1 Ea  
Total Current Cost: \$179,375  
Inflation Rate: 2.50%  
Total Expenditures: \$218,551



# Gutters & Downspouts, 6" Aluminum

## Basic Info

---

Type of Cost: Replacement  
Location: Exterior Building Components  
Category: Weatherproofing  
Condition: Good

## Useful Life

---

Last Activity Date: 04/01/2013  
Est. Useful Life: 30y  
Remaining Useful Life: 5y  
Next Activity Date: 04/01/2030

## Financial Data

---

Estimate Date: 01/01/2024  
Estimate Source: XactRemodel  
Cost Per LF: \$13.50  
Total Quantity: 1,500 LF  
Total Current Cost: \$20,757  
Inflation Rate: 2.50%  
Total Expenditures: \$23,484

---

# Light Fixtures, Exterior

## Basic Info

Type of Cost: Replacement  
Location: Exterior Building Components  
Category: Mechanical  
Condition: Good

## Useful Life

Last Activity Date: 04/01/2010  
Est. Useful Life: 25y  
Remaining Useful Life: 10y  
Next Activity Date: 04/01/2035

## Financial Data

Estimate Date: 01/01/2024  
Estimate Source: XactRemodel  
Cost Per Ea: \$246.00  
Total Quantity: 85 Ea  
Total Current Cost: \$21,433  
Inflation Rate: 2.50%  
Total Expenditures: \$27,436



# Mailbox Clusters, Aluminum, Multi-Tenant

## Basic Info

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Mailboxes
Condition:	Good

## Useful Life

Last Activity Date:	04/01/2008
Est. Useful Life:	25y
Remaining Useful Life:	8y
Next Activity Date:	04/01/2033

## Financial Data

Estimate Date:	01/01/2024
Estimate Source:	USPS
Cost Per Ea:	\$3,460.00
Total Quantity:	5 Ea
Total Current Cost:	\$17,732
Inflation Rate:	2.50%
Total Expenditures:	\$21,605



# Pavers, Clean, Sand & Seal, Drives & Walks

## Basic Info

Type of Cost: Improvement  
Location: Property Site Components  
Category: Ground Surfaces  
Condition: Good

## Useful Life

Last Activity Date: 04/01/2021  
Est. Useful Life: 5y  
Remaining Useful Life: 0y  
Next Activity Date: 04/01/2025

## Financial Data

Estimate Date: 01/01/2024  
Estimate Source: Local Contractors  
Cost Per SF: \$1.20  
Total Quantity: 3,338 SF  
Total Current Cost: \$4,106  
Inflation Rate: 2.50%  
Total Expenditures: \$34,291



# Pavers, Concrete, Walkways

## Basic Info

---

Type of Cost:	Replacement
Location:	Property Site Components
Category:	Ground Surfaces
Condition:	Good

## Useful Life

---

Last Activity Date:	04/01/2014
Est. Useful Life:	35y
Remaining Useful Life:	24y
Next Activity Date:	04/01/2049

## Financial Data

---

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per SF:	\$15.00
Total Quantity:	3,338 SF
Total Current Cost:	\$51,322
Inflation Rate:	2.50%
Total Expenditures:	\$92,826



# SIRS and TRS Yearly Update

## Basic Info

---

Type of Cost:	Replacement
Location:	General
Category:	
Condition:	Excellent

## Comments/Notes

---

Based on CAI Reserve Study Standards study cost should be accounted for in the reserve study. This reflects a yearly update.

## Useful Life

---

Last Activity Date:	01/01/2024
Est. Useful Life:	1y
Remaining Useful Life:	0y
Next Activity Date:	04/01/2025

## Financial Data

---

Estimate Date:	01/01/2024
Cost Per Ea:	\$2,695.00
Total Quantity:	1 Ea
Total Current Cost:	\$2,762
Inflation Rate:	2.50%
Total Expenditures:	\$118,513



# Trash Chute, Stainless Doors

## Basic Info

---

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

## Useful Life

---

Last Activity Date:	04/01/2005
Est. Useful Life:	35y
Remaining Useful Life:	15y
Next Activity Date:	04/01/2040

## Financial Data

---

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Flr:	\$2,400.00
Total Quantity:	5 Flr
Total Current Cost:	\$12,300
Inflation Rate:	2.50%
Total Expenditures:	\$17,814



## Useful Definitions

**Adjustment to Useful Life:** The estimated useful life may be adjusted, up or down, by this separate figure for the current cycle of replacement. This allows for a current period adjustment without affecting the estimated replacement cycles for future replacements.

**Annual Assessment Increase:** This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. It ensures the accumulation of the desired amount over a specific timeframe.

**Annual Fixed Reserves:** An optional figure that, if used, will override the normal process of allocating reserves to each asset.

**Budget Year Beginning/Ending:** The fiscal year for which the report is prepared. Monthly contribution figures indicated are for the 12 months beginning on January 1st and ending on December 31st of a specific year for associations with a fiscal year ending on December 31st.

**Component:** A specific item or element that is part of the association's common area assets and requires reserve funding.

**Component Inventory:** The process of selecting and qualifying reserve components. This can be done through on-site visual inspections, reviewing association documents, considering established precedents, and consulting with relevant association representatives.

**Cost per Unit:** The estimated cost to replace a reserve component per unit of measurement.

**Current Replacement Cost:** The estimated cost of replacing the asset at the beginning of the fiscal year for which the report is prepared.

**Estimated Remaining Life:** A calculation based on the report's fiscal year date and the asset's placed-in-service date to determine the remaining life of the asset.

**Estimated Useful Life:** The anticipated lifespan of an asset based on industry standards, manufacturer specifications, visual inspection, location, usage, association standards, and prior history.

**Future Replacement Cost:** The estimated cost to repair or replace the asset at the end of its estimated useful life, based on the current replacement cost and inflation.

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

**Inflation:** A figure used to estimate the future cost of repairing or replacing each component. The current cost of each component is compounded annually based on the number of remaining years to replacement, and the total is used to calculate the monthly reserve contribution needed to accumulate the required funds in time for replacement.

**Interest Contribution (After Taxes):** The interest that should be earned on the reserves, net of taxes, based on their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.



**Investment Yield Before Taxes:** The average interest rate anticipated by the association based on its current investment practices.

**Number of Units and/or Phases:** If applicable, the number of units and/or phases included in the report.

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

**Phase Increment Detail and/or Age:** Comments regarding the aging of the components based on the construction date or date of acceptance by the association.

**Placed-In-Service Date:** The month and year when the asset was placed in service, which could be the construction date, the first escrow closure date in a phase, or the date of the last servicing or replacement.

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

**Quantity:** The amount or number of each reserve component element.

**Replacement Year:** The year when the asset is scheduled to be replaced. The necessary funds will be available by the first day of the fiscal year for which replacement is anticipated.

**Reserves:** Funds set aside for projected repairs and/or replacements of the association's common elements.

**Salvage Value:** The salvage value of the asset at the time of replacement, if applicable.

**Total Monthly Allocation:** The sum of the monthly assessment and interest contribution figures.

**Units:** The unit of measurement used for each quantity.

**Estimated Replacement Cost:** The estimated cost to repair or replace the asset at the end of its estimated useful life based on the current replacement cost and inflation.

**Monthly Assessment:** The assessment to reserves required by the association each month.

**Taxes on Interest Yield:** The estimated percentage of interest income that will be set aside to pay income taxes on the earned interest.

**Total Monthly Allocation:** The sum of the monthly assessment and interest contribution figures.

## Unit Abbreviations:

Sq Ft - Square Feet    Sq Yds - Square Yards    Ln Ft - Linear Feet

Cu Ft - Cubic Feet    Cu Yds - Cubic Yards    Opngs - Openings (elevators)

Lp Sm - Lump Sum    Allow - Allowance

Hp - Horsepower

Units - Units

Ct - Court

Bldg- Building

Ea - Each

Kw - Kilowatts

Sq - Squares (1 Sq = 100 sq ft)



## Disclosures

Seven Lakes Golf and Tennis Community Condo 20 contracted with Stone Building Solutions to conduct a Reserve Study. Stone Building Solutions completed the site review and has conducted interviews with the building engineer, ownership group, and property manager in an attempt to evaluate the physical condition of the various components and their maintenance schedules, as well as to obtain information related to any previous defects that may exist and any repairs that have been performed.

Stone Building Solutions has no present or prospective interest in the subject property of this report and also has no personal interest concerning the parties involved. Our assignment was not contingent upon producing or reporting predetermined results and our compensation is not contingent on any action or event resulting from this report.

The calculations, projections, and reports in this reserve study were generated using our state-of-the-art Reserve Study software. Our software has received a Quality Assurance Evaluation from a Certified Public Accounting firm verifying the system for accuracy and compliance with the American Institute of CPAs Audit and Accounting Guide for Common Interest Realty Associations, cash flow projections, and tax calculations consistent with IRS guidelines for 1120c and 1120h corporations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogs, actual quotations or historical costs, and our own experience in the field of replacement cost valuation, insurance adjusting, and reserve study preparation.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will occur as described.



## Annual Update Requirements

We recommend updating this study yearly, no longer than every 3 years.

Inflation, labor rates, material availability, taxes, insurance, and asset lives are just but a few of the ever-changing variables addressed in your reserve study report.

To order an updated study, please contact us at (800) 892-1116, or email us at [reserves@stonebldg.com](mailto:reserves@stonebldg.com).