RESERVE STUDY

PREPARED FOR:

Seven Lakes Golf and Tennis Community Condo 4

Fort Myers, FL

For The Period Beginning April 1, 2025

PREPARED BY:

STONEBUILDING
SOLUTIONS

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Attention: Board of Directors
Property: Seven Lakes Golf and Tennis Community Condo 4, 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 4:

At the direction of the Board and management of Seven Lakes Golf and Tennis Community Condo 4,

Stone Building Solutions has completed a Traditional Reserve Study for the Seven Lakes Golf and Tennis Community Condo 4 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 4 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

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Summer Megdadi

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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 4 has 60 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, 2055	**Report Type:**	Type 1
Inflation:	2.50%	**Association:**	Condominium
Annual Percent Contribution Change:	3.00%	**Buildings:**	1
Interest (Gained):	1.00%	**Total Units:**	60
		Year Built:	1975

Note- For this projection, **00%** of the available Reserve Balances (**$0000**) 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 **$24,990**

The estimated *current replacement* cost of the reserve items is **$258,288**

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:	$14,000
Recommended annual contribution per unit:	$233
First Year monthly contribution per unit:	$19
Average monthly contribution per unit (Over 30 Years):	$31
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.

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Expenditures

Individual Elements

NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
Asphalt Pavement, Mill & Overlay: Parking Areas	04/01/2046	25y	41y	21y	$21.525	2,185 SY	$47,032
Asphalt Pavement, Patch, Stripe & Sealcoat: Parking Area	04/01/2026	5y	5y	1y	$0.473	19,665 SF	$9,302
Clothes Dryer, Laundry: Common	04/01/2030	15y	15y	5y	$1,332.50	6 Ea	$7,995
Clothes Washer, Laundry: Common	04/01/2030	15y	15y	5y	$1,435.00	6 Ea	$8,610
Elevator Cabs, Refurbish: Common	04/01/2034	20y	20y	9y	$12,812.50	1 Ea	$12,812
Elevators, 3-Stop, Hydraulic, Modernization : Common	04/01/2050	36y	36y	25y	$92,250.00	1 Ea	$92,250
Gutters & Downspouts, 6" Aluminum: Common	04/01/2053	30y	30y	28y	$13.838	2,140 LF	$29,613
Light Fixtures, Exterior: Common	04/01/2039	15y	15y	14y	$252.15	72 Ea	$18,155
Mailbox Clusters, Aluminum, Multi-Tenant: Common	04/01/2033	25y	25y	8y	$3,546.50	3 Ea	$10,640
Sidewalks, Concrete: Common	04/01/2030	10y	10y	5y	$12.782	516 SF	$6,596
SIRS and TRS Yearly Update: Update	04/01/2025	1y	1y 3m	0y	$2,367.75	1 LS	$2,368
Trash Chute, Stainless Doors: Common	04/01/2045	35y	35y	20y	$2,460.00	3 Flr	$7,380
Water Heater, Electric: Common	04/01/2035	15y	15y	10y	$1,845.00	3 Ea	$5,535
							$258,288

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Critical Expenditure Planning (3-Year Outlook)

LOCATION RESERVE ITEM	2025	2026	2027
Building Service Components			
Total Building Service Components			
Exterior Building Components			
Total Exterior Building Components			
General			
SIRS and TRS Yearly Update: Update	$2,427	$2,488	$2,550
Total General	**$2,427**	**$2,488**	**$2,550**
Interior Building Components			
Total Interior Building Components			
Property Site Components			
Asphalt Pavement, Patch, Stripe & Sealcoat: Parking Area		$9,538	
Total Property Site Components		**$9,538**	
Total	**$2,427**	**$12,026**	**$2,550**

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Expenditures (By Year)

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2025-26 (Year 1)					
SIRS and TRS Yearly Update: Update	$2,427.00	1 LS	$2,427	1y	2026-27
2025-26 (Year 1) Total			**$2,427**		
2026-27 (Year 2)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Parking Area	$0.485	19,665 SF	$9,538	5y	2031-32
SIRS and TRS Yearly Update: Update	$2,488.00	1 LS	$2,488	1y	2027-28
2026-27 (Year 2) Total			**$12,026**		
2027-28 (Year 3)					
SIRS and TRS Yearly Update: Update	$2,550.00	1 LS	$2,550	1y	2028-29
2027-28 (Year 3) Total			**$2,550**		
2028-29 (Year 4)					
SIRS and TRS Yearly Update: Update	$2,614.00	1 LS	$2,614	1y	2029-30
2028-29 (Year 4) Total			**$2,614**		
2029-30 (Year 5)					
SIRS and TRS Yearly Update: Update	$2,679.00	1 LS	$2,679	1y	2030-31
2029-30 (Year 5) Total			**$2,679**		
2030-31 (Year 6)					
Clothes Dryer, Laundry: Common	$1,507.667	6 Ea	$9,046	15y	2045-46
Clothes Washer, Laundry: Common	$1,623.50	6 Ea	$9,741	15y	2045-46
Sidewalks, Concrete: Common	$14.461	516 SF	$7,462	10y	2040-41
SIRS and TRS Yearly Update: Update	$2,746.00	1 LS	$2,746	1y	2031-32
2030-31 (Year 6) Total			**$28,995**		

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2031-32 (Year 7)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Parking Area	$0.549	19,665 SF	$10,796	5y	2036-37
SIRS and TRS Yearly Update: Update	$2,815.00	1 LS	$2,815	1y	2032-33
2031-32 (Year 7) Total			**$13,611**		
2032-33 (Year 8)					
SIRS and TRS Yearly Update: Update	$2,885.00	1 LS	$2,885	1y	2033-34
2032-33 (Year 8) Total			**$2,885**		
2033-34 (Year 9)					
Mailbox Clusters, Aluminum, Multi-Tenant: Common	$4,321.00	3 Ea	$12,963	25y	N/A
SIRS and TRS Yearly Update: Update	$2,957.00	1 LS	$2,957	1y	2034-35
2033-34 (Year 9) Total			**$15,920**		
2034-35 (Year 10)					
Elevator Cabs, Refurbish: Common	$16,001.00	1 Ea	$16,001	20y	2054-55
SIRS and TRS Yearly Update: Update	$3,031.00	1 LS	$3,031	1y	2035-36
2034-35 (Year 10) Total			**$19,032**		
2035-36 (Year 11)					
SIRS and TRS Yearly Update: Update	$3,107.00	1 LS	$3,107	1y	2036-37
Water Heater, Electric: Common	$2,361.667	3 Ea	$7,085	15y	2050-51
2035-36 (Year 11) Total			**$10,192**		
2036-37 (Year 12)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Parking Area	$0.621	19,665 SF	$12,212	5y	2041-42
SIRS and TRS Yearly Update: Update	$3,184.00	1 LS	$3,184	1y	2037-38
2036-37 (Year 12) Total			**$15,396**		
2037-38 (Year 13)					
SIRS and TRS Yearly Update: Update	$3,264.00	1 LS	$3,264	1y	2038-39
2037-38 (Year 13) Total			**$3,264**		
2038-39 (Year 14)					

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
SIRS and TRS Yearly Update: Update	$3,346.00	1 LS	$3,346	1y	2039-40
2038-39 (Year 14) Total			**$3,346**		
2039-40 (Year 15)					
Light Fixtures, Exterior: Common	$356.278	72 Ea	$25,652	15y	2054-55
SIRS and TRS Yearly Update: Update	$3,429.00	1 LS	$3,429	1y	2040-41
2039-40 (Year 15) Total			**$29,081**		
2040-41 (Year 16)					
Sidewalks, Concrete: Common	$18.512	516 SF	$9,552	10y	2050-51
SIRS and TRS Yearly Update: Update	$3,515.00	1 LS	$3,515	1y	2041-42
2040-41 (Year 16) Total			**$13,067**		
2041-42 (Year 17)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Parking Area	$0.702	19,665 SF	$13,805	5y	2046-47
SIRS and TRS Yearly Update: Update	$3,603.00	1 LS	$3,603	1y	2042-43
2041-42 (Year 17) Total			**$17,408**		
2042-43 (Year 18)					
SIRS and TRS Yearly Update: Update	$3,693.00	1 LS	$3,693	1y	2043-44
2042-43 (Year 18) Total			**$3,693**		
2043-44 (Year 19)					
SIRS and TRS Yearly Update: Update	$3,785.00	1 LS	$3,785	1y	2044-45
2043-44 (Year 19) Total			**$3,785**		
2044-45 (Year 20)					
SIRS and TRS Yearly Update: Update	$3,880.00	1 LS	$3,880	1y	2045-46
2044-45 (Year 20) Total			**$3,880**		
2045-46 (Year 21)					
Clothes Dryer, Laundry: Common	$2,183.50	6 Ea	$13,101	15y	N/A
Clothes Washer, Laundry: Common	$2,351.333	6 Ea	$14,108	15y	N/A
SIRS and TRS Yearly Update: Update	$3,977.00	1 LS	$3,977	1y	2046-47
Trash Chute, Stainless Doors: Common	$4,031.00	3 Flr	$12,093	35y	N/A

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2045-46 (Year 21) Total			**$43,279**		
2046-47 (Year 22)					
Asphalt Pavement, Mill & Overlay: Parking Areas	$36.153	2,185 SY	$78,994	41y	N/A
Asphalt Pavement, Patch, Stripe & Sealcoat: Parking Area	$0.794	19,665 SF	$15,614	5y	2051-52
SIRS and TRS Yearly Update: Update	$4,076.00	1 LS	$4,076	1y	2047-48
2046-47 (Year 22) Total			**$98,684**		
2047-48 (Year 23)					
SIRS and TRS Yearly Update: Update	$4,178.00	1 LS	$4,178	1y	2048-49
2047-48 (Year 23) Total			**$4,178**		
2048-49 (Year 24)					
SIRS and TRS Yearly Update: Update	$4,283.00	1 LS	$4,283	1y	2049-50
2048-49 (Year 24) Total			**$4,283**		
2049-50 (Year 25)					
SIRS and TRS Yearly Update: Update	$4,390.00	1 LS	$4,390	1y	2050-51
2049-50 (Year 25) Total			**$4,390**		
2050-51 (Year 26)					
Elevators, 3-Stop, Hydraulic, Modernization : Common	$171,026.00	1 Ea	$171,026	36y	N/A
Sidewalks, Concrete: Common	$23.698	516 SF	$12,228	10y	N/A
SIRS and TRS Yearly Update: Update	$4,499.00	1 LS	$4,499	1y	2051-52
Water Heater, Electric: Common	$3,420.667	3 Ea	$10,262	15y	N/A
2050-51 (Year 26) Total			**$198,015**		
2051-52 (Year 27)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Parking Area	$0.899	19,665 SF	$17,679	5y	N/A
SIRS and TRS Yearly Update: Update	$4,612.00	1 LS	$4,612	1y	2052-53
2051-52 (Year 27) Total			**$22,291**		
2052-53 (Year 28)					
SIRS and TRS Yearly Update: Update	$4,727.00	1 LS	$4,727	1y	2053-54

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2052-53 (Year 28) Total			$4,727		
2053-54 (Year 29)					
Gutters & Downspouts, 6" Aluminum: Common	$27.627	2,140 LF	$59,122	30y	N/A
SIRS and TRS Yearly Update: Update	$4,845.00	1 LS	$4,845	1y	N/A
2053-54 (Year 29) Total			$63,967		
2054-55 (Year 30)					
Elevator Cabs, Refurbish: Common	$26,220.00	1 Ea	$26,220	20y	N/A
Light Fixtures, Exterior: Common	$516.00	72 Ea	$37,152	15y	N/A
2054-55 (Year 30) Total			$63,372		

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.

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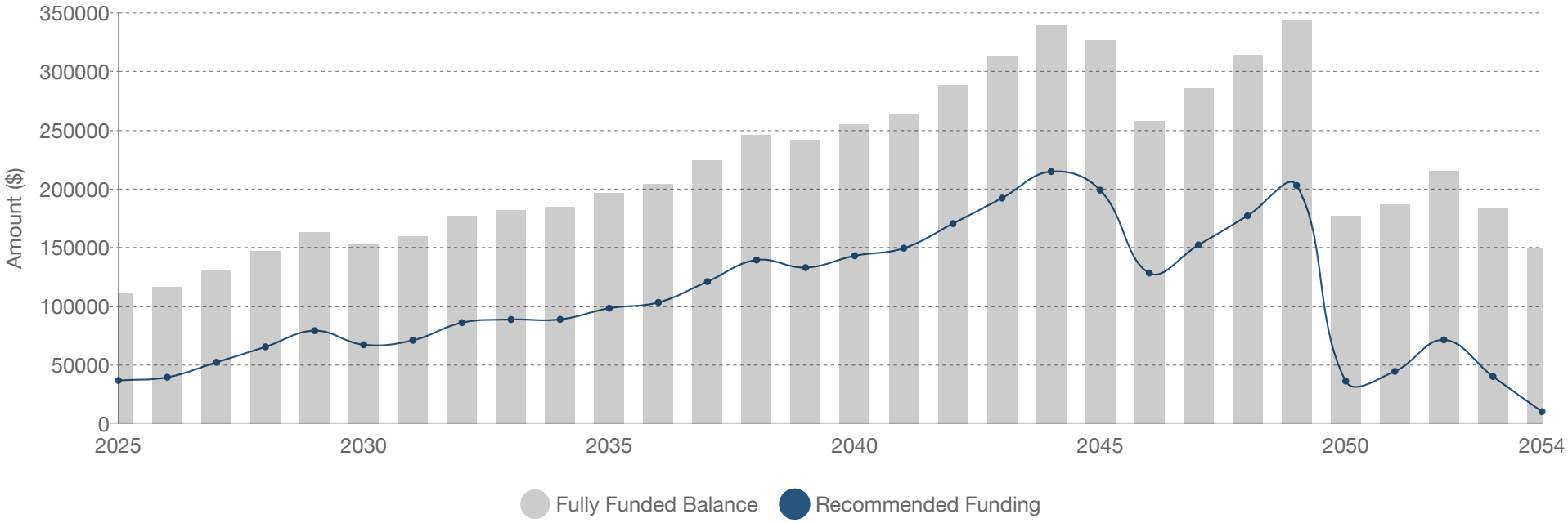
Cash-Flow Projection

Inflation: 2.50% | **Calc:** Inflation-Adjusted

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDTIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2025-26	$24,990	$14,000	N/A	$250	$0	$0	$2,427	$36,813	32.96%	$111,686
2026-27	$36,813	$14,420	3.00%	$368	$0	$0	$12,026	$39,575	33.98%	$116,452
2027-28	$39,575	$14,853	3.00%	$396	$0	$0	$2,550	$52,274	39.78%	$131,402
2028-29	$52,274	$15,298	3.00%	$523	$0	$0	$2,614	$65,481	44.54%	$147,029
2029-30	$65,481	$15,757	3.00%	$655	$0	$0	$2,679	$79,214	48.49%	$163,353
2030-31	$79,214	$16,230	3.00%	$792	$0	$0	$28,995	$67,241	43.81%	$153,495
2031-32	$67,241	$16,717	3.00%	$672	$0	$0	$13,611	$71,019	44.51%	$159,566
2032-33	$71,019	$17,218	3.00%	$710	$0	$0	$2,885	$86,062	48.57%	$177,177
2033-34	$86,062	$17,735	3.00%	$861	$0	$0	$15,920	$88,738	48.68%	$182,280
2034-35	$88,738	$18,267	3.00%	$887	$0	$0	$19,032	$88,860	48.10%	$184,750
2035-36	$88,860	$18,815	3.00%	$889	$0	$0	$10,192	$98,371	49.99%	$196,775
2036-37	$98,371	$19,379	3.00%	$984	$0	$0	$15,396	$103,338	50.60%	$204,223
2037-38	$103,338	$19,961	3.00%	$1,033	$0	$0	$3,264	$121,068	53.87%	$224,736
2038-39	$121,068	$20,559	3.00%	$1,211	$0	$0	$3,346	$139,492	56.67%	$246,154

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDTIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2039-40	$139,492	$21,176	3.00%	$1,395	$0	$0	$29,081	$132,983	54.90%	$242,206
2040-41	$132,983	$21,812	3.00%	$1,330	$0	$0	$13,067	$143,057	56.09%	$255,065
2041-42	$143,057	$22,466	3.00%	$1,431	$0	$0	$17,408	$149,545	56.58%	$264,299
2042-43	$149,545	$23,140	3.00%	$1,495	$0	$0	$3,693	$170,488	59.13%	$288,345
2043-44	$170,488	$23,834	3.00%	$1,705	$0	$0	$3,785	$192,242	61.34%	$313,426
2044-45	$192,242	$24,549	3.00%	$1,922	$0	$0	$3,880	$214,833	63.26%	$339,583
2045-46	$214,833	$25,286	3.00%	$2,148	$0	$0	$43,279	$198,988	60.93%	$326,563
2046-47	$198,988	$26,044	3.00%	$1,990	$0	$0	$98,684	$128,338	49.69%	$258,257
2047-48	$128,338	$26,825	3.00%	$1,283	$0	$0	$4,178	$152,269	53.29%	$285,738
2048-49	$152,269	$27,630	3.00%	$1,523	$0	$0	$4,283	$177,139	56.34%	$314,431
2049-50	$177,139	$28,459	3.00%	$1,771	$0	$0	$4,390	$202,979	58.94%	$344,381
2050-51	$202,979	$29,313	3.00%	$2,030	$0	$0	$198,015	$36,307	20.48%	$177,277
2051-52	$36,307	$30,192	3.00%	$363	$0	$0	$22,291	$44,571	23.86%	$186,795
2052-53	$44,571	$31,098	3.00%	$446	$0	$0	$4,727	$71,388	33.16%	$215,253
2053-54	$71,388	$32,031	3.00%	$714	$0	$0	$63,967	$40,166	21.78%	$184,415
2054-55	$40,166	$32,992	3.00%	$402	$0	$0	$63,372	$10,188	6.83%	$149,061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Amount ($)
2025
2030
2035
2040
2045
2050
2054
Fully Funded Balance
Recommended Funding

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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*

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Component List - Full Detail

Asphalt Pavement, Mill & Overlay

Basic Info

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

Useful Life

Last Activity Date:	04/01/2005
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:	2,185 SY
Total Current Cost:	$47,032
Inflation Rate:	2.50%
Total Expenditures:	$78,994

Asphalt Pavement, Patch, Stripe & Sealcoat

Basic Info

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

Useful Life

Last Activity Date:	04/01/2021
Est. Useful Life:	5y
Remaining Useful Life:	1y
Next Activity Date:	04/01/2026

Financial Data

Estimate Date:	06/13/2023
Estimate Source:	Xactimate
Cost Per SF:	$0.45
Total Quantity:	19,665 SF
Total Current Cost:	$9,302
Inflation Rate:	2.50%
Total Expenditures:	$79,644

Clothes Dryer, Laundry

Basic Info

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

Useful Life

Last Activity Date:	04/01/2015
Est. Useful Life:	15y
Remaining Useful Life:	5y
Next Activity Date:	04/01/2030

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Xactimate
Cost Per Ea:	$1,300.00
Total Quantity:	6 Ea
Total Current Cost:	$7,995
Inflation Rate:	2.50%
Total Expenditures:	$22,147

Clothes Washer, Laundry

Basic Info

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

Useful Life

Last Activity Date:	04/01/2015
Est. Useful Life:	15y
Remaining Useful Life:	5y
Next Activity Date:	04/01/2030

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Xactimate
Cost Per Ea:	$1,400.00
Total Quantity:	6 Ea
Total Current Cost:	$8,610
Inflation Rate:	2.50%
Total Expenditures:	$23,849

Elevator Cabs, Refurbish

Basic Info

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

Useful Life

Last Activity Date:	04/01/2014
Est. Useful Life:	20y
Remaining Useful Life:	9y
Next Activity Date:	04/01/2034

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Ea:	$12,500.00
Total Quantity:	1 Ea
Total Current Cost:	$12,812
Inflation Rate:	2.50%
Total Expenditures:	$42,221

Elevators, 3-Stop, Hydraulic, Modernization

Basic Info

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

Useful Life

Last Activity Date:	04/01/2014
Est. Useful Life:	36y
Remaining Useful Life:	25y
Next Activity Date:	04/01/2050

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Ea:	$90,000.00
Total Quantity:	1 Ea
Total Current Cost:	$92,250
Inflation Rate:	2.50%
Total Expenditures:	$171,026

Gutters & Downspouts, 6" Aluminum

Basic Info

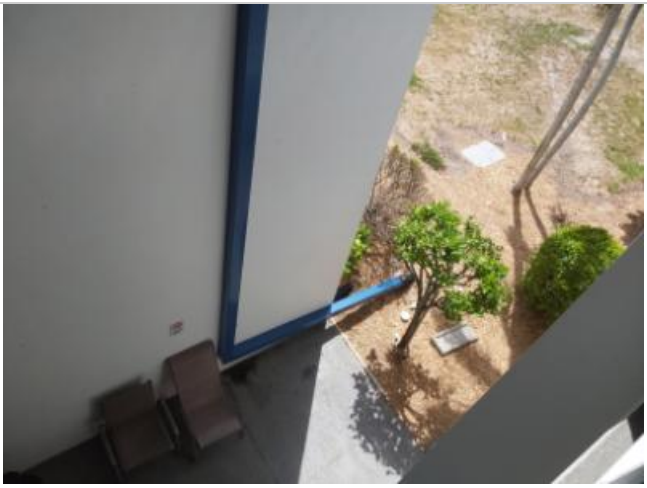
Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Weatherproofing
Condition:	Excellent

Useful Life

Last Activity Date:	04/01/2023
Est. Useful Life:	30y
Remaining Useful Life:	28y
Next Activity Date:	04/01/2053

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per LF:	$13.50
Total Quantity:	2,140 LF
Total Current Cost:	$29,613
Inflation Rate:	2.50%
Total Expenditures:	$59,122



Light Fixtures, Exterior

Basic Info

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

Useful Life

Last Activity Date:	04/01/2024
Est. Useful Life:	15y
Remaining Useful Life:	14y
Next Activity Date:	04/01/2039

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Ea:	$246.00
Total Quantity:	72 Ea
Total Current Cost:	$18,155
Inflation Rate:	2.50%
Total Expenditures:	$62,804

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:	3 Ea
Total Current Cost:	$10,640
Inflation Rate:	2.50%
Total Expenditures:	$12,963

Sidewalks, Concrete

Basic Info

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

Useful Life

Last Activity Date:	04/01/2020
Est. Useful Life:	10y
Remaining Useful Life:	5y
Next Activity Date:	04/01/2030

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per SF:	$12.47
Total Quantity:	2,580 SF
Percent of Total to Maintain:	20%
Quantity to Maintain:	516 SF
Total Current Cost:	$6,596
Inflation Rate:	2.50%
Total Expenditures:	$29,242

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 LS:	$2,310.00
Total Quantity:	1 LS
Total Current Cost:	$2,368
Inflation Rate:	2.50%
Total Expenditures:	$101,585

Trash Chute, Stainless Doors

Basic Info

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

Useful Life

Last Activity Date:	04/01/2010
Est. Useful Life:	35y
Remaining Useful Life:	20y
Next Activity Date:	04/01/2045

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Flr:	$2,400.00
Total Quantity:	3 Flr
Total Current Cost:	$7,380
Inflation Rate:	2.50%
Total Expenditures:	$12,093

Water Heater, Electric

Basic Info

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

Useful Life

Last Activity Date:	04/01/2020
Est. Useful Life:	15y
Remaining Useful Life:	10y
Next Activity Date:	04/01/2035

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Ea:	$1,800.00
Total Quantity:	3 Ea
Total Current Cost:	$5,535
Inflation Rate:	2.50%
Total Expenditures:	$17,347

STONEBUILDING SOLUTIONS

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 4 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.