RESERVE STUDY

PREPARED FOR:

R.P.O Condominium Association, Inc.

Indialantic, FL



For The Period Beginning January 1, 2026

PREPARED BY:

STONEBUILDING SOLUTIONS

260 1st Ave South, STE 225

St. Petersburg, FL 33701

848-986-0367

www.stonebldg.com

Table of Contents

Executive Summary 4

Cost Evaluation 6

Expenditures 7

Expenditures (By Year) 9

Pooling Methodology 13

Baseline Methodology 14

Cash Flow Analysis 15

Baseline Analysis 17

Charts & Graphs 19

Funding Options 20

Reserve Component Summary 22

Component Details 23

Definitions 48

Disclosures 51

Update Service 52

Stone Building Solutions
reserves@stonebldg.com
848-986-0367

Attention: Board of Directors
Property: R.P.O Condominium Association, Inc., Indialantic, Florida
Service: Traditional Reserve Study
Period: Beginning January 1, 2026

November 12, 2025

Dear Board of Directors of R.P.O Condominium Association, Inc.:

At the direction of the Board and management of R.P.O Condominium Association, Inc.,

Stone Building Solutions has completed a Traditional Reserve Study for the R.P.O Condominium Association, Inc. 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 R.P.O Condominium Association, Inc. upon which this study is based was performed by of Stone Building Solutions.

The effective date of this report is the date of inspection, September 19, 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,

Reviewed by:

Nicholas Vocke

Nick Vocke, RS

Reserve Specialist #534

Reserve Specialist
Reserves@stonebldg.com
848-986-0367

Prepared by:

Andres Patino

Reserve Analyst

Reserve Analyst
Reserves@stonebldg.com
848-986-0367

Executive Summary

This reserve study aims to produce a reserve funding plan that will project future reserve obligations 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.

R.P.O Condominium Association, Inc. has 20 units. This study is for the fiscal year starting January 1, 2026, and ending Dec 31, 2026.

Financial Parameters & Assumptions

Projection Period:	January 1, 2026 - December 31, 2055	**Association:**	Condominiums (Condos)
Report Type:	Level I	**Year Built:**	1995
Inflation:	2.50%	**Buildings:**	1
Interest (Gained):	1.00%	**Total Units:**	20

As of January 1, 2026, the estimated unaudited reserve fund balance is **$17,000**

The suggested yearly reserve obligations are not based on the condominium's governing documents, which may allocate costs according to each unit's percentage of ownership in the property's total square footage.

30-Year Recommended Funding Plan:

The 30-year Funding Plan is an approach to determining reserve obligations 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 reserve obligation rate is calculated to ensure a positive cash flow throughout the analysis period. Annual reserve obligations will start at $15,000 for the 2026 Fiscal Year. Going forward, the yearly reserve obligations are illustrated on the 30-year cash flow table.

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

Recommended annual reserve obligation:	$15,000
Recommended annual reserve obligation per unit:	$750
First Year monthly reserve obligation per unit:	$62
Average monthly reserve obligation per unit (Over 30 Years):	$91
Special assessments:	$0
Report Ending Balance:	$137,390

30-Year Baseline Funding Plan

The Baseline Funding method plans reserve obligations so that the reserve balance never falls below zero during the study period. This approach focuses on meeting projected expenses just in time, without overfunding the reserve account. While it results in lower annual reserve obligations compared to more conservative methods, the risk of special assessments is high, especially if unexpected repairs arise or costs increase. Baseline funding is often chosen for its affordability, but should be carefully considered in light of its potential financial risks. Annual reserve obligations will start at $12,500 for the 2026 Fiscal Year. Going forward, the yearly reserve obligations are illustrated on the 30-year Baseline table.

Required First Year Association reserve obligation:	$12,500
Required First Year annual reserve obligation per unit:	$625
Required First Year monthly reserve obligation per unit:	$52
Average monthly reserve obligation per unit (Over 30 Years):	$76
Special assessments:	$0
Report Ending Balance:	$12,437

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 obligations where obligations 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 reserve obligation rate is calculated to arrive at a positive cash flow throughout the analysis period.

STONEBUILDING SOLUTIONS

Expenditures

Individual Elements

NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
Asphalt Pavement, Mill & Overlay: Common	01/01/2040	25y	25y	14y	$14.54	1,208 SY	$17,562
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	01/01/2026	4y	4y	0y	$0.25	10,870 SF	$2,696
Awnings, Canvas & Metal Frame: Common	01/01/2037	20y	20y	11y	$39.85	135 SF	$5,379
Beach Walkover, Wood Joists & Composite Decking: Common	01/01/2040	25y	25y	14y	$26.92	313.5 SF	$8,440
Elevator Cabs, Refurbish: Common	01/01/2044	20y	20y	18y	$13,461.13	1 Ea	$13,461
Elevators, 4-Stop, Hydraulic, Modernization : Common	01/01/2055	30y	31y	29y	$122,923.13	1 Ea	$122,923
Light Fixtures, Exterior, Wall Mount: Common	01/01/2030	20y	35y	4y	$134.61	68 Ea	$9,154
Light Fixtures, Interior, 4' Fluorescent: Common	01/01/2035	20y	20y	9y	$80.77	20 Ea	$1,615
Light Fixtures, Post & Single Globe 5': Common	01/01/2031	20y	20y	5y	$1,155.69	5 Ea	$5,778
Lobby Flooring, Tile: Common	01/01/2045	35y	35y	19y	$14.62	160 SF	$2,340
Mailbox Clusters, Aluminum, Multi-Tenant: Common	01/01/2048	25y	25y	22y	$3,635.16	2 Ea	$7,270
Perimeter Fence, 6' Aluminum Picket: Common	01/01/2044	25y	25y	18y	$65.14	225 LF	$14,656
Perimeter Walls, Masonry Repairs & Paint Finishes: Common	01/01/2033	14y	14y	7y	$4.52	1,650 SF	$7,463
Pool Deck, Textured Concrete: Common	01/01/2036	15y	15y	10y	$8.04	610 SF	$4,907
Pool Fence, 4' Aluminum Picket: Common	01/01/2049	30y	30y	23y	$51.69	110 LF	$5,686
Pool Finish & Border Tiles: Common	01/01/2033	12y	12y	7y	$22.06	830 SF	$18,312
Pool Furniture, Replace: Common	01/01/2034	12y	12y	8y	$3,075.00	1 Allow	$3,075
Pool Heater: Common	01/01/2033	8y	8y	7y	$5,483.75	1 Ea	$5,484
Trash Chute, Stainless Doors and Ducts: Common	01/01/2040	35y	45y	14y	$2,584.54	6 Flr	$15,507
							$271,708

STONEBUILDING SOLUTIONS

Critical Expenditure Planning (3-Year Outlook)

LOCATION RESERVE ITEM	2026	2027	2028
Building Service Components			
Total Building Service Components			
Exterior Building Components			
Total Exterior Building Components			
Interior Building Components			
Total Interior Building Components			
Pool Facility Components			
Total Pool Facility Components			
Property Site Components			
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$2,696		
Total Property Site Components	**$2,696**		
Total	**$2,696**		

STONEBUILDING SOLUTIONS

Expenditures (By Year)

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2026 (Year 1)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$0.25	10,870 SF	$2,696	4y	2030
2026 (Year 1) Total			**$2,696**		
2027 (Year 2)					
2027 (Year 2) Total			**$0**		
2028 (Year 3)					
2028 (Year 3) Total			**$0**		
2029 (Year 4)					
2029 (Year 4) Total			**$0**		
2030 (Year 5)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$0.27	10,870 SF	$2,978	4y	2034
Light Fixtures, Exterior, Wall Mount: Common	$148.59	68 Ea	$10,104	35y	2050
2030 (Year 5) Total			**$13,082**		
2031 (Year 6)					
Light Fixtures, Post & Single Globe 5': Common	$1,307.60	5 Ea	$6,538	20y	2051
2031 (Year 6) Total			**$6,538**		
2032 (Year 7)					
2032 (Year 7) Total			**$0**		
2033 (Year 8)					
Perimeter Walls, Masonry Repairs & Paint Finishes: Common	$5.38	1,650 SF	$8,870	14y	2047
Pool Finish & Border Tiles: Common	$26.23	830 SF	$21,768	12y	2045

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
Pool Heater: Common	$6,518.00	1 Ea	$6,518	8y	2041
2033 (Year 8) Total			**$37,156**		
2034 (Year 9)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$0.30	10,870 SF	$3,283	4y	2038
Pool Furniture, Replace: Common	$3,747.00	1 Allow	$3,747	12y	2046
2034 (Year 9) Total			**$7,030**		
2035 (Year 10)					
Light Fixtures, Interior, 4' Fluorescent: Common	$100.85	20 Ea	$2,017	20y	2055
2035 (Year 10) Total			**$2,017**		
2036 (Year 11)					
Pool Deck, Textured Concrete: Common	$10.30	610 SF	$6,281	15y	2051
2036 (Year 11) Total			**$6,281**		
2037 (Year 12)					
Awnings, Canvas & Metal Frame: Common	$52.28	135 SF	$7,058	20y	N/A
2037 (Year 12) Total			**$7,058**		
2038 (Year 13)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$0.33	10,870 SF	$3,631	4y	2042
2038 (Year 13) Total			**$3,631**		
2039 (Year 14)					
2039 (Year 14) Total			**$0**		
2040 (Year 15)					
Asphalt Pavement, Mill & Overlay: Common	$20.54	1,208 SY	$24,815	25y	N/A
Beach Walkover, Wood Joists & Composite Decking: Common	$38.04	313.5 SF	$11,926	25y	N/A
Trash Chute, Stainless Doors and Ducts: Common	$3,651.83	6 Flr	$21,911	45y	N/A
2040 (Year 15) Total			**$58,652**		
2041 (Year 16)					
Pool Heater: Common	$7,942.00	1 Ea	$7,942	8y	2049

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2041 (Year 16) Total			**$7,942**		
2042 (Year 17)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$0.37	10,870 SF	$4,000	4y	2046
2042 (Year 17) Total			**$4,000**		
2043 (Year 18)					
2043 (Year 18) Total			**$0**		
2044 (Year 19)					
Elevator Cabs, Refurbish: Common	$20,995.00	1 Ea	$20,995	20y	N/A
Perimeter Fence, 6' Aluminum Picket: Common	$101.60	225 LF	$22,859	25y	N/A
2044 (Year 19) Total			**$43,854**		
2045 (Year 20)					
Lobby Flooring, Tile: Common	$23.38	160 SF	$3,741	35y	N/A
Pool Finish & Border Tiles: Common	$35.27	830 SF	$29,275	12y	N/A
2045 (Year 20) Total			**$33,016**		
2046 (Year 21)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$0.41	10,870 SF	$4,413	4y	2050
Pool Furniture, Replace: Common	$5,039.00	1 Allow	$5,039	12y	N/A
2046 (Year 21) Total			**$9,452**		
2047 (Year 22)					
Perimeter Walls, Masonry Repairs & Paint Finishes: Common	$7.60	1,650 SF	$12,535	14y	N/A
2047 (Year 22) Total			**$12,535**		
2048 (Year 23)					
Mailbox Clusters, Aluminum, Multi-Tenant: Common	$6,258.00	2 Ea	$12,516	25y	N/A
2048 (Year 23) Total			**$12,516**		
2049 (Year 24)					
Pool Fence, 4' Aluminum Picket: Common	$91.22	110 LF	$10,034	30y	N/A
Pool Heater: Common	$9,677.00	1 Ea	$9,677	8y	N/A

NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2049 (Year 24) Total			**$19,711**		
2050 (Year 25)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$0.45	10,870 SF	$4,881	4y	2054
Light Fixtures, Exterior, Wall Mount: Common	$243.47	68 Ea	$16,556	20y	N/A
2050 (Year 25) Total			**$21,437**		
2051 (Year 26)					
Light Fixtures, Post & Single Globe 5': Common	$2,142.60	5 Ea	$10,713	20y	N/A
Pool Deck, Textured Concrete: Common	$14.91	610 SF	$9,097	15y	N/A
2051 (Year 26) Total			**$19,810**		
2052 (Year 27)					
2052 (Year 27) Total			**$0**		
2053 (Year 28)					
2053 (Year 28) Total			**$0**		
2054 (Year 29)					
Asphalt Pavement, Patch, Stripe & Sealcoat: Common	$0.50	10,870 SF	$5,381	4y	N/A
2054 (Year 29) Total			**$5,381**		
2055 (Year 30)					
Elevators, 4-Stop, Hydraulic, Modernization : Common	$251,551.00	1 Ea	$251,551	31y	N/A
Light Fixtures, Interior, 4' Fluorescent: Common	$165.30	20 Ea	$3,306	20y	N/A
2055 (Year 30) Total			**$254,857**		

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 obligation based on a 30-year positive cash flow projection. Known as the 30-year "Pooled" or "Cash Flow" Funding Plan, it involves determining reserve obligations aimed at balancing out the fluctuating annual expenses from the Reserve fund. By consolidating funds from initial balances, a yearly reserve obligation 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 obligations 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.

STONEBUILDING SOLUTIONS

Baseline Funding Methodology

(30-Year Projection)

Florida House Bill 913 (HB 913), effective July 1, 2025, introduces significant reforms to condominium governance, safety inspections, and financial management. Here's an overview of its key provisions:

The **Baseline Funding Method** is a method for planning reserve contributions to ensure the reserve account **never goes negative**, but **may reach zero**. In other words, it ensures that at no point will the reserve account be overdrawn, but it doesn't build a safety cushion beyond that.

Florida HB 913 officially recognizes and permits the use of the Baseline Funding Method for Traditional Reserve Studies (TRS), but with new guidelines:

- Permitted Use:
    - Associations may use the Baseline Funding Method to calculate reserves for TRS items like ground-level pools, asphalt, elevators, furnishing renovation, etc.
- Waiver for TRS Components:
    - If using the baseline method, funding for TRS components may be waived or reduced by a vote of the owners.
    - So while the method can guide how much is contributed annually, 100% funding over time is still expected.
- Disclosure Required:
    - If the Baseline Method is used, the reserve study and budget must disclose that the method allows the balance to reach zero.
    - Owners must be made aware that while this method avoids deficits, it may not allow for flexibility or cushion if actual costs are higher than forecasted.
- Board Responsibility:
    - Boards must act promptly if a TRS component becomes underfunded or if emergency structural issues are identified. The method doesn’t override the obligation to maintain safety.

STONEBUILDING SOLUTIONS

30 Year Recommended Funding Plan

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

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDTIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2026	$17,000	$15,000	N/A	$170	$0	$0	$2,696	$29,474	35.37%	$83,321
2027	$29,474	$15,375	2.50%	$295	$0	$0	$0	$45,144	46.03%	$98,073
2028	$45,144	$15,759	2.50%	$451	$0	$0	$0	$61,355	54.05%	$113,511
2029	$61,355	$16,153	2.50%	$614	$0	$0	$0	$78,121	60.25%	$129,659
2030	$78,121	$16,557	2.50%	$781	$0	$0	$13,082	$82,378	61.77%	$133,355
2031	$82,378	$16,971	2.50%	$824	$0	$0	$6,538	$93,635	64.93%	$144,203
2032	$93,635	$17,395	2.50%	$936	$0	$0	$0	$111,967	68.96%	$162,376
2033	$111,967	$17,830	2.50%	$1,120	$0	$0	$37,156	$93,760	65.44%	$143,279
2034	$93,760	$18,276	2.50%	$938	$0	$0	$7,030	$105,944	68.37%	$154,958
2035	$105,944	$18,733	2.50%	$1,059	$0	$0	$2,017	$123,719	71.74%	$172,450
2036	$123,719	$19,201	2.50%	$1,237	$0	$0	$6,281	$137,877	73.97%	$186,406
2037	$137,877	$19,681	2.50%	$1,379	$0	$0	$7,058	$151,879	75.82%	$200,313
2038	$151,879	$20,173	2.50%	$1,519	$0	$0	$3,631	$169,940	77.78%	$218,497
2039	$169,940	$20,678	2.50%	$1,699	$0	$0	$0	$192,317	79.71%	$241,274

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDTIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2040	$192,317	$21,195	2.50%	$1,923	$0	$0	$58,652	$156,783	76.45%	$205,079
2041	$156,783	$21,724	2.50%	$1,568	$0	$0	$7,942	$172,133	78.10%	$220,402
2042	$172,133	$22,268	2.50%	$1,721	$0	$0	$4,000	$192,122	79.85%	$240,608
2043	$192,122	$22,824	2.50%	$1,921	$0	$0	$0	$216,868	81.56%	$265,890
2044	$216,868	$23,395	2.50%	$2,169	$0	$0	$43,854	$198,577	80.29%	$247,337
2045	$198,577	$23,980	2.50%	$1,986	$0	$0	$33,016	$191,527	79.83%	$239,922
2046	$191,527	$24,579	2.50%	$1,915	$0	$0	$9,452	$208,569	81.16%	$256,974
2047	$208,569	$25,194	2.50%	$2,086	$0	$0	$12,535	$223,313	82.16%	$271,817
2048	$223,313	$25,824	2.50%	$2,233	$0	$0	$12,516	$238,854	83.06%	$287,581
2049	$238,854	$26,469	2.50%	$2,389	$0	$0	$19,711	$248,001	83.53%	$296,914
2050	$248,001	$27,131	2.50%	$2,480	$0	$0	$21,437	$256,175	83.92%	$305,269
2051	$256,175	$27,809	2.50%	$2,562	$0	$0	$19,810	$266,736	84.39%	$316,070
2052	$266,736	$28,504	2.50%	$2,667	$0	$0	$0	$297,907	85.60%	$348,034
2053	$297,907	$29,217	2.50%	$2,979	$0	$0	$0	$330,103	86.55%	$381,395
2054	$330,103	$29,947	2.50%	$3,301	$0	$0	$5,381	$357,971	87.16%	$410,695
2055	$357,971	$30,696	2.50%	$3,580	$0	$0	$254,857	$137,390	73.90%	$185,923

STONEBUILDING SOLUTIONS

30 Year Baseline Funding Plan

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

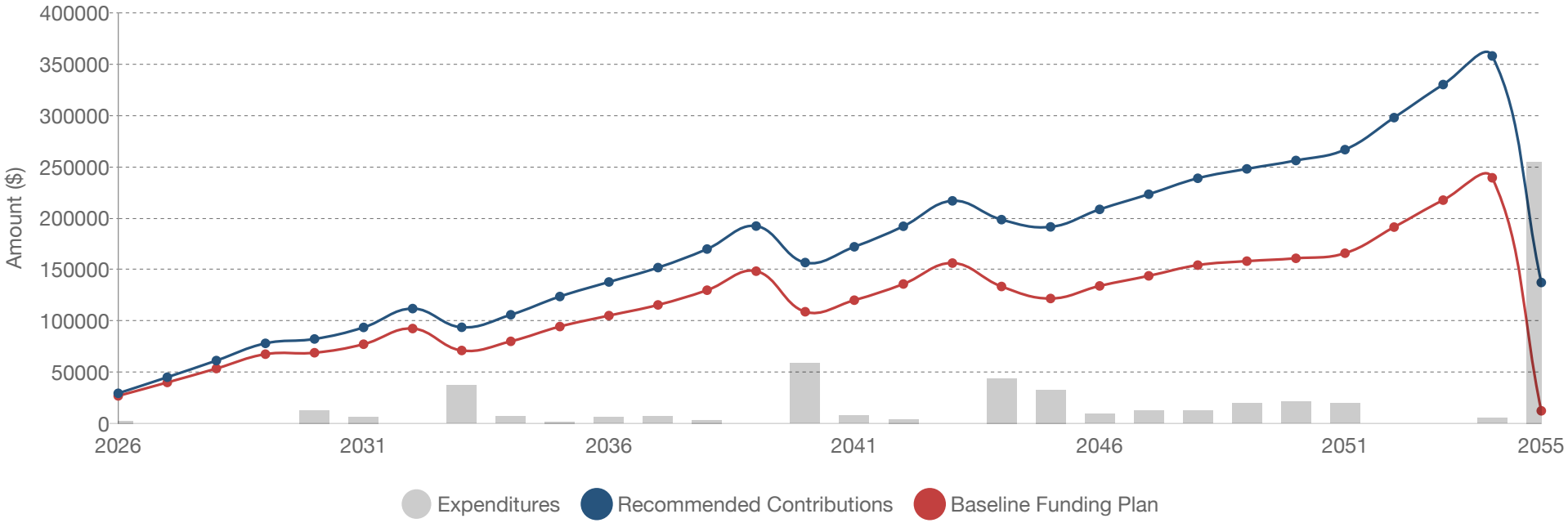
YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDTIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2026	$17,000	$12,500	N/A	$170	$0	$0	$2,696	$26,974	32.37%	$83,321
2027	$26,974	$12,812	2.50%	$270	$0	$0	$0	$40,056	40.84%	$98,073
2028	$40,056	$13,133	2.50%	$401	$0	$0	$0	$53,590	47.21%	$113,511
2029	$53,590	$13,461	2.50%	$536	$0	$0	$0	$67,587	52.13%	$129,659
2030	$67,587	$13,798	2.50%	$676	$0	$0	$13,082	$68,978	51.73%	$133,355
2031	$68,978	$14,143	2.50%	$690	$0	$0	$6,538	$77,273	53.59%	$144,203
2032	$77,273	$14,496	2.50%	$773	$0	$0	$0	$92,541	56.99%	$162,376
2033	$92,541	$14,859	2.50%	$925	$0	$0	$37,156	$71,169	49.67%	$143,279
2034	$71,169	$15,230	2.50%	$712	$0	$0	$7,030	$80,081	51.68%	$154,958
2035	$80,081	$15,611	2.50%	$801	$0	$0	$2,017	$94,476	54.78%	$172,450
2036	$94,476	$16,001	2.50%	$945	$0	$0	$6,281	$105,140	56.40%	$186,406
2037	$105,140	$16,401	2.50%	$1,051	$0	$0	$7,058	$115,535	57.68%	$200,313
2038	$115,535	$16,811	2.50%	$1,155	$0	$0	$3,631	$129,870	59.44%	$218,497
2039	$129,870	$17,231	2.50%	$1,299	$0	$0	$0	$148,400	61.51%	$241,274
2040	$148,400	$17,662	2.50%	$1,484	$0	$0	$58,652	$108,895	53.10%	$205,079
2041	$108,895	$18,104	2.50%	$1,089	$0	$0	$7,942	$120,145	54.51%	$220,402
2042	$120,145	$18,556	2.50%	$1,201	$0	$0	$4,000	$135,903	56.48%	$240,608
2043	$135,903	$19,020	2.50%	$1,359	$0	$0	$0	$156,282	58.78%	$265,890
2044	$156,282	$19,496	2.50%	$1,563	$0	$0	$43,854	$133,487	53.97%	$247,337
2045	$133,487	$19,983	2.50%	$1,335	$0	$0	$33,016	$121,789	50.76%	$239,922
2046	$121,789	$20,483	2.50%	$1,218	$0	$0	$9,452	$134,037	52.16%	$256,974
2047	$134,037	$20,995	2.50%	$1,340	$0	$0	$12,535	$143,838	52.92%	$271,817
2048	$143,838	$21,520	2.50%	$1,438	$0	$0	$12,516	$154,280	53.65%	$287,581
2049	$154,280	$22,058	2.50%	$1,543	$0	$0	$19,711	$158,169	53.27%	$296,914

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDTIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2050	$158,169	$22,609	2.50%	$1,582	$0	$0	$21,437	$160,923	52.72%	$305,269
2051	$160,923	$23,174	2.50%	$1,609	$0	$0	$19,810	$165,896	52.49%	$316,070
2052	$165,896	$23,754	2.50%	$1,659	$0	$0	$0	$191,309	54.97%	$348,034
2053	$191,309	$24,347	2.50%	$1,913	$0	$0	$0	$217,569	57.05%	$381,395
2054	$217,569	$24,956	2.50%	$2,176	$0	$0	$5,381	$239,320	58.27%	$410,695
2055	$239,320	$25,580	2.50%	$2,393	$0	$0	$254,857	$12,437	6.69%	$185,923

STONEBUILDING SOLUTIONS

Funding Model Comparison

Projected Reserve Ending Balance



The chart above compares the projected annual reserve fund ending balances for funding plans.

STONEBUILDING SOLUTIONS

Funding Options

Significant expenses for the 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. Therefore, the Association must adopt a rule for "reasonable figurety reserve study", which means adopting a funding plan that is reasonable and sustainable. 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 reserve obligations 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*

STONEBUILDING SOLUTIONS

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:	01/01/2015
Est. Useful Life:	25y
Remaining Useful Life:	14y
Next Activity Date:	01/01/2040

Financial Data

Estimate Date:	06/13/2023
Estimate Source:	Xactimate
Cost Per SY:	$13.50
Total Quantity:	1,208 SY
Total Current Cost:	$17,562
Inflation Rate:	2.50%
Total Expenditures:	$24,815









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:	01/01/2022
Est. Useful Life:	4y
Remaining Useful Life:	0y
Next Activity Date:	01/01/2026

Financial Data

Estimate Date:	06/13/2023
Estimate Source:	Xactimate
Cost Per SF:	$0.23
Total Quantity:	10,870 SF
Total Current Cost:	$2,696
Inflation Rate:	2.50%
Total Expenditures:	$31,263

Awnings, Canvas & Metal Frame

Basic Info

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

Useful Life

Last Activity Date:	01/01/2017
Est. Useful Life:	20y
Remaining Useful Life:	11y
Next Activity Date:	01/01/2037

Financial Data

Estimate Date:	06/13/2023
Estimate Source:	Xactimate
Cost Per SF:	$37.00
Total Quantity:	135 SF
Total Current Cost:	$5,379
Inflation Rate:	2.50%
Total Expenditures:	$7,058





Beach Walkover, Wood Joists & Composite Decking

Basic Info

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

Comments/Notes

Estimated partial rate of failure (33%) over components useful life.

Useful Life

Last Activity Date:	01/01/2015
Est. Useful Life:	25y
Remaining Useful Life:	14y
Next Activity Date:	01/01/2040

Financial Data

Estimate Date:	01/01/2023
Cost Per SF:	$25.00
Total Quantity:	950 SF
Percent of Total to Maintain:	33%
Quantity to Maintain:	313.5 SF
Total Current Cost:	$8,440
Inflation Rate:	2.50%
Total Expenditures:	$11,926









Elevator Cabs, Refurbish

Basic Info

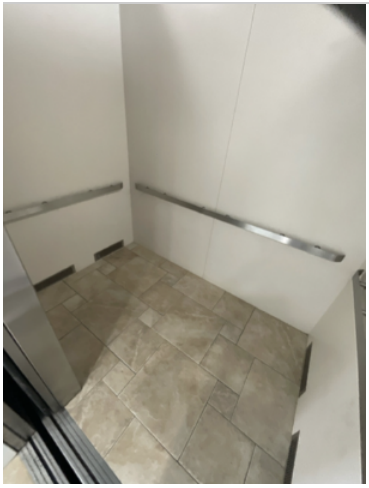
Type of Cost:	Repairs & Maintenance
Location:	Interior Building Components
Category:	Mechanical
Condition:	Good

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	20y
Remaining Useful Life:	18y
Next Activity Date:	01/01/2044

Financial Data

Estimate Date:	06/13/2023
Estimate Source:	MVS
Cost Per Ea:	$12,500.00
Total Quantity:	1 Ea
Total Current Cost:	$13,461
Inflation Rate:	2.50%
Total Expenditures:	$20,995





Elevators, 4-Stop, Hydraulic, Modernization

Basic Info

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

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	30y
Remaining Useful Life:	29y
Next Activity Date:	01/01/2055

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Ea:	$117,000.00
Total Quantity:	1 Ea
Total Current Cost:	$122,923
Inflation Rate:	2.50%
Total Expenditures:	$251,551

Light Fixtures, Exterior, Wall Mount

Basic Info

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

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	20y
Remaining Useful Life:	4y
Next Activity Date:	01/01/2030

Financial Data

Estimate Date:	01/01/2023
Estimate Source:	MVS
Cost Per Ea:	$125.00
Total Quantity:	68 Ea
Total Current Cost:	$9,154
Inflation Rate:	2.50%
Total Expenditures:	$26,660





Light Fixtures, Interior, 4' Fluorescent

Basic Info

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

Useful Life

Last Activity Date:	01/01/2015
Est. Useful Life:	20y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2023
Estimate Source:	XactRemodel
Cost Per Ea:	$75.00
Total Quantity:	20 Ea
Total Current Cost:	$1,615
Inflation Rate:	2.50%
Total Expenditures:	$5,323

Light Fixtures, Post & Single Globe 5'

Basic Info

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

Useful Life

Last Activity Date:	01/01/2011
Est. Useful Life:	20y
Remaining Useful Life:	5y
Next Activity Date:	01/01/2031

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per Ea:	$1,100.00
Total Quantity:	5 Ea
Total Current Cost:	$5,778
Inflation Rate:	2.50%
Total Expenditures:	$17,251



Lobby Flooring, Tile

Basic Info

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

Useful Life

Last Activity Date:	01/01/2010
Est. Useful Life:	35y
Remaining Useful Life:	19y
Next Activity Date:	01/01/2045

Financial Data

Estimate Date:	01/01/2023
Estimate Source:	MVS
Cost Per SF:	$13.58
Total Quantity:	160 SF
Total Current Cost:	$2,340
Inflation Rate:	2.50%
Total Expenditures:	$3,741





Mailbox Clusters, Aluminum, Multi-Tenant

Basic Info

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

Useful Life

Last Activity Date:	01/01/2023
Est. Useful Life:	25y
Remaining Useful Life:	22y
Next Activity Date:	01/01/2048

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	USPS
Cost Per Ea:	$3,460.00
Total Quantity:	2 Ea
Total Current Cost:	$7,270
Inflation Rate:	2.50%
Total Expenditures:	$12,516



Perimeter Fence, 6' Aluminum Picket

Basic Info

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

Useful Life

Last Activity Date:	01/01/2019
Est. Useful Life:	25y
Remaining Useful Life:	18y
Next Activity Date:	01/01/2044

Financial Data

Estimate Date:	01/01/2024
Cost Per LF:	$62.00
Total Quantity:	225 LF
Total Current Cost:	$14,656
Inflation Rate:	2.50%
Total Expenditures:	$22,859









Perimeter Walls, Masonry Repairs & Paint Finishes

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Property Site Components
Category:	Access Controls
Condition:	Good to Fair

Useful Life

Last Activity Date:	01/01/2019
Est. Useful Life:	14y
Remaining Useful Life:	7y
Next Activity Date:	01/01/2033

Comments/Notes

Perimeter walls painted in 2021. They were observed to generally be in good condition. One area of damage was identfied near the entry sign lettering. It is expected that this area will be repaired sooner than the next activity date listed through the associations operating budget.

Financial Data

Estimate Date:	01/01/2023
Estimate Source:	Local Contractors
Cost Per SF:	$4.20
Total Quantity:	1,650 SF
Total Current Cost:	$7,463
Inflation Rate:	2.50%
Total Expenditures:	$21,405









Pool Deck, Textured Concrete

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Ground Surfaces
Condition:	Good

Useful Life

Last Activity Date:	01/01/2021
Est. Useful Life:	15y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2036

Financial Data

Estimate Date:	01/01/2023
Estimate Source:	XactRemodel
Cost Per SF:	$7.47
Total Quantity:	610 SF
Total Current Cost:	$4,907
Inflation Rate:	2.50%
Total Expenditures:	$15,378









Pool Fence, 4' Aluminum Picket

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Access Controls
Condition:	Good

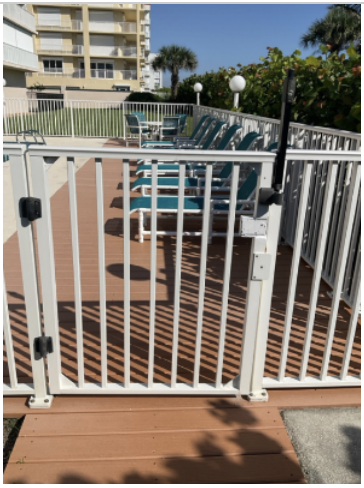
Useful Life

Last Activity Date:	01/01/2019
Est. Useful Life:	30y
Remaining Useful Life:	23y
Next Activity Date:	01/01/2049

Financial Data

Estimate Date:	01/01/2023
Estimate Source:	MVS
Cost Per LF:	$48.00
Total Quantity:	110 LF
Total Current Cost:	$5,686
Inflation Rate:	2.50%
Total Expenditures:	$10,034









Pool Finish & Border Tiles

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Pool Facility Components
Category:	Ground Surfaces
Condition:	Fair

Useful Life

Last Activity Date:	01/01/2021
Est. Useful Life:	12y
Remaining Useful Life:	7y
Next Activity Date:	01/01/2033

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	$21.00
Total Quantity:	830 SF
Total Current Cost:	$18,312
Inflation Rate:	2.50%
Total Expenditures:	$51,043





Pool Furniture, Replace

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Furniture
Condition:	Good

Useful Life

Last Activity Date:	01/01/2022
Est. Useful Life:	12y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per Allow:	$3,000.00
Total Quantity:	1 Allow
Total Current Cost:	$3,075
Inflation Rate:	2.50%
Total Expenditures:	$8,786





Pool Heater

Basic Info

Type of Cost:	Replacement
Location:	Pool Facility Components
Category:	Mechanical
Condition:	Good

Comments/Notes

Replaced in 2025 for $5,350.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	8y
Remaining Useful Life:	7y
Next Activity Date:	01/01/2033

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Client Cost History
Cost Per Ea:	$5,350.00
Total Quantity:	1 Ea
Total Current Cost:	$5,484
Inflation Rate:	2.50%
Total Expenditures:	$24,137





Trash Chute, Stainless Doors and Ducts

Basic Info

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

Comments/Notes

Initial useful life extended due to good condition of trash chute doors observed during inspection.

Useful Life

Last Activity Date:	01/01/1995
Est. Useful Life:	35y
Remaining Useful Life:	14y
Next Activity Date:	01/01/2040

Financial Data

Estimate Date:	01/01/2023
Estimate Source:	MVS
Cost Per Flr:	$2,400.00
Total Quantity:	6 Flr
Total Current Cost:	$15,507
Inflation Rate:	2.50%
Total Expenditures:	$21,911



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 reserve obligation 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 obligations needed to accumulate the required funds in time for replacement.

Interest Obligation (After Taxes): The interest that should be earned on the reserves, net of taxes, based on their beginning reserve balance and monthly reserve obligations 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 obligation 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 of 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 obligation 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

R.P.O Condominium Association, Inc. (“the Association”) engaged Stone Building Solutions LLC (“Stone”) to conduct a Structural Integrity Reserve Study (“SIRS”). The study is based on a visual review of representative common areas by a qualified member of our engineering team, combined with information provided through documentation, interviews with Association representatives, and documentation submitted.

Stone holds no present or future interest in the subject property and has no personal or financial interest in any parties involved. Our engagement was not contingent upon any predetermined outcome, and compensation is not dependent on the results or any actions arising from this report.

This Reserve Study is a planning tool, not a substitute for an audit, engineering analysis, or insurance appraisal. All cost estimates and component life projections are based on industry-standard sources, including, but not limited to: RSMeans, Verisk, Xactimate, Marshall & Swift, McGraw-Hill, and actual vendor data, as well as Stone’s experience in construction, reserve analysis, and valuation.

Cash flow projections were produced using Stone’s reserve study software, which has been independently reviewed by a Certified Public Accounting firm for compliance with the AICPA Audit and Accounting Guide for Common Interest Realty Associations. Calculations align with IRS guidelines for Form 1120-C and 1120-H entities.

This report reflects assumptions and estimates based on current information and conditions. No guarantee is made regarding future costs, component performance, or funding sufficiency.

According to Florida law, community association managers and management firms are obligated to act in good faith, with loyalty, skill, diligence, honesty, full disclosure, and reasonable fees. When under contract with an association subject to the requirements of Florida Statutes §553.899 (Milestone Inspections) or §718.112(2)(g) (Structural Integrity Reserve Studies), they must comply with these statutory obligations as directed by the association’s board. Stone provides this study as a tool to support that compliance.

Stone Building Solutions LLC remains available to provide further engineering evaluations, construction monitoring, and reserve updates upon request. We are committed to professional integrity and industry best practices.

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 848-986-0367, or email us at reserves@stonebldg.com.