STRUCTURAL INTEGRITY
RESERVE STUDY

Sunrise Cove Condominium Association, Inc.

Study Date: January 24, 2024 • Revised on: June 26, 2024
Sarasota, FL

RESERVE™ ADVISORS

Long-term thinking. Everyday commitment.

Corporate Office

Reserve Advisors, LLC
735 N. Water Street, Suite 175
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Sunrise Cove Condominium Association, Inc.
Sarasota, Florida

Dear Board of Directors of Sunrise Cove Condominium Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Structural Integrity Reserve* Study of Sunrise Cove Condominium Association, Inc. in Sarasota, Florida and submit our findings in this report. The effective date of this study is January 23, 2024.

This *Structural Integrity Reserve* Study exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level III Reserve Study Update, No Site Visit."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this *Structural Integrity Reserve* Study in one- to two-years. We look forward to continuing to help Sunrise Cove Condominium Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on June 26, 2024 by

Reserve Advisors, LLC

Analysis and Report by: Alexander G. J. Gould, RS[1]
Review by: Tamara S. Samhouri, RS
Alan M. Ebert, RS, PRA[2], Director of Quality Assurance

ASSOCIATION OF PROFESSIONAL RESERVE ANALYSTS
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[1] RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.
[2] PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at http://www.apra-usa.com.

APRA Association of Professional Reserve Analysts

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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Sunrise Cove Condominium Association, Inc. (Sunrise Cove Condominium)
Location: Sarasota, Florida
Reference: 212447

Property Basics: Sunrise Cove Condominium Association, Inc. is a midrise style development which consists of 155 units . The buildings were built from 1974 to 1975.

Reserve Components Identified:

- 16 *Structural Integrity* Reserve Components
- 40 *General* Reserve Components

Assessment Date: January 23, 2024. We conducted the original inspection on February 25, 2022

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. The component method does not allow for a threshold funding goal which is one of the reasons most communities use the cash flow methodology.

- *Structural Integrity*: Our recommended Funding Plan recognizes this threshold funding year in 2036 due to the replacement of the metal roof as well as paint finish applications. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately $6,631,400. We judge this amount of accumulated reserves in 2054 necessary to fund the likely replacement of the metal carports as well as paint finishes to the exterior façade after 2054. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2054 year end reserves.
- *General*: Our recommended Funding Plan recognizes this threshold funding year in 2036 due to the replacement of the pool structure. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately $1,404,200. We judge this amount of accumulated reserves in 2054 necessary to fund the likely modernization of the hydraulic elevators after 2054. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2054 year end reserves.

Methodology:
Component Method - Also known as the straight-line method, this methodology calculates the reserve funding requirements necessary to fund the portion of the unfunded balance of a component relative to its remaining useful life. The overall funding recommendations is the sum of the required funding item for each individual component.

Cash Flow Method - We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 2.0% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs

Structural Expenditure Changes: We note the following significant changes that were made to near term expenditures in the ***Reserve Expenditures*** tables below:

- Line Item 1.060 (Balconies and Breezeways, Concrete, Tile Floor Replacements and Waterproof Coating Applications) – At the request of the Association, we have allocated monies in 2024 in order to complete repairs at the Clubhouse breezeway.
- Line Item 1.460 (Roofs, Metal, Mansard) – Deferred due to the reported conditions not necessitating a near term replacement
- Line Item 1.880 (Walls, Stucco, Paint Finishes and Capital Repairs) – We are informed that the Association conducted paint finish applications in 2022.
- Line Item 3.605 (Pipes, Riser Sections, Domestic Water) – Accelerate the initial replacement to 2028 and include monies for partial replacements every five years thereafter.
- Line Item 4.745 (Sea Walls, Concrete, Replacement, Remaining (To be replaced with Vinyl) – We are informed that the remaining linear footage of sea wall to be replaced is 585 linear feet. The project is to be completed in 2025.
- Subsequent timing of expenditures may be updated based on near term adjustments, and to maintain proper coordination of related work
- Unless noted otherwise, all unit costs were nominally increased by the future inflation rate

General Expenditure Changes: We note the following significant changes that were made to near term expenditures in the ***Reserve Expenditures*** tables below:

- Line item 2.100 (Elevator Cab Finishes) – To be completed in 2025. Our estimate of cost is provided by the Board.
- Line Item 3.070 (Air Handling Units, Split System, Clubhouse) – Replacement occurred as part of the 2024 renovation of the Clubhouse
- Line Item 3.320 (Elevators, Hydraulic, Pumps and Controls) – To be completed in 2025.
- Line Item 3.500 (Laundry Equipment, Washers and Dryers) – At the request of the Board, we depict replacements in a phased manner which result in ongoing replacements.
- Line Item 3.820 (Security System) – The total system cost is $25,000 based on historical costs provided by the Board.
- Line Item 4.610 (Maintenance Building, Renovations) – To be completed in 2025.
- Line Item 4.650 (Pipes, Subsurface Utilities, Partial) – The Association is planning for a partial placement of the underground piping which is to be completed in 2024. Additionally, subsequent partial replacements are to be done in conjunction with the repaving of the Asphalt Pavement.
- Line Item 5.500 (Clubhouse East, Complete Renovations) – To be completed in 2024.
- Subsequent timing of expenditures may be updated based on near term adjustments, and to maintain proper coordination of related work
- Unless noted otherwise, all unit costs were nominally increased by the future inflation rate

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the ***Reserve Expenditures*** tables and include a ***Five-Year Outlook*** table following the ***Reserve Funding Plan*** in section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- Structural Integrity - Replacement of the metal mansard roofs
- Structural Integrity - Paint finish applications to the exterior façade
- Structural Integrity - Replacement of the remaining linear footage of sea wall
- General - Pool finish replacements at the large and small pools

Unaudited Cash Status of Reserve Fund:

- Projected balance of $2,075,740 on December 31, 2024
- At the direction of the Board of Directors, the projected starting balance as of December 31, 2024 for Structural Integrity Reserve Fund is $1,131,473.
- At the direction of the Board of Directors, the projected starting balance as of December 31, 2024 for General Reserve Fund is $944,267.
- For the purpose of this Reserve Study, we have excluded Non-Statutory Reserve Funds totaling $393,729 from the reserve calculation. The Board may allocate General and Interest Reserve

Component Method Funding

The Association currently uses component methodology to calculate their reserve requirements. Component reserve funds are restricted to be used only on the specific reserve component(s).

Structural Component Funding Analysis: Under this methodology, the required total annual funding for 2025 is $778,667. This initial adjustment recommends an average monthly increase of $418.64 per owner.

General Component Funding Analysis: Under this methodology, the required total annual funding for 2025 is $278,403. This initial adjustment recommends an average monthly increase of $149.68 per owner.

The Component Method does not incorporate inflation or interest on reserves. Estimates of appropriate reserve contributions must be updated annually to account for market changes in the common elements from year to year. Changes in market conditions and other inherent factors of the Component Method can result in significant volatility in the reserve contribution from year to year. Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items

Cash Flow Method Funding

As previously stated, the Association currently uses component methodology to calculate their reserve requirements. Reserve Advisors goal is to provide recommendations that maintain reserves above an adequate reserve balance. The difference in the Component Method and Cash Flow Method leads us to our recommendation of Cash Flow Method.

Our initial split of the existing reserve balances was based on the direction of the Association.

Structural Integrity

Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

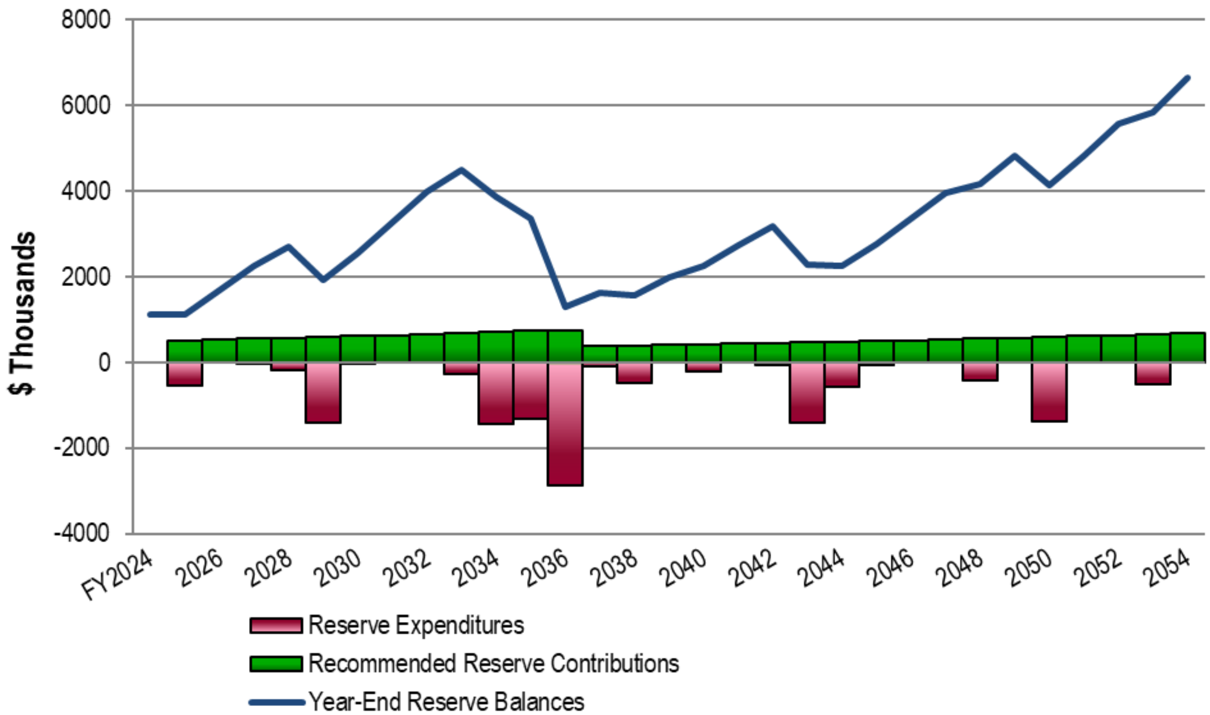
- Based on the projected starting balance of $1,131,473
- Reserve contributions of $520,000 in 2025
- Inflationary increases from 2026 through 2036
- Decrease to $380,000 by 2037 due to fully funding for the replacement of the modified bitumen roofing
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- Initial adjustment of $520,000 is equivalent to contributions of $279.57 in the monthly contributions per owner.
- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items

The reclassification of existing component funds as cash flow (aka pooled) reserves would not be allowed unless approved by a majority vote of the Owners at a duly called meeting of the Association. In lieu of obtaining a vote of the Unit Owners, a Board may vote to fund future reserves based on a pooled analysis. The Association then simply spends the funds in their existing segregated accounts on the initial repair or replacement project for that component. When all of the existing segregated funds in an account are expended, the account is eliminated, thus eliminating the need to get a vote to reallocate. As previously stated, the Association currently uses component methodology to calculate their reserve requirements. Reserve Advisors goal is to provide recommendations that maintain reserves above an adequate balance.

The restrictions on reserve funds do not apply to Homeowners Associations without statutory reserves. In Florida, Homeowners Association reserves are considered statutory if they were approved by a vote of a majority of the voting interest or otherwise required by their governing documents.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	520,000	1,129,344	2035	733,600	3,350,801	2045	500,300	2,771,563
2026	538,200	1,695,513	2036	759,300	1,297,713	2046	517,800	3,349,972
2027	557,000	2,252,800	2037	380,000	1,612,692	2047	535,900	3,958,230
2028	576,500	2,688,488	2038	393,300	1,554,880	2048	554,700	4,164,443
2029	596,700	1,924,162	2039	407,100	1,997,149	2049	574,100	4,827,573
2030	617,600	2,557,866	2040	421,300	2,254,197	2050	594,200	4,127,492
2031	639,200	3,254,615	2041	436,000	2,739,641	2051	615,000	4,831,192
2032	661,600	3,987,923	2042	451,300	3,184,585	2052	636,500	5,570,681
2033	684,800	4,497,316	2043	467,100	2,297,259	2053	658,800	5,826,131
2034	708,800	3,859,782	2044	483,400	2,268,726	2054	681,900	6,631,373



General

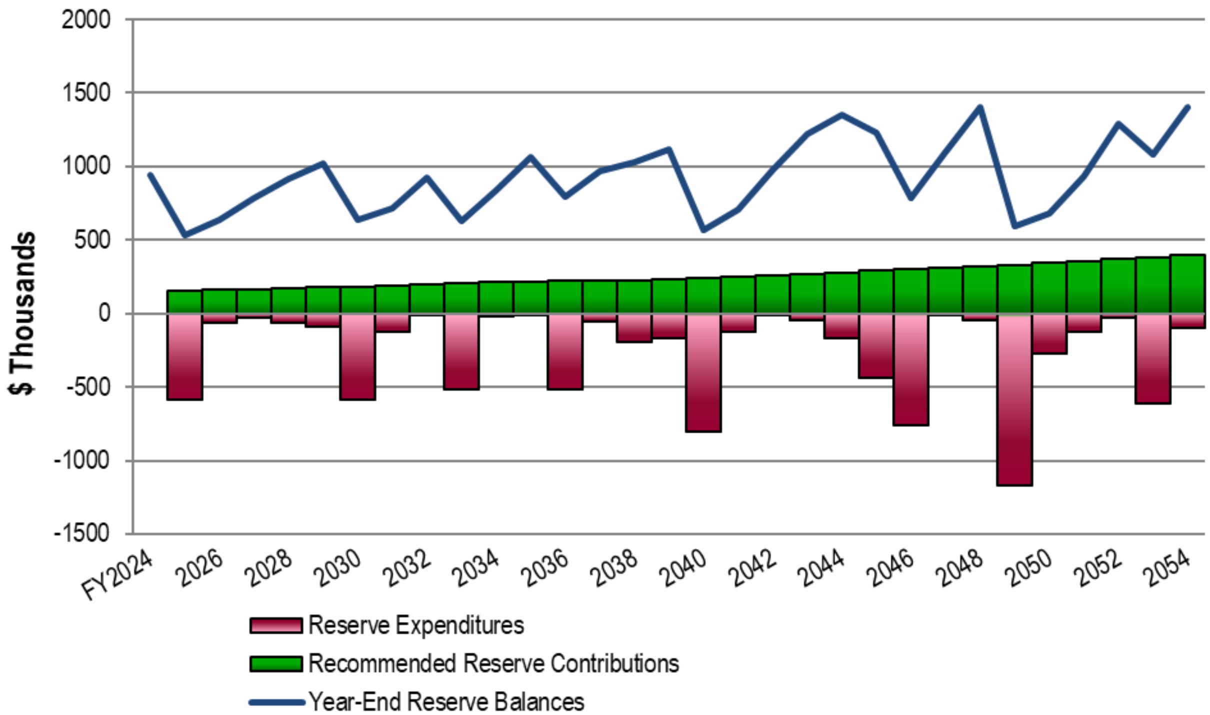
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Based on projected starting balance of $944,267
- Reserve contributions of $155,000 in 2025
- Inflationary increases from 2026 through 2036
- Decrease to $220,000 by 2037 due to fully funding for the replacement of the pool structures
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- Initial adjustment of $155,000 is equivalent to contributions of $83.33 in the monthly contributions per owner.

The reclassification of existing component funds as cash flow (aka pooled) reserves would not be allowed unless approved by a majority vote of the Owners at a duly called meeting of the Association. In lieu of obtaining a vote of the Unit Owners, a Board may vote to fund future reserves based on a pooled analysis. The Association then simply spends the funds in their existing segregated accounts on the initial repair or replacement project for that component. When all of the existing segregated funds in an account are expended, the account is eliminated, thus eliminating the need to get a vote to reallocate. As previously stated, the Association currently uses component methodology to calculate their reserve requirements. Reserve Advisors goal is to provide recommendations that maintain reserves above an adequate balance.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	155,000	530,626	2035	218,500	1,063,169	2045	289,600	1,227,364
2026	160,400	638,845	2036	226,100	793,328	2046	299,700	787,771
2027	166,000	786,807	2037	220,000	972,633	2047	310,200	1,103,459
2028	171,800	912,542	2038	227,700	1,028,257	2048	321,100	1,407,072
2029	177,800	1,022,203	2039	235,700	1,114,285	2049	332,300	592,985
2030	184,000	638,465	2040	243,900	570,119	2050	343,900	678,510
2031	190,400	716,964	2041	252,400	708,654	2051	355,900	930,088
2032	197,100	922,394	2042	261,200	975,383	2052	368,400	1,289,017
2033	204,000	626,005	2043	270,300	1,220,234	2053	381,300	1,081,828
2034	211,100	834,639	2044	279,800	1,354,403	2054	394,600	1,404,207



2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Structural Integrity Reserve* Study of

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

and submit our findings in this report. The effective date of this study is, January 23, 2024.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property -** Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures -** Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan -** Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook -** Identifies reserve components and anticipated reserve expenditures during the first five years
- **Methodology -** Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions -** Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions -** Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY

Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Owners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with the Board. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Owners

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Sunrise Cove Condominium Association responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Structural Integrity Reserve Expenditures - At the direction of the Board that recognizes their fiduciary responsibility and as required by Florida Statute 718.103 (25), we have conducted a *Structural Integrity Reserve Study* of Sunrise Cove Condominium Association, Inc. A *Structural Integrity Reserve Study* states the estimated remaining useful life, the estimated replacement cost or deferred maintenance expense of the common areas being visually inspected and provides a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each common area. Specifically, as per Florida Statute 718.112(2)(g), we have investigated the structural integrity and safety of common elements within the following:

- Roof
- Load Bearing Walls or Other Primary Structural Members
- Exterior Doors
- Fireproofing and Fire Protection Elements
- Plumbing
- Electrical Systems
- Structure
- Waterproofing and Exterior Painting
- Windows
- Any other item that has a deferred maintenance expense or replacement cost that exceeds $10,000 and the failure to replace or maintain such item negatively affects the items listed above

Items Excluded from Structural Integrity Reserve Expenditures - We exclude expenditures for the elements below for one or more of the following categories of reasons:

- Remaining useful lives or their replacement may occur beyond the 30-year scope of the study
- Current condition does not warrant predictable maintenance expenditures
- Issue applies to a unit owner-maintained element

We discuss specific exclusions for the following elements:

- Railings, Balconies – These were replaced in 2005
- Structure and Primary Structural Members - We anticipate a useful life of up to and beyond 100 years and consider full replacement unlikely and cost prohibitive. Management and the Board report a very isolated history of water infiltration and concrete repairs at foundation elements, including the lanais and stairwells. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.

- Fire Protection and Plumbing Pipes - We anticipate a useful life of up to and beyond 80 years. Our inspection is visual, non-invasive and excludes camera inspections. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.
- Electrical Systems - We anticipate a useful life of up to and beyond 80 years. Our inspection is visual, non-invasive and excludes thermoscans. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study.
- Windows and Doors (Excluding Windows and Doors at the Cabana, Clubhouse, Laundry, and Trash Rooms) – Maintained and replaced by the homeowners

The following tables depict the items excluded from the Reserve Expenditure plan:

Excluded Components

for

Sunrise Cove Condominium
Association, Inc.

Sarasota, Florida

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $0 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds.

- Air Handling Units, Split Systems, Elevator Rooms
- Balconies, Interim Concrete Repairs and Waterproof Coating Applications
- Catch Basins
- Clubhouse Renovations, Partial [1]
- Concrete Sidewalks
- Doors, Interior Clubhouse
- Fence, Wood, Paint Finishes and Capital Repairs
- Hand Tools
- Irrigation System, Controls and Maintenance
- Kayak Racks
- Landscape
- Maintenance Building, Partial Renovations
- Paint Finishes, Touch Up
- Pipes, Common, Interim Repairs and Waste Rodding
- Pool Deck Pavers, Interim Resetting and Partial Replacements
- Signage, Entrance Monument
- Signage, Street and Traffic
- Tennis Courts, Gates
- Tennis Courts, Standards

[1] Added at the Request of the Board

Excluded Components

for

Sunrise Cove Condominium

Association, Inc.

Sarasota, Florida

Long-Lived Components

These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.	Useful Life	Estimated Cost
• Balconies, Railings [1]	to 50	$539,600
• Foundations	Indeterminate	N/A
• Pipes, Interior Building, Sanitary Waste, Common [2]	to 85+	N/A
• Pipes, Interior Building, Sprinkler, Common	Indeterminate	N/A
• Structural Frames	Indeterminate	N/A
• Windows and Doors, Clubhouse [3]	45 to 55	N/A

[1] Replaced in 2005

[2] Replaced in 2005

[3] Replaced from 2021 to 2023 as part of the Clubhouse Renovation

Owners Responsibility Components

Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back.

- Balconies, Enclosed
- Balconies, Screens and Frames
- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Pipes (Within Units)
- Windows and Doors

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
  - useful life
  - remaining useful life
- 2024 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

Component Method

- Component information as also shown in Reserve Expenditures
- Current balance, remaining contributions and remaining expenditures
- Projected beginning year balance for 2024
- Unfunded residual balance
- 2025 recommended contribution

Component Method Summary

- The existing reserve categories
- Summarized life and cost valuations by category

- Projected category balances and recommended contributions

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

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RESERVE EXPENDITURES

Years 2024 to 2039

Sunrise Cove Condominium
Association, Inc.
Sarasota, Florida

Explanatory Notes:
1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
3) 20XX indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Life Analysis, Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
				Exterior Building Elements																							
1.060	30,000	**30,000**	Square Feet	Balconies and Breezeways, Concrete, Repairs, Tile Floor Replacements and Waterproof Coating Applications	2035	to 30	11	30.00	900,000	900,000	**9.9%**												#######				
1.061	1	**1**	Allowance	Balconies and Breezeways, Concrete, Repairs, Tile Floors, Interim Sealant Applications	2025	to 5	1	23,000.00	23,000	23,000	**1.5%**		23,805					28,273									
1.105	5,680	**5,680**	Linear Feet	Balconies and Breezeways, Railings, Aluminum, Replacement	2055	to 50	31	95.00	539,600	539,600	**0.0%**																
1.460	180	**180**	Squares	Roofs, Metal, Mansard	2029	to 30	5	3,400.00	612,000	612,000	**5.5%**						726,864										
1.500	38,550	**38,550**	Square Feet	Roofs, Modified Bitumen, Residential Buildings	2036	15 to 20	12	35.00	1,349,250	1,349,250	**15.4%**													#######			
1.501	5,530	**5,530**	Square Feet	Roof, FiberTite, Clubhouse	2038	15 to 20	14	24.00	132,720	132,720	**1.6%**															214,833	
1.605	1	**1**	Allowance	Structural Members, Inspection	2033	to 10	9	25,000.00	25,000	25,000	**1.1%**										34,072						
1.880	135,600	**135,600**	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2029	5 to 7	5	4.00	542,400	542,400	**28.9%**						644,201							819,604			
				Building Services Elements																							
3.300	1	**1**	Allowance	Electrical System, Main Panels	2044	to 70+	20	280,000.00	280,000	280,000	**4.2%**																
3.560	1	**1**	Allowance	Life Safety System, Control Panel	2027	to 15	3	35,000.00	35,000	35,000	**0.8%**				38,805												
3.561	1	**1**	Allowance	Life Safety System, Emergency Devices	2037	to 25	13	60,000.00	60,000	60,000	**0.7%**														93,837		
3.605	310	**52**	Each	Pipes, Riser Sections, Domestic Water, Partial	2028	to 80+	4 to 29	3,200.00	165,344	992,000	**13.8%**					189,736					225,347					267,641	
				Property Site Elements																							
4.096	33,770	**33,770**	Square Feet	Carports, Replacement, Metal	2034	25 to 35	10	30.00	1,013,100	1,013,100	**10.8%**											#######					
4.745	585	**585**	Linear Feet	Sea Walls, Concrete, Replacement, Remaining (To be Replaced with Vinyl)	2025	to 70	1	860.00	503,100	503,100	**3.9%**		520,708														
4.746	1,280	**1,280**	Linear Feet	Sea Wall, Vinyl, Inspections and Capital Repairs	2040	to 15	16	75.00	96,000	96,000	**1.3%**																
				Pool Elements																							
6.850	15	**15**	Squares	Pool Cabana, Roof, Metal Tile	2048	to 30	24	1,500.00	22,500	22,500	**0.4%**																
6.870	300	**300**	Square Feet	Pool Cabana, Windows and Doors	2029	to 45	5	100.00	30,000	30,000	**0.3%**						35,631										
				Anticipated Expenditures, By Year ($13,257,829 over 30 years)								0	544,513	0	38,805	189,736	#######	28,273	0	0	259,419	#######	#######	#######	93,837	482,474	0

Structural Integrity

RESERVE EXPENDITURES

Sunrise Cove Condominium Association, Inc.
Sarasota, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Life Analysis, Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054
				Exterior Building Elements																						
1.060	30,000	**30,000**	Square Feet	Balconies and Breezeways, Concrete, Repairs, Tile Floor Replacements and Waterproof Coating Applications	2035	to 30	11	30.00	900,000	900,000	**9.9%**															
1.061	1	**1**	Allowance	Balconies and Breezeways, Concrete, Repairs, Tile Floors, Interim Sealant Applications	2025	to 5	1	23,000.00	23,000	23,000	**1.5%**	39,882					47,367					56,257				
1.105	5,680	**5,680**	Linear Feet	Balconies and Breezeways, Railings, Aluminum, Replacement	2055	to 50	31	95.00	539,600	539,600	**0.0%**															
1.460	180	**180**	Squares	Roofs, Metal, Mansard	2029	to 30	5	3,400.00	612,000	612,000	**5.5%**															
1.500	38,550	**38,550**	Square Feet	Roofs, Modified Bitumen, Residential Buildings	2036	15 to 20	12	35.00	1,349,250	1,349,250	**15.4%**															
1.501	5,530	**5,530**	Square Feet	Roof, FiberTite, Clubhouse	2038	15 to 20	14	24.00	132,720	132,720	**1.6%**															
1.605	1	**1**	Allowance	Structural Members, Inspection	2033	to 10	9	25,000.00	25,000	25,000	**1.1%**				48,063										67,797	
1.880	135,600	**135,600**	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2029	5 to 7	5	4.00	542,400	542,400	**28.9%**				#######							#######				
				Building Services Elements																						
3.300	1	**1**	Allowance	Electrical System, Main Panels	2044	to 70+	20	280,000.00	280,000	280,000	**4.2%**					557,141										
3.560	1	**1**	Allowance	Life Safety System, Control Panel	2027	to 15	3	35,000.00	35,000	35,000	**0.8%**			65,012												
3.561	1	**1**	Allowance	Life Safety System, Emergency Devices	2037	to 25	13	60,000.00	60,000	60,000	**0.7%**															
3.605	310	**52**	Each	Pipes, Riser Sections, Domestic Water, Partial	2028	to 80+	4 to 29	3,200.00	165,344	992,000	**13.8%**				317,874					377,535					448,393	
				Property Site Elements																						
4.096	33,770	**33,770**	Square Feet	Carports, Replacement, Metal	2034	25 to 35	10	30.00	1,013,100	1,013,100	**10.8%**															
4.745	585	**585**	Linear Feet	Sea Walls, Concrete, Replacement, Remaining (To be Replaced with Vinyl)	2025	to 70	1	860.00	503,100	503,100	**3.9%**															
4.746	1,280	**1,280**	Linear Feet	Sea Wall, Vinyl, Inspections and Capital Repairs	2040	to 15	16	75.00	96,000	96,000	**1.3%**	166,463														
				Pool Elements																						
6.850	15	**15**	Squares	Pool Cabana, Roof, Metal Tile	2048	to 30	24	1,500.00	22,500	22,500	**0.4%**									51,375						
6.870	300	**300**	Square Feet	Pool Cabana, Windows and Doors	2029	to 45	5	100.00	30,000	30,000	**0.3%**															
				Anticipated Expenditures, By Year ($13,257,829 over 30 years)								206,345	0	65,012	#######	557,141	47,367	0	0	428,910	0	#######	0	0	516,190	0

RESERVE FUNDING PLAN

Structural Integrity

CASH FLOW ANALYSIS

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	*(Note 1)*	N/A	1,131,473	1,129,344	1,695,513	2,252,800	2,688,488	1,924,162	2,557,866	3,254,615	3,987,923	4,497,316	3,859,782	3,350,801	1,297,713	1,612,692	1,554,880
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**520,000**	**538,200**	**557,000**	**576,500**	**596,700**	**617,600**	**639,200**	**661,600**	**684,800**	**708,800**	**733,600**	**759,300**	**380,000**	**393,300**	**407,100**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	22,384	27,969	39,092	48,924	45,670	44,377	57,549	71,708	84,012	82,744	71,392	46,025	28,816	31,362	35,169
Anticipated Expenditures, By Year		N/A	(544,513)	0	(38,805)	(189,736)	(1,406,696)	(28,273)	0	0	(259,419)	(1,429,078)	(1,313,973)	(2,858,413)	(93,837)	(482,474)	0
Anticipated Reserves at Year End		$1,131,473	$1,129,344	$1,695,513	$2,252,800	$2,688,488	$1,924,162	$2,557,866	$3,254,615	$3,987,923	$4,497,316	$3,859,782	$3,350,801	$1,297,713	$1,612,692	$1,554,880	$1,997,149
														(NOTE 5)			

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year	1,997,149	2,254,197	2,739,641	3,184,585	2,297,259	2,268,726	2,771,563	3,349,972	3,958,230	4,164,443	4,827,573	4,127,492	4,831,192	5,570,681	5,826,131
Total Recommended Reserve Contributions	**421,300**	**436,000**	**451,300**	**467,100**	**483,400**	**500,300**	**517,800**	**535,900**	**554,700**	**574,100**	**594,200**	**615,000**	**636,500**	**658,800**	**681,900**
Estimated Interest Earned, During Year	42,093	49,444	58,656	54,276	45,208	49,904	60,609	72,358	80,423	89,030	88,664	88,700	102,989	112,840	123,342
Anticipated Expenditures, By Year	(206,345)	0	(65,012)	(1,408,702)	(557,141)	(47,367)	0	0	(428,910)	0	(1,382,945)	0	0	(516,190)	0
Anticipated Reserves at Year End	$2,254,197	$2,739,641	$3,184,585	$2,297,259	$2,268,726	$2,771,563	$3,349,972	$3,958,230	$4,164,443	$4,827,573	$4,127,492	$4,831,192	$5,570,681	$5,826,131	$6,631,373
															(NOTE 4)

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the General Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.

2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.

3) **2.0%** is the estimated annual rate of return on invested reserves

4) Accumulated year 2054 ending reserves consider the need to fund for replacement of the metal carports as well as paint finishes to the exterior façade shortly after 2054, and the age, size, overall condition and complexity of the property.

5) Threshold Funding Year (reserve balance at critical point).

Structural Integrity

FIVE-YEAR OUTLOOK

Sunrise Cove Condominium Association, Inc.
Sarasota, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements						
1.061	Balconies and Breezeways, Concrete, Repairs, Tile Floors, Interim Sealant Applications		23,805				
1.460	Roofs, Metal, Mansard						726,864
1.880	Walls, Stucco, Paint Finishes and Capital Repairs						644,201
	Building Services Elements						
3.560	Life Safety System, Control Panel				38,805		
3.605	Pipes, Riser Sections, Domestic Water, Partial					189,736	
	Property Site Elements						
4.745	Sea Walls, Concrete, Replacement, Remaining (To be Replaced with Vinyl)		520,708				
	Pool Elements						
6.870	Pool Cabana, Windows and Doors						35,631
	Anticipated Expenditures, By Year ($13,257,829 over 30 years)	0	544,513	0	38,805	189,736	1,406,696

Structural Integrity

COMPONENT METHOD RESERVE ANALYSIS

for

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years: Useful	Life Analysis, Years: Remaining[3]	Unit Cost, $	2024 Cost of Replacement, $	Dec 31, 2024 Estimated Balance, $	2024 Budgeted Contributions, $	2024 Remaining Contributions, $	2024 Remaining Expenditures, $	Jan 1, 2025 Projected Balance, $	Unfunded Residual Balance, $	2025 Recommended Contribution, $	Reserve Category
			Exterior Building Elements													
1.060	30,000	Square Feet	Balconies and Breezeways, Concrete, Repairs, Tile Floor Replacements an	2035	to 30	11	30.00	900,000	0	0	0	0	0	900,000	90,000	Other
1.061	1	Allowance	Balconies and Breezeways, Concrete, Repairs, Tile Floors, Interim Sealant	2025	to 5	1	23,000.00	23,000	0	0	0	0	0	23,000	23,000	Other
1.460	180	Squares	Roofs, Metal, Mansard	2029	to 30	5	3,400.00	612,000	139,500	0	0	0	139,500	472,500	118,125	Mansard Roof Replacement
1.500	38,550	Square Feet	Roofs, Modified Bitumen, Residential Buildings	2036	15 to 20	12	35.00	1,349,250	202,740	0	0	0	202,740	1,146,510	104,228	Residential Roof Replacement
1.501	5,530	Square Feet	Roof, FiberTite, Clubhouse	2038	15 to 20	14	24.00	132,720	0	0	0	0	0	132,720	10,209	Other
1.605	1	Allowance	Structural Members, Inspection	2033	to 10	9	25,000.00	25,000	0	0	0	0	0	25,000	3,125	Other
1.880	135,600	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2029	5 to 7	5	4.00	542,400	292,001	0	0	0	292,001	250,399	62,600	Painting/Waterproofing
			Building Services Elements													
3.300	1	Allowance	Electrical System, Main Panels	2044	to 70+	20	280,000.00	280,000	0	0	0	0	0	280,000	14,737	Other
3.560	1	Allowance	Life Safety System, Control Panel	2027	to 15	3	35,000.00	35,000	0	0	0	0	0	35,000	17,500	Other
3.561	1	Allowance	Life Safety System, Emergency Devices	2037	to 25	13	60,000.00	60,000	0	0	0	0	0	60,000	5,000	Other
3.605	310	Each	Pipes, Riser Sections, Domestic Water, Partial	2028	to 80+	4 to 29	3,200.00	992,000	122,760	0	0	0	122,760	869,304	56,084	Plumbing - Water Supply Lines

Structural Integrity

COMPONENT METHOD RESERVE ANALYSIS

for

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years: Useful	Remaining[3]	Unit Cost, $	2024 Cost of Replacement, $	Dec 31, 2024 Estimated Balance, $	2024 Budgeted Contributions, $	2024 Remaining Contributions, $	2024 Remaining Expenditures, $	Jan 1, 2025 Projected Balance, $	Unfunded Residual Balance, $	2025 Recommended Contribution, $	Reserve Category
			Property Site Elements													
4.096	33,770	Square Feet	Carports, Replacement, Metal	2034	25 to 35	10	30.00	1,013,100	0	0	0	0	0	1,013,100	112,567	Other
4.745	585	Linear Feet	Sea Walls, Concrete, Replacement, Remaining (To be Replaced with Vinyl)	2025	to 70	1	860.00	503,100	374,472	0	0	0	374,472	128,628	128,628	Seawall Restoration
4.746	1,280	Linear Feet	Sea Wall, Vinyl, Inspections and Capital Repairs	2040	to 15	16	75.00	96,000	0	0	0	0	0	96,000	6,400	Seawall Restoration
			Pool Elements													
6.850	15	Squares	Pool Cabana, Roof, Metal Tile	2048	to 30	24	1,500.00	22,500	0	0	0	0	0	22,500	978	Other
6.870	300	Square Feet	Pool Cabana, Windows and Doors	2029	to 45	5	100.00	30,000	0	0	0	0	0	30,000	7,500	Other
									$1,131,473 (Note 1)	$0	$0 (Note 2)	$0	$1,131,473	$6,024,261	$778,667	

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the General Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
3) We allocate the existing Concrete and Structural Restoration Reserve Funds to Reserve Components associated with the Painting/Waterproofing Reserve Funds.
4) We allocate the existing Lanai Reserve Reserve Funds to Reserve Components associated with the Painting/Waterproofing Reserve Funds.
5) The Maintenance Building Replacement Reserve Funds are not allocated to any identified Reserve Components.
6) The Deferred Maintenance Projects Reserve Funds are not allocated to any identified Reserve Components.
7) The Parking Lot Resurfacing Reserve Funds are not allocated to any identified Reserve Components.
8) The Elevator Modernization Reserve Funds are not allocated to any identified Reserve Components.
9) The Clubhouse Remodeling Reserve Funds are not allocated to any identified Reserve Components.
10) The Underground Plumbing Reserve Funds are not allocated to any identified Reserve Components.
11) The Laundry Equipment Reserve Funds are not allocated to any identified Reserve Components.
12) The Marina Elements Reserve Funds are not allocated to any identified Reserve Components.
13) The Pool Finishes Reserve Funds are not allocated to any identified Reserve Components.
14) The Sport Courts Reserve Funds are not allocated to any identified Reserve Components.
15) The Pool Heaters Reserve Funds are not allocated to any identified Reserve Components.
16) The Security Reserve Funds are not allocated to any identified Reserve Components.
17) The HVAC Reserve Funds are not allocated to any identified Reserve Components.

Structural Integrity

COMPONENT METHOD SUMMARY

for

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

Existing Reserve Categories	Life Analysis, Years Useful	Life Analysis, Years Remaining	2024 Cost of Replacement, $	Jan 1, 2025 Projected Balance, $	2025 Recommended Contribution, $
Mansard Roof Replacement	to 30	to 5	$612,000	$139,500	$118,125
Residential Roof Replacement	15 to 20	to 12	$1,349,250	$202,740	$104,228
Painting/Waterproofing	5 to 7	to 5	$542,400	$292,001	$62,600
Pool Heaters	N/A	N/A	N/A	N/A	N/A
Pool Finishes	N/A	N/A	N/A	N/A	N/A
Sport Courts	N/A	N/A	N/A	N/A	N/A
Plumbing - Water Supply Lines	to 80	4 to 29	$992,000	$122,760	$56,084
Underground Plumbing	N/A	N/A	N/A	N/A	N/A
Parking Lot Resurfacing	N/A	N/A	N/A	N/A	N/A
Seawall Restoration	to 70	1 to 16	$599,100	$374,472	$135,028
Marina Elements	N/A	N/A	N/A	N/A	N/A
Laundry Equipment	N/A	N/A	N/A	N/A	N/A
Deferred Maintenance Projects	N/A	N/A	N/A	N/A	N/A
Maintenance Building Replacemen	N/A	N/A	N/A	N/A	N/A
Security	N/A	N/A	N/A	N/A	N/A
Elevator Modernization	N/A	N/A	N/A	N/A	N/A
Clubhouse Remodeling	N/A	N/A	N/A	N/A	N/A
HVAC	N/A	N/A	N/A	N/A	N/A
Subtotal			**$4,094,750**	**$1,131,473**	**$476,065**
Other (Currently Unfunded)	15 to 70	1 to 31	$2,521,320	$0	$302,603
Grand Total			**$6,616,070**	**$1,131,473**	**$778,667**

Explanatory Notes:

1) We allocate the existing Concrete and Structural Restoration Reserve Funds to Reserve Components associated with the Painting/Waterproofing Reserve Funds.

2) We allocate the existing Lanai Reserve Reserve Funds to Reserve Components associated with the Painting/Waterproofing Reserve Funds.

3) The Maintenance Building Replacement Reserve Funds are not allocated to any identified Reserve Components.

4) The Deferred Maintenance Projects Reserve Funds are not allocated to any identified Reserve Components.

5) The Parking Lot Resurfacing Reserve Funds are not allocated to any identified Reserve Components.

6) The Elevator Modernization Reserve Funds are not allocated to any identified Reserve Components.

7) The Clubhouse Remodeling Reserve Funds are not allocated to any identified Reserve Components.

8) The Underground Plumbing Reserve Funds are not allocated to any identified Reserve Components.

9) The Laundry Equipment Reserve Funds are not allocated to any identified Reserve Components.

10) The Marina Elements Reserve Funds are not allocated to any identified Reserve Components.

11) The Pool Finishes Reserve Funds are not allocated to any identified Reserve Components.

12) The Sport Courts Reserve Funds are not allocated to any identified Reserve Components.

13) The Pool Heaters Reserve Funds are not allocated to any identified Reserve Components.

14) The Security Reserve Funds are not allocated to any identified Reserve Components.

15) The HVAC Reserve Funds are not allocated to any identified Reserve Components.

General
RESERVE EXPENDITURES

Sunrise Cove Condominium Association, Inc.
Sarasota, Florida

Explanatory Notes:
1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Life Analysis, Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
				Exterior Building Elements																							
1.260	325	**325**	Each	Light Fixtures	2038	to 20	14	120.00	39,000	39,000	**0.8%**															63,129	
				Interior Building Elements																							
2.100	4	**4**	Each	Elevator Cab Finishes (2025 is Planned)	2025	to 20	1	17,000.00	68,000	68,000	**2.7%**		70,380														
				Building Services Elements																							
3.070	3	**3**	Each	Air Handling and Condensing Units, Split Systems, Clubhouse	2039	12 to 18	15	9,500.00	28,500	28,500	**1.7%**																47,747
3.320	4	**4**	Each	Elevators, Hydraulic, Pumps and Controls (2025 is Planned)	2025	to 30	1	109,500.00	438,000	438,000	**5.9%**		453,330														
3.330	4	**4**	Each	Elevators, Hydraulic, Cylinders	2033	to 40	9	52,000.00	208,000	208,000	**3.7%**										283,483						
3.500	40	**4**	Each	Laundry Equipment, Washers and Dryers, Phased	2025	to 10	1 to 10	1,500.00	6,000	60,000	**4.1%**		6,210	6,427	6,652	6,885	7,126	7,376	7,634	7,901	8,177	8,464	8,760	9,066	9,384	9,712	10,052
3.820	1	**1**	Allowance	Security System	2038	10 to 15	14	25,000.00	25,000	25,000	**1.4%**															40,467	
3.880	4	**4**	Each	Trash Chutes and Doors	2044	to 65	20	20,000.00	80,000	80,000	**2.1%**																
				Property Site Elements																							
4.020	9,650	**9,650**	Square Yards	Asphalt Pavement, Patch Repairs and Seal Coat, Parking Areas	2028	3 to 5	4	1.30	12,545	12,545	**1.1%**					14,396										20,307	
4.040	9,650	**9,650**	Square Yards	Asphalt Pavement, Mill and Overlay, Parking Areas	2033	15 to 20	9	16.00	154,400	154,400	**8.1%**										210,431						
4.285	310	**310**	Linear Feet	Fences, Wood	2025	15 to 20	1	42.00	13,020	13,020	**0.5%**		13,476														
4.410	1	**1**	Each	Irrigation System, Pump	2038	to 20	14	5,000.00	5,000	5,000	**0.1%**															8,093	
4.420	15	**15**	Zones	Irrigation System, Replacement	2031	to 40+	7	3,000.00	45,000	45,000	**0.7%**								57,253								
4.560	20	**20**	Each	Light Poles and Fixtures	2030	to 25	6	2,000.00	40,000	40,000	**0.6%**							49,170									
4.600	12	**12**	Each	Mailbox Stations	2037	to 25	13	2,100.00	25,200	25,200	**0.5%**														39,412		
4.610	1	**1**	Allowance	Maintenance Building, Renovations	2025	to 25	1	32,500.00	32,500	32,500	**1.5%**		33,638														
4.620	17,770	**17,770**	Square Feet	Pavers, Masonry, Walkups	2036	to 25	12	9.00	159,930	159,930	**3.1%**													241,665			
4.650	1	**1**	Allowance	Pipes, Subsurface Utilities, Partial	2033	to 85+	9	10,000.00	10,000	10,000	**0.5%**										13,629						
4.830	1,600	**1,600**	Square Yards	Sport Courts, Tennis, Color Coat	2026	4 to 6	2	12.50	20,000	20,000	**2.1%**			21,424					25,446					30,221			
4.840	480	**480**	Linear Feet	Sport Courts, Tennis, Fence	2046	to 25	22	36.00	17,280	17,280	**0.5%**																
4.850	4	**4**	Each	Sport Courts, Tennis, Light Poles and Fixtures	2046	to 25	22	5,000.00	20,000	20,000	**0.6%**																
4.855	1	**1**	Allowance	Sport Courts, Tennis, Re-Cushioning	2031	to 10	7	21,500.00	21,500	21,500	**1.6%**								27,354								
4.860	1,600	**1,600**	Square Yards	Sport Courts, Tennis, Surface Replacement	2046	to 25	22	71.50	114,400	114,400	**3.2%**																
				Clubhouse Elements																							
5.500	1	**1**	Allowance	Clubhouse East, Complete Renovations	2049	to 25	25	413,970.00	413,970	413,970	**12.6%**																
5.510	1	**1**	Allowance	Clubhouse West, Complete Renovations	2046	to 25	22	178,000.00	178,000	178,000	**4.9%**																
				Pool Elements																							
6.200	1,200	**1,200**	Square Feet	Deck, Pavers, Small Pool	2036	to 30	12	9.00	10,800	10,800	**0.2%**													16,320			
6.300	3,860	**3,860**	Square Feet	Deck, Pavers, Large Pool	2036	to 30	12	9.00	34,740	34,740	**0.7%**													52,495			
6.400	170	**170**	Linear Feet	Fence, Aluminum, Small Pool	2028	to 25	4	42.00	7,140	7,140	**0.4%**					8,193											
6.450	340	**340**	Linear Feet	Fence, Aluminum, Large Pool (Includes Wind Screen)	2028	to 25	4	68.00	23,120	23,120	**1.2%**					26,531											
6.500	1	**1**	Allowance	Furniture	2026	to 12	2	12,000.00	12,000	12,000	**0.8%**			12,855												19,424	
6.599	5	**5**	Each	Mechanical Equipment, Geothermal Heaters	2029	to 12	5	13,500.00	67,500	67,500	**4.6%**						80,169										113,086
6.600	1	**1**	Allowance	Mechanical Equipment	2027	to 15	3	23,000.00	23,000	23,000	**0.9%**				25,501												
6.601	1	**1**	Each	Mechanical Equipment, Natural Gas Heaters	2025	to 3	1	6,000.00	6,000	6,000	**1.3%**		6,210			6,885			7,634			8,464			9,384		
6.800	660	**660**	Square Feet	Pool Finishes, Plaster and Tile, Small Pool	2026	8 to 12	2	22.00	14,520	14,520	**0.6%**			15,554													

General

RESERVE EXPENDITURES

Sunrise Cove Condominium Association, Inc.
Sarasota, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Life Analysis, Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054
				Exterior Building Elements																						
1.260	325	**325**	Each	Light Fixtures	2038	to 20	14	120.00	39,000	39,000	**0.8%**															
				Interior Building Elements																						
2.100	4	**4**	Each	Elevator Cab Finishes (2025 is Planned)	2025	to 20	1	17,000.00	68,000	68,000	**2.7%**						140,041									
				Building Services Elements																						
3.070	3	**3**	Each	Air Handling and Condensing Units, Split Systems, Clubhouse	2039	12 to 18	15	9,500.00	28,500	28,500	**1.7%**															79,994
3.320	4	**4**	Each	Elevators, Hydraulic, Pumps and Controls (2025 is Planned)	2025	to 30	1	109,500.00	438,000	438,000	**5.9%**															
3.330	4	**4**	Each	Elevators, Hydraulic, Cylinders	2033	to 40	9	52,000.00	208,000	208,000	**3.7%**															
3.500	40	**4**	Each	Laundry Equipment, Washers and Dryers, Phased	2025	to 10	1 to 10	1,500.00	6,000	60,000	**4.1%**	10,404	10,768	11,145	11,535	11,939	12,357	12,789	13,237	13,700	14,179	14,676	15,189	15,721	16,271	16,841
3.820	1	**1**	Allowance	Security System	2038	10 to 15	14	25,000.00	25,000	25,000	**1.4%**														67,797	
3.880	4	**4**	Each	Trash Chutes and Doors	2044	to 65	20	20,000.00	80,000	80,000	**2.1%**					159,183										
				Property Site Elements																						
4.020	9,650	**9,650**	Square Yards	Asphalt Pavement, Patch Repairs and Seal Coat, Parking Areas	2028	3 to 5	4	1.30	12,545	12,545	**1.1%**				24,118					28,644						
4.040	9,650	**9,650**	Square Yards	Asphalt Pavement, Mill and Overlay, Parking Areas	2033	15 to 20	9	16.00	154,400	154,400	**8.1%**														418,714	
4.285	310	**310**	Linear Feet	Fences, Wood	2025	15 to 20	1	42.00	13,020	13,020	**0.5%**						26,814									
4.410	1	**1**	Each	Irrigation System, Pump	2038	to 20	14	5,000.00	5,000	5,000	**0.1%**															
4.420	15	**15**	Zones	Irrigation System, Replacement	2031	to 40+	7	3,000.00	45,000	45,000	**0.7%**															
4.560	20	**20**	Each	Light Poles and Fixtures	2030	to 25	6	2,000.00	40,000	40,000	**0.6%**															
4.600	12	**12**	Each	Mailbox Stations	2037	to 25	13	2,100.00	25,200	25,200	**0.5%**															
4.610	1	**1**	Allowance	Maintenance Building, Renovations	2025	to 25	1	32,500.00	32,500	32,500	**1.5%**											79,494				
4.620	17,770	**17,770**	Square Feet	Pavers, Masonry, Walkups	2036	to 25	12	9.00	159,930	159,930	**3.1%**															
4.650	1	**1**	Allowance	Pipes, Subsurface Utilities, Partial	2033	to 85+	9	10,000.00	10,000	10,000	**0.5%**														27,119	
4.830	1,600	**1,600**	Square Yards	Sport Courts, Tennis, Color Coat	2026	4 to 6	2	12.50	20,000	20,000	**2.1%**		35,894										50,631			
4.840	480	**480**	Linear Feet	Sport Courts, Tennis, Fence	2046	to 25	22	36.00	17,280	17,280	**0.5%**							36,833								
4.850	4	**4**	Each	Sport Courts, Tennis, Light Poles and Fixtures	2046	to 25	22	5,000.00	20,000	20,000	**0.6%**							42,630								
4.855	1	**1**	Allowance	Sport Courts, Tennis, Re-Cushioning	2031	to 10	7	21,500.00	21,500	21,500	**1.6%**		38,586										54,429			
4.860	1,600	**1,600**	Square Yards	Sport Courts, Tennis, Surface Replacement	2046	to 25	22	71.50	114,400	114,400	**3.2%**							243,845								
				Clubhouse Elements																						
5.500	1	**1**	Allowance	Clubhouse East, Complete Renovations	2049	to 25	25	413,970.00	413,970	413,970	**12.6%**										978,313					
5.510	1	**1**	Allowance	Clubhouse West, Complete Renovations	2046	to 25	22	178,000.00	178,000	178,000	**4.9%**							379,409								
				Pool Elements																						
6.200	1,200	**1,200**	Square Feet	Deck, Pavers, Small Pool	2036	to 30	12	9.00	10,800	10,800	**0.2%**															
6.300	3,860	**3,860**	Square Feet	Deck, Pavers, Large Pool	2036	to 30	12	9.00	34,740	34,740	**0.7%**															
6.400	170	**170**	Linear Feet	Fence, Aluminum, Small Pool	2028	to 25	4	42.00	7,140	7,140	**0.4%**														19,363	
6.450	340	**340**	Linear Feet	Fence, Aluminum, Large Pool (Includes Wind Screen)	2028	to 25	4	68.00	23,120	23,120	**1.2%**														62,699	
6.500	1	**1**	Allowance	Furniture	2026	to 12	2	12,000.00	12,000	12,000	**0.8%**											29,352				
6.599	5	**5**	Each	Mechanical Equipment, Geothermal Heaters	2029	to 12	5	13,500.00	67,500	67,500	**4.6%**										159,519					
6.600	1	**1**	Allowance	Mechanical Equipment	2027	to 15	3	23,000.00	23,000	23,000	**0.9%**		41,278													
6.601	1	**1**	Each	Mechanical Equipment, Natural Gas Heaters	2025	to 3	1	6,000.00	6,000	6,000	**1.3%**	10,404			11,535			12,789			14,179			15,721		
6.800	660	**660**	Square Feet	Pool Finishes, Plaster and Tile, Small Pool	2026	8 to 12	2	22.00	14,520	14,520	**0.6%**							30,950								

General

RESERVE EXPENDITURES

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

Years 2024 to 2039

Explanatory Notes:

1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Life Analysis, Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
6.802	2,740	**2,740**	Square Feet	Pool Finishes, Plaster and Tile, Large Pool	2030	8 to 12	6	22.00	60,280	60,280	**2.9%**							74,100									
6.845	2	**2**	Each	Pool Cabana, Rest Rooms, Renovations	2038	to 25	14	9,500.00	19,000	19,000	**0.4%**															30,755	
6.900	660	**660**	Square Feet	Structure, Total Replacement, Small Pool	2036	to 60	12	165.00	108,900	108,900	**2.1%**													164,555			
6.901	2,740	**2,740**	Square Feet	Structure, Total Replacement, Large Pool	2040	to 60	16	165.00	452,100	452,100	**10.1%**																
				Marina Elements																							
8.395	1,930	**1,930**	Square Feet	Docks and Pilings, Wood, Decking and Structure Repairs	2045	10 to 15	21	50.00	96,500	96,500	**2.6%**																
8.400	1,930	**1,930**	Square Feet	Docks and Pilings, Wood	2030	to 30	6	175.00	337,750	337,750	**5.4%**							415,181									
8.800	26	**26**	Each	Power Pedestals	2030	to 15	6	1,200.00	31,200	31,200	**1.3%**							38,353									
	1	**1**	Allowance	Reserve Study Update with Site Visit	2026	2	2	7,500.00	7,500	7,500	**0.1%**			7,500													
				Anticipated Expenditures, By Year ($7,738,820 over 30 years)								0	583,244	63,760	32,153	62,890	87,295	584,180	125,321	7,901	515,720	16,928	8,760	514,322	58,180	191,887	170,885

General

RESERVE EXPENDITURES

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Life Analysis, Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054
6.802	2,740	**2,740**	Square Feet	Pool Finishes, Plaster and Tile, Large Pool	2030	8 to 12	6	22.00	60,280	60,280	**2.9%**											147,442				
6.845	2	**2**	Each	Pool Cabana, Rest Rooms, Renovations	2038	to 25	14	9,500.00	19,000	19,000	**0.4%**															
6.900	660	**660**	Square Feet	Structure, Total Replacement, Small Pool	2036	to 60	12	165.00	108,900	108,900	**2.1%**															
6.901	2,740	**2,740**	Square Feet	Structure, Total Replacement, Large Pool	2040	to 60	16	165.00	452,100	452,100	**10.1%**	783,935														
				Marina Elements																						
8.395	1,930	**1,930**	Square Feet	Docks and Pilings, Wood, Decking and Structure Repairs	2045	10 to 15	21	50.00	96,500	96,500	**2.6%**						198,735									
8.400	1,930	**1,930**	Square Feet	Docks and Pilings, Wood	2030	to 30	6	175.00	337,750	337,750	**5.4%**															
8.800	26	**26**	Each	Power Pedestals	2030	to 15	6	1,200.00	31,200	31,200	**1.3%**						64,254									
	1	**1**	Allowance	Reserve Study Update with Site Visit	2026	2	2	7,500.00	7,500	7,500	**0.1%**															
				Anticipated Expenditures, By Year ($7,738,820 over 30 years)								804,743	126,526	11,145	47,188	171,122	442,201	759,245	13,237	42,344	#######	270,964	120,249	31,442	611,963	96,835

RESERVE FUNDING PLAN

General

CASH FLOW ANALYSIS

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	*(Note 1)*	N/A	944,267	530,626	638,845	786,807	912,542	1,022,203	638,465	716,964	922,394	626,005	834,639	1,063,169	793,328	972,633	1,028,257
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**155,000**	**160,400**	**166,000**	**171,800**	**177,800**	**184,000**	**190,400**	**197,100**	**204,000**	**211,100**	**218,500**	**226,100**	**220,000**	**227,700**	**235,700**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	14,603	11,579	14,115	16,825	19,156	16,442	13,420	16,231	15,331	14,462	18,790	18,381	17,485	19,811	21,213
Anticipated Expenditures, By Year		N/A	(583,244)	(63,760)	(32,153)	(62,890)	(87,295)	(584,180)	(125,321)	(7,901)	(515,720)	(16,928)	(8,760)	(514,322)	(58,180)	(191,887)	(170,885)
Anticipated Reserves at Year End		$944,267	$530,626	$638,845	$786,807	$912,542	$1,022,203	$638,465	$716,964	$922,394	$626,005	$834,639	$1,063,169	$793,328 *(NOTE 5)*	$972,633	$1,028,257	$1,114,285

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year	1,114,285	570,119	708,654	975,383	1,220,234	1,354,403	1,227,364	787,771	1,103,459	1,407,072	592,985	678,510	930,088	1,289,017	1,081,828
Total Recommended Reserve Contributions	**243,900**	**252,400**	**261,200**	**270,300**	**279,800**	**289,600**	**299,700**	**310,200**	**321,100**	**332,300**	**343,900**	**355,900**	**368,400**	**381,300**	**394,600**
Estimated Interest Earned, During Year	16,677	12,661	16,674	21,739	25,491	25,562	19,952	18,725	24,857	19,803	12,589	15,927	21,971	23,474	24,614
Anticipated Expenditures, By Year	(804,743)	(126,526)	(11,145)	(47,188)	(171,122)	(442,201)	(759,245)	(13,237)	(42,344)	(1,166,190)	(270,964)	(120,249)	(31,442)	(611,963)	(96,835)
Anticipated Reserves at Year End	$570,119	$708,654	$975,383	$1,220,234	$1,354,403	$1,227,364	$787,771	$1,103,459	$1,407,072	$592,985	$678,510	$930,088	$1,289,017	$1,081,828	$1,404,207 *(NOTE 4)*

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.

2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.

3) **2.0%** is the estimated annual rate of return on invested reserves

4) Accumulated year 2054 ending reserves consider the need to fund for modernization of the hydraulic elevators shortly after 2054, and the age, size, overall condition and complexity of the property.

5) Threshold Funding Year (reserve balance at critical point).

General
FIVE-YEAR OUTLOOK

**Sunrise Cove Condominium
Association, Inc.**
Sarasota, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Interior Building Elements						
2.100	Elevator Cab Finishes (2025 is Planned)		70,380				
	Building Services Elements						
3.320	Elevators, Hydraulic, Pumps and Controls (2025 is Planned)		453,330				
3.500	Laundry Equipment, Washers and Dryers, Phased		6,210	6,427	6,652	6,885	7,126
	Property Site Elements						
4.020	Asphalt Pavement, Patch Repairs and Seal Coat, Parking Areas					14,396	
4.285	Fences, Wood		13,476				
4.610	Maintenance Building, Renovations		33,638				
4.830	Sport Courts, Tennis, Color Coat			21,424			
	Pool Elements						
6.400	Fence, Aluminum, Small Pool					8,193	
6.450	Fence, Aluminum, Large Pool (Includes Wind Screen)					26,531	
6.500	Furniture			12,855			
6.599	Mechanical Equipment, Geothermal Heaters						80,169
6.600	Mechanical Equipment				25,501		
6.601	Mechanical Equipment, Natural Gas Heaters		6,210			6,885	
6.800	Pool Finishes, Plaster and Tile, Small Pool			15,554			
	Reserve Study Update with Site Visit			7,500			
	Anticipated Expenditures, By Year ($7,738,820 over 30 years)	0	583,244	63,760	32,153	62,890	87,295

General

COMPONENT METHOD RESERVE ANALYSIS

for
Sunrise Cove Condominium Association, Inc.
Sarasota, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years: Useful	Life Analysis, Years: Remaining[3]	Unit Cost, $	2024 Cost of Replacement, $	Dec 31, 2024 Estimated Balance, $	2024 Budgeted Contributions, $	2024 Remaining Contributions, $	2024 Remaining Expenditures, $	Jan 1, 2025 Projected Balance, $	Unfunded Residual Balance, $	2025 Recommended Contribution, $	Reserve Category
			Exterior Building Elements													
1.260	325	Each	Light Fixtures	2038	to 20	14	120.00	39,000	0	0	0	0	0	39,000	3,000	Deferred Maintenance Projects
			Interior Building Elements													
2.100	4	Each	Elevator Cab Finishes (2025 is Planned)	2025	to 20	1	17,000.00	68,000	68,000	0	0	0	68,000	0	0	Elevator Modernization
			Building Services Elements													
3.070	3	Each	Air Handling and Condensing Units, Split Systems, Clubhouse	2039	12 to 18	15	9,500.00	28,500	17,072	40,582	0	0	17,072	11,428	816	Deferred Maintenance Projects
3.320	4	Each	Elevators, Hydraulic, Pumps and Controls (2025 is Planned)	2025	to 30	1	109,500.00	438,000	438,000	0	0	0	438,000	0	0	Elevator Modernization
3.330	4	Each	Elevators, Hydraulic, Cylinders	2033	to 40	9	52,000.00	208,000	63,893	0	0	0	63,893	144,107	18,013	Elevator Modernization
3.500	40	Each	Laundry Equipment, Washers and Dryers	2025	to 10	1 to 10	1,500.00	60,000	40,041	0	0	0	40,041	19,959	4,435	Laundry Equipment
3.820	1	Allowance	Security System	2038	10 to 15	14	25,000.00	25,000	0	0	0	0	0	25,000	1,923	Deferred Maintenance Projects
3.880	4	Each	Trash Chutes and Doors	2044	to 65	20	20,000.00	80,000	0	0	0	0	0	80,000	4,211	Deferred Maintenance Projects
			Property Site Elements													
4.020	9,650	Square Yards	Asphalt Pavement, Patch Repairs and Seal Coat, Parking Areas	2028	3 to 5	4	1.30	12,545	12,545	0	0	0	12,545	0	0	Parking Lot Resurfacing
4.040	9,650	Square Yards	Asphalt Pavement, Mill and Overlay, Parking Areas	2033	15 to 20	9	16.00	154,400	30,235	13,020	0	0	30,235	124,165	15,521	Parking Lot Resurfacing
4.285	310	Linear Feet	Fences, Wood	2025	15 to 20	1	42.00	13,020	0	13,020	0	0	0	13,020	13,020	Deferred Maintenance Projects
4.410	1	Each	Irrigation System, Pump	2038	to 20	14	5,000.00	5,000	0	0	0	0	0	5,000	385	Deferred Maintenance Projects
4.420	15	Zones	Irrigation System, Replacement	2031	to 40+	7	3,000.00	45,000	0	0	0	0	0	45,000	7,500	Deferred Maintenance Projects
4.560	20	Each	Light Poles and Fixtures	2030	to 25	6	2,000.00	40,000	0	0	0	0	0	40,000	8,000	Deferred Maintenance Projects
4.600	12	Each	Mailbox Stations	2037	to 25	13	2,100.00	25,200	0	0	0	0	0	25,200	2,100	Deferred Maintenance Projects
4.610	1	Allowance	Maintenance Building, Renovations	2025	to 25	1	32,500.00	32,500	33,480	0	0	0	33,480	0	0	Maintenance Building Replacement
4.620	17,770	Square Feet	Pavers, Masonry, Walkups	2036	to 25	12	9.00	159,930	0	0	0	0	0	159,930	14,539	Deferred Maintenance Projects
4.650	1	Allowance	Pipes, Subsurface Utilities, Partial	2033	to 85+	9	10,000.00	10,000	0	5,990	0	0	0	10,000	1,250	Deferred Maintenance Projects
4.830	1,600	Square Yards	Sport Courts, Tennis, Color Coat	2026	4 to 6	2	12.50	20,000	20,000	0	0	0	20,000	0	0	Sport Courts
4.840	480	Linear Feet	Sport Courts, Tennis, Fence	2046	to 25	22	36.00	17,280	0	0	0	0	0	17,280	823	Sport Courts
4.850	4	Each	Sport Courts, Tennis, Light Poles and Fixtures	2046	to 25	22	5,000.00	20,000	0	0	0	0	0	20,000	952	Sport Courts
4.855	1	Allowance	Sport Courts, Tennis, Re-Cushioning	2031	to 10	7	21,500.00	21,500	1,050	11,160	0	0	1,050	20,450	3,408	Sport Courts
4.860	1,600	Square Yards	Sport Courts, Tennis, Surface Replacement	2046	to 25	22	71.50	114,400	0	0	0	0	0	114,400	5,448	Sport Courts
			Clubhouse Elements													
5.500	1	Allowance	Clubhouse East, Complete Renovations	2049	to 25	25	413,970.00	413,970	0	93,000	0	0	0	413,970	17,249	Clubhouse Remodeling
5.510	1	Allowance	Clubhouse West, Complete Renovations	2046	to 25	22	178,000.00	178,000	0	0	0	0	0	178,000	8,476	Clubhouse Remodeling
			Pool Elements													
6.200	1,200	Square Feet	Deck, Pavers, Small Pool	2036	to 30	12	9.00	10,800	0	0	0	0	0	10,800	982	Deferred Maintenance Projects

*Refer to the Reserve Expenditures pages for the full list of reserve elements

General

COMPONENT METHOD RESERVE ANALYSIS

for

Sunrise Cove Condominium Association, Inc.

Sarasota, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years: Useful	Life Analysis, Years: Remaining[3]	Unit Cost, $	2024 Cost of Replacement, $	Dec 31, 2024 Estimated Balance, $	2024 Budgeted Contributions, $	2024 Remaining Contributions, $	2024 Remaining Expenditures, $	Jan 1, 2025 Projected Balance, $	Unfunded Residual Balance, $	2025 Recommended Contribution, $	Reserve Category
6.300	3,860	Square Feet	Deck, Pavers, Large Pool	2036	to 30	12	9.00	34,740	0	0	0	0	0	34,740	3,158	Deferred Maintenance Projects
6.400	170	Linear Feet	Fence, Aluminum, Small Pool	2028	to 25	4	42.00	7,140	0	0	0	0	0	7,140	2,380	Deferred Maintenance Projects
6.450	340	Linear Feet	Fence, Aluminum, Large Pool (Includes Wind Screen)	2028	to 25	4	68.00	23,120	0	0	0	0	0	23,120	7,707	Deferred Maintenance Projects
6.500	1	Allowance	Furniture	2026	to 12	2	12,000.00	12,000	0	0	0	0	0	12,000	12,000	Deferred Maintenance Projects
6.599	5	Each	Mechanical Equipment, Geothermal Heaters	2029	to 12	5	13,500.00	67,500	3,091	13,020	0	0	3,091	64,410	16,102	Pool Heaters
6.600	1	Allowance	Mechanical Equipment	2027	to 15	3	23,000.00	23,000	23,000	0	0	0	23,000	0	0	Pool Heaters
6.601	1	Each	Mechanical Equipment, Natural Gas Heaters	2025	to 3	1	6,000.00	6,000	6,000	0	0	0	6,000	0	0	Pool Heaters
6.800	660	Square Feet	Pool Finishes, Plaster and Tile, Small Pool	2026	8 to 12	2	22.00	14,520	14,520	0	0	0	14,520	0	0	Pool Finishes
6.802	2,740	Square Feet	Pool Finishes, Plaster and Tile, Large Pool	2030	8 to 12	6	22.00	60,280	7,800	9,300	0	0	7,800	52,480	10,496	Pool Finishes
6.845	2	Each	Pool Cabana, Rest Rooms, Renovations	2038	to 25	14	9,500.00	19,000	0	0	0	0	0	19,000	1,462	Deferred Maintenance Projects
6.900	660	Square Feet	Structure, Total Replacement, Small Pool	2036	to 60	12	165.00	108,900	0	0	0	0	0	108,900	9,900	Deferred Maintenance Projects
6.901	2,740	Square Feet	Structure, Total Replacement, Large Pool	2040	to 60	16	165.00	452,100	0	0	0	0	0	452,100	30,140	Deferred Maintenance Projects
			Marina Elements													
8.395	1,930	Square Feet	Docks and Pilings, Wood, Decking and Structure Repairs	2045	10 to 15	21	50.00	96,500	0	0	0	0	0	96,500	4,825	Marina Elements
8.400	1,930	Square Feet	Docks and Pilings, Wood	2030	to 30	6	175.00	337,750	134,340	39,060	0	0	134,340	203,410	40,682	Marina Elements
8.800	26	Each	Power Pedestals	2030	to 15	6	1,200.00	31,200	31,200	0	0	0	31,200	0	0	Marina Elements
	0	Allowance	Reserve Study Update with Site Visit	2026	2	2	7,500.00	0	0	3,648	0	0	0	7,500	7,500	Deferred Maintenance Projects
									$944,267 (Note 1)	$241,800	$0 (Note 2)	$0	$944,267	$2,598,009	$278,403	

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
3) We allocate the existing Concrete and Structural Restoration Reserve Funds to Reserve Components associated with the Painting/Waterproofing Reserve Funds.
4) We allocate the existing Underground Plumbing Reserve Funds to Reserve Components associated with the Deferred Maintenance Projects Reserve Funds.
5) We allocate the existing Security Reserve Funds to Reserve Components associated with the Deferred Maintenance Projects Reserve Funds.
6) We allocate the existing Lanai Reserve Reserve Funds to Reserve Components associated with the Painting/Waterproofing Reserve Funds.
7) We allocate the existing HVAC Reserve Funds to Reserve Components associated with the Deferred Maintenance Projects Reserve Funds.
8) The Plumbing - Water Supply Lines Reserve Funds are not allocated to any identified Reserve Components.
9) The Residential Roof Replacement Reserve Funds are not allocated to any identified Reserve Components.
10) The Mansard Roof Replacement Reserve Funds are not allocated to any identified Reserve Components.
11) The Painting/Waterproofing Reserve Funds are not allocated to any identified Reserve Components.
12) The Seawall Restortation Reserve Funds are not allocated to any identified Reserve Components.

General

COMPONENT METHOD SUMMARY

for

Sunrise Cove Condominium
Association, Inc.

Sarasota, Florida

Existing Reserve Categories	Life Analysis, Years Useful	Remaining	2024 Cost of Replacement, $	Jan 1, 2025 Projected Balance, $	2025 Recommended Contribution, $
Mansard Roof Replacement	N/A	N/A	N/A	N/A	N/A
Residential Roof Replacement	N/A	N/A	N/A	N/A	N/A
Painting/Waterproofing	N/A	N/A	N/A	N/A	N/A
Concrete and Structural Restora	N/A	N/A	N/A	$0	$0
Pool Heaters	to 15	1 to 5	$96,500	$32,091	$16,102
Pool Finishes	8 to 12	2 to 6	$74,800	$22,320	$10,496
Sport Courts	4 to 25	2 to 22	$193,180	$21,050	$10,631
Plumbing - Water Supply Lines	N/A	N/A	N/A	N/A	N/A
Underground Plumbing	N/A	N/A	N/A	$0	$0
Parking Lot Resurfacing	3 to 20	4 to 9	$166,945	$42,780	$15,521
Seawall Restortation	N/A	N/A	N/A	N/A	N/A
Marina Elements	10 to 30	6 to 21	$465,450	$165,540	$45,507
Laundry Equipment	to 10	1 to 10	$60,000	$40,041	$4,435
Lanai Reserve	N/A	N/A	N/A	$0	$0
Deferred Maintenance Projects	10 to 2	1 to 20	$1,138,450	$17,072	$131,972
Maintenance Building Replacem	to 25	to 1	$32,500	$33,480	$0
Security	N/A	N/A	N/A	$0	$0
Elevator Modernization	to 40	1 to 9	$714,000	$569,893	$18,013
Clubhouse Remodeling	to 25	22 to 25	$591,970	$0	$25,725
HVAC	N/A	N/A	N/A	$0	$0
Subtotal			**$3,533,795**	**$944,267**	**$278,403**
Other (Currently Unfunded)	N/A	N/A	$0	$0	$0
Grand Total			**$3,533,795**	**$944,267**	**$278,403**

Explanatory Notes:

1) We allocate the existing Concrete and Structural Restoration Reserve Funds to Reserve Components associated with the Painting/Waterproofing Reserve Funds.

2) We allocate the existing Underground Plumbing Reserve Funds to Reserve Components associated with the Deferred Maintenance Projects Reserve Funds.

3) We allocate the existing Security Reserve Funds to Reserve Components associated with the Deferred Maintenance Projects Reserve Funds.

4) We allocate the existing Lanai Reserve Reserve Funds to Reserve Components associated with the Painting/Waterproofing Reserve Funds.

5) We allocate the existing HVAC Reserve Funds to Reserve Components associated with the Deferred Maintenance Projects Reserve Funds.

6) The Plumbing - Water Supply Lines Reserve Funds are not allocated to any identified Reserve Components.

7) The Residential Roof Replacement Reserve Funds are not allocated to any identified Reserve Components.

8) The Mansard Roof Replacement Reserve Funds are not allocated to any identified Reserve Components.

9) The Painting/Waterproofing Reserve Funds are not allocated to any identified Reserve Components.

10) The Seawall Restortation Reserve Funds are not allocated to any identified Reserve Components.

4. METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Sunrise Cove Condominium can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Owners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards[1] set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level III Reserve Study Update, No Site Visit." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local[2] costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long term future inflation for construction costs in Sarasota, Florida at an annual inflation rate[3]. Isolated or regional markets of greater

[1] Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".
[2] See Credentials for additional information on our use of published sources of cost data.
[3] Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Sunrise Cove Condominium and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.

5. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.

ALEXANDER G. J. GOULD
Responsible Advisor

CURRENT CLIENT SERVICES

Alexander Gould is an Associate Engineer for Reserve Advisors, LLC. Mr. Gould is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study for condominiums, townhomes and homeowners associations.

The following is a partial list of clients served by Alexander Gould demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Verona at Renaissance Homeowners' Association, Inc. - Located in Sun City Center, Florida, this community consists of 244 residential units. The units are a mixture of single family homes and duplex units that are comprised of painted stucco exterior walls and asphalt shingle roofs.

Westbrook Estates Homeowners Association, Inc. - This homeowners' association is located in Wesley Chapel, Florida features single family homes, multiple ponds, and a swimming pool with a pool house located at the center of the community.

Remington Reserve Condominium Association – This condominium association located in Naples, Florida was constructed in 2007. The community is comprised of 48 units in 12 buildings. The buildings are comprised of painted stucco exterior walls, concrete tile roofs, and balconies located on the front and sides of the buildings. Additionally the property has a clubhouse and a swimming pool.

Nottingham Villas at Kings Point Homeowners' Association, Inc. – Located in Sun City Center, Florida, this community is comprised of duplex style homes that were constructed in 2013. The community shares the responsibility of the common areas of the community with a master association.

Arbor Ridge Homeowners' Association of Apopka, Inc. - Located in Apopka, Florida, this property is comprised of 437 single family homes that were constructed in 2005. In addition to the single family homes, the property contains a swimming pool, ponds, and an extensive system of large masonry retaining walls.

PRIOR RELEVANT EXPERIENCE

Before joining *Reserve Advisors, LLC*, Mr. Gould was an Assistant Superintendent for a commercial construction firm that specialized in airport construction. He was responsible for the successful completion of large scale renovation projects of airport infrastructure while ensuring that the airport remained at a non-reduced operating capacity.

EDUCATION

University of South Florida - B.S. Civil and Environmental Engineering

TAMARA S. SAMHOURI, E.I., RS
Responsible Advisor

CURRENT CLIENT SERVICES

Tamara Samhouri, a Civil Engineer, is an Advisor for ***Reserve Advisors.*** Mrs. Samhouri is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. She also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. She is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Tamara Samhouri demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

North Lake at Tarpon Springs Homeowners Association Located in Tarpon Springs, Florida, this single family development consists of 122 homes built in 1999. The Association maintains the asphalt pavement street systems, ponds, gates, signage, & a boardwalk and dock assembly.

Talon Bay Property Owners Association This Homeowners Association located in North Port, Florida is comprised of 233 single unit homes. The clubhouse in this community includes a fitness center, kitchen, rest rooms, and a patio leading to a pool deck. The clubhouse and gate house were constructed with stucco façade and a metal roof assembly. The Association maintains asphalt pavement street systems, tennis and shuffleboard courts, and gates.

Lake Highlander Resident Owned Association This Cooperative style development located in Dunedin, Florida is comprised of 293 homes built in the 1960s. The community maintains amenities, such as a laundry room, pool hall, library, office, and clubhouse. The Cooperative maintains the subsurface pipes, electric meter panels, and bridges throughout the community.

Royal Pointe at Majestic Palms Recreation Association and Condominium Associations The Recreation Association is responsible for the elements shared by five condominium buildings. The Recreation Association maintains the pool amenities & asphalt pavement street systems. The Condominium Associations are responsible for their building exteriors comprised of concrete tile roofs, balconies, breezeways, & staircases. The Condominium Associations maintain the building service elements, including life safety systems, & domestic water pumps.

Hudson Crossing Condominium Association This condominium style development, located in Sarasota, Florida consists of 12 units. This building was constructed with fiber cement siding, asphalt shingle & flat roofs, & terraces. The Association also maintains the irrigation system, lift stations, windows & doors, hydraulic elevators, life safety system, backflow preventers, on-grade concrete garage, exhaust system, docks & seawall located on the property.

PRIOR RELEVANT EXPERIENCE

Before joining ***Reserve Advisors,*** Mrs. Samhouri successfully completed the bachelors program in Civil Engineering from The University of South Florida. She has experience as a Transportation Planning Intern at AECOM, the world's premier infrastructure consulting firm, where she gained knowledge on the safety and design of specialized roadway networks. Mrs. Samhouri has an expertise in transportation and geotechnical engineering infrastructure.

EDUCATION

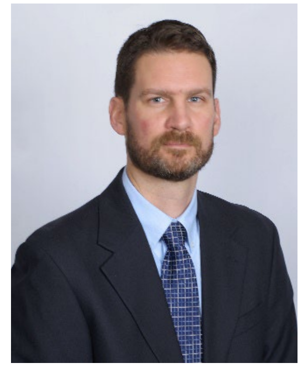
University of South Florida - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineering Intern (E.I.) – Florida, 2021-present
American Society of Civil Engineers (A.S.C.E.) – Florida, 2015-present
Institute of Transportation Engineers (I.T.E.) – Florida, 2015-present
Reserve Specialist (RS) - Community Association Institute (CAI)

ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES



Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado
Reserve Specialist (RS) **-** Community Associations Institute
Professional Reserve Analyst (PRA) **-** Association of Professional Reserve Analysts

RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.marshallswift.com.

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at www.rsmeans.com.

Reserve Advisors’ library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

6. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Sunrise Cove Condominium Association, Inc responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

Percent Funded - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Sunrise Cove Condominium Association, Inc. responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in ***Reserve Expenditures*** that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.

7. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, LLC (“RA”) performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our structural integrity reserve study ("SIRS") is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan, to create reserves for anticipated future replacement expenditures of the subject property. The purpose of our energy benchmarking services is to track, collect and summarize the subject property’s energy consumption over time for your use in comparison with other buildings of similar size and establishing a performance baseline for your planning of long-term energy efficiency goals.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. Our energy benchmarking services with respect to the subject property is limited to collecting energy and utility data and summarizing such data in the form of an Energy Star Portfolio Manager Report or any other similar report, and hereby expressly excludes any recommendations with respect to the results of such energy benchmarking services or the accuracy of the energy information obtained from utility companies and other third-party sources with respect to the subject property. SIRS and any energy benchmarking report (i.e., any Energy Star Portfolio Manager Report) (including any subsequent revisions thereto pursuant to the terms hereof, collectively, the “Report”) are based upon a “snapshot in time” at the moment of inspection. RA may note visible physical defects in the Report. Other than the visual inspection conducted in connection with the SIRS (which visual inspection shall be conducted by a licensed architect or engineer (in RA's sole discretion)) (the "SIRS Visual Inspection"), the study will be performed by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA during the SIRS Visual Inspection, RA cannot and shall not opine on the structural integrity of or other physical defects in the property under any circumstances. Without limitation to the foregoing, RA cannot and shall not opine on, nor is RA responsible for, the property’s conformity to specific governmental code requirements for fire, building, earthquake, occupancy or otherwise.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. RA does not provide invasive testing on any mechanical systems that provide energy to the property, nor can RA opine on any system components that are not easily accessible during the inspection. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services, nor does RA investigate vapor, water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions, and RA assumes no responsibility for any such conditions. The Report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. Except to the extent resulting from RA’s willful misconduct in connection with the performance of its obligations under this agreement, you agree to indemnify, defend, and hold RA and its affiliates, officers, managers, employees, agents, successors and assigns (each, an “RA Party”) harmless from and against (and promptly reimburse each RA Party for) any and all losses, claims, actions, demands, judgments, orders, damages, expenses or liabilities, including, without limitation, reasonable attorneys' fees, asserted against or to which any RA Party may become subject in connection with this engagement, including, without limitation, as a result of any false, misleading or incomplete information which RA relied upon that was supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction or to whom you provided the Report. NOTWITHSTANDING ANY OTHER PROVISION HEREIN TO THE CONTRARY, THE AGGREGATE LIABILITY (IF ANY) OF RA WITH RESPECT TO THIS AGREEMENT AND RA’S OBLIGATIONS HEREUNDER IS LIMITED TO THE AMOUNT OF THE FEES ACTUALLY RECEIVED BY RA FROM YOU FOR THE SERVICES AND REPORT PERFORMED BY RA UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. YOUR REMEDIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE YOUR SOLE REMEDIES FOR ANY FAILURE OF RA TO COMPLY WITH ITS OBLIGATIONS HEREUNDER OR OTHERWISE. RA SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS AND LOST SAVINGS, LOSS OF USE OR INTERRUPTION OF BUSINESS, HOWEVER CAUSED, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF RA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL RA BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. RA DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED OR OF ANY NATURE, WITH REGARD TO THE SERVICES AND THE REPORT, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Report - RA will complete the services in accordance with the Proposal. The Report represents a valid opinion of RA’s findings and recommendations with respect to the reserve study and is deemed complete. RA will consider any additional information made available to RA within 6 months of issuing the Report and issue a revised Report based on such additional information if a timely request for a revised Report is made by you. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit. RA reserves the right to, and you acknowledge and agree that RA may, use any data provided by you in connection with the services, or gathered as a result of providing such services, including in connection with creating and issuing any Report, in a de-identified and aggregated form for RA's business purposes.

Your Obligations - You agree to provide us access to the subject property for an inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. Additionally, you agree to provide historical replacement schedules, utility bills and historical energy usage files that RA requests and deems necessary to complete the energy benchmarking services, and you agree to provide any utility release(s) reasonably requested by RA permitting RA to obtain any such data and/or information from any utility representative or other third party. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

Use of Our Report and Your Name - Use of the Report is limited to only the purpose stated herein. You acknowledge that RA is the exclusive owner of all intellectual property rights in and relating to the Report. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and that you will be liable for the consequences of any unauthorized use or distribution of the Report. Use or possession of the Report by any unauthorized third party is prohibited. The Report in whole or in part ***is not and cannot be*** *used as a design specification for design engineering purposes or as an appraisal*. You may show the Report in its entirety to the following third parties: members of your organization (including your directors, officers, tenants and prospective purchasers), your accountants, attorneys, financial institutions and property managers who need to review the information contained herein, and any other third party who has a right to inspect the Report under applicable law including, but not limited, to any government entity or agency, or any utility companies. Without the written consent of RA, you shall not disclose the Report to any other third party. By engaging our services, you agree that the Report contains intellectual property developed (and owned solely) by RA and agree that you will not reproduce or distribute the Report ***to any party that conducts reserve studies without the written consent of RA***.

RA will include (and you hereby agree that RA may include) your name in our client lists. RA reserves the right to use (and you hereby agree that RA may use) property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

Payment Terms, Due Dates and Interest Charges - If reserve study and energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. In any case, any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Unless this agreement is earlier terminated by RA in the event you breach or otherwise fail to comply with your obligations under this agreement, RA's obligations under this agreement shall commence on the date you execute and deliver this agreement and terminate on the date that is 6 months from the date of delivery of the Report by RA. Notwithstanding anything herein to the contrary, each provision that by its context and nature should survive the expiration or early termination of this agreement shall so survive, including, without limitation, any provisions with respect to payment, intellectual property rights, limitations of liability and governing law.

Miscellaneous – Neither party shall be liable for any failures or delays in performance due to fire, flood, strike or other labor difficulty, act of God, act of any governmental authority, riot, embargo, fuel or energy shortage, pandemic, wrecks or delays in transportation, or due to any other cause beyond such party's reasonable control; provided, however, that you shall not be relieved from your obligations to make any payment(s) to RA as and when due hereunder. In the event of a delay in performance due to any such cause, the time for completion or date of delivery will be extended by a period of time reasonably necessary to overcome the effect of such delay. You may not assign or otherwise transfer this agreement, in whole or in part, without the prior written consent of RA. RA may freely assign or otherwise transfer this agreement, in whole or in part, without your prior consent. This agreement shall be governed by the laws of the State of Wisconsin without regard to any principles of conflicts of law that would apply the laws of another jurisdiction. Any dispute with respect to this agreement shall be exclusively venued in Milwaukee County Circuit Court or in the United States District Court for the Eastern District of Wisconsin. Each party hereto agrees and hereby waives the right to a trial by jury in any action, proceeding or claim brought by or on behalf of the parties hereto with respect to any matter related to this agreement.