Contract # 46414

Reserve Study

Prepared for the Board of Directors for the

On Top of the World COA

Figure 2. North elevation (front elevation of odd units) of subject building.

This Report contains Structural Reserve Study for the Property with Address of:

Building 18A
2310 Denmark Street and 2311 Brisbane Street
Clearwater, Florida 33763

May 31, 2024

BERYL
Engineering ▪ Inspection

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This document has been prepared for the use of the client for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to Beryl Engineering & Inspection, LLC (Beryl) constitute the opinions of Beryl. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, Beryl has relied upon the same to be accurate, and for which no assurances are intended, and no representations or warranties are made. Beryl makes no certification and gives no assurances except as explicitly set forth in this document.

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Purpose and Non-Conflict of Interest Disclosure

The purpose of this report is to certify the enclosed Reserve Study and Report prepared for On Top of the World COA and is the result of work performed by Beryl Engineering & Inspection, LLC (Beryl).

In addition, we certify that, to the best of our knowledge and belief:

1. All facts contained in this report are true and accurate.
2. Beryl has no present or prospective interest in the subject property of this report, and also has no personal interest with respect to the parties involved.
3. Beryl has no bias with respect to the subject property of this report or to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon producing or reporting predetermined results.
5. Our compensation is not contingent on any action or event resulting from this report.
6. We have the knowledge and experience to generate accurate Reserve Study and Report on all buildings contained within this report
7. We have performed a physical inspection of the subject risk(s) contained in this report.

Key Staff:

Leo Cannyn

Richard Leon Cannyn
Florida Professional Engineering License #65994

Introduction

Beryl Engineering & Inspection, LLC ("Beryl") has conducted this Reserve Study ("Study") as part of performing Professional Services (Services) for the On Top of the World COA ("On Top of the World COA"). A Reserve Study is a budget planning tool which identifies the current status of the reserve fund and a stable and equitable funding plan to offset the anticipated future major common area expenditures. A typical Reserve Study consists of two parts: the physical analysis and the financial analysis. The purpose of this study and supplemental survey is to assist On Top of the World COA in its due diligence for preparing their budgets for upcoming years.

This memorandum has been prepared in accordance with generally accepted practices from the Community Associations Institute ("CAI"). No warranty, expressed or implied, is provided with this report. The findings and recommendations contained herein are based upon the data and information provided to and reviewed by Beryl from Management Staff and at the time of the site visits only. The discovery of any additional information concerning the components evaluated may be forwarded to our firm for review. If necessary, we will reassess the potential impact and modify our recommendations as needed.

As part of the assessment process, Beryl performs the following tasks to investigate and evaluate the roofs of the Property:

- Reviewed applicable reports and documents;
- Conducted interviews with applicable parties;
- Reviewed the industry standards and building codes applicable to the inspection;
- Conducted a limited visual, non-destructive assessment of the Property; and
- Prepared this Report.

Site visits to the On Top of the World COA were conducted by Beryl on April 22 through May 31, where Beryl met with Management Staff. The interviews with the On Top of the World COA included a discussion of the property, a review of what is covered by the On Top of the World COA, a review of the current budget, and current operational and maintenance issues. The information from the interviews and discussions are presented in the various sections of this report.

This Report has been prepared in accordance with generally accepted inspection practices. No warranty, expressed or implied, is provided with this report. The findings and recommendations contained herein are based upon the data and information provided to and reviewed by Beryl from the On Top of the World COA and at the time of the site visits only. The discovery of any additional information concerning the components evaluated may be forwarded to our firm for review. If necessary, we will reassess the potential impact and modify our recommendations as needed.

Assumptions

In conducting this review and performing our evaluation, Beryl has made certain assumptions, as follows:

1. Beryl has made no determination as to the validity and enforceability of any contract, agreement, rule, or regulation applicable to the On Top of the World COA. For purposes of this Study, we have assumed that all such contracts, agreements, rules and regulations will be fully enforceable in accordance with their terms.

2. The documents, reports, verbal communications, and the records supplied to us are accurate.

3. Beryl did not provide a financial audit of the bank statements or budgets provided by the On Top of the World COA.

4. Information provided about current reserve projects is considered reliable. Any on-site inspection of an active reserve project should not be considered a project audit or quality inspection.

5. The On Top of the World COA will continue to maintain the grounds and common elements as set forth by common industry standards.

6. The scope of Beryl's review included a review of selective cost information pertaining to the maintenance of the On Top of the World COA identified as Reserve items. It did not include a review of the overall economic performance for the non-Reserve items.

7. There will be no significant changes in the maintenance conditions or costs in the future other than those identified during the review.

8. On April 1, 2024, the price of crude oil was $83.26 per barrel. As this price continues to rise or fall, the price of petroleum based products will also increase or decrease. Petroleum based products include asphalt, slurry seal, and roofing shingles.

Site Information

On Top of the World Clearwater is a self-contained retirement community for persons aged 55 and up located in Clearwater, Florida. The Community consists of 91 multifamily buildings of various sizes with a total of 4,959 units, and accessory buildings including offices, clubhouses, and recreation facilities. The community is organized as a condominium association. Units typically are either one- or 2-bedrooms units. 71 of the 91 residential buildings are three stories tall, the remaining 20 buildings are two stories tall. The buildings in the community were originally constructed between 1969 and 1998.

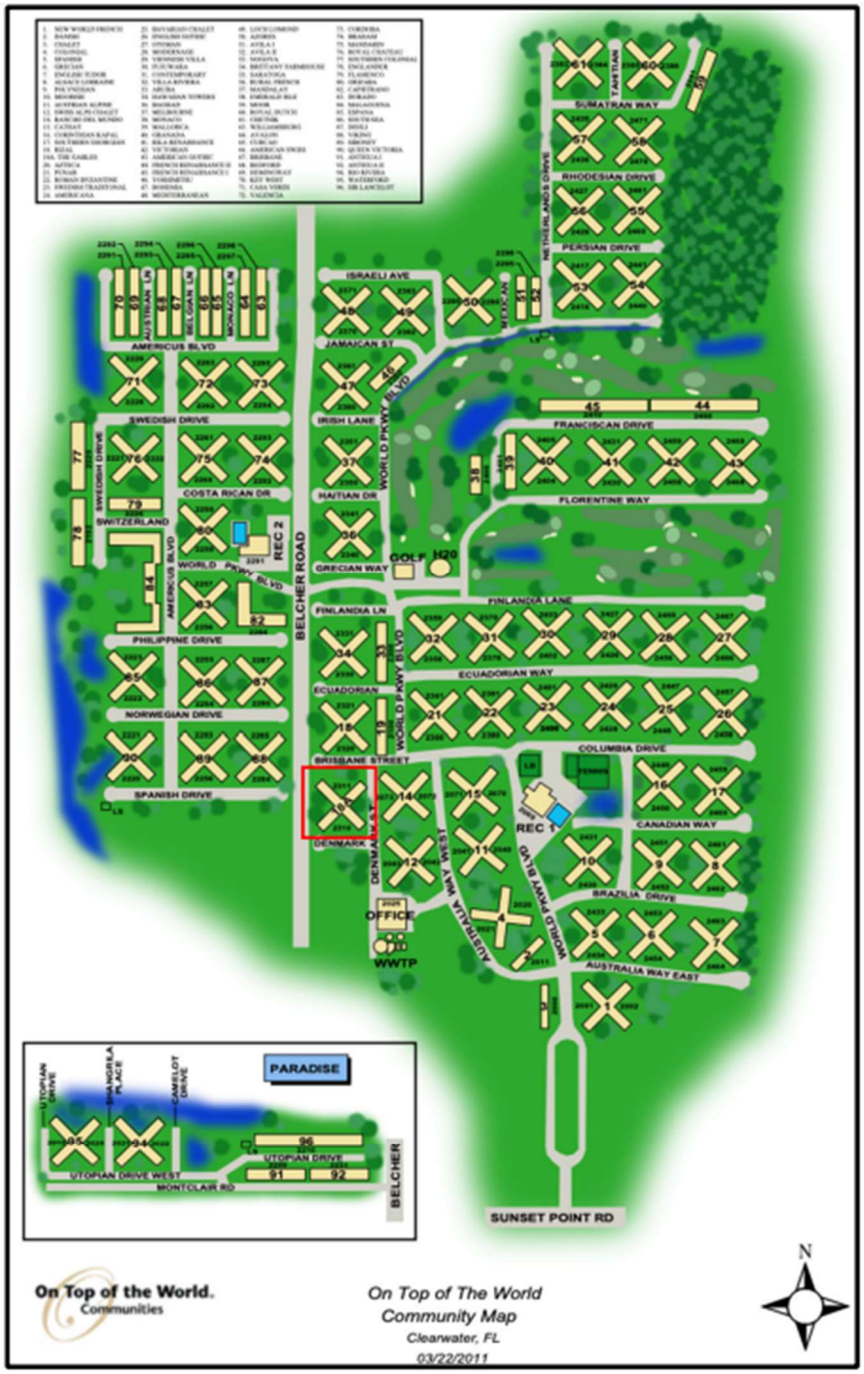


Figure 1. Overview of On Top of the World Community. Subject Building in red square.

Building 18A is named The Gables and its addresses are 2310 Denmark Street and 2311 Brisbane Street, Clearwater, Florida 33763 for even and odd units respectively. The records indicate that its parcel number is 116 29 06 64040 000 0001 and it was built in 1977.

Figure 2. North elevation (front elevation of odd units) of subject building.

The building is a three-story building which has four structurally independent wings and a center core creating an “X” shape.

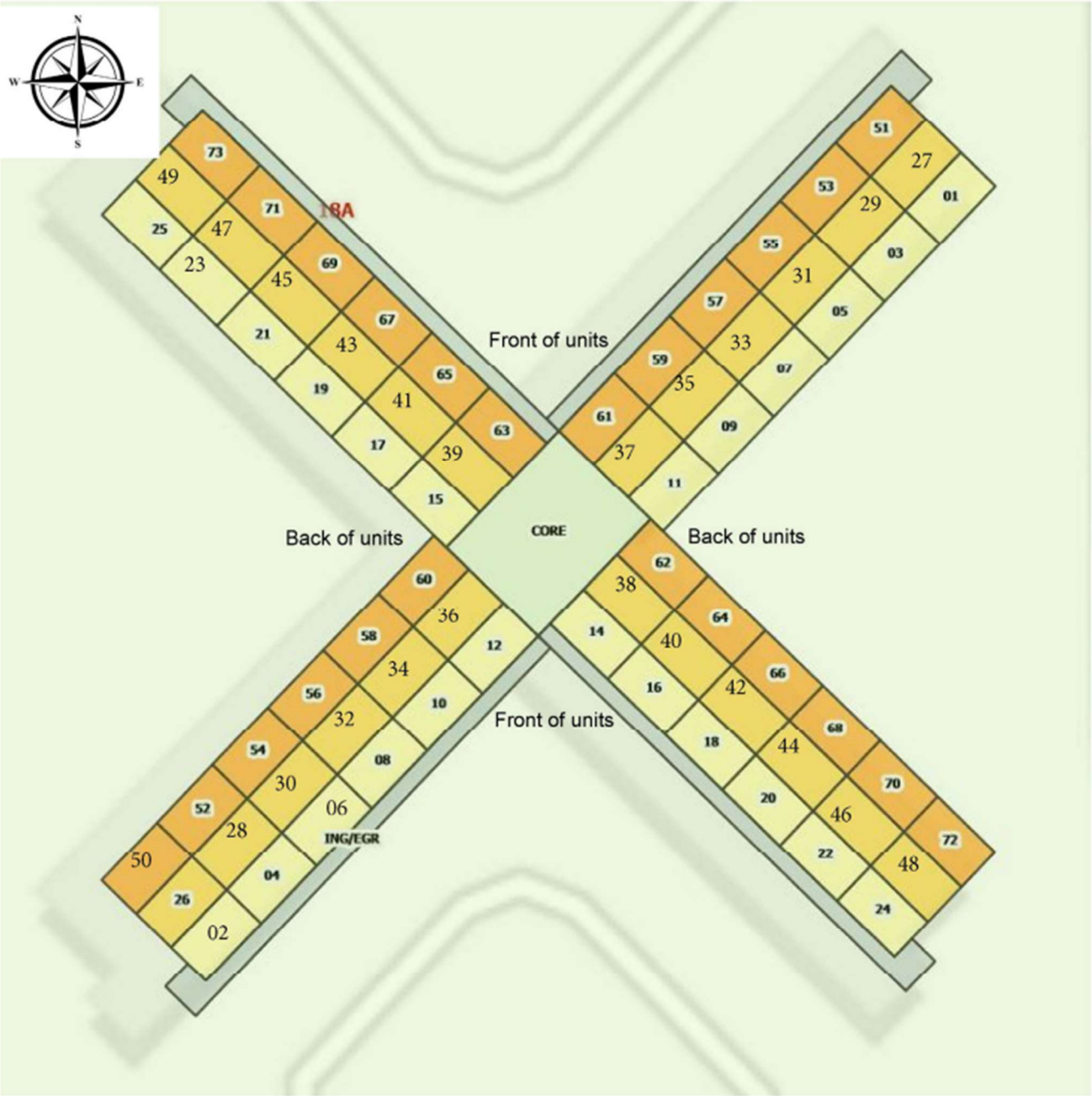


Figure 3. Plan view of subject building with unit layout.

The front of the building's odd units face north and the front of the building's even units face south. The primary building components for the wings consist of concrete masonry unit (CMU) load-bearing exterior and demising walls, and wood stud partitions within each residential unit. The floor framing, subfloor and roof framing on the wings was not observable during the inspection, however, the framing material was confirmed by OTOTW. According to the provided drawings, the floor framing is generally 22" deep open web steel joists spaced 2'-6" on center with 3" poured, reinforced, concrete slab on 9/16", 28-gauge galvanized metal deck. Roof framing consists of prefabricated wood trusses typically spaced 2'-0" on center with 5/8" plywood sheathing. Additionally, according to the drawings, the foundations generally consist of concrete shallow spread

footings and continuous concrete footings between the spread footing foundations. The first floor, located at grade, consists of a 4-inch concrete slab on grade with wire mesh reinforcement.

Building 18A has 72 units. The units vary in layout and extend from the front to the back elevation of each wing with the entrance at the front. The interior finishes varied, yet most consisted of gypsum board (drywall) ceilings and walls, and various types of floor finishes.

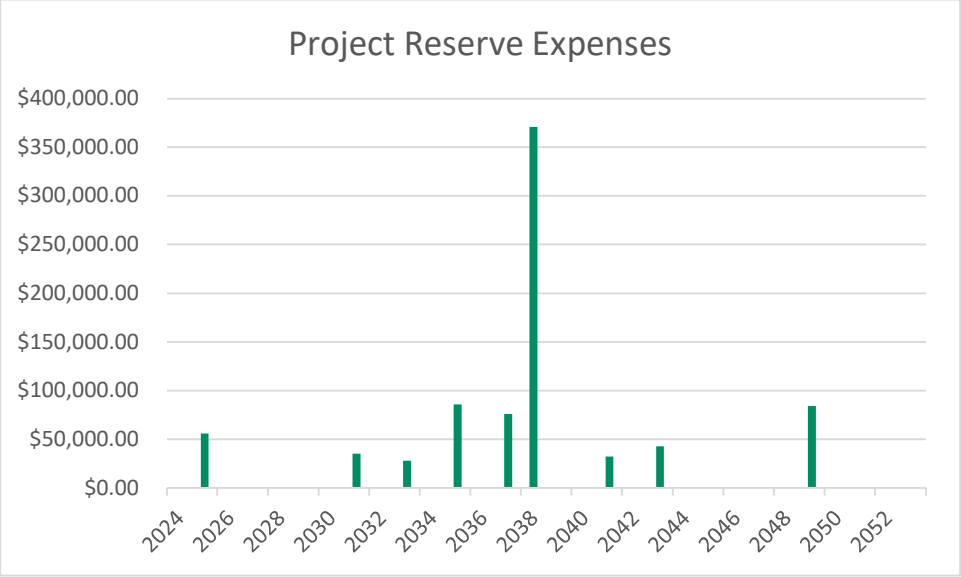
Findings and Conclusions

Set forth below are the principal opinions we have reached after our limited review of the Property and documents. Please note that such opinions do not constitute a legal opinion. For a complete understanding of the estimates, assumptions, and calculations upon which these opinions are based, the Study should be read in its entirety. On the basis of our Reserve Study analysis of the On Top of the World COA and the assumptions set forth in the Report:

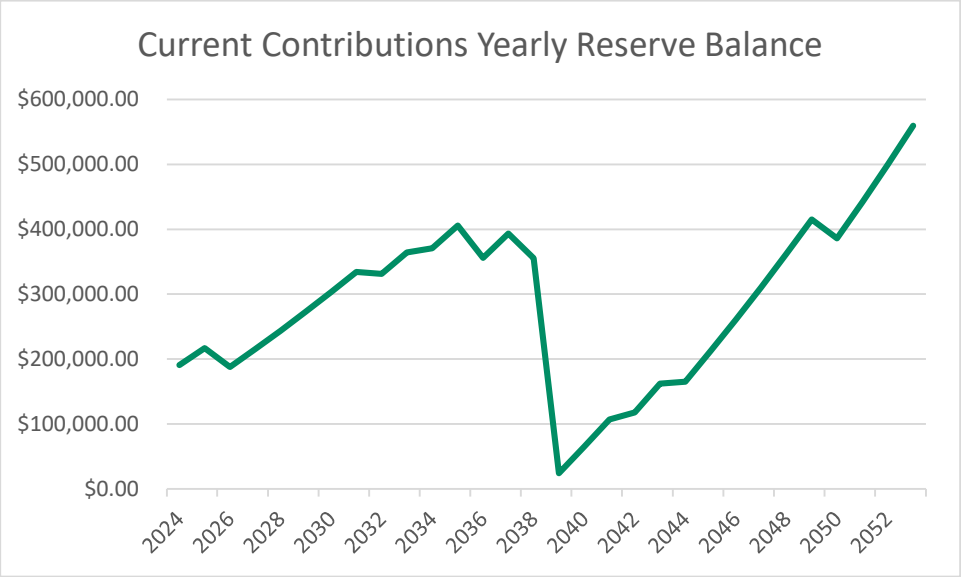
1. The table below contains a partial summary of the Reserves Study along with a calculated value for Reserve Contributions starting with the next Fiscal Year:

Fiscal Year Ending:	2024			
Funding Study Length in Years:	30			
Total Units:	72			
Annual Inflation Rate:	2.00%			
Annual Assessment Increase Rate:	3.00%			
Interest Rate:	0.00%			
Beginning Balance	$190,737.59			
Recommended Reserve Contributions	$2,237.80	/ month	$26,853.57	/ Year
	$31.08	/ unit month		
Average Net Interest Earned:	$0.00	/ month	$0.00	/ Year
Allocation to Reserves:	$2,237.80	/ month	$26,853.57	/ Year
	$31.08	/ unit month		

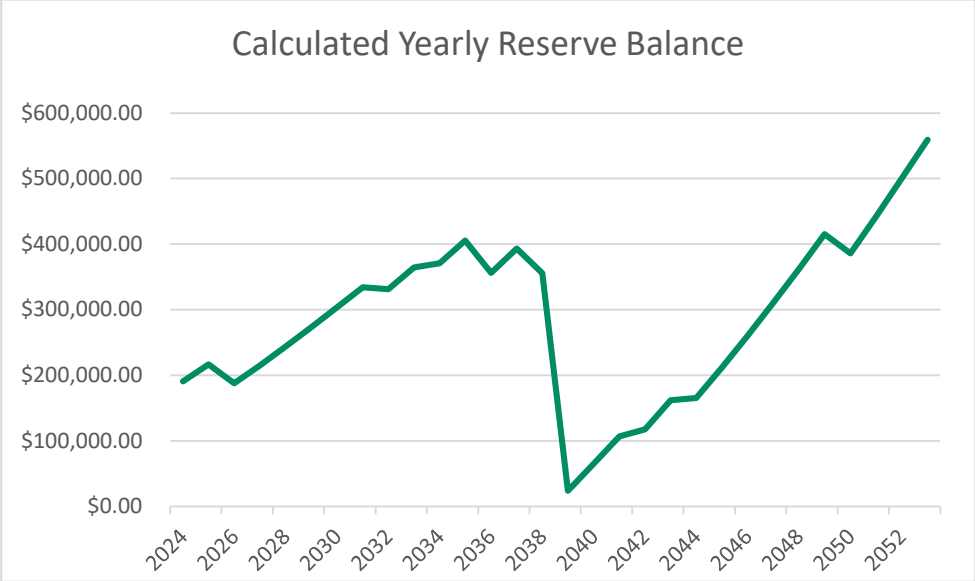
2. Reserve fund strength is measured as a percentage. Typically, associations with a percent funded level of more than 70% have a lower risk for special assessments. Associations with a percent funded level of less than 35% have a higher risk of special assessments and deferred maintenance. The On Top of the World COA's Reserve fund percentage is currently at 83.08%, which is considered Strong. Below is a graph showing the projected Reserve Expenses by year.

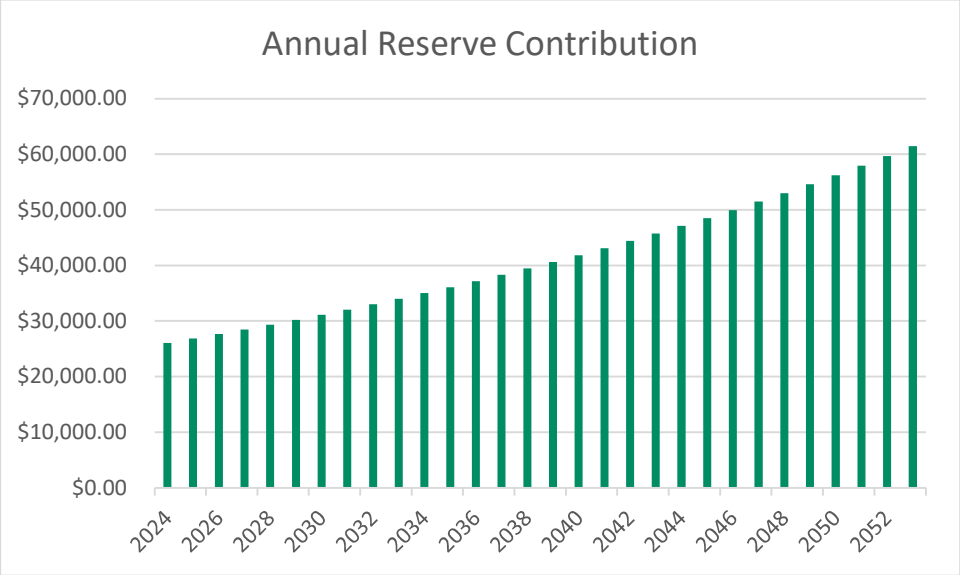


3. Currently the On Top of the World COA contributes $26,071.43 per year into the Reserve Fund. This value is adequate due to the On Top of the World COA maintaining a positive throughout the course of the Reserve Study. Below is a graph showing the yearly balances based upon continuing current contribution rates. This amount factors in a yearly dues increase in an estimated amount of 3.00%.

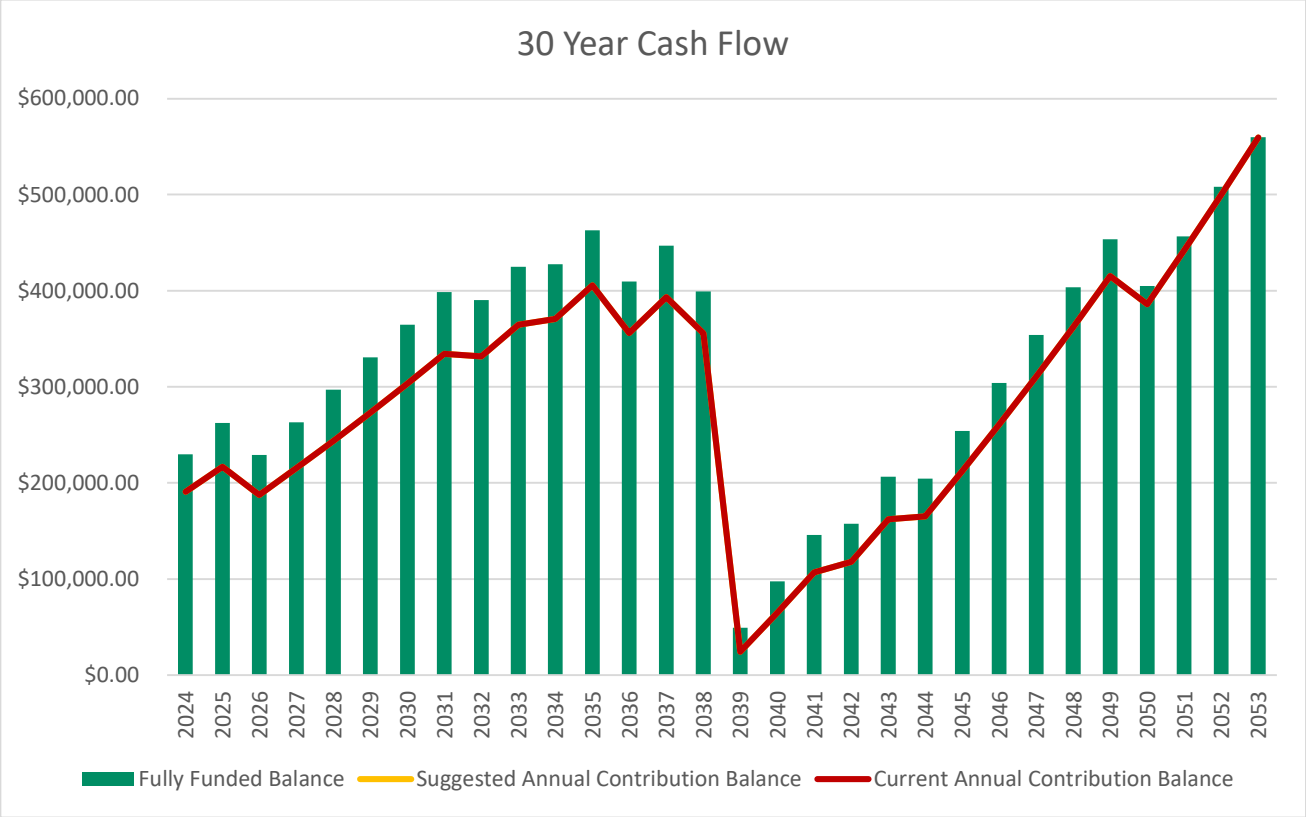


4. Using a Fully Funded Baseline Threshold Funding Strategy, Beryl recommends that the On Top of the World COA contribute at least $26,071.43 per year into the Reserve Fund. This value allows the On Top of the World COA to have a positive value in the Reserve Fund throughout the course of the Reserve Study. Below is a graph showing the yearly balances based upon a Fully Funded Baseline Threshold Funding Strategy followed by a graph showing the yearly contributions factoring in a yearly dues increase in an estimated amount of 3%.





5. The graphic below compares the Fully Funded Reserve Balance to Beryl's suggested Annual Contribution Balance and the Current Annual Contribution Balance. Since the two lines for the suggested contributions and the actual contributions are the same, only the red line will show.


30 Year Cash Flow
$600,000.00
$500,000.00
$400,000.00
$300,000.00
$200,000.00
$100,000.00
$0.00
2024
2025
2026
2027
2028
2029
2030
2031
2032
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2048
2049
2050
2051
2052
2053
Fully Funded Balance
Suggested Annual Contribution Balance
Current Annual Contribution Balance

Background

A Reserve Study is made up of two parts, 1) the information about the physical status and repair/ replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and 2) the evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis). The Physical Analysis is comprised of the Component Inventory, Condition Assessment, and Life and Valuation Estimates. The Component Inventory should be relatively "stable" from year to year, while the Condition Assessment and Life and Valuation Estimates will necessarily change from year to year. The Financial Analysis is made up of a finding of On Top of the World COA Homeowner Association's current Reserve Fund Status (measured in cash or as Percent Funded) and a recommendation for an appropriate Reserve contribution rate (Funding Plan).

Physical Analysis	*Financial Analysis*
Component Inventory	Fund Status
Condition Assessment	Funding Plan
Life and Valuation Estimates	

Level of Service

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal.

For a Level 1 Reserve Study, Full, the Reserves Study will have the following five (5) tasks performed:

- Component Inventory (Quantification)
- Condition Assessment (Based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

For a Level 2 Reserve Study, With-Site-Visit/On-Site Review, the Reserves Study will have the following five (5) tasks performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

For a Level 3 Reserve Study, No-Site-Visit/Off-Site Review, the Reserves Study with no on-site visual observations in which the following three (3) Reserves Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

* = The Limited Condition Assessment of the property is limited to a non-invasive and visual observation. Beryl does not investigate nor assume any responsibility for any existence or impact of any structural, latent, or hidden defects which may or may not be present for the property. Beryl further does not perform any Engineering Analysis, or probing for Termites, pests, other wood destroying organisms, or identify environmental hazards. This Limited Condition Assessment is not to identify construction deficiencies and is limited to areas of immediate access. These opinions of estimated costs and remaining useful lives are not a guarantee or a warranty of the common components.

This Reserve Study prepared for the On Top of the World COA is a Level 1 Reserve Study.

Contents of a Reserve Study

A reserve study prepared by Beryl will include the following:

- A summary of the association, including the number of units, physical description, and the financial condition of the reserve fund.
- A projection of the reserve starting balance, recommended reserve contributions, projected reserve expenses, and the projected ending reserve fund balance for a minimum of 20 years.
- A tabular listing of the component inventory, component quantity or identifying descriptions, useful life, remaining useful life, and current replacement cost.
- A description of the methods and objectives utilized in computing the fund status and in the development of the funding plan.
- Source(s) utilized to obtain component repair or replacement cost estimates.
- A description of the level of service by which the reserve study

Reserve Components

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, the expense must be a common area maintenance responsibility. Second, the component considered must have a limited life. Third, the limited life of the component must be predictable. Fourth, the component must be above a minimum threshold cost. For the purpose of this Reserve Study, Beryl assumes that items with an estimated useful life of less than one year or a total cost less than $1,000 are excluded even if they meet the other three criteria explained above.

Ultimately, the tests means that components should be major, predictable expenses. It is incorrect to include “lifetime” components, unpredictable expenses (such as insurance related losses), and expenses more appropriately handled from the operational budget.

The Reserve Components included in this Reserve Study includes:

SIRS COMPONENTS

- Roof TPO
- Waterproofing Building
- Painting Building (Exterior)
- Elevator Upgrades

NON-SIRS COMPONENTS

- Pavement Resurface

Funding Strategy

There are two accepted means of estimating the Reserves: the Component Funding Method and the Cash Flow Funding Method. The Component Funding Method a method of developing a reserve funding plan where the total contribution is based on the sum of contributions for individual components. The Cash Flow Funding Method is method of developing a reserve funding plan 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. Unlike the Component Funding Method, the Cash Flow Method does not require one hundred percent of funding of components to meet projected future expenditures. There are several strategies involved with the Cash Flow Funding Method. Beryl described these strategies below.

There are four basic strategies from which most associations select. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. The four funding plans and descriptions of each are detailed below. Associations will need to update their reserve studies more or less frequently depending on the funding strategy they select.

• Full funding— The goal of this funding strategy is to attain and maintain the reserves at or near 100 percent. For example, if an association has a component with a 10-year life and a $10,000 replacement cost, it should have $3,000 set aside for its replacement after three years ($10,000 divided by 10 years=$1,000 per year X 3 years=$3,000). In this case, $3,000 equals full funding.

• Baseline funding— The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance. Associations can implement this funding method more safely by conducting annual reserve updates that include field observations.

• Threshold funding— This method is based on the baseline funding concept. The minimum reserve cash balance in threshold funding; however, is set at a predetermined dollar amount.

• Statutory funding— This method is based on local statutes. To use it, associations set aside a specific minimum amount of reserves as required by statutes.

For the purpose of this Reserve Study, Beryl used a Baseline Funding methodology as a funding strategy. As Beryl provides both Component Funding and Cash Funding Methods, Beryl provides a Full funding strategy.

Referenced Information

The following documents were received by Beryl in preparation of this Study:

- InterNACHI's Standard Operating Procedures
- FHA HUD Handbook 4000.1
- Florida Building Code 2023 Editions
- Senate Bill 4D 2022, 154 2023, 1178 2024

- North American Fenestration Standard/Specification for windows, doors, and skylights – 2017 Edition (NAFS 2017)
- FEMA P-762, Local Officials Guide for Coastal Construction (2009)
- FEMA P-55, Coastal Construction Manual: Principles and Practices of Planning, Siting, Designing, Constructing, and Maintaining Residential Buildings in Coastal Areas, 4th Edition (2011)
- Improvenet.com
- Inflationdata.com;
- Inspectapedia.com;
- Beryl Pre-Site Visit Question Form;
- Declaration of Association and Bylaw Documents;
- Preventative Maintenance Plan;
- Previous Budgets;
- Maintenance Records;
- Previous inspection reports;
- Prior repair estimates and/or invoices;
- Previous Experience; and
- Warranties.

Establishing a Preventive Maintenance Schedule

Once the Board has determined which items are reserve components, it is time to establish a preventive maintenance schedule. Associations should establish a preventive maintenance schedule for two primary reasons:

1. If associations do not maintain the components on the reserve schedule, they will not attain their full useful life. Consequently, the components will need to be replaced earlier and the replacement cost will need to be collected over a shorter period of time. This could result in possible special assessments

2. If associations do not maintain the components that are not included in the reserve schedule, they may require replacement whereas if they were maintained, they would not. For example, wood siding, when maintained properly, will last indefinitely. Without proper maintenance, it may need to be completely replaced in the future.

Statement of Qualifications

Beryl is a professional engineering management and inspection firm with knowledge and experience in lowering costs and improving quality through project organizational management. Beryl's consulting services couple best practices with innovative approaches to save associations money. Portions of this report was prepared by Richard Leon Cannyn, P.E., PMP, Anthony Miceli, CMI, Patrick Condra, CMI, Lance Weister, CMI, and Sean Tipton, HI.

Mr. Cannyn is a licensed Professional Engineer, Mold Assessor, Mold Remediator, and Home Inspector in the State of Florida (Reg. No. 65994, MRSA3730, MRSR3897, & HI#8165). Mr. Cannyn is a Community Associations Institute Reserve Specialist (RS 471). Mr. Cannyn has a Remote Pilot License 4418248 from the Federal Aviation Administration, and a Certified Master Inspector by the International Association of Certified Home Inspectors ("InterNACHI") (#13030204). Cannyn is a

Project Management Professional by the Project Management Institute (#222171). Mr. Miceli and Mr. Weister are licensed Home Inspectors in the State of Florida along with being Certified Master Inspectors by the International Association of Certified Home Inspectors ("InterNACHI").

Tables

In this section, Beryl presents the following tables as supporting documentation to the graphs presented in the Findings and Conclusions section above:

- Reserve Study Component List Detail
- Percent Funded Report
- Reserve Funding Summary
- Cash Flow Basis for 30 Years
- Average Monthly Dues Report by Year
- Annual Expenditure Details

On Top of the World Building #18A
Reserve Study Component List Detail

ID	Component	Number of Units	Type of Units	Unit Cost	Today's Price	Useful Life	Remaining Useful Life	First Replacement Cost
1	**SIRS COMPONENTS**							
2	Roofing	48,404	Sq Ft	$ 5.58	$270,000.00	20	14	$ 370,652.14
3	Waterproofing Building	3	Floors	$ 7,633.33	$22,900.00	7	1	$ 24,301.66
4	Painting Building (Exterior)	54,000	Sq Ft	$ 0.565	$30,500.00	5	1	$ 31,732.20
5	Elevator Upgrades	1	Unit	$ 60,000.000	$60,000.00	30	11	$ 85,694.77
6								$ -
7	**NON SIRS COMPONENTS**							$ -
8	Pavement Resurface	1	Unit	$ 30,000.00	$30,000.00	25	13	$ 37,301.23
9								$ -
10								$ -
11								$ -
12								$ -
13								$ -
14								$ -
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40								$ -

On Top of the World Building #18A

Percent Funded Report - Recommended Funding Strategy

Interest Rate:	0.00%
Inflation Rate:	2.00%
Dues Increases:	3.00%

Year	Beginning Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribution	Loans or Special Assessment	Interest Income	Project Reserve Expenses
2024	$190,737.59	$229,589.35	83.08%	Strong	$26,071.43	$0.00	$0.00	$0.00
2025	$216,809.02	$262,288.60	82.66%	Strong	$26,853.57	$0.00	$0.00	$56,033.86
2026	$187,628.73	$229,135.89	81.89%	Strong	$27,659.18	$0.00	$0.00	$0.00
2027	$215,287.90	$263,011.87	81.85%	Strong	$28,488.95	$0.00	$0.00	$0.00
2028	$243,776.86	$296,887.86	82.11%	Strong	$29,343.62	$0.00	$0.00	$0.00
2029	$273,120.48	$330,763.84	82.57%	Strong	$30,223.93	$0.00	$0.00	$0.00
2030	$303,344.41	$364,639.82	83.19%	Strong	$31,130.65	$0.00	$0.00	$0.00
2031	$334,475.06	$398,515.81	83.93%	Strong	$32,064.57	$0.00	$0.00	$35,034.91
2032	$331,504.72	$390,349.90	84.93%	Strong	$33,026.51	$0.00	$0.00	$0.00
2033	$364,531.22	$424,955.17	85.78%	Strong	$34,017.30	$0.00	$0.00	$27,914.97
2034	$370,633.55	$427,657.63	86.67%	Strong	$35,037.82	$0.00	$0.00	$0.00
2035	$405,671.37	$462,855.84	87.65%	Strong	$36,088.95	$0.00	$0.00	$85,694.77
2036	$356,065.55	$409,502.79	86.95%	Strong	$37,171.62	$0.00	$0.00	$0.00
2037	$393,237.17	$447,018.65	87.97%	Strong	$38,286.77	$0.00	$0.00	$75,982.60
2038	$355,541.34	$399,323.58	89.04%	Strong	$39,435.37	$0.00	$0.00	$370,652.14
2039	$24,324.58	$49,415.71	49.22%	Fair	$40,618.44	$0.00	$0.00	$0.00
2040	$64,943.01	$97,698.46	66.47%	Fair	$41,836.99	$0.00	$0.00	$0.00
2041	$106,780.00	$145,981.20	73.15%	Strong	$43,092.10	$0.00	$0.00	$32,065.53
2042	$117,806.57	$157,617.63	74.74%	Strong	$44,384.86	$0.00	$0.00	$0.00
2043	$162,191.43	$206,581.48	78.51%	Strong	$45,716.41	$0.00	$0.00	$42,707.36
2044	$165,200.48	$204,296.49	80.86%	Strong	$47,087.90	$0.00	$0.00	$0.00
2045	$212,288.38	$254,149.33	83.53%	Strong	$48,500.54	$0.00	$0.00	$0.00
2046	$260,788.92	$304,002.18	85.79%	Strong	$49,955.55	$0.00	$0.00	$0.00
2047	$310,744.47	$353,855.03	87.82%	Strong	$51,454.22	$0.00	$0.00	$0.00
2048	$362,198.69	$403,707.88	89.72%	Strong	$52,997.85	$0.00	$0.00	$0.00
2049	$415,196.54	$453,560.73	91.54%	Strong	$54,587.78	$0.00	$0.00	$83,985.59
2050	$385,798.72	$404,735.62	95.32%	Strong	$56,225.42	$0.00	$0.00	$0.00
2051	$442,024.14	$456,352.37	96.86%	Strong	$57,912.18	$0.00	$0.00	$0.00
2052	$499,936.32	$507,969.11	98.42%	Strong	$59,649.54	$0.00	$0.00	$0.00
2053	$559,585.86	$559,585.86	100.00%	Strong	$61,439.03	$0.00	$0.00	$0.00

On Top of the World Building #18A
Percent Funded Report - Current Funding Strategy

Interest Rate:	0.00%
Inflation Rate:	2.00%
Dues Increases:	3.00%

Year	Beginning Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribution	Loans or Special Assessment	Interest Income	Project Reserve Expenses
2024	$190,737.59	$229,589.35	83.08%	Strong	$26,071.43	$0.00	$0.00	$0.00
2025	$216,809.02	$262,288.60	82.66%	Strong	$26,853.57	$0.00	$0.00	$56,033.86
2026	$187,628.73	$229,135.89	81.89%	Strong	$27,659.18	$0.00	$0.00	$0.00
2027	$215,287.90	$263,011.87	81.85%	Strong	$28,488.95	$0.00	$0.00	$0.00
2028	$243,776.86	$296,887.86	82.11%	Strong	$29,343.62	$0.00	$0.00	$0.00
2029	$273,120.48	$330,763.84	82.57%	Strong	$30,223.93	$0.00	$0.00	$0.00
2030	$303,344.41	$364,639.82	83.19%	Strong	$31,130.65	$0.00	$0.00	$0.00
2031	$334,475.06	$398,515.81	83.93%	Strong	$32,064.57	$0.00	$0.00	$35,034.91
2032	$331,504.72	$390,349.90	84.93%	Strong	$33,026.51	$0.00	$0.00	$0.00
2033	$364,531.22	$424,955.17	85.78%	Strong	$34,017.30	$0.00	$0.00	$27,914.97
2034	$370,633.55	$427,657.63	86.67%	Strong	$35,037.82	$0.00	$0.00	$0.00
2035	$405,671.37	$462,855.84	87.65%	Strong	$36,088.95	$0.00	$0.00	$85,694.77
2036	$356,065.55	$409,502.79	86.95%	Strong	$37,171.62	$0.00	$0.00	$0.00
2037	$393,237.17	$447,018.65	87.97%	Strong	$38,286.77	$0.00	$0.00	$75,982.60
2038	$355,541.34	$399,323.58	89.04%	Strong	$39,435.37	$0.00	$0.00	$370,652.14
2039	$24,324.58	$49,415.71	49.22%	Fair	$40,618.44	$0.00	$0.00	$0.00
2040	$64,943.01	$97,698.46	66.47%	Fair	$41,836.99	$0.00	$0.00	$0.00
2041	$106,780.00	$145,981.20	73.15%	Strong	$43,092.10	$0.00	$0.00	$32,065.53
2042	$117,806.57	$157,617.63	74.74%	Strong	$44,384.86	$0.00	$0.00	$0.00
2043	$162,191.43	$206,581.48	78.51%	Strong	$45,716.41	$0.00	$0.00	$42,707.36
2044	$165,200.48	$204,296.49	80.86%	Strong	$47,087.90	$0.00	$0.00	$0.00
2045	$212,288.38	$254,149.33	83.53%	Strong	$48,500.54	$0.00	$0.00	$0.00
2046	$260,788.92	$304,002.18	85.79%	Strong	$49,955.55	$0.00	$0.00	$0.00
2047	$310,744.47	$353,855.03	87.82%	Strong	$51,454.22	$0.00	$0.00	$0.00
2048	$362,198.69	$403,707.88	89.72%	Strong	$52,997.85	$0.00	$0.00	$0.00
2049	$415,196.54	$453,560.73	91.54%	Strong	$54,587.78	$0.00	$0.00	$83,985.59
2050	$385,798.72	$404,735.62	95.32%	Strong	$56,225.42	$0.00	$0.00	$0.00
2051	$442,024.14	$456,352.37	96.86%	Strong	$57,912.18	$0.00	$0.00	$0.00
2052	$499,936.32	$507,969.11	98.42%	Strong	$59,649.54	$0.00	$0.00	$0.00
2053	$559,585.86	$559,585.86	100.00%	Strong	$61,439.03	$0.00	$0.00	$0.00

On Top of the World Building #18A
Reserve Funding Summary

Year 2024

ID	Component	Replacement Cost	Useful Life	Remaining Life		Beginning Fund Balance	Remaining Balance
1	SIRS COMPONENTS						
2	Roofing	$370,652.14	20	2038	14	$111,195.64	$259,456.50
3	Waterproofing Building	$24,301.66	7	2025	1	$20,830.00	$3,471.67
4	Painting Building (Exterior)	$31,732.20	5	2025	1	$25,385.76	$6,346.44
5	Elevator Upgrades	$85,694.77	30	2035	11	$54,273.36	$31,421.42
6							
7	NON SIRS COMPONENTS						
8	Pavement Resurface	$37,301.23	25	2037	13	$17,904.59	$19,396.64
9	0	$0.00	0	2024	0	$0.00	$0.00
10	0	$0.00	0	2024	0	$0.00	$0.00
11	0	$0.00	0	2024	0	$0.00	$0.00
12	0	$0.00	0	2024	0	$0.00	$0.00
13	0	$0.00	0	2024	0	$0.00	$0.00
14	0	$0.00	0	2024	0	$0.00	$0.00
15	0	$0.00	0	2024	0	$0.00	$0.00
16	0	$0.00	0	2024	0	$0.00	$0.00
17	0	$0.00	0	2024	0	$0.00	$0.00
18	0	$0.00	0	2024	0	$0.00	$0.00
19	0	$0.00	0	2024	0	$0.00	$0.00
20	0	$0.00	0	2024	0	$0.00	$0.00
21	0	$0.00	0	2024	0	$0.00	$0.00
22	0	$0.00	0	2024	0	$0.00	$0.00
23	0	$0.00	0	2024	0	$0.00	$0.00
24	0	$0.00	0	2024	0	$0.00	$0.00
25	0	$0.00	0	2024	0	$0.00	$0.00
26	0	$0.00	0	2024	0	$0.00	$0.00
27	0	$0.00	0	2024	0	$0.00	$0.00
28	0	$0.00	0	2024	0	$0.00	$0.00
29	0	$0.00	0	2024	0	$0.00	$0.00
30	0	$0.00	0	2024	0	$0.00	$0.00
31	0	$0.00	0	2024	0	$0.00	$0.00
32	0	$0.00	0	2024	0	$0.00	$0.00
33	0	$0.00	0	2024	0	$0.00	$0.00
34	0	$0.00	0	2024	0	$0.00	$0.00
35	0	$0.00	0	2024	0	$0.00	$0.00
36	0	$0.00	0	2024	0	$0.00	$0.00
37	0	$0.00	0	2024	0	$0.00	$0.00
38	0	$0.00	0	2024	0	$0.00	$0.00
39	0	$0.00	0	2024	0	$0.00	$0.00
40	0	$0.00	0	2024	0	$0.00	$0.00
	TOTALS:	$549,682.01				$229,589.35	$320,092.66

Percent Funding 83.08%

Items Highlighted in Orange have no estimated remaining life.

On Top of the World Building #18A
Cash Flow Basis

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Starting Reserve Balance	190,738	216,809	187,629	215,288	243,777	273,120	303,344	334,475	331,505	364,531
Annual Reserve Contribution	26,071	26,854	27,659	28,489	29,344	30,224	31,131	32,065	33,027	34,017
Special Assessments/Loans	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVE FUNDS	216,809	243,663	215,288	243,777	273,120	303,344	334,475	366,540	364,531	398,549

ID	EXPENDITURES										
1	SIRS COMPONENTS		0	0	0	0	0	0	0	0	0	0
2	Roofing		0	0	0	0	0	0	0	0	0	0
3	Waterproofing Building		0	24,302	0	0	0	0	0	0	0	27,915
4	Painting Building (Exterior)		0	31,732	0	0	0	0	0	35,035	0	0
5	Elevator Upgrades		0	0	0	0	0	0	0	0	0	0
6		0	0	0	0	0	0	0	0	0	0	0
7	NON SIRS COMPONENTS		0	0	0	0	0	0	0	0	0	0
8	Pavement Resurface		0	0	0	0	0	0	0	0	0	0
9		0	0	0	0	0	0	0	0	0	0	0
10		0	0	0	0	0	0	0	0	0	0	0
11		0	0	0	0	0	0	0	0	0	0	0
12		0	0	0	0	0	0	0	0	0	0	0
13		0	0	0	0	0	0	0	0	0	0	0
14		0	0	0	0	0	0	0	0	0	0	0
15		0	0	0	0	0	0	0	0	0	0	0
16		0	0	0	0	0	0	0	0	0	0	0
17		0	0	0	0	0	0	0	0	0	0	0
18		0	0	0	0	0	0	0	0	0	0	0
19		0	0	0	0	0	0	0	0	0	0	0
20		0	0	0	0	0	0	0	0	0	0	0
21		0	0	0	0	0	0	0	0	0	0	0
22		0	0	0	0	0	0	0	0	0	0	0
23		0	0	0	0	0	0	0	0	0	0	0
24		0	0	0	0	0	0	0	0	0	0	0
25		0	0	0	0	0	0	0	0	0	0	0
26		0	0	0	0	0	0	0	0	0	0	0
27		0	0	0	0	0	0	0	0	0	0	0
28		0	0	0	0	0	0	0	0	0	0	0
29		0	0	0	0	0	0	0	0	0	0	0
30		0	0	0	0	0	0	0	0	0	0	0
31		0	0	0	0	0	0	0	0	0	0	0
32		0	0	0	0	0	0	0	0	0	0	0
33		0	0	0	0	0	0	0	0	0	0	0
34		0	0	0	0	0	0	0	0	0	0	0
35		0	0	0	0	0	0	0	0	0	0	0
36		0	0	0	0	0	0	0	0	0	0	0
37		0	0	0	0	0	0	0	0	0	0	0
38		0	0	0	0	0	0	0	0	0	0	0
39		0	0	0	0	0	0	0	0	0	0	0
40		0	0	0	0	0	0	0	0	0	0	0

Total Expenditures:	0	56,034	0	0	0	0	0	35,035	0	27,915
Ending Reserve Balance:	216,809	187,629	215,288	243,777	273,120	303,344	334,475	331,505	364,531	370,634

On Top of the World Building #18A
Cash Flow Basis, Page 2

	Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
	Starting Reserve Balance	370,634	405,671	356,066	393,237	355,541	24,325	64,943	106,780	117,807	162,191
	Annual Reserve Contribution	35,038	36,089	37,172	38,287	39,435	40,618	41,837	43,092	44,385	45,716
	Special Assessments/Loans	0	0	0	0	0	0	0	0	0	0
	Interest Income	0	0	0	0	0	0	0	0	0	0
	TOTAL RESERVE FUNDS	405,671	441,760	393,237	431,524	394,977	64,943	106,780	149,872	162,191	207,908
ID	**EXPENDITURES**										
1	SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
2	Roofing	0	0	0	0	370,652	0	0	0	0	0
3	Waterproofing Building	0	0	0	0	0	0	0	32,066	0	0
4	Painting Building (Exterior)	0	0	0	38,681	0	0	0	0	0	42,707
5	Elevator Upgrades	0	85,695	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0
7	NON SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
8	Pavement Resurface	0	0	0	37,301	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0
	Total Expenditures:	0	85,695	0	75,983	370,652	0	0	32,066	0	42,707
	Ending Reserve Balance:	405,671	356,066	393,237	355,541	24,325	64,943	106,780	117,807	162,191	165,200

On Top of the World Building #18A
Cash Flow Basis, Page 3

	Year	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
	Starting Reserve Balance	165,200	212,288	260,789	310,744	362,199	415,197	385,799	442,024	499,936	559,586
	Annual Reserve Contribution	47,088	48,501	49,956	51,454	52,998	54,588	56,225	57,912	59,650	61,439
	Special Assessments/Loans	0	0	0	0	0	0	0	0	0	0
	Interest Income	0	0	0	0	0	0	0	0	0	0
	TOTAL RESERVE FUNDS	212,288	260,789	310,744	362,199	415,197	469,784	442,024	499,936	559,586	621,025
ID	**EXPENDITURES**										
1	SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
2	Roofing	0	0	0	0	0	0	0	0	0	0
3	Waterproofing Building	0	0	0	0	0	36,833	0	0	0	0
4	Painting Building (Exterior)	0	0	0	0	0	47,152	0	0	0	0
5	Elevator Upgrades	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0
7	NON SIRS COMPONENTS	0	0	0	0	0	0	0	0	0	0
8	Pavement Resurface	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0	0	0	0
	Total Expenditures:	0	0	0	0	0	83,986	0	0	0	0
	Ending Reserve Balance:	212,288	260,789	310,744	362,199	415,197	385,799	442,024	499,936	559,586	621,025

On Top of the World Building #18A
Average Monthly Dues Report by Year

Year	Monthly Dues	Year	Monthly Dues	Year	Monthly Dues
2024	$30.18	2034	$40.55	2044	$54.50
2025	$31.08	2035	$41.77	2045	$56.13
2026	$32.01	2036	$43.02	2046	$57.82
2027	$32.97	2037	$44.31	2047	$59.55
2028	$33.96	2038	$45.64	2048	$61.34
2029	$34.98	2039	$47.01	2049	$63.18
2030	$36.03	2040	$48.42	2050	$65.08
2031	$37.11	2041	$49.88	2051	$67.03
2032	$38.23	2042	$51.37	2052	$69.04
2033	$39.37	2043	$52.91	2053	$71.11

On Top of the World Building #18A
Annual Expenditure Detail

Fiscal Year	ID	Component	Expenditure
2024			
Fiscal Year	**ID**	**Component**	**Expenditure**
2025			
	3	Waterproofing Building	$ 24,301.66
	4	Painting Building (Exterior)	$ 31,732.20
Subtotal			**$ 56,033.86**
Fiscal Year	**ID**	**Component**	**Expenditure**
2026			
Fiscal Year	**ID**	**Component**	**Expenditure**
2027			
Fiscal Year	**ID**	**Component**	**Expenditure**
2028			
Fiscal Year	**ID**	**Component**	**Expenditure**
2029			
Fiscal Year	**ID**	**Component**	**Expenditure**
2030			
Fiscal Year	**ID**	**Component**	**Expenditure**
2031			
	4	Painting Building (Exterior)	$ 35,034.91
Subtotal			**$ 35,034.91**
Fiscal Year	**ID**	**Component**	**Expenditure**
2032			
Fiscal Year	**ID**	**Component**	**Expenditure**
2033			
	3	Waterproofing Building	$ 27,914.97
Subtotal			**$ 27,914.97**
Fiscal Year	**ID**	**Component**	**Expenditure**
2034			
Fiscal Year	**ID**	**Component**	**Expenditure**
2035			
	5	Elevator Upgrades	$ 85,694.77
Subtotal			**$ 85,694.77**
Fiscal Year	**ID**	**Component**	**Expenditure**
2036			
Fiscal Year	**ID**	**Component**	**Expenditure**
2037			
	4	Painting Building (Exterior)	$ 38,681.37
	8	Pavement Resurface	$ 37,301.23
Subtotal			**$ 75,982.60**
Fiscal Year	**ID**	**Component**	**Expenditure**

Fiscal Year	ID	Component	Expenditure
2038			
	2	Roofing	$ 370,652.14
Subtotal			**$ 370,652.14**

Fiscal Year	ID	Component	Expenditure
2039			

Fiscal Year	ID	Component	Expenditure
2040			

Fiscal Year	ID	Component	Expenditure
2041			
	3	Waterproofing Building	$ 32,065.53
Subtotal			**$ 32,065.53**

Fiscal Year	ID	Component	Expenditure
2042			

Fiscal Year	ID	Component	Expenditure
2043			
	4	Painting Building (Exterior)	$ 42,707.36
Subtotal			**$ 42,707.36**

Fiscal Year	ID	Component	Expenditure
2044			

Fiscal Year	ID	Component	Expenditure
2045			

Fiscal Year	ID	Component	Expenditure
2046			

Fiscal Year	ID	Component	Expenditure
2047			

Fiscal Year	ID	Component	Expenditure
2048			

Fiscal Year	ID	Component	Expenditure
2049			
	3	Waterproofing Building	$ 36,833.21
	4	Painting Building (Exterior)	$ 47,152.38
Subtotal			**$ 83,985.59**

Fiscal Year	ID	Component	Expenditure
2050			

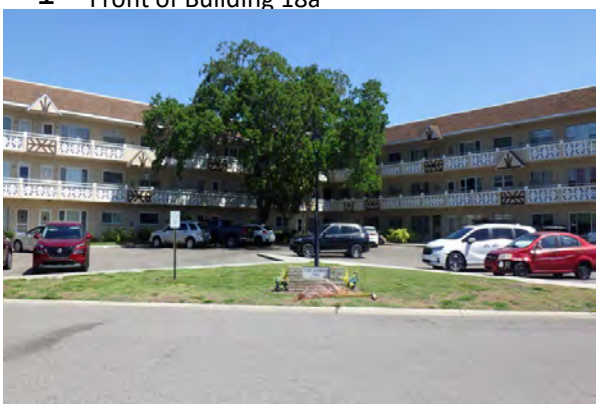
Fiscal Year	ID	Component	Expenditure
2051			

Fiscal Year	ID	Component	Expenditure
2052			

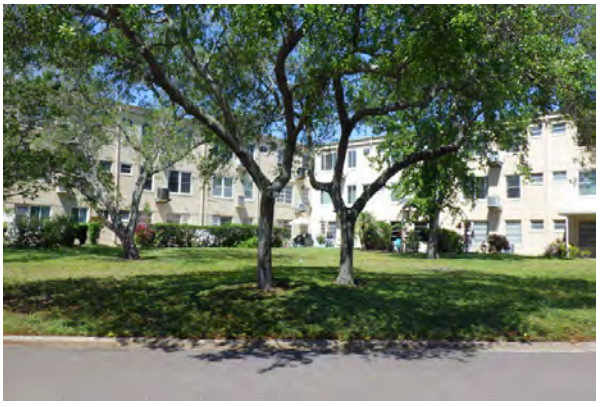
Fiscal Year	ID	Component	Expenditure
2053			

1 Front of Building 18a

2 Right Side of Building 18a

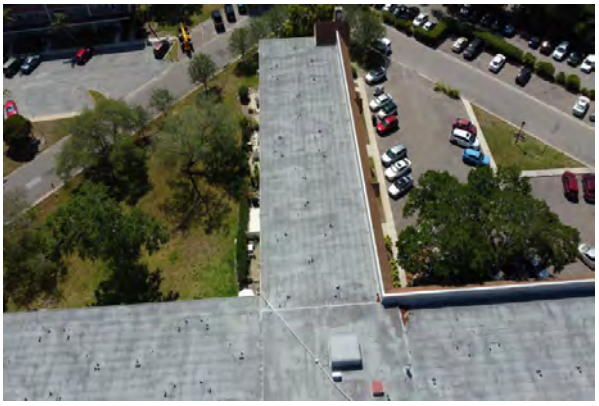


3 Rear of Building 18a



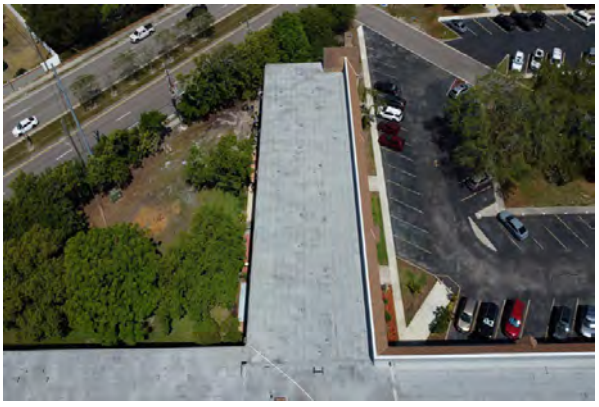
4 Left Side of Building 18a

5 Roof



6 Roof

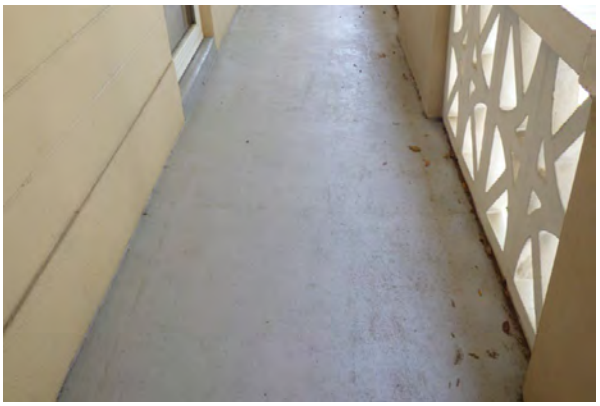
7 Roof



8 Roof

9 Walkway

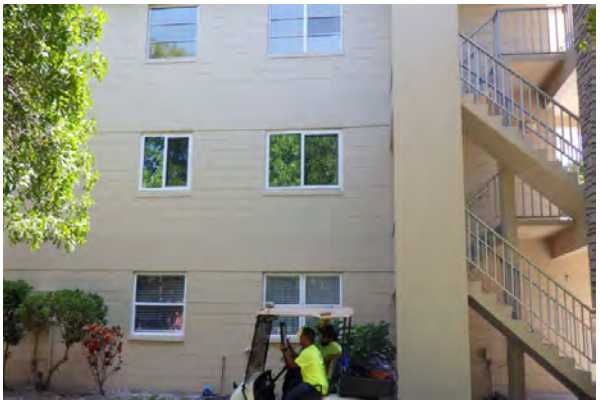
10 Walkway



11 Walkway

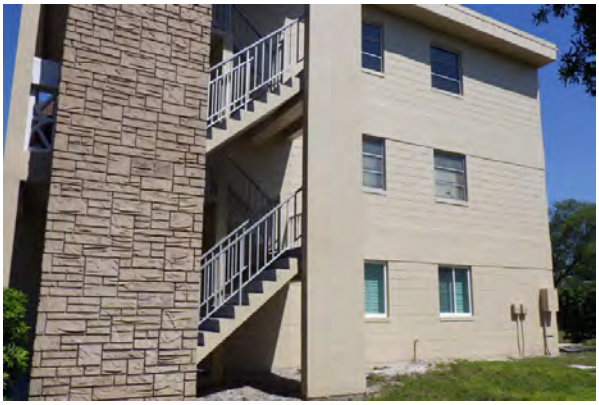
12 Walkway

13 Building Paint

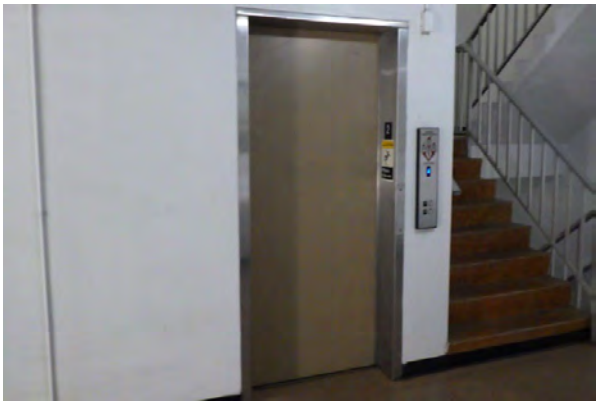


14 Building Paint

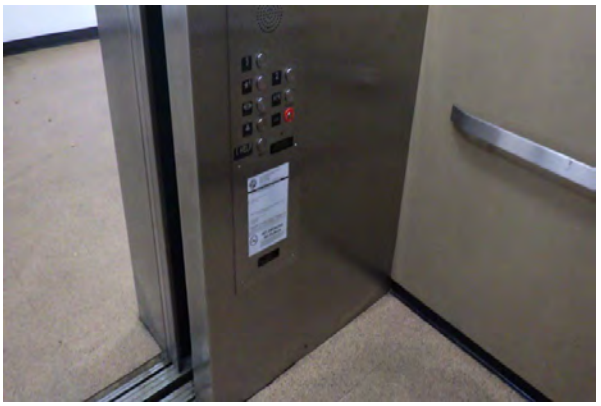
15 Building Paint



16 Building Paint



17 Elevator



18 Elevator

19 Asphalt

20 Asphalt

ANNUAL RESERVES CONTRIBUTION (ARC): The annual Reserve Contribution is calculated by multiplying the Monthly Dues (MD) times 12 times the number of units (U) and then subtracting out the Monthly Expenses (ME) times 12.

ARC = MD * 12 * U – (ME * 12)

ANNUAL RESERVES EXPENSES: The sum of all reserve components that are expected to be repaired or replaced for a given year.

BEGINNING RESERVE BALANCE: The amount of Reserve Funds that have been rolled over from the previous year.

CASH FLOW METHOD: A method of developing a Reserve Funding Plan 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: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are:

1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, and a review of established association precedents, and discussion with appropriate association representative of the association or cooperative.

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT REPLACEMENT COST: The amount of money, as of the Fiscal Year beginning date, for which the reserve analysis is prepared, that a Reserve Component is expected to cost to repair or replace.

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FISCAL YEAR: Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year end date is the last date of the budget year.

FULLY FUNDED: 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

FFB = Current Cost X Effective Age / Useful Life or

FFB = (Current Cost X Effective Age / Useful Life) + [(Current Cost X Effective Age / Useful Life) / (1 + Interest Rate) ^ Remaining Life] - [(Current Cost X Effective Age / Useful Life) / (1 + Inflation Rate) ^ Remaining Life]

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Full Funding: Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding: Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statues.

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

FUTURE REPLACEMENT COST: The amount of money, as of the Fiscal Year during which replacement of a Reserve Component is scheduled, that a Reserve Component is expected to cost to repair or replace. This cost is calculated using the Current Replacement Cost compounded annually by the Inflation Rate.

FUNDING PLAN: An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

INFLATION: Cost factors are adjusted for inflation at the rate defined in the Reserve Summary tab of the application. This rate is used on an annual compounding basis. These increasing costs can be seen as you follow the recurring cycles of a component on the "reserve Funding Analysis – Cash Flow Basis" report.

INTEREST: The type of interest calculation varies by vendor. Lucid Reserve Study calculates interest based on compounded interest. The expected Annual Reserve Expenses are subtracted from the

Beginning Reserve Balance for each year. Yearly compound interest is calculated for this number. It is assumed that the monthly Reserve Contributions will be added to an interest bearing account and compound interest for an increasing balance of Reserve Contributions is added to the accrued interest income.

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

MINIMUM CASH FLOW METHOD: This calculation method develops a funding plan based on current reserve funds and projected expenditures for the 30-year reporting period. This calculation method will typically produce a lower monthly reserve contribution than other methods. This method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not concerned with the ideal level of reserves through time, but prevents reserve fund from reaching zero, or a specified minimum reserve balance.

MONTHLY DUES: The monthly dues paid by each member.

MONTHLY DUES RATE INCREASE: The rate of increase per year that the monthly dues will increase. Normally, the rate matches the specified rate of inflation, so the rate of inflation rate should be used. Sometimes this rate is adjusted higher so that special assessments may be avoided in future 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. 4

PERCENT FUNDED: The ratio of the projected Reserve Balance (RB) to the Fully Funded Balance (FFB), expressed as a percentage. An association that is 100% funded does not have all of the Reserve Funds necessary to replace all of its Reserve Components immediately; it has the proportionately appropriate Reserve Funds for the Reserve Components it maintains, based on each component's Current Replacement Cost, age and Useful Life.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE (RUL): Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function before having to be repaired or replaced based on when it was last repaired or replaced. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

REPLACEMENT YEAR: The Fiscal Year that a Reserve Component is scheduled to be repaired or replaced. Reserve Component Line Items include in the reserve analysis. Each component will be assigned a unique ID and Account Numbers may optionally be assigned to each component.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis.

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve study of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; expect for performance of field work or presence in a field office maintained exclusively for a specific project;

2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;

3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;

4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit."

TAX RATE ON ACCRUED INTEREST: If specified, Interest accruals added to the reserve balance may be reduced by the expected tax rate expected to be paid for interest income. Typically, an amount of 30% is specified here. Do not use this option if you detail taxes in the Monthly Expenses section of the application.

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

USEFUL LIFE: The estimated time, in years that a component can be expected to serve its intended function before having to be repaired or replaced.

YEAR NEW: The year that the Reserve Component was originally put into service or last replaced.

Limitations

The scope of work for this Reserve Study was limited to performing tasks as defined in the Professional Service Agreement between Beryl and On Top of the World COA. The use of this report by any unauthorized third parties shall be at their own risk.

The opinions expressed herein are based on the information collected during our study, our present understanding of the site conditions, and our professional judgment in light of such information at the time of this report. The report is a professional opinion, and no warranty is expressed, implied, or made as to the conclusions, advice, and recommendations offered in this report. In expressing the opinions stated in this report, Beryl has exercised a reasonable degree of care and skill ordinarily exercised by a reasonably prudent professional in the same community and in the same time frame given the same facts and circumstances. Documentation and data provided by On Top of the World COA, designated representatives of On Top of the World COA, or other interested third parties, or from public domain, and referred to in preparation of this report, have been used and referenced with the understanding that Beryl assumes no responsibility or liability for their accuracy.

Independent conclusions represent our professional judgment based on the information and data available to us during the course of this assignment. Beryl's evaluations, analyses, and opinions do not represent design integrity, structural soundness, or actual value of the property. Factual information regarding operations, conditions, and test data provided by On Top of the World COA or their representative has been assumed to be correct and complete. The conclusions presented are based on the data provided, observations, and conditions that existed on the date of the site investigation. Our work was performed and prepared in accordance with procedures, practices, and standards generally accepted and customary in Beryl's profession for use in similar assignments.

This report is prepared for the exclusive use of On Top of the World COA, and opinions and recommendations contained in this report apply to the conditions existing when services were performed and are intended only for the client, purposes, locations, timeframes, and project parameters indicated. This report is not for the use and benefit of, nor may be relied upon by, any other person or entity without the advance written consent of Beryl.

The information reported was obtained through sources deemed reliable via a visual site survey of the areas readily observable, easily accessible or made accessible, by the property contact and interviews with owners, agents, occupants, or other appropriate persons involved with the subject property. Applicable municipal information was obtained through file reviews of reasonably ascertainable standard government record sources, and interviews with authorities having jurisdiction over the property. Finding, conclusions, and recommendations included in the report are based on our visual observations in the field, the municipal information reasonably obtained, information provided by the Client, and/or a review of readily available and supplied drawings and documents. No disassembly of system or building components or physical or invasive testing was performed. Beryl renders no opinion as to the property condition at un-surveyed and/or inaccessible portions of the subject property. Beryl relies completely on the information, whether written, graphic, or verbal, provided by the property contact or as shown on the information on any documents reviewed or received from the property contact, owner or agent, or municipal source, and assumes that information to be true and correct. The observations in this report are valid on the date of the survey. Beryl used the date established by the local Property Appraisers information as the effective year built of the subject property age. It is

important to note that all but an exhaustive investigation might fail to locate or identify deficiencies that may not be reasonably visible.

The contents of this report are not intended to represent an in-depth evaluation or analysis of the systems and components of the subject property. The extent of the physical survey for the production of this report has been limited by contract and agreed upon Scope of Work. Assumptions regarding the overall conditions of the property have been developed based upon a survey of representative areas of the subject property. As such, no representative of ALL aspects of ALL areas or components was made. Routine maintenance items are not reported or included in this report. Where quantities could not be derived from actual takeoffs, lump sum figures or allowances were used. Estimated costs are based on professional judgment and probable or actual extent of the observed defect inclusive of the cost to design, procure, construct, and manage the corrections. Where property-unique or specialty equipment is present, Beryl relies solely on data regarding maintenance and/or replacement costs provided by the designated site contact or on-site individuals with first-hand knowledge of the specific equipment.

This Reserve Study is a reflection of information provided to Beryl and assembled for the On Top of the World COA's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.

The survey was conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the profession, and in accordance with generally accepted practices of other consultants currently practicing in the same locality under similar conditions. No other representative, express or implied, and no warranty or guarantee is included or intended. The report speaks only as of its date, in the absence of a specific written update of the report, signed, and delivered by Beryl.

Any additional information that becomes available after our survey concerning the subject property should be provided to Beryl so that our conclusions may be revised and modified if necessary, at additional cost. This report has been prepared in accordance with our Professional Services Agreement, which is an integral part of this report.

Any site plans or drawings provided show approximate dimensions and are included in this report to assist On Top of the World COA in visualizing the site and the surroundings, not to give a necessarily accurate dimensional representation of the site. Conclusions drawn from the results noted herein are limited by the methods used as agreed upon with On Top of the World COA and do not represent a warranty, guarantee, insurance policy, or substitute for exhaustive testing and analysis of any component.