

FULL RESERVE STUDY

Bermuda Greens Condominium Association, Inc.



**Naples, Florida
September 8, 2020**



Long-term thinking. Everyday commitment.

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Bermuda Greens Condominium Association, Inc.
Naples, Florida

Dear Board of Directors of Bermuda Greens Condominium Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Bermuda Greens Condominium Association, Inc. in Naples, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 8, 2020.

This *Full Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

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 Reserve Study in two- to three-years. We look forward to continuing to help Bermuda Greens 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 October 9, 2020 by

Reserve Advisors, LLC

Visual Inspection and Report by: Alexander G.J. Gould
Review by: Alan M. Ebert, RS, PRA², Director of Quality Assurance



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>.

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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Bermuda Greens Condominium Association, Inc. (Bermuda Greens)

Location: Naples, Florida

Reference: 201061

Property Basics: Bermuda Greens Condominium Association, Inc. is a condominium style development consisting of 230 units in 22 buildings. The buildings were built from 1992 to 1994. The buildings comprise stucco coated walls and concrete tile roofs. The community contains concrete streets and a pool.

Reserve Components Identified: 38 Reserve Components.

Inspection Date: September 8, 2020.

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. Our recommended Funding Plan recognizes this threshold funding year in 2036 due to replacement of the concrete tile roofs. In addition, the Reserve Funding Plan recommends 2050 year-end accumulated reserves of approximately \$3,194,600. We judge this amount of accumulated reserves in 2050 necessary to fund the likely replacement of the concrete tile roofs after 2050. Future replacement costs beyond the next 30 years for the replacement of the concrete tile roofs are likely to more than double the current cost of replacement. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2050 year-end reserves.

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
- 0.0% anticipated annual rate of return on invested reserves
- 0.0% future Inflation Rate for estimating Future Replacement Costs

We exclude interest and inflation from our analysis due to recent interpretations of the Florida Administrative code by the Division of Condominiums, Timeshares and Mobile Homes. The Division has opined that any increase in reserve contributions over the length of a cash flow analysis would be considered "balloon payments" and prohibited by the Fla. Admin. Code, Rule 61B-22.0005(3)(b). Nothing in the Code purports to define "balloon payments" in a manner inconsistent with the general understanding of the word, which contemplates a series of smaller payments followed by a significantly larger lump-sum payment. However, the Division maintains their opinion and has cited Associations for non-compliance due to this issue. In order to ensure compliance, the funding plan, contributions and expenditure projections shown in this study exclude any increases due to inflation or adjustments for interest.

Please contact us if you would like us to prepare an alternate funding plan inclusive of these variables for your consideration. However, please note that a cash flow funding plan with any future increases in contributions would not comply with Fla. Admin. Code based on the Division's recent interpretations.

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Cash Status of Reserve Fund:

- Projected balances of \$685,716 as of December 31, 2020
- 2020 budgeted Reserve Contributions of \$214,000
- A potential deficit in reserves might occur by 2022 based upon continuation of the most recent annual reserve contribution of \$214,000 and the identified Reserve Expenditures.

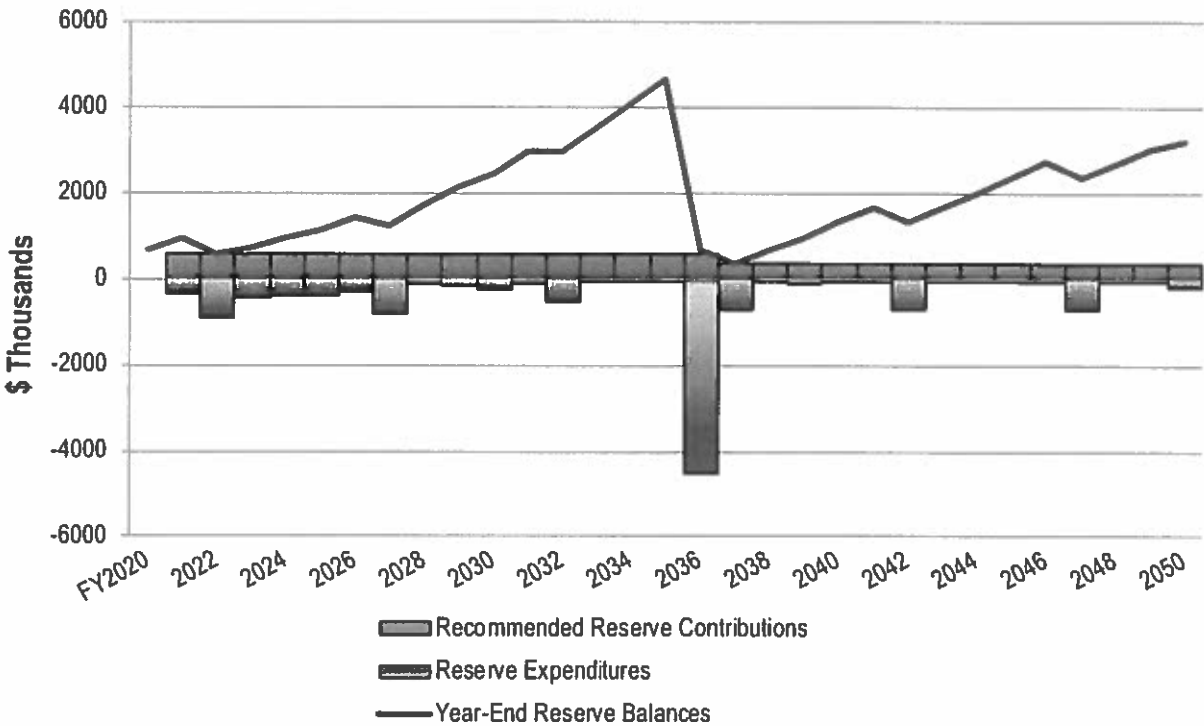
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Funding Plan:

- Increase to \$579,000 in 2021
- Stable contributions of \$579,000 from 2021 through 2036
- Reduced reserve budget of \$379,400 in 2037
- Stable contributions of \$379,400 from 2037 through 2050, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$365,000 represents an average quarterly increase of \$396.74 per unit owner and about a twenty-five percent (24.7%) adjustment in the 2020 total Operating Budget of \$1,478,222.
- 2021 Reserve Contribution of \$579,000 is equivalent to an average quarterly contribution of \$629.35 per unit owner.

Bermuda Greens

Recommended Reserve Funding Table and Graph

Reserve		Reserve	Reserve		Reserve	Reserve		Reserve
Year	Contributions (\$)	Balances (\$)	Year	Contributions (\$)	Balances (\$)	Year	Contributions (\$)	Balances (\$)
2021	579,000	949,116	2031	579,000	2,956,416	2041	379,400	1,689,391
2022	579,000	620,616	2032	579,000	3,000,216	2042	379,400	1,341,091
2023	579,000	760,016	2033	579,000	3,548,216	2043	379,400	1,671,701
2024	579,000	958,416	2034	579,000	4,082,216	2044	379,400	2,014,101
2025	579,000	1,165,416	2035	579,000	4,644,136	2045	379,400	2,381,501
2026	579,000	1,446,881	2036	579,000	681,651	2046	379,400	2,731,966
2027	579,000	1,242,381	2037	379,400	347,051	2047	379,400	2,383,366
2028	579,000	1,704,941	2038	379,400	694,451	2048	379,400	2,721,766
2029	579,000	2,131,141	2039	379,400	989,726	2049	379,400	3,026,166
2030	579,000	2,461,141	2040	379,400	1,338,926	2050	379,400	3,194,604



2. RESERVE STUDY REPORT

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

Bermuda Greens Condominium Association, Inc.

Naples, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 8, 2020.

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
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **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 Unit 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 Management and the Board. These classes of property include:

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

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:

- Bermuda Greens responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the 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. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time.

- Electrical Systems, Common
- Foundations
- Inlet/Outlet Structures, Concrete, Storm Water Management System
- Pipes, Interior Building, Domestic Water, Sanitary Waste
- Pipes, Subsurface Utilities
- Pool and Spa, Structure, Replacement
- Structural Frames

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. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$10,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Aerators, Ponds, Replacements (Replaced in 2019)
- Asphalt Pavement, Patch Repairs
- Asphalt Pavement, Mill and Overlayment
- Bike Racks
- Catch Basins, Landscape
- Emergency Devices, Pull Stations
- Fence, Dumpster Corral, Replacement
- Flagpole
- Irrigation System, Controls and Maintenance
- Landscape
- Paint Finishes, Touch Up
- Screen Enclosures, Aluminum Frames, Interim Screen Replacements
- Signage, Interim Maintenance and Partial Replacements
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of the unit owners to repair or replace at their cost. Property Maintained by Unit Owners, including items billed back to Unit Owners, relates to unit:

- Balconies and Lanais (This includes Inspections, Capital Repairs, and Waterproof Coating Applications)
- Garage Doors, Replacements
- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Pipes (Within Units)
- Screen Enclosures and Railings, Balconies and Lanais
- Windows and Doors (Excluding Entrance Doors and Sidelight Windows)

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Entrance Gates and Guard House (Greater Imperial Board)
- Lift Stations (Collier County)
- Pond Shorelines (Imperial Golf Course)

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
- 2020 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 costs for each reserve component

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

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***.

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS		0															
Bermuda Greens		To increase Reserve Contributions in any given year by inflation, copy the cell above and paste in the desired year in rows 8															
Condominium Association, Inc.		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
Naples, Florida		FY2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Reserves at Beginning of Year	(Note 1)	685,716	685,716	949,116	620,616	760,016	958,416	1,165,416	1,446,881	1,242,381	1,704,941	2,131,141	2,461,141	2,956,416	3,000,216	3,548,216	4,082,216
Recommended Reserve Contributions		0	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000
Additional Reserve Contributions																	
Total Recommended Reserve Contributions	(Note 2)	0	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000	579,000
Estimated Interest Earned, During Year	(Note 3)	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Anticipated Expenditures, By Year		0	(315,600)	(907,500)	(439,600)	(380,600)	(372,000)	(297,535)	(783,500)	(116,440)	(152,800)	(249,000)	(83,725)	(535,200)	(31,000)	(45,000)	(17,080)
Anticipated Reserves at Year End		<u>\$685,716</u>	<u>\$949,116</u>	<u>\$620,616</u>	<u>\$760,016</u>	<u>\$958,416</u>	<u>\$1,165,416</u>	<u>\$1,446,881</u>	<u>\$1,242,381</u>	<u>\$1,704,941</u>	<u>\$2,131,141</u>	<u>\$2,461,141</u>	<u>\$2,956,416</u>	<u>\$3,000,216</u>	<u>\$3,548,216</u>	<u>\$4,082,216</u>	<u>\$4,644,136</u>

(continued)	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Reserves at Beginning of Year	4,644,136	681,651	347,051	694,451	989,726	1,338,926	1,689,391	1,341,091	1,671,701	2,014,101	2,381,501	2,731,966	2,383,366	2,721,766	3,026,166
Recommended Reserve Contributions	579,000	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400
Additional Reserve Contributions															
Total Recommended Reserve Contributions	579,000	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400	379,400
Estimated Interest Earned, During Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Anticipated Expenditures, By Year	(4,541,485)	(714,000)	(32,000)	(84,125)	(30,200)	(28,935)	(727,700)	(48,790)	(37,000)	(12,000)	(28,935)	(728,000)	(41,000)	(75,000)	(210,963)
Anticipated Reserves at Year End	<u>\$681,651</u>	<u>\$347,051</u>	<u>\$694,451</u>	<u>\$989,726</u>	<u>\$1,338,926</u>	<u>\$1,689,391</u>	<u>\$1,341,091</u>	<u>\$1,671,701</u>	<u>\$2,014,101</u>	<u>\$2,381,501</u>	<u>\$2,731,966</u>	<u>\$2,383,366</u>	<u>\$2,721,766</u>	<u>\$3,026,166</u>	<u>\$3,194,603</u>
	(NOTE 5)														(NOTE 4)

Explanatory Notes:

- 1) Year 2020 ending reserves are projected by Management and the Board as of December 31, 2020; FY2020 starts January 1, 2020 and ends December 31, 2020.
- 2) 2021 is the first year of recommended contributions.
- 3) 0.0% is the estimated annual rate of return on invested reserves; see Executive Summary for details
- 4) Accumulated year 2050 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

RESERVE EXPENDITURES

Bermuda Greens
Condominium Association, Inc.
Naples, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years	
						Useful	Remaining
Exterior Building Elements							
1.050	230	230	Each	Doors and Side Windows, Entrances	2030	to 30	10
1.060	21,100	21,100	Square Feet	Entrance Stairs, Concrete, Repairs and Waterproof Coating Applications	2027	8 to 12	7
1.070	3,500	3,500	Linear Feet	Entrance Stairs, Aluminum Railings, Repalcements	2042	to 50	22
1.240	24,100	24,100	Linear Feet	Gutters and Downspouts, Aluminum	2036	to 25	16
1.260	376	376	Each	Light Fixtures	2025	to 25	5
1.360	2,920	2,920	Squares	Roofs, Concrete Tiles (Incl. Clubhouse)	2036	to 30	16
1.361	1	1	Allowance	Roofs, Concrete Tiles, Inspections and Capital Repairs	2021	N/A	1 to 5
1.700	1	1	Allowance	Stuctural Inspections, Residential Buildings	2021	to 5	1
1.880	278,000	278,000	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Clubhouse Exterior and Monument Signage)	2022	5 to 7	2
1.881	1	1	Allowance	Walls, Stucco Coating, Inspections, Residential Buidings	2021	N/A	1
Property Site Elements							
4.045	1,000	1,000	Square Yards	Asphalt Pavement, Total Replacement	2028	15 to 20	8
4.100	12	12	Each	Catch Basins, Inspections and Capital Repairs	2035	15 to 20	15
4.105	136	136	Squares	Carports, Roof Assemblies, Metal	2029	to 30	9
4.106	1	1	Allowance	Carports, Paint Finish Applications and Partial Repairs	2029	to 10	9
4.110	4,000	230	Linear Feet	Concrete Curbs and Gutters, Partial	2021	to 65	1 to 30+
4.140	18,100	1,085	Square Feet	Concrete Sidewalks, Partial	2026	to 65	6 to 30+
4.200	200,900	20,090	Square Feet	Concrete Streets, Remaining, Phased (Incl. Driveways)	2021	to 65	1 to 30+
4.201	200,900	10,045	Square Feet	Concrete Streets, Partial (Incl. Driveways)	2050	to 65	30 to 30+
4.420	1	1	Allowance	Irrigation System, Partial Replacements	2021	every 1	1
4.560	70	70	Each	Light Poles and Fixtures	2027	to 25	Expenditures - Page 3.3 3.4

Explanatory Notes:

- 1) **0.0%** is the estimated Inflation Rate; see Executive Summary for details.
2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031
Unit (2020)	Per Phase (2020)	Total (2020)													
1,000.00	230,000	230,000	1.9%											230,000	
8.00	168,800	168,800	4.2%								168,800				
55.00	192,500	192,500	1.6%												
5.50	132,550	132,550	1.1%												
150.00	56,400	56,400	0.9%						56,400						
1,500.00	4,380,000	4,380,000	36.3%												
10,000.00	10,000	10,000	0.4%		10,000	10,000	10,000	10,000	10,000						
10,000.00	10,000	10,000	0.5%		10,000					10,000					10,000
1.90	528,200	528,200	26.3%			528,200					528,200				
30,000.00	30,000	30,000	2.0%		30,000		30,000		30,000				30,000		
23.00	23,000	23,000	0.2%									23,000			
840.00	10,080	10,080	0.1%												
550.00	74,800	74,800	0.6%										74,800		
20,000.00	20,000	20,000	0.5%										20,000		
32.50	7,475	130,000	0.4%		7,475	7,475	7,475	7,475	7,475	7,475					
11.00	11,935	199,100	0.5%							11,935					11,935
12.50	251,125	2,511,250	12.5%		251,125	251,125	251,125	251,125	251,125	251,125					
12.50	125,563	2,511,250	1.0%												
7,000.00	7,000	7,000	1.7%		7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
850.00	59,500	59,500	0.5%								59,500				

Years 2020 to 2035

12 2032	13 2033	14 2034	15 2035	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044
					168,800					192,500		
				132,550								
				4,380,000								
				10,000					10,000			
528,200					528,200					528,200		
		30,000					30,000					30,000
			10,080									
							20,000					
				11,935					11,935			
7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000

RESERVE EXPENDITURES

Bermuda Greens
Condominium Association, Inc.
Naples, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years	
						Useful	Remaining
4.600	8	8 Each		Mailbox Stations	2040	to 25	20
4.710	5,180	775 Linear Feet		Ponds, Erosion Control, Partial	2039	to 15	19 to 30+
4.750	3	1 Allowance		Ponds, Regrading (Required to Achieve 4:1 Shoreline Slope), Phased	2022	N/A	2 to 4
4.810	1	1 Allowance		Signage, Replacement	2030	15 to 20	10
Clubhouse Elements							
5.100	240	240 Square Yards		Floor Coverings, Tile, Hallway, Main Room, and Patio	2031	to 30	11
5.200	1	1 Each		HVAC Equipment	2034	12 to 18	14
5.515	1	1 Allowance		Kitchen, Renovations	2029	to 25	9
5.520	1	1 Allowance		Office, Renovations	2023	to 20	3
5.530	1	1 Allowance		Rest Rooms, Renovation	2023	to 25	3
5.550	600	600 Square Feet		Screen Enclosures, Aluminum	2028	to 25	8
5.600	1	1 Allowance		Wall Coverings, Hallway and Main Room	2028	to 10	8
5.800	400	400 Square Feet		Windows and Doors	2027	to 35	7
Pool Elements							
6.200	6,880	6,880 Square Feet		Deck, Pavers (Incl. Walks)	2028	to 25	8
6.400	360	360 Linear Feet		Fence, Chain Link	2028	to 25	8
6.500	2	1 Allowance		Furniture, Phased	2025	to 12	5 to 6
6.600	2	1 Allowance		Mechanical Equipment, Phased	2024	to 15	4 to 11
6.601	4	4 Each		Mechanical Equipment, Geothermal Heaters	2033	to 15	13
6.800	1,870	1,870 Square Feet		Pool and Spa Finishes, Plaster and Partial Tile Replacements	2031	8 to 12	11

Explanatory Notes:
1) 0.0% is the estimated Inflation Rate; see Executive Summary for details.
2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Unit (2020)	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031
	Per Phase (2020)	Total (2020)													
2,900.00	23,200	23,200	0.2%												
35.00	27,125	181,300	0.2%												
100,000.00	100,000	300,000	2.5%		100,000	100,000	100,000								
12,000.00	12,000	12,000	0.2%											12,000	
75.00	18,000	18,000	0.1%												18,000
8,000.00	8,000	8,000	0.1%												
21,000.00	21,000	21,000	0.2%										21,000		
10,000.00	10,000	10,000	0.2%				10,000								
24,000.00	24,000	24,000	0.4%				24,000								
17.00	10,200	10,200	0.1%									10,200			
10,000.00	10,000	10,000	0.2%									10,000			
50.00	20,000	20,000	0.2%								20,000				
9.00	61,920	61,920	0.5%									61,920			
12.00	4,320	4,320	0.0%									4,320			
10,000.00	10,000	20,000	0.5%						10,000	10,000					
5,000.00	5,000	10,000	0.2%					5,000							5,000
6,000.00	24,000	24,000	0.4%												
17.00	31,790	31,790	0.5%												31,790

Years 2020 to 2035

12 2032	13 2033	14 2034	15 2035	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044
								23,200				
							27,125					
		8,000										
											10,000	
						10,000						
					10,000	10,000						
						5,000						
24,000												
											31,790	

RESERVE EXPENDITURES

**Bermuda Greens
Condominium Association, Inc.**
Naples, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years	
						Useful	Remaining
		1 Allowance		Reserve Study Update with Site Visit	2022	2	2
				Anticipated Expenditures, By Year (\$12,066,713 over 30 years)			

Explanatory Notes:

- 1) 0.0% is the estimated Inflation Rate; see Executive Summary for details.
2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Unit (2020)	Costs, \$ Per Phase (2020)	Total (2020)	Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031
3,700.00	3,700	3,700	0.0%			3,700									
				0	315,600	907,500	439,600	380,600	372,000	297,535	783,500	116,440	152,800	249,000	83,725

Years 2020 to 2035

12 2032	13 2033	14 2034	15 2035	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044
535,200	31,000	45,000	17,080	4,541,485	714,000	32,000	84,125	30,200	28,935	727,700	48,790	37,000

RESERVE EXPENDITURES

Bermuda Greens
Condominium Association, Inc.
Naples, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years	
						Useful	Remaining
Exterior Building Elements							
1.050	230	230	Each	Doors and Side Windows, Entrances	2030	to 30	10
1.060	21,100	21,100	Square Feet	Entrance Stairs, Concrete, Repairs and Waterproof Coating Applications	2027	8 to 12	7
1.070	3,500	3,500	Linear Feet	Entrance Stairs, Aluminum Railings, Repalcements	2042	to 50	22
1.240	24,100	24,100	Linear Feet	Gutters and Downspouts, Aluminum	2036	to 25	16
1.260	376	376	Each	Light Fixtures	2025	to 25	5
1.360	2,920	2,920	Squares	Roofs, Concrete Tiles (Incl. Clubhouse)	2036	to 30	16
1.361	1	1	Allowance	Roofs, Concrete Tiles, Inspections and Capital Repairs	2021	N/A	1 to 5
1.700	1	1	Allowance	Stuctural Inspections, Residential Buildings	2021	to 5	1
1.880	278,000	278,000	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Clubhouse Exterior and Monument Signage)	2022	5 to 7	2
1.881	1	1	Allowance	Walls, Stucco Coating, Inspections, Residential Buidings	2021	N/A	1
Property Site Elements							
4.045	1,000	1,000	Square Yards	Asphalt Pavement, Total Replacement	2028	15 to 20	8
4.100	12	12	Each	Catch Basins, Inspections and Capital Repairs	2035	15 to 20	15
4.105	136	136	Squares	Carports, Roof Assemblies, Metal	2029	to 30	9
4.106	1	1	Allowance	Carports, Paint Finish Applications and Partial Repairs	2029	to 10	9
4.110	4,000	230	Linear Feet	Concrete Curbs and Gutters, Partial	2021	to 65	1 to 30+
4.140	18,100	1,085	Square Feet	Concrete Sidewalks, Partial	2026	to 65	6 to 30+
4.200	200,900	20,090	Square Feet	Concrete Streets, Remaining, Phased (Incl. Driveways)	2021	to 65	1 to 30+
4.201	200,900	10,045	Square Feet	Concrete Streets, Partial (Incl. Driveways)	2050	to 65	30 to 30+
4.420	1	1	Allowance	Irrigation System, Partial Replacements	2021	every 1	1
4.560	70	70	Each	Light Poles and Fixtures	2027	to 25	Expenditures - Page 3.3 3.4

Explanatory Notes:
1) 0.0% is the estimated Inflation Rate; see Executive Summary for details.
2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Unit (2020)	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031
	Per Phase (2020)	Total (2020)													
1,000.00	230,000	230,000	1.9%											230,000	
8.00	168,800	168,800	4.2%								168,800				
55.00	192,500	192,500	1.6%												
5.50	132,550	132,550	1.1%												
150.00	56,400	56,400	0.9%						56,400						
1,500.00	4,380,000	4,380,000	36.3%												
10,000.00	10,000	10,000	0.4%		10,000	10,000	10,000	10,000	10,000						
10,000.00	10,000	10,000	0.5%		10,000					10,000					10,000
1.90	528,200	528,200	26.3%			528,200					528,200				
30,000.00	30,000	30,000	2.0%		30,000		30,000		30,000				30,000		
23.00	23,000	23,000	0.2%									23,000			
840.00	10,080	10,080	0.1%												
550.00	74,800	74,800	0.6%										74,800		
20,000.00	20,000	20,000	0.5%										20,000		
32.50	7,475	130,000	0.4%		7,475	7,475	7,475	7,475	7,475	7,475					
11.00	11,935	199,100	0.5%							11,935					11,935
12.50	251,125	2,511,250	12.5%		251,125	251,125	251,125	251,125	251,125	251,125					
12.50	125,563	2,511,250	1.0%												
7,000.00	7,000	7,000	1.7%		7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
850.00	59,500	59,500	0.5%								59,500				

Years 2020 to 2035

12 2032	13 2033	14 2034	15 2035	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044
					168,800					192,500		
				132,550								
				4,380,000								
				10,000					10,000			
528,200					528,200					528,200		
		30,000					30,000					30,000
			10,080									
							20,000					
				11,935					11,935			
7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000

RESERVE EXPENDITURES

Bermuda Greens
Condominium Association, Inc.
Naples, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years	
						Useful	Remaining
4.600	8	8 Each		Mailbox Stations	2040	to 25	20
4.710	5,180	775 Linear Feet		Ponds, Erosion Control, Partial	2039	to 15	19 to 30+
4.750	3	1 Allowance		Ponds, Regrading (Required to Achieve 4:1 Shoreline Slope), Phased	2022	N/A	2 to 4
4.810	1	1 Allowance		Signage, Replacement	2030	15 to 20	10
Clubhouse Elements							
5.100	240	240 Square Yards		Floor Coverings, Tile, Hallway, Main Room, and Patio	2031	to 30	11
5.200	1	1 Each		HVAC Equipment	2034	12 to 18	14
5.515	1	1 Allowance		Kitchen, Renovations	2029	to 25	9
5.520	1	1 Allowance		Office, Renovations	2023	to 20	3
5.530	1	1 Allowance		Rest Rooms, Renovation	2023	to 25	3
5.550	600	600 Square Feet		Screen Enclosures, Aluminum	2028	to 25	8
5.600	1	1 Allowance		Wall Coverings, Hallway and Main Room	2028	to 10	8
5.800	400	400 Square Feet		Windows and Doors	2027	to 35	7
Pool Elements							
6.200	6,880	6,880 Square Feet		Deck, Pavers (Incl. Walks)	2028	to 25	8
6.400	360	360 Linear Feet		Fence, Chain Link	2028	to 25	8
6.500	2	1 Allowance		Furniture, Phased	2025	to 12	5 to 6
6.600	2	1 Allowance		Mechanical Equipment, Phased	2024	to 15	4 to 11
6.601	4	4 Each		Mechanical Equipment, Geothermal Heaters	2033	to 15	13
6.800	1,870	1,870 Square Feet		Pool and Spa Finishes, Plaster and Partial Tile Replacements	2031	8 to 12	11

Explanatory Notes:

- 1) **0.0%** is the estimated Inflation Rate; see Executive Summary for details.
2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Unit (2020)	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031
	Per Phase (2020)	Total (2020)													
2,900.00	23,200	23,200	0.2%												
35.00	27,125	181,300	0.2%												
100,000.00	100,000	300,000	2.5%			100,000	100,000	100,000							
12,000.00	12,000	12,000	0.2%											12,000	
75.00	18,000	18,000	0.1%												18,000
8,000.00	8,000	8,000	0.1%												
21,000.00	21,000	21,000	0.2%										21,000		
10,000.00	10,000	10,000	0.2%				10,000								
24,000.00	24,000	24,000	0.4%				24,000								
17.00	10,200	10,200	0.1%									10,200			
10,000.00	10,000	10,000	0.2%									10,000			
50.00	20,000	20,000	0.2%								20,000				
9.00	61,920	61,920	0.5%									61,920			
12.00	4,320	4,320	0.0%									4,320			
10,000.00	10,000	20,000	0.5%						10,000	10,000					
5,000.00	5,000	10,000	0.2%					5,000							5,000
6,000.00	24,000	24,000	0.4%												
17.00	31,790	31,790	0.5%												31,790

Years 2020 to 2035

12 2032	13 2033	14 2034	15 2035	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044
								23,200				
							27,125					
		8,000										
											10,000	
						10,000						
					10,000	10,000						
						5,000						
24,000												
											31,790	

RESERVE EXPENDITURES

Bermuda Greens
Condominium Association, Inc.
Naples, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years	
						Useful	Remaining
		1 Allowance		Reserve Study Update with Site Visit	2022	2	2
				Anticipated Expenditures, By Year (\$12,066,713 over 30 years)			

Explanatory Notes:

- 1) 0.0% is the estimated Inflation Rate; see Executive Summary for details.
- 2) FY2020 is Fiscal Year beginning January 1, 2020 and ending December 31, 2020.

Unit (2020)	Costs, \$ Per Phase (2020)	Total (2020)	Percentage of Future Expenditures	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025	6 2026	7 2027	8 2028	9 2029	10 2030	11 2031
3,700.00	3,700	3,700	0.0%			3,700									
				0	315,600	907,500	439,600	380,600	372,000	297,535	783,500	116,440	152,800	249,000	83,725

Years 2020 to 2035

12 2032	13 2033	14 2034	15 2035	16 2036	17 2037	18 2038	19 2039	20 2040	21 2041	22 2042	23 2043	24 2044
535,200	31,000	45,000	17,080	4,541,485	714,000	32,000	84,125	30,200	28,935	727,700	48,790	37,000

FIVE-YEAR OUTLOOK

Bermuda Greens
Condominium Association, Inc.
Naples, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2020	1 2021	2 2022	3 2023	4 2024	5 2025
Exterior Building Elements							
1.260	Light Fixtures						56,400
1.361	Roofs, Concrete Tiles, Inspections and Capital Repairs		10,000	10,000	10,000	10,000	10,000
1.700	Structural Inspections, Residential Buildings		10,000				
1.880	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Clubhouse Exterior and Monument Signage)			528,200			
1.881	Walls, Stucco Coating, Inspections, Residential Buidings		30,000		30,000		30,000
Property Site Elements							
4.110	Concrete Curbs and Gutters, Partial		7,475	7,475	7,475	7,475	7,475
4.200	Concrete Streets, Remaining, Phased (Incl. Driveways)		251,125	251,125	251,125	251,125	251,125
4.420	Irigation System, Partial Replacements		7,000	7,000	7,000	7,000	7,000
4.750	Ponds, Regrading (Required to Achieve 4:1 Shoreline Slope), Phased			100,000	100,000	100,000	
Clubhouse Elements							
5.520	Office, Renovations				10,000		
5.530	Rest Rooms, Renovation				24,000		
Pool Elements							
6.500	Furniture, Phased						10,000
6.600	Mechanical Equipment, Phased					5,000	
Reserve Study Update with Site Visit				3,700			
Anticipated Expenditures, By Year (\$12,066,712 over 30 years)		0	315,600	907,500	439,600	380,600	372,000

4.RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Exterior Building Elements



Garage unit – front elevation - overview



Carport unit – front elevation - overview

Building Configuration	Buildings	Quantity
12-unit with Garage	L, K, I, H, G, F, E, and B	8
10-unit with Garage	M, J, D, C, and A	5
12-unit with Carport	T and N	2
10-Unit with Carport	U, O, P, Q, R, and S	6

Doors and Side Windows, Entrances

Line Item: 1.050

Quantity: Approximately 230 entrance doors with sidelight windows

History: Reported original

Condition: Good overall



Entrance doors and sidelight windows - typical

Useful Life: Up to 30 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Entrance Stairs, Concrete Coatings

Line Item: 1.060

Quantity: Approximately 21,100 square feet of concrete stairs with waterproof coatings at the entrances of the residential buildings

History: The waterproof coatings on the concrete stairs are at an unknown age

Condition: The concrete stairs as well as the waterproof coating applications are in good condition overall



Concrete stairs – garage units – overview



Concrete stairs – carport units - overview



**Concrete waterproof coating applications –
typical condition**

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 8- to 12-years. We depict applications of waterproof coatings to be done in conjunction with every other paint finish application event.

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the concrete stairs will result in increased concrete repairs and replacements as the concrete stairs age.* Capital repairs may also include replacement of the caulked joint between the concrete stairs and the building, and repair or replacement of the metal railings and railing fastener attachments as needed.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes the following activities per event:

- Partial depth replacement of up to one percent (1%) of the concrete topsides and edges
- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)

Entrance Stairs, Railings, Aluminum

Line Item: 1.070

Quantity: Approximately 3,500 linear feet of aluminum railings at the entrances of the residential buildings

History: Original

Condition: Good condition overall



Railings – carport units – typical configuration



Railings – garage units – typical configuration

Useful Life: Up to 50 years for replacement of the railings (The useful life of the finish is indeterminate. Future updates of this Reserve Study will again consider the need to refinish the railings based on condition.)

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the *Reserve Expenditures* table in Section 3

Gutters and Downspouts, Aluminum

Line Item: 1.240

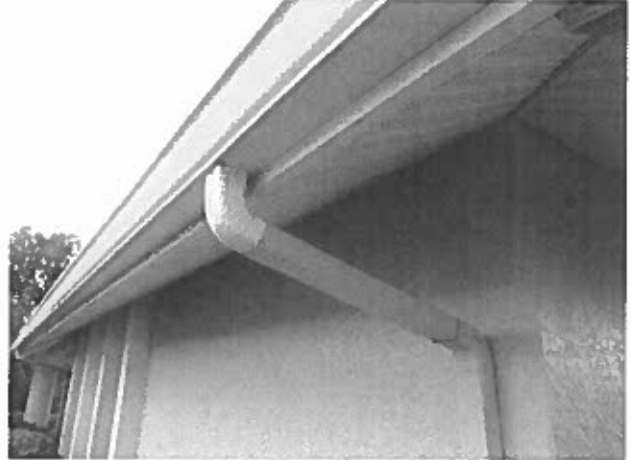
Quantity: Approximately 24,100 linear feet of aluminum five-inch seamless gutters and two-inch by three-inch downspouts. This quantity includes the gutters and downspouts at the clubhouse

History: The aluminum gutters are presumed to have been replaced in 2014 and the aluminum downspouts are at an unknown age

Condition: Good overall with deterioration of the paint finish applications evident



Gutters and downspouts – typical condition – deterioration of the paint finishes evident



Gutters and downspouts – clubhouse – typical condition



Gutters and downspouts – typical – deterioration of the paint finishes evident

Useful Life: Up to 25 years

Component Detail Notes: Downspouts that discharge directly onto roofs cause premature deterioration of the roofs due to the high concentration of storm water. We recommend either routing these downspouts directly to the ground, connecting the downspouts to the gutters of the lower roof or distributing the storm water discharge over a large area.

The useful life of gutters and downspouts coincides with that of the concrete tile roofs. Coordinated replacement will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Light Fixtures

Line Item: 1.260

Quantity: Approximately 376 exterior wall and ceiling mounted metal light fixtures accent the garages and entrances at the garage units and the entrances at the carport units

History: Primarily original

Condition: Good overall



Light fixtures – garage units – garage - typical



Light fixtures – garage units – entrances - typical



Light fixtures – carport units – entrances -
typical

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Roofs, Concrete Tiles

Line Items: 1.360 and 1.361

Quantity: Approximately 2,920 *squares*¹ of concrete tile roofs throughout the community. This quantity includes the concrete tile roofs at the clubhouse as well as the concrete tile roofs at the mailbox station structures.

History: Replaced in 2014. The Board informs us that a loan was used to pay for the replacement of the roofs in 2014. This loan payment has been excluded from this Reserve Study.

Condition: The Board informs us of significant issues with roof leaks. Due to this, we have accelerated the replacement of the concrete tile roofs. Additionally, at the request of the Board, we have included an allowance in order to create an inspection and capital repairs program for the concrete tile roofs in the near term. Future updates to this Reserve Study should consider any changes in this inspections and capital repairs program as the concrete tile roofs continue to age.

¹ We quantify the roof area in squares where one square is equal to 100 square feet of surface area.



Concrete tile roofs – garage unit - typical



Concrete tile roofs – garage unit - typical



Concrete tile roofs – garage unit - typical



Concrete tile roofs – garage unit - typical



Concrete tile roofs – garage unit - typical



Concrete tile roofs – garage unit - typical



Concrete tile roofs – downspout discharging onto the roof below – this condition could lead to accelerated deterioration of the roofs



Concrete tile roofs – carport units - typical



Concrete tile roofs – garage unit - typical



Concrete tile roofs – clubhouse - typical



Concrete tile roofs – carport units - typical



Concrete tile roofs – carport units - typical

Useful Life: Up to 30 years for the replacement of concrete tile roofs. Due to information provided by the Board, we have accelerated the replacement of the concrete tile roofs.

Component Detail Notes: A tile roof rarely fails at all points of application simultaneously. Rather, occurrences of roof leaks will increase as more concrete tiles crack, break, and dislodge. This deterioration will result in increased maintenance costs such that replacement becomes the least costly long-term alternative as compared to ongoing repairs.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of timing as well as cost for the inspections and capital repairs program is based off information provided by the Board.

Structural Inspections

Line Item: 1.700

History: The Board informs us that three of the residential required replacement of structural elements in 2019. Due to the non-invasive nature of our inspection, we were not able to inspect the conditions noted by the Association. In anticipation of this being an ongoing concern, the Board has requested that we include an allowance for inspections to the structure of the residential buildings.

Useful Life: At the request of the Board, we depict inspections of the building structures to be done every five years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of timing for the inspection program was provided by the Board.

Walls, Stucco

Line Items: 1.880 and 1.881

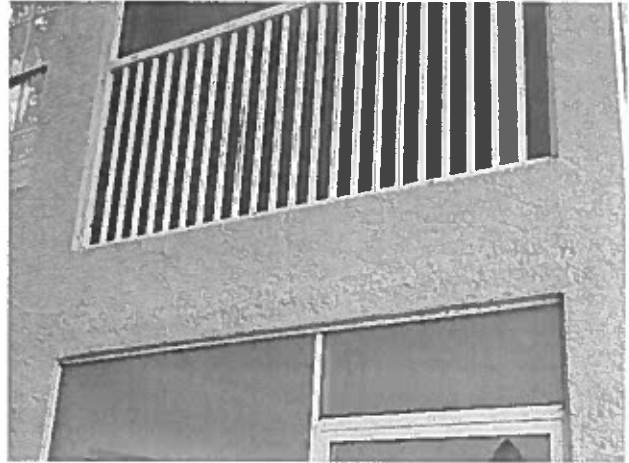
Quantity: Approximately 278,000 square feet of stucco coated surface areas comprise the building exteriors. This quantity includes the clubhouse, mailbox station structures, and at the request of the Board, the monument signage

History: The Association last conducted stucco coating repairs and paint finish applications in 2015

Condition: The stucco coating and paint finish applications appeared in good to fair condition with evidence of crack repairs, cracks, delamination of the stucco, and deterioration of the paint finish applications evident during our inspection. The Board informs us of ongoing issues with cracks developing in stucco coatings as well as corrosion evident, in particular at the bands along the rear of the residential buildings. At the request of the Board we have included an allowance for inspections of the stucco coatings.



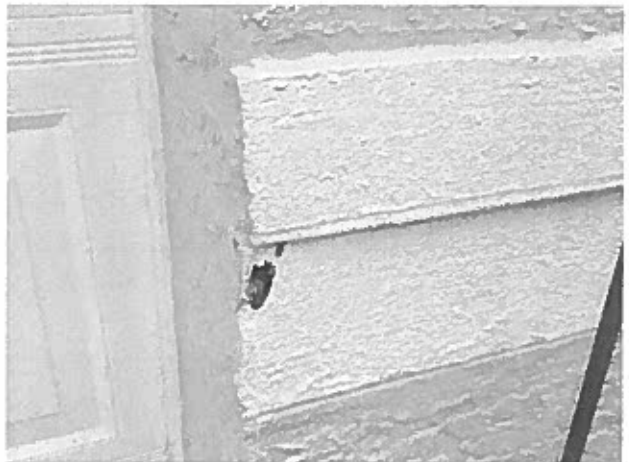
Stucco coated walls – overall – carport units



Stucco coated walls – evidence of repairs of the stucco on the rear elevations



Stucco coated walls – deterioration of the stucco coatings and paint finish applications evident



Stucco coated walls – deterioration of the stucco coatings evident



Stucco coated walls – stucco coating repairs evident as well as deterioration of the paint finishes on the fascia evident



Stucco coated walls – crack repairs evident



Stucco coated walls – crack repairs evident



Stucco coated walls – crack repairs evident



Stucco coated walls – crack repairs and deterioration of the paint finish applications evident



Stucco coated walls – crack repairs evident



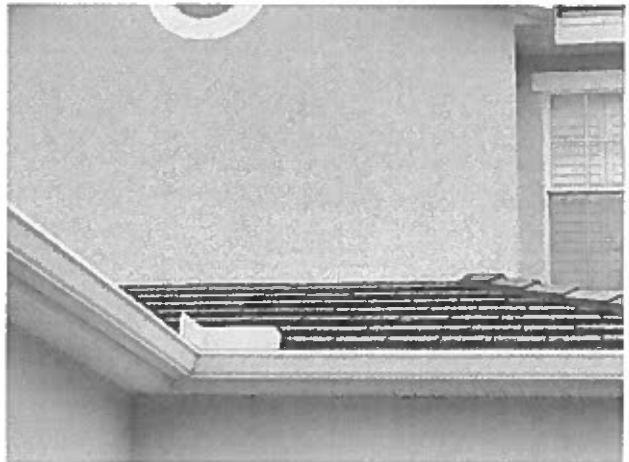
Stucco coated walls – cracks as well as stucco coatings delamination evident



Stucco coated walls – crack repairs and deterioration of the paint finish applications evident



Stucco coated walls – deterioration of the stucco coatings evident

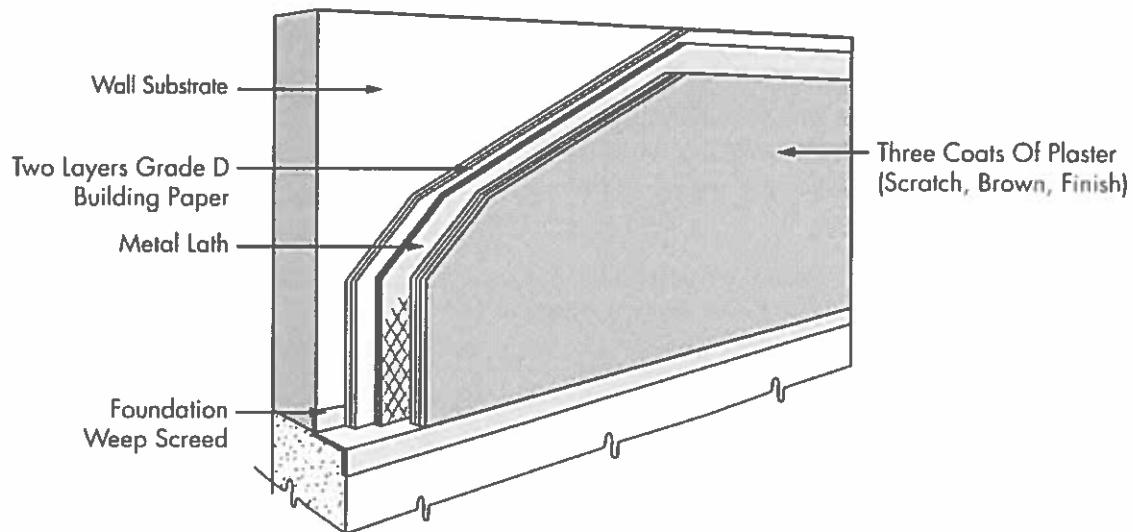


Stucco coated walls – deterioration of the stucco coatings evident

Useful Life: We recommend inspections, repairs and paint finish applications every five- to seven-years. At the request of the Board, we have accelerated inspections and capital repairs to the stucco coatings and paint finish applications.

Component Detail Notes: The following graphic details the typical components of a stucco wall system on frame construction although it may not reflect the actual configuration at Bermuda Greens:

STUCCO DETAIL



© Reserve Advisors

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost for the stucco coating inspection program is based on inspection of one hundred percent (100%) of the stucco coatings per inspection event. Our consideration of quantity for the inspections of the stucco coatings is based off of the quantity of stucco coatings on the residential buildings, and excludes the clubhouse, monument signage, and mailbox station structure. Future updates to this Reserve Study should consider any changes to the inspection program. Our estimate of cost for the inspections and capital repairs of the stucco coatings and paint finish applications anticipates the following in coordination with each paint finish application:

- Complete inspection of the stucco
- Crack repairs as needed (Each paint product has the limited ability to cover and seal cracks but we recommend repair of all cracks which exceed the ability of the paint product to bridge.)
- Replacement of up to five percent (5%), of the stucco walls (The exact amount of area in need of replacement will be discretionary based on the actual future conditions and the desired appearance.)
- Replacement of up to thirty-three percent (33%) of the sealants in coordination with each paint finish application.

Property Site Elements

Asphalt Pavement, Total Replacement

Line Item: 4.045

Quantity: Approximately 1,000 square yards of asphalt pavement located at the entrance to the community

History: Unknown

Condition: Good to fair overall with cracks and raveling evident



Asphalt pavement – cracks evident



Asphalt pavement – cracks evident



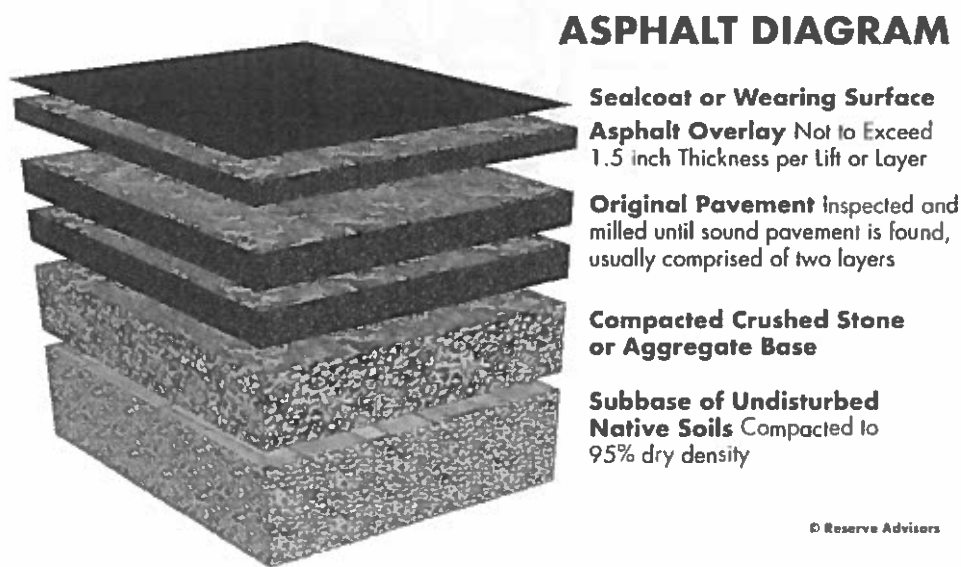
Asphalt pavement – cracks evident



Asphalt pavement – cracks and raveling evident

Useful Life: 15- to 20 –years for repaving of the asphalt pavement. We recommend the Association conduct patch repairs as well as mill and overlyament of the asphalt pavement to be funded through the Operating Budget.

Component Detail Notes: The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Bermuda Greens:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the total replacement method of repaving at Bermuda Greens.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the *Reserve Expenditures* table in Section 3

Catch Basins

Line Item: 4.100

Quantity: 12 catch basins²

History: Original

Condition: Good overall



Catch basins - typical

Useful Life: The useful life of catch basins is up to 65 years. However, achieving this useful life usually requires interim capital repairs or partial replacements every 15- to 20-years.

Component Detail Notes: Erosion causes settlement around the collar of catch basins. Left unrepaired, the entire catch basin will shift and need replacement.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Carports

Line Items: 4.105 and 4.106

Quantity: Approximately 136 squares of metal roofing comprise the roofs of the 16 metal carports located throughout the community

History: The Board informs us that the metal roofs on the carports are primarily original with isolated partial replacements due to storm damage and the paint finishes on the carports were last applied in 2019

² We utilize the terminology catch basin to refer to all stormwater collection structures including curb inlets.

Condition: Good overall with isolated deterioration of the paint finish applications evident



Carport - overview



Carport structural column – deterioration of the paint finishes evident



Carports – structural assembly - typical

Useful Life: We depict replacement of the metal roofs to be done every 30 years and we depict paint finish applications and partial repairs to be conducted every 10 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost for the replacement of the metal roofs includes an allowance for the replacement of the gutters and downspouts.

Concrete Curbs and Gutters

Line Item: 4.110

Quantity: Approximately 4,000 linear feet

Condition: Good to fair overall with cracking evident



Concrete curbs and gutters - overview



Concrete curbs and gutters - overview

Useful Life: Up to 65 years although interim deterioration of areas is common. We depict replacement of the concrete curbs and gutters to be done in conjunction with the replacement of the concrete street system.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 1,380 linear feet of curbs and gutters, or thirty-five percent (34.5%) of the total, will require replacement during the next 30 years.

Concrete Sidewalks

Line Item: 4.140

Quantity: Approximately 18,100 square feet throughout the community

Condition: Good overall with minor uplift evident



Concrete sidewalks – minor uplift evident



Concrete sidewalks - overview



Concrete sidewalks - overview

Useful Life: Up to 65 years although interim deterioration of areas is common

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 5,425 square feet of concrete sidewalks, or thirty percent (30%) of the total, will require replacement during the next 30 years.

Concrete Streets

Line Items: 4.200 and 4.201

Quantity: Approximately 200,900 square feet of concrete streets comprise the streets system as well as the driveways at the garage units within the community.

History: The Board informs us of significant deterioration of the concrete streets within the community due to improper construction of the base below the street system. The

Board informs us that as of the date of our inspection, the community has partially replaced a portion of the concrete street system. The below graphic displays the concrete streets that are still in need of replacement. This is based on our analysis during the inspection as well as conversations with the Board:



Condition: Fair to poor overall. The Board informs us that the base was improperly constructed. During our inspection we noted significant cracks, deterioration of the concrete, and erosion on the underside of the concrete streets throughout the community. Due to these noted conditions, as well as information provided by the Board, we depict replacement of the remaining concrete street system in the near term. This quantity has been estimated to be approximately 120,500 square feet of concrete streets.



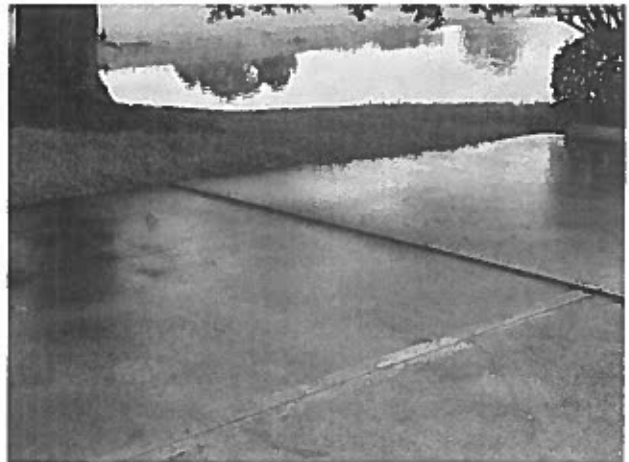
Concrete street system – cracks evident



Concrete street system – cracks evident



Concrete street system – cracks evident



Concrete street system – uplift evident



Concrete street system – cracks as well as partial concrete replacement evident



Concrete street system – cracks evident



Concrete street system – cracks evident



Concrete street system – cracks as well as partial concrete replacement evident – Hamilton Harbour Drive



Concrete street system – cracks as well as partial concrete replacement evident



Concrete street system – erosion at Hamilton Harbour Drive evident



Concrete street system – replaced sections – Coastal Harbour Drive



Concrete street system – replaced sections – Coastal Harbour Drive

Useful Life: Up to 65 years although interim deterioration of areas is common

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost for the replacement of the concrete street system includes an allowance for replacement of approximately six inches of base. Our estimate of timing for the replacement is based on information provided by the Board. Additionally, we include an allowance for replacement of up to five percent (5%) or 10,045 square feet of the concrete streets as a subsequent partial replacement event.

Irrigation System, Partial Replacements

Line Item: 4.420

History: Primarily original

Condition: Reported good overall

Component Detail Notes: Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Valves

Bermuda Greens should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of timing as well as cost is based on historical information provided by the Board.

Light Poles and Fixtures

Line Item: 4.560

Quantity: 70 metal poles with light fixtures throughout the community

History: Presumed original

Condition: Good to fair overall



Light poles and fixtures - typical

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Mailbox Stations

Line Item: 4.600

Quantity: Eight mailbox stations located at the four mailbox station structures throughout the community

History: Replaced in 2015

Condition: Good overall



Mailbox stations - typical

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3

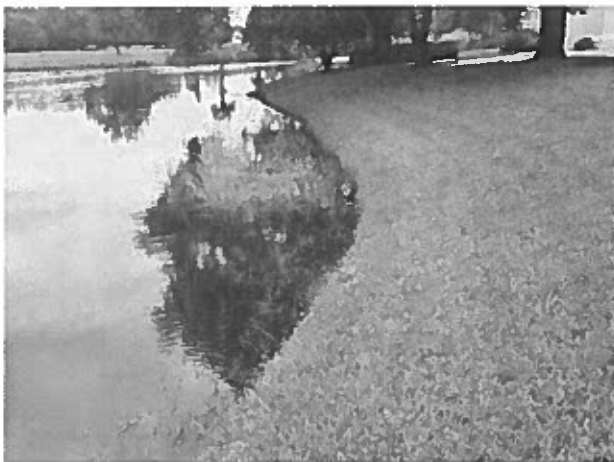
Ponds, Erosion Control

Line Items: 4.710 and 4.750

Quantity: The Association is responsible for maintaining approximately 5,180 linear feet of graded pond shorelines. The Board informs us that two of the ponds have a shared responsibility of shoreline maintenance with the adjacent golf course. Our estimate of quantity has taken this into account. See the below graphic for a visual of the ownership of the pond shorelines:



Condition: The Board informs us of a project that is planned to be completed in the near term in order to re-grade the pond shoreline as the shorelines are not currently in compliance with the 4:1 slope rule. The pond shorelines have minor erosion evident.



Pond shorelines – minor shoreline erosion as well as steep slopes evident



Pond shorelines – minor shoreline erosion as well as steep slopes evident



Pond shorelines – minor shoreline erosion as well as steep slopes evident



Pond shorelines – minor shoreline erosion as well as steep slopes evident

Useful Life: Shorelines are subject to fluctuations in water levels, increased plant growth and migrating storm and ground water resulting in the need for erosion control measures up to every 15 years.

Component Detail Notes: The steep shoreline embankments are likely to exacerbate soil movement and erosion. The use and maintenance of landscape, natural vegetation and/or stone rip rap along the pond shoreline will help maintain an attractive appearance and prevent soil erosion.

Shoreline plantings are referred to as buffer zones. Buffer zones provide the following advantages:

- Control insects naturally
- Create an aesthetically pleasing shoreline
- Enhance water infiltration and storage
- Filter nutrients and pollutants
- Increase fish and wildlife habitat
- Reduce lawn maintenance
- Stabilize shoreline and reduce erosion
- Trap sediments

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association plan to install a combination of regrading, re-sodding, and plantings around the pond along 775 linear feet, or approximately fifteen percent (15%), of the shoreline per event. Our estimate of cost for the regrading of the pond shorelines in order to bring them into compliance with the 4:1 slope rule was provided by the Board. We depict this project to be completed in a phased manner with regrading of one of the pond shoreline per event in the near term.

Signage

Line Item: 4.810

Quantity: Approximately seven wood posts with traffic control signage as well as street sign identification signage located throughout the community. We have also included the 21 building identification signs with the estimate of cost for replacement

History: Unknown

Condition: Good to fair overall with corrosion evident



Street signage - overview



Street signage – corrosion evident



Building identification signage - typical

Useful Life: 15- to 20-years

Component Detail Notes: The community signs contribute to the overall aesthetic appearance of the property to owners and potential buyers. Replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific time for replacement of the signs is discretionary.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Clubhouse Elements



Clubhouse - overview

Floor Coverings, Tile

Line Item: 5.100

Quantity: Approximately 240 square yards of tile comprise the flooring in the clubhouse as well as the patio area

History: Unknown

Condition: Good overall



Tile floor coverings – overview - patio



Tile floor coverings – overview - interior

Useful Life: Up to 30 years although replacement of tile is often based on discretionary redecorating prior to the tile reaching the end of its useful life.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should fund regrouting of the tiles through the operating budget if necessary.

HVAC Equipment

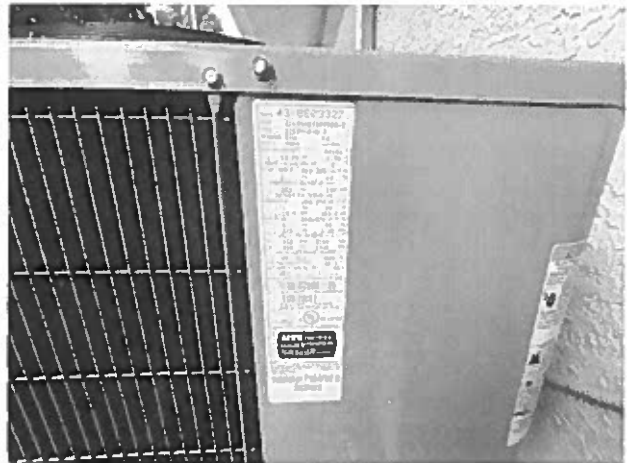
Line Item: 5.200

History: Replaced in 2019

Condition: Reported satisfactory



HVAC equipment – condenser unit



HVAC equipment – information label

Useful Life: 12- to 18-years

Component Detail Notes:

- One remote condensing unit with a cooling capacity of four tons

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Kitchen

Line Item: 5.515

History: Components are at varying ages

Condition: Good overall



Kitchen - overview

Useful Life: Renovation up to every 25 years

Component Detail Notes: Components of the kitchen include:

- Appliances
- Cabinets and countertops

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Office

Line Item: 5.520

History: Varying ages

Condition: At the request of the Board, we have included an allowance for renovations to the office in the near term



Office - overview

Useful Life: Renovation up to every 20 years

Component Detail Notes: Components include:

- Paint finishes on the walls and ceilings
- Paint finishes
- Light fixtures
- Furnishings
- Equipment

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Rest Rooms

Line Item: 5.530

Quantity: Two common area rest rooms located at the clubhouse

History: Components are reported to be original

Condition: At the request of the Board, we have included an allowance for renovations to the rest rooms in the near term



Rest rooms - overview

Useful Life: Renovation up to every 25 years

Component Detail Notes: Components include:

- Tile floor coverings on the floors
- Tile and paint finishes on the walls
- Paint finishes on the ceilings
- Light fixtures
- Plumbing fixtures

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. At the request of the Board, our estimate of cost includes an allowance for partial replacements of the plumbing.

Screen Enclosures, Frame

Line Item: 5.550

Quantity: Approximately 600 square feet of aluminum frame screen enclosures are located at the patio at the clubhouse

History: Replaced in 2019

Condition: Good overall



Aluminum frame screen enclosures - overview



Aluminum frame screen enclosures - overview

Useful Life: Up to 25 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the *Reserve Expenditures* table in Section 3. We recommend that the Association plan for interim screen replacements to be funded through the Operating Budget.

Wall Coverings, Hallway and Main Room

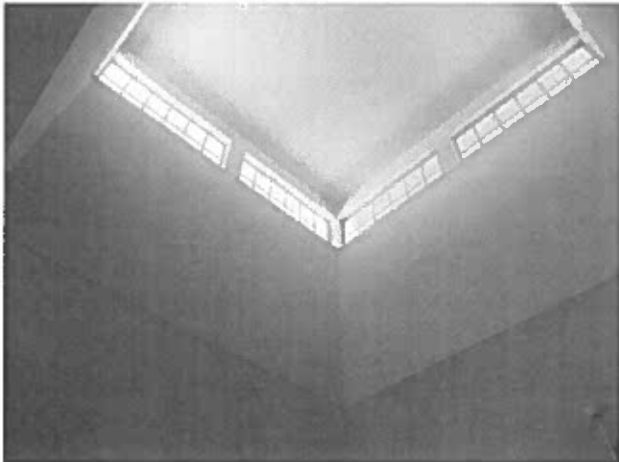
Line Item: 5.600

History: Replaced in 2017

Condition: Good overall



Interior wall coverings - overview



Interior wall coverings - overview

Useful Life: Up to 10 years at the request of the Board

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the *Reserve Expenditures* table in Section 3

Windows and Doors

Line Item: 5.800

Quantity: Approximately 400 square feet of windows and doors

History: Original

Condition: Good overall



Windows and doors – sliding door



Windows and doors – serving window



Windows and doors – entrance doors

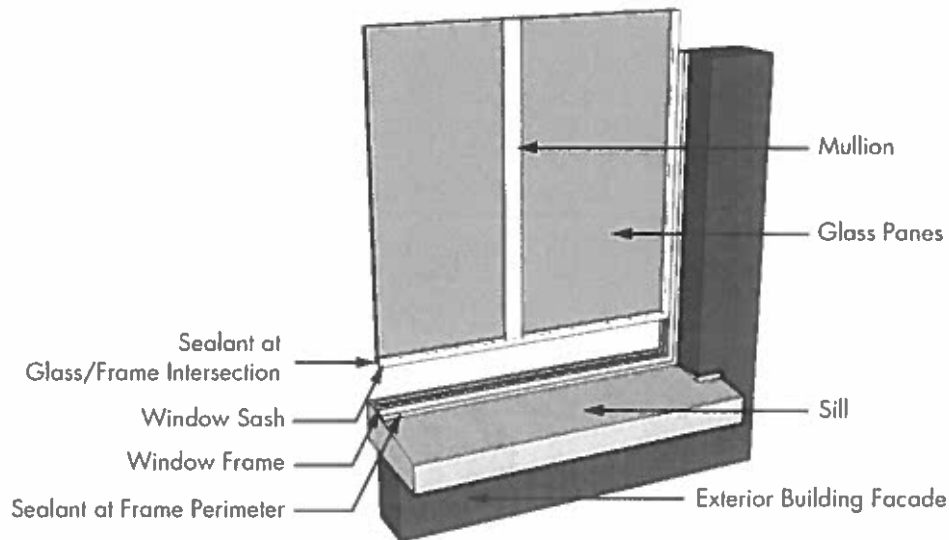
Useful Life: Up to 35 years

Component Detail Notes: Construction includes the following:

- Aluminum frames
- Sliding and hinged doors

The following schematic depicts the typical components of a window system although it may not reflect the actual configuration at Bermuda Greens:

WINDOW DETAIL



© Reserve Advisors

Properly designed window and door assemblies anticipate the penetration of some storm water beyond the gaskets. This infiltrated storm water collects in an internal drainage system and drains, or exits, the frames through weep holes. These weep holes can become clogged with dirt or if a sealant is applied, resulting in trapped storm water. We recommend Bermuda Greens periodically verify that weep holes are unobstructed concurrent with facade repairs. However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3

Pool Elements

Deck, Pavers

Line Item: 6.200

Quantity: Approximately 6,880 square feet of masonry deck pavers. This quantity includes the masonry pavers at the clubhouse walk-up.

History: Replaced in 2008

Condition: Fair condition overall. The Board informs us that the deck was improperly constructed due to a lack of proper base material. Due to this, as well as the request of the Board, we have accelerated the replacement of the masonry deck pavers.



Masonry deck pavers - overview



Masonry deck pavers - overview

Useful Life: Up to 25 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association fund interim inspections, partial replacements and repairs through the operating budget.

Fence, Chain Link

Line Item: 6.400

Quantity: Approximately 360 linear feet

History: The chain link fencing is original and the gates were replaced in 2020

Condition: Good overall condition with deterioration of the finishes evident



Chain link fence - gate



Chain link fence – overview – deterioration of the finishes evident

Useful Life: Up to 25 years

Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the *Reserve Expenditures* table in Section 3.

Furniture

Line Item: 6.500

Quantity: The pool furniture includes the following:

- Chairs (50)
- Lounges (27)
- Tables (21)
- Grills
- Umbrellas
- Ladders and life safety equipment

History: Varied ages

Condition: Good overall



Pool furniture - overview

Useful Life: Up to 12 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life. We depict replacement in a phased manner with replacement of up to fifty percent (50%) of the total quantity per event.

Mechanical Equipment

Line Items: 6.600 and 6.601

Quantity: The mechanical equipment includes the following:

- Automatic chlorinator
- Controls
- Filter
- Geothermal heating system
- Interconnected pipe, fittings and valves
- Pumps
- Electrical panel
- Exhaust fan

History: The pool mechanical equipment is at varying ages. The Board informs us that three of the geothermal heaters were replaced in 2019 and one of them was replaced in 2018

Condition: Reported satisfactory



Pool mechanical equipment - overview



Pool mechanical equipment - overview



Pool mechanical equipment – pump information



Geothermal heaters

Useful Life: Up to 15 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the *Reserve Expenditures* table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to fifty percent (50%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance. Our estimate of cost for the replacement of the geothermal heaters was provided by the Board.

Pool and Spa Finishes, Plaster and Tile

Line Item: 6.800

Quantity: 1,870 square feet of plaster based on the horizontal surface area and approximately 194 linear feet of tile

History: The plaster and tiles finishes were replaced in 2019

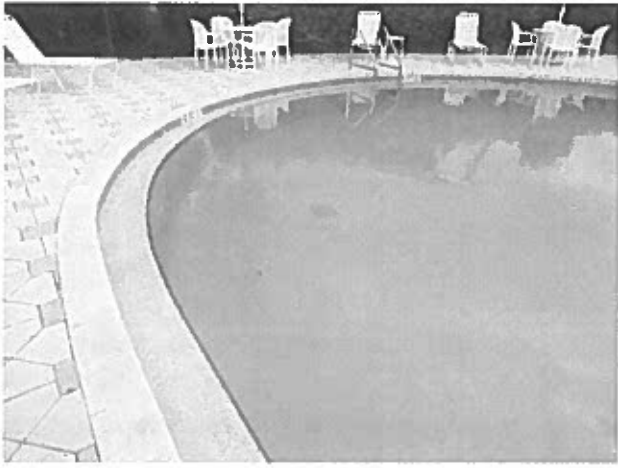
Condition: Good



Spa finishes - overview



Pool finishes - overview



Pool finishes - overview



Pool finishes - overview

Useful Life: 8- to 12-years for the plaster

Component Detail Notes: Removal and replacement provides the opportunity to inspect the pool structures and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structures, we recommend the Association budget for the following:

- Removal and replacement of the plaster finishes
- Partial replacements of the scuppers and coping as needed
- Replacement of approximately fifty percent (50%) of the tiles per plaster replacement event
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the *Reserve Expenditures* table in Section 3

Reserve Study Update

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. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

5. 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.

Bermuda Greens 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 reserve assessments 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 Unit 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 standards¹ set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level I Full Reserve Study." 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
- Local² 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 Naples,

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.

Florida at an annual inflation rate³. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Bermuda Greens 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.

³ Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

6. 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 the 2,600,000-square foot 98-story Trump International Hotel and Tower in Chicago. 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 Engineering

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.

7. 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 Bermuda Greens 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) Bermuda Greens 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.

8. 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 reserve study 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 property.

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. The report is based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in our report. The inspection is made by employees generally familiar with real estate and building construction but in the absence of invasive testing RA cannot opine on, nor is RA responsible for, the structural integrity of the property including its conformity to specific governmental code requirements for fire, building, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the report. 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 water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions. RA assumes no responsibility for any such conditions. The Report contains opinions of estimated costs and remaining useful lives which are neither a guarantee of the actual costs of replacement nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon 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. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

Report - RA completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations and is deemed complete. RA, however, considers any additional information made available to us within 6 months of issuing the Report if a timely request for a revised Report is made. 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.

Your Obligations - You agree to provide us access to the subject property for an on-site visual 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. 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 this Report is limited to only the purpose stated herein. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and you shall hold RA harmless from any consequences of such use. Use by any unauthorized third party is unlawful. 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 our Report in its entirety to the following third parties: members of your organization, your accountant, attorney, financial institution and property manager who need to review the information contained herein. Without the written consent of RA, you shall not disclose the Report to any other third party. The Report contains intellectual property developed by RA and ***shall not be reproduced or distributed to any party that conducts reserve studies without the written consent of RA.***

RA will include your name in our client lists. RA reserves the right to 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 - Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court for the State of Wisconsin.

Version	v5.0	
Name	Bermuda Greens Condominium Association, Inc.	
City	Naples	
State	Florida	
Reference Number	201061	
Length of Study (Years)		30
Number of Units		230
Number of Buildings		22
Date of Inspection		9/8/2020
Current Fiscal Year		2020
Fiscal Year Beginning		1/1/2020
First Year of Recommendation		2021
Remaining Budgeted Months		0
Beginning Reserve Balance		\$685,716.00
Current Reserve Contributions		\$214,000.00
Inflation		0
Interest		0
Frequency of Contributions		4

Explanatory Notes:

Inflation Calculation in Reserve Expenditures Table - To move an expenditure and automatically recalculate inflation, copy cell with expenditure (Years 0 to 30) and paste into desired cell.

Change in Number of Phases - A change in the number of phases will require a manual adjustment to the "Per Phase Quantity" column.