

**The Florida Bay Club**  
**Replacement Reserve Budget**  
**For the Year: January 1 - December 31, 2023**

	Estimated Useful Life	Estimated Replacement Cost	Estimated Average Remaining Life	2022 Estimated Funds Balance	2023 Funding Calculation
<b>RESERVE CALCULATIONS</b>					
Appliances & A/C	10	63,000	2	11,324	25,838
Bathroom Renovation	25	750,000	23	14,796	31,965
Boardwalk	25	100,000	3	15,126	28,291
Flooring	25	750,000	23	15,902	31,917
Furniture Indoor	20	135,000	18	19,390	6,423
Furniture Outdoor	12	20,000	1	14,286	5,714
Garage Door	25	18,000	9	5,296	1,412
Kitchen Renovation	25	750,000	23	14,857	31,963
Exterior Painting	7	175,000	5	53,331	24,334
Parking Lot	15	50,000	2	9,983	20,009
Pool	15	40,000	7	5,172	4,975
Roof	25	230,000	21	18,245	10,084
Televisions	10	45,000	8	8,556	4,555
Boat Dock	20	100,000	17	17,256	4,867
<b>TOTAL RESERVE FUNDING</b>		<b>3,226,000</b>		<b>223,520</b>	<b>232,347</b>

It is the policy of your Board of Directors and a requirement of Florida Statute 718.113(2)(f)2 to set aside funds each year for the future replacement of major items that are part of the project and that will wear out during the useful life of the facilities. These funds are commonly referred to as 'replacement reserves'. Major items include all tangible property that will be replaced during the project's estimated useful life. Therefore, replacement reserves do not provide for tearing down and rebuilding structures, but do provide, for example, for recovering roofs as many times as may be necessary while the buildings last.

Funds to be set aside each year are included in each owners annual assessment. Therefore, your full and prompt payment of assessments each year will help to insure the future condition and value of your property.

Each year, the Board must determine the amount of replacement reserves to be assessed for the following year. In order to make this estimate, a calculation of the current replacement cost of the reserve items is made. Then, using a formula based on these figures, the estimated useful life, the estimated remaining life, and the amount currently set aside, a calculation is made to determine the amount which should be added to reserves annually based on the facts and assumptions at the time the calculations are made. Interest is assumed to equal inflation and will therefore remain in the reserve account as earned.

Recommendations made by Vacation Resorts International have been incorporated into the calculations so as to make them a useful management tool as well. The above summarizes those calculations.