Structural Integrity Reserve Study and Full Reserve Study (Fiscal Year: 2024)

Marine Terrace Association, Inc.

Pompano Beach, FL



Prepared for:

Marine Terrace Association, Inc.

Prepared by:

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November 16, 2023

This item has been digitally signed and sealed by Casey Cromer, P.E. on the date listed above.

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INTRODUCTION

As originally requested by Jarrod Blum, Criterium-Cromer Engineers (Criterium) has conducted a Structural Integrity Reserve Study and a Full Reserve Study of the Marine Terrace Association, Inc. (the "Association") community located at 401 North Riverside Drive, Pompano Beach, FL 33062. The services performed are consistent with our proposal dated July 27, 2023.

Criterium-Cromer Engineers presents this confidential report for the Association's review and use. This report and all Appendices must be reviewed in its entirety to understand our findings and their limitations.

We have conducted our study in general accordance with the Florida Statutes, where applicable, as well as following the methodologies included within the National Reserve Study Standards published by the Community Association Institute (CAI). Our analysis has been conducted by licensed Professional Engineers and other qualified staff working with the advisement of a Reserve Specialist. Casey Cromer, P.E. performed a visual site inspection on September 21, 2023. Excerpts of relevant referenced standards are available in Appendix B. Qualifications of the project team leaders can be found in Appendix C.

In reviewing the engineering assumptions, cost estimates, and projected reserve balance values herein, please understand that their accuracy diminishes greatly beyond Year 5. Long-term projections are intended only to indicate the likely pattern of reserve expenditures and to guide financial planning. Criterium agrees with CAI's recommendation that reserve studies should be updated regularly to allow periodic adjustment of funding plans and strategies.

This report contains two levels of analysis: A Structural Integrity Reserve Study and a Full Reserve Study.

- Analysis related to the Structural Integrity Reserve Study is presented in Section 3.0.
- Analysis related the Full Reserve Study is presented in Section 4.0.
- Additional information related to scope and basis for these analyses is presented in Section 6.0.

EXECUTIVE SUMMARY

COMMUNITY INFORMATION

Community Name:	Marine Terrace Association, Inc.
Jurisdiction:	Pompano Beach, FL
Next Fiscal Year Begins:	January 1, 2024 (Fiscal Year: 2024)
Starting Reserve Balance (Projected):	$0.00
Current Annual Contribution:	$0.00
Planned Special Assessment:	Yes, the roof replacement will be funded via special assessment
Projected Annual Return on Investment:	1.5%
Projected Rate of Annual Inflation:	3.0%
Engineer in Responsible Charge:	Casey Cromer, P.E.
Date on Site:	September 21, 2023

FUNDING STATUS AND FUNDING PLANS

Structural Integrity Reserve Study (see Section 3.0 for complete data)

Component Method (Straight Line Funding)	
Fully Funded Balance:	$215,598
Current Surplus/Deficit in Reserve Balance:	– $215,598
Current Percent Funded:	0%
Annual Contribution:	$21,747
Cash Flow Method (Pooled Funding), Year 1 Annual Contribution:	
Baseline Funding Plan:	$32,800

Full Reserve Study (see Section 4.0 for complete data)

Component Method (Straight Line Funding)	
Fully Funded Balance:	$410,517
Current Surplus/Deficit in Reserve Balance:	– $410,517
Current Percent Funded:	0%
Annual Contribution:	$41,220
Cash Flow Method (Pooled Funding), Year 1 Annual Contribution:	
Threshold Funding Plan:	$71,150

1.0 Study Information

1.1 Property Description

The community consists of a 5-story building with 39 residential units along with various site amenities including a parking lot, pool, pool deck, and seawall. The community was originally completed in 1958 and is located in Pompano Beach, Florida.

We understand that the Association is generally responsible for the infrastructure, building exteriors, roofing, common area stairs, exterior corridors, clubroom, pool, pool deck, elevator, parking areas, and common mechanical, electrical, plumbing, and fire protection systems.

We visited the property on September 21, 2023. During our site visit, we observed the common areas of the property including the rooftop, exterior walkways, electrical room, elevator equipment room, trash room, laundry rooms, clubroom, pool, pool decks, parking area, seawall, docks,, and other site improvements. The common components of the property were found to be in generally good condition and appropriately maintained. Signs of routine and historic repairs were present throughout the property.

1.2 Sources of Information

The following people provided information which may have been utilized in our study:

- Jarrod Blum (Association, property manager)
- Diana Gardner (Association, president)

The following documents were provided to us and reviewed:

- Reserve Study Questionnaire, completed by Diana Gardner on 9/3/2023
- Visual Roof Condition Survey, Duhon's Roof Consulting, LLC, July 25, 2023
- Bylaws, adopted February 19, 1999
- Financial Reporting Package 4/1/2023 – 6/30/2023
- Partial building drawings (received from Diana Gardner)
- Partial building drawings (received from the City of Pompano Beach)

1.3 Component Notes

General notes, comments, assumptions, and recommendations are listed below. If there are any questions or if any of our assumptions are not accurate, please advise us so we can make appropriate changes.

- Broward County requires structural and electrical building recertifications to be performed periodically. The first recertification is typically required to be performed prior to the completion of the building's 30th year. This recertification process involves a thorough structural evaluation and often results in some form of required structural repairs. Although future structural repairs are not predictable, we have included a reasonable allowance for structural repairs associated with the future building recertification process.

- It is our understanding that the community has been performing domestic water and waste pipe replacements, within individual units, on an as needed basis. Our analysis includes an allowance for this type of replacement work in the future.

- The Association is planning on funding its upcoming roof replacement project via special assessment and will not utilize reserve funds. The funding analysis provided is dependent on this funding source. The following roof replacement project (Year 22) is considered in the reserve analysis.

- Interior renovations and updates to elevator cabs amenity rooms, furniture, etc. are typically performed for aesthetic purposes and the timing of such work is highly subjective. We have included anticipated dates for such work, as appropriate.

- Based on our evaluation, seawalls repairs will be required in the near future. We recommend that the Association retain a seawall engineer in order to identify the complete recommended scope of repairs. Once repairs are completed, we recommend that the seawall be inspected on a regular basis, at least once every two years. If conditions become critical and the urgency of repairs becomes extremely high, inspections should be carried out every six months while repairs are ongoing. Routine inspections are a form of preventative maintenance to allow for the detection of deterioration and opportunity for repair before structural integrity is threatened. Additionally, upland areas should be monitored on a routine basis for potential soil loss. The loss of soil on the backside of a seawall is indicative of a void in the wall allowing water to flow through the wall during tidal fluctuations and causing erosion. This may indicate the progression of deterioration in localized areas.

- Our quantity estimations have been performed with the assistance of historical building drawings which may or may not be accurate. While we make every effort to be as accurate as possible, our cost and quantity estimates are to be considered preliminary and by no means a guarantee. We do not recommend using our estimates for future contractor bidding purposes.

Sample component photos are included in Appendix A – Component Photographs.

1.4 Key Terms

Estimated Quantity: The estimated total quantity for a component, typically designated with one of the following units of measurement:

Allowance = a lump sum cost utilized when future expenditures are difficult to predict
Lot = a lump sum cost utilized for or group of items or related work package
EA = each LF = linear foot SF = square foot SQ = roofing square (100 square feet)

Current Cost: The estimated cost to perform the work, on a unit and/or total basis. Based upon current, (Year 0) costs.

Useful Life (UL): The estimated time, in years, that a newly constructed/installed component can be expected to serve its intended function presuming proper construction, and proactive, planned, preventive maintenance.

Remaining Useful Life (RUL): The estimated time, in years, that an existing component can be expected to service its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have a remaining useful life of 0.

2.0 Funding Methodologies

2.1 Component Method (Straight Line Funding)

The Component Method is a reserve funding method which is based on the sum of funding for each individual component. This method utilized the fully funded balance as well as the annual contribution rate required to maintain the fully funded balance. The fully funded balance for each component is the direct proportion of the fraction of life "used up". This value is calculated for each component, and then totaled to determine the fully funded balance for the reserve account. The Component Method is based on the current cost and condition of each component and therefore does not consider inflation, returns on investments, or the available excess cash flow that the reserve account may have at any given point.

2.2 Cash Flow Method (Pooled Funding)

The Cash Flow Method is a reserve funding method which is based on the expected balance of the reserve account over time. This method considers the projected inflation rate as well as future returns on investments. The Cash Flow Method can consider various funding goals including baseline funding, threshold funding, and full funding. Cash Flow Method funding plans are typically created based on the following funding goals, as defined by the National Reserve Study Standards (listed by most aggressive to most conservative):

Baseline Funding

Establishing a reserve funding goal of allowing the reserve cash balance to approach but never fall below zero during the cash flow projection. This is the funding goal with the greatest risk of being prepared to fund future repair and replacement of major components, and it is not recommended as a long-term solution/plan. Baseline funding may lead to project delays, the need for a special assessment, and/or a line of credit for the community to fund needed repairs and replacement of major components.

Threshold Funding

Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "fully funded" with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

Full Funding

Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. Fully funded is when the actual or projected reserve balance is equal to the fully funded balance.

3.0 Structural Integrity Reserve Study – Funding Plans

A Structural Integrity Reserve Study only covers a portion of the Association components. Therefore, if one of Structural Integrity Reserve Study funding plans is followed, it will only be predictive if the future expenditures are limited to those presented in the component list for the Structural Integrity Reserve Study. See Section 5.0 for additional commentary.

For this Association the following funding methods/plans have been calculated, as summarized below:

3.1 Component Method (Straight Line Funding)

The Component Method has been calculated for the items included within the scope of a Structural Integrity Reserve Study.

3.2 Cash Flow Method (Pooled Funding)

A Cash Flow Method funding plan has been calculated for the items included within the scope of a Structural Integrity Reserve Study. A funding plan has been calculated for the following funding goal:

Baseline Funding Plan

In this plan, the reserve balance remains positive (above zero) throughout the study period. This is the most aggressive funding plan and leaves no margin for changes in costs, inflation, condition, future discrepancies, etc. and results in a likely chance of unplanned special assessments in the future.

COMPONENT METHOD

STRUCTURAL INTEGRITY RESERVE STUDY

#	Component Description	Estimated Quantity	Current Cost		UL	RUL	Fully Funded	
			Unit	Total			Balance	Annual Contribution
Building Structure and Envelope								
101	Roofing and appurtenances, flat	116 SQ	$ 1,800	$ 208,800	20	1	$ -	$ -
102	Exterior painting, waterproofing, and minor repairs	1 Allow	$ 46,500	$ 46,500	10	8	$ 9,300	$ 4,650
103	Railings, walkways and exterior stairs, replacement	850 LF	$ 90.00	$ 76,500	40	25	$ 28,688	$ 1,913
104	Exterior doors, stairs and mechanical rooms, partial	6 EA	$ 1,200	$ 7,200	40	14	$ 4,680	$ 180
105	Exterior doors, stairs and mechanical rooms, partial	6 EA	$ 1,200	$ 7,200	40	29	$ 1,980	$ 180
106	Exterior doors, trash room and FPL vault	2 EA	$ 2,500	$ 5,000	40	16	$ 3,000	$ 125
107	Windows and exterior doors, clubroom	1 Lot	$ 6,100	$ 6,100	40	5	$ 5,338	$ 153
108	Windows and exterior doors, laundry rooms	1 Lot	$ 18,200	$ 18,200	40	5	$ 15,925	$ 455
109	Structural repairs, recertification	1 Allow	$ 20,000	$ 20,000	10	4	$ 12,000	$ 2,000
Building Structure and Envelope Subtotal (9 Line Items)							$ 80,910	$ 9,655
Electrical Systems								
201	Main electrical panel, 1200 amps, 120/208V	1 EA	$ 15,000	$ 15,000	40	10	$ 11,250	$ 375
202	Main switch disconnect, 1200 amps	1 EA	$ 5,000	$ 5,000	40	10	$ 3,750	$ 125
203	Unit distribution / meter panel, 400-600 amps, 240V	3 EA	$ 9,500	$ 28,500	40	10	$ 21,375	$ 713
204	Unit meters and disconnects	40 EA	$ 500	$ 20,000	40	10	$ 15,000	$ 500
205	Electrical subpanels and disconnects, 125-400 amps	12 EA	$ 3,000	$ 36,000	40	10	$ 27,000	$ 900
Electrical Systems Subtotal (2 Line Items)							$ 78,375	$ 2,613
Plumbing								
301	Backflow preventer, domestic water	2 EA	$ 3,500	$ 7,000	40	32	$ 1,400	$ 175
302	Domestic water and waste pipe replacement	1 Allow	$ 30,000	$ 30,000	5	4	$ 6,000	$ 6,000
Plumbing Subtotal (2 Line Items)							$ 7,400	$ 6,175
Fire Protection Systems								
401	Backflow preventer, fire main	1 EA	$ 7,500	$ 7,500	40	5	$ 6,563	$ 188
402	Stand pipe, riser replacement	2 Allow	$ 15,000	$ 30,000	40	8	$ 24,000	$ 750
403	Valves and fittings, replacement	1 Allow	$ 10,000	$ 10,000	40	8	$ 8,000	$ 250
404	Fire cabinets with valves and hoses	10 EA	$ 1,000	$ 10,000	30	15	$ 5,000	$ 333
405	Fire alarm panel	1 EA	$ 12,250	$ 12,250	15	12	$ 2,450	$ 817
406	Fire alarm components, pull stations and detectors	29 EA	$ 500	$ 14,500	15	12	$ 2,900	$ 967
Fire Protection Systems Subtotal (6 Line Items)							$ 48,913	$ 3,304
Total / Fully Funded Balance							**$ 215,598**	**$ 21,747**

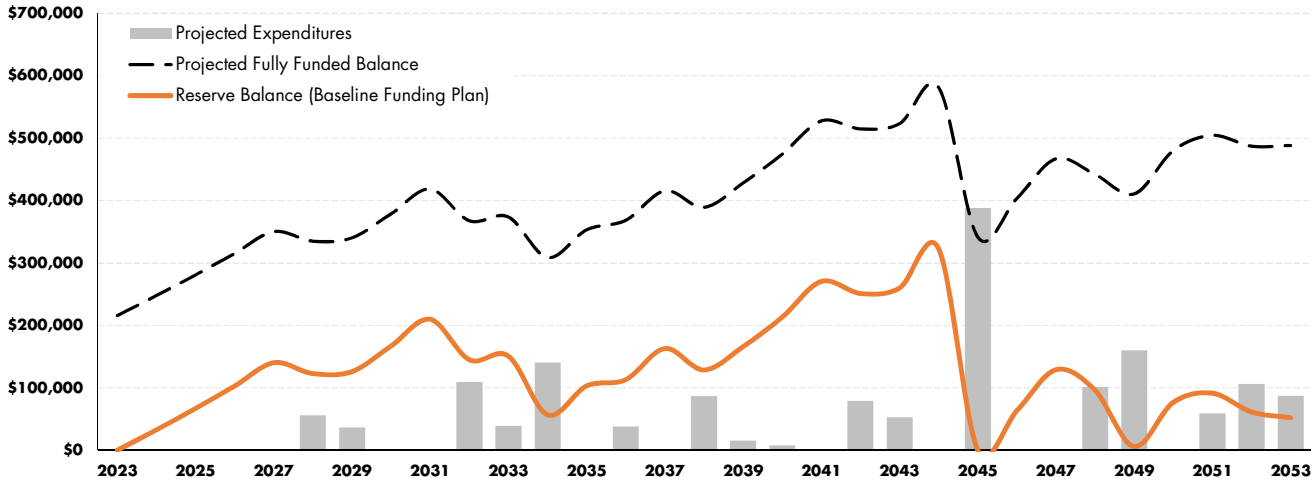
*Expenditure to be funded through Special Assessment and is therefore not included in Straight-Line Funding and Cash Flow Funding Plans

Baseline Funding Plan

Structural Integrity Reserve Study

Year		Reserve Balance (Start of Year)	Investment Returns	Projected Expenditures	Reserve Contributions			Reserve Balance (End of Year)	Component Method	
					Association Annual Total	Average Unit Monthly Total	Change from Prior Year		Fully Funded Balance	Percent Funded
2023	Year 0				$ -	$ -		$ -	$ 215,598	0%
2024	Year 1	$ -	$ -	$ -	$ 32,800	$ 70	N/A	$ 32,800	$ 247,784	13%
2025	Year 2	$ 32,800	$ 492	$ -	$ 33,784	$ 72	3.0%	$ 67,076	$ 280,936	24%
2026	Year 3	$ 67,076	$ 1,006	$ -	$ 34,798	$ 74	3.0%	$ 102,880	$ 315,083	33%
2027	Year 4	$ 102,880	$ 1,543	$ -	$ 35,841	$ 77	3.0%	$ 140,264	$ 350,255	40%
2028	Year 5	$ 140,264	$ 2,104	$ 56,275	$ 36,917	$ 79	3.0%	$ 123,010	$ 335,012	37%
2029	Year 6	$ 123,010	$ 1,845	$ 36,865	$ 38,024	$ 81	3.0%	$ 126,014	$ 340,279	37%
2030	Year 7	$ 126,014	$ 1,890	$ -	$ 39,165	$ 84	3.0%	$ 167,069	$ 378,712	44%
2031	Year 8	$ 167,069	$ 2,506	$ -	$ 40,340	$ 86	3.0%	$ 209,915	$ 418,297	50%
2032	Year 9	$ 209,915	$ 3,149	$ 109,576	$ 41,550	$ 89	3.0%	$ 145,038	$ 367,529	39%
2033	Year 10	$ 145,038	$ 2,176	$ 39,143	$ 42,797	$ 91	3.0%	$ 150,867	$ 373,672	40%
2034	Year 11	$ 150,867	$ 2,263	$ 140,439	$ 44,080	$ 94	3.0%	$ 56,771	$ 308,604	18%
2035	Year 12	$ 56,771	$ 852	$ -	$ 45,403	$ 97	3.0%	$ 103,026	$ 353,158	29%
2036	Year 13	$ 103,026	$ 1,545	$ 38,139	$ 46,765	$ 100	3.0%	$ 113,197	$ 368,389	31%
2037	Year 14	$ 113,197	$ 1,698	$ -	$ 48,168	$ 103	3.0%	$ 163,063	$ 415,656	39%
2038	Year 15	$ 163,063	$ 2,446	$ 86,520	$ 49,613	$ 106	3.0%	$ 128,602	$ 389,217	33%
2039	Year 16	$ 128,602	$ 1,929	$ 15,580	$ 51,101	$ 109	3.0%	$ 166,052	$ 428,164	39%
2040	Year 17	$ 166,052	$ 2,491	$ 8,024	$ 52,634	$ 112	3.0%	$ 213,154	$ 474,294	45%
2041	Year 18	$ 213,154	$ 3,197	$ -	$ 54,213	$ 116	3.0%	$ 270,565	$ 527,494	51%
2042	Year 19	$ 270,565	$ 4,058	$ 79,163	$ 55,840	$ 119	3.0%	$ 251,300	$ 514,762	49%
2043	Year 20	$ 251,300	$ 3,769	$ 52,605	$ 57,515	$ 123	3.0%	$ 259,979	$ 523,018	50%
2044	Year 21	$ 259,979	$ 3,900	$ -	$ 59,240	$ 127	3.0%	$ 323,119	$ 581,151	56%
2045	Year 22	$ 323,119	$ 4,847	$ 388,430	$ 61,018	$ 130	3.0%	$ 554	$ 341,645	0%
2046	Year 23	$ 554	$ 8	$ -	$ 62,848	$ 134	3.0%	$ 63,411	$ 403,318	16%
2047	Year 24	$ 63,411	$ 951	$ -	$ 64,734	$ 138	3.0%	$ 129,095	$ 466,841	28%
2048	Year 25	$ 129,095	$ 1,936	$ 101,640	$ 66,676	$ 142	3.0%	$ 96,068	$ 441,732	22%
2049	Year 26	$ 96,068	$ 1,441	$ 160,174	$ 68,676	$ 147	3.0%	$ 6,011	$ 410,708	1%
2050	Year 27	$ 6,011	$ 90	$ -	$ 70,736	$ 151	3.0%	$ 76,837	$ 480,121	16%
2051	Year 28	$ 76,837	$ 1,153	$ 59,419	$ 72,858	$ 156	3.0%	$ 91,428	$ 504,327	18%
2052	Year 29	$ 91,428	$ 1,371	$ 106,389	$ 75,044	$ 160	3.0%	$ 61,455	$ 487,217	13%
2053	Year 30	$ 61,455	$ 922	$ 87,664	$ 77,295	$ 165	3.0%	$ 52,008	$ 488,193	11%

Below 10% Funded
Below 100% Funded
Above 100% Funded



4.0 Full Reserve Study – Funding Plans

A Full Reserve Study covers all Association components that meet the criteria (see Section 6.1).

For this Association the following funding methods/plans have been calculated, as summarized below:

4.1 Component Method (Straight Line Funding)

The Component Method has been calculated for all Association components

4.2 Cash Flow Method (Pooled Funding)

A Cash Flow Method funding plan has been calculated for all Association components. A funding plans has been calculated for the following funding goal:

Threshold Funding Plan

In this plan, the reserve balance reaches the suggested minimum threshold by the end of Year 5, and then continues to maintain a balance above the suggested minimum threshold. We have utilized an initial threshold value of two times the average annual expenditure over the course of the study period. This threshold value is then annually escalated at the projected rate of inflation. This funding plan is relatively conservative and results in a low chance of unplanned special assessments in the future.

COMPONENT METHOD (PAGE 1 OF 2)

FULL RESERVE STUDY

#	Component Description	Estimated Quantity	Current Cost		UL	RUL	Fully Funded	
			Unit	Total			Balance	Annual Contribution
Building Structure and Envelope								
101	Roofing and appurtenances, flat	116 SQ	$ 1,800	$ 208,800	20	1	$ -	$ -
102	Exterior painting, waterproofing, and minor repairs	1 Allow	$ 46,500	$ 46,500	10	8	$ 9,300	$ 4,650
103	Railings, walkways and exterior stairs, replacement	850 LF	$ 90.00	$ 76,500	40	25	$ 28,688	$ 1,913
104	Exterior doors, stairs and mechanical rooms, partial	6 EA	$ 1,200	$ 7,200	40	14	$ 4,680	$ 180
105	Exterior doors, stairs and mechanical rooms, partial	6 EA	$ 1,200	$ 7,200	40	29	$ 1,980	$ 180
106	Exterior doors, trash room and FPL vault	2 EA	$ 2,500	$ 5,000	40	16	$ 3,000	$ 125
107	Windows and exterior doors, clubroom	1 Lot	$ 6,100	$ 6,100	40	5	$ 5,338	$ 153
108	Windows and exterior doors, laundry rooms	1 Lot	$ 18,200	$ 18,200	40	5	$ 15,925	$ 455
109	Structural repairs, recertification	1 Allow	$ 20,000	$ 20,000	10	4	$ 12,000	$ 2,000
Building Structure and Envelope Subtotal (9 Line Items)					10-40	1-29	$ 80,910	$ 9,655
Electrical Systems								
201	Main electrical panel, 1200 amps, 120/208V	1 EA	$ 15,000	$ 15,000	40	10	$ 11,250	$ 375
202	Main switch disconnect, 1200 amps	1 EA	$ 5,000	$ 5,000	40	10	$ 3,750	$ 125
203	Unit distribution / meter panel, 400-600 amps, 240V	3 EA	$ 9,500	$ 28,500	40	10	$ 21,375	$ 713
204	Unit meters and disconnects	40 EA	$ 500	$ 20,000	40	10	$ 15,000	$ 500
205	Electrical subpanels and disconnects, 125-400 amps	12 EA	$ 3,000	$ 36,000	40	10	$ 27,000	$ 900
Electrical Systems Subtotal (2 Line Items)					40-40	10-10	$ 78,375	$ 2,613
Plumbing								
301	Backflow preventer, domestic water	2 EA	$ 3,500	$ 7,000	40	32	$ 1,400	$ 175
302	Domestic water and waste pipe replacement	1 Allow	$ 30,000	$ 30,000	5	4	$ 6,000	$ 6,000
Plumbing Subtotal (2 Line Items)					5-40	4-32	$ 7,400	$ 6,175
Fire Protection Systems								
401	Backflow preventer, fire main	1 EA	$ 7,500	$ 7,500	40	5	$ 6,563	$ 188
402	Stand pipe, riser replacement	2 Allow	$ 15,000	$ 30,000	40	8	$ 24,000	$ 750
403	Valves and fittings, replacement	1 Allow	$ 10,000	$ 10,000	40	8	$ 8,000	$ 250
404	Fire cabinets with valves and hoses	10 EA	$ 1,000	$ 10,000	30	15	$ 5,000	$ 333
405	Fire alarm panel	1 EA	$ 12,250	$ 12,250	15	12	$ 2,450	$ 817
406	Fire alarm components, pull stations and detectors	29 EA	$ 500	$ 14,500	15	12	$ 2,900	$ 967
Fire Protection Systems Subtotal (6 Line Items)					15-40	5-15	$ 48,913	$ 3,304
Mechanical Systems								
501	Elevator, hydraulic, pump and controller	1 EA	$ 110,000	$ 110,000	25	22	$ 13,200	$ 4,400
502	Elevator, renovate cab	1 EA	$ 11,500	$ 11,500	15	12	$ 2,300	$ 767
503	Elevator, shaftway doors	5 EA	$ 3,560	$ 17,800	25	22	$ 2,136	$ 712
504	Elevator, sump pump	1 EA	$ 1,950	$ 1,950	20	17	$ 293	$ 98
505	HVAC, elevator machine room, mini split system, 1 ton	1 EA	$ 2,300	$ 2,300	20	16	$ 460	$ 115
Mechanical Systems Subtotal (5 Line Items)					15-25	12-22	$ 18,389	$ 6,091

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COMPONENT METHOD (PAGE 2 OF 2)

FULL RESERVE STUDY

#	Component Description	Estimated Quantity	Current Cost		UL	RUL	Fully Funded	
			Unit	Total			Balance	Annual Contribution
Amenities								
601	Laundry, water heater, electric, 38 gallons	5 EA	$ 1,550	$ 7,750	12	9	$ 1,938	$ 646
602	Laundry, equipment, washer/dryer	5 Pair	$ 2,750	$ 13,750	10	2	$ 11,000	$ 1,375
603	Clubroom, interior renovation	1 Allow	$ 10,000	$ 10,000	30	25	$ 1,667	$ 333
604	Mailbox kiosk	1 Allow	$ 4,700	$ 4,700	30	10	$ 3,133	$ 157
605	Breezeway doors	1 Lot	$ 4,800	$ 4,800	35	2	$ 4,526	$ 137
606	Trash chute	1 Lot	$ 8,000	$ 8,000	40	35	$ 1,000	$ 200
607	Trash chute doors	5 EA	$ 800	$ 4,000	30	25	$ 667	$ 133
608	Pool, refinish	1 Lot	$ 7,560	$ 7,560	12	3	$ 5,670	$ 630
609	Pool deck, pavers	1,500 SF	$ 10.50	$ 15,750	25	8	$ 10,710	$ 630
610	Pool deck, aluminum railings	55 LF	$ 150	$ 8,250	40	20	$ 4,125	$ 206
611	Pool deck, furniture	1 Allow	$ 7,650	$ 7,650	15	11	$ 2,040	$ 510
612	Pool deck, grill	2 EA	$ 600	$ 1,200	12	10	$ 200	$ 100
613	Pool equipment, allowance	1 Allow	$ 7,500	$ 7,500	12	6	$ 3,750	$ 625
614	Pool equipment, heater, 12000 BTU	1 EA	$ 4,800	$ 4,800	12	5	$ 2,800	$ 400
615	Lighting, building-mounted	1 Lot	$ 2,000	$ 2,000	25	10	$ 1,200	$ 80
616	Lighting, walkways	1 Lot	$ 15,750	$ 15,750	25	15	$ 6,300	$ 630
617	Flagpole	1 EA	$ 2,200	$ 2,200	30	10	$ 1,467	$ 73
Amenities Subtotal (17 Line Items)					10-40	2-35	$ 62,192	$ 6,866
Site Improvements								
701	Parking lot, pavement, seal coat and restripe	1,400 SY	$ 3.75	$ 5,250	5	1	$ 4,200	$ 1,050
702	Parking lot, pavement, mill and overlay	1,400 SY	$ 21.25	$ 29,750	30	22	$ 7,933	$ 992
703	Parking lot, concrete curb stops	41 EA	$ 120	$ 4,920	40	32	$ 984	$ 123
704	Seawall, concrete cap and piles, repair	275 LF	$ 300	$ 82,500	40	3	$ 76,313	$ 2,063
705	Dock, wood decking and framing	525 SF	$ 40.00	$ 21,000	15	5	$ 14,000	$ 1,400
706	Dock, wood piles	9 EA	$ 1,580	$ 14,220	30	15	$ 7,110	$ 474
707	Lighting, docks, walkways, and landscaping	1 Allow	$ 6,500	$ 6,500	25	15	$ 2,600	$ 260
708	Benches, polywood	2 EA	$ 500	$ 1,000	20	17	$ 150	$ 50
709	Fencing, chain link	105 LF	$ 40.00	$ 4,200	40	30	$ 1,050	$ 105
Site Improvements Subtotal (9 Line Items)					5-40	1-32	$ 114,340	$ 6,516
Total / Fully Funded Balance							**$ 410,517**	**$ 41,220**

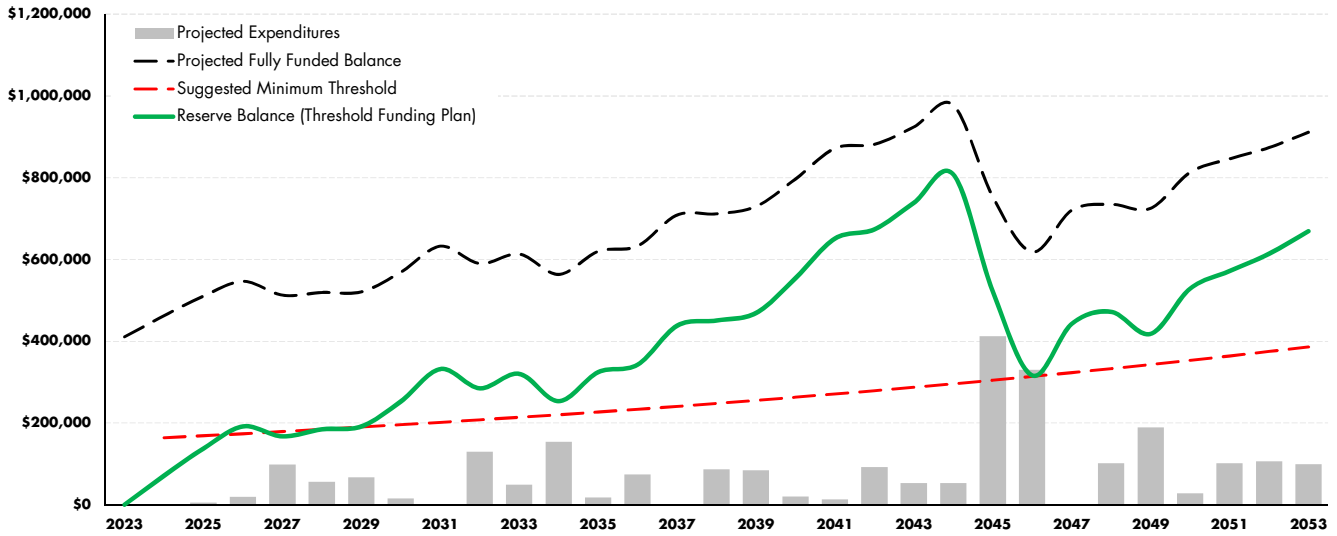
*Expenditure to be funded through Special Assessment and is therefore not included in Straight-Line Funding and Cash Flow Funding Plans

THRESHOLD FUNDING PLAN

FULL RESERVE STUDY

Year		Reserve Balance (Start of Year)	Investment Returns	Projected Expenditures	Reserve Contributions			Reserve Balance (End of Year)	Suggested Minimum Threshold	Component Method	
					Association Annual Total	Average Unit Monthly Total	Change from Prior Year			Fully Funded Balance	Percent Funded
2023	Year 0				$ -	$ -		$ -		$ 410,517	0%
2024	Year 1	$ -	$ -	$ -	$ 71,150	$ 152	N/A	$ 71,150	$ 163,786	$ 462,177	15%
2025	Year 2	$ 71,150	$ 1,067	$ 5,408	$ 71,150	$ 152	0.0%	$ 137,960	$ 168,699	$ 510,137	27%
2026	Year 3	$ 137,960	$ 2,069	$ 19,680	$ 71,150	$ 152	0.0%	$ 191,499	$ 173,760	$ 546,348	35%
2027	Year 4	$ 191,499	$ 2,872	$ 98,411	$ 71,150	$ 152	0.0%	$ 167,111	$ 178,973	$ 512,493	33%
2028	Year 5	$ 167,111	$ 2,507	$ 56,275	$ 71,150	$ 152	0.0%	$ 184,492	$ 184,342	$ 519,168	36%
2029	Year 6	$ 184,492	$ 2,767	$ 66,774	$ 71,150	$ 152	0.0%	$ 191,635	$ 189,872	$ 520,653	37%
2030	Year 7	$ 191,635	$ 2,875	$ 15,224	$ 73,285	$ 157	**3.0%**	$ 252,570	$ 195,569	$ 568,803	44%
2031	Year 8	$ 252,570	$ 3,789	$ -	$ 75,483	$ 161	3.0%	$ 331,842	$ 201,436	$ 632,339	52%
2032	Year 9	$ 331,842	$ 4,978	$ 129,527	$ 77,748	$ 166	3.0%	$ 285,040	$ 207,479	$ 589,926	48%
2033	Year 10	$ 285,040	$ 4,276	$ 49,255	$ 80,080	$ 171	3.0%	$ 320,140	$ 213,703	$ 612,979	52%
2034	Year 11	$ 320,140	$ 4,802	$ 154,013	$ 82,482	$ 176	3.0%	$ 253,412	$ 220,114	$ 563,381	45%
2035	Year 12	$ 253,412	$ 3,801	$ 17,857	$ 84,957	$ 182	3.0%	$ 324,313	$ 226,718	$ 619,662	52%
2036	Year 13	$ 324,313	$ 4,865	$ 74,140	$ 87,506	$ 187	3.0%	$ 342,544	$ 233,519	$ 632,754	54%
2037	Year 14	$ 342,544	$ 5,138	$ -	$ 90,131	$ 193	3.0%	$ 437,813	$ 240,525	$ 708,618	62%
2038	Year 15	$ 437,813	$ 6,567	$ 86,520	$ 92,835	$ 198	3.0%	$ 450,694	$ 247,740	$ 711,634	63%
2039	Year 16	$ 450,694	$ 6,760	$ 84,177	$ 95,620	$ 204	3.0%	$ 468,897	$ 255,173	$ 729,770	64%
2040	Year 17	$ 468,897	$ 7,033	$ 20,139	$ 98,488	$ 210	3.0%	$ 554,280	$ 262,828	$ 796,655	70%
2041	Year 18	$ 554,280	$ 8,314	$ 12,810	$ 101,443	$ 217	3.0%	$ 651,228	$ 270,713	$ 871,808	75%
2042	Year 19	$ 651,228	$ 9,768	$ 91,931	$ 104,486	$ 223	3.0%	$ 673,551	$ 278,834	$ 881,636	76%
2043	Year 20	$ 673,551	$ 10,103	$ 52,605	$ 107,621	$ 230	3.0%	$ 738,670	$ 287,199	$ 924,039	80%
2044	Year 21	$ 738,670	$ 11,080	$ 52,829	$ 110,849	$ 237	3.0%	$ 807,770	$ 295,815	$ 977,490	83%
2045	Year 22	$ 807,770	$ 12,117	$ 412,613	$ 114,175	$ 244	3.0%	$ 521,448	$ 304,689	$ 753,305	69%
2046	Year 23	$ 521,448	$ 7,822	$ 330,528	$ 117,600	$ 251	3.0%	$ 316,342	$ 313,830	$ 618,254	51%
2047	Year 24	$ 316,342	$ 4,745	$ -	$ 121,128	$ 259	3.0%	$ 442,216	$ 323,245	$ 720,209	61%
2048	Year 25	$ 442,216	$ 6,633	$ 101,640	$ 124,762	$ 267	3.0%	$ 471,971	$ 332,942	$ 734,685	64%
2049	Year 26	$ 471,971	$ 7,080	$ 189,487	$ 128,505	$ 275	3.0%	$ 418,069	$ 342,931	$ 725,086	58%
2050	Year 27	$ 418,069	$ 6,271	$ 27,820	$ 132,360	$ 283	3.0%	$ 528,879	$ 353,219	$ 812,995	65%
2051	Year 28	$ 528,879	$ 7,933	$ 101,757	$ 136,331	$ 291	3.0%	$ 571,386	$ 363,815	$ 846,196	68%
2052	Year 29	$ 571,386	$ 8,571	$ 106,389	$ 140,421	$ 300	3.0%	$ 613,989	$ 374,730	$ 873,639	70%
2053	Year 30	$ 613,989	$ 9,210	$ 98,976	$ 144,633	$ 309	3.0%	$ 668,856	$ 385,971	$ 911,122	73%

Below Threshold
Above Threshold
Above 100% Funded



5.0 Discussion of Funding Plans

5.1 Funding Recommendations

The decision on how an association chooses to fund its reserves is entirely up to the association and typically determined by an elected Board of Directors. In determining how to proceed, an association should consider many factors.

One important factor is the association's willingness to accept future special assessments. If an association's top priority is to avoid special assessments, then they should consider a conservative plan that is regularly updated, such as a Full Funding Plan with annual updates. In this scenario, it is nearly a guarantee that no special assessments will be required. Alternatively, if an association is agreeable to special assessments, they could consider a Baseline Funding Plan with updates only every ten years. We do not recommend this approach.

Another important element of reserve funding is maintaining an up-to-date reserve study. A detailed reserve study can often be updated for multiple years. A reserve study update is a simpler process than starting a full reserve study from scratch and can often be performed without the need for site visits and at a significantly lower cost.

We typically recommend that a moderate approach be considered for an association's reserve funding. A Threshold Funding Plan maintains an acceptable reserve balance throughout the study period without unnecessarily high reserve contribution rates. If updated at least every three years, a Threshold Funding Plan should be adequate to avoid special assessments in the future.

5.2 Limitations of a Structural Integrity Reserve Study

As described in the Florida Statutes, a Structural Integrity Reserve Study (SIRS) is intended to provide an analysis of reserve funding for components related to the structural integrity and safety of buildings three stories and higher. Fundamentally, an SIRS only covers a portion of total association components. However, association components which are not related to the structural integrity and safety of the building can be numerous and costly to maintain, repair, and replace.

Association components outside of the scope of an SIRS can include:

- Site improvements such as roadways, sidewalks, asphalt, fencing, irrigation systems, etc.
- Components not part of a building, such as pools, amenity decks, etc.
- Structures less than three stories in height
- Elevator machinery and cabs
- Interiors amenities such as gyms, lobby finishes, corridor finishes, etc.
- Electronic amenities such as security systems, access control systems, etc.
- Mechanical systems such as HVAC components, cooling towers, vehicle gates, etc.

Therefore, if the Association chooses to follow one of the SIRS funding plans for its reserve contributions, we recommend that expenditures from that reserve account be limited to those included in the SIRS component list and for other components which are directly related to the structural integrity and safety of the building. In this scenario, a separate reserve account could be maintained and utilized for other association expenditures not related to the structural integrity and safety of the building.

It is also important to note that an SIRS is not intended to be a thorough structural evaluation or assessment but rather a useful tool to assist an association in its financial planning. The need for future structural repairs is not typically predictable and therefore such repairs may not meet the requirements to be considered reserve components. The need for structural repairs should be evaluated, at a minimum, during county-required building recertification process (if applicable) or state-required Milestone Inspection process. An SIRS is not the equivalent of a building recertification or other Milestone Inspection and will not meet the need of a building recertification and/or Milestone Inspection that may be required in the future.

6.0 Scope and Basis

6.1 Objectives

The purpose of a reserve study is to conduct a reserve analysis for the Association which includes an evaluation of the current rate of contribution to the reserves, and, if necessary, suggestions to alternative funding strategies. This report is intended to be used as a tool by the Association for considering and managing its future financial obligations, determining appropriate reserve fund allocations, and informing the individual owners of the Association's required reserve expenditures and the resulting financial plan.

For purposes of financial planning, Association expenses are typically divided into two categories:

- Annual Operations: Related to commonly held elements of real property and other assets. These expenses typically include annual operating expenditures, taxes, insurance, property management costs, and other service fees.
- Reserve Expenditures: Related to major periodic repairs and/or replacement of commonly held elements which meet the following criteria:
    - The Association has the obligation to maintain or replace the existing element.
    - The need and schedule for this project can be reasonably anticipated.
    - The total cost for the project is material to the Association, can be reasonably estimated, and includes all direct and related costs.

The focuses of our reserve analysis are long-term reserve expenditures, the funding plan, and ensuring adequate reserve balances. History demonstrates that, as time progresses, property conditions and management strategies will change. As a result, planned scopes of work may be altered or deferred, actual cost in the marketplace will vary from estimates, and actual rates of inflation and returns on investment will vary from projections. For these reasons, we concur with the CAI's guidelines and recommend that this reserve study be updated every three to five years.

The reserve expenditures included within the Structural Integrity Reserve Study differ from traditional reserve expenses and are described in the Florida Statutes. Please reference Section 6.2.1 of this report.

6.2 Level of Service

This report contains two levels of analysis:

6.2.1 Structural Integrity Reserve Study

This analysis is consistent with the Florida Statutes section 718.112(2)(g)1, related to a Structural Integrity Reserve Study, which describes a reserve study encompassing "each building on the condominium property that is three stories or higher in height", which will include the components within the SIRS Study Area and SIRS Item List "as related to the structural integrity and safety of the building". Excerpts from the Florida Statutes are provided in Appendix B.

SIRS Study Area

The SIRS Study Area is limited to buildings three stories or higher and therefore excludes the driveway, pool, pool deck, seawall, site improvements, and other similar areas not directly within (or affecting) the residential buildings.

SIRS Item List

The SIRS Item List is consistent with the Florida Statutes section 718.112(2)(g)1 (a. through h.) which includes: the roof, structure, fireproofing and fire protection systems, plumbing, electrical systems, waterproofing and exterior painting, windows and exterior doors, and any other item that has a deferred maintenance expense or replacement cost that exceeds $10,000 and the failure to replace or maintain such item negatively affects the items listed above. The SIRS Item List is not inclusive of all Association items within the building and excludes Association items such as interior finishes, interior amenities, HVAC systems, elevators, and other similar items not related to the structural integrity and safety of the building.

It is important to note that a Structural Integrity Reserve Study is not the equivalent of a building recertification or other Milestone Inspection and will not meet the need of a building recertification and/or Milestone Inspection that may be required in the future.

6.2.2 Full Reserve Study

The National Reserve Study Standards (NRSS) identifies four levels of service for Reserve Studies:

I. Full
II. Update, With Site Visit/On-Site Review
III. Update, No Site Visit/Off-Site Review
IV. Preliminary, Community Not Yet Constructed

All may be appropriate for a community, depending on the condition of the community and the phase of the planning cycle. This analysis is consistent with the NRSS Level I, Full Reserve Study.

6.3 Opinions of Useful Life

For components which require periodic reserve expenditures for their repairs or replacement, the frequency of work equals the typical, industry accepted expected useful life (UL) for the type of feature. Theoretically, the remaining useful life (RUL) of a component, prior to the next reserve expenditure for its repair or replacement, is equal to the difference between its UL and its age: RUL = UL – Age.

In our experience, the effective age and actual RUL of an installed item can vary greatly from its actual age and calculated RUL. These variances depend on the quality of its original materials and workmanship, level of service, climatic exposure, and ongoing maintenance. As part of our analysis, we have determined our opinion of the UL and RUL of each common component based on our evaluation of its history and its existing condition.

In summary, we have based our opinion of the useful life, remaining useful life, and expected frequency and schedule of repair for each common component on some or all of the following:

- Actual or assumed age.
- Observed existing condition.
- Association's maintenance history and plan.
- Fannie Mae – Estimated Useful Life Tables
- Marshall & Swift Valuation Service Expected Life Expectancies
- Our experience with actual performance of such components under similar service and exposure.

6.4 Estimating

In developing our estimate of reserve expenditures for most common components, we have estimated quantities of each item as well as unit costs for its repair or replacement. In some cases, it is more appropriate to estimate a lump sum cost for a required work package or 'lot'. In other cases, particularly when future expenditures are difficult to predict, it is more appropriate to allocate an allowance.

Unless directed to take a different approach, we assume that contract labor will perform the work and apply appropriate installer's mark-ups on supplied material and equipment. When required, our estimated costs consider demolition and disposal of existing materials as well as protection of other portions of the property. When appropriate for large reserve projects, we will also consider soft costs for design and project management, as well as typical general contractor's cost for general conditions, supervision, overhead and profit.

We have based our opinion of unit, lump sum, and allowance costs on some or all of the following:

- Records of previous expenses.
- Previously solicited Vendor quotations or Contractor proposals.
- Provided reserve budgets developed by others.
- Our project files on repairs and replacements at other properties.
- RSMeans Construction Cost Data.
- Marshall & Swift Valuation Service – Facility Cost Index.

The primary purpose of this reserve study is to aid in overall budget planning. While we make every effort to be accurate, our cost and quantity estimates are to be considered preliminary and by no means a guarantee. Annual reserve expenditure budgets have been calculated for all years during the study period by inflating the annual tallies of current dollar cost at a rate of inflation selected by the Association.

6.5 Information Provided

Our initial financial analysis was based on the current funding rate and future plans of the Association. We were provided with initial information on the reserves and its funding plan.

- Reserve Balance Provided: $0
- As of: September 3, 2023
- Current Monthly Reserve Contribution: $0
- Fiscal Year Starting Date: January 1, 2024
- For Designated Year: 2024
- Projected Reserve Balance on Starting Date: $0
- Planned Increases: N/A
- Planned Special Assessments: N/A
- Projected Annual Return on Investment: 1.5%
- Projected Rate of Annual Inflation: 3.0%

Financial data, records of past expenses, and cost estimates provided by others have been taken in good faith and at face value. No audit or other verification has been performed.

7.0 Annual Projected Expenditures

PROJECTED EXPENDITURE SCHEDULE (PAGE 1 OF 3)

#	Component Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building Structure and Envelope											
101	Roofing and appurtenances, flat	-	-	-	-	-	-	-	-	-	-
102	Exterior painting, waterproofing, and minor repairs	-	-	-	-	-	-	-	-	$ 58,905	-
103	Railings, walkways and exterior stairs, replacement	-	-	-	-	-	-	-	-	-	-
104	Exterior doors, stairs and mechanical rooms, partial	-	-	-	-	-	-	-	-	-	-
105	Exterior doors, stairs and mechanical rooms, partial	-	-	-	-	-	-	-	-	-	-
106	Exterior doors, trash room and FPL vault	-	-	-	-	-	-	-	-	-	-
107	Windows and exterior doors, clubroom	-	-	-	-	-	$ 7,072	-	-	-	-
108	Windows and exterior doors, laundry rooms	-	-	-	-	-	$ 21,099	-	-	-	-
109	Structural repairs, recertification	-	-	-	-	$ 22,510	-	-	-	-	-
Electrical Systems											
201	Main electrical panel, 1200 amps, 120/208V	-	-	-	-	-	-	-	-	-	-
202	Main switch disconnect, 1200 amps	-	-	-	-	-	-	-	-	-	-
203	Unit distribution / meter panel, 400-600 amps, 240V	-	-	-	-	-	-	-	-	-	-
204	Unit meters and disconnects	-	-	-	-	-	-	-	-	-	-
205	Electrical subpanels and disconnects, 125-400 amps	-	-	-	-	-	-	-	-	-	-
Plumbing											
301	Backflow preventer, domestic water	-	-	-	-	-	-	-	-	-	-
302	Domestic water and waste pipe replacement	-	-	-	-	$ 33,765	-	-	-	-	$ 39,143
Fire Protection Systems											
401	Backflow preventer, fire main	-	-	-	-	-	$ 8,695	-	-	-	-
402	Stand pipe, riser replacement	-	-	-	-	-	-	-	-	$ 38,003	-
403	Valves and fittings, replacement	-	-	-	-	-	-	-	-	$ 12,668	-
404	Fire cabinets with valves and hoses	-	-	-	-	-	-	-	-	-	-
405	Fire alarm panel	-	-	-	-	-	-	-	-	-	-
406	Fire alarm components, pull stations and detectors	-	-	-	-	-	-	-	-	-	-
Mechanical Systems											
501	Elevator, hydraulic, pump and controller	-	-	-	-	-	-	-	-	-	-
502	Elevator, renovate cab	-	-	-	-	-	-	-	-	-	-
503	Elevator, shaftway doors	-	-	-	-	-	-	-	-	-	-
504	Elevator, sump pump	-	-	-	-	-	-	-	-	-	-
505	HVAC, elevator machine room, mini split system, 1 ton	-	-	-	-	-	-	-	-	-	-
Amenities											
601	Laundry, water heater, electric, 38 gallons	-	-	-	-	-	-	-	-	-	$ 10,112
602	Laundry, equipment, washer/dryer	-	-	$ 14,587	-	-	-	-	-	-	-
603	Clubroom, interior renovation	-	-	-	-	-	-	-	-	-	-
604	Mailbox kiosk	-	-	-	-	-	-	-	-	-	-
605	Breezeway doors	-	-	$ 5,092	-	-	-	-	-	-	-
606	Trash chute	-	-	-	-	-	-	-	-	-	-
607	Trash chute doors	-	-	-	-	-	-	-	-	-	-
608	Pool, refinish	-	-	-	$ 8,261	-	-	-	-	-	-
609	Pool deck, pavers	-	-	-	-	-	-	-	-	$ 19,952	-
610	Pool deck, aluminum railings	-	-	-	-	-	-	-	-	-	-
611	Pool deck, furniture	-	-	-	-	-	-	-	-	-	-
612	Pool deck, grill	-	-	-	-	-	-	-	-	-	-
613	Pool equipment, allowance	-	-	-	-	-	-	$ 8,955	-	-	-
614	Pool equipment, heater, 12000 BTU	-	-	-	-	-	$ 5,565	-	-	-	-
615	Lighting, building-mounted	-	-	-	-	-	-	-	-	-	-
616	Lighting, walkways	-	-	-	-	-	-	-	-	-	-
617	Flagpole	-	-	-	-	-	-	-	-	-	-
Site Improvements											
701	Parking lot, pavement, seal coat and restripe	-	$ 5,408	-	-	-	-	$ 6,269	-	-	-
702	Parking lot, pavement, mill and overlay	-	-	-	-	-	-	-	-	-	-
703	Parking lot, concrete curb stops	-	-	-	-	-	-	-	-	-	-
704	Seawall, concrete cap and piles, repair	-	-	-	$ 90,150	-	-	-	-	-	-
705	Dock, wood decking and framing	-	-	-	-	-	$ 24,345	-	-	-	-
706	Dock, wood piles	-	-	-	-	-	-	-	-	-	-
707	Lighting, docks, walkways, and landscaping	-	-	-	-	-	-	-	-	-	-
708	Benches, polywood	-	-	-	-	-	-	-	-	-	-
709	Fencing, chain link	-	-	-	-	-	-	-	-	-	-
Grand Total		-	$ 5,408	$ 19,680	$ 98,411	$ 56,275	$ 66,774	$ 15,224	-	$ 129,527	$ 49,255

PROJECTED EXPENDITURE SCHEDULE (PAGE 2 OF 3)

#	Component Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
		Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Building Structure and Envelope											
101	Roofing and appurtenances, flat	-	-	-	-	-	-	-	-	-	-
102	Exterior painting, waterproofing, and minor repairs	-	-	-	-	-	-	-	-	$ 79,163	-
103	Railings, walkways and exterior stairs, replacement	-	-	-	-	-	-	-	-	-	-
104	Exterior doors, stairs and mechanical rooms, partial	-	-	-	-	$ 10,891	-	-	-	-	-
105	Exterior doors, stairs and mechanical rooms, partial	-	-	-	-	-	-	-	-	-	-
106	Exterior doors, trash room and FPL vault	-	-	-	-	-	-	$ 8,024	-	-	-
107	Windows and exterior doors, clubroom	-	-	-	-	-	-	-	-	-	-
108	Windows and exterior doors, laundry rooms	-	-	-	-	-	-	-	-	-	-
109	Structural repairs, recertification	-	-	-	-	$ 30,252	-	-	-	-	-
Electrical Systems											
201	Main electrical panel, 1200 amps, 120/208V	$ 20,159	-	-	-	-	-	-	-	-	-
202	Main switch disconnect, 1200 amps	$ 6,720	-	-	-	-	-	-	-	-	-
203	Unit distribution / meter panel, 400-600 amps, 240V	$ 38,302	-	-	-	-	-	-	-	-	-
204	Unit meters and disconnects	$ 26,878	-	-	-	-	-	-	-	-	-
205	Electrical subpanels and disconnects, 125-400 amps	$ 48,381	-	-	-	-	-	-	-	-	-
Plumbing											
301	Backflow preventer, domestic water	-	-	-	-	-	-	-	-	-	-
302	Domestic water and waste pipe replacement	-	-	-	-	$ 45,378	-	-	-	-	$ 52,605
Fire Protection Systems											
401	Backflow preventer, fire main	-	-	-	-	-	-	-	-	-	-
402	Stand pipe, riser replacement	-	-	-	-	-	-	-	-	-	-
403	Valves and fittings, replacement	-	-	-	-	-	-	-	-	-	-
404	Fire cabinets with valves and hoses	-	-	-	-	-	$ 15,580	-	-	-	-
405	Fire alarm panel	-	-	$ 17,466	-	-	-	-	-	-	-
406	Fire alarm components, pull stations and detectors	-	-	$ 20,674	-	-	-	-	-	-	-
Mechanical Systems											
501	Elevator, hydraulic, pump and controller	-	-	-	-	-	-	-	-	-	-
502	Elevator, renovate cab	-	-	$ 16,396	-	-	-	-	-	-	-
503	Elevator, shaftway doors	-	-	-	-	-	-	-	-	-	-
504	Elevator, sump pump	-	-	-	-	-	-	-	$ 3,223	-	-
505	HVAC, elevator machine room, mini split system, 1 ton	-	-	-	-	-	-	$ 3,691	-	-	-
Amenities											
601	Laundry, water heater, electric, 38 gallons	-	-	-	-	-	-	-	-	-	-
602	Laundry, equipment, washer/dryer	-	-	$ 19,604	-	-	-	-	-	-	-
603	Clubroom, interior renovation	-	-	-	-	-	-	-	-	-	-
604	Mailbox kiosk	$ 6,316	-	-	-	-	-	-	-	-	-
605	Breezeway doors	-	-	-	-	-	-	-	-	-	-
606	Trash chute	-	-	-	-	-	-	-	-	-	-
607	Trash chute doors	-	-	-	-	-	-	-	-	-	-
608	Pool, refinish	-	-	-	-	-	$ 11,778	-	-	-	-
609	Pool deck, pavers	-	-	-	-	-	-	-	-	-	-
610	Pool deck, aluminum railings	-	-	-	-	-	-	-	-	-	-
611	Pool deck, furniture	-	$ 10,589	-	-	-	-	-	-	-	-
612	Pool deck, grill	$ 1,613	-	-	-	-	-	-	-	-	-
613	Pool equipment, allowance	-	-	-	-	-	-	-	-	$ 12,768	-
614	Pool equipment, heater, 12000 BTU	-	-	-	-	-	-	-	$ 7,934	-	-
615	Lighting, building-mounted	$ 2,688	-	-	-	-	-	-	-	-	-
616	Lighting, walkways	-	-	-	-	-	$ 24,538	-	-	-	-
617	Flagpole	$ 2,957	-	-	-	-	-	-	-	-	-
Site Improvements											
701	Parking lot, pavement, seal coat and restripe	-	$ 7,267	-	-	-	-	$ 8,425	-	-	-
702	Parking lot, pavement, mill and overlay	-	-	-	-	-	-	-	-	-	-
703	Parking lot, concrete curb stops	-	-	-	-	-	-	-	-	-	-
704	Seawall, concrete cap and piles, repair	-	-	-	-	-	-	-	-	-	-
705	Dock, wood decking and framing	-	-	-	-	-	-	-	-	-	-
706	Dock, wood piles	-	-	-	-	-	$ 22,154	-	-	-	-
707	Lighting, docks, walkways, and landscaping	-	-	-	-	-	$ 10,127	-	-	-	-
708	Benches, polywood	-	-	-	-	-	-	-	$ 1,653	-	-
709	Fencing, chain link	-	-	-	-	-	-	-	-	-	-
Grand Total		$ 154,013	$ 17,857	$ 74,140	-	$ 86,520	$ 84,177	$ 20,139	$ 12,810	$ 91,931	$ 52,605

CROMER CRITERIUM ENGINEERS

PROJECTED EXPENDITURE SCHEDULE (PAGE 3 OF 3)

#	Component Description	2044 Year 21	2045 Year 22	2046 Year 23	2047 Year 24	2048 Year 25	2049 Year 26	2050 Year 27	2051 Year 28	2052 Year 29	2053 Year 30
Building Structure and Envelope											
101	Roofing and appurtenances, flat	-	$ 388,430	-	-	-	-	-	-	-	-
102	Exterior painting, waterproofing, and minor repairs	-	-	-	-	-	-	-	-	$ 106,389	-
103	Railings, walkways and exterior stairs, replacement	-	-	-	-	-	$ 160,174	-	-	-	-
104	Exterior doors, stairs and mechanical rooms, partial	-	-	-	-	-	-	-	-	-	-
105	Exterior doors, stairs and mechanical rooms, partial	-	-	-	-	-	-	-	-	-	$ 16,967
106	Exterior doors, trash room and FPL vault	-	-	-	-	-	-	-	-	-	-
107	Windows and exterior doors, clubroom	-	-	-	-	-	-	-	-	-	-
108	Windows and exterior doors, laundry rooms	-	-	-	-	-	-	-	-	-	-
109	Structural repairs, recertification	-	-	-	-	$ 40,656	-	-	-	-	-
Electrical Systems											
201	Main electrical panel, 1200 amps, 120/208V	-	-	-	-	-	-	-	-	-	-
202	Main switch disconnect, 1200 amps	-	-	-	-	-	-	-	-	-	-
203	Unit distribution / meter panel, 400-600 amps, 240V	-	-	-	-	-	-	-	-	-	-
204	Unit meters and disconnects	-	-	-	-	-	-	-	-	-	-
205	Electrical subpanels and disconnects, 125-400 amps	-	-	-	-	-	-	-	-	-	-
Plumbing											
301	Backflow preventer, domestic water	-	-	-	-	-	-	-	-	-	-
302	Domestic water and waste pipe replacement	-	-	-	-	$ 60,984	-	-	-	-	$ 70,697
Fire Protection Systems											
401	Backflow preventer, fire main	-	-	-	-	-	-	-	-	-	-
402	Stand pipe, riser replacement	-	-	-	-	-	-	-	-	-	-
403	Valves and fittings, replacement	-	-	-	-	-	-	-	-	-	-
404	Fire cabinets with valves and hoses	-	-	-	-	-	-	-	-	-	-
405	Fire alarm panel	-	-	-	-	-	-	-	$ 27,211	-	-
406	Fire alarm components, pull stations and detectors	-	-	-	-	-	-	-	$ 32,209	-	-
Mechanical Systems											
501	Elevator, hydraulic, pump and controller	-	-	$ 210,771	-	-	-	-	-	-	-
502	Elevator, renovate cab	-	-	-	-	-	-	-	$ 25,545	-	-
503	Elevator, shaftway doors	-	-	$ 34,107	-	-	-	-	-	-	-
504	Elevator, sump pump	-	-	-	-	-	-	-	-	-	-
505	HVAC, elevator machine room, mini split system, 1 ton	-	-	-	-	-	-	-	-	-	-
Amenities											
601	Laundry, water heater, electric, 38 gallons	-	$ 14,417	-	-	-	-	-	-	-	-
602	Laundry, equipment, washer/dryer	-	-	$ 26,346	-	-	-	-	-	-	-
603	Clubroom, interior renovation	-	-	-	-	-	$ 20,938	-	-	-	-
604	Mailbox kiosk	-	-	-	-	-	-	-	-	-	-
605	Breezeway doors	-	-	-	-	-	-	-	-	-	-
606	Trash chute	-	-	-	-	-	-	-	-	-	-
607	Trash chute doors	-	-	-	-	-	$ 8,375	-	-	-	-
608	Pool, refinish	-	-	-	-	-	-	-	$ 16,793	-	-
609	Pool deck, pavers	-	-	-	-	-	-	-	-	-	-
610	Pool deck, aluminum railings	$ 14,900	-	-	-	-	-	-	-	-	-
611	Pool deck, furniture	-	-	-	-	-	-	$ 16,498	-	-	-
612	Pool deck, grill	-	-	$ 2,299	-	-	-	-	-	-	-
613	Pool equipment, allowance	-	-	-	-	-	-	-	-	-	-
614	Pool equipment, heater, 12000 BTU	-	-	-	-	-	-	-	-	-	$ 11,312
615	Lighting, building-mounted	-	-	-	-	-	-	-	-	-	-
616	Lighting, walkways	-	-	-	-	-	-	-	-	-	-
617	Flagpole	-	-	-	-	-	-	-	-	-	-
Site Improvements											
701	Parking lot, pavement, seal coat and restripe	-	$ 9,767	-	-	-	-	$ 11,322	-	-	-
702	Parking lot, pavement, mill and overlay	-	-	$ 57,004	-	-	-	-	-	-	-
703	Parking lot, concrete curb stops	-	-	-	-	-	-	-	-	-	-
704	Seawall, concrete cap and piles, repair	-	-	-	-	-	-	-	-	-	-
705	Dock, wood decking and framing	$ 37,928	-	-	-	-	-	-	-	-	-
706	Dock, wood piles	-	-	-	-	-	-	-	-	-	-
707	Lighting, docks, walkways, and landscaping	-	-	-	-	-	-	-	-	-	-
708	Benches, polywood	-	-	-	-	-	-	-	-	-	-
709	Fencing, chain link	-	-	-	-	-	-	-	-	-	-
Grand Total		$ 52,829	$ 412,613	$ 330,528	-	$ 101,640	$ 189,487	$ 27,820	$ 101,757	$ 106,389	$ 98,976

*Expenditure to be funded through Special Assessment and is therefore not included in Straight-Line Funding and Cash Flow Funding Plans

CROMER CRITERIUM ENGINEERS

8.0 Standards and Limitations

Criterium-Cromer Engineers shall perform duties to at least the professional standards consistent with a licensed, Professional Engineer, but does not guarantee or warrant that all adverse conditions concerning the property can be or will be discovered and included in the report. The photographs are an integral part of this report and must be included in any review.

This study is limited to the visual observations made during our inspection. We did not undertake any excavation, conduct any destructive or invasive testing, remove surface materials or finishes, or displace furnishings or equipment. The observations described in this study are valid on the dates of the investigation. Accordingly, we cannot comment on the condition of systems that we could not see, such as buried structures and utilities, nor are we responsible for conditions that could not be seen or were not within the scope of our services at the time of inspection. We did not perform any computations or other engineering analysis as part of this study, nor did we conduct a comprehensive code compliance investigation.

This information in this study is not to be considered a warranty of condition, quality, compliance or cost. No warranty is implied. Financial data, records of past expenses, and cost estimates provided by others have been taken in good faith and at face value. No audit or other verification has been performed.

Reserve budgets are opinions of likely expense based on reasonable cost estimates. We have not obtained competitive quotations or estimates from contractors. Actual costs can vary significantly, based on the specific scope of work developed, availability of materials and qualified contractors, and many other variables. We cannot be responsible for variances.

Criterium-Cromer Engineers does not offer financial counseling services. Although reasonable rates of inflation and return on investment must be assumed to calculate projected balances, no one can accurately predict actual economic performance. Although reserve fund management and investment may be discussed during the course of the study, we do not purport to hold any special qualifications in this area. We recommend that the Association also seek other professional guidance before finalizing their current reserve fund planning activity. Depending on issues which may arise, an appropriate team of consultants to aid decision-making might include their property manager, accountant, financial counselor, and attorney.

Criterium-Cromer Engineers prepared this confidential report for the review and use of the Association. We do not intend any other individual or party to rely upon this study without our express written consent. If another individual or party relies on this study, they shall indemnify, defend and hold Criterium-Cromer Engineers, its subsidiaries, affiliates, officers, directors, members, shareholders, partners, agents, employees and such other parties in interest specified by Criterium-Cromer Engineers harmless for any damages, losses, or expenses they may incur as a result of its use. Any use or reliance of the report by an individual or party other than shall constitute acceptance of these terms and conditions.

9.0 Conclusion

To the best of our ability, we have attempted to work in the best interest of the Association and to aid the Board toward fulfillment of their fiduciary responsibilities and obligations to the individual Unit Owners who comprise the association's membership. In our professional opinion, and within the limitations disclosed elsewhere herein, all information contained herein is reliable and appropriate to guide the Board's deliberations and decision-making. We consider our report confidential and will not share its content with anyone but the Board without its knowledge and release.

We are unaware of any other involvement or business relationship between Criterium-Cromer Engineers and the Developer, individual Unit Owners, members of the Board, or any other entities which constitutes any conflict of interest.

Criterium Engineers appreciates this opportunity to assist you in support of the financial planning for your community. We are pleased to present this report for the Board's consideration and use. Thank you.

Respectfully submitted,



Casey Cromer, P.E.
President
Criterium-Cromer Engineers

APPENDIX A

COMPONENT PHOTOGRAPHS

Component Photographs



Photo 1
Building Structure and Envelope



Photo 2
Building Structure and Envelope



Photo 3
Building Structure and Envelope



Photo 4
Building Structure and Envelope



Photo 5
Building Structure and Envelope



Photo 6
Building Structure and Envelope

Component Photographs



Photo 7
Building Structure and Envelope



Photo 8
Building Structure and Envelope

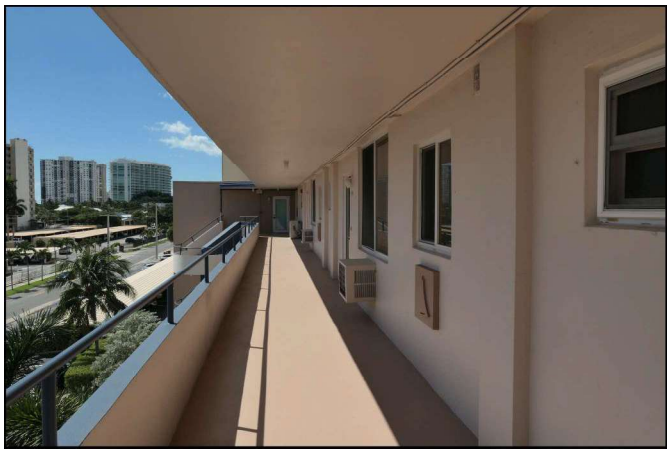


Photo 9
Building Structure and Envelope



Photo 10
Building Structure and Envelope

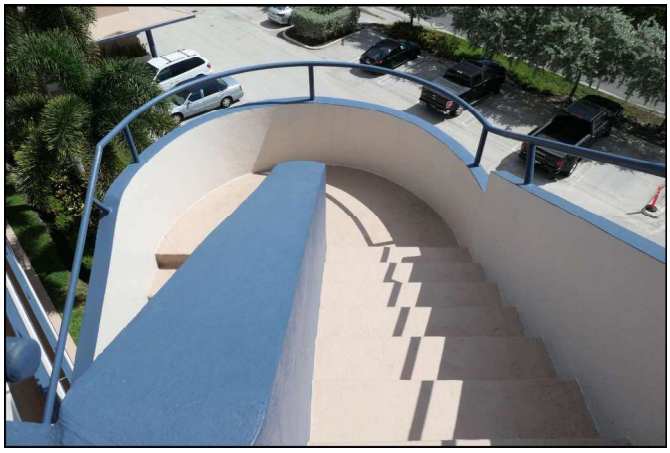


Photo 11
Building Structure and Envelope



Photo 12
Building Structure and Envelope