

Pier Point Condominiums Association of Jacksonville Beach, Inc.

Jacksonville Beach, FL • August 18, 2022

FULL RESERVE STUDY



Long-term thinking. Everyday commitment.

Pier Point Condominiums Association of Jacksonville Beach, Inc.
Jacksonville Beach, Florida

Dear Board of Directors of Pier Point Condominiums Association of Jacksonville Beach, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Pier Point Condominiums Association of Jacksonville Beach, Inc. in Jacksonville Beach, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 18, 2022.

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 Pier Point Condominiums Association of Jacksonville Beach, 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 13, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Brandon L. Bloomer, RS¹

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>.



Long-term thinking. Everyday commitment.



Table of Contents

1. RESERVE STUDY EXECUTIVE SUMMARY	1.1
2. RESERVE STUDY REPORT	2.1
3. RESERVE EXPENDITURES and FUNDING PLAN.....	3.1
4. RESERVE COMPONENT DETAIL.....	4.1
Exterior Building Elements	4.1
Awnings	4.1
Balconies and Breezeways, Concrete	4.2
Balconies (Terraces), Concrete with Membrane and Tile	4.4
Balconies and Breezeways, Railings, Aluminum	4.5
Doors, Metal, Common.....	4.7
Light Fixtures	4.8
Roofs, Metal	4.9
Roofs, Modified Bitumen	4.11
Walls, Stucco	4.15
Windows and Doors, Common	4.17
Interior Building Elements	4.19
Elevator Cab Finishes	4.19
Exercise Equipment.....	4.21
Club Room, Interior Renovations.....	4.21
Floor Coverings, Carpet, Lobbies	4.23
Floor Coverings, Tile, Lobbies	4.23
Furnishings	4.24
Mailboxes	4.25
Paint Finishes, Stairwells.....	4.26
Building Services Elements	4.26
Air Handling and Condensing Units, Split System	4.26
Elevator, Hydraulic	4.28
Intercom Panels.....	4.30
Life Safety System.....	4.31
Pumps, Domestic Water	4.32
Pump, Fire Suppression	4.34
Security System.....	4.36



Property Site Elements	4.37
Asphalt Pavement, Patch Repairs and Seal Coat	4.37
Asphalt Pavement, Repaving	4.38
Irrigation System, Replacement.....	4.40
Light Poles and Fixtures	4.41
Waterproof Membrane, Replacement and Concrete Structure Repairs	4.42
Pool Elements.....	4.45
Mechanical Equipment	4.45
Pool Finishes, Plaster and Tile	4.47
Garage Elements	4.48
Concrete, On-grade.....	4.48
Doors and Operators	4.50
Exhaust	4.51
Fire Suppression System	4.52
Reserve Study Update.....	4.52
5. METHODOLOGY	5.1
6. CREDENTIALS	6.1
7. DEFINITIONS	7.1
8. PROFESSIONAL SERVICE CONDITIONS	8.1



1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Pier Point Condominiums Association of Jacksonville Beach, Inc. (Pier Point Condominiums)

Location: Jacksonville Beach, Florida

Reference: 221133

Property Basics: Pier Point Condominiums Association of Jacksonville Beach, Inc. is a condominium style development which consists of 60 units in one building. The building was built in 2007. The building contains a waterproof membrane at the pool deck, as well as two elevators, two lobbies, and a parking garage.

Reserve Components Identified: 42 Reserve Components.

Inspection Date: August 18, 2022.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes multiple threshold funding years due to replacement of the waterproof membrane at the pool deck, the standing seam metal roofs, and the modified bitumen roofs.

In addition, the Reserve Funding Plan recommends 2052 year end accumulated reserves of approximately \$1,955,700. We judge this amount of accumulated reserves in 2052 necessary to fund the likely replacement of the future replacements of the waterproof membrane after 2052. Future replacement costs beyond the next 30 years for the replacement of the future replacements of the waterproof membrane 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 2052 year end reserves.

Methodology: 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
- 0.7% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs

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

Unaudited Cash Status of Reserve Fund:

- \$581,572 as of July 31, 2022
- 2022 budgeted Reserve Contributions of \$78,971
- A potential deficit in reserves might occur by 2023 based upon continuation of the most recent annual reserve contribution of \$78,971 and the identified Reserve Expenditures.

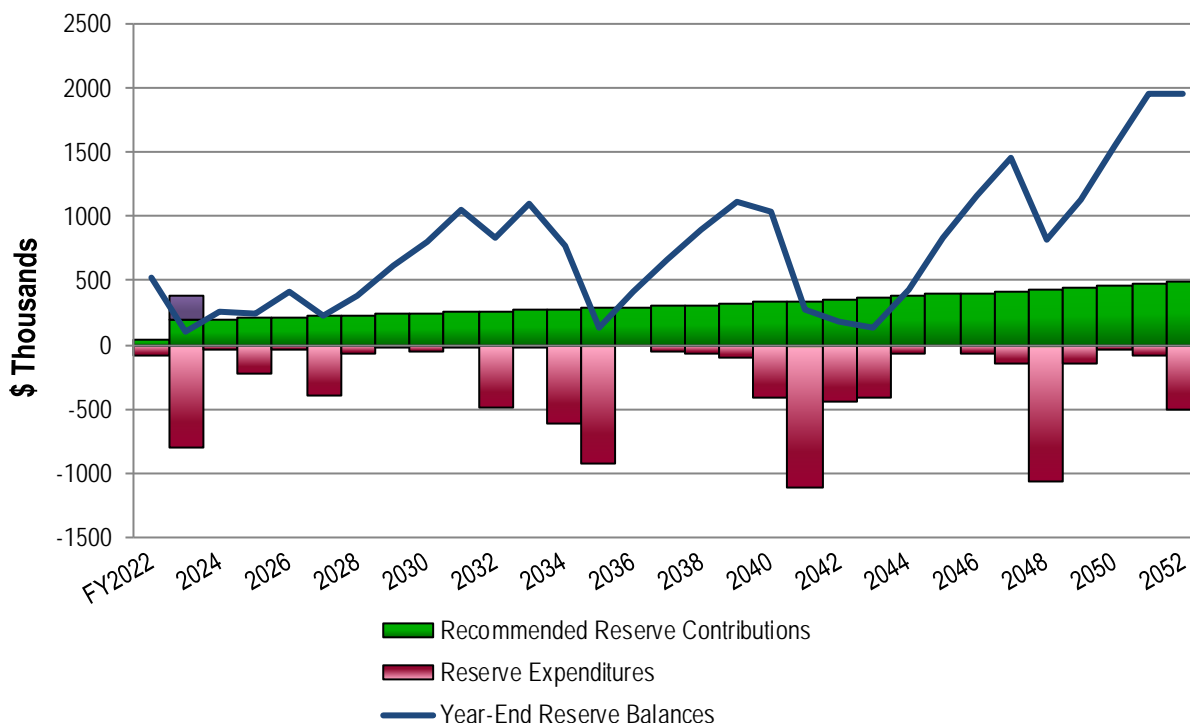


Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Increase to \$191,000 in 2023
- Additional contributions of \$190,000 in 2023
- Inflationary increases from 2024 through 2035
- Stable contributions of \$286,000 from 2035 through 2036
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- 2023 Reserve Contribution of \$191,000 is equivalent to an average monthly contribution of \$265.28 per homeowner.
- Additional Contribution of \$190,000 in 2023 is equivalent to an average monthly contribution of \$263.89 per homeowner.

Pier Point Condominiums
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2023	381,000	100,732	2033	269,400	1,100,898	2043	363,900	128,340
2024	197,700	254,967	2034	278,800	765,308	2044	376,600	432,763
2025	204,600	240,105	2035	286,000	128,438	2045	389,800	826,957
2026	211,800	410,237	2036	286,000	416,338	2046	403,400	1,165,381
2027	219,200	229,250	2037	296,000	657,782	2047	417,500	1,450,149
2028	226,900	382,685	2038	306,400	893,984	2048	432,100	817,850
2029	234,800	610,772	2039	317,100	1,112,052	2049	447,200	1,124,995
2030	243,000	799,427	2040	328,200	1,034,595	2050	462,900	1,555,307
2031	251,500	1,051,823	2041	339,700	266,208	2051	479,100	1,956,948
2032	260,300	831,329	2042	351,600	182,614	2052	495,900	1,955,657





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

Pier Point Condominiums Association of Jacksonville Beach, Inc.

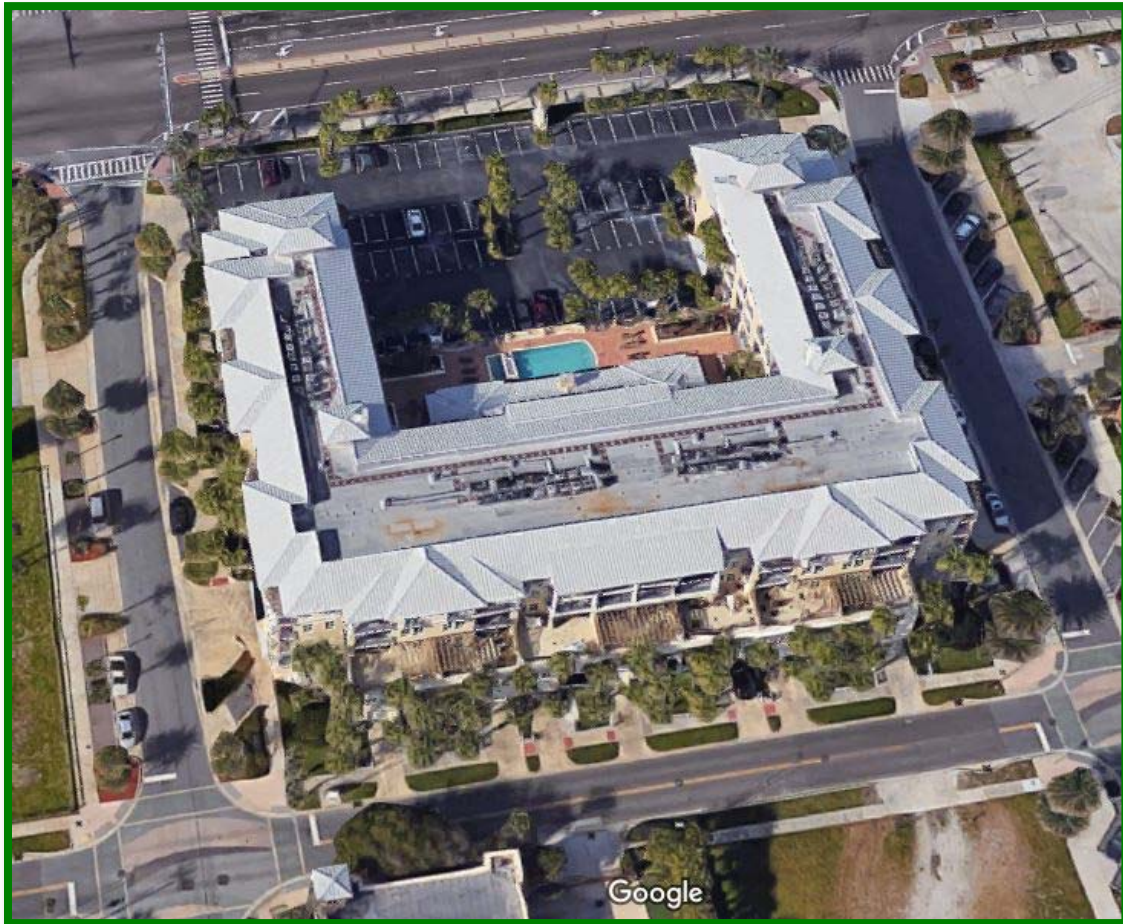
Jacksonville Beach, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 18, 2022.

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 Homeowners 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 Homeowners
- 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:

- Pier Point Condominiums 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
- Pipes, Interior Building, Domestic Water, Sanitary Waste, Vent, Sprinkler, Common
- Pool Structure, Total Replacement
- Structural Frames
- Trash Chute and Doors
- Valves, Large Diameter



Electrical system components



Trash chute

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 \$5,500 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Driveways, Concrete, Repairs and Partial Replacements
- Exercise Room, Floor Coverings, Rubber
- Fire Extinguishers
- Gutters, Downspouts and Scuppers
- Irrigation System, Controls and Maintenance
- Landscape
- Light Fixtures, Garage
- Light Fixtures, Recessed
- Light Fixtures, Stairwells
- Outdoor Kitchen, Pool Area
- Paint Finishes, Club
- Paint Finishes, Lobbies
- Paint Finishes, Touch Up
- Pipes, Common, Interim Repairs and Waste Rodding
- Pool Furniture
- Pumps Less Than Five-HP (horsepower)
- Shutters, Wood, Decorative
- Signage, Building Identification, Renovation
- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)
- Other Repairs normally funded through the Operating Budget



Outdoor kitchen

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

- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors



- Pergolas
- Pipes (Within Units and Pipes Serving One Unit)
- Windows and Doors

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

- Catch Basins (City of Jacksonville Beach)
- Electrical Transformer (Beaches Energy)
- Driveway Aprons (City of Jacksonville Beach)
- Pipes, Subsurface Utilities (City of Jacksonville Beach)
- Sidewalks, Along Streets (City of Jacksonville Beach)

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
- 2022 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 EXPENDITURES

Pier Point Condominiums
Association of Jacksonville Beach, Inc.
Jacksonville Beach, Florida

Explanatory Notes:

- 1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037
						Useful	Remaining	Unit (2022)	Per Phase (2022)	Total (2022)																	
Exterior Building Elements																											
1.020	10	10	Each	Awnings, Canvas and Frames, Canvas (2022 is Planned)	2022	10 to 15	0	1,200.00	12,000	12,000	0.7%	6,000															20,104
1.060	14,600	14,600	Square Feet	Balconies and Breezeways, Concrete, Repairs and Waterproof Coating Applications	2034	10 to 15	12	11.00	160,600	160,600	7.4%																242,678
1.061	6,200	6,200	Square Feet	Balconies (Terraces), Concrete w. Membrane and Tile, Tile and Waterproof Membrane Replacement	2040	30 to 35	18	25.00	155,000	155,000	3.4%																
1.100	5,150	5,150	Linear Feet	Balconies and Breezeways, Railings, Aluminum, Paint Finishes and Capital Repairs	2027	6 to 8	5	16.00	82,400	82,400	4.9%						97,865										124,512
1.105	5,150	5,150	Linear Feet	Balconies and Breezeways, Railings, Aluminum, Replacement	2041	to 35	19	77.00	396,550	396,550	8.9%																
1.180	46	12	Each	Doors, Metal, Common, Phased	2026	to 30	4 to 10	1,000.00	11,500	46,000	2.0%					13,197		14,136		15,143		16,222					
1.260	125	125	Each	Light Fixtures (2022 is Planned)	2022	to 20	0	225.00	28,125	28,125	0.9%	28,125															
1.460	280	280	Squares	Roofs, Metal	2035	to 30	13	2,100.00	588,000	588,000	10.7%																919,606
1.500	11,400	11,400	Square Feet	Roofs, Modified Bitumen	2025	15 to 20	3	17.50	199,500	199,500	7.4%				221,189												
1.880	53,300	53,300	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2027	5 to 7	5	3.00	159,900	159,900	13.2%						189,911										241,620
1.980	650	650	Square Feet	Windows and Doors, Common	2042	35 to 40	20	90.00	58,500	58,500	1.4%																
Interior Building Elements																											
2.100	2	2	Each	Elevator Cab Finishes	2028	to 25	6	25,000.00	50,000	50,000	2.2%							61,463									
2.160	3	1	Allowance	Exercise Equipment, Phased	2024	5 to 15	2 to 12	8,000.00	8,000	24,000	1.0%			8,570					10,178								12,089
2.198	1	1	Allowance	Club Room, Interior Renovation, Complete (Incl. Rest Rooms)	2032	to 25	10	55,000.00	55,000	55,000	2.7%											77,583					
2.199	1	1	Allowance	Club Room, Interior Renovation, Partial (Incl. Rest Rooms) (2022 is Planned)	2022	8 to 12	0	30,000.00	30,000	30,000	1.0%	30,000															
2.200	85	85	Square Yards	Floor Coverings, Carpet, Lobbies	2030	8 to 12	8	53.00	4,505	4,505	0.3%									5,932							
2.240	105	105	Square Yards	Floor Coverings, Tile, Lobbies	2040	to 35	18	98.00	10,290	10,290	0.2%																
2.605	1	1	Allowance	Lobbies, Furnishings	2040	to 20	18	20,000.00	20,000	20,000	0.4%																
2.700	60	60	Each	Mailboxes	2037	to 30	15	180.00	10,800	10,800	0.2%																18,094
2.820	2	2	Each	Paint Finishes, Stairwells (Includes Railings)	2027	15 to 20	5	12,000.00	24,000	24,000	1.0%						28,504										
Building Services Elements																											
3.070	4	2	Each	Air Handling and Condensing Units, Split Systems, Phased	2027	10 to 15	5 to 8	8,500.00	17,000	34,000	1.8%						20,191			22,386							
3.320	2	2	Each	Elevators, Hydraulic, Pumps and Controls	2032	to 25	10	101,000.00	202,000	202,000	3.3%																284,941
3.330	2	2	Each	Elevators, Hydraulic, Cylinders	2042	to 35	20	44,000.00	88,000	88,000	2.0%																
3.470	1	1	Allowance	Intercom Panels (2022 is Planned)	2022	15 to 20	0	26,000.00	26,000	26,000	0.9%	26,000															
3.555	1	1	Allowance	Life Safety System, Control Panels	2024	15 to 20	2	20,000.00	20,000	20,000	0.7%			21,424													
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2032	to 25	10	37,500.00	37,500	37,500	0.6%												52,897				
3.700	2	2	Each	Pumps, Domestic Water, 5-HP	2027	to 20	5	8,000.00	16,000	16,000	0.7%						19,003										
3.770	1	1	Each	Pump, Fire Suppression, 25-HP (Incl. Controller and Jockey Pump)	2052	to 45	30	52,500.00	52,500	52,500	1.7%																
3.820	2	1	Allowance	Security System, Phased	2026	10 to 15	4 to 11	4,500.00	4,500	9,000	0.4%				5,164									6,570			
Property Site Elements																											
4.020	2,550	2,550	Square Yards	Asphalt Pavement, Patch Repairs and Seal Coat	2023	3 to 5	1	1.60	4,080	4,080	0.5%		4,223								5,561						6,381
4.040	2,550	2,550	Square Yards	Asphalt Pavement, Mill and Overlay, Parking Areas	2027	15 to 20	5	15.50	39,525	39,525	1.6%						46,943										
4.420	8	8	Zones	Irrigation System	2046	to 40+	24	2,500.00	20,000	20,000	0.5%																
4.560	13	13	Each	Light Poles and Fixtures	2032	to 25	10	2,300.00	29,900	29,900	0.5%												42,177				
4.955	5,130	5,130	Square Feet	Waterproof Membrane, Inspection and Capital Repairs, Plaza	2038	15 to 20	16	8.50	43,605	43,605	0.9%																
4.960	5,130	5,130	Square Feet	Waterproof Membrane, Replacement and Concrete Structure Repairs, Pool Deck (Includes Pavers)	2023	25 to 35	1	149.12	765,000	765,000	9.2%		791,775														

RESERVE EXPENDITURES

Pier Point Condominiums
Association of Jacksonville Beach, Inc.
Jacksonville Beach, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047	26 2048	27 2049	28 2050	29 2051	30 2052	
						Useful	Remaining	Unit (2022)	Per Phase (2022)	Total (2022)																	
<u>Exterior Building Elements</u>																											
1.020	10	10	Each	Awnings, Canvas and Frames, Canvas (2022 is Planned)	2022	10 to 15	0	1,200.00	12,000	12,000	0.7%																33,682
1.060	14,600	14,600	Square Feet	Balconies and Breezeways, Concrete, Repairs and Waterproof Coating Applications	2034	10 to 15	12	11.00	160,600	160,600	7.4%																392,821
1.061	6,200	6,200	Square Feet	Balconies (Terraces), Concrete w. Membrane and Tile, Tile and Waterproof Membrane Replacement	2040	30 to 35	18	25.00	155,000	155,000	3.4%			287,911													
1.100	5,150	5,150	Linear Feet	Balconies and Breezeways, Railings, Aluminum, Paint Finishes and Capital Repairs	2027	6 to 8	5	16.00	82,400	82,400	4.9%																201,547
1.105	5,150	5,150	Linear Feet	Balconies and Breezeways, Railings, Aluminum, Replacement	2041	to 35	19	77.00	396,550	396,550	8.9%				762,368												
1.180	46	12	Each	Doors, Metal, Common, Phased	2026	to 30	4 to 10	1,000.00	11,500	46,000	2.0%									26,258							28,129
1.260	125	125	Each	Light Fixtures (2022 is Planned)	2022	to 20	0	225.00	28,125	28,125	0.9%			52,242													
1.460	280	280	Squares	Roofs, Metal	2035	to 30	13	2,100.00	588,000	588,000	10.7%																
1.500	11,400	11,400	Square Feet	Roofs, Modified Bitumen	2025	15 to 20	3	17.50	199,500	199,500	7.4%						410,857										
1.880	53,300	53,300	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2027	5 to 7	5	3.00	159,900	159,900	13.2%																391,109
1.980	650	650	Square Feet	Windows and Doors, Common	2042	35 to 40	20	90.00	58,500	58,500	1.4%																116,403
<u>Interior Building Elements</u>																											
2.100	2	2	Each	Elevator Cab Finishes	2028	to 25	6	25,000.00	50,000	50,000	2.2%																126,578
2.160	3	1	Allowance	Exercise Equipment, Phased	2024	5 to 15	2 to 12	8,000.00	8,000	24,000	1.0%		14,357					17,052									20,253
2.198	1	1	Allowance	Club Room, Interior Renovation, Complete (Incl. Rest Rooms)	2032	to 25	10	55,000.00	55,000	55,000	2.7%																154,374
2.199	1	1	Allowance	Club Room, Interior Renovation, Partial (Incl. Rest Rooms) (2022 is Planned)	2022	8 to 12	0	30,000.00	30,000	30,000	1.0%																59,694
2.200	85	85	Square Yards	Floor Coverings, Carpet, Lobbies	2030	8 to 12	8	53.00	4,505	4,505	0.3%			8,368													11,804
2.240	105	105	Square Yards	Floor Coverings, Tile, Lobbies	2040	to 35	18	98.00	10,290	10,290	0.2%			19,114													
2.605	1	1	Allowance	Lobbies, Furnishings	2040	to 20	18	20,000.00	20,000	20,000	0.4%			37,150													
2.700	60	60	Each	Mailboxes	2037	to 30	15	180.00	10,800	10,800	0.2%																
2.820	2	2	Each	Paint Finishes, Stairwells (Includes Railings)	2027	15 to 20	5	12,000.00	24,000	24,000	1.0%																58,703
<u>Building Services Elements</u>																											
3.070	4	2	Each	Air Handling and Condensing Units, Split Systems, Phased	2027	10 to 15	5 to 8	8,500.00	17,000	34,000	1.8%		30,509														46,102
3.320	2	2	Each	Elevators, Hydraulic, Pumps and Controls	2032	to 25	10	101,000.00	202,000	202,000	3.3%																
3.330	2	2	Each	Elevators, Hydraulic, Cylinders	2042	to 35	20	44,000.00	88,000	88,000	2.0%																175,101
3.470	1	1	Allowance	Intercom Panels (2022 is Planned)	2022	15 to 20	0	26,000.00	26,000	26,000	0.9%																51,735
3.555	1	1	Allowance	Life Safety System, Control Panels	2024	15 to 20	2	20,000.00	20,000	20,000	0.7%		35,894														
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2032	to 25	10	37,500.00	37,500	37,500	0.6%																
3.700	2	2	Each	Pumps, Domestic Water, 5-HP	2027	to 20	5	8,000.00	16,000	16,000	0.7%																37,812
3.770	1	1	Each	Pump, Fire Suppression, 25-HP (Incl. Controller and Jockey Pump)	2052	to 45	30	52,500.00	52,500	52,500	1.7%																147,357
3.820	2	1	Allowance	Security System, Phased	2026	10 to 15	4 to 11	4,500.00	4,500	9,000	0.4%			8,359													10,635
<u>Property Site Elements</u>																											
4.020	2,550	2,550	Square Yards	Asphalt Pavement, Patch Repairs and Seal Coat	2023	3 to 5	1	1.60	4,080	4,080	0.5%		7,322														11,064
4.040	2,550	2,550	Square Yards	Asphalt Pavement, Mill and Overlay, Parking Areas	2027	15 to 20	5	15.50	39,525	39,525	1.6%																93,407
4.420	8	8	Zones	Irrigation System	2046	to 40+	24	2,500.00	20,000	20,000	0.5%																45,667
4.560	13	13	Each	Light Poles and Fixtures	2032	to 25	10	2,300.00	29,900	29,900	0.5%																
4.955	5,130	5,130	Square Feet	Waterproof Membrane, Inspection and Capital Repairs, Plaza	2038	15 to 20	16	8.50	43,605	43,605	0.9%	75,610															
4.960	5,130	5,130	Square Feet	Waterproof Membrane, Replacement and Concrete Structure Repairs, Pool Deck (Includes Pavers)	2023	25 to 35	1	149.12	765,000	765,000	9.2%																

RESERVE EXPENDITURES

Pier Point Condominiums
 Association of Jacksonville Beach, Inc.
 Jacksonville Beach, Florida

Explanatory Notes:

- 1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033	12 2034	13 2035	14 2036	15 2037		
						Useful	Remaining	Unit (2022)	Per Phase (2022)	Total (2022)																			
<u>Pool Elements</u>																													
6.600	2	1 Allowance		Mechanical Equipment, Phased	2023	to 15	1 to 8	12,000.00	12,000	24,000	1.2%		12,420															20,104	
6.800	640	640 Square Feet		Pool Finish, Plaster	2032	8 to 12	10	15.00	9,600	9,600	0.4%											13,542							
6.801	140	140 Linear Feet		Pool Finish, Tile	2044	15 to 25	22	37.00	5,180	5,180	0.1%																		
<u>Garage Elements</u>																													
7.360	25,500	1,275 Square Feet		Concrete, On-grade (Including Drain Repairs), Partial	2026	to 90	4 to 30+	6.50	8,288	165,750	0.3%					9,510													
7.400	2	2 Each		Doors and Operators	2026	8 to 15	4	7,000.00	14,000	14,000	0.5%					16,065													
7.460	1	1 Allowance		Exhaust System (Fan, Louver and Carbon Monoxide Detectors)	2024	to 20	2	10,000.00	10,000	10,000	0.3%		10,712																
7.500	25,500	25,500 Square Feet		Fire Suppression System	2052	to 45	30	2.00	51,000	51,000	1.7%																		
		1 Allowance		Reserve Study Update with Site Visit	2024	2	2	4,000.00	4,000	4,000	0.0%		4,000																
Anticipated Expenditures, By Year (\$8,573,472 over 30 years)												90,125	808,418	44,706	221,189	43,936	402,417	75,599	10,178	59,263	5,561	487,362	6,570	620,899	925,987	0	58,302		

RESERVE EXPENDITURES

Pier Point Condominiums
Association of Jacksonville Beach, Inc.
Jacksonville Beach, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047	26 2048	27 2049	28 2050	29 2051	30 2052	
						Useful	Remaining	Unit (2022)	Per Phase (2022)	Total (2022)																	
<u>Pool Elements</u>																											
6.600	2	1 Allowance		Mechanical Equipment, Phased	2023	to 15	1 to 8	12,000.00	12,000	24,000	1.2%							25,578								32,543	
6.800	640	640 Square Feet		Pool Finish, Plaster	2032	8 to 12	10	15.00	9,600	9,600	0.4%							20,463									
6.801	140	140 Linear Feet		Pool Finish, Tile	2044	15 to 25	22	37.00	5,180	5,180	0.1%							11,041									
<u>Garage Elements</u>																											
7.360	25,500	1,275 Square Feet		Concrete, On-grade (Including Drain Repairs), Partial	2026	to 90	4 to 30+	6.50	8,288	165,750	0.3%				15,933												
7.400	2	2 Each		Doors and Operators	2026	8 to 15	4	7,000.00	14,000	14,000	0.5%				26,915												
7.460	1	1 Allowance		Exhaust System (Fan, Louver and Carbon Monoxide Detectors)	2024	to 20	2	10,000.00	10,000	10,000	0.3%		17,947														
7.500	25,500	25,500 Square Feet		Fire Suppression System	2052	to 45	30	2.00	51,000	51,000	1.7%															143,146	
		1 Allowance		Reserve Study Update with Site Visit	2024	2	2	4,000.00	4,000	4,000	0.0%																
Anticipated Expenditures, By Year (\$8,573,472 over 30 years)												75,610	106,029	413,144	1,112,624	436,759	419,259	74,134	0	71,925	141,854	1,072,309	146,831	41,936	89,709	510,837	

RESERVE FUNDING PLAN

**CASH FLOW ANALYSIS
Pier Point Condominiums
Association of Jacksonville Beach, Inc.**

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
Jacksonville Beach, Florida		FY2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Reserves at Beginning of Year	(Note 1)	581,572	525,964	100,732	254,967	240,105	410,237	229,250	382,685	610,772	799,427	1,051,823	831,329	1,100,898	765,308	128,438	416,338
Recommended Reserve Contributions		32,905	191,000	197,700	204,600	211,800	219,200	226,900	234,800	243,000	251,500	260,300	269,400	278,800	286,000	286,000	296,000
Additional Reserve Contributions			190,000														
Total Recommended Reserve Contributions	(Note 2)	32,905	381,000	197,700	204,600	211,800	219,200	226,900	234,800	243,000	251,500	260,300	269,400	278,800	286,000	286,000	296,000
Estimated Interest Earned, During Year	(Note 3)	1,613	2,186	1,241	1,727	2,268	2,230	2,134	3,465	4,918	6,457	6,568	6,739	6,509	3,117	1,900	3,746
Anticipated Expenditures, By Year		(90,125)	(808,418)	(44,706)	(221,189)	(43,936)	(402,417)	(75,599)	(10,178)	(59,263)	(5,561)	(487,362)	(6,570)	(620,899)	(925,987)	0	(58,302)
Anticipated Reserves at Year End		<u>\$525,964</u>	<u>\$100,732</u>	<u>\$254,967</u>	<u>\$240,105</u>	<u>\$410,237</u>	<u>\$229,250</u>	<u>\$382,685</u>	<u>\$610,772</u>	<u>\$799,427</u>	<u>\$1,051,823</u>	<u>\$831,329</u>	<u>\$1,100,898</u>	<u>\$765,308</u>	<u>\$128,438</u>	<u>\$416,338</u>	<u>\$657,782</u>
Predicted Reserves based on 2022 funding level of:	\$78,971	525,964	(202,354)														

(NOTE 5)

(NOTE 5)

(continued)

		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Reserves at Beginning of Year		657,782	893,984	1,112,052	1,034,595	266,208	182,614	128,340	432,763	826,957	1,165,381	1,450,149	817,850	1,124,995	1,555,307	1,956,948
Total Recommended Reserve Contributions		306,400	317,100	328,200	339,700	351,600	363,900	376,600	389,800	403,400	417,500	432,100	447,200	462,900	479,100	495,900
Estimated Interest Earned, During Year		5,412	6,997	7,487	4,537	1,565	1,085	1,957	4,394	6,949	9,122	7,910	6,776	9,348	12,250	13,646
Anticipated Expenditures, By Year		(75,610)	(106,029)	(413,144)	(1,112,624)	(436,759)	(419,259)	(74,134)	0	(71,925)	(141,854)	(1,072,309)	(146,831)	(41,936)	(89,709)	(510,837)
Anticipated Reserves at Year End		<u>\$893,984</u>	<u>\$1,112,052</u>	<u>\$1,034,595</u>	<u>\$266,208</u>	<u>\$182,614</u>	<u>\$128,340</u>	<u>\$432,763</u>	<u>\$826,957</u>	<u>\$1,165,381</u>	<u>\$1,450,149</u>	<u>\$817,850</u>	<u>\$1,124,995</u>	<u>\$1,555,307</u>	<u>\$1,956,948</u>	<u>\$1,955,657</u>

(NOTE 5)

(NOTE 4)

Explanatory Notes:

- 1) Year 2022 starting reserves are as of July 31, 2022; FY2022 starts January 1, 2022 and ends December 31, 2022.
- 2) Reserve Contributions for 2022 are the remaining budgeted 5 months; 2023 is the first year of recommended contributions.
- 3) 0.7% is the estimated annual rate of return on invested reserves; 2022 is a partial year of interest earned.
- 4) Accumulated year 2052 ending reserves consider the need to fund for replacement of the future replacements of the waterproof membrane shortly after 2052, and the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

FIVE-YEAR OUTLOOK

**Pier Point Condominiums
Association of Jacksonville Beach, Inc.**
Jacksonville Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
<u>Exterior Building Elements</u>							
1.020	Awnings, Canvas and Frames, Canvas (2022 is Planned)	6,000					
1.100	Balconies and Breezeways, Railings, Aluminum, Paint Finishes and Capital Repairs						97,865
1.180	Doors, Metal, Common, Phased					13,197	
1.260	Light Fixtures (2022 is Planned)	28,125					
1.500	Roofs, Modified Bitumen				221,189		
1.880	Walls, Stucco, Paint Finishes and Capital Repairs						189,911
<u>Interior Building Elements</u>							
2.160	Exercise Equipment, Phased			8,570			
2.199	Club Room, Interior Renovation, Partial (Incl. Rest Rooms) (2022 is Planned)	30,000					
2.820	Paint Finishes, Stairwells (Includes Railings)						28,504
<u>Building Services Elements</u>							
3.070	Air Handling and Condensing Units, Split Systems, Phased						20,191
3.470	Intercom Panels (2022 is Planned)	26,000					
3.555	Life Safety System, Control Panels			21,424			
3.700	Pumps, Domestic Water, 5-HP						19,003
3.820	Security System, Phased					5,164	
<u>Property Site Elements</u>							
4.020	Asphalt Pavement, Patch Repairs and Seal Coat		4,223				
4.040	Asphalt Pavement, Mill and Overlay, Parking Areas						46,943
4.960	Waterproof Membrane, Replacement and Concrete Structure Repairs, Pool Deck (Includes Pavers)		791,775				
<u>Pool Elements</u>							
6.600	Mechanical Equipment, Phased		12,420				
<u>Garage Elements</u>							
7.360	Concrete, On-grade (Including Drain Repairs), Partial						9,510
7.400	Doors and Operators						16,065
7.460	Exhaust System (Fan, Louver and Carbon Monoxide Detectors)			10,712			
	Reserve Study Update with Site Visit			4,000			
Anticipated Expenditures, By Year (\$8,573,472 over 30 years)		90,125	808,418	44,706	221,189	43,936	402,417

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



Exterior overview



Exterior overview

Awnings

Line Item: 1.020

Quantity: 10 canvas awnings with metal frames

History: Undergoing replacement in 2022.

Condition: Fair overall with repairs evident. The Association is currently replacing the awnings and frames for \$12,000 and \$6,000 remains to be paid. We note downspouts discharging directly onto awnings, which will accelerate the deterioration of the awnings.



Awning at unit



Awning with patch repair



Awning

Useful Life: 10- to 15-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate for cost of replacement is based on historical data provided by Management.

Balconies and Breezeways, Concrete

Line Item: 1.060

Quantity: Concrete balconies and breezeways comprising approximately 14,600 square feet of horizontal surface area. The balconies comprise reinforced concrete with a waterproof coating.

History: Waterproof coating (*Dow Allguard*) applied and control joints added in 2020. The breezeways are cleaned as-needed through the operating budget.

Condition: Good overall with no significant deterioration evident.



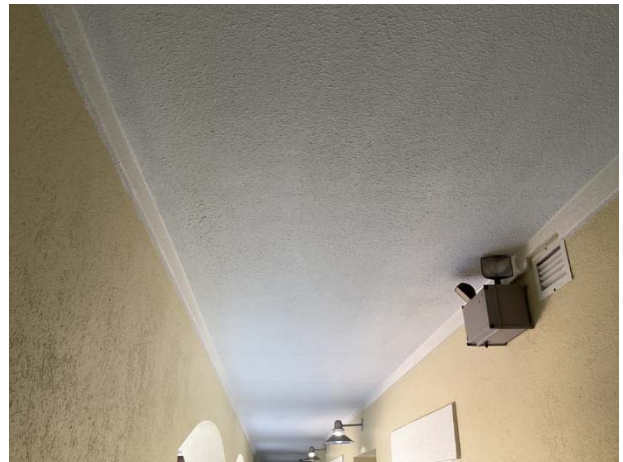
Breezeway overview



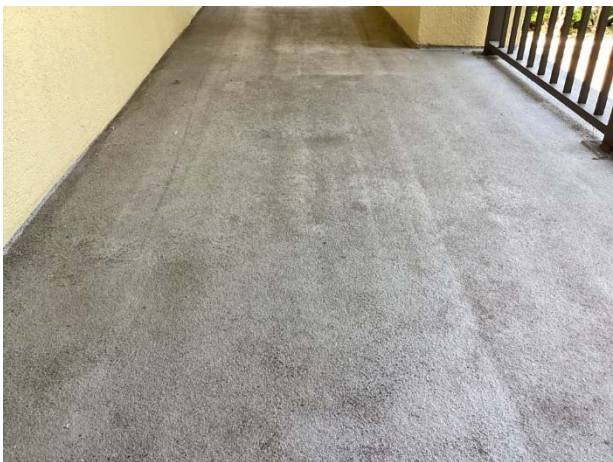
Breezeway overview



Breezeway overview



Underside of breezeways



Breezeway waterproof coating



Corner balconies

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 10- to 15-years.

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 balconies and breezeways will result in increased concrete repairs and replacements as the balconies and breezeways age.* Capital repairs may also include replacement of the caulked joint between the balcony and breezeway 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, edges and undersides
- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)

The Association should coordinate both balcony and facade capital repairs and maintenance to allow for the possible use of a single contractor and combine any applicable staging or mobilization costs. Also, coordinated repairs will reduce disruption to homeowners.

Balconies (Terraces), Concrete with Membrane and Tile

Line Item: 1.061

Quantity: Terrace style balconies comprising approximately 6,200 square feet of horizontal surface area. The balconies comprise reinforced concrete with a waterproof membrane and tile.

History: Mostly original, the flashing was replaced in 2020 and Management does not report any history of leaks.

Condition: We not difficulty ascertaining the condition of the terrace style balconies due to lack of access. Management reports no issues or concerns with these areas at this time.



Terrace overview



Terraces at rear of building

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications and tile replacement every 30- to 35-years.

Component Detail Notes: A waterproof membrane application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. Capital repairs may also include replacement of the caulked joint between the balcony 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 for replacement includes:

- Partial depth replacement of up to one percent (1%) of the concrete topsides.
- Crack repairs as necessary
- Replacement of perimeter sealants and flashing
- Removal and replacement of the waterproof membrane
- Removal and replacement of the tile

Balconies and Breezeways, Railings, Aluminum

Line Items: 1.100 and 1.105

Quantity: Approximately 5,150 linear feet of aluminum railings at the balconies, terraces and breezeways which are mechanically attached. We include the white railings on-grade at the rear of the building with this quantity.

History:

- Railings: Original
- Paint finishes: Applied paint finishes in 2020.

Conditions: The railings are in good to fair overall condition and the railing finishes are in good to fair condition with minor finish deterioration evident.



Aluminum railings



Mechanically attached railing post



Finish deterioration at pool railing gate



Aluminum railings at rear of building.

Useful Life: Railings of this type have a useful life of up to 35 years with the benefit of periodic maintenance. Periodic maintenance should include applications of a protective paint finish and partial replacement of deteriorated aluminum every six- to eight-years.

Component Detail Notes: Preparation of the aluminum before application of the paint finish is critical to maximize the useful life of the finish. The painting contractor should remove all soil, dirt, oil, grease and other foreign materials before application of the paint finish to maximize its useful life. The contractor should also remove paint blisters and rust prior to the paint finish application. We recommend the use of a power wire brush, scraper and/or sander as effective means of removal. The Association should

require the application of a primer on bare material. The primer for material surfaces should include a rust inhibitor for added protection.

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.

Doors, Metal, Common

Line Item: 1.180

Quantity: 46 metal doors

History: Original

Condition: Varying condition from good to poor. We note corrosion at the pool storage room doors.



Corroded Doors at pool



Electrical room doors



Pool mechanical equipment doors

Useful Life: Up to 30 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair any damage, base corrosion or alignment issues
 - Replace deteriorated hardware and loose weather stripping
 - Periodic touch-up paint finish applications 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.

Light Fixtures

Line Item: 1.260

Quantity: Approximately 125 exterior light fixtures

History: Original with plans for replacement in 2022.

Condition: Good to fair overall, the Association reports a desire for replacement.



Exterior light fixtures

Useful Life: Up to 20 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - Replace burned out bulbs at common fixtures as needed
 - Inspect and repair broken or dislodged fixtures
 - Ensure a waterproof seal between the fixture and building exists

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate for cost of replacement is based on conversations with Management.

Roofs, Metal

Line Item: 1.460

Quantity: Approximately 280 *squares*¹ of standing seam metal roof.

History: Original

Condition: Good to fair overall with no significant deterioration evident from our visual inspection from the ground. Management does not report a history of leaks.

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



Metal roofs overview



Standing seam metal roof



Metal roofs overview



Standing seam metal roof



Roof valley view



Club room roof overview

Useful Life: Up to 30 years

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of

repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Record any areas of water infiltration, flashing deterioration, damage or loose fasteners
 - Implement repairs as needed if issues are reoccurring
 - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
 - Clear valleys of debris
 - Periodic cleaning at areas with organic growth

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.

Roofs, Modified Bitumen

Line Item: 1.500

Quantity: Approximately 11,400 square feet

History: Original to 2007

Condition: Fair overall with general deterioration, granule loss and standing water evident. Management does not report a history of leaks.



Modified bitumen roof overview



Modified bitumen roof overview



Standing water at lower roof



Granular loss



Granular loss



Granule accumulation at low spots



Flashing



Vent pipes



Deterioration evident



Stains beneath HVAC equipment

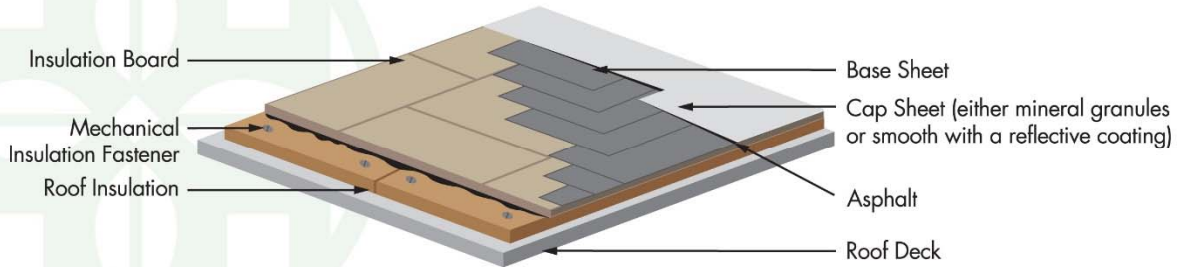


Lower modified bitumen roof

Useful Life: 15- to 20-years

Component Detail Notes: Modified bitumen roofing systems are composed of factory manufactured sheets of polymer-modified bitumen with polyester and/or fiberglass reinforcements. The bitumen adds a waterproof characteristic to the system and the reinforcements add strength and puncture resistance. These factory assembled roofing systems offer the advantages of a built-up roofing system through a less labor intensive installation. The following detail depicts a typical modified bitumen roof although it may not reflect the actual configuration at Pier Point Condominiums:

MODIFIED BITUMEN ROOF DETAIL



© Reserve Advisors

Contractors can install a new modified bitumen roof in one of two ways: *tear-off* or an *overlay*. An overlay is the application of a new roof membrane over an existing roof. This method, although initially more economical, often covers up problems with the deck, flashing and saturated insulation. The tear-off method of replacement includes removal of the existing roofing, flashings and insulation, and installation of a new roofing system.

The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The insulation should fit loosely with gaps no greater than $\frac{1}{4}$ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation. The contractor applies the base sheet of roofing over the insulation board. This sheet is normally 30-pound material. The contractor should start the installation of a roof membrane from the lowest points of the roof. Mechanical fastening and embedding the base sheet in a flood coat of hot asphalt is the best manner of installation. The membrane and plies are either torch applied (thermoset) or hot asphalt applied. We recommend the contractor use the torch method to install a modified bitumen membrane roof system.

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Note drainage issues with water ponding after 48 hours of rainfall event. Verify scuppers and drains are free of debris. Replace damaged or missing drain covers.
 - Inspect perimeter flashing for loose fasteners, deflections, and sealant damage
 - Verify membrane surface is free of ruptures or damage, and areas of extensive blistering or bubbling
 - Remove oil spills or contaminants from mechanical equipment
 - In areas of possible foot traffic, remove any sharp debris or trash and note areas of crushed insulation
 - If frequency of leaks increase or location of water infiltration is unknown, we recommend the consideration of a thermal image inspection

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.

Walls, Stucco

Line Item: 1.880

Quantity: Approximately 53,300 square feet of the building exteriors

History: Applied paint finishes and repaired in 2020.

Condition: Good overall with no significant deterioration evident.



Stucco at pool rest room exterior



Stucco wall finishes

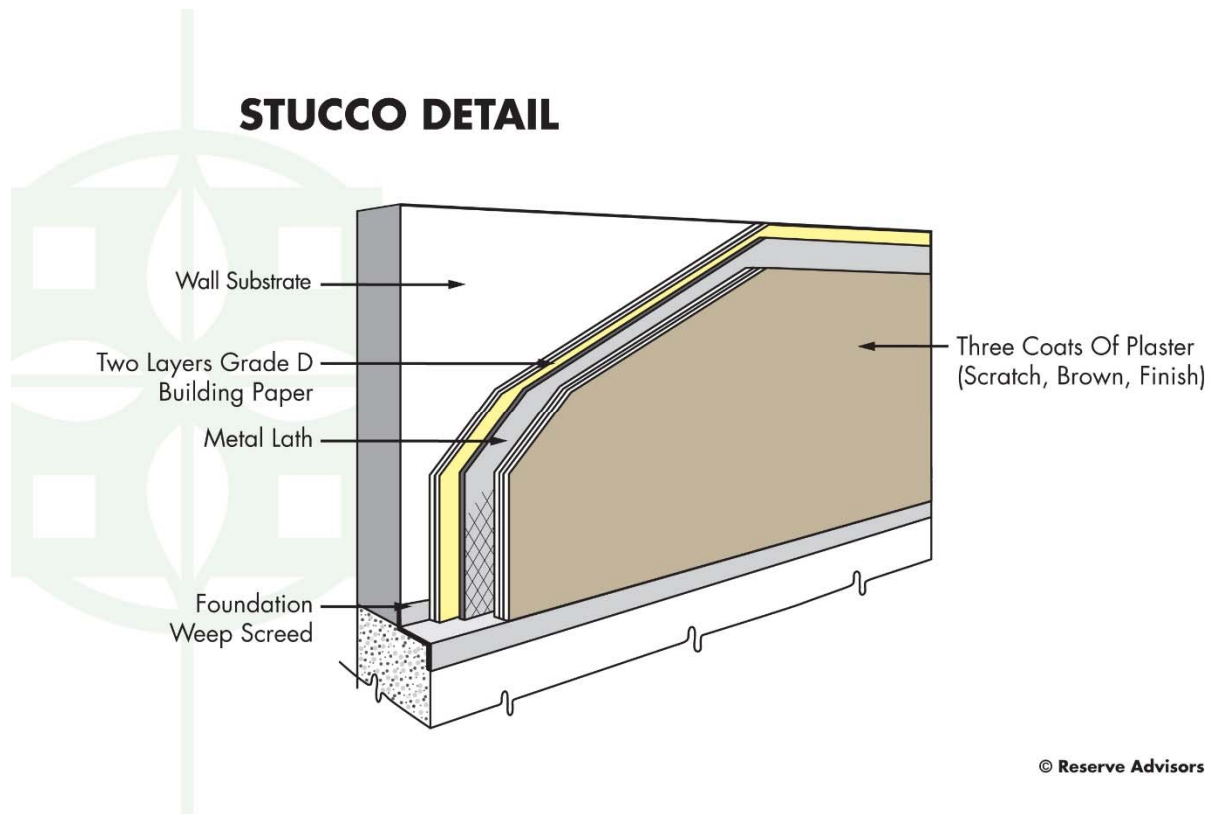


Isolated debris accumulation

Useful Life: We recommend inspections, repairs and paint finish applications every five- to seven-years.

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 Pier Point Condominiums:

STUCCO DETAIL



Correct and complete preparation of the surface before application of the paint finish maximizes the useful life of the paint finish and surface. The contractor should remove all loose, peeled or blistered paint before application of the new paint finish. The

contractor should then power wash the surface to remove all dirt and biological growth. Water-soluble cleaners that will not attack Portland cement are acceptable for removing stains.

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 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 one percent (1%), 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.

Windows and Doors, Common

Line Item: 1.980

Quantity: 650 square feet at the lobbies, club and exercise Rooms

History: Original

Condition: Good to fair overall with no significant deterioration evident.



Club room doors

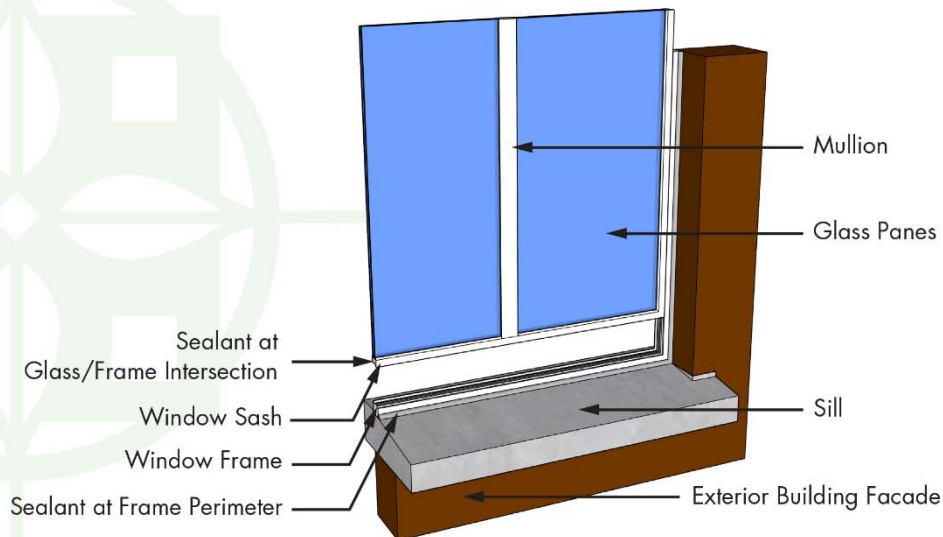


Lobby entrance doors

Useful Life: 35- to 40-years

Component Detail Notes: The following schematic depicts the typical components of a window system although it may not reflect the actual configuration at Pier Point Condominiums:

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. However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows and doors will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

The thermal efficiencies of the window and door assemblies are affected by their design and construction components. These components include glazings, thickness of air space between glazings, low-conductivity gas, tinted coatings, low-e coatings and thermal barriers. The Association should thoroughly investigate these component options at the time of replacement. Some manufacturers may include these components as part of the standard product and other manufacturers may consider these components as options for an additional cost. Pier Point Condominiums should review the specifications provided by the manufacturers to understand the thermal design and construction components of the proposed assemblies.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair loose weather stripping and/or lock damage
 - Inspect for broken glass and damaged screens
 - Record instances of water infiltration, trapped moisture or leaks
- As-needed:
 - Verify weep holes are unobstructed and not blocked with dirt or sealant, if applicable
 - Replace damaged or deteriorated sliding glass rollers, if applicable

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.

Interior Building Elements

Elevator Cab Finishes

Line Item: 2.100

Quantity: Two elevators; the cab finishes consist of:

- Tile floor coverings
- Wood wall coverings
- Metal ceiling finishes

History: Original

Condition: Good overall with no significant deterioration evident.



Elevator cab finishes



Elevator cab finishes



Elevator cab finishes

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. We recommend the Association funds interim replacement of the carpet floor coverings through the operating budget.

Exercise Equipment

Line Item: 2.160

Quantity: The exercise room contains the following types of cardiovascular aerobic training equipment:

- Elliptical
- Stationary cycle
- Treadmill
- Rowing machine

The exercise room contains the following types of strength training equipment:

- Bench
- Weight training machines (2)

History: Components vary in age.

Conditions: Good to fair overall with no significant deterioration evident.



Exercise room



Exercise room

Useful Life: The useful life of cardiovascular equipment is up to five years. The useful life of strength training equipment is up to 15 years.

Priority/Criticality: Per Board discretion

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

Club Room, Interior Renovations

Line Items: 2.198 and 2.199

Quantity: The club room interior components include:

- Tile floor coverings
- Paint finishes and wall coverings
- Paint finishes at the ceilings
- Plumbing fixtures
- Light fixtures including exit and emergency lights
- Furnishings
- Kitchen cabinets, countertops, and appliances

History: Undergoing partial renovation in 2022 for \$30,000

Condition: Good to fair overall



Club room overview



Club room overview



Rest room overview



Rest room overview

Useful Life: Complete renovation every 35 years and partial renovation every 12- to 18-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Application of paint finishes and wall coverings
- Replacement of up to fifty percent (50%) of the furnishings
- Replacement of the rest room fixtures
- Replacement of the rest room tile floors

Floor Coverings, Carpet, Lobbies

Line Item: 2.200

Quantity: Approximately 85 square yards at the lobbies (Contractor measurements will vary from the actual floor area due to standard roll lengths, patterns and installation waste.)

History: Original

Condition: Good overall with no significant deterioration evident.



Carpet and tile overview



Carpet overview

Useful Life: 8- 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.

Floor Coverings, Tile, Lobbies

Line Item: 2.240

Quantity: 105 square yards at the hallways

History: Original

Condition: Good overall with no significant deterioration evident.



Carpet and tile overview

Useful Life: Up to 35 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.

Furnishings

Line Item: 2.605

Quantity: Furnishings and components in the lobby include but are not limited to the following elements:

- Chairs
- Lamps
- Pictures/decorations
- Tables
- Window treatment

History: Recently replaced

Condition: Good overall



Lobby furnishings



Lobby overview

Useful Life: Varies significantly up to 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost and timing are based on conversations with Management.

Mailboxes

Line Item: 2.700

Quantity: 60 unit mailboxes

History: Original

Condition: The mailboxes are in good to fair overall condition.



Mailbox station

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

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

Paint Finishes, Stairwells

Line Item: 2.820

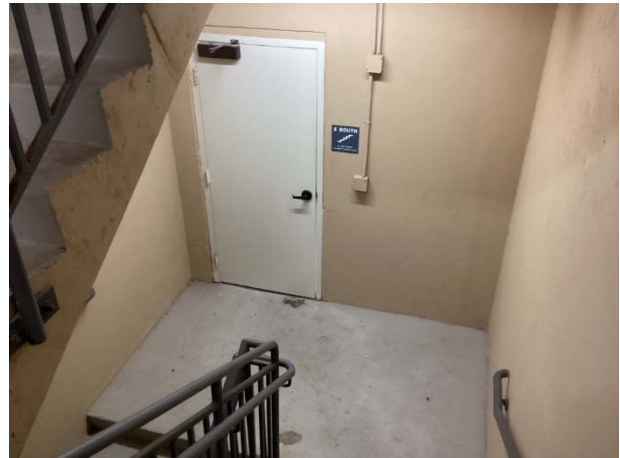
Quantity: Two each

History: Original

Conditions: Fair overall



Stairwell paint finishes



Stairwell paint finishes

Useful Life: 15- to 20-years

Priority/Criticality: Per Board discretion

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

Building Services Elements

Air Handling and Condensing Units, Split System

Line Item: 3.070

Quantity: Four Carrier split systems

History: Ages vary, but all units have been replaced between 2015 and 2020.

Condition: Reported satisfactory without operational deficiencies



Lobby condensing unit



Split system air handling unit at pool rest room



Split system condensing unit to club room



Fitness room condensing unit

Useful Life: 10- to 15-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior electric air handling unit. The condensing units have cooling capacities that range from four- to five-tons. The split systems use R-410A refrigerant.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Lubricate motors and bearings
 - Change or clean air filters as needed
 - Inspect condenser base and piping insulation
 - Inspect base pan, coil, cabinet and clear obstructions as necessary
- Annually:
 - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
 - Inspect and clean accessible ductwork as needed
 - Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

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. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.

Elevator, Hydraulic

Line Items: 3.320 and 3.330

Quantity: Two Otis hydraulic passenger elevators

History: Original; No issues reported

Condition: Reported satisfactory and service interruptions are reportedly infrequent



Hydraulic elevator equipment



Hydraulic elevator equipment

Useful Life: Pumps and controls have a useful life of up to 25 years. Cylinders have a useful life of up to 35 years.

Component Detail Notes: Major components in a hydraulic elevator system include the pump, controls, cylinder, fluid reservoir and a valve between the cylinder and reservoir. Once activated by the elevator controls, the pump forces hydraulic fluid from the reservoir into the cylinder. The piston within the cylinder rises lifting the elevator cab. The elevator cab lowers at a controlled rate when the controls open the valve.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The Association has a current preventative maintenance contract in place. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Ongoing:
 - Maintain a maintenance contract with a qualified professional for the elevator(s) and follow the manufacturer's specific recommended maintenance plan adhering to local, state, and/or federal inspection guidelines
- As-needed:
 - Keep an accurate log of all repairs and inspection dates
 - Inspect and adjust misaligned door operators
 - Check for oil leaks or stains near the pump housing and confirm oil levels are adequate
 - Clear and remove any items located in the elevator machine room(s) not associated with the elevator components (These rooms should never be used for storage)
 - Lubricate the hydraulic cylinders
 - Inspect electrical components for signs of overheating or failure
 - Inspect spring buffers in elevator pit for signs of corrosion or loose attachments
 - Ensure air temperature and humidity of machine/pump housing room meets the designated specified range for proper operation
 - Ensure all call buttons are in working condition
 - Check elevator cabs for leveling accuracy to prevent tripping hazards

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 anticipate the following hydraulic elevator system components will require replacement:

- Cab control panels
- Door operators
- Hallway panels/buttons

- Microprocessor based controllers
- Pumps (Power Unit) (50-HP)

These costs may vary based on the desired scope of the actual replacements, changes in technology and requirements of local codes or ordinances at the actual times of replacements. However, we judge our estimated costs sufficient to budget appropriate reserves at this time. The Association should require the contractor to verify that elevator component replacements include all of the necessary features for the latest in elevator code compliance.

Intercom Panels

Line Item: 3.470

Quantity: Two intercom panels with keyfob access, and two secondary entrance keyfob accesses.

History: Undergoing replacement in 2022

Condition: Reported unsatisfactory with operational deficiencies. We assume satisfactory condition upon replacement.



Deteriorated housing

Useful Life: 15- to 20-years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
 - Inspect panel for damage and ensure the panel is mounted securely, tighten or replace any loose or damaged fasteners.

- Inspect panel for proper operation of buttons, displays, microphone and speaker.
- Annually:
 - Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate for cost of replacement is based on historical data provided by Management.

Life Safety System

Line Items: 3.555 and 3.560

Quantity: The life safety system at Pier Point Condominiums includes the following components:

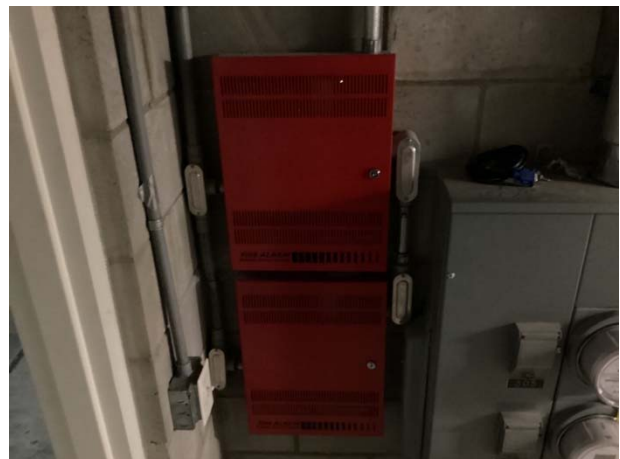
- Audio/visual fixtures
- Control panel
- Detectors
- Emergency light fixtures
- Exit light fixtures
- Magnetic door holders
- Pull stations
- Wiring

History: Original; we note a trouble code reading at the control panel.

Conditions: Reported satisfactory without operational deficiencies



Control panel with trouble code



Booster power supply



Lobby secondary panel



Audiovisual device

Useful Life: Up to 25 years for the devices and 15- to 20-years for the control panels

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 72* (National Fire Alarm and Signaling Code) we also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the age of the components, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Inspect and test all components and devices, including, but not limited to, control panels, annunciators, detectors, audio/visual fixtures, signal transmitters and magnetic door holders
 - Test backup batteries
- As-needed:
 - Ensure clear line of access to components such as pull stations
 - Ensure detectors are properly positioned and clean of debris

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. Changes in technology or building codes may make a replacement desirable prior to the end of the functional life. Our estimate of future cost considers only that amount necessary to duplicate the same functionality. Local codes or ordinances at the actual time of replacement may require a betterment as compared to the existing system. A betterment could result in a higher, but at this time unknown, cost of replacement.

Pumps, Domestic Water

Line Item: 3.700

Quantity: Two five-HP domestic water pumps with variable frequency drives (VFD) and controls

History: Original

Condition: Reported satisfactory without operational deficiencies.



Domestic water pumps



Variable frequency drives

Useful Life: Up to 20 years

Component Detail Notes: Major pumps included in this Reserve Study are those with a motor drive of at least five-HP. The Association should replace or repair all pumps with motor drives less than five-HP as needed and fund this ongoing maintenance activity through the operating budget. The Association may choose to rebuild pumps prior to complete replacement. However, this activity becomes less desirable as pumps age due to the scarcity of parts. We regard interim replacements of motors and component parts as normal maintenance and base our estimates on complete replacements. An exact replacement time for each individual pump is difficult, if not impossible, to estimate.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Check/adjust controls
 - Check/adjust pressure levels
 - Check for leaks
 - Conduct churn tests

- Quarterly:
 - Inspect/clean motors
 - Inspect mountings and connections for proper alignment, torque and condition
 - Inspect/replace pump packing as needed, consider replacement with mechanical seals
 - Check for appropriate oil levels
- Semi-annually:
 - Lubricate pumps, motors and motor bearings
- Annually:
 - Inspect belts for wear and/or replace belts
 - Clean filters if present
 - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
 - Access temperature and vibration performance of motors in accordance with the intended design

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 costs include an allowance for replacement of the variable frequency drives (VFD) and controls.

Pump, Fire Suppression

Line Item: 3.770

Quantity: One 25-HP electric fire suppression pump

History: Original

Condition: Reported satisfactory without operational deficiencies



Fire suppression pump



Fire suppression pump controls



Jockey pump



Jockey pump controls

Useful Life: Up to 45 years

Component Detail Notes: Prior to replacement, the Association should schedule periodic inspections to maintain its correct operation in the event of an emergency. Pier Point Condominiums should also anticipate, as normal maintenance, interim repairs and component replacements to maximize its remaining useful life.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 25* (National Fire Protection Systems Code), we also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Check/adjust controls
 - Check/adjust pressure levels
 - Check for leaks
 - Conduct churn tests
- Quarterly:
 - Inspect/clean motors
 - Inspect mountings and connections for proper alignment, torque and condition
 - Inspect/replace pump packing as needed, consider replacement with mechanical seals
 - Check for appropriate oil levels
- Semi-annually:
 - Lubricate pumps, motors and motor bearings
- Annually:
 - Inspect belts for wear and/or replace belts
 - Clean filters if present
 - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
 - Assess temperature and vibration performance of motors in accordance with the intended design

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 includes replacement of the pump, jockey pump, motor, and motor controller.

Security System

Line Item: 3.820

Quantity: Pier Point Condominiums utilizes the following security system components:

- Cameras (15)
- Monitoring Equipment
- Recording Devices

History: Components vary in age

Condition: Reported satisfactory without operational deficiencies



Security system camera

Useful Life: 10- to 15-years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
 - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
 - Check recording equipment for proper operation
 - Verify monitors are free from distortion with correct brightness and contrast
- Annually:
 - Check exposed wiring and cables for wear, proper connections and signal transmission
 - Check power connections, and if applicable, functionality of battery power supply systems

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 anticipate replacement of up to fifty percent (50%) of the security system components per event.

Property Site Elements

Asphalt Pavement, Patch Repairs and Seal Coat

Line Item: 4.020

Quantity: Approximately 2,550 square yards

History: The timing of most recent seal coat application was unavailable at the time of our inspection.

Condition: Fair to poor overall, we note faded seal coat.

Useful Life: Three- to five-years

Component Detail Notes: Patch repairs are conducted at areas exhibiting settlement, potholes, or excessive cracking. These conditions typically occur near high traffic areas, catch basins, and pavement edges. The contractor should only apply seal coat applications after repairs are completed. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes an allowance for patching of up to two percent (2%) of the pavement.

Asphalt Pavement, Repaving

Line Item: 4.040

Quantity: Approximately 2,550 square yards at the parking areas

History: Original

Condition: Good to fair overall with isolated areas of significant raveling and vehicular stains evident.



Asphalt pavement parking lot overview



Area of significant raveling



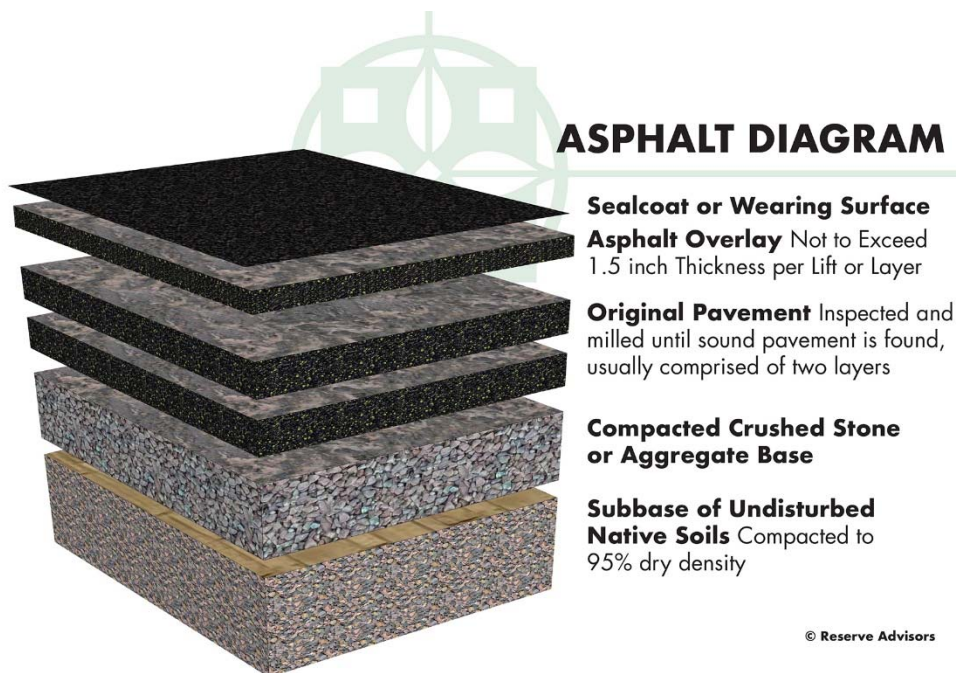
Area of significant raveling



Asphalt pavement parking lot overview

Useful Life: 15- to 20-years with the benefit of timely crack repairs and patching

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 Pier Point Condominiums:



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 mill and overlay method of repaving at Pier Point Condominiums.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
 - Repair areas which could cause vehicular damage such as potholes
- As needed:
 - Perform crack repairs and patching

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 for milling and overlayment includes area patching of up to ten percent (10%).

Irrigation System, Replacement

Line Item: 4.420

Quantity: Eight zones

History: Original

Condition: Satisfactory operational condition and Management does not report any deficiencies

Useful Life: Up to 40 years

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

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

Pier Point Condominiums 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.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs
 - Blow out irrigation water lines and drain building exterior faucets each fall if applicable

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 Poles and Fixtures

Line Item: 4.560

Quantity: 13 aluminum poles with 19 LED light fixtures

History: Fixtures converted to LED in 2017, poles original.

Condition: Good to fair overall



Light pole and fixtures

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
 - Replaced burned out bulbs as needed

Priority/Criticality: Per Board discretion

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

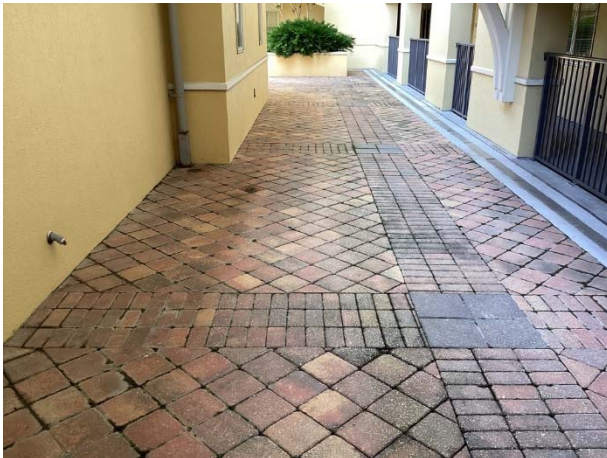
Waterproof Membrane, Replacement and Concrete Structure Repairs

Line Items: 4.955 and 4.960

Quantity: Approximately 5,130 square feet at the elevated pool deck above the parking garage.

History: Original, undergoing replacement late 2022-early 2023

Condition: Reported unsatisfactory overall condition, requiring replacement. Management informs us that the replacement system will be of a different configuration of the current existing membrane and require inspections and capital repairs prior to a replacement at approximately 25-to 35-years.



Paver pool deck overview



Organic growth between pavers evident



Spalled pavers



Pavers deck drain



Paver pool deck overview



Elevated pool deck viewed from parking lot

Useful Life: 25- to 35-years for the membrane with interim repairs every 15- to 20-years. The interim repairs will likely include:

- Complete inspection
- Partial replacement of up to twenty percent (20%) of the main decking system
- Replacement of the planter areas
- Replacement of the lighting and decking
- Replacement of the expansion joints and/or sealants if applicable
- Replacement of a limited amount of membrane (leak remediation)

Component Detail Notes: Due to the non-invasive nature of our inspection, we are unable to determine the exact composition of the pool deck. Based on our visual inspection, experience with similar construction and knowledge of replacement/capital repair projects of this type, we surmise the pool deck comprises the following elements:

- Deck pavers
- Perimeter flashing
- Underlying waterproof membrane atop the structure
- Elevated structural concrete

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Note drainage issues with water ponding after 48 hours of rainfall event. Verify drains are free of debris and irrigation system is working properly if applicable.
 - Inspect perimeter flashing and/or sealant damage
 - In accessible areas under the elevated membrane, inspect for areas of water infiltration and concrete deterioration. If frequency of leaks increases or location of water infiltration is unknown, we recommend the consideration of a thermal image inspection.

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 a limited amount for capital repairs to the underlying concrete structure. The exact amount of concrete structure repairs and thus the exact cost will vary based on the engineering analysis at the time of the project. Our estimate for cost of replacement is based on historical data provided by Management.

Pool Elements



Pool overview

Mechanical Equipment

Line Item: 6.600

Quantity: The mechanical equipment includes the following:

- Automatic chlorinator and controls
- Electrical panel
- Exhaust equipment
- Interconnected pipe, fittings and valves
- Pumps, filters, and heaters

History: Components vary in age

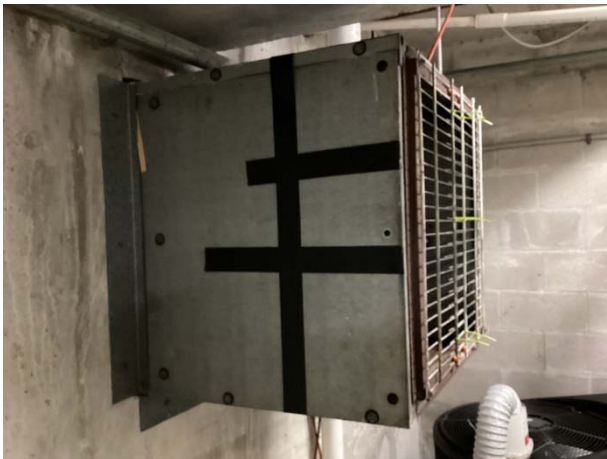
Condition: Reported satisfactory overall operating condition. We note significant corrosion at the filtration equipment braces



Pool mechanical equipment room



Pool heater



Exhaust equipment



Significant corrosion at filtration equipment

Useful Life: Up to 15 years

Preventative Maintenance Notes: We recommend the Association maintain a maintenance contract with a qualified professional and follow the manufacturer's specific recommended maintenance and local, state and/or federal inspection guidelines.

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.

Pool Finishes, Plaster and Tile

Line Items: 6.800 and 6.801

Quantity: Approximately 640 square feet of plaster based on the horizontal surface area and approximately 140 linear feet of tile

History: The plaster and tile finishes were replaced in 2020, and a pool light was replaced in 2022.

Condition: Good overall



Stair entry



Pool plaster finish with tile perimeter



Spa overview

Useful Life: 8- to 12-years for the plaster and 15- to 25-years for the tile and coping

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
 - Inspect main drain connection and anti-entrapment covers, pressure test circulation piping and valves
 - Test handrails and safety features for proper operation

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 budget for full tile and coping replacement every other plaster replacement event. Removal and replacement of the finish 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 tiles as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

Garage Elements



On-grade garage floor overview

Concrete, On-grade

Line Item: 7.360

Quantity: Approximately 25,500 square feet of on-grade concrete

History and Condition: Good to fair overall with isolated stains. The concrete has never been repaired or partially replaced.



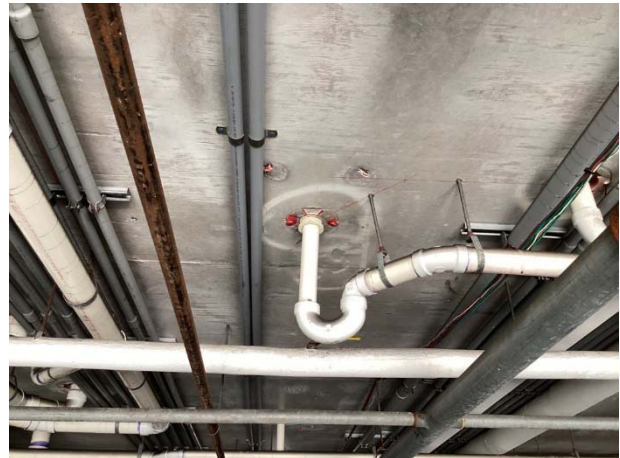
On-grade garage floor overview



Vehicular stains



Drain cover



Concrete ceiling

Useful Life: Up to 90 years with the benefit of timely repairs and partial replacements

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Clean floors and remove vehicular oil stains
- Annually:
 - Inspect for large cracks, concrete spalls and vehicular damage at walls and columns
 - Verify drains are working properly and check for areas of extensive water ponding

Priority/Criticality: Per Board discretion

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

- Complete inspection of the floor
- Selective cut out and replacement of up to five percent (5%), or 1,275 square feet, of the on-grade concrete
- Crack repairs as needed

Doors and Operators

Line Item: 7.400

Quantity: Two metal rollup doors with *LiftMaster* operators

History: Original, with one of the openers being rebuilt as recently as 2020.

Condition: Good to fair overall with no visible deterioration evident



Garage door



Garage door operators

Useful Life: 8- to 15-years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Lubricate chains, rollers and hinges
- As Needed
 - Clean tracks of any dirt and debris
 - Inspect door alignment
 - Replace springs
 - Replace sensor batteries (If applicable)

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 interim replacements of components through the operating budget.

Exhaust System

Line Item: 7.460

Quantity: System includes:

- Carbon monoxide detectors (2)
- Exhaust fan
- Louvers

History: Original

Condition: Reported satisfactory without operational deficiencies



Exhaust fan



Rust at fan

Useful Life: Up to 20 years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
 - Check unit for unusual noises and vibrations
- Quarterly:
 - Test carbon monoxide detectors for proper operation
 - Inspect belts for wear, adjust tension and replace as needed
 - Inspect/clean fan blades
 - Inspect/replace anti-vibration mounts as needed
 - Check motors for proper operation
 - Replace filters as applicable
- Semi-annually:
 - Lubricate fan and motor bearings if bearings are not sealed according to manufacturer's recommendation

- Inspect/clean inlets, shafts and outlets
- Ensure louvers and dampers are unclogged and operable

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 regard interim repairs or partial replacements of components, including CO detectors, as normal maintenance.

Fire Suppression System

Line Item: 7.500

Quantity: Approximately 25,500 square feet of garage area

History: Original; No issues, inspected each year

Condition: Good to fair overall



Fire suppression system

Useful Life: Up to 45 years for indoor parking garages

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.

Pier Point Condominiums 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 Homeowners 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 Jacksonville

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.

Beach, 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 Pier Point Condominiums 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 a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

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

OLD TO NEW

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

Brandon L. Bloomer, MBA, RS
Responsible Advisor

CURRENT CLIENT SERVICES

Brandon Bloomer is an Associate Engineer for Reserve Advisors, LLC. Mr. Bloomer 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 Studies for condominiums, townhomes and homeowners associations.



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

The Sawgrass Players Club Association, Inc. - Located in Ponte Vedra, Florida, this Master Association is comprised of over 1,800 homes at the historic TPC Sawgrass golf course. The Master Association maintains multiple pool and recreation areas, streets, gate houses, and concrete bridges. The Association also maintains an extensive stormwater management system including weirs, dams, pipes, and high-volume pump stations.

The Palms at Marsh Landing Condominium Association – This condominium association located in Jacksonville Beach, Florida was constructed from 1995-1998. The community is comprised of 419 units in 34 buildings. The buildings are comprised of painted stucco exterior walls, asphalt shingle roofs, exterior staircases, and breezeways located on the front and centers of the buildings. Additionally the property has a clubhouse, a pool house, multiple ponds with bulkheads, and two swimming pools.

Wekiva Fairway Condominium Association, Inc. – This townhome association was built in 1981 and is located in Longwood, Florida. The community consists of 12 buildings which contain 48 units along the fairways of Wekiva Golf Club. The buildings are comprised of a combination of painted plywood siding and stucco. The community also features a pool and pool house for their residents.

Bronson's Landing Homeowners Association, Inc. - This single family home community contains 126 residential homes and is located in Winter Garden, Florida. The Association maintains the shared common elements including a beautiful common area pergola, a pond with multiple fountains, and nearly half a mile of masonry brick perimeter wall.

Willowcove Master Association, Inc. - This homeowners' association is located in Ponte Vedra, Florida features 342 single family homes, multiple ponds, and multiple playgrounds throughout the community.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, LLC, Mr. Bloomer successfully completed the bachelors program in Industrial Engineering from Texas A&M University-Commerce. He was the sole proprietor of UQSC Solutions, where he contracted with numerous companies in the oil & gas industry implementing quality management systems (QMS) and intuitive inventory tracking systems throughout supply chains. He also served honorably in the United States Marine Corps for six years as an Engineer Equipment Operator, as a Sergeant he was the foreman of IRT Old Harbor, Alaska where he and his Marines completed the extension of an airplane runway for the village of Old Harbor.

EDUCATION

Texas A&M University-Commerce - B.S. Industrial Engineering
Western Governor's University - Master of Business Administration

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute

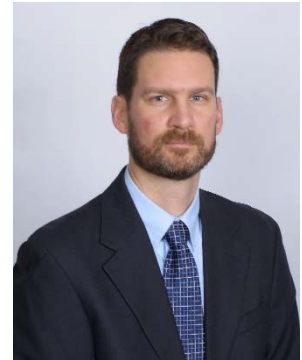


ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

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 Pier Point Condominiums 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) Pier Point Condominiums 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.