

Costa Del Sol

Condominium Association, Inc.

Inspected: July 29, 2024 • Revised on: November 19, 2024
Cape Canaveral, FL

**STRUCTURAL INTEGRITY
RESERVE STUDY**



Costa Del Sol Condominium Association, Inc.
Cape Canaveral, Florida

Dear Board of Directors of Costa Del Sol Condominium Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Structural Integrity Reserve Study* of Costa Del Sol Condominium Association, Inc. in Cape Canaveral, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 29, 2024.

This *Structural Integrity Reserve Study* meets or exceeds all requirements set forth in Florida Statute 718.112 and 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 Costa Del Sol Condominium Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on November 19, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Jared Kelley and Will Maggio

Review by: Christopher C. DeWall, RS¹, PRA², Vice President of Product Development



¹ RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

² PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.



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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Costa Del Sol Condominium Association, Inc.

Location: Cape Canaveral, Florida

Reference: 221656

Property Basics: Costa Del Sol Condominium Association, Inc. is a condominium style development consisting of 246 units. There are four 5-story buildings, two 3-story buildings and six 2-story buildings. The buildings construction started in 1979 and was completed in 1990.

Reserve Components Identified:

- 18 Structural Integrity Reserve Components.
- 53 General Reserve Components.

Inspection Date: July 29, 2024

Methodology:

Cash Flow Method - We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 2.0% anticipated annual rate of return on invested reserves
- 3.3% future Inflation Rate for estimating Future Replacement Costs

Component Method – Also known as the straight-line method, this methodology calculates the reserve funding requirements necessary to fund the portion of the unfunded balance of a component relative to its remaining useful life. The overall funding recommendations is the sum of the required funding item for each individual component.

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

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the **Reserve Expenditures** tables and include a **Five-Year Outlook** table following the **Reserve Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

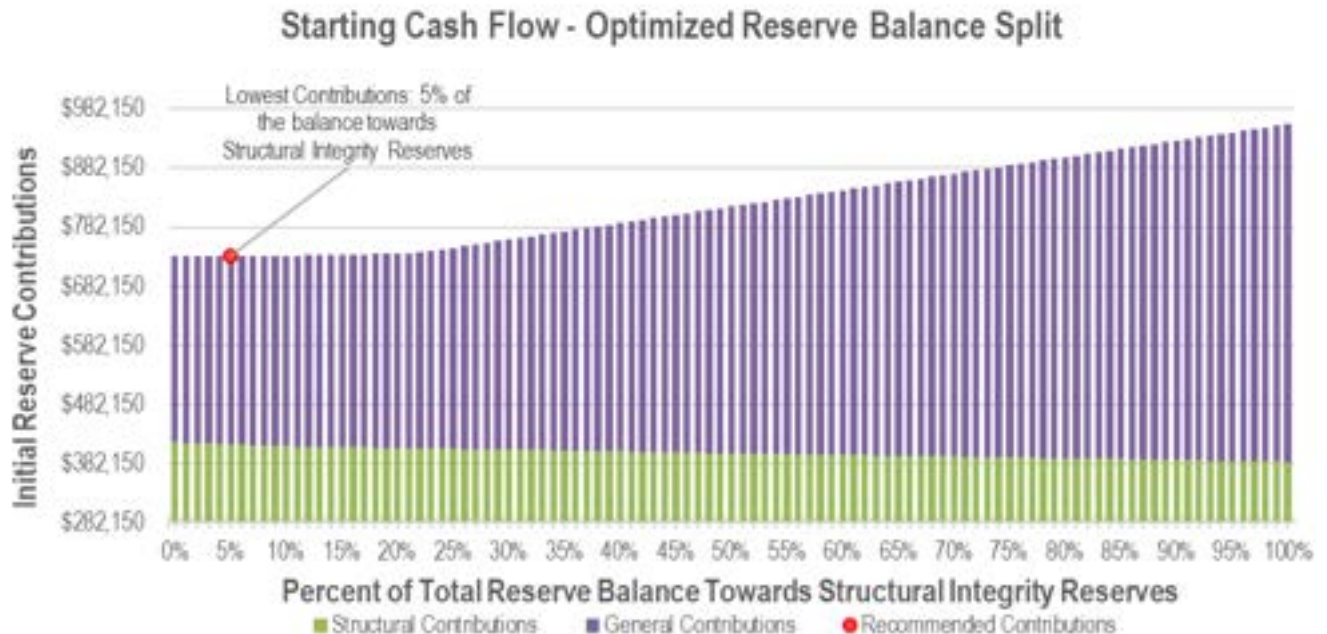
- Structural Integrity – Breezeway concrete restoration to maintain desired appearance and required condition
- Structural Integrity – Repairs and paint finish applications to the exterior stucco walls in order to maintain desired appearance and required condition
- Structural Integrity – Gemstone balcony concrete restoration and interim sealant applications to maintain desired appearance and required condition
- General – Carports replacement to adhere to city requirements
- General - Breezeway concrete restoration to maintain desired appearance and required condition
- General – Repairs to concrete pool deck to remain desired condition and appearance
- General – Installation of new elevator cylinders and hydraulic pumps to maintain satisfactory operational functionality



Unaudited Cash Status of Reserve Fund:

- \$501,204 as of June 30, 2024
- \$304,000 in budgeted 2024 reserve contributions

Cash Flow Method Funding



<u>Cash Flow - Existing Reserve Balance and Contribution Split</u>		<u>Structural Integrity</u>		<u>Non-Structural</u>
	<u>FY2024</u>	<u>2025</u>	<u>2025</u>	
Beginning Reserve Balance as of June 30, 2024	501,204	30,440	578,364	
Remaining Budgeted Reserve Contributions:	152,000	416,100	316,700	
Estimated Remaining Interest Earned:	0	5%		
Anticipated Remaining Structural Expenditures:	0	95%		
Anticipated Remaining Non-Structural Expenditures:	(44,400)			
Anticipated Reserves at Year End:	<u>\$608,804</u>			



Cash Flow Method - Structural Integrity

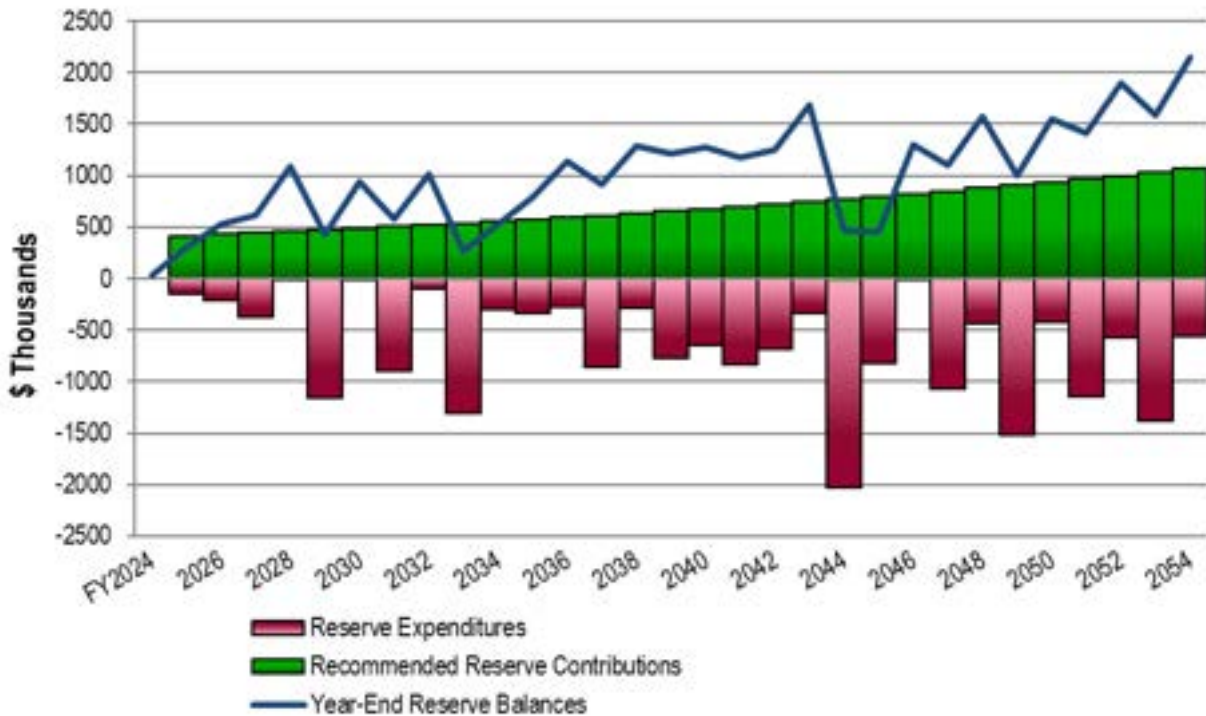
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes the critical year of 2033 due to the repairs to the balconies. Additionally, we recognize the critical year of 2044 due to the replacement of the foam roofs. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately \$2,142,100. We judge this amount of accumulated reserves in 2054 necessary to fund the likely replacement of the roofs after 2054. Future replacement costs beyond the next 30 years for the replacement of the 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 2054 year end reserves.

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

- Increase Reserve Contributions to \$416,100 in 2025
 - Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
 - 2025 Reserve Contribution of \$416,100 is equivalent to an average monthly contribution of \$140.96 per owner.
- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2025	416,100	307,454	2035	575,700	789,179	2045	796,300	449,432
2026	429,800	530,733	2036	594,700	1,140,135	2046	822,600	1,295,064
2027	444,000	614,656	2037	614,300	917,223	2047	849,700	1,104,576
2028	458,700	1,093,259	2038	634,600	1,293,755	2048	877,700	1,578,577
2029	473,800	433,192	2039	655,500	1,212,590	2049	906,700	996,879
2030	489,400	937,816	2040	677,100	1,277,296	2050	936,600	1,548,473
2031	505,600	573,634	2041	699,400	1,170,953	2051	967,500	1,416,321
2032	522,300	1,012,688	2042	722,500	1,244,835	2052	999,400	1,891,770
2033	539,500	261,595	2043	746,300	1,692,059	2053	1,032,400	1,586,351
2034	557,300	533,399	2044	770,900	462,323	2054	1,066,500	2,142,079



Cash Flow Method - General

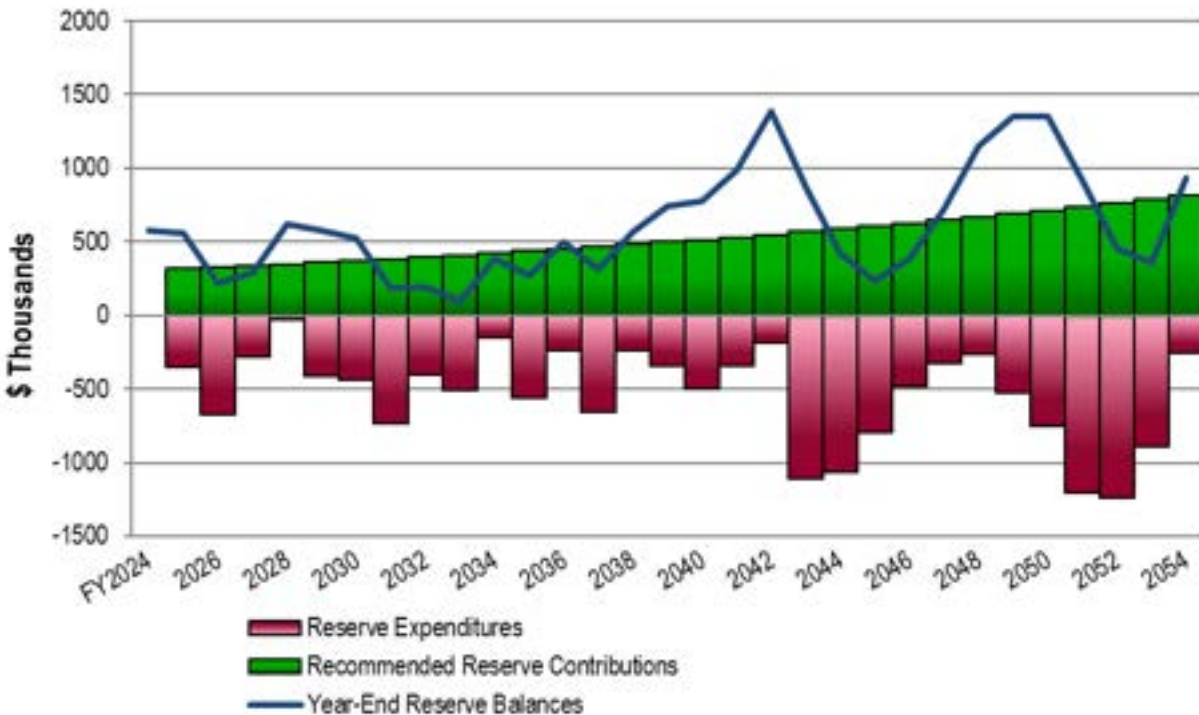
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes the threshold funding year of 2026 due to the replacement of the carports and asphalt repaving project.

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

- Increase Reserve Contributions to \$316,700 in 2025
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 Reserve Contribution of \$316,700 is equivalent to an average monthly contribution of \$107.28 per owner.
- Florida Statute 718.112 provides for a majority of the voting interest to waive or reduce reserve for General (non-structural) items. Consult legal counsel or your property management company for further guidance.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2025	316,700	555,189	2035	438,300	268,095	2045	606,500	235,462
2026	327,200	219,108	2036	452,800	496,870	2046	626,500	388,119
2027	338,000	286,912	2037	467,700	315,678	2047	647,200	728,100
2028	349,200	617,835	2038	483,100	570,900	2048	668,600	1,154,685
2029	360,700	580,587	2039	499,000	741,608	2049	690,700	1,350,146
2030	372,600	527,317	2040	515,500	774,406	2050	713,500	1,352,327
2031	384,900	187,816	2041	532,500	990,234	2051	737,000	916,748
2032	397,600	191,207	2042	550,100	1,386,984	2052	761,300	456,212
2033	410,700	101,546	2043	568,300	875,434	2053	786,400	360,751
2034	424,300	381,003	2044	587,100	417,260	2054	812,400	932,033





Component Method

The Association currently uses component methodology to calculate their reserve requirements. Component reserve funds are restricted to be used only on the specific reserve component(s). Due to the statutory restrictions on structural integrity reserve funds, we recommend the Association maintain separate funds for Structural Integrity Component reserves and General (non-structural) Component reserves.

- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024.
- Florida Statute 718.112 provides for a majority of the voting interest to waive or reduce reserves for General (non-structural) items. Consult legal counsel or your property management company for further guidance.

Structural Integrity Component Funding Analysis: Under this methodology, the required total annual funding for 2025 is \$867,820. This initial adjustment recommends an average monthly contribution of \$3,527.72 per owner.

General Component Funding Analysis: Under this methodology, the required total annual funding for 2025 is \$1,277,346. This initial adjustment recommends an average monthly contribution of \$5,192.46 per owner.

The Component Method does not incorporate inflation or interest on reserves. Estimates of appropriate reserve contributions must be updated annually to account for market changes in the common elements from year to year. Changes in market conditions and other inherent factors of the Component Method can result in significant volatility in the reserve contribution from year to year.

The reclassification of existing component funds as cash flow (aka pooled) reserves would not be allowed unless approved by a majority vote of the Owners at a duly called meeting of the Association. In lieu of obtaining a vote of the Unit Owners, a Board may vote to fund future reserves based on a pooled analysis. The Association then simply spends the funds in their existing segregated accounts on the initial repair or replacement project for that component. When all of the existing segregated funds in an account are expended, the account is eliminated, thus eliminating the need to get a vote to reallocate. As previously stated, the Association currently uses component methodology to calculate their reserve requirements. Reserve Advisors goal is to provide recommendations that maintain reserves above an adequate balance.

As previously stated, the Association currently uses component methodology to calculate their reserve requirements. Reserve Advisors goal is to provide recommendations that maintain reserves above an adequate balance. The difference in the Component Method and Cash Flow Method leads us to our recommendation of Cash Flow Method.



2.RESERVE STUDY REPORT

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

Costa Del Sol Condominium Association, Inc.

Cape Canaveral, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 29, 2024.

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 or which were identified as part of your request for proposed services. 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 Owners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management and the Board. These classes of property include:

- Reserve Components (Structural and Non-Structural)
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Owners
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. Reserve Components are defined by CAI as property elements with:

- Costa Del Sol responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Structural Integrity Reserve Expenditures - At the direction of the Board that recognizes their fiduciary responsibility and as required by Florida Statute 718.103 (25), we have conducted a *Structural Integrity Reserve Study* of Costa Del Sol Condominium Association, Inc.. A *Structural Integrity Reserve Study* states the estimated remaining useful life, the estimated replacement cost or deferred maintenance expense of the



common areas being visually inspected and provides a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each common area. Specifically, as per Florida Statute 718.112(2)(g), we have investigated the structural integrity and safety of common elements within the following:

- Roof
- Load Bearing Walls or Other Primary Structural Members
- Exterior Doors
- Fireproofing and Fire Protection Elements
- Plumbing
- Electrical Systems
- Structure
- Waterproofing and Exterior Painting
- Windows
- Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed above

Items Excluded from Structural Integrity Reserve Expenditures - We exclude expenditures for the elements below for one or more of the following categories of reasons:

- Remaining useful lives or their replacement may occur beyond the 30-year scope of the study
- Current condition does not warrant predictable maintenance expenditures
- Issue applies to a unit owner-maintained element

We discuss specific exclusions for the following elements:

- Structure and Primary Structural Members - We anticipate a useful life of up to and beyond 100 years and consider full replacement unlikely and cost prohibitive. Management and the Board report no history of water infiltration or repairs to the foundations. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.
- Fire Protection and Plumbing Pipes - We anticipate a useful life of up to and beyond 80 years. Our inspection is visual, non-invasive and excludes camera inspections. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.



- Electrical Systems - We anticipate a useful life of up to and beyond 80 years. Our inspection is visual, non-invasive and excludes thermoscans. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study.
- Windows and Doors – Maintained and replaced by the owners

The following tables depict the items excluded from the Reserve Expenditure plan:

Excluded Components

for
Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than \$4,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

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.

- Carports, Interim Repairs and Paint Finish Applications
- Dock and Pilings, Interim Deck Board Replacement
- Electrical Systems, Thermoscan Inspections
- Expansion Tanks
- Fire Extinguishers
- Gazebo, Interim Repairs
- Irrigation System, Controls and Maintenance
- Irrigation System, Pump
- Jockey Pump, Fire Suppression System, Interim Replacement
- Landscape
- Motors, Interim Replacement
- Paint Finishes, Touch Up
- Pavers, Pool Deck, Interim Resetting and Partial Replacements
- Pipes, Common, Interim Repairs and Waste Rodding
- Signage, Monument
- Staff, Storage and Service Areas
- Valves, Small Diameter

Long-Lived Components

These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this 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.

Useful Life

Estimated Cost

• Foundations	Indeterminate	N/A
• Pipes, Subsurface Utilities	to 85+	\$110,000
• Structural Frames	Indeterminate	N/A

Excluded Components

for
Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Owners Responsibility Components

Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back.

- Electrical Systems, Within Units (Incl. Circuit Protection Panels)
- Floor Coverings, Balconies (Where Installed)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Hurricane Shutters (Where Installed)
- Interiors
- Pipes, Within Units

Others Responsibility Components

Certain items have been designated as the responsibility of Others to repair or replace.

- Generator¹
- Lift Station¹
- Streets System (N Banana River Blvd)¹

¹ Brevard County

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
- 2024 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 future costs for each reserve component including inflation

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

Component Method

- Component information as also shown in Reserve Expenditures
- Current balance, remaining contributions and remaining expenditures
- Projected beginning year balance for 2019
- Unfunded residual balance
- 2020 recommended contribution

Component Method Summary

- The existing reserve categories
- Summarized life and cost valuations by category



- Projected category balances and recommended contributions

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***.

Structural Integrity

RESERVE EXPENDITURES

Years 2024 to 2039

Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Explanatory Notes:

- 1) 3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.

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 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039	
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																		
Exterior Building Elements																												
1.059	39,500	39,500	Square Feet	Balconies, Concrete, Interim Sealer Applications	2029	2 to 4	5	2.50	98,750	98,750	5.1%						77,339			88,064					150,606			
1.060	39,500	13,167	Square Feet	Balconies, Concrete, Repairs and Gemstone Coating Applications, Phased	2029	20 to 25	5 to 9	36.00	474,000	1,422,000	26.7%						557,545		594,950	634,865								
1.105	46,500	15,500	Square Feet	Balconies, Screen Frames and Integrated Railings, Aluminum	2029	to 35	5 to 9	15.00	232,500	697,500	4.5%						273,479		291,827	311,405								
1.180	31,500	10,500	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications, Phased (Incl. Stairs)	2025	8 to 12	1 to 5	13.00	136,500	409,500	10.0%		141,005		150,464		160,559					195,091		208,179		222,145		
1.190	2,650	883	Linear Feet	Breezeways, Railings, Aluminum, Phased	2035	to 20	11 to 15	110.00	97,166	291,500	2.3%										138,873		148,190		158,132			
1.210	13	13	Each	Doors, Utility	2032	to 30	8	2,000.00	26,000	26,000	0.2%								33,711									
1.380	6	6	Buildings	Roofs, Foam (Incl. Gutters and Skylights)	2044	15 to 20	20	145,000.00	870,000	870,000	8.5%																	
1.460	19	19	Squares	Roofs, Metal	2039	to 25	15	3,000.00	57,000	57,000	0.5%															92,764		
1.605	1	1	Allowance	Structural Members, Inspection	2034	to 10	10	10,000.00	10,000	10,000	0.3%										13,836							
1.880	201,500	100,750	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs, Phased	2026	5 to 7	2 to 3	2.00	201,500	403,000	15.8%			215,018	222,114				269,885	278,791								
1.980	200	8	Each	Windows and Doors, Doors, Phased	2025	to 40	1 to 25	300.00	2,400	60,000	0.3%		2,479	2,561	2,646	2,733	2,823	2,916	3,012	3,112	3,215	3,321	3,430	3,543	3,660	3,781	3,906	
1.981	18,000	1,800	Square Feet	Windows and Doors, Sliding Glass Doors, Phased	2036	to 40	12 to 21	100.00	180,000	1,800,000	18.0%												265,752	274,522	283,581	292,939		
1.982	5,400	1	Allowance	Windows and Doors, Windows, Phased	2025	to 40	1 to 30+	100.00	100	540,000	0.0%		103	107	110	114	118	122	126	130	134	138	143	148	153	158	163	
Building Services Elements																												
3.300	6	1	Buildings	Electrical Systems, Main Panels, Phased	2042	to 70+	18 to 30+	145,000.00	145,000	870,000	4.8%																	
3.555	6	2	Buildings	Life Safety Systems, Control Panels, Phased	2032	to 15	8 to 18	12,500.00	25,000	75,000	1.2%								32,415						38,128			
3.560	6	2	Buildings	Life Safety Systems, Emergency Devices, Phased	2032	to 25	8 to 18	13,500.00	27,000	81,000	0.6%								35,008						41,178			
3.605	188	12	Units	Pipes, Riser Sections, Domestic Water, Vent and Waste, Partial	2052	to 80+	28 to 30+	5,000.00	58,750	940,000	0.7%																	
3.770	1	1	Each	Pump, Fire Suppression	2029	to 50	5	70,000.00	70,000	70,000	0.4%						82,338											
Anticipated Expenditures, By Year (\$19,482,530 over 30 years)												0	143,587	217,686	375,334	2,847	1,154,201	3,038	889,915	104,375	1,307,567	296,085	337,537	269,443	864,616	287,520	770,049	

Structural Integrity

RESERVE EXPENDITURES

Years 2040 to 2054

Costa Del Sol Condominium Association, Inc. Cape Canaveral, Florida				Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054	
Line Item	Total Quantity	Per Phase Quantity	Units		Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																	
Reserve Component Inventory																										
Exterior Building Elements																										
1.059	39,500	39,500	Square Feet	Balconies, Concrete, Interim Sealer Applications	2029	2 to 4	5	2.50	98,750	98,750	5.1%		171,491			195,274				148,048				168,580		
1.060	39,500	13,167	Square Feet	Balconies, Concrete, Repairs and Gemstone Coating Applications, Phased	2029	20 to 25	5 to 9	36.00	474,000	1,422,000	26.7%								1,067,300		1,138,904		1,215,312			
1.105	46,500	15,500	Square Feet	Balconies, Screen Frames and Integrated Railings, Aluminum	2029	to 35	5 to 9	15.00	232,500	697,500	4.5%															
1.180	31,500	10,500	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications, Phased (Incl. Stairs)	2025	8 to 12	1 to 5	13.00	136,500	409,500	10.0%					269,923		288,032		307,355						
1.190	2,650	883	Linear Feet	Breezeways, Railings, Aluminum, Phased	2035	to 20	11 to 15	110.00	97,166	291,500	2.3%															
1.210	13	13	Each	Doors, Utility	2032	to 30	8	2,000.00	26,000	26,000	0.2%															
1.380	6	6	Buildings	Roofs, Foam (Incl. Gutters and Skylights)	2044	15 to 20	20	145,000.00	870,000	870,000	8.5%				1,665,427											
1.460	19	19	Squares	Roofs, Metal	2039	to 25	15	3,000.00	57,000	57,000	0.5%															
1.605	1	1	Allowance	Structural Members, Inspection	2034	to 10	10	10,000.00	10,000	10,000	0.3%				19,143									26,486		
1.880	201,500	100,750	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs, Phased	2026	5 to 7	2 to 3	2.00	201,500	403,000	15.8%	338,751	349,929					425,189	439,221					533,685		
1.980	200	8	Each	Windows and Doors, Doors, Phased	2025	to 40	1 to 25	300.00	2,400	60,000	0.3%	4,035	4,168	4,305	4,448											
1.981	18,000	1,800	Square Feet	Windows and Doors, Sliding Glass Doors, Phased	2036	to 40	12 to 21	100.00	180,000	1,800,000	18.0%	302,606	312,592	322,908	333,564	344,571	355,942				418,679					
1.982	5,400	1	Allowance	Windows and Doors, Windows, Phased	2025	to 40	1 to 30+	100.00	100	540,000	0.0%	168	174	179	185	191	198	204	211	218	233	240	248	256	265	
Building Services Elements																										
3.300	6	1	Buildings	Electrical Systems, Main Panels, Phased	2042	to 70+	18 to 30+	145,000.00	145,000	870,000	4.8%			260,120				305,968				359,896				
3.555	6	2	Buildings	Life Safety Systems, Control Panels, Phased	2032	to 15	8 to 18	12,500.00	25,000	75,000	1.2%			44,848				52,753				62,051				
3.560	6	2	Buildings	Life Safety Systems, Emergency Devices, Phased	2032	to 25	8 to 18	13,500.00	27,000	81,000	0.6%			48,436												
3.605	188	12	Units	Pipes, Riser Sections, Domestic Water, Vent and Waste, Partial	2052	to 80+	28 to 30+	5,000.00	58,750	940,000	0.7%											145,820				
3.770	1	1	Each	Pump, Fire Suppression	2029	to 50	5	70,000.00	70,000	70,000	0.4%															
Anticipated Expenditures, By Year (\$19,482,530 over 30 years)												645,560	838,355	680,797	338,196	2,029,333	821,336	204	1,072,153	439,439	1,522,704	418,911	1,139,144	568,015	1,384,148	560,435

RESERVE FUNDING PLAN

Structural Integrity

CASH FLOW ANALYSIS

Costa Del Sol

Condominium Association, Inc.

Cape Canaveral, Florida

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	(Note 1)	N/A	30,440	307,454	530,733	614,656	1,093,259	433,192	937,816	573,634	1,012,688	261,595	533,399	789,179	1,140,135	917,223	1,293,755
Total Recommended Reserve Contributions	(Note 2)	N/A	416,100	429,800	444,000	458,700	473,800	489,400	505,600	522,300	539,500	557,300	575,700	594,700	614,300	634,600	655,500
Estimated Interest Earned, During Year	(Note 3)	N/A	4,501	11,165	15,257	22,750	20,333	18,262	20,133	21,130	16,974	10,589	17,617	25,699	27,404	29,451	33,385
Anticipated Expenditures, By Year		N/A	(143,587)	(217,686)	(375,334)	(2,847)	(1,154,201)	(3,038)	(889,915)	(104,375)	(1,307,567)	(296,085)	(337,537)	(269,443)	(864,616)	(287,520)	(770,049)
Anticipated Reserves at Year End		<u>\$30,440</u>	<u>\$307,454</u>	<u>\$530,733</u>	<u>\$614,656</u>	<u>\$1,093,259</u>	<u>\$433,192</u>	<u>\$937,816</u>	<u>\$573,634</u>	<u>\$1,012,688</u>	<u>\$261,595</u>	<u>\$533,399</u>	<u>\$789,179</u>	<u>\$1,140,135</u>	<u>\$917,223</u>	<u>\$1,293,755</u>	<u>\$1,212,590</u>
		(NOTE 5)															

(continued)

(continued)	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year	1,212,590	1,277,296	1,170,953	1,244,835	1,692,059	462,323	449,432	1,295,064	1,104,576	1,578,577	996,879	1,548,473	1,416,321	1,891,770	1,586,351
Total Recommended Reserve Contributions	677,100	699,400	722,500	746,300	770,900	796,300	822,600	849,700	877,700	906,700	936,600	967,500	999,400	1,032,400	1,066,500
Estimated Interest Earned, During Year	33,166	32,611	32,179	39,120	28,697	12,145	23,237	31,964	35,740	34,306	33,905	39,492	44,064	46,329	49,663
Anticipated Expenditures, By Year	(645,560)	(838,355)	(680,797)	(338,196)	(2,029,333)	(821,336)	(204)	(1,072,153)	(439,439)	(1,522,704)	(418,911)	(1,139,144)	(568,015)	(1,384,148)	(560,435)
Anticipated Reserves at Year End	<u>\$1,277,296</u>	<u>\$1,170,953</u>	<u>\$1,244,835</u>	<u>\$1,692,059</u>	<u>\$462,323</u>	<u>\$449,432</u>	<u>\$1,295,064</u>	<u>\$1,104,576</u>	<u>\$1,578,577</u>	<u>\$996,879</u>	<u>\$1,548,473</u>	<u>\$1,416,321</u>	<u>\$1,891,770</u>	<u>\$1,586,351</u>	<u>\$2,142,079</u>
					(NOTE 5)										(NOTE 4)

Explanatory Notes:

- 1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Non-Structural Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) 2.7% is the estimated annual rate of return on invested reserves; 2024 is a partial year of interest earned.
- 4) Accumulated year 2054 ending reserves consider the need to fund for replacement of the Foam Roofs shortly after 2054, and the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

Structural Integrity
FIVE-YEAR OUTLOOK

Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
<u>Exterior Building Elements</u>							
1.059	Balconies, Concrete, Interim Sealer Applications						77,339
1.060	Balconies, Concrete, Repairs and Gemstone Coating Applications, Phased						557,545
1.105	Balconies, Screen Frames and Integrated Railings, Aluminum						273,479
1.180	Breezeways, Concrete, Repairs and Waterproof Coating Applications, Phased (Incl. Stairs)		141,005		150,464		160,559
1.880	Walls, Stucco, Paint Finishes and Capital Repairs, Phased			215,018	222,114		
1.980	Windows and Doors, Doors, Phased		2,479	2,561	2,646	2,733	2,823
1.982	Windows and Doors, Windows, Phased		103	107	110	114	118
<u>Building Services Elements</u>							
3.770	Pump, Fire Suppression						82,338
Anticipated Expenditures, By Year (\$19,482,530 over 30 years)		0	143,587	217,686	375,334	2,847	1,154,201

Structural Integrity

COMPONENT METHOD RESERVE ANALYSIS

for
Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	2024 Cost of Replacement, \$	Jun 30, 2024 Estimated Balance, \$	2024 Budgeted Contributions, \$	2024 Remaining Contributions, \$	2024 Remaining Expenditures, \$	Jan 1, 2025 Projected Balance, \$	Unfunded Residual Balance, \$	2025 Recommended Contribution, \$	Reserve Category
					Useful	Remaining³											
Exterior Building Elements																	
1.059	39,500	Square Feet	Balconies, Concrete, Interim Sealer Applications	2029	2 to 4	5	2.50	100%	98,750	0	0	0	0	0	77,339	19,335	Concrete
1.060	39,500	Square Feet	Balconies, Concrete, Repairs and Gemstone Coating Applications	2029	20 to 25	5 to 9	36.00	100%	1,422,000	0	0	0	0	0	1,422,000	237,000	Concrete
1.105	46,500	Square Feet	Balconies, Screen Frames and Integrated Railings, Aluminum	2029	to 35	5 to 9	15.00	100%	697,500	0	0	0	0	0	697,500	116,250	Other
1.180	31,500	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications (Incl. 5	2025	8 to 12	1 to 5	13.00	100%	409,500	301,364	100,000	50,000	0	351,364	58,136	29,068	Concrete
1.190	2,650	Linear Feet	Breezeways, Railings, Aluminum	2035	to 20	11 to 15	110.00	100%	291,500	0	0	0	0	0	291,499	24,292	Other
1.210	13	Each	Doors, Utility	2032	to 30	8	2,000.00	100%	26,000	0	0	0	0	0	26,000	3,714	Other
1.380	6	Buildings	Roofs, Foam (Incl. Gutters and Skylights)	2044	15 to 20	20	145,000.00	100%	870,000	0	0	0	0	0	870,000	45,789	Roof
1.460	19	Squares	Roofs, Metal	2039	to 25	15	3,000.00	100%	57,000	0	0	0	0	0	57,000	4,071	Roof
1.605	1	Allowance	Structural Members, Inspection	2034	to 10	10	10,000.00	100%	10,000	0	0	0	0	0	10,000	1,111	Other
1.880	201,500	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2026	5 to 7	2 to 3	2.00	100%	403,000	82,026	25,000	12,500	0	94,526	308,474	205,649	Paint
1.980	200	Each	Windows and Doors, Doors	2025	to 40	1 to 37	300.00	100%	60,000	0	0	0	0	0	60,000	4,032	Other
1.981	18,000	Square Feet	Windows and Doors, Sliding Glass Doors	2036	to 40	12 to 21	100.00	100%	1,800,000	0	0	0	0	0	1,800,000	116,129	Other
1.982	40	Allowance	Windows and Doors, Windows	2025	to 40	1 to 40+	100.00	100%	4,000	0	0	0	0	0	4,000	200	Other
Building Services Elements																	
3.300	6	Buildings	Electrical Systems, Main Panels	2042	to 70+	18 to 40+	145,000.00	100%	870,000	0	0	0	0	0	870,000	29,000	Other
3.555	6	Buildings	Life Safety Systems, Control Panels	2032	to 15	8 to 18	12,500.00	100%	75,000	0	0	0	0	0	75,000	6,250	Other
3.560	6	Buildings	Life Safety Systems, Emergency Devices	2032	to 25	8 to 18	13,500.00	100%	81,000	0	0	0	0	0	81,000	6,750	Other
3.605	12	Units	Pipes, Riser Sections, Domestic Water, Vent and Waste, Partial	2052	to 80+	28	5,000.00	100%	58,750	0	0	0	0	0	58,750	1,679	Other
3.770	1	Each	Pump, Fire Suppression	2029	to 50	5	70,000.00	100%	70,000	0	0	0	0	0	70,000	17,500	Other
										\$383,390 (Note 1)	\$125,000	\$62,500 (Note 2)	\$0	\$445,890	\$6,836,698	\$867,820	

Explanatory Notes:

- 1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Non-Structural Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) The Rec, Pool Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
- 4) The Elevator Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
- 5) The Carport Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
- 6) The Paving Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.

Structural Integrity

COMPONENT METHOD SUMMARY

for

Costa Del Sol**Condominium Association, Inc.**Cape Canaveral, Florida

Existing Reserve Categories	Life Analysis, Years		2024 Cost of Replacement, \$	Jan 1, 2025	2025
	Useful	Remaining		Projected Balance, \$	Recommended Contribution, \$
Concrete	2 to 25	1 to 9	\$1,930,250	\$351,364	\$285,403
Elevator	N/A	N/A	N/A	N/A	N/A
Paint	5 to 7	2 to 3	\$403,000	\$94,526	\$205,649
Paving	N/A	N/A	N/A	\$0	\$0
Roof	15 to 25	15 to 20	\$927,000	\$0	\$49,861
Carport	N/A	N/A	N/A	N/A	N/A
Garages	N/A	N/A	N/A	N/A	N/A
Rec, Pool	N/A	N/A	N/A	N/A	N/A
Subtotal			\$3,260,250	\$445,890	\$540,913
Other (Currently Unfunded)	to 80	1 to 40	\$4,043,750	\$0	\$326,907
Grand Total			\$7,304,000	\$445,890	\$867,820

Explanatory Notes:

- 1) The Rec, Pool Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
- 2) The Elevator Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
- 3) The Carport Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
- 4) The Paving Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.

Non-Structural

RESERVE EXPENDITURES

Years 2024 to 2039

Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Explanatory Notes:

- 1) 3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
- 3) 2055+ indicates a component which is considered long-lived

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 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039	
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																		
Exterior Building Elements																												
1.069	13,000	13,000	Square Feet	Balconies, Concrete, Interim Sealer Applications, Partial	2029	2 to 4	5	2.50	32,500	32,500	2.1%						25,484			29,018					49,566			
1.070	13,000	4,335	Square Feet	Balconies, Concrete, Repairs and Gemstone Coating Applications, Phased	2029	20 to 25	5 to 9	36.00	156,060	468,000	10.7%						183,566		195,882	209,023								
1.106	14,500	4,835	Square Feet	Balconies, Screen Frames and Integrated Railings, Aluminum	2029	to 35	5 to 9	15.00	72,525	217,500	1.7%						85,308		91,031	97,138								
1.107	61,000	20,335	Square Feet	Balconies, Screens, Interim Replacement	2029	6 to 8	5 to 9	3.00	61,005	183,000	8.3%						71,757		76,572	81,709			90,068		96,110			
1.181	6,000	2,000	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications, Phased (Incl. Stairs)	2025	8 to 12	1 to 5	13.00	26,000	78,000	2.3%		26,858		28,660		30,583					37,160		39,653		42,313		
1.191	600	200	Linear Feet	Breezeways, Railings, Aluminum, Phased	2035	to 35	to 20	110.00	22,000	66,000	0.6%											31,443		33,553		35,804		
1.200	136	6	Each	Doors, Garage, Metal, Phased	2024	to 25	0 to 21	1,300.00	8,034	176,800	2.7%	10,400	8,299	8,573	8,856	9,148	9,450	9,762	10,084	10,417	10,761	11,116	11,482	11,861	12,253	12,657	13,075	
1.211	2	2	Each	Doors, Utility, General	2032	to 30	8	2,000.00	4,000	4,000	0.0%								5,186									
1.260	450	90	Each	Light Fixtures, Phased	2034	to 20	10 to 18	250.00	22,500	112,500	1.5%											31,130		33,219		35,448		
1.280	550	183	Squares	Roofs, Asphalt Shingles, Phased (Incl. Gutters and Downspouts & Pool House)	2035	12 to 18	11 to 15	550.00	100,832	302,500	4.5%											144,112		153,780		164,097		
1.381	39,000	19,500	Square Feet	Roofs, Foam, Garages, Phased	2031	15 to 20	7 to 8	9.00	175,500	351,000	8.2%								220,282	227,551								
1.881	75,000	75,000	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Perimeter walls & Pool House)	2030	5 to 7	6	2.00	150,000	150,000	6.6%							182,261							228,768			
1.983	58	2	Each	Windows and Doors, Doors, Phased	2025	to 40	1 to 25	300.00	600	17,400	0.1%		620	640	661	683	706	729	753	778	804	830	858	886	915	945	976	
1.984	4,900	490	Square Feet	Windows and Doors, Sliding Glass Doors, Phased	2036	to 40	12 to 21	100.00	49,000	490,000	5.3%												72,344	74,731	77,197	79,745		
1.985	2,400	60	Square Feet	Windows and Doors, Windows, Phased	2025	to 40	1 to 30+	100.00	6,000	240,000	1.9%		6,198	6,403	6,614	6,832	7,058	7,290	7,531	7,780	8,036	8,301	8,575	8,858	9,151	9,453	9,765	
Building Services Elements																												
3.070	7	1	Each	Air Handling and Condensing Units, Split Systems, Phased (Incl. Clubhouse)	2030	10 to 15	6 to 18	5,000.00	5,000	35,000	0.7%							6,075		6,483		6,918		7,382		7,877		
3.301	6	1	Buildings	Electrical System, Main Panels, Partial	2040	to 70+	16 to 30+	40,000.00	40,000	240,000	1.5%																	
3.320	3	1	Each	Elevators, Hydraulic, Pumps and Controls (Buildings 9,11 &12)	2025	to 25	1 to 5	102,000.00	102,000	306,000	5.5%		210,732															
3.321	1	1	Each	Elevator, Hydraulic, Pumps and Controls (Building 10)	2027	to 25	3	102,000.00	102,000	102,000	2.3%				112,435													
3.322	2	1	Each	Elevators, Hydraulic, Pumps and Controls, Phased (Buildings 1 & 2)	2027	to 25	3 to 11	62,000.00	62,000	124,000	1.9%				68,343							88,613						
3.330	3	1	Each	Elevators, Hydraulic, Cylinders (Buildings 9,11 &12)	2025	to 40	1 to 5	40,000.00	40,000	120,000	0.5%		82,640															
3.331	1	1	Each	Elevator, Hydraulic, Cylinder (Building 10)	2040	to 40	16	40,000.00	40,000	40,000	0.4%																	
3.332	2	1	Each	Elevators, Hydraulic, Cylinders, Phased (Buildings 1 & 2)	2037	to 40	13 to 26	25,000.00	25,000	50,000	0.6%														38,128			
3.606	58	15	Units	Pipes, Riser Sections, Domestic Water, Vent and Waste, Partial	2052	to 80+	28 to 30+	5,000.00	72,500	290,000	1.1%																	
Property Site Elements																												
4.020	18,500	18,500	Square Yards	Asphalt Pavement, Patch and Seal Coat	2030	3 to 5	6	2.00	37,000	37,000	1.5%							44,958				52,882						
4.040	18,500	9,250	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2044	15 to 20	20 to 21	18.00	166,500	333,000	4.0%																	
4.041	18,500	18,500	Square Yards	Asphalt Pavement, Mill and Overlay, Remaining	2026	15 to 20	2	18.00	333,000	333,000	0.7%				118,435													
4.096	25,000	25,000	Square Feet	Carports, Replacement	2026	25 to 35	2	20.00	500,000	500,000	3.3%				533,545													
4.200	1,000	1,000	Square Feet	Dock and Pilings, Wood, Decking and Repairs	2031	to 30	7	30.00	30,000	30,000	0.2%								37,655									
4.201	1,000	1,000	Square Feet	Dock and Pilings, Wood, Replacement	2046	to 30	22	120.00	120,000	120,000	1.5%																	
4.360	1	1	Each	Gazebo	2045	to 25	21	9,000.00	9,000	9,000	0.1%																	
4.420	200,000	100,000	Square Feet	Irrigation System, Phased	2030	to 40+	6 to 7	0.75	75,000	150,000	1.2%							91,130	94,138									
4.560	60	60	Each	Light Poles and Fixtures	2035	to 25	11	1,500.00	90,000	90,000	0.8%												128,631					
4.600	56	56	Each	Mailbox Stations	2034	to 25	10	1,200.00	67,200	67,200	0.6%											92,976						
4.710	1,100	165	Linear Feet	Shoreline, Rip Rap Augmentation	2035	to 15	11	50.00	8,250	55,000	0.2%												11,791					
4.830	1,400	1,400	Square Yards	Tennis Courts, Color Coat	2027	4 to 6	3	9.00	12,600	12,600	0.7%				13,889				16,337						19,217			
4.840	430	430	Linear Feet	Tennis Courts, Fence	2032	to 25	8	36.50	15,695	15,695	0.1%								20,350									
4.850	4	4	Each	Tennis Courts, Light Poles and Fixtures	2041	to 25	17	4,500.00	18,000	18,000	0.2%																	
4.860	1,400	1,400	Square Yards	Tennis Courts, Surface Replacement	2041	to 25	17	45.00	63,000	63,000	0.7%																	

Non-Structural

Years 2040 to 2054

RESERVE EXPENDITURES

Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, 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 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054	
						Useful	Remaining	Unit (2024)	Per Phase (2024)																	Total (2024)
Exterior Building Elements																										
1.069	13,000	13,000	Square Feet	Balconies, Concrete, Interim Sealer Applications, Partial	2029	2 to 4	5	2.50	32,500	32,500	2.1%		56,440			64,267				48,783				55,548		
1.070	13,000	4,335	Square Feet	Balconies, Concrete, Repairs and Gemstone Coating Applications, Phased	2029	20 to 25	5 to 9	36.00	156,060	468,000	10.7%									351,398		374,973		400,130		
1.106	14,500	4,835	Square Feet	Balconies, Screen Frames and Integrated Railings, Aluminum	2029	to 35	5 to 9	15.00	72,525	217,500	1.7%															
1.107	61,000	20,335	Square Feet	Balconies, Screens, Interim Replacement	2029	6 to 8	5 to 9	3.00	61,005	183,000	8.3%	102,558			113,050	120,635		128,728			141,897		151,417	161,575		
1.181	6,000	2,000	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications, Phased (Incl. Stairs)	2025	8 to 12	1 to 5	13.00	26,000	78,000	2.3%					51,414		54,863		58,544						
1.191	600	200	Linear Feet	Breezeways, Railings, Aluminum, Phased	2035	to 35	to 20	110.00	22,000	66,000	0.6%															
1.200	136	6	Each	Doors, Garage, Metal, Phased	2024	to 25	0 to 21	1,300.00	8,034	176,800	2.7%	13,506	13,952	14,412	14,888	15,379	15,887	16,411	16,953	17,512	18,090	18,687	19,304	19,941	20,599	21,279
1.211	2	2	Each	Doors, Utility, General	2032	to 30	8	2,000.00	4,000	4,000	0.0%															
1.260	450	90	Each	Light Fixtures, Phased	2034	to 20	10 to 18	250.00	22,500	112,500	1.5%	37,826		40,363										59,593		
1.280	550	183	Squares	Roofs, Asphalt Shingles, Phased (Incl. Gutters and Downspouts & Pool House)	2035	12 to 18	11 to 15	550.00	100,832	302,500	4.5%													258,527		
1.381	39,000	19,500	Square Feet	Roofs, Foam, Garages, Phased	2031	15 to 20	7 to 8	9.00	175,500	351,000	8.2%											421,683	435,598			
1.881	75,000	75,000	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Perimeter walls & Pool House)	2030	5 to 7	6	2.00	150,000	150,000	6.6%					287,143					360,413					
1.983	58	2	Each	Windows and Doors, Doors, Phased	2025	to 40	1 to 25	300.00	600	17,400	0.1%	1,009	1,042	1,076	1,112											
1.984	4,900	490	Square Feet	Windows and Doors, Sliding Glass Doors, Phased	2036	to 40	12 to 21	100.00	49,000	490,000	5.3%	82,376	85,095	87,903	90,803	93,800	96,895									
1.985	2,400	60	Square Feet	Windows and Doors, Windows, Phased	2025	to 40	1 to 30+	100.00	6,000	240,000	1.9%	10,087	10,420	10,764	11,119	11,486	11,865	12,256	12,661	13,079	13,510	13,956	14,417	14,892	15,384	15,891
Building Services Elements																										
3.070	7	1	Each	Air Handling and Condensing Units, Split Systems, Phased (Incl. Clubhouse)	2030	10 to 15	6 to 18	5,000.00	5,000	35,000	0.7%	8,406		8,970		9,887		10,551		11,258		12,014		12,820		
3.301	6	1	Buildings	Electrical System, Main Panels, Partial	2040	to 70+	16 to 30+	40,000.00	40,000	240,000	1.5%	67,246				79,098					93,040					
3.320	3	1	Each	Elevators, Hydraulic, Pumps and Controls (Buildings 9,11 &12)	2025	to 25	1 to 5	102,000.00	102,000	306,000	5.5%						208,357		222,335		237,251					
3.321	1	1	Each	Elevator, Hydraulic, Pumps and Controls (Building 10)	2027	to 25	3	102,000.00	102,000	102,000	2.3%											253,168				
3.322	2	1	Each	Elevators, Hydraulic, Pumps and Controls, Phased (Buildings 1 & 2)	2027	to 25	3 to 11	62,000.00	62,000	124,000	1.9%											153,887				
3.330	3	1	Each	Elevators, Hydraulic, Cylinders (Buildings 9,11 &12)	2025	to 40	1 to 5	40,000.00	40,000	120,000	0.5%															
3.331	1	1	Each	Elevator, Hydraulic, Cylinder (Building 10)	2040	to 40	16	40,000.00	40,000	40,000	0.4%	67,246														
3.332	2	1	Each	Elevators, Hydraulic, Cylinders, Phased (Buildings 1 & 2)	2037	to 40	13 to 26	25,000.00	25,000	50,000	0.6%										58,150					
3.606	58	15	Units	Pipes, Riser Sections, Domestic Water, Vent and Waste, Partial	2052	to 80+	28 to 30+	5,000.00	72,500	290,000	1.1%											179,948				
Property Site Elements																										
4.020	18,500	18,500	Square Yards	Asphalt Pavement, Patch and Seal Coat	2030	3 to 5	6	2.00	37,000	37,000	1.5%	62,202									86,062					
4.040	18,500	9,250	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2044	15 to 20	20 to 21	18.00	166,500	333,000	4.0%					318,728	329,246									
4.041	18,500	18,500	Square Yards	Asphalt Pavement, Mill and Overlay, Remaining	2026	15 to 20	2	18.00	333,000	333,000	0.7%															
4.096	25,000	25,000	Square Feet	Carports, Replacement	2026	25 to 35	2	20.00	500,000	500,000	3.3%															
4.200	1,000	1,000	Square Feet	Dock and Pilings, Wood, Decking and Repairs	2031	to 30	7	30.00	30,000	30,000	0.2%															
4.201	1,000	1,000	Square Feet	Dock and Pilings, Wood, Replacement	2046	to 30	22	120.00	120,000	120,000	1.5%						245,125									
4.360	1	1	Each	Gazebo	2045	to 25	21	9,000.00	9,000	9,000	0.1%					17,797										
4.420	200,000	100,000	Square Feet	Irrigation System, Phased	2030	to 40+	6 to 7	0.75	75,000	150,000	1.2%															
4.560	60	60	Each	Light Poles and Fixtures	2035	to 25	11	1,500.00	90,000	90,000	0.8%															
4.600	56	56	Each	Mailbox Stations	2034	to 25	10	1,200.00	67,200	67,200	0.6%															
4.710	1,100	165	Linear Feet	Shoreline, Rip Rap Augmentation	2035	to 15	11	50.00	8,250	55,000	0.2%										19,189					
4.830	1,400	1,400	Square Yards	Tennis Courts, Color Coat	2027	4 to 6	3	9.00	12,600	12,600	0.7%						26,588					31,274				
4.840	430	430	Linear Feet	Tennis Courts, Fence	2032	to 25	8	36.50	15,695	15,695	0.1%															
4.850	4	4	Each	Tennis Courts, Light Poles and Fixtures	2041	to 25	17	4,500.00	18,000	18,000	0.2%		31,259													
4.860	1,400	1,400	Square Yards	Tennis Courts, Surface Replacement	2041	to 25	17	45.00	63,000	63,000	0.7%		109,407													

Non-Structural

RESERVE EXPENDITURES

Years 2024 to 2039

Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Explanatory Notes:

- 1) 3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
- 3) 2055+ indicates a component which is considered long-lived

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 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																	
Clubhouse and Interior Elements																											
5.100	6	2 Each	Elevator Cab Finishes, Phased		2024	to 20	0 to 6	17,000.00	34,000	102,000	1.9%	34,000			37,478			20,656									
5.500	1	1 Allowance	Interior Renovations, Complete		2044	to 25	20	135,000.00	135,000	135,000	1.6%																
5.510	1	1 Allowance	Interior Renovations, Partial		2032	8 to 12	8	74,000.00	74,000	74,000	0.6%								95,948								
5.580	1	1 Allowance	Rest Rooms, Renovation, Clubhouse and Pool House (Incl. Sauna)		2040	to 25	16	30,000.00	30,000	30,000	0.3%																
5.600	40	40 Squares	Roof, Metal Tiles		2030	to 25	6	1,600.00	64,000	64,000	0.5%							77,765									
5.800	500	250 Square Feet	Windows and Doors, Partial		2041	to 40	17 to 30+	75.00	18,750	37,500	0.2%																
Pool Elements																											
6.200	3,800	3,800 Square Feet	Deck, Concrete, Repairs and Coating Applications		2025	8 to 12	1	5.00	19,000	19,000	0.5%		19,627											27,155			
6.201	3,000	3,000 Square Feet	Deck, Pavers		2043	to 25	19	9.00	27,000	27,000	0.3%																
6.400	240	240 Linear Feet	Fence, Aluminum		2043	to 25	19	41.00	9,840	9,840	0.1%																
6.401	500	500 Linear Feet	Fences, Wood (Incl. Trash Enclosures)		2043	to 20	19	45.00	22,500	22,500	0.3%																
6.500	1	1 Allowance	Furniture, Phased		2032	to 12	8 to 12	6,500.00	6,500	6,500	0.3%								8,428					9,597			
6.600	2	1 Allowance	Mechanical Equipment, Phased		2028	to 15	4 to 11	12,000.00	12,000	24,000	0.5%					13,664								17,151			
6.800	2,200	2,200 Square Feet	Pool Finishes, Plaster		2033	8 to 12	9	23.00	50,600	50,600	1.2%									67,772							
6.801	280	280 Linear Feet	Pool Finishes, Tile		2063	15 to 25	39	38.00	10,640	10,640	0.0%																
6.900	2,200	2,200 Square Feet	Structures and Concrete Deck, Total Replacement		2043	to 60	19	180.00	396,000	396,000	4.6%																
1 Allowance		Structural Integrity Reserve Study Update with Site Visit			2026	to 2	2	6,000.00	6,000	6,000	0.0%			6,000													
Anticipated Expenditures, By Year (\$16,001,549 over 30 years)												44,400	354,974	673,595	276,936	30,328	413,911	440,626	733,927	399,258	504,261	151,272	559,853	234,215	659,715	239,687	345,775

RESERVE EXPENDITURES

Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, 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 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054			
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																			
Clubhouse and Interior Elements																													
5.100	6	2 Each	Elevator Cab Finishes, Phased	2024	to 20	0 to 6	17,000.00	34,000	102,000	1.9%					65,086		71,744				79,084								
5.500	1	1 Allowance	Interior Renovations, Complete	2044	to 25	20	135,000.00	135,000	135,000	1.6%					258,428														
5.510	1	1 Allowance	Interior Renovations, Partial	2032	8 to 12	8	74,000.00	74,000	74,000	0.6%																			
5.580	1	1 Allowance	Rest Rooms, Renovation, Clubhouse and Pool House (Incl. Sauna)	2040	to 25	16	30,000.00	30,000	30,000	0.3%	50,434																		
5.600	40	40 Squares	Roof, Metal Tiles	2030	to 25	6	1,600.00	64,000	64,000	0.5%																			
5.800	500	250 Square Feet	Windows and Doors, Partial	2041	to 40	17 to 30+	75.00	18,750	37,500	0.2%		32,562																	
Pool Elements																													
6.200	3,800	3,800 Square Feet	Deck, Concrete, Repairs and Coating Applications	2025	8 to 12	1	5.00	19,000	19,000	0.5%					35,209														
6.201	3,000	3,000 Square Feet	Deck, Pavers	2043	to 25	19	9.00	27,000	27,000	0.3%					50,035														
6.400	240	240 Linear Feet	Fence, Aluminum	2043	to 25	19	41.00	9,840	9,840	0.1%					18,235														
6.401	500	500 Linear Feet	Fences, Wood (Incl. Trash Enclosures)	2043	to 20	19	45.00	22,500	22,500	0.3%					41,695														
6.500	1	1 Allowance	Furniture, Phased	2032	to 12	8 to 12	6,500.00	6,500	6,500	0.3%					12,443				14,168										
6.600	2	1 Allowance	Mechanical Equipment, Phased	2028	to 15	4 to 11	12,000.00	12,000	24,000	0.5%			21,527							27,020									
6.800	2,200	2,200 Square Feet	Pool Finishes, Plaster	2033	8 to 12	9	23.00	50,600	50,600	1.2%															129,736				
6.801	280	280 Linear Feet	Pool Finishes, Tile	2063	15 to 25	39	38.00	10,640	10,640	0.0%																			
6.900	2,200	2,200 Square Feet	Structures and Concrete Deck, Total Replacement	2043	to 60	19	180.00	396,000	396,000	4.6%					733,840														
1 Allowance				Structural Integrity Reserve Study Update with Site Visit	2026	to 2	2	6,000.00	6,000	6,000	0.0%																		
Anticipated Expenditures, By Year (\$16,001,549 over 30 years)												502,896	340,177	185,015	1,109,987	1,062,493	796,992	482,149	322,087	267,094	528,604	747,316	1,202,803	1,240,125	892,743	258,338			

RESERVE FUNDING PLAN

Non-Structural
CASH FLOW ANALYSIS
Costa Del Sol
Condominium Association, Inc.

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
Cape Canaveral, Florida		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	(Note 1)	N/A	578,364	555,189	219,108	286,912	617,835	580,587	527,317	187,816	191,207	101,546	381,003	268,095	496,870	315,678	570,900
Total Recommended Reserve Contributions	(Note 2)	N/A	316,700	327,200	338,000	349,200	360,700	372,600	384,900	397,600	410,700	424,300	438,300	452,800	467,700	483,100	499,000
Estimated Interest Earned, During Year	(Note 3)	N/A	15,099	10,314	6,740	12,051	15,963	14,757	9,526	5,049	3,900	6,428	8,646	10,189	10,823	11,809	17,483
Anticipated Expenditures, By Year		N/A	(354,974)	(673,595)	(276,936)	(30,328)	(413,911)	(440,626)	(733,927)	(399,258)	(504,261)	(151,272)	(559,853)	(234,215)	(659,715)	(239,687)	(345,775)
Anticipated Reserves at Year End		<u>\$578,364</u>	<u>\$555,189</u>	<u>\$219,108</u>	<u>\$286,912</u>	<u>\$617,835</u>	<u>\$580,587</u>	<u>\$527,317</u>	<u>\$187,816</u>	<u>\$191,207</u>	<u>\$101,546</u>	<u>\$381,003</u>	<u>\$268,095</u>	<u>\$496,870</u>	<u>\$315,678</u>	<u>\$570,900</u>	<u>\$741,608</u>
				(NOTE 5)													

(continued)

(continued)	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued															
	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	
Reserves at Beginning of Year	741,608	774,406	990,234	1,386,984	875,434	417,260	235,462	388,119	728,100	1,154,685	1,350,146	1,352,327	916,748	456,212	360,751	
Total Recommended Reserve Contributions	515,500	532,500	550,100	568,300	587,100	606,500	626,500	647,200	668,600	690,700	713,500	737,000	761,300	786,400	812,400	
Estimated Interest Earned, During Year	20,194	23,505	31,665	30,136	17,219	8,694	8,306	14,868	25,079	33,365	35,997	30,224	18,288	10,882	17,220	
Anticipated Expenditures, By Year	(502,896)	(340,177)	(185,015)	(1,109,987)	(1,062,493)	(796,992)	(482,149)	(322,087)	(267,094)	(528,604)	(747,316)	(1,202,803)	(1,240,125)	(892,743)	(258,338)	
Anticipated Reserves at Year End	<u>\$774,406</u>	<u>\$990,234</u>	<u>\$1,386,984</u>	<u>\$875,434</u>	<u>\$417,260</u>	<u>\$235,462</u>	<u>\$388,119</u>	<u>\$728,100</u>	<u>\$1,154,685</u>	<u>\$1,350,146</u>	<u>\$1,352,327</u>	<u>\$916,748</u>	<u>\$456,212</u>	<u>\$360,751</u>	<u>\$932,033</u>	
															(NOTE 4)	

Explanatory Notes:

- 1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) 2.7% is the estimated annual rate of return on invested reserves; 2024 is a partial year of interest earned.
- 4) Accumulated year 2054 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

Non-Structural
FIVE-YEAR OUTLOOK

**Costa Del Sol
Condominium Association, Inc.**
Cape Canaveral, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
<u>Exterior Building Elements</u>							
1.069	Balconies, Concrete, Interim Sealer Applications, Partial						25,484
1.070	Balconies, Concrete, Repairs and Gemstone Coating Applications, Phased						183,566
1.106	Balconies, Screen Frames and Integrated Railings, Aluminum						85,308
1.107	Balconies, Screens, Interim Replacement						71,757
1.181	Breezeways, Concrete, Repairs and Waterproof Coating Applications, Phased (Incl. Stairs)		26,858		28,660		30,583
1.200	Doors, Garage, Metal, Phased	10,400	8,299	8,573	8,856	9,148	9,450
1.983	Windows and Doors, Doors, Phased		620	640	661	683	706
1.985	Windows and Doors, Windows, Phased		6,198	6,403	6,614	6,832	7,058
<u>Building Services Elements</u>							
3.320	Elevators, Hydraulic, Pumps and Controls (Buildings 9,11 &12)		210,732				
3.321	Elevator, Hydraulic, Pumps and Controls (Building 10)				112,435		
3.322	Elevators, Hydraulic, Pumps and Controls, Phased (Buildings 1 & 2)				68,343		
3.330	Elevators, Hydraulic, Cylinders (Buildings 9,11 &12)		82,640				
<u>Property Site Elements</u>							
4.041	Asphalt Pavement, Mill and Overlay, Remaining			118,435			
4.096	Carports, Replacement			533,545			
4.830	Tennis Courts, Color Coat				13,889		
<u>Clubhouse and Interior Elements</u>							
5.100	Elevator Cab Finishes, Phased	34,000			37,478		
<u>Pool Elements</u>							
6.200	Deck, Concrete, Repairs and Coating Applications		19,627				
6.600	Mechanical Equipment, Phased					13,664	
Structural Integrity Reserve Study Update with Site Visit				6,000			
Anticipated Expenditures, By Year (\$16,001,549 over 30 years)		44,400	354,974	673,595	276,936	30,328	413,911

Non-Structural

COMPONENT METHOD RESERVE ANALYSIS

for
Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	2024 Cost of Replacement, \$	Jun 30, 2024 Estimated Balance, \$	2024 Budgeted Contributions, \$	2024 Remaining Contributions, \$	2024 Remaining Expenditures, \$	Jan 1, 2025 Projected Balance, \$	Unfunded Residual Balance, \$	2025 Recommended Contribution, \$	Reserve Category
					Useful	Remaining ³											
Exterior Building Elements																	
1.069	13,000	Square Feet	Balconies, Concrete, Interim Sealer Applications, Partial	2029	2 to 4	5	2.50	100%	32,500	0	0	0	0	0	25,484	6,371	Other
1.070	13,000	Square Feet	Balconies, Concrete, Repairs and Gemstone Coating Applications	2029	20 to 25	5 to 9	36.00	100%	468,000	0	0	0	0	0	468,180	78,030	Other
1.106	14,500	Square Feet	Balconies, Screen Frames and Integrated Railings, Aluminum	2029	to 35	5 to 9	15.00	100%	217,500	0	0	0	0	0	217,575	36,263	Other
1.107	61,000	Square Feet	Balconies, Screens, Interim Replacement	2029	6 to 8	5 to 9	3.00	100%	183,000	0	0	0	0	0	183,015	30,502	Other
1.181	6,000	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications (Incl. S	2025	8 to 12	1 to 5	13.00	100%	78,000	0	0	0	0	0	78,000	39,000	Other
1.191	600	Linear Feet	Breezeways, Railings, Aluminum	2035	to 35	11 to 15	110.00	100%	66,000	0	0	0	0	0	66,000	5,500	Other
1.200	136	Each	Doors, Garage, Metal	2024	to 25	0 to 21	1,300.00	100%	176,800	12,846	20,000	10,000	10,400	12,446	156,268	15,627	Garages
1.211	2	Each	Doors, Utility, General	2032	to 30	8	2,000.00	100%	4,000	0	0	0	0	0	4,000	571	Other
1.260	450	Each	Light Fixtures	2034	to 20	10 to 18	250.00	100%	112,500	0	0	0	0	0	112,500	8,654	Other
1.280	550	Squares	Roofs, Asphalt Shingles (Incl. Gutters and Downspouts & Pool House)	2035	12 to 18	11 to 15	550.00	100%	302,500	0	0	0	0	0	302,494	25,208	Roof
1.381	39,000	Square Feet	Roofs, Foam, Garages	2031	15 to 20	7 to 8	9.00	100%	351,000	20,855	50,000	25,000	0	45,855	305,145	46,945	Roof
1.881	75,000	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Perimeter walls & Pc	2030	5 to 7	6	2.00	100%	150,000	0	0	0	0	0	150,000	30,000	Other
1.983	58	Each	Windows and Doors, Doors	2025	to 40	1 to 37	300.00	100%	17,400	0	0	0	0	0	15,000	1,008	Other
1.984	4,900	Square Feet	Windows and Doors, Sliding Glass Doors	2036	to 40	12 to 21	100.00	100%	490,000	0	0	0	0	0	490,000	31,613	Other
1.985	2,400	Square Feet	Windows and Doors, Windows	2025	to 40	1 to 40	100.00	100%	240,000	0	0	0	0	0	240,000	12,000	Other
Building Services Elements																	
3.070	7	Each	Air Handling and Condensing Units, Split Systems (Incl. Clubhouse)	2030	10 to 15	6 to 18	5,000.00	100%	35,000	0	0	0	0	0	35,000	3,182	Other
3.301	6	Buildings	Electrical System, Main Panels, Partial	2040	to 70+	16 to 40+	40,000.00	100%	240,000	0	0	0	0	0	240,000	8,571	Other
3.320	3	Each	Elevators, Hydraulic, Pumps and Controls (Buildings 9,11 &12)	2025	to 25	1 to 24	102,000.00	100%	306,000	38,795	44,000	22,000	0	60,795	353,937	24,132	Elevator
3.321	1	Each	Elevator, Hydraulic, Pumps and Controls (Building 10)	2027	to 25	3	102,000.00	100%	102,000	0	0	0	0	0	102,000	51,000	Elevator
3.322	2	Each	Elevators, Hydraulic, Pumps and Controls (Buildings 1 & 2)	2027	to 25	3 to 11	62,000.00	100%	124,000	0	0	0	0	0	124,000	20,667	Elevator
3.330	3	Each	Elevators, Hydraulic, Cylinders (Buildings 9,11 &12)	2025	to 40	1 to 39	40,000.00	100%	120,000	0	0	0	0	0	120,000	3,117	Elevator
3.331	1	Each	Elevator, Hydraulic, Cylinder (Building 10)	2040	to 40	16	40,000.00	100%	40,000	0	0	0	0	0	40,000	2,667	Elevator
3.332	2	Each	Elevators, Hydraulic, Cylinders (Buildings 1 & 2)	2037	to 40	13 to 26	25,000.00	100%	50,000	0	0	0	0	0	50,000	2,703	Elevator
3.606	58	Units	Pipes, Riser Sections, Domestic Water, Vent and Waste, Partial	2052	to 80+	28 to 40+	5,000.00	100%	290,000	0	0	0	0	0	290,000	8,286	Other
Property Site Elements																	
4.020	18,500	Square Yards	Asphalt Pavement, Patch and Seal Coat	2030	3 to 5	6	2.00	100%	37,000	0	0	0	0	0	37,000	7,400	Paving
4.040	18,500	Square Yards	Asphalt Pavement, Mill and Overlay	2044	15 to 20	20 to 21	18.00	100%	333,000			0	0	0	333,000	17,077	Paving
4.041	18,500	Square Yards	Asphalt Pavement, Mill and Overlay, Remaining	2026	15 to 20	2	18.00	100%	333,000	867	20,000	10,000	0	10,867	107,568	107,568	Paving

Non-Structural
COMPONENT METHOD RESERVE ANALYSIS

for
Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	2024 Cost of Replacement, \$	Jun 30, 2024 Estimated Balance, \$	2024 Budgeted Contributions, \$	2024 Remaining Contributions, \$	2024 Remaining Expenditures, \$	Jan 1, 2025 Projected Balance, \$	Unfunded Residual Balance, \$	2025 Recommended Contribution, \$	Reserve Category
					Useful	Remaining ³											
4.096	25,000	Square Feet	Carports, Replacement	2026	25 to 35	2	20.00	100%	500,000	29,451	25,000	12,500	0	41,951	458,049	458,049	Carport
4.200	1,000	Square Feet	Dock and Pilings, Wood, Decking and Repairs	2031	to 30	7	30.00	100%	30,000	0	0	0	0	0	30,000	5,000	Other
4.201	1,000	Square Feet	Dock and Pilings, Wood, Replacement	2046	to 30	22	120.00	100%	120,000	0	0	0	0	0	120,000	5,714	Other
4.360	1	Each	Gazebo	2045	to 25	21	9,000.00	100%	9,000	0	0	0	0	0	9,000	450	Other
4.420	200,000	Square Feet	Irrigation System	2030	to 40+	6 to 7	0.75	100%	150,000	0	0	0	0	0	150,000	27,273	Other
4.560	60	Each	Light Poles and Fixtures	2035	to 25	11	1,500.00	100%	90,000	0	0	0	0	0	90,000	9,000	Other
4.600	56	Each	Mailbox Stations	2034	to 25	10	1,200.00	100%	67,200	0	0	0	0	0	67,200	7,467	Other
4.710	165	Linear Feet	Shoreline, Rip Rap Augmentation	2035	to 15	11	50.00	100%	8,250	0	0	0	0	0	8,250	825	Other
4.830	1,400	Square Yards	Tennis Courts, Color Coat	2027	4 to 6	3	9.00	100%	12,600	0	0	0	0	0	12,600	6,300	Other
4.840	430	Linear Feet	Tennis Courts, Fence	2032	to 25	8	36.50	100%	15,695	0	0	0	0	0	15,695	2,242	Other
4.850	4	Each	Tennis Courts, Light Poles and Fixtures	2041	to 25	17	4,500.00	100%	18,000	0	0	0	0	0	18,000	1,125	Other
4.860	1,400	Square Yards	Tennis Courts, Surface Replacement	2041	to 25	17	45.00	100%	63,000	0	0	0	0	0	63,000	3,938	Other
Clubhouse and Interior Elements																	
5.100	6	Each	Elevator Cab Finishes	2024	to 20	0 to 6	17,000.00	100%	102,000	0	0	0	34,000	-34,000	88,656	49,616	Elevator
5.500	1	Allowance	Interior Renovations, Complete	2044	to 25	20	135,000.00	100%	135,000	0	0	0	0	0	135,000	7,105	Other
5.510	1	Allowance	Interior Renovations, Partial	2032	8 to 12	8	74,000.00	100%	74,000	0	0	0	0	0	74,000	10,571	Other
5.580	1	Allowance	Rest Rooms, Renovation, Clubhouse and Pool House (Incl. Sauna)	2040	to 25	16	30,000.00	100%	30,000	0	0	0	0	0	30,000	2,000	Other
5.600	40	Squares	Roof, Metal Tiles	2030	to 25	6	1,600.00	100%	64,000	0	0	0	0	0	64,000	12,800	Roof
5.800	250	Square Feet	Windows and Doors, Partial	2041	to 40	17	75.00	100%	18,750	0	0	0	0	0	18,750	1,172	Other
Pool Elements																	
6.200	3,800	Square Feet	Deck, Concrete, Repairs and Coating Applications	2025	8 to 12	1	5.00	100%	19,000	14,999	20,000	10,000	0	24,999	0	0	Rec, Pool
6.201	3,000	Square Feet	Deck, Pavers	2043	to 25	19	9.00	100%	27,000	0	0	0	0	0	27,000	1,500	Rec, Pool
6.400	240	Linear Feet	Fence, Aluminum	2043	to 25	19	41.00	100%	9,840	0	0	0	0	0	9,840	547	Rec, Pool
6.401	500	Linear Feet	Fences, Wood (Incl. Trash Enclosures)	2043	to 20	19	45.00	100%	22,500	0	0	0	0	0	22,500	1,250	Rec, Pool
6.500	2	Allowance	Furniture	2032	to 12	8 to 12	6,500.00	100%	13,000	0	0	0	0	0	13,000	1,444	Rec, Pool
6.600	2	Allowance	Mechanical Equipment	2028	to 15	4 to 11	12,000.00	100%	24,000	0	0	0	0	0	24,000	3,692	Rec, Pool
6.800	2,200	Square Feet	Pool Finishes, Plaster	2033	8 to 12	9	23.00	100%	50,600	0	0	0	0	0	50,600	6,325	Rec, Pool
6.801	280	Linear Feet	Pool Finishes, Tile	2063	15 to 25	39	38.00	100%	0	0	0	0	0	0	10,640	280	Rec, Pool
6.900	2,200	Square Feet	Structures and Concrete Deck, Total Replacement	2043	to 60	19	180.00	100%	396,000	0	0	0	0	0	396,000	22,000	Rec, Pool

Non-Structural

COMPONENT METHOD RESERVE ANALYSIS

for
Costa Del Sol
Condominium Association, Inc.
Cape Canaveral, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	2024 Cost of Replacement, \$	Jun 30, 2024 Estimated Balance, \$	2024 Budgeted Contributions, \$	2024 Remaining Contributions, \$	2024 Remaining Expenditures, \$	Jan 1, 2025 Projected Balance, \$	Unfunded Residual Balance, \$	2025 Recommended Contribution, \$	Reserve Category
					Useful	Remaining ³											
	0	Allowance	Structural Integrity Reserve Study Update with Site Visit	2026	to 2	2	6,000.00	100%	0	0	0	0	0	0	6,000	6,000	Other
										\$117,814 (Note 1)	\$179,000	\$89,500 (Note 2)	\$44,400	\$162,914	\$6,657,946	\$1,277,346	

Explanatory Notes:

- 1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) The Concrete Reserve Funds are not allocated to any identified Non-Structural Reserve Components.
- 4) The Paint Reserve Funds are not allocated to any identified Non-Structural Reserve Components.

Non-Structural

COMPONENT METHOD SUMMARY

for

Costa Del Sol**Condominium Association, Inc.**Cape Canaveral, Florida

Existing Reserve Categories	Life Analysis, Years		2024 Cost of Replacement, \$	Jan 1, 2025 Projected Balance, \$	2025 Recommended Contribution, \$
	Useful	Remaining			
Concrete	N/A	N/A	N/A	N/A	N/A
Elevator	to 40	0 to 39	\$844,000	\$26,795	\$153,901
Paint	N/A	N/A	N/A	N/A	N/A
Paving	3 to 20	2 to 21	\$703,000	\$10,867	\$132,045
Roof	12 to 25	6 to 15	\$717,500	\$45,855	\$84,953
Carport	25 to 35	to 2	\$500,000	\$41,951	\$458,049
Garages	to 25	0 to 21	\$176,800	\$12,446	\$15,627
Rec, Pool	8 to 60	1 to 39	\$561,940	\$24,999	\$37,038
Subtotal			\$3,503,240	\$162,914	\$881,613
Other (Currently Unfunded)	2 to 80	1 to 40	\$3,465,395	\$0	\$395,733
Grand Total			\$6,968,635	\$162,914	\$1,277,346

Explanatory Notes:

- 1) The Concrete Reserve Funds are not allocated to any identified Non-Structural Reserve Components.
- 2) The Paint Reserve Funds are not allocated to any identified Non-Structural Reserve Components.

4.RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Structural Integrity 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.*

STRUCTURAL INTEGRITY - Exterior Building Elements



3-story building front elevation



3-story building rear elevation



3-story building side elevation



5-story building side elevation



5-story building front elevation



5-story building rear elevation

Balconies, Concrete

Line Items: 1.059 and 1.060

Quantity: 188 concrete balconies comprising approximately 39,500 square feet of horizontal surface area. The balconies comprise reinforced concrete with a waterproof coating application.

History: The age of the most recent concrete restoration project performed varies by building. The exact date of restoration for each 3- and 5-story building is as follows

- Building 12 in 2008
- Building 1 in 2009
- Building 11 in 2011
- Building 10 in 2015
- Building 2 in 2019
- Building 9 is planned for 2025

Condition: Fair overall with settled concrete, cracks, concrete deterioration, coating deterioration and rust stains evident. We note the following:

- Sealants are in good condition
- The coatings are in fair condition with deterioration evident
- We identify evidence of coating deterioration at the observed balcony surfaces
- We identify evidence of concrete cracks and settling at the balconies



Settled concrete



Gemstone balcony



Gemstone balcony



Edge cracks



Concrete deterioration



Tile coverings on gemstone



Concrete crack



Gemstone balcony coating



Coating deterioration



Rust stains

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof gemstone coating applications every 20- to 25-years with the benefit of interim sealant applications performed every two- to four-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 will result in increased concrete repairs and replacements as the balconies age.* 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 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 gemstone coating

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, Screen Frames and Integrated Railings, Aluminum

Line Item: 1.105

Quantity: Approximately 46,500 linear feet of aluminum railings and integrated screen frames at the 3-story and 5-story building balconies

History: Age unknown

Condition: Good to fair overall with finish deterioration, torn screens and frame damage evident.



Aluminum railings with integrated screen frame



Aluminum railings with integrated screen frame



Torn Screen



Frame damage



Balcony screens with frame finish deterioration



Torn screen



Frame finish deterioration



Frame finish deterioration



Aluminum railings with finish deterioration

Useful Life: Up to 35 with interim screen replacements every 6- to 8-years

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

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

Breezeways, Concrete

Line Item: 1.180

Quantity: 26 concrete breezeways comprising approximately 31,500 square feet of horizontal surface area. This quantity includes the staircase treads and landings. The balconies comprise reinforced concrete with a waterproof coating application.

History: The age of the most recent concrete restoration project performed varies by building. The exact date of restoration for each 3- and 5-story building is as follows

- Building 12 in 2008
- Building 1 in 2009
- Building 11 in 2011
- Building 10 in 2015
- Building 2 in 2019
- Building 9 is planned for 2025

Condition: Fair overall with sealant deterioration, cracks and spalls evident. We note the following:

- We note sealant deterioration
- The coatings are in good to fair condition
- We identify concrete cracks and spalls at the breezeway surfaces



Breezeway overview



Breezeway overview



Deterioration at railing breezeway connection



Deterioration at railing breezeway connection



Control joint



Cracks



Evidence of partial replacement



Evidence of previous replacement



Sealant deterioration



Concrete cracks



Concrete deterioration



Concrete restoration ongoing

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 8- to 12-years.

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 breezeways will result in increased concrete repairs and replacements as the breezeways age. Capital repairs may also include replacement of the caulked joint between the 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 breezeway 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.

Breezeways, Railings, Aluminum

Line Item: 1.190

Quantity: Approximately 2,650 linear feet of aluminum railings at the breezeways

History: Age unknown

Condition: Good to fair overall with finish fade and deterioration evident.



Railing finish fade



Mechanically attached railing post



Railing finish fade



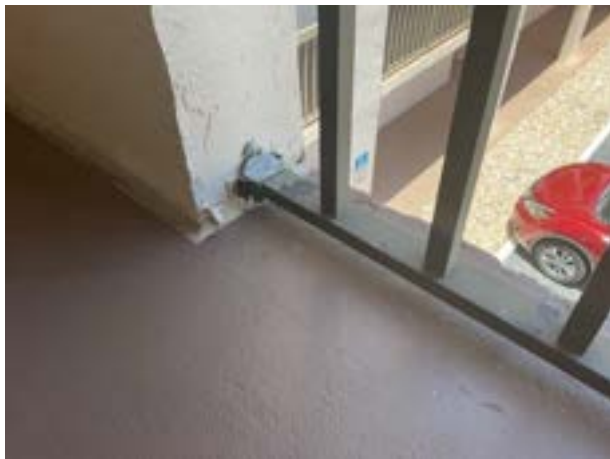
Aluminum railings



Corrosion



Railing post embedded in concrete



Finish deterioration



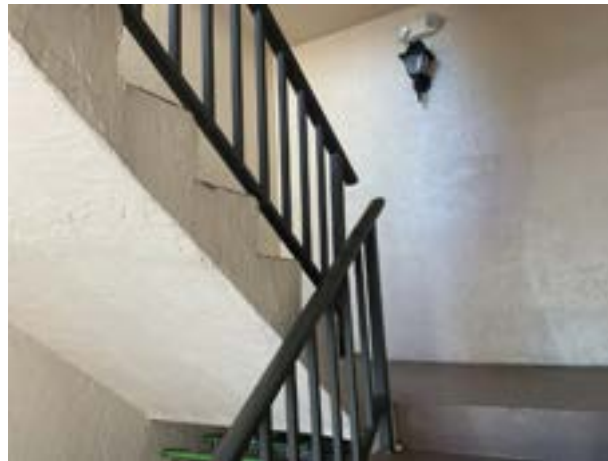
Finish deterioration



Finish deterioration



Aluminum railings



Aluminum railings at staircase

Useful Life: 25- to 35-years

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

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

Doors, Utility

Line Item: 1.210

Quantity: 13 metal utility doors at the three and five story buildings

History: Age varies

Condition: Fair overall with rusting and frame deterioration evident



Utility door



Utility



Utility doors



Rust



Frame deterioration

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.

Roof, Foam

Line Item: 1.380

Quantity: 6 roofs comprising approximately 82,000 square feet of spray polyurethane foam (SPF) roofing

History: The Association informs us that the roofs will be replaced with a Foam roof system in 2024. That project will be funded outside of Reserves.

Condition: Fair overall with standing water, damage and deterioration evident. Management and the Board do not report a history of leaks.



Foam roof overview



Foam roof overview



Roof drain



Foam roof overview



Foam roof overview



Evidence of standing water



Skylight



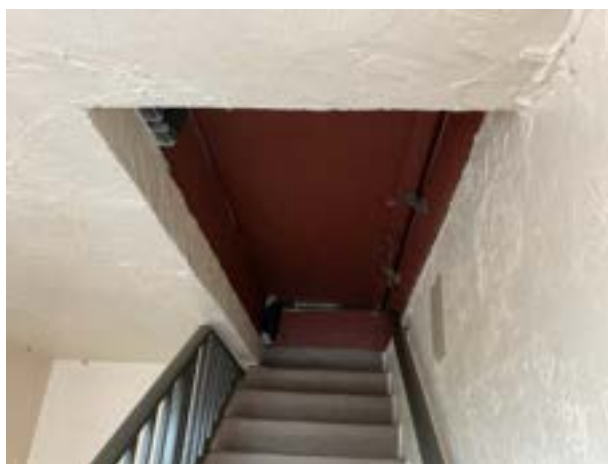
Damaged foam



Standing water



Skylight



Roof hatch

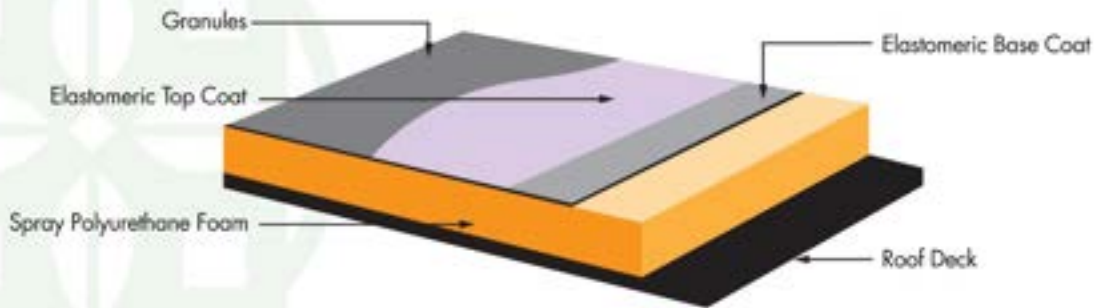
Useful Life: 15- to 20-years

Component Detail Notes: SPF roofs are seamless spray-applied insulating foam plastics that are installed as a liquid and then expand into a solid many times the original volume. An SPF roof is a two-part system that includes sprayed foam and a protective coating. The spray polyurethane foam is water resistant by itself. However, ultraviolet rays from the sun can deteriorate the surface of SPF roofs. A protective coating, such as an elastomeric coating, provides a water resistant and protective membrane.

SPF roofs are lightweight and can be installed in varying thickness to provide slope for drainage. However, the foam should be installed in uniform passes from $\frac{1}{2}$ to one inch thick. Loss of adhesion will result if installed at less than $\frac{1}{2}$ inch. Excessive temperature build-up will result if installed in passes greater than one inch. The contractor should follow the manufacturer's directions and specifications upon installation of the roofs.

The following image details the components of a typical SPF roof:

SPRAY FOAM ROOF DETAIL



© Reserve Advisors

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 foam surface is free of ruptures or damage, and areas of extensive blistering. Damaged or saturated foam should be cut out and replaced.
 - Remove oil spills or contaminants from mechanical equipment
 - Touch-up coating applications as needed
 - 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. Our estimate of cost was provided by the Association.

Roofs, Metal

Line Item: 1.460

Quantity: Approximately 19 *squares*¹ at the perimeter of the 3 and 5 story building roof lines

History: Age unknown

Condition: Good overall with no visible deterioration evident from our visual inspection from the ground. Management and the Board do not report a history of leaks.



Metal tile at roof edge



Metal tile at roof edge



Metal tile roof with coating

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

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



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.

Structural Members, Inspections

Line Item: 1.605

Quantity: The primary structural members of the building comprise:

- Foundation
- Floors
- Load-bearing walls
- Structural frame

Condition: The Association performed the Milestone inspection in 2024. The results of the structural inspection were not yet available at the time of our inspection. Costa Del Sol does not report a history of water infiltration, settlement or structural concerns with the primary structural members. Our visual, non-invasive inspection is limited to visually apparent components of the structural members.

Useful Life: Up to and likely beyond 100 years; however, we consider full replacement unlikely and cost prohibitive. Per Florida Bill SB 4-D, condominium and cooperative buildings three stories or more in height require milestone inspections 30 years after initial occupancy. Subsequent milestone inspections are required every 10 years thereafter.

Component Details: Per the Bill (553.899(2-7)), a milestone inspection consists of two phases. The initial milestone inspection (Phase 1), conducted by a licensed engineer or architect, includes a visual examination “including the major structural components of a building, and provide a qualitative assessment of the structural conditions of the building”. Phase 2 is only required if “substantial structural deterioration is identified”.

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. At this time we do not anticipate capital repairs related to the structural members. Rather we include an expenditure for required inspections discussed above. Updates of this Reserve Study would incorporate significant repair costs deemed necessary following necessary inspections.

Walls, Stucco

Line Item: 1.880

Quantity: Approximately 201,500 square feet of the building exteriors

History: The age of the most recent Stucco project varies. The exact date of stucco paint finishes and repairs for each 3- and 5-story building is as follows

- Building 1 in 2011
- Building 9 in 2014
- Building 10 in 2015
- Building 12 in 2017
- Building 2 in 2020
- Building 11 is planned for 2020

Condition: Fair overall with cracks, spalls, rust stains and deterioration evident. We note the following:

- We identify cracks, spalls and stucco deterioration at the time of inspection. Our investigation is not exhaustive, and we recommend the association plan for a periodic inspection to identify areas of deterioration
- Sealants are in good condition
- The stucco improperly terminates under two inches above grade. This condition may result in accelerated deterioration



Rust stain



Stair step stucco cracks



Evidence of moisture



Stucco cracks



Stair step crack



Stucco wall finishes



Mildew build up



Spall at device connection



Stucco cracks



Penetration at stucco

05



Deterioration at grade



Stucco bubble



Drainage stains



Stucco wall finishes



Stucco wall finishes



Peeling finish near fire outlet pipe



Stucco wall finishes at breezeways



Peeling finishes



Finish deterioration near grade



Stucco wall finishes



Stucco at balcony edge



Stucco finish deterioration



Stains

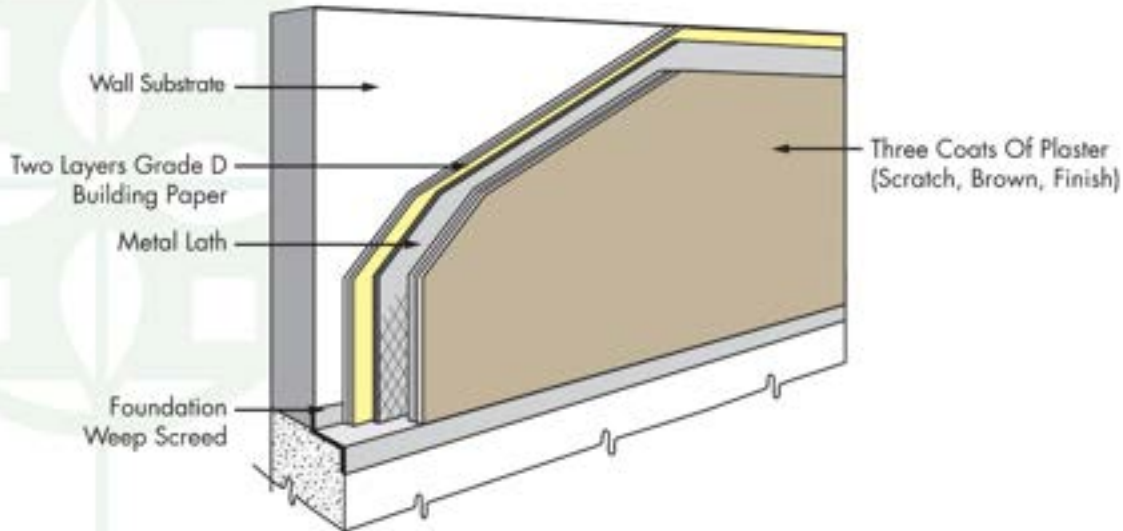


Finish deterioration

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 Costa Del Sol:

STUCCO DETAIL



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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 one percent (1%) of the sealants in coordination with each paint finish application.

Windows and Doors

Line Item: 1.980, 1.981 and 1.982

Quantity: 188 doors comprising approximately 3,950 square feet. Approximately 18,000 square feet of sliding glass doors and approximately 5,400 square feet of windows at the three and five story buildings

History: Age varies. The Association replaces approximately 7 doors and 10 windows a year at the three and five-story buildings. The Association report repairs to the sliding glass doors budgeted through the operating budget, but no replacements

Condition: Good to fair overall with weather stripping and frame finish deterioration evident. We note the following:

- No reported history of operational issues
- The exterior seals are in fair condition
- No reported history of water infiltration



Windows



Common windows and doors



Common windows and doors



Frame finish deterioration



Window at breezeway



Unit entry door



Weather stripping



Common windows

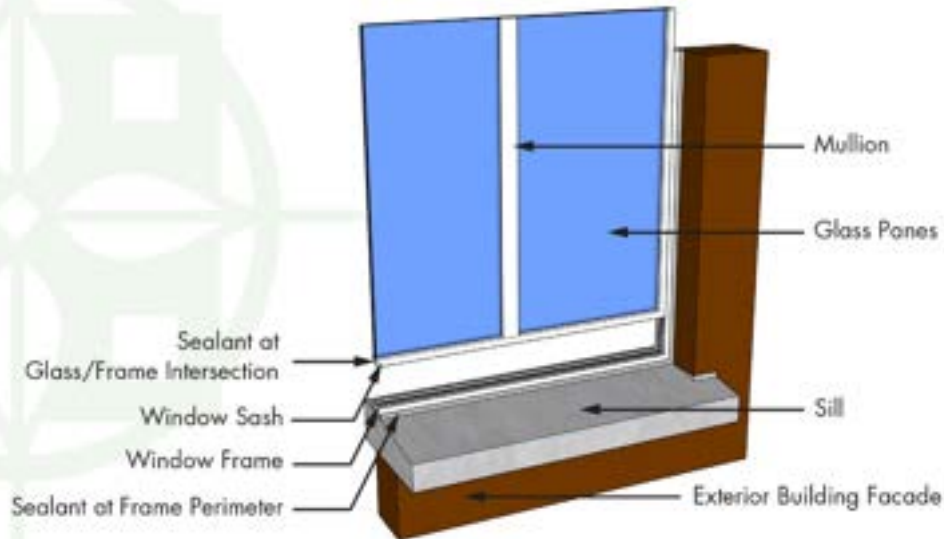


Common windows

Useful Life: Up 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 Costa Del Sol:

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. Costa Del Sol 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. Our estimate of cost and timing was provided by the Association

STRUCTURAL INTEGRITY - Building Services Elements

Electrical System

Line Item: 3.300

History: Age varies

Condition: Reported satisfactory without operational deficiencies. We note the following:

- The Association did not report performing a thermoscan inspection
- We did not observe any combustible material being stored in electrical rooms
- The electrical rooms we observed were properly labeled
- No obvious exposed wires were observed during our site inspection. However, our inspection is not exhaustive, and the Association should conduct periodic inspections of the electrical rooms to ensure no unsafe conditions develop
- Rust on electrical panels was not observed
- Water was not observed in or near electrical rooms



Electrical system components



Electrical system components



Elevator electrical system components



Electrical system components

Useful Life: Up to and sometimes beyond 70 years

Component Detail Notes: We give a brief overview of electrical system components in the following sections of this narrative:

Distribution Panel - The distribution panel is an electric switchboard or panel used to control, energize or turn off electricity in total or for individual circuits. The panel also distributes electricity to individual and controllable circuits. One or more distribution panels may exist and further distribute electricity to individual panel boards for each unit. The distribution panel is enclosed in a box and contains circuit breakers, fuses and switches. Distribution panels have a useful life of up to and sometimes beyond 70 years.

Circuit Protection - Once electricity is distributed throughout the building and is at a usable voltage level, the electricity is divided into circuits. Each circuit requires circuit protection. Circuit protection is necessary to prevent injury and fires and minimize damage to electrical components and disturbances to the electrical system. Abnormalities in the circuit can include overloads, short circuits and surges. Circuit protection devices are commonly referred to as circuit breakers

and fuses. For the protection of the circuits in the units and common areas, we recommend the use of only circuit breakers as they are safer than fuses. However, the use of fuses is common for equipment like emergency systems and individual items of equipment. Fuses with a low-capacity rating can easily be replaced with fuses of a higher rating resulting in an unprotected, overloaded and unsafe circuit. The circuit protection panels have a useful life of up to and sometimes beyond 70 years.

Conductors - Conductors are the electrical wires that convey electricity to the units, light fixtures, receptacles and appliances. Conductors in typical high and low-capacity circuits comprise either copper or aluminum. Based on the age of the building and information provided by the Association, we assume that the wiring system at San Remo is copper. Copper conductors have an indefinite useful life.

Conductor Insulation and Conduit - Conductor insulation provides protection against the transfer of electricity. Conductor insulation can eventually become brittle and damaged from rodents or heat from many years of service. Conductor conduit is a pipe or tube used to enclose insulated electric wires to protect them from damage. Steel conductor conduit, although galvanized, will eventually rust if used in damp conditions. The useful life of conductor insulation and conduit is indeterminate.

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:

- Annually:
 - Inspect system for signs of electrical overheating, deterioration, and/or panel corrosion
 - Clean and vacuum exterior and interior switchboards
- Five-Year Cycles:
 - Check power meters, lamps, indicators for deficiencies
 - Inspect wiring, relays, power supply units, and timers
 - Verify surge protection is intact
- As-needed:
 - Test outlets and ground-fault circuit interrupters (GFCI's) for faulty components
 - Ensure all conductors are clean and dry with no moisture build-up
 - Check and inspect for loose wire connections
 - Clean and clear dust and debris away from system components
 - Check for flickering or dimming light fixtures as these could indicate a short in the wiring, arcing, or an over-extension of the electrical system



- Conduct thermal image scanning if system experiences numerous or consistent outages
- Keep an accurate record of all repairs to the electrical system

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 to replace the distribution and circuit protection panels. Updates of this Reserve Study will consider possible changes in the scope and times of component replacements based on the conditions, including the need for replacement of the wires.

We recommend the Association conduct thermoscans of the distribution panels and circuit protection panels funded through the operating budget. Verification of the integrity of all connection points minimizes the potential for arcing and fires.

Life Safety System

Line Items: 3.555 and 3.560

Quantity: The life safety system at Costa Del Sol includes the following components:

- Audio/visual fixtures
- Control panels
- Detectors
- Emergency light fixtures
- Exit light fixtures
- Pull stations
- Wiring

History: Age varies. The Association reports that the life safety system has been upgraded over the last few years

Conditions: Reported satisfactory without operational deficiencies.



Control panel



Operational control panel



Control panel



Control panel



Control panel



Control panel



Pull station



Exit sign



Audio/visual device



Cracked exit sign



Emergency light fixture



Annunciator panel

Useful Life: Up to 25 years for the emergency devices and up to 15 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 display panel read 'System Normal' at the time of our inspection. 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.

Pipes, Riser Sections, Domestic water

Line Item: 3.605

Quantity: Based on the layout and configuration of the units, we have estimated the quantity of the interior building plumbing. Future updates of this Reserve Study will incorporate additional information if it becomes available.

History: The association does not report major historical plumbing projects. We assume the interior plumbing at Costa Del Sol is original to development

Condition: The Association does not report significant leaks at common piping systems

Component Detail Notes:

Domestic Water - The useful life of domestic supply and return pipes is up to and sometimes beyond 80 years.

Sanitary waste disposal and vent - The pipes typically deteriorate from the inside out as a result of sewer gases, condensation and rust.

Valves - The piping systems include various valves. Identification of a typical useful life and remaining useful life for individual valves is difficult. Associations typically replace valves on an as needed basis in our experience.

Pipes, Remaining - We anticipate a useful life of up to and sometimes beyond 100 years for the remaining pipes, which may include fire standpipes, gas supply lines, interior sprinkler pipes, among others. Therefore, we do not foresee the need to budget for replacement of these pipes within the 30-year scope of this study. Future updates of this study will revisit the need to include partial replacement of these pipes.

Preventative Maintenance Notes: The required preventative maintenance may vary in frequency and scope based on the building's age and demands of the piping systems. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Quarterly:
 - Inspect all visible piping for corrosion and leaks, including common areas or areas immediately surrounding pipes such as insulation, ceiling tiles or the floor for moisture, water accumulation, mold or mildew
- Annually:
 - Verify system pressure is sufficient (pressurized piping systems)
 - Check accessible valves for proper operation
 - Test backflow prevention devices
 - Inspect and obtain certification for pressure relief valves
 - Test drain line flow rates
 - Mechanically or chemically clean waste lines 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 a single riser section assumes replacement of all pipes located within each wall opening, associated branch piping, fittings and minimal interior finishes. However, the cost does not include temporary housing for affected residents, pipes within the units or significant interior finishes. Our estimate provides funds to replace approximately percent (25%) of the riser sections during the next 30 years.

An invasive analysis of the piping systems will provide various replacement options. Replacement of the systems as an aggregate event will likely require the use of special assessments or loans to fund the replacements.

Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Costa Del Sol could budget sufficient reserves for the beginning of these pipe replacements and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual pipe replacements to budget sufficient reserves.

We recommend the Association budget for replacement of the following items through the operating budget:

- Replacement of valves on an as-needed basis
- Minor pipe repairs and replacements
- Invasive investigation of the condition of the piping system prior to beginning more aggregate replacements
- Rodding of waste pipe systems

Pump, Fire Suppression

Line Item: 3.770

Quantity: One 20-HP gas fire suppression pump with associated control panel and jockey pump. The fire suppression pump is fueled by natural gas.

History: Original to construction

Condition: Reported satisfactory with operational deficiencies. We note the following:

- July 2024 inspection date
- Faded tag coloring
- Water leaking



Fire suppression pump tag



Fire suppression pump control panel



Fire suppression pump



Water leaking



Jockey pump



Inspection tags

Useful Life: Up to 50 years

Component Detail Notes: Prior to replacement, the Association should schedule periodic inspections to maintain its correct operation in the event of an emergency. Costa Del Sol 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.

GENERAL - Exterior Building Elements



2-story building front elevation



2-story rear elevation



2-story building side elevation

Balconies, Concrete

Line Items: 1.069 and 1.070

Quantity: Approximately 13,000 square feet of concrete balconies with gemstone topping at the two-story buildings.

History: The age of the most recent concrete restoration project performed varies by building. The exact date of restoration for each 2-story building is as follows

- Building 3 in 2008
- Building 4 in 2013
- Building 7 in 2013
- Building 5 in 2019
- Building 6, no concrete restoration was reported
- Building 8, no concrete restoration was reported

Age of last concrete restoration varies. Building 3 was done in 2008, building 4 and 7 were done in 2013, and building 5 was done in 2019. No concrete restoration was reported for buildings 6 and 8

Condition: Good to fair overall with undermining at the balcony edge evident



Balcony overview



Undermining at on-grade balcony

Useful Life: Two- to four-years for interim sealant applications. Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 20- to 25-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 will result in increased concrete repairs and replacements as the balconies age.* 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 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 gemstone coating

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 owners.

Balconies, Screen Frames and Integrated Railings, Aluminum

Line Items: 1.106 and 1.107

Quantity: Approximately 14,500 square feet of aluminum railings and integrated screen frames at the two-story building balconies

History: Age unknown

Condition: Good to fair overall with finish deterioration evident.



Balcony railings with integrated screen frame



Finish deterioration

Useful Life: Up to 35 with interim screen replacements every 6- to 8-years

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

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

Breezeways, Concrete

Line Item: 1.181

Quantity: Approximately 6,000 square feet of concrete breezeways at the two-story buildings. The breezeways comprise reinforced concrete with a waterproof coating application. This quantity includes the concrete staircases

History: The age of the most recent concrete restoration project performed varies by building. The exact date of restoration for each 2-story building is as follows

- Building 3 in 2008
- Building 4 in 2013
- Building 7 in 2013
- Building 5 in 2019

- Building 6, no concrete restoration was reported
- Building 8, no concrete restoration was reported

Condition: Good overall with no visible deterioration



Breezeways overview



Breezeway overview

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 8- to 12-years.

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 breezeways will result in increased concrete repairs and replacements as the breezeways age.* Capital repairs may also include replacement of the caulked joint between the breezeways 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 breezeways 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 owners.

Breezeways, Railings, Aluminum

Line Item: 1.191

Quantity: Approximately 600 linear feet of aluminum railings at the balconies and staircases

History: Age unknown

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



Railing finish fade



Aluminum railings

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

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

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

Doors, Garage

Line Item: 1.200

Quantity: 136 metal single garage doors at detached garages adjacent to the 5-story buildings

History: 50 garage doors have been replaced. The Association replaces approximately six garage doors a year

Condition: Good to fair overall with damage and off track doors evident



Garage door



Damage evident



Garage door



Garage doors



Garage door not on track



Garage door damage

Useful Life: Up to 25 years

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

- Annually:

- Inspect and repair any vehicle damage, base panel corrosion or alignment issues
- Replace loose weather stripping 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 estimate of cost and timing was provided by the Association.

Doors, Utility

Line Item: 1.211

Quantity: Two metal utility doors at the two-story buildings mechanical equipment rooms

History: Age unknown

Condition: Good to fair overall with no visible deterioration



Utility door

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 450 exterior light fixtures at the building exteriors and garages

History: Age Varies

Condition: Good to fair overall with detached light fixtures evident.



Exterior light fixture



Exterior light fixture



Exterior light fixture



Exterior light fixture



Detached light fixture

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.

Roofs, Asphalt Shingles

Line Item: 1.280

Quantity: Approximately 550 *squares*² at the two-story buildings

History: The age of the most recent rood replacement varies by building. The exact date of restoration for each 2-story building is as follows

- Building 3 in 2017
- Building 6 in 2017
- Building 5 in 2021
- Building 4 in 2022
- Building 7 in 2022
- Building 8 in 2024

Condition: Good to fair overall with no significant deterioration evident from our visual inspection from the ground.



Roof overview



Roof overview



Roof overview



Roof overview

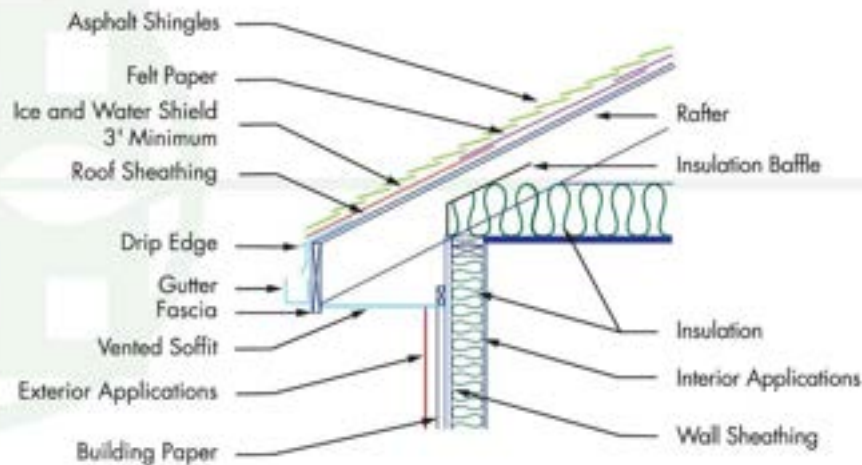
Useful Life: 12- to 18-years

Component Detail Notes: The existing roof assembly comprises the following:

- Laminate architectural shingles
- Boston style ridge caps
- Rubber seal with metal boot flashing at waste pipes
- Vents
- Metal drip edge
- Enclosed half weave valley

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Costa Del Sol:

ROOF SCHEMATIC



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Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

The Association should plan to coordinate the replacement of gutters and downspouts with the adjacent roofs. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

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 shingles
 - Implement repairs as needed if issues are reoccurring
 - Trim tree branches that are near or in contact with roof
- As-needed:

- Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

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 is based on information provided by the Association.

Roof, Foam

Line Item: 1.381

Quantity: Approximately 39,000 square feet of spray polyurethane foam (SPF) roofing at the garages

History: Age unknown. The Association does not report that they will replace with the 3- and 5-story building roofs

Condition: Good to fair overall with standing water and damaged fascia evident



Foam roof overview



Foam roof with standing water



Damaged fascia



Foam roof overview

Useful Life: 15- to 20-years

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

Walls, Stucco

Line Item: 1.881

Quantity: Approximately 75,000 square feet of the building exteriors

History: All of the two-story buildings, perimeter wall and the clubhouse were repainted in 2023

Condition: Good to fair overall with stucco cracks evident.



Stucco wall finishes at clubhouse



Stucco cracks



Finish deterioration



Stucco wall finishes



Stains



Stucco wall finishes



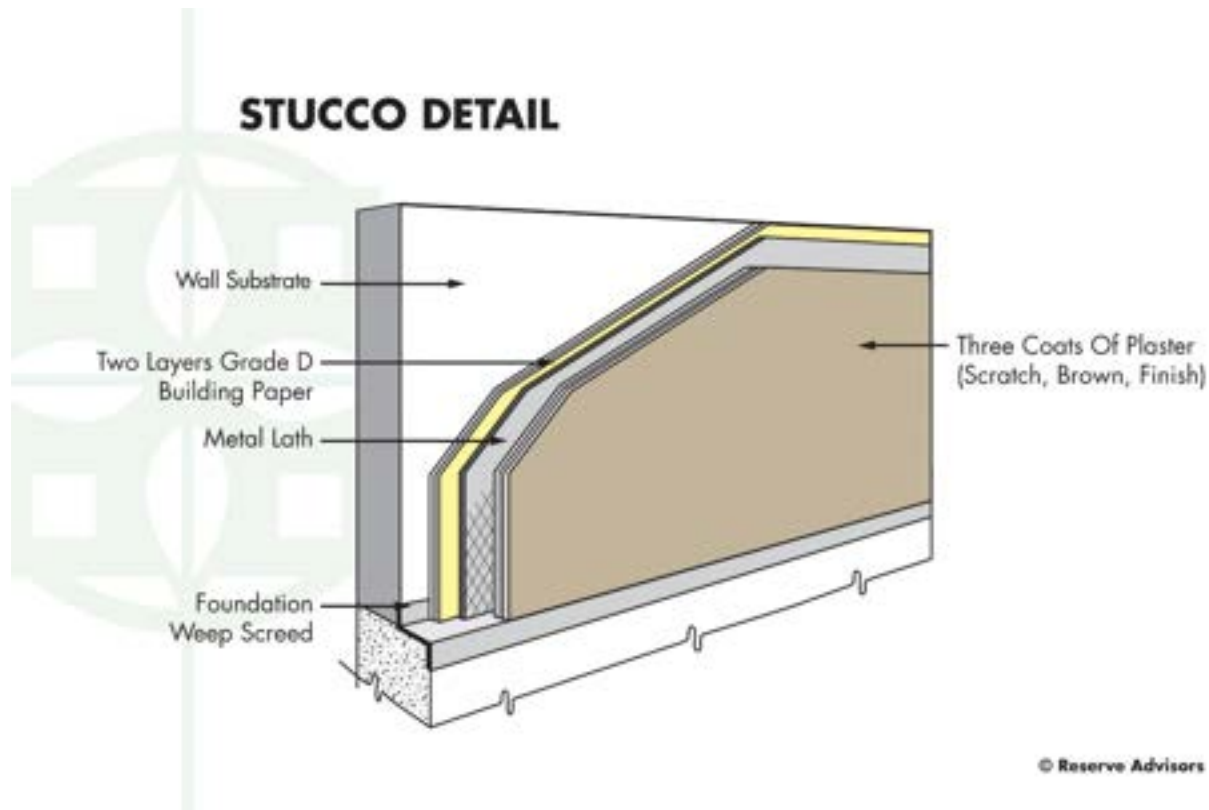
Perimeter wall paint finishes



Stucco wall finishes

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 Costa Del Sol:



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

Line Item: 1.983, 1.984 and 1.985

Quantity: 58 doors comprising approximately 1,220 square feet. Approximately 4,900 square feet of sliding glass doors and approximately 2,400 square feet of windows

History: Age varies. The Association replaces approximately 3 doors a year and approximately 5 windows a year at the two-story buildings. The Association report repairs to the sliding glass doors budgeted through the operating budget, but no replacements

Condition: Good to fair overall with no significant deterioration evident

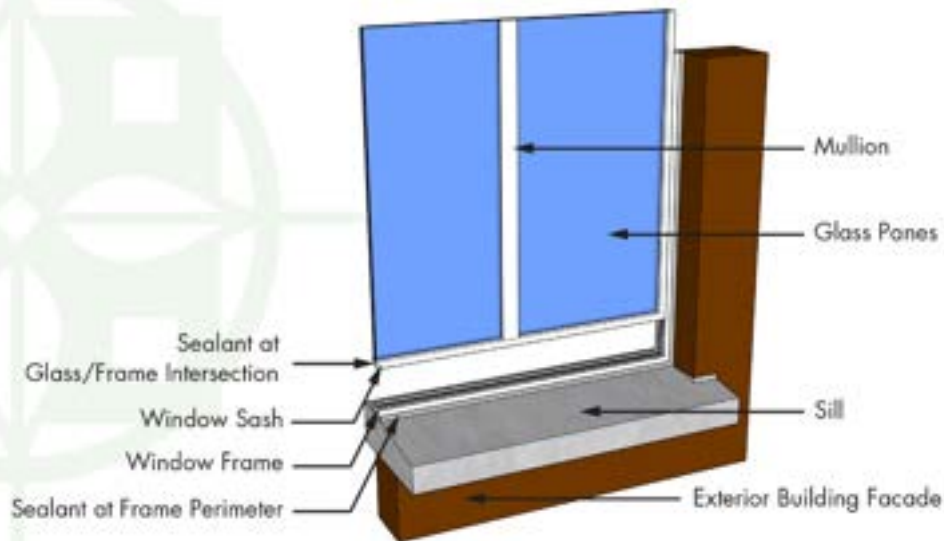


Windows and door at resident entry

Useful Life: Up 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 Costa Del Sol:

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. Costa Del Sol 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. Our estimate of cost and timing was provided by the Association

GENERAL - Building Services Elements

Air Handling and Condensing Units, Split System

Line Item: 3.070

Quantity: Seven air handling unit split systems

History: The age of the air handling and condensing units vary by building. The exact date of restoration for each building is as follows

- Clubhouse replaced in 2015
- Building 11 replaced in 2019
- Building 1 replaced in 2020
- Building 2 replaced in 2020
- Building 12 replaced in 2021
- Building 9 replaced in 2023

Condition: Reported satisfactory without operational deficiencies



Air handling unit



Air handling unit



Air handling unit



Air handling unit



Air handling unit at clubhouse



Air handling unit at clubhouse

Useful Life: 15- to 20-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior air handling unit. The condensing units have cooling capacities of two-tons.

Preventative Maintenance Notes: The status of preventative maintenance was unavailable to us during our inspection. 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.

Electrical System

Line Item: 3.300

History: Original to construction

Condition: Reported satisfactory without operational deficiencies.



Electrical System

Useful Life: Up to and sometimes beyond 70 years

Component Detail Notes: We give a brief overview of electrical system components in the following sections of this narrative:

Distribution Panel - The distribution panel is an electric switchboard or panel used to control, energize or turn off electricity in total or for individual circuits. The panel also distributes electricity to individual and controllable circuits. One or more distribution panels may exist and further distribute electricity to individual panel boards for each unit. The distribution panel is enclosed in a box and contains circuit breakers, fuses and switches. Distribution panels have a useful life of up to and sometimes beyond 70 years.

Circuit Protection - Once electricity is distributed throughout the building and is at a usable voltage level, the electricity is divided into circuits. Each circuit requires circuit protection. Circuit protection is necessary to prevent injury and fires and minimize damage to electrical components and disturbances to the electrical system. Abnormalities in the circuit can include overloads, short circuits and surges. Circuit protection devices are commonly referred to as circuit breakers and fuses. For the protection of the circuits in the units and common areas, we recommend the use of only circuit breakers as they are safer than fuses. However, the use of fuses is common for equipment like emergency systems and individual items of equipment. Fuses with a low-capacity rating can easily be replaced with fuses of a higher rating resulting in an unprotected, overloaded and unsafe circuit. The circuit protection panels have a useful life of up to and sometimes beyond 70 years.

Conductors - Conductors are the electrical wires that convey electricity to the units, light fixtures, receptacles and appliances. Conductors in typical high and low-capacity circuits comprise either copper or aluminum. Based on the age of the building and information provided by the Association, we assume that the wiring system at San Remo is copper. Copper conductors have an indefinite useful life.

Conductor Insulation and Conduit - Conductor insulation provides protection against the transfer of electricity. Conductor insulation can eventually become brittle and damaged from rodents or heat from many years of service. Conductor conduit is a pipe or tube used to enclose insulated electric wires to protect them from damage. Steel conductor conduit, although galvanized, will eventually rust if used in damp conditions. The useful life of conductor insulation and conduit is indeterminate.

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:

- Annually:
 - Inspect system for signs of electrical overheating, deterioration, and/or panel corrosion
 - Clean and vacuum exterior and interior switchboards
- Five-Year Cycles:
 - Check power meters, lamps, indicators for deficiencies
 - Inspect wiring, relays, power supply units, and timers
 - Verify surge protection is intact
- As-needed:
 - Test outlets and ground-fault circuit interrupters (GFCI's) for faulty components

- Ensure all conductors are clean and dry with no moisture build-up
- Check and inspect for loose wire connections
- Clean and clear dust and debris away from system components
- Check for flickering or dimming light fixtures as these could indicate a short in the wiring, arcing, or an over-extension of the electrical system
- Conduct thermal image scanning if system experiences numerous or consistent outages
- Keep an accurate record of all repairs to the electrical system

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 to replace the distribution and circuit protection panels. Updates of this Reserve Study will consider possible changes in the scope and times of component replacements based on the conditions, including the need for replacement of the wires.

We recommend the Association conduct thermoscans of the distribution panels and circuit protection panels funded through the operating budget. Verification of the integrity of all connection points minimizes the potential for arcing and fires.

Elevator, Hydraulic

Line Items: 3.320-3.322 and 3.330-3.332

Quantity: Six hydraulic passenger elevators

History: The age of the hydraulic elevator units varies. The exact date of elevator replacements is as follows. We note that the Association plans to replace the building 11 and 12 elevators in 2024.

- One installed in 1989
- Two installed in 1997
- One installed in 2000
- One installed in 2010
- One installed in 2021

Condition: Reported satisfactory and service interruptions are reportedly infrequent



Building 9 elevator equipment



Building 10 elevator equipment



Building 11 elevator equipment information



Building 12 elevator equipment



Building 1 elevator equipment



Building 2 elevator equipment



Elevator controls



Elevator controls

Useful Life: Pumps and controls have a useful life of up to 25 years. Cylinders have a useful life of up to 40 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: The status of preventative maintenance was unavailable to us during our inspection. 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:

- 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. Our estimate of cost was provided by the Association. 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) (20-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. Our estimate of cost was provided by the Association.

Pipes, Riser Sections, Domestic water

Line Item: 3.606

Quantity: Based on the layout and configuration of the units, we have estimated the quantity of the interior building plumbing. Future updates of this Reserve Study will incorporate additional information if it becomes available.

History: The association does not report major historical plumbing projects. We assume the interior pumping at Costa Del Sol is original to development

Condition: The Association does not report significant leaks at common piping systems

Component Detail Notes:

Domestic Water - The useful life of domestic supply and return pipes is up to and sometimes beyond 80 years.

Sanitary waste disposal and vent - The pipes typically deteriorate from the inside out as a result of sewer gases, condensation and rust.

Valves - The piping systems include various valves. Identification of a typical useful life and remaining useful life for individual valves is difficult. Associations typically replace valves on an as needed basis in our experience.

Pipes, Remaining - We anticipate a useful life of up to and sometimes beyond 100 years for the remaining pipes, which may include fire standpipes, gas supply lines, interior sprinkler pipes, among others. Therefore, we do not foresee the need to budget for replacement of these pipes within the 30-year scope of this study. Future updates of this study will revisit the need to include partial replacement of these pipes.

Preventative Maintenance Notes: The required preventative maintenance may vary in frequency and scope based on the building's age and demands of the piping systems. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Quarterly:
 - Inspect all visible piping for corrosion and leaks, including common areas or areas immediately surrounding pipes such as insulation, ceiling tiles or the floor for moisture, water accumulation, mold or mildew
- Annually:
 - Verify system pressure is sufficient (pressurized piping systems)
 - Check accessible valves for proper operation
 - Test backflow prevention devices
 - Inspect and obtain certification for pressure relief valves
 - Test drain line flow rates
 - Mechanically or chemically clean waste lines 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 a single riser section assumes replacement of all pipes located within each wall opening, associated branch piping, fittings and minimal interior finishes. However, the cost does not include temporary housing for affected residents, pipes within the units or significant interior finishes. Our estimate provides funds to replace approximately percent (25%) of the riser sections during the next 30 years.

An invasive analysis of the piping systems will provide various replacement options. Replacement of the systems as an aggregate event will likely require the use of special assessments or loans to fund the replacements.

Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Costa Del Sol could budget sufficient reserves for the beginning of these pipe replacements and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual pipe replacements to budget sufficient reserves.

We recommend the Association budget for replacement of the following items through the operating budget:

- Replacement of valves on an as-needed basis

- Minor pipe repairs and replacements
- Invasive investigation of the condition of the piping system prior to beginning more aggregate replacements
- Rodding of waste pipe systems

GENERAL - Property Site Elements

Asphalt Pavement, Repaving, Patch and Seal Coat

Line Items: 4.020, 4.040 and 4.041

Quantity: Approximately 18,500 square yards of asphalt pavement at the streets and parking areas

History: Streets and parking at buildings 10-12 were repaved in 2024. Streets and parking at buildings 1-8 were repaved in 2018. Streets and parking at building 9 and the clubhouse were repaved in 2016. History of most recent patch repairs, seal coat and striping are unknown.

Condition: Good to fair overall with cracks, vehicle stains and deterioration evident



Pavement at 5 story buildings 10-12



Vehicle stains



Pavement at 5 story buildings 10-12



Pavement deterioration



Pavement overview at building 9



New vs old pavement



Pavement cracks



Pavement deterioration



Pavement at 3 story buildings



Pavement cracks



Pavement at 2 story buildings



Pavement cracks



Evidence of previous repairs

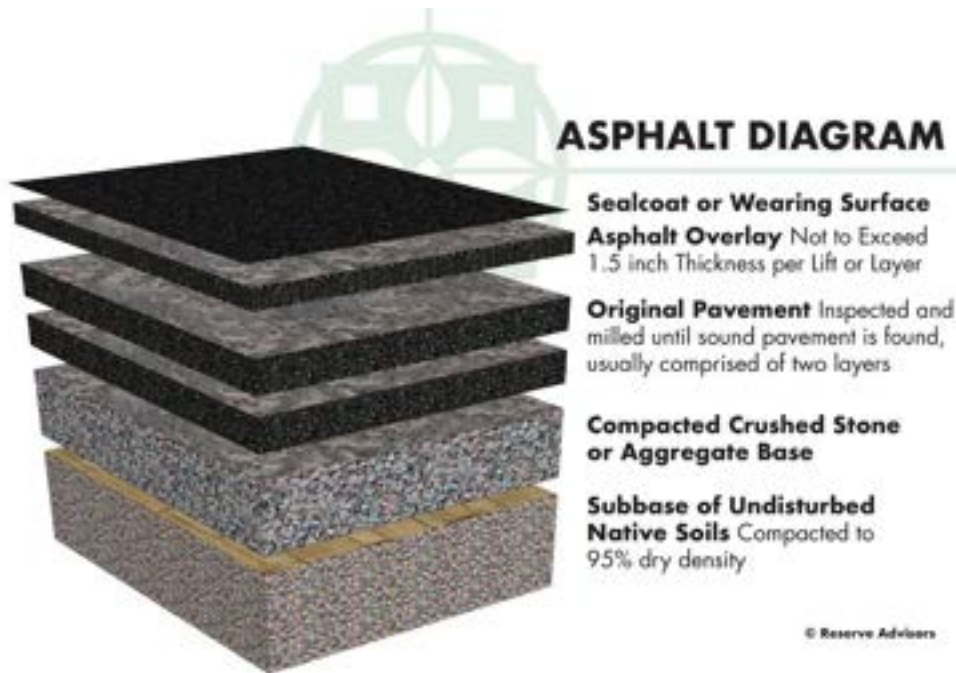


Pavement at garages

Useful Life: 15- to 20-years with the benefit of crack repair and patch events every three- to five-years

Component Detail Notes: Proposals for seal coat applications should include crack repairs and patching. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks, therefore, unrepaired cracks render the seal coat applications useless.

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 Costa Del Sol:



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 repaving sequence at Costa Del Sol.

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 includes an allowance for patching of up to two percent (2%) of the pavement. Our cost for milling and overlayment includes area patching of up to ten percent (10%).

Carports, Metal, Replacement

Line Item: 4.096

Quantity: 12 carports comprising of approximately 25,000 square feet of metal roofs and frames

History: Age unknown

Condition: Fair overall with rusted metal frames evident



Carport overview



Rusted metal frame



Carport under side



Rusted metal frame



Rusted metal frame



Carport metal roof



Carport at 2 story buildings

Useful Life: 25- to 35-years

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

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

Docks and Pilings, Wood

Line Items: 4.200 and 4.201

Quantity: Approximately 1,000 square feet of wood docks

History: Replaced in 2015. The Association performed repairs related to storm damage in 2023

Condition: Good to fair overall with splintered wood, settled boards and missing boards evident



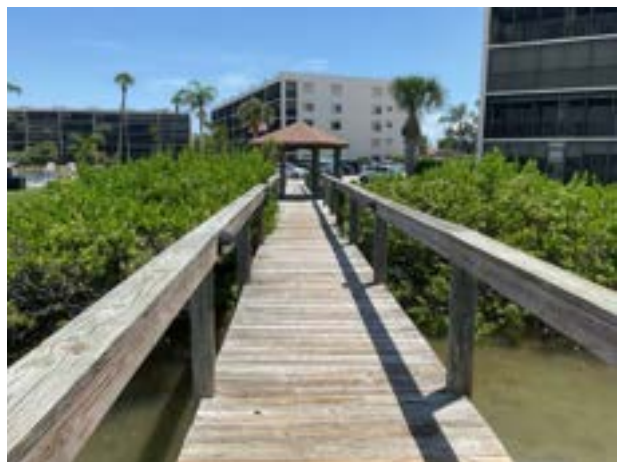
Dock overview



Dock overview



Dock overview



Dock overview



Splintered wood deck



Railing



Settled board



Dock structure



Missing board

Useful Life: Up to 30 years for full replacement with the benefit of decking and repairs up to every 15 years

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost includes an allowance for removal and disposal of the existing docks, and installation of new docks and utility lines. Costa Del Sol should fund interim replacements of utilities prior to replacement of the docks and annual repairs to displaced pilings through the operating budget.

Gazebo

Line Item: 4.360

Quantity: One gazebo comprising of wood pilings, wood benches, wood railings and asphalt shingle roof

History: Replaced in 2015 with repairs made in 2023

Condition: Good overall to fair overall with rusted metal drip edge evident



Gazebo overview



Wood bench



Rusted rafter ties



Wood railings

Useful Life: Up to 25 years with periodic maintenance

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 budget for interim repairs through the operating budget.

Irrigation System, Replacement

Line Item: 4.420

Quantity: Approximately 200,000 square feet of irrigated area at the common areas

History: Original to development

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



Irrigation pump and controller

Useful Life: Up to and sometimes beyond 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

Costa Del Sol 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: 60 light poles with fixtures

History: Age varies and replacements are made as needed

Condition: Good to fair overall with no signs of significant deterioration



Light pole and fixture



Light pole and fixture

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.

Mailbox Stations

Line Item: 4.600

Quantity: 56 wall-mounted stations clusters and freestanding parcel stations

History: Age unknown

Condition: Good to fair overall with rusted fasteners evident



Mailbox stations



Mailbox stations



Mailbox stations



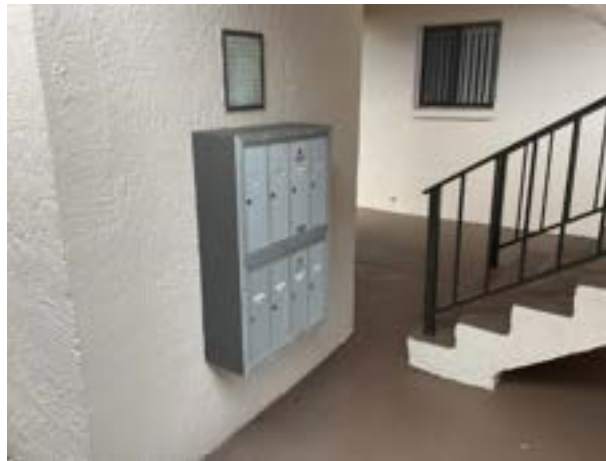
Mailbox stations



Rusted fasteners



Mailbox stations



Mailbox stations

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 damage, vandalism, and finish deterioration
 - Verify posts are anchored properly

Priority/Criticality: Per Board discretion

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

Shoreline, Rip Rap Augmentation

Line Item: 4.710

Quantity: Approximately 1,100 linear feet of shorelines

History: Shoreline restoration completed in 2020

Condition: Good to fair overall with no signs of significant deterioration



Pond overview



Rip rap shoreline



Geotech fabric



Rip rap shoreline

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

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

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

- Control insects naturally
- Create an aesthetically pleasing shoreline
- Enhance water infiltration and storage
- Filter nutrients and pollutants

- Increase fish and wildlife habitat
- Reduce lawn maintenance
- Stabilize shoreline and reduce erosion
- Trap sediments

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association plan to install a combination of plantings and rip rap around the pond along 165 linear feet, or approximately fifteen percent (15%), of the shoreline per event.

Tennis Courts, Color Coat

Line Item: 4.830

Quantity: Approximately 1,400 square yards comprising two tennis courts

History: Color coated in 2022

Condition: Good to fair overall with no signs of significant deterioration



Tennis Courts overview

Useful Life: Four- to six-years

Component Detail Notes: Prior to the application of the color coat, the Association should require the contractor to rout and fill all cracks with hot emulsion. This deters water infiltration and further deterioration of the asphalt playing surface.

Priority/Criticality: Not recommended to defer

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

Tennis Courts, Fence

Line Item: 4.840

Quantity: Approximately 430 linear feet

History: Age varies with partial replacements being made in 2023

Condition: Fair overall with warped fence, broken fence links, rusting and finish deterioration evident



Tennis courts fence overview



Warped chain link fence



Broken fence link with rust



Finish deterioration

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.

Tennis Courts, Light Poles and Fixtures

Line Item: 4.850

Quantity: Four light poles and 16 fixtures at the tennis courts

History: Replaced in 2016.

Condition: Good to fair overall with no signs of significant deterioration evident



Light pole and fixture



Light pole and fixture

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.

Tennis Courts, Surface Replacement

Line Item: 4.830

Quantity: Approximately 1,400 square yards comprising two Tennis courts

History: Resurfaced in 2016

Condition: Good to fair overall with surface cracks and edge deterioration evident



Surface cracks



Surface cracks



Surface cracks



Surface deterioration at edge

Useful Life: Up to 25 years for replacement of the surface with the benefit of color coat applications and repairs every four- to six-years

Preventative Maintenance Notes: Prior to the application of the color coat, the Association should require the contractor to rout and fill all cracks with hot emulsion. This deters water infiltration and further deterioration of the asphalt playing surface. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair large cracks, trip hazards and possibly safety hazards
 - Verify gate and fencing is secure
 - Verify lighting is working properly if applicable
 - Inspect and repair standards and windscreens 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.

GENERAL - Clubhouse and Interior Elements



Clubhouse overview

Elevator Cab Finishes

Line Item: 5.100

Quantity: Six elevators; the cab finishes consist of:

- Wood and tile floor coverings
- Veneer coverings
- Metal ceilings

History: Age varies with one elevator renovated in 2005, one in 2009, one in 2010 and one in 2021. The Association plans to renovate the two remaining elevators in 2024

Condition: Fair overall with cracked tiles, faded finishes, damaged walls and stained veneer evident.



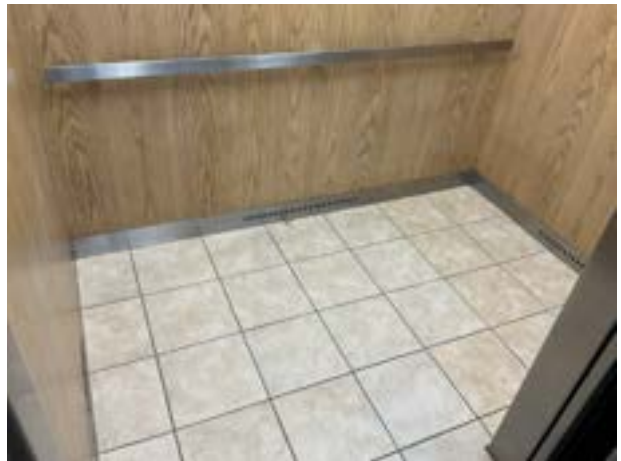
Renovated cab floor finishes



Renovated cab wall finishes



Renovated cab ceiling and light fixtures



Tile floor coverings



Cab wall finishes



Tile damage



Elevator door



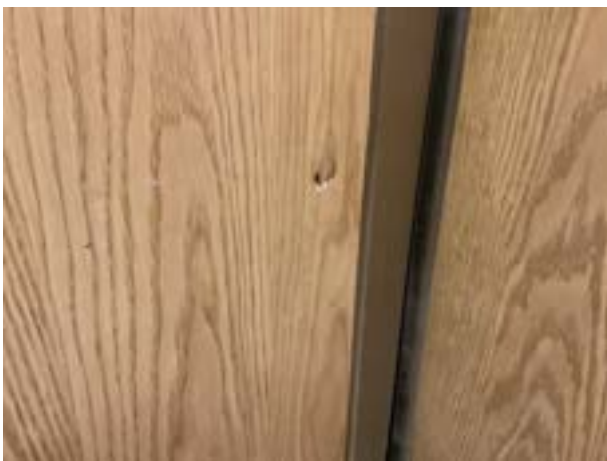
Cracks



Stained veneer



Tile floor coverings with faded finish



Wall damage



Tile cracks

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

Interior Renovations

Line Items: 5.500 and 5.510

Quantity: The clubhouse interior components include:

- Carpet and vinyl floor coverings
- Paint wall finishes
- Acoustic ceilings
- Plumbing fixtures
- Light fixtures including exit and emergency lights
- Furnishings
- Kitchen cabinets, countertops, and appliances

History: Clubhouse interior was remodeled in 2020

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



Clubhouse interior



Pool table



Carpet and vinyl floor coverings



Clubhouse furnishings



Paint finishes



Ceiling and light fixtures



Kitchen overview



Kitchen overview

Useful Life: Complete renovation up to every 25 years and partial renovation every 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. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Application of paint wall finishes
- Replacement carpet and vinyl floor coverings
- Replacement of up to fifty percent (50%) of the furnishings

Rest Rooms

Line Item: 5.580

Quantity: The rest room components include:

- Tile floor coverings
- Paint wall finished
- Paint ceiling finishes
- Light fixtures
- Plumbing fixtures
- Sauna

History: Age varies. The Association reports the restrooms have been upgraded over the years

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



Pool house restroom overview



Sauna



Rest room overview



Rest room overview



Tile floor coverings

Useful Life: Renovation up to every 25 years

Priority/Criticality: Per Board discretion

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

Roofs, Metal

Line Item: 5.600

Quantity: Approximately 19 *squares*³

History: Roof was replaced in 2005

Condition: Good to fair overall with no significant deterioration evident

³ We quantify the roof area in squares where one square is equal to 100 square feet of surface area.



Metal roof at clubhouse



Metal roof at clubhouse



Metal underside

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.

Windows and Doors

Line Item: 5.800

Quantity: Approximately 540 square feet of windows and doors at the clubhouse and pool house

History: Age varies. The Association reports the windows being replaced in 2021

Condition: Good to fair overall with frame deterioration evident



Clubhouse window



Clubhouse window



Sealant deterioration at clubhouse windows



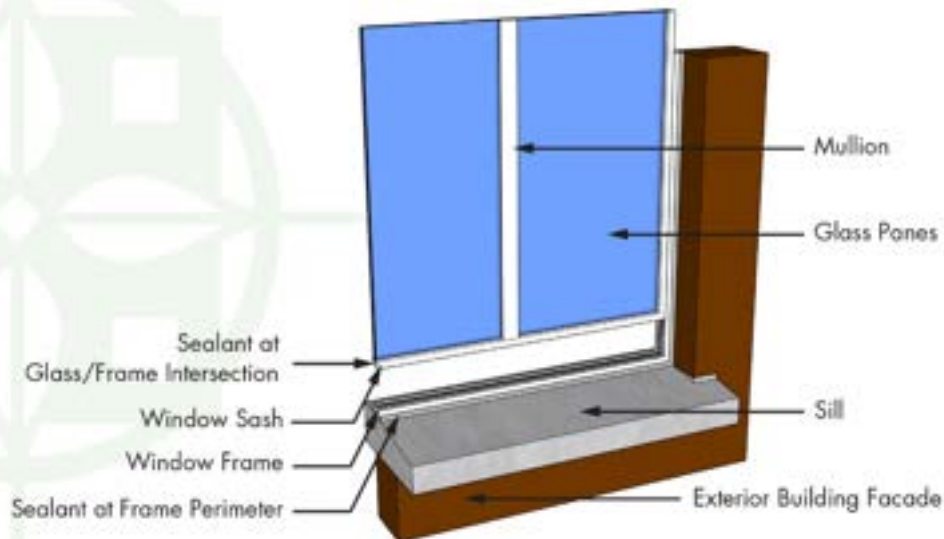
Windows and doors at clubhouse

Useful Life: Up 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 Costa Del Sol:

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. Costa Del Sol 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.

GENERAL - Pool Elements



Clubhouse pool overview



Small pool overview

Concrete Deck

Line Item: 6.200

Quantity: Approximately 3,800 square feet at the clubhouse pool

History: Repairs and coating applications done in 2012

Condition: Fair overall with cracks and deterioration evident



Concrete pool deck overview



Evidence of ongoing repairs



Concrete cracks



Concrete cracks



Finish deterioration



Deterioration at fence post connection

Useful Life: The useful life of a concrete pool deck is up to 60 years or more with timely repairs. We recommend the Association conduct inspections, partial replacements and repairs to the deck every 8- to 12-years in conjunction with coating replacements.

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

- Semi-annually:
 - Inspect and repair large cracks, trip hazards, and possible safety hazards
 - Inspect and repair pool coping for cracks, settlement, heaves or sealant deterioration
 - Repair concrete spalling and conduct coating repairs in areas with delamination
 - Schedule periodic pressure cleanings 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. We recommend the Association budget for the following per event:

- Selective cut out and replacements of up to ten percent (10%) of concrete
- Crack repairs as needed
- Mortar joint repairs
- Caulk replacement
- Coating replacement

Deck, Pavers

Line Item: 6.201

Quantity: Approximately 3,000 square feet located at the small pool

History: Replaced in 2020

Condition: Good to fair overall with paver settlement evident



Paver pool deck overview



Paver settlement



Paver settlement

Useful Life: Up to 25 years

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

- Annually:
 - Inspect and repair settlement, trip hazards and significant paver spall
 - Reset and/or reseal damaged pavers as necessary
 - Periodically clean and remove overgrown vegetation 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. We recommend the Association fund interim inspections, partial replacements and repairs through the operating budget.

Fence, Aluminum

Line Item: 6.400

Quantity: Approximately 240 linear feet at the clubhouse pool

History: Time of last replacement if unknown. The Association notes the fence was sanded and refinished in 2024 by the maintenance staff.

Condition: Good to fair overall with no significant deterioration evident



Aluminum pool fence



Aluminum pool fence

Useful Life: Up to 25 years

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

- Annually:
 - Inspect and repair loose fasteners or sections, and damage
 - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Not recommended to defer

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

Fences, Wood

Line Item: 6.401

Quantity: Approximately 500 linear feet at the small pool and trash enclosures

History: Replaced in 2016

Condition: Good to fair overall with leaning sections and deterioration evident



Wood fence overview



Leaning section



Deterioration

Useful Life: Up to 25 years

Component Detail Notes: The Association should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration. Along with these partial replacements, the Association should apply periodic paint applications as needed and fund these activities through the operating budget.

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

- Annually:
 - Inspect and repair loose sections, finish deterioration and damage
 - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Not recommended to defer

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

Furniture

Line Item: 6.500

Quantity: The pool furniture includes the following:

- Chairs
- Lounges
- Tables
- Ladders and life safety equipment

History: Replacements at the clubhouse pool were made in 2024 and replacements at the small pool were made in 2021.

Condition: Good to fair overall with no significant deterioration evident



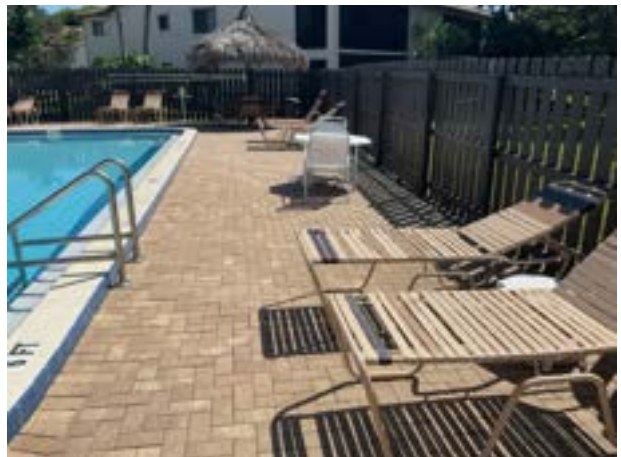
Pool furniture



Pool furniture



Pool furniture



Pool furniture



Pool furniture

Useful Life: Up to 12 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

Mechanical Equipment

Line Item: 6.600

Quantity: The mechanical equipment includes the following:

- Automatic chlorinators and controls
- Interconnected pipe, fittings and valves
- Pumps, filters, and heaters

History: Heaters at clubhouse pool were replaced in 2023. Filters at the clubhouse pool were replaced in 2016. Filters at the small pool were replaced in 2019. The Association also reports that all the pumps have been replaced within the last four years

Condition: Reported satisfactory with operational deficiencies



Pool mechanical equipment



Disc filters



Pool heaters



Pool mechanical equipment

Useful Life: Up to 15 years

Preventative Maintenance Notes: The status of preventative maintenance was unavailable to us during our inspection. 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 2,200 square feet of plaster based on the horizontal surface area and approximately 280 linear feet of tile

History: Plaster and tile at the clubhouse were redone in 2023. The plaster and tile at the small pool were redone in 2020.

Condition: Good overall with no signs of significant deterioration



Plaster and tile finish at steps



Plaster finish at small pool



Tile finish



Plaster finish at clubhouse pool



Plaster and tile at steps

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

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 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

Structures and Decks

Line Item: 6.900

Quantity: Approximately 2,200 square feet of horizontal surface area at both pools



History: Original to construction. The clubhouse pool was built in 1986 and the small pool was built in 1982

Conditions: Visually appear in Good to fair condition. The concrete floors and walls have a plaster finish. This finish makes it difficult to thoroughly inspect the concrete structures during a noninvasive visual inspection.

Useful Life: Up to 60 years

Component Detail Notes: The need to replace a pool structure depends on the condition of the concrete structure, the condition of the embedded or concealed water circulation piping, possible long term uneven settlement of the structure, and the increasing cost of repair and maintenance. Deterioration of any one of these component systems could result in complete replacement of the pool. For example, deferral of a deteriorated piping system could result in settlement and cracks in the pool structure. This mode of failure is more common as the system ages and deterioration of the piping system goes undetected. For reserve budgeting purposes, we recommend Costa Del Sol plan to replace the following components:

- Concrete deck
- Pool structures
- Subsurface piping

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.

Structural Integrity 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 every 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.

Costa Del Sol 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 annual reserve assessments annually adjusted upward for inflation to increase reserves 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 Owners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with Florida Statute 718.112 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 Cape Canaveral, Florida at an annual inflation rate³. Isolated or regional

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.

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



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 Costa Del Sol 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.



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.



JARED W. KELLEY
Responsible Advisor

CURRENT CLIENT SERVICES

Jared Kelley, a Mechanical Engineer, is an Advisor for Reserve Advisors. Mr. Kelley is responsible for the inspection and analysis of the condition of clients' properties, 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 Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.



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

RedTail Community Association - Located in Sorrento, Florida, this upscale homeowners association contains 229 units. The Association maintains a decorative covered bridge, two gate houses, landscape and maintenance equipment, and an expansive road system.

Avea Pointe Homeowners Association - This newly completed townhome development is located in Lutz, Florida. An expansive community consisting of 29 buildings, Avea Pointe maintains the diverse building exteriors as well as a modern pool amenity area. The Association is also responsible for landscaping, irrigation, and multiple ponds.

Phillips Landing Master Community Association - Located in Orlando, Florida, Phillips Landing maintains two tennis courts and playgrounds, a community dock and gazebo that extends over Big Sand Lake, and an elegant gate house with a copper and slate roof. The community also maintains four storm water retention ponds and a decorative masonry perimeter wall.

Kellerton Place Homeowners Association - This new development comprises two separate subdivisions which include 226 townhome and single family homes. This Community Association is located in Monroe, North Carolina. A lake, four storm water retention ponds, a pool and clubhouse, a playground, and multiple retaining walls are a few of the elements maintained by the Association.

University Downs Condominiums - Located in Tuscaloosa, Alabama, this large condominium development maintains the common elements shared by 272 units. In addition to the 13 two- and three-story residential buildings, the Association has a shared responsibility to maintain three pools and a large multi-story clubhouse with exercise facilities, offices, and common areas.

Deer Creek Village Homeowners Association - This large community is located in Orlando, Florida, and is responsible for the common elements shared by 553 single family homes. The Association maintains a clubhouse with a kitchen and multiple event spaces, a pool and pool house, tennis and basketball courts, a large playground, and multiple common spaces throughout the community.

PRIOR RELEVANT EXPERIENCE

Mr. Kelley earned his Bachelor of Science degree in Mechanical Engineering from the University of Central Florida. His relevant course work includes mechanical systems, materials science, computer aided design, and HVAC systems engineering.

EDUCATION

University of Central Florida - B.S. Mechanical Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Engineer Intern (EI) Certification – Florida Board of Professional Engineers

Educated Business Partner (EBP) – Community Associations Institute



CHRISTOPHER C. DEWALL, P.E., PRA, RS
Vice President of Product Development

CURRENT CLIENT SERVICES

Christopher C. DeWall, a Professional Engineer, is a Vice President for Reserve Advisors. Mr. DeWall has been with Reserve Advisors since 2008 and is responsible for the inspection and analysis of the property's current condition, recommending engineering solutions to prolong the lives of building components, forecasting capital expenditures for the repair and/or replacement of the property components, and technical report preparation on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for high and midrise buildings, country clubs, and townhomes and homeowner associations. Christopher DeWall often serves as Quality Assurance Reviewer for all types of developments to ensure our reports maintain the level of quality which is expected of our firm.



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

Park Place Tower – Near the intersection of Lake Shore Drive and Irving Park Road in Chicago, this 56-story building was built in 1972 and converted to 901 condominiums in 2001. Residents enjoy the benefits of an expansive amenity deck atop the two-story garage, which includes a basketball court, sundeck and pool.

Burnham Park Plaza – Originally constructed as a 19-story YMCA hotel in Chicago in 1916, the building was converted to apartments in 1987, which included the addition of the 20th and 21st floors. The building includes a party room, spa and rooftop sun decks for the entertainment of 279 residents.

3600 Condominiums – Two 28-story towers were original constructed in 1959 and converted to condominiums in 1977. Just north of Belmont Harbor in Chicago, two rooftop sun decks and a four-story garage structure beneath the buildings serve the 604 residents.

12900 Lake Ave – Along the shore of Lake Erie and just outside Cleveland, this 21-story tower was built from 1969 to 1970 and converted to condominiums in 1979. Also known as The Carlyle on the Lake, the 553 residents enjoy the use of a park along the shore, indoor and outdoor pools, and an amenity level complete with two event rooms, a game room and a guest suite.

The Edgecliff – This 25-story tower sits on a hill overlooking the Ohio River and the city of Cincinnati. Built in 1968 and converted to condominiums in 2005, the residents enjoy an outdoor pool, five floors of garage parking, a guest suite and an on-site restaurant.

North Bank Condominium Home Owners Association - The definition of old meets new in two conjoined buildings in the arena district of Columbus, Ohio. A 20-story tower of wall-to-ceiling windows was built in 2006 next to the historic A&P grocery warehouse originally constructed in 1926. This unique combination of 103 units provides the option of a converted warehouse style loft or a high-rise apartment with stunning views of the Columbus skyline.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. DeWall attained his Bachelor of Science degree in Mechanical Engineering from the University of Wisconsin in Madison, Wisconsin. At the University of Wisconsin, Mr. DeWall helped design and fabricate a wheelchair with a seat capable of raising and lowering to and from the ground. Mr. DeWall is also the proud owner of a patent for a trigger lock on a pressure washer gun he developed while interning at Briggs and Stratton Power Products.

EDUCATION

University of Wisconsin - B.S. Mechanical Engineering

PROFESSIONAL AFFILIATIONS

Professional Engineer (P.E.) – Wisconsin, Illinois and Florida

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts

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 Costa Del Sol 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) Costa Del Sol 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.

Structural Integrity Reserve Study - A budget planning tool that separates items depicted in Florida Statute 718.112(2)(g), identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures



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 structural integrity reserve study ("SIRS") 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 subject property. The purpose of our energy benchmarking services is to track, collect and summarize the subject property's energy consumption over time for your use in comparison with other buildings of similar size and establishing a performance baseline for your planning of long-term energy efficiency goals.

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. Our energy benchmarking services with respect to the subject property is limited to collecting energy and utility data and summarizing such data in the form of an Energy Star Portfolio Manager Report or any other similar report, and hereby expressly excludes any recommendations with respect to the results of such energy benchmarking services or the accuracy of the energy information obtained from utility companies and other third-party sources with respect to the subject property. SIRS and any energy benchmarking report (i.e., any Energy Star Portfolio Manager Report) (including any subsequent revisions thereto pursuant to the terms hereof, collectively, the "Report") are based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in the Report. Other than the visual inspection conducted in connection with the SIRS (which visual inspection shall be conducted by a licensed architect or engineer (in RA's sole discretion)) (the "SIRS Visual Inspection"), the study will be performed by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA during the SIRS Visual Inspection, RA cannot and shall not opine on the structural integrity of or other physical defects in the property under any circumstances. Without limitation to the foregoing, RA cannot and shall not opine on, nor is RA responsible for, the property's conformity to specific governmental code requirements for fire, building, earthquake, occupancy or otherwise.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. RA does not provide invasive testing on any mechanical systems that provide energy to the property, nor can RA opine on any system components that are not easily accessible during the inspection. 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 vapor, water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions, and RA assumes no responsibility for any such conditions. The Report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. Except to the extent resulting from RA's willful misconduct in connection with the performance of its obligations under this agreement, you agree to indemnify, defend, and hold RA and its affiliates, officers, managers, employees, agents, successors and assigns (each, an "RA Party") harmless from and against (and promptly reimburse each RA Party for) any and all losses, claims, actions, demands, judgments, orders, damages, expenses or liabilities, including, without limitation, reasonable attorneys' fees, asserted against or to which any RA Party may become subject in connection with this engagement, including, without limitation, as a result of any false, misleading or incomplete information which RA relied upon that was 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 or to whom you provided the Report. NOTWITHSTANDING ANY OTHER PROVISION HEREIN TO THE CONTRARY, THE AGGREGATE LIABILITY (IF ANY) OF RA WITH RESPECT TO THIS AGREEMENT AND RA'S OBLIGATIONS HEREUNDER IS LIMITED TO THE AMOUNT OF THE FEES ACTUALLY RECEIVED BY RA FROM YOU FOR THE SERVICES AND REPORT PERFORMED BY RA UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. YOUR REMEDIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE YOUR SOLE REMEDIES FOR ANY FAILURE OF RA TO COMPLY WITH ITS OBLIGATIONS HEREUNDER OR OTHERWISE. RA SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS AND LOST SAVINGS, LOSS OF USE OR INTERRUPTION OF BUSINESS, HOWEVER CAUSED, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF RA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL RA BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. RA DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED OR OF ANY NATURE, WITH REGARD TO THE SERVICES AND THE REPORT, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Report - RA will complete the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations with respect to the reserve study and is deemed complete. RA will consider any additional information made available to RA within 6 months of issuing the Report and issue a revised Report based on such additional information if a timely request for a revised Report is made by you. 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. RA reserves the right to, and you acknowledge and agree that RA may, use any data provided by you in connection with the services, or gathered as a result of providing such services, including in connection with creating and issuing any Report, in a de-identified and aggregated form for RA's business purposes.

Your Obligations - You agree to provide us access to the subject property for an 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. Additionally, you agree to provide historical replacement schedules, utility bills and historical energy usage files that RA requests and deems necessary to complete the energy benchmarking services, and you agree to provide any utility release(s) reasonably requested by RA permitting RA to obtain any such data and/or information from any utility representative or other third party. 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 the Report is limited to only the purpose stated herein. You acknowledge that RA is the exclusive owner of all intellectual property rights in and relating to the Report. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and that you will be liable for the consequences of any unauthorized use or distribution of the Report. Use or possession of the Report by any unauthorized third party is prohibited. 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 the Report in its entirety to the following third parties: members of your organization (including your directors, officers, tenants and prospective purchasers), your accountants, attorneys, financial institutions and property managers who need to review the information contained herein, and any other third party who has a right to inspect the Report under applicable law including, but not limited to, any government entity or agency, or any utility companies. Without the written consent of RA, you shall not disclose the Report to any other third party. By engaging our services, you agree that the Report contains intellectual property developed (and owned solely) by RA and agree that you will not reproduce or distribute the Report **to any party that conducts reserve studies without the written consent of RA**.

RA will include (and you hereby agree that RA may include) your name in our client lists. RA reserves the right to use (and you hereby agree that RA may 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 - If reserve study and energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. In any case, any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Unless this agreement is earlier terminated by RA in the event you breach or otherwise fail to comply with your obligations under this agreement, RA's obligations under this agreement shall commence on the date you execute and deliver this agreement and terminate on the date that is 6 months from the date of delivery of the Report by RA. Notwithstanding anything herein to the contrary, each provision that by its context and nature should survive the expiration or early termination of this agreement shall so survive, including, without limitation, any provisions with respect to payment, intellectual property rights, limitations of liability and governing law. We reserve the right to limit or decline refunds in our sole discretion. Refunds vary based on the applicable facts and circumstances.

Miscellaneous – Neither party shall be liable for any failures or delays in performance due to fire, flood, strike or other labor difficulty, act of God, act of any governmental authority, riot, embargo, fuel or energy shortage, pandemic, wrecks or delays in transportation, or due to any other cause beyond such party's reasonable control; provided, however, that you shall not be relieved from your obligations to make any payment(s) to RA as and when due hereunder. In the event of a delay in performance due to any such cause, the time for completion or date of delivery will be extended by a period of time reasonably necessary to overcome the effect of such delay. You may not assign or otherwise transfer this agreement, in whole or in part, without the prior written consent of RA. RA may freely assign or otherwise transfer this agreement, in whole or in part, without your prior consent. This agreement shall be governed by the laws of the State of Wisconsin without regard to any principles of conflicts of law that would apply the laws of another jurisdiction. Any dispute with respect to this agreement shall be exclusively venued in Milwaukee County Circuit Court or in the United States District Court for the Eastern District of Wisconsin. Each party hereto agrees and hereby waives the right to a trial by jury in any action, proceeding or claim brought by or on behalf of the parties hereto with respect to any matter related to this agreement.