Canaveral Bay Condominium Association, Inc.

October 15, 2024 • Cape Canaveral, FL

STRUCTURAL INTEGRITY RESERVE STUDY

RESERVE™ ADVISORS

Long-term thinking. Everyday commitment.

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Corporate Office
Reserve Advisors, LLC
735 N. Water Street, Suite 175
Milwaukee, WI 53202

Canaveral Bay Condominium Association, Inc.
Cape Canaveral, Florida

Dear Board of Directors of Canaveral Bay 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 Canaveral Bay 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, October 15, 2024.

This *Structural Integrity Reserve Study exceeds* the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level II 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. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Canaveral Bay 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 25, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Will Maggio
Review by: Nancy S. Daniel, RS[1] Regional Engineering Manager
Alan M. Ebert, RS, PRA[2], Director of Quality Assurance

1 RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.
2 PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at http://www.apra-usa.com.

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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Canaveral Bay Condominium Association, Inc. (Canaveral Bay)
Location: Cape Canaveral, Florida
Reference: 211297

Property Basics: Canaveral Bay Condominium Association, Inc. is a Condominium style development which consists of 120 units in three three-story buildings and six two-story buildings. The buildings were built from 1983 to 1990.

Reserve Components Identified:

- 14 Structural Integrity Reserve Components.
- 34 Non-Structural Reserve Components.

Inspection Date: October 15, 2024. We conducted the original inspection on September 20, 2021.

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

- Current and future local costs of replacement
- 2.7% anticipated annual rate of return on invested reserves
- 3.3% future Inflation Rate for estimating Future Replacement Costs

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

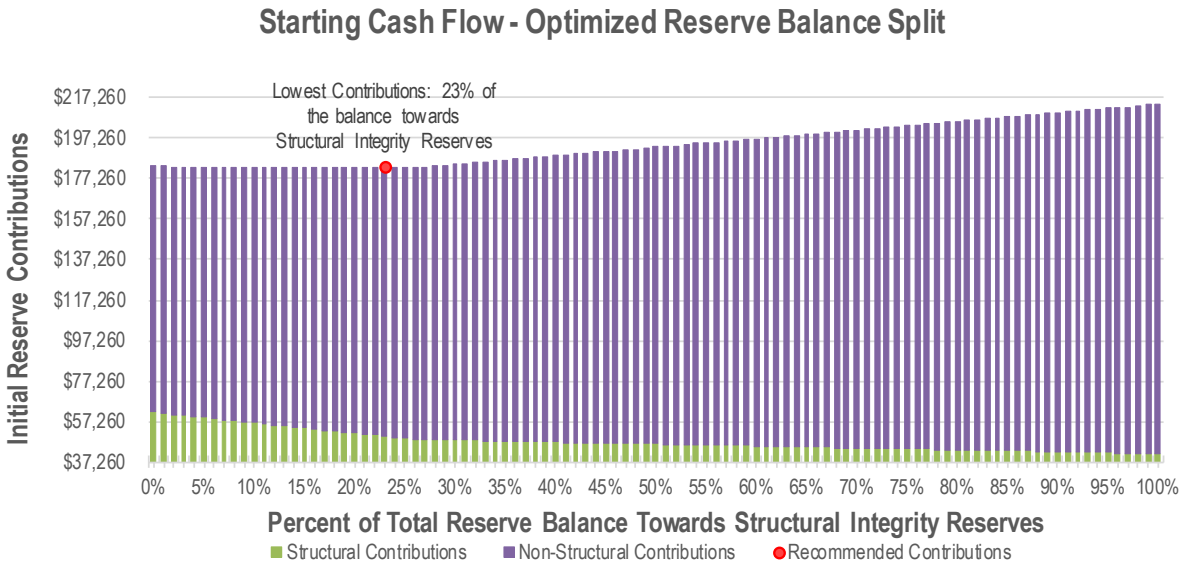
Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the ***Reserve Expenditures*** tables and include a ***Five-Year Outlook*** table following the ***Reserve Funding Plan*** in Section 3. We recommend the Association prioritize the following projects in the next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

- Structural Integrity – Life safety system control panel replacements to ensure functionality
- Structural Integrity – Repairs and paint applications to exterior stucco to maintain desired condition and appearance
- Structural Integrity – Roof 7 replacement to maintain desired condition and appearance
- Structural Integrity – Repairs and waterproof coatings to breezeways and staircases to maintain desired condition and appearance
- Structural Integrity - Repairs and paint applications to the on-grade concrete to maintain desired condition and appearance
- Non-Structural – Expand camera surveillance system as planned by the Association
- Non-Structural – Repave buildings 7-9 parking lots to maintain desired condition and appearance
- Non-Structural – Resurface tennis courts lots to maintain desired condition and appearance
- Non-Structural – Resurface pool plaster to maintain desired condition and appearance
- Non-Structural – Repair concrete pool deck to maintain desired condition and appearance

Unaudited Cash Status of Reserve Fund:

- $392,256 as of September 30, 2024
- $132,000 in budgeted 2024 reserve contributions ($33,000 remaining)
- $9,000 in estimated remaining 2024 reserve expenses
- We project a 2024 Reserve End Balance of $418,956.

As part of our Cash Flow method we analyzed future expenditures and identified the reserve balance split to produce the lowest overall required contributions. Due to the statutory restrictions on structural integrity reserve funds, we recommend the Association maintain separate funds for Structural Integrity reserves and Non-Structural reserves. However, the existing reserve funds are not split. We, therefore, analyzed future expenditures and identified the starting reserve balance split that produces the lowest overall reserve contributions. We recommend the Association allocate $96,360, or 23% of the 2024 Projected Reserve End Balance to the Structural Integrity Reserve Fund and $322,596, or 77% to the Non-Structural Fund to minimize the total combined contributions to the statutory Structural Integrity Fund and the recommended Non-Structural Fund. A vote of the membership may be required to allocate funds in this manner. The following chart depicts the analysis of future expenditures and the reserve balance split to produce the lowest overall required contributions.



Cash Flow - Existing Reserve Balance and Contribution Split	FY2024		Structural Integrity 2025	Non-Structural 2025
Beginning Reserve Balance as of September 30, 202	392,256		96,360	322,596
Remaining Budgeted Reserve Contributions:	**33,000**		**50,000**	**132,500**
Estimated Remaining Interest Earned:	2,700	23%		
Anticipated Remaining Structural Expenditures:	0	77%		
Anticipated Remaining Non-Structural Expenditures:	(9,000)			
Anticipated Reserves at Year End:	$418,956			

Structural Integrity

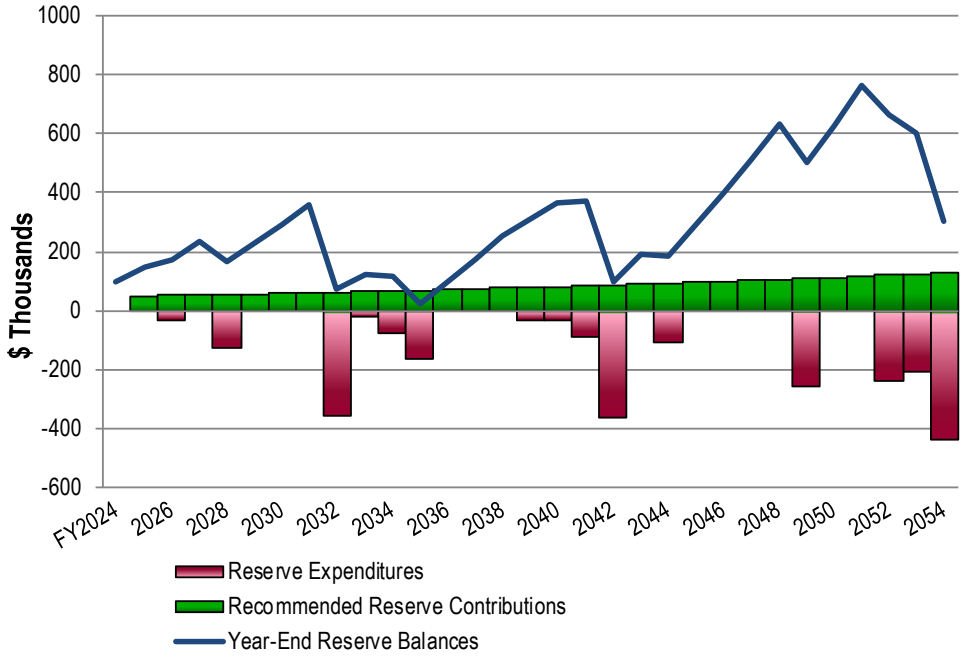
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes these threshold funding years in 2032 due to the replacement of the modified bitumen roofs, in 2035 due to the inspections and repairs of the stucco walls, and in 2042 due to the replacement of the modified bitumen roofs.

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

- Allocate $96,360 of the Anticipated 2024 Year End Reserve balance to the Structural Integrity Reserve Fund.
- Increase Reserve Contributions to $50,000 in 2025
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 Reserve Contribution of $50,000 is equivalent to an average monthly contribution of $35 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	50,000	149,637	2035	69,200	22,249	2045	95,900	288,001
2026	51,700	173,630	2036	71,500	95,315	2046	99,100	396,215
2027	53,400	232,439	2037	73,900	172,786	2047	102,400	510,695
2028	55,200	163,560	2038	76,300	254,781	2048	105,800	631,712
2029	57,000	225,746	2039	78,800	308,288	2049	109,300	500,299
2030	58,900	291,536	2040	81,400	364,778	2050	112,900	628,231
2031	60,800	361,028	2041	84,100	371,596	2051	116,600	763,367
2032	62,800	72,227	2042	86,900	99,526	2052	120,400	665,454
2033	64,900	119,591	2043	89,800	193,226	2053	124,400	601,225
2034	67,000	113,600	2044	92,800	185,790	2054	128,500	304,379



Non-Structural

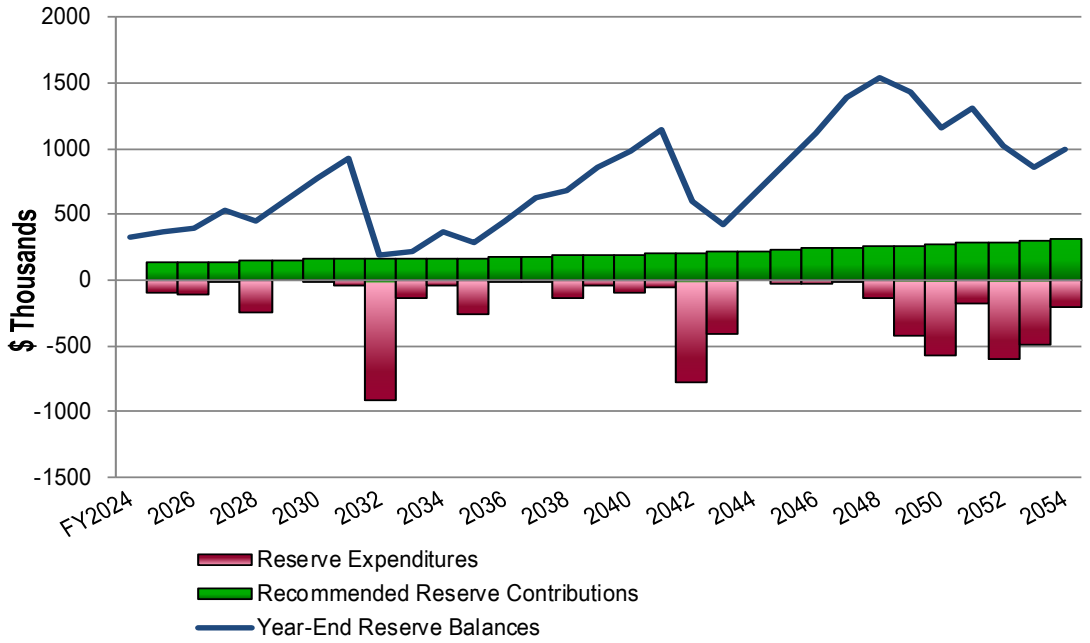
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2032 due to the replacement of the modified bitumen roofs.

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

- Allocate $322,596 of the Anticipated 2024 Year End Reserve balance to the Non-Structural Reserve Fund.
- Increase Reserve Contributions to $132,500 in 2025
- Inflationary increases from 2026 through 2032
- Stable contributions of $166,300 from 2033 through 2035
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- Florida Statute 718.112 provides for a majority of the voting interest to waive or reduce reserve for 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	132,500	362,078	2035	166,300	280,137	2045	230,400	880,996
2026	136,900	397,889	2036	171,800	442,428	2046	238,000	1,119,166
2027	141,400	534,624	2037	177,500	622,676	2047	245,900	1,382,563
2028	146,100	445,418	2038	183,400	680,203	2048	254,000	1,544,079
2029	150,900	610,381	2039	189,500	853,103	2049	262,400	1,423,137
2030	155,900	775,014	2040	195,800	976,183	2050	271,100	1,161,399
2031	161,000	921,268	2041	202,300	1,144,719	2051	280,000	1,301,009
2032	166,300	183,914	2042	209,000	593,389	2052	289,200	1,024,755
2033	166,300	223,291	2043	215,900	419,330	2053	298,700	856,069
2034	166,300	360,846	2044	223,000	656,662	2054	308,600	988,612



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

Canaveral Bay 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, October 15, 2024. We conducted the original inspection on September 20, 2021.

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 to 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:

- Canaveral Bay 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 Canaveral Bay 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. Canaveral Bay 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
Canaveral Bay
Condominium Association, Inc.
Cape Canaveral, Florida

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $5,000 (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.

- Bike Racks and Kayak Stands
- Bridges, Wood (Per the Board with In-House Maintenance)
- Bulletin Boards
- Buried Downspouts, Maintenance
- Catch Basins, Landscape
- Concrete Wheel Stops, Interim Replacements
- Detention Basin
- Doors, Common
- Electrical Systems, Common, Pool House
- Irrigation System, Controls and Maintenance
- Irrigation, Well Pump
- Landscape
- Light Fixtures, Landscape
- Light Fixtures, Pool House
- Light Poles and Fixtures (Per Historical Practices)
- Maintenance Equipment
- Paint Finishes, Touch Up
- River, Erosion Control
- Shed, Maintenance
- Signage, Property Identification
- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)

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
• Irrigation, Well Casing (2020)	to 60	N/A
• Pipes, Domestic Water, Sanitary Waste, Vent and Fire Standpipes, Common (Fire Standpipes Installed Subsequent to Original Construction)	Indeterminate	N/A
• Railings, Breezeways, Balconies and Staircases (2025 is planned outside of reserves)	Indeterminate	N/A
• Structural Frames	Indeterminate	N/A

Excluded Components

for
Canaveral Bay
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.
• Balconies and Porches, Screens
• Electrical Systems
• Heating, Ventilating and Air Conditioning (HVAC) Units
• Interiors
• Pipes (Within Units)
• Windows and Doors

Others Responsibility Components
Certain items have been designated as the responsibility of Others to repair or replace.
• Entrance Drive (Municipality)

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

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

Structural Integrity

RESERVE EXPENDITURES

Canaveral Bay
Condominium Association, Inc.
Cape Canaveral, Florida

Years 2024 to 2039

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 Useful	Life Analysis Years Remaining	Unit Cost, $ (2024)	Per Phase Cost, $ (2024)	Total Cost, $ (2024)	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
				Exterior Building Elements																							
1.059	4,650	1,550	Square Feet	Balconies and Patios, Concrete, Inspections, Waterproof Coatings and Capital Repairs, Phased (Three Stories) (2025 planned Outside of Reserves)	2039	10 to 15	15 to 17	13.00	20,150	60,450	8.1%																32,793
1.061	3,000	3,000	Square Feet	Breezeways and Staircases, Concrete, Repairs and Waterproof Coating Applications (Three Stories)	2028	5 to 7	4	7.00	21,000	21,000	5.5%					23,912							30,014					
1.063	1,500	1,500	Square Feet	Breezeways, Concrete, On-grade, Paint Finishes and Capital Repairs (Three Stories)	2028	5 to 7	4	2.00	3,000	3,000	0.8%					3,416							4,288					
1.105	900	900	Linear Feet	Breezeways, Staircases and Balconies, Railings, Aluminum (Three Stories) (2025 planned Outside of Reserves)	2063	to 45	39	90.00	81,000	81,000	0.0%																
1.240	1,250	625	Linear Feet	Gutters and Downspouts, Metal, Phased (Three Stories)	2032	to 25	8 to 18	9.00	5,625	11,250	0.8%									7,293							
1.496	15,000	15,000	Square Feet	Roofs, Modified Bitumen, Buildings 7 and 9, Coating, Phased	2042	to 10	18	6.00	90,000	90,000	15.2%																
1.497	7,500	7,500	Square Feet	Roofs, Modified Bitumen, Buildings 8, Coating, Phased	2034	to 10	10	6.00	45,000	45,000	5.8%											62,261					
1.516	15,000	15,000	Square Feet	Roof, Modified Bitumen, Buildings 7 and 9, Replacement	2032	15 to 20	8	18.00	270,000	270,000	13.8%									350,079							
1.517	7,500	7,500	Square Feet	Roof, Modified Bitumen, Building 8, Replacement	2054	15 to 20	30	18.00	135,000	135,000	14.1%																
1.605	1	1	Allowance	Structural Members, Inspection	2034	to 10	10	10,000.00	10,000	10,000	2.3%											13,836					
1.880	44,800	44,800	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2028	5 to 7	4	2.00	89,600	89,600	23.4%					102,026							128,059					
				Building Services Elements																							
3.300	6	6	Each	Electrical System, Main Panels (Three Stories)	2053	to 70+	29	10,000.00	60,000	60,000	6.1%																
3.555	3	3	Each	Life Safety System, Control Panels (Three Stories)	2026	to 15	2	10,000.00	30,000	30,000	3.3%			32,013													
3.560	1	1	Allowance	Life Safety System, Emergency Devices (Three Stories)	2033	to 25	9	15,000.00	15,000	15,000	0.8%										20,091						
				Anticipated Expenditures, By Year ($2,537,624 over 30 years)								0	0	32,013	0	129,354	0	0	0	357,373	20,091	76,097	162,361	0	0	0	32,793

Structural Integrity

RESERVE EXPENDITURES

Years 2040 to 2054

Canaveral Bay
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 Useful	Life Analysis Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	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
				Exterior Building Elements																						
1.059	4,650	1,550	Square Feet	Balconies and Patios, Concrete, Inspections, Waterproof Coatings and Capital Repairs, Phased (Three Stories) (2025 planned Outside of Reserves)	2039	10 to 15	15 to 17	13.00	20,150	60,450	**8.1%**	33,875	34,993												51,664	53,368
1.061	3,000	3,000	Square Feet	Breezeways and Staircases, Concrete, Repairs and Waterproof Coating Applications (Three Stories)	2028	5 to 7	4	7.00	21,000	21,000	**5.5%**			37,673							47,285					
1.063	1,500	1,500	Square Feet	Breezeways, Concrete, On-grade, Paint Finishes and Capital Repairs (Three Stories)	2028	5 to 7	4	2.00	3,000	3,000	**0.8%**			5,382							6,755					
1.105	900	900	Linear Feet	Breezeways, Staircases and Balconies, Railings, Aluminum (Three Stories) (2025 planned Outside of Reserves)	2063	to 45	39	90.00	81,000	81,000	**0.0%**															
1.240	1,250	625	Linear Feet	Gutters and Downspouts, Metal, Phased (Three Stories)	2032	to 25	8 to 18	9.00	5,625	11,250	**0.8%**													13,961		
1.496	15,000	15,000	Square Feet	Roofs, Modified Bitumen, Buildings 7 and 9, Coating, Phased	2042	to 10	18	6.00	90,000	90,000	**15.2%**			161,454										223,384		
1.497	7,500	7,500	Square Feet	Roofs, Modified Bitumen, Buildings 8, Coating, Phased	2034	to 10	10	6.00	45,000	45,000	**5.8%**					86,143										
1.516	15,000	15,000	Square Feet	Roof, Modified Bitumen, Buildings 7 and 9, Replacement	2032	15 to 20	8	18.00	270,000	270,000	**13.8%**															
1.517	7,500	7,500	Square Feet	Roof, Modified Bitumen, Building 8, Replacement	2054	15 to 20	30	18.00	135,000	135,000	**14.1%**															357,555
1.605	1	1	Allowance	Structural Members, Inspection	2034	to 10	10	10,000.00	10,000	10,000	**2.3%**					19,143										26,486
1.880	44,800	44,800	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2028	5 to 7	4	2.00	89,600	89,600	**23.4%**			160,736							201,751					
				Building Services Elements																						
3.300	6	6	Each	Electrical System, Main Panels (Three Stories)	2053	to 70+	29	10,000.00	60,000	60,000	**6.1%**														153,837	
3.555	3	3	Each	Life Safety System, Control Panels (Three Stories)	2026	to 15	2	10,000.00	30,000	30,000	**3.3%**		52,099													
3.560	1	1	Allowance	Life Safety System, Emergency Devices (Three Stories)	2033	to 25	9	15,000.00	15,000	15,000	**0.8%**															
				Anticipated Expenditures, By Year ($2,537,624 over 30 years)								33,875	87,092	365,244	0	105,286	0	0	0	0	255,792	0	0	237,345	205,500	437,410

RESERVE FUNDING PLAN

Structural Integrity

CASH FLOW ANALYSIS

Canaveral Bay

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	96,360	149,637	173,630	232,439	163,560	225,746	291,536	361,028	72,227	119,591	113,600	22,249	95,315	172,786	254,781
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**50,000**	**51,700**	**53,400**	**55,200**	**57,000**	**58,900**	**60,800**	**62,800**	**64,900**	**67,000**	**69,200**	**71,500**	**73,900**	**76,300**	**78,800**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	3,277	4,306	5,409	5,275	5,186	6,890	8,692	5,771	2,555	3,106	1,810	1,566	3,571	5,695	7,500
Anticipated Expenditures, By Year		N/A	0	(32,013)	0	(129,354)	0	0	0	(357,373)	(20,091)	(76,097)	(162,361)	0	0	0	(32,793)
Anticipated Reserves at Year End		$96,360	$149,637	$173,630	$232,439	$163,560	$225,746	$291,536	$361,028	$72,227 *(NOTE 5)*	$119,591	$113,600	$22,249 *(NOTE 5)*	$95,315	$172,786	$254,781	$308,288

(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	308,288	364,778	371,596	99,526	193,226	185,790	288,001	396,215	510,695	631,712	500,299	628,231	763,367	665,454	601,225
Total Recommended Reserve Contributions	**81,400**	**84,100**	**86,900**	**89,800**	**92,800**	**95,900**	**99,100**	**102,400**	**105,800**	**109,300**	**112,900**	**116,600**	**120,400**	**124,400**	**128,500**
Estimated Interest Earned, During Year	8,965	9,809	6,275	3,900	5,049	6,311	9,114	12,080	15,217	15,079	15,032	18,536	19,032	16,872	12,063
Anticipated Expenditures, By Year	(33,875)	(87,092)	(365,244)	0	(105,286)	0	0	0	0	(255,792)	0	0	(237,345)	(205,500)	(437,410)
Anticipated Reserves at Year End	$364,778	$371,596	$99,526 *(NOTE 5)*	$193,226	$185,790	$288,001	$396,215	$510,695	$631,712	$500,299	$628,231	$763,367	$665,454	$601,225	$304,379 *(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 age, size, overall condition and complexity of the property.

5) Threshold Funding Years (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

Structural Integrity

FIVE-YEAR OUTLOOK

Canaveral Bay
Condominium Association, Inc.
Cape Canaveral, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements						
1.061	Breezeways and Staircases, Concrete, Repairs and Waterproof Coating Applications (Three Stories)					23,912	
1.063	Breezeways, Concrete, On-grade, Paint Finishes and Capital Repairs (Three Stories)					3,416	
1.880	Walls, Stucco, Paint Finishes and Capital Repairs					102,026	
	Building Services Elements						
3.555	Life Safety System, Control Panels (Three Stories)			32,013			
	Anticipated Expenditures, By Year ($2,537,624 over 30 years)	0	0	32,013	0	129,354	0

Non-Structural

RESERVE EXPENDITURES

Canaveral Bay
Condominium Association, Inc.
Cape Canaveral, Florida

Years 2024 to 2039

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 Useful	Life Analysis Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	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
				Exterior Building Elements																							
1.060	5,250	1,750	Square Feet	Balconies, Concrete, Inspections, Waterproof Coatings and Capital Repairs, Phased (Two Stories) (2025 planned Outside of Reserves)	2039	10 to 15	15 to 17	13.00	22,750	68,250	**3.8%**																37,024
1.062	4,300	4,300	Square Feet	Breezeways and Staircases, Concrete, Repairs and Waterproof Coating Applications (Two Stories)	2028	5 to 7	4	7.00	30,100	30,100	**3.3%**					34,274							43,020				
1.064	3,500	3,500	Square Feet	Breezeways, Concrete, On-grade, Paint Finishes and Capital Repairs(Two Stories)	2028	5 to 7	4	2.00	7,000	7,000	**0.8%**					7,971							10,005				
1.106	1,300	1,300	Linear Feet	Breezeways, Staircases and Balconies, Railings, Aluminum (Two Stories) (2025 planned Outside of Reserves)	2063	to 45	39	90.00	117,000	117,000	**0.0%**																
1.241	1,400	700	Linear Feet	Gutters and Downspouts, Metal, Phased (Two Stories)	2032	to 25	8 to 18	9.00	6,300	12,600	**0.6%**									8,169							
1.259	120	120	Each	Light Fixtures, Balconies	2024	to 25	0	75.00	9,000	9,000	**0.5%**	9,000															
1.260	99	99	Each	Light Fixtures, Breezeways	2045	to 25	21	75.00	7,425	7,425	**0.2%**																
1.265	120	40	Units	Mailboxes, Phased	2027	to 25	3 to 9	200.00	8,000	24,000	**1.1%**				8,818			9,721			10,715						
1.495	39,000	39,000	Square Feet	Roofs, Modified Bitumen, Buildings 1, 2, 3, 4, 5, 6 and Pool, Coating	2042	to 10	18	6.00	234,000	234,000	**16.4%**																
1.500	39,000	39,000	Square Feet	Roofs, Modified Bitumen, Buildings 1, 2, 3, 4, 5, 6, and Pool, Replacement, Phased	2032	15 to 20	8	18.00	702,000	702,000	**15.0%**									910,206							
1.881	64,900	64,900	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Two Stories)	2028	5 to 7	4	2.00	129,800	129,800	**14.1%**					147,801							185,515				
				Building Services Elements																							
3.301	12	12	Each	Electrical System, Main Panels (Two Stories)	2053	to 70+	29	10,000.00	120,000	120,000	**5.1%**																
3.820	1	1	Allowance	Security System, Access System	2033	10 to 15	9	9,000.00	9,000	9,000	**0.5%**										12,054						
3.821	1	1	Allowance	Security System, Surveillance System	2025	10 to 15	1	11,000.00	11,000	11,000	**0.5%**		11,363														
				Property Site Elements																							
4.020	10,525	10,525	Square Yards	Asphalt Pavement, Patch, Seal Coat and Striping	2028	3 to 5	4	2.50	26,313	26,313	**3.8%**					29,961					35,242					41,454	
4.040	4,750	4,750	Square Yards	Asphalt Pavement, Mill and Overlay (Buildings 7-9)	2025	15 to 20	1	18.50	87,875	87,875	**4.2%**		90,775														
4.041	5,775	5,775	Square Yards	Asphalt Pavement, Mill and Overlay (Buildings 1-6)	2043	15 to 20	19	18.50	106,838	106,838	**3.3%**																
4.220	220	220	Linear Feet	Fences, Trash Corrals, Phased	2042	15 to 20	18	42.00	9,240	9,240	**0.3%**																
4.355	1	1	Each	Golf Cart	2027	to 10	3	7,500.00	7,500	7,500	**0.6%**				8,267										11,438		
4.420	1	1	Allowance	Irrigation System, Replacement, Phased	2054	to 40+	30 to 30+	45,000.00	45,000	45,000	**2.0%**																
4.540	2	2	Each	Lift Station, Pumps	2043	to 10	19	5,000.00	10,000	10,000	**0.7%**																
4.550	1	1	Each	Lift Station, Rebuild	2033	to 30	9	36,500.00	36,500	36,500	**0.8%**										48,887						
4.640	5,950	5,950	Square Feet	Perimeter Walls, Stucco, Inspections and Capital Repairs	2028	5 to 7	4	2.00	11,900	11,900	**1.3%**					13,550							17,008				
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Partial	2038	to 85+	14	12,000.00	12,000	12,000	**0.7%**																18,905
4.830	1,440	1,440	Square Yards	Tennis Courts, Color Coat	2031	4 to 6	7	9.00	12,960	12,960	**1.4%**							16,267					19,134				
4.840	460	460	Linear Feet	Tennis Courts, Fence	2031	to 25	7	36.50	16,790	16,790	**0.3%**							21,074									
4.860	1,440	1,440	Square Yards	Tennis Courts, Surface Replacement	2026	to 25	2	44.50	64,080	64,080	**3.7%**			68,379													
				Pool Elements																							
6.200	2,800	2,800	Square Feet	Concrete Deck, Coating, Partial Replacements and Repairs	2026	8 to 12	2	3.00	8,400	8,400	**0.9%**			8,964								11,622					
6.400	200	200	Linear Feet	Fences, Aluminum (Includes Light Fixtures)	2034	to 25	10	90.00	18,000	18,000	**0.4%**											24,904					
6.500	1	1	Allowance	Furniture	2033	to 12	9	6,000.00	6,000	6,000	**0.3%**										8,036						
6.600	3	1	Allowance	Mechanical Equipment, Phased	2028	to 15	4 to 14	13,000.00	13,000	39,000	**2.3%**					14,803					17,412					20,481	
6.800	1,160	1,160	Square Feet	Pool Finishes, Plaster	2026	8 to 12	2	23.00	26,680	26,680	**2.2%**			28,470												42,033	
6.801	340	340	Linear Feet	Pool Finishes, Tile	2038	15 to 25	14	38.00	12,920	12,920	**0.3%**															20,355	
6.850	2	2	Each	Rest Rooms, Renovation	2040	to 30	16	12,000.00	24,000	24,000	**0.7%**																
6.900	1,160	1,160	Square Feet	Structures and Deck, Total Replacement	2050	to 60	26	180.00	208,800	208,800	**8.0%**																
	1	1	Allowance	Reserve Study Update with Site Visit	2026	2	2	5,400.00	5,400	5,400	**0.1%**			5,400													
				Anticipated Expenditures, By Year ($6,087,645 over 30 years)								9,000	102,138	111,213	17,086	248,360	0	9,721	37,341	918,375	132,347	36,526	255,547	19,134	11,438	143,228	37,024

Non-Structural

RESERVE EXPENDITURES

Canaveral Bay
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 Useful	Life Analysis Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	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
				Exterior Building Elements																						
1.060	5,250	1,750	Square Feet	Balconies, Concrete, Inspections, Waterproof Coatings and Capital Repairs, Phased (Two Stories) (2025 planned Outside of Reserves)	2039	10 to 15	15 to 17	13.00	22,750	68,250	**3.8%**	38,246	39,508											58,330	60,255
1.062	4,300	4,300	Square Feet	Breezeways and Staircases, Concrete, Repairs and Waterproof Coating Applications (Two Stories)	2028	5 to 7	4	7.00	30,100	30,100	**3.3%**			53,997						67,776					
1.064	3,500	3,500	Square Feet	Breezeways, Concrete, On-grade, Paint Finishes and Capital Repairs(Two Stories)	2028	5 to 7	4	2.00	7,000	7,000	**0.8%**			12,558						15,762					
1.106	1,300	1,300	Linear Feet	Breezeways, Staircases and Balconies, Railings, Aluminum (Two Stories) (2025 planned Outside of Reserves)	2063	to 45	39	90.00	117,000	117,000	**0.0%**															
1.241	1,400	700	Linear Feet	Gutters and Downspouts, Metal, Phased (Two Stories)	2032	to 25	8 to 18	9.00	6,300	12,600	**0.6%**			11,302									15,637		
1.259	120	120	Each	Light Fixtures, Balconies	2024	to 25	0	75.00	9,000	9,000	**0.5%**									20,265					
1.260	99	99	Each	Light Fixtures, Breezeways	2045	to 25	21	75.00	7,425	7,425	**0.2%**						14,683								
1.265	120	40	Units	Mailboxes, Phased	2027	to 25	3 to 9	200.00	8,000	24,000	**1.1%**												19,222			21,188
1.495	39,000	39,000	Square Feet	Roofs, Modified Bitumen, Buildings 1, 2, 3, 4, 5, 6 and Pool, Coating	2042	to 10	18	6.00	234,000	234,000	**16.4%**			419,780									580,798		
1.500	39,000	39,000	Square Feet	Roofs, Modified Bitumen, Buildings 1, 2, 3, 4, 5, 6, and Pool, Replacement, Phased	2032	15 to 20	8	18.00	702,000	702,000	**15.0%**															
1.881	64,900	64,900	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Two Stories)	2028	5 to 7	4	2.00	129,800	129,800	**14.1%**			232,852						292,269					
				Building Services Elements																						
3.301	12	12	Each	Electrical System, Main Panels (Two Stories)	2053	to 70+	29	10,000.00	120,000	120,000	**5.1%**													307,674		
3.820	1	1	Allowance	Security System, Access System	2033	10 to 15	9	9,000.00	9,000	9,000	**0.5%**									19,618						
3.821	1	1	Allowance	Security System, Surveillance System	2025	10 to 15	1	11,000.00	11,000	11,000	**0.5%**	18,493														
				Property Site Elements																						
4.020	10,525	10,525	Square Yards	Asphalt Pavement, Patch, Seal Coat and Striping	2028	3 to 5	4	2.50	26,313	26,313	**3.8%**									57,355				67,464		
4.040	4,750	4,750	Square Yards	Asphalt Pavement, Mill and Overlay (Buildings 7-9)	2025	15 to 20	1	18.50	87,875	87,875	**4.2%**				162,844											
4.041	5,775	5,775	Square Yards	Asphalt Pavement, Mill and Overlay (Buildings 1-6)	2043	15 to 20	19	18.50	106,838	106,838	**3.3%**				197,984											
4.220	220	220	Linear Feet	Fences, Trash Corrals, Phased	2042	15 to 20	18	42.00	9,240	9,240	**0.3%**			16,576												
4.355	1	1	Each	Golf Cart	2027	to 10	3	7,500.00	7,500	7,500	**0.6%**								15,826							
4.420	1	1	Allowance	Irrigation System, Replacement, Phased	2054	to 40+	30 to 30+	45,000.00	45,000	45,000	**2.0%**															119,185
4.540	2	2	Each	Lift Station, Pumps	2043	to 10	19	5,000.00	10,000	10,000	**0.7%**				18,531										25,639	
4.550	1	1	Each	Lift Station, Rebuild	2033	to 30	9	36,500.00	36,500	36,500	**0.8%**															
4.640	5,950	5,950	Square Feet	Perimeter Walls, Stucco, Inspections and Capital Repairs	2028	5 to 7	4	2.00	11,900	11,900	**1.3%**			21,348							26,795					
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Partial	2038	to 85+	14	12,000.00	12,000	12,000	**0.7%**									26,157						
4.830	1,440	1,440	Square Yards	Tennis Courts, Color Coat	2031	4 to 6	7	9.00	12,960	12,960	**1.4%**		22,507					26,474								
4.840	460	460	Linear Feet	Tennis Courts, Fence	2031	to 25	7	36.50	16,790	16,790	**0.3%**															
4.860	1,440	1,440	Square Yards	Tennis Courts, Surface Replacement	2026	to 25	2	44.50	64,080	64,080	**3.7%**												153,968			
				Pool Elements																						
6.200	2,800	2,800	Square Feet	Concrete Deck, Coating, Partial Replacements and Repairs	2026	8 to 12	2	3.00	8,400	8,400	**0.9%**			15,069								19,538				
6.400	200	200	Linear Feet	Fences, Aluminum (Includes Light Fixtures)	2034	to 25	10	90.00	18,000	18,000	**0.4%**															
6.500	1	1	Allowance	Furniture	2033	to 12	9	6,000.00	6,000	6,000	**0.3%**						11,865									
6.600	3	1	Allowance	Mechanical Equipment, Phased	2028	to 15	4 to 14	13,000.00	13,000	39,000	**2.3%**				24,091					28,337				33,331	
6.800	1,160	1,160	Square Feet	Pool Finishes, Plaster	2026	8 to 12	2	23.00	26,680	26,680	**2.2%**											62,057				
6.801	340	340	Linear Feet	Pool Finishes, Tile	2038	15 to 25	14	38.00	12,920	12,920	**0.3%**															
6.850	2	2	Each	Rest Rooms, Renovation	2040	to 30	16	12,000.00	24,000	24,000	**0.7%**	40,347														
6.900	1,160	1,160	Square Feet	Structures and Deck, Total Replacement	2050	to 60	26	180.00	208,800	208,800	**8.0%**											485,667				
	1	1	Allowance	Reserve Study Update with Site Visit	2026	2	2	5,400.00	5,400	5,400	**0.1%**															
				Anticipated Expenditures, By Year ($6,087,645 over 30 years)								97,086	62,015	783,482	403,450	0	26,547	26,474	15,826	131,466	422,867	567,263	173,190	596,435	492,438	200,628

RESERVE FUNDING PLAN

Non-Structural

CASH FLOW ANALYSIS

Canaveral Bay

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	322,596	362,078	397,889	534,624	445,418	610,381	775,014	921,268	183,914	223,291	360,846	280,137	442,428	622,676	680,203
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**132,500**	**136,900**	**141,400**	**146,100**	**150,900**	**155,900**	**161,000**	**166,300**	**166,300**	**166,300**	**166,300**	**171,800**	**177,500**	**183,400**	**189,500**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	9,120	10,123	12,421	13,054	14,063	18,454	22,595	14,721	5,424	7,781	8,538	9,625	14,187	17,355	20,424
Anticipated Expenditures, By Year		N/A	(102,138)	(111,213)	(17,086)	(248,360)	0	(9,721)	(37,341)	(918,375)	(132,347)	(36,526)	(255,547)	(19,134)	(11,438)	(143,228)	(37,024)
Anticipated Reserves at Year End		$322,596	$362,078	$397,889	$534,624	$445,418	$610,381	$775,014	$921,268	$183,914 *(NOTE 5)*	$223,291	$360,846	$280,137	$442,428	$622,676	$680,203	$853,103

(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	853,103	976,183	1,144,719	593,389	419,330	656,662	880,996	1,119,166	1,382,563	1,544,079	1,423,137	1,161,399	1,301,009	1,024,755	856,069
Total Recommended Reserve Contributions	**195,800**	**202,300**	**209,000**	**215,900**	**223,000**	**230,400**	**238,000**	**245,900**	**254,000**	**262,400**	**271,100**	**280,000**	**289,200**	**298,700**	**308,600**
Estimated Interest Earned, During Year	24,366	28,251	23,152	13,490	14,332	20,482	26,643	33,323	38,983	39,524	34,426	32,800	30,980	25,053	24,571
Anticipated Expenditures, By Year	(97,086)	(62,015)	(783,482)	(403,450)	0	(26,547)	(26,474)	(15,826)	(131,466)	(422,867)	(567,263)	(173,190)	(596,435)	(492,438)	(200,628)
Anticipated Reserves at Year End	$976,183	$1,144,719	$593,389	$419,330	$656,662	$880,996	$1,119,166	$1,382,563	$1,544,079	$1,423,137	$1,161,399	$1,301,009	$1,024,755	$856,069	$988,612 *(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).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

Non-Structural

FIVE-YEAR OUTLOOK

Canaveral Bay
Condominium Association, Inc.
Cape Canaveral, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements						
1.062	Breezeways and Staircases, Concrete, Repairs and Waterproof Coating Applications (Two Stories)					34,274	
1.064	Breezeways, Concrete, On-grade, Paint Finishes and Capital Repairs(Two Stories)					7,971	
1.259	Light Fixtures, Balconies	9,000					
1.265	Mailboxes, Phased				8,818		
1.881	Walls, Stucco, Paint Finishes and Capital Repairs (Two Stories)					147,801	
	Building Services Elements						
3.821	Security System, Surveillance System		11,363				
	Property Site Elements						
4.020	Asphalt Pavement, Patch, Seal Coat and Striping					29,961	
4.040	Asphalt Pavement, Mill and Overlay (Buildings 7-9)		90,775				
4.355	Golf Cart				8,267		
4.640	Perimeter Walls, Stucco, Inspections and Capital Repairs					13,550	
4.860	Tennis Courts, Surface Replacement			68,379			
	Pool Elements						
6.200	Concrete Deck, Coating, Partial Replacements and Repairs			8,964			
6.600	Mechanical Equipment, Phased					14,803	
6.800	Pool Finishes, Plaster			28,470			
	Reserve Study Update with Site Visit			5,400			
	Anticipated Expenditures, By Year ($6,087,645 over 30 years)	9,000	102,138	111,213	17,086	248,360	0

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

Typical three story building front elevation

Typical three story building side elevation

Typical three story building rear elevation

Balconies and Patios, Concrete

Line Item: 1.059

Quantity: 36 concrete balconies and 18 concrete patios at buildings 7-9, comprising approximately 4,700 square feet of horizontal surface area. The balconies comprise reinforced concrete with a waterproof coating.

The Association began balcony repairs in approximately 2018. In 2024 the Association is planning a full balcony and patio concrete restoration projects through a special assessment. This includes replacement to all of the balcony and breezeway railings. The scope of work includes all buildings 1-9. Buildings 7-9 are included in the structural scope of this project. Repairs to the concrete breezeways are not included in this project. Future Reserve studies will assess condition and need for subsequent repairs.

Condition: Due to the non-invasive nature of our inspection, we are unable to fully verify the condition of the balconies. However, we note isolated balconies with exposed reinforcement. In addition, we note isolated deflection, spalls, cracks, coating deterioration and the use of carpet floor coverings. Carpet conceals concrete deterioration, retains water and inhibits drainage. Water trapped by the carpet can result in accelerated concrete deterioration. Therefore, we do not recommend the use of carpet on balcony surfaces. We note the following:

- Sealants are in fair condition.
- Coating is in fair condition
- Concrete cracks are evident
- Concrete spalls are evident
- We do not note evidence of exposed reinforcement at buildings 7-9

Balcony with owner installed tile

Balcony overview

Sloped balcony

Balcony underside

Concrete cracks

Concrete cracks

Concrete patio

Concrete patio

Useful Life: As noted above, we recommend the Association conduct near term inspections and extensive repairs. Subsequent to these repairs, we recommend the Association anticipate the need for capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 10- to 15-years.

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the balconies 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 coating (Urethane based elastomeric)

Breezeways and Staircases, Concrete

Line Items: 1.061 and 1.063

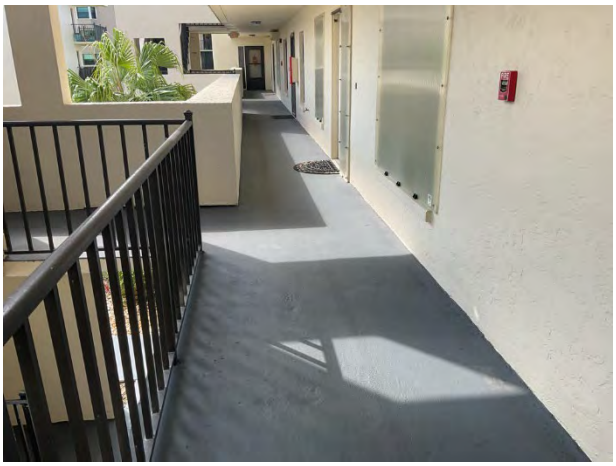
Quantity: Approximately 3,000 square feet of horizontal surface area of elevated concrete breezeways and staircases. In addition, the Association maintains approximately 1,500 square feet of on-grade concrete at the breezeways.

History: The Association conducted coatings and repairs in conjunction with the buildings in 2021. The breezeways and staircases are not included in the 2024 balcony restoration project

Condition: Good to fair overall with isolated cracks and trip hazards evident

Breezeway overview

Stairs



Breezeway overview

Rust stains

Concrete edge spall

Concrete cracks

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 five- to seven-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 cost includes the following activities per event:

- Partial depth replacement of up to a quarter of a percent (0.25%) of the concrete topsides and edges
- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)
- Application of a paint finish to on-grade floors

Gutters and Downspouts

Line Item: 1.240

Quantity: Approximately 1,250 linear feet at buildings 7-9

History: The Association added gutters and downspouts in approximately 2019-2020. Building 8 gutters and downspouts were replaced in 2024 with the roof replacement The Board informs us some areas used covered PVC which caused issues. The Association funded additional replacements of approximately $300 through the operating budget in 2021.

Condition: Good to fair overall with damage evident

Metal gutter

Metal gutters and downspouts

Downspout

Downspout damage

Useful Life: 15- to 20-years

Component Detail Notes: The size of the gutter is determined by the roof's watershed area, a roof pitch factor and the rainfall intensity number of the Association's region. We recommend sloping gutters 1/16 inch per linear foot and providing fasteners a maximum of every three feet.

Downspouts can drain 100 square feet of roof area per one square inch of downspout cross sectional area. We recommend the use of downspout extensions and splash blocks at the downspout discharge to direct storm water away from the foundations. The useful life of gutters and downspouts coincides with that of the sloped roofs. Coordinated replacement will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

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

- Semi-annually:
  - Clean out debris and leaves that collect in the gutters
  - Repair and refasten any loose gutter fasteners
  - Repair and seal any leaking seams or end caps
  - Verify downspouts discharge away from foundations

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

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

Roofs, Modified Bitumen

Line Item: 1.496, 1.497, 1.516, and 1.517

Quantity: Approximately 22,500 square feet at Buildings 7-9

History: The age of the most recent roof replacements vary by building. The exact date of replacement for each three-story building is as follows

- Building 7 in 2008
- Building 8 in 2024
- Building 9 in 2013

Association applied silicone roof coatings in 2022. With proper maintenance, silicone roof coatings help prevent water infiltration and defer the need for replacement of the roof. However, application of the coating is dependent on several factors such as limited water saturation.

The years of replacement for Building 7 is based on wind inspections and may not represent the actual age of the roofs. The Board further informs us the work completed at Building 9 may have been the result of hurricane damage in which the roof was reattached rather than fully replaced. Due to the non-invasive nature of our inspection, we could not fully verify these conditions

Condition: Good to fair overall with coating deterioration evident, The Association does not report a history of leaks We note the following:

- Isolated previous membrane repairs are evident

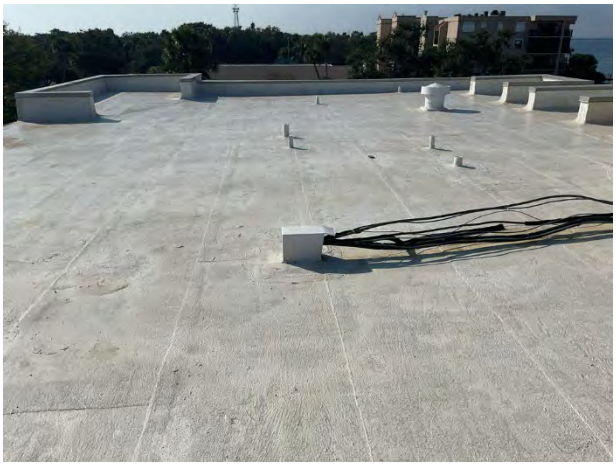
- Isolated sealant failure is evident
- Isolated expansion joint deterioration is evident
- Isolated blocked roof drains are evident

Modified bitumen roof overview

Modified bitumen roof overview

Coating deterioration

Coating deterioration



Modified bitumen roof overview

Coating deterioration

Useful Life: 15- to 20-years

Component Detail Notes: Modified bitumen roofing systems are composed of factory manufactured sheets of polymer-modified bitumen with polyester and/or fiberglass reinforcements. The bitumen adds a waterproof characteristic to the system and the reinforcements add strength and puncture resistance. These factory-assembled roofing systems offer the advantages of a built-up roofing system through a less labor-intensive installation.

The following detail depicts a typical modified bitumen roof although it may not reflect the actual configuration at Canaveral Bay:

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

The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The insulation should fit loosely with gaps no greater than ¼ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation. The contractor applies the base sheet of roofing over the insulation board. This sheet is normally 30-pound material. The contractor should start the installation of

a roof membrane from the lowest points of the roof. Mechanical fastening and embedding the base sheet in a flood coat of hot asphalt is the best manner of installation. The membrane and plies are either torch applied (thermoset) or hot asphalt applied. We recommend the contractor use the torch method to install a modified bitumen membrane roof system.

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

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

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

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

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 milestone study will in completed in 2024 and is included with the balcony restoration project, Canaveral Bay 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 44,800 square feet of the building exteriors at the three-story buildings

History: Repairs and coatings were last conducted in 2021.

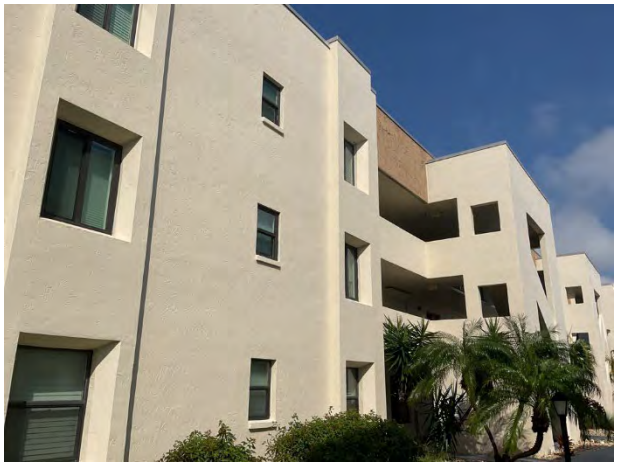
Condition: Good to fair overall with isolated cracks and rust stains evident. We note the following:

- We not isolated stucco cracks
- No significant stucco damage evident
- Sealants are in good condition
- Stucco does not terminate 2" above grade
- Stucco does not terminate 4" above grade

Stucco wall finishes

Stucco wall finishes

Stucco wall finishes



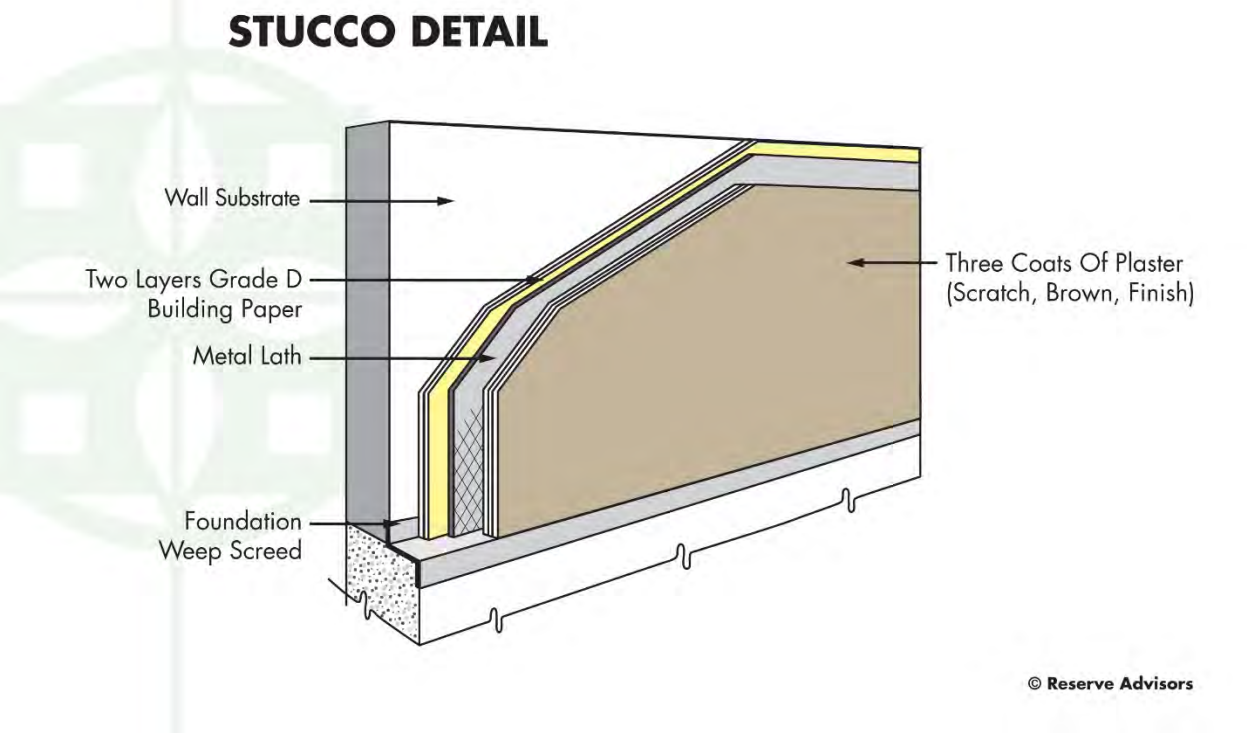
Stucco wall finishes

Rust stains

Stucco cracks

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 Canaveral Bay:



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.

STRUCTURAL INTEGRITY - Building Services Elements

Electrical System

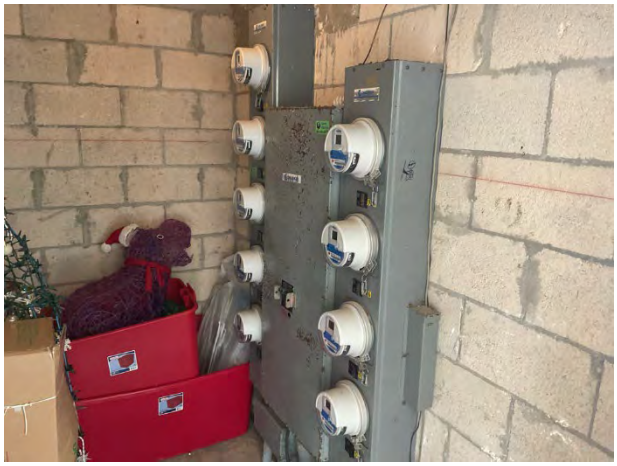
Line Item: 3.300

History: Original to construction at the three-story buildings

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

- No thermoscan inspection has been done
- No excessive buzzing/humming was present at the transformers we observed.
- No obvious combustible material storage was observed in electrical rooms. However, our inspection is not exhaustive and the Association should conduct periodic inspections of the electrical rooms to ensure compliance with 10.18.5 of NFPA 1.
- Some electrical rooms were not labeled. The Association should consider adding clear and proper signage to the electrical rooms.
- 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 and peeling paint is noted at electrical panels.
- No apparent water was observed in or near the electrical rooms.

Electrical system



Electrical system

Electrical system rust and peeling paint

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:

Primary Switchgear - The primary switchgear is located where the electric supply comes into the building. Switchgear can include associated controls, regulating, metering and protective devices, and is used for the transmission, distribution and conversion of electric power for use within the building. Switchgear components have a useful life of up to and sometimes beyond 70 years. Replacement is often determined by a desired upgrade of the entire electrical system.

Transformer - A transformer is an electric device with two or more coupled windings used to convert a power supply from one voltage to another voltage. Transformers within a building lower the supplied electrical voltage to a level that can be utilized by the building's equipment and unit owners. Transformers do not utilize mechanical components and therefore have a long useful life. However, the Association should anticipate periodic replacement of a limited quantity of transformers.

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.

Bus Bar - A bus bar is an electric conductor that serves as a common connection for two or more circuits and carries a large current. The metal enclosure contains factory assembled conductors, usually copper or aluminum bars or tubes. Bus bars typically convey electricity in a vertical riser to the multiple stories in the

building. This component has an indefinite useful life and would rarely require replacement in total unless an upgrade of the capacity of the electrical system is desired.

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.

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, and transformers 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

- Examine the insulation at switchgears for signs of deterioration or cracking
- 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 main switchgear, 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, and inspections of the transformers for any indications of arcing, burning or overheating on a regular basis, 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 the three-story buildings at Canaveral Bay includes the following components:

- Audio/visual fixtures
- Control panels
- Exit fixtures
- Pull stations
- Wiring

History: Installed in approximately 2018-2020 at Buildings 7, 8 and 9. One control panel was reportedly replaced.

Conditions: Reported satisfactory

Audio visual fixture

Exit fixture

Emergency devices

Control panel

Useful Life: Up to 25 years for the devices and up to 15 years for the control panel

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

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Changes in technology or building codes may make a replacement desirable prior to the end of the functional life. Our estimate of future cost considers only that amount necessary to duplicate the same functionality. Local codes or ordinances at the actual time of replacement may require a betterment as compared to the existing system. A betterment could result in a higher, but at this time unknown, cost of replacement.

NON-STRUCTURAL - Exterior Building Elements

Typical two-story building rear elevation

Typical two-story building front elevation

Typical two-story building side elevation

Balconies and Patios, Concrete

Line Items: 1.060

Quantity: 30 concrete balconies and 30 concrete patios at buildings 1-6, comprising approximately 5,250 square feet of horizontal surface area. The balconies comprise reinforced concrete with a waterproof coating.

History: The Association began balcony repairs in approximately 2018. In 2024 the Association is planning a full balcony and patio concrete restoration projects through a special assessment. This includes replacement to all of the balcony and breezeway railings. The scope of work includes all buildings 1-9. Buildings 1-6 are included in the non-structural scope of this project. Repairs to the concrete breezeways are not included in this project. Future Reserve studies will assess condition and need for subsequent repairs.

Condition: Due to the non-invasive nature of our inspection, we are unable to fully verify the condition of the balconies. However, we note isolated balconies with exposed reinforcement. In addition we note isolated deflection, spalls, cracks, coating deterioration and the use of carpet floor coverings. Carpet conceals concrete deterioration, retains water and inhibits drainage. Water trapped by the carpet can result in accelerated concrete deterioration. Therefore, we do not recommend the use of carpet on balcony surfaces.

Balcony overview

Exposed reinforcement

Balcony edge deterioration

Balcony edge spalls

Balcony overview

Concrete Patio

Useful Life: As noted above, we recommend the Association conduct near term inspections and extensive repairs. Subsequent to these repairs, we recommend the Association anticipate the need for capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 10- to 15-years.

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the balconies 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 coating (Urethane based elastomeric)

Breezeways and Staircases, Concrete

Line Items: 1.062 and 1.064

Quantity: Approximately 4,300 square feet of horizontal surface area of elevated concrete breezeways and staircases at the two-story buildings. In addition, the Association maintains approximately 3,529 square feet of on-grade concrete at the breezeways.

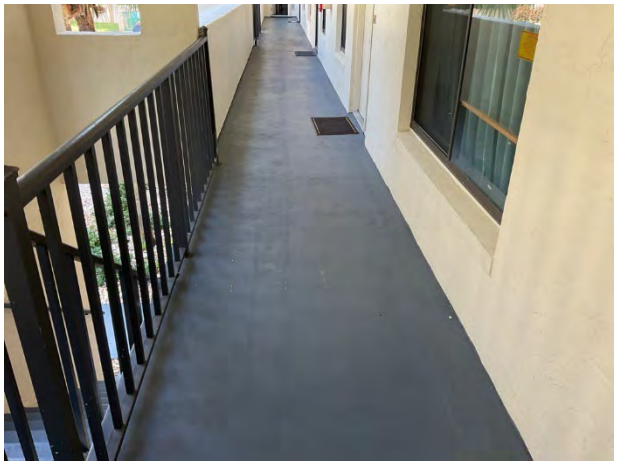
History: The Association conducted coatings and repairs in conjunction with the buildings in 2021.

Condition: Good to fair overall with isolated cracks and spalls evident

Staircase overview

Breezeway overview

Concrete crack



Breezeway overview

Concrete edge spall

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 five- to seven-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 cost includes the following activities per event:

- Partial depth replacement of up to a quarter of a percent (0.25%) of the concrete topsides and edges
- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)
- Application of a paint finish to on-grade floors

Gutters and Downspouts

Line Item: 1.241

Quantity: Approximately 1,400 linear feet of metal large capacity gutters and downspouts at the two-story buildings

History: The Association added gutters and downspouts in approximately 2019-2020. The Board informs us some areas used covered PVC which caused issues. The Association funded additional replacements of approximately $300 through the operating budget in 2021.

Condition: The condition of the gutters and downspouts varies from good to fair. We note isolated debris accumulation and evidence of seam leaks.

Aluminum gutters and downspouts

Useful Life: Up to 25 years

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

Semi-annually:

- Clean out debris and leaves that collect in the gutters
- Repair and refasten any loose gutter fasteners
- Repair and seal any leaking seams or end caps
- Verify downspouts discharge away from foundations

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 replacement of the gutter guards.

Light Fixtures

Line Items: 1.259 and 1.260

Quantity: 120 balcony and 99 breezeway light fixtures at the two- and three-story buildings

History: The breezeway light fixtures were replaced between 2019 and 2021. The balcony light fixtures have not been replaced due to the need for access.

Condition: The breezeway light fixtures are in good to fair overall condition. The balcony light fixtures are in fair overall condition.

Breezeway exterior light fixture

Balcony exterior light fixture

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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
- Ensure a waterproof seal between the fixture and building exists

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost accounts for replacement with the use of in-house labor.

Mailboxes

Line Item: 1.265

Quantity: 120 unit mailboxes at the two- and three-story buildings

History: History unavailable at the time of our inspection but age reportedly varies

Condition: The condition of the mailboxes varies from fair to poor with rust evident

Mailbox stations

Mailbox station rust

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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

Roofs, Modified Bitumen

Line Items: 1.495 and 1.500

Quantity: Approximately 25,000 square feet of modified bitumen roofs at buildings 1-6 and the pool house

History and Condition: The age of the most recent roof replacements vary by building. The exact date of restoration for each 2-story building is as follows

- Building 1 in 2015
- Building 2 in 2010
- Building 3 in 2008
- Building 4 in 2013
- Building 5 in 2014
- Building 6 in 2012
- Pool House in 2013

The Association applied silicone roof coatings in 2022. With proper maintenance, silicone roof coatings help prevent water infiltration and defer the need for replacement of the roof. However, application of the coating is dependent on several factors such as limited water saturation.

*The years of replacement for building 6 is based on wind inspections and may not represent the actual age of the roofs. The Board further informs us the work completed at Building 9 may have been the result of hurricane damage in which the roof was reattached rather than fully replaced. Due to the non-invasive nature of our inspection, we could not fully verify these conditions.

Modified bitumen roof overview

Pool house roof overview

Useful Life: 15- to 20-years for replacement of the roofs although this can be prolonged by application of silicone coatings with a useful life of up to 10 years

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

Walls, Stucco

Line Item: 1.881

Quantity: Approximately 64,900 square feet of the building exteriors at the two-story buildings. This quantity includes a limited amount of textured concrete and wood soffit.

History: Repairs and coatings were last conducted in 2021.

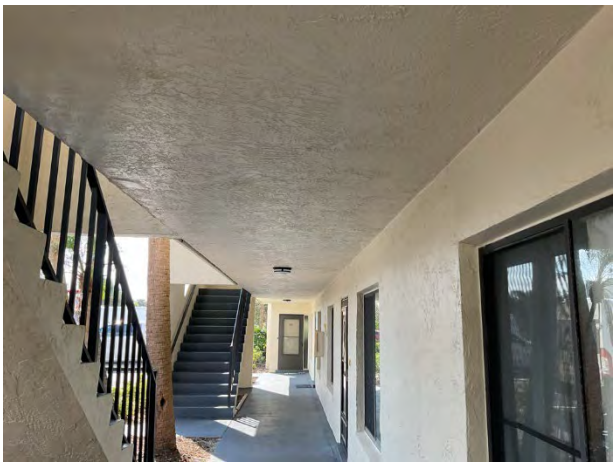
Condition: Good to fair overall with stains and finish fade evident. The Board informs us of an increased need for repairs at the breezeway walls which originally included openings for planters

Stucco wall finishes

Stucco wall finishes

Stucco wall finishes at pool house

Stucco finish stains



Stucco wall finishes

Stucco finish fade

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

NON-STRUCTURAL - Building Services Elements

Electrical System

Line Item: 3.301

History: Original to construction located at the two-story buildings

Condition: Reported satisfactory without operational deficiencies. We note finish deterioration to the outside of the panels evident

Electrical system

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:

Primary Switchgear - The primary switchgear is located where the electric supply comes into the building. Switchgear can include associated controls, regulating, metering and protective devices, and is used for the transmission, distribution and conversion of electric power for use within the building. Switchgear components have a useful life of up to and sometimes beyond 70 years. Replacement is often determined by a desired upgrade of the entire electrical system.

Transformer - A transformer is an electric device with two or more coupled windings used to convert a power supply from one voltage to another voltage. Transformers within a building lower the supplied electrical voltage to a level that can be utilized by the building's equipment and unit owners. Transformers do not utilize mechanical components and therefore have a long useful life. However, the Association should anticipate periodic replacement of a limited quantity of transformers.

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.

Bus Bar - A bus bar is an electric conductor that serves as a common connection for two or more circuits and carries a large current. The metal enclosure contains factory assembled conductors, usually copper or aluminum bars or tubes. Bus bars typically convey electricity in a vertical riser to the multiple stories in the

building. This component has an indefinite useful life and would rarely require replacement in total unless an upgrade of the capacity of the electrical system is desired.

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.

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, and transformers 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

- Examine the insulation at switchgears for signs of deterioration or cracking
- 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 main switchgear, 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, and inspections of the transformers for any indications of arcing, burning or overheating on a regular basis, funded through the operating budget. Verification of the integrity of all connection points minimizes the potential for arcing and fires.

Security System

Line Items: 3.820 and 3.821

Quantity: Canaveral Bay utilizes the following security system components:

- Automated access systems
- Security cameras

History and Condition: The security system was installed in approximately 2018-2019 but was not fully utilized. The Association purchased software and key fobs in approximately 2020-2021 to make the system fully operational. The Association is expanding their camera system in 2025

Security system camera

Security system camera

Useful Life: 10- to 15-years

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

Monthly:

- Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
- Check recording equipment for proper operation
- Verify monitors are free from distortion with correct brightness and contrast

Annually:

- Check exposed wiring and cables for wear, proper connections and signal transmission
- Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

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

NON-STRUCTURAL - Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.020, 4.040 and 4.041

Quantity: Approximately 10,525 square yards at the streets and parking areas

History:

- Repaving: The streets and parking areas have been repaved at buildings 1-6 in 2023. The Association plans to do buildings 7-9 in the near term
- Repairs: Timing of the last patch and seal coat is unknown

Condition: Building 1-6 pavement is good to fair overall and buildings 7-9 pavement is fair to poor overall with cracks, potholes, spalls, upheaval and vehicle stains evident

Asphalt pavement overview

Asphalt pavement cracks

Asphalt pavement pothole

Asphalt pavement cracks and potholes

Asphalt pavement cracks

Asphalt pavement upheaval

Asphalt pavement overview

Asphalt pavement spall

Vehicle stains

Asphalt pavement cracks

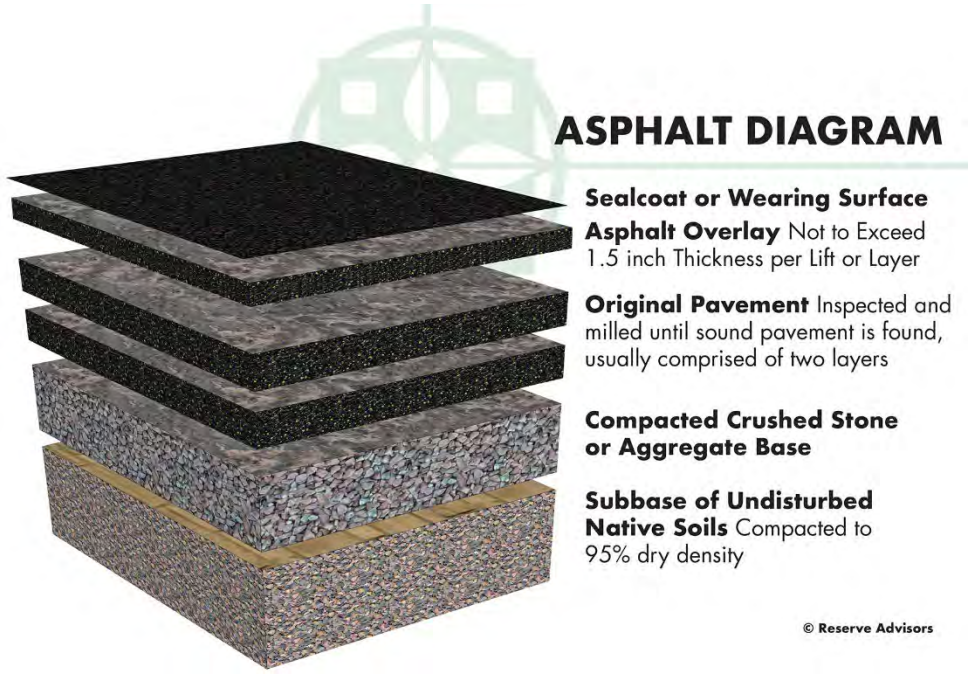
Useful Life: 15- to 20-years with the benefit of patch, seal coat, and striping events every three- to five-years

Component Detail Notes: Patch repairs are conducted at areas exhibiting settlement, potholes, or excessive cracking. These conditions typically occur near high traffic areas,

catch basins, and pavement edges. The contractor should only apply seal coat applications after repairs are completed. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement.

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 Canaveral Bay:



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

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%).

Fences, Trash Corrals

Line Item: 4.220

Quantity: Approximately 220 linear feet of chain link and wood fences at the trash corrals

History: The fences were replaced in 2022

Condition: Good to fair overall with warped webbing and leaning sections evident

Fences at trash corral overview

Fence leaning section

Fences at trash corral overview

Fence warped webbing

Useful Life: 15- to 20-years

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

Annually:

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

Priority/Criticality: Per Board discretion

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

Golf Cart

Line Item: 4.355

Quantity: One each

History: History unavailable at the time of our inspection

Golf cart overview

Condition: Reported satisfactory

Useful Life: Up to 10 years

Priority/Criticality: Per Board discretion

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

Irrigation System

Line Item: 4.420

History: The Board informs us the irrigation system was shut down in approximately 2018 when the well dried up. A new well was dug in 2020 and the Association has also converted the irrigation system to electric power

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

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

Canaveral Bay 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 include valve repairs, controller repairs, partial head replacements and pipe repairs

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

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

Lift Station, Pumps

Line Item: 4.540

Quantity: Two each

History: The pumps were initially replaced in 2021. They were then upgraded in 2023.

Condition: The Board previously informed us of issues with improper waste disposal causing clogs and downtime. Furthermore, the Board informed us the Association may be subject to fines if water seeps into the nearby river. A contractor had recommended the Association consider upgrading the pumps to limit clogs. The 2023 pump upgrades have addressed these concerns. The Association currently reports that the lift station is in satisfactory condition

Useful Life: Up to 10 years

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

Semi-annually:

- Inspect and repair bearings, lubricant and shaft seals, and grease motor bearings as needed
- Test and adjust pump if excessive vibration is evident. Inspect impeller for wear, corrosion or damage.
- Check amperage draw on motors for functionality
- Check all float switches for functionality

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.

Lift Station, Rebuild

Line Item: 4.550

History: Original

Condition: Reported satisfactory with the need for minor piping repairs

Lift station

Useful Life: Up to 30 years

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

Semi-annually:

- Inspect lifting chain/cable and guide rails
- Inspect check valves for wear and damage
- Check all controls and electrical components
- Clean and remove grease and other debris 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. Rebuilding of the station includes replacement of pumps, motors, guide rails and electrical components including controls. The Association should fund interim repairs and replacements through the operating budget.

Perimeter Walls, Stucco

Line Item: 4.640

Quantity: Approximately 5,950 square feet of stucco surface area which includes both sides of the walls.

History: Coatings and repairs were last conducted in 2021 in conjunction with the buildings

Condition: Good to fair overall with cracks evident

Perimeter wall overview

Wall light fixture

Wall stucco cracks

Useful Life: Indefinitely long with periodic finish applications and proper maintenance every five- to seven-years

Component Detail Notes: Stucco is Portland cement plaster that is applied directly to a solid base such as masonry or concrete. Periodic paint finish applications and repairs to stucco help prevent water infiltration and spalling from weather exposure, maintain a good appearance and maximize the useful life of the system.

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

As-needed:

- Inspect for significant stucco damage, cracks and paint finish deterioration. If these conditions exist, perform near term repairs and remediation, utilizing reserve funds if project scope warrants.
- Ensure irrigation heads are directed away from the walls
- Pressure clean as necessary at areas of finish stains and organic growth

Priority/Criticality: Not recommended to defer

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. The exact amount of area in need of repair will be discretionary based on the actual future conditions and the desired appearance. 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.

Pipes, Subsurface Utilities

Line Item: 4.650

Condition: Reported satisfactory

Useful Life: Up to and likely beyond 85 years

Component Detail Notes: The Association maintains the subsurface utility pipes throughout the property. The exact amounts and locations of the subsurface utility pipes were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection.

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

As-needed:

- Video inspect waste pipes for breaks and damaged piping
- Monitor for water and gas leaks through pressure losses and present odors
- Partially replace damaged section of pipes

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 replacement of continuous lengths of subsurface utility pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Canaveral Bay could budget sufficient reserves for these utility repairs 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 repairs to budget sufficient reserves.

Tennis Courts, Color Coat and Surface Replacement

Line Items: 4.830 and 4.860

Quantity: Approximately 1,440 square yards of asphalt comprising two tennis courts

History: A color coat application was reportedly conducted in approximately 2012. We opine another coat application may have been conducted in approximately 2016 based on satellite imagery. Pickleball lines were added in 2020.

Condition: The color coat is in fair condition with finish fade evident. The playing surface is in fair condition with systematic cracks evident.

Tennis court overview

Surface cracks

Surface cracks

Surface cracks

Surface cracks

Surface cracks

Useful Life: Up to 25 years for replacement of the surface with color coat applications conducted four- to six-years

Preventative Maintenance Notes: 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

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: 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.

Tennis Courts, Fence

Line Item: 4.840

Quantity: Approximately 460 linear feet around the tennis courts

History: History unavailable at the time of our inspection

Condition: Fair overall with isolated deterioration, rust and damage evident

Chain link fence

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.

NON-STRUCTURAL - Pool Elements

Pool overview

Spa overview

Concrete Deck

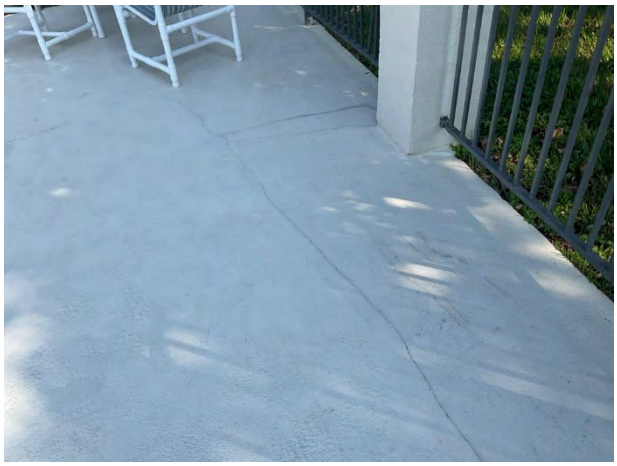
Line Item: 6.200

Quantity: Approximately 2,800 square feet

History: The Association lifted a portion of the deck in 2021. The deck has also recently been painted.

Condition: Fair overall with cracks evident

Concrete deck overview



Concrete cracks

Concrete cracks

Coping cracks

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.

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
- Conduct coating repairs in areas with delamination and concrete spalling
- 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 application

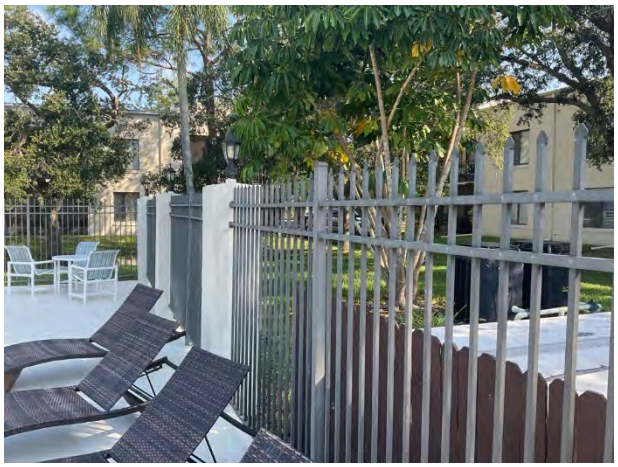
Fences, Aluminum

Line Item: 6.400

Quantity: Approximately 200 linear feet

History: Age unknown

Condition: Good to fair overall with isolated bent pickets and finish 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. Our cost includes replacement of the light fixtures and column repairs.

Furniture

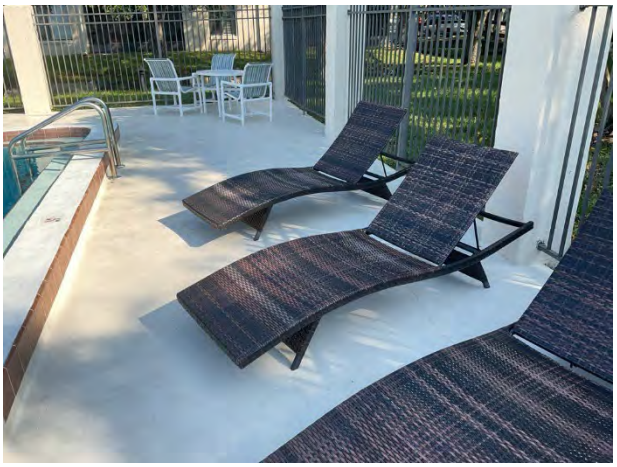
Line Item: 6.500

Quantity: The pool furniture includes the following:

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

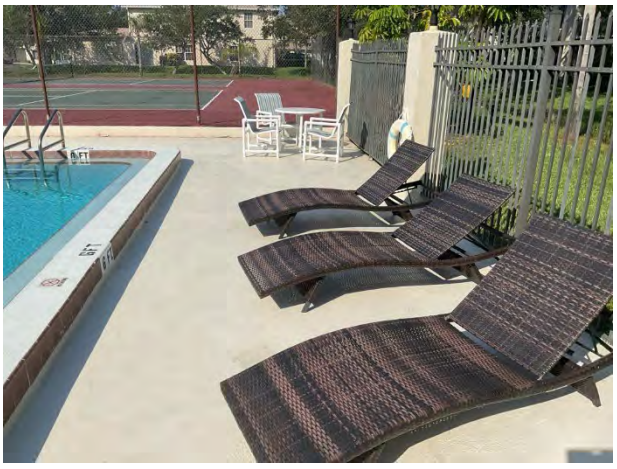
History: The furniture was replaced in 2021

Condition: Fair overall with finish deterioration and damage evident.



Pool furniture overview

Furniture damage



Pool furniture overview

Furniture finish deterioration

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 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:

- Controls
- Filter systems
- Heaters
- Interconnected pipe, fittings and valves
- Pumps

History: The ages of the mechanical equipment vary. The Association reports that most of the equipment is new and replaced over the last five years

Condition: Reported satisfactory

Pool mechanical equipment

Pool mechanical equipment

Pool mechanical equipment

Pool mechanical equipment

Useful Life: Up to 15 years

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to thirty-three percent (33%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

Pool Finishes, Plaster and Tile

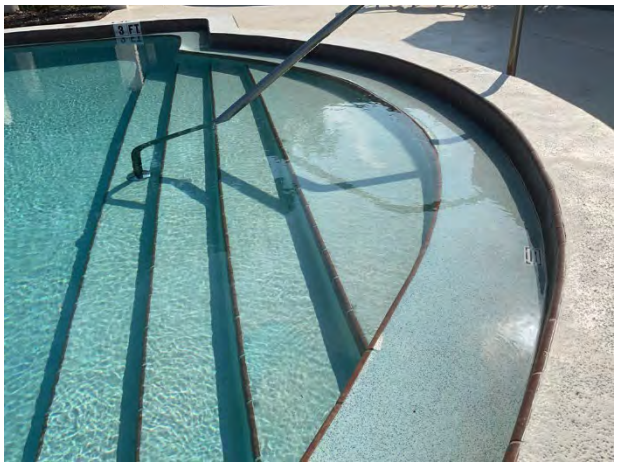
Line Items: 6.800 and 6.801

Quantity: Approximately 1,160 square feet of plaster based on the horizontal surface area and approximately 340 linear feet of tile

History: The pool finishes date to approximately 2012.

Condition: Fair overall with deterioration evident

Pool plaster overview



Pool plaster and tile overview at steps

Tile deterioration

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

Rest Rooms

Line Item: 6.850

Quantity: Two each. The rest room components include:

- Tile floor and shower coverings
- Paint finishes
- Light fixtures
- Plumbing fixtures
- Sauna

History: History unavailable at the time of our inspection

Condition: Fair overall with isolated damage, finish deterioration and rust evident

Rest room overview

Rest room overview

Rest room overview

Rust at partition base

Tile finish deterioration

Useful Life: Renovation up to every 30 years

Priority/Criticality: Per Board discretion

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

Structures and Deck

Line Item: 6.900

Quantity: Approximately 1,160 square feet of horizontal surface area

History: Original

Conditions: Visually appear in good 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 Canaveral Bay 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.

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.

Canaveral Bay 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 and exceeds the National standards[1] set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level II Reserve Study Update." 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
- Local[2] 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 rate[3]. 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 Canaveral Bay 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.

WILL J. MAGGIO
Responsible Advisor

CURRENT CLIENT SERVICES

Will Maggio, an Industrial Engineer, is an Advisor for Reserve Advisors. Mr. Maggio 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 Will Maggio demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Costa Del Sol Condominium Association, Inc. - Located in Cape Canaveral, Florida, this condominium association contains six midrise buildings and six condominium style buildings. The Association maintains the building exteriors, a clubhouse, two pools, six elevators, landscaping and electrical and life safety system equipment.

The Grand Bellagio at Baywatch Condominium Association, Inc. - This upscale townhome development is located in Clearwater, Florida. The Grand Bellagio consists of 13 buildings and maintains the diverse building exteriors as well as a modern pool amenity area. The Association is also responsible for the street system, a gate house, docks and sea walls.

The Bristol Bay Condominium Association, Inc. – This development was constructed in 1985 and is located in South Daytona, Florida. An apartment style community consisting of 228 units, The Bristol Bay maintains the building exteriors as well as a pool amenity area and the street system.

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

Crossroads Association, inc. - This community is located in Ponte Vedra Beach, Florida, and is responsible for the common elements shared by 264 single family homes. The Association maintains a dock and beach crossover, a pool and pool house, tennis courts, five ponds, and multiple common spaces throughout the community.

Liberty Park Homeowners association, Inc. - This townhome development is located in Atlanta, Georgia. An expansive community consisting of 433 units, Liberty Park maintains the building exteriors as well as a pool amenity area. The Association is also responsible for the street system and various retaining walls throughout the property

PRIOR RELEVANT EXPERIENCE

Mr. Maggio earned his Bachelor of Science degree in Industrial Engineering from the University of Central Florida. Before joining Reserve Advisors, Mr. Maggio successfully completed quality engineering and industrial engineering internships with a focus on quality assurance and process optimization

EDUCATION

University of Central Florida - B.S. Industrial Engineering

NANCY S. DANIEL, P.E., RS
Regional Engineering Manager and Quality Assurance Engineer

CURRENT CLIENT SERVICES

Nancy S. Daniel, a Mechanical Engineer, is an Advisor for *Reserve Advisors.* Ms. Daniel is responsible for the inspection and analysis of the condition of clients' properties, and for recommending engineering solutions to prolong the lives of the components. She forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. She is also responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for apartments, condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Nancy Daniel demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

Queen's Harbour Yacht and Country Club Owners Association, Inc. – An exclusive Master planned community for the common elements shared by 1,000 single-family homes. Located in Jacksonville, Florida, the Queen's Harbour Yacht and Country Club Owners Association contains a marina, a lock and dam, sea walls, as well as community center, fitness center and maintenance facility.

Riviera Dunes Marina – A premier marina with 219 wet slips with slip sizes up to 100 feet located near Bradenton, Florida. The community contains floating docks, utility and pump out services, marina fuel station, floating pools, a dock master office, and restaurant.

PGA Village Property Owners' Association – A 3,000-acre Master planned community located in Port St. Lucie, Florida. The exclusive community consists of 2,500 single-family homes, townhomes and condominiums. The PGA Village contains a clubhouse and pool area, approximately 33 miles of paved streets, irrigation distribution systems, and 46 lakes.

YC Coconut Grove Hotel and Condominium - A 24-story high-rise condominium community with 211 units, located in Miami, Florida. This all-inclusive condominium includes a commercial hotel, restaurants, fitness center, pool, parking garage, and building services equipment.

Jade Signature Condominium – A 57-story high-rise condominium community with 193 units, located in Sunny Isles Beach, Florida. This exclusive condominium contains a spa and wellness center, restaurants, pools and spas, parking garage, and building services equipment.

Vero Beach Museum of Art – A nonprofit art museum for the appreciation and teaching of the arts and humanities, located in Vero Beach, Florida. The museum contains art galleries, sculpture gardens, performance halls, art studios, children's art zone, and building services equipment.

PRIOR RELEVANT EXPERIENCE

Before joining *Reserve Advisors*, Ms. Daniel was a licensed Community Association Manager for Condominium Associates in Tampa, Florida. Ms. Daniel also was employed as a Process Engineer for Anheuser Busch and Lockwood Greene Engineering. She was responsible for process engineering design, construction and process start-up for beverage manufacturing facilities across the United States. She has also served as a Board Member and Treasurer for her condominium association.

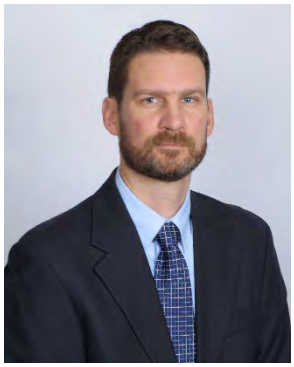
EDUCATION

University of Illinois – B.S. Mechanical Engineering
North Carolina State University – M.A. Humanities and Social Sciences

PROFESSIONAL AFFILIATIONS

Professional Engineer (P.E.) – State of Texas
Reserve Specialist (RS) - Community Associations Institute
Licensed Community Association Manager (LCAM) – State of Florida

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 Canaveral Bay 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) Canaveral Bay responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in ***Reserve Expenditures*** that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.

8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, LLC ("RA") performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan, to create reserves for anticipated future replacement expenditures of the 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. The reserve report 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. The inspection is made by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA, 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.