

Ocean Paradise Condominium Association, Inc.  
Cocoa Beach, Florida

Dear Board of Directors of Ocean Paradise 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 Ocean Paradise Condominium Association, Inc. in Cocoa Beach, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 20, 2023.

This *Structural Integrity Reserve Study* meets or exceeds all requirements set forth in Florida Statute 718.112 and the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a “Level I Full Reserve Study.”

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Ocean Paradise 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 September 29, 2023 by

*Reserve Advisors, LLC*

Visual Inspection and Report by: Jared Kelley  
Review by: Alan M. Ebert, RS<sup>1</sup>, PRA<sup>2</sup>, Director of Quality Assurance



<sup>1</sup> 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.

<sup>2</sup> 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:** Ocean Paradise Condominium Association, Inc. (Ocean Paradise)

**Location:** Cocoa Beach, Florida

**Reference:** 222895

**Property Basics:** Ocean Paradise Condominium Association, Inc. is a condominium style development which consists of 12 units in one building. The building was built in 2010. The building comprises stucco exterior walls and a flat roof with a decorative metal border. The community contains a boardwalk and pool.

**Reserve Components Identified:**

- 16 *Structural Integrity* Reserve Components
- 21 *General* Reserve Components

**Inspection Date:** September 20, 2023.

**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. The component method does not allow for a threshold funding goal which is one of the reasons most communities use the cash flow methodology.

- *Structural Integrity:* Our recommended Funding Plan recognizes these threshold funding years in 2027 due to the repainting of the building exterior and inspections and repairs to the balconies and in 2049 due to the replacement of the metal roof assemblies. In addition, the Reserve Funding Plan recommends 2053 year end accumulated reserves of approximately \$277,100. We judge this amount of accumulated reserves in 2053 necessary to fund the likely replacement of the fire suppression pump after 2053. Future replacement costs beyond the next 30 years for the replacement of the fire suppression pump are likely to more than double the current cost of replacement, now estimated at approximately \$52,500. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2053 year end reserves.
- *General:* Our recommended Funding Plan recognizes this threshold funding year in 2045 due to the replacement of the hydraulic elevator cylinder, pumps, controls and renovation of the elevator cabs.

**Methodology:**

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

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

- Current and future local costs of replacement
- 2.0% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs



**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 - Paint finish applications and stucco repairs to limit water infiltration into the units, and to maintain a uniformly clean and consistent appearance of the building exterior
- Structural Integrity - Repairs and waterproof coating applications to the balconies to prevent accelerated deterioration of the concrete
- Structural Integrity - Repairs and partial replacements to the on-grade concrete in the common garage space to prevent further cracking and elevated future repair costs
- General - Replacement of the wood deck boards at the boardwalk to address the identified deterioration and prevent safety hazards from developing
- General - Refinishing of the pool plaster, tile and coping to improve the appearance and desirability of the community and to address any potential leaks that have developed in the pool structure
- General - Replacement of the common area garage door and operator to ensure security at the community and due to possible service interruptions caused by the operator control equipment being open to the air
- General - Replacement of the gazebo structure to address accelerated deterioration caused by the structure's proximity to the beach
- General - Partial replacement and repair to the concrete parking area to address cracks and prevent further deterioration

**Unaudited Cash Status of Reserve Fund:**

- \$112,176 as of August 31, 2023
- \$17,731 in budgeted 2023 reserve contributions, and \$20,854 in budgeted 2024 reserve contributions (\$26,764 remaining to January 1, 2025)
- \$638 in estimated remaining 2023 and 2024 reserve expenses
- We project a 2024 Reserve End Balance of \$138,302.



### **Component Method Funding**

The Association currently uses component methodology to calculate their reserve requirements. Component reserve funds are restricted to be used only on the specific reserve component(s).

**Structural Component Funding Analysis:** Under this methodology, the required total annual funding for 2025 is \$81,434. This initial adjustment recommends an average monthly increase of \$272.46 per unit owner.

**General Component Funding Analysis:** Under this methodology, the required total annual funding for 2025 is \$104,322. This initial adjustment recommends an average monthly increase of \$466.82 per unit owner.

The Component Method does not incorporate inflation or interest on reserves. Estimates of appropriate reserve contributions must be updated annually to account for market changes in the common elements from year to year. Changes in market conditions and other inherent factors of the Component Method can result in significant volatility in the reserve contribution from year to year. Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items

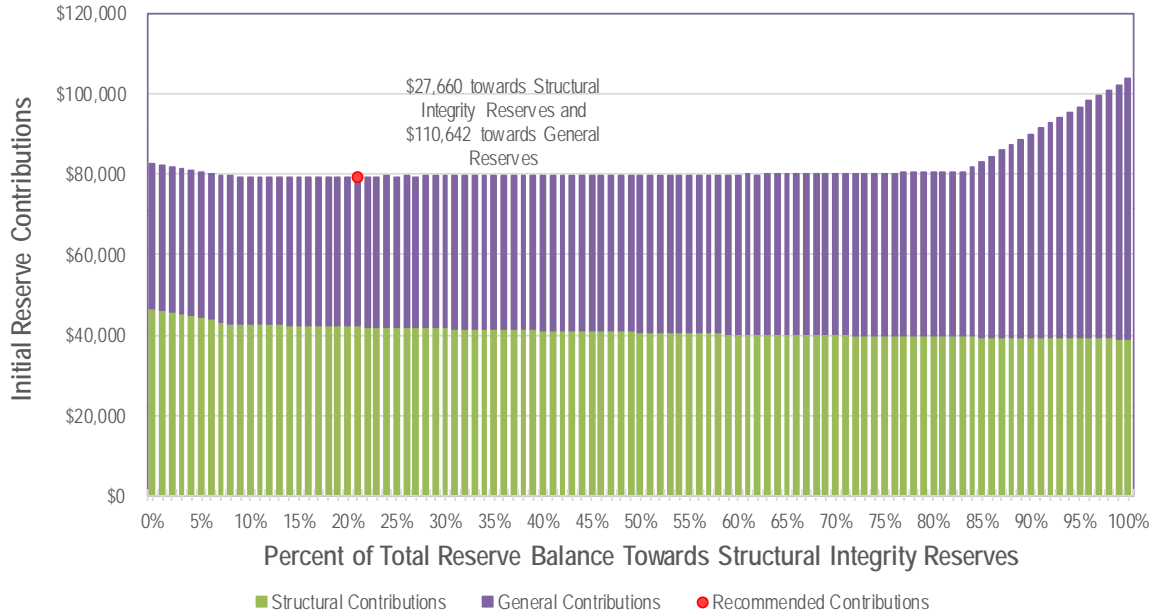
### **Cash Flow Method Funding**

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

As part of our Cash Flow Method, we analyzed future expenditures and identified the reserve balance split to produce the lowest overall required contributions. Starting in 2025, we recommend the Association contribute \$27,660 or 20% of this balance to the Structural Integrity Reserve Plan and \$110,642, or 80% to the General Reserve Plan to minimize the required reserve contributions. The following chart depicts the analysis of future expenditures and the reserve balance split to produce the lowest overall required contributions.



### Starting Cash Flow - Optimized Reserve Balance Split



Cash Flow - Existing Reserve Balance and Contribution Split					
Ocean Paradise Condominium Association, Inc. Cocoa Beach, Florida				Plan Types	
		FY2023	2024	Structural 2025	General 2025
Reserves at Beginning of Year	(Note 1)	112,176	117,448	27,660	110,642
Recommended Reserve Contributions		5,910	20,854	42,200	37,100
Percent to Structural Integrity Reserves				20%	
Percent to General Reserves				80%	
<b>Total Recommended Reserve Contributions</b>	(Note 2)	<b>5,910</b>	<b>20,854</b>	<b>42,200</b>	<b>37,100</b>
Anticipated Interest Rate		0.00%	0.00%		
Estimated Interest Earned, During Year	(Note 3)	0	0		
Anticipated Structural Expenditures, By Year		0	0		
Anticipated General Expenditures, By Year		(638)	0		
<b>Anticipated Reserves at Year End</b>		<b>\$117,448</b>	<b>\$138,302</b>		



### **Structural Integrity**

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

- We recommend the Association adopt a Structural Integrity reserve budget of \$42,200 in 2025
- Inflationary increases thereafter through 2053, the limit of this study's Cash Flow Analysis
- Initial recommended adjustment of \$42,200 is equivalent to \$293.06 in monthly contributions per unit owner.
- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items

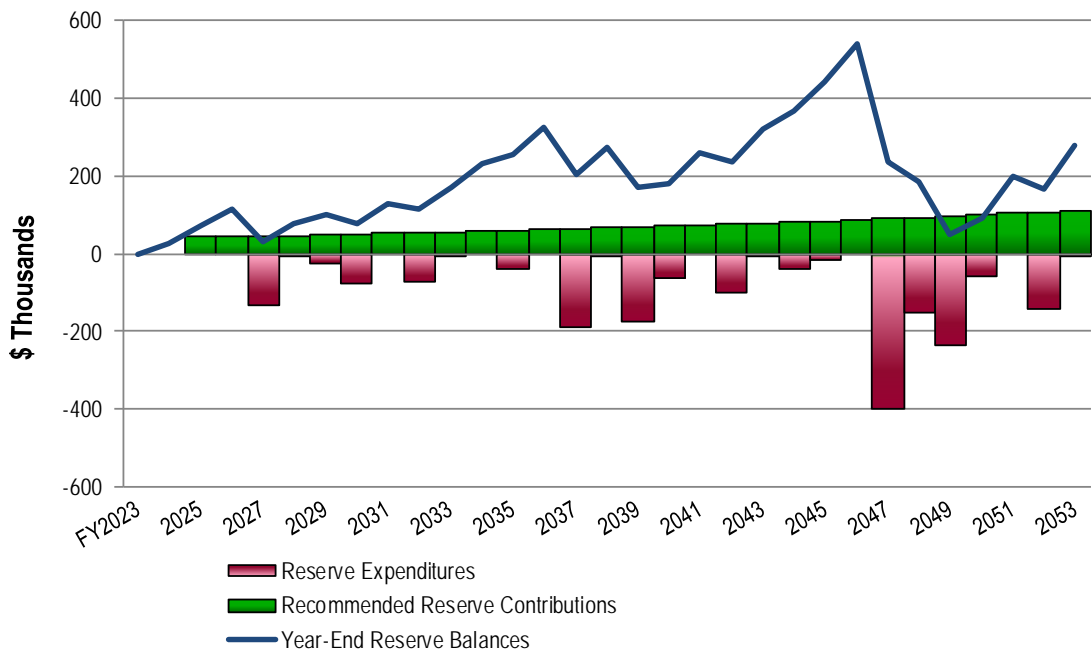
The reclassification of existing component funds as cash flow (aka pooled) reserves would not be allowed unless approved by a majority vote of the Unit Owners at a duly called meeting of the Association. In lieu of obtaining a vote of the Unit Owners, a Board may vote to fund future reserves based on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

The restrictions on reserve funds do not apply to Homeowners Associations without statutory reserves. In Florida, Homeowners Association reserves are considered statutory if they were approved by a vote of a majority of the voting interest or otherwise required by their governing documents.



### Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2024	N/A (Budgeted)	27,660	2034	57,500	233,211	2044	81,200	366,091
2025	42,200	70,835	2035	59,500	256,076	2045	84,000	442,752
2026	43,700	116,389	2036	61,600	323,414	2046	86,900	539,376
2027	45,200	28,766	2037	63,800	203,039	2047	89,900	236,646
2028	46,800	75,386	2038	66,000	272,034	2048	93,000	183,695
2029	48,400	100,947	2039	68,300	168,523	2049	96,300	47,472
2030	50,100	76,852	2040	70,700	180,946	2050	99,700	92,355
2031	51,900	130,808	2041	73,200	258,497	2051	103,200	198,434
2032	53,700	114,705	2042	75,800	237,313	2052	106,800	165,103
2033	55,600	171,702	2043	78,500	319,294	2053	110,500	277,118





### **General**

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

- We recommend the Association adopt a General reserve budget of \$37,100 in 2025
- Inflationary increases thereafter through 2053, the limit of this study's Cash Flow Analysis
- Initial recommended adjustment of \$37,100 is equivalent to \$257.64 in monthly contributions per unit owner.

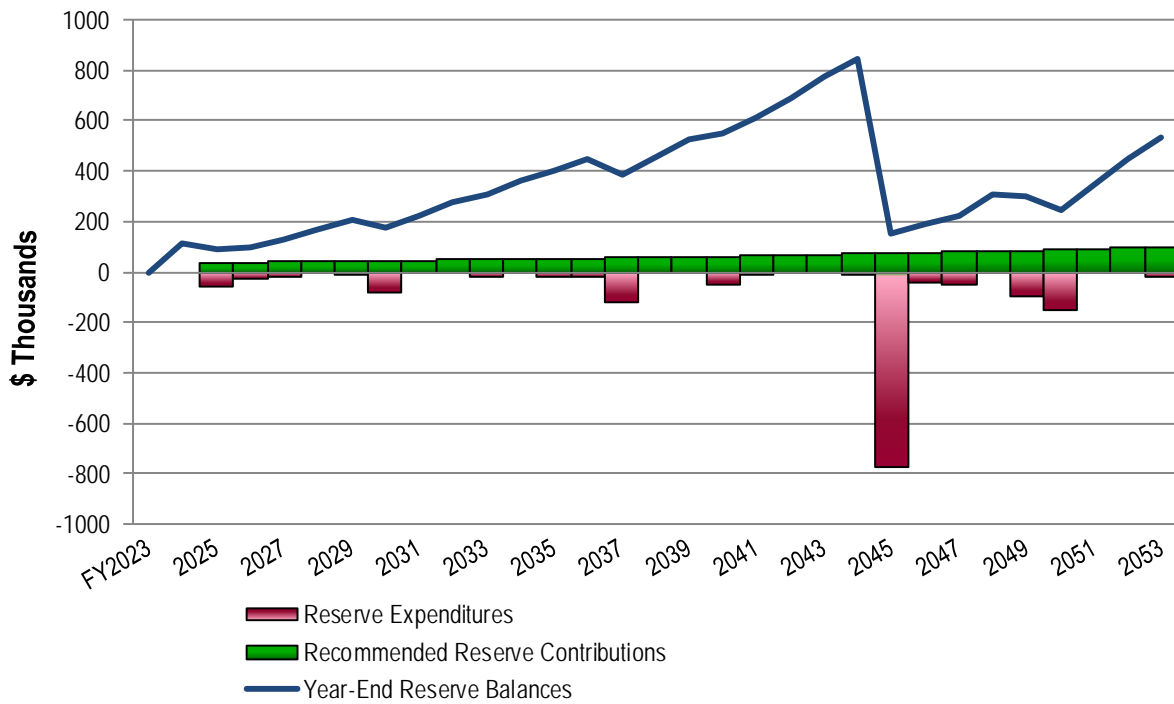
The reclassification of existing component funds as cash flow (aka pooled) reserves would not be allowed unless approved by a majority vote of the Unit Owners at a duly called meeting of the Association. In lieu of obtaining a vote of the Unit Owners, a Board may vote to fund future reserves based on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

The restrictions on reserve funds do not apply to Homeowners Associations without statutory reserves. In Florida, Homeowners Association reserves are considered statutory if they were approved by a vote of a majority of the voting interest or otherwise required by their governing documents.



### Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2024	N/A (Budgeted)	110,642	2034	50,400	364,015	2044	71,100	845,656
2025	37,100	91,220	2035	52,200	403,299	2045	73,600	152,683
2026	38,400	100,810	2036	54,000	447,740	2046	76,200	188,804
2027	39,700	125,538	2037	55,900	388,904	2047	78,900	219,227
2028	41,100	169,560	2038	57,900	455,161	2048	81,700	306,129
2029	42,500	207,185	2039	59,900	524,763	2049	84,600	302,339
2030	44,000	172,276	2040	62,000	545,902	2050	87,600	246,581
2031	45,500	221,677	2041	64,200	608,530	2051	90,700	343,120
2032	47,100	273,682	2042	66,400	687,765	2052	93,900	444,821
2033	48,700	306,972	2043	68,700	770,907	2053	97,200	532,045





## 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

**Ocean Paradise Condominium Association, Inc.**

**Cocoa Beach, Florida**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 20, 2023.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook** - Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

## IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Unit 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. These classes of property include:

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

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

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

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

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

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

We discuss specific exclusions for the following elements:

- Structure and Primary Structural Members - We anticipate a useful life of up to and beyond 100 years and consider full replacement unlikely and cost prohibitive. Management reports 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 unit owners

**Long-Lived Property Elements** – These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time.

- Electrical Systems, Common (2010)
- Pipes, Interior Building, Fire Standpipes, Gas Supply, Building Heating and Cooling, Common (2010)
- Pipes, Subsurface Utilities (2010)
- Pool Structure (2010)
- Valves, Large Diameter (2010)

**Operating Budget** - Provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$5,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Awnings, Subsequent Canvas Replacements
- Boardwalk, Wood, Interim Repairs and Paint Finish Applications
- Doors, Interior
- Elevators, Interim Maintenance and Repair
- Exhaust Fans, Less than 5,000-CFM (cubic feet per minute)
- Fire Extinguishers
- Fire Suppression System, Garages, Interim Replacements and Paint Finish Applications
- Garage, Common, Light Fixtures

- Gazebo, Interim Repairs and Paint Finish Applications
- Irrigation System, Controls and Maintenance
- Landscape
- Light Fixtures, Building Exterior and Stairwells
- Lobbies, Interim Partial Renovations and Paint Finish Applications
- Paint Finishes, Touch Up
- Pipes, Common, Interim Repairs and Waste Rodding
- Pool Deck, Pavers, Interim Resetting and Partial Replacements
- Pool Furniture and Site Furniture
- Railings, Interim Repairs and Finish Applications
- Signage, Property Identification Monument
- Staff, Storage and Service Areas
- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)
- Wood Soffits, Interim Repairs and Stain Applications
- Other Repairs normally funded through the Operating Budget



**Fire extinguisher**



**Pool Furniture**

**Unit Owner Responsibility** - Items designated as the responsibility of the Unit Owners to repair or replace at their cost. Property Maintained by Unit Owners, including items billed back to Unit Owners, relates to unit:

- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Light Fixtures, Balconies
- Pipes (Within Units)
- Storm Shutters
- Windows and Doors

**Others' Responsibility** - Items designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:



- Perimeter Walls, Stucco (At the request of the Association, we include an allowance for painting the inside of the walls as part of the building stucco exterior paint finish application project)

### **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
- 2023 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

#### **Reserve Funding Plan**

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

#### **Five-Year Outlook**

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

#### **Component Method**

- Component information as also shown in Reserve Expenditures
- Current balance, remaining contributions and remaining expenditures
- Projected beginning year balance for 2023
- Unfunded residual balance
- 2025 recommended contribution

#### **Component Method Summary**

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



- Projected category balances and recommended contributions

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

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

**Structural Integrity**  
**RESERVE EXPENDITURES**

**Ocean Paradise**  
**Condominium Association, Inc.**  
Cocoa Beach, Florida

**Explanatory Notes:**

- 1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2023 is Fiscal Year beginning January 1, 2023 and ending December 31, 2023.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028	6 2029	7 2030	8 2031	9 2032	10 2033	11 2034	12 2035	13 2036	14 2037	15 2038
						Useful Years	Remaining	Unit (2023)	Per Phase (2023)	Total (2023)																	
<b>Exterior Building Elements</b>																											
1.060	4,000	4,000	Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2027	8 to 12	4	16.00	64,000	64,000	16.8%					73,441											103,596
1.105	540	540	Linear Feet	Balconies, Railings, Aluminum	2047	to 35	24	108.00	58,320	58,320	6.9%																
1.111	20	4	Each	Doors, Common, Phased (Incl. Utility Doors)	2030	to 40	7 to 27	1,800.00	7,200	36,000	3.4%							9,160						10,880			
1.460	80	80	Squares	Roofs, Metal	2049	to 30	26	1,200.00	96,000	96,000	12.2%																
1.530	3,100	3,100	Square Feet	Roofs, Thermoplastic	2039	to 20	16	20.00	62,000	62,000	5.6%																
1.590	3,300	3,300	Square Feet	Soffits, Wood, Replacement	2039	to 20	16	12.00	39,600	39,600	3.6%																
1.605	1	1	Allowance	Structural Members, Inspection	2040	to 10	17	15,000.00	15,000	15,000	3.4%																
1.845	400	400	Square Feet	Walls, Siding, Fiber Cement, Replacement	2048	to 50	25	15.00	6,000	6,000	0.7%																
1.880	26,500	26,500	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Common Garage & Interior of Perimeter Walls)	2027	5 to 7	4	2.00	53,000	53,000	30.4%				60,819				72,234							85,791	
<b>Building Services Elements</b>																											
3.440	1	1	Each	Generator, Emergency, 59-kW (Includes Transfer Switch)	2048	to 30	25	56,500.00	56,500	56,500	6.9%																
3.555	1	1	Allowance	Life Safety System, Control Panels	2029	to 15	6	20,000.00	20,000	20,000	3.4%							24,585									
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2035	to 25	12	11,500.00	11,500	11,500	0.9%														17,377		
3.580	35	35	Each	Life Safety System, Exit and Emergency Light Fixtures	2035	to 25	12	250.00	8,750	8,750	0.7%														13,222		
3.770	1	1	Each	Pump, Fire Suppression, 25-HP (Incl. Controller)	2030	to 40	7	52,500.00	52,500	52,500	3.5%							66,795									
<b>Common Garage Elements</b>																											
7.360	2,410	120	Square Feet	Concrete, On-grade, Partial	2028	to 90	5 to 30+	8.50	1,020	20,485	0.6%					1,211							1,439			1,709	
7.500	6,100	6,100	Square Feet	Fire Suppression System (Incl. Unit-Owner Garages)	2040	35 to 45	17	2.00	12,200	12,200	1.1%																
<b>Anticipated Expenditures, By Year (\$1,928,660 over 30 years)</b>												0	0	0	0	134,260	1,211	24,585	75,955	0	72,234	1,439	0	41,479	0	189,387	1,709

**Structural Integrity**  
**RESERVE EXPENDITURES**

**Ocean Paradise**  
**Condominium Association, Inc.**  
Cocoa Beach, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis		Costs, \$			Percentage of Future Expenditures	16 2039	17 2040	18 2041	19 2042	20 2043	21 2044	22 2045	23 2046	24 2047	25 2048	26 2049	27 2050	28 2051	29 2052	30 2053		
						Useful Years	Remaining	Unit (2023)	Per Phase (2023)	Total (2023)																		
<b>Exterior Building Elements</b>																												
1.060	4,000	4,000	Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2027	8 to 12	4	16.00	64,000	64,000	16.8%															146,133		
1.105	540	540	Linear Feet	Balconies, Railings, Aluminum	2047	to 35	24	108.00	58,320	58,320	6.9%																133,164	
1.111	20	4	Each	Doors, Common, Phased (Incl. Utility Doors)	2030	to 40	7 to 27	1,800.00	7,200	36,000	3.4%		12,922				15,347										18,227	
1.460	80	80	Squares	Roofs, Metal	2049	to 30	26	1,200.00	96,000	96,000	12.2%																234,812	
1.530	3,100	3,100	Square Feet	Roofs, Thermoplastic	2039	to 20	16	20.00	62,000	62,000	5.6%	107,507																
1.590	3,300	3,300	Square Feet	Soffits, Wood, Replacement	2039	to 20	16	12.00	39,600	39,600	3.6%	68,666																
1.605	1	1	Allowance	Structural Members, Inspection	2040	to 10	17	15,000.00	15,000	15,000	3.4%		26,920														37,974	
1.845	400	400	Square Feet	Walls, Siding, Fiber Cement, Replacement	2048	to 50	25	15.00	6,000	6,000	0.7%																14,179	
1.880	26,500	26,500	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Common Garage & Interior of Perimeter Walls)	2027	5 to 7	4	2.00	53,000	53,000	30.4%				101,893													143,730
<b>Building Services Elements</b>																												
3.440	1	1	Each	Generator, Emergency, 59-kW (Includes Transfer Switch)	2048	to 30	25	56,500.00	56,500	56,500	6.9%																	133,523
3.555	1	1	Allowance	Life Safety System, Control Panels	2029	to 15	6	20,000.00	20,000	20,000	3.4%						41,189											
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2035	to 25	12	11,500.00	11,500	11,500	0.9%																	
3.580	35	35	Each	Life Safety System, Exit and Emergency Light Fixtures	2035	to 25	12	250.00	8,750	8,750	0.7%																	
3.770	1	1	Each	Pump, Fire Suppression, 25-HP (Incl. Controller)	2030	to 40	7	52,500.00	52,500	52,500	3.5%																	
<b>Common Garage Elements</b>																												
7.360	2,410	120	Square Feet	Concrete, On-grade, Partial	2028	to 90	5 to 30+	8.50	1,020	20,485	0.6%					2,030												2,863
7.500	6,100	6,100	Square Feet	Fire Suppression System (Incl. Unit-Owner Garages)	2040	35 to 45	17	2.00	12,200	12,200	1.1%		21,895															
<b>Anticipated Expenditures, By Year (\$1,928,660 over 30 years)</b>												176,173	61,737	0	101,893	2,030	41,189	15,347	0	400,313	150,113	234,812	56,201	0	143,730	2,863		

# RESERVE FUNDING PLAN

## Structural Integrity

### CASH FLOW ANALYSIS

#### Ocean Paradise

#### Condominium Association, Inc.

#### Cocoa Beach, Florida

#### Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Reserves at Beginning of Year	(Note 1)	N/A	N/A	27,660	70,835	116,389	28,766	75,386	100,947	76,852	130,808	114,705	171,702	233,211	256,076	323,414	203,039
Total Recommended Reserve Contributions	(Note 2)	N/A	N/A	42,200	43,700	45,200	46,800	48,400	50,100	51,900	53,700	55,600	57,500	59,500	61,600	63,800	66,000
Estimated Interest Earned, During Year	(Note 3)	N/A	N/A	975	1,854	1,437	1,031	1,746	1,760	2,056	2,431	2,836	4,009	4,844	5,738	5,212	4,704
Anticipated Expenditures, By Year		N/A	N/A	0	0	(134,260)	(1,211)	(24,585)	(75,955)	0	(72,234)	(1,439)	0	(41,479)	0	(189,387)	(1,709)
Anticipated Reserves at Year End		<u>N/A</u>	<u>\$27,660</u>	<u>\$70,835</u>	<u>\$116,389</u>	<u>\$28,766</u>	<u>\$75,386</u>	<u>\$100,947</u>	<u>\$76,852</u>	<u>\$130,808</u>	<u>\$114,705</u>	<u>\$171,702</u>	<u>\$233,211</u>	<u>\$256,076</u>	<u>\$323,414</u>	<u>\$203,039</u>	<u>\$272,034</u>

(NOTE 5)

(continued)

#### Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

		2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Reserves at Beginning of Year		272,034	168,523	180,946	258,497	237,313	319,294	366,091	442,752	539,376	236,646	183,695	47,472	92,355	198,434	165,103
Total Recommended Reserve Contributions		68,300	70,700	73,200	75,800	78,500	81,200	84,000	86,900	89,900	93,000	96,300	99,700	103,200	106,800	110,500
Estimated Interest Earned, During Year		4,362	3,460	4,351	4,909	5,511	6,786	8,008	9,724	7,683	4,162	2,289	1,384	2,879	3,599	4,378
Anticipated Expenditures, By Year		(176,173)	(61,737)	0	(101,893)	(2,030)	(41,189)	(15,347)	0	(400,313)	(150,113)	(234,812)	(56,201)	0	(143,730)	(2,863)
Anticipated Reserves at Year End		<u>\$168,523</u>	<u>\$180,946</u>	<u>\$258,497</u>	<u>\$237,313</u>	<u>\$319,294</u>	<u>\$366,091</u>	<u>\$442,752</u>	<u>\$539,376</u>	<u>\$236,646</u>	<u>\$183,695</u>	<u>\$47,472</u>	<u>\$92,355</u>	<u>\$198,434</u>	<u>\$165,103</u>	<u>\$277,118</u>

(NOTE 5)

(NOTE 4)

#### Explanatory Notes:

- 1) Year 2024 Ending Reserves are projected as of December 31, 2024, and exclude funds in the General Reserve Funding Plan. FY2023 starts January 1, 2023 and ends December 31, 2023.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and the anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) 2.0% is the estimated annual rate of return on invested reserves; 2023 is a partial year of interest earned.
- 4) Accumulated year 2053 ending reserves consider the need to fund for replacement of the fire suppression pump shortly after 2053, and the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

**Structural Integrity**  
**RESERVE EXPENDITURES**

**Ocean Paradise**  
**Condominium Association, Inc.**  
Cocoa Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028
<b><u>Exterior Building Elements</u></b>							
1.060	Balconies, Concrete, Repairs and Waterproof Coating Applications						73,441
1.880	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Common Garage & Interior of Perimeter Walls)						60,819
<b><u>Common Garage Elements</u></b>							
7.360	Concrete, On-grade , Partial						1,211
<b>Anticipated Expenditures, By Year (\$1,928,660 over 30 years)</b>		0	0	0	0	134,260	1,211

**Structural Integrity**  
**COMPONENT METHOD RESERVE ANALYSIS**

for  
**Ocean Paradise**  
**Condominium Association, Inc.**  
Cocoa Beach, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	2023 Cost of Replacement, \$	Aug 31, 2023 Estimated Balance, \$	2023 Budgeted Contributions, \$	2023 Remaining Contributions, \$	Jan 1, 2024 Projected Balance, \$	2024 Budgeted Contributions, \$	2024 Budgeted Expenditures, \$	Jan 1, 2025 Projected Balance, \$	Unfunded Residual Balance, \$	2025 Recommended Contribution, \$	Reserve Category
					Useful	Remaining <sup>3</sup>												
<b>Exterior Building Elements</b>																		
1.060	4,000	Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2027	8 to 12	4	16.00	64,000	0	0	0	0	0	0	0	64,000	32,000	Paint
1.105	540	Linear Feet	Balconies, Railings, Aluminum	2047	to 35	24	108.00	58,320	0	0	0	0	0	0	0	58,320	2,651	Other
1.111	20	Each	Doors, Common (Incl. Utility Doors)	2030	to 40	7 to 27	1,800.00	36,000	0	0	0	0	0	0	0	36,000	2,400	Other
1.460	80	Squares	Roofs, Metal	2049	to 30	26	1,200.00	96,000	0	0	0	0	0	0	0	96,000	4,000	Roof
1.530	3,100	Square Feet	Roofs, Thermoplastic	2039	to 20	16	20.00	62,000	43,891	6,366	2,122	46,013	6,598	0	52,611	9,389	671	Roof
1.590	3,300	Square Feet	Soffits, Wood, Replacement	2039	to 20	16	12.00	39,600	0	0	0	0	0	0	0	39,600	2,829	Paint
1.605	1	Allowance	Structural Members, Inspection	2040	to 10	17	15,000.00	15,000	0	0	0	0	0	0	0	15,000	1,000	Other
1.845	400	Square Feet	Walls, Siding, Fiber Cement, Replacement	2048	to 50	25	15.00	6,000	0	0	0	0	0	0	0	6,000	261	Paint
1.880	26,500	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs (Incl. Common Garage & Interior of Perimeter Walls)	2027	5 to 7	4	2.00	53,000	20,372	4,897	1,632	22,005	1,311	0	23,316	29,684	14,842	Paint
<b>Building Services Elements</b>																		
3.440	1	Each	Generator, Emergency, 59-kW (Includes Transfer Switch)	2048	to 30	25	56,500.00	56,500	307	0	0	307	0	0	307	56,193	2,443	Spec Assessment - Generator <sup>1</sup>
3.555	1	Allowance	Life Safety System, Control Panels	2029	to 15	6	20,000.00	20,000	0	0	0	0	0	0	0	20,000	5,000	Other
3.560	1	Allowance	Life Safety System, Emergency Devices	2035	to 25	12	11,500.00	11,500	0	0	0	0	0	0	0	11,500	1,150	Other
3.580	35	Each	Life Safety System, Exit and Emergency Light Fixtures	2035	to 25	12	250.00	8,750	0	0	0	0	0	0	0	8,750	875	Other
3.770	1	Each	Pump, Fire Suppression, 25-HP (Incl. Controller)	2030	to 40	7	52,500.00	52,500	0	0	0	0	0	0	0	52,500	10,500	Other
<b>Common Garage Elements</b>																		
7.360	120	Square Feet	Concrete, On-grade, Partial	2028	to 90	5	8.50	1,020	7,104	919	306	7,410	1,607	0	9,018	0	0	Pavement
7.500	6,100	Square Feet	Fire Suppression System (Incl. Unit-Owner Garages)	2040	35 to 45	17	2.00	12,200	0	0	0	0	0	0	0	12,200	813	Other
									\$71,674	\$12,181	\$4,060	\$75,734	\$9,517	\$0	\$85,251	\$515,136	<b>\$81,434</b>	

**Explanatory Notes:**

- 1) Year 2024 Ending Reserves are projected as of December 31, 2024, and exclude funds in the General Reserve Funding Plan. FY2023 starts January 1, 2023 and ends December 31, 2023.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and the anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) Our estimates of remaining useful life reflect averages for phased projects. The estimated first year of replacement indicates the year of the initial phase.
- 4) We allocate the existing Interest Reserve Funds to Reserve Components associated with the Paint Reserve Funds.

## Structural Integrity

**COMPONENT METHOD SUMMARY**

for

**Ocean Paradise  
Condominium Association, Inc.**

Cocoa Beach, Florida

Existing Reserve Categories	Life Analysis, Years		2023 Cost of Replacement, \$	Jan 1, 2025	2025
	Useful	Remaining		Projected Balance, \$	Recommended Contribution, \$
Elevator	N/A	N/A	N/A	\$0	\$0
Paint	5 to 50	4 to 25	\$162,600	\$23,316	\$49,931
Pavement	to 90	to 5	\$1,020	\$9,018	\$0
Pool	N/A	N/A	N/A	\$0	\$0
Roof	to 30	16 to 26	\$158,000	\$52,611	\$4,671
Spec Assessment - Generator <sup>1</sup>	to 30	to 25	\$56,500	\$307	\$2,443
<b>Subtotal</b>			<b>\$378,120</b>	<b>\$85,251</b>	<b>\$57,045</b>
Other (Currently Unfunded)	35 to 45	6 to 27	\$214,270	\$0	\$24,389
<b>Grand Total</b>			<b>\$592,390</b>	<b>\$85,251</b>	<b>\$81,434</b>

**Explanatory Notes:**

1) We allocate the existing Interest Reserve Funds to Reserve Components associated with the Paint Reserve Funds.

**General**  
**RESERVE EXPENDITURES**

Ocean Paradise  
Condominium Association, Inc.  
Cocoa Beach, Florida

**Explanatory Notes:**

- 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2023 is Fiscal Year beginning January 1, 2023 and ending December 31, 2023.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028	6 2029	7 2030	8 2031	9 2032	10 2033	11 2034	12 2035	13 2036	14 2037	15 2038	
						Useful Years	Remaining	Unit (2023)	Per Phase (2023)	Total (2023)																		
<b>Exterior Building Elements</b>																												
1.020	3	3 Each		Awnings, Canvas and Frame, Replacement	2030	10 to 15	7	2,000.00	6,000	6,000	1.3%																7,634	
<b>Interior Building Elements</b>																												
2.100	2	2 Each		Elevator Cab Finishes	2030	to 20	7	16,500.00	33,000	33,000	7.1%																41,985	
2.600	1	1 Allowance		Lobbies, Renovation, Complete	2030	to 20	7	15,000.00	15,000	15,000	3.6%																19,084	
2.700	12	12 Each		Mailboxes	2045	to 35	22	425.00	5,100	5,100	0.7%																	
2.820	3	3 Each		Paint Finishes, Stairwells	2027	5 to 7	4	5,000.00	15,000	15,000	4.8%				17,213												24,280	
<b>Building Services Elements</b>																												
3.070	2	2 Each		Air Handling and Condensing Units, Split Systems	2040	15 to 20	17	2,500.00	5,000	5,000	0.6%																	
3.319	2	2 Each		Elevators, Hydraulic, Cylinders	2045	to 40	22	45,500.00	91,000	91,000	12.2%																	
3.320	2	2 Each		Elevators, Hydraulic, Pumps and Controls	2045	to 25	22	110,000.00	220,000	220,000	29.4%																	
3.820	2	1 Allowance		Security System, Access System, Phased	2026	10 to 15	3 to 10	8,000.00	8,000	16,000	3.3%				8,870												11,285	
3.880	2	2 Each		Trash Chutes and Doors	2050	to 45	27	14,500.00	29,000	29,000	4.6%																	
<b>Property Site Elements</b>																												
4.001	2,800	2,800 Square Feet		Boardwalk, Wood, Deck Boards and Structure Repairs	2025	10 to 15	2	9.50	26,600	26,600	5.9%			28,495														
4.002	2,800	2,800 Square Feet		Boardwalk, Wood, Replacement	2037	to 25	14	17.50	49,000	49,000	5.0%																79,316	
4.120	7,000	350 Square Feet		Concrete Parking Area, Partial	2025	to 65	2 to 30+	12.50	4,375	87,500	2.8%			4,687										6,611				
4.360	1	1 Each		Gazebo	2025	to 20	2	5,000.00	5,000	5,000	1.6%			5,356													8,093	
4.410	1	1 Each		Irrigation System, Pump	2030	to 20	7	6,600.00	6,600	6,600	1.6%																8,397	
4.420	4	1 Zones		Irrigation System, Replacement, Phased	2035	to 40+	12 to 27	3,800.00	3,800	15,200	1.9%																5,742	
<b>Pool Elements</b>																												
6.200	600	600 Square Feet		Deck, Pavers	2035	to 25	12	9.00	5,400	5,400	0.5%																8,160	
6.600	3	1 Allowance		Mechanical Equipment, Phased	2025	to 15	2 to 10	7,000.00	7,000	21,000	6.4%			7,499				8,605									9,874	
6.800	500	500 Square Feet		Pool Finish, Plaster	2026	8 to 12	3	23.00	11,500	11,500	3.5%				12,750												17,985	
6.801	100	100 Linear Feet		Pool Finish, Tile and Coping	2026	15 to 25	3	82.00	8,200	8,200	1.7%				9,091													
<b>Common Garage Elements</b>																												
7.400	1	1 Each		Door and Operator	2025	8 to 15	2	7,500.00	7,500	7,500	1.3%			8,034														
		1 Allowance		2023 Reserve Expenditures	2023	N/A	0	638	638	638	0.0%	638																
		1 Allowance		Structural Integrity Reserve Study Update with Site Visit	2025	to 2	2	4,450.00	4,450	4,450	0.3%			4,450														
<b>Anticipated Expenditures, By Year (\$1,593,142 over 30 years)</b>												638	0	58,521	30,711	17,213	0	8,605	82,666	0	0	21,159	0	0	20,513	17,985	123,020	0



# RESERVE FUNDING PLAN

## General

### CASH FLOW ANALYSIS Ocean Paradise Condominium Association, Inc.

Cocoa Beach, Florida	Individual Reserve Budgets & Cash Flows for the Next 30 Years																
	FY2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	
Reserves at Beginning of Year	(Note 1)	N/A	N/A	110,642	91,220	100,810	125,538	169,560	207,185	172,276	221,677	273,682	306,972	364,015	403,299	447,740	388,904
Total Recommended Reserve Contributions	(Note 2)	N/A	N/A	37,100	38,400	39,700	41,100	42,500	44,000	45,500	47,100	48,700	50,400	52,200	54,000	55,900	57,900
Estimated Interest Earned, During Year	(Note 3)	N/A	N/A	1,999	1,901	2,241	2,922	3,730	3,757	3,901	4,905	5,749	6,643	7,597	8,426	8,284	8,357
Anticipated Expenditures, By Year		N/A	N/A	(58,521)	(30,711)	(17,213)	0	(8,605)	(82,666)	0	0	(21,159)	0	(20,513)	(17,985)	(123,020)	0
Anticipated Reserves at Year End		<u>N/A</u>	<u>\$110,642</u>	<u>\$91,220</u>	<u>\$100,810</u>	<u>\$125,538</u>	<u>\$169,560</u>	<u>\$207,185</u>	<u>\$172,276</u>	<u>\$221,677</u>	<u>\$273,682</u>	<u>\$306,972</u>	<u>\$364,015</u>	<u>\$403,299</u>	<u>\$447,740</u>	<u>\$388,904</u>	<u>\$455,161</u>

(continued)

	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Reserves at Beginning of Year	455,161	524,763	545,902	608,530	687,765	770,907	845,656	152,683	188,804	219,227	306,129	302,339	246,581	343,120	444,821
Total Recommended Reserve Contributions	59,900	62,000	64,200	66,400	68,700	71,100	73,600	76,200	78,900	81,700	84,600	87,600	90,700	93,900	97,200
Estimated Interest Earned, During Year	9,702	10,601	11,430	12,835	14,442	16,006	9,885	3,381	4,040	5,202	6,024	5,435	5,839	7,801	9,672
Anticipated Expenditures, By Year	0	(51,462)	(13,002)	0	0	(12,357)	(776,458)	(43,460)	(52,517)	0	(94,414)	(148,793)	0	0	(19,648)
Anticipated Reserves at Year End	<u>\$524,763</u>	<u>\$545,902</u>	<u>\$608,530</u>	<u>\$687,765</u>	<u>\$770,907</u>	<u>\$845,656</u>	<u>\$152,683</u>	<u>\$188,804</u>	<u>\$219,227</u>	<u>\$306,129</u>	<u>\$302,339</u>	<u>\$246,581</u>	<u>\$343,120</u>	<u>\$444,821</u>	<u>\$532,045</u>

(NOTE 5)

(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. FY2023 starts January 1, 2023 and ends December 31, 2023.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and the anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) 2.0% is the estimated annual rate of return on invested reserves; 2023 is a partial year of interest earned.
- 4) Accumulated year 2053 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

General  
**RESERVE EXPENDITURES**

**Ocean Paradise  
Condominium Association, Inc.**  
Cocoa Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028
<b><u>Interior Building Elements</u></b>							
2.820	Paint Finishes, Stairwells						17,213
<b><u>Building Services Elements</u></b>							
3.820	Security System, Access System, Phased					8,870	
<b><u>Property Site Elements</u></b>							
4.001	Boardwalk, Wood, Deck Boards and Structure Repairs			28,495			
4.120	Concrete Parking Area, Partial			4,687			
4.360	Gazebo			5,356			
<b><u>Pool Elements</u></b>							
6.600	Mechanical Equipment, Phased			7,499			
6.800	Pool Finish, Plaster					12,750	
6.801	Pool Finish, Tile and Coping					9,091	
<b><u>Common Garage Elements</u></b>							
7.400	Door and Operator					8,034	
2023 Reserve Expenditures		638					
<b>Structural Integrity Reserve Study Update with Site Visit</b>				4,450			
<b>Anticipated Expenditures, By Year (\$1,593,142 over 30 years)</b>		638	0	58,521	30,711	17,213	0

**General**  
**COMPONENT METHOD RESERVE ANALYSIS**

for  
**Ocean Paradise**  
**Condominium Association, Inc.**  
Cocoa Beach, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	2023 Cost of Replacement, \$	Aug 31, 2023 Estimated Balance, \$	2023 Budgeted Contributions, \$	2023 Remaining Contributions, \$	Jan 1, 2024 Projected Balance, \$	2024 Budgeted Contributions, \$	2024 Budgeted Expenditures, \$	Jan 1, 2025 Projected Balance, \$	Unfunded Residual Balance, \$	2025 Recommended Contribution, \$	Reserve Category
					Useful	Remaining <sup>3</sup>												
<b>Exterior Building Elements</b>																		
1.020	3 Each		Awnings, Canvas and Frame, Replacement	2030	10 to 15	7	2,000.00	6,000	0	0	0	0	0	0	0	6,000	1,200	Other
<b>Interior Building Elements</b>																		
2.100	2 Each		Elevator Cab Finishes	2030	to 20	7	16,500.00	33,000	24,000	4,800	1,600	25,600	5,338	0	30,938	2,062	412	Elevator
2.600	1 Allowance		Lobbies, Renovation, Complete	2030	to 20	7	15,000.00	15,000	0	0	0	0	0	0	0	15,000	3,000	Paint
2.700	12 Each		Mailboxes	2045	to 35	22	425.00	5,100	0	0	0	0	0	0	0	5,100	255	Other
2.820	3 Each		Paint Finishes, Stairwells	2027	5 to 7	4	5,000.00	15,000	0	0	0	0	0	0	0	15,000	7,500	Paint
<b>Building Services Elements</b>																		
3.070	2 Each		Air Handling and Condensing Units, Split Systems	2040	15 to 20	17	2,500.00	5,000	0	0	0	0	0	0	0	5,000	333	Other
3.319	2 Each		Elevators, Hydraulic, Cylinders	2045	to 40	22	45,500.00	91,000	0	0	0	0	0	0	0	91,000	4,550	Elevator
3.320	2 Each		Elevators, Hydraulic, Pumps and Controls	2045	to 25	22	110,000.00	220,000	0	0	0	0	0	0	0	220,000	11,000	Elevator
3.820	2 Allowance		Security System, Access System	2026	10 to 15	3 to 10	8,000.00	16,000	0	0	0	0	0	0	0	16,000	3,556	Other
3.880	2 Each		Trash Chutes and Doors	2050	to 45	27	14,500.00	29,000	0	0	0	0	0	0	0	29,000	1,160	Other
<b>Property Site Elements</b>																		
4.001	2,800 Square Feet		Boardwalk, Wood, Deck Boards and Structure Repairs	2025	10 to 15	2	9.50	26,600.00	0	0	0	0	0	0	0	26,600	26,600	Other
4.002	2,800 Square Feet		Boardwalk, Wood, Replacement	2037	to 25	14	17.50	49,000.00	0	0	0	0	0	0	0	49,000	4,083	Other
4.120	350 Square Feet		Concrete Parking Area, Partial	2025	to 65	2	12.50	4,375	4,375	0	0	0	0	0	0	0	0	Pavement
4.360	1 Each		Gazebo	2025	to 20	2	5,000.00	5,000	0	0	0	0	0	0	0	5,000	5,000	Other
4.410	1 Each		Irrigation System, Pump	2030	to 20	7	6,600.00	6,600	0	0	0	0	0	0	0	6,600	1,320	Other
4.420	4 Zones		Irrigation System, Replacement	2035	to 40+	12 to 27	3,800.00	15,200	0	0	0	0	0	0	0	15,200	869	Other
<b>Pool Elements</b>																		
6.200	600 Square Feet		Deck, Pavers	2035	to 25	12	9.00	5,400	0	0	0	0	0	0	0	5,400	540	Pool
6.600	3 Allowance		Mechanical Equipment	2025	to 15	2 to 10	7,000.00	21,000	12,127	749	250	12,377	6,000	0	18,377	2,624	656	Pool
6.800	500 Square Feet		Pool Finish, Plaster	2026	8 to 12	3	23.00	11,500	0	0	0	0	0	0	0	11,500	11,500	Pool
6.801	100 Linear Feet		Pool Finish, Tile and Coping	2026	15 to 25	3	82.00	8,200	0	0	0	0	0	0	0	8,200	8,200	Pool
<b>Common Garage Elements</b>																		
7.400	1 Each		Door and Operator	2025	8 to 15	2	7,500.00	7,500	0	0	0	0	0	0	0	7,500	7,500	Other
	1 Allowance		2023 Reserve Expenditures	2023	N/A	0	638.00	638	0	0	0	-638	0	0	-638	638	638	Other
	1 Allowance		Structural Integrity Reserve Study Update with Site Visit	2025	to 2	2	4,450.00	4,450	0	0	0	0	0	0	0	4,450	4,450	Other
									\$40,502 (Note 1)	\$5,549	\$1,850 (Note 2)	\$37,339	\$11,338	\$0	\$48,676	\$546,875	\$104,322	

**Explanatory Notes:**

- 1) Year 2024 Ending Reserves are projected as of December 31, 2024, and exclude funds in the Structural Integrity Reserve Funding Plan. FY2023 starts January 1, 2023 and ends December 31, 2023.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and the anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) Our estimates of remaining useful life reflect averages for phased projects. The estimated first year of replacement indicates the year of the initial phase.
- 4) We allocate the existing Interest Reserve Funds to Reserve Components associated with the Paint Reserve Funds.

## General

**COMPONENT METHOD SUMMARY**

for

Ocean Paradise  
Condominium Association, Inc.

Cocoa Beach, Florida

Existing Reserve Categories	Life Analysis, Years		2023 Cost of Replacement, \$	Jan 1, 2025	2025
	Useful	Remaining		Projected Balance, \$	Recommended Contribution, \$
Elevator	to 40	7 to 22	\$344,000	\$30,938	\$15,962
Paint	5 to 20	4 to 7	\$30,000	\$0	\$10,500
Pavement	to 65	to 2	\$4,375	\$0	\$0
Pool	8 to 25	2 to 12	\$46,100	\$18,377	\$20,895
Roof	N/A	N/A	N/A	\$0	\$0
Spec Assessment - Generator <sup>1</sup>	N/A	N/A	N/A	\$0	\$0
<b>Subtotal</b>			<b>\$424,475</b>	<b>\$49,314</b>	<b>\$47,358</b>
Other (Currently Unfunded)	0 to 45	0 to 27	\$176,088	(\$638)	\$56,964
<b>Grand Total</b>			<b>\$600,563</b>	<b>\$48,676</b>	<b>\$104,322</b>

**Explanatory Notes:**

- 1) We allocate the existing Interest Reserve Funds to Reserve Components associated with the Paint Reserve Funds.

## 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



Exterior building overview



Rear building elevation

#### Balconies, Concrete

---

**Line Item:** 1.060

**Quantity:** 12 concrete balconies comprising approximately 4,000 square feet of horizontal surface area. The balconies comprise reinforced concrete with a waterproof coating.

**History:** Original

**Condition:** Good to fair overall with spalled concrete and water stains evident. The topsides of the balconies were inaccessible at the time of our inspection. Management did not report a history of repairs. We note the following:

- The coatings are reported in good to fair condition
- Isolated concrete coating deterioration is evident
- Isolated concrete edge spalls are evident



**Edge spalls**



**Edge spalls and efflorescence**



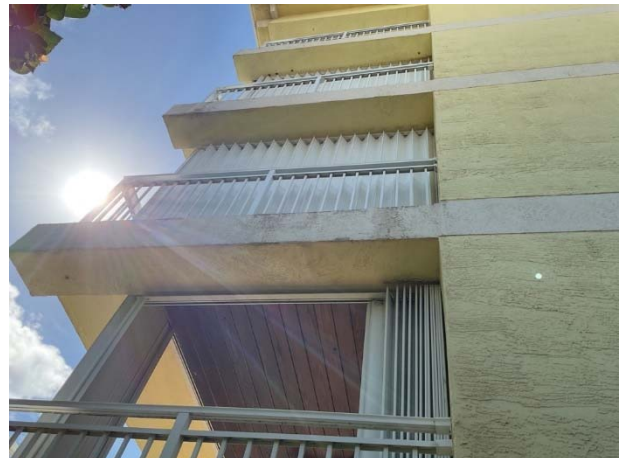
**Balcony underside**



**Balconies overview**



**Efflorescence at railing attachment points**



**Edge spalls and stucco deterioration**

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



**Component Detail Notes:** A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the 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)
- Paint application to the undersides (Excl. the east-facing balconies which have wood soffits)

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

## **Balconies, Railings, Aluminum**

---

**Line Item:** 1.105

**Quantity:** Approximately 540 linear feet of aluminum railings at the balconies which are mechanically attached

**History:** Replaced in approximately 2016

**Condition:** Good to fair overall with loose connections evident.



**Aluminum railings**



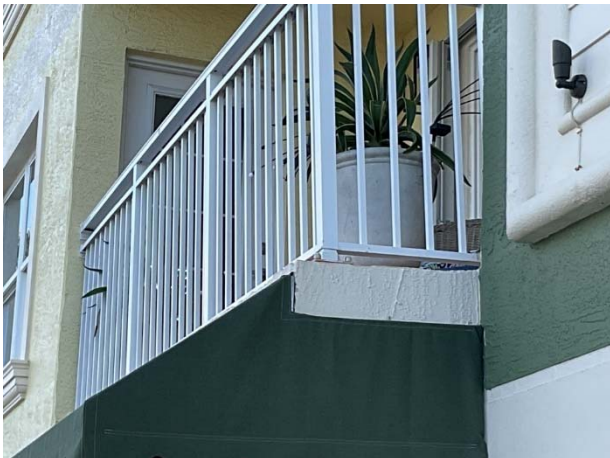
**Aluminum railings**



**Aluminum railings**



**Bent railing section**



**Mechanically attached railing post**



**Rust at concrete connection**



**Rust at stucco connection**

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

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

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

## **Doors, Common (Incl. Utility Doors)**

---

**Line Item:** 1.111

**Quantity:** 20 utility and common doors at the building façade and inside the common garage area. This quantity includes the two glass lobby doors.

**History:** Original

**Condition:** Good to fair overall with limited deterioration evident



**Utility doors**



**Lobby door**

**Useful Life:** Up to 40 years

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

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

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

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

## **Roofs, Metal**

---

**Line Item:** 1.460

**Quantity:** Approximately 80 squares<sup>1</sup> at the roof perimeter

**History:** Replaced in 2019 in coordination with the thermoplastic roof

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

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



**Metal roof**



**Metal roof**



**Metal roof**



**Metal roof**



**Metal roof at the north elevator room**

**Useful Life:** Up to 30 years

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



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

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

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

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

## **Roof, Thermoplastic**

---

**Line Item:** 1.530

**Quantity:** Approximately 3,100 square feet of *Duro-Last* roofing

**History:** Replaced in 2019. The Association historically conducted inspections of the roofs annually. We concur with this preventive maintenance practice and recommend the Association continue to fund these inspections through the operating budget.

**Condition:** Good to fair overall with periodic bulges in the membrane and patches evident. Management does not report history of leaks. We note the following:

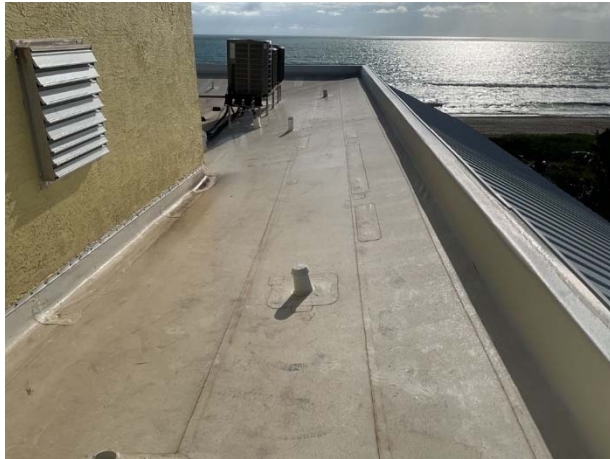
- Minor previous membrane repairs are evident
- Isolated sealant failure is evident
- Isolated blocked roof drains are evident
- Limited evidence of standing water



**Thermoplastic roof overview**



**Thermoplastic roof overview**



**Thermoplastic roof overview**



**Ridge detail**



**Drains**



**Patches**



**Bulges in the membrane**



**Bulges in the membrane**



**Penetrations**

**Useful Life:** Up to 20 years

**Component Detail Notes:** Thermoplastic roofs include the following:

- Polyvinyl chloride (PVC or simply vinyl)
- PVC alloys or compounded thermoplastics
- Thermoplastic olefin (TPO)
- Chlorinated polyethylene (CPE)

The following characteristics define most thermoplastic roofs:

- Attachment to the roof deck is either fully adhered, mechanical or ballasted
- Membranes are commonly white and reinforced with polyester
- Seams are sealed with heat or chemical welding
- Sheet widths range from 6- to 12-feet wide
- Sheets are typically 40- to 100-mils thick
- Single ply (one layer)

Over time, exposure to ultraviolet light, heat and weather degrade the membrane. This degradation results in membrane damage from thermal expansion and contraction, adverse weather and pedestrian traffic. The aging process makes the membrane less pliable and more difficult to maintain. Ponding water on the roof can increase the effects of ultraviolet light on the membrane and contaminants in ponded water can cause the membrane to deteriorate prematurely. Thermoplastic roofs (especially TPO) are relatively new and their long term performance is not well defined.

Contractors can install a new thermoplastic 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.

***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.

## Soffits, Wood

---

**Line Item:** 1.590

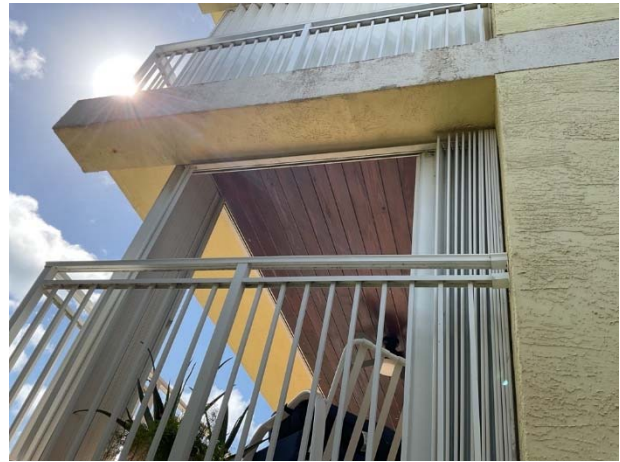
**Quantity:** Approximately 3,300 square feet of soffit at the front building façade and at the rear balconies.

**History:** Original to building construction

**Condition:** The soffits are in good to fair overall condition with no significant deterioration evident from our visual inspection from the ground



**Wood soffit on building front façade**



**Wood soffit on rear balcony**

**Useful Life:** With the benefit of periodic maintenance, applications of this type of material can have a useful life of 20 years. This useful life is dependent upon timely stain finish applications and partial replacements of deteriorated wood components. We recommend the Association perform those activities through the operating budget.

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

- Annually:
  - Inspect and repair loose soffit, warping, wildlife damage and sealant deterioration
  - Inspect and repair finish deterioration by performing stain applications on an as-needed basis

**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:** Management 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, Siding, Fiber Cement**

---

**Line Item:** 1.845

**Quantity:** Approximately 400 square feet of lap profile fiber cement siding accents the front building façade.

**History:** Original to building construction with the benefit of paint finish applications performed in conjunction with paint finish applications to the stucco.

**Condition:** The accent siding is in good to fair overall condition with no significant deterioration evident.



**Fiber cement siding overview**



**Fiber cement siding overview**

**Useful Life:** With the benefit of periodic maintenance, applications of this type of material can have a useful life of up to 50 years. This useful life is based on a high grade pre-finish applied in the factory.

**Component Detail Notes:** Fiber cement siding is made from a combination of cement, sand and cellulose fiber. Manufacturing of the siding utilizes a steam curing process to increase strength and dimensional stability. The siding is also manufactured in layers forming a sheet of desired thickness. A wood grain imprint is typically applied to the exposed surface. Fiber cement siding offers many advantages over other types of siding. These advantages include:

- Capable of withstanding salt spray and ultraviolet rays
- Dimensional stability (will not buckle or warp as easily as other materials)
- Paint applications last longer compared to wood siding
- Resistant to insects, birds and fire

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

- Annually:
  - Inspect and repair damage, loose boards and finish stains
  - Periodic pressure cleaning at areas with organic growth
  - Touch-up paint finish applications as needed and sealing of butt joints and field cut end joints

**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 continue to coordinate paint finish applications to the siding with projects focused on the stucco.

## Walls, Stucco

---

**Line Item:** 1.880

**Quantity:** Approximately 26,500 square feet of the building exteriors, including the fiber cement siding. This quantity includes the inside of the common garage area. This quantity also includes the inside of the perimeter walls at the request of the Association.

**History:** Applied paint finishes and repaired in 2020.

**Condition:** Good to fair overall with isolated damage, previous repairs, finish stains and rust stains (lath set too close to surface) evident.



**Finish deterioration**



**Rust**



**Stains**



**Stucco damage at the north elevator room**



**Stucco damage**



**Stucco damage**



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**



**Garage paint finishes**

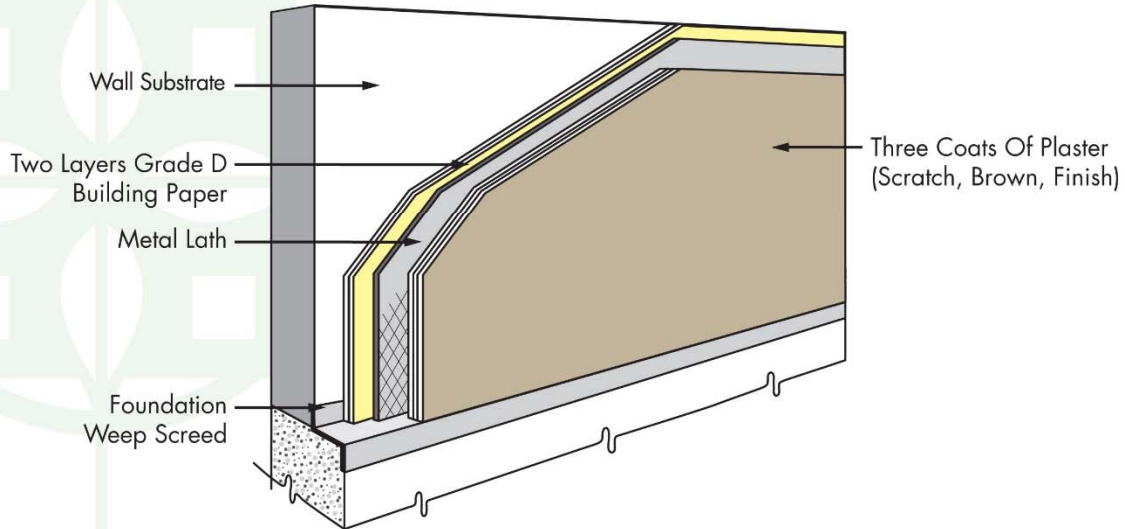


**Garage paint finishes**

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

**Component Detail Notes:** The following graphic details the typical components of a stucco wall system on frame construction although it may not reflect the actual configuration at Ocean Paradise:

## STUCCO DETAIL



© Reserve Advisors

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.

## Building Services Elements

### Generator, Emergency

---

**Line Item:** 3.440

**Quantity:** One Kohler 59-kW (kilowatt) liquified petroleum gas (LPG or Natural Gas) generator

**History:** Installed in 2018

**Condition:** Reported satisfactory without operational deficiencies. Operation of the generator was demonstrated by an Association representative as part of our inspection.



Generator controls



Emergency generator



Generator housing



Generator housing

**Useful Life:** Up to 30 years

**Preventative Maintenance Notes:** We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The Association conducts weekly load tests. We also recommend the Association maintain a maintenance contract



with a qualified professional. As a reference, the Association may consult the following document: *NFPA 110, Standard for Emergency and Standby Power Systems*. 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:

- Weekly:
  - Check fuel and oil levels
  - Inspect cooling and exhaust systems
  - Check battery, electrical components and transfer switches
  - Run generator without load and look for unusual conditions such as leaks
- Monthly:
  - Exercise generator under load test for minimum of 30 minutes
  - Check oil levels before running and after 10 minutes of run time
- Annually:
  - Complete full inspection and necessary repairs
  - Change fuel and air filters
  - Change oil and replace oil filter
  - Change spark plugs
  - Flush cooling 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. Our estimate of cost includes replacement of the transfer switch. We recognize that the transfer switch may require replacement prior to the replacement of the generator. For purposes of this Reserve Study, we assume coordination of replacement with the generator.

## Life Safety System

---

**Line Items:** 3.555, 3.560 and 3.580

**Quantity:** The life safety system at Ocean Paradise includes the following components in the common spaces and in the units:

- Control panel
- Pull stations
- Audio/visual fixtures
- Exit and emergency light fixtures
- Wiring

**History:** Original

**Conditions:** Reported satisfactory without operational deficiencies. The life safety system was last inspected in November of 2022. The system was tagged green at the time of that inspection.



Control panel



Fire suppression system sprinkler and emergency light fixture

**Useful Life:** Up to 25 years for the devices, up to 25 years for the exit and emergency light fixtures 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 display panel read 'All Systems Normal' at the time of our inspection. The required preventative maintenance may vary in frequency and scope based on the age of the components, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

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

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

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

## Pump, Fire Suppression

---

**Line Item:** 3.770

**Quantity:** One 25-HP electric fire suppression pump

**History:** Original. The controller was replaced in 2010.

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

- The fire suppression pump was last inspected in October of 2022
- The fire suppression pump was tagged green at the time of that inspection
- We did not note active leaks at the time of our inspection
- We note evidence of previous leaks due to rust on the plumbing



**Fire suppression pump**

**Useful Life:** Up to 40 years

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

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

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost includes replacement of the pump, motor, and motor controller.

## Garage Elements

### Concrete, On-grade

---

**Line Item:** 7.360

**Quantity:** Approximately 2,410 square feet of on-grade concrete. This quantity excludes the concrete floors of the private garage bays which are the responsibility of the unit owner to maintain

**Condition:** Good to fair overall with cracks evident.



**On-grade garage floor overview**



**Concrete cracks**

**Useful Life:** Up to 90 years although interim deterioration of sections is common. We show partial replacements every five years.

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

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

**Priority/Criticality:** Per Board discretion

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

- Complete inspection of the floor
- Selective cut out and replacement of up to five percent (5%), or 120 square feet, of the on-grade concrete
- Crack repairs as needed

## **Fire Suppression System**

---

**Line Item:** 7.500

**Quantity:** Approximately 6,100 square feet of garage area. This quantity includes the area of the private garages at the request of the Association.

**History:** Original

**Condition:** Fair overall with pipe rust and sprinkler head rust evident.



**Fire suppression system**



**Rust at pipes**



**Rust at pipes**



**Pipe hanger**



**Fire suppression system head**

**Useful Life:** 35- to 45-years for open air parking garages

**Preventative Maintenance Notes:** We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 25* and



local guidelines, 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:

- Annually:
  - Complete full inspection of valves, hangars, pipes, fittings and heads
  - Ensure sprinkler heads and pipes are free of ornamentations and coverings
  - Check for pipe corrosion and water leakage
  - Conduct paint finish applications to the pipes as needed as these protective finishes may extend the overall useful life in highly corrosive environments

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

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

## GENERAL

### Exterior Building Elements

#### Awnings, Canvas and Frame, Replacement

**Line Item:** 1.020

**Quantity:** Three canvas awnings with metal frames

**History:** The awnings were in original condition at the time of our inspection. The Association has budgeted to replace the canvas in 2023.

**Condition:** Fair overall with canvas deterioration evident



**Awning**



**Awning**

**Useful Life:** 10- to 15-years for replacement of the awning canvas and frame

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost is for replacement of the awning canvas and frame in conjunction. We include an allowance in 2023 for the remaining expenditure budgeted for this year, and recommend that future canvas replacements be funded through the operating budget.

## Interior Building Elements

### Elevator Cab Finishes

---

**Line Item:** 2.100

**Quantity:** Two elevators; the cab finishes consist of:

- Tile floor coverings
- Laminate wall coverings
- Acrylic ceiling finishes

**History:** Original

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



**Cab floor coverings**



**Cab wall coverings and ceiling lights**

**Useful Life:** Up to 20 years

**Priority/Criticality:** Per Board discretion

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

## **Lobbies, Renovation**

---

**Line Item:** 2.600

**Quantity:** The lobby components at the north and south lobbies include:

- Tile floor coverings
- Paint finishes at the walls
- Acoustical ceiling tiles and grid
- Pictures and Decorations
- Light fixtures

**History:** Original with the benefit of interim paint finishes performed on an as-needed basis

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



**Lobby finishes**



**Lobby finishes**

**Useful Life:** Renovation up to every 20 years

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association perform interim paint finishes and fund those projects through the operating budget.

## Mailboxes

---

**Line Item:** 2.700

**Quantity:** 12 unit mailboxes

**History:** Original

**Condition:** Reported good to fair overall



**Mailboxes**

**Useful Life:** Up to 35 years

**Priority/Criticality:** Per Board discretion

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

## Paint Finishes, Stairwells

---

**Line Item:** 2.820

**Quantity:** Three each

**History:** Repainted in 2020 in coordination with paint finish applications to the building exterior

**Conditions:** Good to fair overall with minor scuffs evident.



**Stairwell paint finishes**



**Paint chips**



**Aluminum railing**

**Useful Life:** Five- to seven-years in coordination with the painting of the stucco exteriors

**Priority/Criticality:** Per Board discretion

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

## Building Services Elements

### Air Handling and Condensing Units, Split Systems

---

**Line Item:** 3.070

**Quantity:** One Carrier and one United Refrigeration ductless mini-split system

**History:** Installed in 2020.

**Condition:** Reported satisfactory without operational deficiencies



Mini-split system condensing units



Mini-split system air handling unit

**Useful Life:** 15- to 20-years

**Component Detail Notes:** A ductless mini-split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior electric air handling unit. The condensing units have capacities of approximately one-ton. The split systems use R-410A refrigerant.

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

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.

## Elevators, Hydraulic

---

**Line Items:** 3.319 and 3.320

**Quantity:** Two Mowrey hydraulic passenger elevators

**History:** Original

**Condition:** Reported satisfactory and service interruptions are reportedly infrequent



Hydraulic elevator equipment



Hydraulic elevator equipment



**Hydraulic elevator controls**

**Useful Life:** Pumps and controls have a useful life of up to 35 years. Cylinders have a useful life of up to 45 years.

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

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

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

- Ensure air temperature and humidity of machine/pump housing room meets the designated specified range for proper operation
- Ensure all call buttons are in working condition
- Check elevator cabs for leveling accuracy to prevent tripping hazards

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We anticipate the following hydraulic elevator system components will require replacement:

- Cab control panels
- Door operators
- Hallway panels/buttons
- Microprocessor based controllers
- Pumps (Power Unit) (40-HP)
- Cylinders

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

## **Security System, Access System**

---

**Line Item:** 3.820

**Quantity:** Ocean Paradise utilizes 12 automated proximity reader system access points in the elevator to provide access to individual units

**History:** The age of the access system was unavailable at the time of our inspection. We assume that it has been upgraded and partially replaced since the original installation in 2010.

**Condition:** Reported satisfactory without operational deficiencies



**Access control system**

**Useful Life:** Up to 15 years for the access system

**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:

- Weekly:
  - Clean card readers and other frequently used equipment of dust and other materials that may prevent proper operation
- Monthly:
  - Check access points for proper operation
- Annually:
  - Check exposed wiring and cables for wear, proper connections and signal transmission
  - Check power connections, and if applicable, functionality of battery power supply systems

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should anticipate replacement of all of the access system components per event.

## **Trash Chutes and Doors**

---

**Line Item:** 3.880

**Quantity:** Two trash chutes

**History:** Original

**Condition:** Reported satisfactory without operational deficiencies



**Trash chute**

**Useful Life:** Up to 45 years.

**Component Detail Notes:** Damaged doors or poor door operation will result in a decreased useful life. The Association should fund interim repairs and partial replacements of the doors through the operating budget.

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

- Weekly:
  - Clean doors and latches
  - In accordance with *NFPA 82* and fire code, ensure all trash chute doors self-latch and self-close
- Monthly:
  - Check operation of discharge door
  - Inspect fusible link and replace if necessary
  - If applicable, inspect, reinforce and/or replace discharge elbow
- Quarterly:
  - If applicable, check vent cap for damage and tighten fasteners
- Semi-annually:
  - Lubricate and/or replace doors, hinges and latches
  - Clear obstructions, clean and scrape trash chute and doors. The frequency of this activity may vary based upon occupancy and usage rates. This activity may also be based upon limitation of unwanted odors, prevention of harmful bacteria, pest infiltration and debris removal to further prevent fire hazards.

**Priority/Criticality:** Per Board discretion

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

## Property Site Elements

### Boardwalk, Wood

---

**Line Items:** 4.001 and 4.002

**Quantity:** Approximately 2,800 square feet of wood boardwalk and approximately 175 linear feet of wood railing. This quantity includes the decks at the gazebo and spa and at the pool area.

**History:** The age of the boardwalk was unavailable at the time of our inspection. The Association has performed minor repairs and paint finish applications on an as-needed basis and funded those projects through the operating budget.

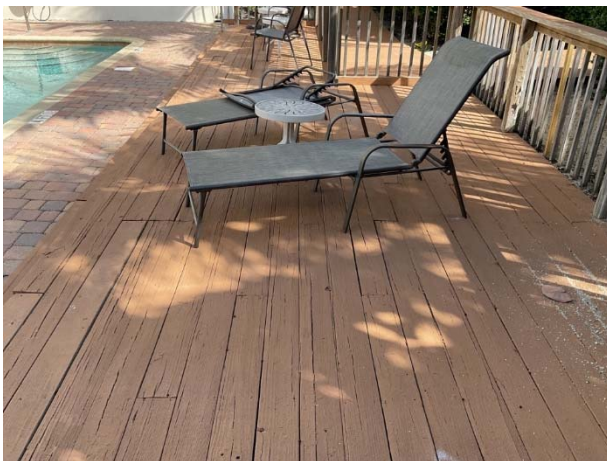
**Condition:** Fair overall with weathered wood and warped components evident



**Boardwalk railing**



**Boardwalk structure**



**Deck board deterioration**



**Wood boardwalk**



**Wood boardwalk**



**Boardwalk railing**

**Useful Life:** Up to 25 years for complete replacement and 10- to 15-years for interim replacement of the decking and structure 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. Our cost for repairs includes allowances for complete replacement of the decking, partial replacement of up to ten percent (10%) of the structure and the application of paint finishes to the new deck boards. Our estimate of cost for replacement includes an allowance for removal and disposal of the existing boardwalk.

## **Concrete Parking Area**

---

**Line Item:** 4.120

**Quantity:** Approximately 7,000 square feet

**Condition:** Fair overall with periodic cracks evident.



**Concrete access drive with paver accents**



**Concrete parking area**



**Concrete cracks**



**Concrete cracks**

**Useful Life:** Up to 65 years although interim deterioration of areas is common

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

- Annually:
  - Inspect and repair major cracks, spalls and trip hazards
  - Mark with orange safety paint prior to replacement or repair
  - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 2,100 square feet of concrete, or thirty percent (30%) of the total, will require replacement during the next 30 years. Our estimate of cost for partial replacement includes an allowance for partial replacement of pavers at up to thirty percent (30%) as part of each concrete replacement event.

## Gazebo

---

**Line Item:** 4.360

**Quantity:** One gazebo

**History:** The age of the gazebo was unavailable at the time of our inspection. The Association plans to replace the structure in the near-term.

**Condition:** Fair to poor overall



**Gazebo**



**Gazebo**



**Metal roof deterioration**



**Fastener rust**

**Useful Life:** Up to 20 years with periodic maintenance. Deterioration may be accelerated due to the structure's proximity to the coastline

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for paint applications and repairs through the operating budget.

## Irrigation System, Pump

---

**Line Item:** 4.410

**Quantity:** One two horsepower (2-HP) irrigation pump

**History:** The age of the pump and enclosure was not available at the time of our inspection

**Condition:** Reported satisfactory without operational deficiencies



**Irrigation pump**

**Useful Life:** Up to 20 years

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost includes an allowance for replacement or installation of a variable frequency drive.

## Irrigation System, Replacement

---

**Line Item:** 4.420

**Quantity:** Four zones located at the common areas.

**History:** Original

**Condition:** Satisfactory operational condition. Management does 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

Ocean Paradise should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

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

- Semi-annually: Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs

**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.

## Pool Elements



Pool overview

### Deck, Pavers

---

**Line Item:** 6.200

**Quantity:** Approximately 600 square feet of pavers

**History:** Original

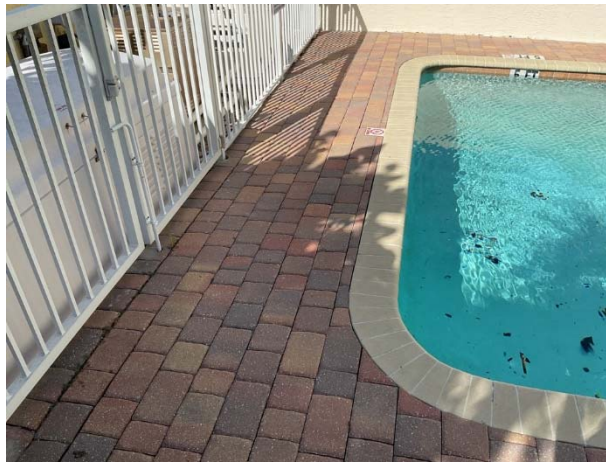
**Condition:** Good to fair overall with isolated settlement evident.



**Paver pool deck overview**



**Paver pool deck overview**



**Paver settlement**

**Useful Life:** Up to 25 years

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

- Annually:
  - Inspect and repair settlement, trip hazards and significant paver spall
  - Reset and/or reseal damaged pavers as necessary
  - Periodically clean and remove overgrown vegetation as needed

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association fund interim inspections, partial replacements and repairs through the operating budget.

## Mechanical Equipment

---

**Line Item:** 6.600

**Quantity:** The mechanical equipment includes the following:

- Automatic chlorinators and controls
- Electrical panels
- Interconnected pipe, fittings and valves
- Pumps, filters, and heater

**History:** Varied ages as the Association has performed interim replacements on an as-needed basis

**Condition:** Reported satisfactory without operational deficiencies. We note rust and damage at the heater.



**Pool mechanical equipment**



**Pool heater**

**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:** 510 square feet of plaster based on the horizontal surface area and approximately 100 linear feet of tile and coping

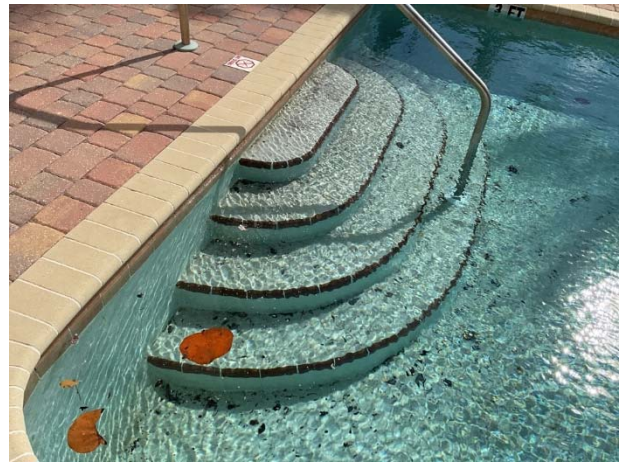
**History:**

- Plaster finish: Original
- Tile and coping: Original

**Condition:** Good to fair overall with isolated cracks and tile damage evident.



Pool plaster finish with tile perimeter



Pool plaster finish with tile perimeter



Plaster cracks



Tile damage

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

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

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for full tile and coping replacement every other plaster replacement event. Removal and replacement of the finish provides the opportunity to inspect the pool structures and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structures, we recommend the Association budget for the following:

- Removal and replacement of the plaster finishes
- Partial replacements of the scuppers and coping as needed
- Replacement of tiles as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

## Garage Elements

### Door and Operator

---

**Line Item:** 7.400

**Quantity:** One metal overhead rolling garage door with operator

**History:** Original

**Condition:** Good to fair overall with no visible deterioration evident



**Garage door operator**



**Garage door operator**



**Garage door**

**Useful Life:** 8- to 15-years

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

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

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should fund interim replacements of components through the operating budget.



## 2023 Reserve Expenditures

---

**Component Detail Notes:** Ocean Paradise informs us of \$638 in remaining reserve expenditures in 2023. This expenditure relates to the final payment required to complete the awning canvas recovering project that is currently ongoing.

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



## Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

## 5.METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Ocean Paradise 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 monthly 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 Unit Owners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with Florida Statute 718.112 and exceeds the National standards<sup>1</sup> set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level I Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local<sup>2</sup> 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 Cocoa Beach, Florida at an annual inflation rate<sup>3</sup>. Isolated or regional markets of

<sup>1</sup> Identified in the APRA "Standards - Terms and Definitions" .

<sup>2</sup> See Credentials for additional information on our use of published sources of cost data.

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

greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Ocean Paradise and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.



## 6. CREDENTIALS

### HISTORY AND DEPTH OF SERVICE

**Founded in 1991**, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

**No Conflict of Interest** - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

### TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

### OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

### VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

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

### OLD TO NEW

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



**JARED W. KELLEY**  
**Responsible Advisor**

**CURRENT CLIENT SERVICES**

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



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

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

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

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

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

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

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

**PRIOR RELEVANT EXPERIENCE**

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

**EDUCATION**

University of Central Florida - B.S. Mechanical Engineering

**PROFESSIONAL AFFILIATIONS/DESIGNATIONS**

*Engineer Intern (EI) Certification* – Florida Board of Professional Engineers  
*Educated Business Partner (EBP)* – Community Associations Institute

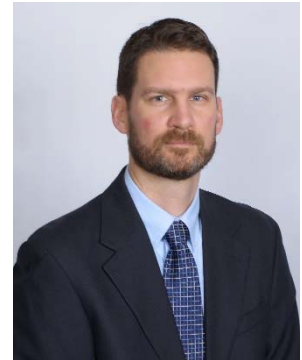


**ALAN M. EBERT, P.E., PRA, RS**  
**Director of Quality Assurance**

**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](http://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](http://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](http://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](http://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 Ocean Paradise 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) Ocean Paradise responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

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

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

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

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

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

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

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

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



## 8. PROFESSIONAL SERVICE CONDITIONS

**Our Services** - Reserve Advisors, LLC ("RA") performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our structural integrity reserve study ("SIRS") is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan, to create reserves for anticipated future replacement expenditures of the subject property. The purpose of our energy benchmarking services is to track, collect and summarize the subject property's energy consumption over time for your use in comparison with other buildings of similar size and establishing a performance baseline for your planning of long-term energy efficiency goals.

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

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. RA does not provide invasive testing on any mechanical systems that provide energy to the property, nor can RA opine on any system components that are not easily accessible during the inspection. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services, nor does RA investigate vapor, water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions, and RA assumes no responsibility for any such conditions. The Report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property element.

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

**Report** - RA will complete the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations with respect to the reserve study and is deemed complete. RA will consider any additional information made available to RA within 6 months of issuing the Report and issue a revised Report based on such additional information if a timely request for a revised Report is made by you. RA retains the right to withhold



a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit. RA reserves the right to, and you acknowledge and agree that RA may, use any data provided by you in connection with the services, or gathered as a result of providing such services, including in connection with creating and issuing any Report, in a de-identified and aggregated form for RA's business purposes.

**Your Obligations** - You agree to provide us access to the subject property for an inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. Additionally, you agree to provide historical replacement schedules, utility bills and historical energy usage files that RA requests and deems necessary to complete the energy benchmarking services, and you agree to provide any utility release(s) reasonably requested by RA permitting RA to obtain any such data and/or information from any utility representative or other third party. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

**Use of Our Report and Your Name** - Use of the Report is limited to only the purpose stated herein. You acknowledge that RA is the exclusive owner of all intellectual property rights in and relating to the Report. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and that you will be liable for the consequences of any unauthorized use or distribution of the Report. Use or possession of the Report by any unauthorized third party is prohibited. The Report in whole or in part **is not and cannot be used as a design specification for design engineering purposes or as an appraisal**. You may show the Report in its entirety to the following third parties: members of your organization (including your directors, officers, tenants and prospective purchasers), your accountants, attorneys, financial institutions and property managers who need to review the information contained herein, and any other third party who has a right to inspect the Report under applicable law including, but not limited to, any government entity or agency, or any utility companies. Without the written consent of RA, you shall not disclose the Report to any other third party. By engaging our services, you agree that the Report contains intellectual property developed (and owned solely) by RA and agree that you will not reproduce or distribute the Report **to any party that conducts reserve studies without the written consent of RA**.

RA will include (and you hereby agree that RA may include) your name in our client lists. RA reserves the right to use (and you hereby agree that RA may use) property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

**Payment Terms, Due Dates and Interest Charges** - If reserve study and energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. In any case, any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Unless this agreement is earlier terminated by RA in the event you breach or otherwise fail to comply with your obligations under this agreement, RA's obligations under this agreement shall commence on the date you execute and deliver this agreement and terminate on the date that is 6 months from the date of delivery of the Report by RA. Notwithstanding anything herein to the contrary, each provision that by its context and nature should survive the expiration or early termination of this agreement shall so survive, including, without limitation, any provisions with respect to payment, intellectual property rights, limitations of liability and governing law.

**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.

# Ocean Paradise Condominium Association, Inc.

September 20, 2023 • Cocoa Beach, FL

STRUCTURAL INTEGRITY  
RESERVE STUDY

*Ocean Paradise*  
3409



Long-term thinking. Everyday commitment.