Office: (888) 927-7865
Fax: (813) 200-8448
Contact@customreserves.com
5470 E Busch Blvd., Unit 171
Tampa, FL 33617

SEA COAST
MANAGEMENT NO. 3., INC.
STRUCTURAL INTEGRITY RESERVE STUDY(SIRS)

For 30-Year Projection Period: FY 2023 through FY 2053

CustomReserves

Table of Contents

Property Overview

New Smyrna Beach, FL

Latitude: 29° 0'13.16"N

Longitude: 80°52'32.92"W

Executive Summary

Custom Reserves, LLC conducted a site visit on September 1, 2023. We identified 38 reserve components comprising 45 line items that require reserve funding during the noninvasive, visual inspection of the community. Supplemental information to the physical inspection typically includes the following sources:

1. Association board members, management and staff
2. Client's vendors
3. Declaration
4. Maintenance records of the reserve components where available
5. Project plans where available

Sea Coast Management No. 3., Inc. (Sea Coast) is a midrise-style condominium located in New Smyrna Beach, FL and is responsible for the common elements shared by 85 owners within one five-story buildings. Sea Coast was established in 1971. The development contains Building Services, Exterior Building, Clubhouse, Pool, and Property Site components.

A Reserve Study comprises two parts:

Physical Analysis	Financial Analysis
• Component Inventory • Condition Assessment • Estimated Useful Life • Remaining Useful Life • Replacement Cost	• Fund Status • Funding Plan

The intention of this Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This Reserve Study complies with or exceeds all applicable statutes and national standards. Reserve Studies are a guide and should be used for budgetary purposes. Actual expenditures and times of replacements can and/or will vary.

Reference #: 613.23 **Inspection and Report by**:

Paul Grifoni, PRA, RS

Financial Analysis

The 2023 Florida Senate Bill 154 states that "Alternate funding method" means a method approved by the division for funding the capital expenditures and deferred maintenance obligations for a multi condominium association operating at least 25 condominiums which may reasonably be expected to fully satisfy the association's reserve funding obligations by the allocation of funds in the annual operating budget. Therefore, we recommend the Association always consult with management, legal counsel and/or its accounting team to thoroughly understand the options available to them.

The Cash Flow, or pooling method is included to project and illustrate the reserve funding plan as depicted in **Appendix B**. The unaudited cash status of the Association's pooled reserve fund, as of August 31, 2023, as reported by Management and the Board is $448,160.61. Sea Coast No. 3 budgeted $193,500 for combined reserve contributions in FY[1] 2023. The SIRS components equate to 82% of the total 30 years of expenditures. A recommended reserve contribution of $265,000 would be required in 2024 to adequately fund the SIRS and Non-SIRS reserves. Alternatively, the Association can partially fund all the reserves with phased increases to the current reserve contribution of $41,000 beginning in 2024 and again in 2025. The Association can budget inflationary increases each year until the next Reserve Study Update in either scenario. Structural Integrity Reserve Study (SIRS) components are distinguished between Non-SIRS components in the third column of **Appendix A.** The percentage of SIRS versus Non-SIRS components is depicted in the thirty-year Expenditure Chart and Funding Graph. The threshold or risk year falls in 2041 due to replacement of the roof. In addition, the age and overall condition of the community in the accumulated year 2053 ending reserve balance of $2,997,347 is considered.

External market factors incorporated in this Reserve Study are an inflation rate of 3.7% based on the Consumer Price Index published by the Bureau of Labor Statistics and an interest rate of 3.7%. Most community association bylaws provide that Association funds shall be held in a bank, with FDIC or similar insurance to cover all funds.

[1] FY 2023 Begins January 1, 2023 and Ends December 31, 2023.

The actual timing of the events depicted may not occur exactly as projected. Internal changes such as deferred or accelerated projects, and external changes such as interest and inflation rates, are likely. Updates to the Reserve Study will incorporate these changes. To ensure equity in the adopted funding plan, ongoing annual reviews and either a Non Site visit or Site Visit update of this Reserve Study is recommended in two- to three-years respectively depending on the complexity of the community, and changes in external and internal factors. It is recommended by the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Property Component Definitions

The analysis began by separating the property components into specific areas of responsibility for replacement and repair. These classes of property are as follows:

1. Reserve Components are defined as follows:
    - Association responsibility
    - Limited useful life expectancies
    - Predictable remaining useful life expectancies
    - Replacement cost above a minimum threshold

2. Operating Budget Components are defined as follows:
    - Common area components historically funded through operating funds rather than reserve funds
    - Common area components whose replacement or repair costs fall below a specific dollar amount

3. Long-Lived Components are defined as follows:
    - Common area components without a predictable remaining useful life
    - Common area components with a remaining useful life beyond the 30-year scope of this reserve study

4. Owner Components are defined as follows:
    - Components that are not the responsibility of the Association to maintain, repair or replace

5. Other Components are defined as follows:
    - Components that are neither the responsibility of the Association nor the Owner to maintain, repair or replace

CustomReserves

Property Component Model

		COMMON COMPONENTS (X)			REMAINING COMPONENTS (O)	
CATEGORY	COMPONENT	RESERVES	OPERATING	LONG-LIVED	OWNER	OTHER
	Air Conditioning Unit, Mechanical Room		X			
Property Site	Asphalt Pavement, Mill and Overlay	X				
Property Site	Asphalt Pavement, Preservation	X				
SIRS Exterior Building	Balcony and Breezeway Coating, Remove and Replace	X				
SIRS Exterior Building	Balcony and Breezeway Coatings	X				
	Benches		X			
	Bike Racks		X			
	Curbing, Concrete		X			
Property Site	Deck, Pavers	X				
Pool	Deck, Pavers (Includes Sidewalks)	X				
Pool	Deck, Pavers, Sealer (Includes Sidewalks)	X				
SIRS Exterior Building	Doors, Common, Phased	X				
SIRS Exterior Building	Doors, Fire Rated	X				
	Doors, Serving Individual Units				O	
SIRS Building Services	Electrical Systems, Partial	X				
	Electrical Systems, Serving Individual Units				O	
Building Services	Elevators, Cab Finishes	X				
Building Services	Elevators, Modernization	X				
	Exhaust Fans		X			
	Expenses Less Than $4,000		X			
	Fence, Aluminum, South Perimeter, SCG1					O
	Fences, Vinyl		X			
	Fire Extinguishers		X			
SIRS Building Services	Fire Protection System	X				
	Flag Pole		X			
Clubhouse	Floor, Tile	X				
	Floors, Clubhouse, Laminate		X			
	Foundation(s)			X		
Pool	Furniture	X				
Clubhouse	Furniture, Phased	X				
	Hurricane Shutters				O	
	HVAC Equipment, Serving Individual Units				O	
Clubhouse	HVAC Units	X				
	Infrequent Replacements		X			
	Irrigation System		X			
	Landscaping		X			
Building Services	Laundry Equipment	X				
Clubhouse	Lift Station and Pipes, Interior, Sewer and Water, Partial	X				
Property Site	Light Bollards	X				
Building Services	Light Fixtures	X				
	Light Poles (City)					O
Building Services	Mailboxes	X				
Pool	Mechanical Equipment, Phased	X				
	Other Repairs Normally Funded Through the Operating Budget		X			
SIRS Exterior Building	Paint Finish Applications	X				
SIRS Exterior Building	Paint Finish Applications, Beach Side	X				
SIRS Exterior Building	Paint Removal Applications, Phased	X				
Exterior Building	Patios, Pavers	X				
	Pipes, Interior Building, Serving Individual Units				O	
SIRS Building Services	Plumbing System	X				
Pool	Pool Finishes, North	X				
Pool	Pool Finishes, South	X				
SIRS Exterior Building	Railings, Aluminum	X				
Property Site	Railings, Aluminum, Pool Area	X				
Property Site	Railings, Aluminum, Sea Wall, Partial	X				
Clubhouse	Rest Rooms, Renovations	X				

		COMMON COMPONENTS (X)			REMAINING COMPONENTS (O)	
CATEGORY	COMPONENT	RESERVES	OPERATING	LONG-LIVED	OWNER	OTHER
SIRS Exterior Building	Restoration Project, Partial	X				
Clubhouse	Roof System	X				
SIRS Exterior Building	Roof, Flat	X				
SIRS Property Site	Sea Wall, Partial	X				
SIRS Exterior Building	Sealant Replacement	X				
	Security System		X			
Property Site	Shuffleboard Courts	X				
	Shuffleboard Courts, Color Coat		X			
	Sidewalks, Concrete		X			
	Signage		X			
Property Site	Stormwater System, Partial	X				
	Structural Frame(s)			X		
	Trash Cans		X			
Building Services	Trash Chutes and Doors, Partial	X				
	Unit Interiors				O	
Building Services	Water Heaters	X				
	Water Heaters, Serving Individual Units				O	
	Wind Screen, Pool		X			
Clubhouse	Windows and Doors, Phased	X				
SIRS Exterior Building	Windows and Glass Doors, Common	X				
	Windows, Serving Individual Units				O	

Reserve Expenditures

Sea Coast
Management No. 3., Inc.

Projected Inflation Rate 3.7%

Line Item	Reserve Components	Statutory Classification	Total Quantity	Per Phase Quantity	Unit of Measurement	1st Year of Replacement	Useful Life Years	Age (Year)	Remaining Life Years	2023 Unit Cost	Percentage Ownership	2023 Cost of Replacement per Phase	2023 Cost of Replacement per Total	Total 30 Year Future Costs of Replacement	Fiscal Year 2023	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028	Year 6 2029	Year 7 2030	Year 8 2031	Year 9 2032
	Building Services Components											***$725,825***	***$725,825***	***$1,580,588***										
1	Electrical Systems, Partial	SIRS	**1**	1	Allowance	2026	to 10	varies	3	$10,000.00	100%	$10,000	$10,000	**$50,251**				$11,152						
2	Elevators, Cab Finishes	Non-SIRS	**2**	2	Each	2030	to 15	2015	7	$12,000.00	100%	$24,000	$24,000	**$94,959**								$30,950		
3	Elevators, Modernization	Non-SIRS	**2**	2	Each	2043	to 30	varies	20	$100,000.00	100%	$200,000	$200,000	**$413,623**										
4	Fire Protection System	SIRS	**1**	1	Allowance	2041	to 25	2016	18	$25,000.00	100%	$25,000	$25,000	**$48,079**										
5	Laundry Equipment	Non-SIRS	**10**	10	Pairs	2025	5 to 10	2019	2	$3,000.00	100%	$30,000	$30,000	**$285,929**			$32,261							$41,604
6	Light Fixtures	Non-SIRS	**246**	246	Each	2036	to 25	2010	13	$100.00	100%	$24,600	$24,600	**$39,451**										
7	Mailboxes	Non-SIRS	**85**	85	Each	2053	to 30	2023	30	$85.00	100%	$7,225	$7,225	**$21,488**										
8	Plumbing System	SIRS	**1**	1	Allowance	2033	to 75	1971	10	$355,000.00	100%	$355,000	$355,000	**$510,524**										
9	Trash Chutes and Doors, Partial	Non-SIRS	**2**	2	Each	2024	to 55	1971	1	$20,000.00	100%	$40,000	$40,000	**$41,480**		$41,480								
10	Water Heaters	Non-SIRS	**10**	10	Each	2023	to 10	varies	0	$1,000.00	100%	$10,000	$10,000	**$74,804**	$10,000									
	Exterior Building Components											***$2,818,962***	***$3,152,350***	***$10,424,529***										
11	Balcony and Breezeway Coatings	SIRS	**25,820**	25,820	Square Feet	2031	to 10	2021	8	$5.00	100%	$129,100	$129,100	**$777,979**									$172,646	
11.1	Balcony and Breezeway Coatings, Removal	SIRS	**25,820**	25,820	Square Feet	2031	to 20	Unknown	8	$6.30	100%	$162,666	$162,666	**$667,419**									$217,534	
12	Doors, Common, Phased	SIRS	**41**	8	Each	2028	to 25	varies	5	$1,300.00	100%	$10,400	$53,300	**$123,596**						$12,472				
12.1	Doors, Fire Rated	SIRS	**4**	4	Each	2024	to 25	Unknown	1	$4,200.00	100%	$16,800	$16,800	**$60,629**		$17,422								
13	Paint Finish Applications	SIRS	**136,700**	136,700	Square Feet	2031	to 10	2021	8	$1.75	100%	$239,225	$239,225	**$1,441,612**									$319,916	
13.1	Paint Finish Applications, Beach Side	SIRS	**20,505**	20,505	Square Feet	2026	to 5	2021	3	$1.75	100%	$35,884	$35,884	**$180,321**				$40,016						
13.2	Paint Removal Applications, Phased	SIRS	**136,700**	68,350	Square Feet	2031	N/A	Unknown	8	$4.25	100%	$290,488	$580,975	**$947,127**									$388,470	
14	Patios, Pavers	Non-SIRS	**1,800**	1,800	Square Feet	2033	20 to 30	2003	10	$10.00	100%	$18,000	$18,000	**$25,886**										
15	Railings, Aluminum	SIRS	**3,840**	3,840	Linear Feet	2031	to 35	2011	8	$125.00	100%	$480,000	$480,000	**$641,906**									$641,906	
16	Restoration Project, Partial	SIRS	**1**	1	Allowance	2031	to 10	2021	8	$640,000.00	100%	$640,000	$640,000	**$3,856,751**									$855,874	
17	Roof, Flat	SIRS	**262**	262	Squares	2040	15 to 20	2020	17	$2,400.00	100%	$628,800	$628,800	**$1,166,142**										
18	Sealant Replacement	SIRS	**8,500**	8,500	Linear Feet	2031	to 20	varies	8	$8.00	100%	$68,000	$68,000	**$279,004**									$90,937	
19	Windows and Glass Doors, Common	SIRS	**830**	830	Square Feet	2049	to 45	2010	26	$120.00	100%	$99,600	$99,600	**$256,157**										
	Clubhouse Components											***$141,033***	***$177,033***	***$420,890***										
20	Floor, Tile	Non-SIRS	**1,635**	1,635	Square Feet	2033	to 25	Unknown	10	$12.00	50%	$9,810	$9,810	**$14,108**										
21	Furniture, Phased	Non-SIRS	**1**	1	Allowance	2026	to 20	varies	3	$8,000.00	50%	$4,000	$4,000	**$20,101**				$4,461						
22	HVAC Units	Non-SIRS	**2**	2	Each	2024	8 to 12	varies	1	$4,000.00	50%	$4,000	$4,000	**$18,692**		$4,148								
23	Lift Station and Pipes, Interior, Sewer and Water, Partial	Non-SIRS	**1**	1	Allowance	2033	varies	1971	10	$10,000.00	50%	$5,000	$5,000	**$7,190**										
24	Rest Rooms, Renovations	Non-SIRS	**4**	4	Each	2033	to 25	varies	10	$6,500.00	50%	$13,000	$13,000	**$18,695**										
25	Roof System	Non-SIRS	**49**	49	Squares	2053	to 30	2023	30	$3,805.00	50%	$93,223	$93,223	**$277,258**										
26	Windows and Doors, Phased	Non-SIRS	**800**	200	Square Feet	2028	to 45	varies	5	$120.00	50%	$12,000	$48,000	**$64,847**						$14,390				

Reserve Expenditures

Sea Coast
Management No. 3., Inc.

Line Item	Reserve Components	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
		2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
	Building Services Components																					
1	Electrical Systems, Partial				$16,037										$23,063							
2	Elevators, Cab Finishes																		$64,009			
3	Elevators, Modernization											$413,623										
4	Fire Protection System									$48,079												
5	Laundry Equipment							$53,651							$69,188							$89,224
6	Light Fixtures				$39,451																	
7	Mailboxes																					$21,488
8	Plumbing System	$510,524																				
9	Trash Chutes and Doors, Partial																					
10	Water Heaters	$14,381										$20,681										$29,741
	Exterior Building Components																					
11	Balcony and Breezeway Coatings									$248,281										$357,052		
11.1	Balcony and Breezeway Coatings, Removal																			$449,885		
12	Doors, Common, Phased	$14,956					$17,936					$21,508					$25,793					$30,931
12.1	Doors, Fire Rated																	$43,207				
13	Paint Finish Applications									$460,070										$661,625		
13.1	Paint Finish Applications, Beach Side				$57,547										$82,758							
13.2	Paint Removal Applications, Phased									$558,657												
14	Patios, Pavers	$25,886																				
15	Railings, Aluminum																					
16	Restoration Project, Partial									$1,230,829										$1,770,048		
17	Roof, Flat								$1,166,142													
18	Sealant Replacement																			$188,068		
19	Windows and Glass Doors, Common																	$256,157				
	Clubhouse Components																					
20	Floor, Tile	$14,108																				
21	Furniture, Phased				$6,415										$9,225							
22	HVAC Units		$5,965										$8,579									
23	Lift Station and Pipes, Interior, Sewer and Water, Partial	$7,190																				
24	Rest Rooms, Renovations	$18,695																				
25	Roof System																					$277,258
26	Windows and Doors, Phased						$20,695										$29,761					

Reserve Expenditures

Sea Coast
Management No. 3., Inc.

Projected Inflation Rate 3.7%

Line Item	Reserve Components	Statutory Classification	Total Quantity	Per Phase Quantity	Unit of Measurement	1st Year of Replacement	Useful Life Years	Age (Year)	Remaining Life Years	2023 Unit Cost	Percentage Ownership	2023 Cost of Replacement per Phase	2023 Cost of Replacement per Total	Total 30 Year Future Costs of Replacement	Fiscal Year 2023	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028	Year 6 2029	Year 7 2030	Year 8 2031	Year 9 2032
	Pool Components											***$132,910***	***$132,910***	***$714,325***										
27	Deck, Pavers (Includes Sidewalks)	Non-SIRS	**15,390**	15,390	Square Feet	2026	20 to 30	2003	3	$10.00	50%	$76,950	$76,950	**$291,039**				$85,811						
27.1	Deck, Pavers, Sealer (Includes Sidewalks)	Non-SIRS	**19,160**	19,160	Square Feet	2029	to 3	2022	6	$1.00	50%	$9,580	$9,580	**$146,909**							$11,913			$13,285
28	Furniture	Non-SIRS	**1**	1	Allowance	2025	5 to 10	2018	2	$12,000.00	50%	$6,000	$6,000	**$57,186**			$6,452							$8,321
29	Mechanical Equipment, Phased	Non-SIRS	**1**	1	Allowance	2026	5 to 10	varies	3	$7,500.00	50%	$3,750	$3,750	**$84,418**				$4,182	$4,337				$5,015	$5,200
30	Pool Finishes, North	Non-SIRS	**2,035**	2,035	Square Feet	2028	10 to 15	2018	5	$18.00	50%	$18,315	$18,315	**$67,386**						$21,963				
30.1	Pool Finishes, South	Non-SIRS	**2,035**	2,035	Square Feet	2028	10 to 15	2018	5	$18.00	50%	$18,315	$18,315	**$67,386**						$21,963				
	Property Site Components											***$348,456***	***$465,331***	***$890,004***										
31	Asphalt Pavement, Mill and Overlay	Non-SIRS	**4,555**	4,555	Square Yards	2032	15 to 25	2013	9	$18.00	100%	$81,990	$81,990	**$113,702**										$113,702
32	Asphalt Pavement, Preservation	Non-SIRS	**4,555**	4,555	Square Yards	2024	5 to 8	Unknown	1	$2.20	100%	$10,021	$10,021	**$10,392**		$10,392								
33	Deck, Pavers	Non-SIRS	**3,770**	3,770	Square Feet	2053	20 to 30	2023	30	$10.00	50%	$18,850	$18,850	**$56,063**										
34	Light Bollards	Non-SIRS	**22**	22	Each	2030	to 20	Unknown	7	$270.00	50%	$2,970	$2,970	**$11,751**								$3,830		
35	Railings, Aluminum, Pool Area	Non-SIRS	**430**	430	Linear Feet	2041	to 35	2006	18	$125.00	50%	$26,875	$26,875	**$51,685**										
35.1	Railings, Aluminum, Sea Wall, Partial	Non-SIRS	**550**	440	Linear Feet	2053	to 35	2023	30	$125.00	50%	$27,500	$34,375	**$81,789**										
36	Sea Wall, Partial	SIRS	**550**	330	Linear Feet	2053	to 50	2023	30	$1,000.00	50%	$165,000	$275,000	**$490,735**										
37	Shuffleboard Courts	Non-SIRS	**2,150**	2,150	Square Feet	2036	to 65	1971	13	$10.00	50%	$10,750	$10,750	**$17,240**										
38	Stormwater System, Partial	Non-SIRS	**1**	1	Allowance	2026	3 to 4	1971	3	$4,500.00	100%	$4,500	$4,500	**$56,647**				$5,018				$5,803		
	Total Expenditures											$4,167,186	$4,653,448	**$14,030,335**	**$10,000**	**$73,441**	**$38,713**	**$150,640**	**$4,337**	**$70,789**	**$11,913**	**$40,583**	**$2,692,298**	**$182,112**

Reserve Expenditures

Sea Coast
Management No. 3., Inc.

Line Item	Reserve Components	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
		2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
	Pool Components																					
27	Deck, Pavers (Includes Sidewalks)																		$205,227			
27.1	Deck, Pavers, Sealer (Includes Sidewalks)			$14,815			$16,521			$18,424			$20,546			$22,912						$28,492
28	Furniture							$10,730							$13,838							$17,845
29	Mechanical Equipment, Phased				$6,014	$6,236				$7,212	$7,479				$8,649	$8,969				$10,371	$10,755	
30	Pool Finishes, North																$45,423					
30.1	Pool Finishes, South																$45,423					
	Property Site Components																					
31	Asphalt Pavement, Mill and Overlay																					
32	Asphalt Pavement, Preservation																					
33	Deck, Pavers																					$56,063
34	Light Bollards																		$7,921			
35	Railings, Aluminum, Pool Area									$51,685												
35.1	Railings, Aluminum, Sea Wall, Partial																					$81,789
36	Sea Wall, Partial																					$490,735
37	Shuffleboard Courts				$17,240																	
38	Stormwater System, Partial		$6,711				$7,761				$8,974				$10,378				$12,002			
	Total Expenditures	**$605,740**	**$12,676**	**$14,815**	**$142,703**	**$6,236**	**$62,912**	**$64,382**	**$1,166,142**	**$2,623,237**	**$16,453**	**$455,813**	**$29,124**	**$0**	**$217,098**	**$31,880**	**$146,400**	**$299,365**	**$289,158**	**$3,437,050**	**$10,755**	**$1,123,566**

Cash Flow Funding Plan (Pooling Method)

Sea Coast
Management No. 3., Inc.

	FY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Beginning of Year Reserves		$448,161	$688,243	$905,266	$1,174,848	$1,352,677	$1,693,890	$1,992,175	$2,371,671	$2,748,340	$499,431	$690,097	$477,291	$863,275	$1,275,501	$1,589,691	$2,067,174
Recommended Reserve Contributions		64,500	**265,000**	274,800	285,000	295,500	306,400	317,700	329,500	341,700	354,300	367,400	381,000	395,100	409,700	424,900	440,600
Additional Reserve Contributions		169,000															
Total Recommended Reserve Contributions		233,500	265,000	274,800	285,000	295,500	306,400	317,700	329,500	341,700	354,300	367,400	381,000	395,100	409,700	424,900	440,600
Anticipated Interest Earned	**3.7%**	16,582	25,465	33,495	43,469	50,049	62,674	73,710	87,752	101,689	18,479	25,534	17,660	31,941	47,194	58,819	76,485
Projected Expenditures		(10,000)	(73,441)	(38,713)	(150,640)	(4,337)	(70,789)	(11,913)	(40,583)	(2,692,298)	(182,112)	(605,740)	(12,676)	(14,815)	(142,703)	(6,236)	(62,912)
Projected Year End Reserves		688,243	905,266	1,174,848	1,352,677	1,693,890	1,992,175	2,371,671	2,748,340	499,431	690,097	477,291	863,275	1,275,501	1,589,691	2,067,174	2,521,347

		2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning of Year Reserves		$2,521,347	$3,007,155	$2,426,078	$383,906	$891,158	$996,718	$1,552,473	$2,178,214	$2,631,009	$3,307,576	$3,917,256	$4,419,929	$4,975,708	$2,429,359	$3,241,190
Recommended Reserve Contributions		456,900	473,800	491,300	509,500	528,400	548,000	568,300	589,300	611,100	633,700	657,100	681,400	706,600	732,700	759,800
Anticipated Interest Earned	**3.7%**	93,290	111,265	89,765	14,205	32,973	36,879	57,441	80,594	97,347	122,380	144,938	163,537	184,101	89,886	119,924
Projected Expenditures		(64,382)	(1,166,142)	(2,623,237)	(16,453)	(455,813)	(29,124)	0	(217,098)	(31,880)	(146,400)	(299,365)	(289,158)	(3,437,050)	(10,755)	(1,123,566)
Projected Year End Reserves		3,007,155	2,426,078	383,906 **Threshold/ Risk Year**	891,158	996,718	1,552,473	2,178,214	2,631,009	3,307,576	3,917,256	4,419,929	4,975,708	2,429,359	3,241,190	2,997,347

Notes:

1) FY 2023 Begins January 1, 2023 and Ends December 31, 2023
2) FY 2023 Beginning Reserve Balance and Remaining Contributions are as of August 31, 2023
3) Interest Earned is compounded on the Beginning Year Reserve Balance, the first year is a partial amount earned
4) Taxes on the interest earned are considered negligible

Building Services Components

1. Electrical Systems

The Association maintains the common electrical systems. The common area main electrical panels are primarily original, in satisfactory operational condition and range in capacity from 100- to 1,000-amps. Electrical systems have a long useful life of up to 75 years and beyond. Not all components will fail simultaneously and therefore periodic repairs and partial replacements are likely as the system ages. The Association should budget for partial replacements by 2026 and every 10 years thereafter. The exact times and costs will vary.

Figure 1

Figure 2

2. Elevators, Cab Finishes

The Association maintains two elevators. The cab finishes comprise tile floors, lighted ceiling and wood panel walls. The cab finishes and doors are in fair condition at an age of eight years. Cab finishes and doors have a useful life of up to 15 years. The Association should budget for these replacements by 2030.

Figure 1 – Door

Figure 2 - Elevator Cab Finishes

3. Elevator, Modernization

The Association utilizes two 2,000-pound capacity hydraulic elevators to serve five floors. Hydraulic elevator components include a cylinder, pump and controls. These components are in fair overall reported condition. The useful lives of these components vary up to 30 years. However, the Association should budget for a modernization of all the elevator components by 2043. Fire service features should be brought up to accordance with the requirements of the applicable ASME A17.1, Safety Code for Elevators and Escalators. The Association should contract with an independent elevator consultant to develop specifications for elevator replacement proposals.

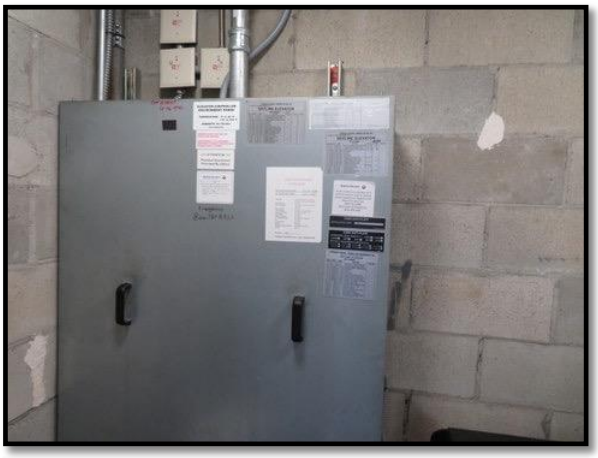


Figure 3 – Elevator Controls

Figure 4 – Elevator Pump

Figure 5 – Elevator Controls

Figure 6 - Elevator Pump

4. Fire Protection System

The Association maintains a fire protection system for each building. A fire protection system comprises a main panel that controls emergency devices such as annunciators and pull boxes. The system utilizes a battery backup. The fire protection system is in satisfactory operational condition at an age of approximately seven years. Changes in building codes and/or technology may make a replacement necessary and/or desirable prior to the useful life of up to 25 years. Sea Coast No. 3 should budget for replacements by 2041. Annual fire protection system inspections are required by the National Fire Protection Association (NFPA) 722 Standards. The Association should fund interim replacement of exit signs and smoke detectors through the operating budget as needed.

Figure 1 – Control Panel

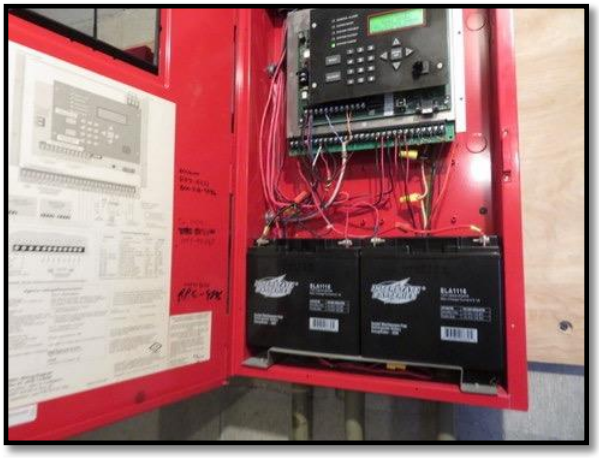


Figure 2 - Control Panel

5. Laundry Equipment

The Association maintains two pairs of washers and dryers on each floor. The laundry equipment is in satisfactory operational condition at an age of four years. Laundry equipment has a useful life from 5- to 10-years. Sea Coast No. 3 should budget for replacement pf the laundry room equipment by 2025 and every seven years thereafter.

Figure 1

Figure 2

6. Light Fixtures

The Association maintains 246 exterior wall mounted light fixtures. The light fixtures are in fair condition at an age of 13 years. Light fixtures of this type have a useful life of up to 25 years. Sea Coast No. 3 should budget for replacement of the light fixtures by 2036. The Association should consider replacements with light emitting diode (LED) technology.

Figure 1

Figure 2

7. Mailboxes

Sea Coast No. 3 maintains 85 mailboxes. The mailboxes are in good at an age of less than one year. Metal mailboxes have an anticipated useful life of up to 30 years. The Association should budget for mailbox replacements by 2053.

Figure 1

Figure 2

8. Plumbing System

The Association is responsible for the building's internal common plumbing system that includes riser sections, water supply, waste and vent piping. Plumbing systems comprising cast iron have a useful life of up to 75 years. However, plumbing systems are failing as infrastructure ages. Communities often fail to account for the plumbing system because it is out of sight. Potential mold and/or other damage may occur if leaks are left unrepaired.

Due to the concealed nature of the plumbing systems, the condition and exact locations of the piping was not determined. The Association should perform a detailed analysis of the plumbing systems to assist in future reserve planning and contract with a pipe restoration specialist to have the pipe interiors camera-scoped to provide pipe quantities, locations, and conditions.

The highest risk items are water heater failures, HVAC condensation drain backups, refrigerator/freezer lines, bathtub drains and toilet seals. Although the water heaters and refrigerator/freezer lines are the responsibility of the owners to maintain, the Association should inform owners that they should include shut off valves and the water heaters have a useful life of 10 years and should be seated in a tray. Water lines should be off if units are vacant for 30 or more days.

The common plumbing systems are mostly original with issues reported. Sea Coast No. 3 should budget for a plumbing system renovation by 2033. The estimated times and costs will vary. The Association may find value in the use of in-place pipe restoration technology such as pipe relining. In-place pipe restoration technology involves camera-scoping, cleaning, and preparing of the pipe interiors followed by installation of a pressurized liquid epoxy which hardens to become structural in nature. This can be a more efficient and cost-effective option in that the need for opening wall cavities in both common areas and unit interiors can be greatly minimized. Pipe lining causes the least amount of disruption to the unit owners.

Updates to this reserve study will consider the timing of future replacements, based on the history of leaks and on information derived from invasive inspections by plumbing contractors. All plumbing systems serving individual unit owners are the responsibility of the individual unit owner.

9. Trash Chutes and Doors

Sea Coast No. 3 utilizes a trash chute. The trash chute is original and in fair to poor condition overall. Areas of rust located at the bottom are noted. Trash chutes in coastal areas have a useful life of up to 55 years. The Association should pressure wash the chutes annually through the operating budget to maximize the useful life. Sea Coast No. 3 should budget for partial replacement of the bottom section in 2024.

Figure 1 – Chute End

Figure 2 – Typical Door

The estimate of cost includes modifications to the walls and replacement of the doors on each floor. The trash chute should meet the latest NFPA 82 standard.

10. Water Heaters

The Association maintains 10 water heaters that serve the laundry rooms. The water heaters are in fair condition at various ages. Residential style water heaters have a useful life of up to 10 years. Sea Coast No. 3 should budget for replacements in 2023 and every 10 yeas thereafter. The timing will vary.

Figure 1

Figure 2

Figure 1

Figure 2

Figure 3

Figure 4

11. Balcony and Breezeways Coating

The balconies and breezeways of Sea Coast No. 3 comprise approximately 25,820 square feet of concrete surface. The balconies and breezeways are in good condition overall. The balconies and breezeways utilize a urethane waterproofing system. Balconies and breezeways have a long useful life with the benefit of periodic maintenance. Concrete cracks and spalling occur from the expansion of the reinforcing steel bars due to corrosion. Concrete corrosion is caused by rainwater and chlorides penetrating the surface of the concrete and contacting the embedded steel reinforcement bars. Failure to maintain the balconies can lead to costly repairs.

Concrete repairs include replacing compromised reinforcing within associated cracks and spalls. Cracks should be repaired with a gravity feed epoxy. Sea Coast No. 3 should use a hybrid coating consisting of a urethane base coat with a textured acrylic topcoat. The proper way to apply coatings is to remove and reinstall the railings. Waterproof coatings applied to horizontal walking surfaces should meet or exceed the minimum requirements for pedestrian traffic bearing capacity and slip resistance.

The Association should budget for waterproof coatings, cant bead and partial concrete repairs as needed by 2031 and every 10 years thereafter in conjunction with paint finish applications. The cant bead is the seal between the wall and floor surfaces. Sea Coast No. 3 should also budget for removal of the existing coatings by 2031 and every 20 years thereafter.

Figure 1 – Balcony

Figure 2 - Balcony

Figure 3 – Breezeway

Figure 4 - Breezeway

12. Doors, Common

Sea Coast No. 3 maintains 45 common doors. Four of which are fired rated. The common doors are in fair overall condition at various ages. Doors have a useful life of up to 25 years. Based on the varied ages, the Association should budget for replacement of the fire rated doors in 2024 and phased replacement of the remaining doors of up to eight doors every five years beginning by 2028.

Figure 1 – Rooftop Door

Figure 2 – Corroded Door Frame

13. Paint Finish Applications

The Association maintains approximately 136,700 square feet of stucco paint finishes. Periodic applications of a protective paint finish or waterproof coating is essential in order to maintain the appearance and integrity of the stucco. Stucco is water resistant but not waterproof. Over time, stucco becomes more permeable which leads to cracks and moisture intrusion if maintenance is deferred.

Comprehensive paint specifications define quality levels and the materials and methods required to achieve them. Construction specifications are written documents that describe the materials and workmanship required for a building project. The purpose is to create certainty in the project and outcome.

The paint finish performance is affected by proper product selection, application, and surface preparation. Coating integrity and useful life will be reduced because of improperly prepared surfaces. The selection and implementation of proper surface preparation ensures coating adhesion to the substrate and prolongs the useful life of the coating system.

The paint finishes are in fair to good overall condition at an age of two years. Based on recommendations by United Engineering Consultants, Inc., Sea Coast No. 3 should budget for the beachside paint finishes every five years and the remaining paint finishes have a useful life of up to 10 years. In addition, phased paint removal applications are included beginning by 2031 and concluding by 2041. Dry film thickness (DFT) above 20 mils can be problematic.

Figure 1 – Rooftop Parapet Wall

Figure 2 – Balcony Paint

14. Patios, Pavers

The patios comprise approximately 1,800 square feet of pavers. Pavers have a useful life from 20- to 30-years with the benefit of ongoing maintenance that includes pressure washing, resetting as needed, an application of sand between the pavers followed by sealer applications every three- to five-years to preserve the color and minimize repairs. Sea Coast No. 3 should budget for this maintenance activity through the operating budget.

Figure 1

Figure 2

The need to eventually replace the pavers may be desired based on aesthetics. The Association should fund for replacements by 2034.

15. Railings, Aluminum

The Association maintains 3,840 linear feet of aluminum railings. The railings are in fair overall condition at an age of 12 years. The finish on aluminum fences is relatively maintenance free. While aluminum doesn't rust, it does corrode over time. Aluminum railings have a useful life of up to 35 years. The major concern with railings is safety. Sea Coast No. 3 can maximize the useful life by repairing connections and fasteners promptly when and if they fail. These activities should be funded through the operating budget on an as needed basis. The Association should budget for railing replacements by 2031 in conjunction with the next restoration project. Sea Coast No. 3 should make sure stainless-steel fasteners are used.

Figure 1

Figure 2

16. Restoration Project

Based on recommendations by United Engineering Consultants, Inc., the Association should anticipate concrete damage when the balconies and breezeways deck coatings are removed. The Association should budget for the next restoration project by 2031 and every 10 years thereafter in conjunction with paint finish applications.

17. Roof, Flat

The Association maintains 262 squares of flat roof. The flat roof is in good condition at an age of three years. Flat roof coverings have a useful life from 15- to 20-years.

The Association should look for roof system warranties offered by manufacturers. No Dollar Limit (NDL) warranties include roof leaks caused by defects in labor or materials.

Exposure to ultraviolet light, heat and weather degrade the membrane overtime. Degradation results in membrane damage from thermal expansion and contraction. Aging of the roof makes the membrane less pliable and difficult to maintain. The most vulnerable parts of a roof are at the perimeters and penetrations such as vents, plumbing stacks and HVAC equipment. Water intrusion can lower insulation R-values and weaken the roof assembly. Ponding water is water that sits on a roof for 24- to 48-hours. Standing water is when water sits on the roof for more than 48 hours. Most thermoplastic polyolefin (TPO) and polyvinyl chloride (PVC) manufactures will allow ponding water and standing water is usually not warranted.

Reroofing is more labor intensive than an original installation. Removal and disposal can be an issue in multistory buildings because of problems conveying materials on and off the roofs. Replacement costs are higher and make replacement less feasible economically.

New roofing can be accomplished by either a tear-off or an overlay. An overlay can cover up problems with the deck and flashings. The contractor should follow manufacturer's directions and specifications. The National Roofing Contractors Association (NRCA) recommends the use of a suitable cover board layer over insulation before a roof membrane installation.

There are several different options for flat roofs. The estimate of cost is based on a TPO roofing system. TPO can be mechanically attached, fully adhered, self-adhered, ballasted, or induction welded. The advantages of TPO are strong heat welded seams and a highly reflective surface saving on energy costs. The Association should budget for replacement of the flat roof system by 2040. Interim annual inspections are recommended funded through the operating budget. It is assumed that the roof was not overlaid and the estimate of cost is based on tearing off one roof only.

Figure 1

Figure 2

18. Sealants

Sealants typically make up a small percentage of the overall construction process and many times receive a comparable amount of effort in their design and installation. Being a first line of defense detail, they'll also continue to be a major contributor to building envelope failures.

Today's sealants are light years ahead of the original white stuff in a tube. Unfortunately, many specifiers and installers have not stayed abreast of these advancements. A basic understanding is required in choosing the best performing sealant material for a specific construction detail. Terminology for today's sealants cover three categories, they include caulking, sealants, and glazing materials. Each is unique from the other and can fail miserably if used in an environment it wasn't designed for. Summarized are the most common areas each category addresses.

Caulking in the building trades refers to interior applications and are usually installed by painting contractors. Caulking is used mainly as a filler in a controlled environment where there is little thermal or structural movement. Materials can include acrylic, and latex caulking products.

Glazing materials have a high tensile strength and don't move as well as a sealant. Glazing materials could be used on curtain walls or window panel joints where strength/adhesion trumps movement. The most popular glazing material today is high modulus (harder material, less movement) silicone. Waterproofing/glazing contractors typically install glazing materials.

Sealants are materials used for exterior applications and have high performance properties. Sealants are typically applied by waterproofing contractors. These materials are designed with excellent elongation capabilities and can take repeated thermal and structural stresses brought on by heat and cold cycles. Materials can include polyurethane, polysulfide and silicone-based products.

The Association should plan to seal the windows and exterior doors in conjunction with the 2031 planned paint project and again by 2051.

19. Windows and Glass Doors, Common

The common windows and glass doors comprise 830 square feet. The windows and glass doors are in good overall condition at an age of 13 years. Windows and glass doors of this type have a useful life of up to 45 years. Sea Coast No. 3 should budget for replacement of the windows and glass doors by 2049. The windows should meet the Florida Building Code for impact resistance. The estimate of cost includes an allowance for engineering fees.

Figure 1

Figure 2

Clubhouse Components

The Association maintains fifty percent (50%) of the clubhouse components with Sea Coast Gardens Management No. 2., Inc.

Figure 1

Figure 2

20. Floors, Tile

The Association maintains 1,635 square feet of tile floor coverings. The tile floors are in good overall condition. The exact age is unknown. Tile floors have a useful life of up to 25 years and beyond with the benefit of periodic maintenance. Periodic maintenance includes cleaning and partial replacements of cracked tiles as needed. Replacement is often predicated on the discretion of the active board's opinion of the need to update the appearance. Based on condition, the Association should anticipate replacement of the tile floor by 2033.

Figure 1 – Tile Floor

Figure 2 - Furniture

21. Furniture

The Association maintains various pieces of furniture. The furniture is in fair overall condition at various ages. The useful lives of these components vary up to 20 years. The Association should budget for phased replacements every 10 years beginning by 2026.

22. HVAC Units

The clubhouse utilizes two split systems for heating, ventilating and air conditioning. The split systems were operational at the time of the site visit at various ages. Split systems have a useful life from 8- to 12-years. The Association should budget for replacement by 2024 and every 10 years thereafter.

Figure 1

Figure 2

23. Lift Station and Pipes, Interior, Sewer and Water

The clubhouse includes a lift station. The lift station is in satisfactory operation condition. The exact ages of the lift station components are unknown. The Association should budget for partial replacements of the sewer and water piping in conjunction with the tile floor and building plumbing systems or by 2033.

24. Rest Rooms, Renovations

There are four rest rooms located within the clubhouse. The rest rooms comprise tile floor plumbing and electrical fixtures. The rest rooms are in fair condition. The exact ages are unknown. These rest room components have a useful life of up to 25 years. The Association should budget for renovations of the rest rooms by 2033 in conjunction with the plumbing and tile floor.

Figure 1

Figure 2

25. Roof System

The clubhouse comprises approximately 49 squares of roofing. Management and the Board report that the Association plans to replace the clubhouse in the near term funded through a special assessment. The estimated useful life of a metal roof is up to 30 years. The Association should budget for replacement of the clubhouse roof by 2053. Interim annual inspections are recommended funded through the operating budget.

26. Windows and Doors

The windows and glass doors of the clubhouse comprise 800 square feet. The windows and glass doors are original and in fair overall condition. Windows and glass doors of this type have a useful life of up to 45 years.

Figure 1 – Window

Figure 2 - Door

The need to replace windows can be due to various reasons such as consistency in style and condition. There will be a cost savings with coordinated replacement. The Association should budget for replacement of the windows and doors by 2028.

Pool Components

The Association maintains fifty percent (50%) of the pool components with Sea Coast Gardens Management No. 2., Inc.

27. Deck, Pavers

The pool deck comprises approximately 15,390 square feet of pavers. The quantity includes the sidewalks. The pavers are in fair overall condition at an age of 20 years. Pool deck pavers have a useful life from 20- to 30-years with the benefit of periodic maintenance.

Figure 1

Figure 2

Periodic maintenance includes pressure washing, resetting as needed and an application of sand between the pavers followed by a sealer application every three years. The Association should budget for this maintenance activity beginning in 2029. The sealer quantity includes the new paver deck. The need to eventually replace the pavers may be desired based on aesthetics. The Association should budget for replacement of the pavers by 2026. Interim repairs should be funded through the operating budget as needed.

28. Furniture

The pool furniture includes umbrellas, lounges, tables and chairs. The pool furniture is in fair condition overall at an age of five years. The pool furniture has a useful life from 5- to 10-years. The

Association should budget for replacement by 2025 and every seven years thereafter. The Association should fund interim restrapping through the operating budget as needed.

Figure 1

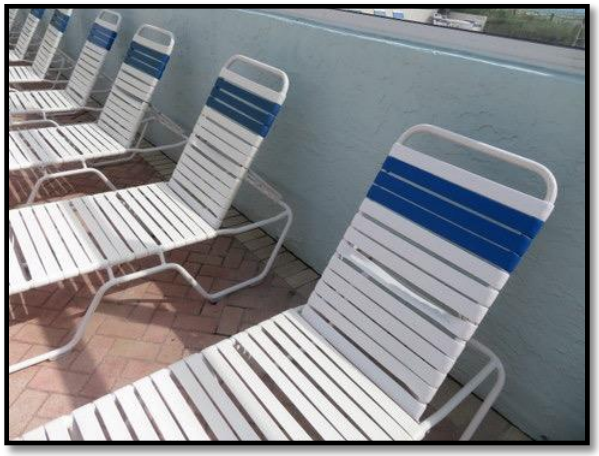


Figure 2

29. Mechanical Equipment

The mechanical equipment includes two heaters, pumps, filters and chlorinators. The mechanical equipment is in fair overall condition at various ages.

Figure 1

Figure 2

The pool equipment has a useful life from 5- to 10-years with the benefit of ongoing maintenance. This ongoing maintenance includes partial replacements of the pumps, filters and chlorinators as needed. The Association should fund these minor partial replacements through the operating budget. The Association should budget for phased replacements beginning by 2026 and concluding by 2027 prior to the pool finishes. Subsequent phased replacements are likely every five years thereafter.

30. Pool Finishes

The finishes at the pool walls and floors surfaces are in fair overall condition at an age of five years. Pool finishes have an anticipated useful life from 10- to 15-years.

Figure 1 – North Pool

Figure 2 – South Pool

Figure 3

Figure 4

The Association should budget for resurfacing of the wall and floor areas, as well as replacement of the pool waterline tile, by 2028 and every 10 years thereafter. Typically, minor upgrades will be needed to bring the pool up to current code. Potential repairs to the underlying pool structure may raise the estimate of cost.

The Association maintains fifty percent (50%) of the property site components other than the asphalt pavement with Sea Coast Gardens Management No. 2., Inc.

31. Asphalt Pavement, Mill and Overlay

The Association maintains approximately 4,555 square yards of asphalt streets and parking areas. The asphalt pavement is in fair overall condition at an age of 10 years. Asphalt pavement comprises multiple layers. Typically the top layer or surface course deteriorates over time and can be milled or removed and overlaid or replaced. The following diagram depicts typical pavement layers.

A mill and overlay is a method of repaving of the surface course where cracked, worn and failed pavement is mechanically removed or milled. A new layer of asphalt is overlaid atop the remaining sound pavement. Milled pavement removes part of the existing pavement and permits the overlay to match the elevation of areas such as adjacent catch basins, curbs and gutters. The milled pavement should be properly bonded to the new overlayment. Overlayment thicknesses range from one to two inches. Variable thicknesses are often necessary for proper drainage.

A combination of area patching, crack repair and milling should occur before the overlayment. Areas that exhibit potholes, alligator cracks and areas of pavement that are deteriorated from vehicle fluids should all be repaired prior to overlayment. Area patching may require total replacement of isolated areas of pavement. The base course for residential subdivision roadways designed for light traffic is often six inches thick. The paving contractor should seal all cracks. Crack repair minimizes the chance of underlying cracks coming through the overlayment.

The useful life of the asphalt pavement surface course varies from 15- to 25-years due to design, quality of construction, materials and maintenance. The Association should budget for a mill and overlay of the pavement by 2032. The Association should retain an engineer for quality control.

Figure 1

Figure 2

32. Asphalt Pavement, Preservation

As previously mentioned, there are approximately 4,555 square yards of asphalt pavement. The asphalt pavement is original and in fair to good overall condition. Areas of cracks are noted. The Association should repair any isolated areas of deteriorated pavement prior to asphalt coating applications.

Pavement surfaces comprise aggregate in an asphalt/petroleum binder. The petroleum elements of the binder oxidize and the asphalt loses its elastic properties over time and becomes brittle and then cracks occur. One form of pavement maintenance is a process called rejuvenation. Rejuvenation is intended to prolong the aging process by adding back the petroleum fractions needed for elasticity of the surface course.

Proposals for asphalt coating applications should include both crack seal repair and area patching. These activities reduce water infiltration and the effects of weather. The contractor should only apply asphalt coating applications after crack and surface repairs are completed.

The asphalt coating has a useful life of five- to eight-years. The Association should plan for an application of pavement preservation in 2024. Subsequent cycles are likely every five - to eight-years thereafter except when replacement occurs.

33. Deck, Pavers

Management and the Board report that the Association plans to replace the damaged wood deck due to storm damage with pavers in the near term funded through a special assessment. The estimated quantity is 3,770 square feet. The Association should fund for replacements by 2053.

34. Light Bollard

The Association maintains 22 bollard light fixtures located along the sidewalks. The bollards are in satisfactory operational condition at an unknown age. These bollards have an anticipate useful life of up to 20 years. Based on the condition, the Association should budget for their replacement by 2030 and again by 2050. Interim replacement of light bulbs and/or fixtures should be funded through the operating budget on an as needed basis.

Figure 1

35. Railings, Aluminum

The Association maintains 430 linear feet of railings that surround the pool area and 550 linear feet of aluminum railings located atop the sea wall. The pool area railings are in fair overall condition at an age of 17 years. The Association should budget for the pool railing replacements by 2041. Management and the Board report that the Association plans to replace the sea wall railings due to storm damage in the near term funded through a special assessment. The Association should fund for partial replacement of up to eighty percent (80%) of the sea wall railings by 2053.

Figure 1 – Pool Area Railing

36. Sea Wall

The Association maintains approximately 550 linear feet of concrete sea wall. Management and the Board report that the Association plans to replace the sea wall due to storm damage in the near term funded through a special assessment. Sea walls have a long useful life with the benefit of ongoing maintenance. Ongoing maintenance includes power washing and sealing the cap, filling the cracks with epoxy and partial replacements of the concrete as needed. The Association should fund for this maintenance activity through the operating budget and partial replacements of up to sixty percent (60%) of the sea wall by 2053.

37. Shuffleboard Courts

The Association maintains approximately 2,150 square feet of shuffleboard courts.

Figure 1

Figure 2

These concrete courts are in fair overall condition. Concrete is durable and this application has a useful life of up to 65 years. However, it will eventually deteriorate from natural weathering. Proper mix designs and installation are also factors that can lead to premature deterioration. The Association should budget for replacement of the shuffleboard courts by 2036. Interim color coat applications should be funded through the operating budget as needed.

38. Stormwater System

The stormwater system comprises catch basins that collect stormwater from the pavement. Stormwater systems are low maintenance and often overlooked. However, overlooking systems of this type leads to major problems. Over time, drains can become clogged with leaves and other debris. The Association should anticipate occasional displacement of the catch basins and the surrounding pavement from erosion as time goes on. Erosion causes settlement of curb inlets or catch basins. The catch basin can shift and need replacement if left unrepaired. The Association should plan to repair any displaced storm water structures and partial pipe replacements as needed.

The overall reported condition of the stormwater structures is good. Stormwater systems have a long useful life with the benefit of ongoing maintenance. Achieving this useful life typically requires interim capital repairs or partial replacements. Maintenance of stormwater systems is required in every municipality as a condition for use of the land to prevent adverse impacts on adjoining properties. The Association should routinely keep the stormwater system clear every three- to four-years beginning in 2026.

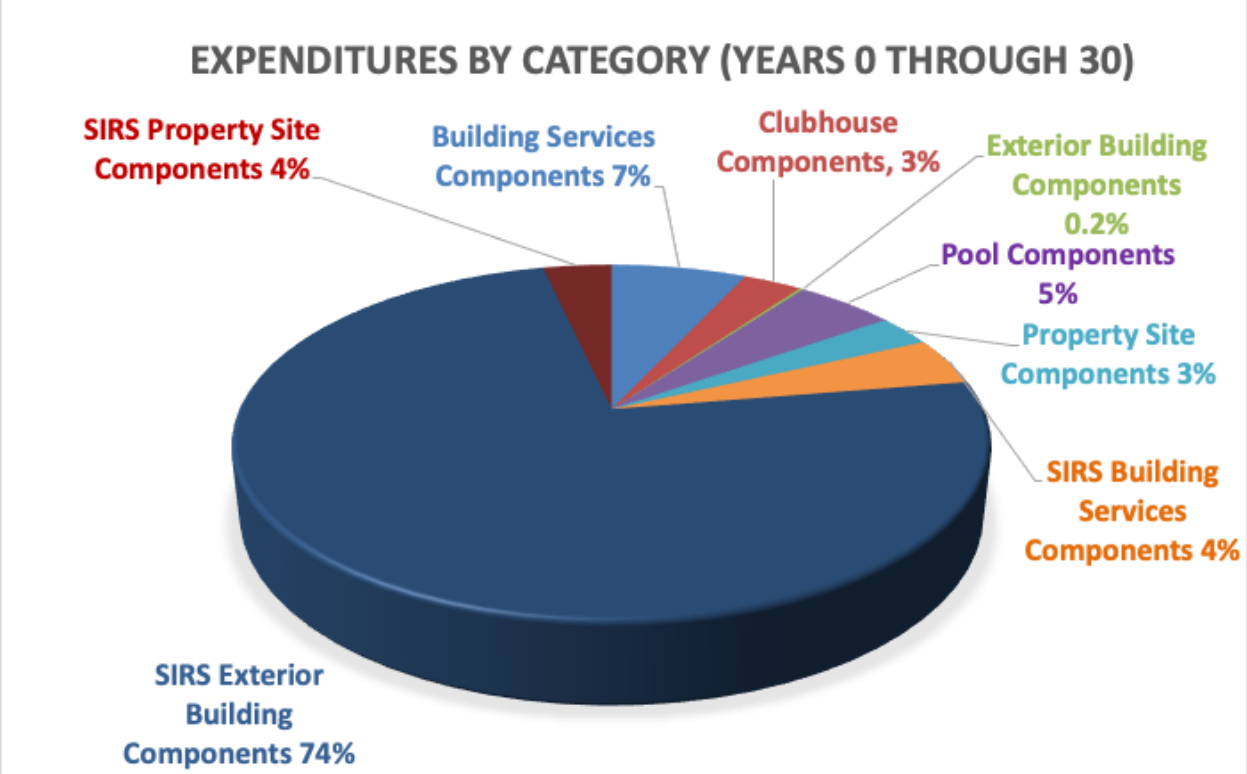
Figure 1 – Catch Basin

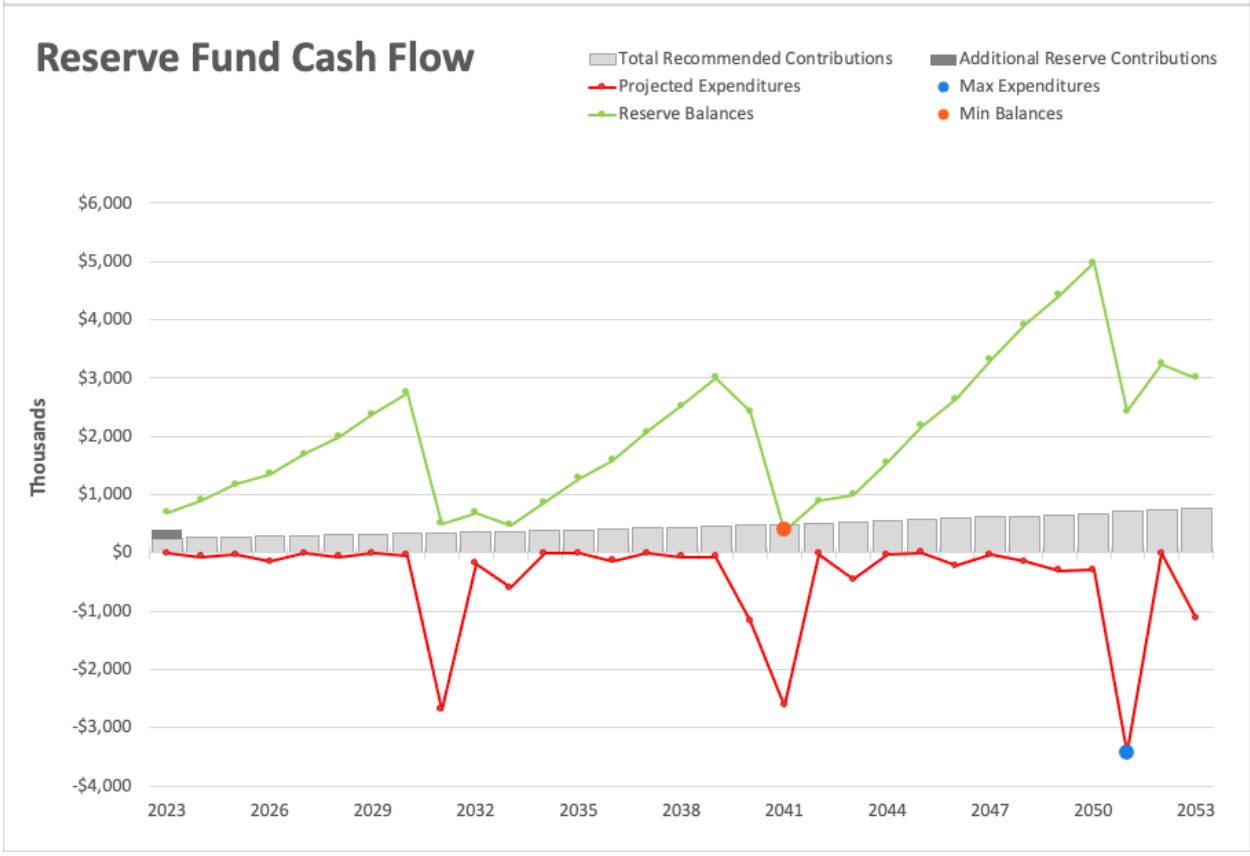
CustomReserves

Condition Model

Component Type	Component Name	Condition	Urgency	1st Year of Replacement
SIRS Building Services	Electrical Systems, Partial	6		2026
Building Services	Elevators, Cab Finishes	6		2030
Building Services	Elevators, Modernization	7		2043
SIRS Building Services	Fire Protection System	7		2041
Building Services	Laundry Equipment	4		2025
Building Services	Light Fixtures	6		2036
Building Services	Mailboxes	10		2053
SIRS Building Services	Plumbing System	4		2033
Building Services	Trash Chutes and Doors, Partial	5		2024
Building Services	Water Heaters	4		2023
SIRS Exterior Building	Balcony and Breezeway Coating, Remove and Replace	8		2031
SIRS Exterior Building	Balcony and Breezeway Coatings	8		2041
SIRS Exterior Building	Doors, Common, Phased	5		2028
SIRS Exterior Building	Doors, Fire Rated	6		2024
SIRS Exterior Building	Paint Finish Applications	8		2031
SIRS Exterior Building	Paint Finish Applications, Beach Side	6		2026
SIRS Exterior Building	Paint Removal Applications, Phased	7		2031
Exterior Building	Patios, Pavers	6		2033
SIRS Exterior Building	Railings, Aluminum	7		2031
SIRS Exterior Building	Restoration Project, Partial	8		2031
SIRS Exterior Building	Roof, Flat	8		2040
SIRS Exterior Building	Sealant Replacement	4		2031
SIRS Exterior Building	Windows and Glass Doors, Common	7		2049
Clubhouse	Floor, Tile	7		2033
Clubhouse	Furniture, Phased	6		2026
Clubhouse	HVAC Units	4		2024
Clubhouse	Lift Station and Pipes, Interior, Sewer and Water, Partial	6		2033
Clubhouse	Rest Rooms, Renovations	7		2033
Clubhouse	Roof System	10		2053
Clubhouse	Windows and Doors, Phased	6		2028
Pool	Deck, Pavers (Includes Sidewalks)	4		2026
Pool	Deck, Pavers, Sealer (Includes Sidewalks)	9		2029
Pool	Furniture	6		2025
Pool	Mechanical Equipment, Phased	6		2026
Pool	Pool Finishes, North	5		2028
Pool	Pool Finishes, South	5		2028
Property Site	Asphalt Pavement, Mill and Overlay	6		2032
Property Site	Asphalt Pavement, Preservation	6		2024
Property Site	Deck, Pavers	10		2053
Property Site	Light Bollards	6		2030
Property Site	Railings, Aluminum, Pool Area	6		2041
Property Site	Railings, Aluminum, Sea Wall, Partial	10		2053
SIRS Property Site	Sea Wall, Partial	10		2053
Property Site	Shuffleboard Courts	6		2036
Property Site	Stormwater System, Partial	6		2026

Expenditure Chart and Funding Graph





Terms and Definitions

Adequate Reserves - A replacement reserve fund and stable and equitable multiyear funding plan that together provide for the reliable and timely execution of the association's major repair and replacement projects as defined herein without reliance on additional supplemental funding.

Capital Improvements - Additions to the association's common area that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction or installation cannot be taken from the reserve fund.

Cash Flow Method (also known as pooling) - 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 expenditures until the desired Funding Goal is achieved.

Common Area - The areas identified in the community association's master deed or declarations of covenant easements and restrictions that the association is obligated to maintain and replace or based on a well-established association precedent.

Component - An individual line item in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks of the Reserve Study. Components typically are: 1) Association responsibility, 2) The need and schedule for this project can be reasonably anticipated, 3) The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

Component Inventory - The task of selecting and quantifying Reserve Components. This task is accomplished through onsite visual observations, review of association design and organizational documents, and a review of established association precedents, and discussion with appropriate representative(s) of the association.

Component Method (also known as Straight Line) - A method of developing a reserve funding plan where the total funding is based on the sum of funding for individual components.

Condition Assessment - The task of evaluating the current condition of the component based on observed or reported characteristics. The assessment is limited to a visual, non-invasive evaluation.

Effective Age - The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

Financial Analysis - The portion of a reserve study in which the current status of the reserves (measured as cash or percent funded) and a recommended reserve funding plan are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study. A minimum of 30 years of income and expense are to be considered.

Fully Funded - 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

Fully Funded Balance (FFB) - An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

Fund Status - The status of the reserve fund reported in terms of cash or percent funded.

Funding Goals - The three funding goals listed below range from the most aggressive to most conservative:

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

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

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

It should be noted that, in certain jurisdictions, there may be statutory funding requirements that would dictate the funding requirements. In all cases, these standards are considered the minimum to be referenced.

Funding Plan - An Association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of 30 years of projected income and expenses.

Funding Principles - A funding plan addressing these principles. These funding principles are the basis for the recommendations included within the reserve study:

- Sufficient funds when required.
- Stable funding rate over the years.
- Equitable funding rate over the years.
- Fiscally responsible.

Initial Year - The first fiscal year in the financial analysis or funding plan.

Life Estimates - The task of estimating useful life and remaining useful life of the reserve components.

Life Cycle Cost - The ongoing cost of deterioration which must be offset in order to maintain and replace common area components at the end of their useful life. Note that the cost of preventive maintenance and corrective maintenance determined through periodic structural inspections (if required) are included in the calculation of life cycle costs and often result in overall net lower life cycle costs.

Maintenance - Maintenance is the process of maintaining or preserving something, or the state of being maintained. Maintenance is often defined in three ways: preventive maintenance, corrective maintenance, and deferred maintenance. Maintenance projects commonly fall short of "replacement" but may pass the defining test of a reserve component and be appropriate for reserve funding. Maintenance types are categorized below:

Preventive Maintenance - Planned maintenance carried out proactively at predetermined intervals, aimed at reducing the performance degradation of the component such that it can attain, at minimum, its estimated useful life.

Deferred Maintenance - Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance. This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Corrective Maintenance - Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced. Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded - The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of "adequacy."

Periodic Structural Inspection - Structural system inspections aimed at identifying issues when they become evident.

Additional information and recommendations are included within the Condominium Safety Public Policy Report. www.condosafety.com

Physical Evaluation - The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

Preventive Maintenance Schedule - A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components

are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL) - Also referred to as "remaining life" (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life. Replacement Cost: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

Reserve Balance - Actual or projected funds, clearly identified as existing either at the beginning or end of the association's fiscal year, which will be used to fund reserve component expenditures. The source of this information should be disclosed within the reserve study.

Also known as beginning balance, reserves, reserve accounts, or cash reserves. This balance is based on information provided and not audited.

Reserve Study - A reserve study is a budget planning tool which identifies the components that a community association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures.

This limited evaluation is conducted for budget and cash flow purposes. Tasks outside the scope of a reserve study include, but are not limited to, design review, construction evaluation, intrusive or destructive testing, preventive maintenance plans, and structural or safety evaluations.

Reserve Study Provider - An individual who prepares reserve studies. In many instances, the reserve study provider will possess a specialized designation such as the Reserve Specialist. (RS) designation administered by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards. In some instances, qualifications in excess of the RS designation will be required if supplemental subject matter expertise is required.

Reserve Study Provider Firm - A company that prepares reserve studies as one of its primary business activities.

Responsible Charge - A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals' performing services that directly and materially affect the quality and competence of services rendered by the Reserve Specialist. A Reserve Specialist shall maintain such records as are reasonably necessary to establish that the Reserve Specialist exercised regular and effective supervision of a reserve study of which he or she was in responsible charge. A Reserve Specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;

2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;

3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and

4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

Site Visit - A visual assessment of the accessible areas of the components included within the reserve study.

The site visit includes tasks such as, but not limited to, on-site visual observations, a review of the association's design and governing documents, review of association precedents, and discussion with appropriate representative(s) of the association.

Special Assessment - A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

Special assessments, when used to make up for unplanned reserve fund shortfalls, may be an indicator of deferred maintenance, improper reserve project planning, and unforeseen catastrophes and accidents, as well as other surprises.

Structural System - The structural components within a building that, by contiguous interconnection, form a path by which external and internal forces, applied to the building, are delivered to the ground. This is generally a combination of structural beams, columns, and bracing and is not included within the reserve study, although it is reviewed as part of the recommended periodic structural inspections.

It is important to recognize that individual structural components which are not a part of the structural system, such as decks, balconies, and podium deck components may be included for reserve funding if they otherwise satisfy the three-part test.

Useful Life (UL) - The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed presuming proactive, planned, preventive maintenance.

Best practice is that a component's Useful Life should reflect the actual preventive maintenance being performed (or not performed).

Valuation Estimates - The task of estimating the current repair or replacement costs for the reserve components.

Disclosures and Limitations

No destructive testing was performed. Latent defects in design or construction are excluded from this report. There are no material issues to our knowledge that have not been disclosed to the client that would affect the integrity of this Reserve Study report. Custom Reserves has no interests with the client other than this Reserve Study. The Reserve Specialist or other reserve study provider for this project has no familial or marital relationship with the client, no ownership interest in the client, and no ongoing business relationship with the client.

Clear recommendations appear within the reserve study where the association has been advised to retain outside expertise to supplement the evaluation of the Reserve Specialist.

Component quantities and estimates of costs indicated in this Report were developed by Custom Reserves unless otherwise noted in our "Condition Assessment" comments. The sources for the costs outlined in the study include experience and historical information. This report should be used for budget and planning purposes only. The Reserve Specialist shall incur no civil liability for performing the physical or financial portions of a reserve study performed in accordance with these standards.

Inspection and Report Credentials

PAUL GRIFONI – Senior Engineer, Licensed Home Inspector

EDUCATION - University of Massachusetts - Bachelor of Science in Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Professional Reserve Analyst (PRA)
Association of Professional Reserve Analysts

Reserve Specialist (RS)
Community Associations Institute