

Villas de Golf Condominium Association, Inc.

Inspected: January 31, 2024 • Revised on: December 05, 2024
Largo, FL

STRUCTURAL INTEGRITY
RESERVE STUDY



Villas de Golf Condominium Association, Inc.
Largo, Florida

Dear Board of Directors of Villas de Golf 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 Villas de Golf Condominium Association, Inc. in Largo, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, January 31, 2024.

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

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Villas de Golf 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 December 5, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Tyler C. Gidden, RS¹

Review by: Alan M. Ebert, RS, PRA², Director of Quality Assurance



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

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



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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Villas de Golf Condominium Association, Inc. (Villas de Golf)

Location: Largo, Florida

Reference: 070221

Property Basics: Villas de Golf Condominium Association, Inc. is a condominium style development of 174 units in 10 buildings. The buildings were built from 1972 to 1974.

Reserve Components Identified:

- 15 Structural Integrity Reserve Components.
- 23 General Reserve Components.

Inspection Date: January 31, 2024. We conducted the original inspection on April 25, 2018.

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

- Current and future local costs of replacement
- 2.0% anticipated annual rate of return on invested reserves
- 3.0% future Inflation Rate for estimating Future Replacement Costs

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

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

- Structural Integrity - Receiving milestone inspection to meet government requirement
- Structural Integrity - Repairing staircases as deferral may result in dangerous conditions and accelerated deterioration
- Structural Integrity - Coating applications and partial replacement to limit water infiltration, and to maintain a uniformly clean and consistent appearance of the buildings
- General - Repurposing tennis court as deferral may result in dangerous conditions

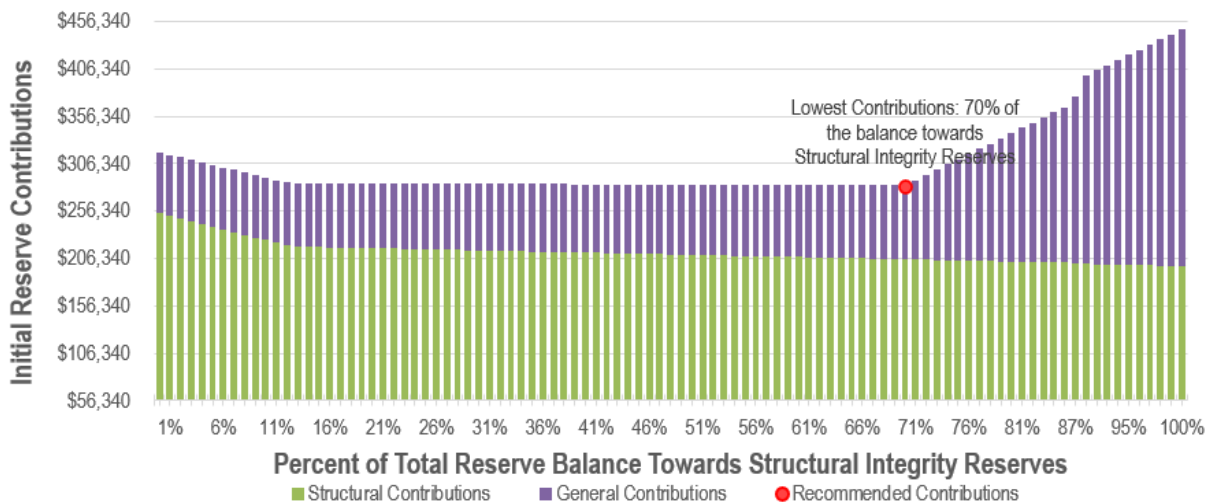


Unaudited Cash Status of Reserve Fund:

- \$348,150 as of November 30, 2023
- \$211,018 in budgeted 2024 reserve contributions (\$211,018 remaining)
- \$500 in estimated remaining 2024 reserve expenses
- We project a 2024 Reserve End Balance of \$567,768.

As part of our Cash Flow method, we analyzed future expenditures and identified the reserve balance split to produce the lowest overall required contributions. Due to the statutory restrictions on structural integrity reserve funds, we recommend the Association maintain separate funds for Structural Integrity reserves and General (non-structural) reserves. However, the existing reserve funds are not split. We, therefore, analyzed future expenditures and identified the starting reserve balance split that produces the lowest overall reserve contributions. We recommend the Association allocate \$397,438, or 70% of the 2024 Projected Reserve End Balance to the Structural Integrity Reserve Fund and \$170,330, or 30% to the General (non-structural) Fund to minimize the total combined contributions to the statutory Structural Integrity Fund and the recommended General (non-structural) Fund. A vote of the membership may be required to allocate funds in this manner. The following chart depicts the analysis of future expenditures and the reserve balance split to produce the lowest overall required contributions.

Starting Cash Flow - Optimized Reserve Balance Split



<u>Cash Flow - Existing Reserve Balance and Contribution Split</u>		<u>Structural Integrity</u>		<u>General</u>
	<u>FY2024</u>	<u>2025</u>	<u>2025</u>	
Beginning Reserve Balance as of November 30, 2023	348,150	397,438	170,330	
Remaining Budgeted Reserve Contributions:	211,018	206,200	76,800	
Estimated Remaining Interest Earned:	9,100	70%		
Anticipated Remaining Structural Expenditures:	(500)	30%		
Anticipated Remaining General Expenditures:	0			
Anticipated Reserves at Year End:	<u>\$567,768</u>			

Structural Integrity

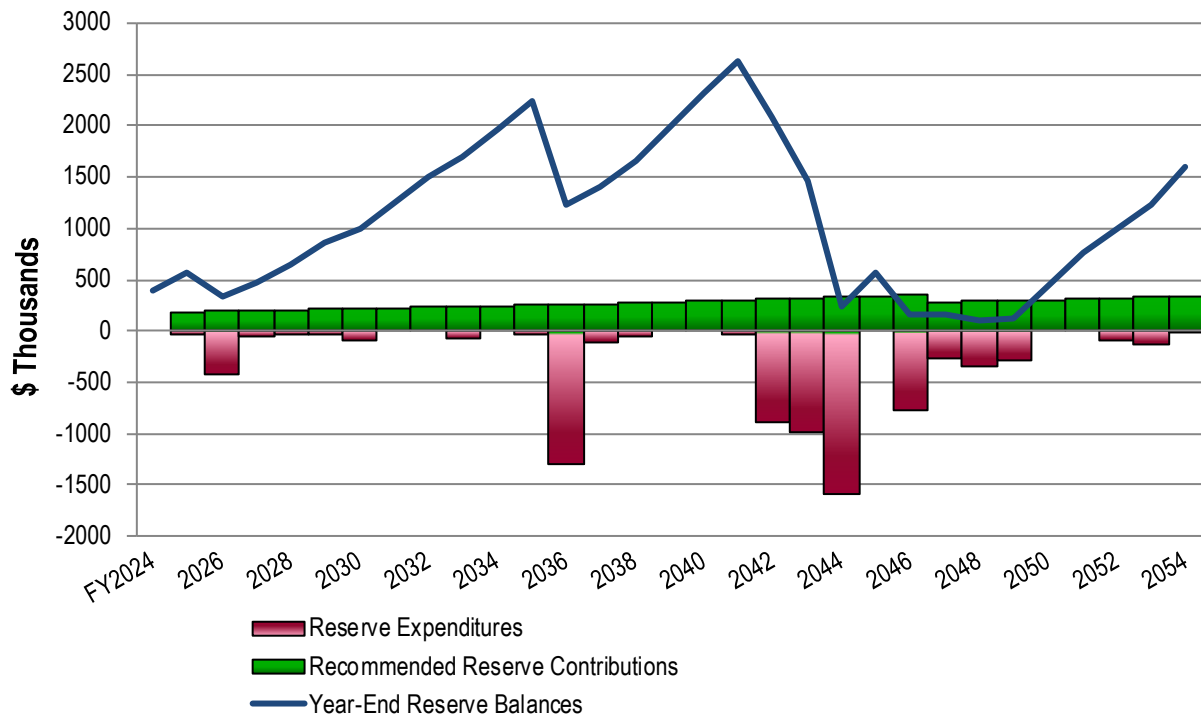
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes these threshold funding years in 2044 due to subsequent replacement of the asphalt shingle roofs and 2046 due to the repairs and coating applications to the exterior walls and breezeways. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately \$1,600,500. We judge this amount of accumulated reserves in 2054 necessary to fund the likely replacement of the thermoplastic roofs after 2054. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2054 year end reserves.

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

- Allocate \$397,438 of the Anticipated 2024 Year End Reserve balance to the Structural Integrity Reserve Fund.
- Increase to \$186,000 in 2025
- Inflationary increases from 2026 through 2046
- Decrease to \$280,000 by 2047 due to fully funding for repairs and coating applications to the exterior walls and breezeways
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 Reserve Contribution of \$186,000 is equivalent to an average monthly contribution of \$89.08 per owner.
- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024.

Recommended Structural Integrity Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2025	186,000	563,093	2035	250,100	2,235,184	2045	336,100	574,122
2026	191,600	335,196	2036	257,600	1,223,455	2046	346,200	153,806
2027	197,300	480,472	2037	265,300	1,412,052	2047	280,000	165,600
2028	203,200	655,527	2038	273,300	1,662,856	2048	288,400	105,006
2029	209,300	851,929	2039	281,500	1,980,428	2049	297,100	116,403
2030	215,600	1,001,460	2040	289,900	2,312,836	2050	306,000	427,791
2031	222,100	1,245,810	2041	298,600	2,620,614	2051	315,200	754,699
2032	228,800	1,501,814	2042	307,600	2,093,540	2052	324,700	1,005,308
2033	235,700	1,697,428	2043	316,800	1,468,554	2053	334,400	1,232,251
2034	242,800	1,976,605	2044	326,300	230,060	2054	344,400	1,603,514





General

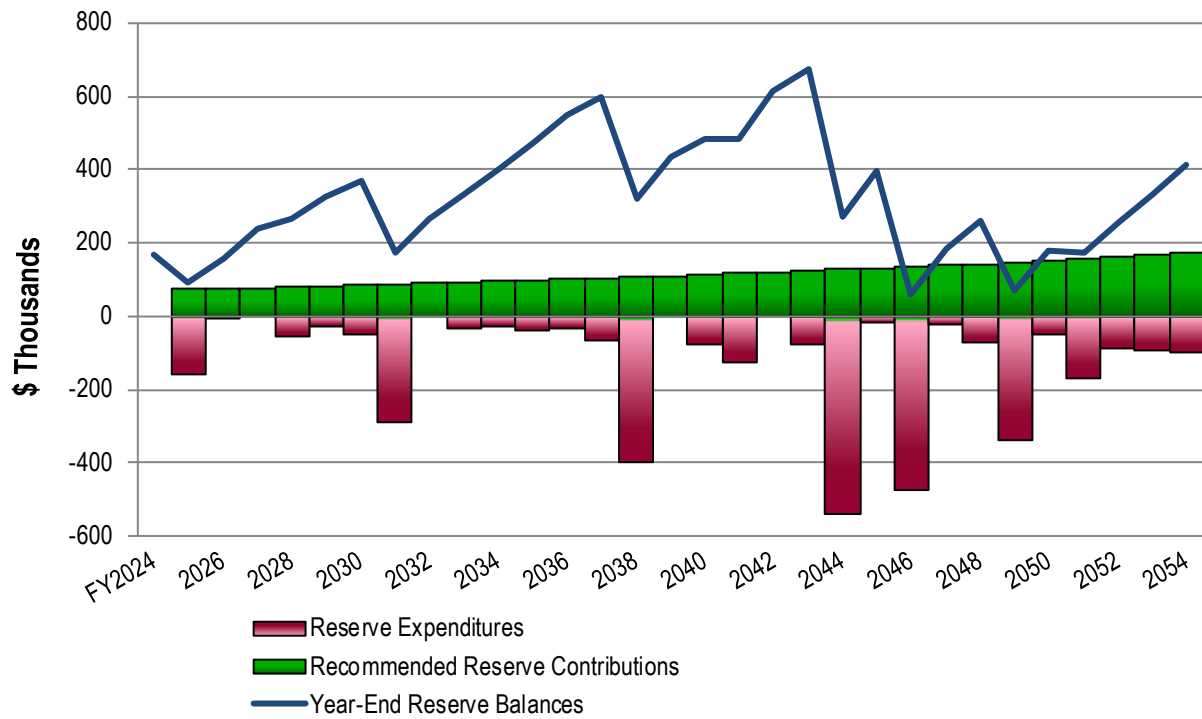
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. *General:* Our recommended Funding Plan recognizes this threshold funding year in 2046 due to the modernization of the elevator equipment.

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

- Allocate \$170,330 of the Anticipated 2024 Year End Reserve balance to the General Reserve Fund.
- Recommended contribution of \$76,800 in 2025 and \$75,000 in 2026
- Inflationary increases from 2027 through 2046
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- Florida Statute 718.112 provides for a majority of the voting interest to waive or reduce reserve for General (non-structural) items. Consult legal counsel or your property management company for further guidance.

Recommended General Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2025	76,800	89,984	2035	97,800	473,940	2045	131,300	394,360
2026	75,000	158,949	2036	100,700	549,125	2046	135,200	60,343
2027	77,200	240,100	2037	103,700	599,241	2047	139,300	182,310
2028	79,500	268,154	2038	106,800	318,100	2048	143,500	259,135
2029	81,900	325,794	2039	110,000	435,562	2049	147,800	72,154
2030	84,400	370,279	2040	113,300	483,454	2050	152,200	179,835
2031	86,900	171,729	2041	116,700	485,787	2051	156,800	173,538
2032	89,500	265,559	2042	120,200	616,905	2052	161,500	254,092
2033	92,200	331,046	2043	123,800	674,177	2053	166,300	332,408
2034	95,000	403,443	2044	127,500	273,562	2054	171,300	411,556





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

Villas de Golf Condominium Association, Inc.

Largo, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, January 31, 2024. We conducted the original inspection on April 25, 2018.

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 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 the Board. These classes of property include:

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



We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. 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:

- Villas de Golf 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 Villas de Golf 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. The Board report no history of water infiltration or repairs to the foundations. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.
- Windows and Doors, At Units – Maintained and replaced by the homeowners

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

Excluded Components

for
Villas de Golf
Condominium Association, Inc.
Largo, Florida

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than \$10,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds.

- Concrete Curbs and Gutters
- Concrete Sidewalks
- Golf Cart
- Grill Stations
- Interior Renovations, Clubhouse, Pool Hall and Guardhouse¹
- Irrigation System, Controllers
- Landscape
- Laundry Rooms, Renovations
- Light Fixtures, Breezeways¹
- Mailboxes¹
- Office Renovations and Equipment
- Paint Finishes, Touch Up
- Perimeter Walls, Stucco, Paint Finishes and Capital Repairs¹
- Pool Furniture
- Security System
- Signage
- Sport Courts, Shuffleboard, Interim Coatings
- Water Heaters, Common

¹ At the request of the Board

Long-Lived Components

These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.

	Useful Life	Estimated Cost
• Electrical System, Main Panels, Buildings 6 through 10, Subsequent ¹	to 70	\$70,000
• Elevators, Hydraulic, Cylinders	to 45	\$66,000
• Foundations	Indeterminate	N/A
• Structural Frames	Indeterminate	N/A

¹ The electrical panels at Buildings 6 through 10 are planned to be replaced in the near term through a special assessment.

Excluded Components

for
Villas de Golf
Condominium Association, Inc.
Largo, Florida

Owners Responsibility Components
Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back.
• Electrical Systems (Including Circuit Protection Panels) • Heating, Ventilating and Air Conditioning (HVAC) Units • Interiors • Pipes (Within Units) • Windows and Doors

Others Responsibility Components
Certain items have been designated as the responsibility of Others to repair or replace.
• Light Poles and Fixtures, Streets¹
¹ Utility Company

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- 2024 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end

Five-Year Outlook

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

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

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

Structural Integrity

RESERVE EXPENDITURES

Years 2024 to 2039

Villas de Golf
Condominium Association, Inc.
Largo, Florida

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																	
Exterior Building Elements																											
1.060	10,800	10,800	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications	2026	8 to 12	2	13.00	140,400	140,400	8.1%			148,950										200,177			
1.100	1	1	Allowance	Breezeways, Railings, Aluminum, Paint Finishes and Capital Repairs, Materials Only (2024 Budgeted)	2024	5 to 7	0	500.00	500	500	0.1%	500					597										
1.105	2,900	2,900	Linear Feet	Breezeways, Railings, Aluminum, Replacement	2036	to 50	12	85.00	246,500	246,500	4.6%												351,450				
1.180	45	15	Each	Doors, Common, Phased (Incl. Garage Door)	2029	to 30	5 to 17	1,600.00	24,000	72,000	1.3%					27,823						33,222					
1.280	630	630	Squares	Roofs, Asphalt Shingles, Subsequent	2044	15 to 20	20	1,390.00	875,700	875,700	20.8%																
1.530	62,000	31,000	Square Feet	Roofs, Thermoplastic, Phased	2042	15 to 20	18 to 19	16.20	502,200	1,004,400	22.8%																
1.600	24	24	Each	Staircases (2025 Repairs Planned)	2025	to 60	1	11,000.00	264,000	264,000	5.3%	29,855											376,401				
1.605	1	1	Allowance	Structural Members, Inspection, Milestone	2033	to 10	9	20,000.00	20,000	20,000	1.4%									26,095							
1.880	131,700	131,700	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2026	to 10	2	2.00	263,400	263,400	15.2%		279,441										375,545				
1.980	540	540	Square Feet	Windows, Amenity Buildings	2030	45 to 55	6	130.00	70,200	70,200	1.1%						83,822										
Building Services Elements																											
3.300	1	1	Allowance	Electrical Systems, Main Panels, Buildings 1 through 5	2037	to 70	13	70,000.00	70,000	70,000	1.3%														102,797		
3.555	6	6	Each	Life Safety System, Control Panels	2027	to 15	3	2,500.00	15,000	15,000	0.6%				16,391												
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2027	to 25	3	40,000.00	40,000	40,000	1.8%				43,709												
3.600	1	1	Allowance	Pipes, Riser Sections, Domestic Water and Waste, Partial	2028	to 80+	4	35,000.00	35,000	35,000	4.6%					39,393				45,667					52,941		
Property Site Elements																											
4.096	27,500	9,167	Square Feet	Carports, Roofs	2047	to 30	23 to 25	15.00	137,500	412,500	11.0%																
Anticipated Expenditures, By Year (\$7,621,460 over 30 years)												500	29,855	428,391	60,100	39,393	27,823	84,419	0	0	71,762	0	33,222	1,303,573	102,797	52,941	0

Structural Integrity

RESERVE EXPENDITURES

Years 2040 to 2054

				Villas de Golf Condominium Association, Inc. Largo, Florida																								
Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years		Costs, \$			Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054		
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																		
				<u>Exterior Building Elements</u>																								
1.060	10,800	10,800	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications	2026	8 to 12	2	13.00	140,400	140,400	8.1%							269,021										
1.100	1	1	Allowance	Breezeways, Railings, Aluminum, Paint Finishes and Capital Repairs, Materials Only (2024 Budgeted)	2024	5 to 7	0	500.00	500	500	0.1%			851					1,016							1,214		
1.105	2,900	2,900	Linear Feet	Breezeways, Railings, Aluminum, Replacement	2036	to 50	12	85.00	246,500	246,500	4.6%																	
1.180	45	15	Each	Doors, Common, Phased (Incl. Garage Door)	2029	to 30	5 to 17	1,600.00	24,000	72,000	1.3%		39,668															
1.280	630	630	Squares	Roofs, Asphalt Shingles, Subsequent	2044	15 to 20	20	1,390.00	875,700	875,700	20.8%					1,581,612												
1.530	62,000	31,000	Square Feet	Roofs, Thermoplastic, Phased	2042	15 to 20	18 to 19	16.20	502,200	1,004,400	22.8%			854,962	880,611													
1.600	24	24	Each	Staircases (2025 Repairs Planned)	2025	to 60	1	11,000.00	264,000	264,000	5.3%																	
1.605	1	1	Allowance	Structural Members, Inspection, Milestone	2033	to 10	9	20,000.00	20,000	20,000	1.4%				35,070										47,131			
1.880	131,700	131,700	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2026	to 10	2	2.00	263,400	263,400	15.2%							504,702										
1.980	540	540	Square Feet	Windows, Amenity Buildings	2030	45 to 55	6	130.00	70,200	70,200	1.1%																	
				<u>Building Services Elements</u>																								
3.300	1	1	Allowance	Electrical Systems, Main Panels, Buildings 1 through 5	2037	to 70	13	70,000.00	70,000	70,000	1.3%																	
3.555	6	6	Each	Life Safety System, Control Panels	2027	to 15	3	2,500.00	15,000	15,000	0.6%			25,536														
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2027	to 25	3	40,000.00	40,000	40,000	1.8%												91,517					
3.600	1	1	Allowance	Pipes, Riser Sections, Domestic Water and Waste, Partial	2028	to 80+	4	35,000.00	35,000	35,000	4.6%				61,373				71,148						82,480			
				<u>Property Site Elements</u>																								
4.096	27,500	9,167	Square Feet	Carports, Roofs	2047	to 30	23 to 25	15.00	137,500	412,500	11.0%							271,368	279,509	287,895								
				Anticipated Expenditures, By Year (\$7,621,460 over 30 years)										0	39,668	881,349	977,054	1,581,612	0	773,723	271,368	351,673	287,895	0	0	91,517	129,611	1,214

RESERVE FUNDING PLAN

Structural Integrity
CASH FLOW ANALYSIS
Villas de Golf
Condominium Association, Inc.
Largo, Florida

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	(Note 1)	N/A	397,438	563,093	335,196	480,472	655,527	851,929	1,001,460	1,245,810	1,501,814	1,697,428	1,976,605	2,235,184	1,223,455	1,412,052	1,662,856
Total Recommended Reserve Contributions	(Note 2)	N/A	186,000	191,600	197,300	203,200	209,300	215,600	222,100	228,800	235,700	242,800	250,100	257,600	265,300	273,300	281,500
Estimated Interest Earned, During Year	(Note 3)	N/A	9,510	8,894	8,076	11,248	14,925	18,350	22,250	27,204	31,676	36,377	41,701	34,244	26,094	30,445	36,072
Anticipated Expenditures, By Year		N/A	(29,855)	(428,391)	(60,100)	(39,393)	(27,823)	(84,419)	0	0	(71,762)	0	(33,222)	(1,303,573)	(102,797)	(52,941)	0
Anticipated Reserves at Year End		<u>\$397,438</u>	<u>\$563,093</u>	<u>\$335,196</u>	<u>\$480,472</u>	<u>\$655,527</u>	<u>\$851,929</u>	<u>\$1,001,460</u>	<u>\$1,245,810</u>	<u>\$1,501,814</u>	<u>\$1,697,428</u>	<u>\$1,976,605</u>	<u>\$2,235,184</u>	<u>\$1,223,455</u>	<u>\$1,412,052</u>	<u>\$1,662,856</u>	<u>\$1,980,428</u>

(continued)		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year		1,980,428	2,312,836	2,620,614	2,093,540	1,468,554	230,060	574,122	153,806	165,600	105,006	116,403	427,791	754,699	1,005,308	1,232,251
Total Recommended Reserve Contributions		289,900	298,600	307,600	316,800	326,300	336,100	346,200	280,000	288,400	297,100	306,000	315,200	324,700	334,400	344,400
Estimated Interest Earned, During Year		42,508	48,846	46,675	35,268	16,818	7,962	7,207	3,162	2,679	2,192	5,388	11,708	17,426	22,154	28,077
Anticipated Expenditures, By Year		0	(39,668)	(881,349)	(977,054)	(1,581,612)	0	(773,723)	(271,368)	(351,673)	(287,895)	0	0	(91,517)	(129,611)	(1,214)
Anticipated Reserves at Year End		<u>\$2,312,836</u>	<u>\$2,620,614</u>	<u>\$2,093,540</u>	<u>\$1,468,554</u>	<u>\$230,060</u>	<u>\$574,122</u>	<u>\$153,806</u>	<u>\$165,600</u>	<u>\$105,006</u>	<u>\$116,403</u>	<u>\$427,791</u>	<u>\$754,699</u>	<u>\$1,005,308</u>	<u>\$1,232,251</u>	<u>\$1,603,514</u>
						(NOTE 5)		(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; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) 2.0% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2054 ending reserves consider the need to fund for replacement of the thermoplastic roofs shortly after 2054, and the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

Structural Integrity
FIVE-YEAR OUTLOOK

Villas de Golf
Condominium Association, Inc.
Largo, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
Exterior Building Elements							
1.060	Breezeways, Concrete, Repairs and Waterproof Coating Applications			148,950			
1.100	Breezeways, Railings, Aluminum, Paint Finishes and Capital Repairs, Materials Only (2024 Budgeted)	500					
1.180	Doors, Common, Phased (Incl. Garage Door)						27,823
1.600	Staircases (2025 Repairs Planned)		29,855				
1.880	Walls, Stucco, Paint Finishes and Capital Repairs			279,441			
Building Services Elements							
3.555	Life Safety System, Control Panels				16,391		
3.560	Life Safety System, Emergency Devices				43,709		
3.600	Pipes, Riser Sections, Domestic Water and Waste, Partial					39,393	
Anticipated Expenditures, By Year (\$7,621,460 over 30 years)		500	29,855	428,391	60,100	39,393	27,823

RESERVE EXPENDITURES

Villas de Golf
Condominium Association, Inc.
Largo, Florida

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
3) 20XX indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039	
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																		
Exterior Building Elements																												
1.240	4,650	4,650	Linear Feet	Gutters, Downspouts and Scuppers, Aluminum, Subsequent	2044	15 to 20	20	64.00	297,600	297,600	15.7%																	
Interior Building Elements																												
2.100	2	2	Each	Elevator Cab Finishes	2030	to 20	6	15,000.00	30,000	30,000	2.7%						35,822											
2.240	210	210	Square Yards	Floor Coverings, Tile, Clubhouse and Pool Hall	2038	to 30	14	100.00	21,000	21,000	0.9%															31,764		
2.400	150	150	Square Yards	Floor Coverings, Wood, Laminate, Clubhouse	2038	18 to 25	14	80.00	12,000	12,000	0.5%															18,151		
Building Services Elements																												
3.070	2	1	Each	Air Handling and Condensing Units, Split Systems, Clubhouse and Pool Hall, Phased	2028	12 to 18	4 to 14	8,000.00	8,000	16,000	1.6%					9,004										12,101		
3.320	2	2	Each	Elevators, Hydraulic, Pumps and Controls	2046	to 25	22	85,000.00	170,000	170,000	9.5%																	
3.330	2	2	Each	Elevators, Hydraulic, Cylinders	2064	to 45	40	33,000.00	66,000	66,000	0.0%																	
3.500	20	20	Sets	Laundry Equipment, Washers and Dryers	2031	to 10	7	2,500.00	50,000	50,000	7.5%							61,494										
3.880	2	2	Each	Trash Chutes and Doors	2037	to 65	13	11,000.00	22,000	22,000	0.9%														32,308			
Property Site Elements																												
4.020	11,700	11,700	Square Yards	Asphalt Pavement, Patch and Seal Coat	2025	3 to 5	1	1.90	22,230	22,230	8.2%		22,897			25,020						29,875			32,646			
4.040	11,700	11,700	Square Yards	Asphalt Pavement, Mill and Overlay	2031	15 to 20	7	13.80	161,460	161,460	15.7%							198,575										
4.260	420	420	Linear Feet	Fences, Vinyl	2035	15 to 20	11	40.00	16,800	16,800	1.8%													23,255				
4.410	2	2	Each	Irrigation System, Pumps	2033	10 to 15	9	5,000.00	10,000	10,000	1.0%										13,048							
4.420	6	1	Allowance	Irrigation System, Replacement	2033	to 40	9	15,000.00	15,000	90,000	3.9%									19,572						22,689		
4.560	26	26	Each	Light Poles and Fixtures	2029	to 25	5	1,000.00	26,000	26,000	2.7%						30,141											
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Inspections and Partial Replacements	2031	to 85+	7	25,000.00	25,000	25,000	6.2%							30,747						35,644				
4.830	4	4	Courts	Sport Courts, Shuffleboard, Concrete Repairs and Coating Application	2025	to 10	1	2,300.00	9,200	9,200	2.5%		9,476				10,985						12,735					
4.840	360	360	Linear Feet	Sport Court, Tennis, Fence, Subsequent	2050	to 25	26	35.00	12,600	12,600	0.8%																	
4.860	1	1	Allowance	Sport Court, Tennis, Surface Replacement	2025	to 30	1	45,000.00	45,000	45,000	1.4%		46,350															
Pool Elements																												
6.200	5,200	5,200	Square Feet	Deck, Pavers	2038	to 30	14	7.00	36,400	36,400	1.6%															55,058		
6.400	340	340	Linear Feet	Fence, Aluminum	2038	to 30	14	37.00	12,580	12,580	0.6%															19,028		
6.600	2	1	Allowance	Mechanical Equipment, Phased (2025 for Complete Replacement)	2025	to 15	1 to 3	15,000.00	15,000	30,000	5.8%		81,000													22,689		
6.800	950	950	Square Feet	Pool Finish, Plaster and Tile	2028	8 to 12	4	21.00	19,950	19,950	1.8%					22,454												
6.900	950	950	Square Feet	Structure, Total Replacement	2038	to 65	14	150.00	142,500	142,500	6.3%															215,544		
	1	1	Allowance	Structural Integrity Reserve Study Update with Site Visit	2026	2	2	8,500.00	8,500	8,500	0.2%			8,500														
Anticipated Expenditures, By Year (\$3,415,628 over 30 years)												0	159,723	8,500	0	56,478	30,141	46,807	290,816	0	32,620	29,875	35,990	35,644	64,954	397,024	0	

RESERVE EXPENDITURES

Villas de Golf
Condominium Association, Inc.
Largo, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054	
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																	
Exterior Building Elements																											
1.240	4,650	4,650	Linear Feet	Gutters, Downspouts and Scuppers, Aluminum, Subsequent	2044	15 to 20	20	64.00	297,600	297,600	15.7%					537,499											
Interior Building Elements																											
2.100	2	2	Each	Elevator Cab Finishes	2030	to 20	6	15,000.00	30,000	30,000	2.7%							57,483									
2.240	210	210	Square Yards	Floor Coverings, Tile, Clubhouse and Pool Hall	2038	to 30	14	100.00	21,000	21,000	0.9%																
2.400	150	150	Square Yards	Floor Coverings, Wood, Laminate, Clubhouse	2038	18 to 25	14	80.00	12,000	12,000	0.5%																
Building Services Elements																											
3.070	2	1	Each	Air Handling and Condensing Units, Split Systems, Clubhouse and Pool Hall, Phased	2028	12 to 18	4 to 14	8,000.00	8,000	16,000	1.6%					14,028									18,853		
3.320	2	2	Each	Elevators, Hydraulic, Pumps and Controls	2046	to 25	22	85,000.00	170,000	170,000	9.5%							325,738									
3.330	2	2	Each	Elevators, Hydraulic, Cylinders	2064	to 45	40	33,000.00	66,000	66,000	0.0%																
3.500	20	20	Sets	Laundry Equipment, Washers and Dryers	2031	to 10	7	2,500.00	50,000	50,000	7.5%		82,642									111,064					
3.880	2	2	Each	Trash Chutes and Doors	2037	to 65	13	11,000.00	22,000	22,000	0.9%																
Property Site Elements																											
4.020	11,700	11,700	Square Yards	Asphalt Pavement, Patch and Seal Coat	2025	3 to 5	1	1.90	22,230	22,230	8.2%	35,673				38,980		42,595						50,861			
4.040	11,700	11,700	Square Yards	Asphalt Pavement, Mill and Overlay	2031	15 to 20	7	13.80	161,460	161,460	15.7%										338,061						
4.260	420	420	Linear Feet	Fences, Vinyl	2035	15 to 20	11	40.00	16,800	16,800	1.8%														39,590		
4.410	2	2	Each	Irrigation System, Pumps	2033	10 to 15	9	5,000.00	10,000	10,000	1.0%								19,736								
4.420	6	1	Allowance	Irrigation System, Replacement	2033	to 40	9	15,000.00	15,000	90,000	3.9%					26,303				30,492				35,348			
4.560	26	26	Each	Light Poles and Fixtures	2029	to 25	5	1,000.00	26,000	26,000	2.7%															63,109	
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Inspections and Partial Replacements	2031	to 85+	7	25,000.00	25,000	25,000	6.2%		41,321					47,903					55,532				
4.830	4	4	Courts	Sport Courts, Shuffleboard, Concrete Repairs and Coating Application	2025	to 10	1	2,300.00	9,200	9,200	2.5%	14,763					17,115					19,841					
4.840	360	360	Linear Feet	Sport Court, Tennis, Fence, Subsequent	2050	to 25	26	35.00	12,600	12,600	0.8%											27,173					
4.860	1	1	Allowance	Sport Court, Tennis, Surface Replacement	2025	to 30	1	45,000.00	45,000	45,000	1.4%																
Pool Elements																											
6.200	5,200	5,200	Square Feet	Deck, Pavers	2038	to 30	14	7.00	36,400	36,400	1.6%																
6.400	340	340	Linear Feet	Fence, Aluminum	2038	to 30	14	37.00	12,580	12,580	0.6%																
6.600	2	1	Allowance	Mechanical Equipment, Phased (2025 for Complete Replacement)	2025	to 15	1 to 3	15,000.00	15,000	30,000	5.8%	24,071												34,319		36,409	
6.800	950	950	Square Feet	Pool Finish, Plaster and Tile	2028	8 to 12	4	21.00	19,950	19,950	1.8%								40,554								
6.900	950	950	Square Feet	Structure, Total Replacement	2038	to 65	14	150.00	142,500	142,500	6.3%																
	1	1	Allowance	Structural Integrity Reserve Study Update with Site Visit	2026	2	2	8,500.00	8,500	8,500	0.2%																
Anticipated Expenditures, By Year (\$3,415,628 over 30 years)												74,507	123,963	0	79,311	537,499	17,115	473,719	19,736	71,046	338,061	47,014	166,596	85,180	93,791	99,518	

RESERVE FUNDING PLAN

General

CASH FLOW ANALYSIS

Villas de Golf

Condominium Association, Inc.

Largo, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	(Note 1)	N/A	170,330	89,984	158,949	240,100	268,154	325,794	370,279	171,729	265,559	331,046	403,443	473,940	549,125	599,241	318,100
Total Recommended Reserve Contributions	(Note 2)	N/A	76,800	75,000	77,200	79,500	81,900	84,400	86,900	89,500	92,200	95,000	97,800	100,700	103,700	106,800	110,000
Estimated Interest Earned, During Year	(Note 3)	N/A	2,577	2,465	3,951	5,032	5,881	6,892	5,366	4,330	5,907	7,272	8,687	10,129	11,370	9,083	7,462
Anticipated Expenditures, By Year		N/A	(159,723)	(8,500)	0	(56,478)	(30,141)	(46,807)	(290,816)	0	(32,620)	(29,875)	(35,990)	(35,644)	(64,954)	(397,024)	0
Anticipated Reserves at Year End		\$170,330	\$89,984	\$158,949	\$240,100	\$268,154	\$325,794	\$370,279	\$171,729	\$265,559	\$331,046	\$403,443	\$473,940	\$549,125	\$599,241	\$318,100	\$435,562

(continued)

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

		2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year		435,562	483,454	485,787	616,905	674,177	273,562	394,360	60,343	182,310	259,135	72,154	179,835	173,538	254,092	332,408
Total Recommended Reserve Contributions		113,300	116,700	120,200	123,800	127,500	131,300	135,200	139,300	143,500	147,800	152,200	156,800	161,500	166,300	171,300
Estimated Interest Earned, During Year		9,099	9,596	10,918	12,783	9,384	6,613	4,502	2,403	4,371	3,280	2,495	3,499	4,234	5,807	7,366
Anticipated Expenditures, By Year		(74,507)	(123,963)	0	(79,311)	(537,499)	(17,115)	(473,719)	(19,736)	(71,046)	(338,061)	(47,014)	(166,596)	(85,180)	(93,791)	(99,518)
Anticipated Reserves at Year End		\$483,454	\$485,787	\$616,905	\$674,177	\$273,562	\$394,360	\$60,343	\$182,310	\$259,135	\$72,154	\$179,835	\$173,538	\$254,092	\$332,408	\$411,556
								(NOTE 5)			(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; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions are budgeted through 2025. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2026 is the first year of recommended contributions.
- 3) 2.0% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2054 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

General
FIVE-YEAR OUTLOOK

Villas de Golf
Condominium Association, Inc.
Largo, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
<u>Building Services Elements</u>							
3.070	Air Handling and Condensing Units, Split Systems, Clubhouse and Pool Hall, Phased					9,004	
<u>Property Site Elements</u>							
4.020	Asphalt Pavement, Patch and Seal Coat		22,897			25,020	
4.560	Light Poles and Fixtures						30,141
4.830	Sport Courts, Shuffleboard, Concrete Repairs and Coating Application		9,476				
4.860	Sport Court, Tennis, Surface Replacement		46,350				
<u>Pool Elements</u>							
6.600	Mechanical Equipment, Phased (2025 for Complete Replacement)		81,000				
6.800	Pool Finish, Plaster and Tile					22,454	
Structural Integrity Reserve Study Update with Site Visit				8,500			
Anticipated Expenditures, By Year (\$3,415,628 over 30 years)		0	159,723	8,500	0	56,478	30,141

RESERVE FUNDING PLAN

Combined

CASH FLOW ANALYSIS

Villas de Golf

Condominium Association, Inc.

Largo, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year (Note 1)	N/A	567,768	653,077	494,145	720,572	923,681	1,177,723	1,371,739	1,417,539	1,767,373	2,028,474	2,380,048	2,709,124	1,772,580	2,011,293	1,980,956
Total Recommended Reserve Contributions (Note 2)	N/A	262,800	266,600	274,500	282,700	291,200	300,000	309,000	318,300	327,900	337,800	347,900	358,300	369,000	380,100	391,500
Plus Estimated Interest Earned, During Year (Note 3)	N/A	12,087	11,359	12,027	16,280	20,806	25,242	27,616	31,534	37,583	43,649	50,388	44,373	37,464	39,528	43,534
Less Anticipated Expenditures, By Year	N/A	(189,578)	(436,891)	(60,100)	(95,871)	(57,964)	(131,226)	(290,816)	0	(104,382)	(29,875)	(69,212)	(1,339,217)	(167,751)	(449,965)	0
Anticipated Reserves at Year End	N/A	\$653,077	\$494,145	\$720,572	\$923,681	\$1,177,723	\$1,371,739	\$1,417,539	\$1,767,373	\$2,028,474	\$2,380,048	\$2,709,124	\$1,772,580	\$2,011,293	\$1,980,956	\$2,415,990

(continued)

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

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year	2,415,990	2,796,290	3,106,401	2,710,445	2,142,731	503,622	968,482	214,149	347,910	364,141	188,557	607,626	928,237	1,259,400	1,564,659
Total Recommended Reserve Contributions	403,200	415,300	427,800	440,600	453,800	467,400	481,400	419,300	431,900	444,900	458,200	472,000	486,200	500,700	515,700
Plus Estimated Interest Earned, During Year	51,607	58,442	57,593	48,051	26,202	14,575	11,709	5,565	7,050	5,472	7,883	15,207	21,660	27,961	35,443
Less Anticipated Expenditures, By Year	(74,507)	(163,631)	(881,349)	(1,056,365)	(2,119,111)	(17,115)	(1,247,442)	(291,104)	(422,719)	(625,956)	(47,014)	(166,596)	(176,697)	(223,402)	(100,732)
Anticipated Reserves at Year End	\$2,796,290	\$3,106,401	\$2,710,445	\$2,142,731	\$503,622	\$968,482	\$214,149	\$347,910	\$364,141	\$188,557	\$607,626	\$928,237	\$1,259,400	\$1,564,659	\$2,015,070

(NOTE 4)

Explanatory Notes:

- 1) Year 2024 starting reserves are as of November 30, 2023; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions for 2024 are budgeted; 2025 is the first year of recommended contributions.
- 3) 2.0% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2054 ending reserves consider the age, size, overall condition and complexity of the property.

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



Front elevation of three-story building



Rear elevation of two-story building



Clubhouse



Pool hall



Maintenance building



Guardhouse

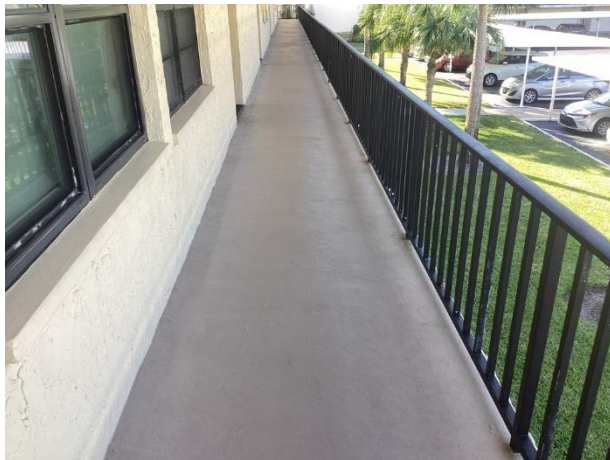
Breezeways, Concrete

Line Item: 1.060

Quantity: Approximately 10,800 square feet of horizontal surface area comprise the concrete breezeways. The breezeways comprise reinforced concrete with a waterproof coating. This quantity includes the homeowner balconies that have not been enclosed.

History: The Association last repaired and coated the breezeways in 2013 with the last exterior painting project.

Condition: Fair overall with isolated concrete damage, cracks and membrane deterioration evident.



Breezeway overview



Breezeway



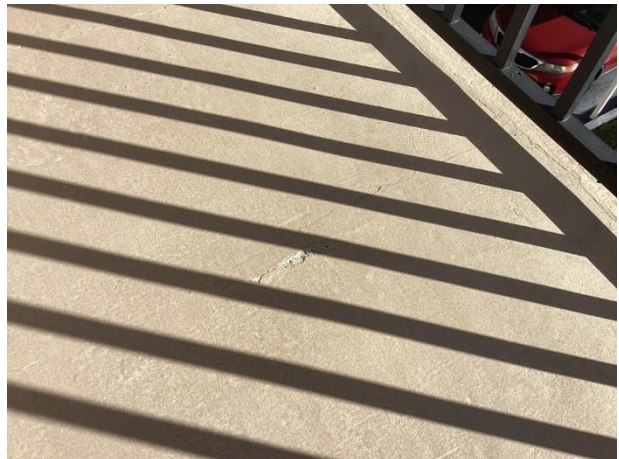
Delamination by unit 3206



Coating delamination by unit 4207



Concrete edge cracks by unit 8206



Breezeway damage by unit 5304



Breezeway damage



Concrete damage by unit 3201

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

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the breezeways will result in increased concrete repairs and replacements as the breezeways age.* Capital repairs may also include replacement of the caulked joint between the breezeway and the building, and repair or replacement of the metal railings and railing fastener attachments as needed.

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes the following activities per event:

- Partial depth replacement of up to one percent (1%) of the concrete topsides and edges
- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)

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

Breezeways, Railings, Aluminum

Line Items: 1.100 and 1.105

Quantity: Approximately 2,900 linear feet of aluminum railings at the breezeways, clubhouse and pool hall. The railings are embedded in the concrete. This construction may result in accelerated corrosion and concrete damage.

History:

- Railings: Original
- Paint finishes: Volunteers were in the process of repairing and painting the railings at the time of our inspection.

Conditions: The railings are in fair overall condition and the railing finishes are in poor condition with rust and peeling finish evident.



Aluminum railings at breezeway



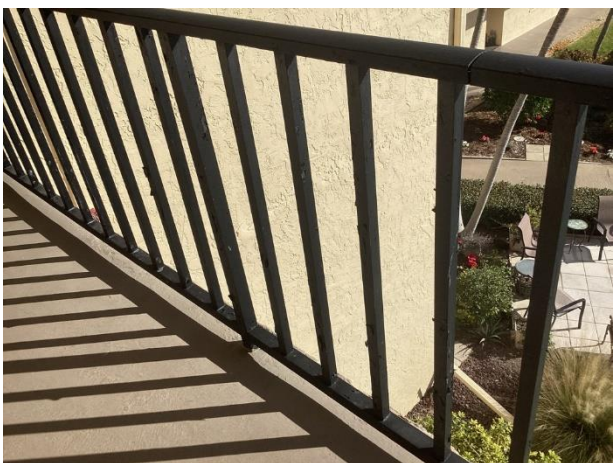
Aluminum railings being repaired



Cracks and previous repairs at breezeway railing posts



Peeling paint finish at breezeway



Railing finish deterioration



Balcony enclosure with railing

Useful Life: Railings of this type have a useful life of up to 50 years with the benefit of periodic maintenance. Periodic maintenance should include applications of a protective paint finish and partial replacement of deteriorated aluminum every five- to seven-years.

Component Detail Notes: Preparation of the aluminum before application of the paint finish is critical to maximize the useful life of the finish. Before painting, all soil, dirt, oil, grease and other foreign materials should be removed before application of the paint finish to maximize its useful life. Paint blisters and rust should also be removed prior to the paint finish application. We recommend the use of a power wire brush, scraper and/or sander as effective means of removal. The Association should require the application of a primer on bare material. The primer for material surfaces should include a rust inhibitor for added protection.

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association has volunteers repair and paint the breezeway railings. Our cost for materials is based on information provided by the Association. We include an allowance for replacement of the balcony screen enclosures with railings.

Doors, Common

Line Item: 1.180

Quantity: Approximately 45 common doors at the residential buildings, clubhouse, pool hall, maintenance building and guardhouse

History: The ages were unavailable at the time of our inspection.

Condition: Good to fair overall with isolated rust evident



Common doors at residential building



Door rust at building 7 trash room

Useful Life: Up to 30 years

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

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

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

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

Roofs, Asphalt Shingles

Line Item: 1.280

Quantity: Approximately 630 *squares*¹ at the residential building perimeters, clubhouse, pool hall, maintenance building and guard house.

History: Replaced in 2004. The Association plans to replace the asphalt shingle roofs in the near term, funded through special assessments. Some funds have already been collected from a previous special assessment. The remaining funds needed for actual costs of the project will be assessed prior to the project.

Condition: Fair overall with missing shingles and previous repairs evident.



Asphalt shingle roof at residential building



Residential roof with previous repair along edge

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



Previous repair at roof penetration



Missing shingles at building 5



Clubhouse roof with worn shingles



Roof at pool hall



Roof at maintenance building



Roof at guardhouse

Useful Life: 15- to 20-years

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

- Laminate architectural shingles
- Boston style ridge caps
- Metal drip edge
- Enclosed half weaved valleys

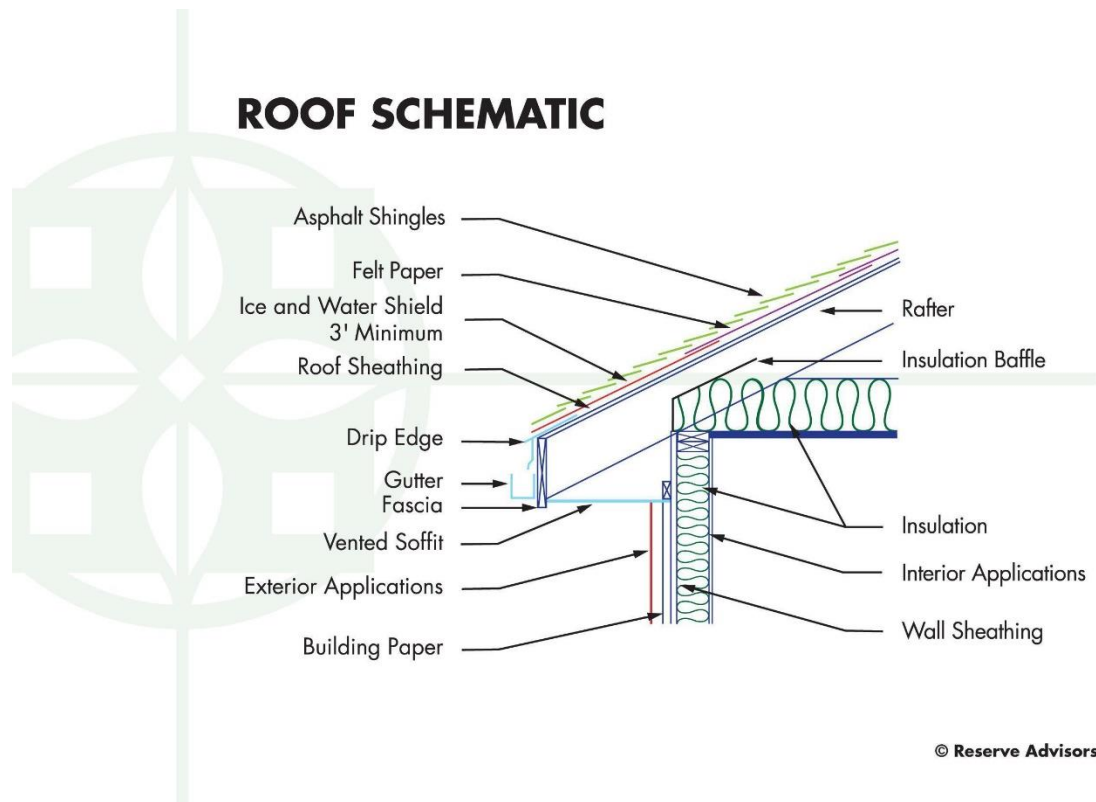
Insulation and ventilation are two major components of a sloped roof system. Together, proper insulation and ventilation help to control attic moisture and maintain an energy efficient building. Both insulation and ventilation prevent moisture buildup which can cause wood rot, mold and mildew growth, warp sheathing, deteriorate shingles, and eventually damage building interiors. Sufficient insulation helps to minimize the quantity of moisture that enters the attic spaces and adequate ventilation helps to remove any moisture that enters the attic spaces. These two roof system components also help to reduce the amount of energy that is required to heat and cool a building. Proper attic insulation minimizes heat gain and heat loss between the residential living spaces and attic spaces. This reduces energy consumption year-round. Proper attic ventilation removes excessive heat from attic spaces that can radiate into residential living spaces and cause air conditioners to work harder. Properly installed attic insulation and ventilation work together to maximize the useful life of sloped roof systems.

The vents should be clear of debris and not blocked from above by attic insulation. If the soffit vents are blocked from above, installation of polystyrene vent spaces or baffles between the roof joists at these locations can ensure proper ventilation.

Certain characteristics of condition govern the times of replacement. Replacement of an asphalt shingle roof becomes necessary when there are multiple or recurring leaks and when the shingles begin to cup, curl and lift. These conditions are indications that the asphalt shingle roof is near the end of its useful life. Even if the shingles are largely watertight, the infiltration of water in one area can lead to permanent damage to the underlying roof sheathing. This type of deterioration requires replacement of saturated sections of sheathing and greatly increases the cost of roof replacement. Roof leaks may occur from interrelated roof system components, i.e., flashings. Therefore, the warranty period, if any, on the asphalt shingles, may exceed the useful life of the roof system.

Warranties are an indication of product quality and are not a product guarantee. Asphalt shingle product warranties vary from 20- to 50-years and beyond. However, the scope is usually limited to only the material cost of the shingles as caused by manufacturing defects. Warranties may cover defects such as thermal splitting, granule loss, cupping, and curling. Labor cost is rarely included in the remedy so if roof materials fail, the labor to tear off and install new shingles is extra. Other limitations of warranties are exclusions for "incidental and consequential" damages resulting from age, hurricanes, hailstorms, ice dams, severe winds, tornadoes, earthquakes, etc. There are some warranties which offer no dollar limit for replacement at an additional cost (effectively an insurance policy) but again these warranties also have limits and may not cover all damages other than a product defect. We recommend a review of the manufacturers' warranties as part of the evaluation of competing proposals to replace a roof system. This evaluation should identify the current costs of remedy if the roof were to fail in the near future. A comparison of the costs of remedy to the total replacement cost will assist in judging the merits of the warranties.

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Villas de Golf:



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

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

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

- Annually:
 - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
 - Implement repairs as needed if issues are reoccurring

- Trim tree branches that are near or in contact with roof
- As-needed:
 - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The estimate of cost is based on information provided by Management and the Board.

Roofs, Thermoplastic

Line Item: 1.530

Quantity: Approximately 62,000 square feet of flat roofing

History: Replaced from 2022 through 2024. The roof contractor was doing minor finishes to the roof at the time of our inspection. We recommend the Association should conduct inspections of the roofs semiannually and fund these inspections through the operating budget.

Condition: Good overall



Thermoplastic roof overview



Flat roof overview



Roof with isolated area of standing water



Roof penetrations



Standing water



Thermoplastic roof overview

Useful Life: 15- 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. Our cost is based on information provided by the Association.

Staircases

Line Item: 1.600

Quantity: 24 sets of steel frame with metal pan and concrete staircases located at the residential buildings.

History: Original

Condition: Fair overall with rust formation evident.



Metal staircase being repaired



Rusted through railing at unit 3106



Staircase with rust by unit 8101



Staircase rust by unit 2101

Useful Life: Up to 60 years

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

- Semi-annually:
 - Check railing stability and fasteners.

- Apply finish applications at areas with excessive finish deterioration, if applicable
- Replace damage or broken stair treads and ensure proper attachment to the building
- Every three years:
 - Perform touch up paint finish applications

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 Association plans to spend approximately \$30,000 for repairs in 2025. We defer replacement of the staircases due to the planned near-term repairs.

Structural Members, Inspections

Line Item: 1.605

History: Completed in 2023

Quantity: The primary structural members of the building comprise:

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

Condition: Villas de Golf does not report a history of water infiltration, settlement or structural concerns with the primary structural members. Our visual, non-invasive inspection is limited to visually apparent components of the structural members.

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

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. At this time we do not anticipate capital repairs related to the structural members. Rather we include an expenditure for required inspections

discussed above. Updates of this Reserve Study would incorporate significant repair costs deemed necessary following necessary inspections.

Walls, Stucco

Line Item: 1.880

Quantity: Approximately 131,800 square feet of the building exteriors including the clubhouse, pool hall and maintenance building

History: Applied paint finishes and repaired in 2013.

Condition: Good to fair overall



Stucco wall finishes



Stucco wall finishes at breezeway



Evidence of potential moisture intrusion



Stucco damage at unit 1102



Stucco wall finish



Stucco wall finishes at clubhouse



Stucco wall finishes at pool hall

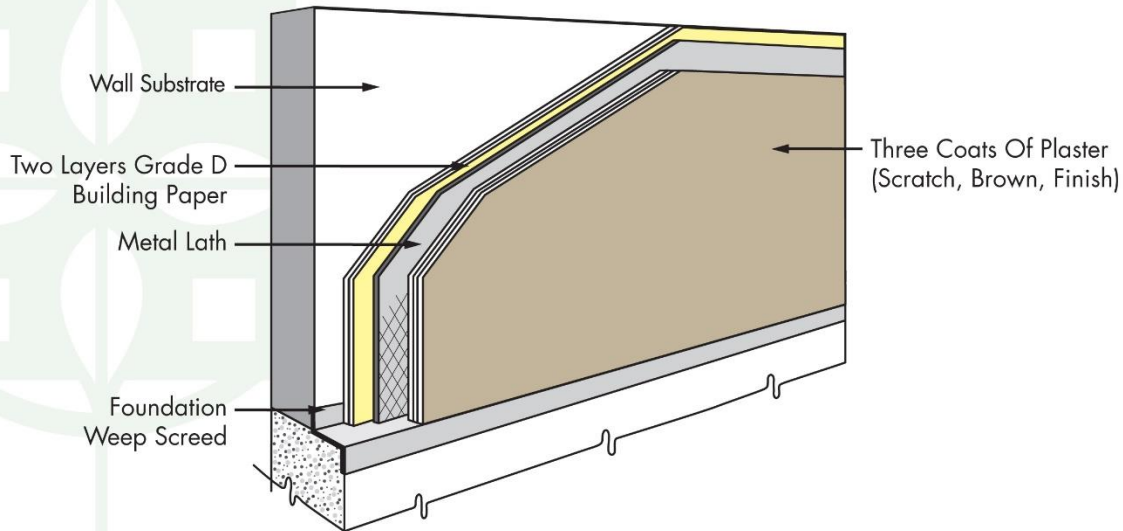


Stucco wall finishes at maintenance building

Useful Life: We recommend inspections, repairs and paint finish applications every up to 10 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 Villas de Golf:

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. We defer painting due to the current condition. 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.
- Siding repairs and paint finish application to the guardhouse exterior

Windows, Amenity Buildings

Line Item: 1.980

Quantity: 540 square feet at the clubhouse, pool hall, maintenance building and guardhouse

History: Original

Condition: Good to fair overall



Clubhouse windows

Useful Life: 45- to 55-years

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

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

- Annually:
 - Inspect for broken glass
 - Record instances of water infiltration, trapped moisture or leaks

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 defer replacement based on the current condition.

STRUCTURAL INTEGRITY - Building Services Elements

Electrical System

Line Item: 3.300

History: Primarily original to construction

Condition: The electrical systems in buildings 1 through 5 are reported satisfactory without operational deficiencies. The systems in buildings 6 through 10 are reported to be in unsatisfactory condition. The Association plans to spend approximately \$70,000 in the near term to replace the electrical panels at buildings 6 through 10. Those replacements will be funded through a special assessment.



Electrical system main panel



Electrical system main panels

Useful Life: Up to and sometimes beyond 70 years

Component Detail Notes: The system includes breaker type circuit protection panels for low ampacity circuits.

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

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

Transformer - A transformer is an electric device with two or more coupled windings used to convert a power supply from one voltage to another voltage. Transformers within a building lower the supplied electrical voltage to a level that can be utilized by the building's equipment and unit owners. Transformers do not

utilize mechanical components and therefore have a long useful life. However, the Association should anticipate periodic replacement of a limited quantity of transformers.

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

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

Conductors - Conductors are the electrical wires that convey electricity to the units, light fixtures, receptacles and appliances.

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

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

- Annually:
 - Inspect system for signs of electrical overheating, deterioration, and/or panel corrosion
 - Clean and vacuum exterior and interior switchboards
- Five-Year Cycles:

- Check power meters, lamps, indicators, and transformers for deficiencies
- Inspect wiring, relays, power supply units, and timers
- Verify surge protection is intact
- As-needed:
 - Test outlets and ground-fault circuit interrupters (GFCI's) for faulty components
 - Examine the insulation at switchgears for signs of deterioration or cracking
 - Ensure all conductors are clean and dry with no moisture build-up
 - Check and inspect for loose wire connections
 - Clean and clear dust and debris away from system components
 - Check for flickering or dimming light fixtures as these could indicate a short in the wiring, arcing, or an over-extension of the electrical system
 - Conduct thermal image scanning if system experiences numerous or consistent outages
 - Keep an accurate record of all repairs to the electrical system

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget to replace the main switchgear, distribution and circuit protection panels. Updates of this Reserve Study will consider possible changes in the scope and times of component replacements based on the conditions, including the need for replacement of the wires.

We recommend the Association conduct thermoscans of the distribution panels and circuit protection panels, and inspections of the transformers for any indications of arcing, burning or overheating on a regular basis, funded through the operating budget. Verification of the integrity of all connection points minimizes the potential for arcing and fires.

Life Safety System

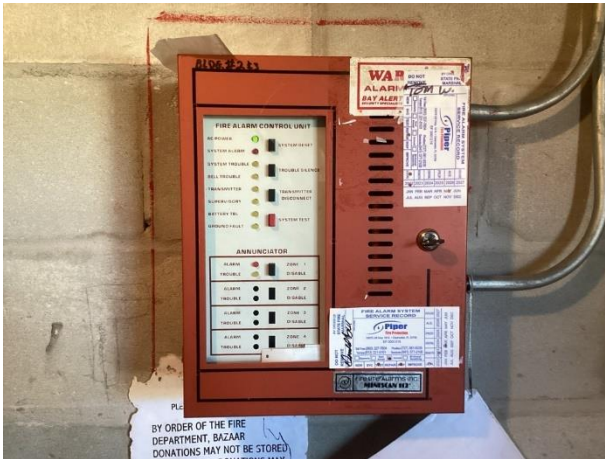
Line Items: 3.555 and 3.560

Quantity: The life safety system at Villas de Golf includes the following components:

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

History: The age was unavailable at the time of our inspection.

Conditions: Reported satisfactory without operational deficiencies.



Control panel



Emergency devices

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

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

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

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

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

Pipes

Line Item: 3.605

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

History: The Association historically replaces sections of piping as-needed. Over the last five years, an average of two units per year have needed partial replacements. Those partial replacements have cost on average between \$1,000 to \$2,500 per unit. As the buildings age, an increased number of repairs will be expected. Future updates may adjust the cost and timing of future partial replacements based on the expected need of the buildings at that time.

- Domestic Water – Primarily original with a history of pin holes leaks being repaired.
- Sanitary Waste Disposal – Primarily original

Condition: Reported satisfactory without operational deficiencies.

Component Detail Notes:

Domestic Water - The useful life of domestic supply and return pipes is up to and sometimes beyond 70 years.

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

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

Preventative Maintenance Notes: The status of preventative maintenance was unavailable to us during our inspection. We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the building's age and demands of the piping systems. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Quarterly:
 - Inspect all visible piping for corrosion and leaks, including common areas or areas immediately surrounding pipes such as insulation, ceiling tiles or the floor for moisture, water accumulation, mold or mildew
- Annually:
 - Verify system pressure is sufficient (pressurized piping systems)
 - Check accessible valves for proper operation

- Test backflow prevention devices
- Inspect and obtain certification for pressure relief valves
- Test drain line flow rates
- Mechanically or chemically clean waste lines as needed

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost is based on historical information provided by the Association.

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

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

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

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

STRUCTURAL INTEGRITY - Property Site Elements

Carports

Line Items: 4.096

Quantity: 22 carports comprised of posts and approximately 27,500 square feet of roofing

History: The Association historically replaces the carport posts as-needed. The majority of the posts are reported to be original. Six posts were recently replaced. The carport roofs were replaced in 2017. A couple carports have been completely replaced due to hurricane damage.

Condition: Good to fair overall with rust at post evident



Carport



Carport roofs overview



Rust at old carport post

Useful Life: Up to 30 years

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost for post replacements is based on information provided by the Association.

GENERAL - Exterior Building Elements

Gutters, Downspouts and Scuppers, Aluminum

Line Item: 1.240

Quantity: Approximately 4,650 linear feet of aluminum five-inch seamless gutters and three-inch by four-inch downspouts. This quantity includes the scuppers.

History and Condition: The age was unavailable at the time of our inspection. The Association plans to replace the gutters and downspouts with a larger capacity system in the near term since the current system is reported to be inadequate. The project will be funded through a special assessment. The estimate of cost is based on information provided by Management and the Board.



Aluminum gutter and downspout

Useful Life: 15- to 20-years

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

Downspouts can drain 100 square feet of roof area per one square inch of downspout cross sectional area. We recommend the use of downspout extensions and splash blocks at the downspout discharge to direct storm water away from the foundations. Discharges directly onto roofs cause premature deterioration of the roofs due to the high concentration of storm water. We recommend either routing these scuppers directly to the ground, connecting them to the gutters of the lower roof or distributing the storm water discharge over a large area.

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

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

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

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

GENERAL - Interior Building Elements

Elevator Cab Finishes

Line Item: 2.100

Quantity: Two elevators; the cab finishes consist of:

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

History: The age was unavailable at the time of our inspection.

Condition: Fair overall



Cab floor coverings



Elevator cab finishes

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. At the request of the Board, we defer replacement.

Floor Coverings, Tile

Line Item: 2.240

Quantity: 210 square yards at the clubhouse and pool hall

History: Replaced in 2013

Condition: Good to fair overall



Tile floor at clubhouse



Tile floor at pool house

Useful Life: Up to 30 years although replacement of tile is often based on discretionary redecorating prior to the tile reaching the end of its useful life.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should fund regrouting of the tiles through the operating budget if necessary.

Floor Coverings, Wood, Laminate

Line Item: 2.400

Quantity: 150 square yards at the clubhouse

History: Replaced in 2015.

Condition: Good overall



Laminate floor at clubhouse

Useful Life: 18- to 25-years

Priority/Criticality: Per Board discretion

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

GENERAL - Building Services Elements

Air Handling and Condensing Units, Split Systems

Line Item: 3.070

Quantity: Two split systems

History: The clubhouse split system was replaced last year. The system at the pool house is from 2010.

Condition: Reported satisfactory without operational deficiencies



Split system condenser at clubhouse

Useful Life: 12- to 18-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior air handling unit. The condensing units have cooling capacities of 2.5-tons.

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

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost is based on information provided by the Association. 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: 3.320 and 3.330

Quantity: Two hydraulic passenger elevators

History: Replaced in 2023.

Condition: Reported satisfactory



Hydraulic elevator equipment

Useful Life: Pumps and controls have a useful life of up to 25 years. Cylinders have a useful life of up to 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: The Association informs us preventative maintenance is conducted on a regular basis. 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:

- Ongoing:
 - Maintain a maintenance contract with a qualified professional for the elevator(s) and follow the manufacturer's specific recommended maintenance plan adhering to local, state, and/or federal inspection guidelines
- As-needed:
 - Keep an accurate log of all repairs and inspection dates
 - Inspect and adjust misaligned door operators

- Check for oil leaks or stains near the pump housing and confirm oil levels are adequate
- Clear and remove any items located in the elevator machine room(s) not associated with the elevator components (These rooms should never be used for storage)
- Lubricate the hydraulic cylinders
- Inspect electrical components for signs of overheating or failure
- Inspect spring buffers in elevator pit for signs of corrosion or loose attachments
- Ensure air temperature and humidity of machine/pump housing room meets the designated specified range for proper operation
- Ensure all call buttons are in working condition
- Check elevator cabs for leveling accuracy to prevent tripping hazards

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost is based on information provided by the Association. We anticipate the following hydraulic elevator system components will require replacement:

- Cab control panels
- Door operators
- Hallway panels/buttons
- Microprocessor based controllers
- Pumps (Power Unit) (15-HP)

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

Laundry Equipment

Line Item: 3.500

Quantity: 20 sets of residential grade clothes washers and dryers

History: The washers were replaced in 2017 and the dryers were replaced in 2018.

Condition: Reported satisfactory without operational deficiencies



Laundry equipment

Useful Life: Up to 10 years

Preventative Maintenance Notes: 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:
 - Ensure areas surrounding dryers are clear of combustible materials
 - Check hoses and belts for damage and cracks
 - Check dryer exhaust connections for proper alignment and connection.
 - Check unit for loose electrical connections
- As-needed:
 - Replace belts
 - Clear unit of lint and any debris
 - Clean or replace water inlet filters, remove drum debris and wipe down door gaskets
 - Ensure water outlet is free of dirt and soap residue

Priority/Criticality: Per Board discretion

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

Trash Chutes and Doors

Line Item: 3.880

Quantity: Two trash chutes; one in each of the three-story buildings

History: The chutes are original. The trash chute doors were upgraded a couple of years ago.

Condition: Reported satisfactory without operational deficiencies



Trash chute door



Trash chute

Useful Life: Up to 65 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: The status of preventative maintenance was unavailable to us during our inspection. We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. . 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.

GENERAL - Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.020 and 4.040

Quantity: Approximately 11,700 square yards at the parking areas

History:

- Repaving: The age was unavailable at the time of our inspection.
- Repairs: Repaired in 2022.

Condition: Fair overall with systemic cracks and patches evident.



Pavement overview



Pavement cracks



Pavement with cracks



Pavement under carport



Pavement with cracks



Pavement overview

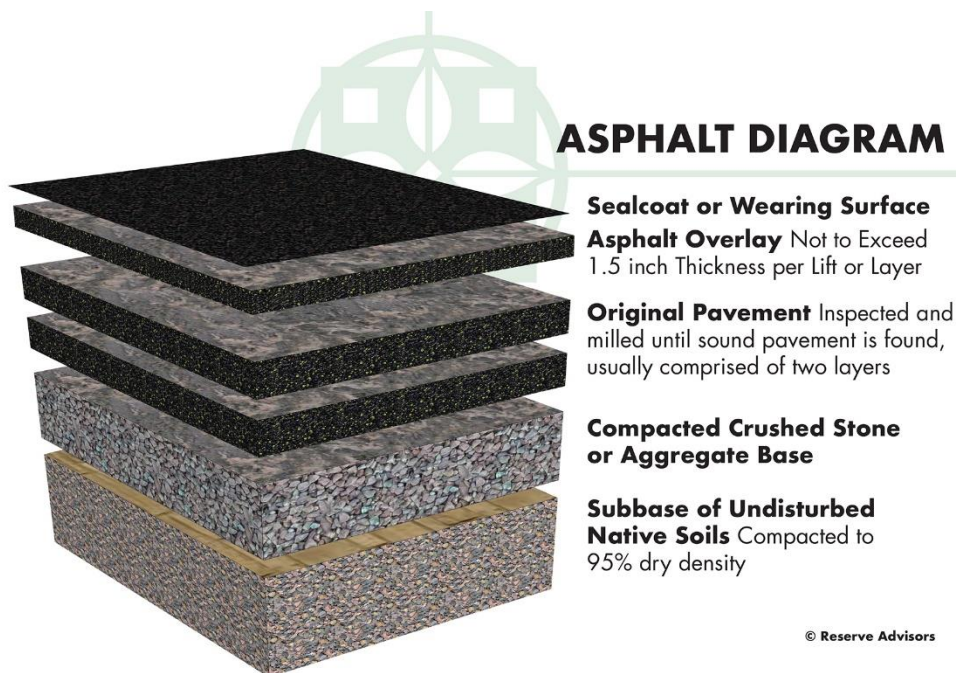


Pavement overview with cracks and patches

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

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

The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother, more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Villas de Golf:



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

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

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes an allowance for patching of up to two percent (2%) of the pavement. Our cost for milling and overlayment includes area patching of up to ten percent (10%). The estimate of cost is based on information provided by Management and the Board.

Fences, Vinyl

Line Item: 4.260

Quantity: 420 linear feet located at the north perimeter and surrounding the pool mechanical equipment

History: Installed in 2017

Condition: Good to fair overall with isolated stains evident.



Vinyl fence at north perimeter



Stains at perimeter vinyl fence

Useful Life: 15- to 20-years

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

- Annually:



- Inspect and repair loose panels, and damage
- Repair leaning sections and clear vegetation from fence areas which could cause damage
- Periodically clean vinyl fence as needed

Priority/Criticality: Per Board discretion

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

Irrigation System, Pumps

Line Item: 4.410

Quantity: Two 3-HP (Horsepower) pumps

History: One pump was replaced a couple years ago. The other is of unknown age.

Condition: Reported satisfactory without operational deficiencies

Useful Life: 10- to 15-years

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

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

Irrigation System, Replacement

Line Item: 4.420

Quantity: Approximately 100,000 square feet

History: The age was unavailable at the time of our inspection.

Condition: Satisfactory operational condition and the Board 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

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

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

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

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

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

Light Poles and Fixtures

Line Item: 4.560

Quantity: 26 fiberglass poles with globe light fixtures

History: The age was unavailable at the time of our inspection.

Condition: Good to fair overall with finish deterioration evident.



Light pole and fixture



Finish deterioration at light pole

Useful Life: Up to 25 years

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

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

Priority/Criticality: Per Board discretion

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

Pipes, Subsurface Utilities

Line Item: 4.650

Condition: Reported satisfactory. The Board informs us the pipes were recently camera scoped and determined in good condition.

Useful Life: Up to and likely beyond 85 years

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

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

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. At this time we do not anticipate replacement of continuous lengths of subsurface utility pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Villas de Golf could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.

Sport Courts, Shuffleboard, Concrete Repairs and Coating Applications

Line Item: 4.830

Quantity: Approximately 300 square feet comprising four shuffleboard courts

History: Last coated in 2012

Condition: Fair overall with cracks and worn finish evident



Shuffleboard courts overview



Shuffleboard cracks

Useful Life: Up to 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association plans to repair and coat the shuffleboard courts in the near term.

Sport Courts, Tennis, Fence

Line Item: 4.840

Quantity: 360 linear feet

History: The age was unavailable at the time of our inspection.

Condition: Fair overall with rust evident.



Chain link fence at tennis court



Fence pole rust

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. At the request of the Board, we defer replacement.

Sport Courts, Tennis, Repurposing

Line Item: 4.860

Quantity: Four square feet of concrete comprising four tennis courts

History: The age was unavailable at the time of our inspection. We include a near term expenditure for complete resurfacing of the courts based on information provided by the Board.

Condition: Poor condition



Tennis court overview



Surface cracks

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The estimate of cost is based on information provided by Management. We recommend interim repairs are conducted through the operating budget.

GENERAL - Pool Elements

Deck, Pavers

Line Item: 6.200

Quantity: 5,200 square feet

History: Installed in 2008

Condition: Good to fair overall with isolated minor settlement and previous repairs evident.



Paver pool deck overview



Previous paver repairs



Paver settlement

Useful Life: Up to 30 years

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

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

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

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

Fence, Aluminum

Line Item: 6.400

Quantity: 340 linear feet

History: The age was unavailable at the time of our inspection. Volunteers recently repaired and painted the fence.

Condition: Good to fair overall with isolated damage evident.



Aluminum pool fence



Fence damage and previous repair

Useful Life: Up to 30 years

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

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

Mechanical Equipment

Line Item: 6.600

Quantity: The mechanical equipment includes the following:

- Automatic chlorinator and controls
- Interconnected pipe, fittings and valves

- Pumps, filters, and heaters

History: Varied ages; the pool heaters are over 10 years old. We include a provided cost for a complete system replacement in the near term. We anticipate a lower cost for replacement of the equipment components for subsequent replacements.

Condition: Reported satisfactory without operational deficiencies



Pool mechanical equipment

Useful Life: Up to 15 years

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to fifty percent (50%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

Pool Finish, Plaster and Tile

Line Item: 6.800

Quantity: 930 square feet of plaster based on the horizontal surface area and approximately 130 linear feet of tile

History: Replaced in 2014.

Condition: Good to fair overall



Pool plaster finish with tile perimeter



Pool overview

Useful Life: 8- to 12-years

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

- Semi-annually:
 - Inspect and 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. Removal and replacement of the finish provides the opportunity to inspect the pool structure and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structure, we recommend the Association budget for the following:

- Removal and replacement of the plaster finish
- 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

Structure

Line Item: 6.900

Quantity: 950 square feet of horizontal surface area

History: Original



Conditions: Visually appears in satisfactory condition. The concrete floors and walls have a plaster finish. This finish makes it difficult to thoroughly inspect the concrete structure during a noninvasive visual inspection.

Useful Life: Up to 65 years

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

- Pool structure
- Subsurface piping

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

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

Structural Integrity Reserve Study Update

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

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

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

5.METHODOLOGY

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

Villas de Golf 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 Owners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with Florida Statute 718.112 and exceeds the National standards¹ set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level I Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local² costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Largo, Florida at an annual inflation rate³. Isolated or regional markets of greater

¹ Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

² See Credentials for additional information on our use of published sources of cost data.

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

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

- The past and current maintenance practices of Villas de Golf 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

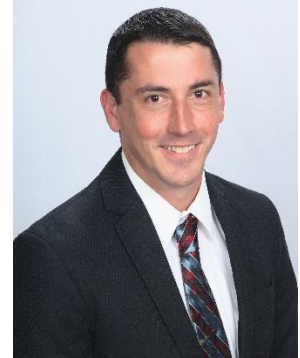
Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction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



TYLER C. GIDDEN, E.I., RS
Responsible Advisor

CURRENT CLIENT SERVICES

Tyler C. Gidden, an Engineering Intern (E.I.) in environmental engineering, is an Advisor for Reserve Advisors. Mr. Gidden is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for apartments, condominiums, townhomes, and homeowners associations.



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

The Estates at Traditions Neighborhood Association - A 147 home community in Port St. Lucie, FL. This property was constructed in 2006 as part of a master association in Tradition. It includes single-family homes, gated entrances, and a pool with pool house.

Gateway at Riverwalk Condominium Association - Located in Sanford, Florida is this six-story, 72-unit building. This waterfront mixed-used mid-rise contains a parking garage, commercial space, and luxury club room.

Three Palms Pointe Condominium Association - A community built in 1970 with two 13-story buildings. Located in Clearwater, Florida, these high-rise buildings have a seawall, docks, pool, and community building.

Woodside Village Condo Association - Built in 1973, these 288 units compose 35 buildings in a wide variety of designs. This large community in Clearwater, Florida includes phased road projects and 3 different pools with community buildings.

Ancient Oaks RV Condominium Association - In the rural area of Okeechobee, Florida is this community built in 1983. It includes aspects like a seawall, docks, a water plant, and a wastewater plant.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Gidden was a Regional Consulting Manager for an environmental firm. He was responsible for the supervision of a team of environmental analysts who provided field inspections and consulting services for storm water controls in residential and commercial construction projects.

EDUCATION

University of Central Florida - B.S. Civil and Environmental Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineering Intern (E.I.) – Florida

Reserve Specialist (RS) – Community Associations Institute

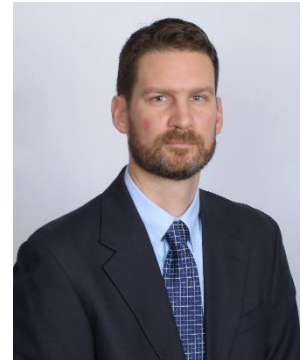


ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.



Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado

Reserve Specialist (RS) - Community Associations Institute

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



RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.marshallswift.com.

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at www.rsmeans.com.

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Villas de Golf 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) Villas de Golf 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.