

STRUCTURAL INTEGRITY RESERVE STUDY

PREPARED FOR:

The One Bedrooms at the Hammock Beach Club Condominium Association, Inc.

Palm Coast, FL



For The Period Beginning January 1, 2025

PREPARED BY:



260 1st Ave South, STE 225

St. Petersburg, FL 33701

800-892-1116

stonebldg.com



Stone Building Solutions
reserves@stonebldg.com
www.stonebldg.com
1-800-892-1116

Attention: **Board of Directors** **September 16, 2024**
Property: **The One Bedrooms at the Hammock Beach Club Condominium Association, Inc.**
Address: **Palm Coast, Florida**
Service: **Structural Integrity Reserve Study**
Period: **Meet regulation requirements by 2026**

Dear Board of Directors of The One Bedrooms at the Hammock Beach Club Condominium Association, Inc. :

At the direction of the Board and management of The One Bedrooms at the Hammock Beach Club Condominium Association, Inc. ,

Stone Building Solutions has completed a Structural Integrity Reserve Study for the The One Bedrooms at the Hammock Beach Club Condominium Association, Inc. Association. Enclosed is our report for the Board's review and consideration.

This study is based on an on-site analysis. The on-site analysis of The One Bedrooms at the Hammock Beach Club Condominium Association, Inc. upon which this study is based was performed by Stone Building Solutions.

The effective date of this report is the date of inspection, March 27, 2024

This 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 Reserve Study."

If you have any questions or would like to direct any follow-up service, please don't hesitate to contact us.

Respectfully submitted,

Stone Building Solutions

Nathan D. Holmberg

Nathan Holmberg, RS

Senior Reserve Advisor

nathan@stonebldg.com

407-972-3311

Table of Contents

Letter to Board	2
Executive Summary	4
Statutory Requirements	5
SIRS Evaluation	6
Reserve Component Summary	10
SIRS Expenditures.....	11
Expenditures (By-Year)	12
Critical Expenditures	16
Critical Outlook.....	17
Pooling Methodology	18
Parameters & Assumptions	19
Cash Flow Analysis.....	20
Charts & Graphs	22
Funding Options	23
Component Details	24
Definitions	51
Disclosures	54
Update Service	55



Executive Summary

A Structural Integrity Reserve Study (SIRS) is a newly developed form of reserve study, required by Florida Statute, designed to ensure that condo and homeowners associations are reserving funds for crucial structural elements in their buildings for repairs.

The purpose of this reserve study is to produce a reserve funding plan that will project future contributions and expenditures to ensure that reserve funds are available as needed.

Stone Building Solutions was responsible for the physical evaluation. Stone Building Solutions provided analysis on key building components, their condition and evaluation. Stone Building Solutions has received this information 'as is' and our opinions are based on the observations of the engineering analysis. Stone Building Solutions is using this information to create a financial evaluation for budgeting purposes.

The One Bedrooms at the Hammock Beach Club Condominium Association, Inc. has 127 units. This study is for the fiscal year starting January 1, 2025, and ending December 31, 2025.

Note- For the purposes of this projection, 75% of the available Reserve Balances have been allocated as the starting balance of the proposed Structural Integrity Reserve Account.

As of January 1, 2025, the estimated unaudited reserve fund balance is **\$157,500**

The estimated *current replacement* cost of the reserve items is **\$3,418,393**

The estimated *inflated replacement* cost of the reserve items is **\$4,518,686**

30-Year Pooled Cash Flow Funding Analysis Summary - (Future Cost):

The 30-Year Funding Plan is an approach to determining reserve contributions in a way that balances the annual expenses from the reserve fund. This analysis takes into account future replacement costs for reserve components as they come due for replacement, acknowledges construction cost increases, and considers interest income generated by reserve accounts. By pooling funds from initial balances, a yearly contribution rate is calculated to ensure a positive cash flow throughout the analysis period. This funding plan requires level contributions to Reserves over the projected period.

The recommendations for the initial year are based on the 30-Year Pooled Cash Flow Funding Plan.

Recommended annual contribution: **\$252,000**

Recommended annual contribution per unit: **\$1,984**

Recommended monthly contribution per unit: **\$165**

State of Florida Statutory Requirements (SB-4D & SB-154)

Enacted by the Legislature of the State of Florida and signed into effect by Governor Ron Desantis on June 9th, 2023. These bills:

Establish- Statewide structural integrity reserve study and funding requirements for condominium associations and cooperatives.

Provide- That associations existing on or before July 1, 2022, that are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2024, for each building on the association property that is three stories or taller.

Provide- That if an association fails to complete a structural integrity reserve study pursuant to the statutory requirements, such failure is a breach of an officer's and director's fiduciary relationship to the unit owners.

Require- That if a condominium or cooperative association is required to have a milestone inspection, the association must arrange for the milestone inspection to be performed and is responsible for ensuring compliance. The association is responsible for all costs associated with the inspection. If the officers or directors of an association willfully and knowingly fail to have a milestone inspection, such failure is a breach of the officers' and directors' fiduciary relationship to the unit owners. Upon completion of a phase one or phase two milestone inspection and receipt of the summary report from the architect or engineer who performed the inspection, the association must distribute a copy of the inspector-prepared summary of the inspection report to each unit owner, regardless of the findings or recommendations in the report, by United States mail or personal delivery and by electronic transmission to unit owners who previously consented to receive notice by electronic transmission; must post a copy of the inspector-prepared summary in a conspicuous place on the condominium property; and must publish the full report and inspector-prepared summary on the association's website, if the association is required to have a website.

Prohibit- Members and associations from waiving or reducing reserves for structural reserve items.

Notify- Associations must notify membership within 45 days of publication that the study has been completed.

Publish- Associations must make a published copy of the report available to membership upon request thereafter.

"SIRS" Evaluation

Structural Integrity Reserve Study (SIRS)

A Structural Integrity Reserve Study (SIRS) is a newly developed study with more rigid standards and higher qualifications than previously required for condominium properties in the State of Florida. Now required under Florida Statutes, this study is designed to ensure that condo and homeowners associations are reserving funds for crucial structural elements in their buildings in order to perform maintenance and repairs.

It is critical to understand the SIRS comprises several elements that must be separately accounted for in the reserve study. Funds for repairs can only be used for that specific named purpose and are not able to be pooled with other non-critical Traditional Reserve Component funds. 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 based off of a cash flow formula 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 component.

Specifically, as per Florida Statute 718.112(2)(g), we have investigated the structural integrity and safety of common elements within the following:

SIRS Elements

- Roof
- Floor
- Load Bearing Walls
- Fireproofing & Fire Safety
- Exterior Painting & Water Proofing
- Plumbing
- Electrical Systems
- Windows
- Other elements over \$10,000 that have an impact on the structural integrity of the building



Qualification-

Florida Statute 718.112 states: "A person performing a Structural Integrity Reserve Study. A structural integrity reserve study is based on a visual inspection of the condominium property. A structural integrity reserve study may be performed by any person qualified to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed or verified by an engineer licensed under chapter 471, an architect licensed under chapter 481, or a person who is certified as a Reserve Specialist (RS) or Professional Reserve Analyst (PRA) by the Community Associations Institute or the Association of Professional Reserve Analysts."

In accordance with this law; the visual inspection of the property was performed by a member of the Stone Building Solutions Engineering team, a Florida State Certified Field Engineer under the supervision of a Florida State licensed P.E. (#48598) Dr. Dudley G. McFarquhar, PHD on March 27, 2024. The results of the inspection were utilized as the primary basis for this analysis. The Structural Integrity Reserve Study was prepared in accordance with Florida Statutes by CAI Reserve Specialist Nathan Holmberg, RS (#488) on September 16, 2024.

Onsite Process

Stone Building Solutions Engineering Team conducted a physical inspection of the The One Bedrooms at the Hammock Beach Club Condominium Association, Inc. on March 27, 2024.

Supplemental information to the physical inspection may have been obtained from the following sources:

1. Project plans where available.
2. Maintenance records of the reserve components where available.
3. Association board members, management and staff.

Critical SIRS Elements Identification

Critical SIRS elements were identified as physical deficiencies that require immediate action as they are the result of:

- (i) existing or potentially unsafe conditions,
- (ii) severe conditions adversely affecting tenancy,
- (iii) material building code violations,
- (iv) poor or deteriorated condition of a critical element or system, or
- (v) a condition that if left "as is," with an extensive delay in remedying the same, would result in or could contribute to a critical element or system failure within one year.



Items Excluded from Structural Integrity Reserve Expenditures -

We excluded 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

Specific exclusions for the following elements:

- Foundations, Floors, Load-Bearing Walls or Primary Structural Members -
We anticipate a useful life of up to and beyond 100 years and consider full replacement unlikely and cost-prohibitive. Management and the Board report no history of water infiltration or repairs to the foundations. Based on the current condition, we do not anticipate the need for replacement, repair, or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.

Homeowner Responsibility -

Items designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to unit:

- Entrance Doors
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Pipes (Within Units)
- Electrical Systems (Within Units) (Including Circuit Protection Panels)
- Screen Enclosures
- Water Heaters, Domestic
- Windows and Balcony Doors

Cost Evaluation

The cost estimates identified are based upon approximate quantities, costs and published information, and they include labor, material, design fees, and appropriate overhead, general conditions and profit. The estimated costs to repair, replace or upgrade the improvements are considered typical for the marketplace.

No contractors have been contacted for actual bids or price quotes, and the actual cost of repairs may vary from our estimates. These opinions of probable costs are for components or systems exhibiting material deferred maintenance and for existing physical deficiencies requiring major repairs or replacement.

DRAFT

Reserve Components

In this section of the report, we provide a comprehensive examination of the Reserve Study's physical analysis, encompassing a thorough inventory of the significant components within the association's "common" areas. This includes "Limited Common Elements" or (LCE).

Each Reserve Component has been assessed based on its physical condition during the inspection. A determination was made regarding the following:

- *Installation date*
- *Estimated market expected lifespan*
- *Subjective remaining lifespan*
- *Unit current cost*
- *Unit projected future cost*

SIRS Expenditures

Individual Elements

ASSET N°	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
001	Electric, Main Panels & Meter Bases: Common	01/01/2061	45y	45y	36y	\$1,470.875	127 U	\$186,801
002	Fire Alarm Control Panel & Ancillary Devices: Common	01/01/2033	30y	30y	8y	\$1,886.00	127 U	\$239,522
003	Piping & Plumbing, Major Renovations : Common	01/01/2058	55y	55y	33y	\$2,460.00	127 U	\$312,420
004	Concrete Restoration, Staircases : Common	01/01/2038	25y	35y	13y	\$12,812.50	3.70 Flr	\$47,406
005	Concrete Restoration, Parking Garage: Common	01/01/2038	25y	35y	13y	\$13.878	13,167.75 SF	\$182,742
006	Concrete Restoration, Walkways & Balconies: Walkways	01/01/2038	25y	35y	13y	\$25.154	6,884.46 SF	\$173,172
007	Roofs, Concrete Barrel Tiles: Common	01/01/2054	30y	30y	29y	\$2,511.25	85 SQ	\$213,456
008	Roofs, Flat, Modified Bitumen: Common	01/01/2042	18y	18y	17y	\$22.55	27,875 SF	\$628,581
009	Railings, Aluminum Picket: Original	01/01/2047	44y	44y	22y	\$123.00	2,427 LF	\$298,521
009	Railings, Aluminum Picket: Roof Railings	01/01/2068	44y	44y	43y	\$123.00	564 LF	\$69,372
010	Cooling Towers: Common	01/01/2045	30y	30y	20y	\$153,750.00	1 Ea	\$153,750
011	Painting, Waterproofing & Stucco Repairs: Common	01/01/2026	10y	10y	1y	\$4.305	81,400 SF	\$350,427
012	Doors, Steel, Fire Rated: Common	01/01/2058	55y	55y	33y	\$1,317.125	61 Ea	\$80,345
013	Windows & Doors, Impact Rated: Common	01/01/2063	60y	60y	38y	\$112.75	4,083 SF	\$460,358
014	Milestone Inspection: FL Requirements	01/01/2033	10y	10y	8y	\$10,250.00	1 Ea	\$10,250
015	Structural Integrity Reserve Study - UPDATE: FL Requirements	01/01/2034	10y	10y	9y	\$11,269.875	1 Ea	\$11,270
								\$3,418,393

Expenditures (By Year)

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2025 (Year 1)						
2025 (Year 1) Total				\$0		
2026 (Year 2)						
011	Painting, Waterproofing & Stucco Repairs: Common	\$4.413	81,400 SF	\$359,218	10y	2036
2026 (Year 2) Total				\$359,218		
2027 (Year 3)						
2027 (Year 3) Total				\$0		
2028 (Year 4)						
2028 (Year 4) Total				\$0		
2029 (Year 5)						
2029 (Year 5) Total				\$0		
2030 (Year 6)						
2030 (Year 6) Total				\$0		
2031 (Year 7)						
2031 (Year 7) Total				\$0		
2032 (Year 8)						
2032 (Year 8) Total				\$0		
2033 (Year 9)						
002	Fire Alarm Control Panel & Ancillary Devices: Common	\$2,297.908	127 U	\$291,834	30y	N/A
014	Milestone Inspection: FL Requirements	\$12,488.63	1 Ea	\$12,489	10y	2043

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2033 (Year 9) Total				\$304,323		
2034 (Year 10)						
015	Structural Integrity Reserve Study - UPDATE: FL Requirements	\$14,074.53	1 Ea	\$14,075	10y	2044
2034 (Year 10) Total				\$14,075		
2035 (Year 11)						
2035 (Year 11) Total				\$0		
2036 (Year 12)						
011	Painting, Waterproofing & Stucco Repairs: Common	\$5.649	81,400 SF	\$459,829	10y	2046
2036 (Year 12) Total				\$459,829		
2037 (Year 13)						
2037 (Year 13) Total				\$0		
2038 (Year 14)						
005	Concrete Restoration, Parking Garage: Common	\$19.131	13,167.75 SF	\$251,912	25y	N/A
004	Concrete Restoration, Staircases : Common	\$17,662.173	3.70 Flr	\$65,350	25y	N/A
006	Concrete Restoration, Walkways & Balconies: Walkways	\$34.675	6,884.46 SF	\$238,719	25y	N/A
2038 (Year 14) Total				\$555,981		
2039 (Year 15)						
2039 (Year 15) Total				\$0		
2040 (Year 16)						
2040 (Year 16) Total				\$0		
2041 (Year 17)						
2041 (Year 17) Total				\$0		
2042 (Year 18)						
008	Roofs, Flat, Modified Bitumen: Common	\$34.312	27,875 SF	\$956,447	18y	N/A
2042 (Year 18) Total				\$956,447		
2043 (Year 19)						
014	Milestone Inspection: FL Requirements	\$15,986.50	1 Ea	\$15,986	10y	2053

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2043 (Year 19) Total				\$15,986		
2044 (Year 20)						
015	Structural Integrity Reserve Study - UPDATE: FL Requirements	\$18,016.59	1 Ea	\$18,017	10y	2054
2044 (Year 20) Total				\$18,017		
2045 (Year 21)						
010	Cooling Towers: Common	\$251,937.28	1 Ea	\$251,937	30y	N/A
2045 (Year 21) Total				\$251,937		
2046 (Year 22)						
011	Painting, Waterproofing & Stucco Repairs: Common	\$7.231	81,400 SF	\$588,603	10y	N/A
2046 (Year 22) Total				\$588,603		
2047 (Year 23)						
009	Railings, Aluminum Picket: Original	\$211.753	2,427 LF	\$513,925	44y	N/A
2047 (Year 23) Total				\$513,925		
2048 (Year 24)						
2048 (Year 24) Total				\$0		
2049 (Year 25)						
2049 (Year 25) Total				\$0		
2050 (Year 26)						
2050 (Year 26) Total				\$0		
2051 (Year 27)						
2051 (Year 27) Total				\$0		
2052 (Year 28)						
2052 (Year 28) Total				\$0		
2053 (Year 29)						
014	Milestone Inspection: FL Requirements	\$20,464.07	1 Ea	\$20,464	10y	N/A
2053 (Year 29) Total				\$20,464		
2054 (Year 30)						
007	Roofs, Concrete Barrel Tiles: Common	\$5,139.041	85 SQ	\$436,818	30y	N/A

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
015	Structural Integrity Reserve Study - UPDATE: FL Requirements	\$23,062.76	1 Ea	\$23,063	10y	N/A
2054 (Year 30) Total				\$459,881		

DRAFT



Critical Expenditure Planning (3-Year Outlook)

LOCATION RESERVE ITEM	2025	2026	2027
Building Service Components			
Total Building Service Components			
Exterior Building Components			
Painting, Waterproofing & Stucco Repairs: Common		\$359,218	
Total Exterior Building Components		\$359,218	
Property Site Components			
Total Property Site Components			
Total		\$359,218	

Critical Outlook (3-Year Plan)

Based on the inspection of the property, the evaluated condition, and the anticipated expected useful life of each reserve component, we have determined the most likely immediate expenditures the association is expected to incur.

The following is an extrapolation of these expected expenses:

Exterior Paint Finishes & Waterproofing

- It was noted on the date of inspection that isolated areas of cracking and weathering could lead to future water intrusion. We recommend the association paint and seal the building by calendar year 2026, to prevent any future damage associated with this component.

"Pooled" / "Cash-Flow" Funding (30-Year Projection)

This part of the Reserve Study introduces an alternative approach to funding compared to the Component Funding Analysis (Straight-Line).

This method entails computing the yearly Reserve contribution based on a 30-year positive cash flow projection. Known as the 30 Year "Pooled" or "Cash Flow" Funding Plan, it involves determining Reserve contributions aimed at balancing out the fluctuating annual expenses from the Reserve fund. By consolidating funds from initial balances, a yearly contribution rate is computed to ensure a consistent positive cash flow over the analysis period.

This methodology is a widely accepted, logical, factual, and mathematical basis for calculating Reserve contributions. The Reserve fund total balance at any one point in the projection can offset the expected annual expenditures from the Reserve fund, in perpetuity, on a year-over-year basis.

In this methodology, Reserve funds can only be collectively allocated (used) for purposes authorized under the categorical nature of the components identified within the pool as they become due.

Parameters & Assumptions

The 30-year "Pooled" Cash-Flow funding plan utilizes the following assumptions:

- Annual Contribution Increases - *0.00%*
- Interest Earned - *1.00%*
- Taxation - *0.00%*
- Inflation on Reserve Items - *2.50%*

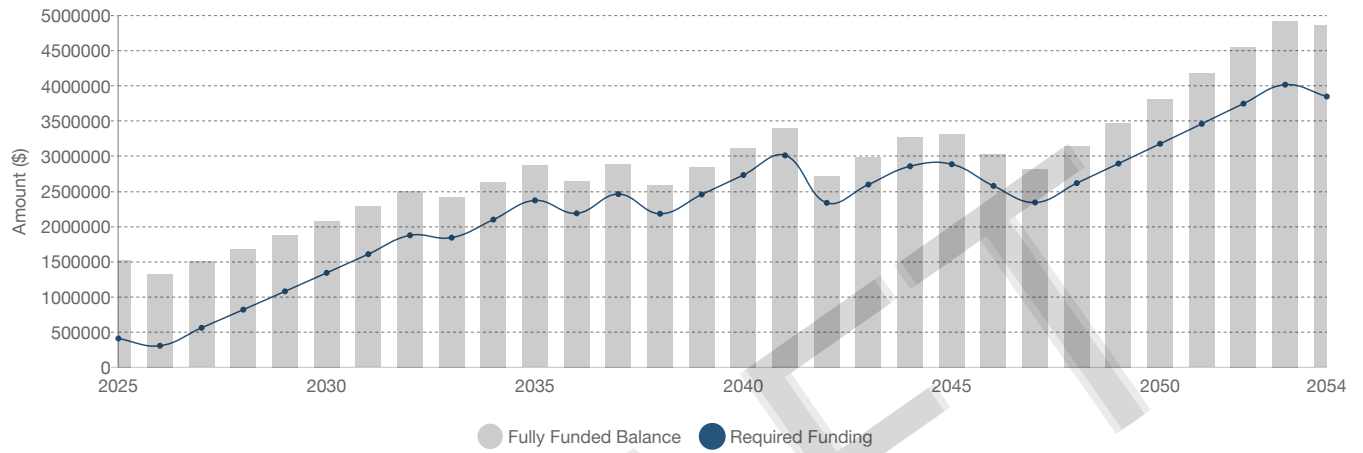
DRAFT

Cash-Flow Required Funding

Inflation: 2.50% | Investment: 1.00% | Calc: Inflation-Adjusted

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2025	\$157,500	\$252,000	N/A	\$1,575	\$0	\$0	\$0	\$411,075	26.98%	\$1,523,460
2026	\$411,075	\$252,000	0.00%	\$4,111	\$0	\$0	\$359,218	\$307,968	23.13%	\$1,331,211
2027	\$307,968	\$252,000	0.00%	\$3,080	\$0	\$0	\$0	\$563,047	37.39%	\$1,505,768
2028	\$563,047	\$252,000	0.00%	\$5,630	\$0	\$0	\$0	\$820,678	48.61%	\$1,688,223
2029	\$820,678	\$252,000	0.00%	\$8,207	\$0	\$0	\$0	\$1,080,884	57.53%	\$1,878,855
2030	\$1,080,884	\$252,000	0.00%	\$10,809	\$0	\$0	\$0	\$1,343,693	64.66%	\$2,077,968
2031	\$1,343,693	\$252,000	0.00%	\$13,437	\$0	\$0	\$0	\$1,609,130	70.39%	\$2,285,861
2032	\$1,609,130	\$252,000	0.00%	\$16,091	\$0	\$0	\$0	\$1,877,222	75.00%	\$2,502,850
2033	\$1,877,222	\$252,000	0.00%	\$18,772	\$0	\$0	\$304,323	\$1,843,671	76.27%	\$2,417,327
2034	\$1,843,671	\$252,000	0.00%	\$18,437	\$0	\$0	\$14,075	\$2,100,033	79.81%	\$2,631,271
2035	\$2,100,033	\$252,000	0.00%	\$21,000	\$0	\$0	\$0	\$2,373,033	82.71%	\$2,869,180
2036	\$2,373,033	\$252,000	0.00%	\$23,730	\$0	\$0	\$459,829	\$2,188,935	82.72%	\$2,646,063

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2037	\$2,188,935	\$252,000	0.00%	\$21,889	\$0	\$0	\$0	\$2,462,824	85.13%	\$2,893,061
2038	\$2,462,824	\$252,000	0.00%	\$24,628	\$0	\$0	\$555,981	\$2,183,472	84.39%	\$2,587,384
2039	\$2,183,472	\$252,000	0.00%	\$21,835	\$0	\$0	\$0	\$2,457,306	86.26%	\$2,848,749
2040	\$2,457,306	\$252,000	0.00%	\$24,573	\$0	\$0	\$0	\$2,733,880	87.58%	\$3,121,562
2041	\$2,733,880	\$252,000	0.00%	\$27,339	\$0	\$0	\$0	\$3,013,218	88.46%	\$3,406,234
2042	\$3,013,218	\$252,000	0.00%	\$30,132	\$0	\$0	\$956,447	\$2,338,903	85.90%	\$2,722,819
2043	\$2,338,903	\$252,000	0.00%	\$23,389	\$0	\$0	\$15,986	\$2,598,306	86.85%	\$2,991,599
2044	\$2,598,306	\$252,000	0.00%	\$25,983	\$0	\$0	\$18,017	\$2,858,272	87.40%	\$3,270,443
2045	\$2,858,272	\$252,000	0.00%	\$28,583	\$0	\$0	\$251,937	\$2,886,918	86.90%	\$3,322,056
2046	\$2,886,918	\$252,000	0.00%	\$28,869	\$0	\$0	\$588,603	\$2,579,184	84.96%	\$3,035,611
2047	\$2,579,184	\$252,000	0.00%	\$25,792	\$0	\$0	\$513,925	\$2,343,051	82.96%	\$2,824,358
2048	\$2,343,051	\$252,000	0.00%	\$23,431	\$0	\$0	\$0	\$2,618,482	83.38%	\$3,140,593
2049	\$2,618,482	\$252,000	0.00%	\$26,185	\$0	\$0	\$0	\$2,896,666	83.46%	\$3,470,868
2050	\$2,896,666	\$252,000	0.00%	\$28,967	\$0	\$0	\$0	\$3,177,633	83.28%	\$3,815,699
2051	\$3,177,633	\$252,000	0.00%	\$31,776	\$0	\$0	\$0	\$3,461,409	82.90%	\$4,175,599
2052	\$3,461,409	\$252,000	0.00%	\$34,614	\$0	\$0	\$0	\$3,748,023	82.35%	\$4,551,114
2053	\$3,748,023	\$252,000	0.00%	\$37,480	\$0	\$0	\$20,464	\$4,017,040	81.62%	\$4,921,816
2054	\$4,017,040	\$252,000	0.00%	\$40,170	\$0	\$0	\$459,881	\$3,849,329	79.23%	\$4,858,332



Funding Options

Significant expenses for repair or replacement of reserve components are expected within a community. When these expenses occur, there are essentially three funding options available for addressing the expenditure:

- The ***First and most logical option*** for the Board of Directors is to ensure the association's ability to maintain the obligated assets by assessing an adequate level of reserves as part of the regular membership fees. This approach allows for the cost of replacements to be uniformly distributed among all members, both present and future. It is important for the board to avoid adopting a calculation method or funding plan that unfairly burdens future members to compensate for past reserve deficits. The board has a fiduciary responsibility to the entire community and should act in their best interest. By setting aside reserves over the lifespan of the asset, such as a roof, the association has ample time to accumulate the necessary funds. Additionally, these contributions would be evenly distributed among all members and could earn interest.
- The ***Second option*** is for the association to secure a loan from a lending institution to finance any immediately required repairs. In many cases, banks are willing to lend to associations using future homeowner assessments as collateral. However, this method commits the association's future assets and incurs additional expenses in the form of interest fees. For instance, in the case of a \$150,000 roofing replacement, the association may be required to repay the loan over a period of three to five years, along with the accrued interest.
- The ***Third option*** is to pass a "special assessment" to the membership, requiring each member to contribute an amount necessary to cover the expenditure. When a special assessment is implemented, the association has the authority and responsibility to collect the assessments, even through foreclosure if necessary. However, it is important to note that there is no guarantee that an assessment will be passed when it is needed. Therefore, the association cannot ensure its ability to perform the required repairs or replacements for major components when the need arises. Furthermore, as communities age, the need for major reserve expenditures increases. Associations that are 12 to 15 years old or older often encounter numerous components reaching the end of their useful lives. If these required expenditures coincide, they can have a detrimental impact on the association's overall budget.

Component List - Full Detail

001 - Electric, Main Panels & Meter Bases

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Comments/Notes

On the date of inspection, it was observed that the electrical service was in good working condition. This fund provides monies for the as-needed repairs and eventual partial replacement of the electrical systems over a standard market-observed 45-year life cycle.

Useful Life

Last Activity Date:	01/01/2016
Est. Useful Life:	45y
Remaining Useful Life:	36y
Next Activity Date:	01/01/2061

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per U:	\$1,435.00
Total Quantity:	127 U
Total Current Cost:	\$186,801
Inflation Rate:	2.50%
Total Expenditures:	\$0



002 - Fire Alarm Control Panel & Ancillary Devices

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Life Safety Devices
Condition:	Good

Comments/Notes

This fund provides monies for the as needed repairs and eventual replacement of the Fire Alarm system over a standard market observed 30-year life cycle.

Useful Life

Last Activity Date:	01/01/2003
Est. Useful Life:	30y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2033

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Estimate
Cost Per U:	\$1,840.00
Total Quantity:	127 U
Total Current Cost:	\$239,522
Inflation Rate:	2.50%
Total Expenditures:	\$291,834





DRAFT

003 - Piping & Plumbing, Major Renovations

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Comments/Notes

Based on the market expected life cycle of Plumbing Utilities, it is recommended that the association reserve for major refurbishment of this component during the projected cycle.



Useful Life

Last Activity Date:	01/01/2003
Est. Useful Life:	55y
Remaining Useful Life:	33y
Next Activity Date:	01/01/2058

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per U:	\$2,400.00
Total Quantity:	127 U
Total Current Cost:	\$312,420
Inflation Rate:	2.50%
Total Expenditures:	\$0

004 - Concrete Restoration, Staircases

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Unit Access
Condition:	Good

Comments/Notes

On the date of inspection, the concrete staircases were in Good overall condition. This fund provides monies for as-needed repairs and eventual major refurbishment of the staircases. The stated cost is a projected partial rate of failure (10%) over the components' expected market life cycle.

Note- The life of this component has been extended due to the building's young age and the unlikely need for the first occurrence to happen until 35 years of age, based on market standards.

Useful Life

Last Activity Date:	01/01/2003
Est. Useful Life:	25y
Remaining Useful Life:	13y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per Flr:	\$12,500.00
Total Quantity:	37 Flr
Percent of Total to Maintain:	10%
Quantity to Maintain:	3.70 Flr
Total Current Cost:	\$47,406
Inflation Rate:	2.50%
Total Expenditures:	\$65,350





DRAFT

005 - Concrete Restoration, Parking Garage

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Exterior Building Components
Category:	Load Bearing Surfaces
Condition:	Good

Comments/Notes

This fund provides monies for as-needed repairs and eventual major concrete restoration projects that would need to take place over a market-observed 25-year life cycle. The stated cost is a projected partial rate of failure (25%) over the components' expected market life cycle.

Note- The life of this component has been extended due to the building's young age and the unlikely need for the first occurrence to happen until 35 years of age, based on market standards.

Useful Life

Last Activity Date:	01/01/2003
Est. Useful Life:	25y
Remaining Useful Life:	13y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	\$13.54
Total Quantity:	52,671 SF
Percent of Total to Maintain:	25%
Quantity to Maintain:	13,167.75 SF
Total Current Cost:	\$182,742
Inflation Rate:	2.50%
Total Expenditures:	\$251,912





DRAFT

006 - Concrete Restoration, Walkways & Balconies

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Exterior Building Components
Category:	Load Bearing Surfaces
Condition:	Good

Comments/Notes

This fund provides monies for the as needed repairs and eventual major concrete restoration projects that would need to take place over a market observed 25-year life cycle. The stated cost is an projected partial rate of failure (33%) over the components expected market life cycle.

APPX:

WW: 11756 SF
BL: 9106 SF

Useful Life

Last Activity Date:	01/01/2003
Est. Useful Life:	25y
Remaining Useful Life:	13y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	\$24.54
Total Quantity:	20,862 SF
Percent of Total to Maintain:	33%
Quantity to Maintain:	6,884.46 SF
Total Current Cost:	\$173,172
Inflation Rate:	2.50%
Total Expenditures:	\$238,719





007 - Roofs, Concrete Barrel Tiles

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Roofing
Condition:	Excellent

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	30y
Remaining Useful Life:	29y
Next Activity Date:	01/01/2054

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SQ:	\$2,450.00
Total Quantity:	85 SQ
Total Current Cost:	\$213,456
Inflation Rate:	2.50%
Total Expenditures:	\$436,818





DRAFT

008 - Roofs, Flat, Modified Bitumen

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Roofing
Condition:	Good

Comments/Notes

On the date of inspection it was noted the current roof is in Good condition with no reported issues of leaks or apparent deterioration.

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	18y
Remaining Useful Life:	17y
Next Activity Date:	01/01/2042

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	\$22.00
Total Quantity:	27,875 SF
Total Current Cost:	\$628,581
Inflation Rate:	2.50%
Total Expenditures:	\$956,447





DRAFT

009 - Railings, Aluminum Picket

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Life Safety
Condition:	Good

Comments/Notes

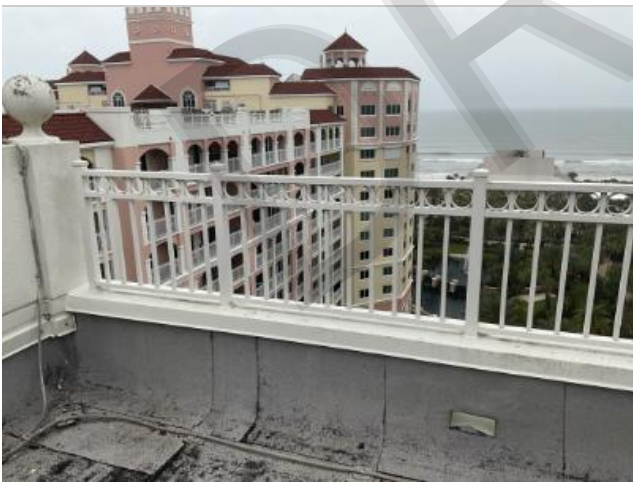
This fund provides monies for the as needed repairs and eventual replacement of the railings over a standard market observed 44-year life cycle.

Useful Life

Last Activity Date:	01/01/2003
Est. Useful Life:	44y
Remaining Useful Life:	22y
Next Activity Date:	01/01/2047

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per LF:	\$120.00
Total Quantity:	2,991 LF
Total Current Cost:	\$367,893
Inflation Rate:	2.50%
Total Expenditures:	\$513,925





DRAFT

010 - Cooling Towers

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Useful Life

Last Activity Date:	01/01/2015
Est. Useful Life:	30y
Remaining Useful Life:	20y
Next Activity Date:	01/01/2045

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per Ea:	\$150,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$153,750
Inflation Rate:	2.50%
Total Expenditures:	\$251,937





011 - Painting, Waterproofing & Stucco Repairs

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Exterior Building Components
Category:	Weatherproofing
Condition:	Fair

Comments/Notes

On the date of inspection it was observed that the paint & waterproofing were in Fair conditon and need to be reapplied. This fund provides monies for the reapplication of paint & waterproofing layers to the building based on a 10-year life cycle.

Useful Life

Last Activity Date:	01/01/2016
Est. Useful Life:	10y
Remaining Useful Life:	1y
Next Activity Date:	01/01/2026

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contactors
Cost Per SF:	\$4.20
Total Quantity:	81,400 SF
Total Current Cost:	\$350,427
Inflation Rate:	2.50%
Total Expenditures:	\$1,407,650





DRAFT

012 - Doors, Steel, Fire Rated

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Access Control Systems
Condition:	Good

Useful Life

Last Activity Date:	01/01/2003
Est. Useful Life:	55y
Remaining Useful Life:	33y
Next Activity Date:	01/01/2058

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Xactimate
Cost Per Ea:	\$1,285.00
Total Quantity:	61 Ea
Total Current Cost:	\$80,345
Inflation Rate:	2.50%
Total Expenditures:	\$0





DRAFT

013 - Windows & Doors, Impact Rated

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Windows & Doors
Condition:	Good

Useful Life

Last Activity Date:	01/01/2003
Est. Useful Life:	60y
Remaining Useful Life:	38y
Next Activity Date:	01/01/2063

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per SF:	\$110.00
Total Quantity:	4,083 SF
Total Current Cost:	\$460,358
Inflation Rate:	2.50%
Total Expenditures:	\$0





DRAFT

014 - Milestone Inspection

Basic Info

Type of Cost:	Improvement
Location:	Property Site Components
Category:	Professional Services
Condition:	Excellent

Comments/Notes

Based on the recommendations of the Community Associations Institute (CAI): Reserve Study Best Practices handbook; Associations should be preparing for the expense associated with professional inspections required by local mandate.

Useful Life

Last Activity Date:	01/01/2023
Est. Useful Life:	10y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2033

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Stone Building Solutions
Cost Per Ea:	\$10,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$10,250
Inflation Rate:	2.50%
Total Expenditures:	\$48,939

015 - Structural Integrity Reserve Study - UPDATE

Basic Info

Type of Cost:	Improvement
Location:	Property Site Components
Category:	Professional Services
Condition:	Excellent

Comments/Notes

Based on the recommendations of the Community Associations Institute (CAI): Reserve Study Best Practices handbook; Associations should be preparing for the expense associated with professional inspections required by local mandate.

Useful Life

Last Activity Date:	01/01/2024
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Stone Building Solutions
Cost Per Ea:	\$10,995.00
Total Quantity:	1 Ea
Total Current Cost:	\$11,270
Inflation Rate:	2.50%
Total Expenditures:	\$55,154

Useful Definitions

Adjustment to Useful Life: The estimated useful life may be adjusted, up or down, by this separate figure for the current cycle of replacement. This allows for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Annual Assessment Increase: This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. It ensures the accumulation of the desired amount over a specific timeframe.

Annual Fixed Reserves: An optional figure that, if used, will override the normal process of allocating reserves to each asset.

Budget Year Beginning/Ending: The fiscal year for which the report is prepared. Monthly contribution figures indicated are for the 12-month period beginning on January 1st and ending on December 31st of a specific year for associations with a fiscal year ending on December 31st.

Component: A specific item or element that is part of the association's common area assets and requires reserve funding.

Component Inventory: The process of selecting and qualifying reserve components. This can be done through on-site visual inspections, reviewing association documents, considering established precedents, and consulting with relevant association representatives.

Cost per Unit: The estimated cost to replace a reserve component per unit of measurement.

Current Replacement Cost: The estimated cost of replacing the asset at the beginning of the fiscal year for which the report is prepared.

Estimated Remaining Life: A calculation based on the report's fiscal year date and the asset's placed-in-service date to determine the remaining life of the asset.

Estimated Useful Life: The anticipated lifespan of an asset based on industry standards, manufacturer specifications, visual inspection, location, usage, association standards, and prior history.

Future Replacement Cost: The estimated cost to repair or replace the asset at the end of its estimated useful life, based on the current replacement cost and inflation.

Group and Category: The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Inflation: A figure used to estimate the future cost of repairing or replacing each component. The current cost of each component is compounded annually based on the number of remaining years to replacement, and the total is used to calculate the monthly reserve contribution needed to accumulate the required funds in time for replacement.



Interest Contribution (After Taxes): The interest that should be earned on the reserves, net of taxes, based on their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Investment Yield Before Taxes: The average interest rate anticipated by the association based on its current investment practices.

Number of Units and/or Phases: If applicable, the number of units and/or phases included in the report.

Percent Fully Funded: The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age: Comments regarding the aging of the components based on the construction date or date of acceptance by the association.

Placed-In-Service Date: The month and year when the asset was placed in service, which could be the construction date, first escrow closure date in a phase, or the date of the last servicing or replacement.

Projected Reserve Balance: The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based on the provided information and is not audited.

Quantity: The amount or number of each reserve component element.

Replacement Year: The year when the asset is scheduled to be replaced. The necessary funds will be available by the first day of the fiscal year for which replacement is anticipated.

Reserves: Funds set aside for projected repairs and/or replacements of the association's common elements.

Salvage Value: The salvage value of the asset at the time of replacement, if applicable.

Total Monthly Allocation: The sum of the monthly assessment and interest contribution figures.

Units: The unit of measurement used for each quantity.

Estimated Replacement Cost: The estimated cost to repair or replace the asset at the end of its estimated useful life based on the current replacement cost and inflation.

Monthly Assessment: The assessment to reserves required by the association each month.

Taxes on Interest Yield: The estimated percentage of interest income that will be set aside to pay income taxes on the earned interest.

Total Monthly Allocation: The sum of the monthly assessment and interest contribution figures.

Unit Abbreviations:

Sq Ft - Square Feet	Sq Yds - Square Yards	Ln Ft - Linear Feet
Cu Ft - Cubic Feet	Cu Yds - Cubic Yards	Opngs - Openings (elevators)
Lp Sm - Lump Sum	Allow - Allowance	Hp - Horsepower
Units - Units	Ct - Court	Bldg - Building
Ea - Each	Kw - Kilowatts	Sq - Squares (1 Sq = 100 sq ft)

DRAFT

Disclosures

The One Bedrooms at the Hammock Beach Club Condominium Association, Inc. contracted with Stone Building Solutions to conduct a SIRS. Stone Building Solutions completed the site review and has conducted interviews with the building engineer, ownership group and property manager in an attempt to evaluate the physical condition of the various components and their maintenance schedules, as well as to obtain information related to any previous defects that may exist and any repairs that have been performed.

Stone Building Solutions has no present or prospective interest in the subject property of this report and also has no personal interest with respect to parties involved. Our assignment was not contingent upon producing or reporting predetermined results and our compensation is not contingent on any action or event resulting from this report.

The calculations, projections and reports in this reserve study were generated using our state-of-the-art Reserve Study software. Our software has received a Quality Assurance Evaluation from a Certified Public Accounting firm verifying the system for accuracy and compliance with the American Institute of CPAs Audit and Accounting Guide for Common Interest Realty Associations, cash flow projections, and tax calculations consistent with IRS guidelines for 1120c and 1120h corporations.

This Reserve Analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogs, actual quotations or historical costs, and our own experience in the field of replacement cost valuation, insurance adjusting and reserve study preparation.

This Reserve Analysis is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Annual Update Requirements

Florida State Statutes require an update for this study be performed and published every 10 years.

Due to variations in inflation, labor rates, material availability, taxes, insurance costs, and asset lives, we recommend updating this report **every three years**, in line with the Traditional Reserve Study, for the most accurate and up-to-date outlook for your community's future financial planning.

To order and updated study, please contact us at (800) 892-1116, or email us at info@stonebldg.com.

DRAFT