STRUCTURAL INTEGRITY RESERVE STUDY (SIRS)

FOR FISCAL YEAR: 2026

LAKE BEACH CLUB

MIAMI BEACH, FL

Prepared for:

Lake Beach Club Condominium Association, Inc.

Prepared by:

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February 23, 2026

CASEY CROMER LICENSE No. 87329 STATE OF FLORIDA PROFESSIONAL ENGINEER

This item has been digitally signed and sealed by Casey Cromer, P.E. on the date listed above.

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1.0 INTRODUCTION

Criterium-Cromer Engineers has prepared this Structural Integrity Reserve Study (SIRS) for the Lake Beach Club Condominium Association, Inc. (the "Association") located at 2600 Collins Avenue, Miami Beach, FL 33140. The purpose of this report is to evaluate the condition of Association-maintained components, estimate future repair and replacement costs, and develop reserve funding plans to support long-term financial planning. The services were performed in accordance with the scope and terms outlined in our proposal dated January 8, 2026.

This reserve study consists of a:

Structural Integrity Reserve Study (SIRS) – A focused evaluation of structural integrity and safety components, prepared to meet current statutory requirements.

Study Methodology

The study generally included the following procedures:

- Visual site inspection on January 23, 2026, under the responsible charge of Casey Cromer, P.E.
- Review of documents provided by the Association.
- Identification of major reserve components and assessment of observed conditions.
- Development of funding plans to address anticipated costs.

Key Limitations

The following limitations apply to this reserve study:

- Long-term projections, particularly beyond three years, are subject to uncertainty due to inflation, market conditions, and changes in component performance. Projected values should be interpreted as planning tools rather than precise forecasts.
- Observations are based on visual inspection of accessible areas and information provided by the Association. No destructive testing or concealed condition evaluations were performed.
- Cost estimates, quantifies, and useful life assumptions represent professional opinions based on available information and may differ from actual future conditions.

2.0 EXECUTIVE SUMMARY

This page summarizes the Association's current reserve position and projected reserve contributions based on the Structural Integrity Reserve Study (SIRS), providing a high-level snapshot of reserve funding status and near-term contribution requirements. Detailed analyses are provided in Section 5.0.

Community Information

Community Name:	Lake Beach Club Condominium Association, Inc.
Next Fiscal Year Begins:	January 1, 2026 (Fiscal Year: 2026)
Projected Rate of Annual Inflation:	3.0%
Projected Annual Return on Investment:	0.0%
Date of Last Site Inspection:	January 23, 2026

Reserve Status, Start of Fiscal Year (Projected)

	SIRS*
Starting Balance:	$169,323
Percentage of Total Reserves:	82%
Fully Funded Balance:	$329,226
Percent Funded:	51%

Reserve Contributions for Fiscal Year: 2026

	SIRS*
Pooled Funding (Cash Flow Method) Threshold Funding Plan	$49,800

3.0 STUDY INFORMATION

Property Description

The community features a five-story building with 42 residential units, located in Miami Beach, Florida. The property was originally constructed in 1992 and includes various common and limited common elements and amenities such as parking areas, pool, lobby, and elevator. The Association is responsible for the maintenance, repair, and replacement of common property, including but not limited to the following:

- Roofing systems, exterior walls, waterproofing, and railings.
- Common mechanical, electrical, plumbing, and fire protection systems.
- Parking areas, elevator, and other shared amenities.

A site visit was conducted on January 23, 2026. During the site visit, accessible common areas were observed, including rooftops, corridors, electrical rooms, and other visible common components. Based on visual observations at the time of inspection, the common elements generally appeared to be in serviceable condition and appropriately maintained.

Sources of Information

The Association and its management representation have provided information and documents which may have been utilized in our study.

- Reserve Study Questionnaire, completed by Darren Sherland
- Reserve Fund Breakdown for Fiscal Year 2024
- Partial historical construction drawings (received from the City of Miami Beach)

The completeness and accuracy of the reserve analysis are dependent, in part, on the information made available at the time of the study.

Component Notes

The following general notes, comments, assumptions, and clarifications apply to this report. If any assumptions are inconsistent with the Association's understanding or records, revisions may be required.

- Structural Inspection Considerations: Florida Statutes and applicable local jurisdictional requirements mandate periodic milestone inspections for certain buildings, typically prior to reaching 30 years of age. These inspections may identify the need for structural repairs. While the nature and timing of such repairs cannot be precisely predicted, a reasonable allowance for potential structural repairs associated with milestone inspections has been included where appropriate.

- Excluded Components: Certain components have been excluded from the reserve analysis because their remaining useful life extends beyond the study period or because their repair or replacement needs cannot be reasonably estimated at this time. These components should be incorporated into future reserve studies when their remaining useful life shortens or repair needs become identifiable. Excluded components may include, but are not limited to:
    - Full replacement of railings.
    - Replacement of exterior metal doors (recently completed)
    - In-wall plumbing systems, including supply and waste piping.
    - Underground or site drainage systems.

- Upcoming Roofing Project: Based on discussions with the Association, the replacement of the roofing materials on the low-sloped (flat) roof area is expected to be completed by the end of 2026. It is anticipated that this reroofing project will be entirely funded via special assessment and will not utilize any existing reserves.

  If not completed as anticipated, or if reserve funds are utilized for the roofing work, this study would be required to be updated to remain valid.

- Preliminary Quantity and Cost Estimates: Quantity estimates are based in part on historical construction drawings and available records, which may be incomplete or inaccurate. Cost and quantity estimates should be considered preliminary and represent professional opinions only. These estimates are not intended for contractor bidding or construction pricing purposes.

- Fiscal Year: As used throughout this report, fiscal years are defined as follows:
    - **2025 | Year 0** – January 1, 2025 through December 31, 2025
    - **2026 | Year 1** – January 1, 2026 through December 31, 2026
    - **2027 | Year 2** – January 1, 2027 through December 31, 2027, etc.

- Sample Component Photographs: Representative component photographs are provided in Appendix A – Component Photographs.

Key Terms

The following key terms apply throughout this report. Additional terms and definitions are provided in the Reserve Study Standards Terms and Definitions included in Appendix B.

Estimated Quantity: The estimated quantity of a component, expressed using one of the following units:

Allowance = A lump-sum estimate used when future work scope cannot be precisely defined.
Lot = A lump-sum estimate representing a grouped scope of work.
EA = Each
LF = Linear Foot
SF = Square Foot

Current Cost: The estimated cost to repair or replace a component, expressed on a unit or total basis.

Useful Life (UL): The estimated period, in years, that a newly constructed/installed component is expected to perform its intended function, assuming proper construction and normal preventive maintenance.

Remaining Useful Life (RUL): The estimated period, in years, that an existing component is expected to continue performing its intended function, assuming timely preventative maintenance. Components anticipated to be repaired or replaced in the initial fiscal year have an RUL of zero.

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

FFB = Current Cost X Effective Age/Useful Life

Example: For a component with a $10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be $4,000.

Percent Funded: The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.

While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of "adequacy."

4.0 FUNDING METHODOLOGIES

To address future repair and replacement needs, reserve studies may evaluates two funding methodologies: Straight Line Funding (Component Method) and Pooled Funding (Cash Flow Method). Both methods are commonly used in reserve studies and are presented to illustrate comparative approaches to reserve funding. The Board's selected funding plan is detailed in subsequent sections.

Straight Line Funding (Component Method) – not included within this report

Straight Line Funding calculates reserve contributions on an individual component basis. For each component, the estimated replacement cost, adjusted for any applicable starting balance, is divided by the remaining useful life to determine an annual funding requirement. The total reserve contribution is the sum of the individual component requirements.

Key Characteristics

- Component-level funding targets
- Fully funded balance tracked for each component
- Does not directly account for inflation, investments returns, or pooled cash flow interactions

Pooled Funding (Cash Flow Method)

Pooled Funding evaluates reserve contributions based on the overall reserve balance across all components over the study period. Contributions are adjusted to maintain the reserve balance in accordance with a defined funding objective. This method accounts for inflation, investment returns, and interaction between component expenditures. Pooled funding may be evaluated using different funding goals, including:

Baseline Funding: Reserve balance remains positive throughout the study
Threshold Funding: Reserve balance is maintained above a defined minimum level
Full Funding: Reserve balance is maintained at or near the fully funded balance

Key Characteristics

- Aggregate reserve balance management
- Flexible contribution levels
- Accounts for inflation and investment returns

Key Comparisons

	Straight Line Funding (Component Method)	**Pooled Funding (Cash Flow Method)**
Focus	*Individual components*	*Overall reserve balance*
Flexibility	*Low*	*High*
Inflation / Investment	*Not directly considered*	*Accounted for*
Risk of Underfunding	*Generally lower*	*Variable, depending on objective*

5.0 STRUCTURAL INTEGRITY RESERVE STUDY

5.1 COMPONENT LIST SIRS

The following table presents the reserve component inventory included in the Structural Integrity Reserve Study (SIRS). The components listed relate to structural integrity and safety, as defined in Section 718.112(2)(g) of the Florida Statutes, and have been evaluated in accordance with the assumptions, definitions, and methodologies described in Section 3.0 of this report. Representative component photographs are provided in Appendix A – Component Photographs for reference.

#	Component Description	Estimated Quantity	Current Cost	Useful Life	Remaining Useful Life
Building Structure and Envelope (SIRS)					
101	Roofing, low-sloped, built-up/membrane	1 Lot	$ 275,000	20	20
102	Roofing, sloped, tile	1 Lot	$ 95,000	45	11
103	Exterior painting and waterproofing	1 Allow	$ 70,000	10	0
104	Exterior doors, lobby	1 Lot	$ 7,500	30	16
105	Exterior windows, corridors	1 Lot	$ 12,000	40	24
106	Exterior doors/windows, office	1 Lot	$ 18,500	40	6
107	Building recertification / structural repairs	1 Allow	$ 70,000	10	6
Electrical, Plumbing, and Fire Protection (SIRS)					
201	Electrical, primary equipment	1 Lot	$ 110,000	50	16
202	Electrical, meter center equipment	1 Lot	$ 89,000	60	26
203	Electrical, house subpanel	1 EA	$ 6,000	50	16
204	Backflow preventer, 4", reduced pressure	1 EA	$ 9,000	25	19
205	Fire alarm, control panel components	1 Lot	$ 5,000	20	19
206	Fire alarm, system devices (25% replacement)	0.25 Lot	$ 4,625	5	1

5.2 FUNDING PLAN SUMMARY SIRS

This section summarizes the reserve funding plan developed for the Structural Integrity Reserve Study (SIRS). The funding plan has been developed using Pooled Funding (Cash Flow Method) with Threshold Funding. This plan represents a fiscally responsible strategy that maintains reserve balances above the selected threshold while supporting timely completion of anticipated SIRS expenditures over the study period.

Starting Balance: Structural Integrity Reserves = $169,323 (82% of total reserves)

Straight Line Funding (Component Method) – not included within this report

Overview: Calculates reserve funding on an individual component basis by allocating estimated costs over the remaining useful life of each component. This approach does not directly account for inflation, investment returns, or pooled cash flow interactions. While it provides clear funding targets for individual components, it may result in less flexibility in annual contributions. This method is not included within this study. The information below is presented for reference only.

Fully Funded Balance: $329,226

Percent Funded: 51%

Pooled Funding (Cash Flow Method)
Threshold Funding Plan

Overview: Structured to maintain the reserve balance above a defined minimum level, providing increased financial stability while allowing flexibility in annual contributions. The complete analysis can be found on Page 11.

Risk of Underfunding: Moderate

Key Benefit: Balances reserve stability and contribution levels

2026 Contribution: $49,800

Commentary: A baseline funding plan reduces near-term contributions but increases the risk of reserve depletion and reliance on special assessments. A threshold funding plan moderates contribution levels while reducing funding risk by maintaining a minimum reserve balance. For many Associations, a threshold funding plan is considered a more sustainable long-term reserve funding approach.

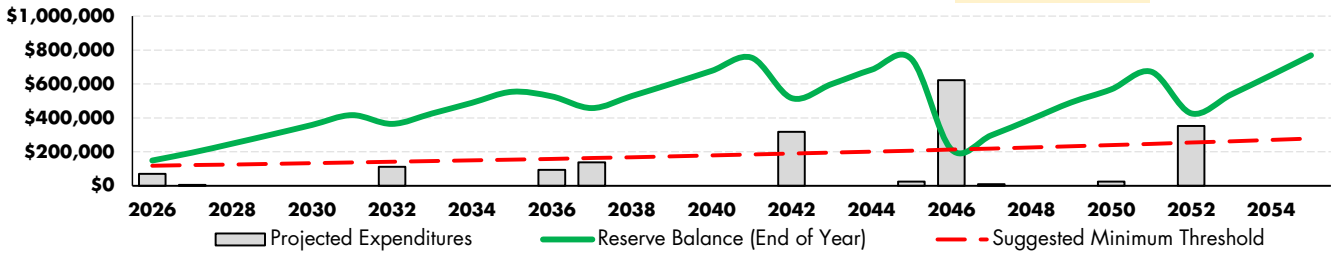
5.3 POOLED FUNDING SIRS

THRESHOLD FUNDING PLAN

Year		Reserve Account Activity					Reference Data
		Reserve Balance (Start of Year) (+)	Annual Reserve Contribution (+)	Contribution Change vs Prior Year	Projected Expenditures (-)	Reserve Balance (End of Year) (=)	Suggested Minimum Threshold*
2026	Year 1	$ 169,323	$ 49,800	N/A	$ 70,000	$ 149,123	$ 117,960
2027	Year 2	$ 149,123	$ 51,294	3.0%	$ 4,764	$ 195,653	$ 121,499
2028	Year 3	$ 195,653	$ 52,833	3.0%	$ -	$ 248,486	$ 125,144
2029	Year 4	$ 248,486	$ 54,418	3.0%	$ -	$ 302,904	$ 128,898
2030	Year 5	$ 302,904	$ 56,050	3.0%	$ -	$ 358,954	$ 132,765
2031	Year 6	$ 358,954	$ 57,732	3.0%	$ -	$ 416,686	$ 136,748
2032	Year 7	$ 416,686	$ 59,464	3.0%	$ 111,196	$ 364,953	$ 140,850
2033	Year 8	$ 364,953	$ 61,248	3.0%	$ -	$ 426,201	$ 145,076
2034	Year 9	$ 426,201	$ 63,085	3.0%	$ -	$ 489,286	$ 149,428
2035	Year 10	$ 489,286	$ 64,978	3.0%	$ -	$ 554,264	$ 153,911
2036	Year 11	$ 554,264	$ 66,927	3.0%	$ 94,074	$ 527,117	$ 158,528
2037	Year 12	$ 527,117	$ 68,935	3.0%	$ 137,904	$ 458,147	$ 163,284
2038	Year 13	$ 458,147	$ 71,003	3.0%	$ -	$ 529,150	$ 168,183
2039	Year 14	$ 529,150	$ 73,133	3.0%	$ -	$ 602,283	$ 173,228
2040	Year 15	$ 602,283	$ 75,327	3.0%	$ -	$ 677,610	$ 178,425
2041	Year 16	$ 677,610	$ 77,587	3.0%	$ -	$ 755,197	$ 183,778
2042	Year 17	$ 755,197	$ 79,914	3.0%	$ 317,932	$ 517,179	$ 189,291
2043	Year 18	$ 517,179	$ 82,312	3.0%	$ -	$ 599,491	$ 194,970
2044	Year 19	$ 599,491	$ 84,781	3.0%	$ -	$ 684,272	$ 200,819
2045	Year 20	$ 684,272	$ 87,325	3.0%	$ 24,549	$ 747,047	$ 206,843
2046	Year 21	$ 747,047	$ 89,944	3.0%	$ 623,108	$ 213,883	$ 213,049
2047	Year 22	$ 213,883	$ 92,643	3.0%	$ 8,604	$ 297,922	$ 219,440
2048	Year 23	$ 297,922	$ 95,422	3.0%	$ -	$ 393,344	$ 226,023
2049	Year 24	$ 393,344	$ 98,285	3.0%	$ -	$ 491,629	$ 232,804
2050	Year 25	$ 491,629	$ 101,233	3.0%	$ 24,394	$ 568,468	$ 239,788
2051	Year 26	$ 568,468	$ 104,270	3.0%	$ -	$ 672,739	$ 246,982
2052	Year 27	$ 672,739	$ 107,398	3.0%	$ 352,872	$ 427,265	$ 254,391
2053	Year 28	$ 427,265	$ 110,620	3.0%	$ -	$ 537,885	$ 262,023
2054	Year 29	$ 537,885	$ 113,939	3.0%	$ -	$ 651,824	$ 269,884
2055	Year 30	$ 651,824	$ 117,357	3.0%	$ -	$ 769,181	$ 277,980

*Suggested Minimum Threshold = 2 * Average Annual Expenditure (Future Costs)

Low Balance Below Threshold



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6.0 FUNDING CONSIDERATIONS

Decisions regarding reserve funding are typically made by the Association's Board of Directors and involve balancing long-term capital needs with the financial capacity of the membership. This report presents the funding plan selected by the Board, based on its desired funding objective and risk tolerance, to support informed and fiscally responsible reserve planning.

Selection of Funding Strategy

A primary consideration in selecting a reserve funding approach is the Association's tolerance for future special assessments. Special assessments may be required when reserve balances are insufficient to fund planned or unplanned repair and replacement projects. Different funding approaches reflect different tradeoffs between contribution levels, flexibility, and funding risk.

Straight Line Funding (Component Method) – not included within this report

Allocates reserve contributions on an individual component basis to generally maintain fully funded balances for each component. This approach provides transparency and predictability but offers limited flexibility and may result in uneven annual contributions.

Pooled Funding (Cash Flow Method)

Baseline Funding: Maintains a positive reserve balance over the study period while minimizing near-term contributions. This approach prioritizes short-term affordability but involves a higher risk of reserve depletion and reliance on special assessments.

Threshold Funding: Maintains the reserve balance above a defined minimum level. This approach balances contribution levels with reduced funding risk compared to baseline funding.

Full Funding: Aims to maintain reserve balances at or near fully funded levels. This approach reduces the likelihood of special assessments when reserve studies are updated regularly but requires higher ongoing contributions.

Each funding strategy involves inherent tradeoffs. The selection of an appropriate approach should be evaluated in the context of the Association's financial objectives, risk tolerance, and commitment to maintaining current reserve study information.

Importance of Regular Reserve Study Updates

Regular reserve study updates allow funding plans to reflect current component conditions, revised cost estimates, and changing economic assumptions. Depending on the scope of revisions, updates may often be completed without a site visit, resulting in reduced cost compared to a full reserve study. Without periodic updates, reserve projections may become outdated, increasing the risk of funding shortfalls.

Structural Integrity Reserve Study (SIRS) Limitations

A Structural Integrity Reserve Study (SIRS) is intended to support long-term financial planning for components related to the structural integrity and safety of buildings. The SIRS provides estimated costs, useful life assumptions, and funding projections to assist the Association in planning for future repair and replacement needs. While this information is valuable for reserve planning purposes, the SIRS has inherent limitations that should be understood and considered when relying on the study.

Scope Limitations

A SIRS addresses only those components associated with structural integrity and safety as defined by applicable statutes and industry practice. Non-structural components, architectural finishes, amenities, site features, and other building elements not directly related to structural performance or safety are excluded from the SIRS. These excluded components should be evaluated separately through a Full Reserve Study, a Building & Improvements Reserve Study (BIRS), or other appropriate planning and budgeting tools.

Inspection Limitations

SIRS analyses are typically based on non-invasive visual inspections of accessible areas and a review of available documentation. Visual observations are limited to conditions that are readily observable at the time of inspection. Concealed conditions, subsurface deterioration, latent defects, or conditions within inaccessible assemblies may not be identified without additional investigative testing, destructive exploration, or specialized evaluations. As a result, actual conditions and future repair needs may differ from those anticipated in this study.

Not a Structural Evaluation, Engineering Assessment, or Recertification

A SIRS is not a substitute for structural evaluations, milestone inspections, engineering condition assessments, or building recertifications. The study does not assess structural adequacy or code compliance. It also does not satisfy inspection or reporting requirements that may be mandated by governing authorities. Separate inspections and evaluations performed by qualified professionals are required to address these regulatory and safety-related obligations.

Use of SIRS Reserve Funds

If the Association adopts a SIRS funding plan, expenditures from the associated reserve account should be limited to components included in the SIRS or other expenditures directly related to structural integrity and safety of buildings. Use of SIRS reserve funds for non-structural items, amenities, or discretionary improvements may reduce the availability of funds for critical structural repairs. Non-SIRS expenditures are more appropriately funded through separate reserve accounts, operating funds, or other financial mechanisms, as applicable.

7.0 PURPOSE, SCOPE, AND METHODOLOGY

Purpose of the Reserve Study

The purpose of this reserve study is to assist the Association with long-term financial planning for major repair and replacement obligations. The study evaluates reserve components, estimates future expenditures, and develops funding projections to support informed budgeting, reserve allocation, and communication of reserve needs to the membership. This report is intended as a financial planning tool and is not a guarantee of future costs or performance.

Reserve Expenditures vs Operating Expenses

For financial planning purposes, Association expenses are generally categorized as either operating expenses or reserve expenditures.

- Operating Expenses include recurring costs such as utilities, insurance, management fees, administrative expenses, landscaping, and routine maintenance.
- Reserve Expenditures include major, periodic repair or replacement costs for common elements that:
  - The Association is obligated to maintain or replace
  - The need and schedule for the project can be reasonably anticipated
  - Represent a material cost that can be reasonably estimated

This reserve study focuses exclusively on reserve expenditures.

Level of Service

Structural Integrity Reserve Study (SIRS) – included within this report

The Structural Integrity Reserve Study (SIRS) addresses components related to the structural integrity and safety of buildings three stories or higher, as defined in Florida Statutes Section 718.112(2)(g). The SIRS evaluates useful life, remaining useful life, and estimated replacement costs for qualifying components associated with structural performance and life safety.

Components evaluated may include, as applicable, roofing systems, structural elements, fireproofing and fire protection systems, plumbing, electrical systems, waterproofing, exterior painting, windows, exterior doors, and other qualifying components meeting statutory thresholds.

Building & Improvements Reserve Study (BIRS) – NOT included within this report

The Building & Improvements Reserve Study (BIRS) addresses non-structural and amenity-related components that contribute to the functionality and usability of the property. These may include mechanical systems, recreational amenities, common area finishes, and site improvements.

SIRS and BIRS: Comprehensive Reserve Evaluation

When considered together, the SIRS and BIRS constitute the equivalent of a Full Reserve Study, providing a comprehensive view of the Association's long-term reserve obligations.

Engineering Assumptions and Useful Life Opinions

Useful life (UL) represents the typical industry-accepted service life of a component under normal conditions. Remaining useful life (RUL) reflects the estimated time until the next major repair or replacement is required. Actual component performance may differ from theoretical life calculations due to factors such as materials, workmanship, exposure, usage, and maintenance practices. Accordingly, the UL and RUL assigned in this study reflect professional judgment informed by observed conditions, historical information, and industry reference sources, including Fannie Mae and Marshall & Swift data, as well as experience with similar properties.

Cost Estimation Methodology

Reserve costs are estimated using unit quantities, lump-sum allowances, or work-package estimates, depending on the predictability of the scope. Estimates generally assume contracted labor and include demolition, disposal, and associated soft costs where appropriate.

Cost opinions are informed by:

- Historical expense data
- Contractor or vendor information
- Comparable project experience
- Industry cost references such as RSMeans and Marshall & Swift

Cost estimates are planning-level opinions and are not intended for bidding or construction purposes.

Financial Modeling and Budget Limitations

Reserve projections are based on current-dollar cost estimates adjusted using assumed inflation and investment return rates. Actual costs and funding requirements may vary due to market conditions, changes in scope, or unforeseen conditions. This reserve study is intended to support long-term planning and budgeting. It should be reviewed and updated periodically to reflect changing conditions and assumptions.

Information Provided by the Association

Financial projections in this study are based on information provided by the Association and its representatives, including reserve balances, contribution levels, and planned funding assumptions.

Key inputs include:

- Reserve balance of $206,070.78 as of December 31, 2026
    - **$169,322.71 allocated toward SIRS reserves**
- Current reserve contributions of $40,000 per year
- Fiscal year start date of January 1, 2026
- Projected inflation rate of 3.0%
- Projected annual return on investment of 0.0%

This information has been accepted in good faith and used without independent audit or verification.

8.0 PROJECTED EXPENDITURES SCHEDULE

Projected Expenditures in 2026 (Year 1)

#	Component Category	Component Description	Estimated Cost
103	Building Structure and Envelope (SIRS)	Exterior painting and waterproofing	$ 70,000
			$ 70,000

Projected Expenditures in 2027 (Year 2)

#	Component Category	Component Description	Estimated Cost
206	Electrical, Plumbing, and Fire Protection (SIRS)	Fire alarm, system devices (25% replacement)	$ 4,764
			$ 4,764

Projected Expenditures in 2032 (Year 7)

#	Component Category	Component Description	Estimated Cost
106	Building Structure and Envelope (SIRS)	Exterior windows, office	$ 22,090
107	Building Structure and Envelope (SIRS)	Building recertification / structural repairs	$ 83,584
206	Electrical, Plumbing, and Fire Protection (SIRS)	Fire alarm, system devices (25% replacement)	$ 5,522
			$ 111,196

Projected Expenditures in 2036 (Year 11)

#	Component Category	Component Description	Estimated Cost
103	Building Structure and Envelope (SIRS)	Exterior painting and waterproofing	$ 94,074
			$ 94,074

Projected Expenditures in 2037 (Year 12)

#	Component Category	Component Description	Estimated Cost
102	Building Structure and Envelope (SIRS)	Roofing, sloped, tile	$ 131,502
206	Electrical, Plumbing, and Fire Protection (SIRS)	Fire alarm, system devices (25% replacement)	$ 6,402
			$ 137,904

Projected Expenditures in 2042 (Year 17)

#	Component Category	Component Description	Estimated Cost
104	Building Structure and Envelope (SIRS)	Exterior doors, lobby	$ 12,035
107	Building Structure and Envelope (SIRS)	Building recertification / structural repairs	$ 112,329
201	Electrical, Plumbing, and Fire Protection (SIRS)	Electrical, primary equipment	$ 176,518
203	Electrical, Plumbing, and Fire Protection (SIRS)	Electrical, house subpanel	$ 9,628
206	Electrical, Plumbing, and Fire Protection (SIRS)	Fire alarm, system devices (25% replacement)	$ 7,422
			$ 317,932

Projected Expenditures Schedule

Projected Expenditures in 2045 (Year 20)

#	Component Category	Component Description	Estimated Cost
204	Electrical, Plumbing, and Fire Protection (SIRS)	Backflow preventer, 4", reduced pressure	$ 15,782
205	Electrical, Plumbing, and Fire Protection (SIRS)	Fire alarm, control panel components	$ 8,768
			$ 24,549

Projected Expenditures in 2046 (Year 21)

#	Component Category	Component Description	Estimated Cost
101	Building Structure and Envelope (SIRS)	Roofing, low-sloped, built-up/membrane	$ 496,681
103	Building Structure and Envelope (SIRS)	Exterior painting and waterproofing	$ 126,428
			$ 623,108

Projected Expenditures in 2047 (Year 22)

#	Component Category	Component Description	Estimated Cost
206	Electrical, Plumbing, and Fire Protection (SIRS)	Fire alarm, system devices (25% replacement)	$ 8,604
			$ 8,604

Projected Expenditures in 2050 (Year 25)

#	Component Category	Component Description	Estimated Cost
105	Building Structure and Envelope (SIRS)	Exterior windows, corridors	$ 24,394
			$ 24,394

Projected Expenditures in 2052 (Year 27)

#	Component Category	Component Description	Estimated Cost
107	Building Structure and Envelope (SIRS)	Building recertification / structural repairs	$ 150,961
202	Electrical, Plumbing, and Fire Protection (SIRS)	Electrical, meter center equipment	$ 191,937
206	Electrical, Plumbing, and Fire Protection (SIRS)	Fire alarm, system devices (25% replacement)	$ 9,974
			$ 352,872

9.0 STANDARDS AND LIMITATIONS

Professional Standards

Criterium-Cromer Engineers conducts reserve studies in accordance with the professional standards expected of licensed Professional Engineers. This reserve study is intended as a financial planning tool and does not constitute a comprehensive condition assessment, warranty, or guarantee of future performance.

Scope of Observations

This study is limited to non-invasive visual observations made at the time of inspection and a review of available documentation. No destructive testing, excavation, removal of finishes, or detailed engineering analyses were performed. Observations are limited to accessible areas and conditions visible at the time of inspection. This study does not address buried utilities, concealed systems, or conditions outside the defined scope of services.

Limitations of Information and Cost Estimates

Financial data, historical records, and cost information provided by others have been accepted in good faith without independent audit or verification. Reserve cost estimates represent planning-level opinions and are not intended for bidding or construction purposes. Actual costs may vary due to changes in scope, market conditions, material availability, or contractor availability.

Economic and Financial Considerations

Criterium-Cromer Engineers does not provide financial, investment, or reserve fund management services. Assumptions regarding inflation, investment returns, and economic conditions are inherently uncertain. The Association is encouraged to consult with its property manager, accountant, financial advisor, and legal counsel when making reserve funding decisions.

Confidentiality and Use of Report

This report was prepared solely for the use of the Association. Reliance by any other party is not authorized without the express written consent of Criterium-Cromer Engineers. Unauthorized use or reliance on this report shall be at the user's sole risk.

10.0 CONCLUSION

This reserve study has been prepared to assist the Association with long-term financial planning for major repair and replacement obligations. By evaluating reserve components and presenting funding projections, the study provides a framework to support informed budgeting and reserve allocation decisions.

The analyses and projections presented are based on information provided by the Association, visual observations, and professional judgment. Actual conditions, costs, and timing of repairs may differ from those anticipated. Periodic review and updates of this reserve study are important to maintain its relevance as conditions and assumptions change.

Criterium-Cromer Engineers is not aware of any conflicts of interest related to this engagement.

We appreciate the opportunity to assist the Association with its reserve planning efforts.

Respectfully submitted,

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APPENDIX A

COMPONENT PHOTOGRAPHS

Component Photographs

Photo 1
SIRS Components

Photo 2
SIRS Components

Photo 3
SIRS Components

Photo 4
SIRS Components

Photo 5
SIRS Components

Photo 6
SIRS Components

Component Photographs

Photo 7
SIRS Components

Photo 8
SIRS Components

Photo 9
SIRS Components

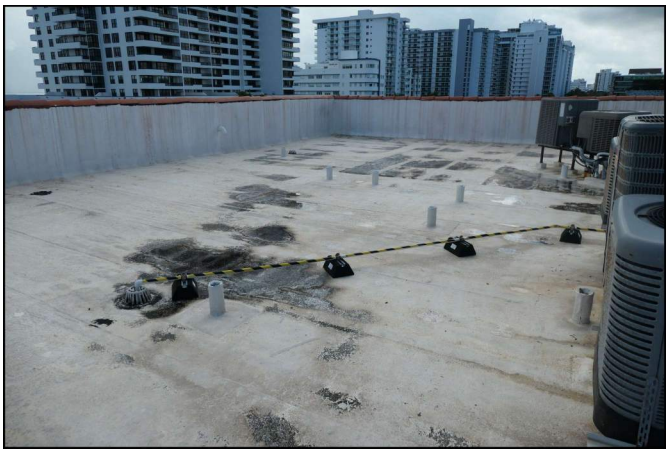

Photo 10
SIRS Components

Photo 11
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Component Photographs

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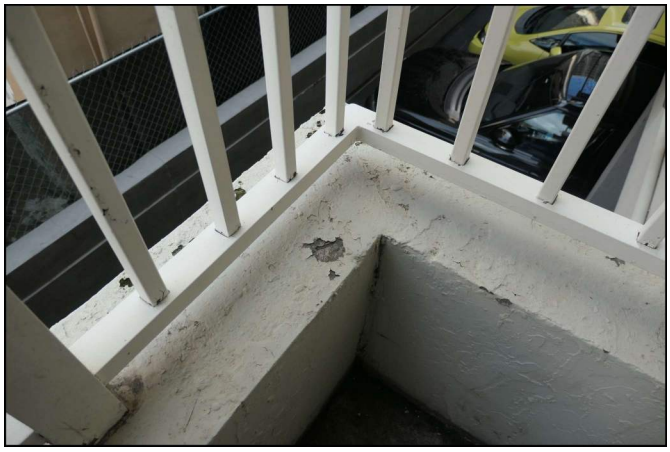

Photo 29
SIRS Components

Photo 30
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Component Photographs

Photo 31
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Photo 32
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Photo 33
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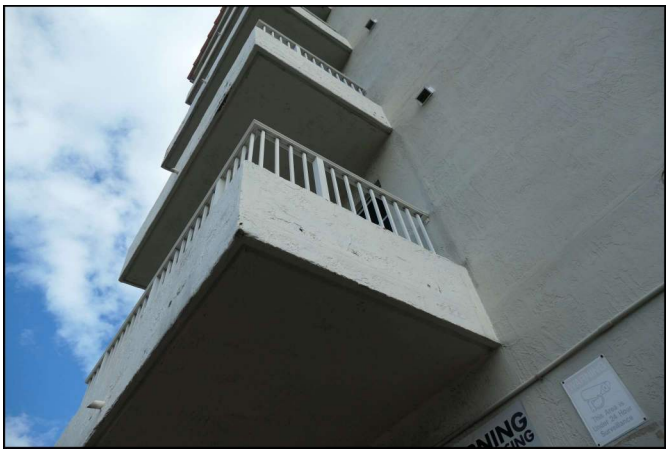

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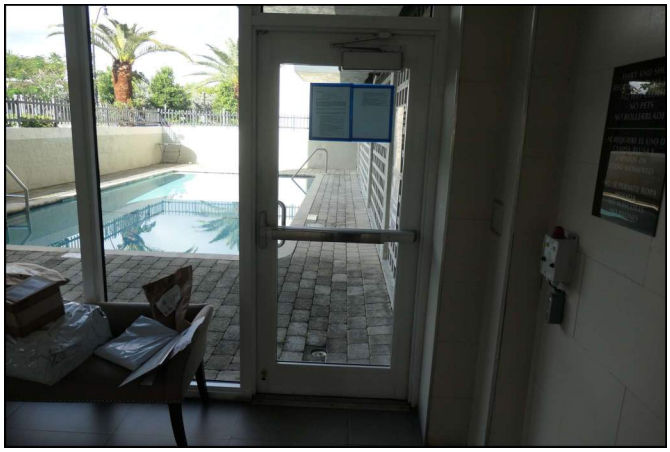

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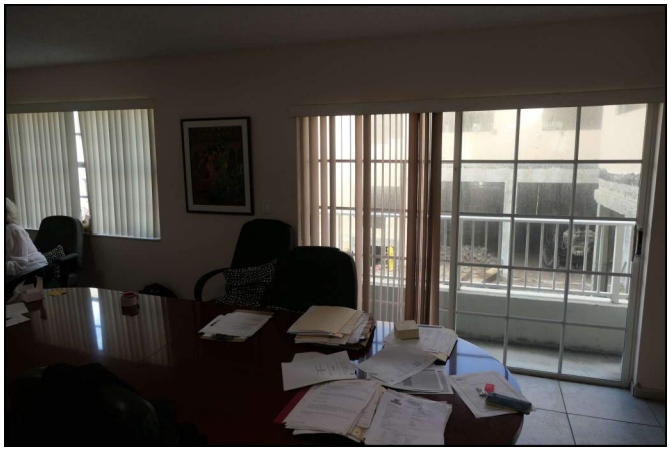

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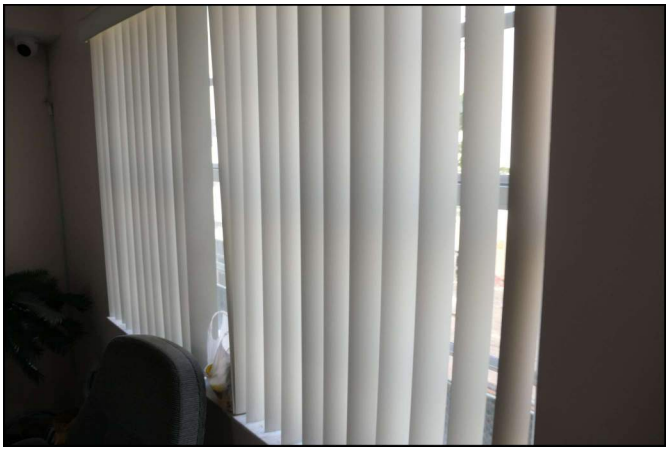

Photo 42
SIRS Components

Component Photographs

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Component Photographs

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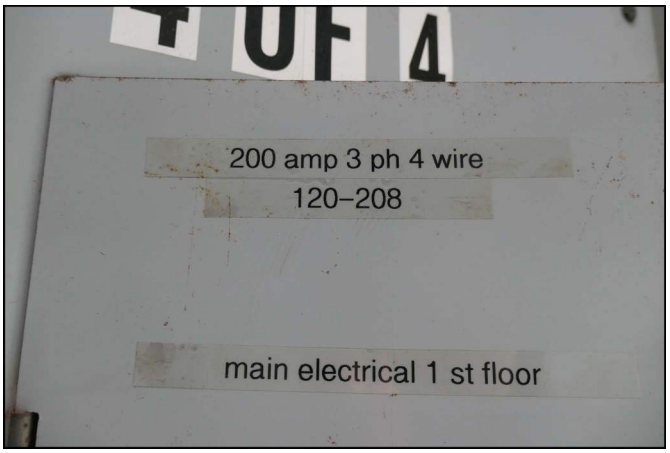

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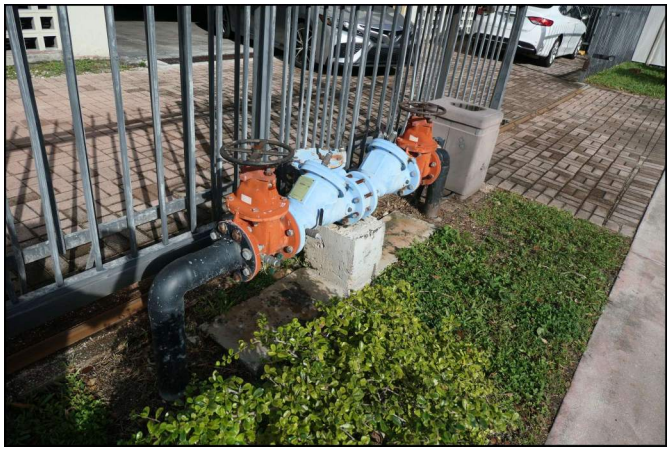

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Component Photographs

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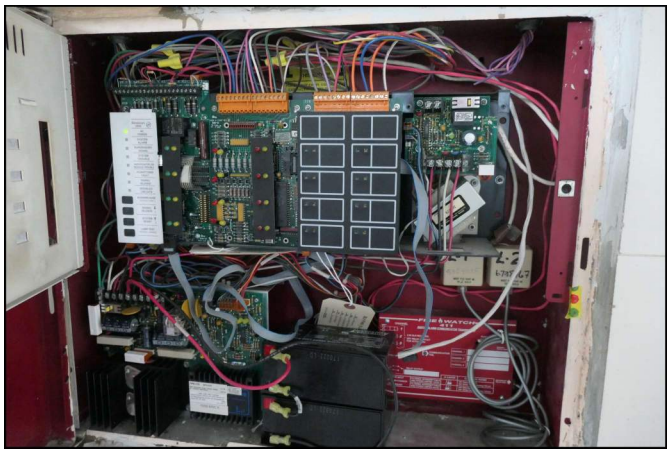

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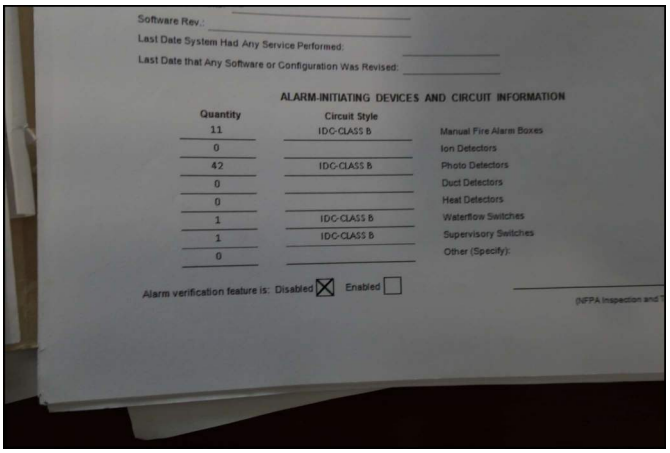

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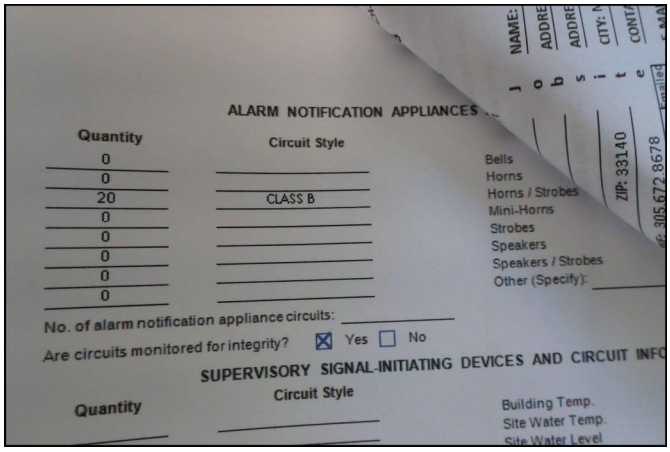

Photo 65
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Component Photographs

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Photo 71
SIRS Components

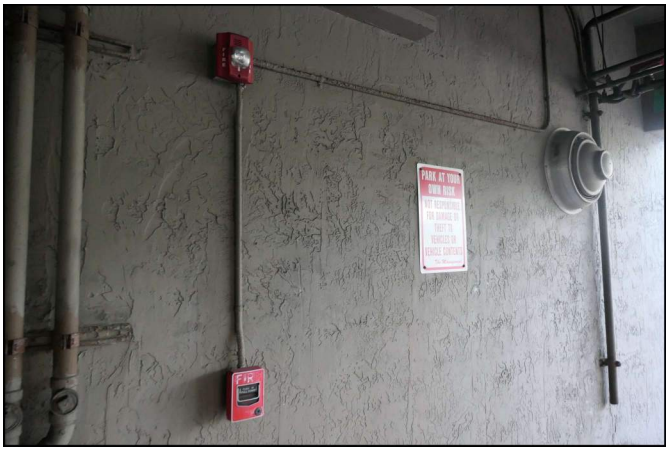

Photo 72
SIRS Components

APPENDIX B

REFERENCE DOCUMENTS

EXCERPTS FROM THE FLORIDA STATUTES

Section 718.112(2)(f): Annual Budget.–

1. The proposed annual budget of estimated revenues and expenses must be detailed and must show the amounts budgeted by accounts and expense classifications, including, at a minimum, any applicable expenses listed in s. 718.504(21). The board shall adopt the annual budget at least 14 days before the start of the association's fiscal year. In the event that the board fails to timely adopt the annual budget a second time, it is deemed a minor violation and the prior year's budget shall continue in effect until a new budget is adopted. A multicondominium association must adopt a separate budget of common expenses for each condominium the association operates and must adopt a separate budget of common expenses for the association. In addition, if the association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements as provided for in s. 718.113(1), the budget or a schedule attached to it must show the amount budgeted for this maintenance. If, after turnover of control of the association to the unit owners, any of the expenses listed in s. 718.504(21) are not applicable, they do not need to be listed.

2a. In addition to annual operating expenses, the budget must include reserve accounts for capital expenditures and deferred maintenance. These accounts must include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000 or the inflation-adjusted amount determined by the division under subparagraph 6., whichever is greater. The amount to be reserved must be computed using a formula based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of the reserve item. In a budget adopted by an association that is required to obtain a structural integrity reserve study, reserves must be maintained for the items identified in paragraph (g) for which the association is responsible pursuant to the declaration of condominium, and the reserve amount for such items must be based on the findings and recommendations of the association's most recent structural integrity reserve study. If an association votes to terminate the condominium in accordance with s. 718.117, the members may vote to waive the maintenance of reserves recommended by the association's most recent structural integrity reserve study. With respect to items for which an estimate of useful life is not readily ascertainable or with an estimated remaining useful life of greater than 25 years, an association is not required to reserve replacement costs for such items, but an association must reserve the amount of deferred maintenance expense, if any, which is recommended by the structural integrity reserve study for such items. The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance.

2b. The members of a unit-owner-controlled association may determine, by a majority vote of the total voting interests of the association, to provide no reserves or less reserves than required by this subsection. For a budget adopted on or after December 31, 2024, the members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not determine to provide no reserves or less reserves than required by this subsection for items listed in paragraph (g), except that members of an association operating a multicondominium may determine to provide no reserves or less reserves than required by this subsection if an alternative funding method has been approved by the division.

2c(I) Reserves for the items listed in paragraph (g) may be funded by regular assessments, special assessments, lines of credit, or loans. A special assessment, a line of credit, or a loan under this sub-subparagraph requires the approval of a majority vote of the total voting interests of the association.

2c(II) A unit-owner-controlled association that must have a structural integrity reserve study may secure a line of credit or a loan to fund capital expenses required by a milestone inspection under s. 553.899 or a structural integrity reserve study. The line of credit or loan must be sufficient to fund the cumulative amount of any previously waived or unfunded portions of the reserve funding amount required by this paragraph and the most recent structural integrity reserve study. Funding from the line of credit or loan must be immediately available for access by the board to fund required repair, maintenance, or replacement expenses without further approval by the members of the association. A special assessment, a line of credit, or a loan secured under this sub-subparagraph and related details must be included in the annual financial statement that is required under s. 718.111(13) to be delivered to unit owners and required under s. 718.503 to be provided to prospective purchasers of a unit.

2c(III) This sub-subparagraph does not apply to associations controlled by a developer as defined in s. 718.103, an association in which the nondeveloper unit owners have been in control for less than 1 year, or an association controlled by one or more bulk assignees or bulk buyers as those terms are defined in s. 718.703.

2d. If the local building official, as defined in s. 468.603, determines that the entire condominium building is uninhabitable due to a natural emergency, as defined in s. 252.34, the board may pause the contribution to its reserves or reduce reserve funding until the local building official determines that the condominium building is habitable. Any reserve account funds held by the association may be expended, pursuant to the board's determination, to make the condominium building and its structures habitable. Upon the determination by the local building official that the condominium building is habitable, the association must immediately resume contributing funds to its reserves.

2e. For a budget adopted on or before December 31, 2028, if the association has completed a milestone inspection pursuant to s. 553.899 within the previous 2 calendar years, the board, upon the approval of a majority of the total voting interests of the association, may temporarily pause, for a period of no more than two consecutive annual budgets, reserve fund contributions or reduce the amount of reserve funding for the purpose of funding repairs recommended by the milestone inspection. This sub-subparagraph does not apply to an association controlled by a developer as defined in s. 718.103, an association in which the nondeveloper unit owners have been in control for less than 1 year, or an association controlled by one or more bulk assignees or bulk buyers as those terms are defined in s. 718.703. An association that has paused reserve contributions under this subparagraph must have a

structural integrity reserve study performed before the continuation of reserve contributions in order to determine the association's reserve funding needs and to recommend a reserve funding plan.

2f. Before turnover of control of an association by a developer to unit owners other than a developer under s. 718.301, the developer-controlled association may not vote to waive the reserves or reduce funding of the reserves. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and no such result is achieved or a quorum is not attained, the reserves included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and may be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote of all the total voting interests of the association. Before turnover of control of an association by a developer to unit owners other than the developer pursuant to s. 718.301, the developer-controlled association may not vote to use reserves for purposes other than those for which they were intended. For a budget adopted on or after December 31, 2024, members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not vote to use reserve funds, or any interest accruing thereon, for any other purpose other than the replacement or deferred maintenance costs of the components listed in paragraph (g).

4. An association's reserve accounts may be pooled for two or more required components. Reserve funding for components listed in paragraph (g) may only be pooled with other components listed in paragraph (g). The reserve funding indicated in the proposed annual budget must be sufficient to ensure that available funds meet or exceed projected expenses for all components in the reserve pool based on the reserve funding plan or schedule of the most recent structural integrity reserve study. A vote of the members is not required for the board to change the accounting method for reserves to a pooling accounting method or a straight-line accounting method.

5. The only voting interests that are eligible to vote on questions that involve waiving or reducing the funding of reserves, or using existing reserve funds for purposes other than purposes for which the reserves were intended, are the voting interests of the units subject to assessment to fund the reserves in question. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended must contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot:

   WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.

6. The division shall annually adjust for inflation, based on the Consumer Price Index for All Urban Consumers released in January of each year, the minimum $25,000 threshold amount for required reserves. By February 1, 2026, and annually thereafter, the division must conspicuously post on its website the inflation-adjusted minimum threshold amount for required reserves.

Section 718.112(2)(g): Structural Integrity Reserve Study.–

1. A residential condominium association must have a structural integrity reserve study completed at least every 10 years after the condominium's creation for each building on the condominium property that is three habitable stories or higher in height, as determined by the Florida Building Code, which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:
    a. Roof.
    b. Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. 627.706.
    c. Fireproofing and fire protection systems.
    d. Plumbing.
    e. Electrical systems.
    f. Waterproofing and exterior painting.
    g. Windows and exterior doors.
    h. Any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000 or the inflation-adjusted amount determined by the division under subparagraph (f)6., whichever is greater, and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.

2. A structural integrity reserve study is based on a visual inspection of the condominium property.

3a. A structural integrity reserve study, including 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 certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts.

3b. Any design professional as defined in s. 558.002 or any contractor licensed under chapter 489 who bids to perform a structural integrity reserve study must disclose in writing to the association his or her intent to bid on any services related to any maintenance, repair, or replacement that may be recommended by the structural integrity reserve study. Any design professional as defined in s. 558.002 or contractor licensed under chapter 489 who submits a bid to the association for performing any services recommended by the structural integrity reserve study may not have an interest, directly or indirectly, in the firm or entity providing the association's structural integrity reserve study or be a relative of any person having a direct or indirect interest in such firm, unless such relationship is disclosed to the association in writing. As used in this section, the term "relative" means a relative within the third degree of consanguinity by blood or marriage. A contract for services is voidable and terminates upon the association filing a written notice terminating the contract if the design professional or licensed contractor failed to provide the written disclosure of the interests or relationships required under this paragraph. A design professional or licensed contractor may be subject to discipline under the applicable practice act for his or her profession for failure to provide the written disclosure of the interests or relationships required under this paragraph.

4a. At a minimum, a structural integrity reserve study must identify each item of the condominium property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the condominium property being visually inspected, and provide a reserve funding plan or schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of condominium property being visually inspected by the end of the estimated remaining useful life of the item. At a minimum, the structural integrity reserve study must include a recommendation for a reserve funding schedule based on a baseline funding plan that provides a reserve funding goal in which the reserve funding for each budget year is sufficient to maintain the reserve cash balance above zero. The study may recommend other types of reserve funding schedules, provided that each recommended schedule is sufficient to meet the association's maintenance obligation.

4b. The structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost cannot be determined, or the study may recommend a deferred maintenance expense amount for such item. The structural integrity reserve study may recommend that reserves for replacement costs do not need to be maintained for any item with an estimated remaining useful life of greater than 25 years, but the study may recommend a deferred maintenance expense amount for such item. If the structural integrity reserve study recommends reserves for any item for which reserves are not required under this paragraph, the amount of the recommended reserves for such item must be separately identified in the structural integrity reserve study as an item for which reserves are not required under this paragraph.

4c. The structural integrity reserve study must take into consideration the funding method or methods used by the association to fund its maintenance and reserve funding obligations through regular assessments, special assessments, lines of credit, or loans. If the structural integrity reserve study is performed before the association has approved a special assessment or secured a line of credit or a loan, the structural integrity reserve study must be updated to reflect the funding method selected by the association and its effect on the reserve funding schedule, including any anticipated change in the amount of regular assessments. The structural integrity reserve study may be updated to reflect any changes to the useful life of the reserve items after such items are repaired or replaced and the effect such repair or replacement will have on the reserve funding schedule. The association must obtain an updated structural integrity reserve study before adopting any budget in which the reserve funding from regular assessments, special assessments, lines of credit, or loans does not align with the funding plan from the most recent version of the structural integrity reserve study.

5. This paragraph does not apply to buildings less than three stories in height; single-family, two-family, three-family, or four-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the condominium form of ownership; or any portion or component of a building that is maintained by a party other than the association.

6. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report in compliance with s. 718.301(4)(p) and (q) for each building on the condominium property that is three stories or higher in height.

7. Associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2025, for each building on the condominium property that is three stories or higher in height. An association that is required to complete a milestone inspection in accordance with s. 553.899 on or before December 31, 2026, may complete the structural integrity reserve study simultaneously with the milestone inspection. In no event may the structural integrity reserve study be completed after December 31, 2026.

8. If the milestone inspection required by s. 553.899, or an inspection completed for a similar local requirement, was performed within the past 5 years and meets the requirements of this paragraph, such inspection may be used in place of the visual inspection portion of the structural integrity reserve study.

9. If the association completes a milestone inspection required by s. 553.899, or an inspection completed for a similar local requirement, the association may delay performance of a required structural integrity reserve study for no more than the 2 consecutive budget years immediately following the milestone inspection in order to allow the association to focus its financial resources on completing the repair and maintenance recommendations of the milestone inspection.

10. If the officers or directors of an association willfully and knowingly fail to complete a structural integrity reserve study pursuant to this paragraph, such failure is a breach of an officer's or a director's fiduciary relationship to the unit owners under s. 718.111(1). An officer or a director of an association must sign an affidavit acknowledging receipt of the completed structural integrity reserve study.

11. Within 45 days after receiving the structural integrity reserve study, the association must distribute a copy of the study to each unit owner or deliver to each unit owner a notice that the completed study is available for inspection and copying upon a written request. Distribution of a copy of the study or notice must be made by United States mail or personal delivery to the mailing address, property address, or any other address of the owner provided to fulfill the association's notice requirements under this chapter, or by electronic transmission to the e-mail address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission.

12. Within 45 days after receiving the structural integrity reserve study, the association must provide the division with a statement indicating that the study was completed and that the association provided or made available such study to each unit owner in accordance with this section. The statement must be provided to the division in the manner established by the division using a form posted on the division's website.

13. The division shall adopt by rule the form for the structural integrity reserve study in coordination with the Florida Building Commission

community
ASSOCIATIONS INSTITUTE

Reserve Study Standards®™

RSS - RS052023

Terms and Definitions

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

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

Cash Flow Method (also known as pooling): A method of developing a reserve funding plan where funding of reserves is designed to offset the annual expenditures from the reserve fund.

To determine the selected funding plan, different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

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

Community Association: A nonprofit entity that exists to preserve the nature of the community and protect the value of the property owned by members. Membership in the community association is mandatory and automatic for all owners. All owners pay mandatory lien-based assessments that fund the operation of the association and maintain the common area or elements, as defined in the governing documents. The community association is served and lead by an elected board of trustees or directors.

Components: The individually listed projects within the physical analysis which are determined for inclusion using the process described within the component inventory. These components form the building blocks for the reserve study. **Components are selected to be included in the reserve study based on the following three-part test:**

1. The association has the obligation to maintain or replace the existing element.
2. The need and schedule for this project can be reasonably anticipated.
3. The total cost for the project is material to the association, can be reasonably estimated, and includes all direct and related costs.

Component Inventory: The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.

The Reserve Specialist, in coordination with the client, will determine the methodology for including these components in the study. Typical evaluation techniques for consideration include:

- Inclusion of long-life components with funding in the study.
- Addition of long-life components with funding at the time when they fall within the 30-year period from the date of study preparation.

- Identification of long-life components in the component inventory even when they are not yet being funded in the 30-year funding plan.

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

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

Effective Age: The difference between useful life and estimated remaining useful life. Not always equivalent to chronological age since some components age irregularly. Used primarily in computations.

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

Fully Funded: 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

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

FFB = Current Cost X Effective Age/Useful Life

Example: For a component with a $10,000 current replacement cost, a 10-year useful life, and effective age of 4 years, the fully funded balance would be $4,000.

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

Funding Goals:

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

Baseline Funding

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

Threshold Funding

Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "fully funded" with respective higher risk or less risk of cash problems. In determining the threshold, many variables should be considered, including things such as

investment risk tolerance, community age, building type, components that are not readily inspected, and components with a remaining useful life of more than 30 years.

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

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

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

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

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

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

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

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

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

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

Deferred Maintenance: Maintenance which is not performed and leads to premature deterioration to the common areas due to lack of preventive maintenance.

This results in a reduction in the remaining useful life of the reserve components and the potential of inadequate funding. Typically, deferred maintenance creates a need for corrective maintenance.

Corrective Maintenance: Maintenance performed following the detection of a problem, with the goal of remediating the condition such that the intended function and life of the component or system is restored, preserved, or enhanced.

Many corrective maintenance projects could be prevented with a proactive, preventive maintenance program. Note that when the scope is minor, these projects may fall below the threshold of cost significance and thus are handled through the operational budget. In other cases, the cost and timing should be included within the reserve study.

Percent Funded: The ratio, at a particular point in time clearly identified as either the beginning or end of the association's fiscal year, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.

While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan, in light of the association's risk tolerance and is not by itself a measure of "adequacy."

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

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

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

Preventive Maintenance Schedule: A summary of the preventive maintenance tasks included within a maintenance manual which should be performed such that the useful lives of the components are attained or exceeded. This schedule should include both the timing and the estimated cost of the task(s).

Remaining Useful Life (RUL): Also referred to as "remaining life" (RL). The estimated time, in years, that a component can be expected to serve its intended function, presuming timely preventive maintenance. Projects expected to occur in the initial year have zero remaining useful life.

Replacement Cost: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, design, permits, installation, disposal, etc.).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX C

KEY PERSONNEL

CROMER CRITERIUM ENGINEERS
4300 Biscayne Blvd, Suite 203, Miami, FL 33137
(305) 250-2936 | www.criterium-cromer.com

Casey Cromer, P.E.

President | Principal Engineer – Reserve Studies, Building Assessments, and Forensic Engineering

Casey Cromer is a licensed Professional Engineer with over a decade of experience in reserve studies, structural integrity reserve studies, building condition assessments, and forensic engineering services. Based in Miami, Florida, he provides engineering services to condominium associations, homeowner associations, property managers, attorneys, developers, and building owners throughout South Florida and beyond.

His work includes reserve studies and Structural Integrity Reserve Studies, building envelope investigations, construction defect evaluations, structural collapse investigations, and property loss assessments. He has extensive experience with high-rise residential buildings, mixed-use developments, commercial properties, and complex building systems.

Areas of Practice

- Reserve Studies and Structural Integrity Reserve Studies
- Building Condition Assessments
- Building Envelope and Façade Investigations
- Property Loss and Cause-and-Origin Investigations
- Construction Defect and Litigation Support
- Roofing and Waterproofing Evaluations
- Post-Tension Cable Inspections
- Aerial Drone Inspections and Documentation

Education and Professional Licenses

- Bachelor of Science, Civil Engineering, The University of Central Florida
- Licensed Professional Engineer (P.E.), Florida, License #87329

Professional Approach

Casey approaches engineering evaluations with an emphasis on accuracy, clarity, and defensible analysis. His objective is to translate technical findings into clear, actionable information that supports informed decision-making, whether for long-term capital planning, regulatory compliance, or litigation support.

He places particular importance on developing opinions and recommendations that are grounded in observed conditions, available documentation, and applicable standards of practice. Each engagement is approached with a methodical and transparent process intended to support responsible planning, risk management, and long-term asset preservation while withstanding scrutiny by boards, regulators, and legal professionals.

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Representative Project Experience

Reserve Studies and Structural Integrity Reserve Studies

- Performed condition assessments and reserve funding analyses for hundreds of condominium and homeowner associations throughout South Florida.
- Involved in all phases of reserve studies, including site inspections, component evaluations, funding analyses, presentations, and report reviews.

Building Envelope Investigations

- Acqualina Resort & Residences: 52-story hotel and residential tower
  Comprehensive façade investigation of stucco and EIFS systems using swing stage access and drone inspections, including evaluation of wall cladding performance and repair recommendations.
- Akoya Condominium: 47-story residential tower
  Full façade investigation and construction phase observations during stucco remediation, including daily inspections and structural repair signoffs.
- 800 Waterford: 250,000 sq. ft. Class-A office building
  Comprehensive façade investigation of precast panels and curtain wall systems, including water intrusion evaluation and water testing of repaired areas.

Construction Defect and Litigation Support

- Provided engineering services for developers, general contractors, subcontractors, condominium associations, and building owners.
- Projects include high-rise residential towers, mixed-use developments, and commercial buildings across Florida and other jurisdictions, including Acqualina Mansions, Aria (Longboat Key), Aria on the Bay, Asia Brickell Key, Axis Brickell, Chateau Beach, Continuum South Beach, Fendi Château, Jade Ocean, Grove at Grand Bay, Icon Bay, Mint, Nine at Mary Brickell, Peninsula Aventura, Toscano at Dadeland, Vizcayne, W South Beach, 1100 Millecento, 321 Ocean, and others.

Property Loss Investigations

- Conducted cause-and-origin investigations for hundreds of residential and commercial properties.
- Evaluated structural and material failures related to construction defects, storm damage, water intrusion, and normal wear and tear.
- Champlain Towers South: Surfside, Florida
  Led a team of multidisciplinary subject-matter experts and participated in on-site inspections in the investigation of the in-service condominium collapse
- Miami-Dade College Parking Garage
  Structural collapse investigation addressing failure origin, original design requirements, and repair feasibility.

CRITERIUM ENGINEERS

BUILDING INSPECTION ENGINEERS
PROUDLY SERVING NORTH AMERICA SINCE 1957

H. Alan Mooney, P.E.

Founding President

Alan Mooney is a civil and structural engineer with nearly 50 years of experience as a consulting engineer. From 1988 until 2018 he was President and principal owner of Criterium Engineers, a national consulting engineering firm with affiliate offices throughout North America.

His experience includes:

- complex multi-million-dollar engineering and construction projects
- forensic engineering
- construction quality assurance services
- numerous building envelope quality assurance and commissioning projects
- thousands of residential and commercial building inspections

In addition to his own projects, he continues to serve as an advisor/consultant for inspections, structural evaluations, investigative engineering, structural design and trainer for the Criterium Engineers staff.

As a structural engineer, he has designed a variety of structures in wood, concrete and steel. These structures include bridges, multi-story buildings, parking garages and marine facilities.

Alan also has extensive experience with Community Associations and, specifically, with CAI (Community Association Institute). He is a CAI certified Reserve Specialist (RS) and a licensed, Reserve Specialist in Nevada.

Mr. Mooney has also established an impressive track record as a noted seminar leader and author, both locally and nationally, on construction-related issues, construction quality, the community association market and building inspection procedures and standards.

EDUCATION AND PROFESSIONAL AFFILIATION

Rutgers University, New Brunswick, NJ – 1969
Bachelor of Science, Civil Engineering
Numerous post graduate courses
Licensed Professional Engineer in ME, NH, VT, MA, CT, NY, NC, NJ, AZ, NV, FL, KS, WA, TX
Licensed Reserve Specialist in NV
NSPE (National Society of Professional Engineers)
CAI (Community Associations Institute)
ASCE (American Society of Civil Engineers)
The Order of the Engineer

WHY I DO WHAT I DO

"Building technology is always changing; keeping up is an exciting challenge. Diagnosing problems means using good judgment and capitalizing on years of experience. It's even more challenging and exciting because every client's needs are different. What we do represents the essence of being a professional engineer."

WHY CRITERIUM ENGINEERS

"I founded Criterium Engineers to allow other engineers to discover their full potential as professionals."

SELECT PROJECT HIGHLIGHTS

- **Silo Point, Baltimore, Maryland** – provided transition study and follow-up consulting for a unique, high-end condominium complex involving the conversion of an abandoned grain handling complex.
- **Sun City Anthem, Las Vegas, Nevada** – provided comprehensive reserve fund study for a large (10,000 residents), high end home owner association in Las Vegas.
- **133 Seaport Residential Condominiums, Boston, MA** – provided transition study for high end, high rise condominium project
- **The Independent, Austin, TX** – provided transition study and reserve study for high end, high rise condominium project.
- **Cambridge Tower, Austin, TX** – provided reserve study for a vintage, mid-rise condominium project.
- **Reston, VA** – provided reserve study for large, master community association with a population of approximately 60 thousand.
- **San Diego Airport Expansion** – envelope commissioning
- **Phoenix Sky Harbor Airport** – envelope quality assurance
- **IKEA** – facilities review of all locations in the U.S.
- **Houston Country Club** – provided expert construction assistance to resolve disputes related to this $100 million renovation.
- **Wimar-Tahoe** – provided expert testimony for building performance in a $100 million dispute involving a Lake Tahoe casino complex.
- **415 Congress Street** – provided expert testimony for a dispute regarding façade restoration and repair work on a large, 100-year old building listed on the National Register of Historic Places.

EXPERIENCE HIGHLIGHTS

- 30 years' experience as a construction quality consultant including collaboration with several major builders such as Turner Construction, DR Horton and Pulte to develop effective quality assurance programs.
- 30 years' experience as a construction expert in construction disputes, including serving as an expert witness on numerous occasions.
- Personally performed more than 15,000 building inspections.
- Criterium Engineers now performs over 15,000 building inspections annually to standards Mr. Mooney developed and refines on an ongoing basis.
- 30 years' experience as a seminar leader; presented seminars to CAI (both regionally and nationally), builders, appraisers, real estate agents in more than 30 states.
- Founding president of the National Academy of Building Inspection Engineers (NABIE), 1989-1993.