STRUCTURAL INTEGRITY RESERVE STUDY

PREPARED FOR:

Ocean's Grand Owners' Association, Inc.

Daytona Beach Shores, FL

For The Period Beginning January 1, 2025

PREPARED BY:

STONE RESERVE STUDIES

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Attention: **Board of Directors**
Property: Ocean's Grand Owners' Association, Inc., Daytona Beach Shores, Florida
Service: Structural Integrity Reserve Study
Period: Meet regulation requirement by 2026

Dear Board of Directors of Ocean's Grand Owners' Association, Inc. :

At the direction of the Board and management of Ocean's Grand Owners' Association, Inc. ,

Stone Building Solutions has completed a Structural Integrity Reserve Study for the Ocean's Grand Owners' 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 Ocean's Grand Owners' Association, Inc. upon which this study is based was performed by of Stone Building Solutions.

The effective date of this report is the date of inspection, January 10, 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

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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 assure 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.

Ocean's Grand Owners' Association, Inc. has 189 units. This study is for the fiscal year starting January 1, 2025, ending December 31, 2025.

Note- For the purposes of this projection, **50%** of the available Reserve Balances have been allocated as the starting balance of proposed Structural Integrity Reserve Account.

As of January 1, 2025, the estimated unaudited reserve fund balance is **$525,000**

The estimated *current replacement* cost of the reserve items is **$4,615,783**

The estimated *inflated replacement* cost of the reserve items is **$11,313,821**

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

The 30-Year Funding Plan is an approach to determine 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:	**$412,000**
Recommended annual contribution per unit:	**$2,180**
Recommended monthly contribution per unit:	**$182**

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 avalible 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 ridgid 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 Certifed Field Engineer under the supervision of a Florida State licensed P.E. (#48598) Dr. Dudley G. McFarquhar, PHD on January 10, 2024. The results of the inspection were utilized as the primary basis for this analysis. The Structural Integrity Reserve Study was prerepred In accordance with Florida Statues by CAI Reserve Specialist Nathan Holmberg, RS (#488) on April 30, 2024.

Onsite Process

Stone Building Solutions Engineering Team conducted a physical inspection of the Ocean's Grand Owners' Association, Inc. on January 10, 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.

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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 considerfull 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.

STONE RESERVE STUDIES

SIRS Expenditures

Individual Elements

ASSET №	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
001	Electric, Main Panels & Meter Bases: Common	01/01/2046	40y	40y	21y	$1,470.875	189 LS	$277,995
002	Fire Alarm Control Panel & Ancillary Devices: Common	01/01/2031	25y	25y	6y	$1,886.00	189 U	$356,454
003	Domestic Water Pump System: Common	01/01/2048	25y	25y	23y	$1,603.10	21 Flr	$33,665
004	Fire Pump & Controller: Common	01/01/2046	40y	40y	21y	$76,362.50	1 Ea	$76,362
005	Roofs, Standing Seam Metal: Common	01/01/2041	35y	35y	16y	$1,537.50	26 SQ	$39,975
006	Windows, Replace w/ Impact Rated: Common	01/01/2066	60y	60y	41y	$51,250.00	1 Allow	$51,250
007	Concrete Restoration, Walkways & Balconies: Common	01/01/2031	25y	25y	6y	$25.154	9,240 SF	$232,423
008	Roofs, Flat, Modified Bitumen: Lower Roof	01/01/2026	18y	20y	1y	$23.575	4,910 SF	$115,753
008	Roofs, Flat, Modified Bitumen: Tower Roof	01/01/2026	18y	20y	1y	$23.575	23,750 SF	$559,906
009	Railings, Aluminum Picket: Common	01/01/2050	44y	44y	25y	$102.50	5,670 LF	$581,175
010	Fire Stand Pipes & Valves: Common	01/01/2051	45y	45y	26y	$156.825	450 LF	$70,571
011	Painting, Waterproofing & Stucco Repairs: Common	01/01/2027	9y	9y	2y	$3.28	161,600 SF	$530,048
012	Piping & Plumbing, Major Renovations : All Units	01/01/2061	55y	55y	36y	$2,460.00	189 U	$464,940
013	Concrete Restoration, Staircases : Common	01/01/2031	25y	25y	6y	$18,962.50	8.40 Flr	$159,285
014	Doors, Metal Utility, Single / Double: Common	01/01/2041	35y	35y	16y	$2,408.75	38.75 Ea	$93,339
015	Concrete Restoration, Parking Garage: Parking Garage	01/01/2050	25y	44y	25y	$12.854	16,375 SF	$210,484
016	Waterproofing Membrane (Bottom Coat): Parking Garage	01/01/2037	14y	14y	12y	$5.638	70,500 SF	$397,479

ASSET №	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
017	Waterproofing Membrane (Top Coat) : Parking Garage	01/01/2030	7y	7y	5y	$3.588	70,500 SF	$252,954
018	Generator & Controller, Diesel	01/01/2051	45y	45y	26y	$111,725.00	1 Ea	$111,725
								$4,615,783

STONE RESERVE STUDIES

Expenditures (By Year)

ASSET №	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2025 (Year 1)						
2025 (Year 1) Total				$0		
2026 (Year 2)						
008	Roofs, Flat, Modified Bitumen: Lower Roof	$24.164	4,910 SF	$118,645	18y	2044
008	Roofs, Flat, Modified Bitumen: Tower Roof	$24.164	23,750 SF	$573,895	18y	2044
2026 (Year 2) Total				$692,540		
2027 (Year 3)						
011	Painting, Waterproofing & Stucco Repairs: Common	$3.446	161,600 SF	$556,874	9y	2036
2027 (Year 3) Total				$556,874		
2028 (Year 4)						
2028 (Year 4) Total				$0		
2029 (Year 5)						
2029 (Year 5) Total				$0		
2030 (Year 6)						
017	Waterproofing Membrane (Top Coat) : Parking Garage	$4.059	70,500 SF	$286,160	7y	2037
2030 (Year 6) Total				$286,160		
2031 (Year 7)						
013	Concrete Restoration, Staircases : Common	$21,990.686	8.40 Flr	$184,722	25y	N/A
007	Concrete Restoration, Walkways & Balconies: Common	$29.171	9,240 SF	$269,540	25y	N/A

ASSET №	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
002	Fire Alarm Control Panel & Ancillary Devices: Common	$2,187.182	189 U	$413,377	25y	N/A
2031 (Year 7) Total				$867,639		
2032 (Year 8)						
2032 (Year 8) Total				$0		
2033 (Year 9)						
2033 (Year 9) Total				$0		
2034 (Year 10)						
2034 (Year 10) Total				$0		
2035 (Year 11)						
2035 (Year 11) Total				$0		
2036 (Year 12)						
011	Painting, Waterproofing & Stucco Repairs: Common	$4.304	161,600 SF	$695,526	9y	2045
2036 (Year 12) Total				$695,526		
2037 (Year 13)						
016	Waterproofing Membrane (Bottom Coat): Parking Garage	$7.582	70,500 SF	$534,531	14y	2051
017	Waterproofing Membrane (Top Coat) : Parking Garage	$4.825	70,500 SF	$340,162	7y	2044
2037 (Year 13) Total				$874,694		
2038 (Year 14)						
2038 (Year 14) Total				$0		
2039 (Year 15)						
2039 (Year 15) Total				$0		
2040 (Year 16)						
2040 (Year 16) Total				$0		
2041 (Year 17)						
014	Doors, Metal Utility, Single / Double: Common	$3,575.803	38.75 Ea	$138,562	35y	N/A
005	Roofs, Standing Seam Metal: Common	$2,282.427	26 SQ	$59,343	35y	N/A
2041 (Year 17) Total				$197,905		

ASSET №	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2042 (Year 18)						
2042 (Year 18) Total				$0		
2043 (Year 19)						
2043 (Year 19) Total				$0		
2044 (Year 20)						
008	Roofs, Flat, Modified Bitumen: Lower Roof	$37.688	4,910 SF	$185,048	18y	N/A
008	Roofs, Flat, Modified Bitumen: Tower Roof	$37.688	23,750 SF	$895,090	18y	N/A
017	Waterproofing Membrane (Top Coat) : Parking Garage	$5.736	70,500 SF	$404,388	7y	2051
2044 (Year 20) Total				$1,484,526		
2045 (Year 21)						
011	Painting, Waterproofing & Stucco Repairs: Common	$5.375	161,600 SF	$868,600	9y	2054
2045 (Year 21) Total				$868,600		
2046 (Year 22)						
001	Electric, Main Panels & Meter Bases: Common	$2,470.455	189 LS	$466,916	40y	N/A
004	Fire Pump & Controller: Common	$128,257.07	1 Ea	$128,257	40y	N/A
2046 (Year 22) Total				$595,173		
2047 (Year 23)						
2047 (Year 23) Total				$0		
2048 (Year 24)						
003	Domestic Water Pump System: Common	$2,828.847	21 Flr	$59,406	25y	N/A
2048 (Year 24) Total				$59,406		
2049 (Year 25)						
2049 (Year 25) Total				$0		
2050 (Year 26)						
015	Concrete Restoration, Parking Garage: Parking Garage	$23.831	16,375 SF	$390,233	25y	N/A
009	Railings, Aluminum Picket: Common	$190.029	5,670 LF	$1,077,464	44y	N/A
2050 (Year 26) Total				$1,467,697		

ASSET №	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2051 (Year 27)						
010	Fire Stand Pipes & Valves: Common	$298.013	450 LF	$134,106	45y	N/A
018	Generator & Controller, Diesel	$212,310.20	1 Ea	$212,310	45y	N/A
016	Waterproofing Membrane (Bottom Coat): Parking Garage	$10.714	70,500 SF	$755,337	14y	N/A
017	Waterproofing Membrane (Top Coat) : Parking Garage	$6.818	70,500 SF	$480,669	7y	N/A
2051 (Year 27) Total				$1,582,422		
2052 (Year 28)						
2052 (Year 28) Total				$0		
2053 (Year 29)						
2053 (Year 29) Total				$0		
2054 (Year 30)						
011	Painting, Waterproofing & Stucco Repairs: Common	$6.712	161,600 SF	$1,084,659	9y	N/A
2054 (Year 30) Total				$1,084,659		

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			$556,874
Roofs, Flat, Modified Bitumen: Lower Roof		$118,645	
Roofs, Flat, Modified Bitumen: Tower Roof		$573,895	
Total Exterior Building Components		**$692,540**	**$556,874**
Total		**$692,540**	**$556,874**

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 2025, to prevent any future damage associated with this component.

Roofing: Modified Bitumen

- On the date of inspection it was noted the current roof is in Fair condition with no reported issues of leaks or apparent deterioration, but has however reached the end of its market expected useful life. We recommend the association replace the "Lower" portions of the roof by calendar year 2026 to prevent any possible future damage associated with this component and maximize insurable risk deductions.

"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 of calculating Reserve contributions where the Reserve fund total balance at any one point in the projection is able to 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 pllan utilizes the following assumptions:

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

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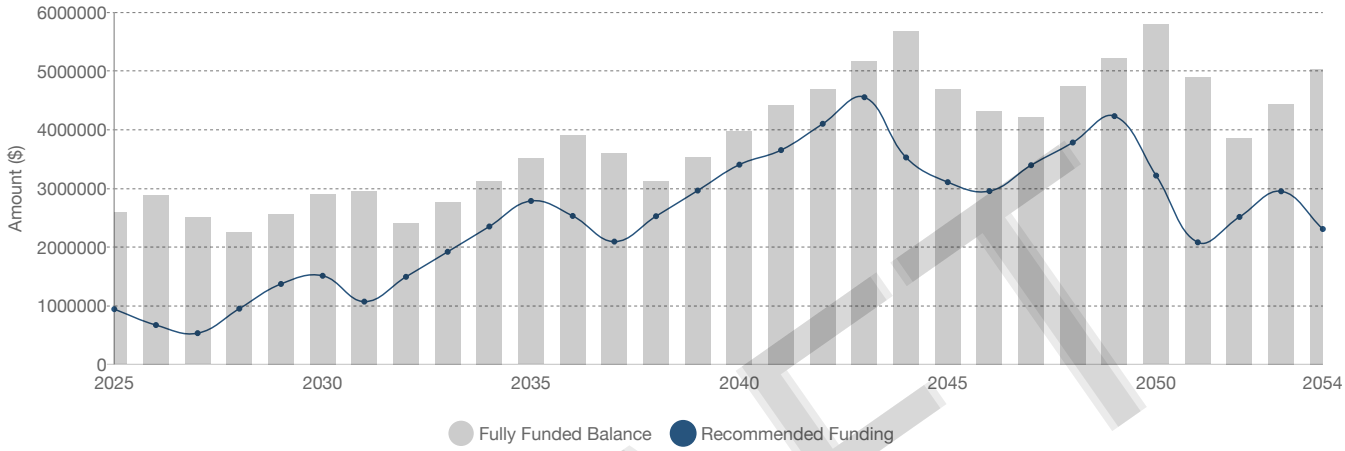
Cash-Flow Recommended Funding

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

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDTIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2025	$525,000	$412,000	N/A	$5,250	$0	$0	$0	$942,250	36.37%	$2,590,845
2026	$942,250	$412,000	0.00%	$9,422	$0	$0	$692,540	$671,132	23.19%	$2,893,926
2027	$671,132	$412,000	0.00%	$6,711	$0	$0	$556,874	$532,970	21.28%	$2,504,620
2028	$532,970	$412,000	0.00%	$5,330	$0	$0	$0	$950,300	42.22%	$2,250,847
2029	$950,300	$412,000	0.00%	$9,503	$0	$0	$0	$1,371,803	53.42%	$2,567,895
2030	$1,371,803	$412,000	0.00%	$13,718	$0	$0	$286,160	$1,511,361	52.13%	$2,899,388
2031	$1,511,361	$412,000	0.00%	$15,114	$0	$0	$867,639	$1,070,836	36.27%	$2,952,501
2032	$1,070,836	$412,000	0.00%	$10,708	$0	$0	$0	$1,493,544	61.77%	$2,417,812
2033	$1,493,544	$412,000	0.00%	$14,935	$0	$0	$0	$1,920,479	69.43%	$2,766,105
2034	$1,920,479	$412,000	0.00%	$19,205	$0	$0	$0	$2,351,684	75.13%	$3,130,302
2035	$2,351,684	$412,000	0.00%	$23,517	$0	$0	$0	$2,787,201	79.39%	$3,510,980
2036	$2,787,201	$412,000	0.00%	$27,872	$0	$0	$695,526	$2,531,547	64.77%	$3,908,736

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDTIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2037	$2,531,547	$412,000	0.00%	$25,315	$0	$0	$874,694	$2,094,169	57.99%	$3,611,329
2038	$2,094,169	$412,000	0.00%	$20,942	$0	$0	$0	$2,527,110	80.72%	$3,130,657
2039	$2,527,110	$412,000	0.00%	$25,271	$0	$0	$0	$2,964,381	83.67%	$3,542,739
2040	$2,964,381	$412,000	0.00%	$29,644	$0	$0	$0	$3,406,025	85.72%	$3,973,469
2041	$3,406,025	$412,000	0.00%	$34,060	$0	$0	$197,905	$3,654,180	82.61%	$4,423,521
2042	$3,654,180	$412,000	0.00%	$36,542	$0	$0	$0	$4,102,722	87.46%	$4,690,738
2043	$4,102,722	$412,000	0.00%	$41,027	$0	$0	$0	$4,555,749	88.01%	$5,176,477
2044	$4,555,749	$412,000	0.00%	$45,557	$0	$0	$1,484,526	$3,528,780	62.09%	$5,683,571
2045	$3,528,780	$412,000	0.00%	$35,288	$0	$0	$868,600	$3,107,468	66.24%	$4,691,142
2046	$3,107,468	$412,000	0.00%	$31,075	$0	$0	$595,173	$2,955,370	68.49%	$4,314,964
2047	$2,955,370	$412,000	0.00%	$29,554	$0	$0	$0	$3,396,924	80.51%	$4,219,507
2048	$3,396,924	$412,000	0.00%	$33,969	$0	$0	$59,406	$3,783,487	79.79%	$4,741,885
2049	$3,783,487	$412,000	0.00%	$37,835	$0	$0	$0	$4,233,322	80.99%	$5,226,854
2050	$4,233,322	$412,000	0.00%	$42,333	$0	$0	$1,467,697	$3,219,958	55.56%	$5,795,520
2051	$3,219,958	$412,000	0.00%	$32,200	$0	$0	$1,582,422	$2,081,736	42.55%	$4,891,877
2052	$2,081,736	$412,000	0.00%	$20,817	$0	$0	$0	$2,514,553	65.15%	$3,859,434
2053	$2,514,553	$412,000	0.00%	$25,146	$0	$0	$0	$2,951,698	66.56%	$4,434,852
2054	$2,951,698	$412,000	0.00%	$29,517	$0	$0	$1,084,659	$2,308,556	45.84%	$5,036,627


6000000
5000000
4000000
3000000
2000000
1000000
0
Amount ($)
2025
2030
2035
2040
2045
2050
2054
Fully Funded Balance
Recommended Funding

STONE RESERVE STUDIES

Funding Options

Significant expenses for repair or replacement of reserve components are expected within a community. When these expenses occur there are essentially four 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 immediatley 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.

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 it's 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*

Component List - Full Detail

001 - Electric, Main Panels & Meter Bases

Basic Info

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

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	40y
Remaining Useful Life:	21y
Next Activity Date:	01/01/2046

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 40-year life cycle.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per LS:	$1,435.00
Total Quantity:	189 LS
Total Current Cost:	$277,995
Inflation Rate:	2.50%
Total Expenditures:	$466,916


MSBA
TENNANT MAIN #2
120/208 V
SERVICE
DISCONNECT
SBS 4000
SIEMENS

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 25-year life cycle.

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	25y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2031

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Estimate
Cost Per U:	$1,840.00
Total Quantity:	189 U
Total Current Cost:	$356,454
Inflation Rate:	2.50%
Total Expenditures:	$413,377

003 - Domestic Water Pump System

Basic Info

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

Useful Life

Last Activity Date:	01/01/2023
Est. Useful Life:	25y
Remaining Useful Life:	23y
Next Activity Date:	01/01/2048

Comments/Notes

This fund provides monies for the as needed repairs and eventual replacement of the domestic water pump system over a 25-year life cycle.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Flr:	$1,564.00
Total Quantity:	21 Flr
Total Current Cost:	$33,665
Inflation Rate:	2.50%
Total Expenditures:	$59,406

004 - Fire Pump & Controller

Basic Info

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

Comments/Notes

This fund provides monies for the as needed repairs and eventual replacement of the Fire Pump system over a 40-year life cycle. The current cost estimate includes the pump, controller panel and ancillary equipment.

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	40y
Remaining Useful Life:	21y
Next Activity Date:	01/01/2046

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Ea:	$74,500.00
Total Quantity:	1 Ea
Total Current Cost:	$76,362
Inflation Rate:	2.50%
Total Expenditures:	$128,257

005 - Roofs, Standing Seam Metal

Basic Info

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

Useful Life

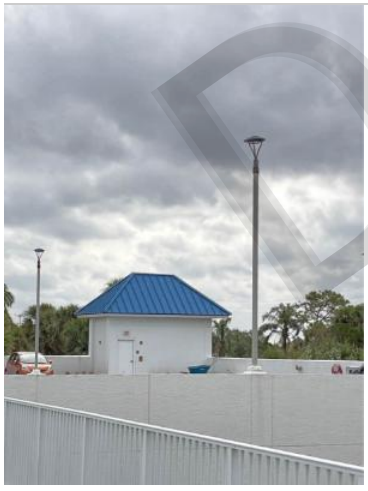
Last Activity Date:	01/01/2006
Est. Useful Life:	35y
Remaining Useful Life:	16y
Next Activity Date:	01/01/2041

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.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SQ:	$1,500.00
Total Quantity:	26 SQ
Total Current Cost:	$39,975
Inflation Rate:	2.50%
Total Expenditures:	$59,343



006 - Windows, Replace w/ Impact Rated

Basic Info

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

Comments/Notes

On the date of inspection it was noted that all the common area Windows in the stair wells are in good condition with no reported issues of leaks or failures. This fund reserves for the eventual replacements of the Widnows.

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	60y
Remaining Useful Life:	41y
Next Activity Date:	01/01/2066

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per Allow:	$50,000.00
Total Quantity:	1 Allow
Total Current Cost:	$51,250
Inflation Rate:	2.50%
Total Expenditures:	$0

007 - Concrete Restoration, Walkways & Balconies

Basic Info

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

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	25y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2031

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.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	$24.54
Total Quantity:	28,000 SF
Percent of Total to Maintain:	33%
Quantity to Maintain:	9,240 SF
Total Current Cost:	$232,423
Inflation Rate:	2.50%
Total Expenditures:	$269,540

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 Fair condition with no reported issues of leaks or apparent deterioration.

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	18y
Remaining Useful Life:	1y
Next Activity Date:	01/01/2026

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	$23.00
Total Quantity:	28,660 SF
Total Current Cost:	$675,659
Inflation Rate:	2.50%
Total Expenditures:	$1,772,678

009 - Railings, Aluminum Picket

Basic Info

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

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	44y
Remaining Useful Life:	25y
Next Activity Date:	01/01/2050

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.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per LF:	$100.00
Total Quantity:	5,670 LF
Total Current Cost:	$581,175
Inflation Rate:	2.50%
Total Expenditures:	$1,077,464

010 - Fire Stand Pipes & Valves

Basic Info

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

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	45y
Remaining Useful Life:	26y
Next Activity Date:	01/01/2051

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per LF:	$153.00
Total Quantity:	450 LF
Total Current Cost:	$70,571
Inflation Rate:	2.50%
Total Expenditures:	$134,106

011 - Painting, Waterproofing & Stucco Repairs

Basic Info

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

Useful Life

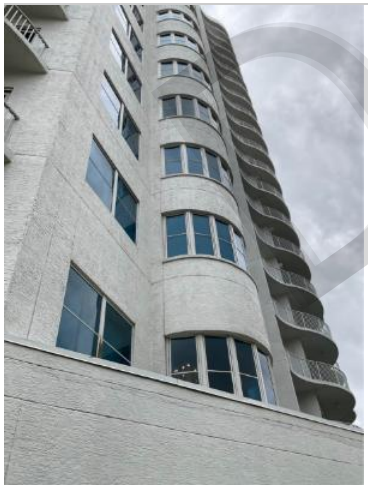
Last Activity Date:	01/01/2018
Est. Useful Life:	9y
Remaining Useful Life:	2y
Next Activity Date:	01/01/2027

Comments/Notes

On the date of inspection it was observed that the paint & waterproofing were in Good conditon. This fund provides monies for the reapplication of paint & waterproofing layers to the building based on a 9-year life cycle.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contactors
Cost Per SF:	$3.20
Total Quantity:	161,600 SF
Total Current Cost:	$530,048
Inflation Rate:	2.50%
Total Expenditures:	$3,205,659



012 - Piping & Plumbing, Major Renovations

Basic Info

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

Comments/Notes

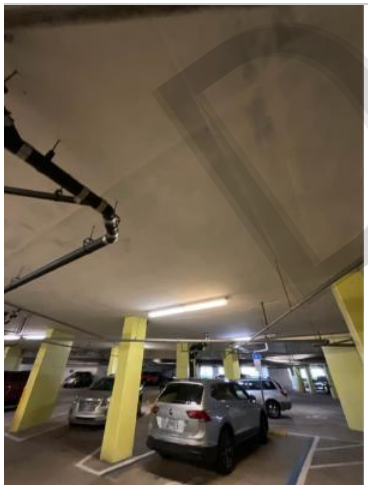
Based on the market expected life cycle of Plumbing Utilities, it is recommended that the association reserve for major refurbishment of this component during the projected cycle.

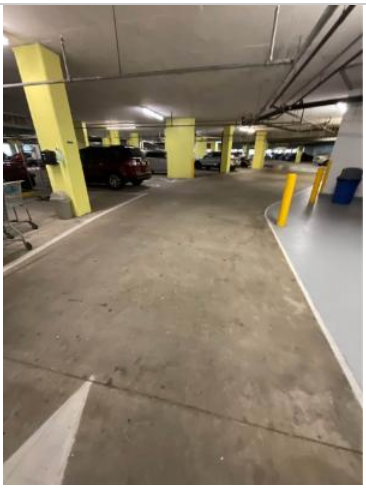
Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	55y
Remaining Useful Life:	36y
Next Activity Date:	01/01/2061

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per U:	$2,400.00
Total Quantity:	189 U
Total Current Cost:	$464,940
Inflation Rate:	2.50%
Total Expenditures:	$0





013 - Concrete Restoration, Staircases

Basic Info

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

Useful Life

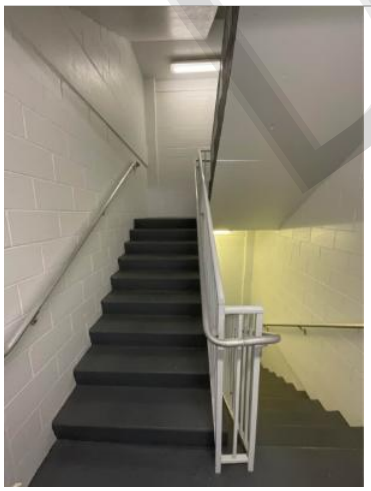
Last Activity Date:	01/01/2006
Est. Useful Life:	25y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2031

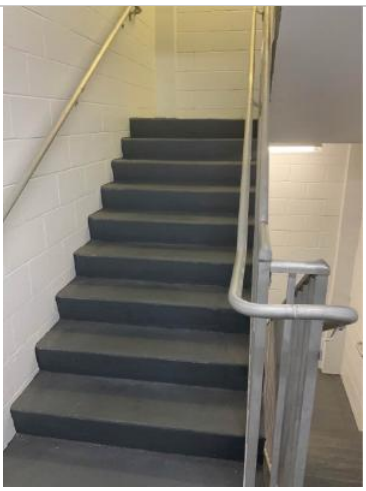
Comments/Notes

On the date of inspection it was observed that the concrete stairscases were in Good conditon. This fund provides monies for the as needed repairs to eventual major refurbishment of the staircases. The stated cost is an projected partial rate of failure **(20%)** over the components expected market life cycle.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per Flr:	$18,500.00
Total Quantity:	42 Flr
Percent of Total to Maintain:	20%
Quantity to Maintain:	8.40 Flr
Total Current Cost:	$159,285
Inflation Rate:	2.50%
Total Expenditures:	$184,722





014 - Doors, Metal Utility, Single / Double

Basic Info

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

Useful Life

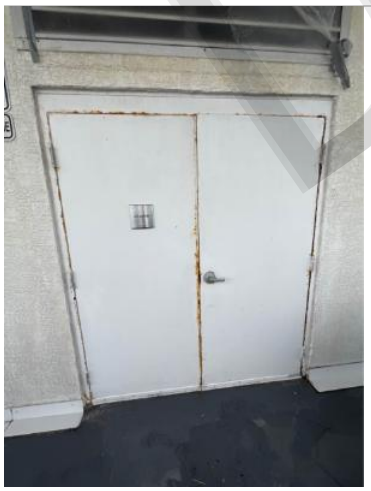
Last Activity Date:	01/01/2006
Est. Useful Life:	35y
Remaining Useful Life:	16y
Next Activity Date:	01/01/2041

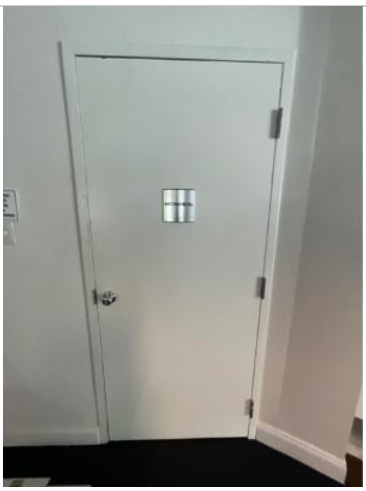
Comments/Notes

On the date of inspection it was observed that the doors were in Goodoverall conditon. This fund provides monies for the as needed repairs to eventual major refurbishment of the staircases. The stated cost is an projected partial rate of failure **(20%)** over the components expected market life cycle.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Xactimate
Cost Per Ea:	$2,350.00
Total Quantity:	155 Ea
Percent of Total to Maintain:	25%
Quantity to Maintain:	38.75 Ea
Total Current Cost:	$93,339
Inflation Rate:	2.50%
Total Expenditures:	$138,562





015 - Concrete Restoration, Parking Garage

Basic Info

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

Useful Life

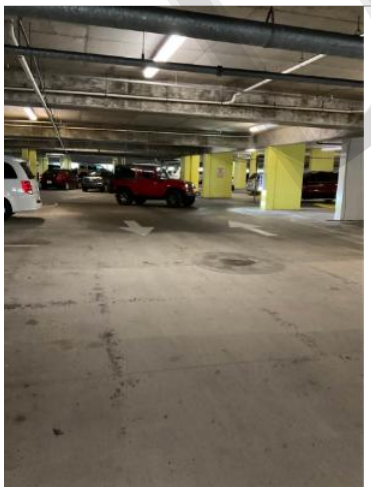
Last Activity Date:	01/01/2006
Est. Useful Life:	25y
Remaining Useful Life:	25y
Next Activity Date:	01/01/2050

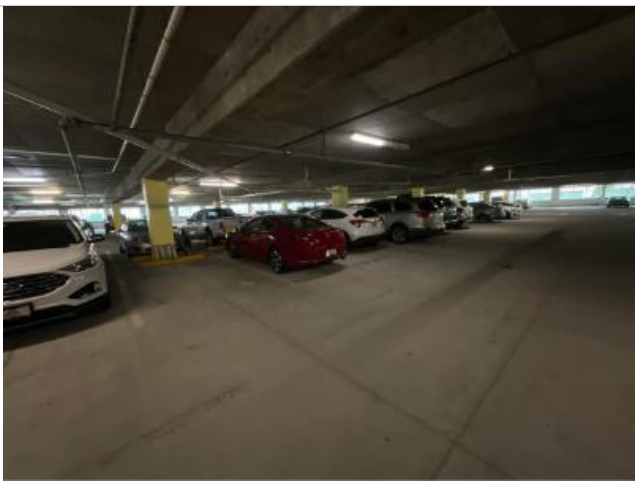
Comments/Notes

On the date of inspection it was observed that the parking garage was in Good overall conditon. This fund provides monies for the as needed repairs to eventual major refurbishment of the Garage areas. The stated cost is an projected partial rate of failure (25%) over the components expected market life cycle.

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	$12.54
Total Quantity:	65,500 SF
Percent of Total to Maintain:	25%
Quantity to Maintain:	16,375 SF
Total Current Cost:	$210,484
Inflation Rate:	2.50%
Total Expenditures:	$390,233





016 - Waterproofing Membrane (Bottom Coat)

Basic Info

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

Useful Life

Last Activity Date:	01/01/2023
Est. Useful Life:	14y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2037

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per SF:	$5.50
Total Quantity:	70,500 SF
Total Current Cost:	$397,479
Inflation Rate:	2.50%
Total Expenditures:	$1,289,868

017 - Waterproofing Membrane (Top Coat)

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Ground Surfaces
Condition:	Good to Fair

Useful Life

Last Activity Date:	01/01/2023
Est. Useful Life:	7y
Remaining Useful Life:	5y
Next Activity Date:	01/01/2030

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per SF:	$3.50
Total Quantity:	70,500 SF
Total Current Cost:	$252,954
Inflation Rate:	2.50%
Total Expenditures:	$1,511,379

018 - Generator & Controller, Diesel

Basic Info

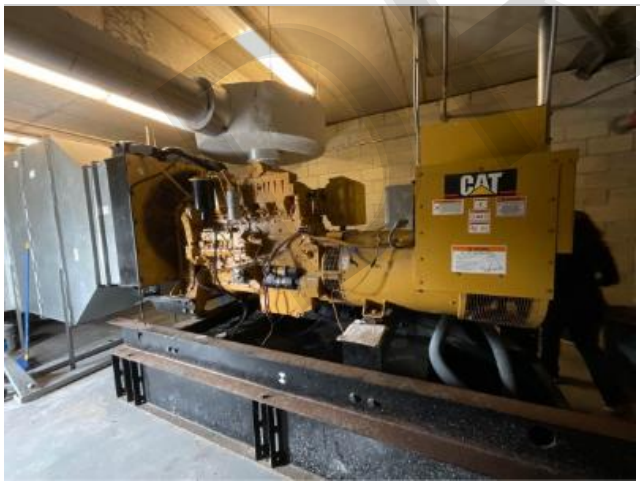
Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	45y
Remaining Useful Life:	26y
Next Activity Date:	01/01/2051

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	MVS
Cost Per Ea:	$109,000.00
Total Quantity:	1 Ea
Total Current Cost:	$111,725
Inflation Rate:	2.50%
Total Expenditures:	$212,310



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)

Disclosures

Ocean's Grand Owners' 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 cost & asset lives we recommend updating this report on a **3-year** basis, in-line with the Traditional Reserve Study, for the most accurate and up-to-date outlook for your communities future financial planning.

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