

STRUCTURAL INTEGRITY RESERVE STUDY

PREPARED FOR:

Ocean East Beach Club Association, Inc.

Ormond Beach, FL



For The Period Beginning January 1, 2025

PREPARED BY:



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Attention: **Board of Directors**
Property: **Ocean East Beach Club Association, Inc.**
Location: **867 S Atlantic Ave, Ormond Beach, Florida**
Service: **Structural Integrity Reserve Study**
Period: **Beginning January 1, 2025**

November 12, 2024

Dear Board of Directors of Ocean East Beach Club Association, Inc. :

At the direction of the Board and management of Ocean East Beach Club Association, Inc. ,

Stone Building Solutions has completed a Structural Integrity Reserve Study for the Ocean East Beach Club 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 East Beach Club 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, June 27, 2024

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

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

Respectfully submitted,

Stone Building Solutions

Nathan D. Holmberg

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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 East Beach Club Association, Inc. has 5814 Unit/Weeks. 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 \$879,061

The estimated *current replacement* cost of the reserve items is \$2,781,440

The estimated *inflated replacement* cost of the reserve items is \$3,772,230

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 annual 2% increases** to Reserve Contributions over the projected period.

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

Recommended annual contribution:	\$113,000
Recommended annual contribution per unit:	\$19
First Year monthly contribution per unit:	\$2

Average monthly contribution per unit (Over 30 Years): \$2

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

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

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

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

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

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

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

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

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

"SIRS" Evaluation

Structural Integrity Reserve Study (SIRS)

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

It is critical to understand the SIRS comprises several elements that must be separately accounted for in the reserve study. Funds for repairs can only be used for that specific named purpose and are not able to be pooled with other non-critical Traditional Reserve Component funds. A Structural Integrity Reserve Study states the estimated remaining useful life, the estimated replacement cost or deferred maintenance expense of the common areas being visually inspected and provides a recommended annual reserve amount based off of a cash flow formula that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each component.

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

SIRS Elements

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



Qualification-

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

In accordance with this law; the visual inspection of the property was performed by a member of the Stone Building Solutions Engineering team, a Florida State Certified Field Engineer under the supervision of a Florida State licensed P.E. (#48598) Dr. Dudley G. McFarquhar, PHD on June 27, 2024. The results of the inspection were utilized as the primary basis for this analysis. The Structural Integrity Reserve Study was prepared in accordance with Florida Statutes by CAI Reserve Specialist Nathan Holmberg, RS (#488) on November 12, 2024.

Onsite Process

Stone Building Solutions Engineering Team conducted a physical inspection of the Ocean East Beach Club Association, Inc. on June 27, 2024.

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

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

Critical SIRS Elements Identification

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

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



Items Excluded from Structural Integrity Reserve Expenditures -

We excluded expenditures for the elements below for one or more of the following categories of reasons:

- Remaining useful lives or their replacement may occur beyond the 30-year scope of the study
- Current condition does not warrant predictable maintenance expenditures
- Issue applies to a unit owner maintained element

Specific exclusions for the following elements:

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

Homeowner Responsibility -

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

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



Cost Evaluation

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

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

SIRS Expenditures

Individual Elements

ASSET Nº	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
001	Electric, Main Panels & Meter Bases: Common	01/01/2045	45y	45y	20y	\$1,470.875	114 U	\$167,680
002	Fire Alarm Control Panel & Ancillary Devices: Common	01/01/2040	25y	25y	15y	\$1,886.00	114 U	\$215,004
003	Concrete Restoration, Balconies: Balconies	01/01/2035	25y	25y	10y	\$25.154	1,646.70 SF	\$41,421
004	Concrete Restoration, Staircases : Common	01/01/2037	25y	25y	12y	\$18,962.50	1.20 Flr	\$22,755
005	Windows & Doors, Impact Rated: Common	01/01/2060	60y	60y	35y	\$112.75	520 SF	\$58,630
006	Automatic Doors, Storefront, Double: Common	01/01/2047	25y	25y	22y	\$6,867.50	1 Ea	\$6,868
007	Piping & Plumbing, Major Renovations : Common	01/01/2077	55y	55y	52y	\$2,460.00	114 U	\$280,440
008	Roofs, Flat, Modified Bitumen : Common	01/01/2040	18y	18y	15y	\$15.375	22,700 SF	\$349,012
009	Railings, Aluminum Picket: Common	01/01/2044	44y	44y	19y	\$102.50	1,150 LF	\$117,875
010	Painting, Waterproofing & Stucco Repairs: Common	01/01/2030	10y	10y	5y	\$2.255	30,800 SF	\$69,454
011	Washed River Rock Siding, Sealing: Common	01/01/2030	10y	10y	5y	\$2.255	6,950 SF	\$15,672
012	HVAC Stands, Elevated: Common	01/01/2040	40y	40y	15y	\$1,127.50	128 U	\$144,320
013	Backflow Preventers, Fire & Water: Fire	01/01/2030	10y	10y	5y	\$3,587.50	1 Ea	\$3,588
013	Backflow Preventers, Fire & Water: Water	01/01/2032	10y	10y	7y	\$3,587.50	1 Ea	\$3,588
014	Doors, Wood, Unit Entry: Common	01/01/2060	35y	60y	35y	\$1,178.75	114 Ea	\$134,378
015	Water Pressure Holding Tank: Common	01/01/2043	25y	25y	18y	\$35,362.50	1 LS	\$35,362
016	Sliding Doors, Glass, Exterior, Impact-Rated: Common	01/01/2052	30y	30y	27y	\$3,485.00	103 Ea	\$358,955
017	Fire Suppression System & Piping, Galvanized: Common	01/01/2045	30y	30y	20y	\$148,625.00	1 Allow	\$148,625

ASSET Nº	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
018	Seawall, Concrete : Common	01/01/2039	59y	59y	14y	\$1,281.25	400 LF	\$512,500
019	Milestone Inspection: FL Requirements	01/01/2034	10y	10y	9y	\$5,529.875	1 Ea	\$5,530
020	Structural Integrity Reserve Study - UPDATE: FL Requirements	01/01/2034	10y	10y	9y	\$5,837.375	1 Ea	\$5,837
								\$2,697,494

Expenditures (By Year)

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2025 (Year 1)						
2025 (Year 1) Total				\$0		
2026 (Year 2)						
2026 (Year 2) Total				\$0		
2027 (Year 3)						
2027 (Year 3) Total				\$0		
2028 (Year 4)						
2028 (Year 4) Total				\$0		
2029 (Year 5)						
2029 (Year 5) Total				\$0		
2030 (Year 6)						
013	Backflow Preventers, Fire & Water: Fire	\$4,059.00	1 Ea	\$4,059	10y	2032
010	Painting, Waterproofing & Stucco Repairs: Common	\$2.551	30,800 SF	\$78,571	10y	2040
011	Washed River Rock Siding, Sealing: Common	\$2.551	6,950 SF	\$17,729	10y	2040
2030 (Year 6) Total				\$100,359		
2031 (Year 7)						
2031 (Year 7) Total				\$0		
2032 (Year 8)						
013	Backflow Preventers, Fire & Water: Water	\$4,264.00	1 Ea	\$4,264	10y	2040
2032 (Year 8) Total				\$4,264		
2033 (Year 9)						

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2033 (Year 9) Total				\$0		
2034 (Year 10)						
019	Milestone Inspection: FL Requirements	\$6,906.00	1 Ea	\$6,906	10y	2044
020	Structural Integrity Reserve Study - UPDATE: FL Requirements	\$7,290.00	1 Ea	\$7,290	10y	2044
2034 (Year 10) Total				\$14,196		
2035 (Year 11)						
003	Concrete Restoration, Balconies: Balconies	\$32.199	1,646.70 SF	\$53,022	25y	N/A
2035 (Year 11) Total				\$53,022		
2036 (Year 12)						
2036 (Year 12) Total				\$0		
2037 (Year 13)						
004	Concrete Restoration, Staircases : Common	\$25,502.50	1.20 Flr	\$30,603	25y	N/A
2037 (Year 13) Total				\$30,603		
2038 (Year 14)						
2038 (Year 14) Total				\$0		
2039 (Year 15)						
018	Seawall, Concrete : Common	\$1,810.372	400 LF	\$724,149	59y	N/A
2039 (Year 15) Total				\$724,149		
2040 (Year 16)						
013	Backflow Preventers, Fire & Water: Fire	\$5,196.00	1 Ea	\$5,196	10y	2042
002	Fire Alarm Control Panel & Ancillary Devices: Common	\$2,731.491	114 U	\$311,390	25y	N/A
012	HVAC Stands, Elevated: Common	\$1,632.953	128 U	\$209,018	40y	N/A
010	Painting, Waterproofing & Stucco Repairs: Common	\$3.266	30,800 SF	\$100,593	10y	2050
008	Roofs, Flat, Modified Bitumen : Common	\$22.268	22,700 SF	\$505,484	18y	N/A
011	Washed River Rock Siding, Sealing: Common	\$3.266	6,950 SF	\$22,699	10y	2050
2040 (Year 16) Total				\$1,154,380		

ASSET №	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2041 (Year 17)						
2041 (Year 17) Total				\$0		
2042 (Year 18)						
013	Backflow Preventers, Fire & Water: Water	\$5,459.00	1 Ea	\$5,459	10y	2050
2042 (Year 18) Total				\$5,459		
2043 (Year 19)						
015	Water Pressure Holding Tank: Common	\$55,153.00	1 LS	\$55,153	25y	N/A
2043 (Year 19) Total				\$55,153		
2044 (Year 20)						
019	Milestone Inspection: FL Requirements	\$8,840.00	1 Ea	\$8,840	10y	2054
009	Railings, Aluminum Picket: Common	\$163.862	1,150 LF	\$188,441	44y	N/A
020	Structural Integrity Reserve Study - UPDATE: FL Requirements	\$9,332.00	1 Ea	\$9,332	10y	2054
2044 (Year 20) Total				\$206,613		
2045 (Year 21)						
001	Electric, Main Panels & Meter Bases: Common	\$2,410.202	114 U	\$274,763	45y	N/A
017	Fire Suppression System & Piping, Galvanized: Common	\$243,539.00	1 Allow	\$243,539	30y	N/A
2045 (Year 21) Total				\$518,302		
2046 (Year 22)						
2046 (Year 22) Total				\$0		
2047 (Year 23)						
006	Automatic Doors, Storefront, Double: Common	\$11,823.00	1 Ea	\$11,823	25y	N/A
2047 (Year 23) Total				\$11,823		
2048 (Year 24)						
2048 (Year 24) Total				\$0		
2049 (Year 25)						
2049 (Year 25) Total				\$0		
2050 (Year 26)						

ASSET #	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
013	Backflow Preventers, Fire & Water: Fire	\$6,651.00	1 Ea	\$6,651	10y	2052
010	Painting, Waterproofing & Stucco Repairs: Common	\$4.181	30,800 SF	\$128,775	10y	N/A
011	Washed River Rock Siding, Sealing: Common	\$4.181	6,950 SF	\$29,058	10y	N/A
2050 (Year 26) Total				\$164,484		
2051 (Year 27)						
2051 (Year 27) Total				\$0		
2052 (Year 28)						
013	Backflow Preventers, Fire & Water: Water	\$6,988.00	1 Ea	\$6,988	10y	N/A
016	Sliding Doors, Glass, Exterior, Impact-Rated: Common	\$6,788.087	103 Ea	\$699,173	30y	N/A
2052 (Year 28) Total				\$706,161		
2053 (Year 29)						
2053 (Year 29) Total				\$0		
2054 (Year 30)						
019	Milestone Inspection: FL Requirements	\$11,316.00	1 Ea	\$11,316	10y	N/A
020	Structural Integrity Reserve Study - UPDATE: FL Requirements	\$11,946.00	1 Ea	\$11,946	10y	N/A
2054 (Year 30) Total				\$23,262		



Critical Expenditure Planning (3-Year Outlook)

LOCATION RESERVE ITEM	2025	2026	2027
Building Service Components			
Total Building Service Components			
Exterior Building Components			
Total Exterior Building Components			
Property Site Components			
Total Property Site Components			
Total			

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:

- No areas of "Critical Concern" noted for this property at the time of inspection.

"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 plan utilizes the following assumptions:

- Annual Contribution Increases - *2.00%*
- Interest Earned - *1.00%*
- Taxation - *0.00%*
- Inflation on Reserve Items - *2.50%*

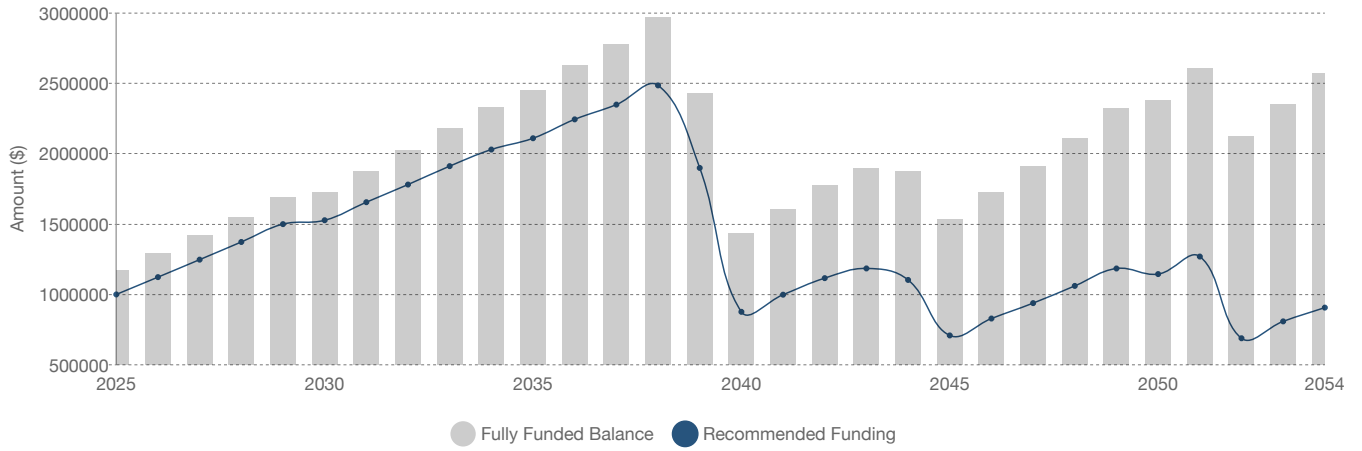


Cash-Flow Recommended Funding

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

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2025	\$879,061	\$113,000	N/A	\$8,791	\$0	\$0	\$0	\$1,000,852	85.12%	\$1,175,749
2026	\$1,000,852	\$113,000	0.00%	\$10,009	\$0	\$0	\$0	\$1,123,860	86.71%	\$1,296,073
2027	\$1,123,860	\$113,000	0.00%	\$11,239	\$0	\$0	\$0	\$1,248,099	87.79%	\$1,421,676
2028	\$1,248,099	\$113,000	0.00%	\$12,481	\$0	\$0	\$0	\$1,373,580	88.46%	\$1,552,752
2029	\$1,373,580	\$113,000	0.00%	\$13,736	\$0	\$0	\$0	\$1,500,316	88.80%	\$1,689,490
2030	\$1,500,316	\$113,000	0.00%	\$15,003	\$0	\$0	\$100,359	\$1,527,960	88.36%	\$1,729,215
2031	\$1,527,960	\$113,000	0.00%	\$15,280	\$0	\$0	\$0	\$1,656,239	88.32%	\$1,875,323
2032	\$1,656,239	\$113,000	0.00%	\$16,562	\$0	\$0	\$4,264	\$1,781,538	88.05%	\$2,023,282
2033	\$1,781,538	\$113,000	0.00%	\$17,815	\$0	\$0	\$0	\$1,912,353	87.64%	\$2,181,951
2034	\$1,912,353	\$113,000	0.00%	\$19,124	\$0	\$0	\$14,196	\$2,030,281	87.03%	\$2,332,738
2035	\$2,030,281	\$113,000	0.00%	\$20,303	\$0	\$0	\$53,022	\$2,110,561	86.14%	\$2,450,267
2036	\$2,110,561	\$113,000	0.00%	\$21,106	\$0	\$0	\$0	\$2,244,667	85.42%	\$2,627,921
2037	\$2,244,667	\$113,000	0.00%	\$22,447	\$0	\$0	\$30,603	\$2,349,511	84.47%	\$2,781,557

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2038	\$2,349,511	\$113,000	0.00%	\$23,495	\$0	\$0	\$0	\$2,486,006	83.61%	\$2,973,386
2039	\$2,486,006	\$113,000	0.00%	\$24,860	\$0	\$0	\$724,149	\$1,899,717	78.15%	\$2,430,811
2040	\$1,899,717	\$113,000	0.00%	\$18,997	\$0	\$0	\$1,154,380	\$877,334	61.06%	\$1,436,842
2041	\$877,334	\$113,000	0.00%	\$8,773	\$0	\$0	\$0	\$999,107	62.27%	\$1,604,450
2042	\$999,107	\$113,000	0.00%	\$9,991	\$0	\$0	\$5,459	\$1,116,639	62.95%	\$1,773,953
2043	\$1,116,639	\$113,000	0.00%	\$11,166	\$0	\$0	\$55,153	\$1,185,653	62.40%	\$1,900,128
2044	\$1,185,653	\$113,000	0.00%	\$11,857	\$0	\$0	\$206,613	\$1,103,896	58.79%	\$1,877,672
2045	\$1,103,896	\$113,000	0.00%	\$11,039	\$0	\$0	\$518,302	\$709,633	46.12%	\$1,538,718
2046	\$709,633	\$113,000	0.00%	\$7,096	\$0	\$0	\$0	\$829,730	48.07%	\$1,726,183
2047	\$829,730	\$113,000	0.00%	\$8,297	\$0	\$0	\$11,823	\$939,204	49.17%	\$1,909,940
2048	\$939,204	\$113,000	0.00%	\$9,392	\$0	\$0	\$0	\$1,061,596	50.21%	\$2,114,232
2049	\$1,061,596	\$113,000	0.00%	\$10,616	\$0	\$0	\$0	\$1,185,212	50.92%	\$2,327,542
2050	\$1,185,212	\$113,000	0.00%	\$11,852	\$0	\$0	\$164,484	\$1,145,580	48.10%	\$2,381,609
2051	\$1,145,580	\$113,000	0.00%	\$11,456	\$0	\$0	\$0	\$1,270,036	48.67%	\$2,609,730
2052	\$1,270,036	\$113,000	0.00%	\$12,700	\$0	\$0	\$706,161	\$689,575	32.47%	\$2,123,948
2053	\$689,575	\$113,000	0.00%	\$6,896	\$0	\$0	\$0	\$809,471	34.38%	\$2,354,160
2054	\$809,471	\$113,000	0.00%	\$8,095	\$0	\$0	\$23,262	\$907,304	35.29%	\$2,570,710



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 immediately required repairs. In many cases, banks are willing to lend to associations using future homeowner assessments as collateral. However, this method commits the association's future assets and incurs additional expenses in the form of interest fees. For instance, in the case of a \$150,000 roofing replacement, the association may be required to repay the loan over a period of three to five years, along with the accrued interest.
- The ***Third option*** is to pass a "special assessment" to the membership, requiring each member to contribute an amount necessary to cover the expenditure. When a special assessment is implemented, the association has the authority and responsibility to collect the assessments, even through foreclosure if necessary. However, it is important to note that there is no guarantee that an assessment will be passed when it is needed. Therefore, the association cannot ensure its ability to perform the required repairs or replacements for major components when the need arises. Furthermore, as communities age, the need for major reserve expenditures increases. Associations that are 12 to 15 years old or older often encounter numerous components reaching the end of their useful lives. If these required expenditures coincide, they can have a detrimental impact on the association's overall budget.

Reserve Components

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

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

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

Component List - Full Detail

001 - Electric, Main Panels & Meter Bases

Basic Info

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

Comments/Notes

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

Useful Life

Last Activity Date:	01/01/2000
Est. Useful Life:	45y
Remaining Useful Life:	20y
Next Activity Date:	01/01/2045

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per U:	\$1,435.00
Total Quantity:	114 U
Total Current Cost:	\$167,680
Inflation Rate:	2.50%
Total Expenditures:	\$274,763



002 - Fire Alarm Control Panel & Ancillary Devices

Basic Info

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

Useful Life

Last Activity Date: 01/01/2015
 Est. Useful Life: 25y
 Remaining Useful Life: 15y
 Next Activity Date: 01/01/2040

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.

Financial Data

Estimate Date: 01/01/2024
 Estimate Source: Local Estimate
 Cost Per U: \$1,840.00
 Total Quantity: 114 U
 Total Current Cost: \$215,004
 Inflation Rate: 2.50%
 Total Expenditures: \$311,390



003 - Concrete Restoration, Balconies

Basic Info

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

Comments/Notes

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

Useful Life

Last Activity Date:	01/01/2010
Est. Useful Life:	25y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per SF:	\$24.54
Total Quantity:	4,990 SF
Percent of Total to Maintain:	33%
Quantity to Maintain:	1,646.70 SF
Total Current Cost:	\$41,421
Inflation Rate:	2.50%
Total Expenditures:	\$53,022



004 - Concrete Restoration, Staircases

Basic Info

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

Comments/Notes

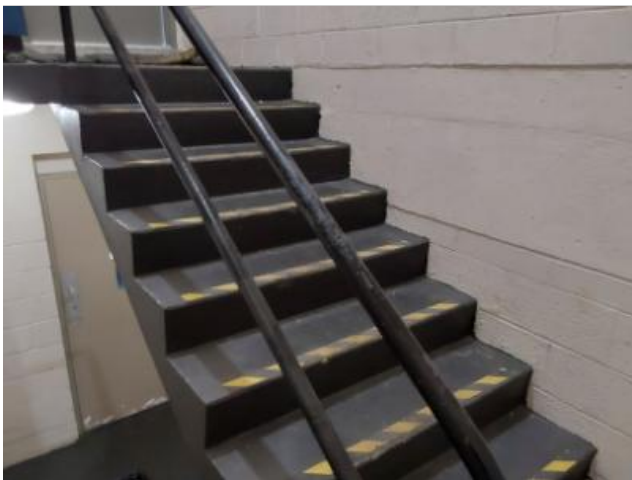
On the date of inspection it was observed that the concrete staircases were in good overall condition and regularly maintained. This fund provides monies for the as needed repairs to eventual major refurbishment of the staircases. The stated cost is an projected partial rate of failure (20%) over the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

Useful Life

Last Activity Date:	01/01/2012
Est. Useful Life:	25y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2037

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per Flr:	\$18,500.00
Total Quantity:	6 Flr
Percent of Total to Maintain:	20%
Quantity to Maintain:	1.20 Flr
Total Current Cost:	\$22,755
Inflation Rate:	2.50%
Total Expenditures:	\$30,603



005 - Windows & Doors, Impact Rated

Basic Info

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

Useful Life

Last Activity Date: 01/01/2000
Est. Useful Life: 60y
Remaining Useful Life: 35y
Next Activity Date: 01/01/2060

Financial Data

Estimate Date: 01/01/2024
Estimate Source: XactRemodel
Cost Per SF: \$110.00
Total Quantity: 520 SF
Total Current Cost: \$58,630
Inflation Rate: 2.50%
Total Expenditures: \$0





006 - Automatic Doors, Storefront, Double

Basic Info

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

Useful Life

Last Activity Date: 01/01/2022
Est. Useful Life: 25y
Remaining Useful Life: 22y
Next Activity Date: 01/01/2047

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Xactimate
Cost Per Ea: \$6,700.00
Total Quantity: 1 Ea
Total Current Cost: \$6,868
Inflation Rate: 2.50%
Total Expenditures: \$11,823



007 - Piping & Plumbing, Major Renovations

Basic Info

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

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:	01/01/2022
Est. Useful Life:	55y
Remaining Useful Life:	52y
Next Activity Date:	01/01/2077

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	Local Contractors
Cost Per U:	\$2,400.00
Total Quantity:	114 U
Total Current Cost:	\$280,440
Inflation Rate:	2.50%
Total Expenditures:	\$0



008 - Roofs, Flat, Modified Bitumen

Basic Info

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

Comments/Notes

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

Useful Life

Last Activity Date: 01/01/2022
Est. Useful Life: 18y
Remaining Useful Life: 15y
Next Activity Date: 01/01/2040

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Local Contractors
Cost Per SF: \$15.00
Total Quantity: 22,700 SF
Total Current Cost: \$349,012
Inflation Rate: 2.50%
Total Expenditures: \$505,484



009 - Railings, Aluminum Picket

Basic Info

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

Comments/Notes

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

Useful Life

Last Activity Date: 01/01/2000
Est. Useful Life: 44y
Remaining Useful Life: 19y
Next Activity Date: 01/01/2044

Financial Data

Estimate Date: 01/01/2024
Estimate Source: XactRemodel
Cost Per LF: \$100.00
Total Quantity: 1,150 LF
Total Current Cost: \$117,875
Inflation Rate: 2.50%
Total Expenditures: \$188,441



010 - Painting, Waterproofing & Stucco Repairs

Basic Info

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

Comments/Notes

On the date of inspection it was observed that the Paint & Waterproofing were in good overall condition and is regularly maintained. This fund provides monies for the reapplication of paint & waterproofing layers to the building based on a 10-year life cycle.

Useful Life

Last Activity Date: 01/01/2020
Est. Useful Life: 10y
Remaining Useful Life: 5y
Next Activity Date: 01/01/2030

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Local Contactors
Cost Per SF: \$2.20
Total Quantity: 30,800 SF
Total Current Cost: \$69,454
Inflation Rate: 2.50%
Total Expenditures: \$307,939



011 - Washed River Rock Siding, Sealing

Basic Info

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

Comments/Notes

On the date of inspection it was observed that the waterproofing / Sealing were in Good conditon. This fund provides monies for the reapplication of waterproofing layers to the building based on a 10-year life cycle.

Useful Life

Last Activity Date: 01/01/2020
Est. Useful Life: 10y
Remaining Useful Life: 5y
Next Activity Date: 01/01/2030

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Local Contactors
Cost Per SF: \$2.20
Total Quantity: 6,950 SF
Total Current Cost: \$15,672
Inflation Rate: 2.50%
Total Expenditures: \$69,486



012 - HVAC Stands, Elevated

Basic Info

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

Useful Life

Last Activity Date: 01/01/2000
Est. Useful Life: 40y
Remaining Useful Life: 15y
Next Activity Date: 01/01/2040

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Local Contractor
Cost Per U: \$1,100.00
Total Quantity: 128 U
Total Current Cost: \$144,320
Inflation Rate: 2.50%
Total Expenditures: \$209,018



013 - Backflow Preventers, Fire & Water

Basic Info

Type of Cost: Repairs & Maintenance
Location: Property Site Components
Category: Mechanical
Condition: Excellent

Useful Life

Last Activity Date: 01/01/2020
Est. Useful Life: 10y
Remaining Useful Life: 5y
Next Activity Date: 01/01/2030

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Xactimate
Cost Per Ea: \$3,500.00
Total Quantity: 2 Ea
Total Current Cost: \$7,176
Inflation Rate: 2.50%
Total Expenditures: \$32,617



014 - Doors, Wood, Unit Entry

Basic Info

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

Useful Life

Last Activity Date: 01/01/2000
Est. Useful Life: 35y
Remaining Useful Life: 35y
Next Activity Date: 01/01/2060

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Xactimate
Cost Per Ea: \$1,150.00
Total Quantity: 114 Ea
Total Current Cost: \$134,378
Inflation Rate: 2.50%
Total Expenditures: \$0



015 - Water Pressure Holding Tank

Basic Info

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

Useful Life

Last Activity Date:	01/01/2018
Est. Useful Life:	25y
Remaining Useful Life:	18y
Next Activity Date:	01/01/2043

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per LS:	\$34,500.00
Total Quantity:	1 LS
Total Current Cost:	\$35,362
Inflation Rate:	2.50%
Total Expenditures:	\$55,153

016 - Sliding Doors, Glass, Exterior, Impact-Rated

Basic Info

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

Useful Life

Last Activity Date:	01/01/2022
Est. Useful Life:	30y
Remaining Useful Life:	27y
Next Activity Date:	01/01/2052

Financial Data

Estimate Date:	01/01/2024
Estimate Source:	XactRemodel
Cost Per Ea:	\$3,400.00
Total Quantity:	103 Ea
Total Current Cost:	\$358,955
Inflation Rate:	2.50%
Total Expenditures:	\$699,173



017 - Fire Suppression System & Piping, Galvanized

Basic Info

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

Comments/Notes

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

Useful Life

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

Financial Data

Estimate Date: 01/01/2024
Estimate Source: MVS
Cost Per Allow: \$145,000.00
Total Quantity: 1 Allow
Total Current Cost: \$148,625
Inflation Rate: 2.50%
Total Expenditures: \$243,539



018 - Seawall, Concrete

Basic Info

Type of Cost: Repairs & Maintenance
Location: Property Site Components
Category: Seawalls
Condition: Good

Useful Life

Last Activity Date: 01/01/1980
Est. Useful Life: 59y
Remaining Useful Life: 14y
Next Activity Date: 01/01/2039

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Local Contractors
Cost Per LF: \$1,250.00
Total Quantity: 400 LF
Total Current Cost: \$512,500
Inflation Rate: 2.50%
Total Expenditures: \$724,149



019 - Milestone Inspection

Basic Info

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

Comments/Notes

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

Useful Life

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

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Stone Building Solutions
Cost Per Ea: \$5,395.00
Total Quantity: 1 Ea
Total Current Cost: \$5,530
Inflation Rate: 2.50%
Total Expenditures: \$27,062

020 - Structural Integrity Reserve Study - UPDATE

Basic Info

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

Comments/Notes

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

Useful Life

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

Financial Data

Estimate Date: 01/01/2024
Estimate Source: Stone Building Solutions
Cost Per Ea: \$5,695.00
Total Quantity: 1 Ea
Total Current Cost: \$5,837
Inflation Rate: 2.50%
Total Expenditures: \$28,568

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 East Beach Club 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.



