

Office: (888) 927-7865 Fax: (813) 200-8448 Contact@customreserves.com 5470 E Busch Blvd., Unit 171 Tampa, FL 33617

THE ASSOCIATION OF PELICAN POINT, INC. STRUCTURAL INTEGRITY RESERVE STUDY



For 30-Year Projection Period: FY 2023 through FY 2053

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Property Overview





Titusville, FL

Latitude: 28°35'10.19"N Longitude: 80°48'2.33"W

Executive Summary

Custom Reserves, LLC conducted a site visit on February 17, 2023. We identified 31 reserve components comprising 35 line items that require reserve funding during the noninvasive, visual inspection of the community. Supplemental information to the physical inspection typically includes the following sources:

- 1. Association board members, management and staff
- 2. Client's vendors
- 3. Declaration
- 4. Maintenance records of the reserve components where available
- 5. Project plans where available

The Association of Pelican Point, Inc. (The Association of) is a midrise-style condominium located in Titusville, FL and is responsible for the common elements shared by 131 owners within 3 four-story buildings. The Association of was established in 1985 and converted to a condominium in 1996. The development contains Exterior Building, Building Services, Property Site, and Pool components.

A Reserve Study comprises two parts:

Physical Analysis	Financial Analysis	
 Component Inventory Condition Assessment Estimated Useful Life Remaining Useful Life Replacement Cost 	Fund StatusFunding Plan	

The intention of this Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This Reserve Study complies with or exceeds all applicable statutes and national standards. Reserve Studies are a guide and should be used for budgetary purposes. Actual expenditures and times of replacements can and/or will vary.

Reference #: 1120.23

Inspection and Report by:

Paul Grifoni, PRA, RS

Financial Analysis

The Financial Analysis can be separated into one of two categories based on the funding mechanisms in place by the Association at the time of our inspection. The Association may use **either** a Cash Flow (Pooling) method **or** a Component (Straight-Line Depreciation) method of reserve funding. If the Association presently uses the Component method, it may not transfer funds between individual Component accounts without, typically, receiving a majority vote of the unit owners. Local and state guidelines can vary accordingly. Therefore, we recommend the Association always consult with management, legal counsel and/or its accounting team to thoroughly understand the options available to them. We discuss the two funding methods below:

Component Method

The **Component** method of funding utilizes straight-line accounting formulas. Straight-line accounting is based on current costs and excludes both interest and inflation in its calculations. Straight-line accounting takes each individual line item included in the Reserve Component inventory and computes its annual contribution amount by taking its unfunded balance (current replacement cost minus projected year end reserve balance) and dividing it by the remaining useful life of the component. This is the amount that should be contributed into that reserve account(s) over the remaining useful life of the component(s). Within the Component method, and in sharp contrast to the cash flow method, the Association **may not** use reserve funds from one established reserve account. Rather, the Association may only use reserve funds for the specific components to which they are allocated, and this analysis must be computed annually to account for inflation of the estimated project costs included in the reserve study.

Cash Flow Method

The **Cash Flow** method of funding utilizes reserve contributions designed to offset the variable annual reserve expenditures over the next 30 years. In this method, we test different reserve funding scenarios against the anticipated schedule of reserve expenditures on a year-by-year basis until the desired adequate or sufficient funding goal is achieved. In this method, funding

recommendations are driven by a threshold (risk) year, determined by the schedule of reserve expenditures. Within the Cash Flow method, the Association **may** use reserve funds, as needed, for those expenditures related to components which are included in the Reserve Component inventory.

Reserve Recommendations for The Association of

The Association of presently utilizes the **Component** method of funding. Therefore, as our official recommendation, we include the Component, or straight-line depreciation method to project and illustrate the reserve funding plan as depicted in **Appendix B**. We allocate the available funds from the Association's existing individual reserve accounts, as well as the Association's FY¹ 2023 budgeted reserve contributions, to the appropriate line items within our Reserve Component inventory. Structural Integrity Reserve Study (SIRS) components are distinguished between non-SIRS components in the second to last column of **Appendix B**. Note that not all the Association's existing reserve accounts will correlate directly to the items we include in the Reserve Component inventory.

The unaudited cash status of the Association's **combined** individual reserve funds, as of December 31, 2022, as reported by Management is \$717,429. The Association of budgeted \$168,804 for **combined** reserves contributions in 2023. Based on our analysis of the Association's existing **individual** reserve accounts, we recommend a reserve contribution of \$622,529 in 2024 if The Association of elects to continue funding reserves using the **Component** method. This equates to a 72.2% increase in the 2023 operating budget of \$628,080. We include a detailed depiction of our **Component** method analysis in **Appendix B**.

We encourage all clients to adequately fund their reserves. However, we recognize that the recommended increase in reserve contributions is significant. We suggest the Association discuss funding options with management, legal counsel and/or their accounting team. In many cases the Association can legally partially fund their reserves as long as a fully-funded budget is disclosed to the owners and the appropriate voting procedures are followed.

¹ FY 2023 Begins January 1, 2023 and Ends December 31, 2023.

For reference and comparison purposes only, we include the 30-year Cash Flow funding plan as depicted in Appendix C. The Association can continue the budgeted amount of \$168,804 from 2024 through 2026 to adequately fund reserves using the Cash Flow method. We suggest the Association discuss funding options with management, legal counsel and/or their accounting team.

External market factors incorporated in this Reserve Study are an inflation rate of 3.5% and an interest rate of 3.0%. The Consumer Price Index published by the Bureau of Labor Statistics is currently 4.0%. However, using this rate may not be realistic over the next 30 years or more importantly projecting to the risk year. Most community association bylaws provide that Association funds shall be held in a bank, with FDIC or similar insurance to cover all funds.

The actual timing of the events depicted may not occur exactly as projected. Internal changes such as deferred or accelerated projects, and external changes such as interest and inflation rates, are likely. Updates to the Reserve Study will incorporate these changes. To ensure equity in the adopted funding plan, ongoing annual Board reviews and an update of this Reserve Study with an on-site visit are recommended in two- to three-years depending on the complexity of the community, and changes in external and internal factors. It is recommended by the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually. Component method funding plans should be updated annually.

Property Component Definitions

The analysis began by separating the property components into specific areas of responsibility for replacement and repair. These classes of property are as follows:

- 1. Reserve Components are defined as follows:
 - Association responsibility
 - Limited useful life expectancies
 - Predictable remaining useful life expectancies
 - Replacement cost above a minimum threshold
- 2. Operating Budget Components are defined as follows:
 - Common area components historically funded through operating funds rather than reserve funds
 - Common area components whose replacement or repair costs fall below a specific dollar amount
- 3. Long-Lived Components are defined as follows:
 - Common area components without a predictable remaining useful life
 - Common area components with a remaining useful life beyond the 30-year scope of this reserve study
- 4. Owner Components are defined as follows:
 - Components that are not the responsibility of the Association to maintain, repair or replace
- 5. Other Components are defined as follows:
 - Components that are neither the responsibility of the Association nor the Owner to maintain, repair or replace

Property Component Model

					REMA	INING
		СОММ	ON COMPON	ENTS (X)	COMPON	IENTS (O)
CATEGORY	COMPONENT	RESERVES	OPERATING	LONG-LIVED	OWNER	OTHER
Property Site	Asphalt Pavement, Mill and Overlay	X				
Property Site	Asphalt Pavement, Preservation	Х				
	Awning, Clubhouse		X			
Exterior Building	Balconies and Breezeways, Waterproof Coatings	Х				
	Balcony Enclosures				0	
	Concrete Flatwork		Х			
Exterior Building	Concrete Restoration, Partial	X				
	Curb Stops		Х			
Exterior Building	Deck and Arbor, Clubhouse	X				
Pool	Deck, Pavers	X				
Exterior Building	Doors, Common, Phased	X				
	Doors, Serving Individual Units				0	
	Downspouts		Х			
Building Services	Electrical System, Partial	X				
	Electrical Systems, Serving Individual Units				0	
Building Services	Elevators, Cab Finishes	X				
Building Services	Elevators, Modernization	X				
	Expenses Less I han \$10,000		X			
Pool	Fence, Aluminum	X				
	Fence, Wood		Х			
Property Site	Fences, Aluminum	X				
Building Services	Fire Protection Systems	X				
	Flag Pole		Х			
	Foundation(s)			Х		
Pool	Furniture	X				
Property Site	Gate System	X				
	Golf Cart		Х			
	Hurricane Shutters				0	
	HVAC Equipment, Serving Individual Units				0	
	HVAC Units, Common		Χ			
	Interior Renovations, Clubhouse		X			
	Irrigation System		Χ			
	Laundry Room Renovations		Х			
Property Site	Lift Station, Rebuild	X				
	Light Fixtures		Χ			
	Light Fixtures, Concrete Poles		Х			
Property Site	Mailboxes	X				
Pool	Mechanical Equipment	X				
	Other Repairs Normally Funded Through the Operating Budget		Х			
	Pipes, Interior Building, Serving Individual Units				0	
Building Services	Plumbing	X				
	Pool Cover		Х			
Pool	Pool Finish	X				
Exterior Building	Railings, Balconies	X				
Exterior Building	Railings, Stairs	X				
	Rest Room Renovations		X			
	Root, Pavilion		X			
Exterior Building	Root, Thermoplastic, Building A	X				
Exterior Building	Roots, Thermoplastic, Buildings B and C	X				
	Screen Enclosures				0	
Property Site	Sea Wall, Partial Replacement	X				
Building Services	Security System	X				
	Signage		X			
	Site Furniture		X			
	Staircases, Roof Access		X			
Exterior Building	Stairs, Roof Access	X				
Property Site	Stormwater System, Partial	Х				
	Structural Frame(s)					

		сомм	ON COMPON	REMA COMPON	INING IENTS (O)	
CATEGORY	COMPONENT	RESERVES	OPERATING	LONG-LIVED	OWNER	OTHER
Property Site	Tennis Courts, Fence	Х				
Property Site	Tennis Courts, Surface	Х				
	Unit Interiors				0	
Exterior Building	Walls, Paint Finish Applications, Phase 1	Х				
Exterior Building	Walls, Paint Finish Applications, Phase 2	Х				
Building Services	Washers and Dryers	Х				
	Water Heaters		Х			
	Water Heaters, Serving Individual Units				0	
Exterior Building	Windows and Glass Doors, Common	Х				
	Windows, Serving Individual Units				0	



Reserve Expenditures

The Association of Pelican Point, Inc.

Projected Inflation Rate 3.5%

Line		Per	Unit	1st Year of	Useful		Remaining	2023	2023 Cost of	2023 Cost of	Total 30 Year	Fiscal	Year	Year	Year	Year	Year	Year	Year	Year	Year
Item Reserve Components	Total	Phase	of	Replacement	Life	Age	Life	Unit	Replacement	Replacement	Future Costs of	Year	1	2	3	4	5	6	7	8	9
· · · · · · · · · · · · · · · · · · ·	Quantity	Quantity	Measurement		Years	(Year)	Years	Cost	per Phase	per Total	Replacement	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Exterior Building Components									\$1,697,331	\$1,802,331	\$3,640,566									ļ	
1 Balconies and Breezeways, Waterproof Coatings	11,835	11,835	Square Feet	2024	5 to 10	Unknowr	1	\$5.00	\$59,175	\$59,175	\$167,446		\$61,246								
1.1 Balconies and Breezeways, Waterproof Coatings, Full Replacement	11,835	11,835	Square Feet	2032	15 to 20	Unknowr	9	\$12.00	\$142,020	\$142,020	\$529,187									ا ا	\$193,559
2 Concrete Restoration, Partial	1	1	Allowance	2024	to 35	1985	1	\$235,000.00	\$235,000	\$235,000	\$243,225		\$243,225								
3 Doors, Common, Phased	30	5	Each	2028	to 30	varies	5	\$4,200.00	\$21,000	\$126,000	\$240,103						\$24,941			ا ا	<u> </u>
4 Deck and Arbor, Clubhouse	480	480	Square Feet	2024	to 25	Unknowr	1	\$45.00	\$21,600	\$21,600	\$75,189		\$22,356								
5 Railings, Balconies	1,190	1,190	Linear Feet	2024	to 35	1985	1	\$110.00	\$130,900	\$130,900	\$135,482		\$135,482							ا ا	<u> </u>
5.1 Railings, Stairs	420	420	Linear Feet	2024	to 35	1985	1	\$140.00	\$58,800	\$58,800	\$60,858		\$60,858								
6 Roof, Thermoplastic, Building A	122	122	Squares	2037	15 to 20	2017	14	\$2,400.00	\$292,800	\$292,800	\$473,954									ا ا	
6.1 Roofs, Thermoplastic, Buildings B and C	244	244	Squares	2038	15 to 20	2018	15	\$2,400.00	\$585,600	\$585,600	\$981,084									I	
7 Stairs, Roof Access	3	3	Each	2024	to 35	1985	1	\$3,500.00	\$10,500	\$10,500	\$10,868		\$10,868							ا ا	
8 Walls, Paint Finish Applications, Phase 1	21,770	21,770	Square Feet	2023	5 to 10	2023	0	\$1.15	\$25,036	\$25,036	\$158,578	\$25,036								\$32,967	
8.1 Walls, Paint Finish Applications, Phase 2	70,000	70,000	Square Feet	2024	5 to 10	2014	1	\$1.15	\$80,500	\$80,500	\$527,743		\$83,318								\$109,713
9 Windows and Glass Doors, Common	430	430	Square Feet	2025	to 40	1985	2	\$80.00	\$34,400	\$34,400	\$36,850			\$36,850							
Building Services Components									\$1,050,800	\$1,050,800	\$2,321,930										
10 Electrical System, Partial	1	1	Allowance	2028	to 75+	varies	5	\$10,000.00	\$10,000	\$10,000	\$52,263						\$11,877				
11 Elevators, Cab Finishes	3	3	Each	2028	15 to 20	2002	5	\$10,000.00	\$30,000	\$30,000	\$99,576						\$35,631				
12 Elevators, Modernization	3	3	Each	2028	to 35	varies	5	\$150,000.00	\$450,000	\$450,000	\$534,459						\$534,459				
13 Fire Protection Systems	1	1	Allowance	2028	to 25	varies	5	\$15,000.00	\$15,000	\$15,000	\$59,917						\$17,815				
14 Plumbing	1	1	Allowance	2053	to 75+	1985	30	\$483,000.00	\$483,000	\$483,000	\$1,355,681										
15 Security System	1	1	Allowance	2028	5 to 10	varies	5	\$10,000.00	\$10,000	\$10,000	\$52,263						\$11,877				
16 Washers and Dryers	48	48	Each	2028	to 15	2013	5	\$1,100.00	\$52,800	\$52,800	\$167,771						\$62,710				
Property Site Components									\$901,289	\$1,119,089	\$2,303,014										
17 Asphalt Pavement, Mill and Overlay	11,870	11,870	Square Yards	2037	15 to 25	2012	14	\$18.00	\$213,660	\$213,660	\$345,850										
18 Asphalt Pavement, Preservation	11,870	11,870	Square Yards	2024	5 to 8	2017	1	\$1.70	\$20,179	\$20,179	\$186,151		\$20,885						\$25,673		
19 Fences, Aluminum	410	410	Linear Feet	2030	to 35	2005	7	\$40.00	\$16,400	\$16,400	\$20,865								\$20,865		
20 Gate System	1	1	Allowance	2030	to 25	2005	7	\$25,000.00	\$25,000	\$25,000	\$31,807								\$31,807		
21 Lift Station, Rebuild	1	1	Allowance	2026	to 30	varies	3	\$10,000.00	\$10,000	\$10,000	\$11,087				\$11,087						
22 Mailboxes	131	131	Each	2024	to 20	2004	1	\$150.00	\$19,650	\$19,650	\$60,806		\$20,338							ļ	
23 Sea Wall, Partial Replacement	1,210	847	Linear Feet	2053	to 50+	2018	30	\$600.00	\$508,200	\$726,000	\$1,426,413										
24 Stormwater System, Partial	1	1	Allowance	2037	15 to 25	1985	14	\$10,000.00	\$10,000	\$10,000	\$16,187									ļ	
25 Tennis Courts, Fence	360	360	Linear Feet	2044	to 30	2014	21	\$35.00	\$12,600	\$12,600	\$25,949										
26 Tennis Courts, Surface	800	800	Square Yards	2052	to 30	2022	29	\$82.00	\$65,600	\$65,600	\$177,899									ļ	
Pool Components									\$86,830	\$86,830	\$315,883										
27 Deck, Pavers	4,120	4,120	Square Feet	2046	20 to 30	2016	23	\$9.00	\$37,080	\$37,080	\$81,803										
28 Fence, Aluminum	350	350	Linear Feet	2030	to 35	Unknowr	7	\$30.00	\$10,500	\$10,500	\$13,359								\$13,359		
29 Furniture	1	1	Allowance	2029	5 to 10	2022	6	\$12,000.00	\$12,000	\$12,000	\$87,775							\$14,751			
30 Mechanical Equipment	1	1	Allowance	2026	5 to 10	varies	3	\$10,000.00	\$10,000	\$10,000	\$48,788				\$11,087						
31 Pool Finish	1,150	1,150	Square Feet	2026	10 to 15	2016	3	\$15.00	\$17,250	\$17,250	\$84,159				\$19,125						
Total Expenditures									\$3,736,250	\$4,059,050	\$8,581,393	\$25,036	\$658,575	\$36,850	\$41,300	\$0	\$699,310	\$14,751	\$91,705	\$32,967	\$303,272

Appendix A



Reserve Expenditures

The Association of

Pelican Point, Inc.

Line	Decemie Commencente	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Item	Reserve Components	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	20	21	2045	23	24	2048	2049	2050	28	29	2053
	Exterior Building Components									-			-									
1	Balconies and Breezeways, Waterproof Coatings								\$106,200													
1.1	Balconies and Breezeways, Waterproof Coatings, Full Replacement																\$335,628					ĺ
2	Concrete Restoration, Partial																					
3	Doors, Common, Phased	\$29,623					\$35,182					\$41,786					\$49,628					\$58,943
4	Deck and Arbor, Clubhouse																	\$52,833				
5	Railings, Balconies																					
5.1	Railings, Stairs																					
6	Roof, Thermoplastic, Building A					\$473,954																
6.1	Roofs, Thermoplastic, Buildings B and C						\$981,084															
7	Stairs, Roof Access																					
8	Walls, Paint Finish Applications, Phase 1							\$43,411								\$57,164						
8.1	Walls, Paint Finish Applications, Phase 2								\$144,471								\$190,241					
9	Windows and Glass Doors, Common																					
	Building Services Components																					
10	Electrical System, Partial						\$16,753										\$23,632					
11	Elevators, Cab Finishes													\$63,945								
12	Elevators, Modernization																					
13	Fire Protection Systems																					\$42,102
14	Plumbing																					\$1,355,681
15	Security System						\$16,753										\$23,632					
16	Washers and Dryers											\$105,061										
	Property Site Components																					
17	Asphalt Pavement, Mill and Overlay					\$345,850																
18	Asphalt Pavement, Preservation										\$38,794					\$46,075					\$54,723	ļ
19	Fences, Aluminum																					
20	Gate System																					ļ
21	Lift Station, Rebuild																					
22	Mailboxes												\$40,468									
23	Sea Wall, Partial Replacement																					\$1,426,413
24	Stormwater System, Partial					\$16,187																ļ
25	Tennis Courts, Fence												\$25,949									l
26	Tennis Courts, Surface																				\$177,899	ļ
	Pool Components																					
27	Deck, Pavers														\$81,803							ļ
28	Fence, Aluminum																					
29	Furniture				\$18,767							\$23,877							\$30,379			
30	Mechanical Equipment				\$15,640										\$22,061							1
31	Pool Finish				\$26,978										\$38,055							
		447 77										A 4				A / A						
	l otal Expenditures	\$29,623	\$0	\$0	\$61,385	\$835,991	\$1,049,774	\$43,411	\$250,671	\$0	\$38,794	\$170,724	\$66,417	\$63,945	\$141,919	\$103,240	\$622,762	\$52,833	\$30,379	\$0	\$232,622	\$2,883,138

Appendix A



Component Funding Plan (Straight-Line Method)

The Association of

Pelican Point, Inc.

Line		Total		1st Year of	Useful	Remaining	i,		Dec 31, 2022	2023 Budgeted	2023 Remaining	Jan 1, 2024	Unfunded	2024	SIRS/Non SIRS	
Item	Reserve Components	Cycle	Units	Replacemen	t Life	Life	Unit	Total	Reserve	Reserve	Reserve	Projected	Residual	Recommended	Components	Existing Reserve
		Quantity			Years	Years	Cost	Cost	Balances	Contributions	Expenditures	Balances	Balance	Contribution		Categories
	Exterior Building Components															
1	Balconies and Breezeways, Waterproof Coatings	11,835	Square Feet	2024	5 to 10	1	\$5.00	59,175.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,175.00	\$59,175.00	SIRS	
1.1	Balconies and Breezeways, Waterproof Coatings, Full Replacement	11,835	Square Feet	2032	15 to 20	9	\$12.00	142,020.00	\$0.00	\$0.00	\$0.00	\$0.00	\$142,020.00	\$15,780.00	SIRS	
2	Concrete Restoration, Partial	1	Allowance	2024	to 35	1	\$235,000.00	235,000.00	\$141,544.96	\$2,856.00	\$0.00	\$144,400.96	\$90,599.04	\$90,599.04	SIRS	Misc. Building Components
3	Doors, Common, Phased	5	Each	2028	to 30	5	\$4,200.00	21,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,000.00	\$4,200.00	SIRS	
4	Deck and Arbor, Clubhouse	480	Square Feet	2024	to 25	1	\$45.00	21,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,600.00	\$21,600.00	Non SIRS*	
5	Railings, Balconies	1,190	Linear Feet	2024	to 35	1	\$110.00	130,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$130,900.00	\$130,900.00	Non SIRS*	
5.1	Railings, Stairs	420	Linear Feet	2024	to 35	1	\$140.00	58,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58,800.00	\$58,800.00	Non SIRS*	
6	Roof, Thermoplastic, Building A	122	Squares	2037	15 to 20	14	\$2,400.00	292,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$292,800.00	\$20,914.29	SIRS	
6.1	Roofs, Thermoplastic, Buildings B and C	244	Squares	2038	15 to 20	15	\$2,400.00	585,600.00	\$205,385.00	\$46,800.00	\$0.00	\$252,185.00	\$333,415.00	\$22,227.67	SIRS	Roofs
7	Stairs, Roof Access	3	Each	2024	to 35	1	\$3,500.00	10,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,500.00	\$10,500.00	Non SIRS*	
8	Walls, Paint Finish Applications, Phase 1	21,770	Square Feet	2023	5 to 10	0	\$1.15	25,035.50	\$25,000.00	\$10,410.00	\$25,035.50	\$10,374.50	\$14,661.00	\$2,094.43	SIRS	Paint
8.1	Walls, Paint Finish Applications, Phase 2	70,000	Square Feet	2024	5 to 10	1	\$1.15	80,500.00	\$68,011.81	\$30,390.00	\$0.00	\$98,401.81	\$0.00	\$0.00	SIRS	Paint
9	Windows and Glass Doors, Common	430	Square Feet	2025	to 40	2	\$80.00	34,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,400.00	\$17,200.00	SIRS	
	Building Services Components															
10	Electrical System, Partial	1	Allowance	2028	to 75+	5	\$10,000.00	10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$2,000.00	SIRS	
11	Elevators, Cab Finishes	3	Each	2028	15 to 20	5	\$10,000.00	30,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,000.00	\$6,000.00	Non SIRS*	
12	Elevators, Modernization	3	Each	2028	to 35	5	\$150,000.00	450,000.00	\$155,205.29	\$37,020.00	\$0.00	\$192,225.29	\$257,774.71	\$51,554.94	Non SIRS*	Elevators
13	Fire Protection Systems	1	Allowance	2028	to 25	5	\$15,000.00	15,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$3,000.00	SIRS	
14	Plumbing	1	Allowance	2053	to 75+	30	\$483,000.00	483,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$483,000.00	\$16,100.00	SIRS	
15	Security System	1	Allowance	2028	5 to 10	5	\$10,000.00	10,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$2,000.00	Non SIRS*	
16	Washers and Dryers	48	Each	2028	to 15	5	\$1,100.00	52,800.00	\$35,330.63	\$3,264.00	\$0.00	\$38,594.63	\$14,205.37	\$2,841.07	Non SIRS*	Laundry Machines
	Property Site Components															•
17	Asphalt Pavement, Mill and Overlay	11.870	Square Yards	2037	15 to 25	14	\$18.00	213.660.00	\$48.425.53	\$4.780.00	\$0.00	\$53.205.53	\$160.454.47	\$11.461.03	Non SIRS*	Paving Parking Lot Resurfacing
18	Asphalt Pavement, Preservation	11.870	Square Yards	2024	5 to 8	1	\$1.70	20.179.00	\$0.00	\$2,000.00	\$0.00	\$2.000.00	\$18,179.00	\$18,179.00	Non SIRS*	Paving Parking Lot Protective Coating
19	Fences, Aluminum	410	Linear Feet	2030	to 35	7	\$40.00	16.400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,400.00	\$2.342.86	Non SIRS*	
20	Gate System	1	Allowance	2030	to 25	7	\$25,000,00	25 000 00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,000,00	\$3.571.43	Non SIRS*	
21	Lift Station Rebuild	1	Allowance	2026	to 30	. 3	\$10,000,00	10,000,00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000,00	\$3 333 33	Non SIRS*	
22	Mailboxes	131	Fach	2024	to 20	1	\$150.00	19 650 00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,650,00	\$19,650,00	Non SIRS*	
23	Sea Wall Partial Replacement	847	Linear Feet	2053	to 50+	30	\$600.00	508 200 00	\$32,090,89	\$15 684 00	\$0.00	\$47 774 89	\$460 425 11	\$15,347.50	Non SIRS*	Seawall
24	Stormwater System Partial	1	Allowance	2000	15 to 25	14	\$10,000,00	10,000,00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000,00	\$714.29	Non SIRS*	
25		360	Linear Feet	2007	to 30	21	\$35.00	12 600 00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,600,00	\$600.00	Non SIRS*	
26	Tennis Courts, Surface	800	Square Vards	2044	to 30	20	\$82.00	65 600 00	\$0.00	\$0.00	\$0.00	\$0.00	\$65,600,00	\$2 262 07	Non SIRS*	
20	Pool Components	000		2052	10 30	23	φ02.00	03,000.00	ψ0.00	ψ0.00	φ0.00	φ0.00	ψ03,000.00	\$2,202.07	NULISING	
27	Dark Payers	4 120	Squara East	2046	20 to 20	22	00.02	27 090 00	\$0.00	\$0.00	00.02	00.02	\$27 090 00	¢1 612 17	Non CIDC*	
21		4,120	Linear Foot	2040	to 25	23	\$9.00	10 500.00	φ0.00 ¢0.00	φ0.00 ¢0.00	φ0.00	φ0.00 ¢0.00	\$10,500.00	\$1,012.17	Non CIDC*	
20	Furniture	300		2030	5 to 10	6	\$12,000,00	12 000 00	φ0.00 ¢0.00	φ0.00 ¢0.00	φ0.00 ¢0.00	φ0.00 ¢0.00	¢10,000.00	\$1,000.00	Non SIDO*	
29	Machanical Equipment		Allowance	2029	5 to 10	0	\$10,000,00	12,000.00	\$U.UU	\$U.UU	\$0.00	\$U.UU	\$12,000.00	\$2,000.00	Non CIDC*	Deel
30		1 4 4 5 0	Allowance	2026	5 t0 10	3	\$10,000.00	17.050.00	\$0.00	\$2,593.00	\$0.00	\$2,593.00	\$7,407.00	\$2,469.00	Non SIKS"	Pool
31		1,150	Square Feet	2026	10 10 15	3	\$15.00	17,250.00	ə4,243.92	\$13,007.00	\$0.00	¢۱7,250.92	\$0.00	\$0.00	NON SIKS"	P00I
	Totals								\$715,238.03	\$168,804.00				\$622.529		

Appendix B



Cash Flow Funding Plan (Pooling Method)

The Association of Pelican Point, Inc.

	FY	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Beginning of Year Reserves		\$717,429	\$882,721	\$419,432	\$563,969	\$708,392	\$904,344	\$412,965	\$597,702	\$717,529	\$906,488	\$837,811	\$1,048,022	\$1,301,663	\$1,570,713	\$1,794,549	\$1,258,794
Recommended Reserve Contributions		168,804	168,804	168,804	168,804	174,700	180,800	187,100	193,600	200,400	207,400	214,700	222,200	230,000	238,100	246,400	255,000
Anticipated Interest Earned	3.0%	21,523	26,482	12,583	16,919	21,252	27,130	12,389	17,931	21,526	27,195	25,134	31,441	39,050	47,121	53,836	37,764
Projected Expenditures		(25,036)	(658,575)	(36,850)	(41,300)	0	(699,310)	(14,751)	(91,705)	(32,967)	(303,272)	(29,623)	0	0	(61,385)	(835,991)	(1,049,774)
Projected Year End Reserves		882,721	419,432	563,969	708,392	904,344	412,965	597,702	717,529	906,488	837,811	1,048,022	1,301,663	1,570,713	1,794,549	1,258,794	501,785

		2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning of Year Reserves		\$501,785	\$737,327	\$781,876	\$1,088,032	\$1,374,479	\$1,547,789	\$1,841,206	\$2,156,897	\$2,415,485	\$2,732,310	\$2,551,317	\$2,947,424	\$3,390,868	\$3,891,494	\$4,188,517
Recommended Reserve Contributions		263,900	273,100	282,700	292,600	302,800	313,400	324,400	335,800	347,600	359,800	372,400	385,400	398,900	412,900	427,400
Anticipated Interest Earned	3.0%	15,054	22,120	23,456	32,641	41,234	46,434	55,236	64,707	72,465	81,969	76,540	88,423	101,726	116,745	125,656
Projected Expenditures		(43,411)	(250,671)	0	(38,794)	(170,724)	(66,417)	(63,945)	(141,919)	(103,240)	(622,762)	(52,833)	(30,379)	0	(232,622)	(2,883,138)
Projected Year End Reserves		737,327	781,876	1,088,032	1,374,479	1,547,789	1,841,206	2,156,897	2,415,485	2,732,310	2,551,317	2,947,424	3,390,868	3,891,494	4,188,517	1,858,435

Notes:

1) FY 2023 Begins January 1, 2023 and Ends December 31, 2023

2) FY 2023 Beginning Reserve Balance and Remaining Contributions are as of December 31, 2022

3) Interest Earned is compounded on the Beginning Year Reserve Balance, the first year is a partial amount earned

4) Taxes on the interest earned are considered negligible

Appendix C

Condition Assessment

Exterior Building Components



Figure 1 – Typical Front Elevation



Figure 2 - Typical Rear Elevation









1. Balconies and Breezeways, Waterproof Coatings

Pelican Point maintains breezeways and exposed balconies that comprise approximately 11,835 square feet of concrete surface. The balcony and breezeway coatings are in fair overall condition. Balconies and breezeways have a long useful life with the benefit of periodic maintenance. Concrete cracks and spalling occurs from the expansion of the reinforcing steel bars due to corrosion. Concrete corrosion is caused by rainwater and chlorides penetrating the surface of the concrete and contacting the embedded steel reinforcement bars. Failure to maintain the

balconies and breezeways can lead to costly repairs. The Association should budget for waterproof coating applications and partial repairs as needed in 2024 and every 5- to 10-years thereafter in conjunction with paint finish applications. In addition, Pelican Point should budget for full coating replacement every 15- to 20-years beginning by 2032.





Figure 1



2. Concrete Restoration

Concrete cracks and spalling occur from the expansion of the reinforcing steel bars due to corrosion. Concrete corrosion is caused by rainwater and chlorides getting into the concrete down to the level of the steel bars. The Association should budget for partial repairs as needed by the milestone report provided by Beachside Engineering in 2024 prior to waterproof coating applications.

3. Doors, Common

Pelican Point maintains approximately 30 common metal doors. The common doors are in fair overall condition at various ages. Doors have a useful life of up to 30 years. Based on the varied ages, the Association should budget for phased replacements of up to 10 doors every five years beginning in 2028. The estimate of cost is based on a fire rated self-closing door.



Figure 1





4. Deck and Arbor, Clubhouse

The Association maintains approximately 480 square feet of wood decking and an arbor. The decking and arbor are in fair to poor condition. The useful life of these components is up to 25 years. Pelican Point should budget for replacement of the deck and arbor in 2024 and again by 2049. Interim repairs and partial replacements should be funded through the operating budget as needed.



Figure 1 – Arbor and Deck Overview





5. Railings, Balconies and Stairs

The balcony and stair railings comprise 1,190 and 420 linear feet respectively. These aluminum railings are original and in fair overall condition. The major concern with railings is safety. Aluminum railings have a useful life of up to 35 years. Pelican Point should budget for replacement of the railings in 2024 in conjunction with concrete repairs and waterproof coatings.







Figure 2 – Stair Railings

6. Roofs, Flat

The Association maintains a total of 366 squares of flat roofs. The flat roofs are in good overall condition at an age of up to six years. Flat roof coverings have a useful life from 15- to 20-years.

Exposure to ultraviolet light, heat and weather degrade the membrane overtime. Degradation results in membrane damage from thermal expansion and contraction. Aging of the roof makes the membrane less pliable and difficult to maintain. The most vulnerable parts of a roof are at the perimeters and penetrations such as vents, plumbing stacks and HVAC equipment. Water intrusion can lower insulation R-values and weaken the roof assembly. Ponding water is water that sits on a roof for 24- to 48-hours. Standing water is when water sits on the roof for more than 48 hours. Most thermoplastic polyolefin (TPO) and polyvinyl chloride (PVC) manufactures will allow ponding water and standing water is usually not warranted.

Reroofing is more labor intensive than an original installation. Removal and disposal can be an issue in multistory buildings because of problems conveying materials on and off the roofs. Replacement costs are higher and make replacement less feasible economically.

New roofing can be accomplished by either a tear-off or an overlay. An overlay can cover up problems with the deck and flashings. The contractor should follow manufacturer's directions and

specifications. The National Roofing Contractors Association (NRCA) recommends the use of a suitable cover board layer over insulation before a roof membrane installation.

There are several different options for flat roofs. The estimate of cost is based on a TPO roofing system. TPO can be mechanically attached, fully adhered, self-adhered, ballasted, or induction welded. The advantages of TPO are strong heat welded seams and a highly reflective surface saving on energy costs. The Association should budget for replacements of the Building A flat roof system by 2037. Pelican Point should also budget for replacement of Buildings B and C flat roof systems by 2038. The Association should look for roof system warranties offered by manufacturers. No Dollar Limit (NDL) warranties include roof leaks caused by defects in labor or materials. Interim annual inspections are recommended funded through the operating budget. It is assumed that the roof was not overlaid and the estimate of cost is based on tearing off one roof only.







Figure 2 - Building C Roof

7. Stairs, Roof Access

Three sets of staircases located at the fourth floor of each building provide roof access. The staircases are original and in fair to poor condition. The major concern with staircases is safety. Corrosion at the bases is noted. Steel structures of this type have a long useful life with the benefit of periodic maintenance. The Association budget for capital repairs and paint finishes periodically to maximize the useful life of the staircases. Capital repairs include removal of any built-up paint finishes and accumulated rust, repairs to the steel as needed, including welding, proper priming prior

to a new paint finish application and replacement of any damaged or deteriorated stair treads. Pelican Point should budget for replacements in 2024.





Figure 1



8. Walls, Paint Finish Applications

The Association maintains approximately 91,770 square feet of stucco paint finishes. Periodic applications of a protective paint finish or waterproof coating is essential in order to maintain the appearance and integrity of the stucco. Stucco is water resistant but not waterproof. Over time, stucco becomes more permeable which leads to cracks and moisture intrusion if maintenance is deferred.

Comprehensive paint specifications define quality levels and the materials and methods required to achieve them. Construction specifications are written documents that describe the materials and workmanship required for a building project. The purpose is to create certainty in the project and outcome. MasterFormat^R is an indexing system created by the Construction Specifications Institute (CSI). Division 01 tells how submittals will be handled. Paint and Coatings are found under Division 09 Finishes. Open specs allow products from multiple manufacturers encouraging competition. Products would still have to meet performance requirements. Closed specs name the desired manufacturer ensuring control by the designer.

The paint finish performance is affected by proper product selection, application, and surface preparation. Coating integrity and useful life will be reduced because of improperly prepared

surfaces. The selection and implementation of proper surface preparation ensures coating adhesion to the substrate and prolongs the useful life of the coating system.

Management reports that the Association painted the sides and ocean sides of Buildings B and C in 2023. The remaining paint finishes are in fair to poor condition at an age of eight years. Paint finishes have a useful life from 5- to 10-years. Pelican Point should budget for the remaining paint finishes in 2024 following stucco repairs. Subsequent cycles are likely every eight years thereafter. The Association should plan for weatherizing the window sealants and any exterior penetrations as needed in conjunction with paint finish applications. The Association should also plan to have a licensed engineer that specializes in restoration projects to inspect and develop a plan for any repairs prior to paint finish applications.



Figure 1 - Step Crack Repair



Figure 2 - Rust Caused by Water Intrusion



Figure 3 – Stucco Edge Crack



Figure 4 - Pool Rest Room Wall Settlement



Figure 1 - Deteriorated Window Sealant

9. Windows and Glass Doors, Common

The common windows and glass doors comprise 430 square feet. The windows and glass doors are original and in fair overall condition. Windows and glass doors of this type have a useful life of up to 40 years. The need to replace windows can be due to various reasons such as consistency in style and condition. There may be a cost savings with coordinated replacements. Pelican Point should budget for replacement of the windows and glass doors by 2025. The windows should meet the Florida Building Code for impact resistance.



Figure 1 - Laundry Room Windows

Building Services Components

10. Electrical Systems

The common area electrical panels are primarily original, in fair operational condition and range in capacity. The useful life of these components is up to and often beyond 75 years. However, not all components will fail simultaneously. Therefore, we recommend the Association budget for partial repairs and replacement of the electrical systems beginning by 2028 and every 10 years thereafter.



Figure 1





11. Elevator, Cab Finishes

The Association maintains three elevators. The cab finishes comprise lighting, tile floors and wood panel walls. The cab finishes are in fair condition at an age of 21 years. Cab finishes have a useful life from 15- to 20-years. The Association should budget for replacements by 2028 and again by 2045.









12. Elevators, Modernization

Each of the three buildings utilizes a 2,500-pound capacity hydraulic elevator that serves four floors. Hydraulic elevator components include a cylinder, pump and controls. These components are original and in fair reported condition. The useful lives of these components vary up to 35 years. However, the Association should budget for replacements by 2028. The elevator's safety equipment should be brought up to the latest code. Fire service features should be brought up to accordance with the requirements of the applicable ASME A17.1, Safety Code for Elevators and Escalators. The Association should contract with an independent elevator consultant to develop specifications for elevator replacement proposals.



Figure 1 – Building B Equipment



Figure 2 - Building B Equipment

13. Fire Protection Systems

The Association maintains fire protection systems. A fire protection system comprises a main panel that controls emergency devices such as annunciators and pull boxes. The fire protection systems are in fair operational condition. The exact ages are unknown. Changes in building codes and/or technology may make a replacement necessary and/or desirable prior to the useful life of up to 25 years. Pelican Point should budget for replacements by 2028 and again by 2053. Annual fire alarm system inspections are required by the National Fire Protection Association (NFPA) 722 Standards. The Association should fund interim replacement of exit signs and smoke detectors through the operating budget as needed.



Figure 1 - Building C Control Panel



Figure 2 - Clubhouse Control Panel

14. Plumbing

The Association is responsible for the building's riser sections and internal common plumbing, including water supply, waste and vent piping. Due to the concealed nature of the plumbing systems, we were unable to determine the conditions and exact locations of the piping. We recommend the Association perform a detailed analysis of the plumbing systems to assist in future reserve planning. The Association should contract with a pipe restoration specialist to have the pipe interiors camera-scoped to provide pipe quantities, locations, and conditions.

The common plumbing systems are likely original and reported in satisfactory overall condition, with no significant issues reported by Management. Pelican Point should budget for the plumbing systems by 2053. The Association may find value in the use of in-place pipe restoration technology such as pipe relining. In-place pipe restoration technology involves camera-scoping,

cleaning, and preparing of the pipe interiors followed by installation of a pressurized liquid epoxy which hardens to become structural in nature. This can be a more efficient and cost-effective option in that the need for opening wall cavities in both common areas and unit interiors can be greatly minimized.

Updates to this reserve study will consider the timing of future replacements, based on the history of leaks and on information derived from invasive inspections by plumbing contractors. All plumbing systems serving individual unit owners are the responsibility of the individual unit owner.

15. Security System

The Association maintains a security system that comprises eight cameras and a digital recording device. The security system is in fair condition at an age of up to five years. Technology advances tend to govern the time of replacements. Security systems have a useful life from 5- to 10-years. Pelican Point should budget for replacements by 2028 and every 10 years thereafter.

16. Washers and Dryers

The Association maintains 48 washers and dryers. The washers and dryers were in satisfactory operational condition at an age of 10 years. Washers and dryers have a useful life of up to 15 years. Pelican Point should budget for replacements by 2028 and again by 2043.



Figure 1 – Building A Washer and Dryers



Figure 2 - Building A Water Heaters

Property Site Components

17. Asphalt Pavement, Mill and Overlay

The Association maintains approximately 11,870 square yards of asphalt streets and parking areas. The asphalt pavement is in good overall condition at an age of 11 years. Asphalt pavement comprises multiple layers. Typically the top layer or surface course deteriorates over time and can be milled or removed and overlaid or replaced. The following diagram depicts typical pavement layers.



A mill and overlay is a method of repaving of the surface course where cracked, worn and failed pavement is mechanically removed or milled. A new layer of asphalt is overlaid atop the remaining sound pavement. Milled pavement removes part of the existing pavement and permits the overlay to match the elevation of areas such as adjacent catch basins, curbs and gutters. The milled pavement should be properly bonded to the new overlayment. Overlayment thicknesses range from one to two inches. Variable thicknesses are often necessary for proper drainage.

A combination of area patching, crack repair and milling should occur before the overlayment. Areas that exhibit potholes, alligator cracks and areas of pavement that are deteriorated from vehicle fluids should all be repaired prior to overlayment. Area patching may require total replacement of isolated areas of pavement. The base course for residential subdivision roadways designed for light traffic is often six inches thick. The paving contractor should seal all cracks. Crack repair minimizes the chance of underlying cracks coming through the overlayment.

The useful life of the asphalt pavement surface course is from 15- to 25-years. Pelican Point should budget for a mill and overlay of the pavement by 2037. The Association should retain an engineer for quality control.



Figure 1





18. Asphalt Pavement, Preservation

As previously mentioned, there are approximately 11,870 square yards of asphalt pavement. The asphalt pavement is original and in fair to good overall condition. The Association should repair any isolated areas of deteriorated pavement prior to asphalt coating applications.

Pavement surfaces comprise aggregate in an asphalt/petroleum binder. The petroleum elements of the binder oxidize and the asphalt loses its elastic properties over time and becomes brittle and then cracks occur. One form of pavement maintenance is a process called rejuvenation. Rejuvenation is intended to prolong the aging process by adding back the petroleum fractions needed for elasticity of the surface course.

Proposals for asphalt coating applications should include both crack seal repair and area patching. These activities reduce water infiltration and the effects of weather. The contractor should only apply asphalt coating applications after crack and surface repairs are completed.

The asphalt coating has a useful life of five- to eight-years. Pelican Point should plan for an application of pavement preservation in 2024. Subsequent cycles are likely every five - to eight-years thereafter except when replacement occurs.

19. Fences, Aluminum

The Association maintains the aluminum fences located along the west perimeter. The fences are in fair overall condition at an age of 18 years. The finish on aluminum fences is relatively

maintenance free. Aluminum fences have a useful life of up to 35 years. The Association can maximize the useful life of the fences by keeping vegetation out of close proximity to the fences as well as repair connections and fasteners promptly when and if they fail. These activities should be funded through the operating budget on an as needed basis. In addition, we recommend the Association budget for replacement of these fences by 2030.



Figure 1



Figure 2

20. Gate System

The Association maintains a gate system that includes two gates and operators and a telephone entry system. The gate system components are in fair condition at ages of up to 18 years. The gate system has a useful life of up to 25 years. Pelican Point should budget for replacement of the gate system by 2030. The Association should fund interim repairs through the operating budget.



Figure 1 – Telephone Entry System



Figure 2 - Gates

21. Lift Station, Rebuild

The Association maintains a lift station. A lift station typically comprises controls, two pumps and guide rails that require replacement. Lift stations require renovations every 30 years. The lift station was operational at the time of inspection. The exact age of each component is unknown. Pelican Point should budget for a renovation of the lift station by 2026. Interim replacement of pumps should be funded through the operating budget as needed.





Figure 1

Figure 2

22. Mailboxes

Pelican Point maintains 131 mailboxes. The mailboxes are in fair condition at an age of 19 years. Metal mailboxes have a useful life of up to 20 years. The Association should budget for replacements in 2024 and again by 2044. The Association should verify new mailboxes meet the specifications of the United States Postal Service.





23. Sea Wall

Pelican Point maintains approximately 1,210 linear feet of a vinyl panel sea wall with a concrete cap. The sea wall is in good condition overall at an age of five years. Significant areas of displacement around Building B are noted. Management reports that the Association plans to repair the sea wall through a special assessment. The cap encases the walls anchoring system and transfers the load and is an essential structural component of a sea wall. Sea walls of this type have a long useful life with the benefit of ongoing maintenance. Ongoing maintenance includes power washing and sealing the cap, filling the cracks with epoxy and partial replacements of the concrete as needed. Pelican Point should fund this maintenance activity through the operating budget. The Association should budget for partial replacements of up to seventy percent (70%) of the sea wall by 2053.



Figure 1



Figure 2



Figure 3 – Sea Wall Displacement



Figure 4 – Sea Wall Cap Cracks

24. Stormwater System

The stormwater system comprises catch basins that collect storm water from the pavement. Storm water systems are low maintenance and often overlooked. However, overlooking systems of this type leads to major problems. Over time, drains can become clogged with leaves and other debris. The Association should anticipate occasional displacement of stormwater structures and the surrounding pavement from erosion as time goes on. Erosion causes settlement of curb inlets or catch basins. The catch basin can shift and need replacement if left unrepaired. The Association should plan to repair any displaced storm water structures and partial pipe replacements concurrently with surrounding pavement or curbs and gutters. The exact times and amount of capital repairs or replacements varies upon natural forces.

The overall reported condition of the stormwater structures is good. Stormwater systems have a long useful life with the benefit of ongoing maintenance. Achieving this useful life typically requires interim capital repairs or partial replacements. Maintenance of stormwater systems is required in every municipality as a condition for use of the land to prevent adverse impacts on adjoining properties. Pelican Point should budget for stormwater repairs and or partial replacements by 2037.



Figure 1 - Catch Basin and Curbing



Figure 2 - Pond

25. Tennis Courts, Fence

The 360 linear feet of fence that surrounds the tennis court is in fair overall condition at an age of nine years. The fence has a useful life of up to 30 years. Pelican Point should budget for replacement of the tennis court fence by 2044.









26. Tennis Courts, Surface Replacement

The Association maintains a tennis court that comprise 800 square yards of asphalt pavement. The surface is in good condition at an age of one year. A tennis court surface has a useful life of up 30 years. Pelican Point should budget for surface replacement by 2052. Interim color coat applications should be funded through the operating budget.

Pool Components

27. Deck, Pavers

The pool deck comprises 4,120 square feet of pavers. The pavers are in good overall condition at an age of seven years. Pool deck pavers have a useful life from 20- to 30-years with the benefit of periodic maintenance. Periodic maintenance includes resetting as needed and an application of sand between the pavers followed by a sealer application every three years. Pelican Point should budget for replacement of the pavers by 2046. Interim repairs should be funded through the operating budget as needed.





Figure 1 – Paver Deck

Figure 2 – Aluminum Fence

28. Fences, Aluminum

Approximately 350 linear feet of aluminum fence surrounds the pool area. These fences are in fair condition at an unknown age. As previously mentioned, aluminum fences have a useful life of up to 35 years. Pelican Point should budget for replacement of the pool fences by 2030.

29. Furniture

The pool furniture includes lounges, tables and chairs. The pool furniture is in good condition at an age of one year. The pool furniture has a useful life from 5- to 10-years. Pelican Point should budget for replacement by 2029 and every seven years thereafter. The Association should fund interim restrapping through the operating budget as needed.



Figure 1 – Pool Furniture



Figure 2 - Clubhouse Outdoor Furniture

30. Mechanical Equipment

Pelican Point maintains pool mechanical equipment. The mechanical equipment includes heaters, pumps, filters and chlorinators. The mechanical equipment is in fair overall condition at various ages. The pool equipment has a useful life from 5- to 10-years with the benefit of ongoing maintenance. This ongoing maintenance includes partial replacements of the pumps, filters and chlorinators as needed. The Association should fund these minor partial replacements through the operating budget. Pelican Point should budget for replacements by 2026 in conjunction with the pool finish.



Figure 1 – Pool Hearers



Figure 2 - Remaining Pool Equipment

31. Pool Finish

The Association maintains approximately 1,150 square feet of horizontal pool finish. The pool finish is in fair overall condition at an age of seven years. The pool finish has a useful life from 10- to 15-years. Pelican Point should budget for resurfacing of the pool finish by 2026 and every 10 years thereafter. Typically minor upgrades will be needed to bring the pool up to current code. The Association should ensure that bidding contractors have an active license with a "CPC" designation. An allowance for replacement of the waterline tile is included in the estimate of cost. Potential repairs to the underlying pool structure may raise the estimate of cost.







Figure 1

Condition Model

Component Type	Component Name	Condition	Urgency	1st Year of Replacement
Exterior Building	Balconies and Breezeways, Waterproof Coatings	4	0	2024
Exterior Building	Concrete Restoration, Partial	4	0	2024
Exterior Building	Doors, Common, Phased	5	0	2028
Exterior Building	Deck and Arbor, Clubhouse	4	0	2024
Exterior Building	Railings, Balconies	4	0	2024
Exterior Building	Railings, Stairs	4	0	2024
Exterior Building	Roof, Thermoplastic, Building A	7	0	2037
Exterior Building	Roofs, Thermoplastic, Buildings B and C	8		2038
Exterior Building	Stairs, Roof Access	4	0	2024
Exterior Building	Walls, Paint Finish Applications, Phase 1	10	S	2023
Exterior Building	Walls, Paint Finish Applications, Phase 2	2	8	2024
Exterior Building	Windows and Glass Doors, Common	3	0	2025
Building Services	Electrical System, Partial	6	0	2028
Building Services	Elevators, Cab Finishes	4	()	2028
Building Services	Elevators, Modernization	4	0	2028
Building Services	Fire Protection Systems	4	()	2028
Building Services	Plumbing	6	0	2053
Building Services	Security System	8	S	2028
Building Services	Washers and Dryers	5	0	2028
Property Site	Asphalt Pavement, Mill and Overlay	6	S	2037
Property Site	Asphalt Pavement, Preservation	4	0	2024
Property Site	Fences, Aluminum	6	S	2030
Property Site	Gate System	6	0	2030
Property Site	Lift Station, Rebuild	5	<u>()</u>	2026
Property Site	Mailboxes	3	0	2024
Property Site	Sea Wall, Partial Replacement	8		2053
Property Site	Stormwater System, Partial	7	0	2037
Property Site	Tennis Courts, Fence	7		2044
Property Site	Tennis Courts, Surface	9	0	2052
Pool	Deck, Pavers	8	S	2046
Pool	Fence, Aluminum	6	0	2030
Pool	Furniture	9		2029
Pool	Mechanical Equipment	6	0	2026
Pool	Pool Finish	4	0	2026



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Terms and Definitions

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

Component - An individual line item in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks of the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

Component Assessment and Valuation - The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. This task is accomplished either with or without onsite visual observations, based on Level of Service selected by the client.

Component Inventory - The task of selecting and quantifying Reserve Components. This task is accomplished through onsite visual observations, review of association design and organizational documents, and a review of established association precedents.

Component Method - A method of calculating Reserve contributions where the total reserve contribution is based on the sum of contributions for individual components.

Effective Age - The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computation.

Financial Analysis - The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived. The Financial Analysis is one of the two parts of a Reserve Study.

Fully Funded - 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

Fully Funded Balance (FFB) - Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. In essence, it is the Reserve balance that is proportional to the current Repair/replacement cost and the fraction of life "used up". This number is calculated for each component, them summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: both yield identical results when interest and inflation are equivalent.

Funding Goals - Independent of methodology utilized, the following represent the basic categories of Funding Plan goals.

Baseline Funding - Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Fully Funding - Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding - Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statues.

Threshold Funding - Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold this may be more or less conservative than "Fully Funded".

Funding Plan - An Association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Minimum Balance - A minimum Reserve balance established by the client.

Physical Analysis - The portion of the Reserve Study where the Component inventory, Condition Assessment and Life Adjustment and Valuation tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) - Also referred to as "Remaining Life (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Replacements anticipated to occur in the initial or base year have "zero" Remaining Useful Life.

Reserve Assessments - The portion of assessments contributed to the Reserve Fund.

Reserve Balance - Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves.

Special Assessment - An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by Governing Documents or local statutes.

Straight-Line - A formula used to calculate the annual reserve fund contribution for a specific component. Projected replacement cost divided by the useful life equals the annual payment.

Useful Life (UL) - Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function in its present application or installation.

Disclosures and Limitations

No destructive testing was performed. Latent defects in design or construction are excluded from this report. There are no material issues to our knowledge that have not been disclosed to the client that would affect the integrity of this Reserve Study report. Custom Reserves has no interests with the client other than this Reserve Study.

Component quantities and estimates of costs indicated in this Report were developed by Custom Reserves unless otherwise noted in our "Condition Assessment" comments. The sources for the costs outlined in the study include experience, historical information and R.S. Means, Incorporated. This report should be used for budget and planning purposes only.

Inspection and Report Credentials

PAUL GRIFONI - Senior Engineer, Licensed Home Inspector

EDUCATION - University of Massachusetts - Bachelor of Science in Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Professional Reserve Analyst (PRA) Association of Professional Reserve Analysts



Reserve Specialist (RS) Community Associations Institute

