

Via Mare Condominium Association, Inc.

June 19, 2024 • Atlantic Beach, FL

**STRUCTURAL INTEGRITY
RESERVE STUDY**



Via Mare Condominium Association, Inc.
Atlantic Beach, Florida

Dear Board of Directors of Via Mare Condominium Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Structural Integrity Reserve Study* of Via Mare Condominium Association, Inc. in Atlantic Beach, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, June 19, 2024.

This *Structural Integrity 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 Full Reserve Study."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Via Mare Condominium Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on August 5, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Jared W. Kelley

Review by: Tamara S. Samhoury, RS¹

Alan M. Ebert, RS, PRA², Director of Quality Assurance



1 RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

2 PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.



NEW TO RESERVE STUDIES?



ACCESS OUR
QUICK START GUIDE



Table of Contents

1. RESERVE STUDY EXECUTIVE SUMMARY	1.1
2. RESERVE STUDY REPORT.....	2.1
3. RESERVE EXPENDITURES and FUNDING PLAN	3.1
4. RESERVE COMPONENT DETAIL	4.1
STRUCTURAL INTEGRITY - Exterior Building Elements	4.1
Balconies and Breezeways, Railings, Aluminum	4.2
Balconies and Breezeways, Wood Frame with Concrete Topping	4.3
Gutters and Downspouts, Aluminum.....	4.6
Roofs, Metal	4.8
Roofs, Modified Bitumen	4.10
Staircases.....	4.12
Structural Members, Inspections.....	4.14
Walls, Stucco.....	4.14
STRUCTURAL INTEGRITY - Building Services Elements.....	4.19
Electrical System.....	4.19
Life Safety System	4.22
GENERAL - Exterior Building Elements	4.24
Light Fixtures.....	4.24
GENERAL - Property Site Elements.....	4.25
Concrete Driveway	4.25
Fences, Aluminum.....	4.27
Fence, Vinyl.....	4.27
Irrigation System	4.29
Landscape	4.30
Lift Station, Pumps	4.30
Lift Station, Rebuild	4.31
Light Poles and Fixtures, Bollards.....	4.32
Pavers, Masonry	4.33
Structural Integrity Reserve Study Update	4.36
5. METHODOLOGY	5.1
6. CREDENTIALS	6.1
7. DEFINITIONS	7.1
8. PROFESSIONAL SERVICE CONDITIONS	8.1



1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Via Mare Condominium Association, Inc. (Via Mare)

Location: Atlantic Beach, Florida

Reference: 192423

Property Basics: Via Mare Condominium Association, Inc. is an apartment style development which consists of 16 units in four three-story buildings. The buildings were built from 2007 to 2009.

Reserve Components Identified:

- 11 Structural Integrity Reserve Components.
- 11 General Reserve Components.

Inspection Date: June 19, 2024. We conducted the original inspection on March 19, 2020.

Methodology: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 2.0% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the **Reserve Expenditures** tables and include a **Five-Year Outlook** table following the **Reserve Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- Structural Integrity - Paint finish applications, crack repairs and partial replacement of stucco as needed to limit water infiltration into the units, and to maintain a uniformly clean and consistent appearance of the buildings
- Structural Integrity - Inspections, repairs and coating applications to the balconies and breezeways to prevent concrete deterioration and damage to the underlying wood frame and waterproof membrane
- General - Replacement of vehicular pavers at the front elevation parking area due to noted deterioration
- General - Replacement of lift station pumps to prevent service interruptions
- General - Replacement of bollard light poles and fixtures due to noted damage
- General - Replacement of vinyl fencing at the north perimeter due to noted damage and to maintain the security of the property
- General - Ongoing partial replacement of the concrete driving surface at the rear parking area to address cracks and spalling

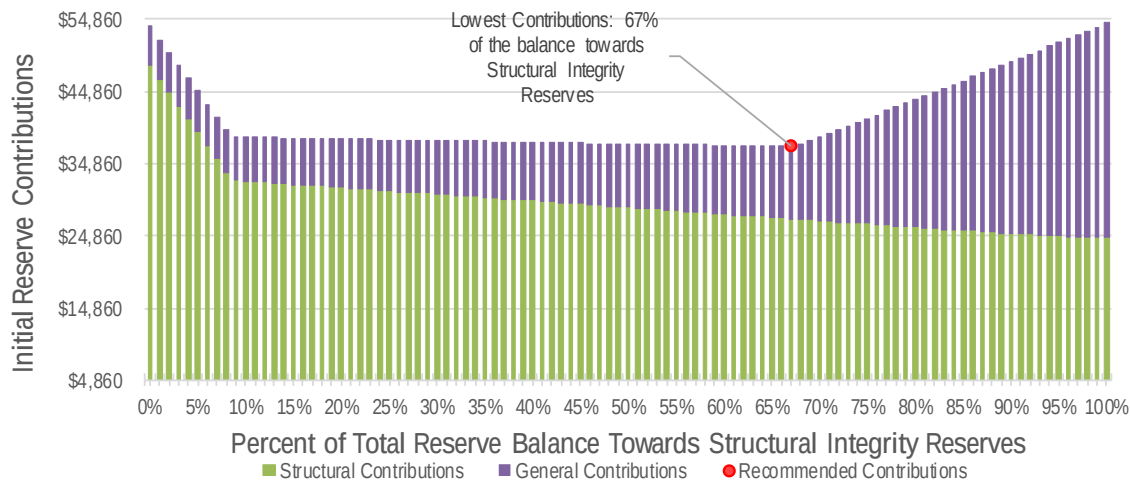


Unaudited Cash Status of Reserve Fund:

- \$181,466 as of April 30, 2024
- \$20,950 in budgeted 2024 reserve contributions (\$13,967 remaining)
- \$13,500 in estimated remaining 2024 reserve expenses
- We project a 2024 Reserve End Balance of \$184,333.

As part of our Cash Flow method we analyzed future expenditures and identified the reserve balance split to produce the lowest overall required contributions. Due to the statutory restrictions on structural integrity reserve funds, we recommend the Association maintain separate funds for Structural Integrity reserves and General (non-structural) reserves. However, the existing reserve funds are not split. We, therefore, analyzed future expenditures and identified the starting reserve balance split that produces the lowest overall reserve contributions. We recommend the Association allocate \$123,503, or 67% of the 2024 Projected Reserve End Balance to the Structural Integrity Reserve Fund and \$60,830, or 33% to the General (non-structural) Fund to minimize the total combined contributions to the statutory Structural Integrity Fund and the recommended General (non-structural) Fund. A vote of the membership may be required to allocate funds in this manner. The following chart depicts the analysis of future expenditures and the reserve balance split to produce the lowest overall required contributions.

Starting Cash Flow - Optimized Reserve Balance Split



Cash Flow - Existing Reserve Balance and Contribution Split		Structural Integrity		General
	FY2024	2025	2025	
Beginning Reserve Balance as of April 30, 2024	181,466	123,503	60,830	
Remaining Budgeted Reserve Contributions:	13,967	27,300	10,000	
Estimated Remaining Interest Earned:	2,400	67%		
Anticipated Remaining Structural Expenditures:	0	33%		
Anticipated Remaining General Expenditures:	(13,500)			
Anticipated Reserves at Year End:	<u>\$184,333</u>			

Structural Integrity

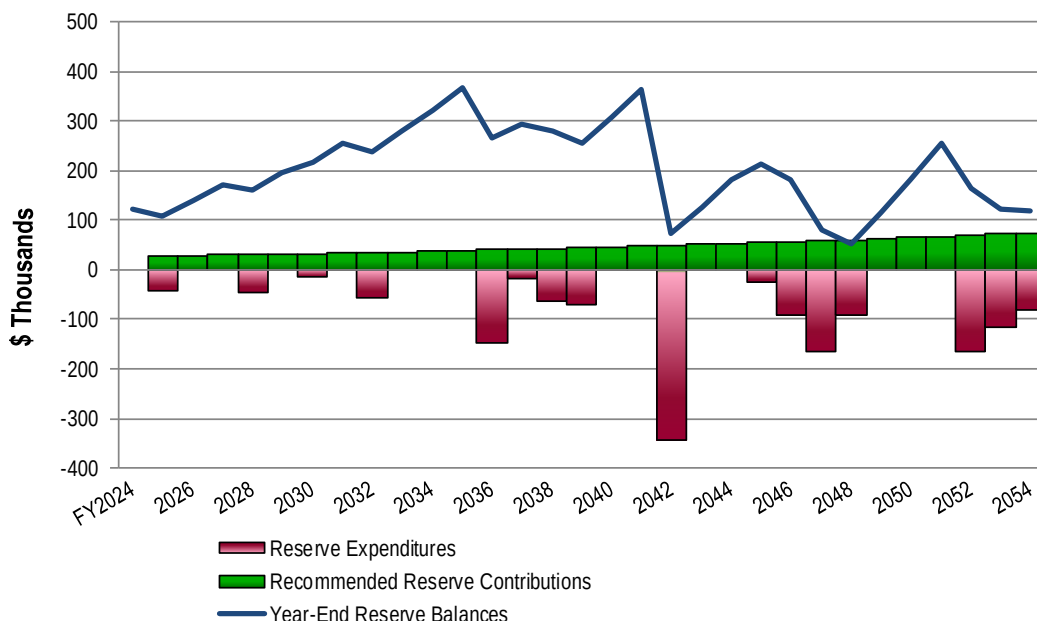
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes these threshold funding years in 2042 due to the replacement of the staircases and aluminum railings and in 2047 due to the ongoing replacement of the electrical system main panels.

Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Allocate \$123,503 of the Anticipated 2024 Year End Reserve balance to the Structural Integrity Reserve Fund.
- We recommend the Association adopt a Structural Integrity Reserve budget of \$27,300 in 2025
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 Structural Integrity Reserve Contribution of \$27,300 is equivalent to an average monthly contribution of \$142.19 per owner.
- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2025	27,300	109,014	2035	38,600	367,738	2045	54,500	212,418
2026	28,300	139,777	2036	40,000	265,255	2046	56,400	181,920
2027	29,300	172,166	2037	41,400	293,419	2047	58,400	78,543
2028	30,300	160,576	2038	42,800	278,142	2048	60,400	50,313
2029	31,400	195,502	2039	44,300	256,364	2049	62,500	114,444
2030	32,500	216,097	2040	45,900	307,850	2050	64,700	182,080
2031	33,600	254,355	2041	47,500	361,982	2051	67,000	253,392
2032	34,800	237,933	2042	49,200	72,217	2052	69,300	163,055
2033	36,000	279,052	2043	50,900	125,070	2053	71,700	122,052
2034	37,300	322,306	2044	52,700	180,798	2054	74,200	118,811





General

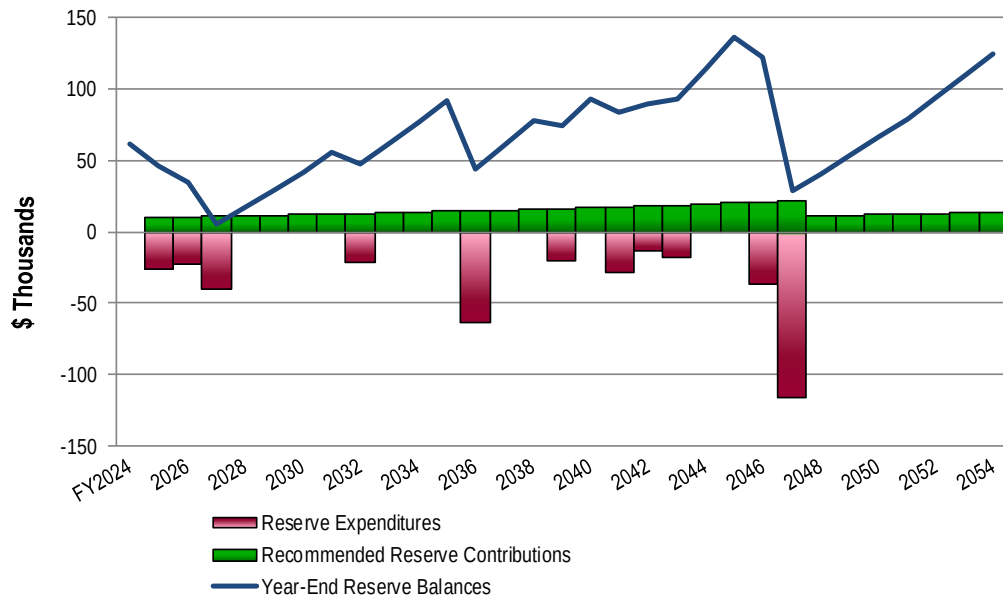
Funding Goal: Our recommended Funding Plan recognizes these threshold funding years in 2027 due to the replacement of the vehicular pavers and in 2047 due to the subsequent replacement of the vehicular pavers and replacement of the irrigation system. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately \$124,500. We judge this amount of accumulated reserves in 2054 necessary to fund the likely replacement of the pedestrian pavers and bollard light fixtures after 2054. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2054 year end reserves.

Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Allocate \$60,830 of the Anticipated 2024 Year End Reserve balance to the General Reserve Fund.
- We recommend the Association adopt a General Reserve budget of \$10,000 in 2025
- Inflationary increases from 2026 through 2047
- Decrease to \$11,000 by 2048 due to fully funding for replacement of the masonry pavers
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 General Reserve Contribution of \$10,000 is equivalent to an average monthly contribution of \$52.08 per owner.
- Florida Statute 718.112 provides for a majority of the voting interest to waive or reduce reserve for General (non-structural) items. Consult legal counsel or your property management company for further guidance.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2025	10,000	45,761	2035	14,200	92,046	2045	20,000	136,150
2026	10,400	34,163	2036	14,700	44,024	2046	20,700	122,320
2027	10,800	5,441	2037	15,200	60,256	2047	21,400	28,734
2028	11,200	16,862	2038	15,700	77,318	2048	11,000	40,419
2029	11,600	28,915	2039	16,200	74,515	2049	11,400	52,741
2030	12,000	41,613	2040	16,800	92,973	2050	11,800	65,714
2031	12,400	54,969	2041	17,400	83,404	2051	12,200	79,350
2032	12,800	46,852	2042	18,000	89,698	2052	12,600	93,663
2033	13,200	61,121	2043	18,600	92,336	2053	13,000	108,666
2034	13,700	76,180	2044	19,300	113,676	2054	13,500	124,474





2.RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Structural Integrity Reserve Study* of

Via Mare Condominium Association, Inc.

Atlantic Beach, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, June 19, 2024. We conducted the original inspection on March 19, 2020.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook** - Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration or which were identified as part of your request for proposed services. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Owners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management and the Board. These classes of property include:

- Reserve Components (Structural and General)
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Owners
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. Reserve Components are defined by CAI as property elements with:

- Via Mare responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Structural Integrity Reserve Expenditures - At the direction of the Board that recognizes their fiduciary responsibility and as required by Florida Statute 718.103 (25), we have conducted a *Structural Integrity* Reserve Study of Via Mare Condominium



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

- Roof
- Load Bearing Walls or Other Primary Structural Members
- Exterior Doors
- Fireproofing and Fire Protection Elements
- Plumbing
- Electrical Systems
- Structure
- Waterproofing and Exterior Painting
- Windows
- Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed above

Items Excluded from Structural Integrity Reserve Expenditures - We exclude 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

We discuss specific exclusions for the following elements:

- **Structure and 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.
- **Fire Protection and Plumbing Pipes** - We anticipate a useful life of up to and beyond 80 years. Our inspection is visual, non-invasive and excludes camera inspections. 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.

- Windows and Doors – Maintained and replaced by the owners

The following tables depict the items excluded from the Reserve Expenditure plan:

Excluded Components

for
Via Mare
Condominium Association, Inc.
Atlantic Beach, Florida

Operating Budget Components
Repairs normally funded through the Operating Budget and Expenditures less than \$5,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds.
• Bike Racks • Concrete Curbs • Fence, Chain Link, West Perimeter • Fountains • Gravel Replenishment, Rear Parking Area • Irrigation System, Controls and Maintenance • Landscape, Subsequent Partial Replacements¹ • Paint Finishes, Touch Up • Pavers, Interim Resetting and Partial Replacements • Signage • Site Furniture
¹ The Association plans to perform a landscaping project in 2024 and fund that work through Reserves. Management and the Board inform us that future landscaping projects will be funded through the operating budget

Long-Lived Components		
These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.	Useful Life	Estimated Cost
• Foundations	Indeterminate	N/A
• Pipes, Interior Building, Domestic Water and Sanitary Waste, Common	to 80+	N/A
• Pipes, Subsurface Utilities	to 85	N/A
• Structural Frames	Indeterminate	N/A

Excluded Components

for
Via Mare
Condominium Association, Inc.
Atlantic Beach, Florida

Owners Responsibility Components
Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back.
• Electrical Systems (Incl. Circuit Protection Panels)¹ • Floor Coverings, Balconies and Patios • Heating, Ventilating and Air Conditioning (HVAC) Units • Interiors • Pipes ¹ • Screens and Frames, Balconies and Patios • Spiral Staircases • Windows and Doors
¹ Within Units

Others Responsibility Components
Certain items have been designated as the responsibility of Others to repair or replace.
• Concrete Gutters and Sidewalks (Adjacent to Ahern Street)¹ • Mailboxes ² • Pavers, Masonry, Rear Parking Access³
¹ Municipality
² United States Postal Service
³ Neighboring Community

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- 2024 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

Structural Integrity

RESERVE EXPENDITURES

Years 2024 to 2039

Via Mare
Condominium Association, Inc.
Atlantic Beach, Florida

- Explanatory Notes:
- 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																	
Exterior Building Elements																											
1.105	480	480	Linear Feet	Balconies and Breezeways, Railings, Aluminum	2042	to 35	18	110.00	52,800	52,800	6.4%																
1.128	3,500	3,500	Square Feet	Balconies and Breezeways, Wood Frame with Concrete Topping, Inspections and Capital Repairs (Incl. Terraces)	2028	8 to 12	4	11.25	39,375	39,375	12.9%				45,184											63,736	
1.240	1,400	1,400	Linear Feet	Gutters and Downspouts, Aluminum	2036	to 20	12	9.00	12,600	12,600	3.5%													19,039			
1.460	50	50	Squares	Roofs, Metal	2036	to 30	12	1,400.00	70,000	70,000	6.9%													105,775			
1.500	720	720	Square Feet	Roofs, Modified Bitumen	2036	15 to 20	12	22.00	15,840	15,840	4.4%													23,935			
1.600	8	8	Each	Staircases, Metal	2042	to 35	18	16,500.00	132,000	132,000	15.9%																
1.605	4	4	Buildings	Structural Members, Inspections	2037	to 10	13	3,000.00	12,000	12,000	2.9%													18,767			
1.880	21,300	21,300	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2025	5 to 7	1	2.00	42,600	42,600	24.6%	44,091						56,096									71,370
Building Services Elements																											
3.300	2	1	Allowance	Electrical System, Main Panels, Phased	2047	to 45+	23 to 28	62,500.00	62,500	125,000	19.6%																
3.555	1	1	Each	Life Safety System, Control Panel	2030	to 15	6	8,000.00	8,000	8,000	1.7%						9,834										
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2030	to 25	6	5,000.00	5,000	5,000	1.1%						6,146										
Anticipated Expenditures, By Year (\$1,538,187 over 30 years)												0	44,091	0	0	45,184	0	15,980	0	56,096	0	0	0	148,750	18,767	63,736	71,370

Structural Integrity

RESERVE EXPENDITURES

Years 2040 to 2054

				Via Mare Condominium Association, Inc. Atlantic Beach, Florida																								
Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years		Costs, \$			Percentage of Future Expenditures	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)		2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054		
				Exterior Building Elements																								
1.105	480	480	Linear Feet	Balconies and Breezeways, Railings, Aluminum	2042	to 35	18	110.00	52,800	52,800	6.4%	98,075																
1.128	3,500	3,500	Square Feet	Balconies and Breezeways, Wood Frame with Concrete Topping, Inspections and Capital Repairs (Incl. Terraces)	2028	8 to 12	4	11.25	39,375	39,375	12.9%	89,906																
1.240	1,400	1,400	Linear Feet	Gutters and Downspouts, Aluminum	2036	to 20	12	9.00	12,600	12,600	3.5%													35,366				
1.460	50	50	Squares	Roofs, Metal	2036	to 30	12	1,400.00	70,000	70,000	6.9%																	
1.500	720	720	Square Feet	Roofs, Modified Bitumen	2036	15 to 20	12	22.00	15,840	15,840	4.4%													44,460				
1.600	8	8	Each	Staircases, Metal	2042	to 35	18	16,500.00	132,000	132,000	15.9%	245,189																
1.605	4	4	Buildings	Structural Members, Inspections	2037	to 10	13	3,000.00	12,000	12,000	2.9%	26,473																
1.880	21,300	21,300	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2025	5 to 7	1	2.00	42,600	42,600	24.6%	90,802												115,526				
				Building Services Elements																								
3.300	2	1	Allowance	Electrical System, Main Panels, Phased	2047	to 45+	23 to 28	62,500.00	62,500	125,000	19.6%	137,882												163,761				
3.555	1	1	Each	Life Safety System, Control Panel	2030	to 15	6	8,000.00	8,000	8,000	1.7%	16,475																
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2030	to 25	6	5,000.00	5,000	5,000	1.1%	10,297																
				Anticipated Expenditures, By Year (\$1,538,187 over 30 years)										0	0	343,264	0	0	26,773	90,802	164,356	89,906	0	0	0	163,761	115,526	79,825

RESERVE FUNDING PLAN

Structural Integrity
CASH FLOW ANALYSIS
Via Mare
Condominium Association, Inc.

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
Atlantic Beach, Florida		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	(Note 1)	N/A	123,503	109,014	139,777	172,166	160,576	195,502	216,097	254,355	237,933	279,052	322,306	367,738	265,255	293,419	278,142
Total Recommended Reserve Contributions	(Note 2)	N/A	27,300	28,300	29,300	30,300	31,400	32,500	33,600	34,800	36,000	37,300	38,600	40,000	41,400	42,800	44,300
Estimated Interest Earned, During Year	(Note 3)	N/A	2,302	2,463	3,089	3,294	3,526	4,075	4,658	4,874	5,119	5,954	6,832	6,267	5,531	5,659	5,292
Anticipated Expenditures, By Year		N/A	(44,091)	0	0	(45,184)	0	(15,980)	0	(56,096)	0	0	0	(148,750)	(18,767)	(63,736)	(71,370)
Anticipated Reserves at Year End		\$123,503	\$109,014	\$139,777	\$172,166	\$160,576	\$195,502	\$216,097	\$254,355	\$237,933	\$279,052	\$322,306	\$367,738	\$265,255	\$293,419	\$278,142	\$256,364

(continued)	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year	256,364	307,850	361,982	72,217	125,070	180,798	212,418	181,920	78,543	50,313	114,444	182,080	253,392	163,055	122,052
Total Recommended Reserve Contributions	45,900	47,500	49,200	50,900	52,700	54,500	56,400	58,400	60,400	62,500	64,700	67,000	69,300	71,700	74,200
Estimated Interest Earned, During Year	5,586	6,632	4,299	1,953	3,028	3,893	3,904	2,579	1,276	1,631	2,936	4,312	4,123	2,823	2,385
Anticipated Expenditures, By Year	0	0	(343,264)	0	0	(26,773)	(90,802)	(164,356)	(89,906)	0	0	0	(163,761)	(115,526)	(79,825)
Anticipated Reserves at Year End	<u>\$307,850</u>	<u>\$361,982</u>	<u>\$72,217</u>	<u>\$125,070</u>	<u>\$180,798</u>	<u>\$212,418</u>	<u>\$181,920</u>	<u>\$78,543</u>	<u>\$50,313</u>	<u>\$114,444</u>	<u>\$182,080</u>	<u>\$253,392</u>	<u>\$163,055</u>	<u>\$122,052</u>	<u>\$118,811</u>
			(NOTE 5)					(NOTE 5)							(NOTE 4)

Explanatory Notes:

- 1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the General Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) 2.0% is the estimated annual rate of return on invested reserves; 2024 is a partial year of interest earned.
- 4) Accumulated year 2054 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

Structural Integrity
FIVE-YEAR OUTLOOK

Via Mare
Condominium Association, Inc.
Atlantic Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
<u>Exterior Building Elements</u>							
1.128	Balconies and Breezeways, Wood Frame with Concrete Topping, Inspections and Capital Repairs (Incl. Terraces)					45,184	
1.880	Walls, Stucco, Paint Finishes and Capital Repairs		44,091				
<u>Building Services Elements</u>							
Anticipated Expenditures, By Year (\$1,538,187 over 30 years)		0	44,091	0	0	45,184	0

General

RESERVE EXPENDITURES

Years 2024 to 2039

Via Mare
Condominium Association, Inc.
Atlantic Beach, Florida

Explanatory Notes:
1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039	
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																		
Exterior Building Elements																												
1.260	72	72	Each	Light Fixtures	2039	to 20	15	170.00	12,240	12,240	4.9%																20,506	
Property Site Elements																												
4.120	2,400	400	Square Feet	Concrete Driveway, Partial	2026	to 65	2 to 30+	16.00	6,400	38,400	7.1%		6,856										9,671					
4.245	85	85	Linear Feet	Fences, Aluminum, Replacement	2042	to 35	18	85.00	7,225	7,225	3.2%																	
4.260	210	210	Linear Feet	Fence, Vinyl	2025	15 to 20	1	44.00	9,240	9,240	6.5%	9,563																
4.420	6	6	Zones	Irrigation System	2047	to 40+	23	2,800.00	16,800	16,800	8.8%																	
4.500	1	1	Allowance	Landscape, Near-Term Partial Replacements (2024 is Budgeted)	2024	N/A	0	13,500.00	13,500	13,500	3.2%	13,500																
4.540	2	2	Each	Lift Station, Pumps	2026	to 10	2	5,500.00	11,000	11,000	8.3%		11,783															
4.550	1	1	Each	Lift Station, Rebuild	2036	to 30	12	36,000.00	36,000	36,000	12.9%												54,398					
4.560	16	16	Each	Light Poles and Fixtures, Bollard	2025	15 to 20	1	1,000.00	16,000	16,000	10.7%	16,560																
4.620	1,850	1,850	Square Feet	Pavers, Masonry, Pedestrian	2032	to 25	8	9.00	16,650	16,650	5.2%							21,925										
4.621	4,000	4,000	Square Feet	Pavers, Masonry, Vehicular	2027	15 to 20	3	9.00	36,000	36,000	28.3%			39,914														
	1	1	Allowance	Structural Integrity Reserve Study Update with Site Visit	2026	2	2	4,150.00	4,150	4,150	1.0%		4,150															
Anticipated Expenditures, By Year (\$422,297 over 30 years)												13,500	26,123	22,789	39,914	0	0	0	0	21,925	0	0	0	0	64,069	0	0	20,506

RESERVE EXPENDITURES

Via Mare
Condominium Association, Inc.
Atlantic Beach, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years		Costs, \$			Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054	
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																	
Exterior Building Elements																											
1.260	72	72	Each	Light Fixtures	2039	to 20	15	170.00	12,240	12,240	4.9%																
Property Site Elements																											
4.120	2,400	400	Square Feet	Concrete Driveway, Partial	2026	to 65	2 to 30+	16.00	6,400	38,400	7.1%	13,642															
4.245	85	85	Linear Feet	Fences, Aluminum, Replacement	2042	to 35	18	85.00	7,225	7,225	3.2%	13,420															
4.260	210	210	Linear Feet	Fence, Vinyl	2025	15 to 20	1	44.00	9,240	9,240	6.5%	17,764															
4.420	6	6	Zones	Irrigation System	2047	to 40+	23	2,800.00	16,800	16,800	8.8%	37,063															
4.500	1	1	Allowance	Landscape, Near-Term Partial Replacements (2024 is Budgeted)	2024	N/A	0	13,500.00	13,500	13,500	3.2%																
4.540	2	2	Each	Lift Station, Pumps	2026	to 10	2	5,500.00	11,000	11,000	8.3%	23,447															
4.550	1	1	Each	Lift Station, Rebuild	2036	to 30	12	36,000.00	36,000	36,000	12.9%																
4.560	16	16	Each	Light Poles and Fixtures, Bollard	2025	15 to 20	1	1,000.00	16,000	16,000	10.7%	28,715															
4.620	1,850	1,850	Square Feet	Pavers, Masonry, Pedestrian	2032	to 25	8	9.00	16,650	16,650	5.2%																
4.621	4,000	4,000	Square Feet	Pavers, Masonry, Vehicular	2027	15 to 20	3	9.00	36,000	36,000	28.3%	79,420															
	1	1	Allowance	Structural Integrity Reserve Study Update with Site Visit	2026	2	2	4,150.00	4,150	4,150	1.0%																
Anticipated Expenditures, By Year (\$422,297 over 30 years)												0	28,715	13,420	17,764	0	0	37,088	116,483	0	0	0	0	0	0	0	

RESERVE FUNDING PLAN

General

CASH FLOW ANALYSIS

Via Mare

Condominium Association, Inc.

Atlantic Beach, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	(Note 1)	N/A	60,830	45,761	34,163	5,441	16,862	28,915	41,613	54,969	46,852	61,121	76,180	92,046	44,024	60,256	77,318
Total Recommended Reserve Contributions	(Note 2)	N/A	10,000	10,400	10,800	11,200	11,600	12,000	12,400	12,800	13,200	13,700	14,200	14,700	15,200	15,700	16,200
Estimated Interest Earned, During Year	(Note 3)	N/A	1,055	791	392	221	453	698	956	1,008	1,069	1,359	1,666	1,347	1,032	1,362	1,503
Anticipated Expenditures, By Year		N/A	(26,123)	(22,789)	(39,914)	0	0	0	0	(21,925)	0	0	0	(64,069)	0	0	(20,506)
Anticipated Reserves at Year End		<u>\$60,830</u>	<u>\$45,761</u>	<u>\$34,163</u>	<u>\$5,441</u>	<u>\$16,862</u>	<u>\$28,915</u>	<u>\$41,613</u>	<u>\$54,969</u>	<u>\$46,852</u>	<u>\$61,121</u>	<u>\$76,180</u>	<u>\$92,046</u>	<u>\$44,024</u>	<u>\$60,256</u>	<u>\$77,318</u>	<u>\$74,515</u>
					(NOTE 5)												

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

		2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year		74,515	92,973	83,404	89,698	92,336	113,676	136,150	122,320	28,734	40,419	52,741	65,714	79,350	93,663	108,666
Total Recommended Reserve Contributions		16,800	17,400	18,000	18,600	19,300	20,000	20,700	21,400	11,000	11,400	11,800	12,200	12,600	13,000	13,500
Estimated Interest Earned, During Year		1,658	1,746	1,714	1,802	2,040	2,474	2,559	1,496	685	922	1,173	1,436	1,713	2,003	2,308
Anticipated Expenditures, By Year		0	(28,715)	(13,420)	(17,764)	0	0	(37,088)	(116,483)	0	0	0	0	0	0	0
Anticipated Reserves at Year End		<u>\$92,973</u>	<u>\$83,404</u>	<u>\$89,698</u>	<u>\$92,336</u>	<u>\$113,676</u>	<u>\$136,150</u>	<u>\$122,320</u>	<u>\$28,734</u>	<u>\$40,419</u>	<u>\$52,741</u>	<u>\$65,714</u>	<u>\$79,350</u>	<u>\$93,663</u>	<u>\$108,666</u>	<u>\$124,474</u>
									(NOTE 5)							(NOTE 4)

Explanatory Notes:

- 1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
- 2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
- 3) 2.0% is the estimated annual rate of return on invested reserves; 2024 is a partial year of interest earned.
- 4) Accumulated year 2054 ending reserves consider the need to fund for replacement of the pedestrian pavers and bollard light fixtures shortly after 2054, and the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

General
FIVE-YEAR OUTLOOK

Via Mare
Condominium Association, Inc.
Atlantic Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
<u>Property Site Elements</u>							
4.120	Concrete Driveway, Partial			6,856			
4.260	Fence, Vinyl		9,563				
4.500	Landscape, Near-Term Partial Replacements (2024 is Budgeted)	13,500					
4.540	Lift Station, Pumps			11,783			
4.560	Light Poles and Fixtures, Bollard		16,560				
4.621	Pavers, Masonry, Vehicular				39,914		
Structural Integrity Reserve Study Update with Site Visit				4,150			
Anticipated Expenditures, By Year (\$422,297 over 30 years)		13,500	26,123	22,789	39,914	0	0

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Structural Integrity* Reserve Study includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

STRUCTURAL INTEGRITY - Exterior Building Elements



Building front elevation



Building rear elevation



Building side elevation

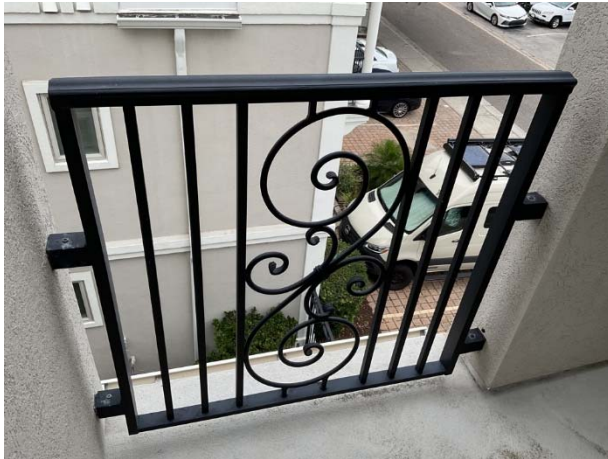
Balconies and Breezeways, Railings, Aluminum

Line Item: 1.105

Quantity: Approximately 480 linear feet of aluminum railings at the balconies and breezeways which are mechanically attached to the concrete structure. This quantity includes the Juliet balconies at the rear elevations

History: Original with the benefit of paint finishes applied in 2020 in coordination with the property site fencing

Condition: Good to fair overall with no significant deterioration evident



Decorative aluminum railing



Mechanically attached railing



Aluminum railings



Aluminum railings



Decorative railings at Juliet balconies

Useful Life: Up to 35 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Balconies and Breezeways, Wood Frame with Concrete Topping

Line Item: 1.128

Quantity: Approximately 3,500 square feet of horizontal surface area at the front and rear elevation balconies, the side elevation breezeways and the rooftop terraces. The Association informs us the unit owners are responsible for the balcony floor coverings where installed.

History: The Association performed a major renovation project at the balconies and breezeways in 2018. This project included adjusting the slope of the horizontal surfaces to prevent water infiltration into the structures

Condition: Good to fair overall with isolated water stains evident. We note minor cracks at the rooftop terraces



Balcony surfaces sloped away from structure



Balcony underside



Breezeway landing overview



Evidence of standing water



Flashing at breezeway perimeter



Front elevation balconies



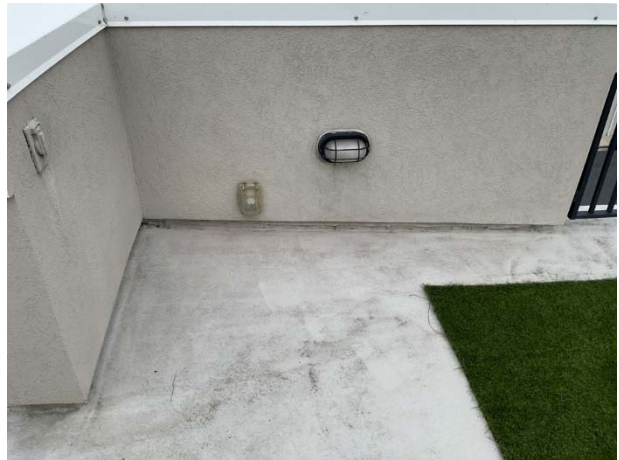
Wood frame balconies with concrete surfaces overview



Wood frame balcony with concrete surface



Cracks in rooftop terrace concrete surface



Perimeter flashing at rooftop terrace



Rooftop terrace overview

Useful Life: Inspections and capital repairs every 8- to 12-years

Component Detail Notes: We surmise the balconies and breezeways comprise thinset lightweight concrete over a waterproof membrane atop the wood structure below. A waterproof membrane minimizes storm water penetration into the wood structure and therefore minimizes future balcony deterioration. A fluid applied coating is applied to the top surface of the concrete for aesthetics and also to inhibit water infiltration to the concrete and underlying membrane. Failure to maintain the waterproof coatings on the balconies will result in increased wood frame repairs as the balconies age.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes the following activities per event:

- Removal of floor coverings where applied. Our cost excludes the replacement of the floor coverings which is the responsibility of the unit owner to replace.
- Removal and replacement of up to twenty percent (20%) of the thinset concrete topping and underlying waterproof membrane
- Partial replacement of up to twenty percent (20%) of wood components
- Repairs of adjacent wall surfaces
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Replacement of wood balcony support posts as needed
- Application of a vapor permeable coating (Urethane based elastomeric)

Gutters and Downspouts, Aluminum

Line Item: 1.240

Quantity: Approximately 1,400 linear feet of aluminum five-inch seamless gutters and two-inch by three-inch downspouts

History: Replaced in 2018. The Association informs us that minor repairs were performed in 2022. The exact scope of this work was not defined.

Condition: Good to fair overall with dented sections and gutter deflection evident.



Aluminum gutters and downspouts



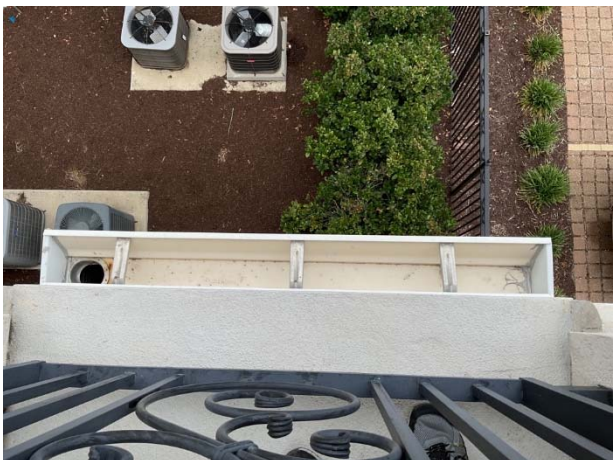
Downspout directed into drain



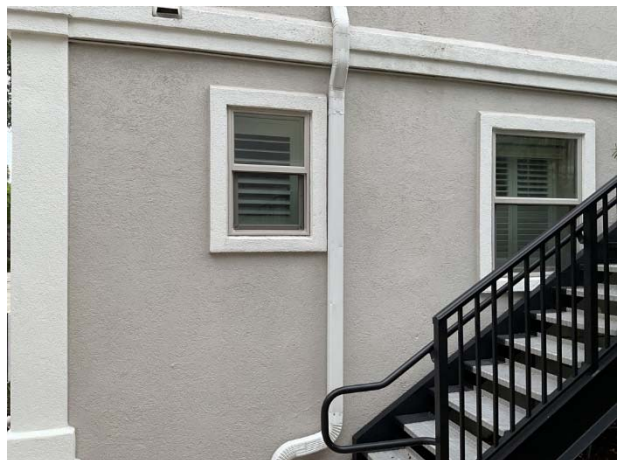
Downspouts discharging onto lower roof section



Gutter deflection



Aluminum gutter



Dented section

Useful Life: Up to 20 years

Component Detail Notes: The size of the gutter is determined by the roof's watershed area, a roof pitch factor and the rainfall intensity number of the Association's region. We

recommend sloping gutters 1/16 inch per linear foot and providing fasteners a maximum of every three feet.

Downspouts can drain 100 square feet of roof area per one square inch of downspout cross sectional area. We recommend the use of downspout extensions and splash blocks at the downspout discharge to direct storm water away from the foundations. Downspouts that discharge directly onto roofs cause premature deterioration of the roofs due to the high concentration of storm water. We recommend either routing these downspouts directly to the ground, connecting the downspouts to the gutters of the lower roof or distributing the storm water discharge over a large area. The useful life of gutters and downspouts coincides with that of the asphalt shingle roofs. Coordinated replacement will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Clean out debris and leaves that collect in the gutters
 - Repair and refasten any loose gutter fasteners
 - Repair and seal any leaking seams or end caps
 - Verify downspouts discharge away from foundations

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Roofs, Metal

Line Item: 1.460

Quantity: Approximately 50 squares¹

History: The Association reports that the metal roof sections were likely replaced in 2018. We recommend the Association should conduct inspections of the roofs semiannually and fund these inspections through the operating budget.

Condition: Good to fair overall with no significant deterioration evident. Via Mare does not report a history of leaks.

¹ We quantify the roof area in squares where one square is equal to 100 square feet of surface area.



Metal roof



Metal roofs overview



Metal roof

Useful Life: Up to 30 years

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Record any areas of water infiltration, flashing deterioration, damage or loose fasteners
 - o Implement repairs as needed if issues are reoccurring
 - o Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
 - o Clear valleys of debris
 - o Periodic cleaning at areas with organic growth

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Roofs, Modified Bitumen

Line Item: 1.500

Quantity: Approximately 720 square feet at the roof sections above the breezeways and balconies

History: Reportedly replaced in 2018. We note evidence of varied age based on visual condition. We recommend the Association should conduct inspections of the roofs semiannually and fund these inspections through the operating budget.

Condition: Fair overall with evidence of standing water where downspouts discharge directly onto lower roof sections. The Association does not report history of leaks.



Modified bitumen roof section with evidence of standing water



Modified bitumen roof at front elevation balconies

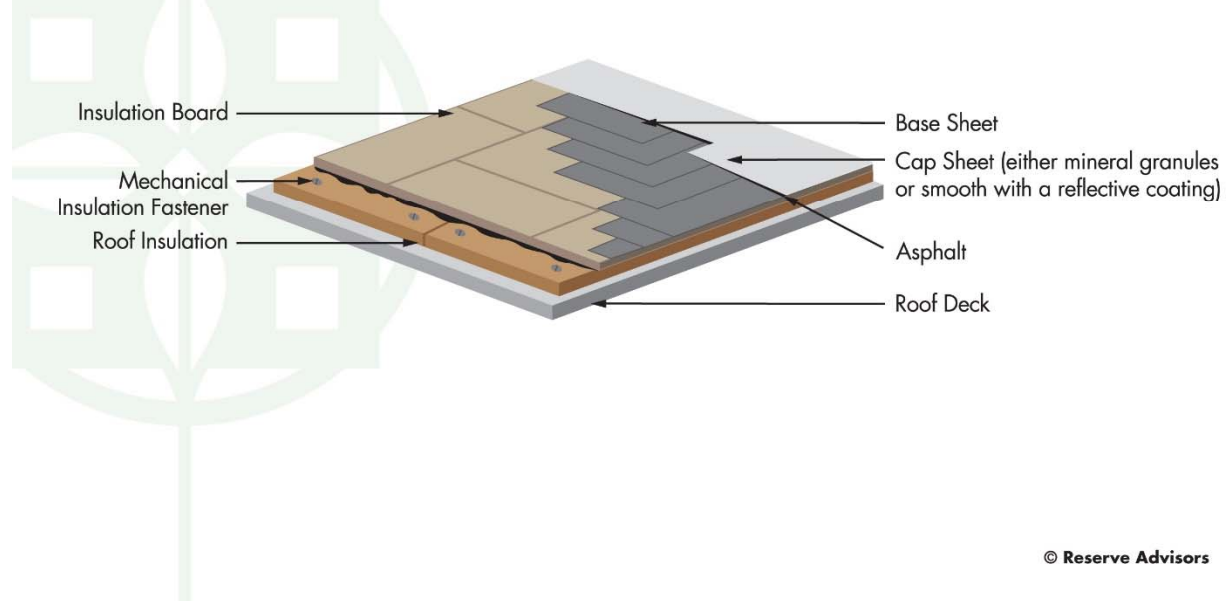


Modified bitumen roof section with evidence of standing water

Useful Life: 15- to 20-years

Component Detail Notes: Modified bitumen roofing systems are composed of factory manufactured sheets of polymer-modified bitumen with polyester and/or fiberglass reinforcements. The bitumen adds a waterproof characteristic to the system and the reinforcements add strength and puncture resistance. These factory assembled roofing systems offer the advantages of a built-up roofing system through a less labor intensive installation. The following detail depicts a typical modified bitumen roof although it may not reflect the actual configuration at Via Mare:

MODIFIED BITUMEN ROOF DETAIL



© Reserve Advisors

Contractors can install a new modified bitumen roof in one of two ways: *tear-off* or an *overlay*. An overlay is the application of a new roof membrane over an existing roof. This method, although initially more economical, often covers up problems with the deck, flashing and saturated insulation. The tear-off method of replacement includes removal of the existing roofing, flashings and insulation, and installation of a new roofing system.

The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The insulation should fit loosely with gaps no greater than $\frac{1}{4}$ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation. The contractor applies the base sheet of roofing over the insulation board. This sheet is normally 30-pound material. The contractor should start the installation of a roof membrane from the lowest points of the roof. Mechanical fastening and embedding the base sheet in a flood coat of hot asphalt is the best manner of installation. The

membrane and plies are either torch applied (thermoset) or hot asphalt applied. We recommend the contractor use the torch method to install a modified bitumen membrane roof system.

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - o Note drainage issues with water ponding after 48 hours of rainfall event.
 - o Inspect perimeter flashing for loose fasteners, deflections, and sealant damage
 - o Verify membrane surface is free of ruptures or damage, and areas of extensive blistering or bubbling

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Staircases

Line Item: 1.600

Quantity: Eight sets of steel frame staircases located at the unit entrance breezeways. At the request of the Association, we exclude the spiral staircases that provide access to the rooftop terraces as they are considered a unit-owner responsibility.

History: Original with the benefit of paint finish applications performed in 2020 in coordination with the property site fencing

Condition: Good to fair overall with no significant deterioration evident.



Staircase overview



Staircase overview



Staircase overview



Metal staircase structure

Useful Life: Up to 35 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - o Check railing stability and fasteners.
 - o Apply finish applications at areas with excessive finish deterioration, if applicable
 - o Replace damage or broken stair treads and ensure proper attachment to the building
- Every three years:
 - o Perform touch up paint finish applications

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Structural Members, Inspections

Line Item: 1.605

Quantity: The primary structural members of the building comprise:

- Foundation
- Floors
- Load-bearing walls
- Structural frame

Condition: Via Mare does not report a history of water infiltration since the 2018 exterior repair project, settlement or structural concerns with the primary structural members. Our visual, non-invasive inspection is limited to visually apparent components of the structural members.

Useful Life: Up to and likely beyond 100 years; however, we consider full replacement unlikely and cost prohibitive. Per Florida Bill SB 4-D, condominium and cooperative buildings three stories or more in height require milestone inspections 30 years after initial occupancy. Subsequent milestone inspections are required every 10 years thereafter.

Component Details: Per the Bill (553.899(2-7)), a milestone inspection consists of two phases. The initial milestone inspection (Phase 1), conducted by a licensed engineer or architect, includes a visual examination “including the major structural components of a building, and provide a qualitative assessment of the structural conditions of the building”. Phase 2 is only required if “substantial structural deterioration is identified”.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. At this time we do not anticipate capital repairs related to the structural members. Rather we include an expenditure for required inspections discussed above. Updates of this Reserve Study would incorporate significant repair costs deemed necessary following necessary inspections.

Walls, Stucco

Line Item: 1.880

Quantity: Approximately 21,300 square feet of the building exteriors

History: Applied paint finishes and repaired in 2018.

Condition: Fair overall with periodic cracks, previous repairs, finish fade, finish stains and soiled finishes evident. We note the following:

- Minor cracks are evident
- Isolated damaged stucco is evident

- Sealants are in good condition
- The stucco properly terminates four inches above grade
- The stucco properly terminates two inches above lower roof sections
- Kickout/diverter flashing is evident



Finish deterioration



Inconsistent finishes behind light fixture



Stains



Stucco terminates above terraces



Evidence of previous crack repair



Stucco cracks



Stucco damage



Efflorescence



Evidence of previous repair



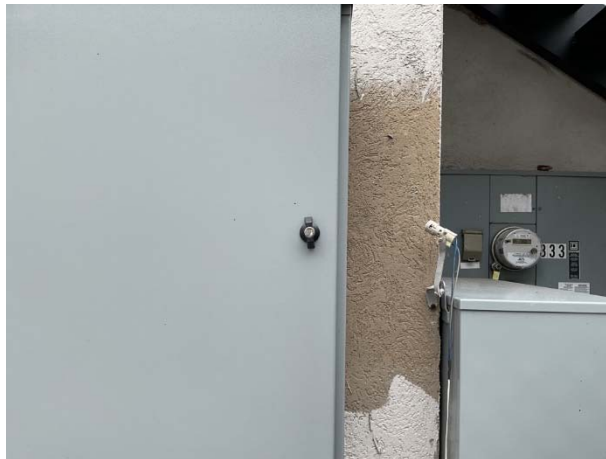
Stucco damage at balcony edge



Stucco damage



Flashing and diverter at balcony

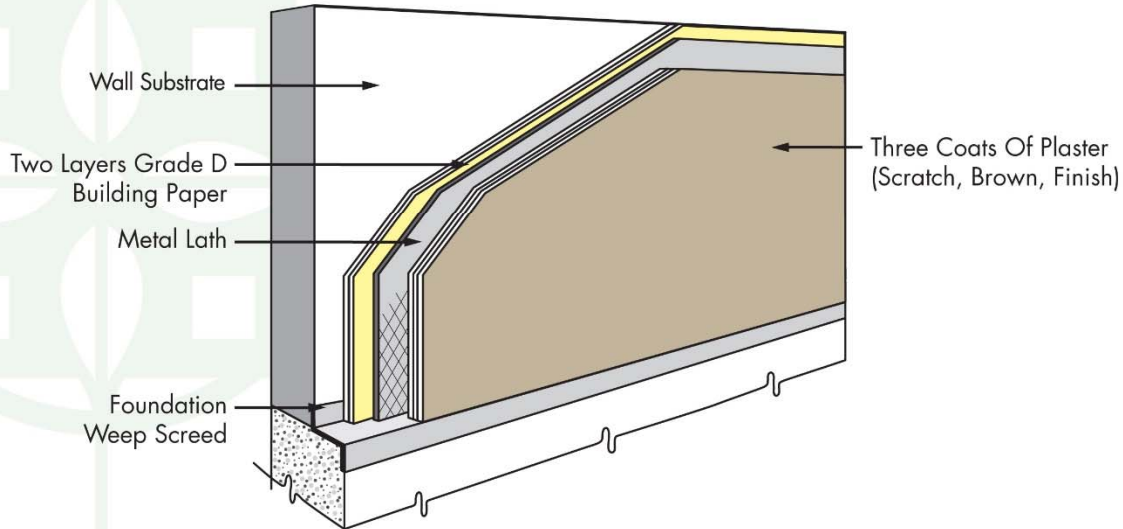


Inconsistent finishes near life safety system control panel

Useful Life: We recommend inspections, repairs and paint finish applications every five-to seven-years.

Component Detail Notes: The following graphic details the typical components of a stucco wall system on frame construction although it may not reflect the actual configuration at Via Mare:

STUCCO DETAIL



© Reserve Advisors

Correct and complete preparation of the surface before application of the paint finish maximizes the useful life of the paint finish and surface. The contractor should remove all loose, peeled or blistered paint before application of the new paint finish. The contractor should then power wash the surface to remove all dirt and biological growth. Water-soluble cleaners that will not attack Portland cement are acceptable for removing stains.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost anticipates the following in coordination with each paint finish application:

- Complete inspection of the stucco
- Crack repairs as needed (Each paint product has the limited ability to cover and seal cracks but we recommend repair of all cracks which exceed the ability of the paint product to bridge.)
- Replacement of up to one percent (1%), of the stucco walls (The exact amount of area in need of replacement will be discretionary based on the actual future conditions and the desired appearance.)
- Replacement of up to thirty-three percent (33%) of the sealants in coordination with each paint finish application.

STRUCTURAL INTEGRITY - Building Services Elements

Electrical System

Line Item: 3.300

History: Primarily original to construction

Condition: Reported satisfactory without operational deficiencies. We note the following:

- The Association did not report a history of thermoscan inspections
- Transformers are maintained by the utility provider
- Homeowners are responsible for the meters and the electrical systems within units
- No obvious exposed wires were observed during our site inspection. However, our inspection is not exhaustive and the Association should conduct periodic inspections of the electrical rooms to ensure no unsafe conditions develop.
- Rust at electrical panels was present. This indicates a presence of moisture or water which can result in unsafe conditions.



Electrical system main panels



Electrical system main panels



Evidence of water infiltration at common circuit breaker panel

Useful Life: Up to and sometimes beyond 45 years

Component Detail Notes: The system includes:

- Breaker type circuit protection panels for low ampacity circuits
- Copper wires
- 200-Amps on average to the units
- 800-Amp main service to the buildings
- Homeowners are responsible for the electrical system from the meter to the unit

We give a brief overview of electrical system components in the following sections of this narrative:

Distribution Panel - The distribution panel is an electric switchboard or panel used to control, energize or turn off electricity in total or for individual circuits. The panel also distributes electricity to individual and controllable circuits. One or more distribution panels may exist and further distribute electricity to individual panel boards for each unit. The distribution panel is enclosed in a box and contains circuit breakers, fuses and switches. Distribution panels have a useful life of up to and sometimes beyond 45 years.

Circuit Protection - Once electricity is distributed throughout the building and is at a usable voltage level, the electricity is divided into circuits. Each circuit requires circuit protection. Circuit protection is necessary to prevent injury and fires, and minimize damage to electrical components and disturbances to the electrical system. Abnormalities in the circuit can include overloads, short circuits and surges. Circuit protection devices are commonly referred to as circuit breakers and fuses. For the protection of the circuits in the units and common areas, we recommend the use of only circuit breakers as they are safer than fuses. However, the use of fuses is common for equipment like emergency systems and individual items of equipment. Fuses with a low capacity rating can easily be replaced with fuses of a higher rating resulting in an unprotected, overloaded and unsafe circuit.

The circuit protection panels have a useful life of up to and sometimes beyond 45 years.

Conductors - Conductors are the electrical wires that convey electricity to the units, light fixtures, receptacles and appliances. Conductors in typical high and low capacity circuits are copper. Copper conductors have an indefinite useful life.

Conductor Insulation and Conduit - Conductor insulation provides protection against the transfer of electricity. Conductor insulation can eventually become brittle and damaged from rodents or heat from many years of service. Conductor conduit is a pipe or tube used to enclose insulated electric wires to protect them from damage. Steel conductor conduit, although galvanized, will eventually rust if used in damp conditions. The useful life of conductor insulation and conduit is indeterminate.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect system for signs of electrical overheating, deterioration, and/or panel corrosion
 - Clean and vacuum exterior and interior switchboards
- Five-Year Cycles:
 - Inspect wiring, relays, power supply units, and timers
 - Verify surge protection is intact
- As-needed:
 - Test outlets and ground-fault circuit interrupters (GFCI's) for faulty components
 - Ensure all conductors are clean and dry with no moisture build-up
 - Check and inspect for loose wire connections
 - Clean and clear dust and debris away from system components
 - Check for flickering or dimming light fixtures as these could indicate a short in the wiring, arcing, or an over-extension of the electrical system
 - Conduct thermal image scanning if system experiences numerous or consistent outages
 - Keep an accurate record of all repairs to the electrical system

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget to replace the distribution and circuit protection panels. Updates of this Reserve Study will consider possible changes in the scope and times of component replacements based on the conditions, including the need for replacement of the wires.

We recommend the Association conduct thermoscans of the distribution panels and circuit protection panels, and inspections of the transformers for any indications of arcing, burning or overheating on a regular basis, funded through the operating budget. Verification of the integrity of all connection points minimizes the potential for arcing and fires.

Life Safety System

Line Items: 3.555 and 3.560

Quantity: The life safety system at Via Mare includes the following components:

- Audio/visual fixtures
- Silent Knight (Honeywell) control panel
- Pull stations
- Wiring

History: The Association performed repairs to the control panel in 2023. The exact scope of these repairs was not defined at the time of our inspection. The Association did not report replacement of the control panel or emergency devices at the time of the most recent repair.

Conditions: Reported satisfactory without operational deficiencies since the recent control panel repair. The system was last inspected in May 2023. The life safety system was tagged acceptable during the most recent inspection.



Emergency device



Control panel



Control panel enclosures

Useful Life: Up to 25 years for the devices and up to 15 years for the control panel

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 72* (National Fire Alarm and Signaling Code) we also recommend the Association maintain a maintenance contract with a qualified professional. The display panel read 'System Normal' at the time of our inspection. The required preventative maintenance may vary in frequency and scope based on the age of the components, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Inspect and test all components and devices, including, but not limited to, control panels, annunciators, detectors, audio/visual fixtures, signal transmitters and magnetic door holders
 - Test backup batteries
- As-needed:
 - Ensure clear line of access to components such as pull stations
 - Ensure detectors are properly positioned and clean of debris

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Changes in technology or building codes may make a replacement desirable prior to the end of the functional life. Our estimate of future cost considers only that amount necessary to duplicate the same functionality. Local codes or ordinances at the actual time of replacement may require a betterment as compared to the existing system. A betterment could result in a higher, but at this time unknown, cost of replacement.

GENERAL - Exterior Building Elements

Light Fixtures

Line Item: 1.260

Quantity: Approximately 72 exterior metal light fixtures accent the unit entries, building façades at balconies and the courtyards

History: Replaced in 2019.

Condition: Good to fair overall with no significant deterioration evident.



Wall mounted light fixtures



Ceiling mounted light fixture at unit entry



Light fixtures at courtyards

Useful Life: Up to 20 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:

- o Replace burned out bulbs at common fixtures as needed
- o Inspect and repair broken or dislodged fixtures
- o Ensure a waterproof seal between the fixture and building exists

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

GENERAL - Property Site Elements

Concrete Driveway

Line Item: 4.120

Quantity: Approximately 2,400 square feet at the rear parking area

Condition: Good to fair overall. We note recent partial replacements, cracks and spalled concrete



Concrete driveway



Recently replaced section



Driveway cracks



Spalled concrete



Concrete driveway

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair major cracks, spalls and trip hazards
 - o Mark with orange safety paint prior to replacement or repair
 - o Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 1,200 square feet of concrete driveways, or fifty percent (50%) of the total, will require replacement during the next 30 years.

Fences, Aluminum

Line Item: 4.245

Quantity: Approximately 85 linear feet at the courtyard entrances

History: Original with the benefit of paint finishes applied in 2020.

Condition: Good overall with no significant deterioration evident



Aluminum fence at courtyard



Aluminum fence at courtyard

Useful Life: Up to 35 years (The useful life of the finish is indeterminate. Future updates of this Reserve Study will again consider the need to refinish the fences based on condition.)

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair loose fasteners or sections, and damage
 - o Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Fence, Vinyl

Line Item: 4.260

Quantity: Approximately 210 linear feet at the north perimeter

History: Original

Condition: Fair overall with panel damage, mildew buildup and leaning sections evident



Vinyl fence



Fence panel damage



Mildew buildup



Fence leaning section

Useful Life: 15- to 20-years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair loose panels, and damage
 - o Repair leaning sections and clear vegetation from fence areas which could cause damage
 - o Periodically clean vinyl fence as needed

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Irrigation System

Line Item: 4.420

Quantity: Six zones at one controller

History: Largely original with the benefit of interim component replacements performed on an as-needed basis

Condition: Satisfactory operational condition



Irrigation system controller

Useful Life: Up to and sometimes beyond 40 years

Component Detail Notes: Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Valves

Via Mare should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - o Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs
 - o Blow out irrigation water lines and drain building exterior faucets each fall if applicable



Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Landscape

Line Item: 4.500

Component Detail Notes: The Association informs us that Via Mare will perform a partial replacement project at the landscaping in the courtyards and throughout the property in the near-term. This project will be funded through the Reserve account. The Association informs us that future landscaping projects will be considered an operational expense.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost for near-term landscaping is based on information provided by the Association.

Lift Station, Pumps

Line Item: 4.540

Quantity: Two pumps of indeterminate capacity

History: The age of the pumps was unavailable at the time of our inspection.

Condition: Reported satisfactory

Useful Life: Up to 10 years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - o Inspect and repair bearings, lubricant and shaft seals, and grease motor bearings as needed
 - o Test and adjust pump if excessive vibration is evident. Inspect impeller for wear, corrosion or damage.
 - o Check amperage draw on motors for functionality
 - o Check all float switches for functionality

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Lift Station, Rebuild

Line Item: 4.550

Quantity: One lift station

History: Original

Condition: Reported satisfactory



Lift station controls



Lift station pit



Lift station

Useful Life: Up to 30 years

Preventative Maintenance Notes: The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in

technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - o Inspect lifting chain/cable and guide rails
 - o Inspect check valves for wear and damage
 - o Check all controls and electrical components
 - o Clean and remove grease and other debris as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Rebuilding of the station includes replacement of pumps, motors, guide rails and electrical components including controls.

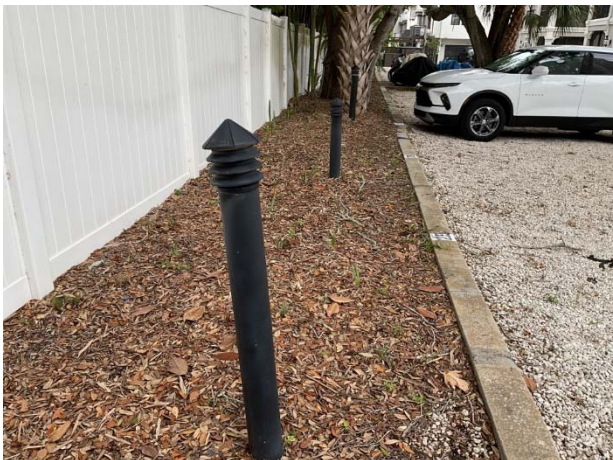
Light Poles and Fixtures, Bollards

Line Item: 4.560

Quantity: 16 bollard light fixtures at the rear parking area

History: Original

Condition: Fair overall. We note leaning and damaged fixtures



Leaning bollard light fixture



Bollard light fixtures



Leaning fixtures



Missing fixture

Useful Life: 15- to 20-years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - o Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
 - o Replaced burned out bulbs as needed

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Pavers, Masonry

Line Items: 4.620 and 4.621

Quantity: Approximately 1,850 square feet of pedestrian pavers at the courtyards and approximately 4,000 square feet of permeable vehicular pavers at the front elevation parking areas. This quantity excludes the vehicular pavers at the east border of the property. These pavers provide access to the rear parking area but are maintained by the adjacent development.

History: Original

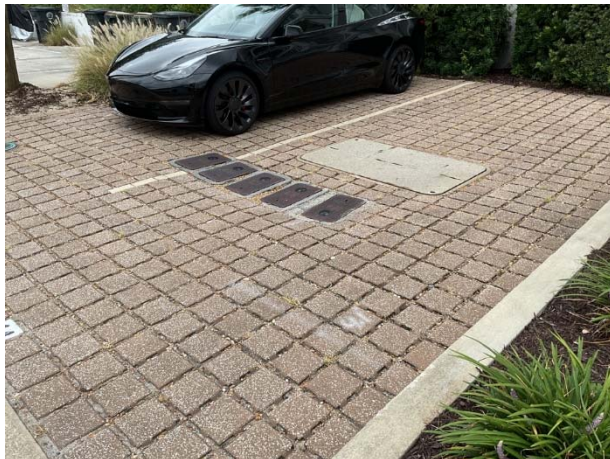
Condition: The pedestrian pavers are in good to fair overall condition with no significant deterioration evident. The vehicular pavers are in fair overall condition with paver spalls, settlement and vehicle fluid stains evident



Minor paver damage at parking area



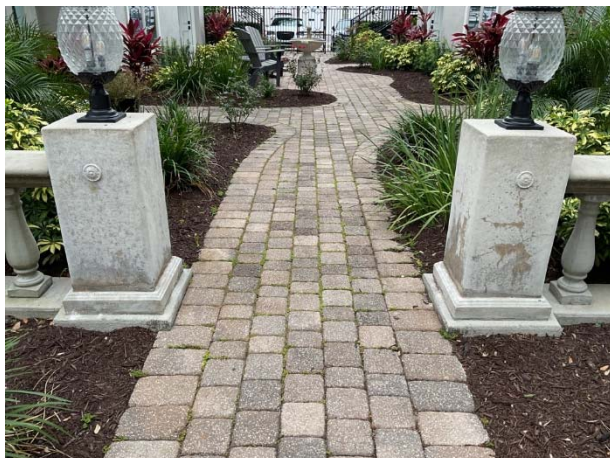
Paver parking area



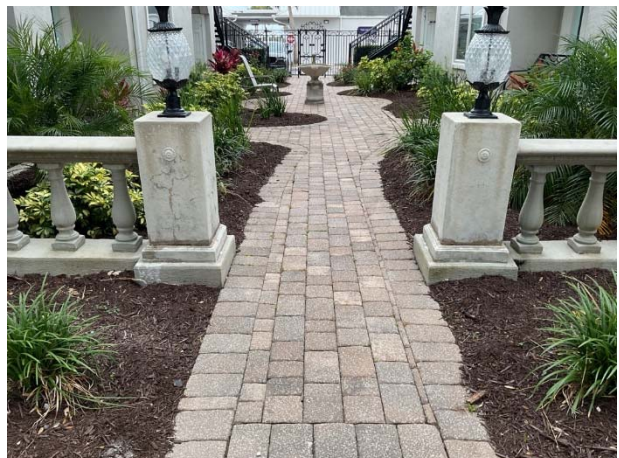
Paver settlement at parking area



Vehicle fluid stains at parking area



Paver sidewalk at courtyard



Paver sidewalk at courtyard

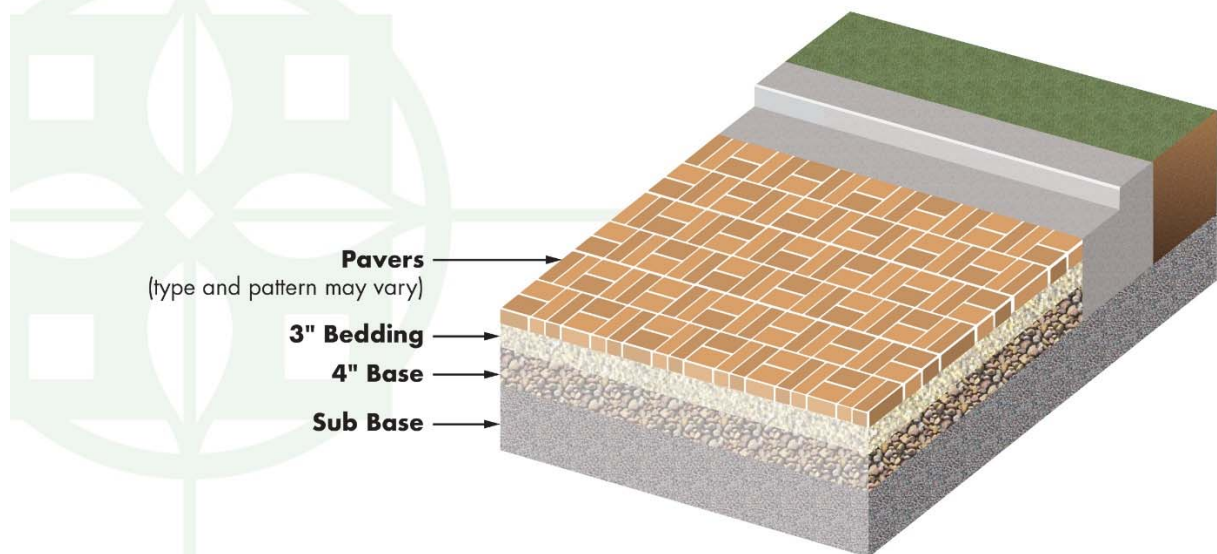


Pavers at staircase landing

Useful Life: Up to 25 years for the pedestrian pavers and 15- to 20-years for the vehicular pavers

Component Detail Notes: The following diagram depicts the typical components of a masonry paver system although it may not reflect the actual configuration at Via Mare:

MASONRY PAVER DIAGRAM



© Reserve Advisors

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair settlement, trip hazards and paver spalls at heavy traffic areas
 - o Re-set and/or reseal damaged pavers as necessary
 - o Periodically clean and remove overgrown vegetation as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We suggest the Association conduct interim resetting and replacement of minor areas of pavers as normal maintenance, funded from the operating budget.

Structural Integrity Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. We recommend the Board budget for an Update to this Reserve Study every three years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

5.METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Via Mare can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Owners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with Florida Statute 718.112 and exceeds the National standards¹ set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level I Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local² costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Atlantic Beach, Florida at an annual inflation rate³. Isolated or regional markets of

¹ Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

² See Credentials for additional information on our use of published sources of cost data.

³ Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Via Mare and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.



6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.

JARED W. KELLEY
Responsible Advisor

CURRENT CLIENT SERVICES

Jared Kelley, a Mechanical Engineer, is an Advisor for Reserve Advisors. Mr. Kelley is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.



The following is a partial list of clients served by Jared Kelley demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

RedTail Community Association - Located in Sorrento, Florida, this upscale homeowners association contains 229 units. The Association maintains a decorative covered bridge, two gate houses, landscape and maintenance equipment, and an expansive road system.

Avea Pointe Homeowners Association - This newly completed townhome development is located in Lutz, Florida. An expansive community consisting of 29 buildings, Avea Pointe maintains the diverse building exteriors as well as a modern pool amenity area. The Association is also responsible for landscaping, irrigation, and multiple ponds.

Phillips Landing Master Community Association - Located in Orlando, Florida, Phillips Landing maintains two tennis courts and playgrounds, a community dock and gazebo that extends over Big Sand Lake, and an elegant gate house with a copper and slate roof. The community also maintains four storm water retention ponds and a decorative masonry perimeter wall.

Kellerton Place Homeowners Association - This new development comprises two separate subdivisions which include 226 townhome and single family homes. This Community Association is located in Monroe, North Carolina. A lake, four storm water retention ponds, a pool and clubhouse, a playground, and multiple retaining walls are a few of the elements maintained by the Association.

University Downs Condominiums - Located in Tuscaloosa, Alabama, this large condominium development maintains the common elements shared by 272 units. In addition to the 13 two- and three-story residential buildings, the Association has a shared responsibility to maintain three pools and a large multi-story clubhouse with exercise facilities, offices, and common areas.

Deer Creek Village Homeowners Association - This large community is located in Orlando, Florida, and is responsible for the common elements shared by 553 single family homes. The Association maintains a clubhouse with a kitchen and multiple event spaces, a pool and pool house, tennis and basketball courts, a large playground, and multiple common spaces throughout the community.

PRIOR RELEVANT EXPERIENCE

Mr. Kelley earned his Bachelor of Science degree in Mechanical Engineering from the University of Central Florida. His relevant course work includes mechanical systems, materials science, computer aided design, and HVAC systems engineering.

EDUCATION

University of Central Florida - B.S. Mechanical Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Engineer Intern (EI) Certification – Florida Board of Professional Engineers

Educated Business Partner (EBP) – Community Associations Institute

TAMARA S. SAMHOURI, E.I., RS
Southeast Quality Assurance Engineer



CURRENT CLIENT SERVICES

Tamara Samhouri, a Civil Engineer, is an Advisor for **Reserve Advisors**. Mrs. Samhouri is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. She also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. She is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Tamara Samhouri demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

North Lake at Tarpon Springs Homeowners Association Located in Tarpon Springs, Florida, this single family development consists of 122 homes built in 1999. The Association maintains the asphalt pavement street systems, ponds, gates, signage, & a boardwalk and dock assembly.

Talon Bay Property Owners Association This Homeowners Association located in North Port, Florida is comprised of 233 single unit homes. The clubhouse in this community includes a fitness center, kitchen, rest rooms, and a patio leading to a pool deck. The clubhouse and gate house were constructed with stucco façade and a metal roof assembly. The Association maintains asphalt pavement street systems, tennis and shuffleboard courts, and gates.

Lake Highlander Resident Owned Association This Cooperative style development located in Dunedin, Florida is comprised of 293 homes built in the 1960s. The community maintains amenities, such as a laundry room, pool hall, library, office, and clubhouse. The Cooperative maintains the subsurface pipes, electric meter panels, and bridges throughout the community.

Royal Pointe at Majestic Palms Recreation Association and Condominium Associations The Recreation Association is responsible for the elements shared by five condominium buildings. The Recreation Association maintains the pool amenities & asphalt pavement street systems. The Condominium Associations are responsible for their building exteriors comprised of concrete tile roofs, balconies, breezeways, & staircases. The Condominium Associations maintain the building service elements, including life safety systems, & domestic water pumps.

PRIOR RELEVANT EXPERIENCE

Before joining **Reserve Advisors**, Mrs. Samhouri successfully completed the bachelors program in Civil Engineering from The University of South Florida. She has experience as a Transportation Planning Intern at AECOM, the world's premier infrastructure consulting firm, where she gained knowledge on the safety and design of specialized roadway networks. Mrs. Samhouri has an expertise in transportation and geotechnical engineering infrastructure.

EDUCATION

University of South Florida - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineering Intern (E.I.) – Florida, 2021-present

American Society of Civil Engineers (A.S.C.E.) – Florida, 2015-present

Institute of Transportation Engineers (I.T.E.) – Florida, 2015-present

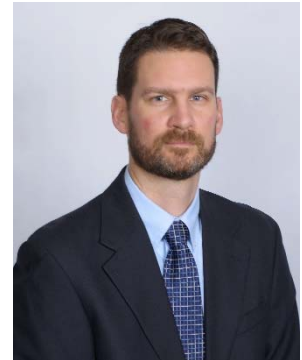
Reserve Specialist (RS) - Community Association Institute (CAI)

ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.



Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado

Reserve Specialist (RS) - Community Associations Institute

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts



RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.marshallswift.com.

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at www.rsmeans.com.

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

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 expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Via Mare responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

Percent Funded - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Via Mare responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in *Reserve Expenditures* that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.

Structural Integrity Reserve Study - A budget planning tool that separates items depicted in Florida Statute 718.112(2)(g), identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures

8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, LLC ("RA") performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our structural integrity reserve study ("SIRS") is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan, to create reserves for anticipated future replacement expenditures of the subject property. The purpose of our energy benchmarking services is to track, collect and summarize the subject property's energy consumption over time for your use in comparison with other buildings of similar size and establishing a performance baseline for your planning of long-term energy efficiency goals.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. Our energy benchmarking services with respect to the subject property is limited to collecting energy and utility data and summarizing such data in the form of an Energy Star Portfolio Manager Report or any other similar report, and hereby expressly excludes any recommendations with respect to the results of such energy benchmarking services or the accuracy of the energy information obtained from utility companies and other third-party sources with respect to the subject property. SIRS and any energy benchmarking report (i.e., any Energy Star Portfolio Manager Report) (including any subsequent revisions thereto pursuant to the terms hereof, collectively, the "Report") are based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in the Report. Other than the visual inspection conducted in connection with the SIRS (which visual inspection shall be conducted by a licensed architect or engineer (in RA's sole discretion)) (the "SIRS Visual Inspection"), the study will be performed by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA during the SIRS Visual Inspection, RA cannot and shall not opine on the structural integrity of or other physical defects in the property under any circumstances. Without limitation to the foregoing, RA cannot and shall not opine on, nor is RA responsible for, the property's conformity to specific governmental code requirements for fire, building, earthquake, occupancy or otherwise.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. RA does not provide invasive testing on any mechanical systems that provide energy to the property, nor can RA opine on any system components that are not easily accessible during the inspection. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services, nor does RA investigate vapor, water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions, and RA assumes no responsibility for any such conditions. The Report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. Except to the extent resulting from RA's willful misconduct in connection with the performance of its obligations under this agreement, you agree to indemnify, defend, and hold RA and its affiliates, officers, managers, employees, agents, successors and assigns (each, an "RA Party") harmless from and against (and promptly reimburse each RA Party for) any and all losses, claims, actions, demands, judgments, orders, damages, expenses or liabilities, including, without limitation, reasonable attorneys' fees, asserted against or to which any RA Party may become subject in connection with this engagement, including, without limitation, as a result of any false, misleading or incomplete information which RA relied upon that was supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction or to whom you provided the Report. NOTWITHSTANDING ANY OTHER PROVISION HEREIN TO THE CONTRARY, THE AGGREGATE LIABILITY (IF ANY) OF RA WITH RESPECT TO THIS AGREEMENT AND RA'S OBLIGATIONS HEREUNDER IS LIMITED TO THE AMOUNT OF THE FEES ACTUALLY RECEIVED BY RA FROM YOU FOR THE SERVICES AND REPORT PERFORMED BY RA UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. YOUR REMEDIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE YOUR SOLE REMEDIES FOR ANY FAILURE OF RA TO COMPLY WITH ITS OBLIGATIONS HEREUNDER OR OTHERWISE. RA SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS AND LOST SAVINGS, LOSS OF USE OR INTERRUPTION OF BUSINESS, HOWEVER CAUSED, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF RA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL RA BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. RA DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED OR OF ANY NATURE, WITH REGARD TO THE SERVICES AND THE REPORT, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Report - RA will complete the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations with respect to the reserve study and is deemed complete. RA will consider any additional information made available to RA within 6 months of issuing the Report and issue a revised Report based on such additional information if a timely request for a revised Report is made by you. RA retains the right to withhold



a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit. RA reserves the right to, and you acknowledge and agree that RA may, use any data provided by you in connection with the services, or gathered as a result of providing such services, including in connection with creating and issuing any Report, in a de-identified and aggregated form for RA's business purposes.

Your Obligations - You agree to provide us access to the subject property for an inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. Additionally, you agree to provide historical replacement schedules, utility bills and historical energy usage files that RA requests and deems necessary to complete the energy benchmarking services, and you agree to provide any utility release(s) reasonably requested by RA permitting RA to obtain any such data and/or information from any utility representative or other third party. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

Use of Our Report and Your Name - Use of the Report is limited to only the purpose stated herein. You acknowledge that RA is the exclusive owner of all intellectual property rights in and relating to the Report. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and that you will be liable for the consequences of any unauthorized use or distribution of the Report. Use or possession of the Report by any unauthorized third party is prohibited. The Report in whole or in part ***is not and cannot be used as a design specification for design engineering purposes or as an appraisal.*** You may show the Report in its entirety to the following third parties: members of your organization (including your directors, officers, tenants and prospective purchasers), your accountants, attorneys, financial institutions and property managers who need to review the information contained herein, and any other third party who has a right to inspect the Report under applicable law including, but not limited to, any government entity or agency, or any utility companies. Without the written consent of RA, you shall not disclose the Report to any other third party. By engaging our services, you agree that the Report contains intellectual property developed (and owned solely) by RA and agree that you will not reproduce or distribute the Report ***to any party that conducts reserve studies without the written consent of RA.***

RA will include (and you hereby agree that RA may include) your name in our client lists. RA reserves the right to use (and you hereby agree that RA may use) property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

Payment Terms, Due Dates and Interest Charges - If reserve study and energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. In any case, any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Unless this agreement is earlier terminated by RA in the event you breach or otherwise fail to comply with your obligations under this agreement, RA's obligations under this agreement shall commence on the date you execute and deliver this agreement and terminate on the date that is 6 months from the date of delivery of the Report by RA. Notwithstanding anything herein to the contrary, each provision that by its context and nature should survive the expiration or early termination of this agreement shall so survive, including, without limitation, any provisions with respect to payment, intellectual property rights, limitations of liability and governing law. We reserve the right to limit or decline refunds in our sole discretion. Refunds vary based on the applicable facts and circumstances.

Miscellaneous – Neither party shall be liable for any failures or delays in performance due to fire, flood, strike or other labor difficulty, act of God, act of any governmental authority, riot, embargo, fuel or energy shortage, pandemic, wrecks or delays in transportation, or due to any other cause beyond such party's reasonable control; provided, however, that you shall not be relieved from your obligations to make any payment(s) to RA as and when due hereunder. In the event of a delay in performance due to any such cause, the time for completion or date of delivery will be extended by a period of time reasonably necessary to overcome the effect of such delay. You may not assign or otherwise transfer this agreement, in whole or in part, without the prior written consent of RA. RA may freely assign or otherwise transfer this agreement, in whole or in part, without your prior consent. This agreement shall be governed by the laws of the State of Wisconsin without regard to any principles of conflicts of law that would apply the laws of another jurisdiction. Any dispute with respect to this agreement shall be exclusively venued in Milwaukee County Circuit Court or in the United States District Court for the Eastern District of Wisconsin. Each party hereto agrees and hereby waives the right to a trial by jury in any action, proceeding or claim brought by or on behalf of the parties hereto with respect to any matter related to this agreement.