Riviera Dunes Marina Condominium Association, Inc.

October 21, 2024 • Palmetto, FL

RESERVE STUDY

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Corporate Office
Reserve Advisors, LLC
735 N. Water Street, Suite 175
Milwaukee, WI 53202

Riviera Dunes Marina Condominium Association, Inc.
Palmetto, Florida

Dear Board of Directors of Riviera Dunes Marina Condominium Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Riviera Dunes Marina Condominium Association, Inc. in Palmetto, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, October 21, 2024.

This *Reserve Study exceeds* the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level II 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. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Riviera Dunes Marina 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 November 11, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Heather M. Christensen, RS[1]
Review by: Alan M. Ebert, RS, PRA[2], 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.

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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Riviera Dunes Marina Condominium Association, Inc. (Riviera Dunes Marina)
Location: Palmetto, Florida
Reference: 180368

Property Basics: Riviera Dunes Marina Condominium Association, Inc. is a marina association which comprises 219 dock slips. The docks and common areas were built in 2002, and the development includes parking areas and a common building containing a lobby, a commercial restaurant space, laundry facilities and rest rooms.

Reserve Components Identified: 52 Reserve Components.

Inspection Date: October 21, 2024. We conducted previous inspections in 2018 and 2022.

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 this threshold funding year in 2029 due to the renovation of the docks and marina.

In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately $10,096,600. We judge this amount of accumulated reserves in 2054 necessary to fund the likely renovation of the docks and marina 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.

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
- 2.7% anticipated annual rate of return on invested reserves
- 3.7% 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.

Unaudited Cash Status of Reserve Fund:

- $1,225,047 as of November 4, 2024
- 2024 budgeted Reserve Contributions of $262,143

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:

- Total replacement of the dock float assemblies and related utilities and services, due to age and condition, and the desire for a modernized marina
- Partial replacement of the vehicular pavers due to noted deterioration
- Replacement of the Phase 1 asphalt pavement due to noted deterioration
- Replacement of the dock utilities fuel tank as this equipment continues to age

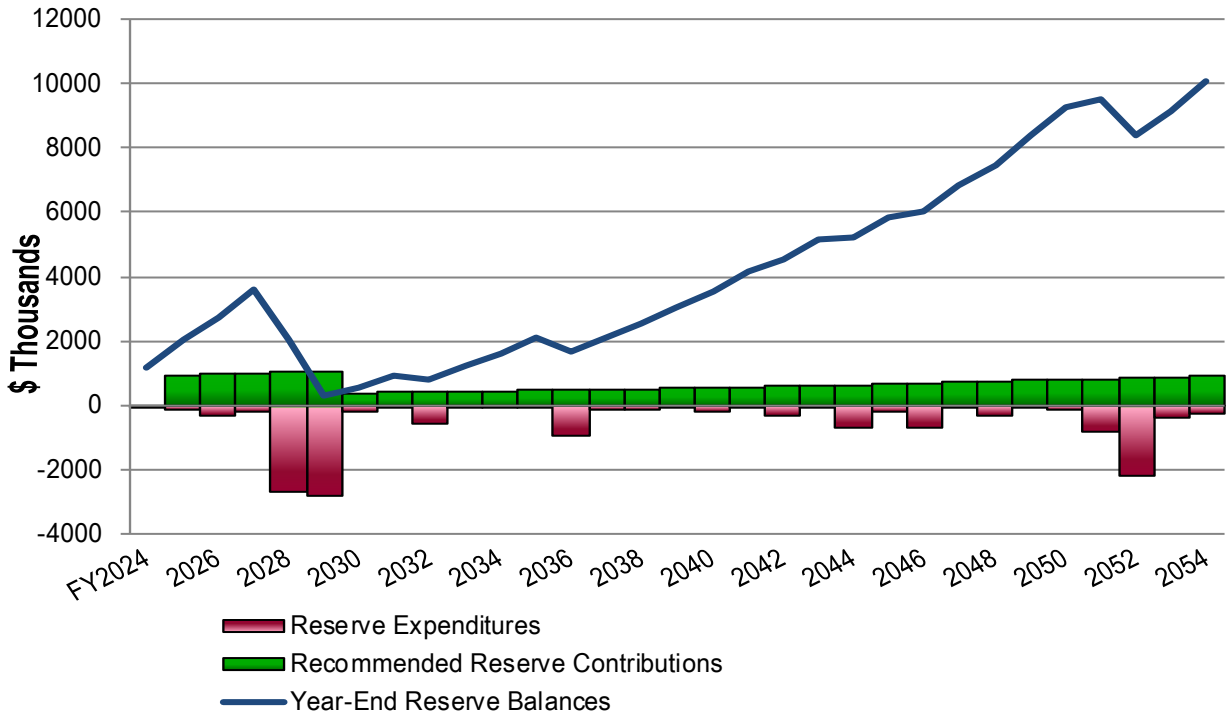
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Increase Reserve Contributions to $925,000 in 2025
- Inflationary increases from 2026 through 2029
- Decrease to $385,000 by 2030 due to fully funding for renovation of the docks and marina
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of $662,857 represents an average increase of $252 per owner and about a twenty-two percent (22%) adjustment in the 2024 total Operating Budget of $2,980,679.

Riviera Dunes Marina

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	925,000	2,043,205	2035	461,700	2,082,942	2045	664,000	5,845,264
2026	959,200	2,731,774	2036	478,800	1,686,678	2046	688,600	5,999,399
2027	994,700	3,627,345	2037	496,500	2,111,195	2047	714,100	6,863,852
2028	1,031,500	2,022,257	2038	514,900	2,541,641	2048	740,500	7,484,239
2029	1,069,700	318,238	2039	534,000	3,061,635	2049	767,900	8,391,988
2030	385,000	542,543	2040	553,800	3,530,967	2050	796,300	9,280,696
2031	399,200	938,674	2041	574,300	4,144,261	2051	825,800	9,512,310
2032	414,000	818,294	2042	595,500	4,511,093	2052	856,400	8,422,886
2033	429,300	1,211,393	2043	617,500	5,165,387	2053	888,100	9,156,674
2034	445,200	1,614,272	2044	640,300	5,217,805	2054	921,000	10,096,646



2. RESERVE STUDY REPORT

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

Riviera Dunes Marina Condominium Association, Inc.

Palmetto, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, October 21, 2024. We conducted previous inspections in 2018 and 2022.

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. These classes of property include:

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

We advise the Board to 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:

- Riviera Dunes Marina responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

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

Excluded Components

for
Riviera Dunes Marina
Condominium Association, Inc.
Palmetto, Florida

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $10,000 (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.

- Dock Carts
- Dock Cleats
- Dock Power Pedestals, Interim Inspections and Repairs
- Docks, Electrical Transformers, Inspections and Repairs, Interim
- Fire Extinguishers
- Fixtures, Concrete Light Poles
- Landscape
- Marina Office, Interior
- Oyster Removal, Docks and Pilings
- Paint Finishes, Touch Up
- Pilings, Caps
- Pipes, Interior Building, Domestic Water and Sanitary Waste, Common
- Pipes, Subsurface Utilities, Common
- Pools, Fences
- Pools, Furniture
- Pools, Mechanical Equipment
- Pools, Surfaces, Fiberglass Protective Coating
- Pools. Fiberglass (Based on conversations with Management, we exclude replacement of the pool floating assemblies, as the Association will likely replace the pools with above ground pools on land in the future. This costs are unknown at this time, and future updates to this Study will incorporate related expenditures as necessary.)
- Roof, Cleaning
- Roofs, Flat Sections, Utility Areas
- Sanitary Pumpout System, Sanisailor
- Signage, Entrance Monument, Informational, and Traffic
- Social Dock, Furniture and Grills
- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)
- Water Agitator, Bubbler, South Dock
- Windows and Doors, Wood Frames, Refinish (Per Management)

Excluded Components

for
Riviera Dunes Marina
Condominium Association, Inc.
Palmetto, Florida

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**
• Electrical Systems, Main Circuit Panels, Common	to 70+	N/A
• Foundation	Indeterminate	N/A
• Structural Frames	Indeterminate	N/A

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.
• Boat Lifts and Associated Pilings
• Dock Boxes

Others Responsibility Components
Certain items have been designated as the responsibility of Others to repair or replace.
• Commercial Office, Interior[1]
• Commercial Restaurant (We are informed the Restaurant Tenant is responsible for replacement of the Restaurant HVAC equipment, rest rooms, and Windows and Doors. However, at the request of Management, we have included these items in the Reserve Study) [2]
• Commercial Restaurant, Interior[2]
• Commercial Restaurant, Kitchen Equipment (Except Walk-in Coolers and Freezer)[2]
• Commercial Restaurant, Patio Furniture[2]
• Seawall and Rip Rap[3]
• Security System, Surveillance System[4]
• Wi-Fi System[4]
[1] Office Tenant
[2] Restaurant Tenant
[3] Riviera Dunes Master Condominium Association
[4] Leased

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***.

Years 2024 to 2039

RESERVE EXPENDITURES

Riviera Dunes Marina
Condominium Association, Inc.
Palmetto, Florida

Explanatory Notes:
1) **3.7%** 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 Useful	Remaining	Unit Cost, $	Percentage Ownership	Costs, $ Per Phase (2024)	Total (2024)	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
				Exterior Building Elements																								
1.240	800	800	Linear Feet	Gutters and Downspouts, Copper	2032	to 30	8	22.00	100%	17,600	17,600	**0.2%**									23,537							
1.260	30	30	Each	Light Fixtures, Decorative	2027	to 25	3	225.00	100%	6,750	6,750	**0.2%**				7,527												
1.360	120	120	Squares	Roof, Concrete Tiles	2032	to 30	8	1,600.00	100%	192,000	192,000	**1.7%**									256,762							
1.880	11,600	11,600	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2025	5 to 7	1	2.25	100%	26,100	26,100	**1.6%**		27,066							34,904							45,011
1.980	675	675	Square Feet	Windows and Door, Wood Frames, Replacement, Remaining Building	2042	to 40	18	130.00	100%	87,750	87,750	**1.1%**																
1.981	170	170	Square Feet	Windows and Door, Wood Frames, Replacement, Tower, Near Term is Budgetary	2024	to 40	0	130.00	100%	22,100	22,100	**0.1%**	22,100															
				Interior Building Elements																								
2.500	1	1	Each	Ice Machine, Marina Kitchen	2032	10 to 15	8	12,500.00	100%	12,500	12,500	**0.5%**									16,716							
2.520	1	1	Allowance	Kitchen, Marina, Renovation	2042	to 25	18	23,000.00	100%	23,000	23,000	**0.3%**																
2.600	1	1	Allowance	Lobby, Renovation	2027	to 25	3	9,000.00	100%	9,000	9,000	**0.2%**				10,036												
2.900	4	4	Each	Rest Rooms, Renovation, Laundry Room and Showers	2027	to 25	3	7,500.00	100%	30,000	30,000	**0.8%**				33,455												
2.920	2	2	Each	Rest Rooms, Renovation, Restaurant	2027	to 25	3	20,500.00	100%	41,000	41,000	**1.1%**				45,721												
				Building Services Elements																								
3.069	4	4	Each	Air Handling and Condensing Units, Split Systems, Mini-splits, Kitchen and Dining	2037	12 to 18	13	3,500.00	100%	14,000	14,000	**0.4%**													22,452		
3.070	7	2	Each	Air Handling and Condensing Units, Split Systems, Rooftop	2035	12 to 18	11 to 14	11,000.00	100%	19,250	77,000	**2.3%**												28,708	29,770	30,871	32,014	
3.500	8	8	Each	Laundry Equipment, Washers and Dryers	2029	to 10	5	1,400.00	100%	11,200	11,200	**0.4%**						13,431										19,315
3.555	1	1	Allowance	Life Safety System, Control Panel, Main and Annunciator (2024 is Budgeted)	2024	to 15	0	5,000.00	100%	5,000	5,000	**0.2%**	5,000															8,623
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2027	to 25	3	6,000.00	100%	6,000	6,000	**0.2%**				6,691												
3.820	1	1	Allowance	Security System, Access System	2036	to 15	12	22,000.00	100%	22,000	22,000	**0.6%**													34,023			
3.821	3	1	Allowance	Security System, Surveillance System, Phased	2026	10 to 15	2 to 10	8,000.00	100%	8,000	24,000	**0.8%**			8,603				9,949			11,505				13,304		
3.900	2	2	Each	Walk-in Coolers and Freezer, Restaurant, Inspections and Capital Repairs	2033	to 10	9	8,000.00	100%	16,000	16,000	**0.7%**										22,189						
3.951	1	1	Allowance	Wi-Fi System, Access Points	2030	5 to 10	6	25,500.00	100%	25,500	25,500	**1.3%**							31,711						40,894			
				Property Site Elements																								
4.020	5,800	5,800	Square Yards	Asphalt Pavement, Phase 1, Patch, Seal Coat and Striping	2030	3 to 5	6	2.30	100%	13,340	13,340	**1.1%**							16,589			19,184				22,185		
4.022	5,250	5,250	Square Yards	Asphalt Pavement, Phase 2, Patch, Seal Coat and Striping (2024 is Budgetary)	2024	3 to 5	0	2.30	100%	12,075	12,075	**1.0%**	12,075			13,964				16,148								
4.040	5,800	5,800	Square Yards	Asphalt Pavement, Phase 1, Mill and Overlay (Incl. Catch Basins)	2026	15 to 20	2	18.00	100%	104,400	104,400	**2.3%**			112,269													
4.042	5,250	5,250	Square Yards	Asphalt Pavement, Phase 2, Mill and Overlay (Incl. Catch Basins)	2036	15 to 20	12	18.00	100%	94,500	94,500	**1.0%**													146,143			
4.110	5,700	630	Linear Feet	Concrete Curbs, Partial	2026	to 65	2 to 30+	35.00	100%	22,050	199,500	**0.7%**			23,712										34,100			
4.140	11,000	660	Square Feet	Concrete Sidewalks, Partial (Incl. Driveway Flatwork)	2025	to 65	1 to 30+	13.00	100%	8,580	143,000	**0.5%**		8,897						11,065						13,760		
4.200	1	1	Allowance	Fences, Aluminum, Marina Entrances	2045	to 25	21	27,000.00	100%	27,000	27,000	**0.4%**																
4.320	3	3	Each	Gate Operators, Swing Arm, Parking Lot	2028	to 10	4	4,400.00	100%	13,200	13,200	**0.5%**					15,265										21,952	
4.330	2	2	Each	Gates, Marina Entrances	2028	to 25	4	8,500.00	100%	17,000	17,000	**0.5%**					19,659											
4.420	20	5	Zones	Irrigation System, Inspections and Partial Replacements	2033	to 40+	9 to 30+	2,500.00	100%	12,500	50,000	**0.5%**										17,335						
4.560	15	15	Each	Light Poles and Fixtures, Decorative (Incl. Restaurant Patio)	2030	to 25	6	5,500.00	100%	82,500	82,500	**0.7%**							102,595									
4.620	13,700	6,850	Square Feet	Pavers, Masonry, Parking Areas, Phased	2026	15 to 20	2 to 12	17.00	100%	116,450	232,900	**3.8%**			125,227										180,088			
4.625	7,660	7,660	Square Feet	Pavers, Masonry, Restaurant Patio	2032	to 25	8	16.00	100%	122,560	122,560	**1.1%**								163,900								

RESERVE EXPENDITURES

Riviera Dunes Marina
Condominium Association, Inc.
Palmetto, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Unit Cost, $	Percentage Ownership	Costs, $ Per Phase (2024)	Total (2024)	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
				Exterior Building Elements																							
1.240	800	800	Linear Feet	Gutters and Downspouts, Copper	2032	to 30	8	22.00	100%	17,600	17,600	**0.2%**													18,668		
1.260	30	30	Each	Light Fixtures, Decorative	2027	to 25	3	225.00	100%	6,750	6,750	**0.2%**															
1.360	120	120	Squares	Roof, Concrete Tiles	2032	to 30	8	1,600.00	100%	192,000	192,000	**1.7%**															
1.880	11,600	11,600	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2025	5 to 7	1	2.25	100%	26,100	26,100	**1.6%**							58,046							74,856	
1.980	675	675	Square Feet	Windows and Door, Wood Frames, Replacement, Remaining Building	2042	to 40	18	130.00	100%	87,750	87,750	**1.1%**			168,758												
1.981	170	170	Square Feet	Windows and Door, Wood Frames, Replacement, Tower, Near Term is Budgetary	2024	to 40	0	130.00	100%	22,100	22,100	**0.1%**															
				Interior Building Elements																							
2.500	1	1	Each	Ice Machine, Marina Kitchen	2032	10 to 15	8	12,500.00	100%	12,500	12,500	**0.5%**			24,040									34,571		
2.520	1	1	Allowance	Kitchen, Marina, Renovation	2042	to 25	18	23,000.00	100%	23,000	23,000	**0.3%**			44,233												
2.600	1	1	Allowance	Lobby, Renovation	2027	to 25	3	9,000.00	100%	9,000	9,000	**0.2%**												24,891			
2.900	4	4	Each	Rest Rooms, Renovation, Laundry Room and Showers	2027	to 25	3	7,500.00	100%	30,000	30,000	**0.8%**												82,971			
2.920	2	2	Each	Rest Rooms, Renovation, Restaurant	2027	to 25	3	20,500.00	100%	41,000	41,000	**1.1%**												113,394			
				Building Services Elements																							
3.069	4	4	Each	Air Handling and Condensing Units, Split Systems, Mini-splits, Kitchen and Dining	2037	12 to 18	13	3,500.00	100%	14,000	14,000	**0.4%**												38,720			
3.070	7	2	Each	Air Handling and Condensing Units, Split Systems, Rooftop	2035	12 to 18	11 to 14	11,000.00	100%	19,250	77,000	**2.3%**												51,340	53,240	55,210	57,252
3.500	8	8	Each	Laundry Equipment, Washers and Dryers	2029	to 10	5	1,400.00	100%	11,200	11,200	**0.4%**									27,777						
3.555	1	1	Allowance	Life Safety System, Control Panel, Main and Annunciator (2024 is Budgeted)	2024	to 15	0	5,000.00	100%	5,000	5,000	**0.2%**															14,871
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2027	to 25	3	6,000.00	100%	6,000	6,000	**0.2%**												16,594			
3.820	1	1	Allowance	Security System, Access System	2036	to 15	12	22,000.00	100%	22,000	22,000	**0.6%**									52,615						
3.821	3	1	Allowance	Security System, Surveillance System, Phased	2026	10 to 15	2 to 10	8,000.00	100%	8,000	24,000	**0.8%**			15,385				17,792			20,575					23,793
3.900	2	2	Each	Walk-in Coolers and Freezer, Restaurant, Inspections and Capital Repairs	2033	to 10	9	8,000.00	100%	16,000	16,000	**0.7%**				31,909										45,889	
3.951	1	1	Allowance	Wi-Fi System, Access Points	2030	5 to 10	6	25,500.00	100%	25,500	25,500	**1.3%**					52,737							68,009			
				Property Site Elements																							
4.020	5,800	5,800	Square Yards	Asphalt Pavement, Phase 1, Patch, Seal Coat and Striping	2030	3 to 5	6	2.30	100%	13,340	13,340	**1.1%**			25,655							34,309				39,675
4.022	5,250	5,250	Square Yards	Asphalt Pavement, Phase 2, Patch, Seal Coat and Striping (2024 is Budgetary)	2024	3 to 5	0	2.30	100%	12,075	12,075	**1.0%**	21,595				24,973				28,879				33,396		
4.040	5,800	5,800	Square Yards	Asphalt Pavement, Phase 1, Mill and Overlay (Incl. Catch Basins)	2026	15 to 20	2	18.00	100%	104,400	104,400	**2.3%**							232,184								
4.042	5,250	5,250	Square Yards	Asphalt Pavement, Phase 2, Mill and Overlay (Incl. Catch Basins)	2036	15 to 20	12	18.00	100%	94,500	94,500	**1.0%**															
4.110	5,700	630	Linear Feet	Concrete Curbs, Partial	2026	to 65	2 to 30+	35.00	100%	22,050	199,500	**0.7%**							49,039								
4.140	11,000	660	Square Feet	Concrete Sidewalks, Partial (Incl. Driveway Flatwork)	2025	to 65	1 to 30+	13.00	100%	8,580	143,000	**0.5%**				17,111					21,279						
4.200	1	1	Allowance	Fences, Aluminum, Marina Entrances	2045	to 25	21	27,000.00	100%	27,000	27,000	**0.4%**						57,905									
4.320	3	3	Each	Gate Operators, Swing Arm, Parking Lot	2028	to 10	4	4,400.00	100%	13,200	13,200	**0.5%**									31,569						
4.330	2	2	Each	Gates, Marina Entrances	2028	to 25	4	8,500.00	100%	17,000	17,000	**0.5%**														48,757	
4.420	20	5	Zones	Irrigation System, Inspections and Partial Replacements	2033	to 40+	9 to 30+	2,500.00	100%	12,500	50,000	**0.5%**				24,929										35,850	
4.560	15	15	Each	Light Poles and Fixtures, Decorative (Incl. Restaurant Patio)	2030	to 25	6	5,500.00	100%	82,500	82,500	**0.7%**															
4.620	13,700	6,850	Square Feet	Pavers, Masonry, Parking Areas, Phased	2026	15 to 20	2 to 12	17.00	100%	116,450	232,900	**3.8%**							258,984								
4.625	7,660	7,660	Square Feet	Pavers, Masonry, Restaurant Patio	2032	to 25	8	16.00	100%	122,560	122,560	**1.1%**															

Years 2024 to 2039

RESERVE EXPENDITURES

Riviera Dunes Marina
Condominium Association, Inc.
Palmetto, Florida

Explanatory Notes:
1) **3.7%** 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 Useful	Remaining	Unit Cost, $	Percentage Ownership	Costs, $ Per Phase (2024)	Total (2024)	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
4.733	170	170	Linear Feet	Railings, Decorative, Steel, Restaurant Patio (Incl. Balcony Railings)	2045	to 50	21	145.00	100%	24,650	24,650	**0.4%**																
4.900	1	1	Each	Vehicles, Electric Charging Station, Parking Lot	2033	to 15	9	8,000.00	100%	8,000	8,000	**0.2%**										11,094						
				Marina Elements																								
8.195	47,000	47,000	Square Feet	Docks, Concrete Surface, Repairs and Coating Applications	2036	8 to 12	12	5.50	100%	258,500	258,500	**11.1%**													399,766			
8.500	48,000	24,000	Square Feet	Docks, Float Assemblies, Phased (Incl. Fuel and Social Docks)	2028	25 to 30	4 to 5	73.00	100%	1,752,000	3,504,000	**27.7%**					2,026,045	2,101,009										
8.600	2	1	Allowance	Docks, Utility Services, Electrical, Supply, Phased	2028	40 to 50	4 to 5	120,000.00	100%	120,000	240,000	**1.9%**					138,770	143,905										
8.603	9	5	Each	Docks, Utility Services, Electrical, Transformers, Phased	2028	40 to 50	4 to 5	12,000.00	100%	54,000	108,000	**0.9%**					62,447	64,757										
8.606	2	1	Allowance	Docks, Utility Services, Fire Protection and Water Lines, Phased (Incl. Standpipes)	2028	40 to 50	4 to 5	36,000.00	100%	36,000	72,000	**0.6%**					41,631	43,171										
8.700	2	2	Each	Docks, Utility Services, Fuel, Dispenser	2025	15 to 20	1	12,500.00	100%	25,000	25,000	**0.5%**		25,925														
8.711	2	1	Allowance	Docks, Utility Services, Fuel, Supply Lines, Phased	2028	40 to 50	4 to 5	32,000.00	100%	32,000	64,000	**0.5%**					37,005	38,375										
8.714	1	1	Each	Docks, Utility Services, Fuel, Tank	2027	to 25	3	63,000.00	100%	63,000	63,000	**1.6%**				70,255												
8.717	58	58	Each	Docks, Utility Services, Lighting Pedestals (Incl. Fire Extinguishers)	2025	to 25	1	700.00	100%	40,600	40,600	**0.9%**		42,102														
8.800	219	110	Each	Docks, Utility Services, Power Pedestals, Replacement, Phased	2028	to 25	4 to 5	2,400.00	100%	262,800	525,600	**13.8%**					303,907	315,151										
8.805	1	1	Allowance	Docks, Utility Services, Sanitary Pumpout Line	2036	to 20	12	10,500.00	100%	10,500	10,500	**0.3%**													16,238			
8.820	234	13	Each	Finger Docks, Corner Gusset Plates, Phased	2025	15 to 20	1 to 18	700.00	100%	9,100	163,800	**3.2%**		9,437	9,786	10,148			11,317	11,735	12,169	12,620	13,087	13,571	14,073	14,594	15,134	15,694
8.840	80	3	Each	Pilings, Concrete, Partial	2028	to 65+	4 to 30+	6,500.00	100%	20,800	520,000	**1.2%**					24,054	24,943							32,167			
8.842	170	7	Each	Pilings, Wood, Common, Partial	2026	20 to 25+	2 to 30+	3,700.00	100%	25,160	629,000	**4.8%**			27,056		29,095	30,172			33,647		36,182		38,910		41,842	
8.880	2	2	Each	Ramps, Aluminum, Walkways	2040	to 35	16	25,000.00	100%	50,000	50,000	**0.6%**																
8.900	950	950	Square Feet	Social Dock, Deck and Frame, Wood	2026	25 to 30	2	27.00	100%	25,650	25,650	**0.2%**			27,583													
8.950	1	1	Each	Vehicle, Sanitary Pumpout Boat	2029	to 15	5	100,000.00	25%	25,000	25,000	**1.0%**						29,980										
				Anticipated Expenditures, By Year ($14,884,493 over 30 years)									39,175	113,427	334,235	183,834	2,711,842	2,804,895	172,161	22,800	557,783	63,237	79,958	42,278	925,276	122,571	146,431	88,643

RESERVE EXPENDITURES

Riviera Dunes Marina
Condominium Association, Inc.
Palmetto, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Unit Cost, $	Percentage Ownership	Costs, $ Per Phase (2024)	Total (2024)	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
4.733	170	170	Linear Feet	Railings, Decorative, Steel, Restaurant Patio (Incl. Balcony Railings)	2045	to 50	21	145.00	100%	24,650	24,650	**0.4%**						52,865									
4.900	1	1	Each	Vehicles, Electric Charging Station, Parking Lot	2033	to 15	9	8,000.00	100%	8,000	8,000	**0.2%**									19,133						
				Marina Elements																							
8.195	47,000	47,000	Square Feet	Docks, Concrete Surface, Repairs and Coating Applications	2036	8 to 12	12	5.50	100%	258,500	258,500	**11.1%**					534,608							714,934		
8.500	48,000	24,000	Square Feet	Docks, Float Assemblies, Phased (Incl. Fuel and Social Docks)	2028	25 to 30	4 to 5	73.00	100%	1,752,000	3,504,000	**27.7%**														
8.600	2	1	Allowance	Docks, Utility Services, Electrical, Supply, Phased	2028	40 to 50	4 to 5	120,000.00	100%	120,000	240,000	**1.9%**														
8.603	9	5	Each	Docks, Utility Services, Electrical, Transformers, Phased	2028	40 to 50	4 to 5	12,000.00	100%	54,000	108,000	**0.9%**														
8.606	2	1	Allowance	Docks, Utility Services, Fire Protection and Water Lines, Phased (Incl. Standpipes)	2028	40 to 50	4 to 5	36,000.00	100%	36,000	72,000	**0.6%**														
8.700	2	2	Each	Docks, Utility Services, Fuel, Dispenser	2025	15 to 20	1	12,500.00	100%	25,000	25,000	**0.5%**						53,616								
8.711	2	1	Allowance	Docks, Utility Services, Fuel, Supply Lines, Phased	2028	40 to 50	4 to 5	32,000.00	100%	32,000	64,000	**0.5%**														
8.714	1	1	Each	Docks, Utility Services, Fuel, Tank	2027	to 25	3	63,000.00	100%	63,000	63,000	**1.6%**												174,239		
8.717	58	58	Each	Docks, Utility Services, Lighting Pedestals (Incl. Fire Extinguishers)	2025	to 25	1	700.00	100%	40,600	40,600	**0.9%**									97,099						
8.800	219	110	Each	Docks, Utility Services, Power Pedestals, Replacement, Phased	2028	to 25	4 to 5	2,400.00	100%	262,800	525,600	**13.8%**												700,893	726,826		
8.805	1	1	Allowance	Docks, Utility Services, Sanitary Pumpout Line	2036	to 20	12	10,500.00	100%	10,500	10,500	**0.3%**														30,114	
8.820	234	13	Each	Finger Docks, Corner Gusset Plates, Phased	2025	15 to 20	1 to 18	700.00	100%	9,100	163,800	**3.2%**	16,274	16,876	17,501	18,148	18,820	19,516	20,238	20,987	21,764	22,569	23,404	24,270	25,168	26,099	27,065
8.840	80	3	Each	Pilings, Concrete, Partial	2028	to 65+	4 to 30+	6,500.00	100%	20,800	520,000	**1.2%**					43,017							57,527		
8.842	170	7	Each	Pilings, Wood, Common, Partial	2026	20 to 25+	2 to 30+	3,700.00	100%	25,160	629,000	**4.8%**	44,996		48,387		52,034		55,956		60,173		64,708		69,585		74,830
8.880	2	2	Each	Ramps, Aluminum, Walkways	2040	to 35	16	25,000.00	100%	50,000	50,000	**0.6%**	89,419														
8.900	950	950	Square Feet	Social Dock, Deck and Frame, Wood	2026	25 to 30	2	27.00	100%	25,650	25,650	**0.2%**															
8.950	1	1	Each	Vehicle, Sanitary Pumpout Boat	2029	to 15	5	100,000.00	25%	25,000	25,000	**1.0%**		46,364											71,701		
				Anticipated Expenditures, By Year ($14,884,493 over 30 years)									172,284	63,240	343,959	92,098	726,188	183,903	692,239	20,987	311,232	71,625	142,996	844,512	2,184,724	388,475	237,486

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Riviera Dunes Marina
Condominium Association, Inc.
Palmetto, 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)*	1,225,047	1,188,584	2,043,205	2,731,774	3,627,345	2,022,257	318,238	542,543	938,674	818,294	1,211,393	1,614,272	2,082,942	1,686,678	2,111,195	2,541,641
Total Recommended Reserve Contributions	*(Note 2)*	**0**	**925,000**	**959,200**	**994,700**	**1,031,500**	**1,069,700**	**385,000**	**399,200**	**414,000**	**429,300**	**445,200**	**461,700**	**478,800**	**496,500**	**514,900**	**534,000**
Estimated Interest Earned, During Year	*(Note 3)*	2,712	43,048	63,604	84,705	75,254	31,176	11,466	19,730	23,403	27,036	37,638	49,248	50,212	50,588	61,977	74,637
Anticipated Expenditures, By Year		(39,175)	(113,427)	(334,235)	(183,834)	(2,711,842)	(2,804,895)	(172,161)	(22,800)	(557,783)	(63,237)	(79,958)	(42,278)	(925,276)	(122,571)	(146,431)	(88,643)
Anticipated Reserves at Year End		$1,188,584	$2,043,205	$2,731,774	$3,627,345	$2,022,257	$318,238 *(NOTE 5)*	$542,543	$938,674	$818,294	$1,211,393	$1,614,272	$2,082,942	$1,686,678	$2,111,195	$2,541,641	$3,061,635

(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	3,061,635	3,530,967	4,144,261	4,511,093	5,165,387	5,217,805	5,845,264	5,999,399	6,863,852	7,484,239	8,391,988	9,280,696	9,512,310	8,422,886	9,156,674
Total Recommended Reserve Contributions	**553,800**	**574,300**	**595,500**	**617,500**	**640,300**	**664,000**	**688,600**	**714,100**	**740,500**	**767,900**	**796,300**	**825,800**	**856,400**	**888,100**	**921,000**
Estimated Interest Earned, During Year	87,815	102,235	115,291	128,892	138,306	147,362	157,773	171,341	191,119	211,474	235,403	250,326	238,900	234,163	256,458
Anticipated Expenditures, By Year	(172,284)	(63,240)	(343,959)	(92,098)	(726,188)	(183,903)	(692,239)	(20,987)	(311,232)	(71,625)	(142,996)	(844,512)	(2,184,724)	(388,475)	(237,486)
Anticipated Reserves at Year End	$3,530,967	$4,144,261	$4,511,093	$5,165,387	$5,217,805	$5,845,264	$5,999,399	$6,863,852	$7,484,239	$8,391,988	$9,280,696	$9,512,310	$8,422,886	$9,156,674	$10,096,646 *(NOTE 4)*

Explanatory Notes:

1) Year 2024 ending reserves are as of November 4, 2024; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) 2025 is the first year of recommended contributions.
3) **2.7%** 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 renovation of the docks and marina shortly after 2054, and the age, size, overall condition and complexity of the property.
5) Threshold Funding Year (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

FIVE-YEAR OUTLOOK

Riviera Dunes Marina Condominium Association, Inc.
Palmetto, Florida

Line Item	Reserve Component Inventory	Percentage Ownership	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements							
1.260	Light Fixtures, Decorative	100%				7,527		
1.880	Walls, Stucco, Paint Finishes and Capital Repairs	100%		27,066				
1.981	Windows and Door, Wood Frames, Replacement, Tower, Near Term is Budgetary	100%	22,100					
	Interior Building Elements							
2.600	Lobby, Renovation	100%				10,036		
2.900	Rest Rooms, Renovation, Laundry Room and Showers	100%				33,455		
2.920	Rest Rooms, Renovation, Restaurant	100%				45,721		
	Building Services Elements							
3.500	Laundry Equipment, Washers and Dryers	100%						13,431
3.555	**Life Safety System, Control Panel, Main and Annunciator (2024 is Budgeted)**	100%	5,000					
3.560	Life Safety System, Emergency Devices	100%				6,691		
3.821	**Security System, Surveillance System, Phased**	100%			8,603			
	Property Site Elements							
4.022	Asphalt Pavement, Phase 2, Patch, Seal Coat and Striping (2024 is Budgetary)	100%	12,075				13,964	
4.040	Asphalt Pavement, Phase 1, Mill and Overlay (Incl. Catch Basins)	100%			112,269			
4.110	Concrete Curbs, Partial	100%			23,712			
4.140	Concrete Sidewalks, Partial (Incl. Driveway Flatwork)	100%		8,897				
4.320	Gate Operators, Swing Arm, Parking Lot	100%					15,265	
4.330	Gates, Marina Entrances	100%					19,659	
4.620	Pavers, Masonry, Parking Areas, Phased	100%			125,227			
	Marina Elements							
8.500	Docks, Float Assemblies, Phased (Incl. Fuel and Social Docks)	100%					2,026,045	2,101,009
8.600	Docks, Utility Services, Electrical, Supply, Phased	100%					138,770	143,905
8.603	Docks, Utility Services, Electrical, Transformers, Phased	100%					62,447	64,757
8.606	Docks, Utility Services, Fire Protection and Water Lines, Phased (Incl. Standpipes)	100%					41,631	43,171
8.700	Docks, Utility Services, Fuel, Dispenser	100%		25,925				
8.711	Docks, Utility Services, Fuel, Supply Lines, Phased	100%					37,005	38,375
8.714	Docks, Utility Services, Fuel, Tank	100%				70,255		
8.717	Docks, Utility Services, Lighting Pedestals (Incl. Fire Extinguishers)	100%		42,102				
8.800	Docks, Utility Services, Power Pedestals, Replacement, Phased	100%					303,907	315,151
8.820	Finger Docks, Corner Gusset Plates, Phased	100%		9,437	9,786	10,148		
8.840	Pilings, Concrete, Partial	100%					24,054	24,943
8.842	Pilings, Wood, Common, Partial	100%			27,056		29,095	30,172
8.900	Social Dock, Deck and Frame, Wood	100%			27,583			
8.950	Vehicle, Sanitary Pumpout Boat	25%						29,980
	Anticipated Expenditures, By Year ($14,884,493 over 30 years)		39,175	113,427	334,235	183,834	2,711,842	2,804,895

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *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*.

Exterior Building Elements

Front (north) elevation

East elevation

West elevation

South elevation

Gutters and Downspouts, Copper

Line Item: 1.240

Quantity: Approximately 800 linear feet of copper gutters and downspouts

History: Original

Condition: Good to fair overall with evidence of leakage at seams and patina/oxidation evident.

Copper gutters and downspout

Evidence of leakage at seams and patina

Evidence of leakage at seams and patina

Useful Life: Up to 30 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. The useful life of gutters and downspouts coincides with that of the sloped 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.

Light Fixtures

Line Item: 1.260

Quantity: Approximately 30 exterior metal light fixtures accent the building facade

History: Original

Condition: Fair overall with weathered finishes evident.

Wall mounted light fixture, note weathered finishes

Useful Life: Up to 25 years

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

- As-needed:
    - Replace burned out bulbs at common fixtures as needed
    - Inspect and repair broken or dislodged fixtures
    - 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.

Roofs, Concrete Tiles

Line Item: 1.360

Quantity: Approximately 120 *squares*[1]

History: Original. We recommend the Association should conduct inspections of the roofs semiannually and fund these inspections through the operating budget. In addition, the Association plans to have the flat utility roof sections inspected in the near term. We anticipate the Association maintain these areas through the operating budget.

Condition: Good to fair overall with isolated areas of tile damage. Cracked and missing tiles evident from our visual inspection from the ground. Management does not report a history of leaks, or water damage after the recent hurricanes.

Concrete tile roof overview

Concrete tile roof overview

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

Area of damaged tiles

Missing and cracked tiles

Wood soffit below, note evidence of water infiltration

Useful Life: Up to 30 years

Component Detail Notes: A tile roof rarely fails at all points of application simultaneously. Rather, occurrences of roof leaks will increase as more concrete tiles crack, break and dislodge. This deterioration will result in increased maintenance costs such that replacement becomes the least costly long-term alternative as compared to ongoing repairs.

A concrete tile roof system comprises sheathing, underlayments, battens and the tiles themselves. Replacement standards should conform to the local building code and manufacturer's specifications at the time of actual replacement. The manner of construction is such that the underlayment is the primary line of defense from water infiltration. The tiles act to shade the underlayment from harmful sunlight and to protect the roof from heavy winds. Most storm water is shed from the roof tiles into the gutters or over the edge of the roof. However, this tile style is meant to allow water to pass between the tiles onto the underlayment. The underlayment thus sheds any remaining water into the gutters. In fact, horizontal driving rains will force their way up and under the tile only to be shed at some other point.

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:
  - Record any areas of water infiltration, flashing deterioration, damage or loose tiles
  - Implement repairs as needed if issues are reoccurring
  - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
  - Trim tree branches that are near or in contact with roof
  - Periodic cleaning at areas with organic growth (We do not recommend pressure washing as it may cause further damage to tiles.)

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.

Walls, Stucco

Line Item: 1.880

Quantity: Approximately 11,600 square feet of the building exteriors

History: Original

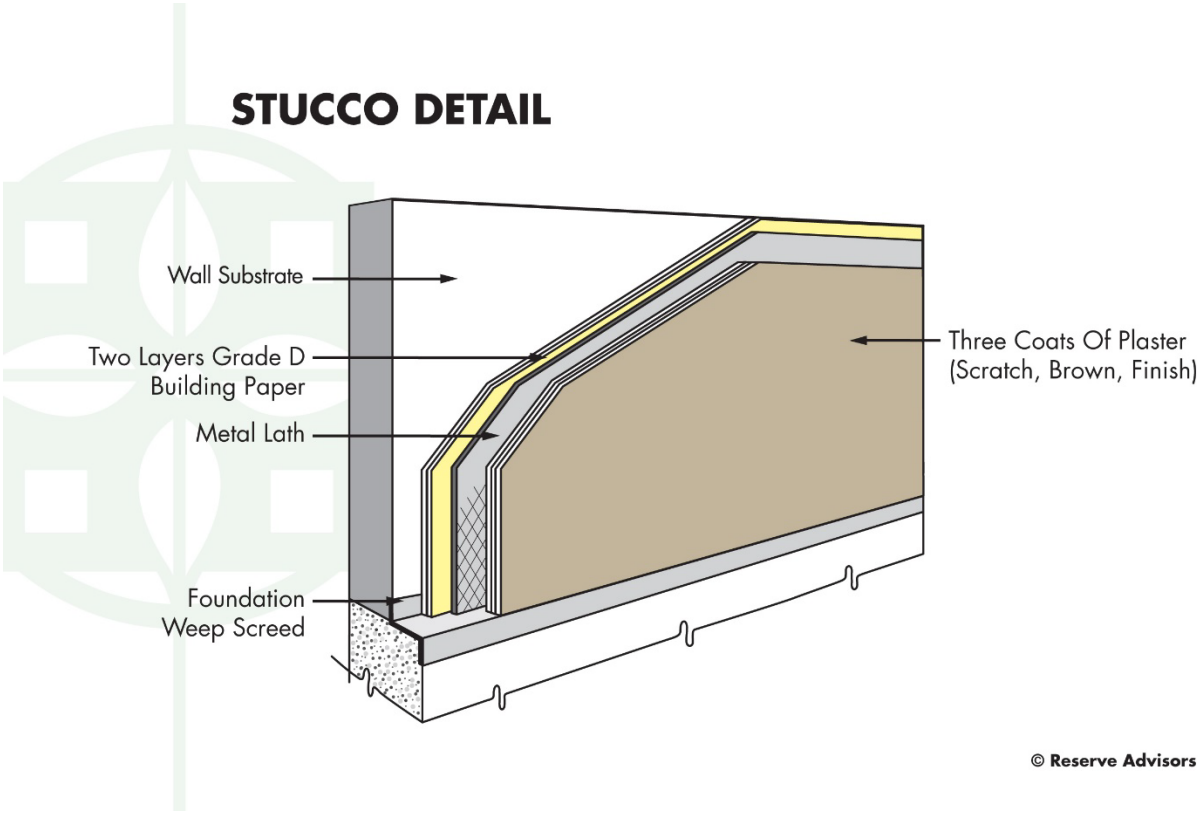
Condition: Fair to poor overall with cracks and coating deterioration evident.

Stucco finishes

Stucco cracks

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 Riviera Dunes Marina:



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.

Windows and Doors, Wood Frames

Line Items: 1.980 and 1.981

Quantity: 845 total square feet, including 170 square feet at the tower, and 675 square feet at the remaining portions of the building

History: Original. One window was damaged during the recent hurricanes, and Management anticipates replacing this window, and the other tower windows and doors, in the near term. We include a budgetary expenditure for this anticipated work.

Condition: Good to fair overall with exception of the damaged window, which was boarded up at the time of our inspection.

Restaurant windows and doors

Main entry

Tower balcony doors

Isolated damaged tower window

Useful Life: Up to 40 years

Component Detail Notes: Construction includes the following:

- Wood frames
- Dual pane glass

- Casement windows with screens
- Hinged door

The thermal efficiencies of the window assemblies are affected by their design and construction components. These components include glazings, thickness of air space between glazings, low-conductivity gas, tinted coatings, low-e coatings and thermal barriers. The Association should thoroughly investigate these component options at the time of replacement. Some manufacturers may include these components as part of the standard product and other manufacturers may consider these components as options for an additional cost. Riviera Dunes Marina should review the specifications provided by the manufacturers to understand the thermal design and construction components of the proposed assemblies.

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

- Annually:
    - Inspect and repair loose weather stripping and/or lock damage
    - Inspect for broken glass
    - Record instances of water infiltration, trapped moisture or leaks

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.

Interior Building Elements

Ice Machine, Marina Kitchen

Line Item: 2.500

Quantity: One each

History: Replaced in late 2022

Condition: Reported in satisfactory operational condition

Ice machine and ice cooler

Useful Life: 10- to 15-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. Our cost is based on historic cost information provided by the Association.

Kitchen

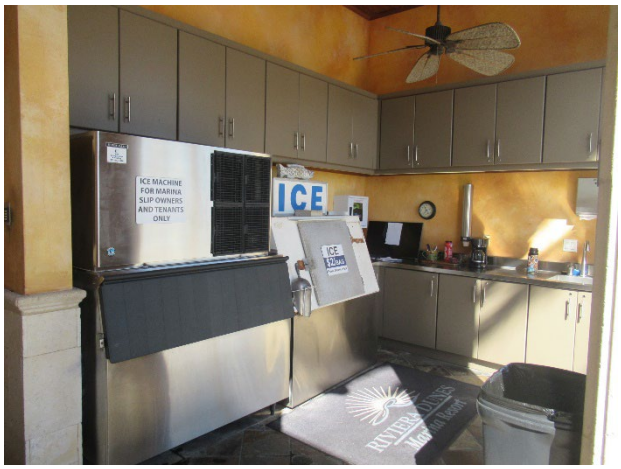
Line Item: 2.520

Quantity: Components of the kitchen include:

- Tile floor covering
- Paint finishes
- Cabinets and countertops
- Light fixtures

History: Cabinetry was renovated in 2022, and the remaining components are original.

Condition: Good to fair overall, the cabinetry is in good condition.



Marina kitchen, note renovated cabinetry

Useful Life: Renovation up to 25 years

Priority/Criticality: Per Board discretion

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

Lobby

Line Item: 2.600

Quantity: The lobby components include:

- Tile floor coverings
- Tile ceiling finishes
- Paint finishes at the walls
- Light fixtures

History: Original.

Condition: Fair overall. We note delamination of the tiling.

Lobby

Lobby

Lobby tile

Delamination at tile at threshold between lobby and restaurant

Useful Life: Renovation up to 25 years

Priority/Criticality: Per Board discretion

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

Rest Rooms

Line Items: 2.900 and 2.920

Quantity: The building includes two multi-stall restaurant rest rooms, three shower rest rooms and one laundry room. The rest room, including laundry room, components include:

- Tile floor coverings
- Tile wall coverings
- Paint finishes
- Light fixtures
- Plumbing fixtures

History: Original.

Condition: Fair overall with limited discoloration and tile wear noted, and the onset of faucet corrosion/oxidation.

Restaurant rest room

Restaurant rest room

Restaurant rest room plumbing fixtures

Discoloration and tile wear

Shower rest room

Shower rest room faucet corrosion

Useful Life: Renovation up to 25 years

Priority/Criticality: Per Board discretion

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

Building Services Elements

Air Handling and Condensing Units, Split Systems

Line Items: 3.069 and 3.070

Quantity: Seven split systems and four ductless mini-split systems

History: The break area split system was replaced in 2024, the system serving the laundry, showers and rest rooms was replaced in 2021. The office system was replaced in 2022, and a different split system was replaced in 2019. The mini-splits serving the kitchen and dining areas were installed in 2022.

Condition: Reported satisfactory without operational deficiencies

Newly added ductless mini-split system

Split system condensing units

Walk-in condensing unit (left) and mini-split condensing unit (right)

Useful Life: 12- to 18-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior electric air handling unit. The condensing units have cooling capacities that range from two- to eight-tons.

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:

- Semi-annually:
  - Lubricate motors and bearings
  - Change or clean air filters as needed
  - Inspect condenser base and piping insulation
  - Inspect base pan, coil, cabinet and clear obstructions as necessary

- Annually:
  - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
  - Inspect and clean accessible ductwork as needed
  - Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

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. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.

Laundry Equipment

Line Item: 3.500

Quantity: Eight pieces of coin operated clothes washers and dryers

History: Replaced in 2019

Condition: Reported satisfactory overall

Laundry room

Useful Life: Up to 10 years

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:

- Semi-annually:
  - Ensure areas surrounding dryers are clear of combustible materials
  - Check hoses and belts for damage and cracks
  - Check dryer exhaust connections for proper alignment and connection.
  - Check unit for loose electrical connections
- As-needed:
  - Replace belts
  - Clear unit of lint and any debris
  - Clean or replace water inlet filters, remove drum debris and wipe down door gaskets
  - Ensure water outlet is free of dirt and soap residue

Priority/Criticality: Per Board discretion

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

Life Safety System

Line Items: 3.555 and 3.560

Quantity: The life safety system at Riviera Dunes Marina includes the following components:

- Audio/visual fixtures
- *Silent Knight by Honeywell* control panel
- Detectors
- Emergency light fixtures
- Exit light fixtures
- Wiring

History: Original. The Association plans to replace the main control panel and annunciation panel in 2024. We include this budgeted cost.

Conditions: Reported satisfactory overall

Main control panel to be replaced

Annunciation panel to be replaced

Emergency device

Emergency devices

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 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. Our panel cost is provided by the Association.

Security System

Line Items: 3.820 and 3.821

Quantity: Riviera Dunes Marina utilizes the following security system components:

- Automated proximity reader system (7 access points)
- Cameras (37)
- Multiplexer (1)
- Recorder (1)

History:

- Access system: Upgrades were completed in 2023 and 2024
- Surveillance system: Varied ages, with recent partial replacements/improvements

Condition: Reported satisfactory without operational deficiencies

Access point at rest room

Access point at parking gate

***Brivo* equipment**

Camera at marina

Useful Life: Up to 15 years for the access system and 10- to 15-years for the surveillance system

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:

- Weekly:
  - Clean card readers and other frequently used equipment of dust and other materials that may prevent proper operation
- Monthly:
  - Check access points for proper operation
  - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
  - Check recording equipment for proper operation
  - Verify monitors are free from distortion with correct brightness and contrast
- Annually:
  - Check exposed wiring and cables for wear, proper connections and signal transmission
  - Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should anticipate replacement of all of the access system components and up to thirty-three percent (33%) of the surveillance system components per event, respectively.

Walk-in Coolers and Freezer, Restaurant

Line Item: 3.900

Quantity: Two each located in the restaurant kitchen

History: Original

Condition: Good to fair

Walk-in cooler and freezer

Walk-in cooler

Useful Life: With proper maintenance, the walk-in coolers and freezer have an indeterminately long useful. At the request of Management, we include $16,000 every 10 years for inspections and capital repairs

Priority/Criticality: Per Board discretion

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

Wi-Fi System

Line Item: 3.951

Quantity: The Association utilizes 25 wi-fi access points throughout the marina and at the office.

History: Upgraded in 2023

Condition: Good overall

Wi-Fi access point at marina

Useful Life: 5- to 7-years

Priority/Criticality: Per Board discretion

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

Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.020 through 4.042

Quantity:

- Approximately 5,800 square yards of street and parking areas at Phase 1
- Approximately 5,250 square yards of street and parking areas at Phase 2

History:

- Repaving: The Phase 1 pavement is original and Phase 2 pavement was installed in 2018.
- Repairs: The Association seal coated the Phase 1 pavement in 2022, and plans to seal the Phase 2 pavement in 2024. We include a budgetary amount for this work.

Condition: Phase 1 is fair to poor overall with frequent cracks, raveling, patches and standing water evident. Phase 2 is in good to fair overall condition.

Phase 1 pavement overview, note patching and raveling

Phase 1 pavement

Pavement cracks at Phase 1

Pavement edge cracks, note sidewalk settlement along curb

Phase 2 pavement

Phase 2 surface cracks

Pavement surface cracks and deterioration

Pavement surface cracks and deterioration

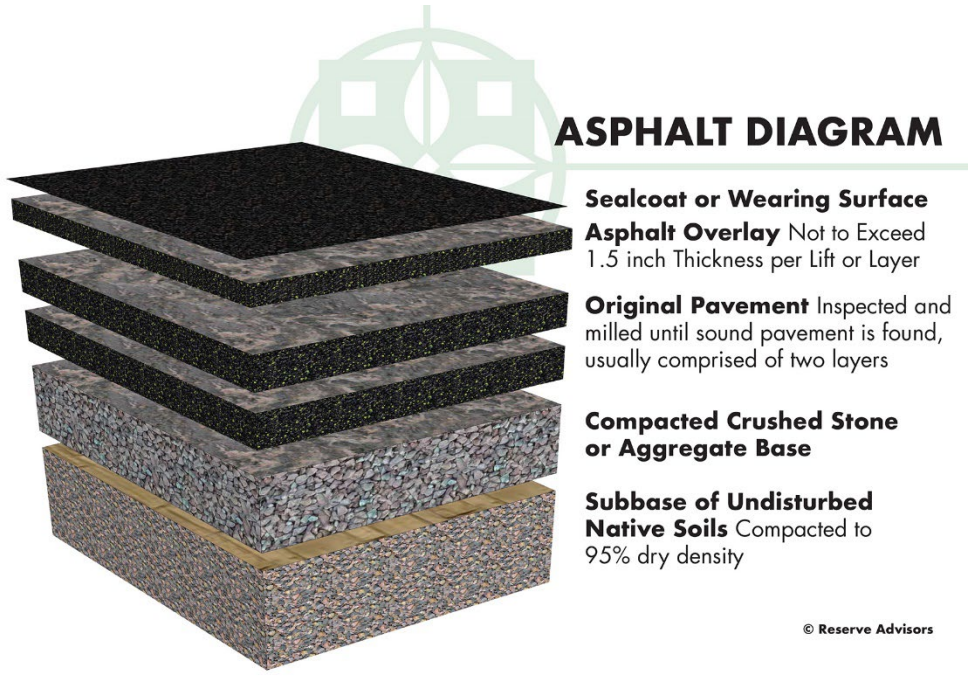
Catch basin

Useful Life: 15- to 20-years with the benefit of crack repair, patch, seal coat, and striping events every three- to five-years

Component Detail Notes: Proposals should include mechanically routing and filling all cracks with hot emulsion. Repairs should also include patching at areas exhibiting settlement, potholes, or excessive cracking. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close crack; therefore, unrepaired cracks render the seal coat applications useless. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement.

The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother, more watertight finish.

The following diagram depicts the typical components although it may not reflect the actual configuration at Riviera Dunes Marina:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlay method of repaving at Riviera Dunes Marina.

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

- Annually:
    - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
    - Repair areas which could cause vehicular damage such as potholes
- As needed:
    - Perform crack repairs and patching

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 an allowance for crack repairs and

patching of up to two percent (2%) of the pavement. Our cost for milling and overlayment includes area patching of up to ten percent (10%).

Concrete Curbs

Line Item: 4.110

Quantity: Approximately 5,700 linear feet

Condition: Good overall

Concrete curb cracks, near fuel tank

Curb damage, at Phase 1 lot entrance

Concrete cracks

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:
    - Inspect and repair major cracks, spalls and trip hazards
    - Mark with orange safety paint prior to replacement or repair

- 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 1,890 linear feet of curbs, or thirty-three percent (33.2%) of the total, will require replacement during the next 30 years.

Concrete Sidewalks

Line Item: 4.140

Quantity: Approximately 11,000 square feet, including the driveway flatwork

History: The Association recently added to the dog path sidewalk.

Condition: Good to fair with limited cracks, and isolated settled/heaved areas and potential trip hazard noted along main walkway

Newly installed sidewalk

Isolated cracks and damage

Concrete drive cracks

Main sidewalk

Heaving, potential trip hazard and damage along main walkway

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:
  - Inspect and repair major cracks, spalls and trip hazards
  - Mark with orange safety paint prior to replacement or repair
  - 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 3,300 square feet of concrete sidewalks, or thirty percent (30%) of the total, will require replacement during the next 30 years.

Fences, Aluminum, Marina Entrances

Line Item: 4.200

Quantity: Approximately 50 linear feet of security fencing at the marina entrances and along the pavilion

History: Installed in 2022.

Condition: Good overall

Additional fences at marina entrance

Fence behind pavilion

Useful Life: Up to 25 years (The useful life of the finish is indeterminate. Future updates of this Reserve Study will again consider the need to refinish the railings based on condition.)

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

- Annually:
  - Inspect and repair loose fasteners or sections, and damage
  - 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. Our estimate of cost is based on historic cost information provided by the Association.

Gate Operators

Line Item: 4.320

Quantity: Three swing arm gate operators located at the parking lot

History and Condition: Installed in 2018 and in reported satisfactory operational condition

Typical gate operator with lift arm

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:
    - Inspect for any wear, rust and loose fasteners
    - Check for no oil leakage at the gear box
    - Check the control board for water damage. Clean and remove insects and other pests as needed.
    - Check all wiring for insulation damage and loose connections. If applicable, check the functionality of battery power supply systems

Priority/Criticality: Per Board discretion

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

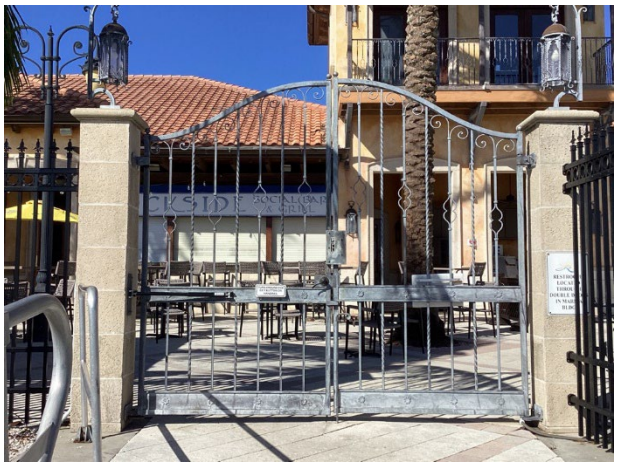
Gates, Marina Entrances

Line Item: 4.330

Quantity: Two metal bi-parting gates at the marina entrances

History: Original. The Association added closing actuators.

Condition: Fair overall with finish fade noted



Typical bi-parting marina gates

Useful Life: Up to 25 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:
    - Ensure gates operate freely
    - Inspect for any wear, rust and loose fasteners

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: Three controllers with 20 zones

History: Original with partial repairs/replacements. The Association has retained a professional maintenance company to oversee the irrigation system earlier in 2024.

Condition: Satisfactory operational condition and Management does not report any deficiencies

Useful Life: Up to 40 years and beyond

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

- Electronic controls (timer)
- Impact rotors

- Network of supply pipes
- Pop-up heads
- Valves

Riviera Dunes Marina 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:
    - Conduct seasonal repairs which include valve repairs, controller repairs, partial head replacements and pipe repairs
    - 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.

Light Poles and Fixtures

Line Item: 4.560

Quantity: 15 decorative poles with light fixtures. This quantity includes the light poles and fixtures at the restaurant patio.

History: Varied ages, including additional lighting added with the Phase 2 pavement. The Association replaced the parking lot area light fixtures with LEDs in late 2022.

Condition: Condition varies from good to fair

Light pole and fixtures at restaurant patio

Parking lot light pole and fixture

Phase 2 light pole and fixture, note LED fixture

Useful Life: Up to 25 years

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

- As-needed:
  - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
  - 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 4.625

Quantity: Approximately 13,700 square feet at the parking areas and 7,660 at the restaurant patio

History: Original. The restaurant patio pavers were previously removed and reset with a new base in 2017. The Association will seal the pavers in the near term.

Condition: Good to fair at the restaurant patio, and fair at the driveway and parking areas with paver deterioration, staining, and limited cracks and settlement noted.

Restaurant patio pavers

Paver patio deterioration

Minor paver deterioration

Stained/discolored patio pavers

Vehicular paver deterioration, settlement and limited replacements

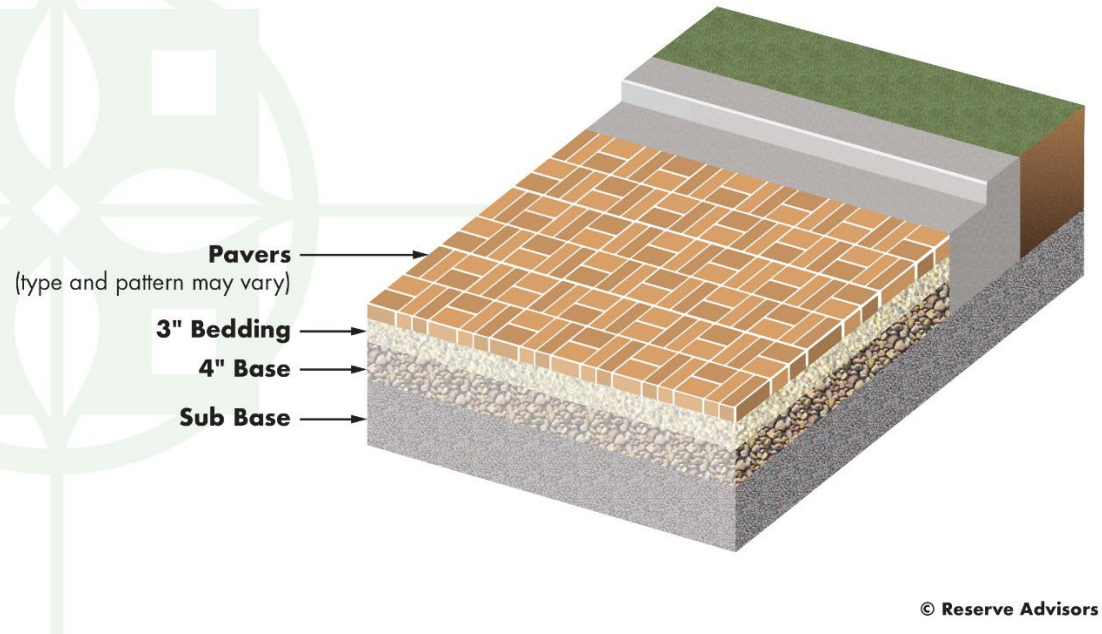
Vehicular paver deterioration and staining

Paver settlement

Paver settlement

Useful Life: 15- to 20-years for the parking area pavers with vehicular traffic years and up to 25 for the restaurant patio pavers with pedestrian traffic

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



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

- Annually:
    - Inspect and repair settlement, trip hazards and paver spalls at heavy traffic areas
    - Re-set and/or reseal damaged pavers as necessary
    - 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.

Railings, Decorative

Line Item: 4.733

Quantity: 170 linear feet of steel railings at the restaurant patio and balconies

History: Original

Condition: Good to fair overall

Steel decorative railings

Useful Life: Up to 50 years for replacement

Component Detail Notes: Steel components at grade and key structural connections are especially prone to failure if not thoroughly maintained. Secure and rust-free fasteners and connections will prevent premature deterioration. Preparation of the steel before application of the paint finish is critical to maximize the useful life of the finish.

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

- Annually:
    - Inspect for damage, and excessive finish deterioration or corrosion
    - Test security of railings and inspect connection fasteners

Priority/Criticality: Per Board discretion

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

Vehicles, Electric Charging Station, Parking Lot

Line Item: 4.900

Quantity: One each

History: Installed in 2018. The plugs have been changed out as needed.

Condition: Reported satisfactory

Electric vehicle charging station

Useful Life: Up to 15 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.

Marina Elements

Docks, Concrete Surface, Repairs and Coating Applications

Line Item: 8.195

Quantity: Approximately 47,000 square feet of floating docks with concrete surfaces

History: A coating was applied in 2020. The Association reports issues with the application process, including changing vendors and products partway through the application process. Management reports bleaching and non-uniform coatings. We note varied colors and apparent thickness of coating. The Association conducts periodic edge rust remediation as needed.

Condition: Poor overall with isolated coating deterioration, edge rust and systemic cracking evident, including surface stress-like cracks and more significant cracks.

Significant crack at north dock

Dock surface cracks

Dock surface cracks and staining

Coating cracks and missing coatings

Surface damage at removed dock box

Coating cracks, deterioration and missing areas

Rust at dock metal edge

Rust at dock metal edge, note previous coatings and repairs

Useful Life: With proper maintenance, concrete surfaces of this type have a useful life of up to 50 years. Proper maintenance includes coating applications, crack repairs and partial replacements every 8- to 12-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.

Docks, Float Assemblies

Line Item: 8.500

Quantity: Approximately 48,000 square feet of floating dock assemblies for the 219 marina slips

History: Original. The Association is in the process of conducting welding repairs to remediate hurricane damage.

Condition: Fair condition with rust evident, and hurricane-related damage

Float assembly with rust

Damaged float assembly due to hurricane damage

Damaged float assembly due to hurricane damage, note rust

Overturned float due to hurricane damage

Useful Life: 25- to 30-years, in part as projected by Management

Component Detail Notes: These floating docks utilize encapsulated polystyrene billets (floatation devices) and concrete surface decks. Concrete pilings with sleeves stabilize the docks. The docks automatically adjust to fluctuations in water levels.

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. Based in part on conversations with Management, we include phased near term replacement as part of a total dock/marina renovation. Riviera Dunes Marina should fund interim replacements of utilities prior to replacement of the docks and annual repairs to displaced pilings through the operating budget.

Docks, Utility Services, Electrical

Line Items: 8.600 and 8.603

Quantity: The Association maintains the electrical supply and nine transformers at the floating docks. The exact amounts and locations of the electrical supply lines were not ascertained due to the nature of the dock construction and the non-invasive nature of the inspection.

History and Condition: Primarily original. The electrical system has been inspected periodically, and is reported in satisfactory condition. Management plans to paint and/or improve signage at the transformers in the near term.

Typical electrical transformer, note discolored finishes

Useful Life: 40- to 50-years. Future updates will consider the need for accelerated replacements as conditions change in this marine environment.

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 coordinate electrical system upgrades with future dock replacements.

Docks, Utility Services, Fire Protection and Water Lines

Line Item: 8.606

Quantity: The Association maintains the fire protection and water lines at the floating docks. The exact amounts and locations of the piping lines were not ascertained due to the nature of the dock construction and the non-invasive nature of the inspection.

History and Condition: Primarily original. The fire protection and water lines system have previously been inspected and repaired and are reported in satisfactory condition. The Association rebuilt the fire protection standpipes in 2016. We note corrosion onset and finishes in varied conditions.

Typical fire protection standpipe

Fire protection standpipe, note corrosion onset

Useful Life: 40- to 50-years. Future updates will consider the need for accelerated replacements as conditions change in this marine environment.

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 coordinate fire protection and water line upgrades with future dock replacements.

Docks, Utility Services, Fuel

Line Items: 8.700, 8.711 and 8.714

Quantity:

- Two fuel dispensers
- Network of fuel supply lines. The exact amounts and locations of the fuel supply lines were not ascertained due to the nature of the dock construction and the non-invasive nature of the inspection.
- One fuel tank located adjacent to the clubhouse building

History: Original to construction. The fuel dispenser system dates to 2006. The tank was recently painted and inspected.

Condition: The dispensers and supply lines are reported in satisfactory condition. The tank is in fair condition overall.

Fuel tank

Fuel supply lines *(cover to be reinstalled)*

Fuel dispensers

Faded display

Useful Life:

- 15- to 20-years for the dispensers
- 40- to 50-years for the supply lines
- At the request of Management, we include replacement of the tank up to every 25 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. We coordinate supply line upgrades with future dock replacements. In addition, the Association plans to replace the fuel dispensers in the near term. Our cost is based on information provided by the Association

Docks, Utility Services, Lighting Pedestals

Line Item: 8.717

Quantity: 58 each. This quantity includes fire extinguisher pedestals.

History: Primarily original with isolated replacements as needed. The Association anticipates replacement of the lighting pedestals in 2025.

Condition: Reported fair

Typical lighting pedestal

Typical fire extinguisher pedestal

Useful Life: Up to 25 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.

Docks, Utility Services, Power Pedestals

Line Item: 8.800

Quantity: 219 power pedestals

History: Original, these pedestals were inspected and repaired in 2020. The Association plans to replace the power pedestals with the future marina/dock renovation.

Condition: Reported satisfactory

Typical power pedestal

Useful Life: Up to 25 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.

Docks, Utility Services, Sanitary Pumpout Line

Line Item: 8.805

History: Replaced in 2019

Condition: Reported good

Useful Life: Up to 20 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. Our cost is based on information provided by the Association.

Finger Docks, Corner Gusset Plates

Line Item: 8.820

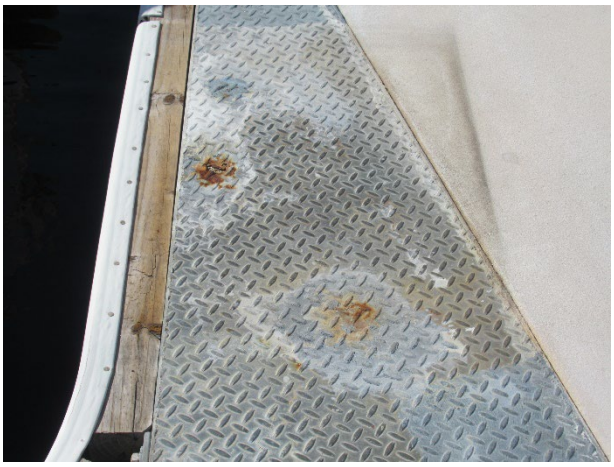
Quantity: 234 corner gusset plates at the finger docks

History: Varied ages. The Association replaces individual plates as needed.

Condition: Good to fair overall with isolated rust evident

Replaced corner gusset plate

Corner gusset plate with rust



Typical corner gusset plates

Useful Life: 15- to 20-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. Our cost is based on information provided by the Association. At the request of Management, we include an annual event for phased replacements of the corner gusset plates, excluding at the time of total marina/dock renovation.

Pilings

Line Items: 8.840 and 8.842

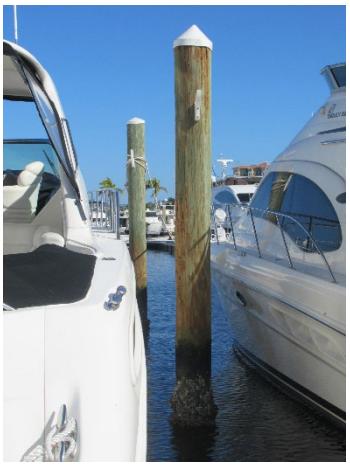
Quantity: 80 concrete pilings stabilize the floating docks and 170 common wood pilings throughout the marina slips

History: Original

Condition: The concrete pilings are in good condition overall. The common wood pilings are reported in fair to poor condition and a portion are replaced annually. The Association will replace 10 wood pilings in 2024, and will fund these replacements through the operating budget.

Concrete and wood pilings

Minor concrete damage



Typical wood pilings

Useful Life: Up to 65 years and beyond for the concrete pilings. In addition, we include phased replacement of the wood pilings up to and potentially beyond every 20- to 25-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. We include partial, on-going replacements of the pilings. Our wood piling estimate of cost is provided by Management based on recent historic costs.

Ramps, Aluminum, Walkways

Line Item: 8.880

Quantity: Two aluminum walkway ramps

History: Original

Condition: Good to fair overall

Typical aluminum ramp

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.

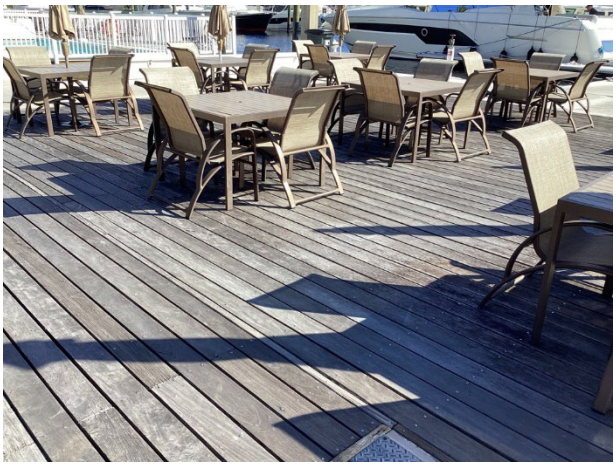
Social Dock, Deck and Frame

Line Item: 8.900

Quantity: Approximately 950 square feet of floating wood dock for the social dock. We are informed that the wood is a tropical hardwood.

History: Original, the Association refastens the boards as needed.

Condition: Good to fair overall with isolated wood deterioration and warp/lift evident



Social dock overview

Minor wood deterioration

Useful Life: 25- to 30-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. Our estimate of cost excludes replacement of the floating assembly, which is included in ***Line Item 8.500 Docks, Float Assemblies***. Riviera Dunes Marina should fund interim repairs through the operating budget.

Vehicle, Sanitary Pumpout Boat

Line Item: 8.950

Quantity: One pumpout boat

History: Purchased in 2009. Management informs us the Association purchased the boat through a governmental grant. The Association was responsible for twenty-five percent (25%) of the total cost, and the government grant paid for the remaining seventy-five percent (75%).

Condition: Reported satisfactory

Pumpout boat

Useful Life: At the request of Management, we include replacement up to every 15 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. Our cost is based on information provided by the Association. Management anticipates receiving similar grants at the time of replacement, thus we budget for twenty-five percent (25%) of the total expenditure.

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.

Riviera Dunes Marina 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 standards[1] set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level II Reserve Study Update." 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
- Local[2] 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 Palmetto, Florida at an annual inflation rate[3]. Isolated or regional markets of greater

[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.

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

- The past and current maintenance practices of Riviera Dunes Marina 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.

HEATHER M. CHRISTENSEN, RS
Responsible Advisor

CURRENT CLIENT SERVICES

Heather M. Christensen, a Structural Engineer, is an Advisor for Reserve Advisors. Ms. Christensen 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 Analysis and Capital Replacement Forecast services on townhomes, homeowner associations, planned unit developments and recreational associations. Ms. Christensen serves as the Quality Assurance Review Coordinator for all types of developments and has been with Reserve Advisors since 2011.

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

Lawrence Square Townhomes Association - A townhome association in Chicago, Illinois with 30 units in four buildings, this development displays uniqueness with shaped EIFS, vinyl siding, masonry walls and flat roofs. These buildings are connected with two bridges at the second stories, overlooking individual garages and private asphalt parking and streets.

Lakelands Club Consolidated Homeowners Association - This planned unit development located in Plainfield, Illinois includes amenities shared by 85 residential units. Construction began in 2003 and includes a clubhouse, pool, lake, irrigation system, gates, fences and asphalt pavement streets and walking paths.

Windemere Place Condominium Association - A condominium association in Grosse Pointe Farms, Michigan located on the lake, this planned unit development includes 31 single family homes and lots. Windemere Place was built from 1982 to 1992 and includes older, historic elements. The development contains concrete flatwork, brick privacy walls, a pool and pool house.

3110 Wisconsin Condominium Association - This high rise condominium located in downtown Washington, DC comprises 30 units in a nine-story building. The two-story units comprise concrete balconies, and the unit owners share a common lobby, elevators, hallways, parking garage and parking lot.

Pembroke North Homeowners Association - Located in Wayne, Pennsylvania, this development contains 54 units in three LEED buildings. The building exteriors comprise flat membrane roofs, masonry siding and elevated garden plazas. The development contains a parking structure, asphalt pavement, finished interior lobbies and hallways, and a geothermal system.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Ms. Christensen attended the Milwaukee School of Engineering in Milwaukee (MSOE), Wisconsin where she attained her Master of Science degree in Structural Engineering and her Bachelor of Science degree in Architectural Engineering. She also worked for Computerized Structural Design, Inc. and Pierce Engineers where she worked on structural design projects for steel and concrete structures. Heather's involvement with Engineers Without Borders includes the design and construction of bridges and schools in Guatemala, where she serves as a structural engineering mentor to the MSOE student chapter.

EDUCATION

Milwaukee School of Engineering - M.S. Structural Engineering
Milwaukee School of Engineering - B.S. Architectural Engineering

PROFESSIONAL AFFILIATIONS

Engineers Without Borders (EWB) - Professional Mentor
Reserve Specialist (RS) - Community Associations Institute
American Society of Civil Engineers - Associate Member

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 Riviera Dunes Marina 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) Riviera Dunes Marina 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.

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 reserve study 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. The reserve report 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. The inspection is made by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA, 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.