Princeton Place at Wiggins Bay Condominium Three

July 3, 2024 • Naples, FL

STRUCTURAL INTEGRITY RESERVE STUDY

RESERVE™ ADVISORS

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

Princeton Place at Wiggins Bay Condominium Three Association, Inc.
Naples, Florida

Dear Board of Directors of Princeton Place at Wiggins Bay Condominium Three Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Structural Integrity Reserve Study* of Princeton Place at Wiggins Bay Condominium Three Association, Inc. in Naples, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 3, 2024.

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

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

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

Respectfully submitted on August 6, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Jennifer L. Berry, RS[1]
Review by: Tamara S. Samhouri, RS, Quality Assurance Engineer
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: Princeton Place at Wiggins Bay Condominium Three Association, Inc. (Princeton Place Condominium Three)
Location: Naples, Florida
Reference: 240871

Property Basics: Princeton Place at Wiggins Bay Condominium Three Association, Inc. is a midrise style development which consists of 37 units in a five-story building. The building was built in 1988.

Reserve Components Identified:

- 14 Structural Integrity Reserve Components.
- Seven General Reserve Components.

Inspection Date: July 3, 2024.

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

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

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

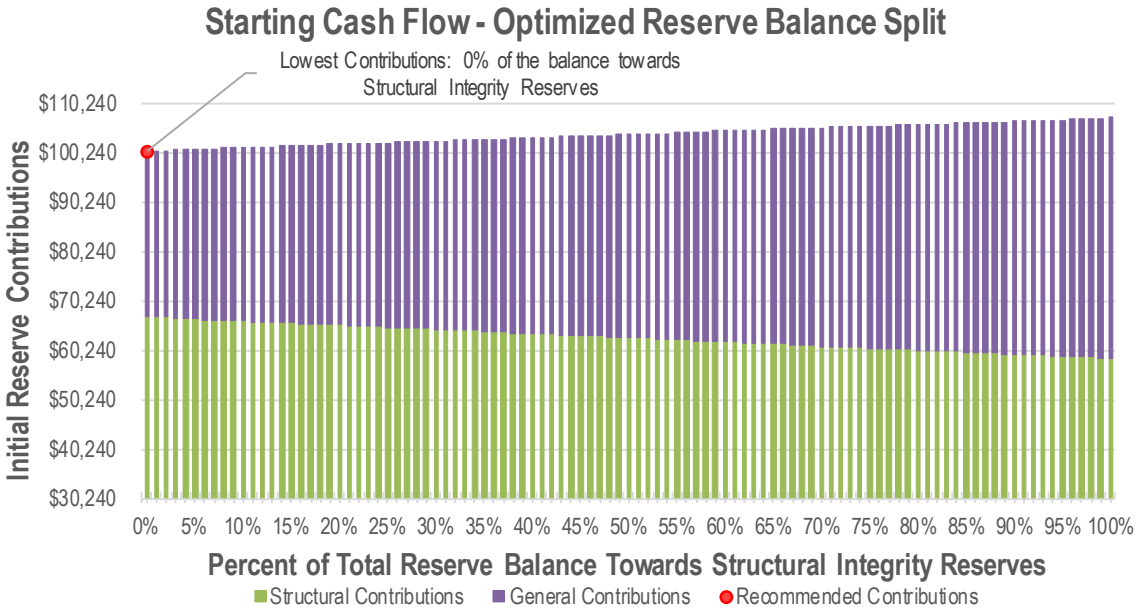
Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the ***Reserve Expenditures*** tables and include a ***Five-Year Outlook*** table following the ***Reserve Funding Plan*** in Section 3. We recommend the Association prioritize the following projects in the next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

- Structural Integrity - Repairs and sealer applications to the breezeways
- Structural Integrity - Replacement of the exterior common doors
- General - Replacement of the elevator pump and controls
- General - Replacement of the elevator cylinder
- General - Replacement of the mailboxes

Unaudited Cash Status of Reserve Fund:

- $46,075 as of July 1, 2024
- $30,000 in budgeted 2024 reserve contributions ($15,000 remaining)
- $0 in estimated remaining 2024 reserve expenses
- We project a 2024 Reserve End Balance of $61,275.

As part of our Cash Flow method we analyzed future expenditures and identified the reserve balance split to produce the lowest overall required contributions. Due to the statutory restrictions on structural integrity reserve funds, we recommend the Association maintain separate funds for Structural Integrity reserves and General (non-structural) reserves. However, the existing reserve funds are not split. We, therefore, analyzed future expenditures and identified the starting reserve balance split that produces the lowest overall reserve contributions. We recommend the Association allocate $61,275, or 100% of the 2024 Projected Reserve End Balance to the General (non-structural) Fund to minimize the total combined contributions to the statutory Structural Integrity Fund and the recommended General (non-structural) Fund. A vote of the membership may be required to allocate funds in this manner. The following chart depicts the analysis of future expenditures and the reserve balance split to produce the lowest overall required contributions.



Cash Flow - Existing Reserve Balance and Contribution Split			Structural Integrity	General
	FY2024		2025	2025
Beginning Reserve Balance as of July 01, 2024	46,075		0	61,275
Remaining Budgeted Reserve Contributions:	**15,000**		**67,100**	**33,600**
Estimated Remaining Interest Earned:	200	0%		
Anticipated Remaining Structural Expenditures:	0	100%		
Anticipated Remaining General Expenditures:	0			
Anticipated Reserves at Year End:	$61,275			

Structural Integrity

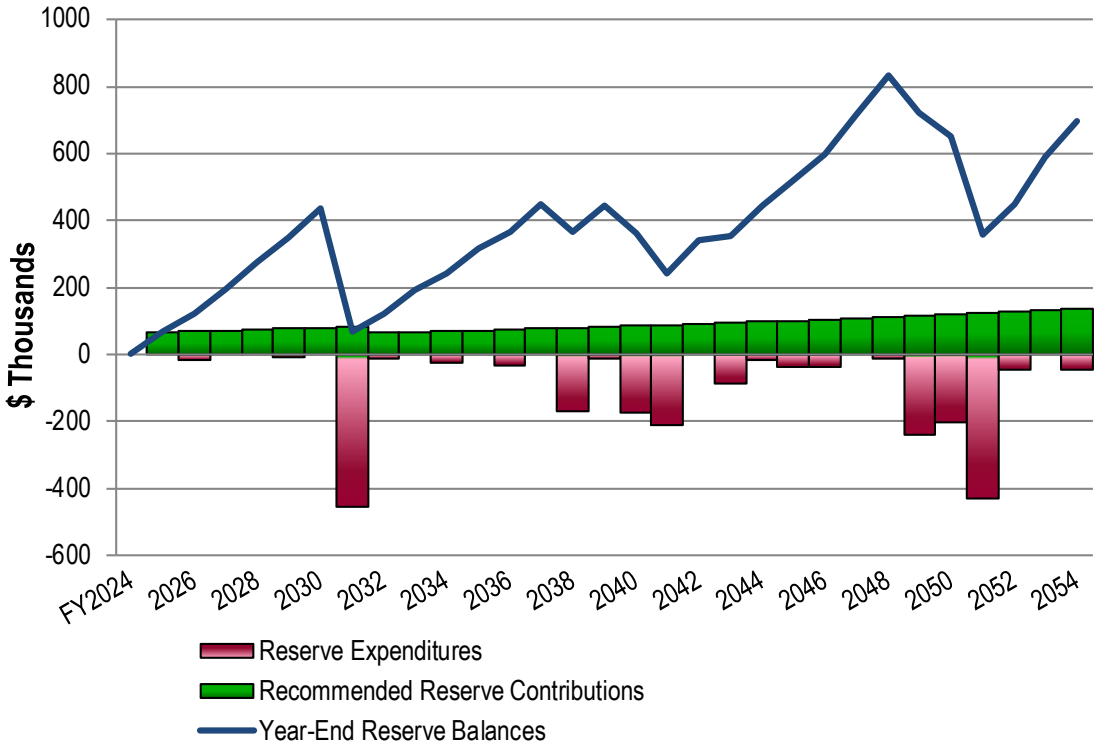
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2031 due to the replacement of the waterproof coatings at the breezeways. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately $695,600. We judge this amount of accumulated reserves in 2054 necessary to fund the likely replacement of the asphalt shingle roofs after 2054. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2054 year end reserves.

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

- Allocate $0 of the Anticipated 2024 Year End Reserve balance to the Structural Integrity Reserve Fund.
- Increase to $67,100 in 2025
- Inflationary increases from 2026 through 2031
- Decrease to $64,400 by 2032 due to fully funding for replacement of the waterproof coatings at the breezeways
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 Reserve Contribution of $67,100 is equivalent to an average quarterly contribution of $453.38 per owner.
- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	67,100	67,771	2035	71,400	317,492	2045	100,900	517,154
2026	69,400	120,827	2036	73,900	364,142	2046	104,400	596,343
2027	71,800	195,762	2037	76,500	448,690	2047	108,100	717,451
2028	74,300	274,720	2038	79,200	366,974	2048	111,900	832,135
2029	76,900	347,808	2039	82,000	443,596	2049	115,800	723,527
2030	79,600	435,160	2040	84,900	360,501	2050	119,900	652,508
2031	82,400	68,373	2041	87,900	242,963	2051	124,100	356,229
2032	64,400	120,654	2042	91,000	339,732	2052	128,400	446,991
2033	66,700	190,434	2043	94,200	353,126	2053	132,900	590,160
2034	69,000	240,567	2044	97,500	442,586	2054	137,600	695,581



General

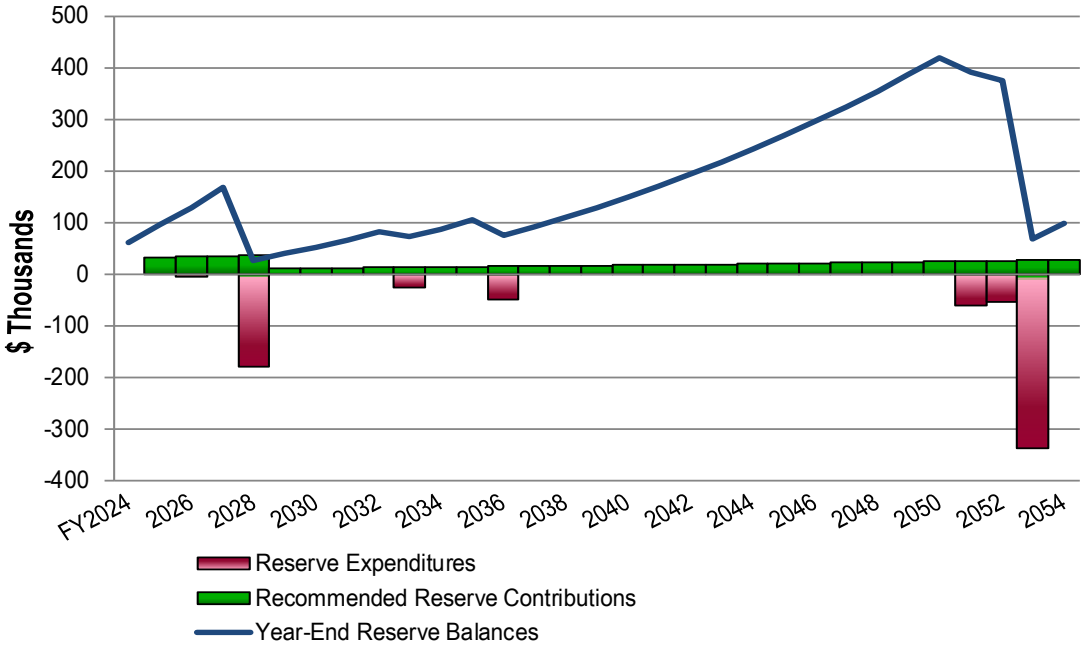
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2028 due to the replacement of the elevator pump and controls.

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

- Allocate $61,275 of the Anticipated 2024 Year End Reserve balance to the General Reserve Fund.
- Increase to $33,600 in 2025
- Inflationary increases from 2026 through 2028
- Decrease to $12,100 by 2029 due to fully funding for replacement of the elevator pump and controls
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 Reserve Contribution of $33,600 is equivalent to an average quarterly contribution of $227.03 per owner.
- Florida Statute 718.112 provides for a majority of the voting interest to waive or reduce reserve for General (non-structural) items. Consult legal counsel or your property management company for further guidance.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	33,600	96,437	2035	14,900	105,316	2045	21,000	269,462
2026	34,800	129,019	2036	15,400	74,750	2046	21,700	296,768
2027	36,000	167,959	2037	15,900	92,304	2047	22,500	325,428
2028	37,300	27,121	2038	16,500	110,815	2048	23,300	355,470
2029	12,100	39,884	2039	17,100	130,302	2049	24,100	386,920
2030	12,500	53,307	2040	17,700	150,785	2050	24,900	419,807
2031	12,900	67,402	2041	18,300	172,284	2051	25,800	392,896
2032	13,400	82,284	2042	18,900	194,819	2052	26,700	374,794
2033	13,900	72,503	2043	19,600	218,511	2053	27,600	69,161
2034	14,400	88,497	2044	20,300	243,384	2054	28,600	99,430



2. RESERVE STUDY REPORT

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

Princeton Place at Wiggins Bay Condominium Three Association, Inc.

Naples, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 3, 2024.

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

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

IDENTIFICATION OF PROPERTY

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

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

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

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

- Princeton Place Condominium Three responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Structural Integrity Reserve Expenditures - At the direction of the Board that recognizes their fiduciary responsibility and as required by Florida Statute 718.103 (25), we have conducted a *Structural Integrity Reserve Study* of Princeton Place at Wiggins Bay Condominium Three Association, Inc.. A *Structural Integrity Reserve Study* states the estimated remaining useful life, the estimated replacement cost or deferred maintenance expense of the common areas being visually inspected and provides a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each common area. Specifically, as per Florida Statute 718.112(2)(g), we have investigated the structural integrity and safety of common elements within the following:

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

Items Excluded from Structural Integrity Reserve Expenditures - We exclude expenditures for the elements below for one or more of the following categories of reasons:

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

We discuss specific exclusions for the following elements:

- Structure and Primary Structural Members - We anticipate a useful life of up to and beyond 100 years and consider full replacement unlikely and cost prohibitive. Management and the Board report no history of water infiltration or repairs to the foundations. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.
- Plumbing Pipes - We anticipate a useful life of up to and beyond 80 years. Our inspection is visual, non-invasive and excludes camera inspections. Based on the current condition, we do not anticipate the

need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.

- Windows and Doors – Maintained and replaced by the homeowners

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

Excluded Components

for

Princeton Place at Wiggins Bay

Condominium Three Association, Inc.

Naples, Florida

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $4,500 (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.

- Exhaust Fans, Less than 5,000-CFM (cubic feet per minute)
- Fire Extinguishers
- Paint Finishes, Touch Up
- Pipes, Common, Interim Repairs and Waste Rodding
- Security System
- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)

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
• Foundation	Indeterminate	N/A
• Pipes, Interior Building, Domestic Water, Waste, and Vent	to 80+	$284,900
• Structural Frame	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.

- Balconies, Screens
- Balconies, Waterproof Coatings and Floor Coverings
- Docks
- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Pipes (Within Units)
- Windows and Doors

Excluded Components

for

Princeton Place at Wiggins Bay

Condominium Three Association, Inc.

Naples, Florida

Others Responsibility Components
Certain items have been designated as the responsibility of Others to repair or replace.
• Gate House and Gate Entry System[1]
• Property Site Elements[2]
[1] Wiggins Bay Foundation
[2] Princeton Place at Wiggins Bay Property Owners Association, Inc.

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***.

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RESERVE EXPENDITURES

Princeton Place at Wiggins Bay
Condominium Three Association, Inc.
Naples, Florida

Years 2024 to 2039

Explanatory Notes:

1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.
2) **FY2024** is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
3) **2055+** indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years Useful	Life Analysis Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ 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																							
1.060	4,500	4,500	Square Feet	Balconies, Concrete, Inspections and Repairs (With Tile Floor Coverings)	2031	to 25	7	5.00	22,500	22,500	**1.3%**								28,626								
1.065	4,800	2,400	Square Feet	Balconies, Railings and Screen Enclosures, Aluminum, Phased	2031	to 25	7 to 19	19.00	45,600	91,200	**6.4%**								58,016								
1.090	6,800	6,800	Square Feet	Breezeways, Concrete, Repairs and Sealer Applications	2026	to 5	2	2.50	17,000	17,000	**4.9%**			18,211										25,688			
1.095	6,800	6,800	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications (Incl. Staircases)	2031	15 to 20	7	25.00	170,000	170,000	**28.4%**								216,287								
1.100	870	870	Linear Feet	Breezeways, Railings, Aluminum, Paint Finishes and Capital Repairs (Incl. Staircases)	2031	6 to 8	7	20.00	17,400	17,400	**4.5%**								22,138								
1.105	870	870	Linear Feet	Breezeways, Railings, Aluminum (Incl. Staircases)	2038	to 50	14	120.00	104,400	104,400	**7.4%**														168,992		
1.180	8	4	Each	Doors, Exterior, Common, Phased	2029	to 30	5 to 10	2,100.00	8,400	16,800	**1.0%**						9,977				11,849						
1.240	1,250	1,250	Linear Feet	Gutters and Downspouts, Aluminum	2032	15 to 20	8	8.50	10,625	10,625	**1.8%**									13,991							
1.280	180	180	Squares	Roofs, Asphalt Shingles	2041	12 to 18	17	560.00	100,800	100,800	**7.9%**																
1.605	1	1	Allowance	Structural Members, Inspections, Milestone	2034	to 10	10	8,000.00	8,000	8,000	**2.2%**										11,285						
1.880	36,900	36,900	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2031	8 to 10	7	2.75	101,475	101,475	**23.9%**								129,105								
				Building Services Elements																							
3.300	4	1	Allowance	Electrical System, Main Panels, Partial	2050	to 70+	26 to 30+	73,000.00	73,000	292,000	**7.8%**																
3.555	1	1	Allowance	Life Safety System, Control Panel	2039	to 15	15	8,000.00	8,000	8,000	**1.6%**																13,403
3.560	2	1	Allowance	Life Safety System, Emergency Devices, Phased	2036	to 25	12 to 24	5,500.00	5,500	11,000	**0.9%**													8,311			
3.605	37	12	Units	Pipes, Domestic Water, Waste and Vent, Partial	2057	to 80+	33 to 30+	5,000.00	61,650	185,000	**0.0%**																
				Anticipated Expenditures, By Year ($2,276,679 over 30 years)								0	0	18,211	0	0	9,977	0	454,172	13,991	0	23,134	0	33,999	0	168,992	13,403

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RESERVE EXPENDITURES

Princeton Place at Wiggins Bay
Condominium Three Association, Inc.
Naples, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years Useful	Life Analysis Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ 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																						
1.060	4,500	4,500	Square Feet	Balconies, Concrete, Inspections and Repairs (With Tile Floor Coverings)	2031	to 25	7	5.00	22,500	22,500	**1.3%**															
1.065	4,800	2,400	Square Feet	Balconies, Railings and Screen Enclosures, Aluminum, Phased	2031	to 25	7 to 19	19.00	45,600	91,200	**6.4%**				87,666											
1.090	6,800	6,800	Square Feet	Breezeways, Concrete, Repairs and Sealer Applications	2026	to 5	2	2.50	17,000	17,000	**4.9%**		30,509					36,236								
1.095	6,800	6,800	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications (Incl. Staircases)	2031	15 to 20	7	25.00	170,000	170,000	**28.4%**												430,366			
1.100	870	870	Linear Feet	Breezeways, Railings, Aluminum, Paint Finishes and Capital Repairs (Incl. Staircases)	2031	6 to 8	7	20.00	17,400	17,400	**4.5%**						35,834							45,591		
1.105	870	870	Linear Feet	Breezeways, Railings, Aluminum (Incl. Staircases)	2038	to 50	14	120.00	104,400	104,400	**7.4%**															
1.180	8	4	Each	Doors, Exterior, Common, Phased	2029	to 30	5 to 10	2,100.00	8,400	16,800	**1.0%**															
1.240	1,250	1,250	Linear Feet	Gutters and Downspouts, Aluminum	2032	15 to 20	8	8.50	10,625	10,625	**1.8%**											25,988				
1.280	180	180	Squares	Roofs, Asphalt Shingles	2041	12 to 18	17	560.00	100,800	100,800	**7.9%**		180,903													
1.605	1	1	Allowance	Structural Members, Inspections, Milestone	2034	to 10	10	8,000.00	8,000	8,000	**2.2%**					15,918										22,454
1.880	36,900	36,900	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2031	8 to 10	7	2.75	101,475	101,475	**23.9%**	175,956									239,810					
				Building Services Elements																						
3.300	4	1	Allowance	Electrical System, Main Panels, Partial	2050	to 70+	26 to 30+	73,000.00	73,000	292,000	**7.8%**											178,555				
3.555	1	1	Allowance	Life Safety System, Control Panel	2039	to 15	15	8,000.00	8,000	8,000	**1.6%**															22,454
3.560	2	1	Allowance	Life Safety System, Emergency Devices, Phased	2036	to 25	12 to 24	5,500.00	5,500	11,000	**0.9%**									12,558						
3.605	37	12	Units	Pipes, Domestic Water, Waste and Vent, Partial	2057	to 80+	33 to 30+	5,000.00	61,650	185,000	**0.0%**															
				Anticipated Expenditures, By Year ($2,276,679 over 30 years)								175,956	211,413	0	87,666	15,918	35,834	36,236	0	12,558	239,810	204,543	430,366	45,591	0	44,909

RESERVE FUNDING PLAN

Structural Integrity

CASH FLOW ANALYSIS

Princeton Place at Wiggins Bay

Condominium Three Association, Inc.

Naples, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	*(Note 1)*	N/A	0	67,771	120,827	195,762	274,720	347,808	435,160	68,373	120,654	190,434	240,567	317,492	364,142	448,690	366,974
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**67,100**	**69,400**	**71,800**	**74,300**	**76,900**	**79,600**	**82,400**	**64,400**	**66,700**	**69,000**	**71,400**	**73,900**	**76,500**	**79,200**	**82,000**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	671	1,867	3,135	4,658	6,164	7,752	4,985	1,872	3,080	4,267	5,525	6,749	8,048	8,076	8,025
Anticipated Expenditures, By Year		N/A	0	(18,211)	0	0	(9,977)	0	(454,172)	(13,991)	0	(23,134)	0	(33,999)	0	(168,992)	(13,403)
Anticipated Reserves at Year End		$0	$67,771	$120,827	$195,762	$274,720	$347,808	$435,160	$68,373 *(NOTE 5)*	$120,654	$190,434	$240,567	$317,492	$364,142	$448,690	$366,974	$443,596

(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	443,596	360,501	242,963	339,732	353,126	442,586	517,154	596,343	717,451	832,135	723,527	652,508	356,229	446,991	590,160
Total Recommended Reserve Contributions	**84,900**	**87,900**	**91,000**	**94,200**	**97,500**	**100,900**	**104,400**	**108,100**	**111,900**	**115,800**	**119,900**	**124,100**	**128,400**	**132,900**	**137,600**
Estimated Interest Earned, During Year	7,961	5,975	5,769	6,860	7,878	9,502	11,025	13,008	15,342	15,403	13,624	9,987	7,953	10,269	12,730
Anticipated Expenditures, By Year	(175,956)	(211,413)	0	(87,666)	(15,918)	(35,834)	(36,236)	0	(12,558)	(239,810)	(204,543)	(430,366)	(45,591)	0	(44,909)
Anticipated Reserves at Year End	$360,501	$242,963	$339,732	$353,126	$442,586	$517,154	$596,343	$717,451	$832,135	$723,527	$652,508	$356,229	$446,991	$590,160	$695,581 *(NOTE 4)*

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the General Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.

2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.

3) **2.0%** is the estimated annual rate of return on invested reserves; 2024 is a partial year of interest earned.

4) Accumulated year 2054 ending reserves consider the need to fund for replacement of the asphalt shingle roofs 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

Structural Integrity

FIVE-YEAR OUTLOOK

Princeton Place at Wiggins Bay
Condominium Three Association, Inc.
Naples, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements						
1.090	Breezeways, Concrete, Repairs and Sealer Applications			18,211			
1.180	Doors, Exterior, Common, Phased						9,977
	Anticipated Expenditures, By Year ($2,276,679 over 30 years)	0	0	18,211	0	0	9,977

General

RESERVE EXPENDITURES

Princeton Place at Wiggins Bay
Condominium Three Association, Inc.
Naples, Florida

Years 2024 to 2039

Explanatory Notes:

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

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years Useful	Remaining	Costs, $ Unit (2024)	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																							
1.260	80	80	Each	Light Fixtures	2036	to 20	12	95.00	7,600	7,600	**1.6%**													11,484			
1.700	37	37	Each	Mailboxes	2028	to 35	4	160.00	5,920	5,920	**1.0%**					6,793											
				Building Services Elements																							
3.100	1	1	Each	Elevator Cab Finishes	2033	to 20	9	18,500.00	18,500	18,500	**10.6%**										25,214						
3.320	1	1	Each	Elevator, Hydraulic, Pump and Controls	2028	to 25	4	106,000.00	106,000	106,000	**57.8%**					121,637											
3.330	1	1	Each	Elevator, Hydraulic, Cylinder	2028	to 40	4	45,000.00	45,000	45,000	**7.3%**					51,639											
3.700	2	2	Each	Pumps, Domestic Water, 1.5-HP (Incl. Controls)	2036	to 15	12	12,000.00	24,000	24,000	**13.7%**													36,266			
3.880	5	5	Floors	Trash Chute and Doors	2052	to 65	28	4,000.00	20,000	20,000	**7.4%**																
		1	Allowance	**Structural Integrity Reserve Study Update with Site Visit**	2026	to 2	2	4,450.00	4,450	4,450	**0.6%**			4,450													
				Anticipated Expenditures, By Year ($708,273 over 30 years)								0	0	4,450	0	180,069	0	0	0	0	25,214	0	0	47,750	0	0	0

General

RESERVE EXPENDITURES

Years 2040 to 2054

Princeton Place at Wiggins Bay
Condominium Three Association, Inc.
Naples, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years Useful	Life Analysis Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ 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																						
1.260	80	80	Each	Light Fixtures	2036	to 20	12	95.00	7,600	7,600	**1.6%**															
1.700	37	37	Each	Mailboxes	2028	to 35	4	160.00	5,920	5,920	**1.0%**															
				Building Services Elements																						
3.100	1	1	Each	Elevator Cab Finishes	2033	to 20	9	18,500.00	18,500	18,500	**10.6%**														50,170	
3.320	1	1	Each	Elevator, Hydraulic, Pump and Controls	2028	to 25	4	106,000.00	106,000	106,000	**57.8%**														287,459	
3.330	1	1	Each	Elevator, Hydraulic, Cylinder	2028	to 40	4	45,000.00	45,000	45,000	**7.3%**															
3.700	2	2	Each	Pumps, Domestic Water, 1.5-HP (Incl. Controls)	2036	to 15	12	12,000.00	24,000	24,000	**13.7%**												60,758			
3.880	5	5	Floors	Trash Chute and Doors	2052	to 65	28	4,000.00	20,000	20,000	**7.4%**													52,403		
		1	Allowance	**Structural Integrity Reserve Study Update with Site Visit**	2026	to 2	2	4,450.00	4,450	4,450	**0.6%**															
				Anticipated Expenditures, By Year ($708,273 over 30 years)								0	0	0	0	0	0	0	0	0	0	0	60,758	52,403	337,629	0

RESERVE FUNDING PLAN

General

CASH FLOW ANALYSIS

Princeton Place at Wiggins Bay

Condominium Three Association, Inc.

Naples, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	*(Note 1)*	N/A	61,275	96,437	129,019	167,959	27,121	39,884	53,307	67,402	82,284	72,503	88,497	105,316	74,750	92,304	110,815
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**33,600**	**34,800**	**36,000**	**37,300**	**12,100**	**12,500**	**12,900**	**13,400**	**13,900**	**14,400**	**14,900**	**15,400**	**15,900**	**16,500**	**17,100**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	1,562	2,232	2,940	1,931	663	923	1,195	1,482	1,533	1,594	1,919	1,783	1,654	2,011	2,387
Anticipated Expenditures, By Year		N/A	0	(4,450)	0	(180,069)	0	0	0	0	(25,214)	0	0	(47,750)	0	0	0
Anticipated Reserves at Year End		$61,275	$96,437	$129,019	$167,959	$27,121 *(NOTE 5)*	$39,884	$53,307	$67,402	$82,284	$72,503	$88,497	$105,316	$74,750	$92,304	$110,815	$130,302

(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	130,302	150,785	172,284	194,819	218,511	243,384	269,462	296,768	325,428	355,470	386,920	419,807	392,896	374,794	69,161
Total Recommended Reserve Contributions	**17,700**	**18,300**	**18,900**	**19,600**	**20,300**	**21,000**	**21,700**	**22,500**	**23,300**	**24,100**	**24,900**	**25,800**	**26,700**	**27,600**	**28,600**
Estimated Interest Earned, During Year	2,783	3,199	3,635	4,092	4,573	5,078	5,606	6,160	6,742	7,350	7,987	8,047	7,601	4,396	1,669
Anticipated Expenditures, By Year	0	0	0	0	0	0	0	0	0	0	0	(60,758)	(52,403)	(337,629)	0
Anticipated Reserves at Year End	$150,785	$172,284	$194,819	$218,511	$243,384	$269,462	$296,768	$325,428	$355,470	$386,920	$419,807	$392,896	$374,794	$69,161	$99,430 *(NOTE 4)*

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.

2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.

3) **2.0%** is the estimated annual rate of return on invested reserves; 2024 is a partial year of interest earned.

4) Accumulated year 2054 ending reserves consider the 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

General

FIVE-YEAR OUTLOOK

Princeton Place at Wiggins Bay
Condominium Three Association, Inc.
Naples, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements						
1.700	Mailboxes					6,793	
	Building Services Elements						
3.320	Elevator, Hydraulic, Pump and Controls					121,637	
3.330	Elevator, Hydraulic, Cylinder					51,639	
	Structural Integrity Reserve Study Update with Site Visit			4,450			
	Anticipated Expenditures, By Year ($708,273 over 30 years)	0	0	4,450	0	180,069	0

4. RESERVE COMPONENT DETAIL

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

STRUCTURAL INTEGRITY - Exterior Building Elements

Building overview

Building overview

Building overview

Building overview

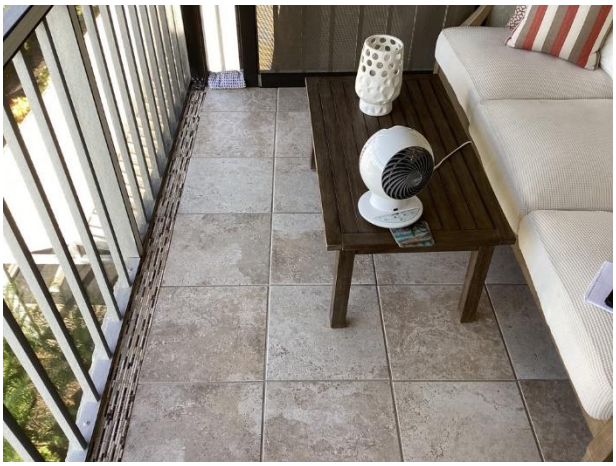
Balconies, Concrete

Line Item: 1.060

Quantity: Approximately 4,500 square feet of concrete balconies based on the horizontal surface area. The balconies comprise reinforced concrete with a waterproof coating and tile floor coverings. Waterproof coatings and floor coverings are the responsibility of the owners.

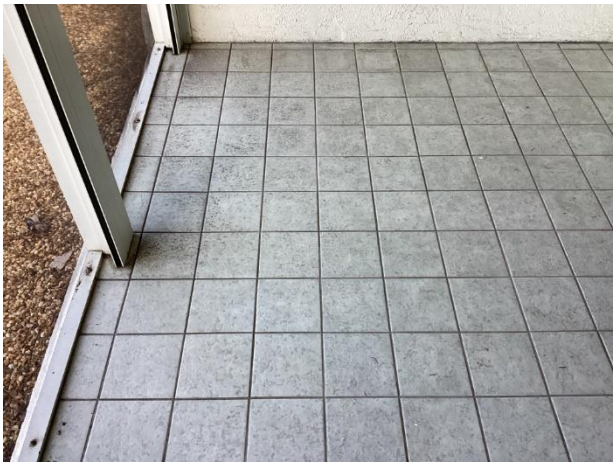
History: Varied ages

Condition: Good to fair overall



Balcony overview with tile floor covering

Balcony underside



Balcony overview with tile floor covering

Balcony overview with tile floor covering

Useful Life: Capital repairs including removal of the tile floor coverings, a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every up to 25 years based on the protection of the tile floor coverings.

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the balconies will result in increased concrete repairs and replacements as the balconies age*. Capital repairs may also include replacement of the caulked joint between the balcony and the building, and repair or replacement of the metal railings and railing fastener attachments 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. Our cost includes the following activities per event:

- Partial depth replacement of up to one percent (1%) of the concrete topsides, edges and undersides

- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed

The Association should coordinate both balcony and facade capital repairs and maintenance to allow for the possible use of a single contractor and combine any applicable staging or mobilization costs. Also, coordinated repairs will reduce disruption to homeowners.

Balconies, Railings and Screen Enclosures

Line Item: 1.065

Quantity: Approximately 4,800 square feet

History: Varied ages

Condition: Good to fair overall

Aluminum railings and screen enclosure

Aluminum railing

Screen enclosure

Aluminum railing

Useful Life: 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.

Breezeways, Concrete

Line Items: 1.090 and 1.095

Quantity: Approximately 6,800 square feet of concrete breezeways based on the horizontal surface area. The breezeways comprise reinforced concrete with a waterproof coating application. This quantity includes the coated staircases and landings.

History: Coating application was completed in 2013. The last sealer application date is unknown.

Condition: Good to fair overall with previous repairs and isolated cracks evident.

Breezeway overview

Previous repair

Previous repair

Previous repair at breezeway underside

Concrete crack

Coated staircase overview

Concrete crack

Coating deterioration

Coated staircase overview

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 15- to 20-years with the benefit of periodic maintenance. Periodic maintenance should include repairs and sealer applications up to every five years.

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the breezeways will result in increased concrete repairs and replacements as the breezeways age*. Capital repairs may also include replacement of the caulked joint between the breezeway and the building, and repair or replacement of the metal railings and railing fastener attachments 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. Our cost includes the following activities per event:

- Partial depth replacement of up to one percent (1%) of the concrete topsides, edges and undersides

- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Application of a waterproof coating

The Association should coordinate both breezeway and facade capital repairs and maintenance to allow for the possible use of a single contractor and combine any applicable staging or mobilization costs. Also, coordinated repairs will reduce disruption to homeowners.

Breezeways, Railings, Aluminum

Line Items: 1.100 and 1.105

Quantity: Approximately 870 linear feet of aluminum railings at the breezeways and staircases

History:

- Railings: Original
- Paint finishes: Applied paint finishes in 2023.

Conditions: The railings are in good overall condition and the railing finishes are in good condition with no significant deterioration evident.

Aluminum railings at breezeway

Aluminum railings at breezeway

Typical embedded post

Typical railing connection

Previous repair at post pocket

Useful Life: Railings of this type have a useful life of up to 50 years with the benefit of periodic maintenance. Periodic maintenance should include applications of a protective paint finish and partial replacement of deteriorated aluminum every six- to eight-years.

Component Detail Notes: Preparation of the aluminum before application of the paint finish is critical to maximize the useful life of the finish. The painting contractor should remove all soil, dirt, oil, grease and other foreign materials before application of the paint finish to maximize its useful life. The contractor should also remove paint blisters and rust prior to the paint finish application. We recommend the use of a power wire brush, scraper and/or sander as effective means of removal. The Association should require the application of a primer on bare material. The primer for material surfaces should include a rust inhibitor for added protection.

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.

Doors, Exterior, Common

Line Item: 1.180

Quantity: Eight common exterior doors including the roll-up door at the trash room

History: Original

Condition: Good to fair overall with minor rust evident

Minor rust at exterior door

Common exterior door

Roll-up door

Useful Life: Up to 30 years

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

- Annually:
    - Inspect and repair any damage, base corrosion or alignment issues

- Replace deteriorated hardware and loose weather stripping
- Periodic touch-up paint finish applications 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.

Gutters and Downspouts, Aluminum

Line Item: 1.240

Quantity: Approximately 1,250 linear feet of aluminum gutters and downspouts

History: Likely original

Condition: Good to fair overall

Aluminum gutters and downspouts

Aluminum gutters and downspouts

Aluminum gutters and downspouts

Useful Life: 15- to 20-years

Component Detail Notes: The size of the gutter is determined by the roof's watershed area, a roof pitch factor and the rainfall intensity number of the Association's region. We recommend sloping gutters 1/16 inch per linear foot and providing fasteners a maximum of every three feet.

Downspouts can drain 100 square feet of roof area per one square inch of downspout cross sectional area. We recommend the use of downspout extensions and splash blocks at the downspout discharge to direct storm water away from the foundations.

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

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

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

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

Roofs, Asphalt Shingles

Line Item: 1.280

Quantity: Approximately 180 *squares*[1]

History: Replaced in 2023.

Condition: Good overall with no significant deterioration evident from our visual inspection. Management and the Board report a limited history of leaks but none are active.

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

Asphalt shingle roofs overview

Asphalt shingle roofs overview

Asphalt shingle roofs overview

Asphalt shingle roof

Asphalt shingle roof

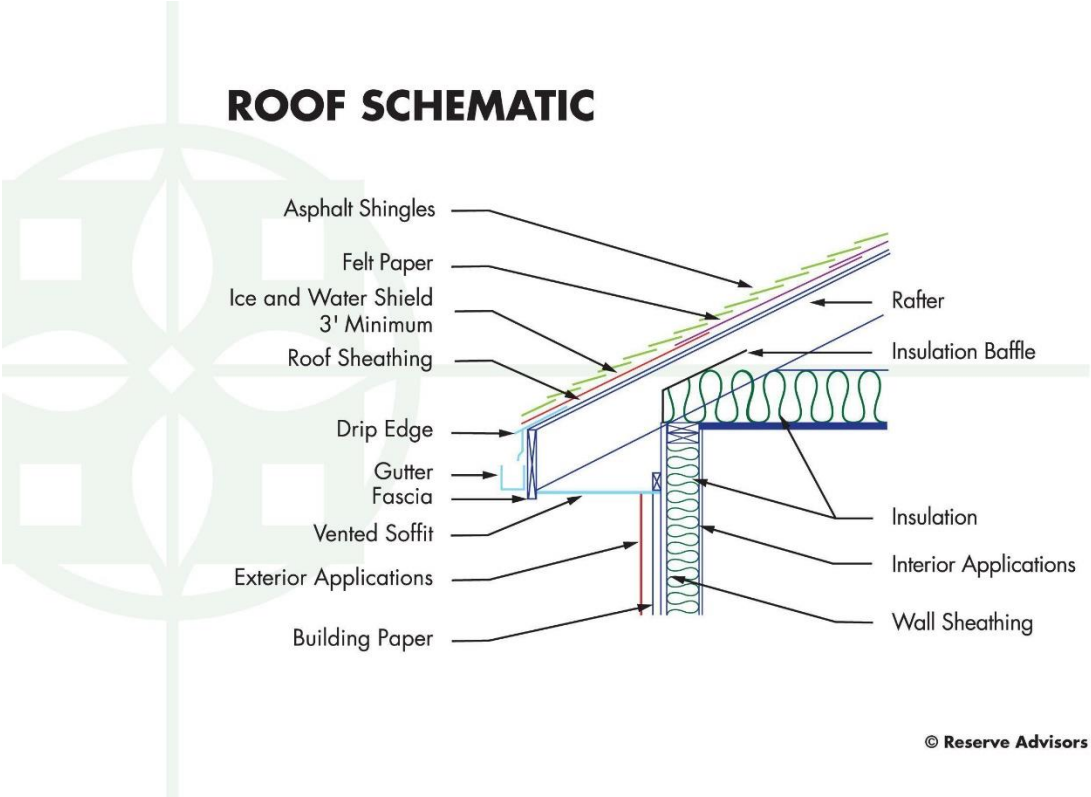
Asphalt shingle roof

Useful Life: 12- to 18-years

Component Detail Notes: The existing roof assembly comprises the following:

- Boston style ridge caps
- Laminate shingles
- Lead boot flashing at waste pipes
- Soffit and ridge vents
- Metal drip edge
- Enclosed half weaved valleys

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Princeton Place Condominium Three:



Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

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 shingles
- Implement repairs as needed if issues are reoccurring
- Trim tree branches that are near or in contact with roof

- As-needed:
  - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

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 is based on information provided by Management.

Structural Members, Inspections

Line Item: 1.605

Quantity: The primary structural members of the building comprise:

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

History: Phase 1 milestone inspection was completed in 2024 and Princeton Place Condominium Three was found to be structurally sound.

Condition: Princeton Place Condominium Three does not report a history of water infiltration, settlement or structural concerns with the primary structural members. Our visual, non-invasive inspection is limited to visually apparent components of the structural members. The Phase One milestone inspection was completed in 2024 with isolated repairs recommended but the building was found to be structurally sound.

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

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

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

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

Walls, Stucco

Line Item: 1.880

Quantity: Approximately 36,900 square feet of the building exteriors

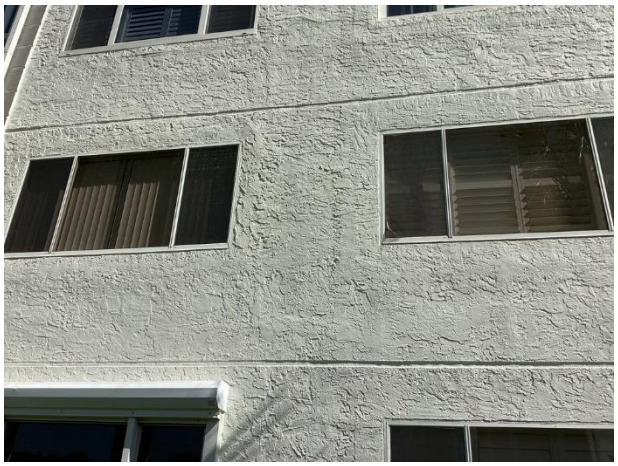
History: Applied paint finishes and repaired in 2022.

Condition: Good overall

Stucco wall finishes

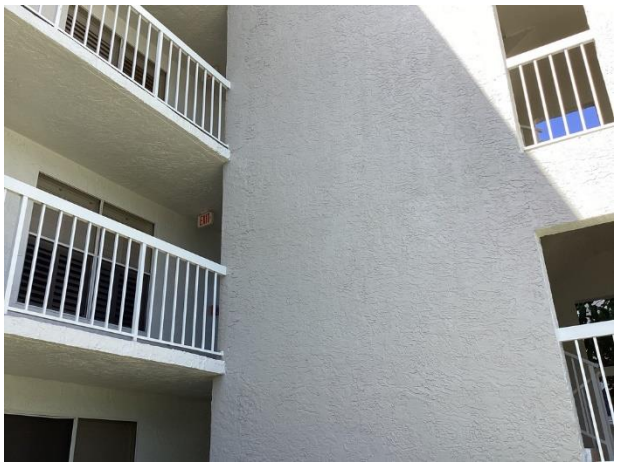
Stucco wall finishes

Stucco wall finishes



Stucco wall finishes

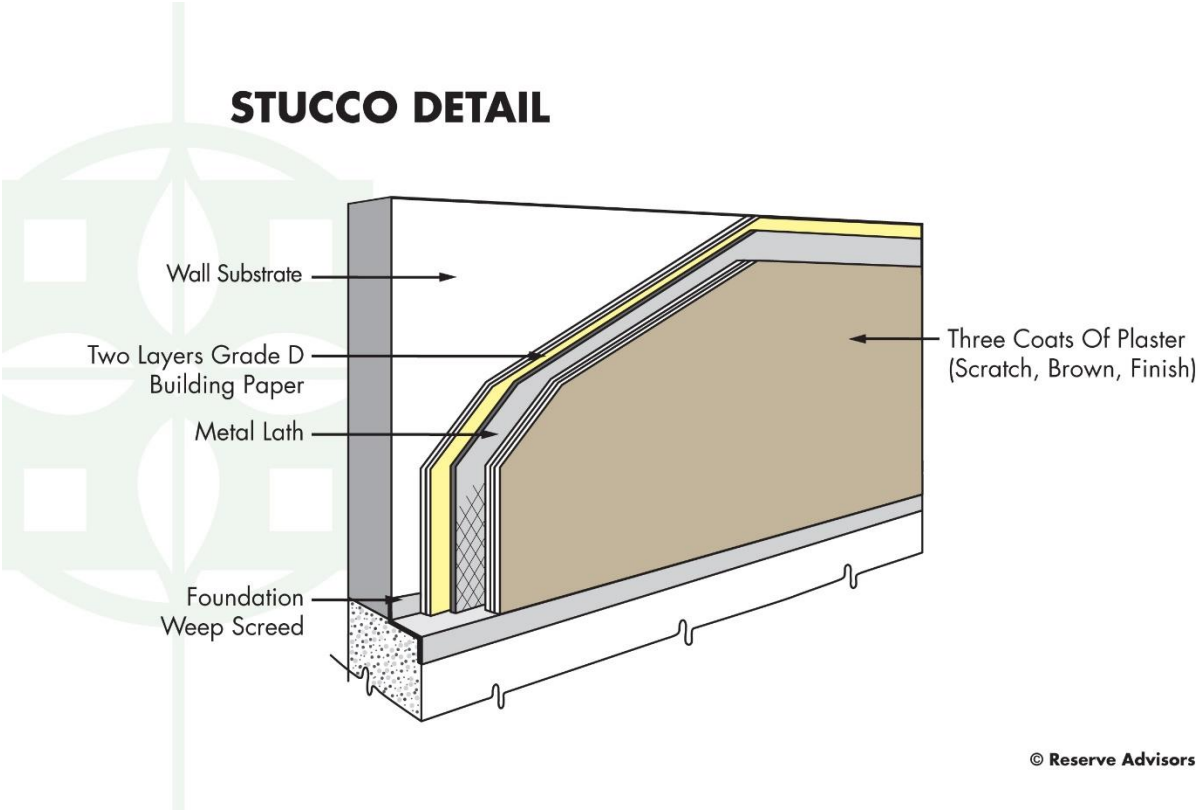
Stucco wall finishes



Stucco wall finishes

Useful Life: We recommend inspections, repairs and paint finish applications every 8- to 10-years based on warranty coverage.

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 Princeton Place Condominium Three:



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 is based, in part, on information provided by Management. We anticipate 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.
- Engineering fees
- General conditions
- Mobilization and access
- Scaffolding
- Sidewalk protection

STRUCTURAL INTEGRITY - Building Services Elements

Electrical System

Line Item: 3.300

History: Primarily original to construction

Condition: Reported satisfactory without operational deficiencies.

Electrical system components

Electrical system components

Useful Life: Up to and sometimes beyond 70 years

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

Primary Switchgear - The primary switchgear is located where the electric supply comes into the building. Switchgear can include associated controls, regulating, metering and protective devices, and is used for the transmission, distribution and conversion of electric power for use within the building. Switchgear components have a useful life of up to and sometimes beyond 70 years. Replacement is often determined by a desired upgrade of the entire electrical system.

Transformer - A transformer is an electric device with two or more coupled windings used to convert a power supply from one voltage to another voltage. Transformers within a building lower the supplied electrical voltage to a level that can be utilized by the building's equipment and unit owners. Transformers do not utilize mechanical components and therefore have a long useful life. However, the Association should anticipate periodic replacement of a limited quantity of transformers.

Distribution Panel - The distribution panel is an electric switchboard or panel used to control, energize or turn off electricity in total or for individual circuits. The panel also distributes electricity to individual and controllable circuits. One or more distribution panels may exist and further distribute electricity to individual panel boards for each unit. The distribution panel is enclosed in a box and contains circuit breakers, fuses and switches. Distribution panels have a useful life of up to and sometimes beyond 70 years.

Circuit Protection - Once electricity is distributed throughout the building and is at a usable voltage level, the electricity is divided into circuits. Each circuit requires circuit protection. Circuit protection is necessary to prevent injury and fires, and minimize damage to electrical components and disturbances to the electrical system. Abnormalities in the circuit can include overloads, short circuits and surges. Circuit protection devices are commonly referred to as circuit breakers

and fuses. For the protection of the circuits in the units and common areas, we recommend the use of only circuit breakers as they are safer than fuses. However, the use of fuses is common for equipment like emergency systems and individual items of equipment. Fuses with a low-capacity rating can easily be replaced with fuses of a higher rating resulting in an unprotected, overloaded and unsafe circuit. The circuit protection panels have a useful life of up to and sometimes beyond 70 years.

Conductors - Conductors are the electrical wires that convey electricity to the units, light fixtures, receptacles and appliances.

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

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

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

- Keep an accurate record of all repairs to the electrical system

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

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

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

Life Safety System

Line Items: 3.555 and 3.560

Quantity: The life safety system at Princeton Place Condominium Three includes the following components:

- Audio/visual fixtures
- Control panel
- Detectors
- Pull stations
- Wiring

History: Replaced in 2024.

Conditions: Reported satisfactory without operational deficiencies.

Control panel

Secondary panel

Emergency devices

Annunciator

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.

GENERAL - Exterior Building Elements

Light Fixtures

Line Item: 1.260

Quantity: Approximately 80 exterior light fixtures at the breezeways and staircases

History: Replaced in approximately 2016

Condition: Good overall

Wall mounted light fixture

Ceiling mounted light fixture

Ceiling mounted light fixture

Useful Life: Up to 20 years

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

- As-needed:
    - 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.

Mailboxes

Line Item: 1.700

Quantity: 37 unit mailboxes

History: Original

Condition: Reported satisfactory overall

Mailboxes

Useful Life: Up to 35 years

Priority/Criticality: Per Board discretion

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

GENERAL - Building Services Elements

Elevator Cab Finishes

Line Item: 3.100

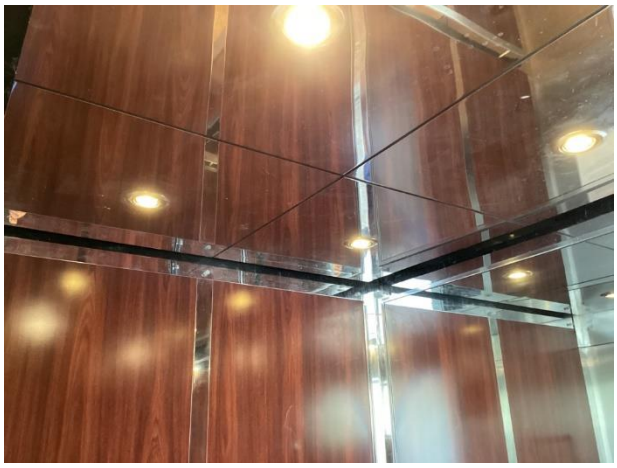
Quantity: One elevator; the cab finishes consist of:

- Tile floor coverings
- Wood wall coverings
- Metal ceiling finishes

History: Renovated in 2013

Condition: Good to fair overall with minor tile cracks

Elevator cab finishes



Elevator cab finishes

Tile cracks

Useful Life: Up to 20 years

Priority/Criticality: Per Board discretion

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

Elevator, Hydraulic

Line Items: 3.320 and 3.330

Quantity: One *Dover* hydraulic passenger elevator

History: Modernized in 2003 including replacement of the pump and controls.

Condition: Reported satisfactory and service interruptions are reportedly infrequent.

Hydraulic elevator equipment

Hydraulic elevator equipment

Useful Life: Pumps and controls have a useful life of up to 25 years. Cylinders have a useful life of up to 40 years.

Component Detail Notes: Major components in a hydraulic elevator system include the pump, controls, cylinder, fluid reservoir and a valve between the cylinder and reservoir. Once activated by the elevator controls, the pump forces hydraulic fluid from the reservoir into the cylinder. The piston within the cylinder rises lifting the elevator cab. The elevator cab lowers at a controlled rate when the controls open the valve.

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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:

- Ongoing:
  - Maintain a maintenance contract with a qualified professional for the elevator(s) and follow the manufacturer's specific recommended maintenance plan adhering to local, state, and/or federal inspection guidelines
- As-needed:
  - Keep an accurate log of all repairs and inspection dates
  - Inspect and adjust misaligned door operators
  - Check for oil leaks or stains near the pump housing and confirm oil levels are adequate

- Clear and remove any items located in the elevator machine room(s) not associated with the elevator components (These rooms should never be used for storage)
- Lubricate the hydraulic cylinders
- Inspect electrical components for signs of overheating or failure
- Inspect spring buffers in elevator pit for signs of corrosion or loose attachments
- Ensure air temperature and humidity of machine/pump housing room meets the designated specified range for proper operation
- Ensure all call buttons are in working condition
- Check elevator cabs for leveling accuracy to prevent tripping hazards

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 anticipate the following hydraulic elevator system components will require replacement:

- Cab control panel
- Door operator
- Hallway panels/buttons
- Microprocessor based controller
- Pump (Power Unit) (25-HP)

These costs may vary based on the desired scope of the actual replacements, changes in technology and requirements of local codes or ordinances at the actual times of replacements. However, we judge our estimated costs sufficient to budget appropriate reserves at this time. The Association should require the contractor to verify that elevator component replacements include all of the necessary features for the latest in elevator code compliance.

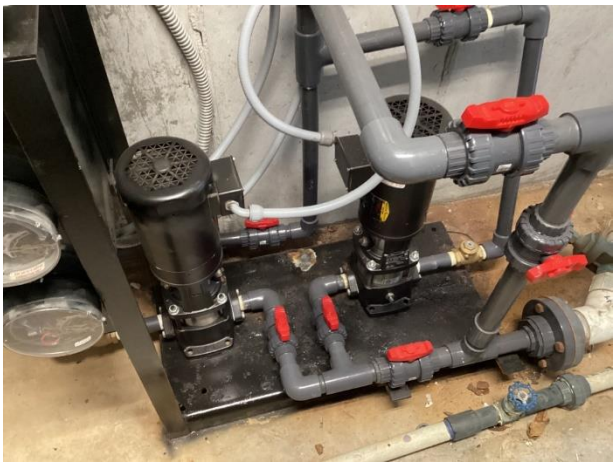
Pumps, Domestic Water

Line Item: 3.700

Quantity: Two each

History: Replaced in 2021.

Condition: Reported satisfactory without operational deficiencies



Domestic water pumps

Domestic water pump controls

Useful Life: Up to 15 years

Preventative Maintenance Notes: WeThe required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
  - Check/adjust controls
  - Check/adjust pressure levels
  - Check for leaks
  - Conduct churn tests
- Quarterly:
  - Inspect/clean motors
  - Inspect mountings and connections for proper alignment, torque and condition
  - Inspect/replace pump packing as needed, consider replacement with mechanical seals
  - Check for appropriate oil levels
- Semi-annually:
  - Lubricate pumps, motors and motor bearings
- Annually:
  - Clean filters if present
  - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
  - Access temperature and vibration performance of motors in accordance with the intended design

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 costs include an allowance for replacement of the controls.

Trash Chute and Doors

Line Item: 3.880

Quantity: One trash chute

History: Original

Condition: Reported satisfactory without operational deficiencies

Trash chute door

Trash chute

Useful Life: Up to 65 years.

Component Detail Notes: Damaged doors or poor door operation will result in a decreased useful life. The Association should fund interim repairs and partial replacements of the doors through the operating budget.

Preventative Maintenance Notes: The status of preventative maintenance was unavailable to us during our inspection. 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. . We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
  - Clean doors and latches
  - In accordance with *NFPA 82* and fire code, ensure all trash chute doors self-latch and self-close
- Monthly:
  - Check operation of discharge door

- Inspect fusible link and replace if necessary
- If applicable, inspect, reinforce and/or replace discharge elbow

- Quarterly:
  - If applicable, check vent cap for damage and tighten fasteners
- Semi-annually:
  - Lubricate and/or replace doors, hinges and latches
  - Clear obstructions, clean and scrape trash chute and doors. The frequency of this activity may vary based upon occupancy and usage rates. This activity may also be based upon limitation of unwanted odors, prevention of harmful bacteria, pest infiltration and debris removal to further prevent fire hazards.

Priority/Criticality: Per Board discretion

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

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. We recommend the Board budget for an Update to this Reserve Study in two- to 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.

Princeton Place Condominium Three 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 I Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- 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 Naples, 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 Princeton Place Condominium Three 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.

JENNIFER L. BERRY, RS
Responsible Advisor

CURRENT CLIENT SERVICES

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

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

Branch Creek Phase 2A Townhome Association This townhome community is located in Summerville, South Carolina and comprises 44 residential units in 11 buildings. The townhomes were constructed with fiber cement siding, asphalt shingle roofs, masonry facades, and screen-enclosed patios. The Association also maintains asphalt pavement, sidewalks, driveways, a pond, and a wood pedestrian bridge.

Turtle Point Villas II Horizontal Property Regime Located in Kiawah Island, South Carolina, this condominium style development consists of 53 units in eight buildings. Built in 1985, these buildings were constructed with wood siding, cedar shakes roofs, wood staircases, wood balconies, and five hydraulic elevators.

The Hamptons at Northcross Downs Homeowners Association This development in Huntersville, North Carolina is comprised of 371 single family homes. The Association maintains two clubhouses, two pools, two playgrounds, tennis courts, masonry perimeter walls and asphalt pavement.

Kensington South Condominium Association A townhome development comprised of 77 units in eight buildings that were constructed with fiber cements siding and asphalt shingle roofs. Located in Gainesville, Florida, this community also maintains a clubhouse, pool, multiple perimeter fences, a concrete retaining wall and asphalt pavement.

Cresswind at the Ponds Community Association This single family home community located just outside of Charleston, South Carolina will comprise over 600 homes upon its anticipated completion in 2025. Amenities in this community include a luxurious clubhouse, tennis and pickleball courts as well as a pool and spa. The Association also maintains asphalt pavement streets, masonry retaining walls throughout the community and multiple ponds.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, LLC, Ms. Berry successfully completed the bachelors program in Mechanical Engineering from Virginia Tech. She has experience as a Mechanical Design Engineer for an industrial refrigeration company where she gained knowledge in the design and manufacturing of specialized large-scale refrigeration systems in coordination with building construction projects.

EDUCATION

Virginia Tech - B.S. Mechanical Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineer in Training (EIT) – Virginia, 2016
Reserve Specialist (RS) - Community Associations Institute

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

CURRENT CLIENT SERVICES

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

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

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

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

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

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

PRIOR RELEVANT EXPERIENCE

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

EDUCATION

University of South Florida - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineering Intern (E.I.) – Florida, 2021-present
American Society of Civil Engineers (A.S.C.E.) – Florida, 2015-present
Institute of Transportation Engineers (I.T.E.) – Florida, 2015-present
Reserve Specialist (RS) - Community Association Institute (CAI)

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

CURRENT CLIENT SERVICES

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

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

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

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

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

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

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

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

PRIOR RELEVANT EXPERIENCE

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

EDUCATION

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

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado
Reserve Specialist (RS) **-** Community Associations Institute
Professional Reserve Analyst (PRA) **-** Association of Professional Reserve Analysts

RESOURCES

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

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

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

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

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

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

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

7. DEFINITIONS

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

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

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

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

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

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

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

Long-Lived Property Component - Property component of Princeton Place Condominium Three 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) Princeton Place Condominium Three responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

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

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

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

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

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

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

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

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

8. PROFESSIONAL SERVICE CONDITIONS

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

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

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

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

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

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

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

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

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

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

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