STRUCTURAL ENGINEERING PROFESSIONALS, INC.
CA 8539
Structural, Mechanical & Civil Engineering Consultants

To: The Admiral Condominium Association
8750 S Ocean Drive
Jensen Beach, FL 34957

January 10, 2025

To Whom It May Concern,

This letter serves to clarify the timeline and relationship between the Structural Integrity Reserve Study (SIRS) and the Balcony Repair Project. The Balcony Repair Project predates the SIRS inspection and report, and as such, the SIRS did not influence the scope or extent of the balcony work.

The survey for the Balcony Repair Project was completed in January 2023, following the approval of SEP's proposal in December 2022. The SIRS inspection, on the other hand, was conducted in April 2024, with the first draft of the report submitted to the Association in May 2024.

We hope this provides the necessary clarification regarding the sequence of events.

David T. Colston, P.E., S.I. (Ltd)
FL Reg. Eng. #55501
Owner

STRUCTURAL ENGINEERING PROFESSIONALS, INC.
CA 8539
Structural, Mechanical & Civil Engineering Consultants

STRUCTURAL INTEGRITY RESERVE STUDY REPORT

For

THE ADMIRAL CONDOMINIUM
8750 S OCEAN DRIVE
JENSEN BEACH, FL 34957

Prepared By:

Noe Tellez E.I.
Project Engineer

Approve By:

David T. Colston
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This document has been digitally signed and sealed by David T Colston, P.E.; FL No. 55501. Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

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EXECUTIVE SUMMARY

This report provides a comprehensive assessment and financial forecast for the maintenance and repair needs of The Admiral Condominium, an ocean-side condominium, over the next decade. It is designed to guide the condominium association in effectively managing and allocating the reserve fund for structural integrity repair and maintenance. The report will be broken down into subsections that include inspection summary, environmental considerations, financial analysis, and maintenance strategies. A year-by-year financial breakdown will also be included.

INTRODUCTION

Located at a prime ocean-side location, the 108-unit condominium, The Admiral faces unique environmental challenges. This reserve study is conducted to ensure long-term structural health and financial planning, focusing on critical maintenance and repairs from 2025 to 2035.

Currently the condominium is in the process of a concrete restoration project that started in March 2024. This project is a moderate size concrete repair project that includes only the balconies on the East side of the building. Repairs include partial depth, full depth, stucco repairs, soffit repairs, and post tension cable replacements and repairs. Along with concrete repair, all of the balconies will be resurfaced with a new urethane waterproofing.

In 2023 the condominium completed a roofing project that installed a new Soprema hot applied SBS system with gravel. This project was completed in December of 2023. Following the roof replacement, the concrete structures on the roof are being addressed and having partial depth, column repairs, and stucco repairs completed. The project was completed in May 2024. All repairs completed received a new layer of paint to ensure waterproofing.

Following the concrete restoration project, a paint project on the entire building will begin soon after.

INSPECTION SUMMARY

A milestone inspection was carried out in 2023, focusing on key structural elements exposed to coastal conditions. The milestone inspection included all structural components of the building and specified the condition of each component. A report was generated from this inspection and submitted to Saint Lucie County.

A drone inspection was conducted in 2023, to detect any post tension cable damage, spalling, and stucco delamination. The inspection concluded minimal signs of damage were visible. Areas of delamination were discovered but not deemed high priority since the size of the areas were small.

Daily inspections are carried out routinely throughout the concrete restoration project. These inspections are done throughout the various phases of the project to verify the repairs are completed according to the specifications. The daily inspections also helped shed light on the present condition and life expectancy of the balconies, along with other structural members along the East side of the building. Daily inspections also shed light into the condition of the roof deck and other concrete members on the roof.

ENVIRONMENTAL CONSIDERATIONS

The coastal environment poses specific challenges such as saltwater corrosion and increased storm exposure. These factors were critically considered in the assessment process. Major hurricanes can severely impact the life expectancy of concrete and concrete repairs. Florida on average has 1 major hurricane or tropical storm, making landfall every 3 years. Besides storms, oceanside properties experience larger amounts of saltwater corrosion due to the wind driven rain that settles on all exterior surfaces. Although the environment does affect the life expectancy of concrete, regular maintenance and high-quality repairs can help extend the useful life.

OTHER CONSIDERATIONS

The useful life of balconies and walkways is not as straightforward as that of a roofing system. For buildings located along the beach, balconies, catwalks, and other structural concrete members typically have a useful life of well over 50 years. However, they require repairs to parts of the balconies starting about 22 to 27 years. **A typical balcony repair project will address approximately 20% of the balcony's area in the first repair project**. This is because the damage from the chlorides to the reinforcement steel and the spalling of the concrete does not occur uniformly across the entire balcony. Instead, it usually affects the outer edges, and in front of the sliding glass door first. Meanwhile, the other parts of the balconies also accumulate chlorides and damage, albeit at a slower rate, so their repairs will occur later in time. Repair projects generally take place depending on the area that has accumulated enough damage to necessitate repair. Additionally, if during a given repair project, the total area of a balcony requiring repair exceeds 50%, it is often a cost-effective decision to drop and replace the entire balcony.

FINANCIAL ANALYSIS

Since a concrete repair project is underway, tallying over $730,000 all the balconies on the Eastern side of the building will be repaired along with the soffits. The concrete repair project is expected to exceed $2,400,000 due to the amount of damage discovered in the first two stacks (1 & 2). The concrete repair project will be completed in 2025, while the roof replacement project was completed in 2024. A painting project is also planned after the balcony repair project is completed. Using the *Year-By-Year Financial Breakdown* table, we can break each structural member down into subsections and better detail the forthcoming expenses for the next 10 years.

The following costs are made using prices of 2024. Although inflation is not accounted for in the values described below, it is accounted for in the *Year-By-Year Financial Breakdown* table.

West Side Balconies:

Useful Life Remaining: 20 to 25 years
Maintenance: $1,500 a year
Inspections: $3,500 Every 5 years
Yearly Reserve Fund Contributions: $15,625 a year
Future Repair Projects Cost: $125,000

Since the West side balconies are not being addressed during the current concrete repair project, the Association should plan on having a repair project in 5 to 8 years. This is due to the amount of damage discovered throughout the milestone inspection and the drone inspection. The damage discovered is not a safety concern at the moment but should be addressed and repaired to prevent the oxidation present from spreading further into the balconies and into other structural members. Currently there are signs of stucco delamination, edge cracks, soffit cracks, and rust spots on the ceilings of balconies but because of the tile overlay, the top side of the balconies can be hiding damage. There are many reasons for tile delamination to occur, some minor and some major like concrete spalling, concrete cracking, and partial depth repairs.

Because the maintenance cost is less than $10,000, it can be considered part of the Operating Budget and not be considered in the Structural Integrity Reserve Fund. The inspections are to be made every 5 years, by an Engineer, to report and discover signs of damage.

To fund future repair projects, the association should contribute $15,625 yearly to cover the cost of the project. The contributions will sum up to $125,000 to fund the repair project anticipated within 8 years, and then a project should be planned every 10 to 12 years thereafter. The reserve contributions for the catwalks are roughly 8.22% of the total reserve fund/expenses. These figures can be found in the *Year-by-Year Break Down Table*.

East Side Balconies:

Expected Life Remaining: 15 to 20 years
Maintenance: $2,500 Yearly
Inspections: $8,000 Every 5 Years
Yearly Reserve Fund Contributions: $40,625
Future Repair Project Cost: $325,000

The balconies are currently being addressed in a concrete repair project targeting areas that were surveyed in a 2023 balcony inspection. The project scope included damages like 86 linear feet of edge damage, 43 post tension anchor replacements, and over 900 square feet of delaminated tile. Due to the nature of tile on the balconies, damaged areas can be hard to detect if no cracking is present on the tile itself. Without the ability to look at the concrete slab, it is very difficult to get

an accurate estimate for the amount of damage that is present. The balconies will have an expected life remaining of up to 20 years. Due to the location and exposure of winds, the balconies should have repair projects planned out every 8 to 10 years. The majority of the balconies only received repairs on the edge and many of the slabs are still the original concrete and rebar from construction. These smaller projects will prevent larger more complicated repairs (i.e. removing windows/doors, PT cable replacement, full deck replacements).

The smaller projects will also aid in addressing the soffits located on the top 3 penthouse ceilings and on the first-floor ceiling. Soffits tend to have shorter life expectancy than solid concrete members due to the amount of wind load acting on the stucco and framing members. Strong tropical storms and hurricanes can cause the soffit members to move and flex thus causing cracks to form. Once a crack is formed, moisture will begin to penetrate the stucco membrane and spread throughout the wire mesh and framing members.

The maintenance cost, similar to the west side balconies, can be attributed to the Operating Budget instead of the Structural Integrity Reserve Fund because it is less than $10,000 yearly. The inspections should be planned like the catwalks, every 5 years. Both acoustic and visual inspections should be performed.

To fund future repair projects, it is estimated that the reserve fund should receive $40,625 contributions every year to cover a potential repair project that totals $325,000. Although the balconies are being addressed currently, plan for a small repair project in 2033. This project should only focus on specific balconies that have received damage throughout the 8-year span. Since all of the balconies will be resurfaced and have all the tile removed, the new waterproofing membrane will allow for more thorough inspections and allow for maintenance and repairs to be completed in a more timely manner. The waterproofing should last for a minimum of 10 years without issue, but due to location and environmental conditions, periodic inspections are vital to verify that the balconies are in good structural health.

Columns:

Expected Life Remaining: 10 to 15 years
Maintenance: $1000 a Year
Inspections: $2,500 Every 5 Years
Yearly Reserve Fund Contributions: $6,250
Future Repair Project Cost: $50,000

The exterior columns had been inspected and repaired during a concrete repair project in 2023. There were 11 exterior columns that were stripped of their stucco and had minor damage repaired. All of the 11 columns received new stucco and paint after repairs are done. The columns will have a service life of 10 to 15 years. This is because the columns were only repaired minimally in 2023, with only partial depth repairs. Keep in mind, maintenance and regular inspections can extend the useful life. The association should plan to address the columns

during a concrete balcony repair project since mobilization will already be set. The next project should be planned in 2033.

Maintenance costs are estimated to be $1,000 a year. Maintenance includes cleanings, paint touch ups, and small crack repairs. Since the current concrete repair project already repaired the columns, expect little to no maintenance for the first 3 years, besides cleaning. Inspections should be completed every 5 years. Since maintenance is under $10,000, then the association can attribute it to the Operating Budget instead of the Reserve Fund.

The association should plan to have another repair project in the year 2033 to focus on any major damage accumulated throughout the period. To fund repairs, the association should make contributions to the reserve fund every year, to sum up to $50,000 in 2033. Many of the repairs will be administered on the columns that were not repaired in 2023.

Concrete Walls, Foundation:

Expected Life Remaining: 15 to 20 years
Maintenance: $1,000 a Year
Inspections: $1,000 Every 5 Years
Yearly Reserve Fund Contributions: $10,000
Future Repair Project Cost: $80,000

The foundation of the main building is in good shape and there are no signs that the concrete is settling or cracking but there are signs of settling on the deck areas located in the North and South common areas. Further exploration is needed to determine the extent of the repair. Concrete walls located throughout all sides of the building will need to be addressed in 8 to 10 years. This is due to the amount of damage discovered in 2023 drone inspection. There was minimal stucco delamination and cracking discovered. Due to the difficulty in inspecting the concrete sections, it is recommended to plan for addressing the wall sections when addressing the balconies in 3033.

Maintenance will cost $1,000 a year. The maintenance should include cleaning and fixing small cracks with caulking. Inspections should be periodic, every 5 years. The inspections are limited to only drone inspections since setting a swing stage is costly. Because the maintenance cost is below $10,000, the association can elect to put the maintenance cost into the Operating Budget instead of the Reserve Fund.

Reserve fund contributions should be $10,000 every year in order to cover repairs accumulated over the years. It is estimated that the next major repair project will be in 2033 with an estimated total cost of $80,000. Keep in mind that concrete walls can be damaged in a serve storm or hurricane. This was considered in the estimated cost. With inspections and avoiding severe storms, the useful life can be extended.

Lobby Windows & Doors

Expected Life Remaining: Up to 50 years.
Maintenance: $1000 a Year
Inspections: $500 Every 7 Years
Yearly Reserve Fund Contributions: $3,000
Future Repair Project Cost: $150,000

A new window and door system can have a useful life of up to 50 years, avoiding any hurricane damage. The existing window framing system has a useful life of up to 50 years. The lobby entrance doors were recently replaced in 2023. The sealants and caulking throughout the window and door systems will need to be replaced every 7 to 10 years. The salt accumulation can affect and reduce the expected life of a product, along with strong winds and rain. During the current concrete project, the window system caulks showed signs of distress but not majorly damaged.

Maintenance will cost $1,000 a year. Cleaning the windows is vitally important because the salt accumulation will degrade the sealants around the windows and framing system thus allowing water penetration. Cleanings should be done once or twice a year. Since the maintenance cost is less than $10,000 then this item can be used in the Operating Budget. Inspections should be spaced out every 7 years.

As mentioned above, during the current concrete repair project, signs of deterioration were discovered through various areas on the sealants around the window system. A future project should be planned for 2030 addressing all the sealants. The association should make contributions of $3,000 every year to accumulate to $150,000 in 2073 This will cover the repairs needed on the sealants and future replacement of windows and doors The repairs will include sealant and window glazing replacement, testing, and addressing any framing members showing signs of distress. If the sealants, and window glazing are done periodically every 7 years, then the window system will have an increase of useful life and avoid a major project like replacing framing members and windows.

Concrete Towers on the Roof:

Expected Life Remaining: Up to 15 years.
Maintenance: $1000 a Year
Inspections: $2,000 Every 5 Years
Yearly Reserve Fund Contributions: $8,000
Future Repair Project Cost: $80,000

The 3 towers located along the western side of the building have been addressed during the 2023/2024 roof replacement project. The repairs completed are partial depth, stucco, and rebar repairs. The towers were then painted after stucco had been replaced. These repairs have a useful life of up to 15 years. The reasoning for the decrease in life compared to other structural

members is because the towers will be hard to maintain throughout the span due to needing swing stages. This will result in having damaged areas unaddressed and oxidation spreading.

Maintenance and inspections can be rather difficult due to not being accessible without a swing stage. Inspections might consist of purely visual inspections done by drone. Maintenance includes cleaning and small crack repair on reachable surfaces. Inspections should be planned for every 5 years. This will ensure that the towers maintain good condition and avoid more costly repairs down the road. Because the maintenance is less than $10,000, the association can elect to attribute this cost to the Operating Budget.

The next major repair project should be planned for 2035. The project will consist of staging every tower and thoroughly inspecting each wall and repairing all damage discovered. This repair project will cost $80,000; therefore, the association will need to plan for contributions of $8,000 every year.

Roof:

Expected Life Remaining: Up to 20 years
Maintenance: $1,000 a Year
Inspections: $1,500 a Year
Yearly Reserve Fund Contributions: $41,250
Future Repair Project Cost: $825,000

The roof replacement project was completed in December 2023. Due to the new roof replacement, the useful life will be reset to 20 years. The manufacturer (Soprema) has provided a 20 year no dollar limit warranty to the roofing system. Although roofs can have a higher lifetime, major insurance companies currently require replacement on roofs older than 15 years.

Maintenance and inspection costs are estimated to be $2,500 a year. The roofing system is topped with a gravel layer that helps protect the membranes from physical damage and from UV damage from the sun. It is important to have periodic inspections yearly to avoid leaks and damage spreading throughout the roofing system. Maintenance will include repairing small leaks and damage found throughout the inspections. Because the maintenance and inspections are less than $10,000 yearly, they can be attributed to the Operating Budget instead of the Reserve Fund.

A new roof is estimated to cost $825,000. Therefore, the association should consider making reserve fund contributions every year of $41,250. Keep in mind, a major storm can severely impact the costs. Barring any storm damage, the new roof should not require any significant repair projects throughout its useful life. Inspecting and maintenance should help maintain the condition of the roof and allow for the next roof to be replaced in 2044.

Paint:

Expected Life Remaining: 7 to 10 Years
Yearly Reserve Fund Contributions: $44,444
Future Repainting Project: $400,000

The building will receive a new paint after all the repairs have been approved during the Concrete Repair Project in 2025. The new paint has a useful life of 10 years maximum. Because of the difficulty of reaching all areas of the building for maintenance and cleanings, the association should plan a paint project every 8 years. Since the spacing is similar to other members of the building, the association should try and plan a repair project then followed by a painting project. This will help the building look uniform after the repair projects and add a new layer of protection to all surfaces.

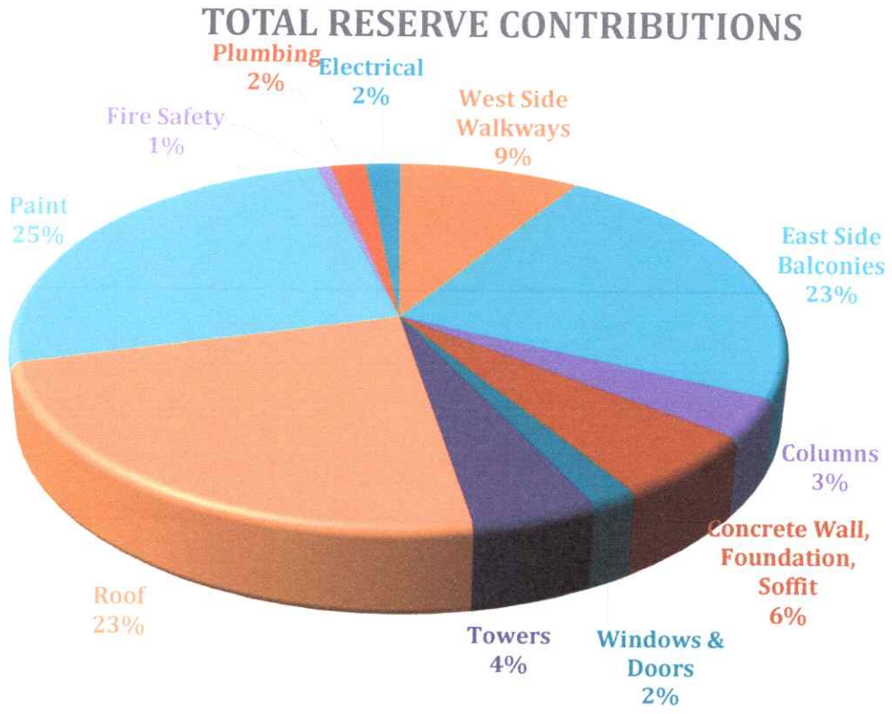
A new paint for the building will cost $400,000 to complete. In order for the association to be fully funded, it should make contributions every year in the sum of $44,444. The next painting project should follow the concrete repair projects in 2034.

Summary:

To be fully financed to cover all upcoming maintenance, inspections, and repair projects for the next 10 years, the association will need to have a total of $2,352,620. This number is pulled from the Year-By-Year Financial Breakdown table, considering 2.5% inflation. In this 10-year period small repair projects are planned for 2030 and 2033 that will address any damage accumulated from the 8-year spans. The projects will be considerably smaller than the 2024 project. Much of the cost is categorized as reserve fund contributions for future repair projects. This means that it is for planning purposes because the current concrete repair project helped extend the life of many of the structural members of the building.

Year	Reserve Fund Contributions	Yearly Contribution Per Unit	Monthly Contribution Per Unit
2025	$ 176,444	$ 1,633.74	$ 136.15
2026	$ 182,393	$ 1,688.82	$ 140.74
2027	$ 186,841	$ 1,730.01	$ 144.17
2028	$ 191,290	$ 1,771.20	$ 147.60
2029	$ 214,988	$ 1,990.63	$ 165.89
2030	$ 200,187	$ 1,853.58	$ 154.47
2031	$ 204,636	$ 1,894.77	$ 157.90
2032	$ 209,084	$ 1,935.96	$ 161.33
2033	$ 213,533	$ 1,977.16	$ 164.76
2034	$ 239,419	$ 2,216.84	$ 184.74
2035	$ 222,430	$ 2,059.54	$ 171.63

The table above details how much your yearly contributions should be throughout the 10-year period. The values have been adjusted for inflation (2.5%). To process how much each unit owner will need to pay yearly, simply divide each year by the number of unit owners. Keep in mind, this only includes the Reserve Fund Contributions and not the inspections and maintenance.



The pie graph above illustrates how much of the total contributions is used on each of the structural members. From looking at the graph, the roof and the paint will take majority of the contributions at 23% and 25% respectively. The graph only accounts for the contributions, not the maintenance or inspection costs.

MAINTENANCE STRATEGIES

Maintenance can prolong the life of structural components and repairs. It is essential to undergo regular periodic maintenance to sustain the integrity of the building. Due to the fact that The Admiral Condominium is located on the ocean side, the building will take a lot of weathering due to rain and wind, salt accumulation, and storm damage. This section outlines the maintenance strategies required to keep structural components in acceptable condition. Each structural component is broken down into a subsection. Remember to avoid using any cleaning

products that can erode or harm the surface layers (i.e. waterproofing, paint) and avoid using high pressure washing.

West Side Balconies:

- Checking for cracks and water seepage yearly by the maintenance crew and management.
- Periodic cleaning of the surface to remove salts and contaminants yearly or bi-yearly. Cleaning can involve simple soap and water along with a brush or a broom to remove debris and salts.
- Address deteriorated areas in a timely fashion, not letting damage spread. If the damage seems to spread, report and have it inspected by an Engineer.
- Thorough inspections every 5 years by an Engineer.

East Balcony Slabs:

- Routine inspection for water damage or structural weakness. Inspections by Engineer should be done every 5 years. The association should elect to have the maintenance crew do yearly inspections of the balconies.
- Periodic cleaning of surfaces to remove salts and other contaminates. This means that the owner or maintenance crew will administer a light cleaning of surfaces using brushes, brooms, and water with soap.
- Checking yearly that the waterproofing is not damaged due to penetrations caused by furniture.
- After major hurricanes, inspect all balconies and inspect for any damage.
- Timely repairs/maintenance when deterioration is discovered. Do not neglect damage to members for an extended period of time. If major cracking and spalling is occurring, an Engineer should be called to inspect.

Concrete Columns:

- Periodic checking for signs of stress or corrosion. The maintenance or managing crew will need to visually inspect the columns yearly in order to track and record visible damage.
- Yearly cleanings from salts and other contaminants can be done by soap and water along with light brushes.
- Thorough inspections every 5 years done by Engineer.

Concrete Walls, Foundation, Soffits:

- Regular monitoring for cracks or deterioration yearly. The maintenance crew can visually inspect and record any damage discovered.
- Yearly cleanings for salts and other contaminants, this can be accomplished using brushes and scrubs with soap and water.
- Inspections after every major storm
- Thorough inspections every 5 years.

Window Framing System:

- Ongoing maintenance to ensure seals are intact. This can be accomplished by the owners or the maintenance crew. If a leak is detected, the owner should report to the Manager and have the leak addressed.
- Regular inspection of sealants every 7 years. The majority of the sealants will come with a 10-year useful life, but due to the elements and location, it is recommended to replace them every 8 years.
- Use of high-quality, weather-resistant materials suitable for coastal conditions.
-Yearly or Bi-yearly window cleanings to remove any salt settling on sealants and framing.

Roof Towers:

- Periodic visual checking for signs of stress or corrosion. This can be accomplished by the maintenance crew throughout the year. Due to the difficulty of reaching the towers, inspections are limited.
- Cleaning the tower walls will be beneficial to extend the useful life, but the difficulty to wash majority of the tower will be high. Thus, cleaning and inspecting will be limited and not as thorough as other members.
- Inspections every 5 years by an Engineer using a Drone since having a stage for an inspection is costly.

Roof:

- Regular inspection and maintenance. This can be accomplished using a maintenance plan provided by the Contractor responsible for replacing the roof.
- Immediate repair of any damages to prevent leaks.
- Inspections should be done yearly or bi-yearly by a qualified roof technician or Engineer.
- Reduce foot traffic on the roof.

CONCLUSION

The study highlights the need for proactive maintenance and strategic financial planning. By following the recommendations of this report. The Admiral Condominium will be able to maintain its structural integrity and financial stability, ensuring the safety and investment of its residents.

When creating a budget for the next 10 years it is important to remember that the maintenance and inspection costs attributed to the various structural members can be categorized as a operating budget expense that is sperate from the Structural Integrity Reserve. In 2024 dollars, the association over the next 10 years will need to reserve $1,990,884. This is made up from adding all of the contributions for all the structural members, excluding inspections and maintenance costs.

APPENDICES

- Year-by-Year Financial Breakdown

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STRUCTURAL INTEGRITY RESERVE STUDY

The Admiral Owners' Association, Inc.

8750 S Ocean Drive
Jensen Beach, FL 34957

Project Number: 2419023

Prepared for:

The Admiral Owners' Association, Inc.

C/O Advantage Property Management
10410 S Ocean Drive
Jensen Beach, FL 34957

Antoine Boumitri, PE, SI
Project Manager

A. Boumitri

September 20, 2024

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1.0 EXECUTIVE SUMMARY

Florida Engineering LLC (FE) Consultants performed a Structural Integrity Reserve Study (SIRS) at The Admiral Owners' Association, Inc., located at 8750 S Ocean Drive, Jensen Beach, Florida, on August 7, 2024.

This assessment was authorized and performed in general accordance with the latest applicable Florida Building Code and select applicable guidelines of *American Society for Testing and Materials (ASTM) E 2018: Baseline Property Condition Assessment Process.*

1.1 Project Identification

Property Name	The Admiral Owners' Association, Inc.
Property Address	8750 S Ocean Drive, Jensen Beach, FL 34957
Type of Facility	Multifamily residential condominium complex
Construction Date(s)	1984
Number of Buildings	1
Number of Stories	19 living + 1 lower-level parking
Number of Units	108
Building(s) Area	~40,100 sqft.
Superstructure	Concrete
Roofing System	Low slope (flat)
Exterior Façade	Painted stucco
Heating	Heat pumps
Cooling	Cooling towers
Electrical Wiring	Copper
Fire Suppression	Fire alarm system with emergency devices, fire extinguishers, fire standpipe, and indoor sprinklers

Date of Site Visit	August 7, 2024

1.2 Property Description/Background

Built in 1981, The Admiral Owners' Association, Inc. consists of 1 residential building, 20 stories, accommodating 108 units. The building is a concrete structure with a concrete foundation, walls, slabs, beams, and columns. The building has concrete staircases with aluminum handrails that provide access to all levels. There are traction elevators in the building and a parking garage below grade.

1.3 Property Condition Summary

Based on our site visit observations, review of documentation listed within this report, and conversations with the facility representatives, we consider this Property to be of good quality construction with average maintenance procedures in place. Generally, the Property appears to be in good physical condition. Both the exterior and interior appear to be generally adequately maintained, except for those items with remedial recommendations indicated in this report.

1.4 Opinion of Remaining Useful Life

Based on the scope of work and findings of this assessment, it is our opinion that the remaining useful life of the Property is at least 35 years, if the recommended repairs/replacement in this report are made, the physical improvements receive continuing maintenance, the various components are repaired or replaced on a timely basis, and no natural disaster occurs.

1.5 Reserve Study Funding Analysis

Risk of Special Assessment

A Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. The Physical Analysis contains the information about the current condition and repair or replacement cost of the major common area components the association is obligated to maintain. The Financial Analysis contains an evaluation of the association's Reserve balance and a recommended Funding Plan to offset the anticipated Reserve expenses.

The primary responsibility of the Board of Directors is to maintain, protect, and enhance the assets of the association. As the physical assets age and deteriorate, it is important to accumulate financial assets, keeping the two "in balance". The Structural Integrity Reserve Study (SIRS) is a document that helps keep the physical and financial assets of the association in balance. This SIRS is a broad and generalized budget-planning document.

The primary information you will get from this document is a list of your major Reserve components, a finding of the status (strength) of your Reserve Fund, and a recommended Funding Plan. The basic objective of the SIRS is to provide a plan to collect funds at a stable rate to offset the predicted irregular Reserve expenses. Setting a stable Reserve contribution rate will ensure that each owner pays their own "fair share" of the ongoing, gradual deterioration of the common areas.

Reserve expenses are the larger, infrequent expenses that require significant advance planning. Operating expenses, on the other hand, are those ongoing daily, weekly, or monthly expenses that occur and recur throughout the year. Small surprises are typically managed as maintenance contingencies, while the larger ones may be covered by insurance or require special assessments.

There is a national-standard four-part test to determine which expense items should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (not a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Most Reserve Studies do not typically Reserve for building foundations and major infrastructure elements since they do not have limited life expectancies. Light bulbs or other small items are usually not listed as Reserve Components since their individual costs are insignificant.

Finally, it is usually inappropriate to include unpredictable expenses such as damage due to fire, flood, or earthquake since these typically cannot be considered "reasonably predictable".

There are two generally accepted means of estimating reserves, the Component Funding Analysis, and the Cash Flow Analysis methodologies:

- The Component Funding Analysis, also known as Straight-Line Method, calculates the annual contribution amount for each individual line-item component, by dividing the component's unfunded balance by its remaining useful life. A component's unfunded balance is its replacement cost minus the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line-item component is then added-up to calculate the total annual contribution rate for this analysis.
- The Cash Flow Analysis, also known as Pooling Method, is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis recognizes interest income attributable to reserve accounts over the period of the analysis. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow and reserve account balance to adequately fund the future projected expenditures throughout the period of the analysis.

1.6 Capital Reserve Replacement Analysis Overview

The function of a Capital Reserve Replacement Analysis is to inform and advise as to the likely capital expenditures for replacement of common elements over the time frame considered by the analysis and the annual contribution levels to the Capital Reserve Replacement Fund calculated as being sufficient to avoid having to levy special assessments or take out a loan to support the predicted capital expenditures.

All Capital Reserve Replacement Analyses therefore assume that capital expenditures are funded using regular (e.g., annual, quarterly, or monthly), budgeted contributions to an account set aside for the sole purpose of funding the replacement of a designated set of common elements (often called the "Capital Reserve Fund"). Common element replacement projects can be deferred. However, such deferrals tend to result in gradual decrease in property values as the infrastructure and appearance of the community facilities degrade over time. In addition, such deferrals often result in the final replacement costs increasing significantly due to more extensive deterioration and additional damage to other common elements resulting from the failure of the common element to be replaced.

There are several choices and options to consider during the Capital Reserve Replacement Analysis process. In addition to Component Funding Analysis and Cash Flow Analysis methodologies, one important decision to consider is the Funding Goal, although there are several other considerations, including preventative and deferred maintenance and operating budgets, budget thresholds, time window, and statutory requirements.

Funding Goals

The funding goal helps to determine the methodology used in the Capital Reserve Replacement Analysis and is the principal reflection of the Association's fiscal policy. Funding goals can be categorized by their fiscal aggressiveness (willingness to risk the need to levy a special assessment or take out a loan) – more aggressive funding goals tend to result in lower annual levels of contribution to the capital reserve fund, with associated higher risks of shortfalls requiring special assessments or loans. There are four basic funding goals used by communities when determining Capital Reserve Fund requirements:

- Baseline Funding is the most aggressive funding goal commonly used by associations. Baseline funding is essentially a special case of threshold funding, where the goal is to never have a negative capital reserve fund balance (in other words the threshold is zero). As this funding goal provides no margin for errors, unexpected or unforeseeable expenses, or market forces that are not in the Association's favor.
- Statutory Funding is a funding goal (and/or methodology) that the community is legally obligated to meet or exceed. Such funding goals are typically the result of state or local statutes or the result of one

or more provisions in the governing documents of the Community Association. The relative aggressiveness of such funding goals will vary depending upon the statute or provision involved.

- Full Funding is the most conservative funding goal commonly used by associations. Full funding is best understood as an attempt to maintain the capital reserve fund at or near 100% of the accumulated common element depreciation. Full funding tends to result in over-funding if the community is starting with a capital reserve fund balance less than the current depreciation of its common elements, or to result in under-funding if the community is starting with a capital reserve fund balance greater than the current depreciation of its common elements, unless applied carefully and with the understanding that annual contributions will change over the course of time as overages and shortages are corrected, resulting in an annual contribution recommendation that decreases or increases with the passage of time in all except the simplest cases.

- Threshold Funding is normally a moderate funding goal. The essential goal of threshold funding is to avoid having a capital reserve fund balance below some predetermined level (the "threshold" or "threshold balance"), which can be determined as a percentage of the total cost to replace the considered common elements, by decree as some absolute value or as some multiple of the annual contribution. The Baseline Funding is essentially a threshold funding goal where the threshold balance equals zero.

Florida Statute Section 627.706 requires that condominium associations fund a reserve account for certain capital and deferred maintenance expenditures. This statute requires all condominium associations to maintain funds for: Structure including load bearing walls and structural members/primary structural systems; Exterior Painting/waterproofing/repairs; windows & exterior doors, unless they are part of individual owners responsibility; roof replacement/soffits and repair; plumbing – main system/common area; electrical main system/common area; fireproofing and fire protection systems/extinguishers; and any other expenditure which is expected to exceed $10,000.

Florida Statute 718.112(f)[2] requires that the reserve contribution be computed using a formula which is based upon the estimated remaining useful life and the estimated replacement cost or deferred maintenance expenditure for the component but does not require that a reserve study be conducted to determine the level of funding required. The State of Florida is more lenient regarding reserve funding for homeowner's associations. Florida statutes do not require reserve funds for homeowners' associations (unless the association's governing documents call for a reserve fund and/or reserve study) but does not prohibit including reserve in the proposed budget for the homeowners' association. Similarly, the proposed operating budget for a homeowners' association does not require to follow any specific statutory formula but should include the anticipated expenditures for the year.

Florida Statute 718.112(f)[3] regulates the use of money collected for reserves, limiting the use of such funds

to authorized reserve fund expenditures. A vote is required if reserve funds are used for operating expenses.

1.7 Follow-up Recommendations

No additional evaluation is considered necessary at the present time.

1.8 Capital Expenditure Summary

According to the Florida Legislature, a SIRS Update is required every 10 years after completion of the initial SIRS. As such, while this SIRS forecasts and calculates expenditures looking forward at least 30 years, the reported/displayed capital expenditure reserves evaluation period covers the next 12 years, providing a two-year buffer beyond the legislation mandated time frame. However, we have no expectation that these expenses will all take place as anticipated. Therefore, we recommend that this SIRS be reviewed and updated annually, as necessary, because we expect the timing of these expenses to shift and their size to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which can project more accurately than the more distant projections.

2.0 PURPOSE, SCOPE, AND LIMITATIONS

A Structural Integrity Reserve Study (SIRS) has been conducted on August 7, 2024, at The Admiral Owners' Association, Inc., located at 8750 S Ocean Drive, Jensen Beach, Florida, hereafter referred to as the "Property".

This assessment was performed using methods and procedures consistent with good commercial or customary practice design to conform to acceptable industry standards. The independent conclusions represent our best professional judgment based on information and data available to us during this assessment. Information regarding operations, conditions, and test data provided by the client or their representatives have been assumed to be correct and complete. Our evaluations, analyses and opinions are not representations regarding, design integrity, structural soundness, or actual value of the Property; nor is it the intention of this report to imply by exclusion from this report that additional work may or may not be required. The conclusions presented are based on the data provided, and observations and conditions that existed on the date of the assessment.

The purpose of this survey and related report is to assist the client in the evaluation of the physical aspects of the Property and how its condition may affect the soundness of their financial decisions over time. For this assessment, representative samples of the major independent building components were observed, and the physical condition evaluated. The expected useful life was assessed and the cost for repairs and replacements of significant items was estimated. The exterior of the complex, interior common areas. Property management and maintenance staff, when possible, were interviewed for specific information relating to the physical Property, available, maintenance procedures, available drawings, and other documentation. All findings were noted and have been included in the narrative sections of this report. This Report is not intended to address the status of Americans with Disability Act Title III compliance, the presence or absence of hazardous materials or petroleum substances, asbestos, lead, PCBs or toxic soil on this Property.

3.0 DEFINITIONS

3.1 Immediate and Replacement Reserve Work

Immediate Repair Work – Work that requires immediate action, typically within 90 days, based on its being (i) an existing or potentially significant unsafe condition, (ii) material physical deficiency (iii) poor or deteriorated condition of a critical element or system, (iv) significant building code violation, or (v) a condition that if left "as is," with an extensive delay in remedying it, has the potential to result in or contribute to a critical element or system failure and will probably result in a significant escalation of its remedial costs. Opinions of probable costs for Immediate Repairs are provided in Table 1.

Replacement Reserve (Years 1 Through Assessed Term Period) – Major recurring probable expenditures, which are neither commonly classified as an operation, nor maintenance expense. Replacement reserves are reasonably predictable both in terms of frequency and cost. However, they may also include components or systems that have an indeterminable life, but nonetheless have a potential liability for failure within an estimated time period. Opinions of probable costs for Capital Reserves are provided in Table 2.

3.2 Condition Evaluation Definitions

Good: Average to above-average condition for the building system or materials assessed, with consideration of its age, design, and geographical location. Generally, other than normal maintenance, no work is recommended or required.

Fair: Average condition for the building system evaluated. Some work is required or recommended, primarily due to normal aging and wear of the building system, to return the system to a good condition.

Poor: Below average condition for the building system evaluated. Significant work should be anticipated to restore the building system or material to an acceptable condition.

3.3 Opinion of Costs

The opinion of costs presented is for the repair/replacement of readily visible materials and building system defects that might significantly affect the value of the Property during the loan period. These opinions are based on approximate quantities and values. They do not constitute a warranty that all items, which may require repair or replacement, are included.

Estimated cost opinions presented in this report are from a combination of sources. The primary sources are from Means Repair and Remodeling Cost Data and Means Facilities Maintenance and Repair Cost Data; past invoices or bid documents provided by site management; as well as our experience with costs for similar projects and city cost indexes.

Replacement and Repair Cost estimates are based on approximate quantities. Information furnished by site personnel or the Property management, if presented, is assumed to be reliable. A detailed inventory of quantities for cost estimating is not a part of the scope of this Report.

Actual costs may vary depending on such matters as type and design of remedy; quality of materials and installation; manufacturer of the equipment or system selected; field conditions; whether a physical deficiency is repaired or replaced in whole; phasing of the work; quality of the contractor(s); project management exercised; and the availability of time to thoroughly solicit competitive pricing. In view of these limitations, the costs presented herein should be considered "order of magnitude" and used for budgeting purposes only. Detailed design and contractor bidding are recommended to determine actual cost.

These opinions should not be interpreted as a bid or offer to perform the work. All costs are stated in present value. The recommendations and opinions of cost provided herein are based on the understanding that the facility will continue operating in its present occupancy classification and general quality level unless otherwise stated.

4.0 ARCHITECTURAL AND STRUCTURAL SYSTEMS

Item	Description/Observations/Comments
Foundation	The foundation was not included in the scope of work.
Superstructure	The superstructure was not included in the scope of work.
Exterior Walls	The exterior walls were not included in the scope of work.
Roof	The roof was not included in the scope of work.
Balconies	The balconies were not included in the scope of work.
Exterior Walkways	The exterior walkways were not included in the scope of work.
Windows	The windows were not included in the scope of work.
Doors	The doors were not included in the scope of work.

5.0 BUILDING INTERIORS

Item	Description/Observations/Comments
Tenant Spaces	Areas within the interior of the resident units are the responsibility of the individual condominium unit owner to maintain.
Common Areas	The common areas were not included in the scope of work.

6.0 CONVEYANCE SYSTEMS

Item	Description/Observations/Comments
Elevators	The elevators were not included in the scope of work.
Escalators	There are no escalators at the Property.
Stairs	The stairs were not included in the scope of work.

7.0 MECHANICAL AND ELECTRICAL SYSTEMS

Item	Description/Observations/Comments
HVAC	The HVAC system was not included in the scope of work.
Plumbing Systems	The plumbing systems include the incoming water service and piping system; the sanitary sewer including the soil, waste, and vent system; and the shared HVAC system pipes. According to available information and observations, supply piping appears to be copper. Waste and vent piping appears to be PVC with a limited number of original cast iron pipes reported still in the lobby area. **The plumbing systems appeared to be in good condition. The water pressure, quantity of hot and cold water, and drainage were reported to be adequate. No abnormal plumbing problems were reported by the Property representative. With proper maintenance, no significant expenditures are anticipated. We have allocated some funds to the Reserve Table.** **Plumbing components and piping have EULs between 15 and 50 years. As such, an annual budget for component upgrades and replacements is recommended during the evaluation period. Funds have been spread throughout the Replacement Reserves Cost Estimate Table, adopting the straight-line accounting method to ensure the availability of funds at the end of the replaced element's EUL, beyond the evaluation period of this assessment.**
Plumbing Fixtures	The plumbing fixtures appear to be residential grade and typical for this type of occupancy. **The plumbing fixtures appeared to be generally in good condition requiring only routine maintenance over the evaluation period.**
Water Heaters	The water heaters were not included in the scope of work

Emergency Generator

There is one emergency diesel generator located on the property. It was reported that the generator is tested regularly to maintain its current condition. The generator is available when emergency power is needed. The generator was observed as a Cummins Model: 150DGFA, Serial No.: K920493218, Spec: 55484G.

Electrical Service

Electrical service enters the building from utility-company owned transformers, providing service to the individual units. The distribution wiring was noted to be copper.

The electrical system components were observed to be in good condition. In general, the electrical systems for the Property, including main switchboards, transformers, distribution circuit breaker panels, contactors, lighting, and wiring system were noted to be adequately sized for the intended use of the facility. With proper maintenance, no significant expenditures are anticipated. We have allocated some funds in the Reserve Table.

8.0 LIFE SAFETY AND SECURITY SYSTEMS

Item	Description/Observations/Comments
Fire Protection	The building is equipped with emergency devices, fire standpipes, and indoor sprinklers in common areas. The Property's fire alarm systems utilize central panel for monitoring manual pull stations. The age of the fire alarm panel was not available at the time of our inspection, however from observation we can assume it is around 5 years old. **The emergency devices and fire standpipes were noted to be in general condition requiring routine maintenance over the evaluation period. The fire sprinkler piping in the garage was noted to have rust formation evident. The Association is in the process of removing the rust and painting the pipes this year.** **The central alarm panels are in good condition. Central fire alarm panels typically have an EUL of 25 years. Funds have been spread throughout the Replacement Reserves Cost Estimate Table, adopting the straight-line accounting method to ensure the availability of funds at the end of the replaced element's EUL.** **Fire protection and life safety systems within the dwelling units are reported to be the responsibility of the respective condominium unit owner to maintain and replace.**

9.0 ESTIMATED CAPITAL REPAIR COST TABLES

Based on our walk-through observations, we make the following comments on Property conditions and deficiencies, including estimates of repair cost.

9.1 Immediate Repairs/Deferred Maintenance Costs

The attached Table 1 - Immediate Repairs Cost Estimate, is an analysis of the estimated cost for immediate repair work defined as Capital expenditure items requiring repair or replacement based on their being (i) an existing or potentially significant unsafe condition, (ii) material physical deficiency (iii) poor or deteriorated condition of a critical element or system, (iv) significant building code violation, or (v) a condition that if left "as is," with an extensive delay in remedying it, has the potential to result in or contribute to a critical element or system failure and will probably result in a significant escalation of its remedial cost.

9.2 Replacement Reserve Analysis

The attached Table 2 - Replacement Reserves Cost Estimate is an analysis of the estimated cost for normally anticipated replacement for the major components of the improvements during the next twelve (12) years. The remaining life values are based on published historical performance data for comparable items with consideration for the present condition and reported service history. The costs are provided with a 3% inflation factor for future expenditures.

The projected expenses are based on statistical assumptions. In fact, actual schedules may vary from those projected by the Table, but such variances should not significantly alter the totals shown. The reserve cost estimate assumes that the Immediate Repairs items listed in this Report will be completed within the next 12 months depending on specific priority. Estimated costs assume that the repair or replacement work is contracted out by the Property management and, in most cases, do not include a general contractor's fee. It is assumed that, given the current level of on-site staffing and in-house expertise, most of the work included in the Table would not be completed by on-site maintenance personnel.

9.3 Reliance

All reports, both verbal and written, are for the benefit of The Admiral Owners' Association, Inc. This report has no other purpose and may not be relied upon by any other person or entity without the written consent of Florida Engineering LLC.

TABLES

9/20/2024
REPLACEMENT RESERVE COST ESTIMATES
PROJECT NO.: 2419023

The Admiral Owners' Association, Inc.
8750 S Ocean Drive
Jensen Beach, FL 34957

Property Type:	**Multifamily**
Number of Stories:	**19 + 1 Parking**
Units:	**108**
Number of Buildings:	**1**
Reserve Term:	**10**
Actual Property Age:	**40**

Item No	Item Description	EUL	Eff. Age	RUL	Quantity	Unit	Unit Cost	Current Reserve Balance	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Cumulative
1	Fire/Safety/Alarm	25	5	20	1	LS	$25,000		$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	$1,250.00	**$15,000**
2	Plumbing				1	Annual	$3,000		$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	**$36,000**
3	Electrical				1	Annual	$3,000		$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	$3,000.00	**$36,000**
							Immediate Repairs Total	$0.00													
	Avialable Reserve Balance							$0													
	Total Contribution								$7,250	$7,250	$7,250	$7,250	$7,250	$7,250	$7,250	$7,250	$7,250	$7,250	$7,250	$7,250	**$87,000**
	Escalation Factor per year				3.00%				$0.00	$217.50	$441.53	$672.27	$909.94	$1,154.74	$1,406.88	$1,666.59	$1,934.08	$2,209.61	$2,493.39	$2,785.70	
	Total With Escalation								$7,250	$7,468	$7,692	$7,922	$8,160	$8,405	$8,657	$8,917	$9,184	$9,460	$9,743	$10,036	**$102,892**
	Recommended Annual Funding								$8,600	$8,600	$8,600	$8,600	$8,600	$8,600	$8,600	$8,600	$8,600	$8,600	$8,600	$8,600	
	Funds Surplus / Deficiency								$1,350	$2,483	$3,391	$4,069	$4,509	$4,704	$4,647	$4,331	$3,746	$2,887	$1,743	$308	
							Reserve Strength Percent Funded	118.62%													
							Cost Per Unit (escalated)		$67.13	$69.14	$71.22	$73.35	$75.55	$77.82	$80.16	$82.56	$85.04	$87.59	$90.22	$92.92	
	Unescalated cost/unit/month								$5.59	$5.59	$5.59	$5.59	$5.59	$5.59	$5.59	$5.59	$5.59	$5.59	$5.59	$5.59	
	Escalated cost/unit/month								$5.59	$5.76	$5.93	$6.11	$6.30	$6.49	$6.68	$6.88	$7.09	$7.30	$7.52	$7.74	

PHOTOGRAPHIC DOCUMENTATION

PHOTO 1

FRONT ELEVATION OF BUILDING

PHOTO 2

REAR ELEVATION OF BUILDING

PHOTO 3

FIRE SAFETY SYSTEM MAIN PANELS

PHOTO 4

FIRE SAFETY SYSTEM SECONDARY PANEL

PHOTO 5

FIRE EXTINGUISHER AND STANDPIPE

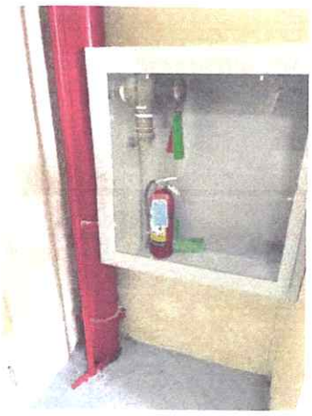

PHOTO 6

FIRE SAFETY SYSTEM EMERGENCY DEVICES

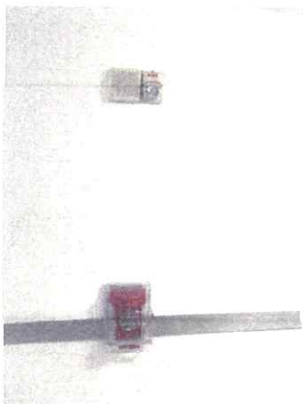

PHOTO 7

FIRE SUPPRESSION PIPE IN GARAGE WITH RUST

PHOTO 8

COPPER WATER PLUMBING PIPE IN GARAGE

PHOTO 9

REPLACED PVC PLUMBING PIPE IN GARAGE

PHOTO 10

MAIN ELECTRICAL PANELS

PHOTO 11

EMERGENCY GENERATOR

SUPPORTING DOCUMENTATION

ADD FINANCIAL DATA FROM THE BOARD, IF AVAILABLE