The Grosvenor at Pelican Bay

Inspected: January 10, 2024 • Revised on: January 29, 2025
Naples, FL

STRUCTURAL INTEGRITY RESERVE STUDY

RESERVE™ ADVISORS

Long-term thinking. Everyday commitment.

RESERVE ADVISORS
Long-term thinking. Everyday commitment.

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

The Grosvenor at Pelican Bay
Naples, Florida

Dear Board of Directors of The Grosvenor at Pelican Bay:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Structural Integrity Reserve Study* of The Grosvenor at Pelican Bay in Naples, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, January 10, 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 The Grosvenor at Pelican Bay 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 January 29, 2025 by

Reserve Advisors, LLC

Visual Inspection and Report by: Taylor J. Bleistein, RS[1]
Review by: Tamara S. Samhouri, RS
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.

RESERVE™ ADVISORS

Long-term thinking. Everyday commitment.

NEW TO RESERVE STUDIES?

ACCESS OUR QUICK START GUIDE

©2022 Reserve Advisors, LLC. All rights reserved.

Table of Contents

1. RESERVE STUDY EXECUTIVE SUMMARY 1.1

2. RESERVE STUDY REPORT 2.1

3. RESERVE EXPENDITURES and FUNDING PLAN 3.1

4. RESERVE COMPONENT DETAIL 4.1

STRUCTURAL INTEGRITY - Exterior Building Elements 4.1

Balconies, Concrete 4.1

Balconies, Railings, Aluminum 4.2

Doors 4.3

Roofs, Built-up 4.4

Roofs, Thermoplastic 4.6

Skylights 4.8

Structural Members, Inspections 4.10

Walls, Stucco 4.10

STRUCTURAL INTEGRITY - Building Services Elements 4.13

Electrical System 4.13

Generator, Emergency 4.16

Life Safety System 4.17

Pump, Fire Suppression 4.19

STRUCTURAL INTEGRITY - Property Site Elements 4.21

Waterproof Membrane, Replacement and Concrete Structure Repairs 4.21

STRUCTURAL INTEGRITY - Garage Elements 4.25

Concrete, Elevated Floors 4.25

Concrete, On-grade 4.27

Fire Suppression System 4.29

Paint Finishes 4.30

GENERAL - Interior Building Elements 4.31

Break Room, Renovation 4.31

Elevator Cab Finishes 4.32

Exercise Equipment 4.33

Exercise Room 4.34

Floor Coverings, Carpet, Hallways 4.35

Floor Coverings, Tile, Hallways 4.35

Fountains 4.36
Library 4.37
Lobby 4.38
Mailboxes 4.40
Office Equipment 4.41
Paint Finishes, Hallways 4.41
Paint Finishes, Stairwells 4.42
Social Room 4.43
Rest Rooms 4.44
GENERAL - Building Services Elements 4.45
Air Handling and Condensing Units, Split Systems 4.45
Elevators, Traction 4.46
Exhaust Fans 4.47
Pumps, Domestic Water 4.48
Security System 4.50
Trash Chute and Doors 4.51
Trash Compactor 4.52
GENERAL - Property Site Elements 4.54
Asphalt Pavement, Repaving 4.54
Boardwalk 4.57
Light Poles and Fixtures 4.58
Pavers, Masonry 4.59
Pipes, Subsurface Utilities 4.61
GENERAL - Pool Elements 4.61
Pool Finishes, Plaster and Tile 4.61
GENERAL - Garage Elements 4.63
Doors and Operators 4.63
Reserve Study Update 4.64

5. METHODOLOGY 5.1
6. CREDENTIALS 6.1
7. DEFINITIONS 7.1
8. PROFESSIONAL SERVICE CONDITIONS 8.1

1. RESERVE STUDY EXECUTIVE SUMMARY

Client: The Grosvenor at Pelican Bay (The Grosvenor)
Location: Naples, Florida
Reference: 040357

Property Basics: The Grosvenor at Pelican Bay is a highrise style development which consists of 101 units in a 19-story building. The building was built in 1982.

Reserve Components Identified:

- 20 Structural Integrity Reserve Components.
- 38 General Reserve Components.

Inspection Date: January 10, 2024.

Methodology:
Cash Flow Method - 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

Component Method (Structural Integrity Only) – Also known as the straight-line method, this methodology calculates the reserve funding requirements necessary to fund the portion of the unfunded balance of a component relative to its remaining useful life. The overall funding recommendations is the sum of the required funding item for each individual component.

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 - Fire Suppression System
- Structural Integrity - Concrete, Elevated Floors, Inspections and Capital Repairs
- Structural Integrity - Paint Finishes
- Structural Integrity - Generator, Emergency, 300-kW
- Structural Integrity - Roofs, Thermoplastic, Porte Cochere
- General - Doors and Operators
- General - Floor Coverings, Tile, Hallways, Atrium
- General - Floor Coverings, Carpet, Hallways, Atrium
- General - Paint Finishes, Hallways, Atrium
- General - Pipes, Subsurface Utilities, Partial Replacements

Unaudited Cash Status of Structural Reserve Fund:

- $575,485 as of December 31, 2024
- $477,249 in budgeted 2025 Structural reserve contributions ($477,249 remaining)
- $0 in estimated remaining 2025 Structural reserve expenses
- We project a 2025 Structural Reserve End Balance of $1,069,016.

Unaudited Cash Status of General Reserve Fund:

- $1,202,404 as of December 31, 2024
- $350,000 in budgeted 2025 General reserve contributions ($350,000 remaining)
- $36,432 in estimated remaining 2025 General reserve expenses
- We project a 2025 General Reserve End Balance of $1,543,156.

Cash Flow Method - Structural Integrity

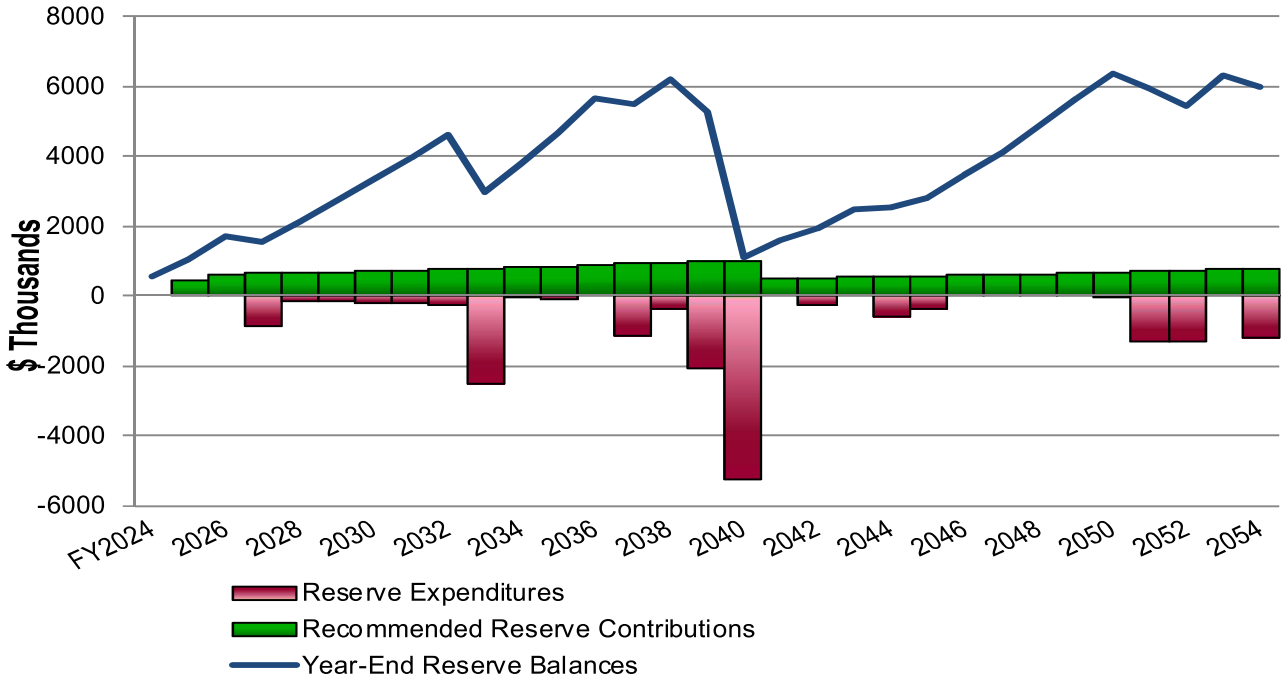
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2040 due to the replacement of the waterproof membrane. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately $5,982,500. We judge this amount of accumulated reserves in 2054 necessary to fund the likely replacement of the skylights and built up roof 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:

- We recommend the Association adopt a Structural Integrity reserve budget of $630,000 in 2026
- Inflationary increases from 2027 through 2040
- Decrease to $500,000 by 2041 due to fully funding for replacement of the waterproof membrane
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2026 Reserve Contribution of $630,000 is equivalent to an average monthly contribution of $519.80 per homeowner.
- 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	477,249 (Budgeted)	1,069,016	2035	858,400	4,645,147	2045	573,700	2,802,546
2026	630,000	1,726,696	2036	888,400	5,635,334	2046	593,800	3,458,335
2027	652,000	1,570,334	2037	919,500	5,507,669	2047	614,600	4,148,248
2028	674,800	2,144,209	2038	951,700	6,227,367	2048	636,100	4,873,674
2029	698,400	2,753,927	2039	985,000	5,270,589	2049	658,400	5,636,131
2030	722,800	3,352,174	2040	1,019,500	1,099,949	2050	681,400	6,375,307
2031	748,100	3,981,400	2041	500,000	1,626,948	2051	705,200	5,905,723
2032	774,300	4,604,340	2042	517,500	1,919,963	2052	729,900	5,424,340
2033	801,400	2,953,526	2043	535,600	2,499,318	2053	755,400	6,295,781
2034	829,400	3,814,673	2044	554,300	2,533,603	2054	781,800	5,982,459



Cash Flow Method - General

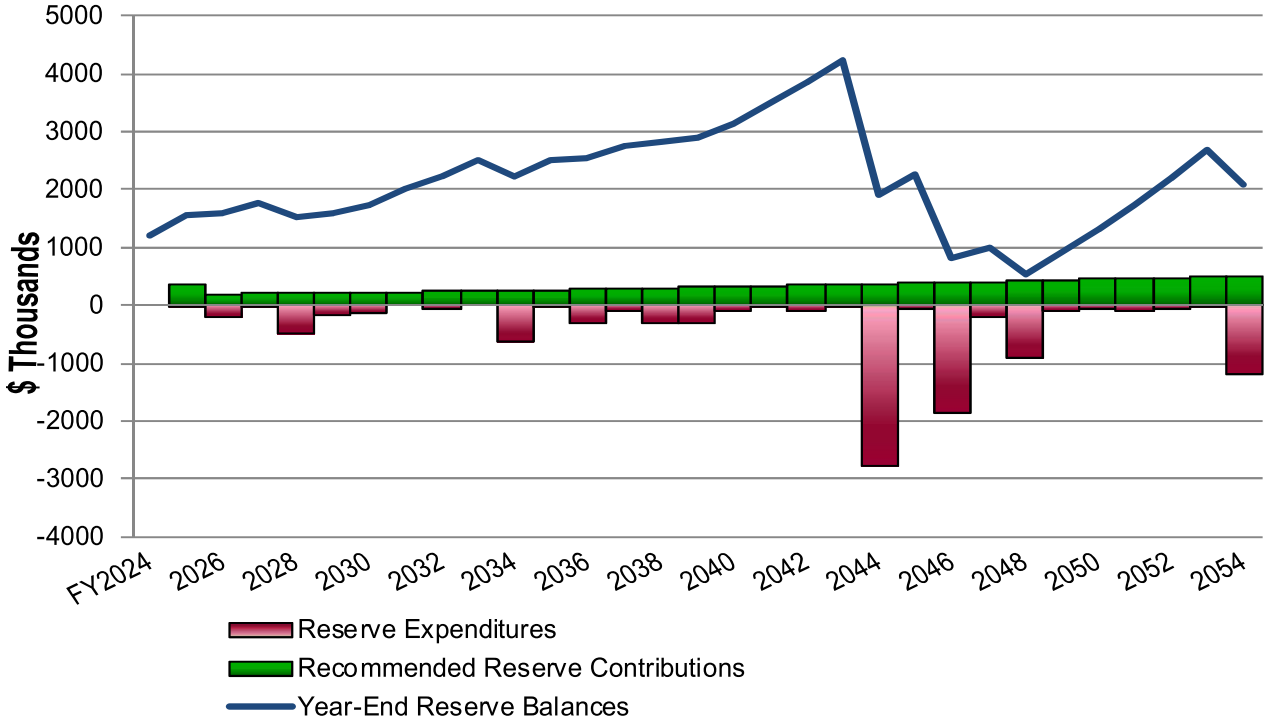
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. *General:* Our recommended Funding Plan recognizes this threshold funding year in 2046 due to the modernization of the elevators. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately $2,078,300. We judge this amount of accumulated reserves in 2054 necessary to fund the likely renovation of the lobby and social room 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:

- We recommend the Association adopt a General reserve budget of $197,000 in 2026
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2026 Reserve Contribution of $197,000 is equivalent to an average monthly contribution of $162.54 per homeowner.
- 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	350,000 (Budgeted)	1,543,156	2035	268,500	2,514,288	2045	378,900	2,259,205
2026	197,000	1,575,956	2036	277,900	2,529,990	2046	392,200	805,786
2027	203,900	1,773,885	2037	287,600	2,770,762	2047	405,900	1,007,930
2028	211,000	1,515,375	2038	297,700	2,822,014	2048	420,100	540,233
2029	218,400	1,606,725	2039	308,100	2,884,211	2049	434,800	907,122
2030	226,000	1,742,220	2040	318,900	3,150,007	2050	450,000	1,326,404
2031	233,900	2,013,303	2041	330,100	3,501,092	2051	465,700	1,739,423
2032	242,100	2,225,306	2042	341,700	3,832,933	2052	482,000	2,186,722
2033	250,600	2,522,918	2043	353,700	4,243,528	2053	498,900	2,701,477
2034	259,400	2,217,192	2044	366,100	1,910,483	2054	516,400	2,078,349



Component Method – Structural Integrity

The Association currently uses component methodology to calculate their Structural reserve requirements. Component reserve funds are restricted to be used only on the specific reserve component(s). Due to the statutory restrictions on structural integrity reserve funds, we recommend the Association maintain separate funds for Structural Integrity Component reserves and General (non-structural) Component reserves.

- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024.

Structural Integrity Component Funding Analysis: Under this methodology, the required total annual funding for 2026 is $1,714,180. This contribution is equivalent to an average monthly contribution of $1,414.34 per homeowner.

The Component Method does not incorporate inflation or interest on reserves. Estimates of appropriate reserve contributions must be updated annually to account for market changes in the common elements from year to year. Changes in market conditions and other inherent factors of the Component Method can result in significant volatility in the reserve contribution from year to year.

The reclassification of existing component funds as cash flow (aka pooled) reserves would not be allowed unless approved by a majority vote of the Homeowners at a duly called meeting of the Association. In lieu of obtaining a vote of the Unit Owners, a Board may vote to fund future reserves based on a pooled analysis. The Association then simply spends the funds in their existing segregated accounts on the initial repair or replacement project for that component. When all of the existing segregated funds in an account are expended, the account is eliminated, thus eliminating the need to get a vote to reallocate. As previously stated, the Association currently uses component methodology to calculate their reserve requirements. Reserve Advisors goal is to provide recommendations that maintain reserves above an adequate balance.

As previously stated, the Association currently uses component methodology to calculate their Structural reserve requirements. Reserve Advisors' goal is to provide recommendations that maintain reserves above an adequate balance. The difference in the Component Method and Cash Flow Method leads us to our recommendation of Cash Flow Method.

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

The Grosvenor at Pelican Bay

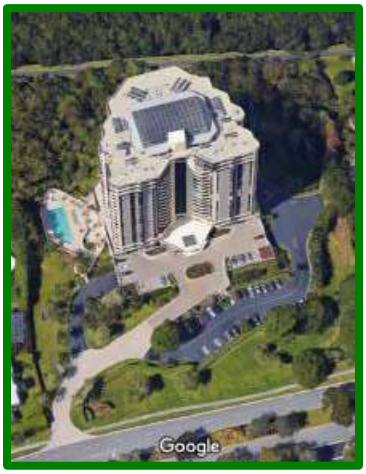
Naples, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, January 10, 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. 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 Homeowners 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 Homeowners

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. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- The Grosvenor 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 The Grosvenor at Pelican Bay. A *Structural Integrity Reserve Study* states the estimated remaining useful life, the estimated replacement cost or deferred maintenance expense of the common areas

being visually inspected and provides a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each common area. Specifically, as per Florida Statute 718.112(2)(g), we have investigated the structural integrity and safety of common elements within the following:

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

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

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

We discuss specific exclusions for the following elements:

- Structure and Primary Structural Members - We anticipate a useful life of up to and beyond 100 years and consider full replacement unlikely and cost prohibitive. Management and the Board report no history of water infiltration or repairs to the foundations. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.
- Fire Protection - 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.
- Fire Suppression, Backflow Preventer
- Pipes, Interior Building, Waste and Vent (Relined in 2021)

- Skylight, Structural Steel Frame
- Windows and Doors – Maintained and replaced by the unit owners
- Windows, Common – Replaced in 2021

Long-Lived Property Elements – These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the 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. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time:

- Domestic Water, Backflow Preventer
- Elevators, Traction, Hoists and Motors (Replaced in 2021)
- Pipes, Interior Building, Domestic Water (Replaced in 2021)
- Transfer Switch (Replaced in 2017)
- Valves, Large Diameter

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. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacement

- General Maintenance to the Common Elements
- Expenditures less than $5,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.) (Excluding asphalt pavement patch and seal coat applications to the North parking lot)
- Bulletin Boards
- Doors, Miscellaneous Interior
- Duct Cleaning
- Expansion Tanks
- Fire Extinguishers
- Irrigation System, Controls and Maintenance
- Landscape
- Light Fixtures, Garage
- Light Fixtures, Recessed
- Light Fixtures, Stairwells
- Motors
- Paint Finishes, Touch Up
- Pipes, Common, Interim Repairs and Waste Rodding
- Pool Furniture (Per the Board)
- Pool Mechanical Equipment (Per the Board)
- Pumps Less Than Five-HP (horsepower)
- Staff, Storage and Service Areas
- Unit Heaters, Stairwells and Entrances

- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)
- Other Repairs normally funded through the Operating Budget

Homeowner Responsibility - Items designated as the responsibility of the unit owners to repair or replace at their cost. Property Maintained by Unit owners, including items billed back to Unit owners, relates to:

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

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
- 2023 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
- Predicted reserves based on current funding level

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

Component Method

- Component information as also shown in Reserve Expenditures
- Current balance, remaining contributions and remaining expenditures
- Projected beginning year balance for 2023
- Unfunded residual balance
- 2024 recommended contribution

Component Method Summary

- The existing reserve categories
- Summarized life and cost valuations by category

- Projected category balances and recommended contributions

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

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

Structural Integrity

RESERVE EXPENDITURES

The Grosvenor at Pelican Bay
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	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	64,600	32,300	Square Feet	Balconies, Concrete, Repairs, Phased	2037	10 to 15	13 to 14	2.00	64,600	129,200	2.9%														101,032	104,568	
1.105	5,000	5,000	Linear Feet	Balconies, Railings, Aluminum	2037	to 50	13	105.00	525,000	525,000	4.5%														821,077		
1.170	230	230	Square Feet	Doors, Common, Lobby	2029	to 40	5	150.00	34,500	34,500	0.2%						40,975										
1.180	30	30	Each	Doors, Metal	2029	to 30	5	2,700.00	81,000	81,000	0.5%						96,203										
1.300	28,610	28,610	Square Feet	Roofs, Built-up	2033	to 25	9	64.00	1,831,040	1,831,040	13.5%										2,495,520						
1.530	2,520	2,520	Square Feet	Roofs, Thermoplastic, Porte Cochere	2024	15 to 20	0	44.00	110,880	110,880	1.8%	110,880															
1.580	6,200	6,200	Square Feet	Skylights	2039	to 20	15	150.00	930,000	930,000	8.5%																1,558,074
1.605	1	1	Allowance	Structural Members, Inspections, Milestone	2024	to 10	0	25,000.00	25,000	25,000	1.0%	25,000										35,265					
1.880	97,100	48,550	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs, Phased	2030	5 to 7	6 to 7	3.10	150,505	301,010	12.2%							185,009	191,484						235,383	243,622	
				Building Services Elements																							
3.300	1	1	Allowance	Electrical System, Main Panels	2052	to 70+	28	290,000.00	290,000	290,000	4.1%																
3.440	1	1	Each	Generator, Emergency, 300-kW	2028	to 30	4	120,000.00	120,000	120,000	0.7%					137,703											
3.555	1	1	Allowance	Life Safety System, Control Panel	2035	to 15	11	25,000.00	25,000	25,000	0.5%												36,499				
3.560	1	1	Allowance	Life Safety System, Emergency Devices	2035	to 25	11	51,500.00	51,500	51,500	0.4%												75,188				
3.770	1	1	Each	Pump, Fire Suppression, 150-HP (Incl. Controller and Jockey Pump)	2032	to 50	8	179,500.00	179,500	179,500	1.3%									236,367							
				Property Site Elements																							
4.955	34,040	34,040	Square Feet	Waterproof Membrane, Inspection and Capital Repairs	2054	15 to 20	30	12.00	408,480	408,480	6.2%																
4.960	34,040	34,040	Square Feet	Waterproof Membrane, Replacement and Concrete Structure Repairs	2040	25 to 35	16	89.00	3,029,560	3,029,560	28.5%																
				Garage Elements																							
7.300	109,540	109,540	Square Feet	Concrete, Elevated Floors, Inspections and Capital Repairs	2027	10 to 15	3	2.50	273,850	273,850	7.9%				303,622												458,794
7.360	51,310	2,570	Square Feet	Concrete, On-grade (Including Drain Repairs), Partial	2027	to 90	3 to 30+	9.00	23,130	461,790	1.1%				25,645						31,524						38,751
7.500	160,900	160,900	Square Feet	Fire Suppression System	2027	to 40	3	2.00	321,800	321,800	1.9%				356,785												
7.660	174,700	174,700	Square Feet	Paint Finishes	2027	10 to 15	3	0.80	139,760	139,760	2.2%				154,954												
				Anticipated Expenditures, By Year ($18,437,856 over 30 years)								135,880	0	0	841,006	137,703	137,178	185,009	191,484	236,367	2,527,044	35,265	111,687	0	1,157,492	348,190	2,055,619

Structural Integrity

RESERVE EXPENDITURES

Years 2040 to 2054

The Grosvenor at Pelican Bay
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	64,600	**32,300**	Square Feet	Balconies, Concrete, Repairs, Phased	2037	10 to 15	13 to 14	2.00	64,600	129,200	**2.9%**												163,539	169,263		
1.105	5,000	**5,000**	Linear Feet	Balconies, Railings, Aluminum	2037	to 50	13	105.00	525,000	525,000	**4.5%**															
1.170	230	**230**	Square Feet	Doors, Common, Lobby	2029	to 40	5	150.00	34,500	34,500	**0.2%**															
1.180	30	**30**	Each	Doors, Metal	2029	to 30	5	2,700.00	81,000	81,000	**0.5%**															
1.300	28,610	**28,610**	Square Feet	Roofs, Built-up	2033	to 25	9	64.00	1,831,040	1,831,040	**13.5%**															
1.530	2,520	**2,520**	Square Feet	Roofs, Thermoplastic, Porte Cochere	2024	15 to 20	0	44.00	110,880	110,880	**1.8%**					220,628										
1.580	6,200	**6,200**	Square Feet	Skylights	2039	to 20	15	150.00	930,000	930,000	**8.5%**															
1.605	1	**1**	Allowance	Structural Members, Inspections, Milestone	2024	to 10	0	25,000.00	25,000	25,000	**1.0%**					49,745										70,170
1.880	97,100	**48,550**	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs, Phased	2030	5 to 7	6 to 7	3.10	150,505	301,010	**12.2%**					299,473	309,955						381,014	394,349		
				Building Services Elements																						
3.300	1	**1**	Allowance	Electrical System, Main Panels	2052	to 70+	28	290,000.00	290,000	290,000	**4.1%**													759,850		
3.440	1	**1**	Each	Generator, Emergency, 300-kW	2028	to 30	4	120,000.00	120,000	120,000	**0.7%**															
3.555	1	**1**	Allowance	Life Safety System, Control Panel	2035	to 15	11	25,000.00	25,000	25,000	**0.5%**											61,149				
3.560	1	**1**	Allowance	Life Safety System, Emergency Devices	2035	to 25	11	51,500.00	51,500	51,500	**0.4%**															
3.770	1	**1**	Each	Pump, Fire Suppression, 150-HP (Incl. Controller and Jockey Pump)	2032	to 50	8	179,500.00	179,500	179,500	**1.3%**															
				Property Site Elements																						
4.955	34,040	**34,040**	Square Feet	Waterproof Membrane, Inspection and Capital Repairs	2054	15 to 20	30	12.00	408,480	408,480	**6.2%**															1,146,519
4.960	34,040	**34,040**	Square Feet	Waterproof Membrane, Replacement and Concrete Structure Repairs	2040	25 to 35	16	89.00	3,029,560	3,029,560	**28.5%**	5,253,215														
				Garage Elements																						
7.300	109,540	**109,540**	Square Feet	Concrete, Elevated Floors, Inspections and Capital Repairs	2027	10 to 15	3	2.50	273,850	273,850	**7.9%**												693,270			
7.360	51,310	**2,570**	Square Feet	Concrete, On-grade (Including Drain Repairs), Partial	2027	to 90	3 to 30+	9.00	23,130	461,790	**1.1%**						47,635						58,555			
7.500	160,900	**160,900**	Square Feet	Fire Suppression System	2027	to 40	3	2.00	321,800	321,800	**1.9%**															
7.660	174,700	**174,700**	Square Feet	Paint Finishes	2027	10 to 15	3	0.80	139,760	139,760	**2.2%**			259,603												
				Anticipated Expenditures, By Year ($18,437,856 over 30 years)								5,253,215	0	259,603	0	569,846	357,590	0	0	0	0	61,149	1,296,378	1,323,462	0	1,216,689

RESERVE FUNDING PLAN

Structural Integrity

CASH FLOW ANALYSIS

The Grosvenor

at Pelican Bay

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	575,485	1,069,016	1,726,696	1,570,334	2,144,209	2,753,927	3,352,174	3,981,400	4,604,340	2,953,526	3,814,673	4,645,147	5,635,334	5,507,669	6,227,367
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**477,249**	**630,000**	**652,000**	**674,800**	**698,400**	**722,800**	**748,100**	**774,300**	**801,400**	**829,400**	**858,400**	**888,400**	**919,500**	**951,700**	**985,000**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	16,282	27,680	32,644	36,778	48,496	60,456	72,610	85,007	74,830	67,012	83,761	101,787	110,327	116,188	113,841
Anticipated Expenditures, By Year		N/A	0	0	(841,006)	(137,703)	(137,178)	(185,009)	(191,484)	(236,367)	(2,527,044)	(35,265)	(111,687)	0	(1,157,492)	(348,190)	(2,055,619)
Anticipated Reserves at Year End		$575,485	$1,069,016	$1,726,696	$1,570,334	$2,144,209	$2,753,927	$3,352,174	$3,981,400	$4,604,340	$2,953,526	$3,814,673	$4,645,147	$5,635,334	$5,507,669	$6,227,367	$5,270,589

(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	5,270,589	1,099,949	1,626,948	1,919,963	2,499,318	2,533,603	2,802,546	3,458,335	4,148,248	4,873,674	5,636,131	6,375,307	5,905,723	5,424,340	6,295,781
Total Recommended Reserve Contributions	**1,019,500**	**500,000**	**517,500**	**535,600**	**554,300**	**573,700**	**593,800**	**614,600**	**636,100**	**658,400**	**681,400**	**705,200**	**729,900**	**755,400**	**781,800**
Estimated Interest Earned, During Year	63,075	26,999	35,118	43,755	49,831	52,833	61,989	75,313	89,326	104,057	118,925	121,594	112,179	116,041	121,567
Anticipated Expenditures, By Year	(5,253,215)	0	(259,603)	0	(569,846)	(357,590)	0	0	0	0	(61,149)	(1,296,378)	(1,323,462)	0	(1,216,689)
Anticipated Reserves at Year End	$1,099,949 *(NOTE 5)*	$1,626,948	$1,919,963	$2,499,318	$2,533,603	$2,802,546	$3,458,335	$4,148,248	$4,873,674	$5,636,131	$6,375,307	$5,905,723	$5,424,340	$6,295,781	$5,982,459 *(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

4) Accumulated year 2054 ending reserves consider the need to fund for replacement of the skylights and built up roof 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

The Grosvenor at Pelican Bay
Naples, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements						
1.170	Doors, Common, Lobby						40,975
1.180	Doors, Metal						96,203
1.530	Roofs, Thermoplastic, Porte Cochere	110,880					
1.605	Structural Members, Inspections, Milestone	25,000					
	Building Services Elements						
3.440	Generator, Emergency, 300-kW					137,703	
	Garage Elements						
7.300	Concrete, Elevated Floors, Inspections and Capital Repairs				303,622		
7.360	Concrete, On-grade (Including Drain Repairs), Partial				25,645		
7.500	Fire Suppression System				356,785		
7.660	Paint Finishes				154,954		
	Anticipated Expenditures, By Year ($18,437,856 over 30 years)	135,880	0	0	841,006	137,703	137,178

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

Structural Integrity

COMPONENT METHOD RESERVE ANALYSIS

for
The Grosvenor
at Pelican Bay
Naples, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years Useful	Life Analysis, Years Remaining[3]	Unit Cost, $	2024 Cost of Replacement, $	Dec 31, 2024 Estimated Balance, $	2024 Budgeted Contributions, $	2024 Remaining Contributions, $	2024 Remaining Expenditures, $	Jan 1, 2025 Projected Balance, $	2025 Budgeted Contributions, $	2025 Budgeted Expenditures, $	Jan 1, 2026 Projected Balance, $	Unfunded Residual Balance, $	2026 Recommended Contribution, $	Reserve Category
			Exterior Building Elements																
1.060	64,600	Square Feet	Balconies, Concrete, Repairs	2037	10 to 15	13 to 14	2.00	129,200	-229,441	0	0	0	-229,441	46,164	0	-183,277	312,477	194,512	Balconies, Concrete, Repairs, Phased
1.105	5,000	Linear Feet	Balconies, Railings, Aluminum	2037	to 50	13	105.00	525,000	70,346	0	0	0	70,346	34,832	0	105,178	419,822	38,166	Balconies, Railings, Aluminum
1.170	230	Square Feet	Doors, Common, Lobby	2029	to 40	5	150.00	34,500	5,828	0	0	0	5,828	5,734	0	11,562	22,938	7,646	Doors, Common, Lobby
1.180	30	Each	Doors, Metal	2029	to 30	5	2,700.00	81,000	80,000	0	0	0	80,000	100	0	80,100	900	300	Doors, Metal
1.300	28,610	Square Feet	Roofs, Built-up	2033	to 25	9	64.00	1,831,040	334,773	0	0	0	334,773	71,136	0	405,909	1,425,131	203,590	Roofs, Built-up
1.530	2,520	Square Feet	Roofs, Thermoplastic, Porte Cochere	2024	15 to 20	0 to 20	44.00	110,880	22,318	0	0	110,880	-88,562	0	0	-88,562	199,442	94,722	Roofs, Thermoplastic, Porte Cochere
1.580	6,200	Square Feet	Skylights	2039	to 20	15	150.00	930,000	119,804	0	0	0	119,804	54,013	0	173,817	756,183	58,168	Skylights
	1	Allowance	Structural Members, Inspections, Milestone	2024	to 10	0 to 10	25,000.00	25,000	9,200	0	0	25,000	-15,800	0	0	-15,800	40,800	18,925	Structural Members, Inspections, Milestone
1.880	97,100	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2030	5 to 7	6 to 7	3.10	301,010	-171,320	0	0	0	-171,320	40,226	0	-131,094	432,104	197,985	Walls, Stucco, Paint Finishes and Capital Repairs, Phased
			Building Services Elements																
3.300	1	Allowance	Electrical System, Main Panels	2052	to 70+	28	290,000.00	290,000	47,806	0	0	0	47,806	1,864	0	49,670	240,330	9,243	Electrical System, Main Panels
3.440	1	Each	Generator, Emergency, 300-kW	2028	to 30	4	120,000.00	120,000	173,198	0	0	0	173,198	1,768	0	174,966	0	0	Generator, Emergency, 300-kW
3.555	1	Allowance	Life Safety System, Control Panel	2035	to 15	11	25,000.00	25,000	0	0	0	0	0	2,273	0	2,273	22,727	2,525	Life Safety System, Control Panel
3.560	1	Allowance	Life Safety System, Emergency Devices	2035	to 25	11	51,500.00	51,500	40,558	0	0	0	40,558	995	0	41,553	9,947	1,105	Life Safety System, Emergency Devices
3.770	1	Each	Pump, Fire Suppression, 150-HP (Incl. Controller and Jockey Pump)	2032	to 50	8	179,500.00	179,500	19,119	0	0	0	19,119	20,048	0	39,167	140,333	23,389	Pump, Fire Suppression, 150-HP (Incl. Controller and Jockey Pump)
			Property Site Elements																
4.955	34,040	Square Feet	Waterproof Membrane, Inspection and Capital Repairs	2054	15 to 20	30	12.00	408,480	0	0	0	0	0	34,133	0	34,133	374,347	13,370	Waterproof Membrane, Inspection and Capital Repairs
4.960	34,040	Square Feet	Waterproof Membrane, Replacement and Concrete Structure Repairs	2040	25 to 35	16	89.00	3,029,560	0	0	0	0	0	100,000	0	100,000	2,929,560	209,254	Waterproof Membrane, Replacement and Concrete Structure Repairs
			Garage Elements																
7.300	109,540	Square Feet	Concrete, Elevated Floors, Inspections and Capital Repairs	2027	10 to 15	3	2.50	273,850	0	0	0	0	0	23,000	0	23,000	250,850	250,850	Concrete, Elevated Floors, Inspections and Capital Repairs
7.360	2,570	Square Feet	Concrete, On-grade (Including Drain Repairs), Partial	2027	to 90	3	9.00	23,130	0	0	0	0	0	7,667	0	7,667	15,463	15,463	Concrete, On-grade (Including Drain Repairs), Partial
7.500	160,900	Square Feet	Fire Suppression System	2027	to 40	3	2.00	321,800	33,121	0	0	0	33,121	6,688	0	39,809	281,991	281,991	Fire Suppression System
7.660	174,700	Square Feet	Paint Finishes	2027	10 to 15	3	0.80	139,760	20,175	0	0	0	20,175	26,608	0	46,783	92,977	92,977	Paint Finishes
									$575,485 (Note 1)	$0	$0 (Note 2)	$135,880	$439,605	$477,249	$0	$916,854	$7,968,321	$1,714,180	

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) Our estimates of remaining useful life reflect averages for phased projects. The estimated first year of replacement indicates the year of the initial phase.
4) We allocate the existing Reserve Funds to Reserve Components associated with the Roofing Reserve Reserve Funds.
5) The Reserve Funds are not allocated to any identified Reserve Components.

Structural Integrity

COMPONENT METHOD SUMMARY

for
The Grosvenor
at Pelican Bay
Naples, Florida

Existing Reserve Categories	Life Analysis, Years Useful	Life Analysis, Years Remaining	2024 Cost of Replacement, $	Jan 1, 2026 Projected Balance, $	2026 Recommended Contribution, $
Balconies, Concrete, Repairs, Phased	10 to 15	13 to 14	$129,200	($183,277)	$194,512
Balconies, Railings, Aluminum	to 50	to 13	$525,000	$105,178	$38,166
Doors, Common, Lobby	to 40	to 5	$34,500	$11,562	$7,646
Doors, Metal	to 30	to 5	$81,000	$80,100	$300
Roofs, Built-up	to 25	to 9	$1,831,040	$405,909	$203,590
Roofs, Thermoplastic, Porte Cochere	15 to 20	0 to 20	$110,880	($88,562)	$94,722
Skylights	to 20	to 15	$930,000	$173,817	$58,168
Structural Members, Inspections, Milestone	to 10	0 to 10	$25,000	($15,800)	$18,925
Walls, Stucco, Paint Finishes and Capital Repairs, Phased	5 to 7	6 to 7	$301,010	($131,094)	$197,985
Electrical System, Main Panels	to 70	to 28	$290,000	$49,670	$9,243
Generator, Emergency, 300-kW	to 30	to 4	$120,000	$174,966	$0
Life Safety System, Control Panel	to 15	to 11	$25,000	$2,273	$2,525
Life Safety System, Emergency Devices	to 25	to 11	$51,500	$41,553	$1,105
Pump, Fire Suppression, 150-HP (Incl. Controller and Jockey Pump)	to 50	to 8	$179,500	$39,167	$23,389
Waterproof Membrane, Inspection and Capital Repairs	15 to 20	to 30	$408,480	$34,133	$13,370
Waterproof Membrane, Replacement and Concrete Structure Repairs	25 to 35	to 16	$3,029,560	$100,000	$209,254
Concrete, Elevated Floors, Inspections and Capital Repairs	10 to 15	to 3	$273,850	$23,000	$250,850
Concrete, On-grade (Including Drain Repairs), Partial	to 90	to 3	$23,130	$7,667	$15,463
Fire Suppression System	to 40	to 3	$321,800	$39,809	$281,991
Paint Finishes	10 to 15	to 3	$139,760	$46,783	$92,977
Subtotal			**$8,830,210**	**$916,854**	**$1,714,180**
Other (Currently Unfunded)	N/A	N/A	$0	$0	$0
Grand Total			**$8,830,210**	**$916,854**	**$1,714,180**

Explanatory Notes:

1) We allocate the existing Reserve Funds to Reserve Components associated with the Roofing Reserve Reserve Funds.

2) The Reserve Funds are not allocated to any identified Reserve Components.

General

RESERVE EXPENDITURES

The Grosvenor
at Pelican Bay
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	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
				Interior Building Elements																							
2.099	1	1	Allowance	Break Room, Renovation	2028	to 20	4	40,000.00	40,000	40,000	1.3%					45,901											
2.100	1	1	Each	Elevator Cab Finishes	2041	to 20	17	25,000.00	25,000	25,000	0.8%																
2.155	2	1	Allowance	Exercise Equipment, Cardiovascular, Phased	2027	to 5	3 to 6	12,500.00	12,500	25,000	2.3%				13,859			15,366		16,460			18,250		19,549		
2.165	2	1	Allowance	Exercise Equipment, Strength Training, Phased	2027	to 15	3 to 10	22,800.00	22,800	45,600	1.5%				25,279							32,162					
2.180	1	1	Allowance	Exercise Room, Renovation	2051	to 30	27	15,800.00	15,800	15,800	0.4%																
2.200	2,200	2,200	Square Yards	Floor Coverings, Carpet, Hallways, Atrium	2026	8 to 12	2	58.00	127,600	127,600	5.7%			136,688										192,812			
2.240	1,030	1,030	Square Yards	Floor Coverings, Tile, Hallways, Atrium	2028	to 30	4	120.00	123,600	123,600	1.4%					141,834											
2.398	2	1	Allowance	Fountains, Atrium, Mechanical Equipment, Phased	2029	to 15	5 to 12	5,000.00	5,000	10,000	0.3%						5,938							7,555			
2.399	1	1	Allowance	Fountains, Atrium, Renovation	2034	to 20	10	20,000.00	20,000	20,000	0.8%											28,212					
2.599	1	1	Allowance	Library, Renovation	2044	to 20	20	25,000.00	25,000	25,000	0.5%																
2.600	1	1	Allowance	Lobby, Renovation, Complete (Incl. Office)	2044	to 20	20	780,000.00	780,000	780,000	14.8%																
2.605	1	1	Allowance	Lobby, Renovation, Partial (Incl. Office)	2034	to 10	10	234,000.00	234,000	234,000	9.4%											330,080					
2.700	101	101	Each	Mailboxes	2032	to 50	8	145.00	14,645	14,645	0.2%									19,285							
2.760	1	1	Allowance	Office, Equipment	2034	to 10	10	10,000.00	10,000	10,000	0.6%											14,106					
2.800	120,400	120,400	Square Feet	Paint Finishes, Hallways, Atrium	2028	8 to 12	4	0.90	108,360	108,360	5.2%					124,346										175,402	
2.820	2	2	Each	Paint Finishes, Stairwells (Includes Railings)	2025	15 to 20	1	5,100.00	10,200	10,200	0.3%		10,557														
2.840	1	1	Allowance	Social Room, Renovation, Complete	2044	to 20	20	420,000.00	420,000	420,000	8.0%																
2.845	1	1	Allowance	Social Room, Renovation, Partial	2034	to 10	10	126,000.00	126,000	126,000	5.1%											177,735					
2.900	1	1	Allowance	Rest Room, Renovation	2030	to 25	6	49,500.00	49,500	49,500	0.6%							60,848									
				Building Services Elements																							
3.070	21	3	Each	Air Handling and Condensing Units, Split Systems, Phased	2028	12 to 18	4 to 16	4,000.00	12,000	84,000	2.7%					13,770		14,751		15,802		16,927		18,133		19,424	
3.360	3	3	Each	Elevators, Traction, Controls and Call Buttons	2046	to 25	22	235,000.00	705,000	705,000	14.4%																
3.380	26	3	Each	Exhaust Fans, Phased	2026	to 20	2 to 20	3,500.00	9,100	91,000	2.4%			9,748		10,442		11,186		11,983		12,836		13,751		14,730	
3.700	3	3	Each	Pumps, Domestic Cold Water, 5-HP (Incl. Controls & VFDs)	2037	to 20	13	17,000.00	51,000	51,000	0.8%														79,762		
3.820	1	1	Allowance	Security System	2025	10 to 15	1	25,000.00	25,000	25,000	0.7%		25,875														
3.880	19	19	Floors	Trash Chute and Doors	2047	to 65	23	4,000.00	76,000	76,000	1.6%																
3.900	1	1	Each	Trash Compactor	2030	to 25	6	17,500.00	17,500	17,500	0.2%							21,512									
				Property Site Elements																							
4.020	2,300	2,300	Square Yards	Asphalt Pavement, Patch and Seal Coat, North	2024	3 to 5	0	2.40	5,520	5,520	0.5%	5,520								7,269				8,341			
4.021	400	400	Square Yards	Asphalt Pavement, Patch and Seal Coat, South	2028	3 to 5	4	2.40	960	960	0.1%					1,102				1,264				1,451			
4.040	2,300	2,300	Square Yards	Asphalt Pavement, Mill and Overlay, North	2028	15 to 20	4	15.00	34,500	34,500	1.1%					39,590											
4.041	300	300	Square Yards	Asphalt Pavement, Mill and Overlay, South (2024 is Budgeted For Total Replacement)	2024	15 to 20	0	15.00	4,500	4,500	0.6%	56,000															
4.198	950	950	Square Feet	Boardwalk, Wood, Decking and Structure Repairs	2024	to 15	0	25.00	23,750	23,750	0.9%	23,750															
4.199	950	950	Square Feet	Boardwalk, Wood, Replacement	2039	to 30	15	190.00	180,500	180,500	2.9%																302,400
4.560	13	13	Each	Light Poles and Fixtures	2048	to 25	24	7,200.00	93,600	93,600	2.0%																
4.620	7,430	7,430	Square Feet	Pavers, Masonry, Entrance (Incl. Sidewalks)	2028	to 20	4	7.00	52,010	52,010	1.7%					59,683											
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Partial Replacements	2028	to 85+	4	57,000.00	57,000	57,000	2.8%					65,409										92,266	
				Pool Elements																							
6.800	1,670	1,670	Square Feet	Pool Finishes, Plaster (Incl. Spa)	2026	8 to 12	2	23.00	38,410	38,410	1.7%			41,146										58,040			
6.801	210	210	Linear Feet	Pool Finishes, Tile (Incl. Spa)	2036	15 to 25	12	38.00	7,980	7,980	0.1%													12,058			

General

RESERVE EXPENDITURES

Years 2040 to 2054

The Grosvenor at Pelican Bay
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
				Interior Building Elements																						
2.099	1	1	Allowance	Break Room, Renovation	2028	to 20	4	40,000.00	40,000	40,000	1.3%									91,333						
2.100	1	1	Each	Elevator Cab Finishes	2041	to 20	17	25,000.00	25,000	25,000	0.4%		44,867													
2.155	2	1	Allowance	Exercise Equipment, Cardiovascular, Phased	2027	to 5	3 to 6	12,500.00	12,500	25,000	2.3%	21,675		23,219			25,743		27,576			30,574		32,752		
2.165	2	1	Allowance	Exercise Equipment, Strength Training, Phased	2027	to 15	3 to 10	22,800.00	22,800	45,600	1.5%			42,351							53,882					
2.180	1	1	Allowance	Exercise Room, Renovation	2051	to 30	27	15,800.00	15,800	15,800	0.4%												39,999			
2.200	2,200	2,200	Square Yards	Floor Coverings, Carpet, Hallways, Atrium	2026	8 to 12	2	58.00	127,600	127,600	5.7%							271,981								
2.240	1,030	1,030	Square Yards	Floor Coverings, Tile, Hallways, Atrium	2028	to 30	4	120.00	123,600	123,600	1.4%															
2.398	2	1	Allowance	Fountains, Atrium, Mechanical Equipment, Phased	2029	to 15	5 to 12	5,000.00	5,000	10,000	0.3%					9,949							12,658			
2.399	1	1	Allowance	Fountains, Atrium, Renovation	2034	to 20	10	20,000.00	20,000	20,000	0.8%															56,136
2.599	1	1	Allowance	Library, Renovation	2044	to 20	20	25,000.00	25,000	25,000	0.5%					49,745										
2.600	1	1	Allowance	Lobby, Renovation, Complete (Incl. Office)	2044	to 20	20	780,000.00	780,000	780,000	14.8%					1,552,035										
2.605	1	1	Allowance	Lobby, Renovation, Partial (Incl. Office)	2034	to 10	10	234,000.00	234,000	234,000	9.4%															656,790
2.700	101	101	Each	Mailboxes	2032	to 50	8	145.00	14,645	14,645	0.2%															
2.760	1	1	Allowance	Office, Equipment	2034	to 10	10	10,000.00	10,000	10,000	0.6%					19,898										28,068
2.800	120,400	120,400	Square Feet	Paint Finishes, Hallways, Atrium	2028	8 to 12	4	0.90	108,360	108,360	5.2%									247,421						
2.820	2	2	Each	Paint Finishes, Stairwells (Includes Railings)	2025	15 to 20	1	5,100.00	10,200	10,200	0.3%						21,006									
2.840	1	1	Allowance	Social Room, Renovation, Complete	2044	to 20	20	420,000.00	420,000	420,000	8.0%					835,711										
2.845	1	1	Allowance	Social Room, Renovation, Partial	2034	to 10	10	126,000.00	126,000	126,000	5.1%															353,656
2.900	1	1	Allowance	Rest Room, Renovation	2030	to 25	6	49,500.00	49,500	49,500	0.6%															
				Building Services Elements																						
3.070	21	3	Each	Air Handling and Condensing Units, Split Systems, Phased	2028	12 to 18	4 to 16	4,000.00	12,000	84,000	2.7%	20,808			23,070		24,713		26,473		28,359		30,379		32,543	
3.360	3	3	Each	Elevators, Traction, Controls and Call Buttons	2046	to 25	22	235,000.00	705,000	705,000	14.4%							1,502,716								
3.380	26	3	Each	Exhaust Fans, Phased	2026	to 20	2 to 20	3,500.00	9,100	91,000	2.4%	15,779		16,903		18,107		19,397		20,778		22,258		23,844		25,542
3.700	3	3	Each	Pumps, Domestic Cold Water, 5-HP (Incl. Controls & VFDs)	2037	to 20	13	17,000.00	51,000	51,000	0.8%															
3.820	1	1	Allowance	Security System	2025	10 to 15	1	25,000.00	25,000	25,000	0.7%	43,350														
3.880	19	19	Floors	Trash Chute and Doors	2047	to 65	23	4,000.00	76,000	76,000	1.6%								167,665							
3.900	1	1	Each	Trash Compactor	2030	to 25	6	17,500.00	17,500	17,500	0.2%															
				Property Site Elements																						
4.020	2,300	2,300	Square Yards	Asphalt Pavement, Patch and Seal Coat, North	2024	3 to 5	0	2.40	5,520	5,520	0.5%	9,572				10,984								14,463		
4.021	400	400	Square Yards	Asphalt Pavement, Patch and Seal Coat, South	2028	3 to 5	4	2.40	960	960	0.1%	1,665								2,192				2,515		
4.040	2,300	2,300	Square Yards	Asphalt Pavement, Mill and Overlay, North	2028	15 to 20	4	15.00	34,500	34,500	1.1%									78,775						
4.041	300	300	Square Yards	Asphalt Pavement, Mill and Overlay, South (2024 is Budgeted For Total Replacement)	2024	15 to 20	0	15.00	4,500	4,500	0.6%					8,954										
4.198	950	950	Square Feet	Boardwalk, Wood, Decking and Structure Repairs	2024	to 15	0	25.00	23,750	23,750	0.9%															66,661
4.199	950	950	Square Feet	Boardwalk, Wood, Replacement	2039	to 30	15	190.00	180,500	180,500	2.9%															
4.560	13	13	Each	Light Poles and Fixtures	2048	to 25	24	7,200.00	93,600	93,600	2.0%									213,720						
4.620	7,430	7,430	Square Feet	Pavers, Masonry, Entrance (Incl. Sidewalks)	2028	to 20	4	7.00	52,010	52,010	1.7%									118,756						
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Partial Replacements	2028	to 85+	4	57,000.00	57,000	57,000	2.8%									130,150						
				Pool Elements																						
6.800	1,670	1,670	Square Feet	Pool Finishes, Plaster (Incl. Spa)	2026	8 to 12	2	23.00	38,410	38,410	1.7%							81,871								
6.801	210	210	Linear Feet	Pool Finishes, Tile (Incl. Spa)	2036	15 to 25	12	38.00	7,980	7,980	0.1%															

General

RESERVE EXPENDITURES

The Grosvenor
at Pelican Bay
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	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
				Garage Elements																							
7.400	4	4	Each	Doors and Operators	2029	8 to 15	5	32,000.00	128,000	128,000	3.9%						152,024										
		1	Allowance	Structural Integrity Reserve Study Update with Site Visit	2026	to 2	2	7,500.00	7,500	7,500	0.1%			7,500													
				Anticipated Expenditures, By Year ($10,464,349 over 30 years)								85,270	36,432	195,082	39,138	502,077	157,962	123,663	0	72,063	0	612,058	18,250	312,141	99,311	301,822	302,400

General

RESERVE EXPENDITURES

Years 2040 to 2054

The Grosvenor at Pelican Bay
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
				Garage Elements																						
7.400	4	4	Each	Doors and Operators	2029	8 to 15	5	32,000.00	128,000	128,000	3.9%					254,693										
		1	Allowance	Structural Integrity Reserve Study Update with Site Visit	2026	to 2	2	7,500.00	7,500	7,500	0.1%															
				Anticipated Expenditures, By Year ($10,464,349 over 30 years)								112,849	44,867	82,473	23,070	2,760,076	71,462	1,875,965	221,714	903,125	82,241	52,832	83,036	73,574	32,543	1,186,853

RESERVE FUNDING PLAN

General

CASH FLOW ANALYSIS
The Grosvenor
at Pelican Bay
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	1,202,404	1,543,156	1,575,956	1,773,885	1,515,375	1,606,725	1,742,220	2,013,303	2,225,306	2,522,918	2,217,192	2,514,288	2,529,990	2,770,762	2,822,014
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**350,000**	**197,000**	**203,900**	**211,000**	**218,400**	**226,000**	**233,900**	**242,100**	**250,600**	**259,400**	**268,500**	**277,900**	**287,600**	**297,700**	**308,100**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	27,184	30,882	33,167	32,567	30,912	33,158	37,183	41,966	47,012	46,932	46,846	49,943	52,483	55,374	56,497
Anticipated Expenditures, By Year		N/A	(36,432)	(195,082)	(39,138)	(502,077)	(157,962)	(123,663)	0	(72,063)	0	(612,058)	(18,250)	(312,141)	(99,311)	(301,822)	(302,400)
Anticipated Reserves at Year End		$1,202,404	$1,543,156	$1,575,956	$1,773,885	$1,515,375	$1,606,725	$1,742,220	$2,013,303	$2,225,306	$2,522,918	$2,217,192	$2,514,288	$2,529,990	$2,770,762	$2,822,014	$2,884,211

(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	2,884,211	3,150,007	3,501,092	3,832,933	4,243,528	1,910,483	2,259,205	805,786	1,007,930	540,233	907,122	1,326,404	1,739,423	2,186,722	2,701,477
Total Recommended Reserve Contributions	**318,900**	**330,100**	**341,700**	**353,700**	**366,100**	**378,900**	**392,200**	**405,900**	**420,100**	**434,800**	**450,000**	**465,700**	**482,000**	**498,900**	**516,400**
Estimated Interest Earned, During Year	59,745	65,852	72,614	79,965	60,931	41,284	30,346	17,958	15,328	14,330	22,114	30,355	38,873	48,398	47,325
Anticipated Expenditures, By Year	(112,849)	(44,867)	(82,473)	(23,070)	(2,760,076)	(71,462)	(1,875,965)	(221,714)	(903,125)	(82,241)	(52,832)	(83,036)	(73,574)	(32,543)	(1,186,853)
Anticipated Reserves at Year End	$3,150,007	$3,501,092	$3,832,933	$4,243,528	$1,910,483	$2,259,205	$805,786	$1,007,930	$540,233	$907,122	$1,326,404	$1,739,423	$2,186,722	$2,701,477	$2,078,349
							(NOTE 5)								*(NOTE 4)*

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
3) **2.0%** is the estimated annual rate of return on invested reserves
4) Accumulated year 2054 ending reserves consider the need to fund for renovation of the lobby and social room 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

General

FIVE-YEAR OUTLOOK

The Grosvenor at Pelican Bay
Naples, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Interior Building Elements						
2.099	Break Room, Renovation					45,901	
2.155	Exercise Equipment, Cardiovascular, Phased				13,859		
2.165	Exercise Equipment, Strength Training, Phased				25,279		
2.200	Floor Coverings, Carpet, Hallways, Atrium			136,688			
2.240	Floor Coverings, Tile, Hallways, Atrium					141,834	
2.398	Fountains, Atrium, Mechanical Equipment, Phased						5,938
2.800	Paint Finishes, Hallways, Atrium					124,346	
2.820	Paint Finishes, Stairwells (Includes Railings)		10,557				
	Building Services Elements						
3.070	Air Handling and Condensing Units, Split Systems, Phased					13,770	
3.380	Exhaust Fans, Phased			9,748		10,442	
3.820	Security System		25,875				
	Property Site Elements						
4.020	Asphalt Pavement, Patch and Seal Coat, North	5,520					
4.021	Asphalt Pavement, Patch and Seal Coat, South					1,102	
4.040	Asphalt Pavement, Mill and Overlay, North					39,590	
4.041	Asphalt Pavement, Mill and Overlay, South (2024 is Budgeted For Total Replacement)	56,000					
4.198	Boardwalk, Wood, Decking and Structure Repairs	23,750					
4.620	Pavers, Masonry, Entrance (Incl. Sidewalks)					59,683	
4.650	Pipes, Subsurface Utilities, Partial Replacements					65,409	
	Pool Elements						
6.800	Pool Finishes, Plaster (Incl. Spa)			41,146			
	Garage Elements						
7.400	Doors and Operators						152,024
	Structural Integrity Reserve Study Update with Site Visit			7,500			
	Anticipated Expenditures, By Year ($10,464,349 over 30 years)	85,270	36,432	195,082	39,138	502,077	157,962

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

Balconies, Concrete

Line Item: 1.060

Quantity: Approximately 64,600 square feet of horizontal surface area. The balconies comprise reinforced concrete. Management and the Board inform us the waterproof coatings and tile removal and replacement are the homeowners responsibility

History: Repaired from 2022 through 2024.

Condition: Good overall. We note the following:

Balcony overview

Balcony overview

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete every 10- to 15-years.

Component Detail Notes: *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 is based on information provided by the Association and 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, Aluminum

Line Item: 1.105

Quantity: Approximately 5,000 linear feet of aluminum railings at the balconies which are embedded in the concrete. This construction may result in accelerated corrosion and concrete damage.

History: Original

Condition: Good overall

Aluminum railings

Useful Life: Up to 50 years (The useful life of the finish is indeterminate. Future updates of this Reserve Study will again consider the need to refinish the railings based on condition.)

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

Line Items: 1.170 and 1.180

Quantity: Approximately 230 square feet of common lobby doors and 30 metal doors

History: Original

Condition: Good overall

Common lobby doors

Metal doors

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.

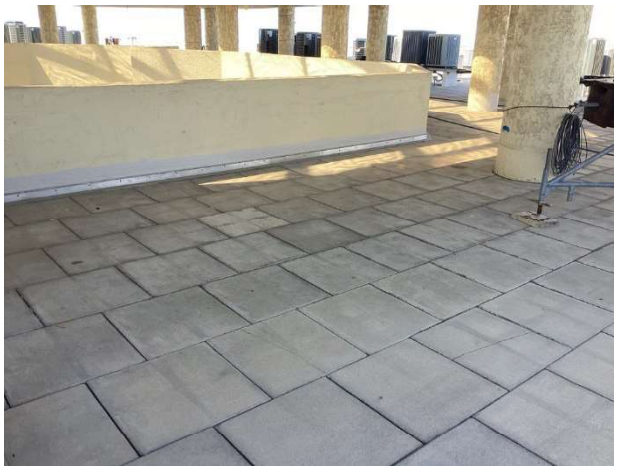
Roofs, Built-up

Line Item: 1.300

Quantity: Approximately 28,610 square feet

History: Replaced in 2008. We recommend the Association should conduct inspections of the roofs semiannually and fund these inspections through the operating budget.

Condition: Good overall. Management and the Board do not report history of leaks. We note the following:



Built-up roof overview with concrete paver topping

Built-up roof overview with concrete paver topping

Built-up roof overview with concrete paver topping

Roof flashing at parapet wall

Roof drain

Overview of liquid asphalt underlying membrane

Useful Life: Up to 25 years

Component Detail Notes: Built-up roofing provides a durable system due to its multi-layer protection. Built-up roofs are composed of asphalt coated roofing sheets installed in layers to add strength to the roofing system. Built-up roofs are an economical option for flat and low-sloped roofs.

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

The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The insulation should fit loosely with gaps no greater than ¼ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation. The contractor applies the base sheet of roofing over the insulation board. This sheet is normally 30-pound material. The contractor should start the installation of a roof membrane from the lowest points of the roof. Mechanical fastening and embedding the base sheet in a flood coat of hot asphalt is the best manner of installation. Felt or glass fiber plies saturated with asphalt are usually used for level or low-pitch roofs because of their greater resistance to standing water. A membrane of three- or four-plies is common, the more plies used, the more durable a roof.

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

- Semi-annually:

- Note drainage issues with water ponding after 48 hours of rainfall event. Verify scuppers and drains are free of debris. Replace damaged or missing drain covers.
- Inspect perimeter flashing for loose fasteners, deflections, and sealant damage
- Verify membrane surface is free of ruptures or damage, and areas of extensive blistering or bubbling
- Remove oil spills or contaminants from mechanical equipment
- In areas of possible foot traffic, remove any sharp debris or trash and note areas of crushed insulation
- Ensure ballast is not displaced near roofing corners, edges and near mechanical equipment
- If frequency of leaks increases or location of water infiltration is unknown, we recommend the consideration of a thermal image inspection

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based on information provided by the Association.

Roofs, Thermoplastic

Line Item: 1.530

Quantity: Approximately 2,520 square feet of roofing

History: The age was unavailable at the time of our inspection. Management and the Board inform us the Association plans to replace the thermoplastic Porte cochere roof in 202. We recommend the Association should conduct inspections of the roofs semiannually and fund these inspections through the operating budget.

Condition: Good to fair overall. Management and the Board report a history of leaks, none of which are active. Management and the Board also report a history of standing water.

Thermoplastic roof overview

Thermoplastic roof overview

Useful Life: 15- to 20-years

Component Detail Notes: Thermoplastic roofs include the following:

- Polyvinyl chloride (PVC or simply vinyl)
- PVC alloys or compounded thermoplastics
- Thermoplastic olefin (TPO)
- Chlorinated polyethylene (CPE)

The following characteristics define most thermoplastic roofs:

- Attachment to the roof deck is either fully adhered, mechanical or ballasted
- Membranes are commonly white and reinforced with polyester
- Seams are sealed with heat or chemical welding
- Sheet widths range from 6- to 12-feet wide
- Sheets are typically 40- to 100-mils thick
- Single ply (one layer)

Over time, exposure to ultraviolet light, heat and weather degrade the membrane. This degradation results in membrane damage from thermal expansion and contraction, adverse weather and pedestrian traffic. The aging process makes the membrane less pliable and more difficult to maintain. Ponding water on the roof can increase the effects of ultraviolet light on the membrane and contaminants in ponded water can cause the membrane to deteriorate prematurely. Thermoplastic roofs (especially TPO) are relatively new and their long-term performance is not well defined.

Contractors can install a new thermoplastic roof in one of two ways: *tear-off* or an *overlay*. An *overlay* is the application of a new roof membrane over an existing roof. This method, although initially more economical, often covers up problems with the deck, flashing and saturated insulation. The *tear-off* method of replacement includes removal of the existing roofing, flashings and insulation, and installation of a new roofing system.
The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The

insulation should fit loosely with gaps no greater than ¼ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation.

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

- Semi-annually:
    - Note drainage issues with water ponding after 48 hours of rainfall event. Verify scuppers and drains are free of debris. Replace damaged or missing drain covers.
    - Inspect perimeter flashing for loose fasteners, deflections, and sealant damage
    - Verify membrane surface is free of ruptures or damage, and areas of extensive blistering or bubbling
    - Remove oil spills or contaminants from mechanical equipment
    - In areas of possible foot traffic, remove any sharp debris or trash and note areas of crushed insulation
    - If frequency of leaks increases or location of water infiltration is unknown, we recommend the consideration of a thermal image inspection

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based on information provided by the Association.

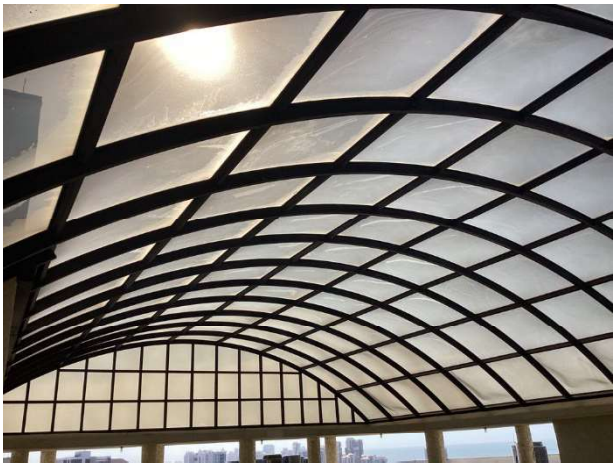
Skylights

Line Item: 1.580

Quantity: 6,200 each

History: Replaced in 2019.

Condition: Good overall



Skylight

Skylight

Skylights overview

Skylight

Useful Life: Up to 20 years

Component Detail Notes: Skylights have considerably shorter lives when compared to windows and doors of similar construction due to an increased exposure to weather elements. Wind driven rains cause excessive wear to the seals and frames. Failed seals or glass are common occurrences as the skylights age and approach the end of their useful lives.

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

- Annually:
  - Inspect and repair flashing damage and perimeter sealant
  - Verify no signs of water infiltration or frame damage

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based on information provided by the Association.

Structural Members, Inspections

Line Item: 1.605

Quantity: The primary structural members of the building comprise:

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

Condition: The Grosvenor 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.

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 97,100 square feet of the building exteriors

History: Applied paint finishes and repaired from 2023 through 2024.

Condition: Good to fair overall with isolated cracks evident. We note the following:

- The Stucco properly terminates two inches above the roof

Stucco cracks

Stucco wall finishes

Stucco wall finishes

Stucco wall finishes

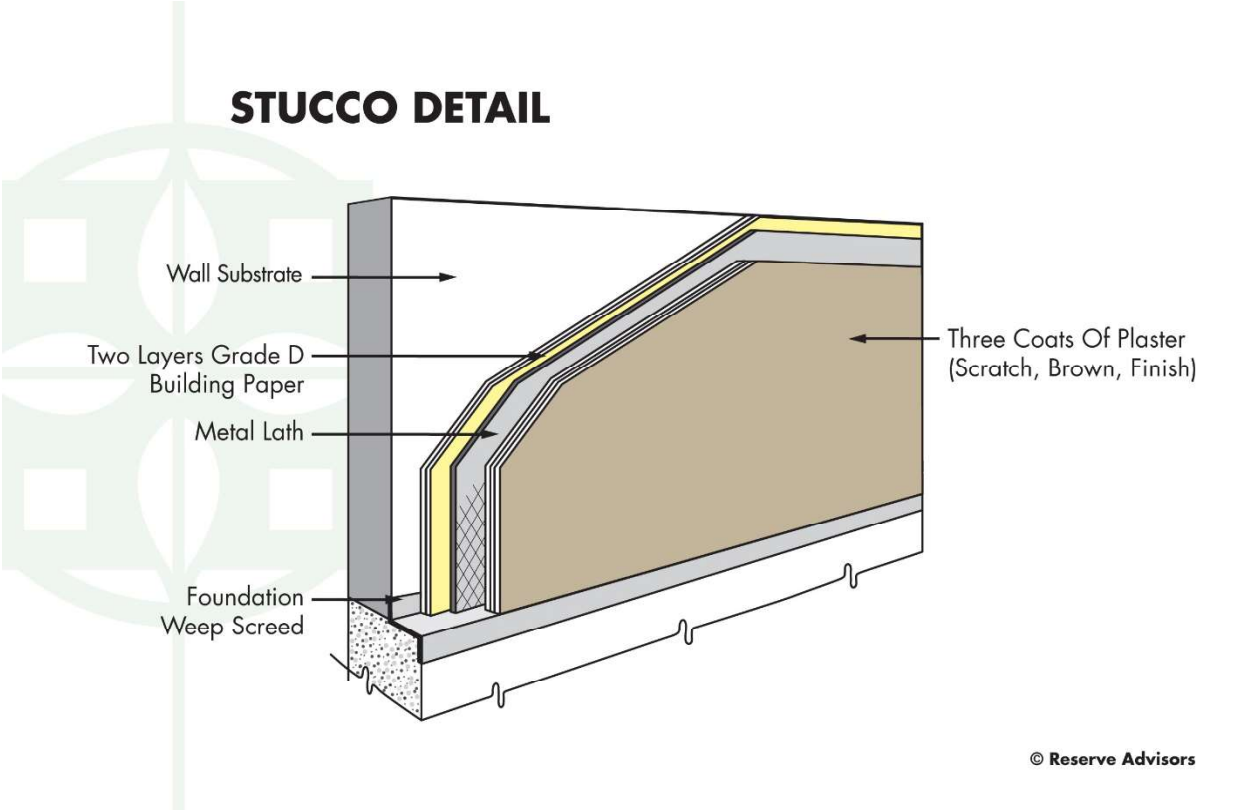
Stucco wall finishes

Stucco wall finishes

Stucco wall finishes

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

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



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 on information provided by the Association and anticipates the following in coordination with each paint finish application:

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

STRUCTURAL INTEGRITY - Building Services Elements

Electrical System

Line Item: 3.300

History: Primarily original to construction

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

- The date of the last thermoscan was unavailable to us.
- No excessive buzzing/humming was present at the transformers we observed.
- No obvious combustible material storage was observed in electrical rooms. However, our inspection is not exhaustive and the Association should conduct periodic inspections of the electrical rooms to ensure compliance with 10.18.5 of NFPA 1.
- The electrical rooms we observed were properly labeled.
- No obvious exposed wires were observed during our site inspection. However, our inspection is not exhaustive and the Association should conduct periodic inspections of the electrical rooms to ensure no unsafe conditions develop.
- Rust was not present at electrical panels. Continual monitoring of the panels is prudent to ensure excessive moisture is not present at them.
- No apparent water was observed in or near the electrical rooms.

Electrical system main panels

Useful Life: Up to and sometimes beyond 70 years

Component Detail Notes: The system includes:

- Breaker panels
- Copper wires
- Homeowners are responsible for the electrical system within their unit

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

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

- Annually:
  - Inspect system for signs of electrical overheating, deterioration, and/or panel corrosion
  - Clean and vacuum exterior and interior switchboards
- Five-Year Cycles:
  - 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.

Generator, Emergency

Line Item: 3.440

Quantity: One *Onan* 300-kW (kilowatt) diesel generator

History: Original. We are informed the transfer switch was replaced in 2017

Condition: Reported satisfactory without operational deficiencies

Generator

Useful Life: Up to 30 years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The Association conducts weekly load tests. We also recommend the Association maintain a maintenance contract with a qualified professional. As a reference, the Association may consult the following document: *NFPA 110, Standard for Emergency and Standby Power Systems*. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
  - Check fuel and oil levels
  - Inspect cooling and exhaust systems
  - Check battery, electrical components and transfer switches
  - Run generator without load and look for unusual conditions such as leaks
- Monthly:
  - Exercise generator under load test for minimum of 30 minutes
  - Check oil levels before running and after 10 minutes of run time
- Annually:
  - Complete full inspection and necessary repairs
  - Change fuel and air filters
  - Change oil and replace oil filter
  - Change spark plugs
  - Flush cooling 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.

Life Safety System

Line Items: 3.555 and 3.560

Quantity: The life safety system at The Grosvenor includes the following components:

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

History: Varied ages.

Conditions: Reported satisfactory without operational deficiencies. The life safety system was last inspected on August 1, 2023. The life safety system was tagged acceptable during the most recent inspection.

Emergency devices

Emergency devices

Control panel

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

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

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

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

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

Pump, Fire Suppression

Line Item: 3.770

Quantity: One 150-HP diesel fire suppression pump

History: Original. The controller was replaced in 2022.

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

- The fire suppression pump was last inspected on August 1, 2023.
- The inspection tag color is acceptable
- The Association does not report a history of leaks.

Fire suppression pump

Useful Life: Up to 50 years

Component Detail Notes: Prior to replacement, the Association should schedule periodic inspections to maintain its correct operation in the event of an emergency. The Grosvenor should also anticipate, as normal maintenance, interim repairs and component replacements to maximize its remaining useful life.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The Association conducts weekly churn tests. In accordance with *NFPA 25* (National Fire Protection Systems 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 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:
  - Inspect belts for wear and/or replace belts
  - 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 estimate of cost includes replacement of the pump, jockey pump, motor, and motor controller.

STRUCTURAL INTEGRITY - Property Site Elements

Waterproof Membrane, Replacement and Concrete Structure Repairs

Line Items: 4.955 and 4.960

Quantity: Approximately 34,040 square feet at the elevated

History: The age of the waterproof membrane was unavailable at the time of our inspection. Management and the Board inform us the Association conducted concrete repairs and replaced the planter waterproofing in approximately 2017.

Condition: Good to fair overall condition and Management and the Board do not report a recent history of water infiltration issues. We note the following:

- Isolated evidence of water infiltration is apparent
- Isolated exposed reinforcements
- Isolated coating delamination
- Isolated concrete damage

Underside of elevated pool structure

Exposed reinforcements at pool deck underside

Coating deterioration at entrance ramp

Coating delamination at entrance ramp

Concrete damage at pool deck underside

Underside of elevated pool structure

Area with underlying membrane overview

Area with underlying membrane overview

Coating delamination at exercise room terrace

Area with underlying membrane overview

Planters

Area with underlying membrane overview

Isolated concrete damage

Evidence of isolated exposed reinforcements

Useful Life: 25- to 35-years for the membrane with interim repairs every 15- to 20-years. The interim repairs will likely include:

- Complete inspection
- Partial replacement of up to thirty-three percent (33%) of the concrete coatings
- Partial replacement of up to thirty-three percent (33%) of the planter areas
- Repairs to the lighting systems
- Replacement of the expansion joints and/or sealants if applicable
- Replacement of a limited amount of membrane (leak remediation)

Component Detail Notes: Due to the non-invasive nature of our inspection, we are unable to determine the exact composition of the waterproof membrane. Based on our visual inspection, experience with similar construction and knowledge of replacement/capital repair projects of this type, we surmise the comprises the following elements:

- Concrete flatwork, pavers, planters, landscaping, lighting and irrigation system
- Perimeter flashing
- Underlying waterproof membrane atop the structure
- Elevated structural concrete

A concrete topping protects the subsurface structure from the infiltration of storm water. We surmise a waterproof membrane separates and protects the structure from the migration of storm water through surface cracks in the concrete topping. Over time, the development of surface cracks is a normal occurrence in the topping, allowing storm water to come in contact with and wear the waterproof membrane. As the membrane ages and deteriorates, water infiltration through the structure and leaks into the space beneath will become more frequent and widespread. Deterioration of the concrete structure beneath the membrane is also probable due to membrane leaks and normal aging of the concrete.

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:
    - Note drainage issues with water ponding after 48 hours of rainfall event. Verify drains are free of debris and irrigation system is working properly if applicable.
    - Inspect perimeter flashing and/or sealant damage
    - In accessible areas under the elevated membrane, inspect for areas of water infiltration and concrete deterioration. If frequency of leaks increases or location of water infiltration is unknown, we recommend the consideration of a thermal image inspection.

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 a limited amount for capital repairs to the underlying concrete structure. The exact amount of concrete structure repairs and thus the exact cost will vary based on the engineering analysis at the time of the project.

STRUCTURAL INTEGRITY - Garage Elements

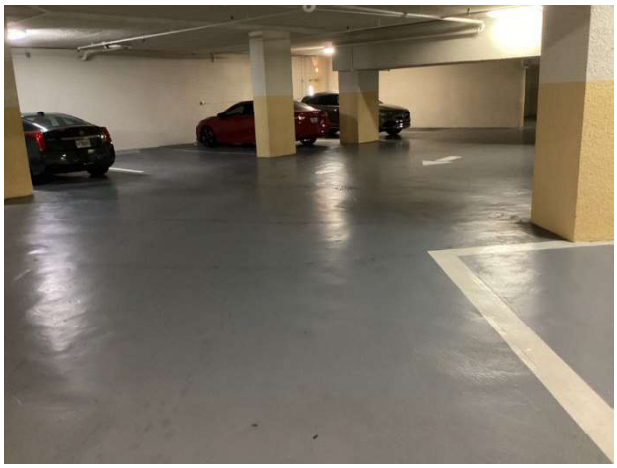
Concrete, Elevated Floors

Line Item: 7.300

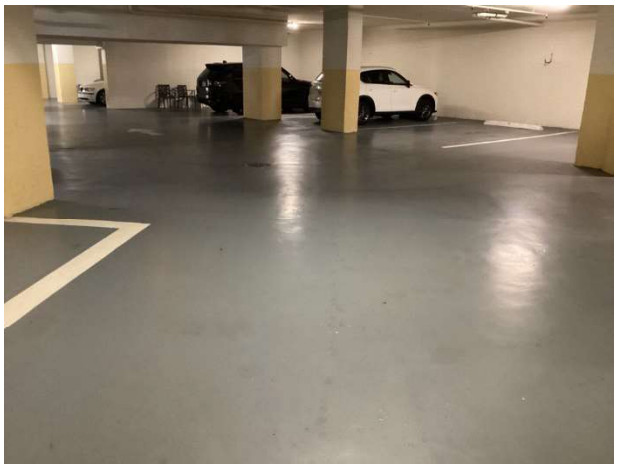
Quantity: Approximately 109,540 square feet of elevated cast in place concrete floor structures

Condition: Good overall with no visible deterioration evident. We note the following:

- The elevated floors are subject to a salt-air environment
- The elevated floors are not regularly power washed. The Association should consider conducting regular power washing, and during these activities, inspections should occur below the deck being washed to observe any potential areas of water infiltration/seepage.
- We note no significant evidence of water infiltration between levels
- ***Concrete observations***
  - We note no significant crack repairs
  - No significant cracks were observed
  - No significant spall was observed
  - No areas of exposed reinforcing steel were observed
  - No areas of ponding water or evidence of poor drainage was observed
  - No areas of vehicular damager were observed at the columns
- ***Drain observations***
  - No significant pipe or drain replacements were observed
  - No areas of drain pipe cracks were observed at the garage



Elevated garage floor overview



Elevated garage floor overview

Concrete damage

Previous repairs

Previous crack repairs

Concrete cracks

Concrete cracks

Useful Life: Repairs to the various concrete surfaces every 10- to 15-years

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

- Semi-annually:
  - Clean floors and remove vehicular oil stains
- Annually:
  - Inspect for large cracks, concrete spalls and vehicular damage at walls and columns
  - Verify drains are working properly and check for areas of extensive water ponding
  - Check for any signs of exposed rebar

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:

- Complete inspection of the garage concrete
- Partial depth concrete replacement of a limited amount of the surface area of the concrete floors
- Partial depth concrete replacement of a limited amount of the surface area of the elevated structural concrete ceilings
- Remediation of structural concrete columns and beams as needed
- Crack repairs on all surfaces as needed

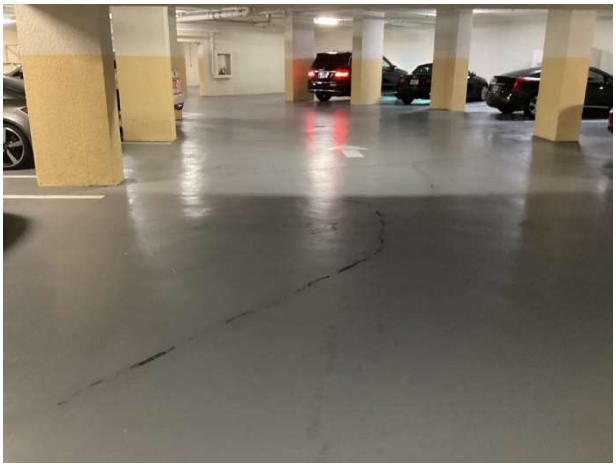
Concrete, On-grade

Line Item: 7.360

Quantity: Approximately 51,310 square feet of on-grade concrete

Condition: Good to fair overall with cracks evident. We note the following:

- We note isolated areas of cracks
- No significant spall was observed
- No areas of exposed reinforcing steel were observed
- Corrosion was noted at numerous floor drains
- No areas of ponding water or evidence of poor drainage was observed
- No areas of vehicular damage were observed at the columns



On-grade garage floor overview

On-grade garage floor overview

Concrete cracks

Rust at drain cover

Useful Life: Up to 90 years

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

- Semi-annually:
  - Clean floors and remove vehicular oil stains
- Annually:
  - Inspect for large cracks, concrete spalls and vehicular damage at walls and columns
  - Verify drains are working properly and check for areas of extensive water ponding

Priority/Criticality: Per Board discretion

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

- Complete inspection of the floor
- Selective cut out and replacement of up to five percent (5%), or 2,570 square feet, of the on-grade concrete
- Crack repairs as needed

Fire Suppression System

Line Item: 7.500

Quantity: Approximately 160,900 square feet of garage area

History: Original

Condition: Good overall We note the following:

- The fire suppression system was last inspected on January 1, 2023.
- The fire suppression system was tagged acceptable during the most recent inspection.
- Paint finishes are present at the fire suppression system piping. These finish will help the system components achieve a longer useful life as they partially inhibit rust and deterioration.
- The joint sealant at the precast members is in good overall condition
- We note isolated areas of pipe replacement
- The majority of observed pipe replacement was at the main lines.
- No significant history of sprinkler head replacement was reported
- No significant hanger rust was observed

Fire suppression system

Useful Life: Up to 40 years for open air parking garages

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 25* and local guidelines, 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:

- Annually:
  - Complete full inspection of valves, hangars, pipes, fittings and heads
  - Ensure sprinkler heads and pipes are free of ornamentations and coverings
  - Check for pipe corrosion and water leakage
  - Test system operation and water for proper concentration of antifreeze
  - Conduct paint finish applications to the pipes as needed as these protective finishes may extend the overall useful life in highly corrosive environments

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.

Paint Finishes

Line Item: 7.660

Quantity: Approximately 174,700 square feet at the walls and ceilings

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

Condition: Good to fair overall

Stucco delamination

Garage paint finishes overview

Garage paint finishes overview

Garage paint finishes overview

Useful Life: 10- to 15-years

Priority/Criticality: Per Board discretion

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

GENERAL - Interior Building Elements

Break Room, Renovation

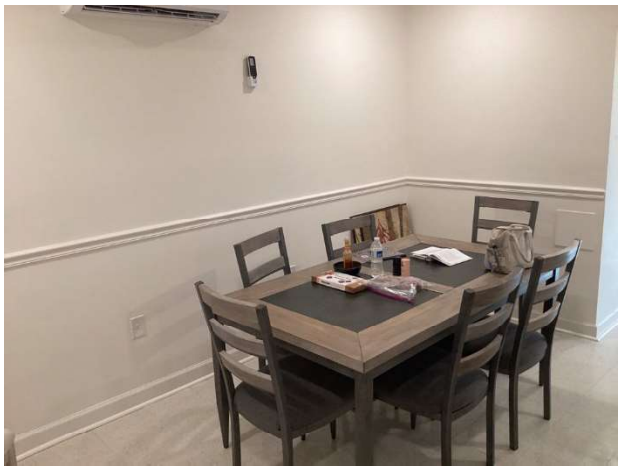
Line Item: 2.099

Quantity: The break room components include:

- Paint finishes on the walls and ceilings
- Tile floor coverings
- Furnishings and fixtures
- Laundry Equipment

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

Condition: Good overall



Break room overview

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 Cab Finishes

Line Item: 2.100

Quantity: One elevator; the cab finishes consist of:

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

History: Replaced in 2021.

Condition: Good overall

Elevator cab finishes

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.

Exercise Equipment

Line Items: 2.155 and 2.165

Quantity: The exercise room contains the following types of cardiovascular aerobic training equipment:

- Ellipticals (2)
- Stationary cycles (3)
- Television
- Treadmills (2)

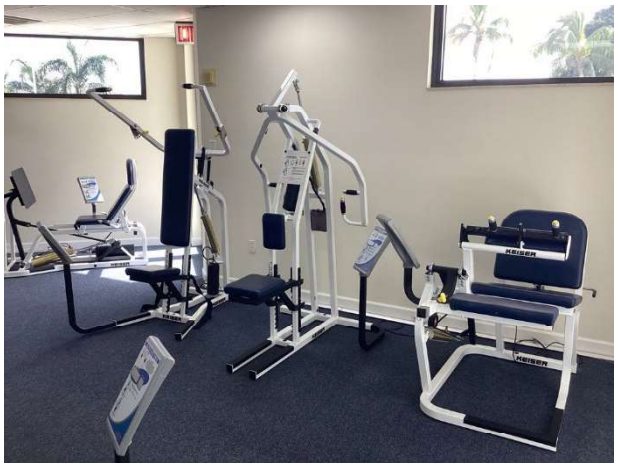
The exercise room contains the following types of strength training equipment:

- Benches
- Dumbbells
- Weight training machines (10)

History and Condition:

- Cardiovascular equipment: Varying ages and reported in good condition
- Strength training equipment: Varying ages and reported in good condition

Cardiovascular exercise equipment



Strength training exercise equipment

Useful Life: The useful life of cardiovascular equipment is up to five years. The useful life of strength training equipment is up to 15 years.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost includes replacement of up to fifty percent (50%) replacement of the exercise equipment with each event

Exercise Room

Line Item: 2.180

Quantity: The exercise room components include:

- Carpet floor coverings
- Paint finishes at the walls
- Acoustical ceiling tiles and grid
- Light fixtures
- Furnishings

History: Renovated in 2021.

Condition: Good overall

Exercise room overview

Useful Life: Renovation up to every 30 years

Priority/Criticality: Per Board discretion

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

Floor Coverings, Carpet, Hallways

Line Item: 2.200

Quantity: Approximately 2,200 square yards at the atrium hallways (Contractor measurements will vary from the actual floor area due to standard roll lengths, patterns and installation waste.)

History: Replaced in 2015.

Condition: Good overall

Carpet floor coverings

Useful Life: 8- to 12-years

Priority/Criticality: Per Board discretion

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

Floor Coverings, Tile, Hallways

Line Item: 2.240

Quantity: Approximately 1,030 square yards at the atrium hallways

History: Original

Condition: Good overall

Tile floor coverings

Tile floor coverings

Useful Life: Up to 30 years although replacement of tile is often based on discretionary redecorating prior to the tile reaching the end of its useful life.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should fund regrouting of the tiles through the operating budget if necessary.

Fountains

Line Items: 2.398 and 2.399

History: The fountain mechanical equipment was last replaced in 2022. The fountains were last renovated in 2014.

Condition: The mechanical equipment is reported satisfactory. The fountains are in good overall

Fountain overview

Fountain overview

Fountain overview

Useful Life: Up to 15 years for the mechanical equipment and up to 20 years for the renovation

Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost for the renovation of the fountains includes inspections and capital repairs to fountain structure, replacement of the tile and application of paint finishes.

Library

Line Item: 2.599

Quantity: The library components include:

- Paint finishes at the walls and ceilings
- Carpet floor coverings
- Furnishings
- Light fixtures

History: The library is being renovated in 2024 as part of the social room and lobby renovation project. At the time of our inspection the library had not yet been renovated

Condition: Good overall

Library overview

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.

Lobby

Line Items: 2.600 and 2.605

Quantity: The lobby components include:

- Tile floor coverings
- Paint finishes at the walls
- Paint finishes at the ceilings
- Furnishings
- Light fixtures

History: Renovated from 2023 through 2024.

Condition: Good overall

Lobby overview

Lobby overview

Lobby overview

Lobby furnishings

Lobby tile floor coverings

Useful Life: Complete renovation up to every 20 years and partial renovation up to every 10 years; however, the scope and cost of lobby renovations may vary greatly based on the direction of the Board.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost is based on information provided by the Association. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Application of paint finishes
- Replacement of up to fifty percent (50%) of the furnishings

Mailboxes

Line Item: 2.700

Quantity: 101 unit mailboxes

History: Original

Condition: Reported good overall

Mailboxes

Useful Life: Up to 50 years

Priority/Criticality: Per Board discretion

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

Office Equipment

Line Item: 2.760

Quantity: The Association utilizes the following office equipment:

- Computers
- Printers
- Chairs
- Desks

History: Replaced in 2024.

Condition: Good overall

Useful Life: Up to 10 years

Priority/Criticality: Per Board discretion

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

Paint Finishes, Hallways

Line Item: 2.800

Quantity: Approximately 120,400 square feet on the walls and ceilings at the hallways

History: Applied paint finishes in 2018.

Condition: Good overall

Paint finishes overview

Paint finishes overview

Paint finishes overview

Useful Life: 8- to 12-years

Priority/Criticality: Per Board discretion

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

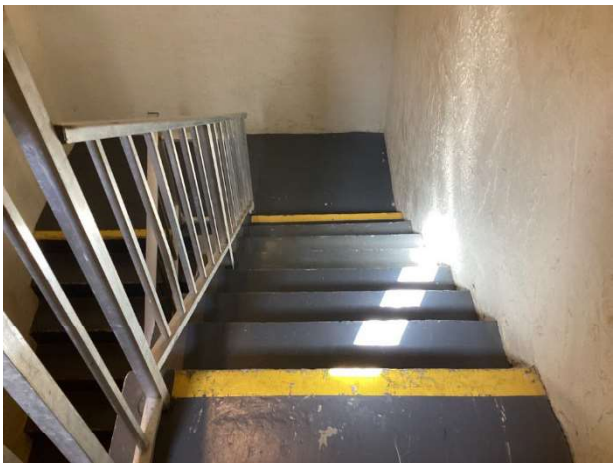
Paint Finishes, Stairwells

Line Item: 2.820

Quantity: Two each

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

Conditions: Good to fair overall with scuffs evident.



Stairwell paint finishes

Peeling finish

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

Social Room

Line Items: 2.840 and 2.845

Quantity: The party room components include:

- Tile and carpet floor coverings
- Paint finishes at the walls
- Paint finishes at the ceilings
- Furnishings
- Light fixtures

History: Renovated from 2023 through 2024.

Condition: Good overall

Social room overview

Social room overview

Social room kitchen

Useful Life: Complete renovation up to every 20 years and partial renovation up to every 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost is based on information provided by the Association. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Application of paint finishes and carpet replacement
- Replacement of up to fifty percent (50%) of the furnishings

Rest Rooms

Line Item: 2.900

Quantity: The rest room components include:

- Tile floor coverings
- Paint finishes at the walls
- Paint finishes at the ceilings
- Light fixtures
- Plumbing fixtures

History: Original

Condition: Good overall

Rest room overview

Useful Life: Renovation up to every 25 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

Air Handling and Condensing Units, Split Systems

Line Item: 3.070

Quantity: 21 split systems

History: Varying ages

Condition: Reported satisfactory without operational deficiencies

Useful Life: 12- to 18-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior electric air handling unit. The condensing units have cooling capacities that range from 1.5- to 5-tons. The split systems use R-410A refrigerant.

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

- Semi-annually:
  - Lubricate motors and bearings
  - Change or clean air filters as needed
  - Inspect condenser base and piping insulation
  - Inspect base pan, coil, cabinet and clear obstructions as necessary
- Annually:
  - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
  - Inspect and clean accessible ductwork as needed
  - Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study,

we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.

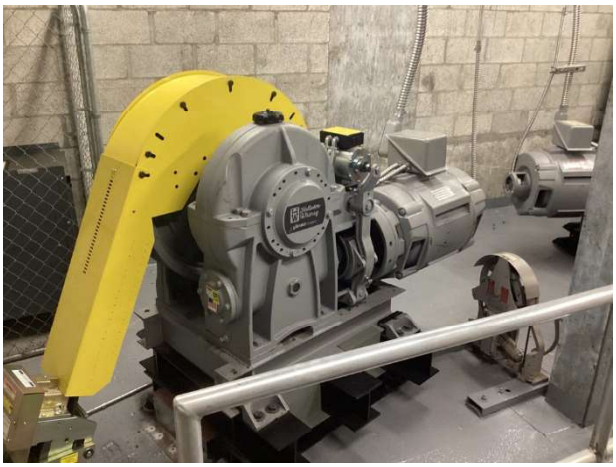
Elevators, Traction

Line Item: 3.360

Quantity: Three traction elevators

History: Replaced in 2021.

Condition: The controls and call buttons are reported in satisfactory condition. Service interruptions are reportedly infrequent.



Traction elevator hoists and motors

Traction elevator controls

Useful Life: Up to 25 years for the controls and call buttons

Component Detail Notes: The elevators utilize programmable logic computer controls

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. 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:

- 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
  - 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)
  - Inspect electrical components for signs of overheating or failure
  - Inspect controls
  - 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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based on information provided by the Association.

Exhaust Fans

Line Item: 3.380

Quantity: 26 roof mounted exhaust fans with airflow capacities of 2,000-CFM

History: Varied ages.

Condition: Reported satisfactory without operational deficiencies

Exhaust fans

Useful Life: Up to 20 years

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. 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:

- Monthly:
  - Check unit for unusual noises and vibrations
- Quarterly:
  - Inspect belts for wear, adjust tension and replace as needed
  - Inspect/clean fan blades
  - Inspect/replace anti-vibration mounts as needed
  - Check motors for proper operation
  - Replace filters as applicable
- Semi-annually:
  - Lubricate fan and motor bearings if bearings are not sealed according to manufacturer's recommendation
  - Inspect/clean inlets, shafts and outlets
  - Ensure louvers and dampers are unclogged and operable

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should fund interim replacements of belts, motors and other components through the operating budget as needed.

Pumps, Domestic Water

Line Item: 3.700

Quantity: Three each

History: Installed from 2017 through 2022.

Condition: Reported satisfactory without operational deficiencies.

Domestic water pumps

Domestic water pump controls

Useful Life: Up to 20 years

Component Detail Notes: Major pumps included in this Reserve Study are those with a motor drive of at least five-HP. The Association should replace or repair all pumps with motor drives less than five-HP as needed and fund this ongoing maintenance activity through the operating budget. The Association may choose to rebuild pumps prior to complete replacement. However, this activity becomes less desirable as pumps age due to the scarcity of parts. We regard interim replacements of motors and component parts as normal maintenance and base our estimates on complete replacements. An exact replacement time for each individual pump is difficult, if not impossible, to estimate.

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. 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. 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 variable frequency drives (VFD) and controls.

Security System

Line Item: 3.820

Quantity: The Grosvenor utilizes the following security system components:

- Cameras (12)
- Multiplexer (1)
- Recorder (1)

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

Condition: Reported satisfactory without operational deficiencies

Security system camera

Useful Life: 10- to 15-years

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

- Monthly:
  - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
  - Check recording equipment for proper operation
  - Verify monitors are free from distortion with correct brightness and contrast
- Annually:
  - Check exposed wiring and cables for wear, proper connections and signal transmission
  - Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based on information provided by the Association. The Association should anticipate replacement of all of the security system components per event.

Trash Chute and Doors

Line Item: 3.880

Quantity: One trash chute

History: Original

Condition: Reported satisfactory without operational deficiencies

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 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. 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.

Trash Compactor

Line Item: 3.900

Quantity: One each

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

Condition: Reported satisfactory without operational deficiencies

Trash compactor

Useful Life: Up to 25 years

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. 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:

- Weekly:
  - Check hydraulic oil level with cylinder fully retracted to make sure oil is at appropriate level
  - Check hydraulic hoses for kinks, leaks or other damage
  - Check to make sure all safety guards and access covers are secure and in place
- Monthly:
  - Make sure lower door hinges and lock assembly are properly greased
  - Check all nut and bolt connections to make sure they are tight and secure
  - Clean the power unit and keep unit clear of debris
- Annually:
  - Have all electrical connections inspected by a licensed electrician to ensure proper connectivity and safe connections. The motor draw should be checked and recorded to help prevent failure.
  - The hydraulic system should be inspected and repaired, including draining and refilling the hydraulic fluid reservoir.
  - The oil filter should be changed after a maximum of 250 hours of operation. The oil filter should be changed more frequently for compactors located in hotter environments with more dust present.

Priority/Criticality: Per Board discretion

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

GENERAL - Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.020 through 4.041

Quantity: The Association maintains the following quantities of asphalt pavement:

- Approximately 2,300 square yards at the North parking lot
- Approximately 400 square yards at the South parking lot

History:

- Repaving: The age of repaving for the North parking lot was unavailable at the time of our inspection. Management and the Board inform us the Association has budgeted for total replacement of the south parking lot in 2024
- Repairs: The age of repairs for both the North and South parking lots was unavailable at the time of our inspection

Condition: Fair to poor overall with frequent cracks and raveling evident.

Pavement overview at south driveway

Pavement cracks at south driveway

Pavement deterioration at south driveway

Pavement pothole formation at south driveway

Pavement overview at north parking lot

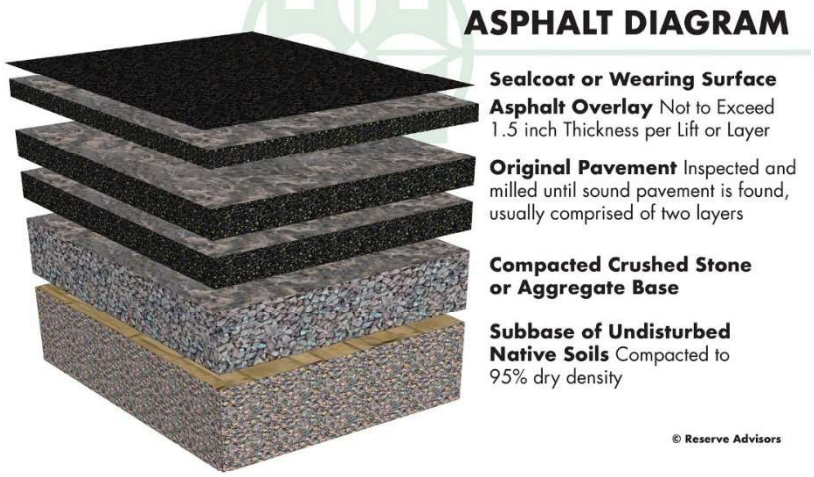
Pavement cracks at north parking lot

Tree root uplift damage at north parking lot

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

Component Detail Notes: Patch repairs are conducted at areas exhibiting settlement, potholes, or excessive cracking. These conditions typically occur near high traffic areas, catch basins, and pavement edges. The contractor should only apply seal coat applications after repairs are completed. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement.

The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother, more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at The Grosvenor:



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

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

- Annually:
    - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage

- Repair areas which could cause vehicular damage such as potholes
- As needed:
  - Perform crack repairs and patching

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost includes an allowance for patching of up to two percent (2%) of the pavement. Our cost for milling and overlayment includes area patching of up to ten percent (10%).

Boardwalk

Line Items: 8.395 and 8.400

Quantity: Approximately 950 square feet of wood docks

History: Unknown

Condition: Good overall

Useful Life: Up to 30 years for complete replacement and up to 15 years for interim replacement of the decking and structure repairs

Component Detail Notes: The wood docks sit atop wood pilings. The height of the docks are manually adjustable at the piles to accommodate changes in water levels. The Grosvenor should fund this activity through the operating budget when necessary. The Grosvenor should also anticipate replacement of the utility lines for the docks at the time of replacement.

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 for repairs includes allowances for complete replacement of the decking and partial replacement of up to ten percent (10%) of the structure and pilings. Our estimate of cost includes an allowance for removal and disposal of the existing docks, and installation of new docks and utility lines. The Grosvenor should fund interim replacements of utilities prior to replacement of the docks and annual repairs to displaced pilings through the operating budget.

Light Poles and Fixtures

Line Item: 4.560

Quantity: 13 aluminum poles with LED light fixtures

History: Replaced from 2023 through 2024.

Condition: Good overall

Light pole and fixture

Useful Life: Up to 25 years

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

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

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based on information provided by the Association.

Pavers, Masonry

Line Item: 4.620

Quantity: Approximately 7,430 square feet at the sidewalks and entrance to the property

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

Condition: Good to fair overall with isolated damage and cracks evident

Masonry pavers overview

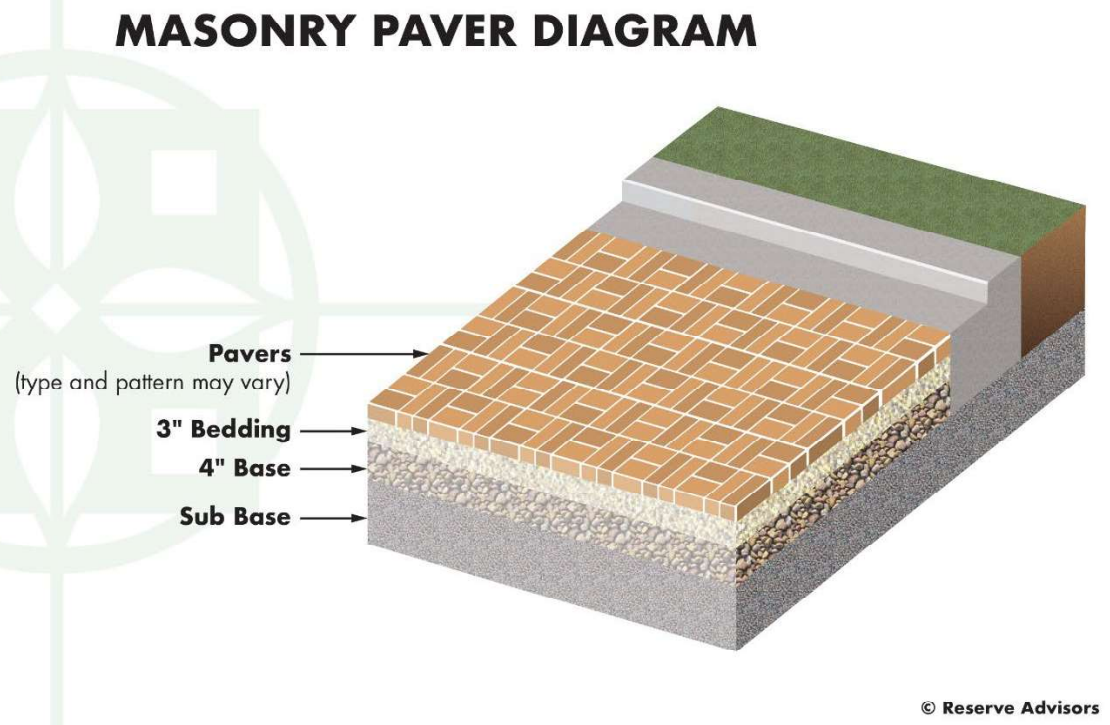
Masonry pavers overview

Paver cracks

Paver damage

Useful Life: Up to 20 years for pavers with vehicular traffic

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



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

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

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

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

Pipes, Subsurface Utilities

Line Item: 4.650

Condition: Reported satisfactory with a history of Isolated repairs

Useful Life: Up to and likely beyond 85 years

Component Detail Notes: The Association maintains the storm water, sanitary sewer and water main subsurface utility pipes throughout the property. The exact amounts and locations of the subsurface utility pipes were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection.

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

- As-needed:
  - Video inspect waste pipes for breaks and damaged piping
  - Monitor for water and gas leaks through pressure losses and present odors
  - Partially replace damaged section of pipes

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 replacement of continuous lengths of subsurface utility pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, The Grosvenor could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.

GENERAL - Pool Elements

Pool Finishes, Plaster and Tile

Line Items: 6.800 and 6.801

Quantity: Approximately 1,670 square feet of plaster based on the horizontal surface area and approximately 210 linear feet of tile

History:

- Plaster finish: Replaced in 2013.
- Tile: Replaced in 2013.

Condition: Good overall

Pool plaster overview

Pool plaster finish with tile perimeter

Pool plaster overview

Useful Life: 8- to 12-years for the plaster and 15- to 25-years for the tile

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

- Semi-annually:
  - Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
  - Inspect main drain connection and anti-entrapment covers, pressure test circulation piping and valves
  - Test handrails and safety features for proper operation

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 for full tile replacement every other plaster replacement event. Removal and replacement of the

finish provides the opportunity to inspect the pool structures and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structures, we recommend the Association budget for the following:

- Removal and replacement of the plaster finishes
- Partial replacements of the scuppers and coping as needed
- Replacement of tiles as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

GENERAL - Garage Elements

Doors and Operators

Line Item: 7.400

Quantity: Four metal overhead sectional garage doors with operators

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

Condition: Good overall

Garage door

Garage door operator

Useful Life: 8- to 15-years

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. 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:
  - Lubricate chains, rollers and hinges

- As Needed
    - Clean tracks of any dirt and debris
    - Inspect door alignment
    - Replace springs
    - Replace sensor batteries (If applicable)

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should fund interim replacements of components through the operating budget.

Reserve Study Update

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

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

Periodic updates incorporate these variable changes since the last Reserve Study or Update. The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. We recommend the Board budget for an Update to this Reserve Study 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.

The Grosvenor 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 Homeowners 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 The Grosvenor 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.

TAYLOR J. BLEISTEIN, RS
Responsible Advisor

CURRENT CLIENT SERVICES

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

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

Bayway Isles Point Brittany Four Condominium Corporation A 19 story coastal high-rise located in St. Petersburg, Florida. This 178 unit condominium was constructed in 1970 and consists of traction controlled elevators, domestic water and fire pumps, concrete aggregate panels and retaining brackets, and gemstone water proof coatings on the concrete breezeways

Lido Surf and Sand Owners' Association This costal midrise built in 1976 is located in Sarasota, Florida and contains three eight story buildings containing 108 units which are connected by an outdoor atrium which contains plaza decks and tile floor coverings. The condominium also maintains three hydraulic elevators, a generator, domestic water and fire pumps, and a fire suppression system, as well as a pool and a 2 story garage which utilizes a traffic coating

Orange Acres Ranch Homeowners Association Located in Lake Wales, Florida; this 114 unit co-operative was built in 1985 and converted to a co-operative in 2007. The co-operative maintains a domestic water treatment system which includes water softeners, hydropneumatics storage tanks, valves, and well pumps. The co-operative also maintains a wastewater treatment plant with drainage fields, as well as a clubhouse and pool area.

Village at Deaton Creek Homeowners Association Located in Hoschton, Georgia. This homeowners association is comprised of 1,144 single family homes built from 2006 to 2015. The Association maintains asphalt street systems, an indoor and outdoor pool, with a dehumidification system, seven tennis courts, eight pickleball courts and vehicular and pedestrian bridges. The Association also maintains a 2 story clubhouse which includes elevators, a commercial sized gymnasium, a kitchen and 2nd story terrace.

Golf Lakes Residents' Association Located in Bradenton, Florida; this 780 unit co-operative built in 1965 maintains the asphalt pavement street systems, a three hole golf course, subsurface utility pipes, and a pedestrian bridge. The co-operative also maintains a fitness center, pool area, and a clubhouse that contains a commercial grade kitchen and kitchen equipment

Bridgewater Owners Association This homeowners Association is located in Ridgeland, Mississippi and consists of 281 single family homes, which were constructed in seven phases from 1995 to 2006. The Association maintains the asphalt pavement streets, ponds, pond spillways, seawalls, subsurface utility pipes, and a clubhouse and pool area

PRIOR RELEVANT EXPERIENCE

Before joining ***Reserve Advisors,*** Mr. Bleistein successfully completed the bachelors program in Mechanical Engineering from Hanover College

EDUCATION

Hanover College - B.S. Mechanical Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Reserve Specialist (RS) **-** Community Associations Institute

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

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)

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 The Grosvenor 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) The Grosvenor 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.

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.