RESERVE STUDY

BEACHMARK CONDOMINIUM

Ocean City, Maryland

BECKER MORGAN GROUP, INC.

BECKER MORGAN GROUP

ARCHITECTURE
ENGINEERING

2011086.02

October 2, 2023

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I. INTRODUCTION

A. Description

Beachmark Condominium (herein referenced as the "Association"), managed by Mann Properties, is located on the oceanfront at 7301 Coastal Highway, Ocean City, Maryland. The property consists of a six-story, fifty-nine (59) unit building with an oceanfront pool and terrace, elevator, lobby, and open air tenant parking areas at ground level. The building was constructed in 1968 and consists of cast-in-place concrete bearing walls with post-tension concrete floors and roof. The west side of the building has a stair tower on the north and south ends, with the elevator tower at the center, over the lobby. Each floor has an open air breezeway on the west side that provides access to each unit. This study examined common elements of the property including:

Building
- Roofing System
- Structure
- Exterior Finishes
- Walkways
- Stair and Landings
- Railing
- Lobby / Elevator
- Soffits
- Fenestration

Site
- Pavement
- Fencing
- Parking Area Knee Wall

Pool
- Pool Deck
- Fencing

B. Level of Service

This reserve study has been developed using the guidelines of the National Reserve Study Standards Level Two Reserve Study. A Level Two Reserve Study Update includes:

- Inventory of Components (verification only)
- Condition Assessments based upon on-site visual observation
- Useful Life and Remaining Life Estimates
- Fund Status
- Funding Plan

C. Purpose Statement

A reserve study provides a long-term funding plan necessary to maintain, replace or restore major common area components in the future. Ideally, future reserve item expenditures will be covered by funds currently set aside by the Association as reserves. Depending upon the Level of Service, the study involves both physical and financial analysis. The study identifies and inventories common improvements with life cycles, and evaluates the condition of the elements. This information is then used to develop a financial analysis to cover the replacement of these items, based upon the expected remaining useful life and expected future cost.

D. General Information

The following general conditions apply to this reserve study:

- Becker Morgan Group, Inc. shall reasonably rely upon information provided by the client or client's representative. This shall include financial, historical, physical or other information.
- Becker Morgan Group, Inc. recommends updates to reserve studies at periods no greater than five (5) years. Updates shall include updates to the condition assessments, updates to the replacement schedule, and costs. We also recommend an update to the reserve study after major replacement projects.
- The client and client's accounting professionals shall thoroughly review the report and recommendations. The Board of Directors shall annually review the reserve and adjust, as necessary, to reflect current market and Association conditions.
- Future replacement schedules and costs are estimates only and actual conditions may require replacement differing from the time frames and costs shown, due to conditions beyond our control. These differences can be affected by maintenance, inflation, price variations in markets, technological developments, regulatory acts, etc. Additionally, elements that exhibit normal visual behavior may suddenly fail.
- The reserve shall only fund repairs and replacement of items identified in the Inventory of Components.

II. CONDITION ASSESSMENT

This section provides a summary of the condition assessment performed as part of the scope of work for this reserve study. A condition assessment was performed to evaluate the general conditions of the components of the common elements. This information allows for adjustment of the remaining life of the components. Becker Morgan Group, Inc. uses terms describing conditions of the various site, building, and system components. The report was completed in accordance with a financing scope, *American Society for Testing and Materials (ASTM)* Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process ASTM E 2018-15, and is not intended for use in making property purchase or sale decisions, or for purposes of making property management decisions. The terms used by Becker Morgan Group, Inc. are based on those defined in the *ASTM Standard*, but provide more detailed assessment of the various site, building, and system components and are defined below. It should be noted that a term applied to an overall system does not preclude that a part or a section of the system or component may be in a different condition. The commentary below discusses the more significant components. We have evaluated the conditions of components based upon the following statements:

- **Excellent** – Not defined by *ASTM*, however, Becker Morgan Group, Inc. (BMG) uses this term to define a component or system that is in new or like new condition and no deferred maintenance is recommended. 100% - 90% of the normal economic life expected. No defects or abnormal wear were noted.
- **Good** – Defined by *ASTM* as "in working condition and does not require immediate or short-term repairs above an agreed threshold". BMG expands the definition to include components or systems in sound operation condition and performing its function, and/or scheduled maintenance can be accomplished through routine maintenance. It may show signs of normal aging or wear and tear, and some remedial and routine maintenance or rehabilitation work may be necessary. 90% - 60% of the normal economic life expected. Minor defects and/or wear were noted. Typical maintenance may extend the useful life of the component. The component is performing normally.
- **Fair** – Defined by *ASTM* as "in working condition, but may require immediate or short-term repairs above an agreed threshold". BMG expands the definition to include components or systems performing their function, but may be obsolete or approaching the end of its expected useful life. The component or system may exhibit evidence of deferred maintenance, previous repairs, or workmanship not in compliance with commonly accepted standards. Significant repair or replacement may be recommended to prevent further deterioration, restore it to good condition, prevent premature failure, or to prolong its expected useful life. 60% - 30% of the normal economic life expected. Moderate defects and/or wear were noted. Repairs for localized damage can extend the life expectancy of the component or correct defects.

- **Marginal** – Not defined by ASTM, however, BMG uses this term to define a component or system that the normal economic life expectancy will soon be reached. 30% - 15% of the normal economic life expected. Moderate to significant defects and/or wear were noted. Repairs to localized damage can extend the life expectancy of the component or correct defects.
- **Poor** – Defined by *ASTM* as "not in working condition or requires immediate or short-term repairs substantially above an agreed threshold". BMG expands the definition to include components or systems that have either failed or cannot be relied upon to continue performing its original function because of having exceeded its typical expected useful life, excessive deferred maintenance, or state of disrepair. Present condition could contribute to, or cause, the deterioration of other adjoining elements or systems. Repair or replacement is recommended. 15% - 0% of the normal economic life expected. Significant defects and/or wear were noted. Components shall be repaired or replaced in entirety. Without replacement or repair, component may allow additional damage to underlying structure.

The condition assessment is based upon a visual observation of the property and its components. Where varying degrees of condition exist, the overall condition is based upon the average conditions. The visual survey is conducted for evaluating the remaining useful life of the components and the replacement costs of these components. Our survey extends to reasonably accessible areas and all areas may not be readily accessible. Our assessment assumes that all components complied with the building code at the time of construction. The assessment is conducted with care by experienced personnel, but no warranty of guarantee is expressed or implied. The assessment is not a quality inspection.

A. General Comments

The overall condition of the components of the condominium are in **Fair** condition. Building is in overall **Good** condition with the roof in **Marginal** condition and the deck coating in **Fair** condition. Site features appear to be in typical condition with their age.

B. Building

Roof:
The roof of the building is a two-ply modified bitumen roof system over a tapered insulation layer, installed in 1998. Since our site inspection, a re-cover with TPO was done over the existing in 2023. The roof is in **Excellent** condition based on age. These roofs are typically warrantied for 20 years and this study assumes a 25-year life span, prior to replacement. After that time a full replacement by removing both roofs will be required.

Exterior Finish:
The exterior finish on the building is EIFS. The exterior finish was in **Fair** condition, only requiring typical recoating and replacement of caulking. There is record of a recoating on the north and south ends of the building, and the elevator tower in 2004.

Deck Coating:
The deck coating is in overall **Fair** condition. There is a record of floor recoating in 2000, and supposedly reapplied in 2011, when the concrete repairs were completed. The stairs and landings were recoated in 2020.

Railing:
The building has coated aluminum railings in **Good** condition. The railings on the west side walkways were installed in 1997 and the east side balconies in 2004. The railings should be monitored for corrosion of the finish or loose attachments to the balconies. The stairwells have pipe painted guardrails that are in **Good** condition.

Fenestration:
Fenestration includes windows and doors throughout the Association. The overall condition of the fenestration was **Good**. We did not include private entry doors, patio doors, unit hurricane shutters, or windows. We did include doors into common elements including the entry, roof, mechanical spaces, etc. Corrosion of the steel doors and frames was the most common damage observed.

Structure:
Overall condition of the structure is **Good**. Some minor concrete cracks were observed in the concrete slab that are typical of the age and construction. The primary structural system is a post tension concrete. The Association should keep accurate records regarding any repairs to tendons in the building. Loss of tendons during construction, and loss of tendons during the life of the building can compromise the strength of the structure. BMG typically advises to have a protective soffit coating. The Association has not applied a coating under the advisement of their Engineer.

Lobby:
The lobby roof appears to be modified bitumen roof system with walking pavers, installed in 1998. Since our site inspection, a re-cover with TPO was done over the existing in 2023. The roof is in **Excellent** condition based on age. These roofs are typically warrantied for 15-20 years and this study assumes a 25-year life span, prior to replacement. After that time a full replacement by removing both roofs will be required. The front portion is a metal roof, installed in 2005, in **Good** condition.

Elevator:
An equipment evaluation was performed by Delaware Elevator, evaluating the condition of the existing elevator system. BMG has condensed the maintenance items into Phases 1 through 4 as follows:

Phase 1 (Hoistway Door Equipment = 10 years)
Phase 2 (Controller = 25 years, Fixtures = 15 years, Cab Structure = 45 years, and Cab Interior = 15 years)
Phase 3 (Power Unit = 15 years)
Phase 4 (Cab Door Equipment = 10 years, Cylinder = 20 years)

C. Site

Pool:
Concrete pool was built in 1985. Maintenance / repairs were scheduled to be completed in 2012, including new plaster finish, tile, and coping. Pool concrete deck appears to be in **Good** condition with minor cracking. Pool privacy fence was replaced sometime after the 2011 observation report, with composite board fencing.

Pool / Beach Access Area:
Wood framed stairs with composite treads from building walkway to pool / boardwalk area. In addition to wood framed boardwalk area with vinyl gate, fencing and timber retaining wall to beach access were installed sometime after the 2011 observation report. All items appear in **Good** condition. Boardwalk railing shows signs of minor damage to post caps and bases. Maintenance / repairs will be necessary over time.

Asphalt Pavement:
The overall condition of the asphalt pavement is **Fair**. No large cracks or settlement were noted in the pavement, and it appears to be wearing normally. Sealing coat is in **Poor** condition, as records indicate it was last done in 2005. Sealing cracks and applying seal coating is a good practice, as this can help prolong the life of the asphalt pavement. See below for additional recommendations to prolong the life of asphalt paving:

- Crack Repairs: If cracks appear, each crack shall be sealed with an appropriate asphalt sealing compound to prevent the intrusion of water and other fluids to the base layer. Areas with larger cracks that are not able to be sealed, shall be cut out and patched. The sealing of cracks is a maintenance action and thus, is not included in the long term reserve study.
- Cleaning: Oil and gasoline on the pavement should be cleaned up as soon as possible, as these fluids break down the structure of the asphalt. If the area of a spill has deteriorated an area of asphalt, said area shall be cut out and patched. The cleaning of pavement is a maintenance action and thus, is not included in the long term reserve study.
- Seal Coating: Seal coating the pavement every 5-7 years can extend the overall life of the asphalt. Prior to sealing the pavement, crack repairs and cleaning of the pavement shall be completed.

Concrete Parking Below Building / Soffit:
Concrete parking deck appears to be in **Fair** condition and wearing normally, with minor cracking in areas. Most of the concrete is showing wear consistent with its age. Building soffit has some areas of exposed rebar and should be repaired to prevent further damage.

Miscellaneous Concrete:
The condominium consists of many forms of concrete construction that include: concrete entrance slab, concrete entrance ramp to parking below building, and dumpster pad. The overall condition of the concrete work is **Good**. The entrance and ramp have some areas of cracking.

Block / Timber Retaining Walls Below Building:
Retaining walls consist of concrete masonry units with painted stucco finish. Several cracks were observed that appear to be settlement cracks. Timber retaining wall is in **Good** condition and showing signs of normal wear due to age.

Block Divider Wall Open Air Parking:
Block retaining wall is in **Fair** condition. Most of the block work appears to show signs of wear consistent with age, with most damage to wall cap.

III. INVENTORY OF COMPONENTS

This section provides an inventory of the common owned components and their condition, which will require periodic replacement using funds from the reserves. This section also provides information about excluded items, and how quantities and costs were derived.

A. Included Items

Components included in the inventory of components are commonly owned physical assets that require periodic replacement. The identified assets can be funded through the reserve. Typical included items are: pavement, sidewalks, building cladding, roofing, etc.

B. Excluded Items

Many items commonly identified are excluded from reserve studies. These items can be grouped into six basic categories:

- Tax Code: The United States Tax Code places certain guidelines on expenditures from the reserve. These guidelines typically exclude maintenance activities, minor repairs and capital improvements. Inclusion of these activities can jeopardize special tax status for reserves. Please reference Ruling 75-370 with a Certified Public Accountant for more information. Examples of maintenance and repair exclusion include; capital improvements, painting, landscaping, painting of curbs and parking spaces, crack sealing of pavement. A list of short term repairs items has been prepared and can be found in the appendix. These items have been identified during our condition assessment, but cannot be directly funded through the reserve. Many of these items, however, impact elements in the reserve and should be repaired as part of ongoing maintenance.
- Value: Items with replacement costs of less than $1,000 or a normal economic life of less than three years, are typically excluded from reserve studies. Examples of value items include; small miscellaneous signage are not considered in the study and should be replaced using other funds.
- Lifetime Components: Components that, with proper maintenance, can last the lifetime of the property, are typically excluded. These items typically include: foundations, floor slabs, structure, etc. Periodic repairs of lifetime components may be required and may be included in the study; for example, repointing for masonry.
- Units: Components located on property of individual units are excluded from this report. These items are assumed to be the responsibility of the unit owner. Examples of unit improvement include; driveways on lots, unit windows and doors, skylights, unit decks / patios / balconies, unit interiors, unit HVAC systems.

- Non-Common Improvements: Components owned by master associations, local governments, utility companies, Postal Services, state and local highway authorities, etc. are excluded from this report. These components are usually not the responsibility of the Association. Examples of utility exclusions include; primary electric service, transformers, cable TV service, telephone services, water and sanitary service.
- Association Exempted Items: Some components may be exempted by the Association at their discretion.

C. Quantities

Quantities for components were obtained by various methods that might include; field measurements, review of aerial photography, and review of drawings. Where other reasonable means of quantification do not exist, judgement was used. The following drawings were used in estimating quantities for this study:

- Repair Plans by Morabito Consultants, Inc., dated 3/30/11.
- Pool Plans by Sylco, Inc., dated 1/27/86.

Quantities for components use standard abbreviations. These abbreviations include; SF – square feet, LF – linear feet, SY – square yard, LS – lump sum, EA – each, and PR – pair.

D. Costs

Cost for Unit Replacement Costs are obtained by various methods that include; industry standard estimating resources, direct responses from industry professionals, an internal cost database from current and past projects, and client provided costs.

E. Economic Life

Components in the reserve study have periodic replacement cycles. Normal Economic Life is the number of years a component should last prior to replacement. Remaining Economic Life is the estimated number of years before a component will require replacement. In normal conditions, the Remaining Economic Life is the Normal Economic Life minus the age. Often outside factors, such as environment, quality of installation and maintenance, affect the life of the component. These factors often shorten or lengthen the life of the component and the Remaining Economic Life is adjusted to compensate.

The Normal Economic Life is obtained by industry standards, such as manufacturer's warranties, Fannie Mae Form 4099F, National Association of Home Builders / Bank of America Home Equity *Study of Life Expectancy of Home Components* combined with knowledge of how materials are impacted by local climate and conditions.

F. Inventory of Components Worksheet

The Inventory of Components Worksheet identifies the items included in the reserve. Please see the attached Inventory of Components Worksheet. These items are identified for replacement from the reserves. The worksheet also identifies the Estimated Useful Life, Estimated Remaining Useful Life, Unit, Quantity, Unit Replacement Cost, Estimated Current Replacement Cost, Current Funding Requirement and Annual Funding Requirement for each item. The worksheet computes the Total One Time Replacement Cost, Total Current Funding Requirement and Total Annual Funding Requirement.

IV. RESERVE ANALYSIS

A. Executive Summary

The reserve analysis found the current reserve is underfunded and needs to be funded at a stepped rate of contribution starting at **$93,000** for (2024-2028), increasing to **$106,950** for (2029-2033), increasing to **$122,993** for (2034-2038), then increasing to **$141,441** for (2039-2043), and peaking to **$161,658** for (2044-2048) to maintain a balance above the minimum reserve to offset expenditures. This analysis was performed using the Cash Flow Method with an assumed inflation and interest. Funding at the recommended rate will keep reserves above the Minimum Recommended Reserve for the duration of the study. The Annual Funding Requirement from the Inventory of Components is **$120,763**. This indicates the current reserve is underfunded and additional catchup contributions are necessary.

B. General Information

Reserve Analysis has been performed based upon the following assumptions:

- The study is based upon a **25-year** period, with a start date of **January 1, 2024**.
- Estimated Inflation is **2.7%**.
- Estimated Interest earned on reserves is **3.0%**.
- Current funding of the reserve is **$628,187**.
- Current annual contribution is **$72,000**. This study assumes expenses and deposits are at the beginning of the year and interest is accrued on the remaining balance.
- Replacement reserves are not subject to tax.
- Reserve study should be updated every three (3) to five (5) years or after major replacement projects.

C. Component Method

The Component Method, also referred to as the Full Funded Method, is a conservative method where each component is analyzed separately. The beginning balance is allocated amongst the individual components and annual funding is distributed between the components. The funds are not allowed to be redistributed within the total project and are not available to fund other project replacements.

Unless reserves are well funded, the Component Method produces a conservative annual funding. We have not provided a Component Method Analysis for this project.

D. Cash Flow Method

Where the component method isolates each component's replacement funding, the Cash Flow Method pools the reserve and projects deposit and expenses to maintain a balance above the Minimum Recommend Reserve. This method generally provides a lower annual deposit and reflects the current condition of components and the resulting effect on the reserves. Computation of the Cash Flow Method can be found on the attached Schedule of Replacements and Cash Flow Graph. The cash flow method maintains a minimum balance above the Minimum Recommended Reserve. Our analysis and recommendations are based upon the Cash Flow Method.

Where components are periodically replaced in increments, partial funding may be applied. This will be noted in the worksheets and can be a percentage or annual allotment for replacement. Examples of partial funding may be sidewalks, curbing, etc. These components are easily replaced in portions of the total and a percentage of the total replacement is used in a regular interval (usually yearly) as components fail. Early replacement of the most damaged components may occur prior to the end of the Economic Life, with the assumption the average Economic Life is maintained.

E. Minimum Recommended Reserve

The Minimum Recommended Reserve is calculated separately between the Component Method and Cash Flow Method. The Minimum Recommended Reserve for the Component method is the total Current Funding Requirement for that year. In effect it is calculating the pro-rated reserve level for a single year within the study period. In the Cash Flow Method the Minimum Recommended Reserve is 5% of the Total Estimated Current Replacement Cost. This is intended to set a minimum level in the reserve to prevent a zero balance. Where the Starting Balance is below the Minimum Recommended Reserve for the Cash Flow Method, it is computed to take two (2) years of deposits to meet the Minimum Recommended Reserve.

- Component Method: **$1,451,556.00** (Current Fiscal Year only)
- Cash Flow Method: **$72,578.00**

INVENTORY OF COMPONENTS

MAJOR REPAIRS AND REPLACEMENTS

Item	Component	Estimated Useful Life	Estimated Remaining Useful Life	Unit	Quantity (Quantities in bold are assumed)	Unit Replacement Cost	Estimated Current Replacement Cost	Current Funding Requirement	Annual Funding Requirement
Site									
	Asphalt Pavement (Surface Overlay)	20	2	SF	12955	$5.00	$64,775	$58,298	$3,239
	Asphalt Pavement (Seal Coat 7 year)	7	9	SF	12955	$0.25	$3,239	N/A	N/A
	Asphalt Pavement (Seal Coat 14 year)	14	16	SF	12955	$0.25	$3,239	N/A	N/A
	Concrete Pad Repairs (Parking Level & Ramp)	50	20	SF	4623	$10.00	$46,230	$27,738	$925
	Concrete Pad Repairs (Dumpster/Entrance)	50	20	SF	738	$10.00	$7,380	$4,428	$148
	Parking Bumpers	50	15	EA	75	$62.70	$4,703	$3,292	$94
	Entrance Sign	25	15	EA	1	$1,000.00	$1,000	$400	$40
	CMU Landscape Wall	50	15	LF	300	$25.00	$7,500	$5,250	$150
	6x8 PT Timber Retaining Wall	30	14	LF	230	$30.00	$6,900	$3,680	$230
	3'-0" Vinyl Fence	30	14	LF	125	$32.00	$4,000	$2,133	$133
	Utility Meter Mounting Boards	25	23	SF	195	$25.00	$4,875	$390	$195
	Wood Soffit (Parking Area under bldg.)	25	23	SF	1688	$25.00	$42,200	$3,376	$1,688
	Pipe Bollards	50	27	EA	4	$150.00	$600	$276	$12
	Masonry Landscaping Bed/Retaining Wall	50	27	LF	810	$25.00	$20,250	$9,315	$405
	Trash Dumpster	50	11	EA	1	$2,500.00	$2,500	$1,950	$50
Building									
	(East Façade) EIFS Coating	10	1	SF	11946	$4.00	$47,784	$43,006	$4,778
	(EF) EIFS Coating (Recoat 10 years)	10	11	SF	11946	$4.00	$47,784	N/A	N/A
	(EF) EIFS Coating (Recoat 20 years)	10	21	SF	11946	$4.00	$47,784	N/A	N/A
	(West Façade) EIFS Coating	10	3	SF	24234	$4.00	$96,936	$67,855	$9,694
	(WF) EIFS Coating (Recoat 10 years)	10	13	SF	24234	$4.00	$96,936	N/A	N/A
	(WF) EIFS Coating (Recoat 20 years)	10	23	SF	24234	$4.00	$96,936	N/A	N/A
	(North Façade) EIFS Coating	10	5	SF	2472	$4.00	$9,888	$4,944	$989
	(NF) EIFS Coating (Recoat 10 years)	10	15	SF	2472	$4.00	$9,888	N/A	N/A
	(NF) EIFS Coating (Recoat 20 years)	10	25	SF	2472	$4.00	$9,888	N/A	N/A
	(South Façade) EIFS Coating	10	1	SF	2472	$4.00	$9,888	$8,899	$989
	(SF) EIFS Coating (Recoat 10 years)	10	11	SF	2472	$4.00	$9,888	N/A	N/A
	(SF) EIFS Coating (Recoat 20 years)	10	21	SF	2472	$4.00	$9,888	N/A	N/A
	Aluminum Railings (East side)	30	10	LF	1147	$100.00	$114,700	$76,467	$3,823
	Aluminum Railings (West side)	30	17	LF	620	$100.00	$62,000	$26,867	$2,067
	Balcony Coating	7	2	SF	9200	$14.00	$128,800	$92,000	$18,400
	Balcony Coating (7 Year Recoat)	7	9	SF	9200	$7.50	$69,000	N/A	N/A
	Balcony Coating (14 Year Recoat)	7	16	SF	9200	$7.50	$69,000	N/A	N/A
	Balcony Coating (21 Year Recoat)	7	22	SF	9200	$7.50	$69,000	N/A	N/A
	Hurricane Doors (Commercial)	20	11	EA	13	$5,000.00	$65,000	$29,250	$3,250
	Walkway Coating (Including Stairwell)	7	3	SF	8197	$14.00	$114,758	$65,576	$16,394
	Walkway Coating (7 Year Recoat)	7	7	SF	8197	$7.50	$61,478	N/A	N/A
	Walkway Coating (14 Year Recoat)	7	14	SF	8197	$7.50	$61,478	N/A	N/A
	Walkway Coating (21 Year Recoat)	7	21	SF	8197	$7.50	$61,478	N/A	N/A
	Steel Galvanized Stair Railings	30	6	LF	138	$100.00	$13,800	$11,040	$460
	Metal Roofing	40	26	SF	344	$35.00	$12,040	$4,214	$301
	Metal Roofing (Recoat 20 year)	10	16	SF	344	$15.00	$5,160	N/A	N/A
	Alum. Storefront (Vestibule)	30	5	SF	238	$35.00	$8,330	$6,942	$278
	Exterior Doors	25	11	EA	5	$1,250.00	$6,250	$3,500	$250
	Elevator Maint. (Phase 1)*	10	1	LS	1	$55,000.00	$55,000	$49,500	$5,500
	Elevator Maint. (Phase 2)*	15	4	LS	1	$173,000.00	$173,000	$126,867	$11,533
	Elevator Maint. (Phase 3)*	25	7	LS	1	$45,000.00	$45,000	$32,400	$1,800
	Elevator Maint. (Phase 4)*	20	9	LS	1	$103,000.00	$103,000	$56,650	$5,150
	Electric Panel Box	30	27	EA	6	$8,000.00	$48,000	$4,800	$1,600
	PVC Downspout	35	21	LF	303	$5.00	$1,515	$606	$43
	Fire Distribution	25	21	EA	1	$15,000.00	$15,000	$2,400	$600
	Fire Control	25	21	EA	1	$15,000.00	$15,000	$2,400	$600
	HVAC Unit	30	12	EA	1	$5,000.00	$5,000	$3,000	$167
	Trash Chute	25	12	LF	55	$90.00	$4,950	$2,574	$198
	Lighting	25	20	EA	30	$200.00	$6,000	$1,200	$240
	Flat Roof - (Membrane Replacement)	25	22	SF	13752	$35.00	$481,320	$57,758	$19,253
	Flat Roof - (Membrane Replacement) (Vestibule)	25	22	SF	429	$35.00	$15,015	$1,802	$601
	Lobby Renovations	25	23	SF	514	$45.00	$23,130	$1,850	$925
	Sanitary Piping Riser Renovations	20	18	EA	1	$2,000.00	$2,000	$200	$100
Pool & Beach Access Area									
	Deck Coating	7	5	SF	1888	$5.00	$9,440	$2,697	$1,349
	Deck Coating	7	12	SF	1888	$5.00	$9,440	N/A	N/A
	Deck Coating	7	19	SF	1888	$5.00	$9,440	N/A	N/A
	Pool Mechanical	10	3	LS	1	$7,500.00	$7,500	$5,250	$750
	Pool (Refinish)	7	3	EA	1	$4,000.00	$4,000	$2,286	$571
	Pool (Refinish)(7 Year Recoat)	7	10	EA	1	$4,000.00	$4,000	N/A	N/A
	Pool (Refinish)(14 Year Recoat)	7	17	EA	1	$3,500.00	$3,500	N/A	N/A
	Vinyl Rail	35	13	LF	72	$25.00	$1,800	$1,131	$51
	Pool Access Stair Framing	35	13	SF	70	$75.00	$5,250	$3,300	$150
	Pool 5ft Composite Privacy Fence	35	13	LF	212	$25.00	$5,300	$3,331	$151
	Alum. Flagpole	30	25	EA	2	$200.00	$400	$67	$13
	Boardwalk	30	13	SF	200	$16.00	$3,200	$1,813	$107
	6x8 PT Timber Retaining Wall (Pool Area)	30	23	LF	80	$28.00	$2,240	$523	$75
	Pool Deck Slab	50	16	SF	1888	$6.75	$12,744	$8,666	$255
							$1,451,556	**$934,156**	**$120,763**
	Minimum Reserve (5% of Estimated Current Replacement Cost)						**$72,578**		

[1] Deck coating warranty lasts 5 years. We expect a 7 year service life prior to recoating.
[2] Recurring items are not included in the current or annual funding requirements.
[3] 10% premium was added to all replacement costs for design and project management costs.
[4] Short Term Repair Items have been included in year 1, but are not included in part of the annual funding requirement
[5] E & W = East & West Stair Tower
* See Elevator Equipment Evaluation

Indicates Not Included In Total Sum

SCHEDULE OF REPLACEMENTS

Item #	Component	Estimated Current Replacement Cost	Estimated Remaining Useful Life	ESTIMATED FUTURE COSTS BY YEAR @ 2.7% INFLATION 1 2024	2 2025	3 2026	4 2027	5 2028
Site								
	Asphalt Pavement (Surface Overlay)	$ 64,775	2	$ -	$ 68,320	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 7 year)	$ 3,239	9	$ -	$ -	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 14 year)	$ 3,239	16	$ -	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Parking Level & Ramp)	$ 46,230	20	$ -	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Dumpster/Entrance)	$ 7,380	20	$ -	$ -	$ -	$ -	$ -
	Parking Bumpers	$ 4,703	15	$ -	$ -	$ -	$ -	$ -
	Entrance Sign	$ 1,000	15	$ -	$ -	$ -	$ -	$ -
	CMU Landscape Wall	$ 7,500	15	$ -	$ -	$ -	$ -	$ -
	6x8 PT Timber Retaining Wall	$ 6,900	14	$ -	$ -	$ -	$ -	$ -
	3'-0" Vinyl Fence	$ 4,000	14	$ -	$ -	$ -	$ -	$ -
	Utility Meter Mounting Boards	$ 4,875	23	$ -	$ -	$ -	$ -	$ -
	Wood Soffit (Parking Area under bldg.)	$ 42,200	23	$ -	$ -	$ -	$ -	$ -
	Pipe Bollards	$ 600	27	$ -	$ -	$ -	$ -	$ -
	Masonry Landscaping Bed/Retaining Wall	$ 20,250	27	$ -	$ -	$ -	$ -	$ -
	Trash Dumpster	$ 2,500	11	$ -	$ -	$ -	$ -	$ -
Building								
	(East Façade) EIFS Coating	$ 47,784	1	$ 49,074	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 10 years)	$ 47,784	11	$ -	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 20 years)	$ 47,784	21	$ -	$ -	$ -	$ -	$ -
	(West Façade) EIFS Coating	$ 96,936	3	$ -	$ -	$ 105,002	$ -	$ -
	(WF) EIFS Coating (Recoat 10 years)	$ 96,936	13	$ -	$ -	$ -	$ -	$ -
	(WF) EIFS Coating (Recoat 20 years)	$ 96,936	23	$ -	$ -	$ -	$ -	$ -
	(North Façade) EIFS Coating	$ 9,888	5	$ -	$ -	$ -	$ -	$ 11,297
	(NF) EIFS Coating (Recoat 10 years)	$ 9,888	15	$ -	$ -	$ -	$ -	$ -
	(NF) EIFS Coating (Recoat 20 years)	$ 9,888	25	$ -	$ -	$ -	$ -	$ -
	(South Façade) EIFS Coating	$ 9,888	1	$ 10,155	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 10 years)	$ 9,888	11	$ -	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 20 years)	$ 9,888	21	$ -	$ -	$ -	$ -	$ -
	Aluminum Railings (East side)	$ 114,700	10	$ -	$ -	$ -	$ -	$ -
	Aluminum Railings (West side)	$ 62,000	17	$ -	$ -	$ -	$ -	$ -
	Balcony Coating	$ 128,800	2	$ -	$ 135,849	$ -	$ -	$ -
	Balcony Coating (7 Year Recoat)	$ 69,000	9	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (14 Year Recoat)	$ 69,000	16	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (21 Year Recoat)	$ 69,000	22	$ -	$ -	$ -	$ -	$ -
	Hurricane Doors (Commercial)	$ 65,000	11	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (Including Stairwell)	$ 114,758	3	$ -	$ -	$ 124,307	$ -	$ -
	Walkway Coating (7 Year Recoat)	$ 61,478	7	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (14 Year Recoat)	$ 61,478	14	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (21 Year Recoat)	$ 61,478	21	$ -	$ -	$ -	$ -	$ -
	Steel Galvanized Stair Railings	$ 13,800	6	$ -	$ -	$ -	$ -	$ -
	Metal Roofing	$ 12,040	26	$ -	$ -	$ -	$ -	$ -
	Metal Roofing (Recoat 20 year)	$ 5,160	16	$ -	$ -	$ -	$ -	$ -
	Alum. Storefront (Vestibule)	$ 8,330	5	$ -	$ -	$ -	$ -	$ 9,517
	Exterior Doors	$ 6,250	11	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 1)*	$ 55,000	1	$ 56,485	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 2)*	$ 173,000	4	$ -	$ -	$ -	$ 192,454	$ -
	Elevator Maint. (Phase 3)*	$ 45,000	7	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 4)*	$ 103,000	9	$ -	$ -	$ -	$ -	$ -
	Electric Panel Box	$ 48,000	27	$ -	$ -	$ -	$ -	$ -
	PVC Downspout	$ 1,515	21	$ -	$ -	$ -	$ -	$ -
	Fire Distribution	$ 15,000	21	$ -	$ -	$ -	$ -	$ -
	Fire Control	$ 15,000	21	$ -	$ -	$ -	$ -	$ -
	HVAC Unit	$ 5,000	12	$ -	$ -	$ -	$ -	$ -
	Trash Chute	$ 4,950	12	$ -	$ -	$ -	$ -	$ -
	Lighting	$ 6,000	20	$ -	$ -	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement)	$ 481,320	22	$ -	$ -	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement) (Vestibule)	$ 15,015	22	$ -	$ -	$ -	$ -	$ -
	Lobby Renovations	$ 23,130	23	$ -	$ -	$ -	$ -	$ -
	Sanitary Piping Riser Renovations	$ 2,000	18	$ -	$ -	$ -	$ -	$ -
Pool & Beach Access Area								
	Deck Coating	$ 9,440	5	$ -	$ -	$ -	$ -	$ 10,785
	Deck Coating	$ 9,440	12	$ -	$ -	$ -	$ -	$ -
	Deck Coating	$ 9,440	19	$ -	$ -	$ -	$ -	$ -
	Pool Mechanical	$ 7,500	3	$ -	$ -	$ 8,124	$ -	$ -
	Pool (Refinish)	$ 4,000	3	$ -	$ -	$ 4,333	$ -	$ -
	Pool (Refinish)(7 Year Recoat)	$ 4,000	10	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)(14 Year Recoat)	$ 3,500	17	$ -	$ -	$ -	$ -	$ -
	Vinyl Rail	$ 1,800	13	$ -	$ -	$ -	$ -	$ -
	Pool Access Stair Framing	$ 5,250	13	$ -	$ -	$ -	$ -	$ -
	Pool 5ft Composite Privacy Fence	$ 5,300	13	$ -	$ -	$ -	$ -	$ -
	Alum. Flagpole	$ 400	25	$ -	$ -	$ -	$ -	$ -
	Boardwalk	$ 3,200	13	$ -	$ -	$ -	$ -	$ -
	6x8 PT Timber Retaining Wall (Pool Area)	$ 2,240	23	$ -	$ -	$ -	$ -	$ -
	Pool Deck Slab	$ 12,744	16	$ -	$ -	$ -	$ -	$ -
	Starting Balance	$ 628,187		$ 628,187	$ 624,318	$ 531,879	$ 399,070	$ 311,588
	Annual Deposit	$ 93,000		$ 93,000	$ 93,000	$ 93,000	$ 93,000	$ 93,000
	Expenditures			$ 115,714	$ 204,169	$ 241,765	$ 192,454	$ 31,599
	Estimated interest @ 3.0%			$ 18,846	$ 18,730	$ 15,956	$ 11,972	$ 9,348
	Ending Balance			$ 624,318	$ 531,879	$ 399,070	$ 311,588	$ 382,336

SCHEDULE OF REPLACEMENTS

Item #	Component	Estimated Current Replacement Cost	Estimated Remaining Useful Life	ESTIMATED FUTURE COSTS BY YEAR @ 2.7% INFLATION				
				6	7	8	9	10
				2029	2030	2031	2032	2033
Site								
	Asphalt Pavement (Surface Overlay)	$ 64,775	2	$ -	$ -	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 7 year)	$ 3,239	9	$ -	$ -	$ -	$ 4,116	$ -
	Asphalt Pavement (Seal Coat 14 year)	$ 3,239	16	$ -	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Parking Level & Ramp)	$ 46,230	20	$ -	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Dumpster/Entrance)	$ 7,380	20	$ -	$ -	$ -	$ -	$ -
	Parking Bumpers	$ 4,703	15	$ -	$ -	$ -	$ -	$ -
	Entrance Sign	$ 1,000	15	$ -	$ -	$ -	$ -	$ -
	CMU Landscape Wall	$ 7,500	15	$ -	$ -	$ -	$ -	$ -
	6x8 PT Timber Retaining Wall	$ 6,900	14	$ -	$ -	$ -	$ -	$ -
	3'-0" Vinyl Fence	$ 4,000	14	$ -	$ -	$ -	$ -	$ -
	Utility Meter Mounting Boards	$ 4,875	23	$ -	$ -	$ -	$ -	$ -
	Wood Soffit (Parking Area under bldg.)	$ 42,200	23	$ -	$ -	$ -	$ -	$ -
	Pipe Bollards	$ 600	27	$ -	$ -	$ -	$ -	$ -
	Masonry Landscaping Bed/Retaining Wall	$ 20,250	27	$ -	$ -	$ -	$ -	$ -
	Trash Dumpster	$ 2,500	11	$ -	$ -	$ -	$ -	$ -
Building								
	(East Façade) EIFS Coating	$ 47,784	1	$ -	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 10 years)	$ 47,784	11	$ -	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 20 years)	$ 47,784	21	$ -	$ -	$ -	$ -	$ -
	(West Façade) EIFS Coating	$ 96,936	3	$ -	$ -	$ -	$ -	$ -
	(WF) EIFS Coating (Recoat 10 years)	$ 96,936	13	$ -	$ -	$ -	$ -	$ -
	(WF) EIFS Coating (Recoat 20 years)	$ 96,936	23	$ -	$ -	$ -	$ -	$ -
	(North Façade) EIFS Coating	$ 9,888	5	$ -	$ -	$ -	$ -	$ -
	(NF) EIFS Coating (Recoat 10 years)	$ 9,888	15	$ -	$ -	$ -	$ -	$ -
	(NF) EIFS Coating (Recoat 20 years)	$ 9,888	25	$ -	$ -	$ -	$ -	$ -
	(South Façade) EIFS Coating	$ 9,888	1	$ -	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 10 years)	$ 9,888	11	$ -	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 20 years)	$ 9,888	21	$ -	$ -	$ -	$ -	$ -
	Aluminum Railings (East side)	$ 114,700	10	$ -	$ -	$ -	$ -	$ 149,716
	Aluminum Railings (West side)	$ 62,000	17	$ -	$ -	$ -	$ -	$ -
	Balcony Coating	$ 128,800	2	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (7 Year Recoat)	$ 69,000	9	$ -	$ -	$ -	$ 87,697	$ -
	Balcony Coating (14 Year Recoat)	$ 69,000	16	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (21 Year Recoat)	$ 69,000	22	$ -	$ -	$ -	$ -	$ -
	Hurricane Doors (Commercial)	$ 65,000	11	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (Including Stairwell)	$ 114,758	3	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (7 Year Recoat)	$ 61,478	7	$ -	$ 74,081	$ -	$ -	$ -
	Walkway Coating (14 Year Recoat)	$ 61,478	14	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (21 Year Recoat)	$ 61,478	21	$ -	$ -	$ -	$ -	$ -
	Steel Galvanized Stair Railings	$ 13,800	6	$ 16,192	$ -	$ -	$ -	$ -
	Metal Roofing	$ 12,040	26	$ -	$ -	$ -	$ -	$ -
	Metal Roofing (Recoat 20 year)	$ 5,160	16	$ -	$ -	$ -	$ -	$ -
	Alum. Storefront (Vestibule)	$ 8,330	5	$ -	$ -	$ -	$ -	$ -
	Exterior Doors	$ 6,250	11	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 1)*	$ 55,000	1	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 2)*	$ 173,000	4	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 3)*	$ 45,000	7	$ -	$ 54,226	$ -	$ -	$ -
	Elevator Maint. (Phase 4)*	$ 103,000	9	$ -	$ -	$ -	$ 130,910	$ -
	Electric Panel Box	$ 48,000	27	$ -	$ -	$ -	$ -	$ -
	PVC Downspout	$ 1,515	21	$ -	$ -	$ -	$ -	$ -
	Fire Distribution	$ 15,000	21	$ -	$ -	$ -	$ -	$ -
	Fire Control	$ 15,000	21	$ -	$ -	$ -	$ -	$ -
	HVAC Unit	$ 5,000	12	$ -	$ -	$ -	$ -	$ -
	Trash Chute	$ 4,950	12	$ -	$ -	$ -	$ -	$ -
	Lighting	$ 6,000	20	$ -	$ -	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement)	$ 481,320	22	$ -	$ -	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement) (Vestibule)	$ 15,015	22	$ -	$ -	$ -	$ -	$ -
	Lobby Renovations	$ 23,130	23	$ -	$ -	$ -	$ -	$ -
	Sanitary Piping Riser Renovations	$ 2,000	18	$ -	$ -	$ -	$ -	$ -
Pool & Beach Access Area								
	Deck Coating	$ 9,440	5	$ -	$ -	$ -	$ -	$ -
	Deck Coating	$ 9,440	12	$ -	$ -	$ -	$ -	$ -
	Deck Coating	$ 9,440	19	$ -	$ -	$ -	$ -	$ -
	Pool Mechanical	$ 7,500	3	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)	$ 4,000	3	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)(7 Year Recoat)	$ 4,000	10	$ -	$ -	$ -	$ -	$ 5,221
	Pool (Refinish)(14 Year Recoat)	$ 3,500	17	$ -	$ -	$ -	$ -	$ -
	Vinyl Rail	$ 1,800	13	$ -	$ -	$ -	$ -	$ -
	Pool Access Stair Framing	$ 5,250	13	$ -	$ -	$ -	$ -	$ -
	Pool 5ft Composite Privacy Fence	$ 5,300	13	$ -	$ -	$ -	$ -	$ -
	Alum. Flagpole	$ 400	25	$ -	$ -	$ -	$ -	$ -
	Boardwalk	$ 3,200	13	$ -	$ -	$ -	$ -	$ -
	6x8 PT Timber Retaining Wall (Pool Area)	$ 2,240	23	$ -	$ -	$ -	$ -	$ -
	Pool Deck Slab	$ 12,744	16	$ -	$ -	$ -	$ -	$ -
	Starting Balance	$ 628,187		$ 382,336	$ 484,564	$ 477,744	$ 599,026	$ 501,225
	Annual Deposit	$ 93,000		$ 106,950	$ 106,950	$ 106,950	$ 106,950	$ 106,950
	Expenditures			$ 16,192	$ 128,307	$ -	$ 222,723	$ 154,937
	Estimated interest @ 3.0%			$ 11,470	$ 14,537	$ 14,332	$ 17,971	$ 15,037
	Ending Balance			$ 484,564	$ 477,744	$ 599,026	$ 501,225	$ 468,274

SCHEDULE OF REPLACEMENTS

Item #	Component	Estimated Current Replacement Cost	Estimated Remaining Useful Life	ESTIMATED FUTURE COSTS BY YEAR @ 2.7% INFLATION 11 2034	12 2035	13 2036	14 2037	15 2038
Site								
	Asphalt Pavement (Surface Overlay)	$ 64,775	2	$ -	$ -	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 7 year)	$ 3,239	9	$ -	$ -	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 14 year)	$ 3,239	16	$ -	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Parking Level & Ramp)	$ 46,230	20	$ -	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Dumpster/Entrance)	$ 7,380	20	$ -	$ -	$ -	$ -	$ -
	Parking Bumpers	$ 4,703	15	$ -	$ -	$ -	$ -	$ 7,013
	Entrance Sign	$ 1,000	15	$ -	$ -	$ -	$ -	$ 1,491
	CMU Landscape Wall	$ 7,500	15	$ -	$ -	$ -	$ -	$ 11,185
	6x8 PT Timber Retaining Wall	$ 6,900	14	$ -	$ -	$ -	$ 10,019	$ -
	3'-0" Vinyl Fence	$ 4,000	14	$ -	$ -	$ -	$ 5,808	$ -
	Utility Meter Mounting Boards	$ 4,875	23	$ -	$ -	$ -	$ -	$ -
	Wood Soffit (Parking Area under bldg.)	$ 42,200	23	$ -	$ -	$ -	$ -	$ -
	Pipe Bollards	$ 600	27	$ -	$ -	$ -	$ -	$ -
	Masonry Landscaping Bed/Retaining Wall	$ 20,250	27	$ -	$ -	$ -	$ -	$ -
	Trash Dumpster	$ 2,500	11	$ 3,351	$ -	$ -	$ -	$ -
Building								
	(East Façade) EIFS Coating	$ 47,784	1	$ -	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 10 years)	$ 47,784	11	$ 64,056	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 20 years)	$ 47,784	21	$ -	$ -	$ -	$ -	$ -
	(West Façade) EIFS Coating	$ 96,936	3	$ -	$ -	$ -	$ -	$ -
	(WF) EIFS Coating (Recoat 10 years)	$ 96,936	13	$ -	$ -	$ 137,057	$ -	$ -
	(WF) EIFS Coating (Recoat 20 years)	$ 96,936	23	$ -	$ -	$ -	$ -	$ -
	(North Façade) EIFS Coating	$ 9,888	5	$ -	$ -	$ -	$ -	$ -
	(NF) EIFS Coating (Recoat 10 years)	$ 9,888	15	$ -	$ -	$ -	$ -	$ 14,746
	(NF) EIFS Coating (Recoat 20 years)	$ 9,888	25	$ -	$ -	$ -	$ -	$ -
	(South Façade) EIFS Coating	$ 9,888	1	$ -	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 10 years)	$ 9,888	11	$ 13,255	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 20 years)	$ 9,888	21	$ -	$ -	$ -	$ -	$ -
	Aluminum Railings (East side)	$ 114,700	10	$ -	$ -	$ -	$ -	$ -
	Aluminum Railings (West side)	$ 62,000	17	$ -	$ -	$ -	$ -	$ -
	Balcony Coating	$ 128,800	2	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (7 Year Recoat)	$ 69,000	9	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (14 Year Recoat)	$ 69,000	16	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (21 Year Recoat)	$ 69,000	22	$ -	$ -	$ -	$ -	$ -
	Hurricane Doors (Commercial)	$ 65,000	11	$ 87,134	$ -	$ -	$ -	$ -
	Walkway Coating (Including Stairwell)	$ 114,758	3	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (7 Year Recoat)	$ 61,478	7	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (14 Year Recoat)	$ 61,478	14	$ -	$ -	$ -	$ 89,269	$ -
	Walkway Coating (21 Year Recoat)	$ 61,478	21	$ -	$ -	$ -	$ -	$ -
	Steel Galvanized Stair Railings	$ 13,800	6	$ -	$ -	$ -	$ -	$ -
	Metal Roofing	$ 12,040	26	$ -	$ -	$ -	$ -	$ -
	Metal Roofing (Recoat 20 year)	$ 5,160	16	$ -	$ -	$ -	$ -	$ -
	Alum. Storefront (Vestibule)	$ 8,330	5	$ -	$ -	$ -	$ -	$ -
	Exterior Doors	$ 6,250	11	$ 8,378	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 1)*	$ 55,000	1	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 2)*	$ 173,000	4	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 3)*	$ 45,000	7	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 4)*	$ 103,000	9	$ -	$ -	$ -	$ -	$ -
	Electric Panel Box	$ 48,000	27	$ -	$ -	$ -	$ -	$ -
	PVC Downspout	$ 1,515	21	$ -	$ -	$ -	$ -	$ -
	Fire Distribution	$ 15,000	21	$ -	$ -	$ -	$ -	$ -
	Fire Control	$ 15,000	21	$ -	$ -	$ -	$ -	$ -
	HVAC Unit	$ 5,000	12	$ -	$ 6,884	$ -	$ -	$ -
	Trash Chute	$ 4,950	12	$ -	$ 6,815	$ -	$ -	$ -
	Lighting	$ 6,000	20	$ -	$ -	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement)	$ 481,320	22	$ -	$ -	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement) (Vestibule)	$ 15,015	22	$ -	$ -	$ -	$ -	$ -
	Lobby Renovations	$ 23,130	23	$ -	$ -	$ -	$ -	$ -
	Sanitary Piping Riser Renovations	$ 2,000	18	$ -	$ -	$ -	$ -	$ -
Pool & Beach Access Area								
	Deck Coating	$ 9,440	5	$ -	$ -	$ -	$ -	$ -
	Deck Coating	$ 9,440	12	$ -	$ 12,996	$ -	$ -	$ -
	Deck Coating	$ 9,440	19	$ -	$ -	$ -	$ -	$ -
	Pool Mechanical	$ 7,500	3	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)	$ 4,000	3	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)(7 Year Recoat)	$ 4,000	10	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)(14 Year Recoat)	$ 3,500	17	$ -	$ -	$ -	$ -	$ -
	Vinyl Rail	$ 1,800	13	$ -	$ -	$ 2,545	$ -	$ -
	Pool Access Stair Framing	$ 5,250	13	$ -	$ -	$ 7,423	$ -	$ -
	Pool 5ft Composite Privacy Fence	$ 5,300	13	$ -	$ -	$ 7,494	$ -	$ -
	Alum. Flagpole	$ 400	25	$ -	$ -	$ -	$ -	$ -
	Boardwalk	$ 3,200	13	$ -	$ -	$ 4,524	$ -	$ -
	6x8 PT Timber Retaining Wall (Pool Area)	$ 2,240	23	$ -	$ -	$ -	$ -	$ -
	Pool Deck Slab	$ 12,744	16	$ -	$ -	$ -	$ -	$ -
	Starting Balance	$ 628,187		$ 468,274	$ 429,141	$ 538,313	$ 518,412	$ 551,860
	Annual Deposit	$ 93,000		$ 122,993	$ 122,993	$ 122,993	$ 122,993	$ 122,993
	Expenditures			$ 176,174	$ 26,695	$ 159,043	$ 105,097	$ 34,434
	Estimated interest @ 3.0%			$ 14,048	$ 12,874	$ 16,149	$ 15,552	$ 16,556
	Ending Balance			$ 429,141	$ 538,313	$ 518,412	$ 551,860	$ 656,974

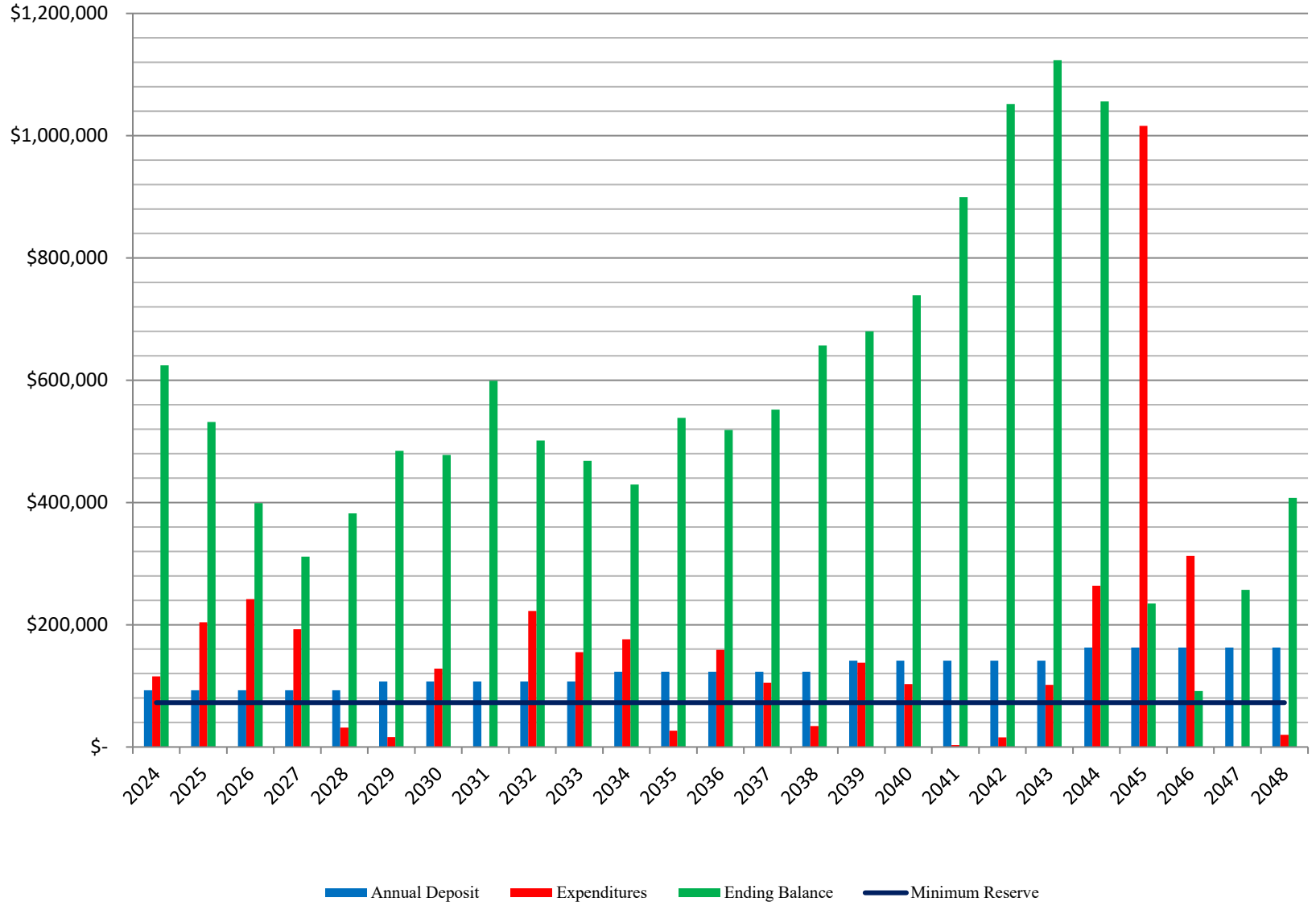
SCHEDULE OF REPLACEMENTS

Item #	Component	Estimated Current Replacement Cost	Estimated Remaining Useful Life	ESTIMATED FUTURE COSTS BY YEAR @ 2.7% INFLATION 16 2039	17 2040	18 2041	19 2042	20 2043
Site								
	Asphalt Pavement (Surface Overlay)	$ 64,775	2	$ -	$ -	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 7 year)	$ 3,239	9	$ -	$ -	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 14 year)	$ 3,239	16	$ 4,960	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Parking Level & Ramp)	$ 46,230	20	$ -	$ -	$ -	$ -	$ 78,765
	Concrete Pad Repairs (Dumpster/Entrance)	$ 7,380	20	$ -	$ -	$ -	$ -	$ 12,574
	Parking Bumpers	$ 4,703	15	$ -	$ -	$ -	$ -	$ -
	Entrance Sign	$ 1,000	15	$ -	$ -	$ -	$ -	$ -
	CMU Landscape Wall	$ 7,500	15	$ -	$ -	$ -	$ -	$ -
	6x8 PT Timber Retaining Wall	$ 6,900	14	$ -	$ -	$ -	$ -	$ -
	3'-0" Vinyl Fence	$ 4,000	14	$ -	$ -	$ -	$ -	$ -
	Utility Meter Mounting Boards	$ 4,875	23	$ -	$ -	$ -	$ -	$ -
	Wood Soffit (Parking Area under bldg.)	$ 42,200	23	$ -	$ -	$ -	$ -	$ -
	Pipe Bollards	$ 600	27	$ -	$ -	$ -	$ -	$ -
	Masonry Landscaping Bed/Retaining Wall	$ 20,250	27	$ -	$ -	$ -	$ -	$ -
	Trash Dumpster	$ 2,500	11	$ -	$ -	$ -	$ -	$ -
Building								
	(East Façade) EIFS Coating	$ 47,784	1	$ -	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 10 years)	$ 47,784	11	$ -	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 20 years)	$ 47,784	21	$ -	$ -	$ -	$ -	$ -
	(West Façade) EIFS Coating	$ 96,936	3	$ -	$ -	$ -	$ -	$ -
	(WF) EIFS Coating (Recoat 10 years)	$ 96,936	13	$ -	$ -	$ -	$ -	$ -
	(WF) EIFS Coating (Recoat 20 years)	$ 96,936	23	$ -	$ -	$ -	$ -	$ -
	(North Façade) EIFS Coating	$ 9,888	5	$ -	$ -	$ -	$ -	$ -
	(NF) EIFS Coating (Recoat 10 years)	$ 9,888	15	$ -	$ -	$ -	$ -	$ -
	(NF) EIFS Coating (Recoat 20 years)	$ 9,888	25	$ -	$ -	$ -	$ -	$ -
	(South Façade) EIFS Coating	$ 9,888	1	$ -	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 10 years)	$ 9,888	11	$ -	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 20 years)	$ 9,888	21	$ -	$ -	$ -	$ -	$ -
	Aluminum Railings (East side)	$ 114,700	10	$ -	$ -	$ -	$ -	$ -
	Aluminum Railings (West side)	$ 62,000	17	$ -	$ 97,519	$ -	$ -	$ -
	Balcony Coating	$ 128,800	2	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (7 Year Recoat)	$ 69,000	9	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (14 Year Recoat)	$ 69,000	16	$ 105,676	$ -	$ -	$ -	$ -
	Balcony Coating (21 Year Recoat)	$ 69,000	22	$ -	$ -	$ -	$ -	$ -
	Hurricane Doors (Commercial)	$ 65,000	11	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (Including Stairwell)	$ 114,758	3	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (7 Year Recoat)	$ 61,478	7	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (14 Year Recoat)	$ 61,478	14	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (21 Year Recoat)	$ 61,478	21	$ -	$ -	$ -	$ -	$ -
	Steel Galvanized Stair Railings	$ 13,800	6	$ -	$ -	$ -	$ -	$ -
	Metal Roofing	$ 12,040	26	$ -	$ -	$ -	$ -	$ -
	Metal Roofing (Recoat 20 year)	$ 5,160	16	$ 7,903	$ -	$ -	$ -	$ -
	Alum. Storefront (Vestibule)	$ 8,330	5	$ -	$ -	$ -	$ -	$ -
	Exterior Doors	$ 6,250	11	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 1)*	$ 55,000	1	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 2)*	$ 173,000	4	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 3)*	$ 45,000	7	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 4)*	$ 103,000	9	$ -	$ -	$ -	$ -	$ -
	Electric Panel Box	$ 48,000	27	$ -	$ -	$ -	$ -	$ -
	PVC Downspout	$ 1,515	21	$ -	$ -	$ -	$ -	$ -
	Fire Distribution	$ 15,000	21	$ -	$ -	$ -	$ -	$ -
	Fire Control	$ 15,000	21	$ -	$ -	$ -	$ -	$ -
	HVAC Unit	$ 5,000	12	$ -	$ -	$ -	$ -	$ -
	Trash Chute	$ 4,950	12	$ -	$ -	$ -	$ -	$ -
	Lighting	$ 6,000	20	$ -	$ -	$ -	$ -	$ 10,223
	Flat Roof - (Membrane Replacement)	$ 481,320	22	$ -	$ -	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement) (Vestibule)	$ 15,015	22	$ -	$ -	$ -	$ -	$ -
	Lobby Renovations	$ 23,130	23	$ -	$ -	$ -	$ -	$ -
	Sanitary Piping Riser Renovations	$ 2,000	18	$ -	$ -	$ 3,231	$ -	$ -
Pool & Beach Access Area								
	Deck Coating	$ 9,440	5	$ -	$ -	$ -	$ -	$ -
	Deck Coating	$ 9,440	12	$ -	$ -	$ -	$ -	$ -
	Deck Coating	$ 9,440	19	$ -	$ -	$ -	$ 15,661	$ -
	Pool Mechanical	$ 7,500	3	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)	$ 4,000	3	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)(7 Year Recoat)	$ 4,000	10	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)(14 Year Recoat)	$ 3,500	17	$ -	$ 5,505	$ -	$ -	$ -
	Vinyl Rail	$ 1,800	13	$ -	$ -	$ -	$ -	$ -
	Pool Access Stair Framing	$ 5,250	13	$ -	$ -	$ -	$ -	$ -
	Pool 5ft Composite Privacy Fence	$ 5,300	13	$ -	$ -	$ -	$ -	$ -
	Alum. Flagpole	$ 400	25	$ -	$ -	$ -	$ -	$ -
	Boardwalk	$ 3,200	13	$ -	$ -	$ -	$ -	$ -
	6x8 PT Timber Retaining Wall (Pool Area)	$ 2,240	23	$ -	$ -	$ -	$ -	$ -
	Pool Deck Slab	$ 12,744	16	$ 19,518	$ -	$ -	$ -	$ -
	Starting Balance	$ 628,187		$ 656,974	$ 680,068	$ 738,887	$ 899,264	$ 1,052,023
	Annual Deposit	$ 93,000		$ 141,441	$ 141,441	$ 141,441	$ 141,441	$ 141,441
	Expenditures			$ 138,057	$ 103,024	$ 3,231	$ 15,661	$ 101,561
	Estimated interest @ 3.0%			$ 19,709	$ 20,402	$ 22,167	$ 26,978	$ 31,561
	Ending Balance			$ 680,068	$ 738,887	$ 899,264	$ 1,052,023	$ 1,123,464

SCHEDULE OF REPLACEMENTS

Item #	Component	Estimated Current Replacement Cost	Estimated Remaining Useful Life	ESTIMATED FUTURE COSTS BY YEAR @ 2.7% INFLATION 21 2044	22 2045	23 2046	24 2047	25 2048
Site								
	Asphalt Pavement (Surface Overlay)	$ 64,775	2	$ -	$ -	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 7 year)	$ 3,239	9	$ -	$ -	$ -	$ -	$ -
	Asphalt Pavement (Seal Coat 14 year)	$ 3,239	16	$ -	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Parking Level & Ramp)	$ 46,230	20	$ -	$ -	$ -	$ -	$ -
	Concrete Pad Repairs (Dumpster/Entrance)	$ 7,380	20	$ -	$ -	$ -	$ -	$ -
	Parking Bumpers	$ 4,703	15	$ -	$ -	$ -	$ -	$ -
	Entrance Sign	$ 1,000	15	$ -	$ -	$ -	$ -	$ -
	CMU Landscape Wall	$ 7,500	15	$ -	$ -	$ -	$ -	$ -
	6x8 PT Timber Retaining Wall	$ 6,900	14	$ -	$ -	$ -	$ -	$ -
	3'-0" Vinyl Fence	$ 4,000	14	$ -	$ -	$ -	$ -	$ -
	Utility Meter Mounting Boards	$ 4,875	23	$ -	$ -	$ 8,997	$ -	$ -
	Wood Soffit (Parking Area under bldg.)	$ 42,200	23	$ -	$ -	$ 77,881	$ -	$ -
	Pipe Bollards	$ 600	27	$ -	$ -	$ -	$ -	$ -
	Masonry Landscaping Bed/Retaining Wall	$ 20,250	27	$ -	$ -	$ -	$ -	$ -
	Trash Dumpster	$ 2,500	11	$ -	$ -	$ -	$ -	$ -
Building								
	(East Façade) EIFS Coating	$ 47,784	1	$ -	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 10 years)	$ 47,784	11	$ -	$ -	$ -	$ -	$ -
	(EF) EIFS Coating (Recoat 20 years)	$ 47,784	21	$ 83,611	$ -	$ -	$ -	$ -
	(West Façade) EIFS Coating	$ 96,936	3	$ -	$ -	$ -	$ -	$ -
	(WF) EIFS Coating (Recoat 10 years)	$ 96,936	13	$ -	$ -	$ -	$ -	$ -
	(WF) EIFS Coating (Recoat 20 years)	$ 96,936	23	$ -	$ -	$ 178,898	$ -	$ -
	(North Façade) EIFS Coating	$ 9,888	5	$ -	$ -	$ -	$ -	$ -
	(NF) EIFS Coating (Recoat 10 years)	$ 9,888	15	$ -	$ -	$ -	$ -	$ -
	(NF) EIFS Coating (Recoat 20 years)	$ 9,888	25	$ -	$ -	$ -	$ -	$ 19,247
	(South Façade) EIFS Coating	$ 9,888	1	$ -	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 10 years)	$ 9,888	11	$ -	$ -	$ -	$ -	$ -
	(SF) EIFS Coating (Recoat 20 years)	$ 9,888	21	$ 17,302	$ -	$ -	$ -	$ -
	Aluminum Railings (East side)	$ 114,700	10	$ -	$ -	$ -	$ -	$ -
	Aluminum Railings (West side)	$ 62,000	17	$ -	$ -	$ -	$ -	$ -
	Balcony Coating	$ 128,800	2	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (7 Year Recoat)	$ 69,000	9	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (14 Year Recoat)	$ 69,000	16	$ -	$ -	$ -	$ -	$ -
	Balcony Coating (21 Year Recoat)	$ 69,000	22	$ -	$ 123,993	$ -	$ -	$ -
	Hurricane Doors (Commercial)	$ 65,000	11	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (Including Stairwell)	$ 114,758	3	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (7 Year Recoat)	$ 61,478	7	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (14 Year Recoat)	$ 61,478	14	$ -	$ -	$ -	$ -	$ -
	Walkway Coating (21 Year Recoat)	$ 61,478	21	$ 107,571	$ -	$ -	$ -	$ -
	Steel Galvanized Stair Railings	$ 13,800	6	$ -	$ -	$ -	$ -	$ -
	Metal Roofing	$ 12,040	26	$ -	$ -	$ -	$ -	$ -
	Metal Roofing (Recoat 20 year)	$ 5,160	16	$ -	$ -	$ -	$ -	$ -
	Alum. Storefront (Vestibule)	$ 8,330	5	$ -	$ -	$ -	$ -	$ -
	Exterior Doors	$ 6,250	11	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 1)*	$ 55,000	1	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 2)*	$ 173,000	4	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 3)*	$ 45,000	7	$ -	$ -	$ -	$ -	$ -
	Elevator Maint. (Phase 4)*	$ 103,000	9	$ -	$ -	$ -	$ -	$ -
	Electric Panel Box	$ 48,000	27	$ -	$ -	$ -	$ -	$ -
	PVC Downspout	$ 1,515	21	$ 2,651	$ -	$ -	$ -	$ -
	Fire Distribution	$ 15,000	21	$ 26,246	$ -	$ -	$ -	$ -
	Fire Control	$ 15,000	21	$ 26,246	$ -	$ -	$ -	$ -
	HVAC Unit	$ 5,000	12	$ -	$ -	$ -	$ -	$ -
	Trash Chute	$ 4,950	12	$ -	$ -	$ -	$ -	$ -
	Lighting	$ 6,000	20	$ -	$ -	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement)	$ 481,320	22	$ -	$ 864,935	$ -	$ -	$ -
	Flat Roof - (Membrane Replacement) (Vestibule)	$ 15,015	22	$ -	$ 26,982	$ -	$ -	$ -
	Lobby Renovations	$ 23,130	23	$ -	$ -	$ 42,687	$ -	$ -
	Sanitary Piping Riser Renovations	$ 2,000	18	$ -	$ -	$ -	$ -	$ -
Pool & Beach Access Area								
	Deck Coating	$ 9,440	5	$ -	$ -	$ -	$ -	$ -
	Deck Coating	$ 9,440	12	$ -	$ -	$ -	$ -	$ -
	Deck Coating	$ 9,440	19	$ -	$ -	$ -	$ -	$ -
	Pool Mechanical	$ 7,500	3	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)	$ 4,000	3	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)(7 Year Recoat)	$ 4,000	10	$ -	$ -	$ -	$ -	$ -
	Pool (Refinish)(14 Year Recoat)	$ 3,500	17	$ -	$ -	$ -	$ -	$ -
	Vinyl Rail	$ 1,800	13	$ -	$ -	$ -	$ -	$ -
	Pool Access Stair Framing	$ 5,250	13	$ -	$ -	$ -	$ -	$ -
	Pool 5ft Composite Privacy Fence	$ 5,300	13	$ -	$ -	$ -	$ -	$ -
	Alum. Flagpole	$ 400	25	$ -	$ -	$ -	$ -	$ 779
	Boardwalk	$ 3,200	13	$ -	$ -	$ -	$ -	$ -
	6x8 PT Timber Retaining Wall (Pool Area)	$ 2,240	23	$ -	$ -	$ 4,134	$ -	$ -
	Pool Deck Slab	$ 12,744	16	$ -	$ -	$ -	$ -	$ -
	Starting Balance	$ 628,187		$ 1,123,464	$ 1,056,198	$ 234,631	$ 91,730	$ 257,140
	Annual Deposit	$ 93,000		$ 162,658	$ 162,658	$ 162,658	$ 162,658	$ 162,658
	Expenditures			$ 263,627	$ 1,015,911	$ 312,597	$ -	$ 20,026
	Estimated interest @ 3.0%			$ 33,704	$ 31,686	$ 7,039	$ 2,752	$ 7,714
	Ending Balance			$ 1,056,198	$ 234,631	$ 91,730	$ 257,140	$ 407,485

BEACHMARK CONDOMINIUM - RESERVE
25 YEAR CASH FLOW DIAGRAM



SHORT TERM REPAIRS

While most repairs are excluded from a reserve study, during the condition assessment we identified several repairs that affect the long-term integrity of the common elements. These repairs are important to maintain the useful life of the elements and possibly prevent further damage of additional elements. If possible, these repairs should be addressed within the year. We have provided this list for the Client's knowledge, and to assist with financial planning.

Please note, this list of short term repairs is based upon our condition assessment of the common elements and our visual observation without additional investigation. We have provided comments with most repairs, to describe the conditions and if further investigation is recommended.

1. Masonry Landscaping Wall Cap Replacement – CMU block divider wall observations show major damage to the wall cap. Replacement of the cap will prolong the life of the wall in order to prevent future damage of the courses below, due to water infiltration and freeze / thaw. Installation of wall expansion joints and recoating of the wall will help with prolonging the life of wall. We estimate replacement at $10,000.

2. Concrete Repairs – Column cracking at southeast corner at balcony was observed. This is a major support column and should be repaired before future issues arise. We recommend investigation by an Engineer.

3. Elevator Tower Repairs – Elevator roof coping needs to be repaired to prevent future damage to walls. The lintel over the trash enclosure has corrosion and needs to be repaired to prevent future damage.

DEFINITIONS

Adjusted Cash Flow Analysis - The analysis of the cash flow that takes into account the Earned Interest on investments and Estimated Inflation.

Annual Deposit - The amount required on an annual basis to provide the funds necessary for the replacement of Long Term Reserve items. This can be found on the Schedule of Replacements and the Reserve Analysis.

Annual Funding Requirement - The amount required annually to fund the replacement of Reserve Components over the Estimated Useful Life. This does not account for Estimated Inflation or Estimated Interest.

Contingency - Funds available for unexpected expenditures. This amount is similar to the Minimum Recommended Reserve.

Condition Assessment - The task of evaluating the current condition of the item, based on observed or reported characteristics and documented in the Field Report.

Current Funding Requirement - The amount that should currently be in the reserve to cover the replacement cost of a component at the end of its Estimated Useful Life. This does not account for Estimated Interest or Estimated Inflation.

Current Reserve - The amount of reserve reported by the association in the current year. This is reflected as the starting balance at year one in the Schedule of Replacements.

Ending Balance - The projected reserve funds available at the end of the fiscal year.

Expenditures - The current years' estimated cost to maintain, replace, repair, or restore a reserve item to its original functional condition.

Estimated Current Replacement Cost - This is the estimated cost to replace a component at the time of the study and does not account for future inflation.

Estimated Inflation - A number derived by taking the average inflation observed over the relatively recent past, that is applied to the Unit Replacement Cost, to provide an estimated cost to replace a component in a future year. This is reflected in the Estimated Future Costs by Year in the Schedule of Replacements.

Estimated Interest - A number provided by the association used in the Adjusted Cash Flow Analysis to account for the interest earned annually on investments. The Estimated Interest is computed using the previous year's Ending Balance.

Estimated Remaining Useful Life - The number of years an item is estimated to continue to serve its intended function. This number is primarily based on the difference in the item's estimated useful life and the item's age. In some cases, the number of years has been modified based on factors such as; climate, maintenance, and initial quality of construction. This number is determined by the person performing the reserve study.

Estimated Useful Life - The average number of years that a new item is estimated to serve its intended function properly until it should be replaced. This number is based on industry standards and manufacturer warranties. The estimated useful life assumes an item is constructed properly and is properly maintained. In some cases, the number of years an item is deemed "useful" has been increased or decreased, based on factors such as, climate and usage.

Funding Plan - A plan to provide income to the reserve fund to offset anticipated expenditures from that fund. The following represent the basic methodologies used to fund reserves:

- **Cash-Flow Method -** A method of developing a reserve funding plan, 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 where the total contribution is based on the sum of contributions for individual items.

Inventory of Components - The list of reserve items and the accompanying quantities. This list can be compiled through on-site visual observations, review of association design and organizational documents, review of established association precedents, and discussion with appropriate association representatives. Means for determining reserve items and quantities range based on available resources, type of item, and Level of Service.

Minimum Recommended Reserve - This is the determined minimum available funds the reserve is not allowed to drop below. This number is based on a percentage of the sum of the Estimated Current Replacement Costs, based on age and condition of individual items. This is similar to the Contingency.

Reserve Component - An individual entry in the reserve study. These are the components that form the basis of the study. Components are generally items that are the responsibility of the association, have a limited and quantifiable Estimated Useful Life, and have an associated replacement cost great enough to not be considered Short-Term Repairs.

Reserve Item (or Component) - The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- Association Responsibility
- With Limited Useful Life Expectancies
- Predictable Remaining Life Expectancies
- Above a Minimum Threshold Cost
- As Required by Local Codes

Short-Term Repair Item - An item that was noted during the study that does not qualify as a Reserve Component, however, should be addressed. These items can include repairs to Reserve Components that will extend their useful life, that is not part of the normal maintenance, or can be non-reserve items that have failed for various reasons.

Starting Balance - The current or projected reserve funds available at the start of the fiscal year.

Unit Replacement Cost - The estimated cost associated with the total replacement of Reserve Component.

PHOTOGRAPHS

Photograph #1: Beachmark Condominium

Photograph #2: Parking Area Asphalt

Photograph #3: Parking Area Under Structure

Photograph #4: North Entrance Slab Cracking

Photograph #5: Parking Area Landscaping Wall


Photograph #6: South Entrance Ramp

Photograph #7: Parking Area Landscaping Wall Cap Failure

Photograph #8: Block Retaining Wall Cracking

Photograph #9: Vestibule Aluminum Storefront

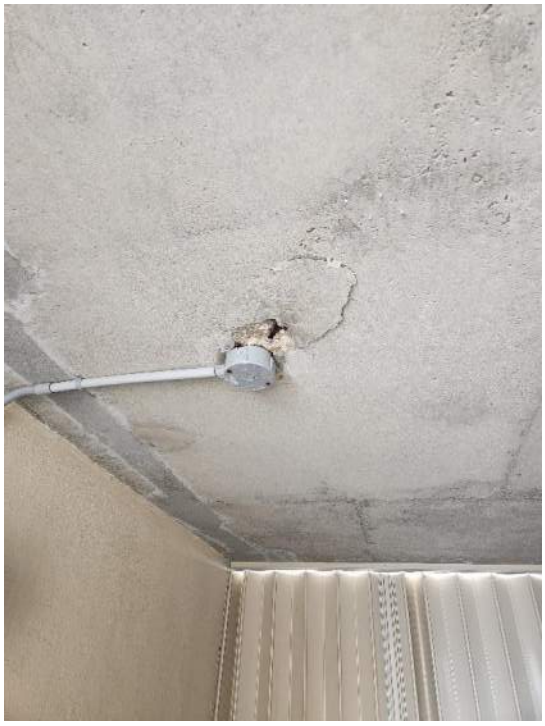
Photograph #10: Stair Railings

Photograph #11: Walkway Soffit Uncoated

Photograph #12: Walkway Railing Coating

Photograph #13: Walkway Railing Coating

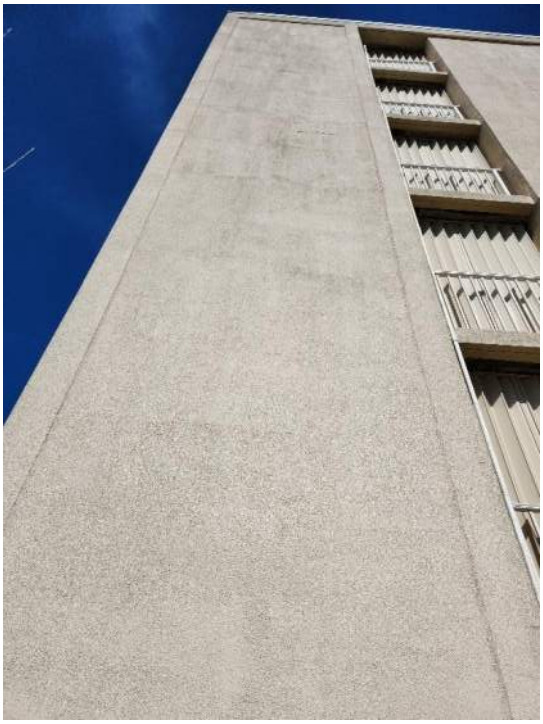
Photograph #14: Walkway Sealant Failure



Photograph #15: Walkway Soffit Spall

Photograph #16: Stair Tower Water Infiltration

Photograph #17: Stair Tower Water Infiltration



Photograph #18: South Façade Stair Tower Water Infiltration

Photograph #19: Southeast Corner at Column Concrete Cracking

Photograph #20: East Façade Coating Failure

Photograph #21: Parking Area Retaining Wall Cracking

Photograph #22: North Façade Water Infiltration

Photograph #23: Pool Access Area

Photograph #24: Elevator Roof Coping Failure

Photograph #25: Elevator Roof Lintel Failure

DELAWARE ELEVATOR
RELIABLE RESPONSIVE RESPECTED

Date: 3/27/2023 Proposal #: MOD0019824

To: Mann Properties & Becker Morgan Group, Inc.

Project Location: Beachmark Condominium – 7301 Atlantic Ave., Ocean City, MD 21842

EQUIPMENT EVALUATION

PROJECT DESCRIPTION & PURPOSE

This report evaluates the condition of the existing elevator system located at BEACHMARK CONDOMINIUM, 7301 Atlantic Avenue, Ocean City, Maryland 21842 and provides comprehensive elevator modernization analysis and recommendations for the Beachmark Condominium Association's consideration. The Delaware Elevator Modernization design team reviewed the elevator for consideration of elevator modernization options focusing on the life span of the existing equipment.

EQUIPMENT OVERVIEW

The original equipment was installed when the building was constructed in the late 1960's. The elevator has had many renovations performed over the years. The renovations consisted of the following: controller, wiring and fixtures (2000); power unit and hydraulic cylinder (2002); cab interior refurbishment (2003); replaced cab door panel and cab door equipment (2022). The following outlines the unit:

Controller:	Virginia Controls
Fixtures:	GAL
Power Unit:	Submersible Unit
Door Equipment:	GAL Manufacturing Corp.
Door Operator:	GAL MOVFR
Cylinder:	In-ground

EQUIPMENT CHARACTERISTICS

Capacity:	2000 lbs.
Speed:	150 fpm
Classification:	Passenger
Identification:	WO-1049
Inspection:	3-3-22 (Passed)
Type:	In-Ground Hydraulic

ESTIMATED TIME-LINE OF THE EXISTING EQUIPMENT

The average elevator has a life expectancy of 20 to 25 years. However, there are several factors that can contribute to how long an elevator will last, from the type of model to the maintenance schedule.

As the Elevator ages, the efficiency of the Elevator will decrease while the frequency of service calls increase. Eventually, it will reach a point where it is more cost effective to replace or modernize the Elevator than to continue repairing and running it.

Below are the top factors that should be taken into consideration when determining how long your Elevator will last before it needs to be replaced or upgraded.

Quality & Frequency of Maintenance

Maintenance is the top contributing factor that affects how long an Elevator will last. In fact, poor maintenance can drastically reduce the expected lifetime of an Elevator. This is because during a routine service your Elevator technician will inspect all the working parts of the Elevator for damage or wear. Regular servicing of your Elevator ensures that any problems are identified and addressed early before they can cause more damage and potentially a breakdown.

Frequency of Use

How often the elevator is used can also impact the lifespan of the Elevator. The more often an Elevator is used, the more quickly parts will become worn and require replacing. Conversely, an Elevator that is not often used may last a lot long.

Improper Use

Another factor that can significantly impact the lifetime of your elevator is improper use & vandalism.

Environmental Factors

There are also several environmental factors that can affect the lifetime of the elevator, particularly for Elevators that have been externally installed. This is because exposure to weather and salt water can cause corrosion which can damage Elevator components. This is typically only a factor for Elevators installed in coastal areas. The existing Elevator is by the Ocean and is not enclosed for protection of the environmental elements – mainly salt air. The unit does from time to time receive water damage and can have issues with wind. Improvements / Repairs have been made to the bottom floor door closer to improve the situation of wind holding the bottom floor door open and not allowing it to close.

ESTIMATED TIME-LINE CHART FOR BEACHMARK

Priority Legend:

- High Priority (Elevator Mod. Recommended Within 2 Years)
- Medium Priority (Elevator Mod. Recommended Within 4 Years)
- Low Priority (Elevator Mod. Recommended Within 5 Years)

Major Products	Priority	Average Life Expectancy	Current Years in Service	Estimated Remaining Life Based on Existing Condition	Estimated Cost at Time of Estimated Replacement
Controller		25 Years	23+ Years	2-4 Years	$65,000
Power Unit		10-15 Years	21+ Years (New Motor 2011)	5+ Years	$45,000
Fixtures		15 Years	23+ Years	2-4 Years	$45,000
Cab Door Equip.		8-10 Years	1+ Years	10+ Years	$35,000
Hoistway Door Equip.		8-10 Years	21+ Years	0-2 Years	$55,000
Sling, Platform, Cab Structure		40 - 45 Years	50+ Years	2-4 Years	$38,000
Cab Interior		10-15 Years	20+ Years	2-4 Years	$25,000
Cylinder		20 Years	21+ Years	5+ Years	$68,000

SYNOPSIS & MODEENIZATION RECOMMENDATIONS

The Elevator overall is in moderate condition and has been maintained well. We would recommend a complete modernization of the elevator within the next 5-10 years to address reliability, performance, and obsolescence issues as this equipment reaches the end of its net useful life. The recommendations for the components that will need to be upgraded include the following:

The following items we are recommending for replacement:

- **Controller:** 10% of the calls to our Service Department have been due to issues with the existing controller. The existing controller is approaching 23+ years, maintaining aging equipment can require constant attention and should be considered for replacement with the fixtures in the **2025-2026 off season.**
- **Power Unit:** 10% of the calls to our Service Department have been due to issues with the existing pumping unit. The pumping unit is an integral component found in hydraulic elevators. It serves two critical purposes: it pushes the hydraulic cylinder up and enables the oil to return to the elevator's tank as the car travels down. The existing submersible pumping unit is approaching 21+ years, which exceeds its net useful life. The motor was replaced in 2011 which will help extend it but should be considered for replacement in the **2027-2028 off season.**
- **Hydraulic Cylinder:** The cylinder goes down into the ground as high as the building rises (an estimated 50ft). Many times (especially at the beach) the cylinder will create electrolysis on the side of the jack where the rising tides stop. When decay occurs, it will finally begin with a small hole and the elevator will lose hydraulic fluid. Our monthly maintenance always monitors this and will notify you if the unit requires the addition of fluid more than the code allows. We recommend the hydraulic cylinder be considered for replacement in the **2029-2030 off season.**
- **Fixtures & Wiring:** 20% of the calls to our Service Department have been due to issues with the existing fixtures. The fixtures are outdated and are approaching 23+ years which exceeds their net useful life and should be considered for replacement with the elevator controller in the **2025-2026 off season.**
- **Door Equipment:** 60% of the calls to our Service Department have been due to door problems. The cab door equipment was replaced in 2022, but the existing hoistway door equipment is 21+ years old and is beyond its useful life. The existing hoistway door equipment is showing signs of corrosion and should be replaced to prevent elevator malfunctions. The building Owners can anticipate increased operational problems in the near future unless pro-active measures are taken to prevent the accumulation of rust on the doors and other hoistway equipment such as limit switches and car top equipment. Once replaced, stricter maintenance guidelines should be imposed to combat the accumulation of rust on the equipment. Due to the environment, enhanced maintenance, such as frequent cleaning and lubricating of the door equipment, is required. The replacement of the hoistway door panels and door equipment should be considered for replacement in the **2023-2024 off season.**

The cost of elevator renovations can be very expensive. To ease the burden of having to pay a lump sum for the entire renovations, we recommend a phased approach as outlined below along with an estimated timeline:

PHASE 1 (To be completed in the 2023/2024 Off Season):

- Remove the existing hoistway door equipment and replace it with new.
- Hoistway Door Panels (Marine Grade 316)
- Hoistway Door Header
- Hoistway Door Track
- Hoistway Door Hangers
- Hoistway Door Rollers
- Hoistway Door Closers
- Hoistway Door Interlocks and Pick Up Rollers Assemblies
- Clean and paint Struts with rust inhibitor paint

PHASE 2 (To be completed in the 2025/2026 Off Season):

Remove the relay logic controller, hoistway wiring, traveling cables, fixtures, and cab. In this phase, there will be building upgrades that will need to be done by the condominium in order for the elevator to pass code. The controller should be replaced with **NON-PROPRIETARY** controls only.

Building upgrades are as follows:

- GFCI Outlets in the machine room and pit
- HVAC in the Machine Room (Recommend this to be done immediately)
- Pit Lights
- Hoistway Interior Lights at each level
- Hoistway Entrance Lighting at each level
- Machine Room Lights
- Main Line Disconnects
- 110V Disconnects
- Fire Alarm

PHASE 3 (To be completed in the 2027/2028 Off Season):

Provide new pumping unit, motor and oil.

PHASE 4 (To be completed in the 2029/2030 Off Season):

- Remove cylinder and replace with new. The new cylinder should be equipped with a baked on extruded coating and placed inside of PVC.
- Install new Pit Steel and Buffers
- Refurbish Rails

Budgeted Cost Estimates and Modernization Planning:

PHASE 1:
$55,000.00 Fifty-Five Thousand Dollars

PHASE 2:
$230,000.00 Two Hundred Thirty Thousand Dollars

*Please note that the Phase 2 estimated pricing also includes all Associated Building Work that will be required to be completed when the controller is upgraded.

PHASE 3:
$45,000.00 Forty-Five Thousand Dollars

PHASE 4:
$68,000.00 Sixty-Eight Thousand Dollars

If you would like to perform any of this work during the upcoming off season, we would have to get started right away. Material lead times are currently 14-16 weeks.

We hope you have found this evaluation helpful for planning purposes and please feel free to contact me if you should have any questions.

Keith A. Mitchell

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