Grand Panama Beach Resort Condominium Association, Inc.

August 1, 2023 • Panama City Beach, FL





Long-term thinking. Everyday commitment.



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

Long-term thinking. Everyday commitment.

Grand Panama Beach Resort Condominium Association, Inc. Panama City Beach, Florida

Dear Board of Directors of Grand Panama Beach Resort Condominium Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Structural Integrity Reserve Study* of Grand Panama Beach Resort Condominium Association, Inc. in Panama City Beach, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 1, 2023.

This *Structural Integrity Reserve Study* exceeds 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 Grand Panama Beach Resort Condominium Association, Inc. plan for a successful future.

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

Respectfully submitted on October 25, 2023 by

Reserve Advisors, LLC

Visual Inspection and Report by: Jennifer L. Berry, RS¹ Review by: Christopher C. DeWall, RS, PRA², Vice President of Product Development



¹ RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

² PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at http://www.apra-usa.com.







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1.RESERVE STUDY EXECUTIVE SUMMARY

Client: Grand Panama Beach Resort Condominium Association, Inc. (Grand Panama Beach Resort) Location: Panama City Beach, Florida Reference: 110761

Property Basics: Grand Panama Beach Resort Condominium Association, Inc. is a condominium style development which consists of 300 units in two buildings. The buildings were built from 2005 to 2007.

Reserve Components Identified:

- 20 Structural Integrity Reserve Components
- 34 General Reserve Components

Inspection Dates: August 1, 2023

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.

- *Structural Integrity*: Our recommended Funding Plan recognizes this threshold funding year in 2043 due to the replacement of the exterior paint finishes and waterproof coatings.
- *General*: Our recommended Funding Plan recognizes this threshold funding year in 2035 due to the replacement of the elevator controls and call buttons.

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

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

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 Concrete repairs and waterproof coatings at the breezeways
- Structural Integrity Paint finishes at the skywalk
- Structural Integrity Replacement of the common metal doors
- Structural Integrity Replacement of the life safety system components
- Structural Integrity Capital repairs to the plaza deck
- General Partial replacements of the traffic coating
- General Replacement of the pool furniture
- General Interior renovations
- General Replacement of the elevator cab finishes
- General Replacement of the split systems



Unaudited Cash Status of Reserve Fund:

- \$2,189,036 as of April 30, 2023
- \$360,000 in budgeted 2023 reserve contributions (\$240,000 remaining)
- \$600,000 contribution to 2023 year-end reserve balance as provided by the Board
- \$69,850 in estimated remaining 2023 reserve expenses
- We project a 2023 Reserve End Balance of \$2,989,486.

As part of our Cash Flow method we analyzed future expenditures and identified the reserve balance split to produce the lowest overall required contributions. Starting in 2024, we recommend the Association contribute \$777,266 or 26% of this balance to the Structural Integrity Reserve Plan and \$2,212,220, or 74% to the General Reserve Plan to minimize the required reserve contributions. The following chart depicts the analysis of future expenditures and the reserve balance split to produce the lowest overall required contributions.



Starting Cash Flow - Optimized Reserve Balance Split

Structural Contributions

General Contributions

• Recommended Contributions

Cash Flow - Existin	ig Reserve Ba	lance and Contr	ibution Split		
Grand Panama Beach Resort				Plan Type	S
Condominium Association, Inc.				Structural	General
Panama City Beach, Florida		FY2023		2024	2024
Reserves at Beginning of Year	(Note 1)	2,189,036		777,266 📂	2,212,220
Recommended Reserve Contributions		240,000		644,300	109,900
Additional Reserve Contributions		600,000	26%		
Additional Assessment			74% ——		
Total Recommended Reserve Contributions	(Note 2)	840,000		644,300	109,900
Anticipated Interest Rate		2.00%			
Estimated Interest Earned, During Year	(Note 3)	30,300			
Anticipated Structural Expenditures, By Year		0			
Anticipated General Expenditures, By Year		(69,850)			
Anticipated Reserves at Year End	-	<u>\$2,989,486</u>			

Page 1.2 - Executive Summary



Structural Integrity

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

- Increase to \$644,300 in 2024
- Inflationary increases thereafter through 2053, the limit of this study's Cash Flow Analysis
- 2024 contribution of \$644,300 is equivalent to an average monthly contribution of \$178.97 per unit owner
- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2024	644,300	1,443,554	2034	908,900	3,309,639	2044	1,282,200	1,956,044
2025	666,900	1,123,509	2035	940,700	1,698,713	2045	1,327,100	3,205,419
2026	690,200	1,843,081	2036	973,600	2,716,023	2046	1,373,500	4,656,762
2027	714,400	2,354,852	2037	1,007,700	3,788,120	2047	1,421,600	6,185,713
2028	739,400	2,777,239	2038	1,043,000	4,917,312	2048	1,471,400	7,795,541
2029	765,300	3,178,458	2039	1,079,500	6,105,953	2049	1,522,900	7,191,968
2030	792,100	3,831,771	2040	1,117,300	5,136,191	2050	1,576,200	7,507,574
2031	819,800	4,599,150	2041	1,156,400	4,470,687	2051	1,631,400	9,305,439
2032	848,500	5,513,705	2042	1,196,900	5,507,613	2052	1,688,500	11,128,458
2033	878,200	2,344,755	2043	1,238,800	1,139,416	2053	1,747,600	6,990,789

Recommended Reserve Funding Table and Graph





<u>General</u>

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

- Increase to \$109,900 in 2024
- Inflationary increases thereafter through 2053, the limit of this study's Cash Flow Analysis
- 2024 contribution of \$109,900 is equivalent to an average monthly contribution of \$30.53 per unit owner

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2024	109,900	2,291,806	2034	155,000	2,534,448	2044	218,500	723,336
2025	113,700	2,231,373	2035	160,400	356,175	2045	226,100	720,742
2026	117,700	2,365,762	2036	166,000	485,940	2046	234,000	940,302
2027	121,800	2,450,752	2037	171,800	369,110	2047	242,200	956,083
2028	126,100	2,532,962	2038	177,800	498,962	2048	250,700	1,160,386
2029	130,500	2,381,478	2039	184,000	224,161	2049	259,500	935,900
2030	135,100	2,565,559	2040	190,400	343,912	2050	268,600	244,061
2031	139,800	2,542,313	2041	197,100	449,023	2051	278,000	160,328
2032	144,700	2,266,028	2042	204,000	554,530	2052	287,700	92,838
2033	149,800	2,462,647	2043	211,100	658,984	2053	297,800	141,044







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

Grand Panama Beach Resort Condominium Association, Inc.

Panama City Beach, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 1, 2023.

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 Unit Owners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management and the Board. These classes of property include:

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

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. 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:

- Grand Panama Beach Resort 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 Grand Panama Beach Resort. 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 30year 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 and Plumbing Pipes We anticipate a useful life of up to and beyond 80 years. Our inspection is visual, non-invasive and excludes camera inspections. Based on the current condition, we do not anticipate the need for replacement, repair or maintenance expenditures through reserves within the 30-year scope of this study. Future updates of this Reserve Study may incorporate costs for remediation based on historical data if they become significant enough to require reserve funding.



- Electrical Systems We anticipate a useful life of up to and beyond 80 years. Our inspection is visual, non-invasive and excludes thermoscans. 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.
- Windows and Doors Maintained and replaced by the unit owners

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.

- Electrical Systems, Common
- Foundations
- Pipes, Interior Building, Domestic Water, Sanitary Waste, Vent, Sprinkler and Fire Standpipes, Common
- Pipes, Subsurface Utilities
- Pool Structures
- Railings, Aluminum, Stairwells
- Structural Frames
- Trash Chutes
- 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 Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$10,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Audio System, Speakers
- Catch Basins, Interim Capital Repairs
- Compressors
- Concrete Sidewalks, Partial Replacements
- Duct Cleaning
- Dune Walkover, Wood (At the Request of Management and the Board)
- Exercise Equipment (At the Request of Management and the Board)
- Fence, Chain Link, Separate Garage Structure
- Gutters and Downspouts
- Landscape
- Life Safety System Devices, Interim Replacements
- Light Fixtures, Bollards, Paint Finishes



- Light Fixtures, Building Exteriors (At the Request of Management and the Board)
- Light Fixtures, Garages (At the Request of Management and the Board)
- Motors
- Paint Finishes, Touch Up
- Pool Shower
- Pumps Less Than Five-HP (horsepower)
- Security System (At the Request of Management and the Board)
- Serving Doors, Tiki Bar, Interim Repairs and Replacements
- Signage, Property Identification (At the Request of Management and the Board)
- Signage, Street and Traffic
- Site Furniture
- Stairwells, Finishes and Fixtures
- Storage and Mechanical Areas, Finishes and Fixtures
- Storage Tanks, Water
- Sump Pumps
- Trash Chute Doors, Interim Replacements
- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all of the small diameter valves as a single event.)
- Walls, Stone Veneer, Gate House
- Water Heaters, Common
- Other Repairs normally funded through the Operating Budget

Unit Owner 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 unit:

- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Pipes (Within Units)
- Windows and Doors (Includes Storage Unit Doors)

Others' Responsibility - Items designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Light Poles and Fixtures, Street (Leased)
- Retail Offices, Interiors (Separate Owners)
- Trash Compactors (Leased)



3.RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- 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

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**

Explanatory Notes: 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.

2) FY2023 is Fiscal Year beginning January 1, 2023 and ending December 31, 2023.

Grand Panama Beach Resort Condominium Association, Inc. Panama City Beach, Florida

Line Item	Total Quantity	Per Phase Quantity Units	Reserve Component Inventory	Estimated 1st Year of Event	Lit Ye Useful	fe Analysis <u>,</u> ears Remaining	Unit (2023)	Costs, \$ Per Phase (2023)	Total (2023)	Percentage of Future Expenditures	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028	6 2029	7 2030	8 2031	9 2032	10 2033	11 2034	12 2035	13 2036	14 2037	15 2038
			Exterior Building Elements																							
1.060	44,600	44,600 Square Fe	Balconies, Concrete, Repairs and Waterproof Coating Applications	2033	8 to 12	10	13.00	579,800	579,800	12.1%											817,865					
1.100	8,250	8,250 Linear Fee	Balconies and Breezeways, Railings, Aluminum, Capital Repairs	2033	to 10	10	25.00	206,250	206,250	2.9%											290,936					
1.105	8,250	8,250 Linear Fee	Balconies and Breezeways, Railings, Aluminum, Replacement	2043	to 40	20	124.00	1,023,000	1,023,000	6.9%																
1.160	48,950	48,950 Square Fe	et Breezeways, Concrete, Repairs and Waterproof Coating Applications (Incl. Carpet Removal)	2025	8 to 12	2	19.00	930,050	930,050	21.3%			996,293								1,311,927					
1.180	430	86 Each	Doors, Metal, Common, Phased (Incl. Overhead Doors)	2027	to 25	4 to 8	1,200.00	103,200	516,000	2.1%					118,424	122,569	126,859	131,299	135,895							
1.460	365	365 Squares	Roofs, Metal	2035	to 30	12	3,400.00	1,241,000	1,241,000	6.3%													1,875,236			
1.530	1,700	1,700 Square Fe	et Roofs, Thermoplastic	2041	15 to 20	18	60.00	102,000	102,000	0.6%																
1.621	1	1 Allowance	Skywalk, Metal Components, Paint Finishes	2025	4 to 6	2	15,000.00	15,000	15,000	0.5%			16,068					19,084					22,666			
1.605	1	1 Allowance	Structural Members, Inspection, Milestone	2032	to 10	9	25,000.00	25,000	25,000	0.5%										34,072						
1.880	503,400	503,400 Square Fe	et Walls, Stucco, Paint Finishes and Capital Repairs	2033	8 to 10	10	2.40	1,208,160	1,208,160	25.3%											1,704,229					
1.955	13,700	13,700 Square Fe	Waterproof Membrane, Inspection and Capital Repairs, Plaza Deck	2027	15 to 20	4	8.00	109,600	109,600	1.1%					125,769											
1.960	13,700	13,700 Square Fe	Waterproof Membrane, Replacement and Concrete Structure Repairs, Plaza Deck	2040	25 to 35	17	85.00	1,164,500	1,164,500	7.1%																
1.980	3,200	3,200 Square Fe	et Windows and Doors, Aluminum Frames, Common	2050	45 to 55	27	115.00	368,000	368,000	3.1%																
			Building Services Elements																							
3.440	2	2 Each	Generators, Emergency, 400-kW (Incl. Transfer Switches)	2035	to 30	12	210,000.00	420,000	420,000	2.1%													634,649			
3.555	1	1 Allowance	Life Safety System, Control Panels	2028	to 15	5	40,000.00	40,000	40,000	0.4%						47,507										
3.560	1	1 Allowance	Life Safety System, Emergency Devices	2028	to 25	5	166,500.00	166,500	166,500	2.2%						197,750										
3.770	1	1 Each	Pump, Fire Suppression, 125-HP (Incl. Controller and Jockey Pump)	2050	to 50	27	127,000.00	127,000	127,000	1.1%																
			Garage Elements																							
7.300	93,500	93,500 Square Fe	et Concrete, Elevated Floors, Inspections and Capital Repairs	2029	10 to 15	6	2.50	233,750	233,750	2.6%							287,338									
7.360	20,100	600 Square Fe	et Concrete, On-grade (Incl. Driveway), Partial	2029	to 90	6 to 30+	12.00	7,200	241,200	0.1%							8,851									
7.500	113,600	22,720 Square Fe	E Fire Suppression System, Phased	2030	35 to 45	7 to 27	2.00	45,440	227,200	1.4%								57,812					68,663			
			Anticipated Expenditures, By Year (\$29,637,242 over 30 years)								0	0	1,012,361	0	244,193	367,826	423,048	208,195	135,895	34,072	4,124,957	0	2,601,214	0	0	0

Structural Integrity RESERVE EXPENDITURES

Grand Panama Beach Resort

Condominium Association, Inc. Panama City Beach, Florida

				Estimated	l Li	fe Analysis,		Costs, \$		Percentage															
Line Item	Total Quantity	Per Phase Quantity Units	Reserve Component Inventory	1st Year o Event	f <u>Y</u> Useful	ears Remaining	Unit (2023)	Per Phase (2023)	Total (2023)	of Future Expenditures	16 2039	17 2040	18 2041	19 2042	20 2043	21 2044	22 2045	23 2046	24 2047	25 2048	26 2049	27 2050	28 2051	29 2052	30 2053
			Exterior Building Elements																						
1.060	44.600	44.600 Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2033	8 to 12	10	13.00	579.800	579.800	12.1%					1,153,680										1.627.379
1.100	8,250	8.250 Linear Feet	Balconies and Breezeways, Railings, Aluminum, Capital Repairs	2033	to 10	10	25.00	206.250	206.250	2.9%					, ,										578.901
1,105	8.250	8.250 Linear Feet	Balconies and Breezeways, Railings, Aluminum, Replacement	2043	to 40	20	124.00	1.023.000	1.023.000	6.9%					2.035.554										
1 160	48.950	48.950 Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Applications (Incl. Carpet Removal)	2025	8 to 12	2	19.00	930 050	930 050	21.3%			1 727 558		,,						2 274 864				
1.180	430	86 Each	Doors. Metal. Common. Phased (Incl. Overhead Doors)	2027	to 25	- 4 to 8	1.200.00	103.200	516.000	2.1%			1,121,000								2,21 1,001				
1 460	365	365 Squares	Boofs Metal	2035	to 30	12	3 400 00	1 241 000	1 241 000	6.3%															
1 530	1 700	1 700 Square Feet	Roofe Thermonlastic	2000	15 to 20	18	60.00	102 000	102 000	0.6%			189 464												
1 621	1,700	1 Allowance	Skywalk Metal Components Paint Finishes	2025	4 to 6	2	15 000 00	15 000	15 000	0.5%		26 920	103,404				31 973					37 974			
1 605	1	1 Allowance	Structural Members Inspection Milestone	2032	to 10	9	25,000,00	25,000	25,000	0.5%		20,020		48 063			01,010					01,011		67 797	
1 880	503 400	503 400 Square Feet	Walls Stucco Paint Einishes and Canital Renairs	2002	8 to 10	10	2 40	1 208 160	1 208 160	25.3%				10,000	2 403 983									01,101	3 391 056
1.000	13 700	13 700 Square Feet	Waterproof Membrane Inspection and Canital Repairs Plaza Deck	2000	15 to 20	4	8.00	109 600	109 600	1 1%				210 706	2,400,000										0,001,000
1.000	13,700	13,700 Square Feet	Waterproof Membrane, Inspection and Caparate Structure Depairs, Plaza Depk	2027	25 to 25	17	85.00	1 164 500	1 164 500	7 1%		2 080 000		210,700											
1.900	2 200	2 200 Square Feet	Windows and Dasts. Aluminum Frames, Common	2040	25 10 55	17 27	115.00	269.000	269 000	2 40/		2,009,900										021 617			
1.900	3,200	3,200 Square reet	windows and boors, Additing in Frances, common	2050	40 10 00	21	115.00	500,000	300,000	5.170												951,017			
			Building Services Elements																						
3 //0	2	2 Each	Generators Emergency 400-kW (Incl. Transfer Switchee)	2035	to 30	12	210 000 00	420.000	420.000	2 1%															
3.555			Life Safah, Sustam, Control Panolo	2000	to 15	5	40,000,00	40.000	40,000	2.170					70 502										
3 560	1	1 Allowance		2020	to 25	5	166 500 00	40,000	166 500	2.9%					19,992										167 331
2,770	1	1 Anowance	Lite Salety System, Enlegency Devices	2020	10 25	J 07	100,000.00	100,000	100,000	2.2 /0												201 500			407,331
3.770	1	1 Each	Pump, Fire Suppression, 125-FP (Incl. Controller and Jockey Pump)	2050	10 50	21	127,000.00	127,000	127,000	1.1%												321,509			
			Carago Elemente																						
7 300	03 500	02 500 Square East	Concrete Elevated Elears, Inspections and Capital Papairs	2020	10 to 15	6	2.50	223 750	222 750	2.6%						481 302									
7 360	20,100	600 Square Feet	Concrete On-orade (Incl. Driveway). Partial	2023	to 90	6 to 30+	12.00	7 200	241 200	0.1%						1/ 828									
7 500	113 600	22 720 Square Feet	Fire Sunnression System Phased	2029	35 to 45	7 to 27	2.00	45 440	241,200	1.4%		81 550				14,020	96 856					115 034			
1.000	110,000	LE, I ZU Oquare I Get						0,770	221,200																
			Anticipated Expenditures, By Year (\$29,637,242 over 30 years)								0	2,198,370	1,917,022	258,769	5,672,809	496,220	128,829	0	0	0	2,274,864	1,406,134	0	67,797	6,064,667

RESERVE FUNDING PLAN

Structural Integrity

CASH FLOW ANALYSIS Grand Panama Beach Resort

Condominium Association, Inc.			Individual Re	eserve Budget	s & Cash Flo	ws for the Ne	<u>xt 30 Years</u>										
Panama City Beach, Florida		FY2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Reserves at Beginning of Year	(Note 1)	N/A	777,266	1,443,554	1,123,509	1,843,081	2,354,852	2,777,239	3,178,458	3,831,771	4,599,150	5,513,705	2,344,755	3,309,639	1,698,713	2,716,023	3,788,120
Total Recommended Reserve Contributions	(Note 2)	N/A	644,300	666,900	690,200	714,400	739,400	765,300	792,100	819,800	848,500	878,200	908,900	940,700	973,600	1,007,700	1,043,000
Estimated Interest Earned, During Year	(Note 3)	N/A	21,988	25,416	29,372	41,564	50,813	58,967	69,408	83,474	100,127	77,807	55,984	49,588	43,710	64,397	86,192
Anticipated Expenditures, By Year		N/A	0	(1,012,361)	0	(244,193)	(367,826)	(423,048)	(208,195)	(135,895)	(34,072)	(4,124,957)	0	(2,601,214)	0	0	0
Anticipated Reserves at Year End		<u>\$777,266</u>	<u>\$1,443,554</u>	<u>\$1,123,509</u>	<u>\$1,843,081</u>	<u>\$2,354,852</u>	<u>\$2,777,239</u>	<u>\$3,178,458</u>	<u>\$3,831,771</u>	<u>\$4,599,150</u>	<u>\$5,513,705</u>	<u>\$2,344,755</u>	<u>\$3,309,639</u>	<u>\$1,698,713</u>	<u>\$2,716,023</u>	<u>\$3,788,120</u>	<u>\$4,917,312</u>

(continued)	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Reserves at Beginning of Year	4,917,312	6,105,953	5,136,191	4,470,687	5,507,613	1,139,416	1,956,044	3,205,419	4,656,762	6,185,713	7,795,541	7,191,968	7,507,574	9,305,439	11,128,458
Total Recommended Reserve Contributions	1,079,500	1,117,300	1,156,400	1,196,900	1,238,800	1,282,200	1,327,100	1,373,500	1,421,600	1,471,400	1,522,900	1,576,200	1,631,400	1,688,500	1,747,600
Estimated Interest Earned, During Year	109,141	111,308	95,118	98,795	65,812	30,648	51,104	77,843	107,351	138,428	148,391	145,540	166,465	202,316	179,398
Anticipated Expenditures, By Year	0	(2,198,370)	(1,917,022)	(258,769)	(5,672,809)	(496,220)	(128,829)	0	0	0	(2,274,864)	(1,406,134)	0	(67,797)	(6,064,667)
Anticipated Reserves at Year End	<u>\$6,105,953</u>	<u>\$5,136,191</u>	<u>\$4,470,687</u>	<u>\$5,507,613</u>	<u>\$1,139,416</u>	<u>\$1,956,044</u>	<u>\$3,205,419</u>	<u>\$4,656,762</u>	<u>\$6,185,713</u>	<u>\$7,795,541</u>	<u>\$7,191,968</u>	<u>\$7,507,574</u>	<u>\$9,305,439</u>	<u>\$11,128,458</u>	<u>\$6,990,789</u>
					(NOTE 5)										(NOTE 4)

Explanatory Notes:

1) Year 2023 ending reserves are projected as of December 31, 2023 and exclude funds in the General Reserve Funding Plan; FY2023 starts January 1, 2023 and ends December 31, 2023.

Reserve Contributions are budgeted through 2023. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2024 is the first year of recommended contributions.
 2.0% is the estimated annual rate of return on invested reserves; 2023 is a partial year of interest earned.

4) Accumulated year 2053 ending reserves consider the age, size, overall condition and complexity of the property.

5) Threshold Funding Year (reserve balance at critical point).

Structural Integrity **RESERVE EXPENDITURES**

Grand Panama Beach Resort

Condominium Association, Inc.

Panama City Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028
	Exterior Building Elements						
1.160	Breezeways, Concrete, Repairs and Waterproof Coating Applications (Incl. Carpet Removal)			996,293			
1.180	Doors, Metal, Common, Phased (Incl. Overhead Doors)					118,424	122,569
1.621	Skywalk, Metal Components, Paint Finishes			16,068			
1.955	Waterproof Membrane, Inspection and Capital Repairs, Plaza Deck					125,769	
	Building Services Elements						
3.555	Life Safety System, Control Panels						47,507
3.560	Life Safety System, Emergency Devices						197,750
	Anticipated Expenditures, By Year (\$29,637,242 over 30 years)	0	0	1,012,361	0	244,193	367,826

General

RESERVE EXPENDITURES

Explanatory Notes: 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.

2) FY2023 is Fiscal Year beginning January 1, 2023 and ending December 31, 2023.

Grand Panama Beach Resort Condominium Association, Inc. Panama City Beach, Florida

Line Item	Total Quantity	Per Phase Quantity Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful Remaining	Unit (2023)	Costs, \$ Per Phase (2023)	Total (2023) E	Percentage of Future RUL = 0 Expenditures FY2023	1 2024	2 2025	3 2026	4 2027	5 2028	6 2029	7 2030	8 2031	9 2032	10 2033	11 2034	12 2035	13 2036	14 2037	15 2038
			Exterior Building Elements																					
1.020	99) 990 Square Fe	eet Awnings, Aluminum	2037	to 30 14	46.00	45,540	45,540	0.9%														73,715	
1.361		I 1 Allowance	Pergolas, Aluminum	2037	to 30 14	14,000.00	14,000	14,000	0.3%														22,662	
			Interior Building Elements																					
2.100	(6 Each	Elevator Cab Finishes	2025	to 20 2	19,000.00	114,000	114,000	4.3%		122,120													
2.180		1 Allowance	Exercise Room, Renovation, Complete	2037	to 30 14	36,000.00	36,000	36,000	0.7%														58,273	
2.185		1 Allowance	Exercise Room, Renovation, Partial	2025	to 15 2	13,000.00	13,000	13,000	0.2%		13,926													
2.240	3,76) 3,760 Square Fe	et Floor Coverings, Tile, Lobbies (Incl. Breezeway)	2052	to 30 29	15.00	56,400	56,400	1.8%															
2.600		I 1 Allowance	Lobby and Meeting Room, Renovation, Complete	2039	to 30 16	132,000.00	132,000	132,000	2.7%															
2.605		1 Allowance	Lobby and Meeting Room, Renovation, Partial	2026	to 15 3	26,000.00	26,000	26,000	0.3%			28,827												
2.700	1) 10 Each	Mailbox Stations	2037	to 35 14	2,100.00	21,000	21,000	0.4%														33,993	
2.900	:	2 2 Each	Rest Rooms, Renovation, Tiki Bar	2028	to 25 5	18,000.00	36,000	36,000	1.7%					42,757										
			Building Services Elements																					
3.070	9	3 Each	Air Handling and Condensing Units, Split Systems, Phased	2024	10 to 15 1 to 9	9,500.00	28,500	85,500	4.7%	29,497				33,849				38,843				44,573		
3.360		6 Each	Elevators, Traction, Controls and Call Buttons	2035	to 25 12	259,000.00	1,554,000	1,554,000	27.4%												2,348,201			
3.365		6 Each	Elevators, Traction, Hoists and Motors	2050	to 40 27	64,000.00	384,000	384,000	11.4%															
3.700	:	5 3 Each	Pumps, Domestic Water, Phased	2029	to 20 6 to 15	13,500.00	33,750	67,500	2.0%						41,487									56,543
			Property Site Elements																					
4.020	6,65	6,650 Square Ya	ards Asphalt Pavement, Patch, Seal Coat, and Striping	2027	3 to 5 4	1.90	12,635	12,635	1.3%				14,499								19,092			
4.040	6,65) 6,650 Square Ya	ards Asphalt Pavement, Mill and Overlay	2031	15 to 20 8	18.00	119,700	119,700	5.5%								157,622							
4.110	2,70) 410 Linear Fee	et Concrete Curbs and Gutters, Partial	2031	to 65 8 to 30+	48.50	19,885	130,950	0.9%								26,185							
4.200	16) 160 Linear Fee	Et Fence, Aluminum	2031	to 25 8	54.00	8,640	8,640	0.1%								11,377							
4.285	62) 620 Linear Fee	et Fence, Wood	2029	15 to 20 6	42.00	26,040	26,040	1.1%						32,010									
4.745	94) 940 Square Fe	et Retaining Wall, Masonry	2042	to 35 19	60.00	56,400	56,400	1.3%															
			Tower 1 Pool Elements																					
6.200	13,000) 13,000 Square Fe	eet Deck, Pavers (Includes Entrance Areas)	2032	to 25 9	20.00	260,000	260,000	4.1%									354,353						
6.400	46	5 465 Linear Fee	et Fence, Aluminum	2032	to 25 9	48.00	22,320	22,320	0.4%									30,420						
6.500		1 Allowance	Furniture, Ground Level	2025	to 12 2	33,000.00	33,000	33,000	2.8%		35,350									48,179				
6.950	6	61 Each	Light Fixtures, Bollards	2027	to 20 4	1,000.00	61,000	61,000	2.4%				69,999											
6.600	:	5 1 Allowance	Mechanical Equipment, Both Pools, Phased	2025	to 15 2 to 14	14,000.00	14,000	70,000	2.9%		14,997			16,628			18,435			20,440			22,662	
6.800	3,70	3,700 Square Fe	et Pool Finishes, Plaster	2029	8 to 12 6	15.50	57,350	57,350	3.6%						70,498									
6.801	38	5 385 Linear Fee	Pool Finishes, Tile	2029	15 to 25 6	38.00	14,630	14,630	0.6%						17,984									
			Tower 2 Pool Elements																					
6.501		I 1 Allowance	Furniture, Plaza Deck	2025	to 12 2	20,000.00	20,000	20,000	1.2%		21,424												32,374	
6.810	1,47	5 1,475 Square Fe	eet Pool Finishes, Plaster, Plaza Deck	2029	8 to 12 6	15.50	22,863	22,863	1.4%						28,104									
6.811	20) 200 Linear Fee	et Pool Finishes, Tile	2029	15 to 25 6	38.00	7,600	7,600	0.3%						9,342									
			Garage Elements																					
7.301	21,50	21,500 Square Fe	et Concrete, Elevated Floors, Detached Garage, Inspections and Capital Repairs	2029	10 to 15 6	2.50	53,750	53,750	3.7%						66,072									
7.361	25,40	760 Square Fe	et Concrete, On-grade, Detached Garage, Partial	2029	to 90 6 to 30+	12.00	9,120	304,800	0.4%						11,211									

General

RESERVE EXPENDITURES

Grand Panama Beach Resort

Condominium Association, Inc. Panama City Beach, Florida

					Estimated	i L	ife Analysis,		Costs, \$		Percentage								
Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	1st Year o Fvent	of Y Useful	ears Remaining	Unit (2023)	Per Phase (2023)	Total (2023)	of Future Expenditures	16 2039	17 2040	18 2041	19 2042	20 2043	21 2044	22 2045	2
										()									
1 020	990	990 Sa	uare Feet	Exterior Building Elements	2037	to 30	14	46.00	45 540	45 540	0.9%								
1.361	1	1 Allo	owance	Peroolas Aluminum	2037	to 30	14	14 000 00	14 000	14 000	0.3%								
								.,	.,	.,									
				Interior Building Elements															
2.100	6	6 Ea	ch	Elevator Cab Finishes	2025	to 20	2	19,000.00	114,000	114,000	4.3%							242,992	
2.180	1	1 Allo	owance	Exercise Room, Renovation, Complete	2037	to 30	14	36,000.00	36,000	36,000	0.7%								
2.185	1	1 Allo	owance	Exercise Room, Renovation, Partial	2025	to 15	2	13,000.00	13,000	13,000	0.2%								
2.240	3,760	3,760 Squ	uare Feet	Floor Coverings, Tile, Lobbies (Incl. Breezeway)	2052	to 30	29	15.00	56,400	56,400	1.8%								
2.600	1	1 Allo	owance	Lobby and Meeting Room, Renovation, Complete	2039	to 30	16	132,000.00	132,000	132,000	2.7%	228,886							
2.605	1	1 Allo	owance	Lobby and Meeting Room, Renovation, Partial	2026	to 15	3	26,000.00	26,000	26,000	0.3%								
2.700	10	10 Ead	ch	Mailbox Stations	2037	to 35	14	2,100.00	21,000	21,000	0.4%								
2.900	2	2 Ead	ch	Rest Rooms, Renovation, Tiki Bar	2028	to 25	5	18,000.00	36,000	36,000	1.7%								
				Building Services Elements	000/								- / / / 0						
3.070	9	3 Ea	ch	Air Handling and Condensing Units, Split Systems, Phased	2024	10 to 15	1 to 9	9,500.00	28,500	85,500	4.7%		51,148				58,694		
3.360	6	6 Ea	cn	Elevators, Fraction, Controls and Call Buttons	2035	to 25	12	259,000.00	1,554,000	1,554,000	27.4%								
3.365	6	6 Ea	ch	Elevators, Traction, Hoists and Motors	2050	to 40	27	64,000.00	384,000	384,000	11.4%								
3.700	5	3 Ea	cn	Pumps, Domestic Water, Phased	2029	to 20	6 to 15	13,500.00	33,750	67,500	2.0%								
				Property Site Elements															
4.020	6,650	6,650 Sqi	uare Yards	Asphalt Pavement, Patch, Seal Coat, and Striping	2027	3 to 5	4	1.90	12,635	12,635	1.3%	21,909				25,141			
4.040	6,650	6,650 Sqi	uare Yards	Asphalt Pavement, Mill and Overlay	2031	15 to 20	8	18.00	119,700	119,700	5.5%								
4.110	2,700	410 Lin	ear Feet	Concrete Curbs and Gutters, Partial	2031	to 65	8 to 30+	48.50	19,885	130,950	0.9%								
4.200	160	160 Lin	ear Feet	Fence, Aluminum	2031	to 25	8	54.00	8,640	8,640	0.1%								
4.285	620	620 Lin	ear Feet	Fence, Wood	2029	15 to 20	6	42.00	26,040	26,040	1.1%								
4.745	940	940 Sqi	uare Feet	Retaining Wall, Masonry	2042	to 35	19	60.00	56,400	56,400	1.3%				108,429				
				Tower 1 Pool Elements															
6.200	13,000	13,000 Squ	uare Feet	Deck, Pavers (Includes Entrance Areas)	2032	to 25	9	20.00	260,000	260,000	4.1%								
6.400	465	465 Lin	ear Feet	Fence, Aluminum	2032	to 25	9	48.00	22,320	22,320	0.4%								
6.500	1	1 Allo	owance	Furniture, Ground Level	2025	to 12	2	33,000.00	33,000	33,000	2.8%					65,663			
6.950	61	61 Ead	ch	Light Fixtures, Bollards	2027	to 20	4	1,000.00	61,000	61,000	2.4%								
6.600	5	1 Allo	owance	Mechanical Equipment, Both Pools, Phased	2025	to 15	2 to 14	14,000.00	14,000	70,000	2.9%		25,125			27,857			30
6.800	3,700	3,700 Sqi	uare Feet	Pool Finishes, Plaster	2029	8 to 12	6	15.50	57,350	57,350	3.6%	99,444							
6.801	385	385 Lin	ear Feet	Pool Finishes, Tile	2029	15 to 25	6	38.00	14,630	14,630	0.6%								
				Towar 2 Deal Elements															
6 501	1	1 Allo	owance	Furniture Plaza Deck	2025	to 12	2	20 000 00	20 000	20 000	1.2%								
6.810	1.475	1.475 Sa	uare Feet	Pool Finishes. Plaster. Plaza Deck	2029	8 to 12	-	15.50	22,863	22,863	1.4%	39.643							
6.811	200	200 Lin	ear Feet	Pool Finishes, Tile	2029	15 to 25	6	38.00	7,600	7,600	0.3%	00,010							
				Garage Elements															
7.301	21,500	21,500 Sq	uare Feet	Concrete, Elevated Floors, Detached Garage, Inspections and Capital Repairs	2029	10 to 15	6	2.50	53,750	53,750	3.7%			99,840					
7.361	25,400	760 Squ	uare Feet	Concrete, On-grade, Detached Garage, Partial	2029	to 90	6 to 30+	12.00	9,120	304,800	0.4%						18,782		



General **RESERVE EXPENDITURES**

Explanatory Notes: 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.

2) FY2023 is Fiscal Year beginning January 1, 2023 and ending December 31, 2023.

Grand Panama Beach Resort Condominium Association, Inc. Panama City Beach, Florida

				T anama Gity Deach, Tionua																							
					Estimated	i L	ife Analysis,		Costs, \$		Percentage																
Line	Tota	I Per F	Phase		1st Year o	of <u>Y</u>	ears	Unit	Per Phase	Total	of Future	RUL = 0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Item	Quant	ity Qua	ntity Units	Reserve Component Inventory	Event	Useful	Remaining	(2023)	(2023)	(2023)	Expenditures	FY2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
7 460		<u>ີ</u>	1 Allowanaa	Exhaust System Essa, Lauvers and Automation System Discood	2022	to 25	0 to 14	22 000 00	22 000	66.000) 4 4 9/										44.076					E2 /17	
7.400		2	I Allowance	Exhaust System, Fans, Louvers and Automation System, Phased	2032	10 35	91014	33,000.00	33,000	00,000	J 1.170										44,970					55,417	
7.800	35,	100 5	5,850 Square Fee	Traffic Coating, Elevated Floors, Partial	2024	10 to 15	1 to 30+	7.50	43,875	263,250	5.1%		45,411					53,934					64,056				
		1	1 Allowance	2023 Reserve Expenditures	2023	N/A	0	69,850.00	69,850	69,850	0.8%	69,850															
			1 Allowance	Structural Integrity Reserve Study Update with Site Visit	2025	to 2	2	11,100.00	11,100	11,100	0.1%			11,100													
				Anticipated Expenditures, By Year (\$8,556,897 over 30 years)								69,850	74,908	218,917	28,827	84,498	93,234	330,642	0	213,619	468,592	0	132,675	2,367,293	44,573	297,096	56,543

General **RESERVE EXPENDITURES**

Grand Panama Beach Resort Condominium Association, Inc. Panama City Beach, Florida

				Falialita City Beach, Fiolida																						
					Estimate	ł	Life Analysis		Costs, \$		Percentage															
Line	Total F	Per Phase			1st Year of	of	Years	Unit	Per Phase	Total	of Future	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Item	Quantity	Quantity	Units	Reserve Component Inventory	Event	Usefu	I Remaining	(2023)	(2023)	(2023)	Expenditures	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
7.460	2	1 /	Allowance	Exhaust System, Fans, Louvers and Automation System, Phased	2032	to 35	9 to 14	33,000.00	33,000	66,00	0 1.1%															
7.800	35,100	5,850	Square Feet	Traffic Coating, Elevated Floors, Partial	2024	10 to 1	5 1 to 30+	7.50	43,875	263,25	0 5.1%	76,079					90,358					107,316				
	1	1 /	Allowance	2023 Reserve Expenditures	2023	N/A	0	69,850.00	69,850	69,85	0 0.8%															
		1 /	Allowance	Structural Integrity Reserve Study Update with Site Visit	2025	to 2	2	11.100.00	11,100	11.10	0 0.1%															
				Anticipated Expenditures, By Year (\$8,556,897 over 30 years)								465,961	76,273	99,840	108,429	118,661	167,834	242,992	30,886	245,195	67,352	504,741	972,122	365,737	357,697	251,910

RESERVE FUNDING PLAN

General

CASH FL	OW AI	NALYSIS
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Grand	Panama	Beach	Resort

Condominium Association, Inc.			Individual Res	serve Budget	s & Cash Flov	ws for the Nex	xt 30 Years										
Panama City Beach, Florida		FY2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Reserves at Beginning of Year	(Note 1)	N/A	2,212,220	2,291,806	2,231,373	2,365,762	2,450,752	2,532,962	2,381,478	2,565,559	2,542,313	2,266,028	2,462,647	2,534,448	356,175	485,940	369,110
Total Recommended Reserve Contributions	(Note 2)	N/A	109,900	113,700	117,700	121,800	126,100	130,500	135,100	139,800	144,700	149,800	155,000	160,400	166,000	171,800	177,800
Estimated Interest Earned, During Year	(Note 3)	N/A	44,594	44,784	45,516	47,688	49,344	48,658	48,981	50,573	47,607	46,819	49,476	28,620	8,338	8,466	8,595
Anticipated Expenditures, By Year		N/A	(74,908)	(218,917)	(28,827)	(84,498)	(93,234)	(330,642)	0	(213,619)	(468,592)	0	(132,675)	(2,367,293)	(44,573)	(297,096)	(56,543)
Anticipated Reserves at Year End		<u>\$2,212,220</u>	<u>\$2,291,806</u>	<u>\$2,231,373</u>	<u>\$2,365,762</u>	<u>\$2,450,752</u>	<u>\$2,532,962</u>	<u>\$2,381,478</u>	<u>\$2,565,559</u>	<u>\$2,542,313</u>	<u>\$2,266,028</u>	<u>\$2,462,647</u>	<u>\$2,534,448</u>	<u>\$356,175</u>	<u>\$485,940</u>	<u>\$369,110</u>	<u>\$498,962</u>
														(NOTE 5)			

(continued)	Individual Res	serve Budgets	s & Cash Flow	vs for the Nex	t 30 Years, C	ontinued									
	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Reserves at Beginning of Year	498,962	224,161	343,912	449,023	554,530	658,984	723,336	720,742	940,302	956,083	1,160,386	935,900	244,061	160,328	92,838
Total Recommended Reserve Contributions	184,000	190,400	197,100	204,000	211,100	218,500	226,100	234,000	242,200	250,700	259,500	268,600	278,000	287,700	297,800
Estimated Interest Earned, During Year	7,160	5,624	7,851	9,936	12,015	13,686	14,298	16,446	18,776	20,955	20,755	11,683	4,004	2,507	2,316
Anticipated Expenditures, By Year	(465,961)	(76,273)	(99,840)	(108,429)	(118,661)	(167,834)	(242,992)	(30,886)	(245,195)	(67,352)	(504,741)	(972,122)	(365,737)	(357,697)	(251,910)
Anticipated Reserves at Year End	<u>\$224,161</u>	<u>\$343,912</u>	<u>\$449,023</u>	<u>\$554,530</u>	<u>\$658,984</u>	<u>\$723,336</u>	<u>\$720,742</u>	<u>\$940,302</u>	<u>\$956,083</u>	<u>\$1,160,386</u>	<u>\$935,900</u>	<u>\$244,061</u>	<u>\$160,328</u>	<u>\$92,838</u>	<u>\$141,044</u>
															(NOTE 4)

Explanatory Notes:

1) Year 2023 ending reserves are projected as of December 31, 2023 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2023 starts January 1, 2023 and ends December 31, 2023.

Reserve Contributions are budgeted through 2023. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2024 is the first year of recommended contributions.
 2.0% is the estimated annual rate of return on invested reserves; 2023 is a partial year of interest earned.

4) Accumulated year 2053 ending reserves consider the age, size, overall condition and complexity of the property.

5) Threshold Funding Year (reserve balance at critical point).

General RESERVE EXPENDITURES

Grand Panama Beach Resort

Condominium Association, Inc. Panama City Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2023	1 2024	2 2025	3 2026	4 2027	5 2028
	Interior Building Elements						
2.100	Elevator Cab Finishes			122,120			
2.185	Exercise Room, Renovation, Partial			13,926			
2.605	Lobby and Meeting Room, Renovation, Partial				28,827		
2.900	Rest Rooms, Renovation, Tiki Bar						42,757
	Building Services Elements						
3.070	Air Handling and Condensing Units, Split Systems, Phased		29,497				33,849
_	Property Site Elements						
4.020	Asphalt Pavement, Patch, Seal Coat, and Striping					14,499	
	Tower 1 Pool Elements						
6.500	Furniture, Ground Level			35,350			
6.950	Light Fixtures, Bollards					69,999	
6.600	Mechanical Equipment, Both Pools, Phased			14,997			16,628
	Tower 2 Pool Elements						
6.501	Furniture, Plaza Deck			21,424			
	Garage Elements						
7.800	Traffic Coating, Elevated Floors, Partial		45,411				
	2023 Reserve Expenditures	69,850					
	Structural Integrity Reserve Study Update with Site Visit			11,100			
	Anticipated Expenditures, By Year (\$8,556,897 over 30 years)	69,850	74,908	218,917	28,827	84,498	93,234



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



Tower 1 overview

Tower 2 overview



Tower 1 overview

Tower 2 overview



Balconies, Concrete

Line Item: 1.060

Quantity: Approximately 44,600 square feet of horizontal surface area at Tower 1 and Tower 2. The balconies comprise reinforced concrete with a waterproof coating application.

History: Waterproof coating application completed in 2023

Condition: Good overall







Balcony underside



Balcony overview



Balcony overview with tile floor covering







Minor surface stain



Typical drain

Balcony edge with tile floor covering



Balcony overview



Balcony overview

Balcony overview

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating applications every 8- to 12-years.



Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the 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 estimate of cost is based on information provided by Management from the 2023 waterproof coating application. We anticipate the following activities per event:

- Partial depth replacement of up to one percent (1%) of the concrete topsides, edges and undersides
- Crack repairs as necessary
- Repairs to the railings as necessary
- Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)
- Paint application to the undersides

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 unit owners.

Balconies and Breezeways, Railings

Line Items: 1.100 and 1.105

Quantity: Approximately 8,250 linear feet. This quantity includes the railings at the retaining wall at the Tower 1 garage entrance and excludes the railings at the Tower 2 plaza deck. We include replacement of the railings at the Tower 2 plaza deck on Line Item 1.961.

History: Original; Railings were most recently inspected in 2023 with minor, isolated repairs recommended and completed.

Condition: Good to fair overall. We note previous repairs at the embedded posts.





Aluminum railings





Aluminum railings



Concrete damage at railing connection



Previous repair



Previous repairs





Concrete damage at railing connection

Aluminum railings



Aluminum railings

Aluminum railings



Aluminum railings

Aluminum railings





Aluminum railings

Useful Life: Up to 40 years with capital repairs up to every 10 years

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

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

Breezeways, Concrete

Line Item: 1.160

Quantity: Approximately 48,950 square feet at the breezeways. The breezeways comprise reinforced concrete with a waterproof coating application and primarily carpet floor coverings.

History: Management informs us that the Association has replaced the carpet since construction of the property.

Condition: Fair overall with carpet stains, rust at the condensing units and moisture evident. We note carpet at the breezeways. Carpet conceals concrete deterioration, retains water and inhibits drainage. Water trapped by the carpet can result in accelerated concrete deterioration. Therefore, we do not recommend the use of carpet on breezeways surfaces.







Breezeway overview





Breezeway overview



Carpet discoloration at wet areas



Rust and moisture at condensing units atop breezeway carpet



Sand at breezeway carpet







Breezeway overview with tile floor covering at Tower 2

Breezeway overview with tile floor covering at Tower 2

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, waterproof coating applications, and replacement of the carpet every 8- to 12-years.

Component Detail Notes: A waterproof coating application minimizes storm water penetration into the concrete and therefore minimizes future concrete deterioration. *Failure to maintain a waterproof coating on the 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 estimate of cost is based, in part, on the information provided by Management from the 2023 balcony waterproof coating application. We are informed that the Association plans to remove the carpet floor coverings but not replace. We anticipate the following activities per event:

- Removal of the carpet floor coverings
- Partial depth replacement of up to one percent (1%) of the concrete topsides and edges
- Crack repairs as necessary
- Repairs to the railings as necessary
- · Replacement of perimeter sealants as needed
- Application of a waterproof coating (Urethane based elastomeric)

Doors, Metal

Line Item: 1.180



Quantity: Approximately 430 common metal doors, including two metal overhead doors at Tower 2.

History: Original

Condition: Good to fair overall with isolated rust evident



Metal exterior doors

Rust at door frame



Typical metal exterior door

Useful Life: Up to 25 years

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

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


Roofs, Metal

Line Item: 1.460

Quantity: Approximately 365 squares¹. This quantity includes the metal roofs at both Towers 1 and 2, the metal roof at the skywalk, the metal roof at the tiki hut and the metal roofs at the separate garage structure.

History: Primarily original; following the storm in 2018, both main building roofs were repaired and the skywalk roof was replaced.

Condition: Good overall. Management does not report a history of leaks.

Metal roofs at the main buildings



Metal roofs at the main buildings



Metal roof at parking garage



Metal roof at the skywalk

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





Metal roof at the tiki hut

Metal roofs at the main buildings

Useful Life: Up to 30 years

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

- Annually:
 - Record any areas of water infiltration, flashing deterioration, damage or loose fasteners
 - o Implement repairs as needed if issues are reoccurring
 - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
 - Clear valleys of debris
 - Periodic cleaning at areas with organic growth

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, Thermoplastic

Line Item: 1.530

Quantity: Approximately 1,700 square feet at Towers 1 and 2

History: Undergoing replacement in 2023

Condition: Good overall





Thermoplastic roof

Thermoplastic roof

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 ¹/₄ 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 increase 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.

Skywalk

Line Item: 1.621

Quantity: Metal components at the skywalk that comprise approximately 1,600 square feet

History: The age of the paint finishes is unknown.

Condition: Good to fair overall with isolated finish deterioration evident.





Skywalk overview

Skywalk overview



Finish deterioration and minor corrosion

Skywalk overview

Useful Life: Four- to six-years

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

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

Structural Members, Inspections

Line Item: 1.605

Quantity: The primary structural members of the building comprise:

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



Condition: Management 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 503,500 square feet of the building exteriors. This quantity includes the exteriors of both Towers 1 and 2, the tiki bar, the skywalk and the separate garage structure, and the interior lobby areas.

History: Undergoing paint finish application in 2023

Condition: Good overall







Stucco wall finishes

Stucco wall finishes



Stucco wall finishes



Stucco wall finishes



Stucco wall finishes



Stucco wall finishes





Stucco wall finishes

Stucco wall finishes

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

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 Grand Panama Beach Resort:



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 Management from the 2023 paint finish application. We anticipate the following in coordination with each paint finish application:

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

Waterproof Membrane and Concrete Capital Repairs, Plaza Deck

Line Items: 1.955 and 1.960

Quantity: Approximately 13,700 square feet at the Tower 2 plaza deck.

History: Original

Condition: Good overall condition and Management does not report a recent history of water infiltration issues. We note isolated paver discoloration at the planter weep holes and isolated displaced pavers.



Plaza deck overview

Plaza deck overview







Plaza deck overview

Plaza deck overview



Plaza deck railings



Sealant deterioration



Discolored pavers at weep hole

Displaced pavers

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 twenty percent (20%) of the paver decking
- Repairs to the railings
- Replacement of the planter areas as needed
- Replacement of the lighting as needed
- Replacement of the sealants as needed
- 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 plaza deck. Based on our visual inspection, experience with similar construction and knowledge of replacement/capital repair projects of this type, we surmise the plaza deck comprises the following elements:

- Pavers
- Landscape planters
- Railings, Aluminum
- Electrical systems
- Perimeter flashing
- Underlying waterproof membrane atop the structure
- Elevated structural 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.

Windows and Doors, Aluminum Frames, Common

Line Item: 1.980

Quantity: Approximately 3,200 square feet of common windows and doors



History: Original; Management informs us the automatic entrance doors at both towers were recently replaced.

Condition: Good overall



Common windows and doors



Common windows



Common windows and doors



Common windows



Common windows and doors



Useful Life: Up to 40 years

Component Detail Notes: Construction includes the following:

- Aluminum frames
- Single pane glass
- Fixed windows
- Hinged doors

The following schematic depicts the typical components of a window system although it may not reflect the actual configuration at Grand Panama Beach Resort:



Properly designed window and door assemblies anticipate the penetration of some storm water beyond the gaskets. This infiltrated storm water collects in an internal drainage system and drains, or exits, the frames through weep holes. These weep holes can become clogged with dirt or if a sealant is applied, resulting in trapped storm water. However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows and doors will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

The thermal efficiencies of the window and door assemblies are affected by their design and construction components. These components include glazings, thickness of air space between glazings, low-conductivity gas, tinted coatings, low-e coatings and thermal barriers. The Association should thoroughly investigate these component options at the time of replacement. Some manufacturers may include these components as part of the



standard product and other manufacturers may consider these components as options for an additional cost. Grand Panama Beach Resort should review the specifications provided by the manufacturers to understand the thermal design and construction components of the proposed assemblies.

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

- Annually:
 - Inspect and repair loose weather stripping and/or lock damage
 - Inspect for broken glass and damaged screens
 - Record instances of water infiltration, trapped moisture or leaks
- As-needed:
 - Verify weep holes are unobstructed and not blocked with dirt or sealant, if applicable
 - Replace damaged or deteriorated sliding glass rollers, if applicable

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

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

Building Services Elements

Generators, **Emergency**

Line Item: 3.440

Quantity: Two Kohler 400-kW (kilowatt) diesel generators for Towers 1 and 2

History: Original. The building maintenance engineer informs us that the batteries were replaced in 2023.

Condition: Reported satisfactory without operational deficiencies





Generator at Tower 1

Generator at Tower 2



Transfer switch

Rust at Tower 1 generator frame

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
 - o 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. Our estimate of cost includes replacement of the transfer switches. We recognize that the transfer switches may require replacement prior to the replacement of the generator. For purposes of this Reserve Study, we assume coordination of replacement with the generator.

Life Safety System

Line Items: 3.555 and 3.560

Quantity: The life safety system at Grand Panama Beach Resort includes the following components:

- Audio/visual fixtures
- Control panel
- Detectors
- Emergency light fixtures
- Exit light fixtures
- Pull stations
- Voice communication system at the stairwells
- Wiring

History: Original

Conditions: Reported satisfactory without operational deficiencies.





Control panel at Tower 1

Control panel at Tower 2



Secondary panel

Emergency devices



Emergency devices

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

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with NFPA 72



(National Fire Alarm and Signaling Code) we also recommend the Association maintain a maintenance contract with a qualified professional. The display panel read 'System Normal' 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 125-HP electric fire suppression pump

History: Original

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

- The fire suppression pump was last inspected on March 23, 2023.
- The inspection tag color is acceptable
- The Association does not report a history of leaks.





Fire suppression pump

Jockey pump



Fire suppression pump controls

Fire suppression pump



Fire suppression pump controls

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. Grand



Panama Beach Resort 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. 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:
 - o 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.



Garage Elements



Tower 2 garage overview

Detached garage overview

Concrete, Elevated Floors

Line Item: 7.300

Quantity: Approximately 93,500 square feet of elevated concrete floor structures at Towers 1 and 2.

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

- The elevated structural concrete partially utilizes a protective traffic coating. We include for this cost on Line Item 7.800.
- The elevated floors are subject to a salt-air environment, which can accelerate deterioration
- We note no significant evidence of water infiltration between levels
- Topside concrete observations
 - We note minor topside floor cracks throughout the garage
 - Exposed reinforcing steel was observed at isolated locations of the concrete topside floors
- Underside concrete observations
 - We note minor underside cracks throughout the garage
 - Isolated areas of concrete spalls at the undersides were noted
- Column concrete observations
 - · We note isolated areas of column cracks
 - Isolated areas of concrete spalls at the columns were noted
- Wall concrete observations
 - We note isolated areas of wall cracks
 - Isolated areas of concrete spalls at the walls were noted
 - Exposed reinforcing steel was observed at isolated locations of the concrete walls
- Drain observations
 - The drain pipes are primarily PVC



· We note isolated areas of pipe replacements



Elevated garage floor overview at Tower 2



Elevated garage floor overview at Tower 2



Elevated garage floor overview at Tower 2



Concrete cracks



Underside cracks at Tower 2

Underside cracks at Tower 2

Useful Life: Repairs to the various concrete surfaces 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 20,100 square feet of on-grade concrete at Towers 1 and 2.

Condition: Good to fair overall with isolated cracks evident.



On-grade garage floor overview at Tower 2

On-grade garage floor overview at Tower 2





Concrete cracks at Tower 2 on-grade concrete

On-grade garage floor overview at Tower 1



Concrete cracks

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:
 - o 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 three percent (3%), or 600 square feet, of the on-grade concrete
- Crack repairs as needed

Fire Suppression System

Line Item: 7.500

Quantity: Approximately 113,600 square feet of garage area

History: Primarily original; we are informed of a partial replacement in 2022.

Condition: Good overall



Fire suppression system

Fire suppression system

Useful Life: 35- to 45-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, hangers, pipes, fittings and heads
 - Ensure sprinkler heads and pipes are free of ornamentations and coverings
 - Check for pipe corrosion
 - Test system operation



 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.

GENERAL

Exterior Building Elements

Awnings, Aluminum

Line Item: 1.020

Quantity: Approximately 990 square feet of aluminum awnings at Tower 2

History: Original

Condition: Fair overall with finish deterioration evident



Awnings overview

Awnings overview





Finish damage

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

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

Pergolas, Aluminum

Line Item: 1.361

Quantity: Two aluminum pergolas located at the front and rear of Tower 1

History: Original

Condition: Fair overall with finish deterioration and rusted fasteners evident



Pergola



Finish deterioration at pergola





Pergola

Rust stains at pergola fasteners

Useful Life: Up to 30 years with periodic maintenance

Priority/Criticality: Per Board discretion

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

Interior Building Elements

Elevator Cab Finishes

Line Item: 2.100

Quantity: Blank elevator; the cab finishes consist of:

- Floor coverings
- Wall Coverings
- Ceilings

History: Original

Condition: Good overall with no significant deterioration evident.





Elevator cab finishes







Elevator cab finishes

Damage at 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. We recommend the Association funds interim replacement of the carpet floor coverings through the operating budget.

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 (2)
- Televisions



- Treadmills (3)
- •

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

- Benches
- Dumbbells
- Weight training machines (4)

History and Condition:

- Cardiovascular equipment: Original and reported in good condition
- Strength training equipment: Original and reported in good condition



Typical 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.

Exercise Room

Line Items: 2.180 and 2.185

Quantity: The exercise room components include:

- Rubber floor coverings
- Tile floor and wall coverings at the rest rooms
- Paint finishes on the walls and portions of the ceilings
- Acoustical tile ceiling and grid
- Light fixtures

History: Primarily original



Condition: Good to fair overall



Exercise room overview

Minor floor damage



Rest room at exercise room

Useful Life: Complete renovations up to every 30 years with partial renovations up to every 15 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, Lobbies

Line Item: 2.240

Quantity: Approximately 3,760 square feet at the elevator lobbies and one breezeway at Tower 2. This quantity excludes the tile at the main lobby at Tower 2 as we include replacement of this tile on Line Item 2.600.



History: Original

Condition: Good to fair overall with isolated, minor tile damage evident





Typical tile floor covering at Tower 2 elevator lobby

Minor tile damage



Breezeway overview with tile floor covering at Tower 2



Breezeway overview with tile floor covering at Tower 2

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.



Lobby

Line Items: 2.600 and 2.605

Quantity: The lobby components include:

- Tile floor and wall coverings
- Paint finishes on the walls and portions of the ceilings
- Acoustical tile ceiling and grid
- Cabinets and countertops
- Plumbing fixtures
- Drinking fountains
- Furnishings
- Light fixtures

History: Original

Condition: Good to fair overall with finish deterioration evident at the furnishings and floor coverings





Lobby overview

Lobby overview



Meeting room overview



Meeting room overview







Lobby overview





Lobby overview



Lobby overview



Lobby overview



Furnishing deterioration





Rest room overview

Tile crack and stain

Useful Life: Complete renovation up to every 30 years and partial renovation up to every 15 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Application of paint finish to all surfaces
- Replacement of up to fifty percent (50%) of the furnishings

Mailboxes

Line Item: 2.700

Quantity: 10 mailbox stations at Towers 1 and 2

History: Original

Condition: Reported satisfactory overall





Mailboxes

Useful Life: Up to 35 years

Priority/Criticality: Per Board discretion

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

Rest Rooms, Tiki Bar

Line Item: 2.900

Quantity: Two common area rest rooms at the Tiki Bar at Tower 1. The rest room components include:

- Tile floor and wall coverings
- Paint finishes on the walls and ceiling
- Light fixtures
- Plumbing fixtures

History: Original

Condition: Good overall

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.


Building Services Elements

Air Handling and Condensing Units, Split Systems

Line Item: 3.070

Quantity: 9 split systems serve the common areas at Towers 1 and 2

History: Varies; Isolated replacements were completed in in 2020 and 2022.

Condition: Reported satisfactory. We note extensive rust and corrosion at the units in the Tower 2 parking garage.



Split system condensing units

Split system condensing units

Useful Life: 10- to 15-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior air handling unit. Each condensing unit has a cooling capacity ranging from 2- to 12.5-tons. The split systems use R-410A refrigerant.

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

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



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

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

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

Elevators, Traction

Line Items: 3.360 and 3.365

Quantity: Six Otis traction elevators

History:

- Controls and call buttons: Original
- Hoists and motors: Original

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



Traction elevator equipment

Traction elevator equipment





Traction elevator equipment at Tower 1

Useful Life: Up to 25 years for the controls and call buttons and up to 40 years for the hoists and motors. However, the scarcity of parts, and the potential frequency and duration of service interruption makes controls replacement more desirable as the components age.

Component Detail Notes: The elevators utilize programmable logic computer controls

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The Association has a current preventative maintenance contract in place. 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
 - o 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)
 - o Inspect electrical components for signs of overheating or failure
 - Inspect controls
 - Lubricate the hoist cables
 - o Inspect hoist cables and motors for signs of wear or deterioration
 - 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. Management informs us of upcoming 2023 repairs following a recent elevator inspection which includes replacement of the car governors.

Pumps, Domestic Water

Line Item: 3.700

Quantity: Two systems with one control panel each. The system at Tower 1 includes three 15-HP pumps and the system at Tower 2 includes two 15-HP pumps.

History: Varies; one pump was replaced in 2018 and another pump in 2021.

Condition: Reported satisfactory without operational deficiencies



Domestic water pumps



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: 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:
 - o Lubricate pumps, motors and motor bearings
- Annually:
 - o 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 costs include an allowance for replacement of the variable frequency drives (VFD) and controls.

Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.020 and 4.040

Quantity: Approximately 6,650 square yards total of asphalt pavement parking areas at Towers 1 and 2. The pavement utilizes nine catch basins.

History:

- Repaving: Primarily original; additional parking areas were installed in 2023 between the detached parking garage and adjacent apartment buildings.
- Repairs: Primarily original



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



Asphalt pavement parking lot overview



Asphalt pavement parking lot overview



Asphalt pavement parking lot overview



Asphalt pavement parking lot overview



Asphalt pavement parking lot overview



Pavement cracks





Asphalt pavement parking lot overview

Asphalt pavement parking lot overview



Asphalt pavement parking lot overview

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 Grand Panama Beach Resort:





ASPHALT DIAGRAM

Sealcoat or Wearing Surface Asphalt Overlay Not to Exceed 1.5 inch Thickness per Lift or Layer

Original Pavement Inspected and milled until sound pavement is found, usually comprised of two layers

Compacted Crushed Stone or Aggregate Base

Subbase of Undisturbed Native Soils Compacted to 95% dry density

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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 Grand Panama Beach Resort.

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%).

Concrete Curbs and Gutters

Line Item: 4.110

Quantity: Approximately 2,700 linear feet

Condition: Good to fair overall with isolated cracks and spalled concrete evident.



Concrete cracks

Concrete curb and gutter



Concrete cracks

Useful Life: Up to 65 years although interim deterioration of areas is common

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

- Annually:
 - o Inspect and repair major cracks, spalls and trip hazards



- Mark with orange safety paint prior to replacement or repair
- Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 820 linear feet of curbs and gutters, or thirty percent (30.4%) of the total, will require replacement during the next 30 years.

Fence, Aluminum

Line Item: 4.200

Quantity: Approximately 160 linear feet

History: Partially replaced and reinstalled during the removal of the gate house

Condition: Fair overall with finish deterioration evident.



Aluminum fence

Aluminum fence

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

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

- Annually:
 - o Inspect and repair loose fasteners or sections, and damage
 - Repair leaning sections and clear vegetation from fence areas which could cause damage



Priority/Criticality: Per Board discretion

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

Fence, Wood

Line Item: 4.285

Quantity: Approximately 620 linear feet adjacent to the detached parking garage

History: Original

Condition: Fair overall with leaning sections evident.



Wood fence

Fence leaning section



Wood fence

Useful Life: 15- to 20-years



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

- Annually:
 - Inspect and repair loose sections, finish deterioration and damage
 - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration. Along with these partial replacements, the Association should apply periodic paint applications as needed and fund these activities through the operating budget.

Retaining Wall, Masonry

Line Item: 4.745

Quantity: Approximately 940 square feet

History: Original

Condition: Good to fair overall



Masonry retaining walls overview

Masonry retaining walls overview

Useful Life: Up to 35 years

Component Detail Notes: Properly constructed interlocking masonry retaining walls utilize geosynthetic reinforcement and a drainage system to stabilize the wall and prevent the buildup of hydrostatic pressure behind the wall. Water stains may indicate inadequate drainage or blocked drainage from behind the wall. The following schematic depicts the



typical components of a retaining wall system although it may not reflect the actual configuration at Grand Panama Beach Resort:



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

- Annually:
 - o Inspect and repair leaning sections or damaged areas
 - Water stains which may indicate possible blocked drainage should be investigated further
 - o Inspect and repair erosion at the wall base and backside

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.

Tower 1 Pool Elements

Deck, Pavers

Line Item: 6.200

Quantity: Approximately 13,000 square feet of pavers at the Tower 1 pool. This quantity includes the walkways and areas at the entrances to the two towers.



History: Original

Condition: Good to fair overall





Paver pool deck overview

Paver pool deck overview



Paver pool deck overview

Paver walkway



Paver walkways



Useful Life: Up to 25 years

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 significant paver spall
 - o Reset 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 recommend the Association fund interim inspections, partial replacements and repairs through the operating budget.

Fence, Aluminum

Line Item: 6.400

Quantity: Approximately 465 linear feet at the Tower 1 pool.

History: Original

Condition: Good to fair overall with finish deterioration evident



Aluminum pool fence

Aluminum pool fence





Fence finish deterioration

Useful Life: Up to 25 years

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

- Annually:
 - o Inspect and repair loose fasteners or sections, and damage
 - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Not recommended to defer

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

Furniture

Line Item: 6.500

Quantity: The pool furniture includes the following:

- Chairs
- Lounges
- Tables
- Grills
- Trash receptacles
- Ladders and life safety equipment

History: Replaced in 2016.

Condition: Fair to poor overall





Pool furniture

Pool furniture

Useful Life: Up 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. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

Light Poles and Fixtures

Line Item: 4.560

Quantity: 61 bollard light fixtures

History: Original

Condition: Fair overall

Useful Life: Up to 20 years

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

- As-needed:
 - 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.



Mechanical Equipment, Both Pools

Line Item: 6.600

Quantity: The mechanical equipment includes the following:

- Automatic chlorinators and controls
- Electrical panels
- Interconnected pipe, fittings and valves
- Pumps, filters, and heater

History: Varies

Condition: Reported satisfactory overall



Pool mechanical equipment

Pool heater

Useful Life: Up to 15 years

Preventative Maintenance Notes: We recommend the Association maintain a maintenance contract with a qualified professional and follow the manufacturer's specific recommended maintenance and local, state and/or federal inspection guidelines.

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. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to twenty percent (20%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.



Pool Finishes, Plaster and Tile

Line Items: 6.800 and 6.801

Quantity: Approximately 3,700 square feet of plaster based on the horizontal surface area and approximately 385 linear feet of tile. These quantities include the spas.

History:

- Plaster finish: Replaced in 2019.
- Tile: Original

Condition: Good to fair overall



Pool plaster overview



Pool plaster overview



Pool plaster finish with tile perimeter

Spa 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

Tower 2 Pool Elements

Furniture

Line Item: 6.501

Quantity: The pool furniture includes the following:

- Chairs
- Lounges
- Tables
- Grills
- Trash receptacles
- Ladders and life safety equipment

History: Replaced in 2016.

Condition: Fair overall





Furniture damage

Useful Life: Up 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. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

Pool Finishes, Plaster and Tile

Line Items: 6.810 and 6.811

Quantity: Approximately 1,475 square feet of plaster based on the horizontal surface area and approximately 200 linear feet of tile. These quantities include the spa.

History:

- Plaster finish: Replaced in 2019.
- Tile: Original

Condition: Good to fair overall







Pool plaster overview





Pool plaster overview



Spa 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:
 - o Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
 - o 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 and coping 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

Garage Elements

Concrete, Elevated Floors, Detached Garage

Line Item: 7.301

Quantity: Approximately 21,500 square feet of elevated concrete floor structure at the detached garage.

Condition: Good to fair overall with isolated cracks evident. Portions of the elevated structural concrete utilizes a protective traffic coating. We include for this cost on Line Item 7.800.



Elevated garage floor overview at Tower 2

Elevated garage floor overview at Tower 2





Elevated detached garage floor overview

Elevated detached garage floor overview



Concrete cracks and spalls

Useful Life: Repairs to the various concrete surfaces 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: 7.361

Quantity: Approximately 25,400 square feet of on-grade concrete at the detached parking garage.

Condition: Good to fair overall with isolated cracks evident.



On-grade garage floor overview at Tower 2

On-grade garage floor overview at Tower 2



Concrete cracks at Tower 2 on-grade concrete



On-grade garage floor overview





Concrete cracks

On-grade garage floor overview



Concrete cracks

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 three percent (3%), or 600 square feet, of the on-grade concrete
- Crack repairs as needed

Exhaust System

Line Item: 7.460

Quantity: System includes:

- Control panels
- Exhaust fans at Towers 1 and 2
- Louvers at Tower 2

History: Original

Condition: Reported satisfactory. We noted extensive rust and corrosion at expose components in Tower 2.







Exhaust fan



Control panel

Exhaust system



Useful Life: Up to 35 years

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

- Monthly:
 - Check unit for unusual noises and vibrations
- Quarterly:
 - Test carbon monoxide detectors for proper operation
 - o 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. We regard interim repairs or partial replacements of components as normal maintenance.

Traffic Coating

Line Item: 7.800

Quantity: A limited portion of the elevated concrete at the Tower 2 parking garage is coated, primarily at the P2 level and ramps. We estimate approximately 35,100 square feet of coated concrete.

History: Primarily original

Condition: Fair to poor overall





Traffic coating delamination







Traffic coating delamination

Traffic coating delamination

Useful Life: Every 10- to 15-years

Component Detail Notes: In our experience, active periodic maintenance and protection with a traffic coating on elevated concrete structures results in a longer useful life, safer operation and a lower overall life cycle costs. Failure to maintain a traffic coating on elevated floors will result in accelerated concrete deterioration at concrete ceilings below the elevated floors and a higher overall capital investment in the parking structure over time. The most recent coating application was overlaid atop an existing coating. This installation does not provide the opportunity for the underlying concrete structure to be inspected. We recommend the Association plan future coating applications to include complete removal of the existing coating(s).

Moisture-driven chemical reactions are detrimental to the integrity of an elevated structural concrete garage floor. Once it reaches the steel, moisture causes expansive corrosion, ultimately causing the concrete to expand and "pop" or spall. Left unrepaired, additional moisture will continue to infiltrate the concrete, eventually causing structural failure. This type of deterioration is progressive and costly to repair. The utilization of a traffic coating atop the concrete minimizes the infiltration of moisture into the concrete thereby minimizing future capital repairs.



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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Based on discussion with the maintenance engineer and upcoming partial coating replacements, we anticipate replacement of the traffic coating at approximately fifty percent (50%) of the coated areas per event. Expenditures assume:

- Complete inspection of the garage concrete and concrete repairs as described in the previous narratives "Concrete, On-grade" and "Concrete, Elevated Floors"
- Removal of the existing coating and preparation of the concrete surface
- Application of a urethane base coat, intermediate aggregate coating and top coat to the elevated floors
- Parking and directional line striping as needed

2023 Reserve Expenditures

Line Item: Second to last

Component Detail Notes: Grand Panama Beach Resort will expend \$69,850 in reserve expenditures in 2023 for elevator repairs.

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

Reserve Study Update

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

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

Periodic updates incorporate these variable changes since the last Reserve Study or Update. 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.

Grand Panama Beach Resort 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 and exceeds the National standards¹ 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
- Local² 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 Panama City Beach, Florida at an annual inflation rate³. Isolated or regional markets of

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.



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

- The past and current maintenance practices of Grand Panama Beach Resort and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.



6.CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.



JENNIFER L. BERRY, RS Responsible Advisor

CURRENT CLIENT SERVICES

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

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



- **Branch Creek Phase 2A Townhome Association** This townhome community is located in Summerville, South Carolina and comprises 44 residential units in 11 buildings. The townhomes were constructed with fiber cement siding, asphalt shingle roofs, masonry facades, and screen-enclosed patios. The Association also maintains asphalt pavement, sidewalks, driveways, a pond, and a wood pedestrian bridge.
- Turtle Point Villas II Horizontal Property Regime Located in Kiawah Island, South Carolina, this condominium style development consists of 53 units in eight buildings. Built in 1985, these buildings were constructed with wood siding, cedar shakes roofs, wood staircases, wood balconies, and five hydraulic elevators.
- The Hamptons at Northcross Downs Homeowners Association This development in Huntersville, North Carolina is comprised of 371 single family homes. The Association maintains two clubhouses, two pools, two playgrounds, tennis courts, masonry perimeter walls and asphalt pavement.
- **Kensington South Condominium Association** A townhome development comprised of 77 units in eight buildings that were constructed with fiber cements siding and asphalt shingle roofs. Located in Gainesville, Florida, this community also maintains a clubhouse, pool, multiple perimeter fences, a concrete retaining wall and asphalt pavement.
- **Cresswind at the Ponds Community Association** This single family home community located just outside of Charleston, South Carolina will comprise over 600 homes upon its anticipated completion in 2025. Amenities in this community include a luxurious clubhouse, tennis and pickleball courts as well as a pool and spa. The Association also maintains asphalt pavement streets, masonry retaining walls throughout the community and multiple ponds.

PRIOR RELEVANT EXPERIENCE

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

EDUCATION

Virginia Tech - B.S. Mechanical Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

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



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


CHRISTOPHER C. DEWALL, P.E., PRA, RS Vice President of Product Development

CURRENT CLIENT SERVICES

Christopher C. DeWall, a Professional Engineer, is a Vice President for Reserve Advisors. Mr. DeWall has been with Reserve Advisors since 2008 and is responsible for the inspection and analysis of the property's current condition, recommending engineering solutions to prolong the lives of building components, forecasting capital expenditures for the repair and/or replacement of the property components, and technical report preparation on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for high and midrise buildings, country clubs, and townhomes and homeowner associations. Christopher DeWall often serves as Quality Assurance Reviewer for all types of developments to ensure our reports maintain the level of quality which is expected of our firm.



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

- Park Place Tower Near the intersection of Lake Shore Drive and Irving Park Road in Chicago, this 56-story building was built in 1972 and converted to 901 condominiums in 2001. Residents enjoy the benefits of an expansive amenity deck atop the two-story garage, which includes a basketball court, sundeck and pool.
- Burnham Park Plaza Originally constructed as a 19-story YMCA hotel in Chicago in 1916, the building was converted to apartments in 1987, which included the addition of the 20th and 21st floors. The building includes a party room, spa and rooftop sun decks for the entertainment of 279 residents.
- **3600 Condominiums** Two 28-story towers were original constructed in 1959 and converted to condominiums in 1977. Just north of Belmont Harbor in Chicago, two rooftop sun decks and a four-story garage structure beneath the buildings serve the 604 residents.
- **12900 Lake Ave** Along the shore of Lake Erie and just outside Cleveland, this 21-story tower was built from 1969 to 1970 and converted to condominiums in 1979. Also known as The Carlyle on the Lake, the 553 residents enjoy the use of a park along the shore, indoor and outdoor pools, and an amenity level complete with two event rooms, a game room and a guest suite.
- **The Edgecliff** This 25-story tower sits on a hill overlooking the Ohio River and the city of Cincinnati. Built in 1968 and converted to condominiums in 2005, the residents enjoy an outdoor pool, five floors of garage parking, a guest suite and an on-site restaurant.
- North Bank Condominium Home Owners Association The definition of old meets new in two conjoined buildings in the arena district of Columbus, Ohio. A 20-story tower of wall-to-ceiling windows was built in 2006 next to the historic A&P grocery warehouse originally constructed in 1926. This unique combination of 103 units provides the option of a converted warehouse style loft or a high-rise apartment with stunning views of the Columbus skyline.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. DeWall attained his Bachelor of Science degree in Mechanical Engineering from the University of Wisconsin in Madison, Wisconsin. At the University of Wisconsin, Mr. DeWall helped design and fabricate a wheelchair with a seat capable of raising and lowering to and from the ground. Mr. DeWall is also the proud owner of a patent for a trigger lock on a pressure washer gun he developed while interning at Briggs and Stratton Power Products.

EDUCATION

University of Wisconsin - B.S. Mechanical Engineering

PROFESSIONAL AFFILIATIONS

Professional Engineer (P.E.) – Wisconsin, Illinois and Florida Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts Reserve Specialist (RS) - Community Associations Institute



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:

<u>Association of Construction Inspectors</u>, (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.

<u>American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc.</u>, (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.

<u>Community Associations Institute</u>, (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.

<u>Marshall & Swift / Boeckh.</u> (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 Grand Panama Beach Resort 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) Grand Panama Beach Resort responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.
- **Reserve Component Inventory** Line Items in **Reserve Expenditures** that identify a *Reserve Component*.
- **Reserve Contribution** An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.
- **Reserve Expenditure** Future Cost of Replacement of a Reserve Component.
- Reserve Fund Status The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.
- **Reserve Funding Plan** The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.
- **Reserve Study** A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

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



8. PROFESSIONAL SERVICE CONDITIONS

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

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

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

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

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



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

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

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

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

Payment Terms, Due Dates and Interest Charges - If reserve study and energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. 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.