Riviera Club Association, Inc.

April 23, 2024 • Fort Myers Beach, FL

STRUCTURAL INTEGRITY RESERVE STUDY

RESERVE™ ADVISORS

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

Riviera Club Association, Inc.
Fort Myers Beach, Florida

Dear Board of Directors of Riviera Club 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 Riviera Club Association, Inc. in Fort Myers Beach, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 23, 2024.

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

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Riviera Club 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 July 17, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Tyler Thompson, RS[1]
Review by: Alan M. Ebert, RS, PRA[2], Director of Quality Assurance

1 RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.
2 PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at http://www.apra-usa.com.

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Table of Contents

1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Riviera Club Association, Inc. (Riviera Club)
Location: Fort Myers Beach, Florida
Reference: 171435

Property Basics: Riviera Club Association, Inc. is a high-rise style development which consists of 81 units in a 13-story building. The building was built in 1981.

Reserve Components Identified:

- 13 Structural Integrity Reserve Components.
- 28 General Reserve Components.

Inspection Date: April 23, 2024. We conducted the original inspection on January 16, 2018.

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

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

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

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

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

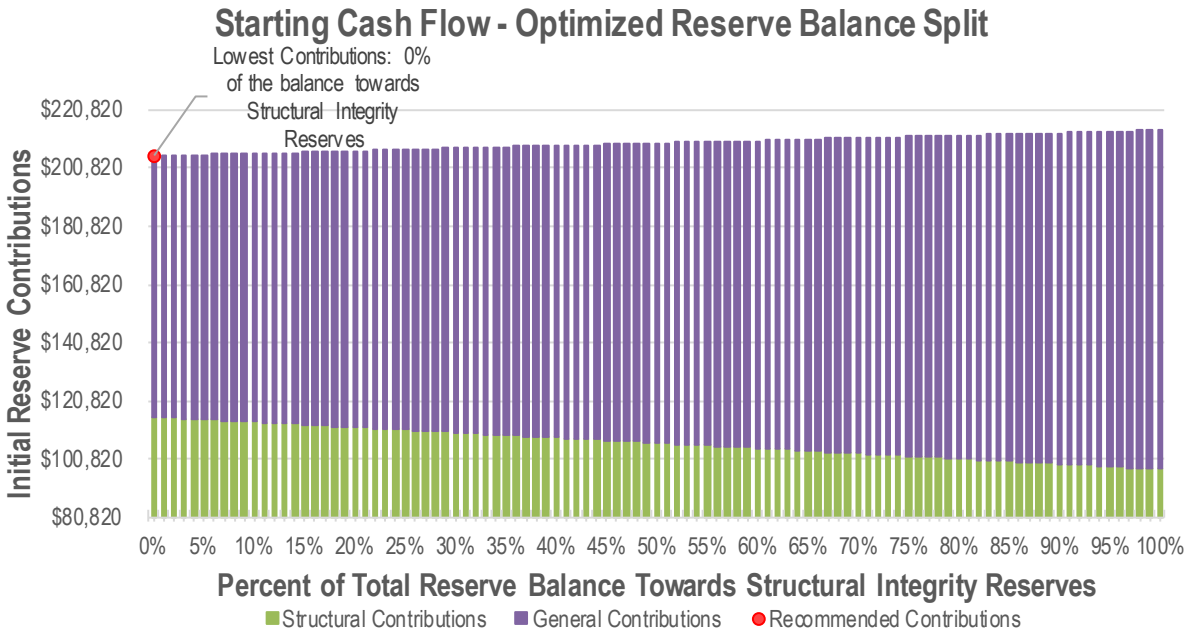
- Structural Integrity - Replacement of the balcony screens and frames
- Structural Integrity - Partial replacements of the life safety system emergency devices
- Structural Integrity - Replacement of the generator
- General - Replacement of the pond aerators
- General - Renovation of the pond structure
- General - Replacement of the entrance monuments
- General - Partial replacement of the masonry pavers

Unaudited Cash Status of Reserve Fund:

- $832,456 as of May 31, 2024
- $76,424 in budgeted 2024 reserve contributions ($44,581 remaining)
- $256,850 in estimated remaining 2024 reserve expenses
- We project a 2024 Reserve End Balance of $620,187.

Cash Flow Method Funding

Due to the statutory restrictions on structural integrity reserve funds, we recommend the Association maintain separate funds for Structural Integrity reserves and General (non-structural) reserves. However, the existing reserve funds are not split. We, therefore, analyzed future expenditures and identified the starting reserve balance split that produces the lowest overall reserve contributions. We recommend the Association allocate $620,187, or 100% of the 2024 Projected Reserve End Balance to the General (non-structural) Fund to minimize the total combined contributions to the statutory Structural Integrity Fund and the recommended General (non-structural) Fund. A vote of the membership may be required to allocate funds in this manner. The following chart depicts the analysis of future expenditures and the reserve balance split to produce the lowest overall required contributions.



Cash Flow - Existing Reserve Balance and Contribution Split			Structural Integrity	General
	FY2024		2025	2025
Beginning Reserve Balance as of May 31, 2024	832,456		0	620,187
Remaining Budgeted Reserve Contributions:	**44,581**		**95,400**	**82,900**
Estimated Remaining Interest Earned:	0	0%		
Anticipated Remaining Structural Expenditures:	(204,800)	100%		
Anticipated Remaining General Expenditures:	(52,050)			
Anticipated Reserves at Year End:	$620,187			

Cash Flow Method - Structural Integrity

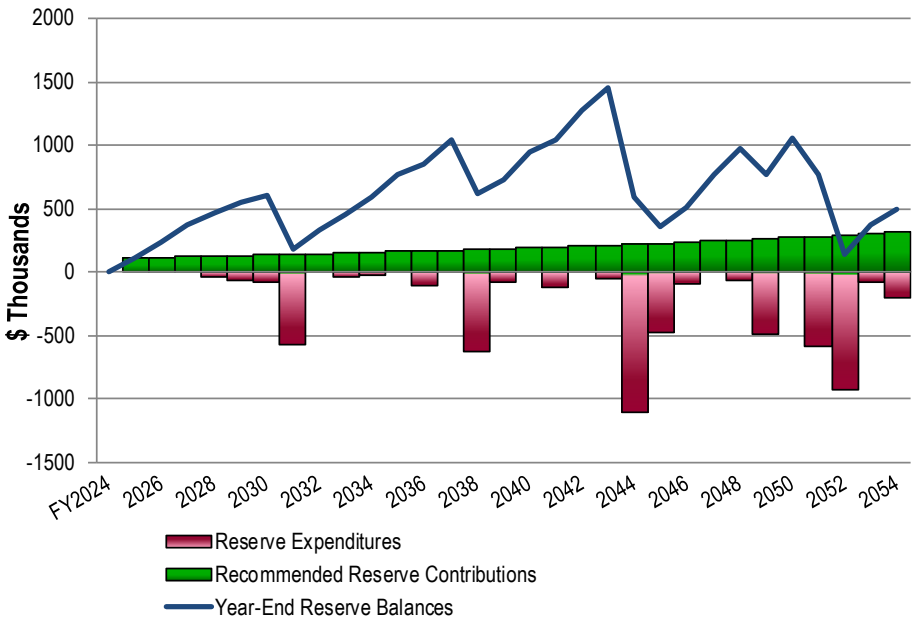
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2052 due to the replacement of the flat roof and paint finishes and capital repairs to the stucco walls.

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

- Allocate $0 of the Anticipated 2024 Year End Reserve balance to the Structural Integrity Reserve Fund.
- Increase to $115,300 in 2025
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 Reserve Contribution of $115,300 is equivalent to an average monthly contribution of $118.62 per owner.
- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	115,300	116,453	2035	162,600	772,266	2045	229,400	353,239
2026	119,300	239,275	2036	168,300	853,151	2046	237,400	512,888
2027	123,500	368,796	2037	174,200	1,046,156	2047	245,700	771,303
2028	127,800	470,480	2038	180,300	619,998	2048	254,300	974,388
2029	132,300	546,338	2039	186,600	736,259	2049	263,200	768,488
2030	136,900	611,729	2040	193,100	946,015	2050	272,400	1,058,982
2031	141,700	186,132	2041	199,900	1,042,669	2051	281,900	771,683
2032	146,700	338,022	2042	206,900	1,272,491	2052	291,800	142,769
2033	151,800	456,805	2043	214,100	1,455,930	2053	302,000	368,475
2034	157,100	596,118	2044	221,600	593,488	2054	312,600	493,130



Cash Flow Method - General

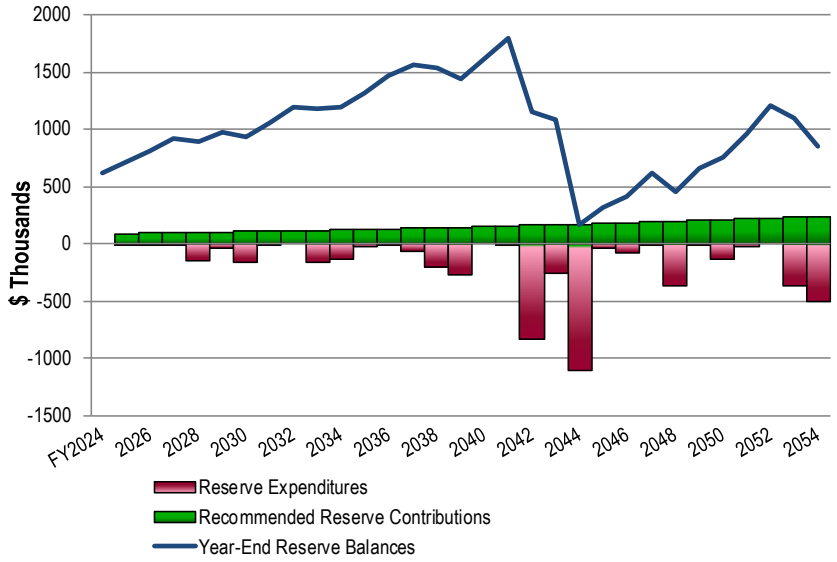
Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2044 due to the replacement of the pool structures and decks. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately $857,600. We judge this amount of accumulated reserves in 2054 necessary to fund the likely replacement of the pavers after 2054. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2054 year end reserves.

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

- Allocate $614,637 of the Anticipated 2024 Year End Reserve balance to the General Reserve Fund.
- Increase to $89,800 in 2025
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- 2025 Reserve Contribution of $89,800 is equivalent to an average monthly contribution of $92.39 per owner.
- Florida Statute 718.112 provides for a majority of the voting interest to waive or reduce reserve for General (non-structural) items. Consult legal counsel or your property management company for further guidance.

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	89,800	713,394	2035	126,700	1,323,596	2045	178,500	312,465
2026	92,900	814,926	2036	131,100	1,467,217	2046	184,700	421,194
2027	96,200	923,852	2037	135,700	1,561,668	2047	191,200	613,706
2028	99,600	890,772	2038	140,400	1,536,427	2048	197,900	453,922
2029	103,100	971,873	2039	145,300	1,441,395	2049	204,800	660,182
2030	106,700	934,573	2040	150,400	1,622,127	2050	212,000	754,844
2031	110,400	1,059,564	2041	155,700	1,804,485	2051	219,400	964,559
2032	114,300	1,196,198	2042	161,100	1,159,057	2052	227,100	1,213,221
2033	118,300	1,180,850	2043	166,700	1,087,831	2053	235,000	1,104,167
2034	122,400	1,199,725	2044	172,500	168,436	2054	243,200	857,639



Component Method

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

- Florida Statute 718.112 prohibits waiving or reducing reserves for Structural Integrity items for budgets adopted after December 31, 2024.
- Florida Statute 718.112 provides for a majority of the voting interest to waive or reduce reserves for General (non-structural) items. Consult legal counsel or your property management company for further guidance.

Structural Integrity Component Funding Analysis: Under this methodology, the required total annual funding for 2025 is $123,302

General Component Funding Analysis: Under this methodology, the required total annual funding for 2025 is $188,226

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

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

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

2. RESERVE STUDY REPORT

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

Riviera Club Association, Inc.

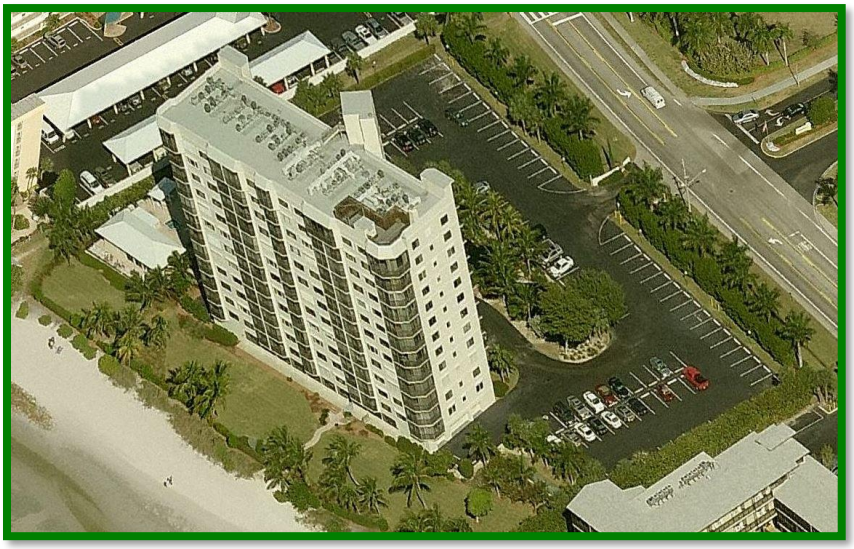
Fort Myers Beach, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 23, 2024. We conducted the original inspection on January 16, 2018.

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

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

IDENTIFICATION OF PROPERTY



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

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

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

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

- Riviera Club 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 Riviera Club Association, Inc.. A *Structural Integrity Reserve Study* states the estimated remaining useful life, the estimated replacement cost or deferred maintenance expense of the common areas being visually inspected and provides a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each common area. Specifically, as per Florida Statute 718.112(2)(g), we have investigated the structural integrity and safety of common elements within the following:

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

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

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

We discuss specific exclusions for the following elements:

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

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

Excluded Components

for

Riviera Club

Association, Inc.

Fort Myers Beach, Florida

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $5,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds.

- Breezeways, Interim Sealants of Waterproof Coating [1]
- Concrete Flatwork (Including Garage On Grade Concrete)
- Domestic Water System, Pressure Tanks
- Electrical Systems, Thermoscans
- Elevator Cable Replacements, Interim
- Generator and Fire Pump, Fuel Tank
- Irrigation System, Controller
- Landscape
- Life Safety System, Emergency and Exit Lights
- Light Fixtures, Exterior
- Light Poles and Fixtures, Parking [1]
- Lobby, Automatic Door Openers
- Lobby, Interim Paint Finishes
- Paint Finishes, Touch Up
- Pond, Pump House
- Pool Grills
- Pool Mechanical Equipment Building and Roof
- Pumps Less Than three-HP (horsepower)
- Security Camera System
- Shuffleboard Courts, Color Coat
- Signage, Informational
- Site Furniture
- Valves, Small Diameter [2]
- Well Pumps
- Wi Fi System

[1] Per Board of Directors

[2] We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.

Excluded Components

for

Riviera Club

Association, Inc.

Fort Myers Beach, Florida

Long-Lived Components		
These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.	**Useful Life**	**Estimated Cost**
• Foundations	Indeterminate	N/A
• Irrigation System, Replacement[1]	to 40	$49,000
• Life Safety System, Standpipes, Stairwells [2]	Indeterminate	N/A
• Mailboxes [1]	to 35	$12,150
• Pump, Fire Suppression[1]	to 40	$98,000
• Structural Frames	Indeterminate	N/A
• Trash Chute, Replacement	to 50	N/A
• Valves, Large Diameter	Indeterminate	N/A
• Well Casings, Replacements	Indeterminate	N/A
• Windows and Doors, Lobby [1]	to 40	$55,000
[1] Replaced in 2024		
[2] Replaced in 2014		

Owners Responsibility Components
Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back.
• Electrical Systems (Including Circuit Protection Panels)
• Garage Doors and Operators
• Heating, Ventilating and Air Conditioning (HVAC) Units
• Hurricane Shutters
• Interiors
• Light Fixtures, Balconies
• Penthouse Elevator, Sundeck (Unit 1204)
• Penthouse Fireplace (Unit 1204)
• Penthouse Sundeck, Roof (Unit 1204)
• Pipes (Within Units)
• Screens, Balconies, Screen Maintenance
• Windows and Doors

Excluded Components

for

Riviera Club

Association, Inc.

Fort Myers Beach, Florida

Others Responsibility Components
Certain items have been designated as the responsibility of Others to repair or replace.
• Beach Access Path and Shade Structure [1]
[1] Municipality

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
  - useful life
  - remaining useful life
- 2024 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

Component Method

- Component information as also shown in Reserve Expenditures
- Current balance, remaining contributions and remaining expenditures
- Projected beginning year balance for 2024
- Unfunded residual balance
- 2025 recommended contribution

Component Method Summary

- The existing reserve categories
- Summarized life and cost valuations by category
- Projected category balances and recommended contributions

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

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

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RESERVE EXPENDITURES

Riviera Club Association, Inc.

Fort Myers Beach, Florida

Years 2024 to 2039

Explanatory Notes:

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

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2024)	Per Phase (2024)	Total (2024)	Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
				Exterior Building Elements																							
1.060	8,150	**8,150**	Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2038	10 to 15	14	15.00	122,250	122,250	**8.6%**														197,885	
1.108	84	**84**	Each	Balconies, Screens, Frames and Handrails, Replacements (2024 is Planned)	2024	20 to 30	0	2,200.00	184,800	184,800	**10.3%**	184,800															
1.110	11,700	**11,700**	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Replacements	2031	15 to 20	7	15.00	175,500	175,500	**11.1%**								223,285								
1.285	2	**2**	Each	Paint Finishes, Stairwells (Including Railings)	2031	15 to 20	7	8,000.00	16,000	16,000	**1.0%**								20,356								
1.300	10,700	**10,700**	Square Feet	Roofs, Modified Bitumen	2044	15 to 20	20	50.00	535,000	535,000	**17.6%**																
1.460	6	**6**	Squares	Roofs, Metal	2049	to 25	25	3,500.00	21,000	21,000	**0.8%**																
1.605	1	**1**	Allowance	Structural Members, Milestone Inspection	2024	to 10	0	20,000.00	20,000	20,000	**2.3%**	15,000										28,212					
1.880	58,150	**58,150**	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2031	5 to 7	7	4.00	232,600	232,600	**29.2%**								295,932						376,508	
1.980	500	**500**	Square Feet	Windows and Doors, Common, Lobby	2063	to 40	39	110.00	55,000	55,000	**0.0%**																
1.981	1,500	**750**	Square Feet	Windows and Doors, Common, Utility, Phased	2030	to 40	6 to 13	90.00	67,500	135,000	**1.4%**							82,975									
				Building Services Elements																							
3.300	6	**2**	Each	Electrical System, Main Panels, Partial	2031	to 70+	7 to 17	14,000.00	28,000	84,000	**2.1%**								35,624					42,310			
3.440	1	**1**	Each	Generator, Emergency, 60-kW (Includes Transfer Switch)	2029	25 to 35	5	56,000.00	56,000	56,000	**1.1%**						66,510										
3.555	1	**1**	Allowance	Life Safety System, Control Panel	2039	to 15	15	50,000.00	50,000	50,000	**3.7%**																83,767
3.560	5	**1**	Allowance	Life Safety System, Emergency Devices	2028	to 25	4 to 24	30,000.00	30,000	150,000	**5.5%**					34,426					40,887				48,561		
3.605	81	**8**	Units	Pipes, Riser Sections, Domestic Water and Waste, Partial	2036	to 80+	12 to 30+	5,000.00	40,500	405,000	**5.3%**													61,198			
3.770	1	**1**	Each	Pump, Fire Suppression, 75-HP (Includes Controller)	2063	to 40	39	168,000.00	168,000	168,000	**0.0%**																
				Anticipated Expenditures, By Year ($6,038,310 over 30 years)								199,800	0	0	0	34,426	66,510	82,975	575,197	0	40,887	28,212	0	103,508	0	622,955	83,767

Structural Integrity

RESERVE EXPENDITURES

Riviera Club Association, Inc.

Fort Myers Beach, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Unit Cost (2024)	Costs, $ Per Phase (2024)	Total (2024)	Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054
				Exterior Building Elements																						
1.060	8,150	**8,150**	Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2038	10 to 15	14	15.00	122,250	122,250	**8.6%**													320,316		
1.108	84	**84**	Each	Balconies, Screens, Frames and Handrails, Replacements (2024 is Planned)	2024	20 to 30	0	2,200.00	184,800	184,800	**10.3%**										436,728					
1.110	11,700	**11,700**	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Replacements	2031	15 to 20	7	15.00	175,500	175,500	**11.1%**												444,290			
1.285	2	**2**	Each	Paint Finishes, Stairwells (Including Railings)	2031	15 to 20	7	8,000.00	16,000	16,000	**1.0%**												40,505			
1.300	10,700	**10,700**	Square Feet	Roofs, Modified Bitumen	2044	15 to 20	20	50.00	535,000	535,000	**17.6%**					1,064,537										
1.460	6	**6**	Squares	Roofs, Metal	2049	to 25	25	3,500.00	21,000	21,000	**0.8%**										49,628					
1.605	1	**1**	Allowance	Structural Members, Milestone Inspection	2024	to 10	0	20,000.00	20,000	20,000	**2.3%**					39,796										56,136
1.880	58,150	**58,150**	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2031	5 to 7	7	4.00	232,600	232,600	**29.2%**						479,024							609,452		
1.980	500	**500**	Square Feet	Windows and Doors, Common, Lobby	2063	to 40	39	110.00	55,000	55,000	**0.0%**															
1.981	1,500	**750**	Square Feet	Windows and Doors, Common, Utility, Phased	2030	to 40	6 to 13	90.00	67,500	135,000	**1.4%**															
				Building Services Elements																						
3.300	6	**2**	Each	Electrical System, Main Panels, Partial	2031	to 70+	7 to 17	14,000.00	28,000	84,000	**2.1%**		50,251													
3.440	1	**1**	Each	Generator, Emergency, 60-kW (Includes Transfer Switch)	2029	25 to 35	5	56,000.00	56,000	56,000	**1.1%**															
3.555	1	**1**	Allowance	Life Safety System, Control Panel	2039	to 15	15	50,000.00	50,000	50,000	**3.7%**															140,340
3.560	5	**1**	Allowance	Life Safety System, Emergency Devices	2028	to 25	4 to 24	30,000.00	30,000	150,000	**5.5%**				57,675					68,500					81,356	
3.605	81	**8**	Units	Pipes, Riser Sections, Domestic Water and Waste, Partial	2036	to 80+	12 to 30+	5,000.00	40,500	405,000	**5.3%**		72,684					86,326					102,528			
3.770	1	**1**	Each	Pump, Fire Suppression, 75-HP (Includes Controller)	2063	to 40	39	168,000.00	168,000	168,000	**0.0%**															
				Anticipated Expenditures, By Year ($6,038,310 over 30 years)								0	122,935	0	57,675	1,104,333	479,024	86,326	0	68,500	486,356	0	587,324	929,768	81,356	196,476

RESERVE FUNDING PLAN

Structural Integrity

CASH FLOW ANALYSIS

Riviera Club

Association, Inc.

Fort Myers Beach, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	*(Note 1)*	N/A	0	116,453	239,275	368,796	470,480	546,338	611,729	186,132	338,022	456,805	596,118	772,266	853,151	1,046,156	619,998
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**115,300**	**119,300**	**123,500**	**127,800**	**132,300**	**136,900**	**141,700**	**146,700**	**151,800**	**157,100**	**162,600**	**168,300**	**174,200**	**180,300**	**186,600**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	1,153	3,522	6,021	8,310	10,068	11,466	7,900	5,190	7,870	10,425	13,548	16,093	18,805	16,497	13,428
Anticipated Expenditures, By Year		N/A	0	0	0	(34,426)	(66,510)	(82,975)	(575,197)	0	(40,887)	(28,212)	0	(103,508)	0	(622,955)	(83,767)
Anticipated Reserves at Year End		$0	$116,453	$239,275	$368,796	$470,480	$546,338	$611,729	$186,132	$338,022	$456,805	$596,118	$772,266	$853,151	$1,046,156	$619,998	$736,259

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year	736,259	946,015	1,042,669	1,272,491	1,455,930	593,488	353,239	512,888	771,303	974,388	768,488	1,058,982	771,683	142,769	368,475
Total Recommended Reserve Contributions	**193,100**	**199,900**	**206,900**	**214,100**	**221,600**	**229,400**	**237,400**	**245,700**	**254,300**	**263,200**	**272,400**	**281,900**	**291,800**	**302,000**	**312,600**
Estimated Interest Earned, During Year	16,656	19,690	22,922	27,014	20,291	9,374	8,576	12,715	17,284	17,256	18,094	18,125	9,054	5,062	8,531
Anticipated Expenditures, By Year	0	(122,935)	0	(57,675)	(1,104,333)	(479,024)	(86,326)	0	(68,500)	(486,356)	0	(587,324)	(929,768)	(81,356)	(196,476)
Anticipated Reserves at Year End	$946,015	$1,042,669	$1,272,491	$1,455,930	$593,488	$353,239	$512,888	$771,303	$974,388	$768,488	$1,058,982	$771,683	$142,769	$368,475	$493,130
													(NOTE 5)		*(NOTE 4)*

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the General Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
3) **2.0%** is the estimated annual rate of return on invested reserves; 2024 is a partial year of interest earned.
4) Accumulated year 2054 ending reserves consider the age, size, overall condition and complexity of the property.
5) Threshold Funding Year (reserve balance at critical point).

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

Structural Integrity

FIVE-YEAR OUTLOOK

Riviera Club Association, Inc.

Fort Myers Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements						
1.108	Balconies, Screens, Frames and Handrails, Replacements (2024 is Planned)	184,800					
1.605	Structural Members, Milestone Inspection	15,000					
	Building Services Elements						
3.440	Generator, Emergency, 60-kW (Includes Transfer Switch)						66,510
3.560	Life Safety System, Emergency Devices					34,426	
	Anticipated Expenditures, By Year ($6,038,310 over 30 years)	199,800	0	0	0	34,426	66,510

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

Structural Integrity

COMPONENT METHOD RESERVE ANALYSIS

for
Riviera Club
Association, Inc.
Fort Myers Beach, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years Useful	Life Analysis, Years Remaining[3]	Unit Cost, $	2024 Cost of Replacement, $	May 31, 2024 Estimated Balance, $	2024 Budgeted Contributions, $	2024 Remaining Contributions, $	2024 Remaining Expenditures, $	Jan 1, 2025 Projected Balance, $	Unfunded Residual Balance, $	2025 Recommended Contribution, $	Reserve Category
			Exterior Building Elements													
1.060	8,150	Square Feet	Balconies, Concrete, Repairs and Waterproof Coating Applications	2038	10 to 15	14	15.00	122,250	0	0	0	0	0	122,250	9,404	Misc Building Component
1.108	84	Each	Balconies, Screens, Frames and Handrails, Replacements (2024 is Planned	2024	20 to 30	0 to 25	2,200.00	184,800	184,800	5,027	2,932	184,800	2,932	181,868	7,578	Misc Building Component
1.110	11,700	Square Feet	Breezeways, Concrete, Repairs and Waterproof Coating Replacements	2031	15 to 20	7	15.00	175,500	68,588	5,866	3,422	0	72,010	103,490	17,248	Walkways
1.285	2	Each	Paint Finishes, Stairwells (Including Railings)	2031	15 to 20	7	8,000.00	16,000	0	0	0	0	0	16,000	2,667	Misc Building Component
1.300	10,700	Square Feet	Roofs, Modified Bitumen	2044	15 to 20	20	50.00	535,000	145,716	2,610	1,523	0	147,238	387,762	20,409	Roofs
1.460	6	Squares	Roofs, Metal	2049	to 25	25	3,500.00	21,000	0	0	0	0	0	21,000	875	Roofs
1.605	1	Allowance	Structural Members, Milestone Inspection	2024	to 10	0 to 10	20,000.00	20,000	17,475	22,525	13,140	15,000	15,615	4,385	487	Misc Building Component
1.880	58,150	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2031	5 to 7	7	4.00	232,600	89,415	6,922	4,038	0	93,453	139,147	23,191	Painting/Waterproof
1.981	1,500	Square Feet	Windows and Doors, Common, Utility	2030	to 40	6 to 34	90.00	135,000	0	0	0	0	0	135,000	7,105	Misc Building Component
			Building Services Elements													
3.300	6	Each	Electrical System, Main Panels, Partial	2031	to 70+	7 to 17	14,000.00	84,000	0	0	0	0	0	84,000	7,636	Misc Building Component
3.440	1	Each	Generator, Emergency, 60-kW (Includes Transfer Switch)	2029	25 to 35	5	56,000.00	56,000	34,956	6,381	3,722	0	38,678	17,322	4,330	Generator
3.555	1	Allowance	Life Safety System, Control Panel	2039	to 15	15	50,000.00	50,000	0	0	0	0	0	50,000	3,571	Fire Alarm System
3.560	5	Allowance	Life Safety System, Emergency Devices	2028	to 25	4 to 24	30,000.00	150,000	12,228	0	0	0	12,228	137,772	10,598	Fire Alarm System
3.605	8	Units	Pipes, Riser Sections, Domestic Water and Waste, Partial	2036	to 80+	12	5,000.00	40,500	8,576	125	73	0	8,649	31,851	2,896	Domestic Water Piping
									$582,997 **(Note 1)**	$49,617	$28,943 **(Note 2)**	$199,800	$412,140	$1,633,510	$123,302	

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the General Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
3) We allocate the existing Professional Services Reserve Funds to Reserve Components associated with the Misc Building Component Reserve Funds.
4) We allocate the existing Parking LT/Landscape Reserve Funds to Reserve Components associated with the Property Upgrades Reserve Funds.
5) We allocate the existing Building Repair Reserve Funds to Reserve Components associated with the Painting/Waterproof Reserve Funds.
6) We allocate the existing Interest Reserve Funds to Reserve Components associated with the Misc Building Component Reserve Funds.
7) The Domestic Water Pump Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
8) The Dryer Vent Cleaning Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
9) The South Wall Repair Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
10) The Property Upgrades Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
11) The Clubhouse/Deck Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
12) The Paving-Asphalt Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
13) The Irrigation Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
14) The Insurance Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
15) The Pool/Spa Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
16) The Elevator Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.

Structural Integrity

COMPONENT METHOD SUMMARY

for

Riviera Club

Association, Inc.

Fort Myers Beach, Florida

Existing Reserve Categories	Life Analysis, Years Useful	Remaining	2024 Cost of Replacement, $	Jan 1, 2025 Projected Balance, $	2025 Recommended Contribution, $
Roofs	15 to 25	20 to 25	$556,000	$147,238	$21,284
Painting/Waterproof	5 to 7	to 7	$232,600	$93,453	$23,191
Paving-Asphalt	N/A	N/A	N/A	N/A	N/A
Elevator	N/A	N/A	N/A	N/A	N/A
Misc Building Component	10 to 70	0 to 39	$562,050	$18,547	$36,325
Property Upgrades	N/A	N/A	N/A	N/A	N/A
Insurance	N/A	N/A	N/A	N/A	N/A
Pool/Spa	N/A	N/A	N/A	N/A	N/A
Clubhouse/Deck	N/A	N/A	N/A	N/A	N/A
Fire Alarm System	to 25	4 to 24	$200,000	$12,228	$14,169
Fire Pump	to 40	to 39	$0	$21,337	$3,860
Dryer Vent Cleaning	N/A	N/A	N/A	N/A	N/A
Irrigation	N/A	N/A	N/A	N/A	N/A
Generator	25 to 35	to 5	$56,000	$38,678	$4,330
Domestic Water Pump	N/A	N/A	N/A	N/A	N/A
Domestic Water Piping	to 80	to 12	$40,500	$8,649	$2,896
South Wall Repair	N/A	N/A	N/A	N/A	N/A
Walkways	15 to 20	to 7	$175,500	$72,010	$17,248
Subtotal			**$1,822,650**	**$412,140**	**$123,302**
Other (Currently Unfunded)	N/A	N/A	$0	$0	$0
Grand Total			**$1,822,650**	**$412,140**	**$123,302**

Explanatory Notes:

1) We allocate the existing Professional Services Reserve Funds to Reserve Components associated with the Misc Building Component Reserve Funds.
2) We allocate the existing Parking LT/Landscape Reserve Funds to Reserve Components associated with the Property Upgrades Reserve Funds.
3) We allocate the existing Building Repair Reserve Funds to Reserve Components associated with the Painting/Waterproof Reserve Funds.
4) We allocate the existing Interest Reserve Funds to Reserve Components associated with the Misc Building Component Reserve Funds.
5) The Domestic Water Pump Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
6) The Dryer Vent Cleaning Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
7) The South Wall Repair Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
8) The Property Upgrades Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
9) The Clubhouse/Deck Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
10) The Paving-Asphalt Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.

11) The Irrigation Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
12) The Insurance Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
13) The Pool/Spa Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.
14) The Elevator Reserve Funds are not allocated to any identified Structural Integrity Reserve Components.

General

RESERVE EXPENDITURES

Riviera Club Association, Inc.

Fort Myers Beach, Florida

Years 2024 to 2039

Explanatory Notes:

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

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2024)	Per Phase (2024)	Total (2024)	Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
				Interior Building Elements																							
2.100	81	**81**	Units	Dryer Vent Cleaning	2025	to 2	1	50.00	4,050	4,050	**2.1%**		4,192		4,490		4,810		5,153		5,520		5,913		6,334		6,785
2.600	1	**1**	Allowance	Lobby, Renovation	2039	15 to 20	15	120,000.00	120,000	120,000	**10.6%**																201,042
2.700	81	**81**	Each	Mailboxes, Partial	2059	to 35	35	150.00	12,150	12,150	**0.0%**																
				Building Services Elements																							
3.070	2	**1**	Each	Air Handling and Condensing Units, Split Systems, Phased	2030	10 to 15	6 to 13	6,500.00	6,500	13,000	**0.9%**							7,990						10,166		
3.360	2	**2**	Each	Elevators, Traction, Controls and Equipment	2042	to 25	18	225,000.00	450,000	450,000	**16.5%**																
3.365	2	**2**	Each	Elevators, Traction, Hoists and Motors	2030	to 40	6	63,000.00	126,000	126,000	**3.1%**							154,886									
3.470	1	**1**	Each	Intercom Panel and Entry System	2039	to 15	15	7,000.00	7,000	7,000	**0.6%**																11,727
3.700	2	**2**	Each	Pumps, Domestic Cold Water, 3-HP (Includes Controls)	2037	to 15	13	12,500.00	25,000	25,000	**2.0%**														39,099		
				Property Site Elements																							
4.125	1	**1**	Allowance	Bridge, Composite, Pond	2033	to 25	9	10,000.00	10,000	10,000	**0.3%**										13,629						
4.200	550	**550**	Linear Feet	Fences, Aluminum	2046	to 25	22	71.00	39,050	39,050	**1.6%**																
4.420	14	**14**	Zones	Irrigation System	2060	to 40	36	3,000.00	42,000	42,000	**0.0%**																
4.620	50,640	**12,660**	Square Feet	Pavers, Masonry, Phased	2028	20 to 30	4 to 19	8.00	101,280	405,120	**22.1%**					116,221					138,034					163,941	
4.650	1	**1**	Allowance	Pipes, Subsurface Utilities, Partial	2028	to 85+	4	20,000.00	20,000	20,000	**2.0%**					22,950										32,374	
4.700	2	**2**	Each	Pond, Aerators (2024 is Budgeted)	2024	10 to 15	0	5,000.00	10,000	10,000	**1.0%**	10,000													15,640		
4.720	3,450	**3,450**	Square Feet	Pond, Structure, Inspections and Waterproof Coatings Applications (2024 is Budgeted)	2024	8 to 12	0	8.00	27,600	27,600	**2.9%**	27,600										38,933					
4.725	3,450	**3,450**	Square Feet	Pond, Structure, Total Replacement	2044	to 60	20	70.00	241,500	241,500	**9.5%**																
4.810	2	**2**	Each	Shuffleboard Courts, Replacement	2028	to 40	4	5,000.00	10,000	10,000	**0.2%**					11,475											
4.820	1	**1**	Allowance	Signage, Entrance Monuments, Replacement (2024 is Planned)	2024	15 to 20	0	25,000.00	25,000	25,000	**1.5%**	25,000															
				Clubhouse Elements																							
5.500	2	**1**	Allowance	Interior, Renovation, Phased	2035	to 20	11 to 21	15,000.00	15,000	30,000	**1.0%**												21,900				
5.600	17	**17**	Squares	Roofs, Metal (Includes Shade Structure)	2050	to 25	26	1,100.00	18,700	18,700	**0.9%**																
				Pool Elements																							
6.200	5,200	**5,200**	Square Feet	Deck, Pavers	2044	to 25	20	8.00	41,600	41,600	**1.6%**																
6.400	640	**640**	Linear Feet	Fences, Aluminum	2044	to 25	20	45.00	28,800	28,800	**1.1%**																
6.500	1	**1**	Allowance	Furniture	2036	to 12	12	10,000.00	10,000	10,000	**0.8%**													15,111			
6.600	3	**1**	Allowance	Mechanical Equipment, Phased	2029	to 15	5 to 15	30,000.00	30,000	90,000	**6.6%**						35,631					42,318					50,260
6.800	1,200	**1,200**	Square Feet	Pool Finishes, Plaster	2034	8 to 12	10	16.00	19,200	19,200	**1.6%**											27,084					
6.801	150	**150**	Linear Feet	Pool Finish, Tile	2034	15 to 25	10	38.00	5,700	5,700	**0.2%**											8,040					
6.900	1,200	**1,200**	Square Feet	Structures and Decks, Total Replacement	2044	to 60	20	170.00	204,000	204,000	**8.0%**																
6.950	1	**1**	Allowance	Water Feature, Inspection and Capital Repairs	2034	10 to 15	10	7,600.00	7,600	7,600	**0.9%**											10,721					
	1	**1**	Allowance	Reserve Study Update with Site Visit	2026	2	2	6,500.00	6,500	6,500	**0.1%**			6,500													
				Anticipated Expenditures, By Year ($5,052,547 over 30 years)								62,600	4,192	6,500	4,490	150,647	40,441	162,876	5,153	0	157,183	127,095	27,812	15,111	71,238	196,315	269,815

General

RESERVE EXPENDITURES

Years 2040 to 2054

Riviera Club Association, Inc.

Fort Myers Beach, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2024)	Per Phase (2024)	Total (2024)	Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054
				Interior Building Elements																						
2.100	81	**81**	Units	Dryer Vent Cleaning	2025	to 2	1	50.00	4,050	4,050	**2.1%**		7,268		7,786		8,341		8,935		9,571		10,253		10,983	
2.600	1	**1**	Allowance	Lobby, Renovation	2039	15 to 20	15	120,000.00	120,000	120,000	**10.6%**															336,815
2.700	81	**81**	Each	Mailboxes, Partial	2059	to 35	35	150.00	12,150	12,150	**0.0%**															
				Building Services Elements																						
3.070	2	**1**	Each	Air Handling and Condensing Units, Split Systems, Phased	2030	10 to 15	6 to 13	6,500.00	6,500	13,000	**0.9%**					12,934							16,455			
3.360	2	**2**	Each	Elevators, Traction, Controls and Equipment	2042	to 25	18	225,000.00	450,000	450,000	**16.5%**			835,870												
3.365	2	**2**	Each	Elevators, Traction, Hoists and Motors	2030	to 40	6	63,000.00	126,000	126,000	**3.1%**															
3.470	1	**1**	Each	Intercom Panel and Entry System	2039	to 15	15	7,000.00	7,000	7,000	**0.6%**															19,648
3.700	2	**2**	Each	Pumps, Domestic Cold Water, 3-HP (Includes Controls)	2037	to 15	13	12,500.00	25,000	25,000	**2.0%**											61,149				
				Property Site Elements																						
4.125	1	**1**	Allowance	Bridge, Composite, Pond	2033	to 25	9	10,000.00	10,000	10,000	**0.3%**															
4.200	550	**550**	Linear Feet	Fences, Aluminum	2046	to 25	22	71.00	39,050	39,050	**1.6%**							83,236								
4.420	14	**14**	Zones	Irrigation System	2060	to 40	36	3,000.00	42,000	42,000	**0.0%**															
4.620	50,640	**12,660**	Square Feet	Pavers, Masonry, Phased	2028	20 to 30	4 to 19	8.00	101,280	405,120	**22.1%**				194,711					231,256				274,659		
4.650	1	**1**	Allowance	Pipes, Subsurface Utilities, Partial	2028	to 85+	4	20,000.00	20,000	20,000	**2.0%**									45,667						
4.700	2	**2**	Each	Pond, Aerators (2024 is Budgeted)	2024	10 to 15	0	5,000.00	10,000	10,000	**1.0%**											24,460				
4.720	3,450	**3,450**	Square Feet	Pond, Structure, Inspections and Waterproof Coatings Applications (2024 is Budgeted)	2024	8 to 12	0	8.00	27,600	27,600	**2.9%**															77,468
4.725	3,450	**3,450**	Square Feet	Pond, Structure, Total Replacement	2044	to 60	20	70.00	241,500	241,500	**9.5%**					480,534										
4.810	2	**2**	Each	Shuffleboard Courts, Replacement	2028	to 40	4	5,000.00	10,000	10,000	**0.2%**															
4.820	1	**1**	Allowance	Signage, Entrance Monuments, Replacement (2024 is Planned)	2024	15 to 20	0	25,000.00	25,000	25,000	**1.5%**					49,745										
				Clubhouse Elements																						
5.500	2	**1**	Allowance	Interior, Renovation, Phased	2035	to 20	11 to 21	15,000.00	15,000	30,000	**1.0%**						30,891									
5.600	17	**17**	Squares	Roofs, Metal (Includes Shade Structure)	2050	to 25	26	1,100.00	18,700	18,700	**0.9%**											45,739				
				Pool Elements																						
6.200	5,200	**5,200**	Square Feet	Deck, Pavers	2044	to 25	20	8.00	41,600	41,600	**1.6%**					82,775										
6.400	640	**640**	Linear Feet	Fences, Aluminum	2044	to 25	20	45.00	28,800	28,800	**1.1%**					57,306										
6.500	1	**1**	Allowance	Furniture	2036	to 12	12	10,000.00	10,000	10,000	**0.8%**									22,833						
6.600	3	**1**	Allowance	Mechanical Equipment, Phased	2029	to 15	5 to 15	30,000.00	30,000	90,000	**6.6%**				57,675					68,500				81,356		
6.800	1,200	**1,200**	Square Feet	Pool Finishes, Plaster	2034	8 to 12	10	16.00	19,200	19,200	**1.6%**															53,890
6.801	150	**150**	Linear Feet	Pool Finish, Tile	2034	15 to 25	10	38.00	5,700	5,700	**0.2%**															
6.900	1,200	**1,200**	Square Feet	Structures and Decks, Total Replacement	2044	to 60	20	170.00	204,000	204,000	**8.0%**					405,917										
6.950	1	**1**	Allowance	Water Feature, Inspection and Capital Repairs	2034	10 to 15	10	7,600.00	7,600	7,600	**0.9%**					15,122										21,332
	1	**1**	Allowance	Reserve Study Update with Site Visit	2026	2	2	6,500.00	6,500	6,500	**0.1%**															
				Anticipated Expenditures, By Year ($5,052,547 over 30 years)								0	7,268	835,870	260,172	1,104,333	39,232	83,236	8,935	368,255	9,571	131,348	26,708	0	366,998	509,152

RESERVE FUNDING PLAN

General

CASH FLOW ANALYSIS

Riviera Club

Association, Inc.

Fort Myers Beach, Florida

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	*(Note 1)*	N/A	614,637	713,394	814,926	923,852	890,772	971,873	934,573	1,059,564	1,196,198	1,180,850	1,199,725	1,323,596	1,467,217	1,561,668	1,536,427
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**89,800**	**92,900**	**96,200**	**99,600**	**103,100**	**106,700**	**110,400**	**114,300**	**118,300**	**122,400**	**126,700**	**131,100**	**135,700**	**140,400**	**145,300**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	13,149	15,132	17,216	17,967	18,442	18,876	19,744	22,334	23,535	23,570	24,983	27,632	29,989	30,674	29,483
Anticipated Expenditures, By Year		N/A	(4,192)	(6,500)	(4,490)	(150,647)	(40,441)	(162,876)	(5,153)	0	(157,183)	(127,095)	(27,812)	(15,111)	(71,238)	(196,315)	(269,815)
Anticipated Reserves at Year End		$614,637	$713,394	$814,926	$923,852	$890,772	$971,873	$934,573	$1,059,564	$1,196,198	$1,180,850	$1,199,725	$1,323,596	$1,467,217	$1,561,668	$1,536,427	$1,441,395

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year	1,441,395	1,622,127	1,804,485	1,159,057	1,087,831	168,436	312,465	421,194	613,706	453,922	660,182	754,844	964,559	1,213,221	1,104,167
Total Recommended Reserve Contributions	**150,400**	**155,700**	**161,100**	**166,700**	**172,500**	**178,500**	**184,700**	**191,200**	**197,900**	**204,800**	**212,000**	**219,400**	**227,100**	**235,000**	**243,200**
Estimated Interest Earned, During Year	30,332	33,927	29,342	22,246	12,438	4,761	7,264	10,247	10,571	11,031	14,010	17,024	21,562	22,944	19,424
Anticipated Expenditures, By Year	0	(7,268)	(835,870)	(260,172)	(1,104,333)	(39,232)	(83,236)	(8,935)	(368,255)	(9,571)	(131,348)	(26,708)	0	(366,998)	(509,152)
Anticipated Reserves at Year End	$1,622,127	$1,804,485	$1,159,057	$1,087,831	$168,436 *(NOTE 5)*	$312,465	$421,194	$613,706	$453,922	$660,182	$754,844	$964,559	$1,213,221	$1,104,167	$857,639 *(NOTE 4)*

Explanatory Notes:

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

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

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

4) Accumulated year 2054 ending reserves consider the need to fund for replacement of the pavers shortly after 2054, and the age, size, overall condition and complexity of the property.

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

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

General

FIVE-YEAR OUTLOOK

Riviera Club Association, Inc.

Fort Myers Beach, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Interior Building Elements						
2.100	Dryer Vent Cleaning		4,192		4,490		4,810
	Property Site Elements						
4.620	Pavers, Masonry, Phased					116,221	
4.650	Pipes, Subsurface Utilities, Partial					22,950	
4.700	Pond, Aerators (2024 is Budgeted)	10,000					
4.720	Pond, Structure, Inspections and Waterproof Coatings Applications (2024 is Budgeted)	27,600					
4.810	Shuffleboard Courts, Replacement					11,475	
4.820	Signage, Entrance Monuments, Replacement (2024 is Planned)	25,000					
	Pool Elements						
6.600	Mechanical Equipment, Phased						35,631
	Reserve Study Update with Site Visit			6,500			
	Anticipated Expenditures, By Year ($5,052,547 over 30 years)	62,600	4,192	6,500	4,490	150,647	40,441

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

General

COMPONENT METHOD RESERVE ANALYSIS

for

Riviera Club Association, Inc.

Fort Myers Beach, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years Useful	Life Analysis, Years Remaining[3]	Unit Cost, $	2024 Cost of Replacement, $	May 31, 2024 Estimated Balance, $	2024 Budgeted Contributions, $	2024 Remaining Contributions, $	2024 Remaining Expenditures, $	Jan 1, 2025 Projected Balance, $	Unfunded Residual Balance, $	2025 Recommended Contribution, $	Reserve Category
			Interior Building Elements													
2.100	81	Units	Dryer Vent Cleaning	2025	to 2	1	50.00	4,050	-5,432	0	0	0	-5,432	9,482	9,482	Dryer Vent Cleaning
2.600	1	Allowance	Lobby, Renovation	2039	15 to 20	15	120,000.00	120,000	0	0	0	0	0	120,000	8,571	Property Upgrades
			Building Services Elements													
3.070	2	Each	Air Handling and Condensing Units, Split Systems	2030	10 to 15	6 to 13	6,500.00	13,000	0	0	0	0	0	13,000	1,529	Property Upgrades
3.360	2	Each	Elevators, Traction, Controls and Equipment	2042	to 25	18	225,000.00	450,000	0	0	0	0	0	450,000	26,471	Elevator
3.365	2	Each	Elevators, Traction, Hoists and Motors	2030	to 40	6	63,000.00	126,000	79,657	5,678	3,312	0	82,970	43,030	8,606	Elevator
3.470	1	Each	Intercom Panel and Entry System	2039	to 15	15	7,000.00	7,000	0	0	0	0	0	7,000	500	Property Upgrades
3.700	2	Each	Pumps, Domestic Cold Water, 3-HP (Includes Controls)	2037	to 15	13	12,500.00	25,000	11,214	511	298	0	11,512	13,488	1,124	Domestic Water Pump
			Property Site Elements													
4.125	1	Allowance	Bridge, Composite, Pond	2033	to 25	9	10,000.00	10,000	0	0	0	0	0	10,000	1,250	Property Upgrades
4.200	550	Linear Feet	Fences, Aluminum	2046	to 25	22	71.00	39,050	8,488	0	0	0	8,488	30,562	1,455	South Wall Repair
4.620	50,640	Square Feet	Pavers, Masonry	2028	20 to 30	4 to 19	8.00	405,120	92,644	7,076	4,127	0	96,771	308,349	29,367	Paving-Asphalt
4.650	1	Allowance	Pipes, Subsurface Utilities, Partial	2028	to 85+	4	20,000.00	20,000	0	0	0	0	0	20,000	6,667	Property Upgrades
4.700	2	Each	Pond, Aerators (2024 is Budgeted)	2024	10 to 15	0 to 13	5,000.00	10,000	0	0	0	10,000	-10,000	20,000	10,833	Property Upgrades
4.720	3,450	Square Feet	Pond, Structure, Inspections and Waterproof Coatings Applications (2024 is	2024	8 to 12	0 to 10	8.00	27,600	17,250	0	0	27,600	-10,350	37,950	13,417	Property Upgrades
4.725	3,450	Square Feet	Pond, Structure, Total Replacement	2044	to 60	20	70.00	241,500	0	0	0	0	0	241,500	12,711	Property Upgrades
4.810	2	Each	Shuffleboard Courts, Replacement	2028	to 40	4	5,000.00	10,000	0	0	0	0	0	10,000	3,333	Property Upgrades
4.820	1	Allowance	Signage, Entrance Monuments, Replacement (2024 is Planned)	2024	15 to 20	0 to 20	25,000.00	25,000	6,848	6,536	3,813	25,000	-14,339	39,339	15,655	Property Upgrades
			Clubhouse Elements													
5.500	2	Allowance	Interior, Renovation	2035	to 20	11 to 21	15,000.00	30,000	3,583	1,402	818	0	4,401	25,599	1,707	Clubhouse/Deck
5.600	17	Squares	Roofs, Metal (Includes Shade Structure)	2050	to 25	26	1,100.00	18,700	0	0	0	0	0	18,700	748	Clubhouse/Deck
			Pool Elements													
6.200	5,200	Square Feet	Deck, Pavers	2044	to 25	20	8.00	41,600	0	0	0	0	0	41,600	2,189	Clubhouse/Deck
6.400	640	Linear Feet	Fences, Aluminum	2044	to 25	20	45.00	28,800	28,800	0	0	0	28,800	0	0	South Wall Repair
6.500	1	Allowance	Furniture	2036	to 12	12	10,000.00	10,000	0	0	0	0	0	10,000	909	Pool/Spa
6.600	3	Allowance	Mechanical Equipment	2029	to 15	5 to 15	30,000.00	90,000	0	0	0	0	0	90,000	10,000	Pool/Spa
6.800	1,200	Square Feet	Pool Finishes, Plaster	2034	8 to 12	10	16.00	19,200	0	0	0	0	0	19,200	2,133	Pool/Spa

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

General

COMPONENT METHOD RESERVE ANALYSIS

for

Riviera Club Association, Inc.

Fort Myers Beach, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years Useful	Life Analysis, Years Remaining[3]	Unit Cost, $	2024 Cost of Replacement, $	May 31, 2024 Estimated Balance, $	2024 Budgeted Contributions, $	2024 Remaining Contributions, $	2024 Remaining Expenditures, $	Jan 1, 2025 Projected Balance, $	Unfunded Residual Balance, $	2025 Recommended Contribution, $	Reserve Category
6.801	150	Linear Feet	Pool Finish, Tile	2034	15 to 25	10	38.00	5,700	2,261	3,439	2,006	0	4,267	1,433	159	Pool/Spa
6.900	1,200	Square Feet	Structures and Decks, Total Replacement	2044	to 60	20	170.00	204,000	0	0	0	0	0	204,000	10,737	Pool/Spa
6.950	1	Allowance	Water Feature, Inspection and Capital Repairs	2034	10 to 15	10	7,600.00	7,600	0	1,541	899	0	899	6,701	745	Pool/Spa
	0	Allowance	Reserve Study Update with Site Visit	2026	2	2	6,500.00	0	0	0	0	0	0	6,500	6,500	Other
									$249,460 **(Note 1)**	$26,807	$15,637 **(Note 2)**	$62,600	$202,497	$1,847,073	$188,226	

Explanatory Notes:

1) Year 2024 ending reserves are projected as of December 31, 2024 and exclude funds in the Structural Integrity Reserve Funding Plan; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) Reserve Contributions are budgeted through 2024. Anticipated Reserves at Year End include these budgeted contributions and anticipated Reserve Expenditures. 2025 is the first year of recommended contributions.
3) We allocate the existing Professional Services Reserve Funds to Reserve Components associated with the Misc Building Component Reserve Funds.
4) We allocate the existing Parking LT/Landscape Reserve Funds to Reserve Components associated with the Property Upgrades Reserve Funds.
5) We allocate the existing Building Repair Reserve Funds to Reserve Components associated with the Painting/Waterproof Reserve Funds.
6) We allocate the existing Interest Reserve Funds to Reserve Components associated with the Misc Building Component Reserve Funds.
7) The Misc Building Component Reserve Funds are not allocated to any identified General Reserve Components.
8) The Domestic Water Piping Reserve Funds are not allocated to any identified General Reserve Components.
9) The Painting/Waterproof Reserve Funds are not allocated to any identified General Reserve Components.
10) The Fire Alarm System Reserve Funds are not allocated to any identified General Reserve Components.
11) The Generator Reserve Funds are not allocated to any identified General Reserve Components.
12) The Fire Pump Reserve Funds are not allocated to any identified General Reserve Components.
13) The Insurance Reserve Funds are not allocated to any identified General Reserve Components.
14) The Walkways Reserve Funds are not allocated to any identified General Reserve Components.
15) The Roofs Reserve Funds are not allocated to any identified General Reserve Components.

General

COMPONENT METHOD SUMMARY

for
Riviera Club
Association, Inc.
Fort Myers Beach, Florida

Existing Reserve Categories	Life Analysis, Years Useful	Remaining	2024 Cost of Replacement, $	Jan 1, 2025 Projected Balance, $	2025 Recommended Contribution, $
Roofs	N/A	N/A	N/A	N/A	N/A
Painting/Waterproof	N/A	N/A	N/A	N/A	N/A
Paving-Asphalt	20 to 30	4 to 19	$405,120	$96,771	$29,367
Elevator	to 40	6 to 18	$576,000	$82,970	$35,077
Misc Building Component	N/A	N/A	N/A	N/A	N/A
Property Upgrades	8 to 85	0 to 35	$484,100	($34,689)	$74,824
Insurance	N/A	N/A	N/A	N/A	N/A
Pool/Spa	8 to 60	5 to 20	$336,500	$5,166	$24,683
Clubhouse/Deck	to 25	11 to 26	$90,300	$4,401	$4,644
Fire Alarm System	N/A	N/A	N/A	N/A	N/A
Fire Pump	N/A	N/A	N/A	N/A	N/A
Dryer Vent Cleaning	to 2	to 1	$4,050	($5,432)	$9,482
Irrigation	to 40	to 36	$0	$4,510	$1,071
Generator	N/A	N/A	N/A	N/A	N/A
Domestic Water Pump	to 15	to 13	$25,000	$11,512	$1,124
Domestic Water Piping	N/A	N/A	N/A	N/A	N/A
South Wall Repair	to 25	20 to 22	$67,850	$37,288	$1,455
Walkways	N/A	N/A	N/A	N/A	N/A
Subtotal			**$1,988,920**	**$202,497**	**$181,726**
Other (Currently Unfunded)	N/A	to 2	$0	$0	$6,500
Grand Total			**$1,988,920**	**$202,497**	**$188,226**

Explanatory Notes:

1) We allocate the existing Professional Services Reserve Funds to Reserve Components associated with the Misc Building Component Reserve Funds.
2) We allocate the existing Parking LT/Landscape Reserve Funds to Reserve Components associated with the Property Upgrades Reserve Funds.
3) We allocate the existing Building Repair Reserve Funds to Reserve Components associated with the Painting/Waterproof Reserve Funds.
4) We allocate the existing Interest Reserve Funds to Reserve Components associated with the Misc Building Component Reserve Funds.
5) The Misc Building Component Reserve Funds are not allocated to any identified General Reserve Components.
6) The Domestic Water Piping Reserve Funds are not allocated to any identified General Reserve Components.
7) The Painting/Waterproof Reserve Funds are not allocated to any identified General Reserve Components.
8) The Fire Alarm System Reserve Funds are not allocated to any identified General Reserve Components.
9) The Generator Reserve Funds are not allocated to any identified General Reserve Components.
10) The Fire Pump Reserve Funds are not allocated to any identified General Reserve Components.

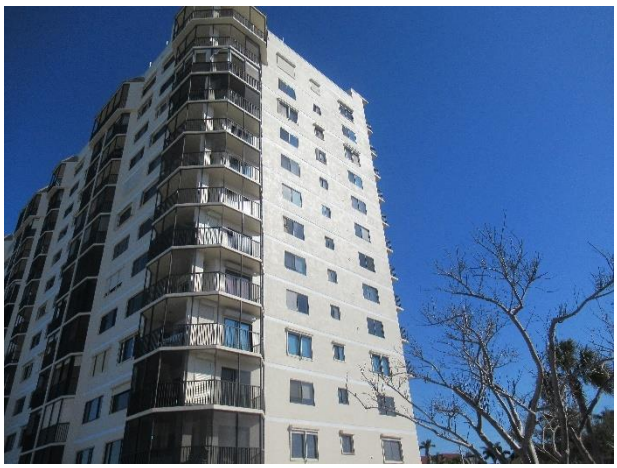
11) The Insurance Reserve Funds are not allocated to any identified General Reserve Components.
12) The Walkways Reserve Funds are not allocated to any identified General Reserve Components.
13) The Roofs Reserve Funds are not allocated to any identified General Reserve Components.

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

Rear elevation



Side elevation

Side elevation

Balconies, Concrete

Line Item: 1.060

Quantity: 84 concrete balconies comprising approximately 8,150 square feet of horizontal surface area.

History: Repaired and coated in 2024

Condition: Good to fair overall with no significant deterioration evident.

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 replacements every 10- to 15-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 cost includes the following activities per event:

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

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 owners.

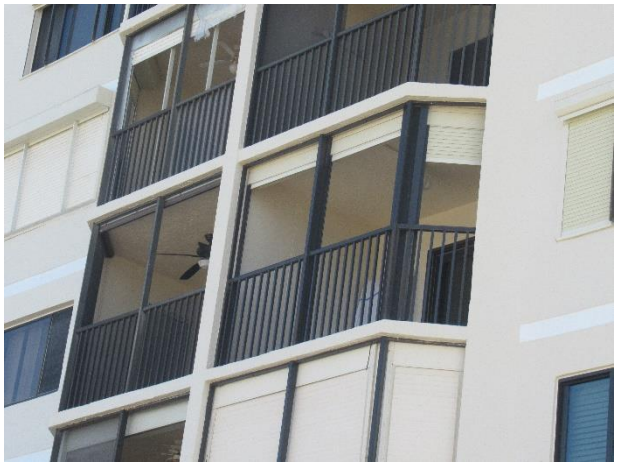
Balconies, Screens

Line Item: 1.110

Quantity: 84 screens and frames comprising approximately 11,700 square feet

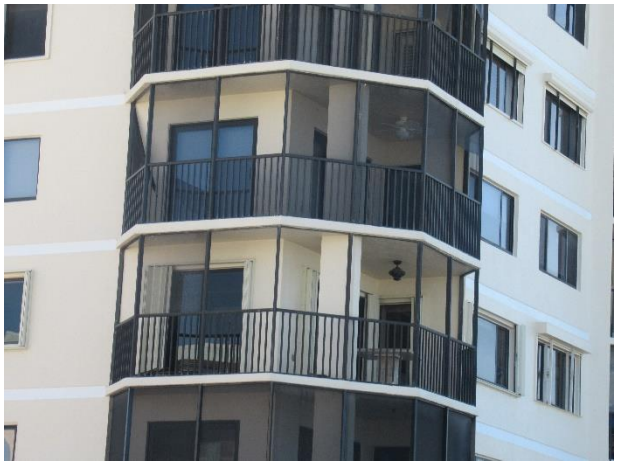
History: Last replaced in 2000. The Association plans to replace the screens and frames in 2024.

Condition: Poor overall with frequent screen damage



Screen damage

Screen damage



Screen damage

Useful Life: 20- 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.

Breezeways, Concrete

Line Item: 1.110

Quantity: 12 concrete breezeways comprising approximately 11,700 square feet of horizontal surface area. This quantity includes the staircases

History: Waterproof coatings were applied in 2014 and the breezeways were sealed in 2022.

Condition: Good to fair overall with isolated cracks evident

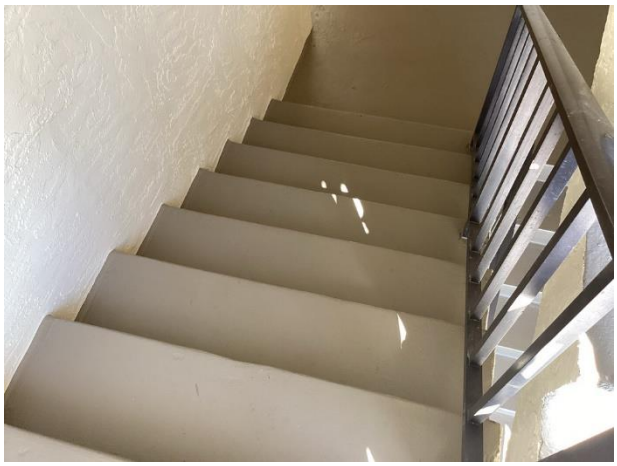
Breezeway overview

Breezeway overview

Breezeway overview

Breezeway cracks

Coating deterioration



Staircase overview

Sealant bead overview

Breezeway cracks

Staircase overview

Useful Life: Capital repairs including a close-up visual inspection, patching of delaminated concrete, routing and filling of cracked concrete, and waterproof coating replacements every 15- to 20-years.

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost includes the following activities per event:

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

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

Paint Finishes, Stairwells

Line Item: 1.285

Quantity: Two each

History: Applied paint finishes in 2009.

Conditions: Fair overall with no significant deterioration evident.

Typical stairwell

Useful Life: 15- to 20-years

Priority/Criticality: Per Board discretion

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

Roofs, Modified Bitumen

Line Item: 1.500

Quantity: Approximately 10,700 square feet

History: Replaced in 2024

Condition: Good overall

Modified bitumen roof overview

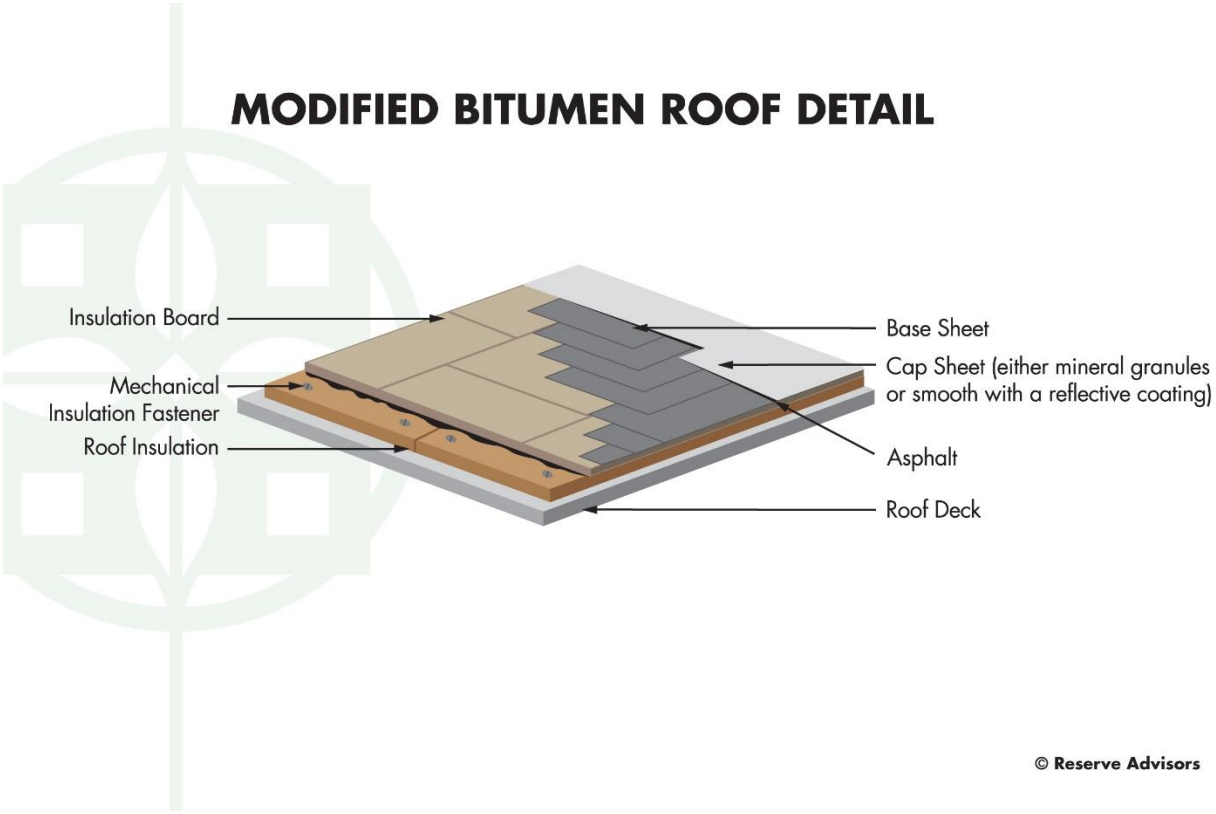
Modified bitumen roof overview

Modified bitumen roof overview

Modified bitumen roof overview

Useful Life: 15- to 20-years

Component Detail Notes: Modified bitumen roofing systems are composed of factory manufactured sheets of polymer-modified bitumen with polyester and/or fiberglass reinforcements. The bitumen adds a waterproof characteristic to the system and the reinforcements add strength and puncture resistance. These factory-assembled roofing systems offer the advantages of a built-up roofing system through a less labor-intensive installation. The following detail depicts a typical modified bitumen roof although it may not reflect the actual configuration at Riviera Club:



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

The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The insulation should fit loosely with gaps no greater than ¼ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation. The contractor applies the base sheet of roofing over the insulation board. This sheet is normally 30-pound material. The contractor should start the installation of a roof membrane from the lowest points of the roof. Mechanical fastening and embedding the base sheet in a flood coat of hot asphalt is the best manner of installation. The membrane and plies are either torch applied (thermoset) or hot asphalt applied. We recommend the contractor use the torch method to install a modified bitumen membrane roof system.

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.

Roofs, Metal

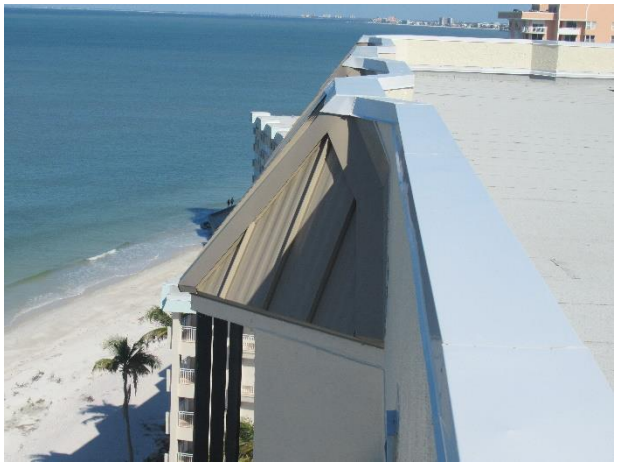
Line Item: 1.460

Quantity: Approximately six *squares*[1]

History: Replaced in 2024

Condition: Good overall

Metal roof overview



Metal roof overview

Metal roof overview

Useful Life: Up to 25 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:

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

- Annually:
    - Record any areas of water infiltration, flashing deterioration, damage or loose fasteners
    - 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.

Structural Members, Inspections

Line Item: 1.605

Quantity: The primary structural members of the building comprise:

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

Condition: Riviera Club 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.

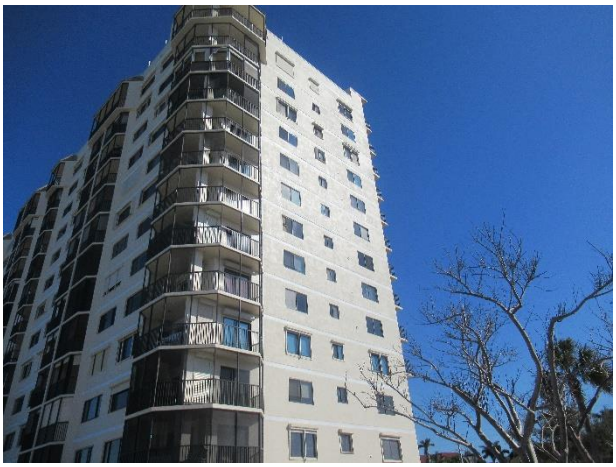
Walls, Stucco

Line Item: 1.880

Quantity: Approximately 58,150 square feet of the building exteriors. This quantity includes the garage interior and the pool house. It is noted that the pool house is expected to be constructed in 2025.

History: Painted and repaired in 2024

Condition: Good overall with no significant deterioration evident.

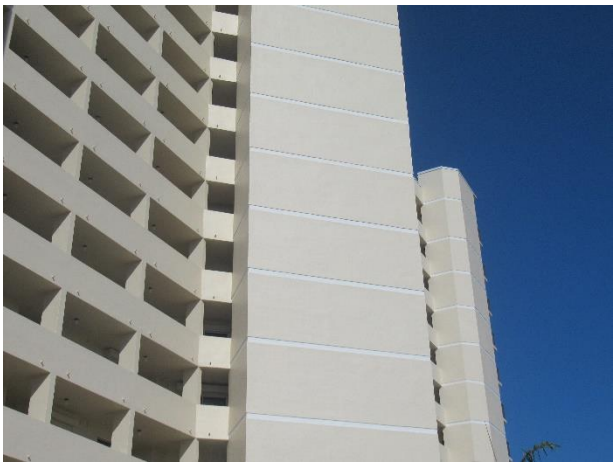


Building overview

Building overview

Stucco wall finishes

Stucco wall finishes

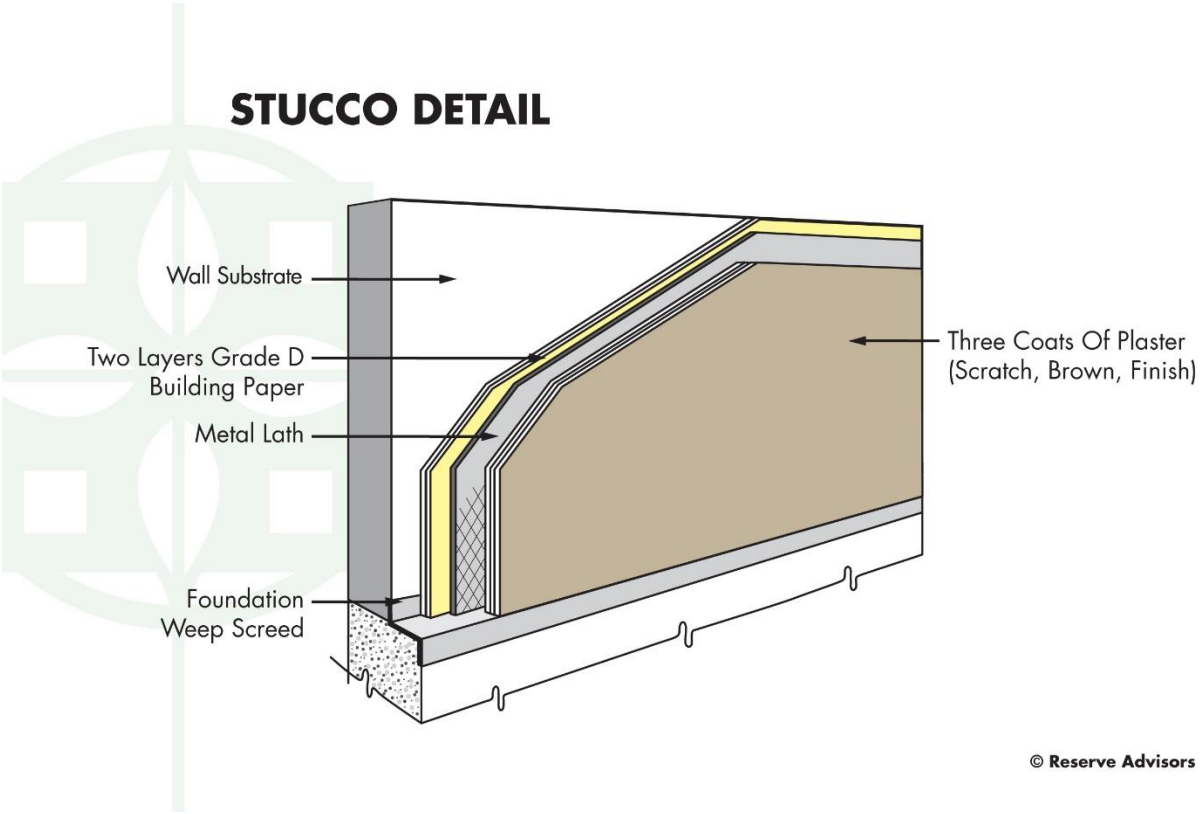


Stucco wall finishes

Stucco wall finishes

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

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



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 anticipates the following in coordination with each paint finish application:

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

Windows and Doors, Utility

Line Item: 1.980

Quantity: Approximately 1,500 square feet of common utility doors located throughout the building.

History: Approximately 750 square feet of doors were replaced in 2024 at the lobby and second floor areas. We note that all of the lobby windows and doors were replaced in 2024 and are considered long-lived.

Condition: Good to fair overall with no significant deterioration evident.

Common lobby windows

Common lobby windows and doors

Common metal door

Useful Life: Up to 40 years

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.

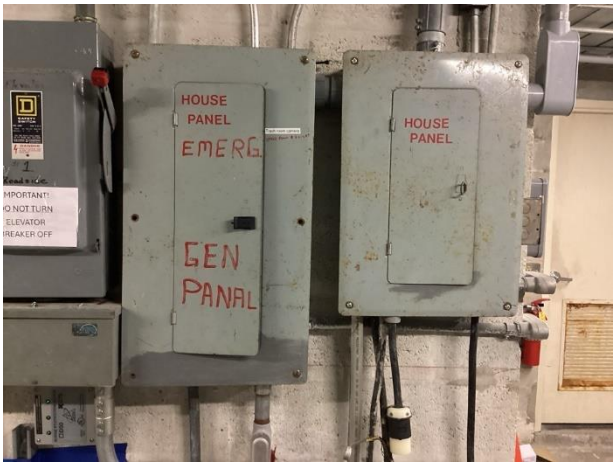
STRUCTURAL INTEGRITY - Building Services Elements

Electrical System

Line Item: 3.300

History: Primarily original to construction

Condition: Reported good to fair overall and the Association reports no issues at this time.



Electrical system components

Electrical system components

Electrical system main panel

Electrical system main panel

Useful Life: Up to and sometimes beyond 70 years

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

Primary Switchgear - The primary switchgear is located where the electric supply comes into the building. Switchgear can include associated controls, regulating, metering and protective devices, and is used for the transmission, distribution and

conversion of electric power for use within the building. Switchgear components have a useful life of up to and sometimes beyond 70 years. Replacement is often determined by a desired upgrade of the entire electrical system.

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

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

Circuit Protection - Once electricity is distributed throughout the building and is at a usable voltage level, the electricity is divided into circuits. Each circuit requires circuit protection. Circuit protection is necessary to prevent injury and fires, and minimize damage to electrical components and disturbances to the electrical system. Abnormalities in the circuit can include overloads, short circuits and surges. Circuit protection devices are commonly referred to as circuit breakers and fuses. For the protection of the circuits in the units and common areas, we recommend the use of only circuit breakers as they are safer than fuses. However, the use of fuses is common for equipment like emergency systems and individual items of equipment. Fuses with a low capacity rating can easily be replaced with fuses of a higher rating resulting in an unprotected, overloaded and unsafe circuit. The circuit protection panels have a useful life of up to and sometimes beyond 70 years.

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

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

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required

preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

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

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

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

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

Generator, Emergency

Line Item: 3.440

Quantity: One *Onan* 60-kW (kilowatt) diesel generator

History: Mostly original. The Association informs us they have replaced the fuel tanks.

Condition: Reported satisfactory without operational deficiencies

Emergency generator

Transfer switch

Useful Life: 25- to 35-years

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

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

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

History: The control panel was replaced in 2024. The emergency devices vary in age.

Conditions: Reported satisfactory overall

Voice communication system

Emergency devices

Control panel

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

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 72* (National Fire Alarm and Signaling Code) we also recommend the Association maintain a maintenance contract with a qualified professional. The 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.

Pipes

Line Item: 3.605

Quantity: Based on the layout and configuration of the units, we have estimated the quantity of the interior building plumbing. Future updates of this Reserve Study will incorporate additional information if it becomes available.

History:

- Domestic Water –Original
- Sanitary Waste and Vent–Mostly original with isolated repairs

Condition:

- Domestic Water – Reported satisfactory overall
- Sanitary Waste and Vent – Reported satisfactory overall with isolated repairs conducted

Component Detail Notes:

Domestic Water - The useful life of domestic supply and return pipes is up to and sometimes beyond 70 years.

Sanitary Waste and Vent- The pipes typically deteriorate from the inside out as a result of sewer gases, condensation and rust.

Valves - The piping systems include various valves. Identification of a typical useful life and remaining useful life for individual valves is difficult. Associations typically replace valves on an as needed basis in our experience.

Pipes, Remaining - We anticipate a useful life of up to and sometimes beyond 100 years for the remaining pipes, which may include fire standpipes, gas supply lines, interior sprinkler pipes, among others. Therefore, we do not foresee the need to budget for replacement of these pipes within the 30-year scope of this study. Future updates of this study will revisit the need to include partial replacement of these pipes.

Preventative Maintenance Notes: The status of preventative maintenance was unavailable to us during our inspection. We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the building's age and demands of the piping systems. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Quarterly:
  - Inspect all visible piping for corrosion and leaks, including common areas or areas immediately surrounding pipes such as insulation, ceiling tiles or the floor for moisture, water accumulation, mold or mildew
- Annually:
  - Verify system pressure is sufficient (pressurized piping systems)
  - Check accessible valves for proper operation

- Test backflow prevention devices
- Inspect and obtain certification for pressure relief valves
- Test drain line flow rates
- Mechanically or chemically clean waste lines as needed

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for a single riser section assumes replacement of all pipes located within each wall opening, associated branch piping, fittings and minimal interior finishes. However, the cost does not include temporary housing for affected residents, pipes within the units or significant interior finishes. Our estimate provides funds to replace approximately forty percent (40%) of the riser sections during the next 30 years.

An invasive analysis of the piping systems will provide various replacement options. Replacement of the systems as an aggregate event will likely require the use of special assessments or loans to fund the replacements.

Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Riviera Club could budget sufficient reserves for the beginning of these pipe replacements and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual pipe replacements to budget sufficient reserves.

We recommend the Association budget for replacement of the following items through the operating budget:

- Replacement of valves on an as-needed basis
- Minor pipe repairs and replacements
- Invasive investigation of the condition of the piping system prior to beginning more aggregate replacements
- Rodding of waste pipe systems

GENERAL - Interior Building Elements

Dryer Vent Cleaning

Line Item: 2.100

Quantity: 81 units

History: Last cleaned in approximately 2021

Condition: Satisfactory overall

Useful Life: Up to 2 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.

Lobby

Line Item: 2.600

Quantity: The lobby components include:

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

History: Renovated in 2024.

Condition: Good overall

Lobby overview

Useful Life: Renovation every 15- to-20 years, however, the scope and cost of lobby renovations may vary greatly based on the direction of the Board.

Priority/Criticality: Per Board discretion

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

GENERAL - Building Services Elements

Air Handling and Condensing Units, Split Systems

Line Item: 3.070

Quantity: Two split systems located at the elevator mechanical room and lobby

History: Replaced in 2023

Condition: Reported satisfactory overall

Split system air handling unit

Split system condensing unit

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. The condensing units have cooling capacities that range from three- to four-tons.

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

- 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

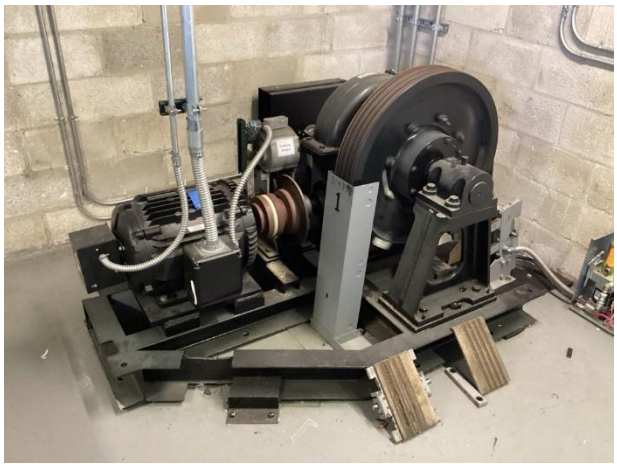
Line Items: 3.360 and 3.365

Quantity: Two traction elevators

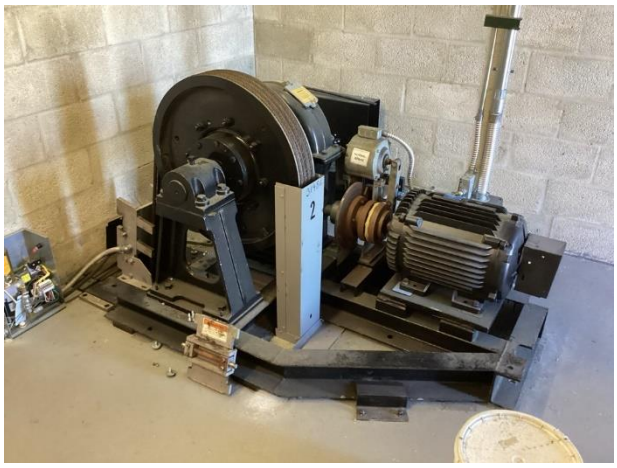
History:

- Controls and call buttons: Major repairs conducted in 2024 for approximately $250,000.
- 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 controls

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

- Ongoing:
  - Maintain a maintenance contract with a qualified professional for the elevator(s) and follow the manufacturer's specific recommended maintenance plan adhering to local, state, and/or federal inspection guidelines
- As-needed:
  - Keep an accurate log of all repairs and inspection dates
  - Inspect and adjust misaligned door operators
  - Clear and remove any items located in the elevator machine room(s) not associated with the elevator components (These rooms should never be used for storage)
  - Inspect electrical components for signs of overheating or failure
  - Inspect controls
  - Lubricate the hoist cables
  - 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.

Intercom Panel

Line Item: 3.470

Quantity: One each

History: Replaced in 2024

Condition: Reported satisfactory

Intercom panel

Useful Life: Up to 15 years

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

- Monthly:
  - Inspect panel for damage and ensure the panel is mounted securely, tighten or replace any loose or damaged fasteners.
  - Inspect panel for proper operation of buttons, displays, microphone and speaker.
- Annually:
  - Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

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

Pumps, Domestic Water

Line Item: 3.700

Quantity: Two each

History: Replaced in 2024

Condition: Reported satisfactory without operational deficiencies

Domestic water pumps

Useful Life: Up to 15 years

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

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

- Weekly:

- Check/adjust controls
- Check/adjust pressure levels
- Check for leaks
- Conduct churn tests

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

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

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

GENERAL - Property Site Elements

Bridge, Composite

Line Item: 4.125

History: Replaced in 2008

Condition: Good to fair overall

Bridge overview

Bridge overview

Useful Life: Up to 25

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.

Fences, Aluminum

Line Item: 4.200

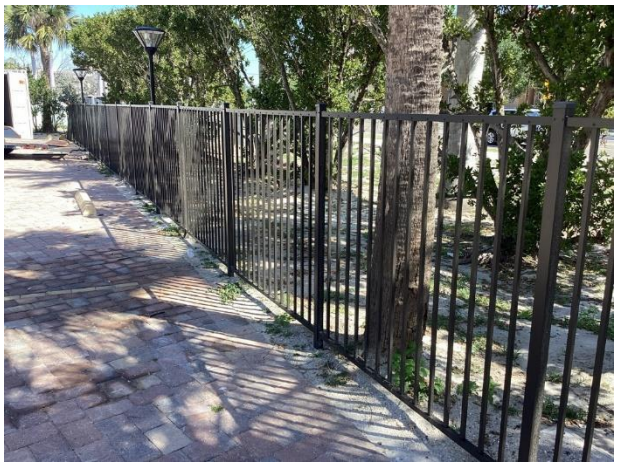
Quantity: Approximately 550 linear feet

History: Replaced in 2024

Condition: Good overall

Aluminum fence

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:
    - 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.

Pavers, Masonry

Line Item: 4.620

Quantity: Approximately 50,640 square feet

History: Replaced in 2011

Condition: Good to fair overall with no significant deterioration evident

Pavers overview

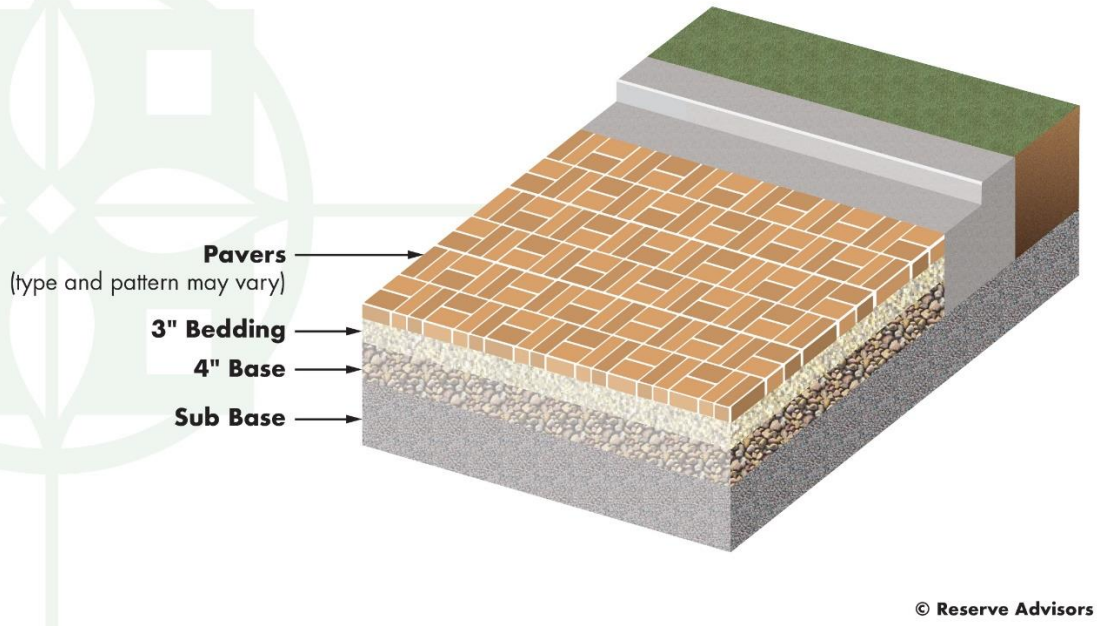
Pavers overview

Pavers overview

Useful Life: 20- to 30-years

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

MASONRY PAVER DIAGRAM



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

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

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

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

Pipes, Subsurface Utilities

Line Item: 4.650

Condition: Reported satisfactory

Useful Life: Up to and likely beyond 85 years

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

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

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. At this time we do not anticipate replacement of continuous lengths of subsurface utility pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Riviera Club could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.

Pond, Aerators

Line Item: 4.700

Quantity: Two aerators

History: Replaced in 2024

Condition: Reported satisfactory

Useful Life: 10- to 15-years

Component Detail Notes: The use of small pumps, motors and aerators circulates pond water and increases the amount of entrained oxygen in the water, increasing water quality and reducing algae growths.

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.

Pond, Structure

Line Item: 4.720 and 4.725

Quantity: The concrete pond structure comprises approximately 3,450 square feet of horizontal surface area

History: The structure is being repaired and coated in 2024.

Condition: Good to fair overall

Pond structure overview

Pond structure overview

Useful Life: 8- to 12-years for repairs and waterproof coatings and up to 60 years for the structure replacement

Component Detail Notes: Synthetic pond liners prevent the exchange of nutrients from the bottom of a pond into the above water and therefore decrease the ability of algae to grow. A pond liner can trap air or other dissolved gases beneath the liner. This can cause the liner to float to the surface, although liners are available with pores for gas migration. The use of a pond liner offers good temporary control, but requires the periodic removal and clearing of any 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.

Shuffleboard courts

Line Item: 4.810

Quantity: Two courts

History: Unknown

Condition: Good to fair overall

Useful Life: Up to 40 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.

Signage

Line Item: 4.820

Quantity: The property identification signage includes the following elements:

- Stucco finishes
- Letters
- Lights
- Landscape

History: Will be new in 2024

Condition: Good overall

Useful Life: 15- to 20-years

Component Detail Notes: Community signage contributes to the overall aesthetic appearance of the property to owners and potential buyers. Renovation or replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific times for replacement or renovation are discretionary.

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

- Annually:
    - Inspect and repair damage, vandalism and loose components
    - Verify lighting is working properly
    - Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for renovation includes repairs to the and replacement of the remaining components listed above.

GENERAL - Clubhouse Elements

Interior Renovations

Line Item: 5.500

History: The Association plans to rebuild the clubhouse in 2025. For budgeting purposes, we include interior renovations per the specs of the 2018 reserve study. The clubhouse interior will include:

- Tile floor coverings
- Tile wall coverings
- Paint finishes at the walls and ceilings
- Plumbing fixtures
- Light fixtures including exit and emergency lights
- Kitchen cabinets and countertops
- Various appliances

Condition: Good overall

Useful Life: Complete renovation up to every 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 interim renovations and paint finishes are funded through the operating budget.

Roof, Metal

Line Item: 5.600

History: The Association plans to rebuild the clubhouse in 2025. For budgeting purposes, we include the metal roofs per the specs of the 2018 reserve study.

Condition: Good overall

Useful Life: Up to 25 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:

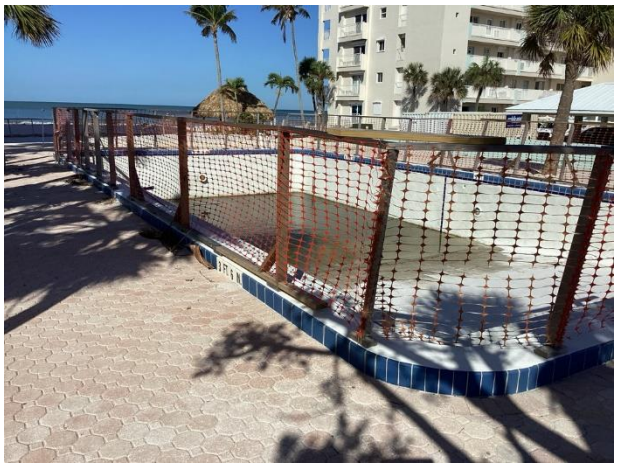
- Annually:
    - Record any areas of water infiltration, flashing deterioration, damage or loose fasteners

- 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.

GENERAL - Pool Elements



Pool overview

Deck, Pavers

Line Item: 6.200

Quantity: Approximately 5,200 square feet of pavers atop existing concrete

History: The Association plans to replace the pool pavers in 2024 through means outside of reserves.

Condition: Poor overall

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

- 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

Line Item: 6.400

Quantity: Approximately 640 linear feet

History: The Association plans to replace the aluminum fence in 2024 through means outside of reserves.

Condition: Poor overall

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 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

History: The Association plans to replace the mechanical equipment in 2024 through means outside of reserves.

Condition: Poor overall

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.

Mechanical Equipment

Line Items: 6.600 and 6.610

Quantity: The mechanical equipment includes the following:

- Controls
- Interconnected pipe, fittings and valves
- Pumps, filters, and geothermal heaters

History: The Association plans to replace the mechanical equipment in 2024 through means outside of reserves.

Condition: Reported poor overall

Useful Life: Up to 15 years

Preventative Maintenance Notes: The status of preventative maintenance was unavailable to us during our inspection. 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 fifty percent (50%) 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 1,200 square feet of plaster based on the horizontal surface area and approximately 150 linear feet of tile

History: The Association plans to resurface the pool in 2024 through means outside of reserves.

Condition: Poor overall

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

- Removal and replacement of the plaster finish
- 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

Structures and Decks

Line Item: 6.900

Quantity: 1,200 square feet of horizontal surface area

History: Original

Conditions: Visually appears in good condition. The concrete floors and walls have a plaster finish. This finish makes it difficult to thoroughly inspect the concrete structure during a noninvasive visual inspection.

Useful Life: Up to 60 years

Component Detail Notes: The need to replace a pool structure depends on the condition of the concrete structure, the condition of the embedded or concealed water

circulation piping, possible long term uneven settlement of the structure, and the increasing cost of repair and maintenance. Deterioration of any one of these component systems could result in complete replacement of the pool. For example, deferral of a deteriorated piping system could result in settlement and cracks in the pool structure. This mode of failure is more common as the system ages and deterioration of the piping system goes undetected. For reserve budgeting purposes, we recommend Riviera Club plan to replace the following components:

- Concrete deck
- Pool structure
- Subsurface piping

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.

Water Feature

Line Item: 6.950

History: The Association plans to replace the water features in 2024 through means outside of reserves.

Conditions: Poor overall

Useful Life: 10- to 15-years

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

- Annually:
    - Drain all lines if applicable
    - Inspect and repair loose connections and fasteners or damaged elements. Check feature accessories for excessive wear.
    - Clean periodically
    - Verify drains are working properly

Priority/Criticality: Per Board discretion

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

Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in

time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

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

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

Riviera Club can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Owners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with Florida Statute 718.112 and exceeds the National standards[1] set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level I Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local[2] costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Fort Myers Beach, Florida at an annual inflation rate[3]. 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 Riviera Club 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.

TYLER D. THOMPSON, RS
Responsible Advisor

CURRENT CLIENT SERVICES

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

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

Windsor at Bay Colony Condominium Association – This high-rise located in Naples, Florida is a 21-story building made up of 31 units. This condominium association is responsible for complex mechanical systems including two cooling towers, and boiler systems. The condominium also has a luxurious plaza deck and pool area that sits atop a two-story garage.

Mandalay Beach Club Owner's Association, Inc. – Located on Clearwater Beach, this high-rise built in 2002 is a 15-story and 156-unit condominium. The condominium consists of an elevated pool and clubhouse area between the two-towers overlooking the Gulf of Mexico. The building sits atop a two-story garage, and the condominium is responsible for mechanical systems such as a generator, domestic water and fire pumps, and traction elevators.

Landings South Condominium Association, Inc. – Located on the inter-coastal of North Palm Beach, Florida, this five-story and 35-unit midrise contains concrete exteriors and a built-up flat roof. The Association, built in 1969, also maintains a pool and dock.

The Gates at Quail Hollow Homeowners' Association, Ltd. – Located in Charlotte, North Carolina, this townhome community has 38 buildings comprised of 174 units. The community has a clubhouse and pool with full amenities. The exteriors of the townhomes are built with wood siding and asphalt shingle roofs.

Spinnaker Bay at the Waterways Condominium Association, Inc. – This midrise, built in 1986, is a two-building, four-story condo with 48-units located in Fort Lauderdale, Florida. The buildings contain unique open breezeways surrounding a spacious atrium in the center. The property also includes a full clubhouse and amenity area.

Schooner Cove Condominium Owners Association, Inc. – A 249-unit, 83-building townhome association in Tampa, Florida that includes multiple funding plans. The community has a clubhouse with full amenities including a pool, spa, and exercise room.

Windsor Oaks Condominiums, Inc. – A 156-unit, 39-building townhome association located in Charlotte, North Carolina. The townhomes in this community consist of a masonry façade with asphalt shingle roofs. The community is also equipped with a clubhouse and pool. Due to the complexity of the terrain, the community is responsible for many retaining walls providing support for many of the buildings.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, LLC, Mr. Thompson was a Product Engineer for a specialty valve manufacturer. He was responsible for processing sales orders through the engineering department by creating bill of materials. This would include designing and drafting various parts and assemblies for the shop and creating processes to streamline production.

EDUCATION

University of Illinois at Chicago (UIC) - B.S. Mechanical Engineering

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

CURRENT CLIENT SERVICES

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

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

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

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

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

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

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

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

PRIOR RELEVANT EXPERIENCE

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

EDUCATION

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

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

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

RESOURCES

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

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

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

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

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

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

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

7. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. PROFESSIONAL SERVICE CONDITIONS

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

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

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

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

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

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

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

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

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

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

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