Structural Integrity Reserve Study

Prepared for:

SOUTH SEAS EAST CONDOMINIUM APARTMENTS of MARCO ISLAND, INC.

651 SEAVIEW COURT

Prepared By:

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Account 22069.04 - Version

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Part I Executive Summary

General Description

South Seas East Condominiums are three mid-rise residential buildings constructed in 1979. The structural system is a reinforced concrete spread footings and superstructure with reinforced concrete floor slabs. The exterior walls are concrete block, and the mansard roof is wood truss construction. This is considered type 3 in accordance with the building code.

Purpose and Scope

The purpose of this engagement is to provide a Structural Integrity Reserve Study (SIRS) budget for **651 Seaview Court** for the period 2025-2034. A new SIRS will be required in 2035 along with the 2035 Phase One Inspection.

Structural Integrity Reserve Study

A Structural Integrity Reserve Study (SIRS) includes both a Physical Analysis and a Financial Analysis of the Association’s common elements.

The required elements under SIRS are:

- Roof
- Structure
- Windows & Doors
- Fire safety System
- Electrical System
- Plumbing System
- Exterior Paint & Waterproofing

Physical Analysis Summary

Overall, the structural elements of South Seas East Condominium Apartments of Marco Island, Inc. are in good to fair condition per the Phase One report. For the SIRS items, they need to replace certain doors and get bids for the electrical repairs ASAP.

Financial Analysis

The major elements of the Financial Analysis are:

- Interest income at 3.0 % /year
- Inflation at 3.0 % per year

An opening 1/1/2025 SIRS reserve balance of $50,000 dollars results in SIRS owner's contribution of $75,577 in 2025, dropping to $74,407 in 2026. A total of $721,343 is collected over the study period including the opening balance.

The scheduled expenses are totaled-per-year, and their payment drives a contribution schedule shown below. The SIRS ten years of collections and expenditures are summarized as a SIRS budget below:

Year	Contribution	Expenditure
Opening	*$50,000*	
2025	$75,577	$2,500
2026	$74,407	$6,180
2027	$62,244	$2,652
2028	$62,156	$2,732
2029	$62,997	$265,057
2030	$64,213	$8,695
2031	$65,530	$2,985
2032	$66,813	$3,075
2033	$68,049	$3,167
2034	$69,357	$3,262

Part II Physical Analysis

Structure - 2029

		1 Cycle	@ $50,000.00
Asset ID	1003	Asset Actual Cost	$50,000.00
		Percent Replacement	100%
Category	Structure	Future Cost	$56,275.44
Placed in Service	December 2029	Assigned Reserves	$30,000.00
Useful Life	10		
Replacement Year	2029	Annual Assessment	$4,648.14
Remaining Life	4	Interest Contribution	$1,039.44
		Reserve Allocation	$5,687.58

This is a reserve for concrete repairs with the next paint cycle.

Structure - Total Current Cost	**$50,000**
Assigned Reserves	**$30,000**
Fully Funded Reserves	**$30,000**

Roof - 2044

		1 System	@ $400,000.00
Asset ID	1002	Asset Actual Cost	$400,000.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$701,402.42
Placed in Service	January 2024	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2044	Annual Assessment	$23,276.23
Remaining Life	19	Interest Contribution	$698.29
		Reserve Allocation	$23,974.51

New Modified Bitumin Roof completed in 2024. Permit #Roof 22-07865.

Roofing - Total Current Cost	**$400,000**
Assigned Reserves	**$0**
Fully Funded Reserves	**$20,000**

Exterior Painting - 2029

		1 Cycle	@ $183,000.00
Asset ID	1004	Asset Actual Cost	$183,000.00
		Percent Replacement	100%
Category	Painting	Future Cost	$205,968.11
Placed in Service	January 2019	Assigned Reserves	$14,350.00
Useful Life	10		
Replacement Year	2029	Annual Assessment	$39,195.43
Remaining Life	4	Interest Contribution	$1,606.36
		Reserve Allocation	$40,801.80

The building is scheduled for painting in 2029.

Painting - Total Current Cost	**$183,000**
Assigned Reserves	**$14,350**
Fully Funded Reserves	**$109,800**

Plumbing - 2026

		1 Cycle	@ $3,500.00
Asset ID	1006	Asset Actual Cost	$3,500.00
		Percent Replacement	100%
Category	Plumbing	Future Cost	$3,605.00
Placed in Service	January 2026	Assigned Reserves	$3,150.00
Useful Life	10		
Replacement Year	2026	Annual Assessment	$350.00
Remaining Life	1	Interest Contribution	$105.00
		Reserve Allocation	$455.00

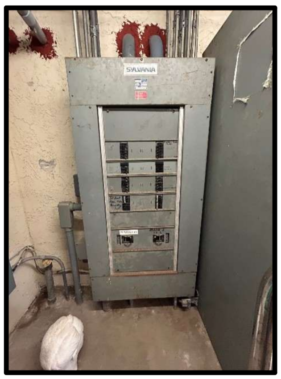
The sanitary piping is Cast Iron. Cast Iron waste pipe in Florida is known to corrode after 40 years, cracking and causing odors and flooding in the walls. This Cast Iron could be replaced with PVC pipe or have the cast iron selectivly lined with a CIPP liner. The CIPP lining would not require full opening of the walls.

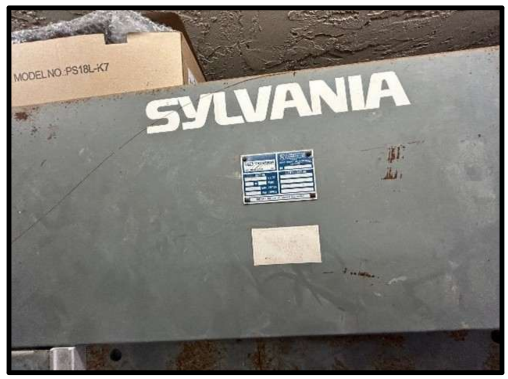
This is a reserve to jet clean and inspect the stacks every 10 years. Cleaning will extend the life of the pipes and identify any problem areas which could be selectivly relined.

Plumbing - Total Current Cost	**$3,500**
Assigned Reserves	**$3,150**
Fully Funded Reserves	**$3,150**

Electrical - 2025

		1 inspection	@ $2,500.00
Asset ID	1001	Asset Actual Cost	$2,500.00
	(null)	Percent Replacement	100%
Category	Electrical	Future Cost	$2,500.00
Placed in Service	January 2025	Assigned Reserves	$2,500.00
Useful Life	1		
Replacement Year	2025	Annual Assessment	$2,500.00
Remaining Life	0	Interest Contribution	$75.00
		Reserve Allocation	$2,575.00





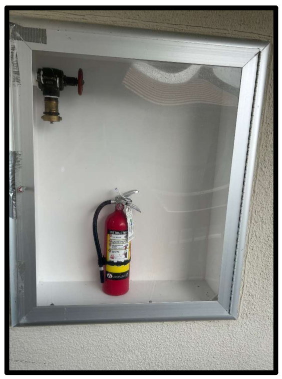
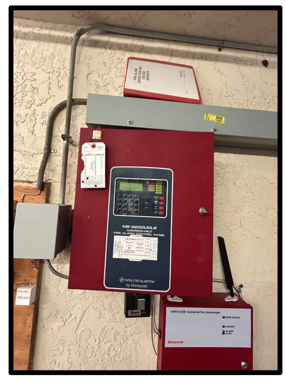
The electrical system equipment is all Sylvania labeled equipment made by Zinsco. This hardware was recalled years ago as a fire hazard.
Be aware that only a percentage of the this equipment ever expericed failure, but the high cost of any failure drove the recall. Your system has been serving without failure for 40-plus years, which leads one to believe whatever defect caused the recall is not present in your system. And its replacement can be planned and bid.

This is a reserve for annual video thermal inspections by a licensed electrician until this hardware is replaced. The Association should now get quotes to identify if there are now replacement parts (aftermarket breakers?) which solve this issue and get quotes to replace this equipment.

Electrical - Total Current Cost	**$2,500**
Assigned Reserves	**$2,500**
Fully Funded Reserves	**$2,500**

Fire Protection - 2060

		1 system	@ $121,000.00
Asset ID	1005	Asset Actual Cost	$121,000.00
		Percent Replacement	100%
Category	Fire Protection	Future Cost	$340,477.35
Placed in Service	January 2020	Assigned Reserves	*none*
Useful Life	40		
Replacement Year	2060	Annual Assessment	$4,672.47
Remaining Life	35	Interest Contribution	$140.17
		Reserve Allocation	$4,812.65

The complete alarm system was updated in 2017 to 2020. The system is a Honeywell Fire Lite System. These systems have a life expectancy of 40 years or more before they are obsolete, or parts are no longer available.The system and related pull stations, horns, and speakers, are Honeywell devices.

A Cummins generator and transfer switch were recently installed and would power the fire protection system in an emergency. It is under a service contract.

Note that this building houses a diesel fire pump for all three buildings.

Fire Protection - Total Current Cost	**$121,000**
Assigned Reserves	**$0**
Fully Funded Reserves	**$15,125**

Windows & Doors - 2030

		1 Replacement	@ $5,000.00
Asset ID	1007	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Windows & Doors	Future Cost	$5,796.37
Placed in Service	January 2030	Assigned Reserves	*none*
Useful Life	45		
Replacement Year	2030	Annual Assessment	$934.86
Remaining Life	5	Interest Contribution	$28.05
		Reserve Allocation	$962.91

All windows and doors are the responsibility of the HOA including the residence. The front doors are in good condition and the common doors are in good condition except for the mechanical rooms and roof access doors.

This is a reserve to replace the mechanical room and roof doors in the next 5 years.

Windows & Doors - Total Current Cost	**$5,000**
Assigned Reserves	**$0**
Fully Funded Reserves	**$4,444**

Detail Report Summary

Grand Total

Assigned Reserves	$50,000.00
Annual Contribution	$75,577.14
Annual Interest	$3,692.31
Annual Allocation	$79,269.45

SOUTH SEAS EAST CONDOMINIUM APARTMENTS of MARCO ISLAND, INC.
Asset Index

Total Funded Assets	7
Total Unfunded Assets	0
Total Assets	7

Part III Financial Analysis

SOUTH SEAS EAST CONDOMINIUM APARTMENTS of MARCO ISLAND, INC.
MARCO ISLAND, FL
Fully Funded Cash Flow Funding Model Summary

Report Date	February 27, 2025
Account Number	22069.04
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	3.00%
2025 Beginning Balance	$50,000

Component Funding Model

Component Funding Model Summary of Calculations

Required Annual Contribution	$75,577.14
Average Net Annual Interest Earned	$3,692.31
Total Annual Allocation to Reserves	$79,269.45

SOUTH SEAS EAST CONDOMINIUM APARTMENTS of MARCO ISLAND, INC.
Fully Funded Cash Flow Model Funding Model Projection

Beginning Balance: $50,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2025	765,000	75,577	3,692	2,500	126,769	238,760	53%
2026	787,950	74,407	5,850	6,180	200,846	291,845	69%
2027	811,588	62,244	7,813	2,652	268,252	351,725	76%
2028	835,936	62,156	9,830	2,732	337,506	414,934	81%
2029	861,014	62,997	4,063	265,057	139,510	211,510	66%
2030	886,845	64,213	5,851	8,695	200,879	267,617	75%
2031	907,480	65,530	7,903	2,985	271,326	333,050	81%
2032	934,704	66,813	10,052	3,075	345,116	402,168	86%
2033	962,745	68,049	12,300	3,167	422,297	475,133	89%
2034	991,628	69,357	14,652	3,262	503,044	552,114	91%

SOUTH SEAS EAST CONDOMINIUM APARTMENTS of MARCO ISLAND, INC.
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025	
Electrical	
Electrical	2,500
Total for 2025	**$2,500**
Replacement Year 2026	
Plumbing	
Plumbing	3,605
Electrical	
Electrical	2,575
Total for 2026	**$6,180**
Replacement Year 2027	
Electrical	
Electrical	2,652
Total for 2027	**$2,652**
Replacement Year 2028	
Electrical	
Electrical	2,732
Total for 2028	**$2,732**
Replacement Year 2029	
Structure	
Structure	56,275
Painting	
Exterior Painting	205,968
Electrical	
Electrical	2,814
Total for 2029	**$265,057**
Replacement Year 2030	
Electrical	
Electrical	2,898

SOUTH SEAS EAST CONDOMINIUM APARTMENTS of MARCO ISLAND, INC.
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2030 continued...	
Windows & Doors	
Windows & Doors	5,796
Total for 2030	**$8,695**
Replacement Year 2031	
Electrical	
Electrical	2,985
Total for 2031	**$2,985**
Replacement Year 2032	
Electrical	
Electrical	3,075
Total for 2032	**$3,075**
Replacement Year 2033	
Electrical	
Electrical	3,167
Total for 2033	**$3,167**
Replacement Year 2034	
Electrical	
Electrical	3,262
Total for 2034	**$3,262**