Structural Integrity Reserve Study

Prepared for:

The Summit House Condominium of Marco Island, Inc.

280 South Collier Boulevard
Marco Island, Florida 34145

Prepared By:

W. J. Johnson & Associates

2946 Del Prado Blvd. S
Cape Coral, Florida 33904
(239) 596-3200

Account 21037.06 - Version

Date: December 20, 2024

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The Summit House Condominium of Marco Island, Inc.

Part I Executive Summary

General Description

The Summit House Condominium of Marco Island is a 22-story high-rise residential building constructed in 1981 - a pre-Hurricane Andrew structure. The structural system is a reinforced concrete superstructure and floor decks with block walls. The foundation construction includes auger-cast piles with reinforced concrete pile caps and grade beams.

Purpose and Scope

The purpose of this engagement is to provide a Structural Integrity Reserve Study (SIRS) budget for The Summit House Condominium of Marco Island, Inc. for the period 2026-2035. A new SIRS will be required in 2036 along with the 2036 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 SIRS elements of The Summit House Condominium of Marco Island, Inc. are in good condition for a building delivered in 1981. The building will have a new roof installed in 2027 and be painted in 2028. These large near-term expenses result in the need for a significant opening balance for 1/1/2026 of $1,500,000.

Financial Analysis

The major elements of the Financial Analysis are:

• Interest income at 3.0 % /year

• Inflation at 3.0 % per year

An opening 1/1/2026 SIRS reserve balance of $1,500,000 results in SIRS owner's contribution of $280,692 in 2026, $297,157 in 2027 and $260,415 in 2028.

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

Year	Collections	Expenditures
Opening	*$1,500,000*	
2026	$280,692	$21,000
2027	$297,157	$0
2028	$260,415	$2,126,044
2029	$243,307	$0
2030	$248,568	$0
2031	$252,190	$0
2032	$263,506	$238,810
2033	$271,628	$4,919
2034	$279,882	$0
2035	$288,164	$0

Part II Physical Analysis

Roof - 2028

		1 replacement	@ $600,000.00
Asset ID		Asset Actual Cost	$600,000.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$636,540.00
Placed in Service	January 2008	Assigned Reserves	$540,000.00
Useful Life	20		
Replacement Year	2028	Annual Assessment	$28,251.43
Remaining Life	2	Interest Contribution	$17,047.54
		Reserve Allocation	$45,298.97

Roof was last replaced in 2008. The roof is inspected and repaired yearly. The roof is in good condition.

Roofing - Total Current Cost	**$600,000**
Assigned Reserves	**$540,000**
Fully Funded Reserves	**$540,000**

Painting - 2028

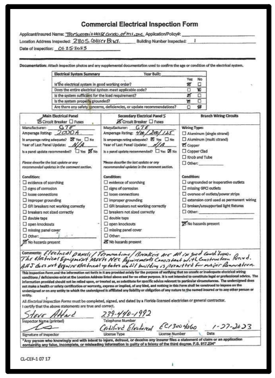
Asset ID		1 Cycle @	$1,200,000.00
		Asset Actual Cost	$1,200,000.00
		Percent Replacement	100%
Category	Painting	Future Cost	$1,273,080.00
Placed in Service	January 2020	Assigned Reserves	$803,266.67
Useful Life	8		
Replacement Year	2028	Annual Assessment	$186,804.72
Remaining Life	2	Interest Contribution	$29,702.14
		Reserve Allocation	$216,506.87

The building was last painted in 2020 on a 7-8 year cycle. SH has a reserve of $1,200,000 based on an estimate from Sherwin Williams representative.

Painting - Total Current Cost	**$1,200,000**
Assigned Reserves	**$803,267**
Fully Funded Reserves	**$900,000**

Electrical - Panels & Switchgear - 2028

		1 Inspection	@ $4,000.00
Asset ID		Asset Actual Cost	$4,000.00
		Percent Replacement	100%
Category	Electrical	Future Cost	$4,243.60
Placed in Service	January 2023	Assigned Reserves	$2,400.00
Useful Life	5		
Replacement Year	2028	Annual Assessment	$753.37
Remaining Life	2	Interest Contribution	$94.60
		Reserve Allocation	$847.97


Commercial Electrical Inspection Form

Applicant/Insured Name: The Summit House Condo. of MI, Inc. Application/Policy#: ______
Location Address Inspected: 280 S. Collier Blvd. Building Number Inspected: 1
Date of Inspection: 01-25-2023

Documentation: Attach inspection photos and any supplemental documentation used to confirm the age or condition of the electrical system.

Electrical System Summary Year Built:	Yes	No
Is the electrical system in good working order?	[x]	[ ]
Does the entire electrical system meet applicable code?	[ ]	[x]
Is the system sufficient for the load requirement?	[x]	[ ]
Is the system properly grounded?	[x]	[ ]
Are there any safety concerns, deficiencies, or update recommendations?	[ ]	[x]

Main Electrical Panel	Secondary Electrical Panel S	Branch Wiring Circuits
[x] Circuit Breaker [ ] Fuses	[x] Circuit Breaker [ ] Fuses	
Manufacturer: GTE Amperage Rating: 2000A Is amperage rating adequate? [x] Yes [ ] No Year of Last Panel Update: N/A Is a panel update recommended? [ ] Yes [x] No *Please describe the last update or any recommended updates in the comment section.*	Manufacturer: GTE Amperage Rating: 400/200/125 Is amperage rating adequate? [x] Yes [ ] No Year of Last Panel Update: N/A Is a panel update recommended? [ ] Yes [x] No *Please describe the last update or any recommended updates in the comment section.*	Wiring Type: [ ] Aluminum (single strand) [ ] Aluminum (multi strand) [x] Copper [ ] Copper Clad [ ] Knob and Tube [ ] Other: ______
Condition: [ ] evidence of scorching [ ] signs of corrosion [ ] loose connections [ ] improper grounding [ ] GFI breakers not working correctly [ ] breakers not sized correctly [ ] double taps [ ] open knockouts [ ] missing panel cover [ ] Other: ______ [x] No hazards present	Condition: [ ] evidence of scorching [ ] signs of corrosion [ ] loose connections [ ] improper grounding [ ] GFI breakers not working correctly [ ] breakers not sized correctly [ ] double taps [ ] open knockouts [ ] missing panel cover [ ] Other: ______ [x] No hazards present	Condition: [ ] ungrounded or inoperative outlets [ ] missing GFCI outlets [ ] overuse of outlets/power strips [ ] extension cord used as permanent wiring [ ] broken/unsupported light fixtures [ ] Other: ______ [x] No hazards present

Comments: Electrical panels / Terminations / Breakers are all in good condition. The Electrical Equipment Meets NEC Requirements Consistant with Construction Period. AHJ does not Require electrical updates until building is permitted for major Renovation.

This inspection Form and the information set forth in it are provided solely for the purpose of verifying that no unsafe or inadequate electrical wiring conditions / deficiencies exist at the Location Address listed above and for no other purpose. It is not intended to constitute legal or professional advice. The information provided should not be relied upon, or treated as, as substitute for specific advice relevant to particular circumstances. The undersigned does not make a health or safety certification or warranty, express or implied, of any kind, and nothing in this Form shall be construed to impose on the undersigned or on any entity to which the undersigned is affiliated any liability or obligation of any nature to the named insured or to any other person or entity.

All *Electrical Inspection Forms* must be completed, signed, and dated by a Florida-licensed electrician or general contractor.
I certify that the above statements are true and correct.

Steve Attard — Inspector Name (printed)
239-440-1992 — Telephone Number
Signature of Inspector
Certified Electrical — License Type
EC13004060 — License Number
1-27-2023 — Date

"Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree. F.S. 817.234"

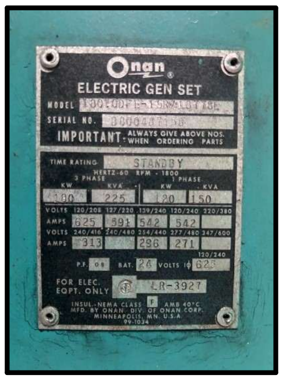
CL-CEF-1 07 17

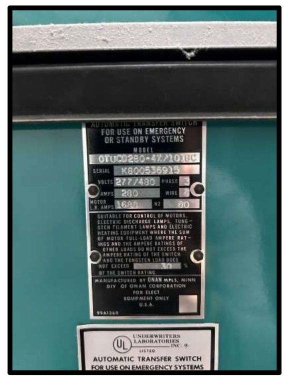
The electrical system equipment is GTE equipment and was fully inspected by a licensed Electrical inspector in 2023. All was found to be in good condition. Expect it will remain in service until parts are no longer available or the building undergoes a major rennovation.

This is an allowance to have a licensed electrician conduct a thermal video inspection of the open panels and junction boxes every 5 years, looking for hot connections.

Electrical - Backup Generator - 2032

		1 system	@ $190,000.00
Asset ID		Asset Actual Cost	$190,000.00
		Percent Replacement	100%
Category	Electrical	Future Cost	$226,869.94
Placed in Service	January 1982	Assigned Reserves	*none*
Useful Life	50		
Replacement Year	2032	Annual Assessment	$29,853.78
Remaining Life	6	Interest Contribution	$895.61
		Reserve Allocation	$30,749.39





There is an Onan 180 KW/ 225KVA emergency diesel generator and transfer switch. Due to very limited usage, this system is in good condition. Expected life cycle of 50 Years.

The replacement cost in full of a 180 KVA generator , including labor, new transfer switch, and piping is approximatly $190,000

Electrical - Total Current Cost	**$194,000**
Assigned Reserves	**$2,400**
Fully Funded Reserves	**$169,600**

Plumbing - Sanitary Stacks - 2026

		1 Cleaning	@ $8,000.00
Asset ID		Asset Actual Cost	$8,000.00
		Percent Replacement	100%
Category	Plumbing	Future Cost	$8,000.00
Placed in Service	January 2026	Assigned Reserves	$8,000.00
Useful Life	10		
Replacement Year	2026	Annual Assessment	$787.61
Remaining Life	0	Interest Contribution	$23.63
		Reserve Allocation	$811.24

The 01 and 02 kitchen stacks from ground level to top level have been replaced with PVC. And the condensate stacks were repleced in 2024 from ground level to 23rd floor.

The some original cast irom sanitary piping is still in place. And some newer Cast iron pipe is located on the ground floor.

Jet cleaning and video inspection will extend the life of the Cast Iron pipes, locate any potential problems and validate the fire stops are aligned between floors in the PVC pipes.

This is a reserve to jet clean and inspect the sanitary stacks every 10 years (every SIRS cycle).

Plumbing - Total Current Cost	**$8,000**
Assigned Reserves	**$8,000**
Fully Funded Reserves	**$8,000**

Fire Protection - Fire Panel - 2026

		1 Update	@ $10,000.00
Asset ID		Asset Actual Cost	$10,000.00
		Percent Replacement	100%
Category	Fire Protection	Future Cost	$10,000.00
Placed in Service	January 2012	Assigned Reserves	$10,000.00
Useful Life	10		
Replacement Year	2026	Annual Assessment	$984.51
Remaining Life	0	Interest Contribution	$29.54
		Reserve Allocation	$1,014.04

The Fire alarm system is a Honeywell Notifier system. This is Honeywell's top line alarm system.

It was installed in 2012. These systems have a life of 40 years.

This is an allowance for updates to this system for this SIRS period.

Fire Protection - Fire Pump & Piping - 2032

		1 system	@ $10,000.00
Asset ID		Asset Actual Cost	$10,000.00
		Percent Replacement	100%
Category	Fire Protection	Future Cost	$11,940.52
Placed in Service	January 1982	Assigned Reserves	*none*
Useful Life	40		
Adjustment	10	Annual Assessment	$1,571.25
Replacement Year	2032	Interest Contribution	$47.14
Remaining Life	6	Reserve Allocation	$1,618.39

The fire pump is electric and was rebuilt in 2021, extending its life another 10 years. There are sprinkler heads on the ground floor, standpipes are in each stairwell, along with fire extinguishers as required.

Fire Protection - Total Current Cost	**$20,000**
Assigned Reserves	**$10,000**
Fully Funded Reserves	**$18,800**

Structure - 2028

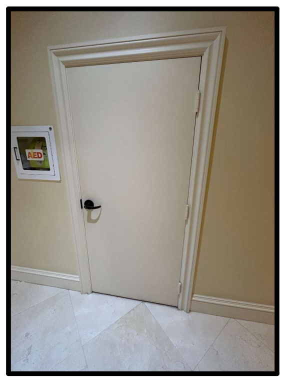
		1 Repair Cycle	@ $200,000.00
Asset ID		Asset Actual Cost	$200,000.00
		Percent Replacement	100%
Category	Structure	Future Cost	$212,180.00
Placed in Service	January 2022	Assigned Reserves	$133,333.33
Useful Life	8		
Adjustment	-2	Annual Assessment	$31,390.48
Replacement Year	2028	Interest Contribution	$4,941.71
Remaining Life	2	Reserve Allocation	$36,332.19

Structure is in good condition. Repairs were completed in 2022 based on our inspection. This reserve should be $200,000 to be used for miscellaneous repairs as they come up or at the next painting.

Structure - Total Current Cost	**$200,000**
Assigned Reserves	**$133,333**
Fully Funded Reserves	**$133,333**

Windows & Doors - 2026

Asset ID		1 inspection	@ $3,000.00
		Asset Actual Cost	$3,000.00
		Percent Replacement	100%
Category	Windows & Doors	Future Cost	$3,000.00
Placed in Service	January 2026	Assigned Reserves	$3,000.00
Useful Life	10		
Replacement Year	2026	Annual Assessment	$295.35
Remaining Life	0	Interest Contribution	$8.86
		Reserve Allocation	$304.21



All Common windows and glass doors were replaced with impact windows between 2009 to 2018. The unit Owners are responsible for all unit windows and doors. SH required all unit Owners to upgrade to Impact windows or upgrade the storm shutters in 2023. All units have impact windows except 5 that have just upgraded the storm shutters. Hollow metal utility doors are in good condition.

This is an allowance to have a Fire Professional inspect the stairway fire escape doors for proper closing, and test each of the emergency lights in the fire escape stairs every 10 years (every SIRS Cycle).

Windows & Doors - Total Current Cost	**$3,000**
Assigned Reserves	**$3,000**
Fully Funded Reserves	**$3,000**

Detail Report Summary

Grand Total

Assigned Reserves	$1,500,000.00
Annual Contribution	$280,692.50
Annual Interest	$52,790.77
Annual Allocation	$333,483.27

The Summit House Condominium of Marco Island, Inc.
Asset Index

Total Funded Assets	9
Total Unfunded Assets	0
Total Assets	9

Part III Financial Analysis

The Summit House Condominium of Marco Island, Inc.
Marco Island, Florida 34145
Fully Funded Cash Flow Funding Model Summary

Report Date	December 20, 2024
Account Number	21037.06
Budget Year Beginning	January 1, 2026
Budget Year Ending	December 31, 2026

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	3.00%
2026 Beginning Balance	$1,500,000

Component Funding Model

Component Funding Model Summary of Calculations

Required Annual Contribution	$280,692.50
Average Net Annual Interest Earned	$52,790.77
Total Annual Allocation to Reserves	$333,483.27

The Summit House Condominium of Marco Island, Inc.
Fully Funded Cash Flow Model Funding Model Projection

Beginning Balance: $1,500,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	2,225,000	280,692	52,791	21,000	1,812,483	2,031,126	89%
2027	2,291,750	297,157	63,289		2,172,930	2,325,705	93%
2028	2,360,502	260,415	9,219	2,126,044	316,520	437,200	72%
2029	2,431,318	243,307	16,795		576,621	688,811	84%
2030	2,504,257	248,568	24,756		849,944	955,126	89%
2031	2,579,385	252,190	33,064		1,135,198	1,236,799	92%
2032	2,656,766	263,506	34,797	238,810	1,194,691	1,288,600	93%
2033	2,736,469	271,628	43,842	4,919	1,505,241	1,590,683	95%
2034	2,818,563	279,882	53,554		1,838,676	1,914,950	96%
2035	2,903,120	288,164	63,805		2,190,645	2,257,242	97%

The Summit House Condominium of Marco Island, Inc.
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2026	
Plumbing	
Plumbing - Sanitary Stacks	8,000
Fire Protection	
Fire Protection - Fire Panel	10,000
Windows & Doors	
Windows & Doors	3,000
Total for 2026	**$21,000**
No Replacement in 2027	
Replacement Year 2028	
Roofing	
Roof	636,540
Painting	
Painting	1,273,080
Electrical	
Electrical - Panels & Switchgear	4,244
Structure	
Structure	212,180
Total for 2028	**$2,126,044**
No Replacement in 2029	
No Replacement in 2030	
No Replacement in 2031	
Replacement Year 2032	
Electrical	
Electrical - Backup Generator	226,870
Fire Protection	
Fire Protection - Fire Pump & Piping	11,941
Total for 2032	**$238,810**
Replacement Year 2033	
Electrical	
Electrical - Panels & Switchgear	4,919
Total for 2033	**$4,919**