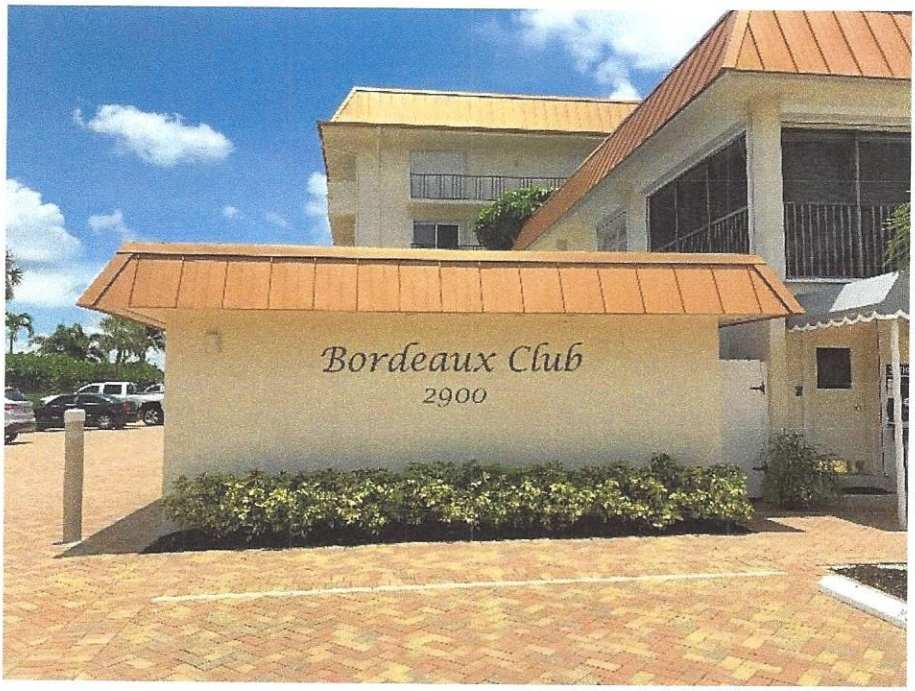
RESERVE STUDY REPORT

Project:

The Bordeaux Club
2900 Gulf Shore Boulevard North
Naples, Collier County, Florida
Velocity Project Number: 17-256

Date: October 10, 2018



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Bordeaux Club, Inc.
c/o Mr. Paul J. Grant, CAM
2900 Gulf Shore Boulevard North
Naples, FL 34103
(239) 261-5392
Mgr.BordeauxClubNaples@gmail.com

October 10, 2018

Subject: **Reserve Study Report**
The Bordeaux Club
2900 Gulf Shore Boulevard North
Naples, Collier County, Florida
Velocity Project Number 17-256

Dear Mr. Grant:

Velocity Engineering Services, LLC (Velocity) is pleased to submit this Reserve Study Report for the Association referenced above. It has been our pleasure to work with you on this project.

1.0 INTRODUCTION & METHODOLOGY

1.1 Project Description

Bordeaux Club, Inc. (the Association) is a multifamily residential community consisting of 3, 4-story condominium buildings, totaling 64 units, an office building, and a maintenance shop. The community was constructed in approximately 1974. The client provided Velocity with the Association's 2018 Adopted Reserve Funding spreadsheet.

It should be noted that the Association elected to reallocate a total of $20,000 from the roof gutters and downspouts reserve account. $10,000 was reallocated to the concrete restoration reserve and $10,000 to the elevators reserve. This reallocation is reflected in the end of year balances for each of these items in the reserve schedule. Additionally, the Association elected to reallocate $30,000 from the elevators reserve to the North and South Roofs reserves in order to fund their replacement in 2018.

1.2 Purpose & Scope of Services

The purpose of this reserve study is to identify major repair, replacement, and maintenance items that should be included in the Association's Reserve Schedule, to identify the estimated useful life, estimated remaining useful life, and replacement cost of each component, and to propose appropriate reserve funding for the 2019 budget year. In order to achieve these objectives, Velocity's scope of services included:

- ✓ Performing site visits on various dates in June of 2018;

- ✓ Interviewing the Association's Property Manager to obtain relevant maintenance and repair history information;
- ✓ Reviewing available Association financial records in order to estimate the end of year reserve balances. (please note that interest and unanticipated expenditures may cause the end of year balance to differ from those predicted herein);
- ✓ Interviewing the Association's vendors that provide maintenance and repair for the reserve components;
- ✓ Researching the estimated useful life and replacement cost of each reserve component;
- ✓ Preparing a recommended Reserve Funding Schedule for the 2019 budget year; and,
- ✓ Summarizing our work in the form of this Reserve Study Report.

1.3 Replacement Cost and Useful Life

Velocity obtained replacement cost and estimated expected useful life information through a combination of speaking with the Association's contractors and vendors, reviewing the RS Means construction cost database, FannieMae estimated useful life tables, researching advertised and online vendor pricing, our past experience with similar projects, and general industry standards. Throughout this report, the terms "Estimated Expected Useful Life" and "Estimated Remaining Useful Life" will be used. These terms are defined below:

Estimated Expected Useful Life (a.k.a., Estimated Useful Life) - The total life of a newly purchased asset before deferred maintenance or a replacement of the item is needed.

Estimated remaining useful life (a.k.a., Estimated Remaining Life) – The length of time a particular asset has left before deferred maintenance or a capital expenditure is needed.

1.4 Accounting Procedures

This report was prepared using Straight Line accounting methods. Straight line accounting is based upon current costs and neither interest nor inflation are factored into the calculations. Recommended 2019 contributions were determined by taking the unfunded balance for each component and dividing it by its estimated remaining useful life.

During the preparation of the recommended Reserve Funding Schedule provided herein, existing reserve funds in each category were allocated to the reserve components within that category based upon the magnitude of their replacement cost and duration of their remaining useful lives. The allocation of these funds within each category could be modified or changed and those changes would result in different calculated recommended contributions.

Chapter 718.112(2)(f)2 of the Florida Statutes require Condominium Associations to establish reserve funds for capital expenditures and deferred maintenance, specifically including roofs, painting, and pavement, and any other item for which the deferred maintenance expense or replacement cost exceeds $10,000.

2.0 RESERVE COMPONENTS

2.1 North Building Roof

The north building roof reserve component consists of the cost to replace the flat roof at the north building. The Property Manager informed Velocity that the roof was last replaced in 2018. The flat roof measures approximately 7,500 sq. ft. for a total of approximately 75 squares of roof. With the exception of two localized areas of standing water near scuppers, the roof appeared to be in excellent condition at the time of Velocity's site visit. The two localized areas of standing water should be corrected to prevent premature deterioration of the roofing system.

The Property Manager informed Velocity that West Coast Florida Enterprises, Inc. (West Coast) was the contractor who replaced the roof in 2018. It is understood that West Coast installed a Soprema multi-ply modified bitumen system, along with a 2001 Company Vented Roof System when the roof was replaced. The Property Manager informed Velocity that West Coast replaced the roof for a total cost of $135,000 and provided an estimated useful life of approximately 20 years for the new roof.

2.2 West Building Roof

The west building roof reserve component consists of the cost to replace the flat roof at the west building. The Property Manager informed Velocity that the roof was last replaced in approximately 2004. The roof measures approximately 7,400 sq. ft. for a total of approximately 74 squares of roof.

It should be noted that a liquid applied membrane was observed throughout the west roof. The purpose of installing a liquid applied membrane is to extend the useful life of the roof. The date of application of the liquid membrane is unknown.

The roof appeared to be in poor to fair overall condition at the time of Velocity's site visit. Severe cracking was observed in the membrane, throughout the cap sheet, and in the roof cement at nearly all cap sheet end laps. Furthermore, Velocity observed localized areas of standing water and severely rusted fasteners throughout the parapet walls.

The Property Manager informed Velocity that West Coast estimated a remaining useful life of 6 years for the west building roof. However, based on Velocity's observations, it is estimated that the remaining useful life of the west building roof is approximately 2 to 3 years. For the purposes of this reserve study, Velocity has assumed that the roof will be replaced in 2021 and every 20 years thereafter.

2.3 South Building Roof

The south building roof reserve component consists of the cost to replace the flat roof at the south building. The Property Manager informed Velocity that the roof was last replaced in 2018. The roof measures approximately 7,500 sq. ft. for a total of approximately 75 squares of roof. The roof appeared to be in excellent overall condition at the time of Velocity's site visit.

The Property Manager informed Velocity that West Coast was the contractor who replaced the roof in 2018. It is understood that West Coast installed a Soprema multi-ply modified bitumen system, along with a 2001 Company Vented Roof System when the roof was replaced. The Property Manager informed Velocity that West-

Coast replaced the roof for a total cost of $135,000 and provided an estimated useful life of approximately 20 years for the new roof.

2.4 Office Building Roof

The office building roof reserve component consists of the cost to replace the flat roof at the office building. The Property Manager informed Velocity that the roof was last replaced in 2005. The roof measures approximately 1,100 sq. ft. for a total of 11 squares of roof. With the exception of localized areas of standing water, the roof appeared to be in good overall condition at the time of Velocity's site visit. The localized areas of standing water should be corrected to prevent premature deterioration of the roofing system.

Velocity has estimated the cost to replace the office building roof based upon the numbers provided for the north and south buildings. Due to the observed condition of the roof, Velocity anticipates that the office building roof will be replaced coincidingly with the maintenance building roof in 2027, and every 20 years thereafter.

2.5 Maintenance Building Roof

The maintenance building roof reserve component consists of the cost to replace the flat roof at the maintenance building. The Property Manager informed Velocity that the roof was last replaced in 2010. The roof measures approximately 700 sq. ft. for a total of 7 squares of roof.

The roof appeared to be in fair to good overall condition at the time of Velocity's site visit. Minor cracking was observed in the cap sheet and in the roof cement at the cap sheet end laps. Additionally, granule loss in the cap sheet was observed in some areas.

Based on Velocity's site visit, it is estimated that the remaining useful life of the maintenance building roof is approximately 7 to 9 years. Velocity has estimated the cost to replace the maintenance building roof based upon the numbers provided for the north and south buildings. Due to the observed condition of the roof, Velocity anticipates that the maintenance building roof will be replaced coincidingly with the office building roof in 2027, and every 20 years thereafter.

2.6 Mansard Roofs

The mansard roofs reserve component consists of the cost to replace the standing seam metal mansard roofs throughout the community. The Property Manager informed Velocity that all mansard roofs were replaced in 2005. The mansard roofs appeared to be in good overall condition at the time of Velocity's site visit.

It is understood that Crowther Roofing and Sheet Metal of Florida Inc (Crowther) replaced the mansard roofs in 2005. Crowther provided Velocity with an updated cost estimate of approximately $180,000 to $216,000 for replacement of the mansard roofs. Velocity utilized a mid-range cost of $200,000 in preparing the reserve schedule. It should be noted that this cost estimate is based upon material costs at the time of this reserve study, which may be inflated due to Hurricane Irma.

It is anticipated that the mansard roofs will be replaced in 2035 and every 30 years thereafter.

2.7 Roof Gutters & Downspouts

The roof gutters and downspouts reserve component consist of the cost to replace the aluminum gutters and downspouts throughout the community. The Property Manager informed Velocity that the roof gutters and downspouts were replaced along with the mansards in 2005, and that various sections of the gutters and downspouts were replaced in 2017 due to Hurricane Irma. The roof gutters and downspouts appeared to be in good overall condition at the time of Velocity's site visit.

Velocity has estimated the cost to replace the roof gutters and downspouts based upon past experience with similar projects. Velocity anticipates that the roof gutters and downspouts will be replaced coincidingly with the metal mansard roofs in 2035.

2.8 Painting

The painting reserve component consists of the cost to repaint the exterior of the condominium buildings, the maintenance building, the office building, and the chickee hut. It is understood that the condominium buildings, the maintenance building, the office building, and the chickee hut were last repainted in 2013. With the exception of small areas of peeling paint and minor stucco cracks, the paint on the buildings and the chickee hut was in good overall condition at the time of Velocity's site visit. Stucco cracks should be patched the next time the buildings are repainted.

It is understood that Gulfstream Painting & Contracting Inc (Gulfstream) repainted the buildings and chickee hut in 2013. Gulfstream provided Velocity with an updated estimate to repaint the buildings and chickee hut for a total cost of $97,815.

The paint specifications for the last repainting that was performed indicate that the paint manufacturer's warranty lasts 8 years from the date of application. Therefore, it is anticipated that repainting of the buildings and the chickee hut will be performed every 8 years. Velocity has assumed that interior painting is being handled as an operating expense.

2.9 Screens

The screens reserve component consists of the cost to replace all of the mesh screens every 10 years and the aluminum screen enclosures every 20 years. The screens appeared to be in good overall condition at the time of Velocity's site visit. However, caulk was not observed on the exterior of the aluminum screen enclosures located along the walkways of the north and south building. The aluminum screen enclosures should be properly caulked to prevent water intrusion and deterioration of the enclosure fasteners.

The Property Manager informed Velocity that all mesh screens, and the screen enclosures along the walkways, were replaced from 2016 to 2018 for a total cost of approximately $38,100. Screen enclosures were not replaced on the east side of the west building nor on the east facing lanais of the north and south buildings at that time. It is anticipated that these aluminum screen enclosures will be replaced the next time the screens are replaced.

For the purposes of this reserve study, Velocity has assumed that all mesh screens were replaced in 2017 and will be replaced every 10 years thereafter.

2.10 Railings, Fencing, & Stairs

The walkway railings, perimeter fencing, and roof stairs/walkways reserve component consists of the cost to replace the aluminum railings and fencing throughout the community, and the two access stairs/walkways located on the roofs between the condominium buildings.

2.10.1 Walkway Railings

The Association indicated that the condition of the walkway railings is a concern to the residents. Based upon the 2018 Adopted Reserve Funding spreadsheet provided to Velocity, it is assumed that the walkway railings were last replaced in approximately 2000. It should be noted that the railings were cleaned and coated in 2016 by Service Contracting Solutions (previously known as Service Painting of Florida). Velocity observed the walkway railings during our site visits and, with the exception of some rusting hardware and gaps in the handrails, the walkway railings appeared to be in good overall condition. Minor repairs should be performed on an as needed basis.

The Association has also indicated that they are aware that the railings do not comply with the current requirements of the Florida Building Code (FBC). Specifically, the spacing between verticals on the aluminum walkway railings do not comply with the requirements set forth in Chapter 1015.4 of the 2017 FBC (Building). However, the Association is not required to comply with the current FBC until the railings are replaced.

The Association informed Velocity that Service Contracting Solutions provided an estimated cost of $180,000 to replace all of the walkway railings. Based upon the current (assumed) age and condition of the railings, Velocity estimates the remaining useful life of the walkway railings to be approximately 8 years.

2.10.2 Fencing

Based upon a review of aerial photography, the aluminum picket and chain link fence along the perimeter of the property appeared to have been installed in approximately 2011. There is approximately 115 feet of aluminum picket fence and 120 feet of chain link fence. The fencing is in generally good condition, with the exception of some rusting hardware. Minor repairs should be performed on an as needed basis. Velocity estimates the remaining useful life of the fencing to be approximately 12 years. The cost to replace the fencing is based upon past experience with similar projects.

2.10.3 Roof Stairs/Walkways

It is understood that the two access stairs/walkways on the roofs were installed in 2018 for a total cost of approximately $23,000. The roof stairs/walkways were in excellent condition at the time of Velocity's site visit.

2.11 Elevators

The elevator reserve component consists of the cost to perform elevator modernization, replace pistons, replace the elevator cab interior, and replace the air conditioning systems within the elevator equipment rooms. The Property Manager informed Velocity that elevator modernization and piston replacement was performed on all elevators in 2017. Additionally, Velocity was informed that the elevator cab interiors were replaced, and air conditioning systems were installed in the elevator equipment rooms in 2010.

Velocity spoke with Mrs. Amy Gill, a sales representative for ThyssenKrupp, regarding elevator modernization and piston replacement. The information provided below, including approximate replacement costs and estimated useful lives, is based upon Velocity's past experience with similar projects and discussions with Mrs. Gill.

2.11.1 Modernization

An elevator modernization consists of replacing the elevator controllers, hydraulic pumps, wiring, and exterior/interior elevator push buttons. The elevators were functioning, and the equipment appeared to be in good condition at the time of Velocity's site visit. It is typical to modernize elevators approximately every 25 years. Mrs. Gill indicated that the cost to modernize the elevators is approximately $60,000 per elevator.

2.11.2 Pistons

Replacing the elevator piston consists of replacing seals, bearings, the piston, and associated components. The useful life of elevator pistons is based upon use and many other factors and cannot be accurately estimated. It is understood that elevator pistons can last as little as 5 years or as many as 40 years. However, due to the relatively high cost associated with replacement of elevator pistons, Velocity has included an elevator piston replacement item in the reserve schedule. For the purposes of this report, Velocity has utilized an estimated useful life of 20 years for the elevator pistons. Mrs. Gill indicated that the cost to replace the elevator pistons is approximately $35,000 per elevator.

2.11.3 Interiors

Replacing the elevator cab interior consists of replacing the elevator wall panels, handrails, ceiling, and flooring. Due to termite damage, it is understood that the Association will replace the south elevator cab interior in 2018. The Association was provided proposals from Gulfside Elevator & Cab Interior, LLC and Oracle Elevator Company, in 2018, to replace the elevator cab interior in the south elevator for a total cost of approximately $24,000 and $39,000, respectively. It is anticipated that the replacement of the elevator cab interior will be performed every 25 years. Based upon the information provided, a cost of $30,000 to replace the elevator cab interior has been utilized for the purposes of this report.

2.11.4 HVAC

The air conditioning systems were functioning and appeared to be in good condition at the time of Velocity's site visit. It is anticipated that the replacement of the elevator room air conditioning systems will be performed every approximately 15 years. The cost to replace the elevator room air conditioning systems has been estimated based upon past experience with similar projects.

2.12 Concrete Restoration

The concrete restoration reserve component consists of the cost to repair spalling concrete throughout the community. The Property Manager informed Velocity that structural repairs were performed in many areas throughout the buildings approximately 10 to 15 years ago. Additionally, it is understood that balcony surfaces were waterproofed in 2016 by Elias Brothers Group Painting and Contracting, Inc (Elias) for a total cost of $55,719. Velocity observed the buildings from the ground during our site visit. Overall, the building structures appeared to be in good condition. However, Velocity observed 1 area of spalling/cracked concrete during our site visit at the corner of the balcony of Unit 201 in the north building. Subsequently, the Association retained Velocity to perform inspections of the buildings and balconies from a man-lift in order to identify other areas where concrete may be spalling/cracking. The results of Velocity's inspection have been issued in a Building Inspection Letter dated 10/3/18.

Based upon the reported previous concrete restoration work performed throughout the buildings 10 to 15 years ago, and the results of Velocity's building inspections, it is recommended that the Association establish an allowance of $200,000 every 15 years to fund any necessary concrete restoration or associated work. This cost should be considered approximate. Actual repair costs will depend on the extent of the damage, which cannot be identified until the destructive investigation recommended in Velocity's Building Inspection Letter is performed.

2.13 Pavers

The pavers reserve component consists of the cost to replace the driveway and parking area pavers. The Property Manager informed Velocity that the pavers were installed in 2014. Localized cracked pavers and an area of depressed pavers at the southernmost entrance of the community were observed at the time of Velocity's site visit. Overall, the pavers appeared to be in good condition.

Significantly cracked or damaged pavers should be replaced, whereas minor cracking of pavers is cosmetic in nature and will have little effect on the useful life of the paver system. The observed depressed pavers have created an elevation difference and tripping hazard. The Americans with Disability Act Accessibility Guidelines (ADAAG) states in Section 303.2 that a maximum allowable elevation change of 1/4 inch shall be permitted. The elevation difference between the pavers was measured to be approximately 1/2 inch which does not comply with ADAAG guidelines. This area of pavers should be corrected.

The Association informed Velocity that they wish to utilize a replacement cost of $200,000 for the replacement of the driveway and parking area pavers. It is anticipated that the pavers will be replaced approximately every 25 years.

2.14 Seawall

The seawall reserve component consists of the cost to replace the seawall located on the east side of the community. The seawall consists of corrugated steel sheet piles, a poured concrete cap/sidewalk, and helical pier anchor tie backs. The Property Manager informed Velocity that the seawall was replaced in the early 2000's. It is understood that maintenance to the seawall is performed routinely and is considered an operating expense. The seawall appeared to be in good overall condition for its age.

The Property Manager informed Velocity that Gulf Coast Marine Construction, Inc. (Gulf Coast) was the contractor that replaced the seawall in the early 2000's. It is understood that Gulf Coast last inspected and performed maintenance on the seawall in 2017. Gulf Coast estimated that the seawall has a remaining useful life of approximately 25 to 30 years. Additionally, Gulf Coast mentioned that the Association should avoid drilling holes into the seawall cap to attach items such as kayak dock racks, as doing so can reduce the useful life of the seawall. It is understood that Gulf Coast replaced the seawall in the early 2000's for a total cost of approximately $136,200. The Association informed Velocity that they wish to utilize a replacement cost of $140,000 for the replacement of the seawall.

2.15 Pool

The pool reserve component consists of the cost to resurface the pool shell and replace the pool equipment. Velocity has broken down the pool reserve component into the following sub-categories:

2.15.1 Resurfacing

The pool resurfacing reserve consists of the cost to resurface the pool shell. The pool surface appeared to be in excellent overall condition, consistent with its age.

The Property Manager informed Velocity that Finishing By Baker, Inc. resurfaced the pool and replaced the coping and edge tile in 2017 for a total cost of approximately $21,300. However, the pool coping and edge tile are not typically replaced each time a pool is resurfaced. Therefore, Velocity has broken out the cost of resurfacing the pool and replacing the pool coping and edge tile into two separate items.

It is anticipated that resurfacing the pool will be performed approximately every 8 years, and the pool coping and tile will be replaced approximately every 16 years.

2.15.2 Pool Equipment

The pool equipment consists of the following components:

- 2, AquaCal Pool Heater ($8,000 each)
- 1, Pentair 2 HP Pump ($1,200)
- 1, Pentair 1 HP Pump ($800)
- 1, Hayward 80 Sq. Ft. D.E Filtration Tank ($500)
- 1, Pentair Automatic Chlorine/Bromine Off-line Feeder ($150)

The Property Manager informed Velocity that Nassau Pool Service, Inc. (Nassau Pool) is the service contractor for the pool equipment. Velocity spoke with Nassau Pool on June 22, 2018. Nassau Pool reported that the pool equipment was functioning properly and in good overall condition.

The estimated useful life of each element of the pool equipment has been approximated based upon the observed condition and discussions with Nassau Pool.

2.16 Pool Deck & Walkway Pavers

There are (thin) concrete pavers over concrete surrounding the swimming pool and on walkways throughout the property. The Property Manager informed Velocity that the pavers were last replaced in approximately 2008. At the time of Velocity's site visit, the pool deck and walkway pavers appeared to be in good overall condition with the exception of some localized cracking. Significantly cracked or damaged pavers should be replaced whereas minor cracking of pavers is cosmetic in nature and will have little effect on the useful life of the paver system.

It is anticipated that the pavers will be replaced approximately every 25 years.

2.17 Fishing Dock

The fishing dock component consists of the cost to replace the fishing dock located east of the chickee hut. The dock was refurbished in 2017 and appeared to be in good overall condition at the time of Velocity's inspection.

The Property Manager informed Velocity that Greg Orick II Marine Construction, Inc. (Greg Orick) was the contractor that refurbished the dock in 2017. Refurbishment of the dock consisted of replacing the existing deck with synthetic decking, re-wrapping the dock pilings, and installing electrical components and lighting for a total cost of approximately $5,700.

There are also 3, "finger" piers located along the Association's seawall. Greg Orick also completely replaced all 3 piers in 2017, for a total cost of approximately $25,000. All 3 piers are privately owned and therefore have been excluded from this reserve study.

It is anticipated that the dock will be replaced approximately every 20 years. Velocity has estimated the cost to replace the fishing dock based upon the provided costs to replace the piers.

2.18 Chickee Hut

The chickee hut reserve component consists of the cost to repair and/or replace components within the chickee hut area such as the asphalt shingle roof, ice maker machine, bar countertop, outdoor grills, etc. The Association has established an allowance of $50,000 every 25 years to perform repairs and/or replace components within the chickee hut area, as necessary.

2.19 Landscaping

The landscaping reserve component consists of the cost to replace landscaping as necessary, or to perform landscaping renovations. The Association has established an allowance of $50,000 every 9 years for the landscaping reserve component.

2.20 General Deferred Maintenance

The Association has established a general deferred maintenance reserve component for unanticipated repairs and/or maintenance expenditures to common elements of the Association that do not have established reserve funding. The Association has established an allowance of $75,000 for general deferred maintenance every year.

SUMMARY OF FINDINGS

3.1 Summary of Recommended Reserve Schedule

A summary of the recommended Reserve Schedule is presented below. For the full Reserve Schedule and Component Details, please refer to Appendix 1 of this report.

General

Property Name:	Bordeaux Club, Inc.
Property Location:	2900 Gulf Shore Boulevard North, Naples, FL 34103
Property Type:	Condominium Association
Number of Units:	64
Budget Year:	2019 (01/01/19 – 12/31/19)

Reserve Structure

Number of Components:	36
Total Current Replacement Cost:	$2,236,865
Est. Budget Year Beginning Reserve Balance:	$645,418

Reserve Schedule

2018 Contribution:	$150,974
Recommended 2019 Contribution:	$190,150
Difference between 2018 & 2019:	$39,176

4.0 LIMITATIONS

4.1 Excluded Items

Velocity understands that the Association wishes to exclude the following items from the reserves and will pay for them as operating expenses:

- ✓ Interior painting of the condominium buildings, office building, maintenance building, and the chickee hut
- ✓ Pressure washing of walkways & pool decks
- ✓ Elevator Maintenance
- ✓ Pool Maintenance
- ✓ Landscape Maintenance
- ✓ Seawall Maintenance

Items that have indeterminate (i.e., in excess of 30 years) useful life spans have also been excluded from this reserve study. Such items include but are not limited to:

- ✓ Building structures, plumbing, and electrical systems

Additionally, evaluation of the property and/or structures for compliance with applicable building codes and local regulations was outside the scope of Velocity's services provided herein.

4.2 Standard of Care

Velocity used available information to estimate the replacement cost, useful life, and remaining useful life of each reserve component. These estimates should be considered our reasonable opinion at the time of this report. It should be anticipated that costs may increase or decrease with time and that anticipated useful life and estimated remaining life will vary. It is always possible that unanticipated conditions such as economic changes or shortages of materials or labor could significantly affect current pricing. As such, we recommend that the Association's reserve schedule be reevaluated on a frequent basis (i.e., a reserve study should be performed every 1 to 5 years).

Any information obtained from the Association's vendors or other 3rd parties was assumed to be true and correct. However, Velocity cannot assume responsibility for the accuracy of such information. Our evaluation of the remaining useful lives and/or physical condition of the reserve components was based upon visual inspection only and no testing was performed.

These services have been conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the location where the Work was performed. No other warranty, expressed or implied, is made including, without limitation, any warranty of fitness for a particular purpose other than those expressly stated herein.

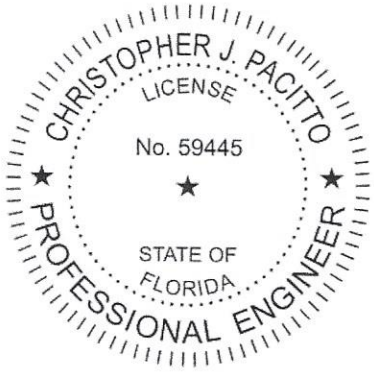
5.0 CLOSING & CERTIFICATION

We appreciate the opportunity to be of service to you on this project. Please do not hesitate to contact us if you have any questions or if we may further assist you.

Sincerely,

Velocity Engineering Services, LLC
FBPE CA# 30362

Christopher J. Pacitto, P.E.
President/Principal Engineer



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Christopher Pacitto
Date: 2018.10.11
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Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

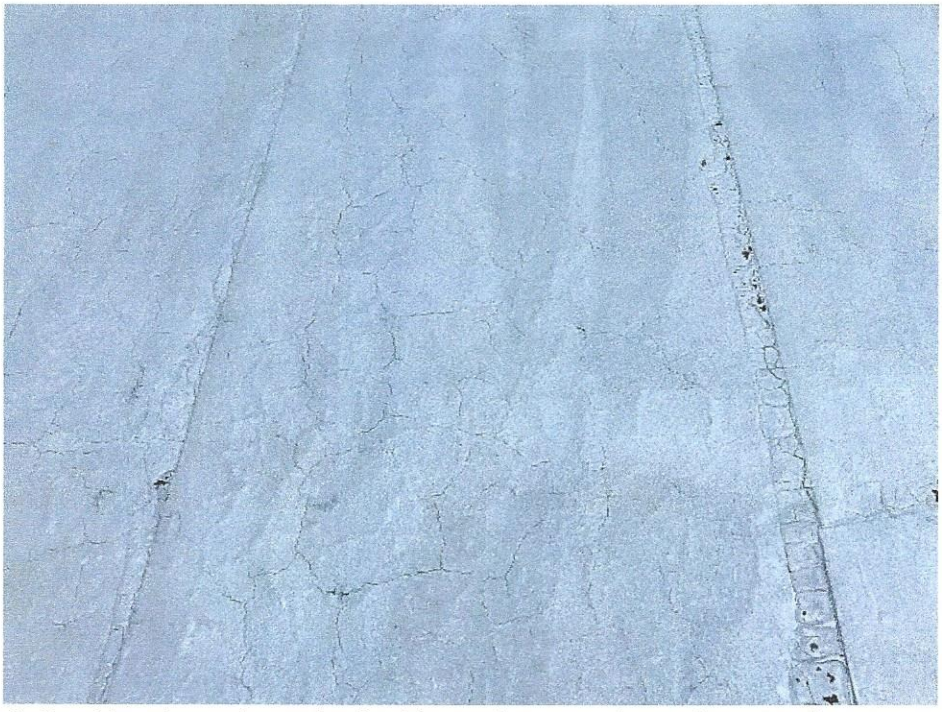
Anthony DePonto, E.I.
Project Manager

Carlos Santillan, E.I.
Staff Engineer

Photograph 1: North Building Roof

Photograph 2: Standing water near scuppers on the north side of the North Building Roof

Photograph 3: West Building Roof

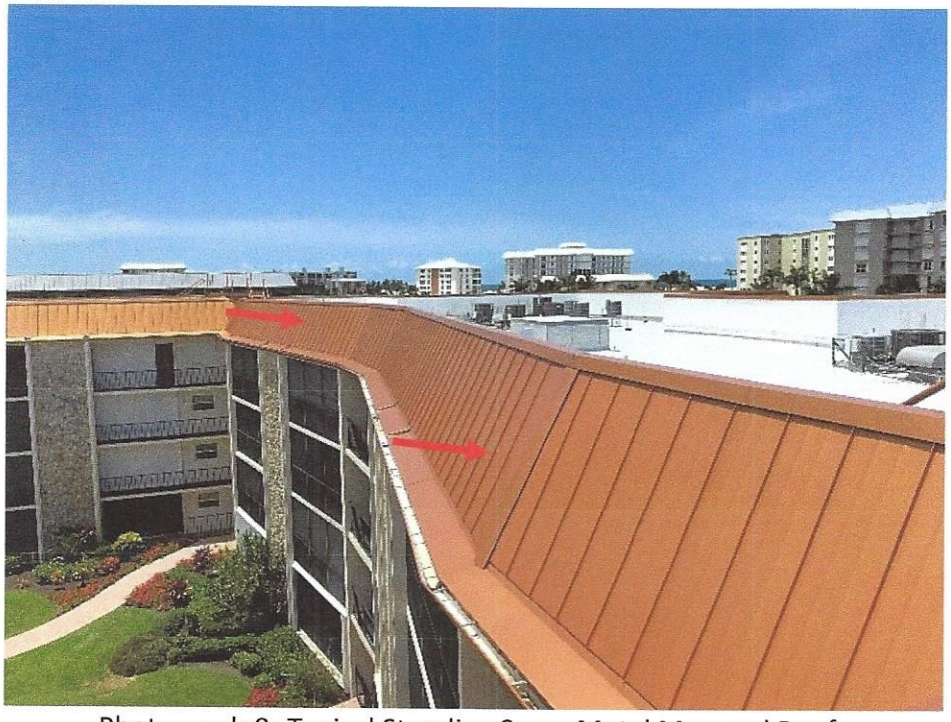


Photograph 4: Cracking throughout the liquid membrane and cap sheet on the West Building Roof

Photograph 5: South Building Roof

Photograph 6: Office Building Roof and areas of standing water

Photograph 7: Maintenance Building Roof



Photograph 8: Typical Standing Seam Metal Mansard Roofs

Photograph 9: Maintenance Building, Office Building, and Typical Condominium Building

Photograph 10: East Facing Screens on North Building

Photograph 11: East Facing Screens on West Building

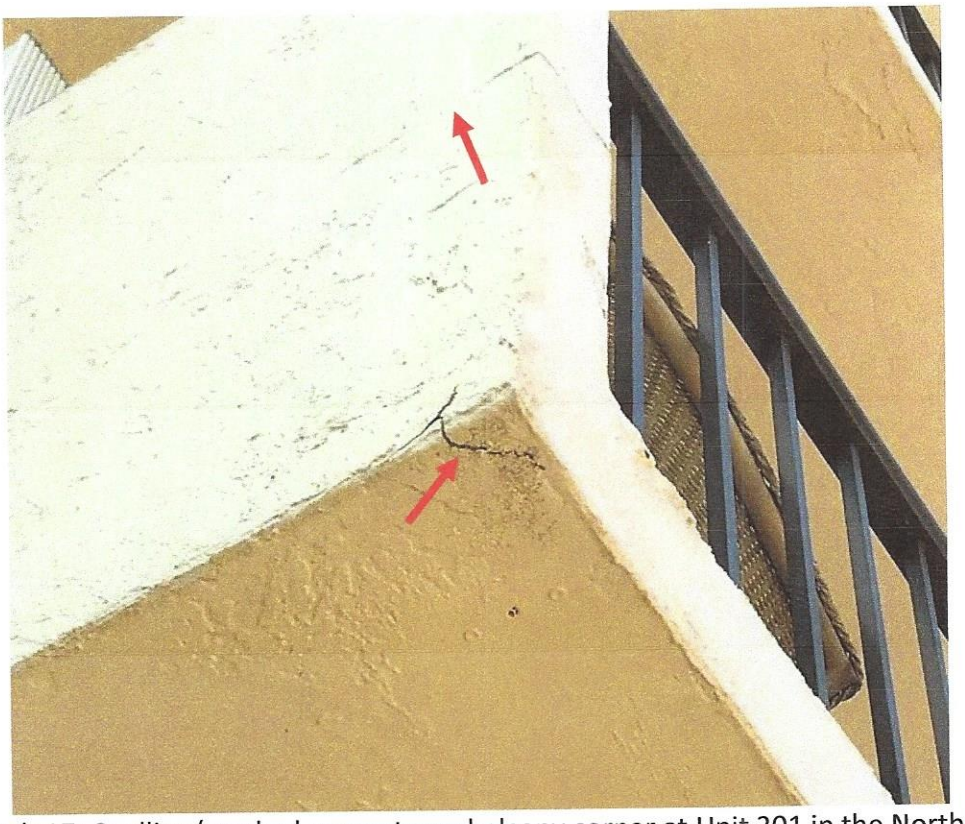
Photograph 12: Typical Aluminum Walkway Railings

Photograph 13: Typical Roof Stairs/Walkways

Photograph 14: Typical Elevator

Photograph 15: Typical Elevator Equipment Room

Photograph 16: Typical Balconies



Photograph 17: Spalling/cracked concrete on balcony corner at Unit 201 in the North Building

Photograph 18: Typical Roadway Pavers

Photograph 19: Localized area of depressed pavers at the southernmost entrance to the community

Photograph 20: Seawall

Photograph 21: Commonly Shared Fishing Dock

Photograph 22: Privately Owned "Finger" Piers

Photograph 23: Swimming Pool

Photograph 24: Pool Equipment

Photograph 25: Typical Pool Deck and Walkway Pavers

Photograph 26: Chickee Building

Photograph 27: Outdoor Grills

Photograph 28: Typical Landscaping