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STRUCTURAL INTEGRITY RESERVE STUDY

Regal Palms Condominium Association
3500 Springdale Boulevard
Palm Springs, Florida 33461

Project Number 2326162

Prepared for

Regal Palms Condominium Association
3500 Springdale Boulevard
Palm Springs, Florida 33461

A handwritten signature in black ink, appearing to read 'Anthony Zogheib', enclosed in a rectangular box.

Anthony Zogheib, Assoc. AIA
Project Evaluator

Antoine Boumitri, PE, SI
Project Manager

February 28, 2024

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1.0 EXECUTIVE SUMMARY

Florida Engineering (FE) Consultants performed a Structural Integrity Reserve Study (SIRS) at Regal Palms Condominium Association, located at 3500 Springdale Boulevard, Palm Springs, Florida.

This assessment was authorized and performed in general accordance with the latest applicable Florida Building Code and select applicable guidelines of *American Society for Testing and Materials (ASTM) E 2018: Baseline Property Condition Assessment Process*.

1.1 Project Identification

Property Name	Regal Palms Condominium Association
Property Address	3000, 3100, 3200, 3300, 3400 and 3500 Springdale Blvd, Palm Springs, FL
Type of Facility	Multifamily residential condominium complex
Construction Date(s)	Circa 1980
Number of Buildings	Six residential buildings
Number of Stories	Three-story
Number of Units	324 individually owned condominium units
Building(s) Area	Not Available
Superstructure	Concrete
Roofing System	Low slope (flat)
Exterior Façade	Stucco
HVAC	Forced-air furnaces/ split-system condensing units
Electrical Wiring	Copper
Fire Suppression	Portable extinguishers
Date of Site Visit	October 26, 2023
Reserve Fund Strength	Unknown – supporting information not available
Risk of Special Assessment	Unknown – supporting information not available

1.2 Property Description/Background

The Property consists of six 3-story buildings, accommodating 324 condominium units. The subject improvements were reportedly developed circa 1980. The subject buildings consist of concrete superstructures with painted stucco exterior walls, and a wood-framed low-slope (flat) roofing system with modified-bitumen membrane. Heating, Ventilation, and Air-Conditioning (HVAC) systems are typically provided via individual electric forced-air furnaces with split-system air-conditioning condensing units. Domestic hot water is provided by individual heaters.

1.3 Property Condition Summary

Based on our site visit observations, review of documentation listed within this report, and conversations with the facility representatives, we consider this Property to be of good quality construction with average maintenance procedures in place. Generally, the Property appears to be in good physical condition. Both the exterior and interior appear to be generally adequately maintained, except for those items with remedial recommendations indicated in this report.

1.4 Opinion of Remaining Useful Life

Based on the scope of work and findings of this assessment, it is our opinion that the remaining useful life of the Property is at least 35 years, if the recommended repairs/replacement in this report are made, the physical improvements receive continuing maintenance, the various components are repaired or replaced on a timely basis, and no natural disaster occurs.

1.5 Reserve Study Funding Analysis

A Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. The Physical Analysis contains the information about the current condition and repair or replacement cost of the major common area components the association is obligated to maintain. The Financial Analysis contains an evaluation of the association's Reserve balance and a recommended Funding Plan to offset the anticipated Reserve expenses.

The primary responsibility of the Board of Directors is to maintain, protect, and enhance the assets of the association. As the physical assets age and deteriorate, it is important to accumulate financial assets, keeping the two "in balance". The Structural Integrity Reserve Study (SIRS) is a document that helps keep the physical and financial assets of the association in balance. This SIRS is a broad and generalized budget-planning document.

The primary information you will get from this document is a list of your Reserve components, a finding of the strength of your Reserve Fund, and a recommended Funding Plan. The basic objective of the SIRS is to provide a plan to collect funds at a stable rate to offset the predicted irregular Reserve expenses. Setting a stable Reserve contribution rate will ensure that each owner pays their own “fair share” of the ongoing, gradual deterioration of the common areas. Reserve expenses are the larger, infrequent expenses that require significant advance planning. Operating expenses, on the other hand, are those ongoing daily, weekly, or monthly expenses that occur and recur throughout the year. Small surprises are typically managed as maintenance contingencies, while the larger ones may be covered by insurance or require special assessments.

There is a national-standard four-part test to determine which expense items should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (not a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Most Reserve Studies do not typically Reserve for building foundations and major infrastructure elements since they do not have limited life expectancies. Light bulbs or other small items are usually not listed as Reserve Components since their individual costs are insignificant.

Finally, it is usually inappropriate to include unpredictable expenses such as damage due to fire, flood, or earthquake since these typically cannot be considered “reasonably predictable”.

There are two generally accepted means of estimating reserves, the Component Funding Analysis, and the Cash Flow Analysis methodologies:

- The Component Funding Analysis, also known as Straight-Line Method, calculates the annual contribution amount for each individual line-item component, by dividing the component’s unfunded balance by its remaining useful life. A component’s unfunded balance is its replacement cost minus the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line-item component is then added-up to calculate the total annual contribution rate for this analysis.
- The Cash Flow Analysis, also known as Pooling Method, is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis recognizes interest income attributable to reserve accounts over the period of the analysis. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow and reserve account balance to adequately fund the future projected expenditures throughout the period of the analysis.

1.6 Capital Reserve Replacement Analysis Overview

The function of a Capital Reserve Replacement Analysis is to inform and advise as to the likely capital expenditures for replacement of common elements over the time frame considered by the analysis and the annual contribution levels to the Capital Reserve Replacement Fund calculated as being sufficient to avoid having to levy special assessments or take out a loan to support the predicted capital expenditures.

All Capital Reserve Replacement Analyses therefore assume that capital expenditures are funded using regular (e.g., annual, quarterly, or monthly), budgeted contributions to an account set aside for the sole purpose of funding the replacement of a designated set of common elements (often called the “Capital Reserve Fund”). Common element replacement projects can be deferred. However, such deferrals tend to result in gradual decrease in property values as the infrastructure and appearance of the community facilities degrade over time. In addition, such deferrals often result in the final replacement costs increasing significantly due to more extensive deterioration and additional damage to other common elements resulting from the failure of the common element to be replaced.

There are several choices and options to consider during the Capital Reserve Replacement Analysis process. In addition to Component Funding Analysis and Cash Flow Analysis methodologies, one important decision to consider is the Funding Goal, although there are several other considerations, including preventative and deferred maintenance and operating budgets, budget thresholds, time window, and statutory requirements.

Funding Goals

The funding goal helps to determine the methodology used in the Capital Reserve Replacement Analysis and is the principal reflection of the Association’s fiscal policy. Funding goals can be categorized by their fiscal aggressiveness (willingness to risk the need to levy a special assessment or take out a loan) – more aggressive funding goals tend to result in lower annual levels of contribution to the capital reserve fund, with associated higher risks of shortfalls requiring special assessments or loans. There are four basic funding goals used by communities when determining Capital Reserve Fund requirements:

- Baseline Funding is the most aggressive funding goal commonly used by associations. Baseline funding is essentially a special case of threshold funding, where the goal is to never have a negative capital reserve fund balance (in other words the threshold is zero). As this funding goal provides no margin for errors, unexpected or unforeseeable expenses, or market forces that are not in the Association’s favor.
- Statutory Funding is a funding goal (and/or methodology) that the community is legally obligated to meet or exceed. Such funding goals are typically the result of state or local statutes or the result of one or more provisions in the governing documents of the Community Association. The relative aggressiveness of such funding goals will vary depending upon the statute or provision involved.

- Full Funding is the most conservative funding goal commonly used by associations. Full funding is best understood as an attempt to maintain the capital reserve fund at or near 100% of the accumulated common element depreciation. Full funding tends to result in over-funding if the community is starting with a capital reserve fund balance less than the current depreciation of its common elements, or to result in under-funding if the community is starting with a capital reserve fund balance greater than the current depreciation of its common elements, unless applied carefully and with the understanding that annual contributions will change over the course of time as overages and shortages are corrected, resulting in an annual contribution recommendation that decreases or increases with the passage of time in all except the simplest cases.
- Threshold Funding is normally a moderate funding goal. The essential goal of threshold funding is to avoid having a capital reserve fund balance below some predetermined level (the “threshold” or “threshold balance”), which can be determined as a percentage of the total cost to replace the considered common elements, by decree as some absolute value or as some multiple of the annual contribution. The Baseline Funding is essentially a threshold funding goal where the threshold balance equals zero.

Florida Statute Section 627.706 requires that condominium associations fund a reserve account for certain capital and deferred maintenance expenditures. This statute requires all condominium associations to maintain funds for: Structure including load bearing walls and structural members/primary structural systems; Exterior Painting/waterproofing/repairs; roof replacement/soffits and repair; windows & exterior doors, unless they are part of individual owners responsibility; plumbing – main system/common area; electrical main system/common area; fireproofing and fire protection systems/extinguishers; and any other expenditure which is expected to exceed \$10,000.

Florida Statute 718.112(f)[2] requires that the reserve contribution be computed using a formula which is based upon the estimated remaining useful life and the estimated replacement cost or deferred maintenance expenditure for the component but does not require that a reserve study be conducted to determine the level of funding required. The State of Florida is more lenient regarding reserve funding for homeowner’s associations. Florida statutes do not require reserve funds for homeowners’ associations (unless the association’s governing documents call for a reserve fund and/or reserve study) but does not prohibit including reserve in the proposed budget for the homeowners’ association. Similarly, the proposed operating budget for a homeowners’ association does not require to follow any specific statutory formula but should include the anticipated expenditures for the year.

Florida Statute 718.112(f)[3] regulates the use of money collected for reserves, limiting the use of such funds to authorized reserve fund expenditures. A vote is required if reserve funds are used for operating expenses.

1.7 Follow-up Recommendations

No additional evaluation is considered necessary at the present time.

1.8 Capital Expenditure Summary

According to the Florida Legislature, a SIRS Update is required every 10 years after completion of the initial SIRS. As such, while this SIRS forecasts and calculates expenditures looking forward to at least 30 years, the reported / displayed capital expenditure reserves evaluation period covers the next 12 years, providing a two-year buffer beyond the legislation mandated time frame. However, we have no expectation that all these expenses will all take place as anticipated. Therefore, we recommend that this SIRS be reviewed and updated annually, as necessary, because we expect the timing of these expenses to shift and their size to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we can project more accurately than the more distant projections.

2.0 PURPOSE, SCOPE, AND LIMITATIONS

A Structural Integrity Reserve Study (SIRS) has been conducted at Regal Palms Condominium Association, located at 3500 Springdale Boulevard, Palm Springs, Florida, hereafter referred to as the "Property".

This assessment was performed using methods and procedures consistent with good commercial or customary practice design to conform to acceptable industry standards. The independent conclusions represent our best professional judgment based on information and data available to us during this assessment. Information regarding operations, conditions, and test data provided by the client or their representatives have been assumed to be correct and complete. Our evaluations, analyses and opinions are not representations regarding, design integrity, structural soundness, or actual value of the Property; nor is it the intention of this report to imply by exclusion from this report that additional work may or may not be required. The conclusions presented are based on the data provided, and observations and conditions that existed on the date of the assessment.

The purpose of this survey and related report is to assist the client in the evaluation of the physical aspects of the Property and how its condition may affect the soundness of their financial decisions over time. For this assessment, representative samples of the major independent building components were observed, and the physical condition evaluated. The expected useful life was assessed and the cost for repairs and replacements of significant items was estimated. The exterior of the complex, interior common areas. Property management and maintenance staff, when possible, were interviewed for specific information relating to the physical Property, available, maintenance procedures, available drawings, and other documentation. All findings were noted and have been included in the narrative sections of this report. This Report is not intended to address the status of Americans with Disability Act Title III compliance, the presence or absence of hazardous materials or petroleum substances, asbestos, lead, PCBs or toxic soil on this Property.

3.0 DEFINITIONS

3.1 Immediate and Replacement Reserve Work

Immediate Repair Work – Work that requires immediate action, typically within 90 days, based on its being (i) an existing or potentially significant unsafe condition, (ii) material physical deficiency (iii) poor or deteriorated condition of a critical element or system, (iv) significant building code violation, or (v) a condition that if left “as is,” with an extensive delay in remedying it, has the potential to result in or contribute to a critical element or system failure and will probably result in a significant escalation of its remedial costs. Opinions of probable costs for Immediate Repairs are provided in Table 1.

Replacement Reserve (Years 1 Through Assessed Term Period) – Major recurring probable expenditures, which are neither commonly classified as an operation, nor maintenance expense. Replacement reserves are reasonably predictable both in terms of frequency and cost. However, they may also include components or systems that have an indeterminable life, but nonetheless have a potential liability for failure within an estimated time period. Opinions of probable costs for Capital Reserves are provided in Table 2.

3.2 Condition Evaluation Definitions

- Good:** Average to above-average condition for the building system or materials assessed, with consideration of its age, design, and geographical location. Generally, other than normal maintenance, no work is recommended or required.
- Fair:** Average condition for the building system evaluated. Some work is required or recommended, primarily due to normal aging and wear of the building system, to return the system to a good condition.
- Poor:** Below average condition for the building system evaluated. Significant work should be anticipated to restore the building system or material to an acceptable condition.

3.3 Opinion of Costs

The opinion of costs presented is for the repair/replacement of readily visible materials and building system defects that might significantly affect the value of the Property during the loan period. These opinions are based on approximate quantities and values. They do not constitute a warranty that all items, which may require repair or replacement, are included.

Estimated cost opinions presented in this report are from a combination of sources. The primary sources are from Means Repair and Remodeling Cost Data and Means Facilities Maintenance and Repair Cost Data; past invoices or bid documents provided by site management; as well as our experience with costs for similar projects and city cost indexes.

Replacement and Repair Cost estimates are based on approximate quantities. Information furnished by site personnel or the Property management, if presented, is assumed to be reliable. A detailed inventory of quantities for cost estimating is not a part of the scope of this Report.

Actual costs may vary depending on such matters as type and design of remedy; quality of materials and installation; manufacturer of the equipment or system selected; field conditions; whether a physical deficiency is repaired or replaced in whole; phasing of the work; quality of the contractor(s); project management exercised; and the availability of time to thoroughly solicit competitive pricing. In view of these limitations, the costs presented herein should be considered “order of magnitude” and used for budgeting purposes only. Detailed design and contractor bidding are recommended to determine actual cost.

These opinions should not be interpreted as a bid or offer to perform the work. All costs are stated in present value. The recommendations and opinions of cost provided herein are based on the understanding that the facility will continue operating in its present occupancy classification and general quality level unless otherwise stated.

4.0 ARCHITECTURAL AND STRUCTURAL SYSTEMS

Item	Description/Observations/Comments
Foundation	<p>We were not able to observe the foundation structures at the subject buildings.</p> <p>The foundations system could not be directly observed while on-site. However, no apparent signs of significant structural distress were noted within the exposed areas observed.</p>
Superstructure	<p>The buildings consist of concrete superstructures with concrete columns and beams supporting concrete upper floor decking. The roof consists of wood framing.</p> <p>While observation of the floor slabs, superstructures and roof framing were limited to exposed elements; no signs of excessive deflection of the main structure or movement were noted. However, there were isolated areas of deficiency noted, including stucco chipping and peeling, and concrete spalling and cracks at balcony underside and beams, stairs, and walkways, requiring repair. Funds have been allocated in the Immediate Repairs Cost Estimate Table.</p>
Exterior Walls	<p>The exterior walls typically consist of concrete masonry unit (CMU) construction finished with painted stucco.</p> <p>The exterior walls were reportedly last repainted / waterproofed in 2021. The exterior wall finishes appeared to be in good to fair condition with areas of minor failure noted at multiple locations throughout the Property, as described in the Superstructure section above.</p> <p>Based on the Expected Useful Life (EUL) of eight years, repainting, waterproofing and periodic stucco restoration of the exterior surfaces are anticipated during the evaluation period. Funds have been spread throughout the Replacement Reserves Cost Estimate Table, adopting the straight-line accounting method to ensure the availability of funds at the end of the replaced element's EUL, beyond the evaluation period of this assessment.</p> <p>Please note that the extent of the exterior walls evaluation did not include sampling or testing, therefore comments made regarding the condition of the façade components are limited to visual observation. Should a more comprehensive investigation be required, further assessment that includes destructive to determine the extent of the deficiencies is recommended.</p>
Roof	<p>The roofs at the subject buildings consist of low-slope (flat) wood-framed systems covered with modified bitumen membrane. Asphalt-composition shingle mansards surround the roofs along most of the perimeter.</p>

Architectural and Structural Systems

Item	Description/Observations/Comments
	<p>The roofs and mansards were noted to vary in age. Several damaged areas were noted within the older roofs and mansards, however, no active leaks were noted or reported. Modified bitumen roofs have an EUL of 20 years. Composition shingle mansards have an EUL of 30 years. Based on the apparent age of the roofs and conditions observed, phased replacement is recommended over the evaluation period. Funds have been allocated throughout the reserve period, adopting the straight-line accounting method to ensure the availability of funds at the end of the element's EUL, beyond the evaluation period of this assessment.</p> <p>Please note that the extent of the roof evaluation did not include sampling or testing, therefore comments made regarding the condition of the roof are limited to visual observation as well as historical information provided by site contact. Should a more comprehensive investigation be required, the services of a certified roofing consultant should be considered.</p>
Elevated Walkways	<p>The elevated walkways are supported by the building structural system. They include concrete decking with concrete railing.</p> <p>The elevated walkways appeared to be in good condition. These components are generally addressed in conjunction with the exterior façade painting and waterproofing applications.</p>
Exterior Stairs	<p>The exterior stairs are poured concrete with aluminum railing.</p> <p>The stairs appeared to be in generally good condition, with no significant deficiencies noted. These components are generally addressed in conjunction with the exterior façade painting and waterproofing applications.</p>
Windows	<p>The windows consist of punch-through, aluminum-framed, single-pane units at laundry and electrical and storage rooms. Double-glazed impact units were observed at the dwelling units.</p> <p>Windows at the common area rooms were noted to be of older installation. Based on the EUL of 45 years, replacement should be anticipated during the evaluation period. Funds have been allocated throughout the reserve period, adopting the straight-line accounting method to ensure the availability of funds at the end of the element's EUL, beyond the evaluation period of this assessment.</p> <p>Windows at the condominiums are the responsibility of the respective unit owners to maintain and replace.</p>
Doors	<p>Entrance doors to the individual apartments consist of insulated metal doors set in wood framing. Balcony doors are aluminum sliding units.</p> <p>The doors appeared to be in generally good condition with no significant deficiencies noted. Doors at the dwelling units are the responsibility of the condominium owners to maintain and replace.</p>

7.0 BUILDING INTERIORS

Item	Description/Observations/Comments
Tenant Spaces	Areas within the interior of the resident units are the responsibility of the individual condominium unit owner.
Common Areas	The common area finishes consist of concrete flooring, and painted gypsum-board walls and ceiling. The interior common areas appeared to be in good condition, requiring routine maintenance over the evaluation period.
Interior Stairs	Not applicable for this Property.

8.0 MECHANICAL AND ELECTRICAL SYSTEMS

Item	Description/Observations/Comments
HVAC	<p>Cooling for each condominium unit is supplied by an individual electric forced-air furnace with split-system air-conditioning condensing unit.</p> <p>HVAC equipment at the dwelling units is the responsibility of the respective condominium unit owner to maintain and replace.</p> <p>Replacement of the units at the elevator equipment rooms is anticipated during the evaluation period. Funds have been spread throughout the Replacement Reserves Cost Estimate Table, adopting the straight-line accounting method to ensure the availability of funds at the end of the replaced element's EUL, beyond the evaluation period of this assessment.</p>
Plumbing Systems	<p>According to available information and observations, supply piping is noted to be copper, and waste and vent piping is Polyvinyl Chloride (PVC).</p> <p>The water pressure, quantity of hot and cold water, and drainage were reported to be adequate. No abnormal plumbing problems were reported by the Property representative.</p> <p>An annual budget for component upgrades and replacements is recommended during the evaluation period. Funds have been spread throughout the Replacement Reserves Cost Estimate Table, adopting the straight-line accounting method to ensure the availability of funds at the end of the replaced element's EUL, beyond the evaluation period of this assessment.</p>
Plumbing Fixtures	<p>The plumbing fixtures appear to be residential grade.</p> <p>The plumbing fixtures appeared to be generally in good condition requiring only routine maintenance over the evaluation period.</p>
Water Heaters	<p>Domestic hot water is provided by individual electric gallon residential-grade heaters located within each condominium unit. Each common area laundry room is equipped with one 70-gallon electric water heater.</p> <p>Water heaters at the dwelling units are the responsibility of the condominium unit owners to maintain and replace.</p> <p>Based on the EUL of 15 years, replacement of the common area domestic water heaters is anticipated during the evaluation period. Funds have been allocated throughout the reserve period, adopting the straight-line accounting method to ensure the availability of funds at the end of the element's EUL, beyond the evaluation period of this assessment.</p>
Electrical Service	<p>Electrical service enters the buildings from a utility-company transformer, providing 100-Ampere, 120/208-Volt, single-phase, three-wire service to the individual units. The distribution wiring was noted to be copper.</p> <p>The electrical system components were observed to be in good condition. In general, the electrical systems for the Property, including main switchboards, transformers, distribution circuit breaker panels, contactors, lighting, and wiring system were noted to be adequately sized for the intended use of the facility.</p>

Mechanical and Electrical Systems

Item

Description/Observations/Comments

Electrical systems and installations within the dwelling units are the responsibility of the unit owner to maintain and replace.

Primary common area electrical systems upgrade is anticipated during the evaluation period. Funds have been spread throughout the Replacement Reserves Cost Estimate Table, adopting the straight-line accounting method to ensure the availability of funds at the end of the replaced element's EUL, beyond the evaluation period of this assessment.

9.0 LIFE SAFETY AND SECURITY SYSTEMS

Item	Description/Observations/Comments
Fire Protection	<p data-bbox="597 312 1349 338">ABC-type portable fire extinguishers are located in common areas.</p> <p data-bbox="597 363 1455 422">Each building is equipped with a central fire alarm system that monitors common area pull switches.</p> <p data-bbox="597 447 1455 506">The common areas are also equipped with battery-powered emergency lighting, illuminated exist signs.</p> <p data-bbox="597 531 1455 749">The alarm panels were reportedly replaced between 2014 and 2017. The central alarm panels have an EUL of 25 years. As such, replacement / upgrade should be anticipated during the evaluation period. Funds have been spread throughout the Replacement Reserves Cost Estimate Table, adopting the straight-line accounting method to ensure the availability of funds at the end of the replaced element's EUL, beyond the evaluation period of this assessment.</p> <p data-bbox="597 774 1455 833">The emergency lighting, exit signs and fire extinguishers were noted to be in good operating condition.</p> <p data-bbox="597 858 1455 945">Fire protection and life safety systems within the dwelling units are reported to be the responsibility of the respective condominium unit owner to maintain and replace.</p>

10.0 ESTIMATED CAPITAL REPAIR COST TABLES

Based on our walk-through observations, we make the following comments on Property conditions and deficiencies, including estimates of repair cost.

10.1 Immediate Repairs/Deferred Maintenance Costs

The attached Table 1 - Immediate Repairs Cost Estimate, is an analysis of the estimated cost for immediate repair work defined as Capital expenditure items requiring repair or replacement based on their being (i) an existing or potentially significant unsafe condition, (ii) material physical deficiency (iii) poor or deteriorated condition of a critical element or system, (iv) significant building code violation, or (v) a condition that if left “as is,” with an extensive delay in remedying it, has the potential to result in or contribute to a critical element or system failure and will probably result in a significant escalation of its remedial cost.

10.2 Replacement Reserve Analysis

The attached Table 2 - Replacement Reserves Cost Estimate is an analysis of the estimated cost for normally anticipated replacement for the major components of the improvements during the next twelve (12) years. The remaining life values are based on published historical performance data for comparable items with consideration for the present condition and reported service history. The costs are provided with a 3% inflation factor for future expenditures.

The projected expenses are based on statistical assumptions. In fact, actual schedules may vary from those projected by the Table, but such variances should not significantly alter the totals shown. The reserve cost estimate assumes that the Immediate Repairs items listed in this Report will be completed within the next 12 months depending on specific priority. Estimated costs assume that the repair or replacement work is contracted out by the Property management and, in most cases, do not include a general contractor’s fee. It is assumed that, given the current level of on-site staffing and in-house expertise, most of the work included in the Table would not be completed by on-site maintenance personnel.

10.3 Reliance

All reports, both verbal and written, are for the benefit of Regal Palms Condominium Association. This report has no other purpose and may not be relied upon by any other person or entity without the written consent of Florida Engineering.

TABLES

2/28/2023

IMMEDIATE REPAIRS COST ESTIMATE

PROJECT NO.: 2326162

Regal Palms Condominium Association
3500 Springdale Boulevard
Palm Springs, Florida 33461

Property Type: **Multifamily**
Number of Stories: **3**
Units: **324**
Number of Buildings: **6**
Reserve Term: **12**
Actual Property Age: **43**

Item No.	Item Description	Quantity	Unit	Cost	Totals	Existing Balance	Remaining Funds	Comments
1	Superstructure repairs	1	LS	\$20,000.00	\$20,000			Repair damages on exterior walls, walkways and balconies
					Subtotal	\$550,643.77	\$530,643.77	
					Total Immediate Repairs			
					Cost Per Unit			

2/28/2023

REPLACEMENT RESERVE COST ESTIMATES - COMPONENT FUNDING
PROJECT NO.: 2326162

Regal Palms Condominium Association
3500 Springdale Boulevard
Palm Springs, Florida 33461

Property Type: **Multifamily**
 Number of Stories: **3**
 Units: **324**
 Number of Buildings: **6**
 Reserve Term: **12**
 Actual Property Age: **43**

Item No	Item Description	EUL	Eff. Age	RUL	Quantity	Unit	Unit Cost	Available Reserves	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Cumulative			
1	Structural Systems	50	43	7	324	Unit	\$350.00		\$16,200.00	\$16,200.00	\$16,200.00	\$16,200.00	\$16,200.00	\$16,200.00	\$16,200.00	\$2,268.00	\$2,268.00	\$2,268.00	\$2,268.00	\$2,268.00	\$2,268.00	\$124,740.00		
2	Exterior walls painting / waterproofing	8	2	6	324	Unit	\$1,400.00		\$75,600.00	\$75,600.00	\$75,600.00	\$75,600.00	\$75,600.00	\$75,600.00	\$75,600.00	\$56,700.00	\$56,700.00	\$56,700.00	\$56,700.00	\$56,700.00	\$56,700.00	\$56,700.00	\$793,800.00	
3	Roof covering - Building 3000	20	6	14	20,300	SF	\$12.00		\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$208,800.00	
4	Roof covering - Building 3100	20	5	15	19,200	SF	\$12.00		\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$15,360.00	\$184,320.00	
5	Roof covering - Building 3200	20	18	2	22,500	SF	\$12.00		\$135,000.00	\$135,000.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$13,500.00	\$405,000.00	
6	Roof covering - Building 3300	20	10	10	20,300	SF	\$12.00		\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$24,360.00	\$12,180.00	\$267,960.00	
7	Roof covering - Building 3400	20	18	2	20,300	SF	\$12.00		\$121,800.00	\$121,800.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$12,180.00	\$365,400.00	
8	Roof covering - Building 3500	20	6	14	22,500	SF	\$12.00		\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$19,285.71	\$231,428.57	
9	Roof mansard - all buildings	35	33	2	22,800	SF	\$14.00		\$159,600.00	\$159,600.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$9,120.00	\$410,400.00	
10	Windows - common area	45	43	2	18	Ea	\$2,000.00		\$18,000.00	\$18,000.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$800.00	\$44,000.00
11	HVAC - elevator equipment rooms	12	10	2	6	Ea	\$1,800		\$5,400.00	\$5,400.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$19,800.00
12	Plumbing systems upgrade	50	43	7	324	Unit	\$100.00		\$4,628.57	\$4,628.57	\$4,628.57	\$4,628.57	\$4,628.57	\$4,628.57	\$4,628.57	\$648.00	\$648.00	\$648.00	\$648.00	\$648.00	\$648.00	\$648.00	\$648.00	\$35,640.00
13	Electrical systems upgrade	50	43	7	324	Unit	\$100.00		\$4,628.57	\$4,628.57	\$4,628.57	\$4,628.57	\$4,628.57	\$4,628.57	\$4,628.57	\$648.00	\$648.00	\$648.00	\$648.00	\$648.00	\$648.00	\$648.00	\$648.00	\$35,640.00
14	Fire / life safety / central alarm system	25	9	16	6	Ea	\$15,000.00		\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$5,625.00	\$67,500.00
	Immediate Repairs Total						\$20,000.00																	
								\$530,643.77																
	Total Expenditures								\$622,887.86	\$622,887.86	\$219,587.86	\$219,587.86	\$219,587.86	\$219,587.86	\$200,687.86	\$178,794.71	\$178,794.71	\$178,794.71	\$166,614.71	\$166,614.71	\$166,614.71	\$3,194,428.57		
	Escalation Factor per year				\$0.03				\$0.00	\$18,686.64	\$13,372.90	\$20,361.72	\$27,560.21	\$34,974.65	\$38,943.94	\$41,100.23	\$47,697.08	\$54,491.83	\$57,301.53	\$64,019.02				
	Total With Escalation								\$622,887.86	\$641,574.49	\$232,960.76	\$239,949.58	\$247,148.07	\$254,562.51	\$239,631.80	\$219,894.95	\$226,491.79	\$233,286.55	\$223,916.24	\$230,633.73	\$230,633.73	\$3,612,938.33		
	Reported Annual Funding								\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46	\$397,121.46		
	Recommended Component Funding								\$92,244.09	\$513,259.59	\$361,275.66	\$239,949.58	\$247,148.07	\$254,562.51	\$239,631.80	\$219,894.95	\$226,491.79	\$233,286.55	\$223,916.24	\$230,633.73	\$230,633.73			
	Funds Surplus / Deficiency								\$0.00	(\$128,314.90)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
	Reserve Strength Percent Funded						85.19%																	
	Cost Per Unit (escalated)								\$1,922.49	\$1,980.17	\$719.01	\$740.59	\$762.80	\$785.69	\$739.60	\$678.69	\$699.05	\$720.02	\$691.10	\$711.83				
	Unescalated cost/unit/month								\$160.21	\$160.21	\$56.48	\$56.48	\$56.48	\$56.48	\$51.62	\$45.99	\$45.99	\$45.99	\$42.85	\$42.85	\$42.85	\$42.85		
	Escalated cost/unit/month								\$160.21	\$165.01	\$59.92	\$61.72	\$63.57	\$65.47	\$61.63	\$56.56	\$58.25	\$60.00	\$57.59	\$59.32	\$59.32	\$59.32		

2/28/2023

REPLACEMENT RESERVE COST ESTIMATES - RESERVE SCHEDULE
PROJECT NO.: 2326162

Regal Palms Condominium Association
3500 Springdale Boulevard
Palm Springs, Florida 33461

Property Type: **Multifamily**
 Number of Stories: **3**
 Units: **324**
 Number of Buildings: **6**
 Reserve Term: **12**
 Actual Property Age: **43**

Item No	Item Description	EUL	Eff. Age	RUL	Quantity	Unit	Unit Cost	Available Reserves	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Cumulative	
1	Structural Systems	50	43	7	324	Unit	\$350.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$113,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$113,400.00
2	Exterior walls painting / waterproofing	8	2	6	324	Unit	\$1,400.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$453,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$453,600.00
3	Roof covering - Building 3000	20	6	14	20,300	SF	\$12.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	Roof covering - Building 3100	20	5	15	19,200	SF	\$12.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	Roof covering - Building 3200	20	18	2	22,500	SF	\$12.00		\$0.00	\$270,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$270,000.00
6	Roof covering - Building 3300	20	10	10	20,300	SF	\$12.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$243,600.00	\$0.00	\$0.00	\$243,600.00
7	Roof covering - Building 3400	20	18	2	20,300	SF	\$12.00		\$0.00	\$243,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$243,600.00
8	Roof covering - Building 3500	20	6	14	22,500	SF	\$12.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9	Roof mansard - all buildings	35	33	2	22,800	SF	\$14.00		\$0.00	\$319,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$319,200.00
10	Windows - common area	45	43	2	18	Ea	\$2,000.00		\$0.00	\$36,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,000.00
11	HVAC - elevator equipment rooms	12	10	2	6	Ea	\$1,800		\$0.00	\$10,800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,800.00
12	Plumbing systems upgrade	50	43	7	324	Unit	\$100.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,400.00
13	Electrical systems upgrade	50	43	7	324	Unit	\$100.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,400.00
14	Fire / life safety / central alarm system	25	9	16	6	Ea	\$15,000.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Immediate Repairs Total						\$20,000.00															
								\$530,643.77														
	Total Expenditures								\$0.00	\$879,600.00	\$0.00	\$0.00	\$0.00	\$453,600.00	\$178,200.00	\$0.00	\$0.00	\$243,600.00	\$0.00	\$0.00	\$0.00	\$1,755,000.00
	Escalation Factor per year				\$0.03				\$0.00	\$26,388.00	\$0.00	\$0.00	\$0.00	\$72,246.72	\$34,580.12	\$0.00	\$0.00	\$74,242.75	\$0.00	\$0.00	\$0.00	
	Total With Escalation								\$0.00	\$905,988.00	\$0.00	\$0.00	\$0.00	\$525,846.72	\$212,780.12	\$0.00	\$0.00	\$317,842.75	\$0.00	\$0.00	\$0.00	\$1,962,457.59
	Estimated Pooled Funding								\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	\$163,538.13	
	Cost Per Unit (escalated)								\$0.00	\$2,796.26	\$0.00	\$0.00	\$0.00	\$1,622.98	\$656.73	\$0.00	\$0.00	\$981.00	\$0.00	\$0.00	\$0.00	
	Unescalated cost/unit/month								\$0.00	\$226.23	\$0.00	\$0.00	\$0.00	\$116.67	\$45.83	\$0.00	\$0.00	\$62.65	\$0.00	\$0.00	\$0.00	
	Escalated cost/unit/month								\$0.00	\$233.02	\$0.00	\$0.00	\$0.00	\$135.25	\$54.73	\$0.00	\$0.00	\$81.75	\$0.00	\$0.00	\$0.00	

PHOTOGRAPHIC DOCUMENTATION

PHOTO 1

PROPERTY IDENTIFICATION SIGNAGE



PHOTO 2

GENERAL VIEW OF PROPERTY



PHOTO 3

GENERAL VIEW OF BUILDING EXTERIOR FINISHES



PHOTO 4

GENERAL VIEW OF BUILDING EXTERIOR FINISHES



PHOTO 5

GENERAL VIEW OF BUILDING EXTERIOR FINISHES



PHOTO 6

VIEW OF ROOF FRAMING



PHOTO 7

GENERAL VIEW OF ROOF COVERING



PHOTO 8

GENERAL VIEW OF ROOF COVERING



PHOTO 9

VIEW OF MANSARD SYSTEM



PHOTO 10

GENERAL VIEW OF EXTERIOR STAIRS



PHOTO 11

GENERAL VIEW OF ELEVATED WALKWAY



PHOTO 12

VIEW OF ELEVATOR ROOM A/C UNIT



PHOTO 13

VIEW OF ELECTRICAL EQUIPMENT



PHOTO 14

VIEW OF COMMON AREA LAUNDRY ROOM



PHOTO 15

VIEW OF COMMON AREA WATER HEATER



PHOTO 16

VIEW OF FIRE EXTINGUISHER



PHOTO 17

VIEW OF CENTRAL ALARM PANEL



PHOTO 18

VIEW OF DAMAGED / . MISSING MANSARD SHINGLES



PHOTO 19

VIEW OF FAILING ROOF MEMBRANB



PHOTO 20

VIEW OF CRACKS AT BALCONY DECKING



PHOTO 21

VIEW OF CRACKS AT BALCONY DECKING



PHOTO 22

VIEW OF CRACKS AT GROUND LEVEL WALKWAY



PHOTO 23

VIEW OF CRACKS AT ELEVATED WALKWAY



PHOTO 24

VIEW OF CRACKS AT SLAB UNDERSIDE



SUPPORTING DOCUMENTATION

Regal Palms Condo Assn Inc.

Run Date: 02/18/2024

Run Time: 10:20 AM

FUND BALANCE SHEET

As of: 01/31/2024

Assets

Account	Operating	Reserves	Total
Assets			
0101 SouthState Bank Oper 38806	\$424,597.60	\$0.00	\$424,597.60
0104 SouthState Bank NOW 80206	\$3,901.89	\$0.00	\$3,901.89
0105 Due (To)/From Reserves	(\$32,880.72)	\$0.00	(\$32,880.72)
0110 Accounts Receivable	\$11,752.11	\$0.00	\$11,752.11
0121 Prepaid Expenses	\$37,058.67	\$0.00	\$37,058.67
0124 Prepaid Insurance	\$126,305.94	\$0.00	\$126,305.94
0139 SouthState MM #05077	\$19,581.22	\$0.00	\$19,581.22
0145 Due (To)/From Operating	\$0.00	\$32,880.72	\$32,880.72
0160 Merrill Lynch Reserve 2428	\$0.00	\$612,870.82	\$612,870.82
0175 Deposits-Utility	\$1,863.70	\$0.00	\$1,863.70
0196 Allowance for Bad Debt	(\$61,687.29)	\$0.00	(\$61,687.29)
0197 Deposit in Transit	\$2,686.94	\$0.00	\$2,686.94
Assets Total	\$533,180.06	\$645,751.54	\$1,178,931.60
Total Assets:	\$533,180.06	\$645,751.54	\$1,178,931.60

Liabilities

Account	Operating	Reserves	Total
Liabilities			
0210 Accounts Payable	(\$47,338.89)	\$0.00	(\$47,338.89)
0211 Accrued Expenses	\$10,453.34	\$0.00	\$10,453.34
0212 Insurance Payable	\$126,843.57	\$0.00	\$126,843.57
0219 Prepaid Owner Assessments	\$42,611.23	\$0.00	\$42,611.23
0221 Deferred Cable Rebate	\$14,271.59	\$0.00	\$14,271.59
Liabilities Total	\$146,840.84	\$0.00	\$146,840.84
Total Liabilities:	\$146,840.84	\$0.00	\$146,840.84

Equity

Account	Operating	Reserves	Total
Reserves			
0230 Reserve-Roof Replacement	\$0.00	\$565,823.80	\$565,823.80
0231 Reserve-Building Painting	\$0.00	(\$15,180.03)	(\$15,180.03)
0232 Reserve-Pavement Resurfacing	\$0.00	\$29,156.30	\$29,156.30
0233 Reserve-Washer & Dryer	\$0.00	(\$2,994.15)	(\$2,994.15)
0235 Reserve Interest	\$0.00	\$68,945.62	\$68,945.62
Reserves Total	\$0.00	\$645,751.54	\$645,751.54
Members Equity			
0370 Retained Earnings	\$394,263.08	\$0.00	\$394,263.08
0372 Prior Year Adjustment	\$2,858.38	\$0.00	\$2,858.38
Members Equity Total	\$397,121.46	\$0.00	\$397,121.46

Account	Operating	Reserves	Total
Current Year Net Income/(Loss)	(\$10,782.24)	\$0.00	(\$10,782.24)
Total Equity:	\$386,339.22	\$645,751.54	\$1,032,090.76
Total Liabilities & Equity	\$533,180.06	\$645,751.54	\$1,178,931.60

3000 Victoria 10/16/18

3100 Eaton 2019

3200 Oxford 5/2006

3300 Mayfair 10/21/14

3400 Trafalgar 5/2006

3500 Regent 12/5/18

