

Structural Integrity Reserve Study (SIRS) Agreement

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Agreement Date: June 20, 2023 (To be done in 2024)

Client: Bayshore Club Management Association, Inc.
925 North Halifax Avenue, Daytona Beach, FL 32118

Property: Bayshore Club Management Association, Inc.
925 North Halifax Avenue, Daytona Beach, FL 32118

Services and Compensation

Introduction – Dreux Isaac & Associates, in accordance with Florida SB 154, Florida Statutes Chapter 718, and the Terms and Conditions of this agreement, will prepare a comprehensive two-part reserve study of the subject property that will include a Structural Integrity Reserve Study (SIRS) and a separate reserve schedule and pooled funding plan of all other (non-SIRS) reserve components.

Structural Integrity Reserve Study (SIRS) – For each building on the property that is three stories or higher a SIRS will be prepared, and the following items shall be evaluated for inclusion:

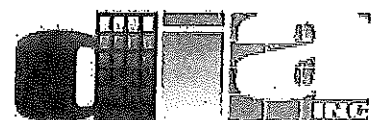
- a. Roof.
- b. Structure, including load-bearing walls and or other primary structural members and primary structural systems as those terms are defined in s. 627.706.
- c. Fireproofing and fire protection systems.
- d. Plumbing.
- e. Electrical systems.
- f. Waterproofing and exterior painting.
- g. Windows and exterior doors (only those that the association is responsible for replacement).
- h. Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a-g, as determined by the visual inspection portion of the structural integrity reserve study.

The SIRS visual inspection will be performed by a person certified as a reserve specialist (RS) or professional reserve analyst (PRA) by the Community Associations Institute or the Association of Professional Reserve Analysts. The visual inspection is limited to readily accessible exposed common area building components only. Hidden building components will not be evaluated for their existing condition and will be considered to be in fair condition and will be assigned the normal life span.

The SIRS will identify each item of the property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the property being visually inspected, and provide a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of condominium property being visually inspected by the end of the estimated remaining useful life of the item.

The SIRS may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost cannot be determined, or the study may recommend a deferred maintenance expense amount for such item.

The SIRS may recommend that reserves for replacement costs do not need to be maintained for any item with an estimated remaining useful life of greater than 25 years, but the study may recommend a deferred maintenance expense amount for such item.



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Terms and Conditions

Dreux Isaac & Associates, Inc. ("DIA") has no present or contemplated future interest in the property that is the subject of this agreement and no personal interest or bias with respect to the subject matter or the parties involved. Neither the engagement to perform this service, nor the compensation, is contingent upon the findings and conclusions that will be provided by DIA.

Information provided to DIA by the Client or their representative(s), such as but not limited to, historical records, financial documents, proposals, contracts, correspondence, and construction plans will be deemed reliable and will not be independently verified or audited. Unless expressly stated in our report disclosures, there are no material issues that that would cause a distortion of the Client's situation.

The inspection by DIA of the subject property is limited to visual observations of readily accessible common areas only. DIA will inspect sloped roofs from the ground and flat roofs where safe access is available.

No testing, invasive or non-invasive, will be performed by DIA. No warranty will be made, and no liability is assumed for the soundness of the structure or its components. DIA offers no opinion of and assumes no responsibility for the structural integrity of the property, code compliance requirements, or any physical defects, regardless of cause. DIA will not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, latent or hidden defects which may or may not be present on or within the property.

DIA uses various sources to arrive at its opinion of estimated cost. The information obtained from these sources is considered to be accurate and reasonable but is not guaranteed. Factors such as inflation, availability of materials and qualified personnel and/or acts of nature as well as catastrophic conditions, could significantly affect current prices. No consideration has been given to labor bonuses; material premiums; additional costs to conform property replaced to building codes, ordinances or other legal restrictions; or the cost of demolition in connection with replacement or the removal of destroyed property. No value of land has been included.

Estimates of useful life and remaining useful life used in the report assume proper installation and construction, adherence to recommended preventive maintenance guidelines and best practices. Natural disasters, catastrophic or severe condition changes could significantly affect the lives of any component. DIA does not warranty or guarantee the useful lives of any components.

Where feasible DIA may use a representative sampling of the Client's property to accurately replicate an entire group of similar components at the same property. The report data will not be applicable to any other property regardless of similarity.

Client agrees to indemnify and hold harmless DIA, its officers, employees, affiliates, agents and independent contractors from any and all liabilities or claims made in connection with this agreement. The liability of DIA, its officers, employees, affiliates, agents and independent for errors and omissions, is limited in total to the compensation for the services provided in this agreement.

The Client agrees to pay DIA 50% of this agreement fee upon completion of the visual inspection. The Client agrees to pay DIA the balance due upon receipt of the initial draft study. After 30 days payment will be considered past due. Any outstanding balance due after 30 days of the invoice date is subject to an interest charge of 1.5% per month.

Venue for any legal proceeding or action at law arising out of or construing this agreement shall lie in the state courts of Orange County, Florida, or the United States District Court for the Middle District of Florida, Orlando Division.

This agreement, if not accepted by the Client within 180 days of the agreement date, will become null and void.



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Non-SIRS Reserve Schedule and Pooled Funding Plan – Dreux Isaac & Associates will prepare a separate reserve schedule and pooled funding plan that will include:

- a. Components required under Florida Statutes that fall outside the scope of the SIRS.
- b. Components that meet the criteria as defined in the National Reserve Study Standards.

Initial Meeting – Prior to starting the visual property inspection, we will schedule an initial conference call, Zoom call, or site meeting with available Client personnel to ask questions and discuss any reserve related issues.

Physical Analysis – A certified reserve specialist (RS) and/or professional reserve analyst (PRA) from Dreux Isaac & Associates will perform the required SIRS visual inspection of your property. Your previously developed reserve component schedule will be reviewed for both the SIRS and non-SIRS reserve requirements. Quantities will be verified as needed from either field measurements or available construction drawings. An assessment of each component's current condition will be performed based on observed or reported characteristics. Past reserve and major property work will be researched. Cost estimates and life expectancies will be reassessed.

Financial Analysis – Using the component schedules as well as projected fiscal year-end reserve balances, 30-year pooled cash flow plans will be developed for both the SIRS and non-SIRS reserve requirements as well as funding comparisons, projections, and recommendations.

Report Submittal – A PDF copy of the reserve study will be submitted to the Client. It will include all physical and financial plan data along with supporting notes, photos, graphs, and tables.

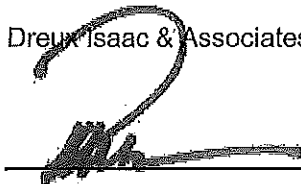
Time Frame – As of the agreement date, the estimated time frame to begin work is March.

Fee – \$5,800.00

Payment Terms – 50% is due upon completion of the inspection. The remaining 50% is due upon receipt of the draft study. After 30 days payment will be past due.

Revisions / Alternate Funding Scenarios – Within 30 days of receiving your draft report, one set of revisions can be prepared at no additional charge. After 30 days the draft will become the final unless an extension has been agreed upon. Any revisions requested after 30 days, or after completing the first revision, will result in an additional fee. No changes will be made 6 months after the initial report date. Alternate funding scenarios can be prepared upon request. There will be an additional fee for each alternate funding scenario prepared.

Dreux Isaac & Associates, Inc.



Dreux Isaac, President, RS, PRA

June 20, 2023

Date

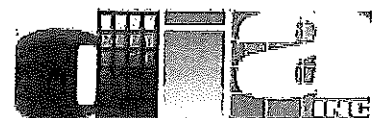
Client Acceptance: Bayshore Club Management Association, Inc.

Authorized Signature

Date

Name (Please Print)

Position/Title



Reserve Study Update Proposal

DATE: August 15, 2023 (To be done **2023**)

PROPERTY: Bayshore Club Management Association, Inc.
925 North Halifax Avenue, Daytona Beach FL 32118

INTRODUCTION: In **February of 2021**, Dreux Isaac & Associates, Inc. prepared a Reserve Study report of the Bayshore Club Management Association, Inc. property. Since the time your last Reserve Study was prepared, replacement costs, reserve account balances and asset lives have changed.

To accurately plan and fund for future capital repair and replacement needs, an updated reserve study report can be prepared. The updated report will include the latest cost, life expectancy and account balance information. It will also reflect any related changes made to the property since the last report was prepared. The updated report will also comply with any provisions in the Florida Statutes, Florida Administrative Codes as well as auditing guidelines from the American Institute of Certified Public Accountants, which require full disclosure on the adequacy of reserves.

SCOPE OF WORK: Upon acceptance of this proposal and receipt of the requested information, we will contact you to review this information along with any related changes made to the property since the last reserve study report was prepared.

All costs and life expectancy data will be updated accordingly. Current reserve financial data including expenditures, budget contributions and fiscal year end balances will be inputted. All new data will then be computed and analyzed. After a final review is completed, a pdf will be prepared and sent to you.

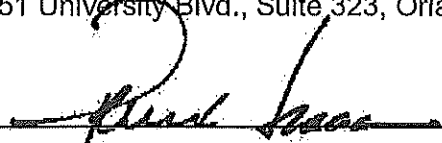
Florida Condo Reserve Requirements – This agreement is for preparing a 2024 reserve study and will comply with all regulatory requirements currently in effect. It will not comply with Florida's new condominium structural integrity reserve study and reserve requirements signed into law on May 26, 2022. These requirements do not go into effect until December 31, 2024.

FEE: The total fee for this Reserve Study Update, without site inspection, is **\$1,400.00**. You will be invoiced this fee amount once the pdf is sent to you.

**ANY ALTERNATE SCHEDULES OR SCENARIOS IS AN ADDITIONAL COST BASED ON SCOPE OF WORK.*

REVISIONS: Within 30 days of receiving your reserve study draft, you can submit one set of changes and request one revised reserve study draft be prepared at no additional charge. After 30 days the reserve study draft will become the final unless an extension has been agreed upon. Changes after 30 days, or after completing the first revision can be made, but there will be an additional fee for each set of changes requested.

CONTRACTOR: Dreux Isaac & Associates, Inc.
10151 University Blvd., Suite 323, Orlando, FL 32817



August 15, 2023

ACCEPTED: Bayshore Club Management Association, Inc.

Authorized Signature

Date

Name (Please Print)

Position/Title

DREUX ISAAC & ASSOCIATES, INC.

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