Structural Integrity Reserve Study (SIRS) Agreement

Agreement Date: March 20, 2024 (To be done in **2024**)

Client: Calais at Pelican Bay Condominium Association, Inc.
7064 Pelican Boulevard, Naples, FL 34108

Property: Calais at Pelican Bay Condominium Association, Inc.
7064 Pelican Boulevard, Naples, FL 34108

Services and Compensation

Introduction – Dreux Isaac & Associates (DIA), 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 requires a visual inspection 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.

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.

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.

Physical Analysis – A certified reserve specialist (RS) and/or professional reserve analyst (PRA) from Dreux Isaac & Associates completed the required SIRS visual inspection of your property after June 1, 2022, when the SIRS requirements went into effect. Therefore, a second visual inspection will not be performed as part of this agreement. During your visual inspection a component inventory schedule was developed for both the SIRS and non-SIRS reserve requirements. Quantity takeoffs were performed from either field measurements or available construction drawings. An assessment of each component's current condition was performed based on observed or reported characteristics. Relevant past reserve and major property related work was researched. Cost estimates and life expectancies were established.

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 2024 .

Fee – $4,800 is valid for 180 days from agreement date.

Payment Terms – Full payment is due upon completion and 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.

March 20, 2024

Dreux Isaac, President, RS, PRA — Date

Accepted: Calais at Pelican Bay Condominium Association, Inc.

14 MAR 24

Authorized Signature — Date

JOHN J. JOHNSON — SECRETARY

Name (Please Print) — Position/Title