

IN THE CIRCUIT COURT OF THE 15TH JUDICIAL
CIRCUIT IN AND FOR PALM BEACH COUNTY, FLORIDA

SCOTT KERNER, an individual,

CASE NO.

Plaintiff,

vs.

MARC ELKMAN, an individual, EMPIRE
DEVELOPMENT HOLDINGS, LLC, a Florida
limited liability company, CHRIS BEALE, an
individual; and BEALECON CONSTRUCTION,
LLC, a Florida limited liability company,

Defendants.

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COMPLAINT

Plaintiff, Scott Kerner (“**Plaintiff**” or “**Mr. Kerner**”), sues Defendants, Marc Elkman (“**Elkman**”), Empire Development Holdings, LLC (“**Empire**”), Chris Beale (“**Beale**”), and Bealecon Construction, LLC (“**Bealecon**”) (collectively, the “**Defendants**”), and alleges:

INTRODUCTION

1. When this Boca Raton family paid more than \$12 Million for their newly constructed Home, they never would have expected to spend their first year looking for another place to live while it was brought up to code. Empire and Bealecon held themselves out as purveyors of “rarified luxury” and experienced builders. But the first rain caused water to flood into the Home from windows, lightbulbs, and air vents. Aside from the flooding, the Kerners’ Home suffers from crumbling concrete, broken trusses, leaking gas lines, and live wires, all hidden behind thin sheets of painted drywall. The Home is neither safe nor habitable. The Kerners were forced to flee shortly after moving



in, and because of Empire and Bealecon's failure to fix the problems they caused, have been forced to spend millions more than what they have already paid just to live in their Home.

2. Adding insult to injury, Mr. Kerner soon discovered that, throughout the course of construction, Elkman doctored several invoices to alter the line-item costs of several materials, eventually skimming more than \$140,000.00 from Mr. Kerner off the top of the millions he was being paid for the dilapidated Home. Demands to return the stolen funds have been refused. Demands to repair the defective work and honor their warranties have been ignored. By this action, Mr. Kerner seeks to hold the responsible parties accountable and to be made whole.

JURISDICTION, PARTIES, AND VENUE

3. This Court has subject matter jurisdiction over this action pursuant to Fla. Const. Art. V, § 20(c)(3), as this is an action for damages in excess of \$50,000.00 exclusive of interest, costs and attorney's fees.

4. Plaintiff Scott Kerner is an individual over the age of eighteen (18) who resides in Palm Beach County, Florida, and is otherwise *sui juris*.

5. Defendant Elkman is an individual over the age of eighteen (18), a resident of Palm Beach County, and is otherwise *sui juris*. Elkman is the founder and CEO of Empire.

6. Defendant Empire is a Florida Limited Liability Company with its principal place of business in Palm Beach County, Florida. Empire is formerly known as Empire 561, LLC, until its name change on January 8, 2025.

7. Defendant Beale is an individual over the age of eighteen (18), a resident of Palm Beach County, and is otherwise *sui juris*. Defendant Beale is a certified general contractor, a structural engineer, and the principal for Defendant Bealecon. Beale served as the Engineer of Record for the Property.

8. Defendant Bealecon is a Florida limited liability company with its principal place of business in Palm Beach County, Florida. Bealecon served as general contractor of the Property.

9. Venue is proper in Palm Beach County pursuant to section 47.011, Florida Statutes, because all Defendants reside in Palm Beach County, Florida, the Property at issue is located in Palm Beach County, and the events and omissions giving rise to these claims occurred in Palm Beach County.

10. Plaintiff has retained Berger Singerman, LLP to represent him in this action, and is obliged to pay it a reasonable fee.

11. All conditions precedent to filing this action by Plaintiff, including the requirements in Chapter 558, Florida Statutes, have occurred, or have been performed, satisfied, waived, or excused.

THE FACTS

12. Empire partnered with Bealecon to construct the water-front villa on 561 Golden Harbor Drive, Boca Raton, Florida 33432 (the “**Home**”). Upon information and belief, Empire and Bealecon formed a general partnership, the purpose of which was to build and sell the Home.

13. Empire publicly professes its goal to “transform neighborhoods in Boca Raton and Palm Beach County, enhancing the way our clients live through intelligent,

unique design, high-quality development and rarified luxury,”¹ meanwhile Bealecon touts itself as “a premier construction and design firm in South Florida,” who will “work tirelessly to bring your vision to life and be there for you throughout every stage of your project and beyond.”² Both statements are designed to mislead the public because they could not be further from the truth.

14. Despite paying more than \$12 Million for his Home, Mr. Kerner and his family have been forced to evacuate for over one year while the countless and dangerous building code and life-safety violations are being corrected at an additional cost of several million dollars. This is the cost Mr. Kerner has incurred for trusting in Empire and Bealecon’s vision of “rarefied luxury.”

15. On or about February 22, 2023, Mr. Kerner and Empire entered into a contract and addendum, where Mr. Kerner agreed to purchase the custom-built Home on the real property to be built according to the plans, general specifications, and all applicable building codes (the “Purchase and Sale Contract”). The Purchase and Sale Contract is attached as **Exhibit A**.

16. Prior to entering into the Purchase and Sale Contract, Elkman represented to Mr. Kerner that Bealecon was an experienced general contractor with the necessary skills to facilitate the planning and construction of the Home; Elkman represented that Beale had acted as one of the lead engineers on the Seminole Hard Rock Hotel & Casino, and had personally constructed many other high-end luxury homes in West Palm Beach, none of which turned out to be true.

¹ <https://www.empiredevgroup.com/about/> (last visited February 6, 2026)

² <https://bealecon.com/about/> (last visited February 6, 2026)

17. Prior to entering into the Purchase and Sale Contract, in the last quarter of 2022, Elkman also represented to Mr. Kerner that Empire had constructed three other luxury homes. Elkman then provided Mr. Kerner with a driving tour of the three homes in Boca Raton to show Mr. Kerner the quality and design of the homes. These statements turned out to be false, because none of the homes were developed by Empire, but by other local developers. These homes include 520 NE 4th Lane, Boca Raton, FL, 201 NE 3rd Street, Boca Raton, FL, and one other similar home in close proximity.

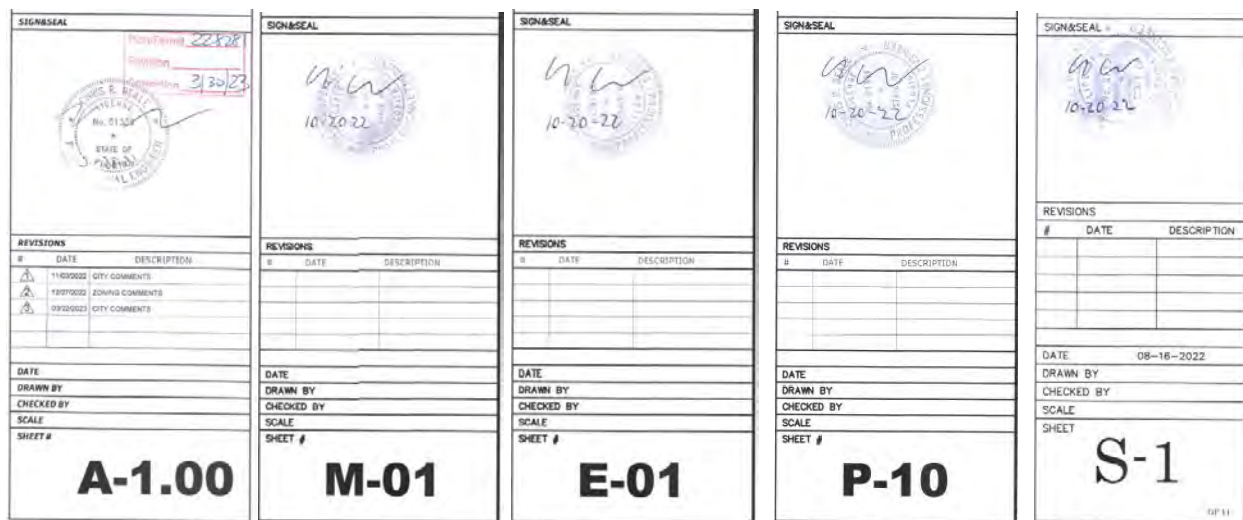
18. Elkman built a façade of experience and expertise to inspire confidence in Mr. Kerner that the Home—which would cost many millions—would be constructed to the highest level of quality, luxury, and design. Mr. Kerner was induced into agreeing to the Purchase and Sale Contract by Elkman’s false statements and deceptive actions.

19. To Mr. Kerner’s dismay and disbelief, the Home was built in such a poor manner that its final punchlist contained eight (8) pages of obvious defects and deficiencies. The Closeout Agreement is attached as **Exhibit B**. Empire was required to correct all the defects and deficiencies on the punchlist, but it did not, leaving the Home riddled with defects and code violations, some so egregious that they threatened the life and safety of Mr. Kerner and his family.

20. The pervasiveness of deficiencies and nonconformities was surprising considering Beale wore two hats on the Project: that of the general contractor and the professional engineer. Therefore, Beale was supposed to be constructing and implementing his own designs.

21. However, Beale did not prepare the Home’s designs. The designs were prepared by others before Beale simply affixed his signature and seal to the drawings.

22. Beale, who is a structural engineer only³, affixed his seal to architectural, mechanical, electrical, plumbing, and structural designs for the Home. See below for exemplary images of each, in that order:



23. Beale is not a licensed Architect in the State of Florida.

24. Beale has no technical training or experience as a Mechanical, Electrical or Plumbing Engineer.

25. Florida law forbids professional engineers from affixing their seal on drawings for which the professional engineer lacks the requisite expertise to create themselves.

26. Soon after moving into the Home with his family, a swarm of issues emerged—including, but not limited to:

- a. concrete cracking along the structural beams and slabs;
- b. water leaking from windows, balconies, fixtures, and from within electrical components;

³ <https://www.empiredevgroup.com/agents/chris-beale/> (last visited February 6, 2026)

- c. water sloping towards and into the house from the balconies and roof terraces
- d. gas leaking from behind the kitchen walls;
- e. whistling sounds from the Home's plumbing components and inadequate draining leading to ponding and flooding; and
- f. missing components and fixtures, mold growth, excessive moisture, and wood rot.



Figure 1: Water leaking from light fixture and air conditioning diffuser in laundry room.



Figure 2: Water spouting from window frame in main staircase after screw removal.



Figure 3: Black mold growing on drywall in daughter's room.



Figure 4: Damage to children's rooms by water intrusion through windows.



Figure 5: Tarp covering entire living room.

Figure 6: Dehumidifiers and tarp covering child's room.

27. Empire and Bealecon failed to honor their warranties and remedy these problems which rendered the Home uninhabitable, despite repeated requests by Mr. Kerner.

28. During construction, Empire failed to maintain adequate insurance for the Home and allowed what little insurance it did have to lapse.

29. Mr. Kerner and his family were forced to evacuate the Home as a result.

30. Mr. Kerner commissioned three independent reports to determine the sources of these defects, code violations, and water infiltration, and the results were worse than what could have originally been anticipated.⁴ The reports' findings included, but are not limited to:

- the street facing and water facing windows are the improper sizes, improperly sealed or installed resulting in property damage and water intrusion;
- the balconies, finished decks, and eyebrows on the outside of the Home are improperly pitched towards the building and lacking flashing resulting in water intrusion;
- the balcony doors' threshold are below the finished floors and blocking weep holes causing water intrusion;
- electrical panels and outlets are either flush at floor level or lack 3 feet minimum clearance from ground and exposed to water intrusion, in violation of the Florida Building Code;

⁴ The three independent reports include: Structural Construction Defect Evaluation – Prepared by Summit Design and Forensics, Inc. (attached hereto as **Exhibit C**); Forensic Investigation Report – Prepared by ECS Florida, LLC (attached hereto as **Exhibit D**); Property Evaluation Report – Prepared by Pistorino and Alam Consulting Engineers, Inc. (attached hereto as **Exhibit E**); J.R. Inspections Services, Inc. – Mold Inspection Report (attached as **Exhibit “F”**) (collectively, the “**Engineering Reports**”)

- structural column in kitchen above stove was cut and jeopardized to make room for the stove vent;
- concrete honeycombing and exposed rusting rebar;
- roof trusses were broken to pass vents and wires;
- the gas lines were installed throughout the Home without any signed and sealed gas drawings;
- gas line behind kitchen was left unprotected and pierced by drywall nail causing a gas leak;
- live electrical junction box adjacent to the gas connection was left exposed constituting a fire hazard;
- improper gas line disconnections;
- circuit breakers missing breaker blanks and arc fault interrupters;
- abandoned exposed live wires in and above soffit;
- duct work improperly compressed in trusses throughout Property resulting in improper ventilation and condensation;
- line set for HVAC units not properly waterproofed or insulated and not properly identified;
- mechanical equipment on the roof was not anchored to the structural elements of the building; and
- roof membrane bubbling and compromised, separating from parapet wall, and missing cap metal.



Figure 7: crumbling concrete over exposed rusting rebar



Figure 8: honeycombing concrete on balcony slab and exposed rusting rebar



Figure 9: corroded metal column and window mullion at main staircase with excessive water intrusion

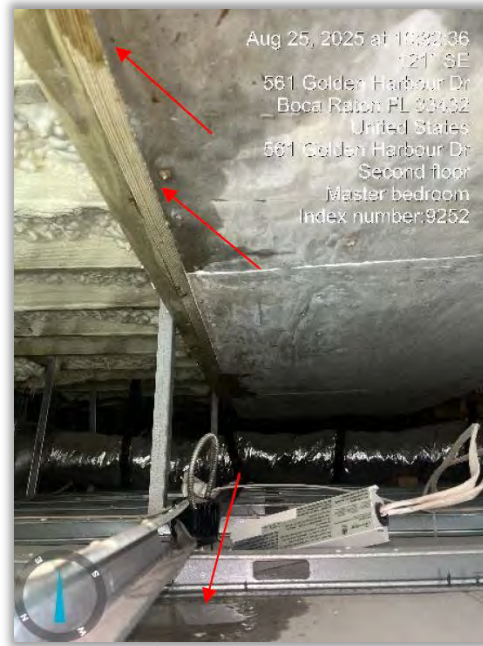


Figure 10: water intrusion at overhead beam in master bedroom



Figure 11: kitchen air vent penetrating structural reinforced concrete column

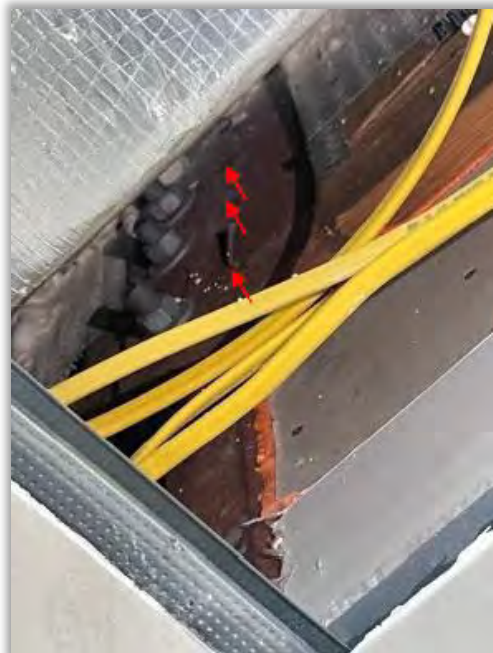


Figure 12: missing bolts in structural steel beams



Figure 13: broken roof trusses



Figure 14: hole drilled through air duct due to light fixture installation



Figure 15: holes drilled through balcony slab to drain ponding water



Figure 16: screw hole in unprotected gas line



Figure 17: steam generator equipment installed behind gas cooking equipment; fire hazard

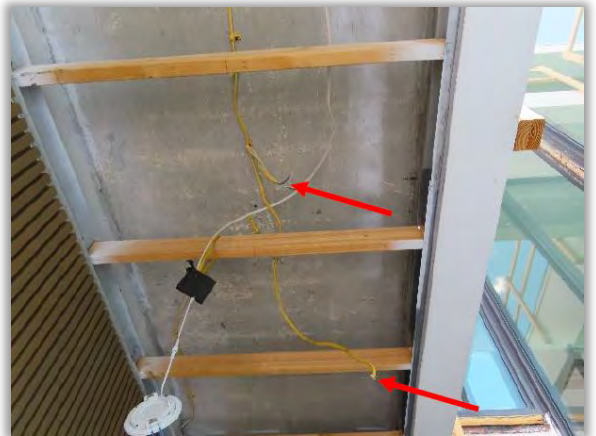


Figure 18: unterminated and energized wiring above home's main entrance

31. Mr. Kerner's discovery of defective work and code violations is ongoing and continues as of the date of this lawsuit.

32. The defects listed above also resulted in damages to other property, such as flooring, wall covering, fixtures, furniture, mold growth, the death of Mr. Kerner's exotic koi fish, increased insurance premiums, psychological anguish, the need to seek alternative accommodations during the remediation efforts, offsite parking for vehicles and a boat, engineering fees, consultant fees, and attorney's fees.

33. Mr. Kerner will spend millions to repair his home from the damages cause by Empire's and Bealecon's recklessness.

FRAUD AND THEFT

34. After purchasing the Home, Mr. Kerner discovered that Elkman had also taken advantage of Mr. Kerner's good will by skimming money off the top through fraudulently prepared invoices.

35. Empire was entitled to charge a 10% markup on all change orders requested by Mr. Kerner during construction of the Home.

36. Empire, through Elkman, agreed to voluntarily waive the 10% markup due to an investment by Mr. Kerner in Elkman's other venture.

37. This performance of goodwill was just that—a performance. Unbeknownst to Mr. Kerner, Elkman altered the invoices and inflated the prices of various items by many multiples in an effort to extract additional profits from Mr. Kerner.

38. Elkman altered and inflated invoices with the intent of permanently depriving Mr. Kerner of more than \$140,000.00.

COUNT I: BREACH OF CONTRACT **(AGAINST EMPIRE)**

39. Plaintiff realleges paragraphs 1-38.

40. The Purchase and Sale Contract is a valid Contract between Mr. Kerner and Empire.

41. Empire was obligated to construct the Home in a good and workman like manner, in compliance with all plans and specifications, and all applicable building codes and regulations.

42. Empire materially breached and defaulted under the Purchase and Sale Contract by, *inter alia*:

- a. Constructing the Home in such a poor, defective, and hazardous manner that the costs of repairing the Home approximate the Costs of its original construction;
- b. Failing to construct the Home in a good and workmanlike manner;
- c. Failing to construct the Home in accordance with the plans and specifications;
- d. Failing to construct the Home in accordance with Florida Building Code;
- e. Failing to honor its warranty to correct the defects, deficiencies, and deviations after being provided with timely notice and an opportunity to cure by Mr. Kerner's repeated requests and the Fla. Stat Ch. 588 notices which included the Engineering Reports; and
- f. Failing to correct the defects, deficiencies, and deviations after being provided with timely notice and an opportunity to cure by Mr. Kerner's repeated requests and the Fla. Stat Ch. 588 notices which included the Engineering Reports.

43. Empire is in default of the Purchase and Sale Contract.

44. Pursuant to Section 16 of the Addendum to the Purchase and Sale Contract, "[i]f Seller defaults under this Contract, Buyer will give Seller written notice of it and if Seller has not commenced appropriate action to cure the default within ten (10) days after such notice is received by Seller, Buyer will have the choice of either (i) receiving a refund of all Deposits and prepayments for options, extras, upgrades and the like actually paid under this Contract, (ii) specifically enforcing the Contract, or (iii) any other remedy available to Buyer in law or in equity."

45. As a direct result of Seller's default of the Purchase and Sale Agreement, Mr. Kerner has suffered direct and special damages as set forth in paragraphs 32-33, and is also entitled to the return of all Deposits and prepayments for options, extras, upgrades and the like actually paid under the Purchase and Sale Contract. Mr. Kerner is not electing a remedy at this time.

WHEREFORE, Mr. Kerner demands entry of judgment against Empire, for actual and special damages, pre- and post-judgment interest, attorneys' fees and costs, and such other relief as this Court deems just and proper.

COUNT II: VIOLATION OF THE FLORIDA BUILDING CODE
(AGAINST EMPIRE, BEALECON, AND BEALE)

46. Plaintiff realleges paragraphs 1-38.

47. Section 553.84, Florida Statutes, provides a private cause of action against a person or party who has committed a violation of the Florida Building Code.

48. Empire, as the developer, had a statutory duty to ensure that the home was constructed in accordance with the applicable building codes.

49. Bealecon, as the general contractor, had a statutory duty to ensure that the home was constructed in accordance with the applicable building codes.

50. Beale, as the engineer of record, had a statutory duty to ensure that the home was constructed in accordance with the applicable building codes.

51. With respect to the construction project, Empire, Bealecon, and Beale breached their statutory duties by constructing the Home in violation of the Florida Building Code, as more fully set forth in the Engineering Reports.

52. Empire, Bealecon, and Beale knew or should have known of all these violations of the Florida Building Code during their construction of the Home.

53. As a direct and proximate cause of the Empire, Bealecon, and Beale's violations of the Florida Building Code, Mr. Kerner has suffered direct and special damages as set forth in paragraphs 32-33.

WHEREFORE, Plaintiff demands entry of judgment against Empire, Bealecon, and Beale for actual and special damages, pre- and post-judgment interest, attorneys' fees and costs, and such other and further relief as this Court deems just and proper.

COUNT III: PROFESSIONAL NEGLIGENCE
(AGAINST BEALE)

54. Plaintiff realleges paragraphs 1-38.

55. Beale served as the Engineer and Architect of Record for the Home.

56. Beale is a licensed engineer. Beale is a structural engineer.

57. Beale had a duty to perform his professional engineering services with the same degree of care, skill, and diligence ordinarily exercised by reputable members of the profession in the same community under similar circumstances.

58. Beale is not a licensed architect.

59. Beale is not a mechanical engineer. Beale is not an electrical engineer. Beale is not a plumbing engineer.

60. Pursuant to Section 471.025(3), Florida Statutes: "No licensee shall affix or permit to be affixed his or her seal, name, or digital signature to any plan, specification, drawing, final bid document, or other document that depicts work which he or she is not licensed to perform or which is beyond his or her profession or specialty therein."

61. Beale breached the duty of care by, *inter alia*:
- a. Signing and sealing architectural drawings while not a licensed architect, thereby engaging in the unlicensed practice of architecture;
 - b. Signing and sealing mechanical drawings without the requisite experience or technical competence in mechanical engineering;
 - c. Signing and sealing electrical drawings without the requisite experience or technical competence in electrical engineering;
 - d. Signing and sealing plumbing drawings without the requisite experience or technical competence in plumbing engineering;
 - e. Allowing construction of gas lines without professionally signed and sealed gas drawings;
 - f. Failing to competently exercise Responsible Charge of the construction of the Home, as defined by Florida Administrative Code § 61G15—18011;
 - g. Failing to ensure the Home was constructed in a good and workmanlike manner, in accordance with the plans, specifications, and shop drawings, and in accordance with the Florida Building Code; and
 - h. Approving deficient construction of Bealecon and other contractors that was performed in an unworkmanlike manner, in deviation from the plans, specifications, and shop drawings, and in violation of the Florida Building Code.

62. As a direct and proximate cause of Beale's breaches, Mr. Kerner has suffered direct and special damages as set forth in paragraphs 32-33.

WHEREFORE, Plaintiff demands entry of judgment against Beale for actual and special damages, pre- and post-judgment interest, attorneys' fees and costs, and such other relief as this Court deems just and proper.

COUNT IV: NEGLIGENT RETENTION
(AGAINST EMPIRE)

63. Plaintiff realleges paragraphs 1-38.

64. At all material times, Empire owed a duty to Mr. Kerner to exercise reasonable care in the selection, hiring, and retention of contractors and engineers to perform construction work on the Project, so as to avoid exposing persons and property to an unreasonable risk of harm.

65. Prior to retaining Defendant Bealecon, Empire knew, or in the exercise of reasonable care, should have known that Bealecon lacked the requisite experience, qualifications, and competence necessary to safely and properly perform the scope of work required for the Home.

66. Specifically, Bealecon had never completed a project of this scope, size, and quality, and was not adequately insured to construct a project of this magnitude.

67. Prior to retaining Defendant Beale, Empire knew, or in the exercise of reasonable care, should have known that Beale lacked the requisite licenses, experience, qualifications, and competence necessary to serve as engineer of record, oversee the performance of the work, and ensure adherence or approve deviation from the plans, specifications, shop drawings, and building codes.

68. Specifically, Beale was not a licensed architect, mechanical, electrical, or plumbing engineer, had never completed a project of this scope, size, and quality, and was not adequately insured to design or administer a project of this magnitude.

69. Empire breached this duty of care by employing Bealecon and Beale who, for the reasons outlined above, lacked the requisite training and experience to handle the work required of them pursuant to Empire's contract with Mr. Kerner.

70. Despite this knowledge, and despite the foreseeability of harm resulting from the retention of an unqualified general contractor and unqualified engineer of record, Empire negligently hired and retained Bealecon and Beale without:

- a. Conducting reasonable due diligence into prior projects and experience;
- b. Confirming their ability to properly supervise and administer subcontractors;
- c. Confirming their quality assurance standard operating procedures;
- d. Implementing safeguards to ensure competent performance;
- e. Confirming the existence of adequate insurance.

71. As a direct and proximate cause of Empire's negligent retention of Bealecon and Beale, Mr. Kerner has suffered direct and special damages as set forth in paragraphs 32-33.

WHEREFORE, Plaintiff demands entry of judgment against Empire for actual and special damages, pre- and post-judgment interest, attorneys' fees and costs, and such other relief as this Court deem just and proper.

COUNT V: NEGLIGENCE
(AGAINST BEALECON)

72. Plaintiff realleges paragraphs 1-38.

73. Bealecon owed a duty to Mr. Kerner to exercise due care and reasonable skill, which duty included exercising reasonable care in constructing and supervising the construction to ensure that the work was performed in a good and workmanlike manner and in accordance with the plans and specifications, applicable building codes, and industry standards.

74. Bealecon breached its duty of care by constructing the Home with and failing to repair all the defects, deficiencies, deviations, and code violations set forth in the Engineering Reports and identified in this Complaint.

75. As a direct and proximate cause of Bealecon's breaches, Mr. Kerner has suffered direct and special damages as set forth in paragraphs 32-33.

WHEREFORE, Plaintiff demands entry of judgment against Bealecon for actual and special damages, pre- and post-judgment interest, attorneys' fees and costs, and such other relief as this Court deems just and proper.

COUNT VI: FRAUDULENT INDUCEMENT
(AGAINST EMPIRE)

76. Plaintiff realleges paragraphs 1-38.

77. Prior to executing the Purchase and Sale Contract, Elkman made several false statements of material fact to Mr. Kerner with the intent of inducing Mr. Kerner to enter into the Purchase and Sale Contract with Empire, including, *inter alia*:

- a. Telling Mr. Kerner Empire had built three other luxury homes in Boca Raton;
- b. Taking Mr. Kerner for a drive to actually see each of the luxury homes purportedly built by Empire;
- c. Telling Mr. Kerner that Bealecon had a history of building many luxury homes; and
- d. Telling Mr. Kerner Beale was one of the lead engineers for the Seminole Hard Rock Hotel & Casino.

78. Elkman knew that these statements were false at the time the statements were made.

79. In justifiable reliance on Elkman's statements, Mr. Kerner agreed to enter into the Purchase and Sale Agreement on February 22, 2023. But for Elkman's misrepresentations about Empire and Bealecon's professional experiences, qualifications, and past projects, Mr. Kerner would not have agreed to the Purchase and Sale Agreement on the same terms, conditions, and prices, or at all.

80. As a direct and proximate cause of Mr. Kerner's reliance on Elkman's statements, Mr. Kerner has suffered direct and special damages as set forth in paragraphs 32-33.

WHEREFORE, Plaintiff demands entry of judgment against Elkman and Empire for actual and special damages, pre- and post-judgment interest, attorneys' fees and costs, and such other relief as this Court deems just and proper.

COUNT VII: FRAUD
(AGAINST ELKMAN)

81. Plaintiff realleges paragraphs 1-38.

82. Over the course of the project, Elkman made certain false statements of material fact in eleven (11) separate invoices, delivered by and between November 17, 2023, December 1, 2023, January 26, 2024, February 5, 2024, February 19, 2024, and July 31, 2024.

83. Without justification, Elkman doctored the line-item costs of materials to increase the total cost to Mr. Kerner by more than \$140,000.00.

84. These misrepresentations were intentional and calculated to induce Mr. Kerner into overpaying for materials or labor.

85. Mr. Kerner reasonably relied on Elkman's doctored invoices as true and accurate representations of the costs of materials in making payments to Empire.

86. As a direct or proximate cause of the fraud, Kerner was damaged.

WHEREFORE, Kerner demands an entry of judgment against Elkman for actual and special damages, pre- and post-judgment interest, attorneys' fees and costs, and such other relief as this Court deems just and proper.

COUNT VIII: CIVIL THEFT
(AGAINST EMPIRE AND ELKMAN)

87. Plaintiff realleges paragraphs 1-38 and 82-86.

88. On November 25, 2025, Mr. Kerner delivered to Empire and Elkman a written civil theft notice pursuant to Fla. Stat. § 772.11, demanding return of the funds acquired from Mr. Kerner under false pretenses through the doctored invoices. The Civil Theft Notice is attached as **Exhibit G**.

89. Elkman's and Empire's invoicing scheme constitute violations of Fla. Stat. § 812.014 (Theft) and Fla. Stat. § 812.017 (Use of fraudulently obtained or false receipt).

90. Elkman and Empire acted with felonious intent to permanently deprive Kerner of more than \$140,000.00.

91. Elkman and Empire have never earned entitlement to Mr. Kerner's funds.

92. Elkman has appropriated Mr. Kerner's funds for his own use or benefit.

93. Empire has appropriated Mr. Kerner's funds for its own use or benefit.

94. As a result of Elkman and Empire's illegal acts, Mr. Kerner has suffered damages.

WHEREFORE, Plaintiff demands an entry of judgment against Elkman and Empire for actual and special damages, interest, statutory treble damages pursuant to Section 772.11, attorneys' fees and costs, and such other relief as this Court deems just and proper.

JURY TRIAL DEMAND

Mr. Kerner demands a trial by jury on all issues so triable.

Dated: February 6, 2026

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EXHIBIT “A”

"AS IS" Residential Contract For Sale And Purchase

THIS FORM HAS BEEN APPROVED BY THE FLORIDA REALTORS AND THE FLORIDA BAR

PARTIES: Empire 561 LLC, a Florida limited liability company (Seller),
 and Scott Kerner and Patricia Kerner (Buyer),
 agree that Seller shall sell and Buyer shall buy the following described Real Property and Personal Property
 (collectively "Property") pursuant to the terms and conditions of this AS IS Residential Contract For Sale And Purchase
 and any riders and addenda ("Contract"):

1. PROPERTY DESCRIPTION:

- (a) Street address, city, zip: 561 Golden Harbour Drive, Boca Raton, Florida 33432
 (b) Located in: Palm Beach County, Florida. Property Tax ID #: 06-43-47-20-31-003-0070
 (c) Real Property: The legal description is Lot 7, Block C, Golden Harbour Section Two, Plat Book 28, Page 21

together with all existing improvements and fixtures, including built-in appliances, built-in furnishings and
 attached wall-to-wall carpeting and flooring ("Real Property") unless specifically excluded in Paragraph 1(e) or
 by other terms of this Contract.

- (d) Personal Property: Unless excluded in Paragraph 1(e) or by other terms of this Contract, the following items
 which are owned by Seller and existing on the Property as of the date of the initial offer are included in the
 purchase: range(s)/oven(s), refrigerator(s), dishwasher(s), disposal, ceiling fan(s), light fixture(s), drapery rods
 and draperies, blinds, window treatments, smoke detector(s), garage door opener(s), thermostat(s),
 doorbell(s), television wall mount(s) and television mounting hardware, security gate and other access
 devices, mailbox keys, and storm shutters/storm protection items and hardware ("Personal Property").

Other Personal Property items included in this purchase are: See General Specifications

- Personal Property is included in the Purchase Price, has no contributory value, and shall be left for the Buyer.
 (e) The following items are excluded from the purchase:

PURCHASE PRICE AND CLOSING

- 2. PURCHASE PRICE (U.S. currency):** \$ 8,950,000.00

- (a) Initial deposit to be held in escrow in the amount of (checks subject to Collection) \$ 447,500.00

The initial deposit made payable and delivered to "Escrow Agent" named below
 (CHECK ONE): (i) ☒ accompanies offer or (ii) ☐ is to be made within _____ (if left
 blank, then 3) days after Effective Date. IF NEITHER BOX IS CHECKED, THEN
 OPTION (ii) SHALL BE DEEMED SELECTED.

Escrow Agent Name: Seth I. Cohen, Esq. / Seth I. Cohen, P.A.

Address: 5550 Glades Road, Suite 250 Phone: 561-826-1600

E-mail: scohen@shafcolaw.com Fax: 561-826-0500

- (b) Additional deposit to be delivered to Escrow Agent within _____ (if left blank, then 10)
 days after Effective Date \$

- (c) Financing: Express as a dollar amount or percentage ("Loan Amount") see Paragraph 8 \$

- (d) Other: See Addendum \$ 4,206,500.00

- (e) Balance to close (not including Buyer's closing costs, prepaids and prorations) by wire
 transfer or other Collected funds (see STANDARD S) \$ 4,296,000.00

3. TIME FOR ACCEPTANCE OF OFFER AND COUNTER-OFFERS; EFFECTIVE DATE:

- (a) If not signed by Buyer and Seller, and an executed copy delivered to all parties on or before
 February 24, 2023, this offer shall be deemed withdrawn and the Deposit, if any, shall be returned to
 Buyer. Unless otherwise stated, time for acceptance of any counter-offers shall be within 2 days after the day
 the counter-offer is delivered.

- (b) The effective date of this Contract shall be the date when the last one of the Buyer and Seller has signed or
 initialed and delivered this offer or final counter-offer ("Effective Date").

4. CLOSING; CLOSING DATE: The closing of this transaction shall occur when all funds required for closing are
 received by Closing Agent and Collected pursuant to STANDARD S and all closing documents required to be
 furnished by each party pursuant to this Contract are delivered ("Closing"). Unless modified by other provisions of

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this Contract, the Closing shall occur on See Addendum ("Closing Date"), at the time established by the Closing Agent.

5. EXTENSION OF CLOSING DATE:

- (a) In the event Closing funds from Buyer's lender(s) are not available on Closing Date due to Consumer Financial Protection Bureau Closing Disclosure delivery requirements ("CFPB Requirements"), if Paragraph 8(b) is checked, Loan Approval has been obtained, and lender's underwriting is complete, then Closing Date shall be extended for such period necessary to satisfy CFPB Requirements, provided such period shall not exceed 7 days.
- (b) If an event constituting "Force Majeure" causes services essential for Closing to be unavailable, including the unavailability of utilities or issuance of hazard, wind, flood or homeowners' insurance, Closing Date shall be extended as provided in STANDARD G.

6. OCCUPANCY AND POSSESSION:

- (a) Unless Paragraph 6(b) is checked, Seller shall, at Closing, deliver occupancy and possession of the Property to Buyer free of tenants, occupants and future tenancies. Also, at Closing, Seller shall have removed all personal items and trash from the Property and shall deliver all keys, garage door openers, access devices and codes, as applicable, to Buyer. If occupancy is to be delivered before Closing, Buyer assumes all risks of loss to the Property from date of occupancy, shall be responsible and liable for maintenance from that date, and shall have accepted the Property in its existing condition as of time of taking occupancy, see Rider T PRE-CLOSING OCCUPANCY BY BUYER.

- (b) ☐ **CHECK IF PROPERTY IS SUBJECT TO LEASE(S) OR OCCUPANCY AFTER CLOSING.** If Property is subject to a lease(s) or any occupancy agreements (including seasonal and short-term vacation rentals) after Closing or is intended to be rented or occupied by third parties beyond Closing, the facts and terms thereof shall be disclosed in writing by Seller to Buyer and copies of the written lease(s) shall be delivered to Buyer, all within 5 days after Effective Date. If Buyer determines, in Buyer's sole discretion, that the lease(s) or terms of occupancy are not acceptable to Buyer, Buyer may terminate this Contract by delivery of written notice of such election to Seller within 5 days after receipt of the above items from Seller, and Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract. Estoppel Letter(s) and Seller's affidavit shall be provided pursuant to STANDARD D, except that tenant Estoppel Letters shall not be required on seasonal or short-term vacation rentals. If Property is intended to be occupied by Seller after Closing, see Rider U POST-CLOSING OCCUPANCY BY SELLER.

- 7. ASSIGNABILITY: (CHECK ONE):** Buyer ☐ may assign and thereby be released from any further liability under this Contract; ☐ may assign but not be released from liability under this Contract; or ☒ may not assign this Contract. IF NO BOX IS CHECKED, THEN BUYER MAY NOT ASSIGN THIS CONTRACT.

8. FINANCING:

FINANCING

- ☒ (a) This is a cash transaction with no financing contingency.

~~☐ (b) This Contract is contingent upon, within _____ (if left blank, then 30) days after Effective Date ("Loan Approval Period"): (1) Buyer obtaining approval of a ☐ conventional ☐ FHA ☐ VA or ☐ other (describe) mortgage loan for purchase of the Property for a (CHECK ONE): ☐ fixed, ☐ adjustable, ☐ fixed or adjustable rate in the Loan Amount (See Paragraph 2(c)), at an initial interest rate not to exceed _____ % (if left blank, then prevailing rate based upon Buyer's creditworthiness), and for a term of _____ (if left blank, then 30) years ("Financing"); and (2) Buyer's mortgage broker or lender having received an appraisal or alternative valuation of the Property satisfactory to lender, if either is required by lender, which is sufficient to meet the terms required for lender to provide Financing for Buyer and proceed to Closing ("Appraisal").~~

~~(i) Buyer shall make application for Financing within _____ (if left blank, then 5) days after Effective Date and use good faith and diligent effort to obtain approval of a loan meeting the Financing and Appraisal terms of Paragraph 8(b)(1) and (2), above, ("Loan Approval") within the Loan Approval Period and, thereafter, to close this Contract. Loan Approval which requires Buyer to sell other real property shall not be considered Loan Approval unless Rider V is attached.~~

~~Buyer's failure to use good faith and diligent effort to obtain Loan Approval during the Loan Approval Period shall be considered a default under the terms of this Contract. For purposes of this provision, "diligent effort" includes, but is not limited to, timely furnishing all documents and information required by Buyer's mortgage broker and lender and paying for Appraisal and other fees and charges in connection with Buyer's application for Financing.~~

~~(ii) Buyer shall, upon written request, keep Seller and Broker fully informed about the status of Buyer's mortgage loan application, loan processing, appraisal, and Loan Approval, including any Property related conditions of Loan Approval. Buyer authorizes Buyer's mortgage broker, lender, and Closing Agent to disclose such status.~~

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and progress and release preliminary and finally executed closing disclosures and settlement statements, as appropriate and allowed, to Seller and Broker.

(iii) If within the Loan Approval Period, Buyer obtains Loan Approval, Buyer shall notify Seller of same in writing prior to expiration of the Loan Approval Period; or, If Buyer is unable to obtain Loan Approval within Loan Approval Period but Buyer is satisfied with Buyer's ability to obtain Loan Approval and proceed to Closing, Buyer shall deliver written notice to Seller confirming same, prior to the expiration of the Loan Approval Period.

(iv) If Buyer is unable to obtain Loan Approval within the Loan Approval Period, or cannot timely meet the terms of Loan Approval, all after the exercise of good faith and diligent effort, Buyer may terminate this Contract by delivering written notice of termination to Seller prior to expiration of the Loan Approval Period; whereupon, provided Buyer is not in default under the terms of this Contract, Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract.

(v) If Buyer fails to timely deliver any written notice provided for in Paragraph 8(b)(iii) or (iv), above, to Seller prior to expiration of the Loan Approval Period, then Buyer shall proceed forward with this Contract as though Paragraph 8(a), above, had been checked as of the Effective Date; provided, however, Seller may elect to terminate this Contract by delivering written notice of termination to Buyer within 3 days after expiration of the Loan Approval Period and, provided Buyer is not in default under the terms of this Contract, Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract.

(vi) If Buyer has timely provided either written notice provided for in Paragraph 8b(iii), above, and Buyer thereafter fails to close this Contract, the Deposit shall be paid to Seller unless failure to close is due to: (1) Seller's default or inability to satisfy other contingencies of this Contract; or (2) Property related conditions of the Loan Approval (specifically excluding the Appraisal valuation) have not been met unless such conditions are waived by other provisions of this Contract; in which event(s) the Buyer shall be refunded the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

☐ (c) Assumption of existing mortgage (see Rider D for terms).

☐ (d) Purchase money note and mortgage to Seller (see Rider G for terms).

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CLOSING COSTS, FEES AND CHARGES

9. CLOSING COSTS; TITLE INSURANCE; SURVEY; HOME WARRANTY; SPECIAL ASSESSMENTS:

(a) COSTS TO BE PAID BY SELLER:

- Documentary stamp taxes and surtax on deed, if any
- Owner's Policy and Charges (if Paragraph 9(c)(i) is checked)
- Title search charges (if Paragraph 9(c)(iii) is checked)
- Municipal lien search (if Paragraph 9(c)(i) or (iii) is checked)
- Charges for FIRPTA withholding and reporting
- HOA/Condominium Association estoppel fees
- Recording and other fees needed to cure title
- Seller's attorneys' fees
- Other: See Addendum

If, prior to Closing, Seller is unable to meet the AS IS Maintenance Requirement as required by Paragraph 11 a sum equal to 125% of estimated costs to meet the AS IS Maintenance Requirement shall be escrowed at Closing. If actual costs to meet the AS IS Maintenance Requirement exceed escrowed amount, Seller shall pay such actual costs. Any unused portion of escrowed amount(s) shall be returned to Seller.

(b) COSTS TO BE PAID BY BUYER:

- Taxes and recording fees on notes and mortgages
- Recording fees for deed and financing statements
- Owner's Policy and Charges (if Paragraph 9(c)(ii) is checked)
- Survey (and elevation certification, if required)
- Lender's title policy and endorsements
- HOA/Condominium Association application/transfer fees
- Municipal lien search (if Paragraph 9(c)(ii) is checked)
- Other: See Addendum
- Loan expenses
- Appraisal fees
- Buyer's Inspections
- Buyer's attorneys' fees
- All property related insurance
- Owner's Policy Premium (if Paragraph 9 (c)(iii) is checked.)

(c) **TITLE EVIDENCE AND INSURANCE:** At least 15 (if left blank, then 15, or if Paragraph 8(a) is checked, then 5) days prior to Closing Date ("Title Evidence Deadline"), a title insurance commitment issued by a Florida licensed title insurer, with legible copies of instruments listed as exceptions attached thereto ("Title Commitment") and, after Closing, an owner's policy of title Insurance (see STANDARD A for terms) shall be obtained and delivered to Buyer. If Seller has an owner's policy of title Insurance covering the Real Property, Seller shall furnish a copy to Buyer and Closing Agent within 5 days after Effective Date. The owner's title policy premium, title search and closing services (collectively, "Owner's Policy and Charges") shall be paid, as set forth below. The title insurance premium charges for the owner's policy and any lender's policy will be calculated and allocated in accordance with Florida law, but may be reported differently on certain federally mandated closing disclosures and other closing documents. For purposes of this Contract "municipal lien search" means a

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search of records necessary for the owner's policy of title insurance to be issued without exception for unrecorded liens imposed pursuant to Chapters 153, 159 or 170, F.S., in favor of any governmental body, authority or agency.

(CHECK ONE):

☐ (i) ~~Seller shall designate Closing Agent and pay for Owner's Policy and Charges, and Buyer shall pay the premium for Buyer's lender's policy and charges for closing services related to the lender's policy, endorsements and loan closing, which amounts shall be paid by Buyer to Closing Agent or such other provider(s) as Buyer may select; or~~

☐ (ii) Buyer shall designate Closing Agent and pay for Owner's Policy and Charges and charges for closing services related to Buyer's lender's policy, endorsements and loan closing; or

☐ (iii) **[MIAMI-DADE/BROWARD REGIONAL PROVISION]:** Buyer shall designate Closing Agent. Seller shall furnish a copy of a prior owner's policy of title insurance or other evidence of title and pay fees for: (A) a continuation or update of such title evidence, which is acceptable to Buyer's title insurance underwriter for reissue of coverage; (B) tax search; and (C) municipal lien search. Buyer shall obtain and pay for post-Closing continuation and premium for Buyer's owner's policy, and if applicable, Buyer's lender's policy. Seller shall not be obligated to pay more than \$_____ (if left blank, then \$200.00) for abstract continuation or title search ordered or performed by Closing Agent.

(d) **SURVEY:** At least 5 days prior to Closing Date, Buyer may, at Buyer's expense, have the Real Property surveyed and certified by a registered Florida surveyor ("Survey"). If Seller has a survey covering the Real Property, a copy shall be furnished to Buyer and Closing Agent within 5 days after Effective Date.

(e) **HOME WARRANTY:** At Closing, ☐ Buyer ☐ Seller ☐ N/A shall pay for a home warranty plan issued by _____ See Addendum _____ at a cost not to exceed \$_____. A home warranty plan provides for repair or replacement of many of a home's mechanical systems and major built-in appliances in the event of breakdown due to normal wear and tear during the agreement's warranty period.

(f) **SPECIAL ASSESSMENTS:** At Closing, Seller shall pay: (i) the full amount of liens imposed by a public body ("public body" does not include a Condominium or Homeowner's Association) that are certified, confirmed and ratified before Closing; and (ii) the amount of the public body's most recent estimate or assessment for an improvement which is substantially complete as of Effective Date, but that has not resulted in a lien being imposed on the Property before Closing. Buyer shall pay all other assessments. If special assessments may be paid in installments **(CHECK ONE):**

☒ (a) Seller shall pay installments due prior to Closing and Buyer shall pay installments due after Closing. Installments prepaid or due for the year of Closing shall be prorated.

☐ (b) Seller shall pay, in full, prior to or at the time of Closing, any assessment(s) allowed by the public body to be prepaid. For any assessment(s) which the public body does not allow prepayment, OPTION (a) shall be deemed selected for such assessment(s).

IF NEITHER BOX IS CHECKED, THEN OPTION (a) SHALL BE DEEMED SELECTED.

This Paragraph 9(f) shall not apply to a special benefit tax lien imposed by a community development district (CDD) pursuant to Chapter 190, F.S., or special assessment(s) imposed by a special district pursuant to Chapter 189, F.S., which lien(s) or assessment(s) shall be prorated pursuant to STANDARD K.

DISCLOSURES**10. DISCLOSURES:**

(a) **RADON GAS:** Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.

(b) **PERMITS DISCLOSURE:** Except as may have been disclosed by Seller to Buyer in a written disclosure, Seller does not know of any improvements made to the Property which were made without required permits or made pursuant to permits which have not been properly closed or otherwise disposed of pursuant to Section 553.79, F.S. If Seller identifies permits which have not been closed or improvements which were not permitted, then Seller shall promptly deliver to Buyer all plans, written documentation or other information in Seller's possession, knowledge, or control relating to improvements to the Property which are the subject of such open permits or unpermitted improvements.

(c) **MOLD:** Mold is naturally occurring and may cause health risks or damage to property. If Buyer is concerned or desires additional information regarding mold, Buyer should contact an appropriate professional.

(d) **FLOOD ZONE; ELEVATION CERTIFICATION:** Buyer is advised to verify by elevation certificate which flood zone the Property is in, whether flood insurance is required by Buyer's lender, and what restrictions apply to improving the Property and rebuilding in the event of casualty. If Property is in a "Special Flood Hazard Area"

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or "Coastal Barrier Resources Act" designated area or otherwise protected area identified by the U.S. Fish and Wildlife Service under the Coastal Barrier Resources Act and the lowest floor elevation for the building(s) and/or flood insurance rating purposes is below minimum flood elevation or is ineligible for flood insurance coverage through the National Flood Insurance Program or private flood insurance as defined in 42 U.S.C. §4012a, Buyer may terminate this Contract by delivering written notice to Seller within _____ (if left blank, then 20) days after Effective Date, and Buyer shall be refunded the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract, failing which Buyer accepts existing elevation of buildings and flood zone designation of Property.

- (e) **ENERGY BROCHURE:** Buyer acknowledges receipt of Florida Energy-Efficiency Rating Information Brochure required by Section 553.996, F.S.
- (f) **LEAD-BASED PAINT:** If Property includes pre-1978 residential housing, a lead-based paint disclosure is mandatory.
- (g) **HOMEOWNERS' ASSOCIATION/COMMUNITY DISCLOSURE:** BUYER SHOULD NOT EXECUTE THIS CONTRACT UNTIL BUYER HAS RECEIVED AND READ THE HOMEOWNERS' ASSOCIATION/COMMUNITY DISCLOSURE, IF APPLICABLE.
- (h) **PROPERTY TAX DISCLOSURE SUMMARY:** BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.
- (i) **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA"):** Seller shall inform Buyer in writing if Seller is a "foreign person" as defined by the Foreign Investment in Real Property Tax Act ("FIRPTA"). Buyer and Seller shall comply with FIRPTA, which may require Seller to provide additional cash at Closing. If Seller is not a "foreign person", Seller can provide Buyer, at or prior to Closing, a certification of non-foreign status, under penalties of perjury, to inform Buyer and Closing Agent that no withholding is required. See STANDARD V for further information pertaining to FIRPTA. Buyer and Seller are advised to seek legal counsel and tax advice regarding their respective rights, obligations, reporting and withholding requirements pursuant to FIRPTA.
- (j) **SELLER DISCLOSURE:** Seller knows of no facts materially affecting the value of the Real Property which are not readily observable and which have not been disclosed to Buyer. Except as provided for in the preceding sentence, Seller extends and intends no warranty and makes no representation of any type, either express or implied, as to the physical condition or history of the Property. Except as otherwise disclosed in writing Seller has received no written or verbal notice from any governmental entity or agency as to a currently uncorrected building, environmental or safety code violation.

PROPERTY MAINTENANCE, CONDITION, INSPECTIONS AND EXAMINATIONS

~~11. **PROPERTY MAINTENANCE:** Except for ordinary wear and tear and Casualty Loss, Seller shall maintain the Property, including, but not limited to, lawn, shrubbery, and pool, in the condition existing as of Effective Date ("AS IS Maintenance Requirement"). See Paragraph 9(a) for escrow procedures, if applicable.~~

~~12. **PROPERTY INSPECTION, RIGHT TO CANCEL:**~~

- ~~(a) **PROPERTY INSPECTIONS AND RIGHT TO CANCEL:** Buyer shall have _____ (if left blank, then 15) days after Effective Date ("Inspection Period") within which to have such inspections of the Property performed as Buyer shall desire during the Inspection Period. If Buyer determines, in Buyer's sole discretion, that the Property is not acceptable to Buyer, Buyer may terminate this Contract by delivering written notice of such election to Seller prior to expiration of Inspection Period. If Buyer timely terminates this Contract, the Deposit paid shall be returned to Buyer, thereupon, Buyer and Seller shall be released of all further obligations under this Contract; however, Buyer shall be responsible for prompt payment for such inspections, for repair of damage to, and restoration of, the Property resulting from such inspections, and shall provide Seller with paid receipts for all work done on the Property (the preceding provision shall survive termination of this Contract). Unless Buyer exercises the right to terminate granted herein, Buyer accepts the physical condition of the Property and any violation of governmental building, environmental, and safety codes, restrictions, or requirements, but subject to Seller's continuing AS IS Maintenance Requirement, and Buyer shall be responsible for any and all repairs and improvements required by Buyer's lender.~~

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(b) ~~WALK-THROUGH INSPECTION/RE-INSPECTION: On the day prior to Closing Date, or on Closing Date prior to time of Closing, as specified by Buyer, Buyer or Buyer's representative may perform a walk-through (and follow-up walk-through, if necessary) inspection of the Property solely to confirm that all items of Personal Property are on the Property and to verify that Seller has maintained the Property as required by the AS IS Maintenance Requirement and has met all other contractual obligations.~~

(c) **SELLER ASSISTANCE AND COOPERATION IN CLOSE-OUT OF BUILDING PERMITS:** If Buyer's inspection of the Property identifies open or needed building permits, then Seller shall promptly deliver to Buyer all plans, written documentation or other information in Seller's possession, knowledge, or control relating to improvements to the Property which are the subject of such open or needed permits, and shall promptly cooperate in good faith with Buyer's efforts to obtain estimates of repairs or other work necessary to resolve such permit issues. Seller's obligation to cooperate shall include Seller's execution of necessary authorizations, consents, or other documents necessary for Buyer to conduct inspections and have estimates of such repairs or work prepared, but in fulfilling such obligation, Seller shall not be required to expend, or become obligated to expend, any money.

(d) **ASSIGNMENT OF REPAIR AND TREATMENT CONTRACTS AND WARRANTIES:** At Buyer's option and cost, Seller will, at Closing, assign all assignable repair, treatment and maintenance contracts and warranties to Buyer.

ESCROW AGENT AND BROKER

13. ESCROW AGENT: Any Closing Agent or Escrow Agent (collectively "Agent") receiving the Deposit, other funds and other items is authorized, and agrees by acceptance of them, to deposit them promptly, hold same in escrow within the State of Florida and, subject to Collection, disburse them in accordance with terms and conditions of this Contract. Failure of funds to become Collected shall not excuse Buyer's performance. When conflicting demands for the Deposit are received, or Agent has a good faith doubt as to entitlement to the Deposit, Agent may take such actions permitted by this Paragraph 13, as Agent deems advisable. If in doubt as to Agent's duties or liabilities under this Contract, Agent may, at Agent's option, continue to hold the subject matter of the escrow until the parties agree to its disbursement or until a final judgment of a court of competent jurisdiction shall determine the rights of the parties, or Agent may deposit same with the clerk of the circuit court having jurisdiction of the dispute. An attorney who represents a party and also acts as Agent may represent such party in such action. Upon notifying all parties concerned of such action, all liability on the part of Agent shall fully terminate, except to the extent of accounting for any items previously delivered out of escrow. If a licensed real estate broker, Agent will comply with provisions of Chapter 475, F.S., as amended and FREC rules to timely resolve escrow disputes through mediation, arbitration, interpleader or an escrow disbursement order.

In any proceeding between Buyer and Seller wherein Agent is made a party because of acting as Agent hereunder, or in any proceeding where Agent interpleads the subject matter of the escrow, Agent shall recover reasonable attorney's fees and costs incurred, to be paid pursuant to court order out of the escrowed funds or equivalent. Agent shall not be liable to any party or person for mis-delivery of any escrowed items, unless such mis-delivery is due to Agent's willful breach of this Contract or Agent's gross negligence. This Paragraph 13 shall survive Closing or termination of this Contract.

14. PROFESSIONAL ADVICE; BROKER LIABILITY: Broker advises Buyer and Seller to verify Property condition, square footage, and all other facts and representations made pursuant to this Contract and to consult appropriate professionals for legal, tax, environmental, and other specialized advice concerning matters affecting the Property and the transaction contemplated by this Contract. Broker represents to Buyer that Broker does not reside on the Property and that all representations (oral, written or otherwise) by Broker are based on Seller representations or public records. **BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE AND NOT ON THE REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) OF BROKER.** Buyer and Seller (individually, the "Indemnifying Party") each individually indemnifies, holds harmless, and releases Broker and Broker's officers, directors, agents and employees from all liability for loss or damage, including all costs and expenses, and reasonable attorney's fees at all levels, suffered or incurred by Broker and Broker's officers, directors, agents and employees in connection with or arising from claims, demands or causes of action instituted by Buyer or Seller based on: (i) inaccuracy of information provided by the Indemnifying Party or from public records; (ii) Indemnifying Party's misstatement(s) or failure to perform contractual obligations; (iii) Broker's performance, at Indemnifying Party's request, of any task beyond the scope of services regulated by Chapter 475, F.S., as amended, including Broker's referral, recommendation or retention of any vendor for, or on behalf of, Indemnifying Party; (iv) products or services provided by any such vendor for, or on behalf of, Indemnifying Party; and (v) expenses incurred by any such vendor.

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Buyer and Seller each assumes full responsibility for selecting and compensating their respective vendors and paying their other costs under this Contract whether or not this transaction closes. This Paragraph 14 will not relieve Broker of statutory obligations under Chapter 475, F.S., as amended. For purposes of this Paragraph 14, Broker will be treated as a party to this Contract. This Paragraph 14 shall survive Closing or termination of this Contract.

DEFAULT AND DISPUTE RESOLUTION

15. ~~DEFAULT:~~

- (a) ~~BUYER DEFAULT:~~ If Buyer fails, neglects or refuses to perform Buyer's obligations under this Contract, including payment of the Deposit, within the time(s) specified, Seller may elect to recover and retain the Deposit for the account of Seller as agreed upon liquidated damages, consideration for execution of this Contract, and in full settlement of any claims, whereupon Buyer and Seller shall be relieved from all further obligations under this Contract, or Seller, at Seller's option, may, pursuant to Paragraph 16, proceed in equity to enforce Seller's rights under this Contract. The portion of the Deposit, if any, paid to Listing Broker upon default by Buyer, shall be split equally between Listing Broker and Cooperating Broker; provided however, Cooperating Broker's share shall not be greater than the commission amount Listing Broker had agreed to pay to Cooperating Broker.
- (b) ~~SELLER DEFAULT:~~ If for any reason other than failure of Seller to make Seller's title marketable after reasonable diligent effort, Seller fails, neglects or refuses to perform Seller's obligations under this Contract, Buyer may elect to receive return of Buyer's Deposit without thereby waiving any action for damages resulting from Seller's breach, and, pursuant to Paragraph 16, may seek to recover such damages or seek specific performance.

This Paragraph 15 shall survive Closing or termination of this Contract.

16. DISPUTE RESOLUTION: Unresolved controversies, claims and other matters in question between Buyer and Seller arising out of, or relating to, this Contract or its breach, enforcement or interpretation ("Dispute") will be settled as follows:

- (a) Buyer and Seller will have 10 days after the date conflicting demands for the Deposit are made to attempt to resolve such Dispute, failing which, Buyer and Seller shall submit such Dispute to mediation under Paragraph 16(b).
- (b) Buyer and Seller shall attempt to settle Disputes in an amicable manner through mediation pursuant to Florida Rules for Certified and Court-Appointed Mediators and Chapter 44, F.S., as amended (the "Mediation Rules"). The mediator must be certified or must have experience in the real estate industry. Injunctive relief may be sought without first complying with this Paragraph 16(b). Disputes not settled pursuant to this Paragraph 16 may be resolved by instituting action in the appropriate court having jurisdiction of the matter. This Paragraph 16 shall survive Closing or termination of this Contract.

17. ATTORNEY'S FEES; COSTS: The parties will split equally any mediation fee incurred in any mediation permitted by this Contract, and each party will pay their own costs, expenses and fees, including attorney's fees, incurred in conducting the mediation. In any litigation permitted by this Contract, the prevailing party shall be entitled to recover from the non-prevailing party costs and fees, including reasonable attorney's fees, incurred in conducting the litigation. This Paragraph 17 shall survive Closing or termination of this Contract.

STANDARDS FOR REAL ESTATE TRANSACTIONS ("STANDARDS")

18. STANDARDS:

A. TITLE:

(i) **TITLE EVIDENCE; RESTRICTIONS; EASEMENTS; LIMITATIONS:** Within the time period provided in Paragraph 9(c), the Title Commitment, with legible copies of instruments listed as exceptions attached thereto, shall be issued and delivered to Buyer. The Title Commitment shall set forth those matters to be discharged by Seller at or before Closing and shall provide that, upon recording of the deed to Buyer, an owner's policy of title insurance in the amount of the Purchase Price, shall be issued to Buyer insuring Buyer's marketable title to the Real Property, subject only to the following matters: (a) comprehensive land use plans, zoning, and other land use restrictions, prohibitions and requirements imposed by governmental authority; (b) restrictions and matters appearing on the Plat or otherwise common to the subdivision; (c) outstanding oil, gas and mineral rights of record without right of entry; (d) unplatted public utility easements of record (located contiguous to real property lines and not more than 10 feet in width as to rear or front lines and 7 1/2 feet in width as to side lines); (e) taxes for year of Closing and subsequent years; and (f) assumed mortgages and purchase money mortgages, if any (if additional items, attach addendum); provided, that, none prevent use of Property for **RESIDENTIAL PURPOSES**. If there exists at Closing any violation of items identified in (b) – (f) above, then the same shall be deemed a title defect. Marketable title shall be determined according to applicable Title Standards adopted by authority of The Florida Bar and in accordance with law.

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STANDARDS FOR REAL ESTATE TRANSACTIONS ("STANDARDS") CONTINUED

(ii) **TITLE EXAMINATION:** Buyer shall have 5 days after receipt of Title Commitment to examine it and notify Seller in writing specifying defect(s), if any, that render title unmarketable. If Seller provides Title Commitment and it is delivered to Buyer less than 5 days prior to Closing Date, Buyer may extend Closing for up to 5 days after date of receipt to examine same in accordance with this STANDARD A. Seller shall have 30 days ("Cure Period") after receipt of Buyer's notice to take reasonable diligent efforts to remove defects. If Buyer fails to so notify Seller, Buyer shall be deemed to have accepted title as it then is. If Seller cures defects within Cure Period, Seller will deliver written notice to Buyer (with proof of cure acceptable to Buyer and Buyer's attorney) and the parties will close this Contract on Closing Date (or if Closing Date has passed, within 10 days after Buyer's receipt of Seller's notice). If Seller is unable to cure defects within Cure Period, then Buyer may, within 5 days after expiration of Cure Period, deliver written notice to Seller: (a) extending Cure Period for a specified period not to exceed 120 days within which Seller shall continue to use reasonable diligent effort to remove or cure the defects ("Extended Cure Period"); or (b) electing to accept title with existing defects and close this Contract on Closing Date (or if Closing Date has passed, within the earlier of 10 days after end of Extended Cure Period or Buyer's receipt of Seller's notice), or (c) electing to terminate this Contract and receive a refund of the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract. If after reasonable diligent effort, Seller is unable to timely cure defects, and Buyer does not waive the defects, this Contract shall terminate, and Buyer shall receive a refund of the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract.

B. SURVEY: If Survey discloses encroachments on the Real Property or that improvements located thereon encroach on setback lines, easements, or lands of others, or violate any restrictions, covenants, or applicable governmental regulations described in STANDARD A (i)(a), (b) or (d) above, Buyer shall deliver written notice of such matters, together with a copy of Survey, to Seller within 5 days after Buyer's receipt of Survey, but no later than Closing. If Buyer timely delivers such notice and Survey to Seller, such matters identified in the notice and Survey shall constitute a title defect, subject to cure obligations of STANDARD A above. If Seller has delivered a prior survey, Seller shall, at Buyer's request, execute an affidavit of "no change" to the Real Property since the preparation of such prior survey, to the extent the affirmations therein are true and correct.

C. INGRESS AND EGRESS: Seller represents that there is ingress and egress to the Real Property and title to the Real Property is insurable in accordance with STANDARD A without exception for lack of legal right of access.

D. LEASE INFORMATION: Seller shall, at least 10 days prior to Closing, furnish to Buyer estoppel letters from tenant(s)/occupant(s) specifying nature and duration of occupancy, rental rates, advanced rent and security deposits paid by tenant(s) or occupant(s) ("Estoppel Letter(s)"). If Seller is unable to obtain such Estoppel Letter(s) the same information shall be furnished by Seller to Buyer within that time period in the form of a Seller's affidavit and Buyer may thereafter contact tenant(s) or occupant(s) to confirm such information. If Estoppel Letter(s) or Seller's affidavit, if any, differ materially from Seller's representations and lease(s) provided pursuant to Paragraph 6, or if tenant(s)/occupant(s) fail or refuse to confirm Seller's affidavit, Buyer may deliver written notice to Seller within 5 days after receipt of such information, but no later than 5 days prior to Closing Date, terminating this Contract and receive a refund of the Deposit, thereby releasing Buyer and Seller from all further obligations under this Contract. Seller shall, at Closing, deliver and assign all leases to Buyer who shall assume Seller's obligations thereunder.

E. LIENS: Seller shall furnish to Buyer at Closing an affidavit attesting (i) to the absence of any financing statement, claims of lien or potential lienors known to Seller and (ii) that there have been no improvements or repairs to the Real Property for 90 days immediately preceding Closing Date. If the Real Property has been improved or repaired within that time, Seller shall deliver releases or waivers of construction liens executed by all general contractors, subcontractors, suppliers and materialmen in addition to Seller's lien affidavit setting forth names of all such general contractors, subcontractors, suppliers and materialmen, further affirming that all charges for improvements or repairs which could serve as a basis for a construction lien or a claim for damages have been paid or will be paid at Closing.

F. TIME: Time is of the essence in this Contract. Calendar days, based on where the Property is located, shall be used in computing time periods. Other than time for acceptance and Effective Date as set forth in Paragraph 3, any time periods provided for or dates specified in this Contract, whether preprinted, handwritten, typewritten or inserted herein, which shall end or occur on a Saturday, Sunday, national legal public holiday (as defined in 5 U.S.C. Sec. 8103(a)), or a day on which a national legal public holiday is observed because it fell on a Saturday or Sunday, shall extend to the next calendar day which is not a Saturday, Sunday, national legal public holiday, or a day on which a national legal public holiday is observed.

G. FORCE MAJEURE: Buyer or Seller shall not be required to exercise or perform any right or obligation under this Contract or be liable to each other for damages so long as performance or non-performance of the right or obligation, or the availability of services, insurance, or required approvals essential to Closing, is disrupted, delayed,

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STANDARDS FOR REAL ESTATE TRANSACTIONS ("STANDARDS") CONTINUED

caused or prevented by a Force Majeure event. "Force Majeure" means: hurricanes, floods, extreme weather, earthquakes, fires, or other acts of God, unusual transportation delays, wars, insurrections, civil unrest, or acts of terrorism, governmental actions and mandates, government shut downs, epidemics, or pandemics, which, by exercise of reasonable diligent effort, the non-performing party is unable in whole or in part to prevent or overcome. The Force Majeure event will be deemed to have begun on the first day the effect of the Force Majeure prevents performance, non-performance, or the availability of services, insurance or required approvals essential to Closing. All time periods affected by the Force Majeure event, including Closing Date, will be extended a reasonable time up to 7 days after the Force Majeure event no longer prevents performance under this Contract; provided, however, if such Force Majeure event continues to prevent performance under this Contract more than 30 days beyond Closing Date, then either party may terminate this Contract by delivering written notice to the other and the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all further obligations under this Contract.

H. CONVEYANCE: Seller shall convey marketable title to the Real Property by statutory warranty, trustee's, personal representative's, or guardian's deed, as appropriate to the status of Seller, subject only to matters described in STANDARD A and those accepted by Buyer. Personal Property shall, at request of Buyer, be transferred by absolute bill of sale with warranty of title, subject only to such matters as may be provided for in this Contract.

I. CLOSING LOCATION; DOCUMENTS; AND PROCEDURE:

(i) **LOCATION:** Closing will be conducted by the attorney or other closing agent ("Closing Agent") designated by the party paying for the owner's policy of title insurance and will take place in the county where the Real Property is located at the office of the Closing Agent, or at such other location agreed to by the parties. If there is no title insurance, Seller will designate Closing Agent. Closing may be conducted by mail, overnight courier, or electronic means.

(ii) **CLOSING DOCUMENTS:** Seller shall at or prior to Closing, execute and deliver, as applicable, deed, bill of sale, certificate(s) of title or other documents necessary to transfer title to the Property, construction lien affidavit(s), owner's possession and no lien affidavit(s), and assignment(s) of leases. Seller shall provide Buyer with paid receipts for all work done on the Property pursuant to this Contract. Buyer shall furnish and pay for, as applicable, the survey, flood elevation certification, and documents required by Buyer's lender.

(iii) **FinCEN GTO REPORTING OBLIGATION.** If Closing Agent is required to comply with a U.S. Treasury Department's Financial Crimes Enforcement Network ("FinCEN") Geographic Targeting Order ("GTO"), then Buyer shall provide Closing Agent with essential information and documentation related to Buyer and its Beneficial Owners, including photo identification, and related to the transaction contemplated by this Contract which are required to complete mandatory reporting, including the Currency Transaction Report; and Buyer consents to Closing Agent's collection and report of said information to IRS.

(iv) **PROCEDURE:** The deed shall be recorded upon Collection of all closing funds. If the Title Commitment provides insurance against adverse matters pursuant to Section 627.7841, F.S., as amended, the escrow closing procedure required by STANDARD J shall be waived, and Closing Agent shall, subject to Collection of all closing funds, disburse at Closing the brokerage fees to Broker and the net sale proceeds to Seller.

J. ESCROW CLOSING PROCEDURE: If Title Commitment issued pursuant to Paragraph 9(c) does not provide for insurance against adverse matters as permitted under Section 627.7841, F.S., as amended, the following escrow and closing procedures shall apply: (1) all Closing proceeds shall be held in escrow by the Closing Agent for a period of not more than 10 days after Closing; (2) if Seller's title is rendered unmarketable, through no fault of Buyer, Buyer shall, within the 10 day period, notify Seller in writing of the defect and Seller shall have 30 days from date of receipt of such notification to cure the defect; (3) If Seller fails to timely cure the defect, the Deposit and all Closing funds paid by Buyer shall, within 5 days after written demand by Buyer, be refunded to Buyer and, simultaneously with such repayment, Buyer shall return the Personal Property, vacate the Real Property and re-convey the Property to Seller by special warranty deed and bill of sale; and (4) if Buyer fails to make timely demand for refund of the Deposit, Buyer shall take title as is, waiving all rights against Seller as to any intervening defect except as may be available to Buyer by virtue of warranties contained in the deed or bill of sale.

K. PRORATIONS; CREDITS: The following recurring items will be made current (if applicable) and prorated as of the day prior to Closing Date, or date of occupancy if occupancy occurs before Closing Date: real estate taxes (including special benefit tax assessments imposed by a CDD pursuant to Chapter 190, F.S., and assessments imposed by special district(s) pursuant to Chapter 189, F.S.), interest, bonds, association fees, insurance, rents and other expenses of Property. Buyer shall have option of taking over existing policies of insurance, if assumable, in which event premiums shall be prorated. Cash at Closing shall be increased or decreased as may be required by prorations to be made through day prior to Closing. Advance rent and security deposits, if any, will be credited to Buyer. Escrow deposits held by Seller's mortgagee will be paid to Seller. Taxes shall be prorated based on current year's tax. If Closing occurs on a date when current year's millage is not fixed but current year's assessment

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STANDARDS FOR REAL ESTATE TRANSACTIONS ("STANDARDS") CONTINUED

is available, taxes will be prorated based upon such assessment and prior year's millage. If current year's assessment is not available, then taxes will be prorated on prior year's tax. If there are completed improvements on the Real Property by January 1st of year of Closing, which improvements were not in existence on January 1st of prior year, then taxes shall be prorated based upon prior year's millage and at an equitable assessment to be agreed upon between the parties, failing which, request shall be made to the County Property Appraiser for an informal assessment taking into account available exemptions. In all cases, due allowance shall be made for the maximum allowable discounts and applicable homestead and other exemptions. A tax proration based on an estimate shall, at either party's request, be readjusted upon receipt of current year's tax bill. This STANDARD K shall survive Closing.

~~L. ACCESS TO PROPERTY TO CONDUCT APPRAISALS, INSPECTIONS, AND WALK-THROUGH:~~ Seller shall, upon reasonable notice, provide utilities service and access to Property for appraisals and inspections, including a walk-through (or follow-up walk-through if necessary) prior to Closing.

M. RISK OF LOSS: If, after Effective Date, but before Closing, Property is damaged by fire or other casualty ("Casualty Loss") and cost of restoration (which shall include cost of pruning or removing damaged trees) does not exceed 1.5% of Purchase Price, cost of restoration shall be an obligation of Seller and Closing shall proceed pursuant to terms of this Contract. If restoration is not completed as of Closing, a sum equal to 125% of estimated cost to complete restoration (not to exceed 1.5% of Purchase Price) will be escrowed at Closing. If actual cost of restoration exceeds escrowed amount, Seller shall pay such actual costs (but, not in excess of 1.5% of Purchase Price). Any unused portion of escrowed amount shall be returned to Seller. If cost of restoration exceeds 1.5% of Purchase Price, Buyer shall elect to either take Property "as is" together with the 1.5%, or receive a refund of the Deposit thereby releasing Buyer and Seller from all further obligations under this Contract. Seller's sole obligation with respect to tree damage by casualty or other natural occurrence shall be cost of pruning or removal.

N. 1031 EXCHANGE: If either Seller or Buyer wish to enter into a like-kind exchange (either simultaneously with Closing or deferred) under Section 1031 of the Internal Revenue Code ("Exchange"), the other party shall cooperate in all reasonable respects to effectuate the Exchange, including execution of documents; provided, however, cooperating party shall incur no liability or expense related to the Exchange, and Closing shall not be contingent upon, nor extended or delayed by, such Exchange.

O. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE; DELIVERY; COPIES; CONTRACT EXECUTION: Neither this Contract nor any notice of it shall be recorded in any public or official records. This Contract shall be binding on, and inure to the benefit of, the parties and their respective heirs or successors in interest. Whenever the context permits, singular shall include plural and one gender shall include all. Notice and delivery given by or to the attorney or broker (including such broker's real estate licensee) representing any party shall be as effective as if given by or to that party. All notices must be in writing and may only be made by mail, facsimile transmission, personal delivery or email. A facsimile or electronic copy of this Contract and any signatures hereon shall be considered for all purposes as an original. This Contract may be executed by use of electronic signatures, as determined by Florida's Electronic Signature Act and other applicable laws.

P. INTEGRATION; MODIFICATION: This Contract contains the full and complete understanding and agreement of Buyer and Seller with respect to the transaction contemplated by this Contract and no prior agreements or representations shall be binding upon Buyer or Seller unless included in this Contract. No modification to or change in this Contract shall be valid or binding upon Buyer or Seller unless in writing and executed by the parties intended to be bound by it.

Q. WAIVER: Failure of Buyer or Seller to insist on compliance with, or strict performance of, any provision of this Contract, or to take advantage of any right under this Contract, shall not constitute a waiver of other provisions or rights.

R. RIDERS; ADDENDA; TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Riders, addenda, and typewritten or handwritten provisions shall control all printed provisions of this Contract in conflict with them.

S. COLLECTION or COLLECTED: "Collection" or "Collected" means any checks tendered or received, including Deposits, have become actually and finally collected and deposited in the account of Escrow Agent or Closing Agent. Closing and disbursement of funds and delivery of closing documents may be delayed by Closing Agent until such amounts have been Collected in Closing Agent's accounts.

T. RESERVED.

U. APPLICABLE LAW AND VENUE: This Contract shall be construed in accordance with the laws of the State of Florida and venue for resolution of all disputes, whether by mediation, arbitration or litigation, shall lie in the county where the Real Property is located.

V. FIRPTA TAX WITHHOLDING: If a seller of U.S. real property is a "foreign person" as defined by FIRPTA, Section 1445 of the Internal Revenue Code ("Code") requires the buyer of the real property to withhold up to 15% of the amount realized by the seller on the transfer and remit the withheld amount to the Internal Revenue Service

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STANDARDS FOR REAL ESTATE TRANSACTIONS ("STANDARDS") CONTINUED

(IRS) unless an exemption to the required withholding applies or the seller has obtained a Withholding Certificate from the IRS authorizing a reduced amount of withholding.

(i) No withholding is required under Section 1445 of the Code if the Seller is not a "foreign person". Seller can provide proof of non-foreign status to Buyer by delivery of written certification signed under penalties of perjury, stating that Seller is not a foreign person and containing Seller's name, U.S. taxpayer identification number and home address (or office address, in the case of an entity), as provided for in 26 CFR 1.1445-2(b). Otherwise, Buyer shall withhold the applicable percentage of the amount realized by Seller on the transfer and timely remit said funds to the IRS.

(ii) If Seller is a foreign person and has received a Withholding Certificate from the IRS which provides for reduced or eliminated withholding in this transaction and provides same to Buyer by Closing, then Buyer shall withhold the reduced sum required, if any, and timely remit said funds to the IRS.

(iii) If prior to Closing Seller has submitted a completed application to the IRS for a Withholding Certificate and has provided to Buyer the notice required by 26 CFR 1.1445-1(c) (2)(i)(B) but no Withholding Certificate has been received as of Closing, Buyer shall, at Closing, withhold the applicable percentage of the amount realized by Seller on the transfer and, at Buyer's option, either (a) timely remit the withheld funds to the IRS or (b) place the funds in escrow, at Seller's expense, with an escrow agent selected by Buyer and pursuant to terms negotiated by the parties, to be subsequently disbursed in accordance with the Withholding Certificate issued by the IRS or remitted directly to the IRS if the Seller's application is rejected or upon terms set forth in the escrow agreement.

(iv) In the event the net proceeds due Seller are not sufficient to meet the withholding requirement(s) in this transaction, Seller shall deliver to Buyer, at Closing, the additional Collected funds necessary to satisfy the applicable requirement and thereafter Buyer shall timely remit said funds to the IRS or escrow the funds for disbursement in accordance with the final determination of the IRS, as applicable.

(v) Upon remitting funds to the IRS pursuant to this STANDARD, Buyer shall provide Seller copies of IRS Forms 8288 and 8288-A, as filed.

W. RESERVED

X. BUYER WAIVER OF CLAIMS: *To the extent permitted by law, Buyer waives any claims against Seller and against any real estate licensee involved in the negotiation of this Contract for any damage or defects pertaining to the physical condition of the Property that may exist at Closing of this Contract and be subsequently discovered by the Buyer or anyone claiming by, through, under or against the Buyer. This provision does not relieve Seller's obligation to comply with Paragraph 10(f). This Standard X shall survive Closing.*

ADDENDA AND ADDITIONAL TERMS

19. ADDENDA: The following additional terms are included in the attached addenda or riders and incorporated into this Contract (Check if applicable):

- ☐ A. Condominium Rider
☐ B. Homeowners' Assn.
☐ C. Seller Financing
☐ D. Mortgage Assumption
☐ E. FHA/VA Financing
☐ F. Appraisal Contingency
☐ G. Short Sale
☐ H. Homeowners/Flood Ins.
☐ I. RESERVED
☐ J. Interest-Bearing Acct.
☐ K. RESERVED
☐ L. RESERVED

- ☐ M. Defective Drywall
☐ N. Coastal Construction Control Line
☐ O. Insulation Disclosure
☐ P. Lead Paint Disclosure (Pre-1978)
☐ Q. Housing for Older Persons
☐ R. Rezoning
☐ S. Lease Purchase/ Lease Option
☐ T. Pre-Closing Occupancy
☐ U. Post-Closing Occupancy
☐ V. Sale of Buyer's Property
☐ W. Back-up Contract

- ☐ X. Kick-out Clause
☐ Y. Seller's Attorney Approval
☐ Z. Buyer's Attorney Approval
☐ AA. Licensee Property Interest
☐ BB. Binding Arbitration
☐ CC. Miami-Dade County Special Taxing District
☐ DD. Seasonal/Vacation Rentals
☐ EE. PACE Disclosure
☒ Other: Addendum to As Is Residential Contract for Sale and Purchase

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591* 20. ADDITIONAL TERMS:

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609 COUNTER-OFFER

610 ☐ Seller counters Buyer's offer.

611 THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE
612 ADVICE OF AN ATTORNEY PRIOR TO SIGNING.

613 THIS FORM HAS BEEN APPROVED BY THE FLORIDA REALTORS AND THE FLORIDA BAR.

614 Approval of this form by the Florida Realtors and The Florida Bar does not constitute an opinion that any of the
615 terms and conditions in this Contract should be accepted by the parties in a particular transaction. Terms and
616 conditions should be negotiated based upon the respective interests, objectives and bargaining positions of all
617 interested persons.

618 AN ASTERISK (*) FOLLOWING A LINE NUMBER IN THE MARGIN INDICATES THE LINE CONTAINS A BLANK
619 TO BE COMPLETED.

620* Buyer: Scott KernerDate: 2/21/2023

621* Buyer: _____

Date: _____

622* Seller: MelDate: 2/22/23

623* Seller: _____

Date: _____

624 Buyer's address for purposes of notice
625* Scott Kerner

Seller's address for purposes of notice
c/o Seth I. Cohen, Esq. / Seth I. Cohen, P.A.
5550 Glades Road, Suite 250
Boca Raton, Florida 33431

628 **BROKER:** Listing and Cooperating Brokers, if any, named below (collectively, "Broker"), are the only Brokers
629 entitled to compensation in connection with this Contract. Instruction to Closing Agent: Seller and Buyer direct
630 Closing Agent to disburse at Closing the full amount of the brokerage fees as specified in separate brokerage
631 agreements with the parties and cooperative agreements between the Brokers, except to the extent Broker has
632 retained such fees from the escrowed funds. This Contract shall not modify any MLS or other offer of compensation
633 made by Seller or Listing Broker to Cooperating Brokers.

634* David Marder
635 **Cooperating Sales Associate, if any**

Senada Adzem
Listing Sales Associate

636* Level Realty Partners LLC
637 **Cooperating Broker, if any**

Douglas Elliman
Listing Broker

ADDENDUM TO "AS IS" RESIDENTIAL CONTRACT FOR SALE AND PURCHASE

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE READ THOROUGHLY PRIOR TO SIGNING. IF YOU HAVE ANY QUESTIONS ABOUT YOUR RIGHTS OR RESPONSIBILITIES UNDER THE "AS-IS" RESIDENTIAL CONTRACT FOR SALE AND PURCHASE AND THIS ADDENDUM TO "AS-IS" RESIDENTIAL CONTRACT FOR SALE AND PURCHASE, YOU MAY WISH TO CONSULT AN ATTORNEY.

This Addendum to the "AS IS" Residential Contract for Sale and Purchase ("Addendum") is made and entered into this 22nd day of February, 2023 ("Effective Date"), by and between **EMPIRE 561 LLC**, a Florida limited liability company (the "Seller") and **SCOTT KERNER** (the "Buyer") for the property located at 561 Golden Harbour Drive, Boca Raton, Florida 33432 (the "Property") Seller and Buyer shall be referred to collectively as the "Parties" and each individually as a "Party."

RECITALS

A. Seller and Buyer have on this date entered into that certain "AS IS" Residential Contract for Sale and Purchase (together with all addenda and amendments thereto, the "Contract") for the purchase and sale of the Property.

B. The Parties desire to amend the Contract in certain respects as more particularly set forth below.

NOW, THEREFORE, in consideration of the execution and delivery of this Addendum, the Contract and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Recitals; Defined Terms; Conflict.** The foregoing recitals are true and correct and are incorporated herein as if set forth herein at length. Unless the context otherwise requires, all initial capitalized terms used but not defined in this Addendum shall have the meaning or meanings given to such terms in the Contract. This Addendum shall be deemed a part of but shall take precedence over and supersede any provisions to the contrary contained in the Contract. All references to the Contract in the Contract or this Addendum shall be deemed to refer to the Contract as modified by this Addendum unless the context otherwise requires.
2. **Governmental Changes.** In the event any government authority requires Seller to make any changes to the Property and/or home being construction thereon (the "Home") (i.e., new items or requirements are added to the building code) after the Effective Date, Buyer hereby consents to such changes and agrees that Seller shall pay such amounts incurred as a result of such changes, if any; provided, however, Seller shall provide Buyer with documentation in reasonable detail demonstrating any such increased costs. Seller shall advise Buyer of any such changes in writing.
3. **Deposits; Draw Schedule; Payment Date and Notice.** The deposits specified in the Contract (hereinafter collectively called the "Deposits") shall be modified to reflect what is provided for in **Exhibit "A"** hereto (the "Draw Schedule"). Other than the Initial Deposit and Additional Deposit, which are due as outlined in the Draw Schedule, the parties hereby agree that Buyer shall be obligated to deliver the respective payment due under the Draw Schedule within five (5) business days ("Payment Date") of receiving a written payment notice ("Payment Notice") from Seller advising Buyer that the payment is then due. Any payments not made by the Payment Date are subject, in Seller's sole discretion, to default interest at a rate of eighteen percent (18%) per annum ("Default Interest"). All accrued interest shall be due from Buyer along with the applicable deposit payment. Deposits may be made by personal check (subject to clearance), cashiers' check or wire (provided, however, that if Closing is estimated to be held within ten (10) business days following the date of this Contract, the Deposits must be in the form of a wire transfer of federal funds, so that all Deposits will be cleared by the time of closing). The balance due at closing must be paid by wire transfer of federal funds only. All payments must be made in United States funds and all checks must be payable on a bank located in the Continental United States. Any deposit in excess of ten (10%) percent may be used by Seller for construction purposes. "Escrow Agent" is Seth I. Cohen, P.A. (of Shafer Cohen, LLP), 5550 Glades Road, Suite 250, Boca Raton, Florida 33431. The closing agent ("Closing Agent and Title Agent") for this transaction shall be the law firm of Seth I. Cohen, P.A. Buyer may obtain a receipt for the Deposits from Escrow Agent upon request. Buyer may make the first escrow deposit check payable to Seller or Escrow Agent. All future Deposits shall be payable to Escrow Agent. Pursuant to Section 501.1375, Florida Statutes, Buyer is provided with the following notice:

THE BUYER OF A ONE-FAMILY OR TWO-FAMILY RESIDENTIAL DWELLING UNIT HAS THE RIGHT TO HAVE ALL DEPOSIT FUNDS (UP TO 10 PERCENT OF THE PURCHASE PRICE) DEPOSITED IN AN

Buyer Initials: SK

Seller Initials: M

ESCROW ACCOUNT. THIS RIGHT MAY BE WAIVED IN WRITING, BY THE BUYER.

BUYER WAIVES THIS REQUIREMENT AND FURTHER ACKNOWLEDGES THAT ANY DEPOSIT IN EXCESS OF TEN (10%) PERCENT WILL BE USED BY SELLER FOR CONSTRUCTION PURPOSES.

Buyer Initials Confirming Waiver of Escrow: Sk

Except as otherwise stated in the Contract or this Addendum, including as outlined in Paragraph 16 below as it relates to an uncured Seller default and the Equity Event (in which limited case Seller may need to refund all or a portion of the Deposits as outlined in Paragraph 16), Buyer acknowledges and agrees that once received by the Escrow Agent all Deposits shall be non-refundable to Buyer and immediately released by the Escrow Agent to the Seller for use by Seller in constructing the Home and/or to reimburse Seller for all costs and expenses incurred by Seller in acquiring and developing the Property (collectively, the "**Project**").

4. **Plans and Specifications.** Seller agrees to construct the Home in substantial accordance with the "**General Specifications**" attached hereto and made a part hereof, and Seller's plans and specifications for same (collectively, the "**Plans**"). The General Specifications are attached hereto and incorporated herein as **Exhibit "B"**. The Property shall not include any feature which is not included in the General Specifications, nor any furniture, decoration, fixture, special treatment, drapery or personal property. Seller expressly reserves the right to make changes to the General Specification and the Plans and to substitute building materials, appliances, equipment, fixtures or other items in the Property, which may be necessitated by government agencies or job conditions or design, or changes deemed necessary by Seller's architect, Seller, or lending institutions, and/or the availability of materials, colors, or brand names, or by material shortages, strikes or similar situations, which in Seller's sole judgment requires such changes; provided however, that none of the aforementioned changes shall materially diminish the size of the Property and provided that any changes or substitution shall be of similar quality, as determined solely by Seller in its sole and absolute discretion. In the event changes in the Plans building materials or other items are required by any governmental or quasi-governmental rule, regulation, code, order, statute, ordinance or the like (including but not limited to, the Florida Thermal Efficiency Code and Florida Lighting Efficiency Code,) Buyer shall pay Seller at Closing any and all costs incurred by Seller in effectuating such changes.

Seller may make changes in the Plans that it deems necessary and appropriate at any time, to accommodate its "in the field" construction needs (as more fully discussed herein), in response to requirements of local, state or federal governmental or quasi-governmental agencies or applicable utility and/or insurance providers, due to the availability of materials, changes in product offerings or changes of suppliers, and Buyer agrees that any changes made in accordance with the foregoing shall not be deemed a material change that is adverse to the offering of the Property. Without limiting Seller's general right to make changes, Buyer specifically agrees that changes in the dimensions of rooms, patios and balconies, in the location of windows, doors, walls, partitions, air-conditioning equipment, lighting fixtures and electric panel boxes, and the general layout of the Property may not be made by Seller in its sole and absolute discretion and that such changes shall be deemed material or adverse to Buyer, and; therefore, shall require notice to and consent from Buyer (which consent shall not be unreasonably withheld or delayed) prior to Seller making such changes. In furtherance of the understanding and agreement stated above, Buyer acknowledges and agrees that it is a widely observed construction industry practice for plans and specifications for any home or building to be changed and adjusted from time to time in order to accommodate on going "in the field" construction needs. These changes and adjustments are essential in order to permit all components of the Property to be integrated into a well-functioning and aesthetically pleasing product in an expeditious manner. Because of the foregoing, Buyer acknowledges and agrees that it is to the Buyer's benefit to allow Seller the flexibility to make such changes in the Property. Buyer further acknowledges and agrees that (i) the plans and specification of the Property on file with the applicable governmental authorities may not, initially, be identical in the detail to Seller's Plans, and (ii) because of the day-to-day nature of changes described herein, these changes (there being no legal requirement to file all changes with such authorities). As a result of the foregoing, Buyer and Seller both acknowledge and agree that the Property may not be constructed in accordance with the plans on file with the applicable governmental authorities. Without limiting the generality of this Section, Seller disclaims, and Buyer waives any and all express or implied warranties that construction will be accomplished in compliance with such Plans. Seller has not given, and Buyer has not relied on or bargained for any such warranties.

Buyer may examine Seller's Plans at Seller's business office during regular business hours by making an appointment

Buyer Initials: ^{OS}
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Seller Initials: HB

at least forty-eight (48) hours in advance to do so.

Buyer understands and agrees that the garages and utility pipes serving the Property are intended solely for functional purposes, and as such will be left unfinished without regard to aesthetic appearance of same. The foregoing is not intended to prohibit use of the garage and utility pipes for any other legal purpose. Lastly, Buyer understands and agrees that there are various methods for calculating the square footage of the Property, and that depending on the method of calculation, the quoted square footage of the Property may vary by more than a nominal amount. Additionally, as a result of "in the field" construction and other permitted changes to the Property, as more fully described herein, actual square footage of the Property may also be affected. Accordingly, during the pre-closing inspection, Buyer should, among other things, review the size and dimensions of the Property. By Closing, Buyer shall be deemed to have conclusively agreed to accept the size and dimensions of the Property, regardless of any variances in the square footage from that which may have been disclosed to Buyer any time prior to Closing, whether included as part of Seller's promotional materials or otherwise. Without limiting the generality of any other provision of this Contract, Seller does not make any representation or warranty as to the actual size, dimensions or square footage of the Property.

The provisions of this Section 4 will continue to be effective after (survive) closing.

5. **Completion of Property; Change Orders.** The Property being sold to Buyer is an unfurnished Property. At Closing, the Home will be delivered to Buyer with the appliances, fixtures and personalty designated in the General Specifications. Buyer agrees that modifications (structural, material and/or color) may only be made by a written change order ("Change Order") approved by Seller. A Change Order shall not be effective unless executed by the Seller. Buyer hereby covenants and agrees to pay all hard and soft costs associated with the requested change(s) PLUS a ten (10%) builder fee ("**Change Order Costs**"). Buyer further agrees that one hundred percent (100%) of the Change Order Costs must be paid by Buyer to Seller at the time a Change Order is executed by Buyer. Seller shall not be obligated to undertake any change pursuant to a Change Order unless and until Buyer has made payment to Seller as required by Seller in the applicable Change Order.

Items of personalty, furnishings, fixtures, wall coverings, moldings or other decorating improvements displayed in models or other homes built by Seller are not included in the Purchase Price unless they are specifically listed in the Change Order. Buyer shall complete color selections and pay in full for any upgrades not included within the Change Order within ten (10) days of written notice from Seller. If Buyer fails to make selections or payments within the time limits stated herein, then Buyer shall be precluded from making any selections thereafter and Seller shall not be obligated to accept any non-standard changes or modifications of any type except as may be set forth in the Change Order. Thereafter, in the event non-standard changes requested by Buyer are approved by Seller (which changes must be agreed to in writing by both parties), Buyer agrees to pay the entire cost of such approved changes at the time of approval by Seller. Buyer acknowledges that this payment is non-refundable in the event Buyer does not close on the Property for any reason whatsoever, other than Seller default or Seller inability to cure title. Property interiors and personalty are subject to shading and gradation and may vary from samples of models or color charts. Any changes to the color selections or upgrades beyond the ten (10) day period will be at the Seller's sole discretion.

6. **Residence Not Investment; Bankruptcy; Joint and Several Liability.** The Property described herein is being sold to Buyer for use as a residence, permanent or otherwise, and not as an investment. Buyer acknowledges that no representations have been made to Buyer as to said Property being sold to Buyer as an investment.

Buyer further acknowledges and agrees that should any Buyer file for bankruptcy (voluntary or involuntary, Chapter 7 or 13), such filing shall be deemed an automatic default under the Contract thereby enabling the Seller, without the Seller having to first send a cure notice to Buyer, to terminate the Contract, retain all deposit monies paid by Buyer to Seller under the Draw Schedule and to resell the Property to another third party purchaser.

As applicable, the Buyer shall be jointly and severally liable for all obligations of the Buyer under the terms of the Contract.

7. **Pre-Closing Inspection.** Paragraphs 11 and 12 and Standard L of the Contract are deleted in its entirety. Seller hereby acknowledges and agrees that Buyer is entitled to conduct with Seller, or a representative of Seller, a pre-closing inspection of the Home prior to closing. In this regard, Buyer shall make an appointment with Seller to arrange for an inspection of the Property at a mutually agreeable time and date, during normal business hours, prior to the Closing Date. At such inspection, commonly referred to as a "walk-through", Buyer shall execute an inspection "punch list"

Buyer Initials: ^{DS}


Seller Initials:  : _____

which shall specifically indicate the items or work to be performed by Seller that the parties mutually agree are required to complete the Home in accordance with the Plans and the Contract. Seller shall supply the items and complete the work specified in the punch-list as expeditiously as possible within a reasonable period of time after the Closing, not to exceed one hundred (120) days. Should Seller be unable to complete any punch-list items within this time frame due to an inability to secure materials and/or labor, Seller shall be entitled to a reasonable extension of this time frame provided Seller reasonably demonstrates Seller has used best efforts to complete all such work within the time frame. Failure of the Seller to substantially complete all items set forth on the punch list prior to Closing shall not excuse Buyer from Buyer's obligation to close on the Closing Date, nor shall same permit Buyer to escrow any of the purchase price. Buyer's failure to inspect the Property and execute a punch list with Seller's representative shall be deemed to be an unconditional acceptance by Buyer of the Property, and the Closing shall proceed as scheduled.

Seller has the right but is not obligated to elect to allocate a reasonable dollar amount toward each item included on the punch-list, and to request that the Title Company release such allocated amount after the work is properly completed. The Buyer shall be obligated to sign at the time of Closing as an additional closing document any post-closing punch-list agreement generated by the Title Company to memorialize such allocation or the manner in which any escrow/retainage according to the Draw Schedule is to be handled by the parties.

In the event Buyer elects to hire an independent home inspector ("Inspector") at Buyer's sole expense, Seller agrees to allow Inspector access to the Property based upon the following criteria to which Buyer hereby agrees that Buyer and Inspector shall comply: (a) carry workman's compensation insurance and general liability insurance in an amount of not less than \$500,000 and provide Seller with an insurance certificate naming Seller as an additional insured; (b) be licensed in the city or county having jurisdiction over the Home; (c) perform inspections at a time which is reasonably convenient to Seller provided that Seller receives no less than 48 hours-notice of the inspection; (d) provide the results of any inspection to Seller in writing detailing any alleged violations of the applicable building code with citation to the relevant sections of the building code; (e) any inspection shall be performed in the presence of an authorized representative of the Seller; (f) inspections shall be visual only, no disassembly or removal of construction shall be allowed.

8. **Closing Date And Possession.** The purchase and sale of the Property shall be concluded at a closing (the "Closing") which shall take place at a time and place designated by Seller (the "Closing Date"), after the Property is "substantially completed" (as hereinafter defined). The Property shall be deemed substantially complete upon the issuance of a permanent Certificate of Occupancy ("CO") for the Property by the governmental agency having jurisdiction over the Property. Seller, shall, if requested by Buyer, deliver at Closing a copy of the CO which has been or shall be issued for the Property. When Seller notifies Buyer as to a Closing Date, Buyer shall complete the purchase of the Property and close under the terms of this Contract within 10 days of such date. Buyer's cash to close shall be paid by wire transfer of federal funds only.

The Closing Date may be altered by Seller if Seller deems necessary in its sole discretion. If the Closing Date is altered at the request of Seller, pro-rations shall be made as of the date of actual Closing. If Buyer requests a later closing date and Seller agrees, all prorations shall be as of the date originally set for Closing and Buyer shall pay to Seller, in addition to the Purchase Price, an amount computed on the basis of ten (10%) per annum on the Purchase Price from the date originally set for Closing to the actual date of Closing to compensate Seller for its cost in extending the Closing Date; provided, however, nothing herein shall be construed as requiring the Seller to consent to such extension of the Closing Date or to close on a later date than initially set for the Closing. Buyer shall be given possession of Property as of the actual Closing and transfer of title. At Closing, all Deposits, together with any interest earned thereon, shall be disbursed to Seller. At Closing, Buyer shall execute and deliver all documents to Seller required hereunder. Buyer shall also deliver the required cash to close to Seller.

Seller estimates the Home will be substantially completed on or before March 31, 2024 ("Estimated Completion Date"), subject only to delays caused by Buyer, Acts of God, casualty, fire, flood, pandemic, epidemic and/or quarantines, including Covid-19, civil commotion or unrest, acts of war or terrorism, a government declared state of emergency, a government mandated shutdown or restrictions, a strike, lockout or labor dispute, a cyber-attack or any other delay which would support a defense of impossibility of performance. Under no circumstance will the Seller be deemed to be in default of the Contract or be liable to pay Buyer any type of credit and/or extend any discount on the Purchase Price if the Home is not substantially completed by the Estimated Completion Date. The Estimated Completion Date is just an estimation and nothing more.

Buyer Initials: Sk

Seller Initials: WB

9. **Title And Conveyance.** Seller will convey title to the Property by Special Warranty Deed, subject only to the following: (a) all matters as shown on the plat of the subdivision in which the Property is located; (b) any mortgage executed or assumed by Buyer which encumbers the Home; (c) all taxes and assessments for the current year and subsequent years attributable to the Home; (d) zoning or other restrictions or prohibitions imposed by governmental authorities; (e) liens for public improvements, if any; (f) riparian and littoral rights, if applicable; (g) any other restrictions, covenants, conditions, limitations, easements, reservations of record; (h) any facts that an accurate survey or personal inspection would disclose; (i) all rights of ingress and egress for utility services applicable to the subdivision; and (j) standard printed exceptions contained in an ALTA owner's policy of Title Insurance issued in Palm Beach County, Florida, hereunder referred to as "**Acceptable Encumbrances.**"

If the title insurance commitment shows exceptions in addition to the Acceptable Encumbrances which render title unmarketable, the Seller shall have a reasonable time, not to exceed thirty (30) days from Seller's receiving notice of such defect, to cure such title defect and shall be entitled to delay in the Closing Date for such period. If such defect is not cured, Buyer may elect, at the end of said 30-day period, to: (1) rescind this Contract, and have all Deposits and pre-closing advance payments returned; (2) extend the Closing Date for up to an additional 90 days; or (3) Buyer may elect to take title in its then existing condition by waiving the defects with no reduction in the Purchase Price. Taxes and assessments, insurance, utility deposits and other pre-payable and pro-ratable items shall be prorated as of Closing Date set by Seller.

Paragraph 9 (d) of the Contract is amended to reflect that Seller shall furnish Buyer, at Buyer's expense, with an As-Built Survey of the Property that is properly certified to all parties at Closing.

10. **Closing Costs.** In addition to the Purchase Price, Buyer understands that Buyer must pay certain other fees and costs. As such, Paragraph 9 of the Contract is modified to reflect that Buyer shall pay the following fees and costs at the time of Closing:

(A) Cost of officially recording the Special Warranty Deed and charges for documentary stamp taxes on the Special Warranty Deed. Buyer shall also pay for the cost for a lender's title insurance policy, if any. Should Buyer desire the Title Company to issue a mortgagee policy, Buyer shall pay the Title Company a \$750.00 settlement/closing fee and a separate simultaneous issuance policy fee of \$25.00. Buyer shall also pay for any applicable title endorsements requested by Buyer's lender.

(B) Payment or reimbursement to Seller for payment of all utility deposits, installation or connection charges due to any utility with respect to the Home.

(C) A reimbursement to Seller for any fees or charges imposed by any City or County in which the Property is located with respect to the Property, including, without limitation, any interim service fees.

(D) Any charges for any options or upgrading of standard items included, or to be included, in the Home as agreed to in writing by both Buyer and Seller.

(E) If Buyer obtains a loan for any portion of the Purchase Price, loan fees, points, closing costs, escrows, appraisals, credit fees, lender's title insurance premiums, prepayments, and all other expenses charged by any lender giving Buyer a mortgage, including documentary stamps and intangible taxes on the promissory note and mortgage. In addition, Buyer shall be obligated to pay the premiums (at promulgated rate) for any title endorsements requested by Buyer's lender.

(F) The late funding charges as provided for elsewhere in this Contract in the event Buyer or its lender fails to perform under this Contract or do all acts necessary to close on the Closing Date.

(G) Real estate taxes and assessments prorated as of the Closing Date.

Seller shall pay for the premium due for the owner's title insurance policy at the promulgated rate. Seller shall also pay a title search fee (not to exceed \$250.00), a permit search fee (not to exceed \$250.00), and a fee payable to the Title Company for Closing Services (as defined in 627.7711 (1)(a), Florida Statute) in the amount of \$850.00.

11. **Premises Prior To Closing.** During construction, neither Buyer nor any agents of Buyer shall enter upon the Property, without prior consent of Seller, and any violation of this provision shall be a default of this Contract. Any entry on the

Buyer Initials: SK

Seller Initials: MB

Property by Buyer shall be at Buyer's own risk and Buyer hereby waives any and all claims against Seller for any injury or loss resulting from such entry by Buyer or any other person accompanying Buyer. Buyer hereby indemnifies Seller from and against any claims arising out of or in connection with any such entry by Buyer and Buyer's Inspector.

12. **Warranties.** Buyer acknowledges that Seller has made no warranties or representations other than those imposed by statute in connection with the Property including, without limitation, the workmanship or materials therein except as specifically set forth herein. Buyer agrees that warranties as to appliances and air conditioning systems furnished with the Property are manufacturer's warranties only and Buyer agrees to look only to the manufacturer's warranties for relief pertaining thereto as to breach of express or implied warranty of merchantability or fitness.

For one (1) year, beginning from the date of Closing, Seller agrees to repair, within a reasonable period of time, all deficiencies and defects in workmanship or materials, keeping in mind the standard of construction relative to the type and price of construction involved in this Property, which are reported to Seller, in writing, within such one (1) year period ("**Limited Warranty**"). Such defects and deficiencies for which Seller is obligated to repair shall not be ones caused by normal wear and tear, or abuse or negligence of Buyer or Buyer's agents, invitees, lessees or guests. Repairs attempted by any contractors, licensed or otherwise, engaged by Buyer after closing may void out this Limited Warranty in Seller's sole but reasonable discretion. Failure to notify the Seller, in writing, of such deficiencies and defects in workmanship or materials within such one (1) year period and failure to grant the Seller access to the Property shall be deemed a waiver by Buyer and Seller shall not be held responsible for such defects.

This Limited Warranty shall constitute the only warranty that Seller shall make or be obligated to make regarding the Property. Buyer agrees that Seller, including its employees, agents, brokers, attorneys, and other agents, has not and did not make any additional warranty, representation, or understanding of any kind express or implied, including but not limited to, any implied warranty of merchantability, habitability, quality or fitness for a particular purpose. Except as expressly stated herein, Seller shall have no further liability or obligation whatsoever with respect to the Property or the condition or construction thereof, or any occurrence, directly or indirectly, arising therefrom.

SELLER MAKES THIS LIMITED WARRANTY EXPRESSLY IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES CONCERNING THE PROPERTY SOLD HEREUNDER AND THE PROPERTY SOLD HEREUNDER OR PREVIOUSLY PURCHASED FROM SELLER, AND ANY OTHER REPRESENTATIONS, STATEMENTS OR PROMISES MADE BY ANY PERSON ARE UNAUTHORIZED AND ARE NOT BINDING UPON SELLER. ALL OTHER WARRANTIES WITH RESPECT TO THE HOME AND THE PROPERTY HEREUNDER ARE HEREBY DISCLAIMED, TO THE MAXIMUM EXTENT PERMITTED BY LAW, WHETHER IMPLIED OR ARISING BY OPERATION OF LAW, COURSE OF DEALING, CUSTOM AND PRACTICE, OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF HABITABILITY, MERCHANTABILITY, AND FITNESS FOR PARTICULAR PURPOSE; AND BUYER REPRESENTS THAT BUYER HAS READ AND UNDERSTOOD THIS PROVISION, AND THAT BUYER UNDERSTANDS AND AGREES THAT BY ENTERING INTO THIS AGREEMENT AND ACCEPTING THE BENEFITS OF THE LIMITED WARRANTY DESCRIBED ABOVE, BUYER HAS KNOWINGLY RELINQUISHED ANY AND ALL OTHER WARRANTIES OF ANY KIND OR NATURE REGARDING THE HOME AND THE PROPERTY.

It is hereby agreed that the maximum liability of Seller under the Limited Warranty shall be the replacement cost of the defective portion of the Property, fixtures, items of personal property or other real or personal property. Seller shall have the sole right to determine whether the defect shall be corrected by repair or replacement. In no event shall Seller be liable to Buyer or any other person or entity for consequential or exemplary damages, or for personal injuries arising from any breach of the warranty.

Buyer hereby acknowledges that: (i) the Limited Warranty shall not apply if the defective portion of Property, fixtures or any other real or personal property has resulted from or been caused by, in whole or in part, the misuse of same (whether intentional or unintentional) by any person, firm or entity other than Seller or from an accident, casualty or physical alteration or modification; and (ii) the Limited Warranty is further conditioned upon routine maintenance being performed.

By signing this Addendum and the Contract, Buyer agrees to purchase the Property subject to the following additional disclaimers and to release Seller with respect to the following matters:

- (a) Future improvements made by Buyer, including swimming pools, walls, fencing, grading, landscaping or excavation work on the Property could disrupt drainage and/or retention and cause flooding or ponding if not correctly engineered.

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Seller Initials: MB : _____

Buyer hereby agrees to correctly engineer all such future improvements and obtain all necessary permits and prior approvals;

(b) The character and use of the property surrounding and in the vicinity of the Property may change;

(c) Seller and Seller's affiliates are not responsible for and Seller's warranty does not extend to cracking of concrete or stucco that may result from improper maintenance or watering by Buyer or Buyer's neighbors;

(d) Any view from the Property may change or be eliminated over time due to construction on the properties in the vicinity of the Property or growth of trees or other vegetation on or off the Property;

(e) Seller and Seller's affiliates are not responsible for and make no representations regarding the current or future health of any trees or other natural vegetation on or near the Property.

The provisions of this Section 12 will continue to be effective after (survive) closing.

13. **Energy Efficiency And Insulation.** In accordance with Section 553.9085, Florida Statutes, Seller shall provide Buyer with a complete and accurate Energy Performance Level Display Card for the Property either upon Buyer's execution of this Contract or at some other time prior to the issuance of the certificate of occupancy, which has been certified and signed by Seller. Such Display Card shall list general information about the Florida Energy Efficiency Code for building construction and shall indicate the performance level of the Home resulting from compliance with such Code. Pursuant to Section 553.996, Florida Statutes, upon Buyer's execution of this Contract, Seller shall provide Buyer with a copy of the Florida Building Energy-Efficiency Rating System brochure prepared by the Florida Department of Community Affairs. The brochure is intended for the sole and exclusive use of Buyer and Seller shall not be liable or responsible to any third party who may have relied upon the information contained therein. Pursuant to Section 553.996, Florida Statutes, Buyer may request, at its sole expense, that Seller cause a State Certified Energy Rater to perform an energy efficiency rating on the Property. Buyer hereby releases Seller from any responsibility or liability for the accuracy or level of rating and Buyer understands and agrees that this Contract is not contingent upon Buyer approving the rating, that the rating is solely for Buyer's own information and that Buyer will pay the total cost of obtaining an energy efficiency rating from a State Certified Energy Rater.

Pursuant to Title 16, Chapter 1, Section 460.16 of the Code of Federal Regulations and as required by the rules of the Federal Trade Commission, that the following insulation is installed in connection with the Home:

<i>Location within Residence</i>	<i>Type</i>	<i>Thickness</i>	<i>R Value</i>
Roof/Ceilings	Icenene Foam	3.5" - 4"	R-20
Exterior Masonry/Concrete Walls	Firing with Fi-Foil	N/A	N/A
Exterior Stud Walls	No Exterior Stud Walls	N/A	N/A

Fiberglass (also known as glass wool) is/will be used for insulation in the Property. The U.S. Department of Health and Human Services ("HHS") has listed fiberglass as a substance which may reasonably be anticipated to be a carcinogen.

This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment of HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

According to Federal Trade Commission regulations, all insulation sub-contractors must agree to the following information and furnish all information pertaining to compliance with the regulation. The sub-contractors understand that Seller is required by the Federal Trade Commission to represent to the Buyer of the Home the types and thicknesses of insulation which are being installed in the Home. The installer agrees that, if he installs insulation in the Home of types and thicknesses materially different from those stated above, he will indemnify and defend (including court costs and fees of attorneys and expert witnesses) Seller from any claims asserted against Seller as a result of such discrepancies by (A) private individuals or (B) the Federal Trade Commission.

14. **Waiver Of Environmental Conditions.** Buyer acknowledges and agrees that: (a) the Property may be exposed to adverse environmental conditions, including but not limited to, mold or other potential toxins and other naturally occurring or manmade contaminants; (b) such adverse environmental conditions might not be discoverable even in the

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Seller Initials: WS _____

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exercise of reasonable due diligence; (c) Seller has made no representations or warranties regarding either the presence or absence of such adverse environmental conditions; (d) Buyer has had the opportunity to undertake such investigation of environmental conditions as it deems appropriate in its sole discretion and hereby waives and releases any claims it might have arising out of or in any way connected to such adverse environmental conditions, including but not limited to claims for personal injury, property damage or the diminution in value of the Property, releases and indemnifies Seller from any liability for or associated with any adverse environmental conditions and expressly all liability for or associated with such adverse environmental conditions.

15. **Mold Disclaimer.** Buyer understands that, given the climate and humid conditions in Florida, molds, mildew, spores, fungi and/or other toxins may exist and/or develop within the Property. Buyer is hereby advised and acknowledges that certain molds, mildew, spores, fungi and/or toxins may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By closing on the Property, Buyer shall be deemed to have assumed the risk associated with molds, mildew, spores, fungi and/or other toxins and to have released the Seller from any and all liability resulting from same. Buyer understands that whether the Buyer experiences mold growth will depend largely on how the Buyer manages and maintains the Property. By the execution of this Contract, the Buyer acknowledges that the Seller will not be responsible for any damages caused by mold including, but not limited to, property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value and adverse health effects. This waiver of responsibility shall apply even if mold growth is as a result of negligence of the Seller. The provisions of this paragraph will survive the closing of the sale and purchase of the Home.

16. **Default; Remedies.** Paragraphs 15 and 16 of the Contract are deleted in their entirety and replaced with the following provisions:

Buyer's Default. If Buyer fails to perform any of Buyer's obligations under the Contract (including, without limitation, making scheduled deposits and other payments or any Buyer files for bankruptcy as outlined in Paragraph 6 above) Buyer shall be in "default". Except in the case of a bankruptcy filing, in which case the following notice and cure period shall not apply, if Buyer is still in default ten (10) days after Seller sends Buyer written notice thereof, Seller shall be entitled to the remedies provided herein. If Buyer's default is in failing to close on the Closing Date, then Seller, in addition to all other remedies provided herein, can terminate this Contract without giving Buyer any prior (or subsequent) notification or opportunity to close at a later date.

Upon Buyer's default (and the expiration of any notice/cure period, if applicable) all of Buyer's rights under the Contract will end, and Seller can resell the Property for a higher or lower price. Buyer understands that because Seller has taken the Property off the market for Buyer, has spent money on sales, advertising, promotion, development and construction and has incurred other costs incident to this sale, Buyer's default will damage Seller. As compensation for this damage, in the event Seller cancels the Contract because of Buyer's default, Buyer authorizes Seller to keep (or if not then paid by Buyer, Buyer will pay to Seller) the Deposits and other pre-closing advance payments Buyer has then made (and which would have been required to have been made had Buyer not defaulted), all as liquidated damages (and not as a penalty) and as Seller's sole and exclusive remedy. Buyer agrees to this because there is no other precise method of determining Seller's damages. Any damage or loss that occurs to the Property while Buyer is in default will not affect Seller's right to liquidated damages. However, in the event Buyer's default is related to Buyer's failure to consummate the sale of all of Buyer's equity in his company, which is expected to occur by April 30, 2023 ("Equity Event"), the amount of the Deposits Seller may keep as liquidated damages shall depend on what purchase price Seller is able to resell the Property for, using a pro-rata basis calculation. In the event of a Buyer default on this Contract related to failure to sell Buyer's equity, Seller shall have an obligation to use diligent and good faith efforts to sell the Property to another buyer for fair market value. If Seller is able to sell the Property to another party, the percentage of the Deposits that Buyer shall be refunded shall equal the percentage of the purchase price with the subsequent buyer divided by the Purchase Price for this Contract.

Examples:

- (1) Seller resells Property for \$8,055,000 to another buyer. $\$8,055,000/\$8,950,000 = 90\%$. Buyer shall be refunded 90% of the Deposits and Seller shall keep 10%.
- (2) Seller resells Property for \$8,950,000 or more to another buyer. $\$8,950,000/\$8,950,000 = 100\%$. Buyer shall be refunded 100% of the Deposits and Seller shall keep 0%.

An affidavit from Buyer that Buyer's default on this Contract is related to Buyer's failure to consummate the sale of all his equity in his company shall be conclusive evidence of same. Provided the Equity Event occurs as outlined herein, the Deposits shall remain non-refundable to Buyer as provided in Paragraph 3 above, but subject to all other terms of the Contract and this

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Seller Initials: hs : _____

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Addendum that may provide for Buyer to be able to recover some or all of Buyer's Deposits. Any pre-closing advance payments made by Buyer shall be non-refundable in all events except if Seller defaults and/or is unable or unwilling to cure any title defect.

Seller's Default. If Seller defaults under this Contract, Buyer will give Seller written notice of it and if Seller has not commenced appropriate action to cure the default within ten (10) days after such notice is received by Seller, Buyer will have the choice of either (i) receiving a refund of all Deposits and prepayments for options, extras, upgrades and the like actually paid under this Contract, (ii) specifically enforcing the Contract, or (iii) any other remedy available to Buyer in law or in equity. When Buyer elects one of the remedies available to Buyer, Buyer will be deemed to have waived the other remedy(ies).

Arbitration. By entering into the Contract, Buyer and Seller agree that any controversy, claim or dispute, arising out of or related to the Contract or Buyer's purchase of the Property or any rights and obligations between the parties will be resolved by binding arbitration pursuant to the Federal Arbitration Act (Title 9 of the United States Code). The Arbitration shall be conducted in accordance with the construction industry arbitration rules of the American Arbitration Association ("AAA") and the terms of this Contract. Any award rendered by the arbitrator may be confirmed, entered and enforced, in any court having jurisdiction. This arbitration shall apply to all claims between Buyer and Seller, including those for death, personal injury, property damage, defective design or construction, misrepresentation or fraud.

Buyer agrees that the obligation set forth in this Section shall survive the Closing or the termination of this Contract for any reason. Seller may, at Seller's option, include Seller's subcontractors and suppliers and other parties in the arbitration.

Buyer waives the right to institute or participate in a class action arbitration for any matter covered by this provision.

In the event Buyer or Seller file an action in a court of law, as opposed to seeking arbitration as set forth herein, the party filing such action agrees to reimburse the other party for the costs, including attorney's fees, of dismissing or staying such action.

17. **ADDITIONAL DISCLOSURES.** Buyer is hereby advised as follows:

(a) ANY CLAIMS FOR CONSTRUCTION DEFECTS ARE SUBJECT TO THE NOTICE AND CURE PROVISIONS OF CHAPTER 558, FLORIDA STATUTES.

CHAPTER 558, FLORIDA STATUTES CONTAIN IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY BRING ANY LEGAL ACTION FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR HOME. SIXTY DAYS BEFORE YOU BRING ANY LEGAL ACTION, YOU MUST DELIVER TO THE OTHER PARTY TO THIS CONTRACT A WRITTEN NOTICE REFERRING TO CHAPTER 558 OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE SUCH PERSON THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND MAKE AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER WHICH MAY BE MADE. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER TIDS FLORIDA LAW WHICH MUST BE MET AND FOLLOWED TO PROTECT YOUR INTERESTS.

(b) BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.

(c) Among other acts of God and uncontrollable events, hurricanes and flooding have occurred in South Florida and, the Property is exposed to potential damages from flooding and from hurricanes, including, but not limited to, damages from storm surges and wind-driven rain and that water or other damages from this or other extraordinary causes shall not be the responsibility of Seller.

Buyer Initials: Sk

Seller Initials: MB

18. **FLORIDA HOMEOWNERS CONSTRUCTION RECOVERY FUND:** Pursuant to Section 489.1425 of the Florida Statutes, Seller provides the following notice: PAYMENT MAY BE AVAILABLE FROM THE FLORIDA HOMEOWNERS CONSTRUCTION RECOVERY FUND IF YOU LOSE MONEY ON A PROJECT PERFORMED UNDER CONTRACT, WHERE THE LOSS RESULTS FROM SPECIFIED VIOLATIONS OF FLORIDA LAW BY A LICENSED CONTRACTOR. FOR INFORMATION ABOUT THE RECOVERY FUND AND FILING A CLAIM, CONTACT THE FLORIDA CONSTRUCTION INDUSTRY LICENSING BOARD AT THE FOLLOWING TELEPHONE NUMBER AND ADDRESS:

FLORIDA CONSTRUCTION INDUSTRY LICENSING BOARD
1940 NORTH MONROE STREET
TALLAHASSEE, FLORIDA 32399-1039
(850) 487-1395

19. **Buyer Representations.**

(a) Buyer acknowledges, warrants, represents, and agrees, that this Contract is being entered into by Buyer without reliance upon any representations concerning any potential for future profit, or rental income, investment potential tax advantages, or depreciation and without reliance upon any affiliation or any monetary or financial advantage, Buyer acknowledges, warrants, represents, and agrees that no statements or representations have been made by Seller, or any of its agents, employees, or representatives with respect to (i) the ability or willingness of Seller or its affiliates to assist Buyer in renting or selling the Property (except only in response to a direct inquiry from Buyer), (ii) the economic or tax benefits to be derived from the efforts of a third party as a result of renting the Property, (iii) the economic or tax benefits to be derived from ownership of the Property. Buyer further represents and warrants to Seller that Buyer is entering into this Contract with the full intention of complying with each and every of the obligations hereunder, including, without limitation, the obligation to close on the purchase of the Property. Neither Seller, nor anyone working by, through, or under Seller, has made any statement or suggestion that Buyer would not be obligated to fully comply with the terms of this Contract and to close on the purchase of the Property. Further, Buyer understands and agrees that neither Seller, nor any brokerage company, in-house sales personnel, and/or other persons working by, through, or under Seller, are under any obligation whatsoever to assist Buyer with any resale of the Property.

(b) Buyer further acknowledges, warrants, represents, and agrees to the following:

- i. Buyer is not purchasing the Property as an investment;
- ii. Buyer is not obligated to offer the Property for rent or lease or otherwise participate in any rental program;
- iii. No representations have been made to Buyer guaranteeing rental or investment income if Buyer chooses to rent or lease his or her Property while it is not occupied;
- iv. No projections or proformas concerning possible returns to participate in any rental program have been provided to Buyer;
- v. Buyer's decision to buy the Property is not based on any projections concerning returns to participants in any rental program or resale program;
- vi. Buyer's decision to buy the Property is based solely upon factual statements and market data without estimates, sampling, statistical analysis or assumptions involving speculation;

The provisions of this Section shall survive the closing.

20. **Interpretation.** Notwithstanding that this Addendum was prepared by one party hereto, it shall not be construed more strongly against or more favorably for either party; it being known that both parties have had equal bargaining power, have been represented (or have had the opportunity to be represented) by their own independent counsel and have equal business acumen such that any role of construction that a document is to be construed against the drafting party shall not be applicable.

21. **Prohibiting Transactions With Persons Who Commit, Threaten To Commit, Or Support Terrorism.** Buyer, which for this purpose includes its partners, members, principal stockholders and any other constituent entities, if any,

Buyer Initials: _____

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SK

Seller Initials: MS

hereby represents that he/she/it (i) has not been designated as a "specifically designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website <http://www.treas.gov/ofac/111sdn.pds> or at any replacement website or other replacement official publication of such list; (ii) is currently in compliance with and will at all times during the term of this Contract (including any extension thereof) remain in compliance with the regulations of the Office of Foreign Asset Control of the Department of the Treasury and any statute, executive order (including the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto; and (iii) has not used and will not use funds from illegal activities for any portion of the Purchase Price, including the deposit.

22. **Patriot Act.** Buyer, which for this purpose includes its partners, members, principal stockholders and any other constituent entities, if any, has not engaged in any dealings or transactions, directly or indirectly, (i) in contravention of any U.S., international or other anti-money laundering regulations or conventions, including, without limitation, the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986, the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Trading with the Enemy Act {50 U.S.C. §1 et seq., as amended}, any foreign asset control regulations of the United States Treasury Department {31 CFR, Subtitle B, Chapter V, as amended} or any enabling legislation or executive order relating thereto, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 and the regulations promulgated thereunder (collectively, the "**Patriot Act**"), or any order issued with respect to anti-money laundering by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), (ii) in contravention of Executive Order No. 13224 issued by the President of the United States on September 24, 2001 (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time to time ("Executive Order 13224") or (iii) on behalf of terrorists or terrorist organizations, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization of Economic Cooperation and Development, OFAC, Financial Action Task Force, U.S. Securities & Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, or any country or organization, all as may be amended from time to time. As of the date of this Contract, Buyer has not engaged in any dealings or transactions, directly or indirectly, with any person (a) that is listed in the Annex to or is otherwise subject to the provisions of Executive Order 13224, (b) whose name appears on OFAC's most current list of "Specifically Designed Nationals and Blocked Persons," (c) who commits, threatens to commit or supports "terrorism", as that term is defined in Executive Order 13224, or (d) who has been associated with or is otherwise affiliated with any entity or person listed above.
23. **Sharing Of Information.** Buyer agrees that any information provided to Seller or any of Seller's affiliates by Buyer will be shared by and between them without obtaining the express consent of Buyer.
24. **Counterparts.** The Contract and this Addendum may be executed in one or more counterparts, each of which shall be deemed an original and said counterparts shall constitute but one and the same instrument. Signatures of the parties hereto on copies of the Contract and Addendum transmitted by facsimile machine or electronic mail transmission in portable document format ("**PDF**") shall be deemed originals for all purposes hereunder, and shall be binding upon the parties hereto.
25. **Waiver Of Jury Trial.** SELLER AND BUYER EACH HEREBY MUTUALLY, KNOWINGLY AND VOLUNTARILY WAIVE THE RIGHT TO A TRIAL BY JURY. THIS MEANS THAT A JUDGE AND NOT A JURY WOULD BE THE TRIER OF FACT IN ANY SUCH CLAIM, DISPUTE OR CONTROVERSY REGARDLESS OF THE BASIS OF THE DISPUTE, THE NATURE OF THE DISPUTE, OR THE LABEL ATTACHED TO THE DISPUTE, AND REGARDLESS OF WHETHER ANY SUCH DISPUTE IS PRIOR OR SUBSEQUENT TO CLOSING. IN THE REGARD, IT IS THE CLEAR AND EXPRESS INTENT OF THE PARTIES HERETO THAT NEITHER PARTY SHALL SEEK A TRIAL BY JURY IN ANY SUCH CLAIM, DISPUTE OR CONTROVERSY (INCLUDING WITHOUT LIMITATION, ANY COUNTERCLAIM OR CROSSCLAIM), WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, STATUTE OR OTHERWISE, AND REGARDLESS OF THE NATURE OF THE INJURY ALLEGED (INCLUDING, WITHOUT LIMITATION, PROPERTY DAMAGE, PERSONAL INJURY OR DEATH). THIS WAIVER APPLIES TO ALL SUCH CLAIMS (EVEN IF THE ASSERTED CLAIM IS BASED UPON A THEORY NOT RECOGNIZED AT THE TIME THIS WAIVER IS EXECUTED) IN ANY WAY BASED UPON, ARISING OUT OF OR IN CONNECTION WITH, OR IN ANY WAY RELATING TO: (A) THIS AGREEMENT OR ANY DOCUMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN

Buyer Initials: _____

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Seller Initials: Mo

CONJUNCTION WITH THIS AGREEMENT, (B) THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, C) THE HOME, ITS DESIGN AND/OR THE CONSTRUCTION THERE OF, (D) ANY COURSE OF CONDUCT, COURSE OF DEALING AND/OR STATEMENTS (VERBAL OR WRITTEN) OF THE PARTIES TO THE DISPUTE, AND/OR (E) ANY ACTIONS AND/OR INACTIONS OF THE PARTIES TO THE CLAIM, DISPUTE AND/OR CONTROVERSY. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, SHALL BE SUBJECT TO NO EXCEPTION.

SELLER AND BUYER HEREBY ACKNOWLEDGE HAVING READ AND UNDERSTOOD THE MEANING AND RAMIFICATION OF THE WAIVER OF JURY TRIAL PROVISION SET FORTH IN THIS SECTION 24. THIS SECTION 24 SHALL APPLY TO ALL PERSONS BOUND BY THE AGREEMENT AND SHALL SURVIVE CLOSING OR ANY TERMINATION OF THE AGREEMENT

26. **Survival Of Obligations.** All representations, duties and obligations of the Buyer and Seller pursuant to this Contract shall survive the Closing hereunder.
27. **No Waiver.** No waiver of any provision or condition of this Contract by any party shall be valid unless signed in writing by the party waiving a provision or condition. No such waiver shall be taken as a waiver of any other or similar provision or of any future event, act or default.
28. **Assignment.** Paragraph 7 of the Contract is amended to reflect that Buyer may assign the Contract to any trust which Buyer is the grantor/settlor/trustee for estate planning purposes only; provided, however, Buyer shall remain liable to perform hereunder.
29. **Permits and Code Violations.** Seller, at Seller's sole cost and expense, will close out any open/expired/inactive permits and resolve any code and other violations concerning the Property prior to closing. In the event Seller performed any work without obtaining proper permits, Seller shall obtain and close out all necessary permits prior to closing.
30. **Public Records.** Buyer hereby knowingly and unconditionally waives (1) any and all lien rights of any type or nature against the Property and any personal property included in the Property or which is to be located on the Property; and (2) the right to file a lis pendens in any legal action that may arise out of this Contract, except for an action by Buyer seeking specific performance of this Contract.

Neither this Contract, nor any notice, memorandum or affidavit describing, referring to or identifying this Contract, in any manner, shall be recorded in any public records. Should Buyer or any person under the direction and/or control of Buyer record any document in any public records in violation of the preceding sentence, Buyer shall be deemed to have breached the provisions of the preceding sentence, and such breach shall constitute a material default by Buyer under this Contract.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

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Buyer Initials: ^{DS}
SK

Seller Initials: hf

ADDENDUM TO "AS IS" RESIDENTIAL CONTRACT FOR SALE AND PURCHASE

SIGNATURE PAGE

SELLER:

BUYER:

EMPIRE 561 LLC, a Florida limited liability company

By: Mel
Marc Elkman

Its: Melbr

2/22/23
(Date)

DocuSigned by:
By: Scott Kerner
Scott Kerner

2/21/2023
(Date)

Buyer Initials: SE

Seller Initials: ME

EXHIBIT "A"**Draw Schedule -- Payment Schedule**

<u>PAYMENT/STAGE</u>	<u>DUE DATE</u>	<u>AMOUNT</u>
Initial Deposit (5%)	2 Business Days from Effective Date	\$422,500.00 *
Additional Deposit (10%)	60 days from Effective Date	\$895,000.00
Shell Payment (25%)	Upon Completion of Shell	\$2,237,500.00
Window/Door/Drywall Payment (10%)	Upon Installation of Windows, Doors and Drywall	\$895,000.00
Balance Due (Less Retainage) (48%)	At Closing	\$4,296,000.00 **
Punch List Retainage (2%)	Released Upon Completion of Work on Punch List per Paragraph 7 of the Contract	\$179,000.00

* Buyer has already delivered \$25,000 to Seller, which funds are non-refundable to Buyer

** Plus Costs as outlined in Paragraph 10 of the Contract

Buyer Initials

DS
SK

Seller Initials:

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Exhibit "B"

Specifications List

First Floor:

Main Flooring: 31"X72" Porcelain

Approval: SK

Notes: ✓

Second Floor

Main Flooring: Wide-Plank Oak Engineered Hardwood

Approval: _____

Notes:

See Lighter option

Third Floor

Main Flooring: Wide-Plank Oak Engineered Hardwood

Approval: _____

Notes:

See Lighter option

Exterior:

Main Flooring: 31"X72" Porcelain

Approval: SK

Pavers: Selection by Developer

TBD

Approval: _____

Notes:

STAIRS

NOTE: MILLWORK

DS
SK

Pool:

Tile:

Selection by Developer

Approval: _____

Notes:

*Buyer Approval*Summer Kitchen & Bar:

Countertop: Quartzite

Grill: 42" Wolf

Refrigerator: 24" Undercounter/Selection by Developer

Ice Maker: 15" Undercounter/Selection by Developer

Approval: *SJK*Approval: *SJK*Approval: *SJK*Approval: *SJK*

Notes:

Kitchen

Countertops:

Taj Mahal Quartzite

* Cabinet Front:

Lacquer/Color: One

Approval: *SJK*

Approval: _____

Refrigerator: 30" Subzero

Freezer: 30" Subzero

Range: 60" Wolf

Range hood: 60" Wolf

Microwave Oven: 30" Wolf

Dishwasher: (2) 24" ADA Cove

Approval: *SJK*Approval: *SJK*Approval: *SJK*Approval: *SJK*Approval: *SJK*Approval: *SJK*

Faucet: Watermark/Finish: Gunmetal

Approval: *SJK*

Notes:

Laundry Room:

Countertops:

White Quartz

Cabinet Front:

Selection by Developer

Approval: *SJK*Approval: *SJK**Coordinate w/ kitchen*DS
SK*Me*

Sink: Stainless Steel Under-Mount
 Faucet: Pull-Down/Selection by Developer
 Washer: Samsung Large Capacity Smart/Color: Platinum
 Dryer: Samsung Large Capacity Smart/Color: Platinum

Approval: SK
 Approval: SK
 Approval: SK
 Approval: SK

Notes:

*Quote OAK VANIER

Powder Room:

Countertop: Specialty Stone TAJ MAHAL
 Vanity Cabinet: N/A

Approval: SK
 Approval: SK

Sink: Integrated Specialty Stone
 Faucet: Watermark/Finish: Rubbed Bronze

Approval: SK
 Approval: SK

Commode: Toto Wall-Mounted

Approval: SK

Notes: ~~ADD 24" X 48" PORCELAIN WALL~~

* ADD BENCH
 + STEAM SPA

SEILER Int'l
 Buyer Buy
 exp.

Cabana Bath

Main Flooring: 31"X72" Porcelain
 Shower Flooring: 24"X48" Porcelain
 Shower Walls: 24"X48" Porcelain

Approval: SK
 Approval: SK
 Approval: SK

Shower Head: Phylrich/Finish: Rubbed Bronze
 Valves: Phylrich/Finish: Rubbed Bronze
 Hand Shower: Phylrich/Finish: Rubbed Bronze

Approval: SK
 Approval: SK
 Approval: SK

Countertop: Marble/Selection by Developer
 Vanity Cabinet: Satin/Color: DUNE STONE

Approval: SK
 Approval: SK

Sink: Undermount/Color: White
 Faucet: Phylrich/Finish: Rubbed Bronze

Approval: SK
 Approval: SK

DS
 SK

ME

Commode: Toto Floor-Mounted

Approval: SK

Notes:

Master Bath - Hers

Main Flooring: 48"X48" Travertine
Shower Flooring: 48"X48" Travertine
Shower Walls: Travertine

Approval: SK
Approval: SK
Approval: SK

Rain Head: Watermark/Finish: Rubbed Bronze
Shower Head: Watermark/Finish: Rubbed Bronze
Valves: Watermark/Finish: Rubbed Bronze
Hand Shower: Watermark/Finish: Rubbed Bronze

Approval: SK
Approval: SK
Approval: SK
Approval: SK

Countertop: Travertine
Vanity Cabinet: Satin/Color: ~~Umber~~ Satin Metallic Soul

Approval: SK
Approval: SK

Sink: Integrated Travertine
Faucet: Watermark/Finish: Rubbed Bronze

Approval: SK
Approval: SK

Bathtub: 70"X36" +/- Free-Standing

Approval: SK

Commode: Toto Floor-Mounted/Neorest

Approval: SK

Notes:

Master Bath - His

Main Flooring: 48"X48" Travertine
Shower Flooring: 48"X48" Travertine
Shower Walls: Travertine

Approval: SK
Approval: SK
Approval: SK

Rain Head: Watermark/Finish: Rubbed Bronze
Shower Head: Watermark/Finish: Rubbed Bronze
Valves: Watermark/Finish: Rubbed Bronze
Hand Shower: Watermark/Finish: Rubbed Bronze

Approval: SK
Approval: SK
Approval: SK
Approval: SK

DS
SK

Nb

Countertop: Travertine
 Vanity Cabinet: Satin/Color: ~~Umber~~ *Satin Metallic 5001*
 Sink: Integrated Travertine
 Faucet: Watermark/Finish: Rubbed Bronze
 Steam Unit: Mr. Steam
 Commode: Toto Floor-Mounted/Neorest

Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*

Notes:

Guest Bath #1

Main Flooring: 36"X36" Porcelain
 Shower Flooring: 24"X48" Porcelain
 Shower Walls: 24"X48" Porcelain

Shower Head: Phylrich/Finish: Rubbed Bronze
 Valves: Phylrich/Finish: Rubbed Bronze
 Hand Shower: Phylrich/Finish: Rubbed Bronze

Countertop: Marble/Selection by Developer
 Vanity Cabinet: Satin/Color: ~~Capelli~~ *Capelli*

Sink: Undermount/Color: White
 Faucet: Phylrich/Finish: Rubbed Bronze

Commode: Toto Floor-Mounted

Notes:

Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11*Approval: *5/11***Guest Bath #2**

Main Flooring: 36"X36" Porcelain
 Shower Flooring: 24"X48" Porcelain

Approval: *5/11*Approval: *5/11*

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 Sk

Shower Walls: 24"X48" Porcelain

Approval: SK

Shower Head: Phylrich/Finish: Rubbed Bronze

Approval: SK

Valves: Phylrich/Finish: Rubbed Bronze

Approval: SK

Hand Shower: Phylrich/Finish: Rubbed Bronze

Approval: SK

Countertop: Marble/Selection by Developer

Approval: SK

Vanity Cabinet: Satin/Color: ~~Stone~~ Satin 2 ON2

Approval: SK

Sink: Undermount/Color: White

Approval: SK

Faucet: Phylrich/Finish: Rubbed Bronze

Approval: SK

Commode: Toto Floor-Mounted

Approval: SK

Notes:

Guest Bath #3

Main Flooring: 36"X36" Porcelain

Approval: SK

Shower Flooring: 24"X48" Porcelain

Approval: SK

Shower Walls: 24"X48" Porcelain

Approval: SK

Shower Head: Phylrich/Finish: Rubbed Bronze

Approval: SK

Valves: Phylrich/Finish: Rubbed Bronze

Approval: SK

Hand Shower: Phylrich/Finish: Rubbed Bronze

Approval: SK

Countertop: Marble/Selection by Developer

Approval: SK

Vanity Cabinet: Satin/Color: ~~Dune~~ Satin 2

Approval: SK

Sink: Undermount/Color: White

Approval: SK

Faucet: Phylrich/Finish: Rubbed Bronze

Approval: SK

Commode: Toto Floor-Mounted

Approval: SK

Notes:

DS
SK

Sky Lounge

Main Flooring: Wide-Plank Oak Engineered Hardwood
 Bar Countertops: Marble/Selection by Developer
 Bar Cabinet: Oak Veneer
 Refrigerator: 24" Undercounter/Selection by Developer
 Ice Maker: 15" Undercounter/Selection by Developer

Approval: _____

Approval: _____

Approval: _____

Approval: _____

Approval: _____

Notes:

Sky Lounge Bath

Main Flooring: 36"x36" Porcelain
 Shower Flooring: 24"x48" Porcelain
 Shower Walls: 24"x48" Porcelain
 Shower Head: Phylrich/Finish: Rubbed Bronze
 Valves: Phylrich/Finish: Rubbed Bronze
 Hand Shower: Phylrich/Finish: Rubbed Bronze
 Countertop: Marble/Selection by Developer
 Vanity Cabinet: Satin Metallic/Color: Silver
 Sink: Undermount/Color: White
 Faucet: Phylrich/Finish: Rubbed Bronze
 Commode: Toto Floor-Mounted

Approval: _____

Approval: _____

Approval: _____

Approval: _____

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Approval: _____

Approval: _____

Approval: _____

Approval: _____

Notes:

****ALL STONE & MATERIALS SUBJECT TO AVAILABILITY AT TIME OF ORDER. IF NOT AVAILABLE A SIMILAR OPTION WILL BE CHOSEN AT DEVELOPERS DISCRETION****

Approval: _____

DB
Sk

Consulting w/ Buyer
 FOT
 MB

\$8,950,000 with changes below and with deposits going to Emplre towards construction costs. Purchase price must be recorded at full asking price.

APPROX 6,500 Sq. Ft. (Interior size has increased due to changing of the columns and expanding on all 3 floors)

Included:

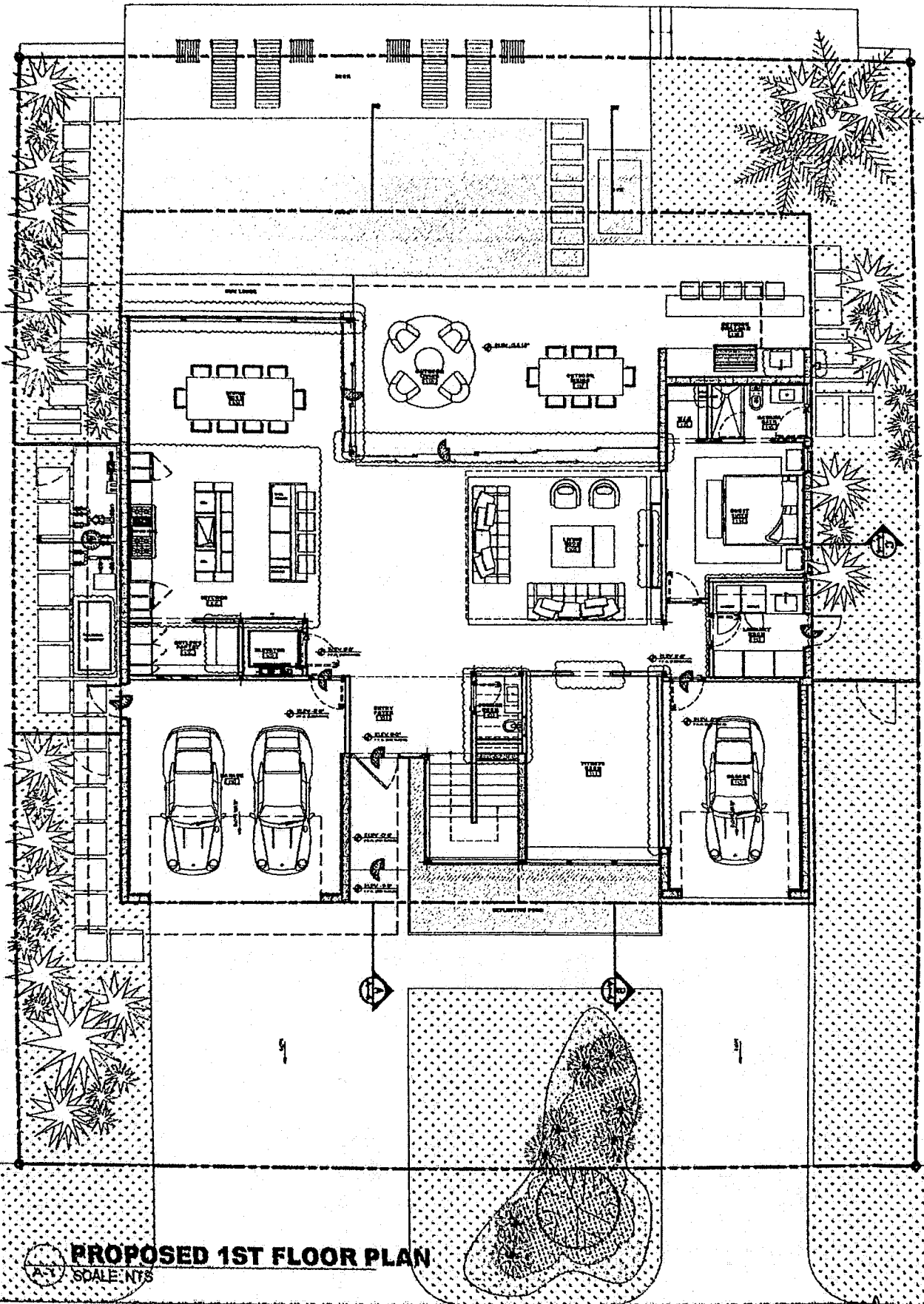
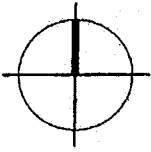
Updated Floorplan with the Addition of 2nd Floor Office, 2nd Floor Laundry Room, Structural Modifications Including Enlarging the Living Room, Removing Support Trusses in the original dining room, Reconfiguring Kitchen with Rotated Double Islands, Replacement of original landscaping with Turf, the Addition of 3rd Floor Wine Room Space. Full set of Revised Plans to be Completed, Submitted to the City. (VALUE OF \$380,000)

The following are included with the Purchase Price and not subject to change order fees:

- Outdoor Shower ***(Included)***
- Doors to match Mark house (hinge less) ***(Included. Specification already calls for doors with hidden hinges.)***
- Pergola half the space with fans, retracting roof, fire place (Renson) : ***(\$30,000 Credit to Renson or to Buyer at the time of Closing for Developer to not install pergola as per current specifications. Owner can contract with Renson for a pergola as per House specifications and have Renson install it in line with construction schedule.)***
- Firepit on balcony (run gas line) ***(Included. Gas line to 3rd Floor rooftop included.)***
- Quad 80' TV setup ***(Included Wiring and outlets.)***
- Windows in front of the home: ***(Specifications call for a six pane window. Per code, the lowest can be a four pane window. Buyer to pay the extra cost of \$25,000 for the change on February 18th Developer to provide specifications for 4 pane option and would be on Buyer).***
- Cooling unit in the AV Room ***(INCLUDED.)***
- Storage closet under stairs to 3rd floor (Scott's Office) ***(INCLUDED. Value of \$15,000).***

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SK

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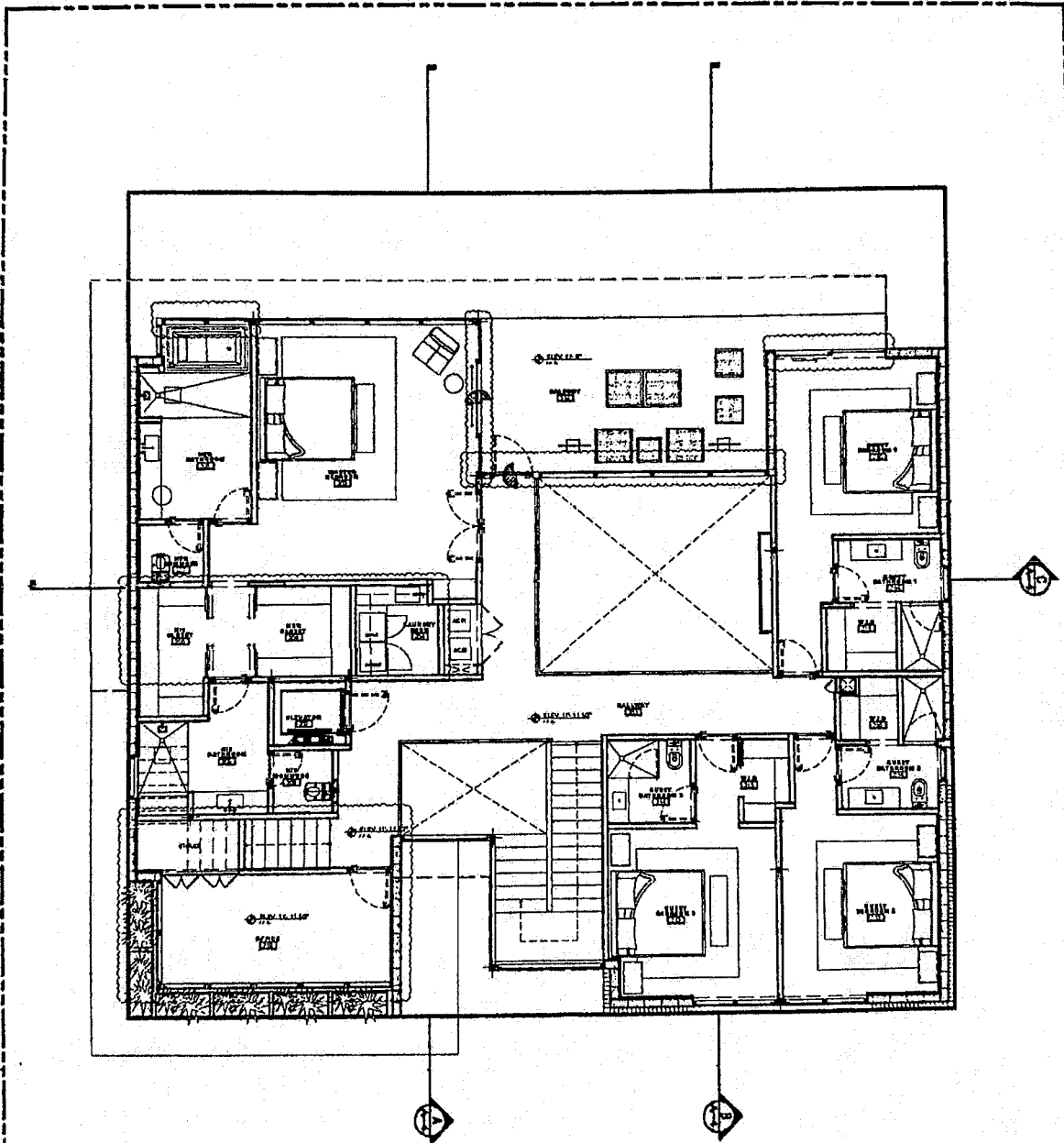
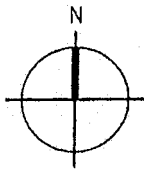


PROPOSED 1ST FLOOR PLAN

SCALE: NTS

St

Handwritten signature or initials.

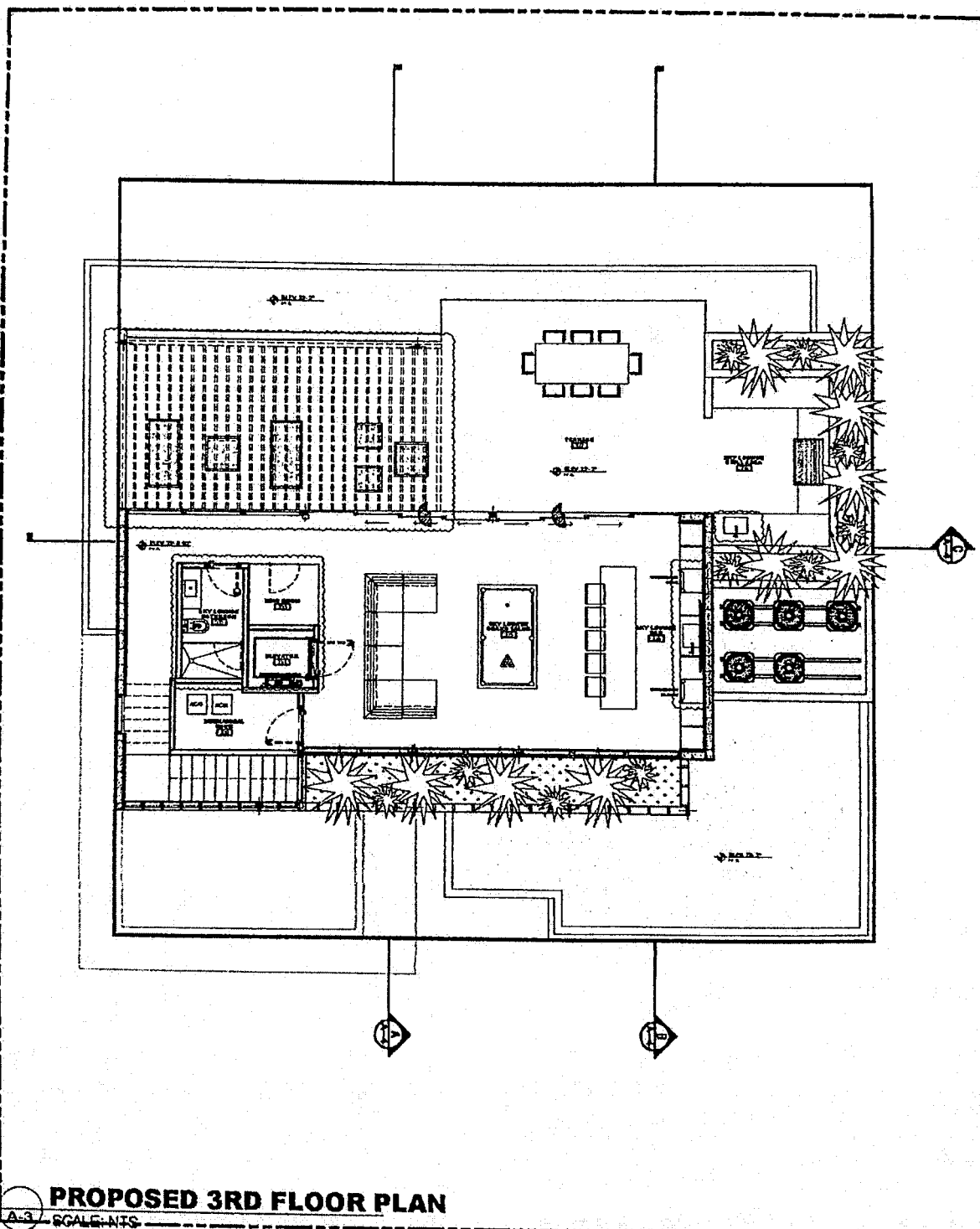
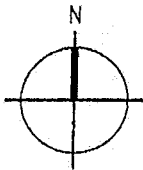


PROPOSED 2ND FLOOR PLAN

A-2 SCALE: NTS

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56

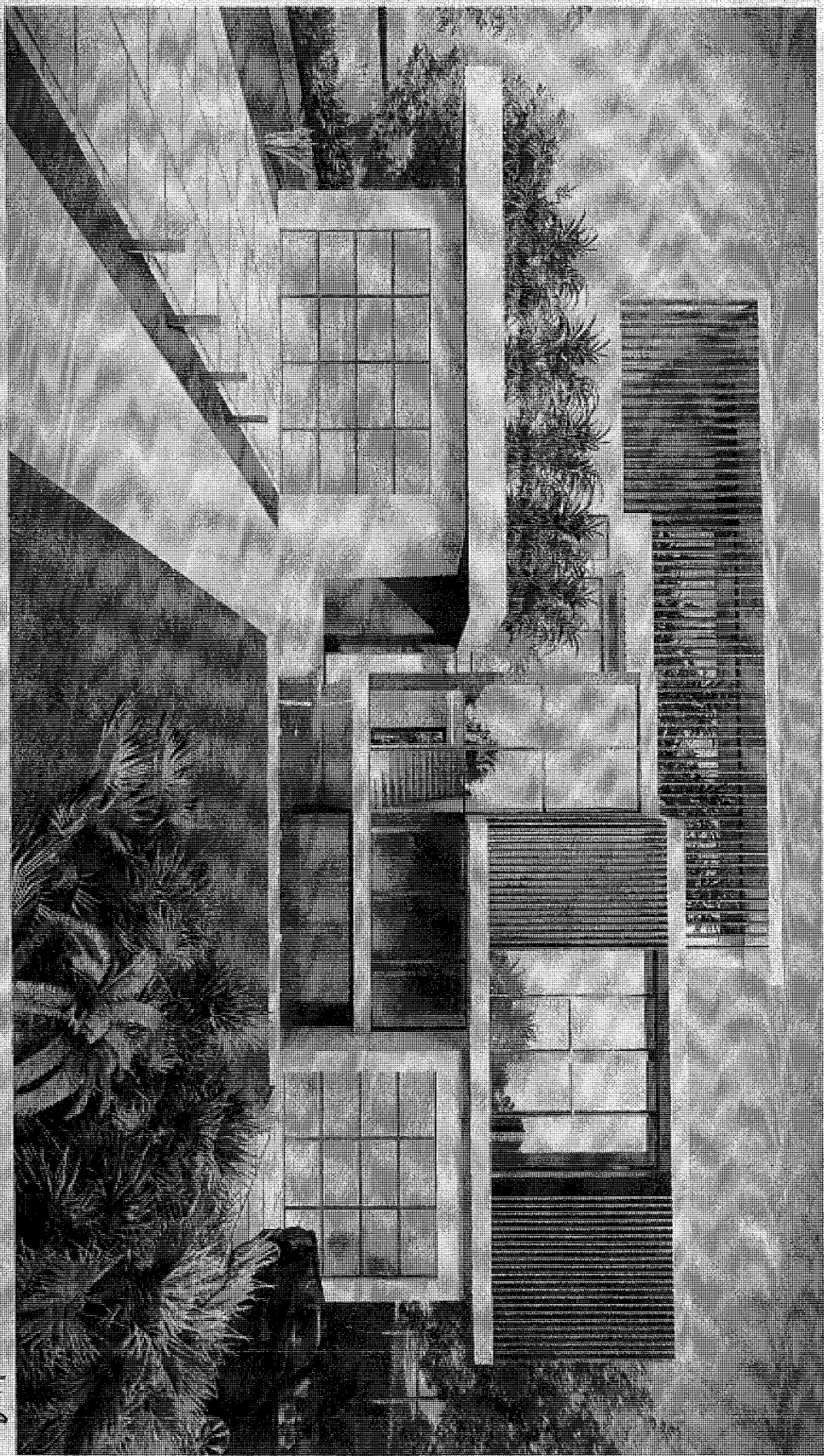
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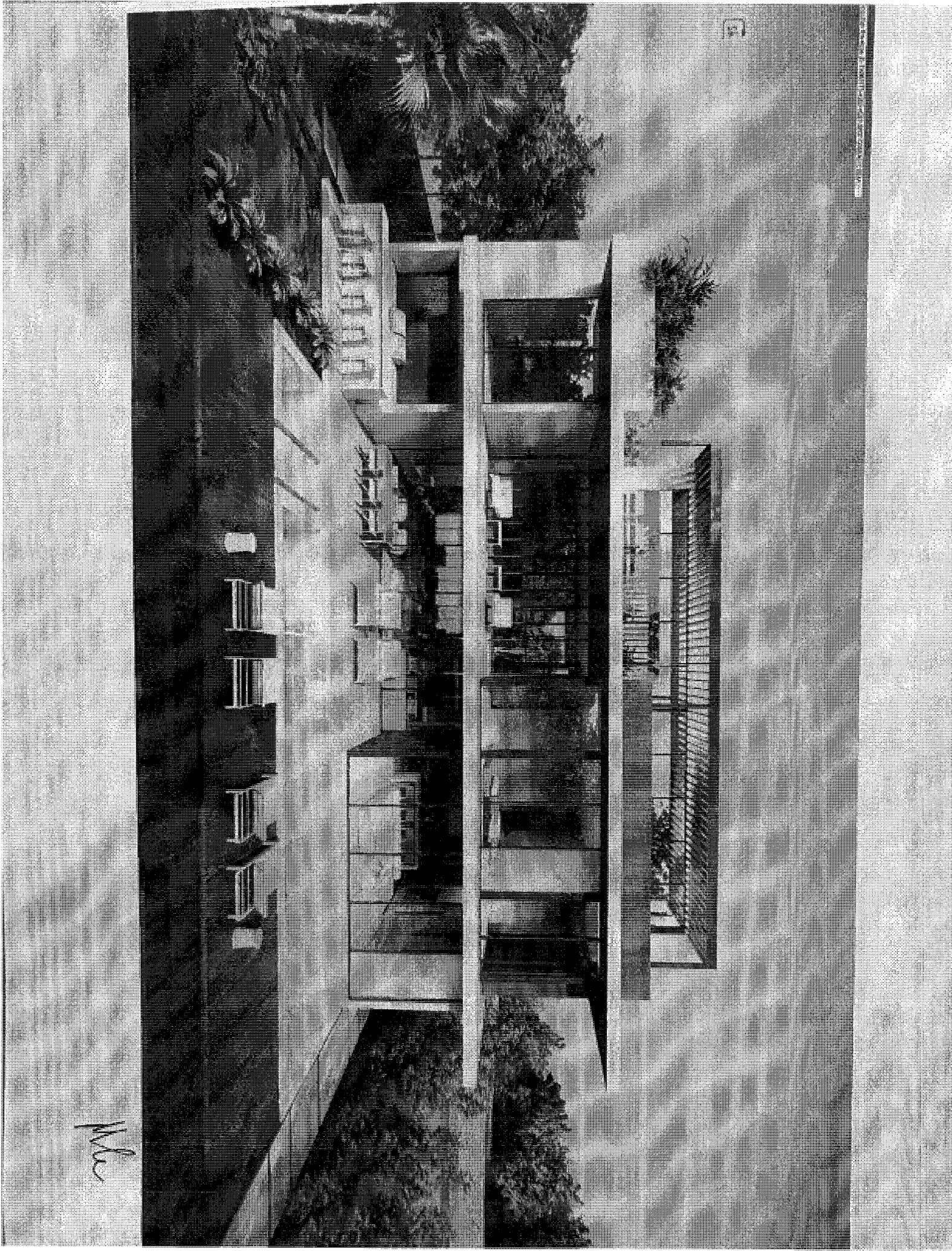
PROPOSED 3RD FLOOR PLAN
A-3 SCALE: N.T.S.

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EXHIBIT “B”

Scott Kerner
561 Golden Harbour Drive
Boca Raton, FL 33432

December 19, 2024

Marc Elkman
Empire 561 LLC
374 E. Palmetto Park Road
Boca Raton, FL 33432

Re: **Closeout Agreement ("Closeout Agreement")**
561 Golden Harbour Drive, Boca Raton, FL 33432

Dear Marc:

Reference is made to that Agreement of Purchase and Sale dated as of February 22, 2023 ("Agreement"), between Empire 561 LLC as seller ("Empire") and Scott Kerner as purchaser ("Kerner") pursuant to which Kerner agreed to purchase from Empire, and Empire agreed to build and sell to Kerner a custom built home located at 561 Golden Harbour Drive, Boca Raton, FL ("Property"). Pursuant to the Agreement Empire constructed a single family luxury home on the Property pursuant to the specifications attached to the Agreement, as same may have been supplemented with change orders as provided for in the Agreement.

Kerner agreed to make payments to Empire for the purchase and construction of the Property pursuant to a payment schedule set forth in the Agreement.

Empire and Kerner agree that the Property has been substantially completed, as provided for in the Agreement, subject to the completion of the punch list items annexed hereto as Schedule A ("Punchlist").

The parties now wish to confirm the final amounts due to Empire pursuant to the Agreement, subject to the Punchlist items being completed by Empire.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby by acknowledged by Empire and Kerner, it is agreed as follows:

1. **Final Amount Due to Empire.** Empire and Kerner agree that the final amount due to Empire (net of all adjustments, credits, change orders or other sums due or waived under the Agreement) is \$48,260.92 ("Final Payment").
2. **Final Payment Due Date.** The Final Payment shall be made in full upon completion of the Punchlist.
3. **Final Lien Waiver or Written Confirmation of Payment in Full.** Simultaneously with the receipt of the Final Payment, Empire shall provide a final lien waiver or written confirmation that Empire has been paid in full pursuant to the Agreement and that all subcontractors and other vendors have been paid in full for lien free completion of work on the Property.
4. **Punchlist Completion Date.** The Punchlist shall be completed on or before April 15, 2025.

5. This Closeout Agreement, along with the Agreement (as modified and amended by this Closeout Agreement) constitute the entire agreement between the parties with respect to the Property.
6. The obligations of Empire that are to survive delivery of the Property whether by Agreement or applicable Florida or Federal law shall survive as originally contemplated.
7. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida. Each party irrevocably submits to the exclusive jurisdiction of the federal and state courts located in Palm Beach County, Florida.
8. Each party hereby waives such party's respective right to a jury trial of any claim or cause of action based on or arising out of this Closeout Agreement. Each party acknowledges that this waiver is a material inducement to the other party to enter into the transaction contemplated hereby, that each party has already relied upon this waiver in entering into this Closeout Agreement, and that each party will continue to rely on this waiver in their future dealings.
9. In the event any dispute or controversy arises with respect to this Closeout Agreement, the prevailing party shall be entitled to recover its actual costs and reasonable attorneys' fees from the other party, whether such dispute or controversy is resolved by arbitration, judicial or administrative order, settlement, or appeal.
10. No right or remedy herein conferred on or reserved to any party is intended to be exclusive of any other remedy or right, and each and every right or remedy shall be cumulative and in addition to any right or remedy given hereafter or now or hereafter existing at law or in equity or by statute.
11. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts or things reasonably necessary in connection with the performance of their obligations hereunder to carry out the express intent of the parties hereto
12. No waiver of any provision of this Closeout Agreement and/or rights or obligations of any party hereunder shall be effective, except pursuant to a written instrument signed by the party or parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing.
13. Counterparts. This Closeout Agreement may be executed in several counterparts, (including by facsimile or PDF) each of which shall be deemed to be an original and all of which shall constitute one (1) agreement, binding on all the parties hereto, notwithstanding that all the parties have not signed the same counterpart.

Very truly yours,

Scott Kerner

AGREED:
Empire 561 LLC

By: _____
Marc Elkman

SCHEDULE A
PUNCHLIST
561 GOLDEN HARBOUR DRIVE PROJECT

General/Overall Items:

- Are their fire alarms in the house?
- No toilet paper holders
- No towel racks
- All toilet seats are missing covers over the 2 holes, some broken and none of them installed properly
- Nail holes in all baseboards
- Baseboard color is off
- Baseboards aren't even with dry wall at edges and stick out
- Access panels
- Linear Diffusers (must match all others)
- Stucco touchup around house
 - Entry way
 - 3rd floor
- Paint exterior where stucco touch up was done
- Paint / Finish all millwork (powder room bottom corner, kitchen, staircase)
- Millwork touchup (Paint, Fill in cracks, Top of stair discolor)
- Stairs (nail holes in random spots)
- Break metal grout around whole house is sloppy and not even
- All bathrooms should be re-grouted and silicon
- Noise in ceiling all night long. Sounds like a bouncing ball or someone walking
- Insulation in between floors (especially hallways) sounds like an elephant walking
 - This was discussed in the very beginning and we were assured we wouldn't hear anything
- All bathrooms shower doors should be fixed and installed wrong (Raf to walk with Ross), may have to leave it
 - Handles to far from shower and hit door when open
 - All shower tile floor should have used different tile, very slippery and dangerous
- Locks don't match handles

Saxon Room:

- Chip in doorway
- Paint touchup
- Toilet seat (holes, running, clean)
- Fan has a funny noise
- Wallpaper in bathroom
- Bathroom door
- Grout bathroom & shower
- Wall outlet is crooked
- Window frame is dented

- Nail holes in baseboard
- Clean corner near window
- Paint on window and frame
- Closet baseboard not complete/finished
- Closet hanging rods installed wrong, draws bang into clothing and get caught when closing
- Paint in closet around frame
- Clean closet frame
- Doorway light switch opposite
- Closet light touch up
- Bathroom shower is totally wrong (can't stand under shower head even), fix floor

Scarlet Room:

- Door into wall (stopper)
- Nail holes in baseboards
- Clean the stone
- Toilet seat (holes, running, clean)
- AC Unit needs to be insulated & fixed (makes constant noise & rattling) – MOST IMPORTANT
- Grout bathroom & shower
- Grout closet
- Chip on closet backsplash
- Chip in floor
- Leak – Floor change (make sure it is permanently fixed)

3rd Floor:

- Staircase painting
- Hall painting
- Access Panel not even
- Break metal needs to be fixed on slider
- Break metal needs to be popped in on 1 window frame
- Paint along ceiling & break metal needs touch up / scrape / fixing
- Above baseboard its chip
- Bathroom door handle
- Toilet seat (holes, running, clean)
- Vanity
- Big gash in 1 of the floors near window facing the front of the house
- Bathroom white paint / black paint
- Wine room paint on stone (need to remove glass to scrape)
- Access panel
- 3rd floor stair treads are chewed up and chipped / must be replaced
- Paint around door / ceiling and wall facing
- Caulk cabinets and backsplash
- Bar millwork fix
 - Need to fix Fridge and Ice Machine

- 1 cabinet should be a trash can
- Metal Bar racks on sides of TV
- Paint touch up around bar
- Paint base in AV room
- Fix doors in and out of AV Room
 - 1 could be barn door and other to swing the other way for easier access
- 1 inch white wall between AV racks and handlers
- Fix / paint ledge on 3rd floor above staircase
- Faucet on the bar

Living Room / Main Floor:

- Leak coming from Her Master bath out linear and dry wall needs to be cut out
- Leak from 3rd floor destroyed the drywall above staircase (needs to be cut and repaired)
- Fireplace doesn't work
- Fan under stove doesn't seem to be pulling the air well (steak made house very smokey)
- Break metal near front door is coming off and dented
- 5 stone cracks on main flooring
- Stone next to island isn't even (also cracked)
- Kitchen counter top chip
- Shelves in freezer
- Cabinet island not even
- Stove scratches
- Cabinet dry wall (big pantry on bottom shelf in back left corner)
- Pantry floor not finished (stone cut wrong)
- Break metal scratches / touch up
- Drywall in dining room and paint final
- Break metal in dining room where it was painted black
- Baseboards near guest room / laundry room
- Grout touch up throughout (coloring is off or missing)
- Bottom of fire place need to be sanded down
- Chip in tile floor near wine wall was never fixed
- Front door swings open all the time (needs a catch lock with the deadbolt)
- Finish Millwork shoe container (Can't open it, no kick open & opens way to wide from wall)
- Access panel on stone near fire place not in
 - Need an outlet their
 - No outlet in entire living room or special room
- Ceiling needs to fix paint
 - Center of room bubble
 - Between center 2 lights near fireplace has a bubble
 - 1 light has giant circle of discolor and wasn't painted
- Middle 2 cabinets under stove aren't even with others
- Baseboard under stove is lose
- Need another outlet in pantry, only 2, should have 2 on other wall

- Stone bottom of 2nd counter isn't there
 - Paneling under 2nd island?
- Grout under 2nd counter is missing
- Wine cellar gasket missing (will need to shave a few down due to linear once installed)
- Wine Cellar black plate/hinges need to be fixed (crooked)
- Blue Paint on tile near single car garage

Main staircase:

- Stairs (holes & totally chewed up)
 - Looks like termites or wood ants
- Paint and fix current paint job
- Paint in pockets of giant windows
- Drywall
- Break metal
- Finish top
- Millwork staircase should be fixed (coloring off and top pedestal has separation, not even)
- Baseboard / Landing
- Window stickers
- No light switch on 2nd floor staircase for hand rail lights (should be top & bottom like others)
- Shotty break metal grout installation above front door

Guest Room:

- Paint
- Entry light switch
- Paint on the exterior of cabana door
- Baseboards
- Clean up door paint
- Sliding door needs to be fixed
 - Goes into wall and the whole wall comes out
- Wallpaper (bubbling, etc.)
- Steam unit has no thermostat installed and can't be used / doesn't work without it

Powder Room:

- RAISE TOILET
- Window tape
- Window stickers
- Bottom near window
- Millwork on ceiling
- Door knob
- Faucet
- Window needs to be tinted or electric open/close or 2 way tint (can see out, but can't see in)
- Fix millwork on wall

Office:

- Door handle to exit
- Stone on desk to be replaced
- Lighting to be completed
- Baseboards (nail holes, paint, clean up, chipping, etc.)
- Storage room
 - Filthy, please clean out all screws, boxes, wood, etc.
 - Turn steam unit
 - Cut the 2 beams to get into back portion
 - Shouldn't it have flooring or drywall?

Master Bedroom:

- Closet backing is uneven
- Baseboards
- Paint
- Finish bathrooms
- Grout
- Morning Bar
 - Backsplash, millwork
- Check his counter top for stains
- Break metal
 - master left corner
 - outside near 2nd floor balcony entrance
- Steam unit has no thermostat installed and can't be used / doesn't work without it
- Rain showerheads need to be cleaned out as water doesn't come out of all holes
- Toilet / Commode flooring in both bathrooms not complete
- Fix outlet in his bathroom
- Leak coming from her shower
- No light switch for sconces near bed, need to get up & turn off across room
- Need to enclose her bath, its freezing and unenjoyable to shower
- Large gash in the wall in his Master Bath
- Her closet needs to be fixed

Garage:

- Single car garage needs to finish painting & clean out from baseboard installation
- Buff both floors
- Giant hole needs to be drywall, sanded and painted in the 2 car garage above the door

Laundry Rooms:

- 1st Floor:
 - No light

- o Paint
 - o Light switch
 - o Clean paint
 - Can't see if anything else as there is no light
 - o Laundry Room doesn't work
- 2nd Floor:
 - o Paint
 - o Baseboards
 - o Lights
 - o Doors (Bifold & Entry)

Elevator:

- Not working
- 2nd floor when they installed the back, they cracked the bottom of the door
- Wallpaper between floors
- Door jams need to be finished on 2 and 3

Outdoors:

- 1st Floor:
 - o Fix door paint
 - o Stucco in entry way isn't complete or finished (totally uneven at entry door & needs paint on side as well)
 - o Grout windows (very sloppy, black)
 - o Grout along front walkway entering the house & clean out end/entry of home
 - o Break metal must be cleaned or replaced (some are scratched up)
 - o Break metal near stepping stones/dining room missing
 - o Driveway needs to replace all broken pavers
 - o T&G needs to be fixed in front (above garage) & back of house
 - o Outdoor shower
 - o Change/add the lights above the Koi Pond
 - o BBQ needs to finish install
 - Not installed (nothing connected, ice machine doesn't work)
 - Paneling is cut terrible in 1 part
- 2nd Floor:
 - o Break metal all along master is missing
 - o T&G needs to be fixed
 - o Glass Panel needs to be replaced
- 3rd Floor:
 - o Stucco
 - o Break metal over office missing
 - o Paint
 - o BBQ
 - connect all equipment
 - remove all stickers

- remove gas regulator
 - Fix the floor (uneven)
 - Broken stone
- o Glass install post pergola on beam
- o Fireplace install **(NOT PUNCH)**
 - Cut out stucco/block
- o 2 drain caps
- Pool:
 - o Heater isn't working
 - o Aqua link needs to be set up
 - o Pool water level seems low
 - o The 1st stool (closest to the hot tub) is uneven and crooked

Millwork:

- Painting
- Touch up
- Staircase 2 colors on railing and base is a different color
 - o Needs to be filled in 2 cracks and filled in at base
- Metal paneling in special room

Concept Elite:

- His Bath
 - o Stone finish around base, near shower and above door
 - o 2 doors and frames
- Her bath
 - o Under the counter / Vanity
 - o Near shower finish
 - o 2 doors and frames
- Bottom of dining room table
- Special room bar
- Parson Table
- Cocktail Table
- Back Table on 3rd Floor
- Back Table on 1st Floor
- 1x Side cocktail table for chair on 1st floor
- 2x side cocktail table for chair on 3rd floor

MLV Design:

- Carpet in VIP
- All fabric and how to clean

- 1st Floor bar exchange
- Special Room furniture
- 3rd floor sun lounge
- 2nd floor VIP balcony furniture
- Maybe another daybed – revisit in a couple months
- Maybe drapery on 3rd floor – revisit in a couple months

Pergola:

- Install

AV Punchlist:

- Pergola
- I pads / Remotes throughout house
- Speaker phone for elevator
 - Do we need hardline or connected to Police or fire?
- Doorbell at gate
- Front doorbell
- All light/Lutron switches
- Fix master projector
- TV's operation moves super slow when starting up

Evolve Punchlist:

- Laundry room door
- Flip AV room door
- Barn door as discussed
- Fix slider in 1st floor guest room
- Need to fix hinges in all doors as they are rubbing against wallpaper
- New glass for broken panel
- Re-cut the small piece of u channel on 3rd floor
- 3rd floor handrail piece
- Missing cap on railing outside above office

EXHIBIT “C”



July 28, 2025

Villas Construction & Remodeling
7700 High Ridge Road, Suite B
Boynton Beach, Florida 33426

Attention: John Villa

Re: **Structural Construction Defect Evaluation**
561 Golden Harbour Drive
Boca Raton, Florida
Summit Project No.: 2025-199

Dear Mr. Villa,

In response to the request of **Summit Design & Forensics, Inc.**, (Summit), an inspection and evaluation of structural construction defects to the home located at the above-captioned address has been performed. It was reported to Summit that construction defects exist throughout the home and some of these are allowing water intrusion to occur at several locations resulting in water damage. Specifically, Summit was requested to inspect the structure and identify the visible structural construction defects. Summit has also identified areas of reported/observed water damage and areas of non-structural construction defects.

A site inspection was performed by Mr. Brian Maskol, P.E. on June 20, 2025. Providing access to the home for the site inspection was the homeowner. Also present during the site inspection was Mr. John Villa with Villas Construction & Remodeling. During the site inspection, background information was provided and pertinent portions of the residence were visually inspected, photographed and field notes documenting pertinent information were prepared. Some of these photographs are included as "Figures" in the attachment to this report.

The subject residence is a three-story home located in Palm Beach County, Florida. Information obtained by Summit from the Palm Beach County Property Appraiser's website indicates that the residence was originally constructed in 2024. For the purposes of this report, the front of the residence is assumed to face in a southerly direction.

Figure 1 is an overview of the main stair. The following observations were made and conclusions have been derived at the main stair.

- The exterior wall structure consisted of fixed glass with supporting structural steel tubes (**Figure 2**). The tubes were reportedly wrap with aluminum.

- Prior to Summit's inspection, the exterior aluminum wrapping was removed at the structural steel tubes.
- Portions of the reported water damaged interior wall finishes were removed (**Figure 3**).
- Summit observed varying degrees of corrosion to the structural steel tubes consistent with water intrusion (**Figure 4**).
- It is recommended the steel tubes be cleaned and coated per details prepared by a licensed Florida engineer.
- Summit observed water staining to the ceiling finish consistent with roof leakage.
- The cause of this observed and reported wall damage is related to improper waterproofing performed during construction, which has allowed rainwater to penetrate the wall envelope.
- The cause of the ceiling damage is related to improper roofing/flashing during construction, which has allowed rainwater to penetrate the roof envelope.

The following observations were made and conclusions have been derived at the office.

- Portions of the reported water damaged interior wall finishes were removed prior to Summit's site inspection (**Figure 5**). Summit observed water staining to the window buck (**Figure 6**).
- Water intrusion at the west exterior wall of the closet under the stair also reportedly occurs.
- The cause of this observed and reported damage is related to improper waterproofing performed during construction, which has allowed rainwater to penetrate the wall envelope.

Figure 7 is an overview of the stair to the third floor. The following observations were made and conclusions have been derived at the stair to the third floor.

- Portions of the reported water damaged interior wall finishes were removed prior to Summit's site inspection.
- Summit observed a missing anchor at a girder truss connection (**Figure 8**).
- Summit observed water damage and apparent mold growth to the wall finish (**Figure 9**).
- Summit observed low strength grout added between the concrete beam and window buck (**Figures 10 through 12**).
- The cause of this observed and reported water damage and apparent fungal growth is related to improper roofing/waterproofing/flashing performed during construction, which has allowed rainwater to penetrate the roof and/or wall envelope.
- It is recommended the girder truss connection be evaluated by a licensed Florida engineer.

- Further, the anchors used for the window attachment should be verified by a licensed Florida engineer that they penetrate the concrete beam adequately and are not relying on the low strength grout for support.

Figure 13 is an overview of the third floor rear balcony. The following observations were made and conclusions have been derived at the third floor rear balcony.

- According to Mr. Villa, there is no roof drain below the outdoor kitchen deck and a concrete curb prevents water from draining from this area (**Figure 14**) which is a defect.
- Portions of the pavers were removed along the sliders and windows prior to Summit's site inspection.
- Portions of the pavers are installed above the slider track weep holes (**Figure 15**), which does not allow rainwater in the track to properly drain and is a defect.
- Portions of the pavers are installed above the lower window frame portion causing water to pond against the window (**Figure 16**) and is a defect.
- It was reported to Summit that portions of the pavers do not adequately slope to the roof drains.

Figure 17 is an overview of the skybar. The following observations were made and conclusions have been derived at the skybar.

- According to Mr. Villa, water damage has occurred to the wood flooring along the sliders likely related to rainwater ponding in the slider track and penetrating the slider seals/waterproofing.
- The cause of this reported water damage is related to improper paver installation as discussed above, improper waterproofing/flashing and/or improper slider seals, which has allowed rainwater to penetrate the wall envelope.

Figure 18 is an overview of the outdoor mechanical area. The following observations were made and conclusions have been derived at the outdoor mechanical area.

- Summit observed an opening in the wall at a wire penetration (**Figure 19**).
- To repair this defect, it is recommended to seal this hole with a proper sealant material.

Figures 20 through 22 are overviews of the front third floor roof coverings and balcony. The following observations were made and conclusions have been derived at the front third floor roof coverings and balcony.

- At some locations Summit observed inadequate roof flashing height (**Figure 23**) which is a defect.
- Summit observed the balcony at the covered portion near the scupper slope toward the building (**Figure 24**) which is a defect.
- Summit observed several locations where the roof did not have proper slope (**Figure 25**) which is a defect.
- Summit observed sporadic recent roof repairs (**Figure 26**).

Figure 27 is an overview of the upper roof covering. The following observations were made and conclusions have been derived at the upper roof covering.

- Summit observed sporadic apparent openings in the roof system along the perimeter curb (**Figure 28**) which is a defect.

Figure 29 is an overview of the second floor rear balcony. The following observations were made and conclusions have been derived at the second floor rear balcony.

- Summit observed portions of the pavers were removed along the exterior wall prior to Summit's site inspection.
- Summit observed the pavers were installed above a tile floor (**Figure 30**).
- Summit observed the pavers were installed at or above the door threshold (**Figure 31**) and above portions of the lower window frames (**Figure 32**).
- Water damage reportedly occurred to the wood flooring adjacent to the door, which was removed prior to Summit's site inspection (**Figure 33**). Water damage also reportedly has occurred to the master bedroom wood flooring along the windows.
- Summit observed corrosion to all the exposed steel column bases (**Figure 34**).
- Summit did not observe any waterproofing on the concrete slab or flashing material below the windows (**Figure 35**).
- The cause of this observed and reported water intrusion is related to improper waterproofing/flashing and door seals performed during construction, which has allowed rainwater to penetrate the wall envelope. The water intrusion is exacerbated in locations where the pavers were installed above the door threshold and lower window frames allowing water to pond in these areas.
- It is recommended the steel tubes be cleaned and coated per details prepared by a licensed Florida engineer.

The following observations were made and conclusions have been derived at the master bedroom.

- Summit observed portions of the wood flooring along the windows were removed prior to Summit's site inspection (**Figure 36**). Water damage has reportedly occurred to this flooring.
- Summit observed sporadic water staining to the concrete slab below the removed wood flooring along the exterior windows (**Figure 37**).
- Summit observed portions of the ceiling finish removed (**Figure 38**). Water damage has reportedly occurred to this finish.
- The cause of this observed and reported water damage is related to improper waterproofing and/or flashing performed during construction, which has allowed rainwater to penetrate the wall envelope. The water intrusion is exacerbated in locations where the pavers at the second floor balcony were installed above the lower window frames allowing water to pond in these areas.

The following observations were made and conclusions have been derived at the family room.

- Summit observed portions of the wall finishes removed prior to Summit's site inspection (**Figure 39**). Water damage has reportedly occurred to these finishes.
- The cause of this reported water damage is related to improper waterproofing and/or flashing performed during construction, which has allowed rainwater to penetrate the wall envelope. The water intrusion is exacerbated in locations where the pavers at the second floor balcony were installed above the lower window frames allowing water to pond in these areas.

Figure 40 is an overview of the daughter's bathroom. The following observations were made and conclusions have been derived at the daughter's bathroom.

- Summit observed portions of the wall and ceiling finishes removed prior to Summit's site inspection. Water damage reportedly occurred to these removed finishes.
- Summit observed water staining to the wood floor framing above (**Figure 41**).
- The cause of this reported and observed water damage is related to improper waterproofing/roofing performed during construction, which has allowed rainwater to penetrate the wall and/or roof envelope.

Figure 42 is an overview of the daughter's bedroom. The following observations were made and conclusions have been derived at the daughter's bedroom.

- Summit observed portions of the wall finishes and flooring removed prior to Summit's site inspection. Water damage reportedly occurred to these removed finishes due to water intrusion at the window.
- Summit observed water staining to the floor near the window (**Figure 43**).
- The cause of this reported and observed water damage is related to improper waterproofing performed during construction, which has allowed rainwater to penetrate the wall envelope.

Figure 44 is an overview of the son's bedroom. The following observations were made and conclusions have been derived at the son's bedroom.

- Summit observed portions of the wall finishes and flooring removed prior to Summit's site inspection. Water damage reportedly occurred to these removed finishes due to water intrusion at the window.
- Summit observed water staining to the floor near the window (**Figure 45**).
- The cause of this reported and observed water damage is related to improper waterproofing performed during construction, which has allowed rainwater to penetrate the wall envelope.

Figure 46 is an overview of the laundry room. The following observations were made and conclusions have been derived at the laundry room.

- Summit observed the ceiling finish removed prior to Summit's site inspection. Water damage reportedly occurred to the ceiling finish due to a plumbing leak from above.
- The cause of this reported water damage is related to improper plumbing during construction, which has allowed a leak to develop in a newly constructed home.

Figure 47 is an overview of the lounge. The following observations were made and conclusions have been derived at the lounge.

- Summit observed portions of the window sill finishes removed prior to Summit's site inspection. Water damage reportedly occurred to these removed finishes due to water intrusion at the window.
- The cause of this reported water damage is related to improper waterproofing performed during construction, which has allowed rainwater to penetrate the wall envelope.

Figure 48 is an overview of the garage. The following observations were made and conclusions have been derived at the garage.

- Summit observed the ceiling finish and spray foam insulation were removed prior to Summit's site inspection. Water damage reportedly occurred to the ceiling finish.
- Summit observed spalled concrete at a beam and improper clearance to the reinforcing (**Figure 49**).
- Summit observed spalled concrete at a beam and concrete with improper strength at the beam end (**Figure 50**).
- Summit observed sporadic water damage to the floor sheathing in the general area below the planter above (**Figure 51**).
- Summit observed water damage and deterioration to the floor sheathing at the north end (**Figure 52**).
- Summit observed portions of the soffit removed (**Figure 53**). Water damage reportedly occurred to this finish.
- The cause of this reported and observed water damage is related to improper waterproofing, roofing and/or flashings performed during construction, which has allowed rainwater to penetrate the wall and/or roof envelope. The cause of the damage at the north end of the garage is unknown and would require further investigation.
- It is recommended the spalled concrete at the beams be repaired per details prepared by a licensed Florida engineer. The concrete strength and reinforcing at the beams should be evaluated by a licensed Florida engineer to determine the proper repair.

Figure 54 is an overview of the rear porch. The following observations were made and conclusions have been derived at the rear porch.

- Summit observed the ceiling finish was removed prior to Summit's site inspection. Water damage reportedly occurred to the ceiling finish.
- Summit observed removed concrete at a beam at the ceiling finish furring strips (**Figures 55 and 56**). At some locations Summit observed exposed beam reinforcing.
- Summit observed that the pavers were covering the slider track weep holes at some locations (**Figure 57**) which is a defect.
- The cause of this reported water damage is related to improper waterproofing and/or flashings performed during construction, which has allowed rainwater to penetrate the slab above.
- It is recommended the concrete beams, which were partially removed at the ceiling furring strips, be evaluated by a licensed Florida engineer to determine the proper repair.

Figure 58 is a view of the partial left elevation of the home. The following observations were made and conclusions have been derived at the left elevation of the home.

- According to Mr. Villa, water intrusion occurs at the door during heavy rain events. Summit observed that the exterior grade was near the door threshold (**Figure 59**).
- Summit observed an outlet bottom improperly installed near the finish exterior grade (**Figure 60**).
- The cause of this reported water intrusion is related to improper site grading.

Figure 61 is a view of the partial right elevation of the home. The following observations were made and conclusions have been derived at the right elevation of the home.

- Summit observed that the exterior grade was near the door threshold (**Figure 62**). This grading is improper.
- Summit observed a roof drain was partially covered by the exterior grade (**Figure 60**). This grading is improper.

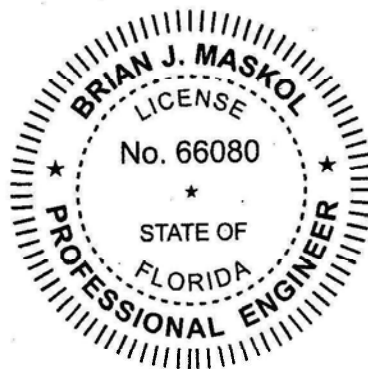
At some locations, Summit observed missing stud guards at electrical wiring and piping.

Summit appreciates this opportunity to have assisted with this evaluation. If we can be of further assistance, please do not hesitate to contact us.

Sincerely,



Brian J. Maskol, P.E.
State of Florida
License No. 66080



Brian J
Maskol

Digitally signed
by Brian J Maskol
Date: 2025.07.31
10:58:47 -04'00'

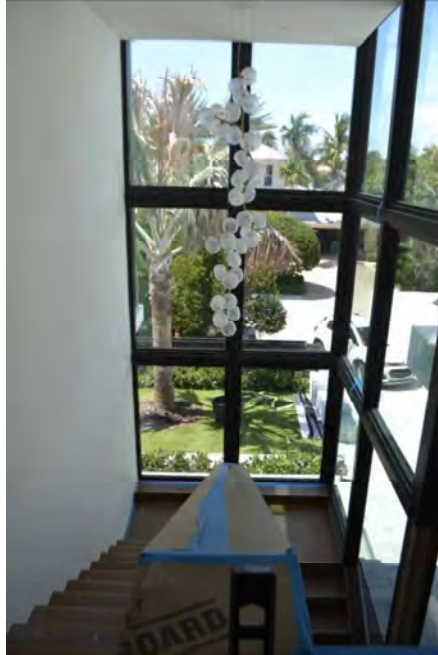


Figure 1) Overview of the main stair.



Figure 2) View of the exterior walls of the main stair.



Figure 3) View of reported water damaged removed wall finish at the main stair.



Figure 4) Exemplar view of corrosion observed to the steel tube framing at the exterior wall of the main stair.



Figure 5) View of reported water damaged wall finish removed at the office.



Figure 6) View of water staining observed to the window buck in the office.



Figure 7) Overview of the stair to the third floor.



Figure 8) View of a missing anchor at a girder truss connection above the stair to the third floor.



Figure 9) View of water damage and/or apparent fungal growth observed to the wall finish and truss at the stair to the third floor.



Figure 10) View of low-strength grout installed between the window buck and concrete beam at the stair to the third floor.



Figure 11) Close-up view of low-strength grout installed between the window buck and concrete beam at the stair to the third floor.



Figure 12) Close-up view of low-strength grout installed between the window buck and concrete beam at the stair to the third floor. Note window anchor.



Figure 13) Overview of the third floor rear balcony.



Figure 14) View of the outdoor kitchen deck at the third floor rear balcony.



Figure 15) Exemplar view of removed pavers at the third floor rear balcony. Note pavers installed above the slider track weep holes in some locations.



Figure 16) Exemplar view of removed pavers at the third floor rear balcony. Note pavers installed above lower window frame in some locations.



Figure 17) Overview of the skybar.



Figure 18) Overview of the outdoor mechanical area.



Figure 19) View of a wall opening at a wire penetration at the outdoor mechanical area.



Figure 20) Overview of the front roof at the third floor.



Figure 21) Overview of the front third floor balcony.



Figure 22) Overview of the front roofs at the third floor.



Figure 23) Exemplar view showing inadequate flashing height at the front third floor roof.



Figure 24) View showing the front third floor balcony with improper slope.



Figure 25) Exemplar view showing the front third floor roof with improper slope.



Figure 26) Exemplar view of recent roof repairs observed at the front third floor roof.



Figure 27) Overview of the upper roof covering.



Figure 28) Exemplar view of apparent openings observed in the upper roof covering along the perimeter curb.



Figure 29) Overview of the second floor rear balcony.



Figure 30) View showing pavers installed over a tile floor.



Figure 31) View showing pavers installed at or above the door threshold at the second floor rear balcony.



Figure 32) Exemplar view showing pavers installed above the lower window frame at the second floor rear balcony.



Figure 33) View showing the interior wood flooring removed at the door to the second floor rear balcony reportedly due to water damage.



Figure 34) Exemplar view of corrosion observed to the steel column base at the second floor rear balcony.



Figure 35) View showing no waterproofing or flashing observed at the second floor rear balcony.



Figure 36) View showing the reportedly water damaged wood flooring removed in the master bedroom along the exterior windows.



Figure 37) Exemplar view of water staining observed to the concrete in the master bedroom near the exterior windows.



Figure 38) View showing the reportedly water damaged ceiling finish removed in the master bedroom along the exterior windows.



Figure 39) View showing the reportedly water damaged wall finish removed in the family room below the exterior windows.



Figure 40) Overview of the daughter's bedroom.



Figure 41) View of water staining observed to the floor framing above the daughter's bathroom.

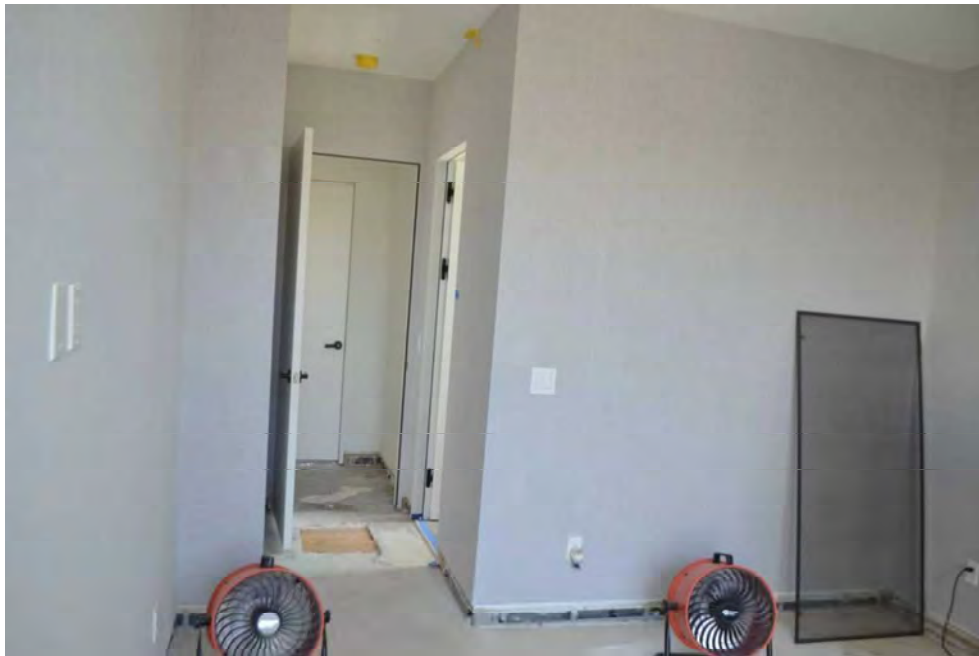


Figure 42) Overview of the daughters' bedroom.



Figure 43) View of water staining observed to the concrete in the daughter's bedroom.

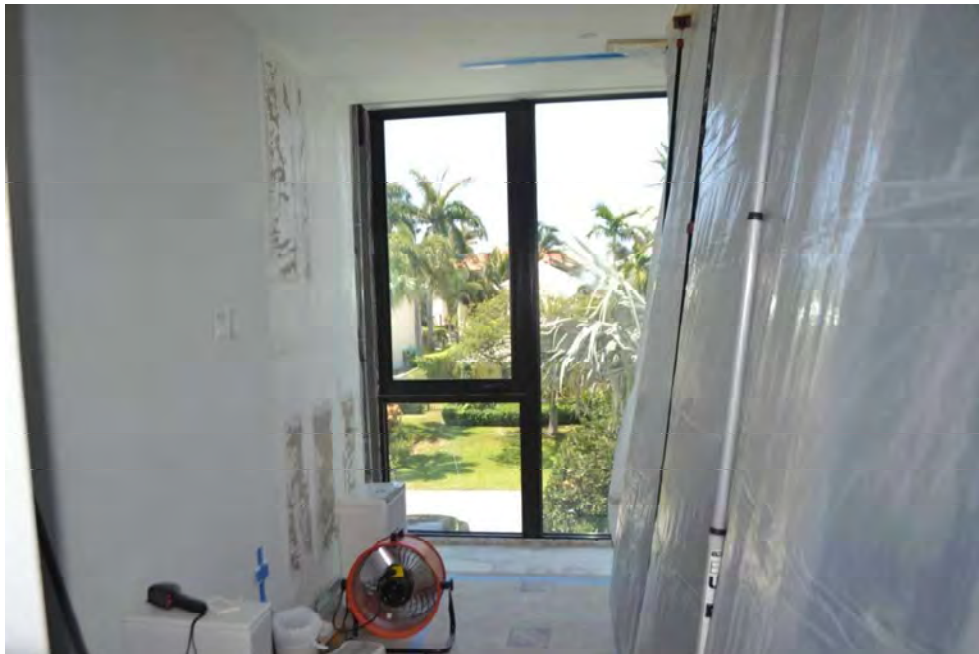


Figure 44) Overview of the son's bedroom.



Figure 45) View of water staining observed to the concrete in the son's bedroom.



Figure 46) Overview of the laundry room.



Figure 47) Overview of the lounge.



Figure 48) Overview of the garage.



Figure 49) View of spalled concrete and inadequate rebar clearance at a beam above the garage.



Figure 50) View of spalled concrete and inadequate concrete strength at a beam above the garage.



Figure 51) Exemplar view of water staining observed to the floor sheathing above the garage near the exterior planter.



Figure 52) View of water damage and deterioration observed to the floor sheathing above the garage.



Figure 53) View showing the reportedly water damaged soffit finish removed at the garage.



Figure 54) Overview of the rear porch.



Figure 55) View of removed concrete at a beam at the ceiling furring strips above the rear porch.



Figure 56) View of exposed reinforcing observed at the removed concrete at a beam at the ceiling furring strips above the rear porch.



Figure 57) View showing pavers covering the slider track weep holes at the rear porch.



Figure 58) Partial view of the left elevation of the home.



Figure 59) View showing exterior grade elevation near door threshold at the left elevation of the home.

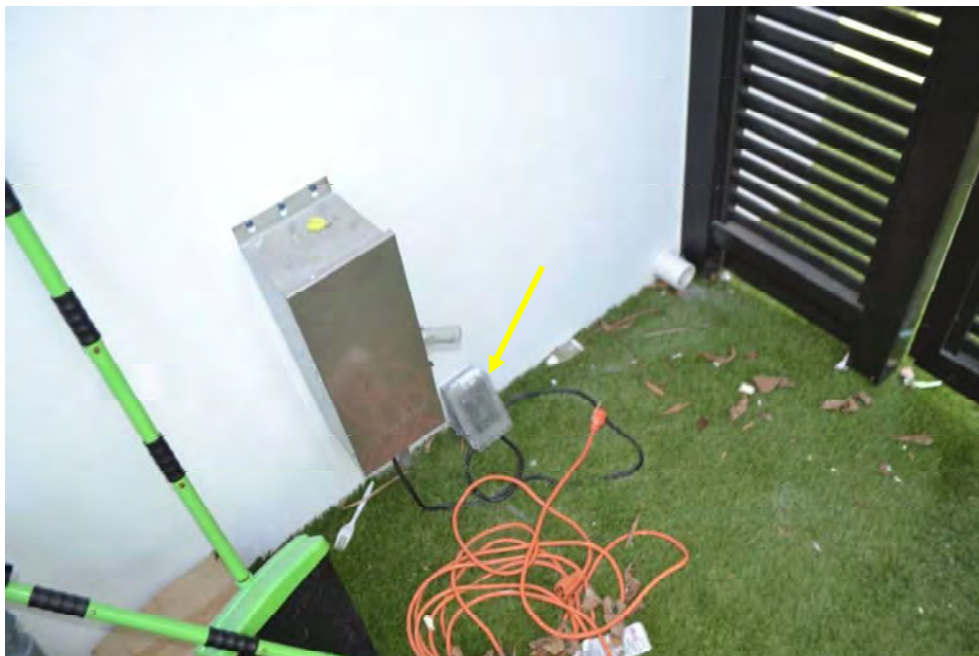


Figure 60) View showing an outlet bottom installed near the exterior grade at the left elevation of the home.



Figure 61) Partial view of the right elevation of the home.



Figure 62) View showing exterior grade elevation near door threshold at the right elevation of the home.



Figure 63) View showing exterior grade above a roof drain outlet at right elevation of the home.

EXHIBIT “D”

FORENSIC INVESTIGATION REPORT

561 GOLDEN HARBOUR DR
BOCA RATON, FLORIDA 33432

ECS PROJECT NO. 54-1959

FOR

3S CAPITAL MANAGEMENT, LLC

JUN 23. 2025





ECS Florida, LLC

Geotechnical • Construction Materials • Environmental • Facilities

Jun 23. 2025

Mr Scott Kerner
Partner
3s Capital Management, LLC
715 Saint Albans Drive
Boca Raton, Florida 33486

ECS Project No. 54-1959

Reference: Forensic Investigation Report for , 561 Golden Harbour Dr,
Boca Raton, Florida 33432

Dear Mr Kerner,

ECS Florida, LLC (ECS) is pleased to present the following Forensic Investigation Report for the referenced property located at 561 Golden Harbour Dr, Boca Raton, Florida.

We appreciate the opportunity to be of service to you on this project. If you have any questions or comments concerning this report, please do not hesitate to contact us at (407) 859-8378 or JSorondo@ecslimited.com.

Respectfully

ECS Florida, LLC

A handwritten signature in black ink, appearing to read 'Jose Sorondo'.

Jose Sorondo
Project Manager

A handwritten signature in blue ink, appearing to read 'Neha Verma'.

Neha Verma, Assoc AIA, BECxP CxA+BE
Facilities Branch Manager

2815 Directors Row, Orlando, Florida 32809 • T:(407) 859-8378

ECS Florida, LLC • ECS Mid-Atlantic LLC • ECS Midwest, LLC • ECS Pacific, Inc. • ECS Southeast, LLC • ECS Southwest, LLP
ECS New York Engineering, PLLC - An Associate of ECS Group of Companies • ecslimited.com

"ONE FIRM. ONE MISSION."

1.0 PROJECT INFORMATION

The subject property is a three-story single-family residence located at 561 Golden Harbour Dr in Boca Raton, Florida. Based on ECS assessment, The building is currently under construction and is being constructed with concrete masonry (CMU) with a stucco finish. The roof consists of multiple levels roofing system. Exterior curtain wall windows and sliding glass doors. Two balconies Facing the north elevation. Additionally, The property includes two garages: a single-car garage situated at the southeast corner and a double-car garage located at the northeast corner of the residence. Additionally, a planter is present at the front elevation, positioned above the northeast-facing double garage.

2.0 ESCOPE OF WORK

Visual Observation – Building Enclosure

ECS has been designated to perform a **visual observation of the building enclosure systems**, including both exterior and interior components of the single-family residence currently under construction. This observation is in response to moisture intrusion and is intended to help identify contributing factors and construction deficiencies.

The scope of work includes:

- Observing the as-built construction to assess the condition and performance of building envelope-related systems.
- Evaluating installation quality in comparison to construction documents, industry standards, and manufacturer guidelines.
- Identifying improperly installed or damaged materials/systems.
- Noting any systems or components that appear to be past their useful life or require corrective measures.
- Determining the likely sources and pathways of moisture intrusion based on visual observations.

ECS will utilize its experience in Quality Assurance Observations of building envelope systems to support the identification of construction-related deficiencies and moisture-related issues.

3.0 LIMITATIONS

This report has been prepared by ECS as a professional service for the exclusive use of 3S Capital Management, LLC and ECS. The findings and recommendations presented herein are based on **limited visual observations** performed at the time of the site visit and are subject to the accessibility of building components and conditions observed during that timeframe.

No destructive testing was conducted unless otherwise noted, and ECS did not have access to prior inspection reports, construction submittals, or full documentation. As such, the evaluation should not be interpreted as a complete investigation of all potential sources or consequences of moisture intrusion.

While reasonable effort was made to verify reported information and assess conditions contributing to the observed deficiencies, the conclusions are based on available evidence at the time of the evaluation. Changes in site conditions, concealed elements, or information not disclosed may affect the accuracy of this report.

This report may not be used or relied upon by third parties without the written consent of ECS and proper establishment of mutually agreed terms and conditions.

4.0 OBSERVATIONS

4.1 Interior Observations

Interior Survey

An interior survey of the building was performed to observe general areas of water infiltration and related damage using visual observation. Evidence of water intrusion was noted in multiple areas throughout the interior of the building.

Water damage to flooring materials, decorative elements, and drywall was observed. In several locations, damaged drywall had already been removed prior to the time of observation. Affected areas include, but are not limited to:

- The first-floor living room area
- The Kitchen area
- The stairwell
- The second-floor corridor and adjacent rooms
- The third-floor living room area

These findings are consistent with ongoing moisture intrusion impacting both exterior and interior finish components of the property.

4.2 Exterior Observations

Included observation of windows and sliding doors, balconies, stucco wall surfaces, and accessible roof areas.

4.2.1 Exterior Facade

ECS observed the following conditions related to windows, balconies, stucco, and waterproofing systems:

1. Windows and Sliding Doors (Pictures # 6,7,19,22,23,25,26)

- ECS observed multiple curtain wall windows and fixed windows lacking the proper perimeter sealant as required by ASTM Standards.
- ECS observed several perimeter seals at window assemblies to be cracked, cut, punctured, or otherwise deteriorated.
- ECS observed no signs of a waterproofing system installed at window sills, increasing the risk of moisture intrusion at these locations.
- ECS observed deteriorated or inconsistent sealant at the interface where sliding doors meet fixed window panels, allowing water infiltration at the perimeter.
- ECS observed multiple window weep tubes that were either not properly sloped or were partially obstructed with thin-set material, restricting proper drainage through the weep system.

2. Balconies and Railing Systems (Pictures # 12,15,16,17,20,21,24,31,32)

- ECS observed a horizontal crack in the stucco system extending across the third-floor balcony from corner to corner of the building. Based on the location and orientation of the crack, ECS believes this condition is due to moisture intrusion beneath the ceramic tile surface and inadequate slope at the balcony.
- ECS observed the second-level balcony with no visible signs of waterproofing membrane installation prior to tile application. The exposed concrete slab was unsealed.
- ECS observed the third-level balcony with damaged waterproofing membrane in areas where tile had been previously removed.
- ECS observed multiple balcony railing system accessories not properly secured to the exterior walls. fasteners penetrations were left unsealed in the stucco. creating a clear path for water intrusion.

3. Wall Penetrations and Stucco (Pictures # 33,34)

- ECS observed numerous wall penetrations, including vents and electrical boxes, with no visible sealant around the perimeters, potentially allowing water intrusion.
- ECS observed the previously noted horizontal stucco crack at the third-level balcony to be consistent with possible water-induced damage and thermal movement.

4. Planters and Waterproofing Systems (Pictures # 3,4,5)

- ECS observed that the waterproofing system at the planter located at the front elevation appeared insufficient, with indications that an inadequate amount of membrane was applied.
- ECS observed drainage components at the planter to be improperly installed. Additionally, no termination bar or sealant was observed at the drain mat termination.
- ECS observed an active leak below the planter during the site visit, affecting both the interior of the double garage and the exterior canopy area.

5. Roofing System (Pictures # 1,2,9,10,11,13,14)

The roofing system consists of multiple levels utilizing an asphalt-based membrane system. ECS accessed all roof levels during the site visit. Specific roofing observations are as follows:

- ECS observed no evidence of ponding or pooling water at the time of the evaluation.
- ECS observed damaged membrane in several locations on the lower roof (third floor), exposing areas potentially vulnerable to water intrusion.
- ECS observed flashing materials installed in isolated areas; however, flashing was not continuous along the entire perimeter of the roof, which may compromise long-term performance.
- ECS observed membrane damage requiring remediation at both the third-floor roof and the uppermost roof level.
- ECS observed membrane patches at multiple locations that appeared to be improperly installed or poorly bonded.
- ECS noted that several membrane patches created an unfavorable slope, impeding proper drainage and potentially contributing to future water accumulation.

5.0 CONCLUSION:

Based on the forensic observation conducted by ECS in accordance with industry best practices and applicable ASTM standards (**ASTM E2128, ASTM D7053, ASTM C926, ASTM C920**), multiple deficiencies and confirmed instances of moisture intrusion were identified at the abovementioned property.

- **Active Water Intrusion:** An active leak was observed beneath the front planter, resulting in moisture damage to the interior of the double garage and the exterior canopy.
- **Window and Door Assemblies:** ECS observed missing or deteriorated perimeter sealant at curtain wall and fixed windows. Sliding door transitions lacked adequate sealant, and no waterproofing was observed at window sills this conditions are inconsistent with typical ASTM-referenced installation practices.
- **Drainage and Weep Systems:** ECS observed several weep tubes to be obstructed or improperly sloped, restricting effective drainage.
- **Balcony Waterproofing Deficiencies:**
 - The second-level balcony lacked waterproofing beneath the tile installation.
 - The third-level balcony had visible membrane damage and a horizontal stucco crack linked to moisture exposure and inadequate slope.
 - Railing penetrations were unsealed, exposing the wall system to potential water entry.
- **Exterior Penetrations:** Vents and electrical boxes lacked perimeter sealant, contrary to standard moisture control detailing.
- **Planter Waterproofing:** The planter waterproofing was insufficient, with poor drainage detailing and missing terminations, directly linked to interior water damage.
- **Roofing System:** Damaged membrane areas were observed on multiple levels. Flashing was incomplete, and membrane patches altered drainage slope, increasing the risk of water retention and further deterioration.

6.0 RECOMENDATIONS

Based on the conditions observed during the site visit, ECS recommends the following corrective actions to address the identified deficiencies and mitigate ongoing moisture intrusion:

1. **Repair and Reseal Windows and Doors:**

- Install or replace perimeter sealant at all window and sliding door assemblies.
- Ensure joints are properly cleaned, backer rod is installed where applicable, and sealant is adequately tooled.

- Apply a continuous waterproofing membrane at window sills, as waterproofing was found to be nonexistent
- Perform water resistance test on window assemblies following the completion of corrective actions to verify watertightness

2. Restore Balcony Waterproofing Systems:

- Remove and reinstall balcony finishes as needed to allow for proper waterproofing installation with adequate slope and drainage.
- Ensure railing penetrations are sealed to prevent water intrusion.

3. Repair Stucco and Address Cracks:

- Address horizontal stucco cracking at the third-floor balcony and restore integrity of the wall cladding system.

4. Reconstruct Planter Waterproofing:

- Remove and reinstall the planter waterproofing system to include complete membrane coverage, properly functioning drainage, and appropriate terminations.

5. Repair Roof Membrane and Flashing:

- Replace all damaged areas of the membrane.
- Install continuous perimeter flashing.
- Correct membrane patching that interferes with proper drainage slope.

6. Seal Exterior Wall Penetrations:

- Apply sealant around all exterior wall penetrations including vents and electrical boxes to prevent moisture entry.

7. Monitor for Recurrent Leaks:

- After repairs are completed, monitor previously affected areas for signs of recurring leaks and address promptly if observed.

Appendix I: Photos



1 - Hole observed at the roof membrane to be detailed.



2 - Roof membrane was marked for remediation.



3 - Drain body without proper level.



4 - No termination bar or detailing observed for the waterproofing system at planter.



5 - Inconsistent waterproofing membrane applied.



6 - Window assembly observed without proper sealant.



7 - Gap at windows assembly, to be properly detailed.



8 - Active leak observed during visit.



9 - Roofing membrane to be repaired.



10 - Roofing level pending remediation and stucco application.



11 - Not signs of proper flashing at roofing membrane.



12 - Railing system observed missing screws.



13 - Improper slope at roof. restraining the water flow.



14 - Membrane repair not properly adhered to substrate.



15 - Level 3 Balcony - Damaged waterproofing membrane.



16 - Waterproofing system not properly adhered to the substrate.



17 - Sealant gap between window frame and substrate.



18 - Roofing membrane repair loose.



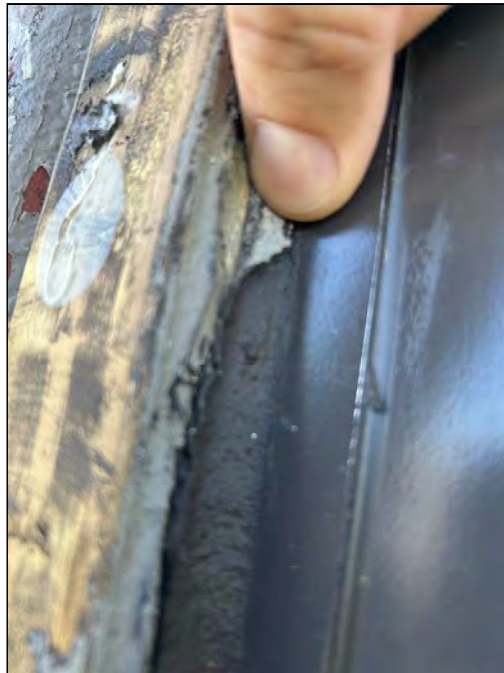
19 - Windows observed missing backer rod and sealant installation.



20 - Waterproofing system not adhered to substrate.



21 - Multiple layer of waterproofing material without clear indication of compatibility.



22 - Window sealant deteriorated.



23 - Inconsistent application of sealant at window perimeters



24 - Missing fastening screws, exterior wall system unsealed.



25 - Sealant bead with visible voids and holes.



26 - Screws were installed directly through sealant joints.



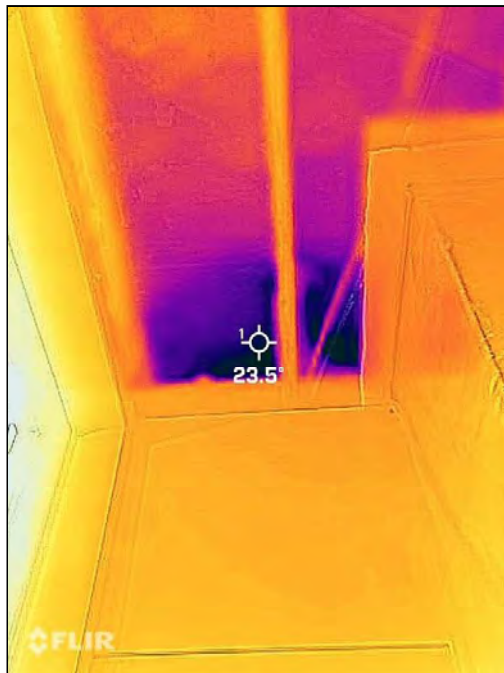
27 - Observed hole along sealant joint.



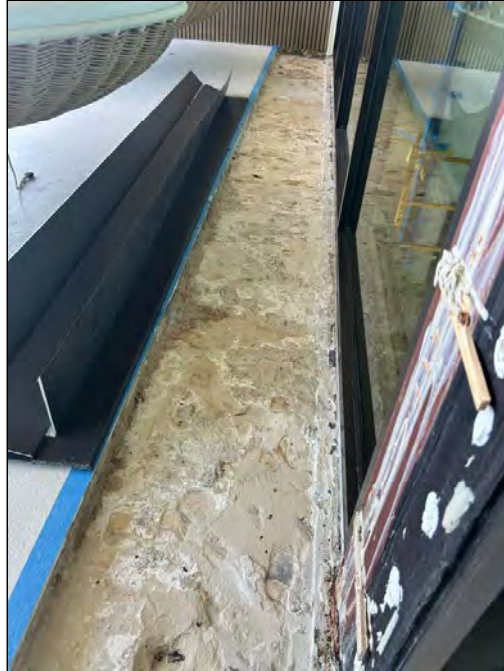
28 - Active leak location observed.



29 - General site view.



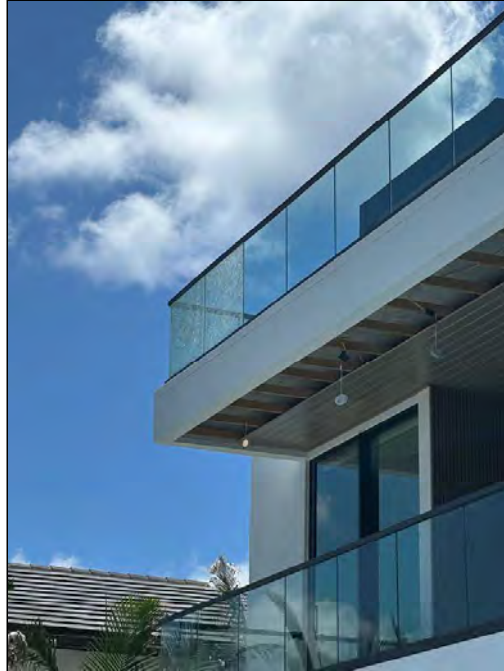
30 - Thermal Imaging – Moisture Intrusion at Ceiling Assembly



31 - 2nd floor balcony observed with no signs of waterproofing membrane prior tile installation.



32 - Tile installed over concrete without waterproofing membrane,



33 - Stucco crack observed at 3rd floor balcony.



34 - Vent observed without sealant installed.

EXHIBIT “E”

561 Golden Harbor Dr.

Boca Raton, Florida 33432

Property Evaluation Report



7171 SW 62nd Avenue
Miami, Florida 33143
305.669.2700

November 20, 2025

Project No: 25-186

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PART 1

SECTION I - INTRODUCTION

1. SCOPE OF WORK

Berger Singerman LLP, commissioned Pistorino & Alam Consulting Engineers, Inc. (P&A) to conduct engineering inspections and prepare a report relating to the general condition of the single-family residential house located at 561 Golden Harbor Drive, Boca Raton, FL 33432 (Client). This report addresses Architectural, Structural, Electrical, Mechanical, Fire Protection, and Life Safety components of the building with respect to Construction/Permit plans, building code, industry standards, construction quality, and maintenance.

2. INSPECTION PROCEDURES

The investigations have been performed in accordance with the guidelines established in ASTM E2713 (Standard Guide to Forensic Engineering) and ASTM E2018 (Standard Guide to Property Condition Assessments). The report is based on qualitative and quantitative analysis performed by P&A.

The inspections conducted by Pistorino & Alam Consulting Engineers, Inc. between August and October, 2025, were based on a visual examination of the property and its facilities, documents, photographs, reports and videos prepared by others

The inspection was limited to visual observations of accessible areas. The mitigation was in progress during our field visit. Exposed building elements were inspected for signs of distress including cracking, spalling, corrosion, stains, water leakage, code violations, defective or incomplete construction work.

This investigation does not include the in-depth analysis of the contract documents originally used for the construction, or the evaluation of the structural capacities, or the analysis of the mechanical/electrical performance of the building's components.

3. DATA & STANDARDS

A set of drawings provided by the Client and the City of Boca Raton used as reference for the inspections and report are labeled Permit Set dated 3/30/2023 and were digitally signed and sealed by the Professional Engineer (PE) on 03/28/2023. According to these set of drawings, the following Architect and Consulting Engineers prepared the plans for the project:

- **Owner:**
Scott Kerner
561 Golden Harbour Drive
Boca Raton, Florida 33432
- **Architect:**
PSYARQ Design Studio
Chris R. Beale, P.E. 3-28-23
- **Electrical Engineer:**
Pear Engineering
Daniel Riveros of (dated 03-16-3-Rev.2)
- **Mechanical Engineer:**
Clay Cube Inc.
Chris R. Beale, P.E. 7/30/2024
- **Plumbing Engineer:**
Pear Engineering and Clay Cube Inc. with latest revision dated 3/16/2023 and signed and sealed by Daniel Riveros, P.E. and Chris R. Beale, P.E., respectively.
 - Pool/Spa Drawings prepared by Craft Master Custom Pools, signed and sealed by Murat Kizikli, P.E., dated 2-13-2024.
 - Gas Drawings prepared by Clay Cube Inc. dated 12/1/2022 (not signed and sealed)
- **Structural Engineer:**
PSYARQ Design Studio
Chris R. Beale, P.E. 10-20-22
- **Special Inspector:**
Renato O. Silva, P.E. 07-11-22
- **Soil Report:**
Specialty Engineering Consultants, Inc.
D. Mark Leblanc, P.E. 09-01-22

According to the Master Permit (Application Number 22_00008281) documents issued by the City of Boca Raton, the Contractor (permit holder) is identified as:

- **Structural Contractor (permit holder):**
Bealcon Construction
Chris Beale CGC1526205; 701 Appleby St, Boca Raton, FL 33482

- **Electrical Contractor (permit holder):**
AC Electric Inc
Anthony Colandrea EC13008240; 7491 N Federal Hwy, Boca Raton, FL 33487
- **GAS Contractor (permit holder):**
Principle Plumbing Service
Jeffery Porcella CFC1430887; 1767 Lakewood Ranch Blvd, Bradenton, FL 34219
- **Irrigation Contractor (permit holder):**
LBE Sprinklers LLC
Lester Clark U-21470; 2501 NW 9th St, Pompano Beach, FL 33068
- **HVAC Contractor (permit holder):**
Cooling Resources
Humbert Janmatman Orjuel CFC1820194; 8151 SW 4th PL, North Lauderdale, FL 33068
- **Plumbing Contractor (permit holder):**
Principle Plumbing Service
Jeffery Porcella CFC1430887; 1767 Lakewood Ranch Blvd, Bradenton, FL 34219
- **Roofing Contractor (permit holder):**
Tim Graboski Roofing, Inc
Timothy Graboski CCC046936; 1071 SW 30th Ave, Deerfield Beach, FL 33442
- **Windows, Doors & Shutters Contractor:**
Chane Socarras, PLLC
327 Plaza Real Suite 217, Boca Raton, FL 33432

4. APPLICABLE CODES AND STANDARDS:

- Florida Building Code (FBC), 2020
- Florida Building Code (FBC), 2020 (7th Edition) Building + Amendments
- Florida Fire Prevention Code (FFPC 7th Edition)
- National Electrical Code (NEC) 2017
- N.F.P.A 101 -2021 ED.
- A.S.C.E. 7-22

5. SUFFICIENCY:

This report is based primarily on the visual observations of the exposed building elements. Nothing in this report shall be construed directly or indirectly as a guarantee of any portion of the structure. To the best of our knowledge and our ability, this report represents an accurate appraisal of the present condition of the building, based on observed exposed conditions, to the extent reasonably possible. We reserve the right to amend or supplement this report.

Submitted by,
Pistorino & Alam Consulting Engineers, Inc.



Henry O. Castro, R.A.
 Architecture
 FL Reg. AR 93412

*This item has been digitally signed and sealed by Henry O. Castro on the date adjacent to the seal.
 Signature must be verified on any electronic copies.*



John C.L. Pistorino, P.E.
 HVAC/Plumbing/ Fire Protection
 Fl. Reg. 88571

*This item has been digitally signed and sealed by John C.L. Pistorino on the date adjacent to the seal.
 Signature must be verified on any electronic copies.*



Ashar Anwaar, P.E.
 Structural
 FL Reg. 71892

*This item has been digitally signed and sealed by Ashar Anwaar on the date adjacent to the seal.
 Signature must be verified on any electronic copies.*



Vincent Sancho, P.E.
 Electrical
 Fl. Reg. 64752

*This item has been digitally signed and sealed by Vincent Sancho on the date adjacent to the seal.
 Signature must be verified on any electronic copies.*

SECTION II - PROJECT DATA

PROJECT LOCATION:

Single family residence is located at 561 Golden Harbor Drive, Boca Raton, FL 33432. The property is bound by Lake Wyman to the North, Golden Harbor Drive to the South, and adjacent developed land to the East and West.

PROJECT DESCRIPTION:

Single Family Residence is composed of a 3-story tall building. The residence consists of three floor levels. The entrance gate to the residential house is at the south side at the ground floor, and the main point access of the house is into the entry foyer area through the French door. The ground floor includes two parking garages, a fitness room, entry foyer, elevator, double height living room, kitchen, pantry, dining room, guest bedroom with an attached bathroom, laundry room, and various exterior spaces such as towards the north side on the ground level, there is an outdoor living and dining area with a grill, pool, and spa. The west side features landscaping, pool equipment, and a generator; the east side includes additional landscaping; and the south side has entrance gates, pavers and a fish pond. The second floor contains three guest bedrooms, each with an attached bathroom and closet, as well as an elevator, laundry room, hallway, balcony, and a master bedroom suite with separate his and her closets and bathrooms. At the southwest corner there is an office surrounded by planters. The third floor includes a wine room, elevator, bathroom, and an interior lounge area. Exterior areas on the third level feature terraces on the north and south sides, and on the east side are located a grill area surrounded by planters, rooftop units (RTUs), a portable sauna, and a cold plunge. The roof is covered with a granulated modified bitumen roofing system.

The structural system of the building is constructed by utilizing wood and concrete floor slabs supported on steel and reinforced concrete columns and beams. The exterior building shell is constructed of cast-in-place concrete and reinforced masonry blocks. The exterior building shell is infilled with aluminum framed, windows, and door assemblies. Masonry and concrete framed exterior walls are finished with painted stucco.

BUILDING CODE CLASSIFICATION:

According to the approved drawings issued by the City of Boca Raton, the applicable building code is the Florida Building Code, 2020 7th-Edition.

DATA REVIEWED:

Original building design drawings, reports prepared by other consultants and various other documents were made available to P&A by Berger Singerman LLC.

The following is a list of documents reviewed and the drawings that were utilized to form opinions noted in this report:

- Forensic Investigation Report by ECS Florida, LLC date 06-23-2025
- Pictures and Videos by ECS Florida, LLC for various dates
- P&A project file
- In addition to documents referenced above, P&A relied upon various other publications and standards referenced in the report.

Section I: Architectural

PART 2

Section-I Architectural

This section covers the issues observed in the residential property located at 561 Golden Harbor Drive, Boca Raton, Florida 33432. The property is composed of a 4-story tall single family residential house.

1.1 Aluminum Glazing System Framing

Observation: The aluminum framing of the glazing system were observed with significant signs of pitting and damage. The aluminum frames were observed to be prematurely pitting and deteriorating where the glazing systems are in contact with dissimilar materials like the tiles finishes/ mortar system at the exterior balconies. Additionally, at many locations the weep holes provided at the bottom track of frames were blocked by inadequately installed tile and mortar system. Also, at many locations missing sealant was observed below the sliding glass doors and windows and water intrusion was reported to be occurring below the sliding glass doors into the interior of the residence (Please refer to article 2.6 for locations of water intrusion and article-2.8 for photos of missing sealants below glazing system).

Location: Deficiencies were observed at outdoor living area on ground/first level. At the second level balcony and terrace at the third level, At some portions, the tiles were already removed due to ongoing repair work but it is evident that the tiles and mortar bed system were in direct contact with the glazing system..

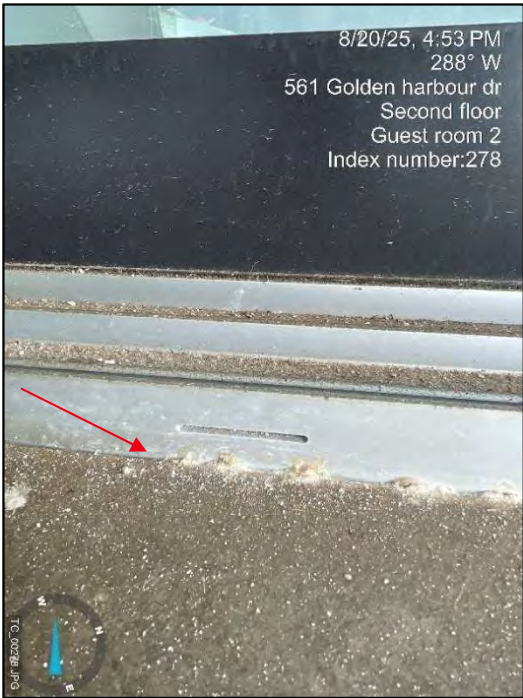


Photo 278: Signs of galvanic reaction and pitting at location of contact with tile/mortar system at the ground floor outdoor living area adjacent to the dining room.

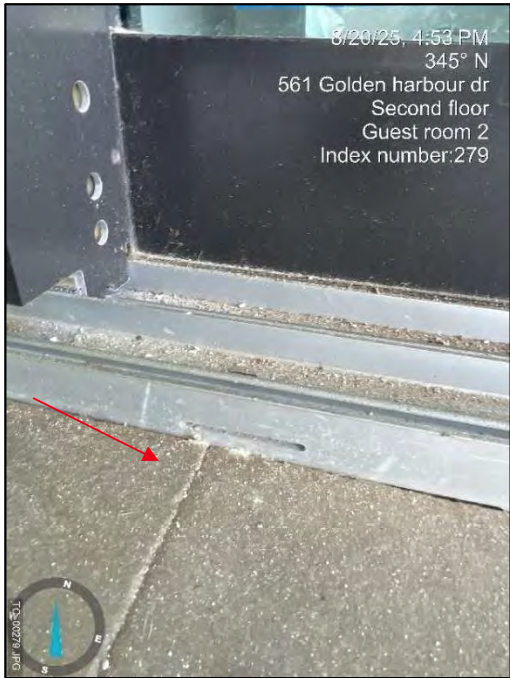


Photo 279: Signs of galvanic reaction and pitting at the location of contact with tile finishes/mortar system at the ground floor outdoor living area adjacent to the dining room.



Photo 280: Signs of galvanic reaction and pitting at contact with tile finishes/mortar system at the ground floor outdoor living area adjacent to the dining room.



Photo 134: Mortar bed in contact with sliding glass door frame at the second-floor balcony area adjacent to the guest bedroom #1.



Photo 138: Mortar bed in contact with fixed glass door frame at the second-floor balcony area adjacent to the living room.

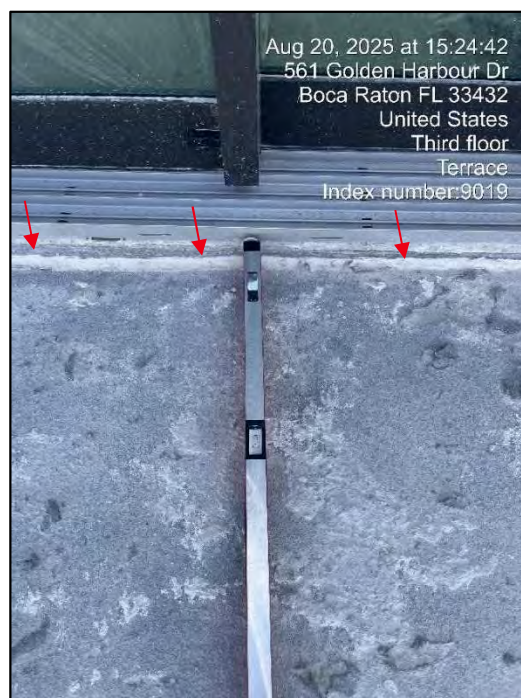


Photo 9019: Mortar bed in contact with sliding glass door frame at the third-floor terrace area adjacent to the sky lounge.



Photo 272: Tile covering the weep holes at aluminum glazing frame and in contact with sliding glass door frame at the first floor.



Photo 48: Stains on the aluminum frame show the level of tile and mortar bed prior to removal of tiles. It is evident that the weep holes were blocked by tile and mortar system at the third-floor terrace.

Criteria: The existing conditions are not in compliance with FBC, the applicable Notice of Acceptance (NOA), approved and permitted Shop Drawings, and acceptable industry standards requiring project building components be finished as intended by the Design Professional.

A. Based on sliding glass door NOA 33565.1 dated February 22, 2020, by Al-Farooq Corporation (signed and sealed by Jalal Farooq, P.E.) and approved by EOR on 1-20-2022 under permit application number 22_00008281 the following notes are to be followed:

1. Materials including but not limited to steel/metal screws that come into contact with other dissimilar materials shall meet the requirements of the 2017/2020 Florida Building Code & adopted standards.

B. Additionally, based on sliding exterior doors NOA by ES Windows (signed and sealed by Yiping Wang, P.E. on 10-10-2021) and approved by EOR on 1-03-2023 under permit application number 22_00008281 the following notes are to be followed:

1. Materials including but not limited to steel/metal screws that come into contact with other dissimilar materials shall meet the requirements of the Florida Building code 6th edition (2017) / 7th edition (2020) section as applicable.

C. Also considering sealants with backer rods are specified to be provided at sills and headers of the glazing systems in the approved NOA's, the existing conditions are not in compliance with the NOA's and the following section of FBC:

1. ***FBC Section [A] 107.4 Amended construction documents. Work shall be installed in accordance with the approved construction documents, and any changes made during the construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.***

Recommendations: Repair or replace with new, all damaged aluminum frames for the sliding glass doors, and wall assemblies and provide appropriate protection against corrosive elements.

1.2 Damaged, Missing or Deficient Perimeter Sealant

- a. **Observation:** Damaged, cracked, and debonding sealants were observed at many locations. Additionally, at some locations of penetrations sealants were missing. Examples of the above noted conditions include but are not limited to damaged sealants at the perimeter of the fixed glass windows of staircase landing at level #1, cracked and missing sealants at the glazing system, and vents etc. The existing condition is conducive to water intrusion. The FBC and applicable NOA prohibits this condition.

Location: Storefront/fixed glass windows of staircase landing.

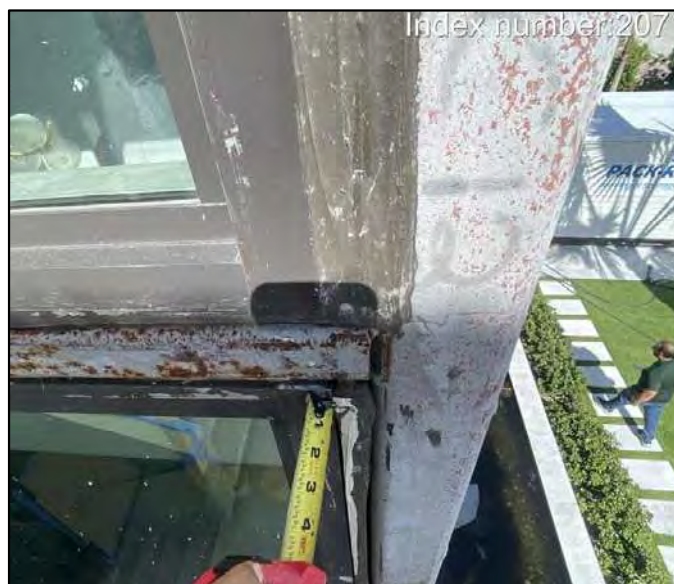
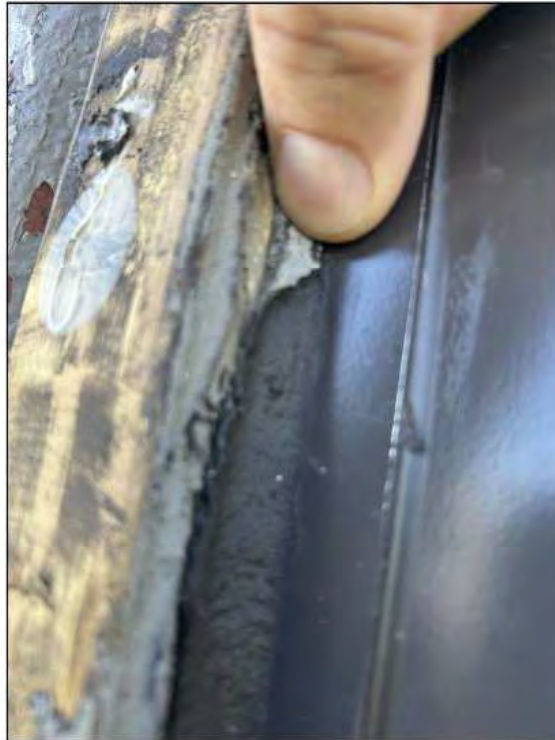


Photo 207: General view of missing sealant at of storefront/fixed glass window at the staircase landing (exterior).



Photo 202 –Missing Sealants at staircase landing at the second floor.



ECS Photo 22: General view of damaged sealant at window (exterior).



ECS Photo 23: General view of damaged sealant at window (exterior).

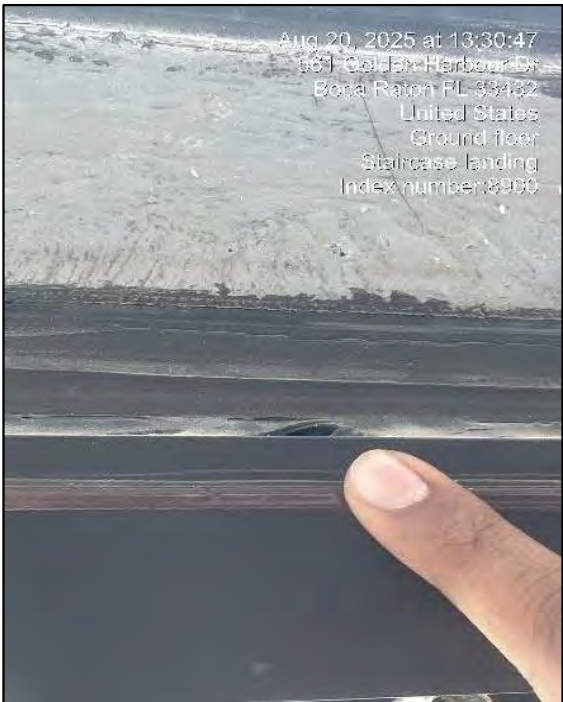


Photo 8900: General view of debonding sealant at of storefront/fixed glass window at the staircase landing (interior).

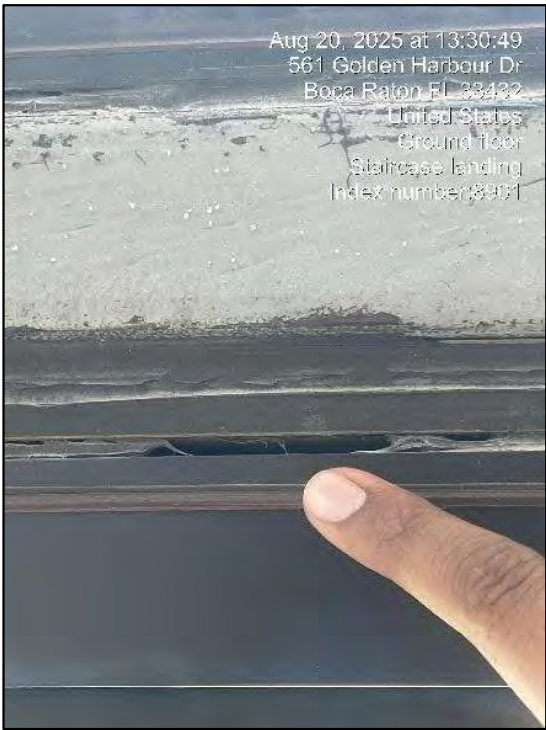


Photo 8901: General view of debonding sealant at of storefront/fixed glass window at the staircase landing (interior).

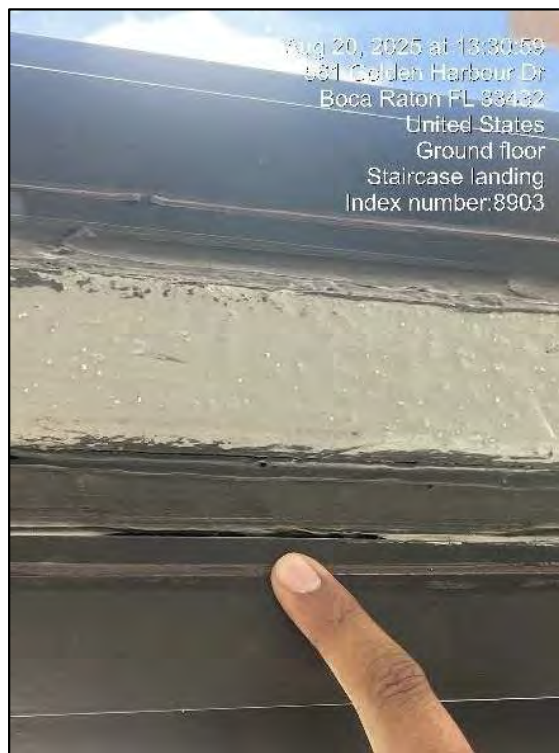


Photo 8903: General view of debonding sealant at of storefront/fixed glass window at the staircase landing (interior).

Criteria: The existing conditions are not in compliance with FBC, the applicable Notice of Acceptance (NOA) and acceptable industry standards requiring project building components to perform as intended.,

FBC Section [A] 107.4 Amended construction documents. Work shall be installed in accordance with the ***approved construction documents***, and any changes made during the construction that are not in compliance with the ***approved construction documents*** shall be resubmitted for approval as an amended set of construction documents.

Recommendation: Remove and replace with new all existing unbonded and damaged sealants with new.

1.3 Deficient Slope and Inadequately Installed Waterproofing System

- a. **Observation:** Inadequate slope (0%) was identified at many locations with the use of a level in the balcony, walkways and terrace areas. The FBC and the permit/record set of drawings prohibit the existing conditions. The owner has also advised of water ponding and water intrusion inside the house. During the demolition of the balcony/terrace floor finishes water was observed to be

accumulated below the finishes adjacent to the glazing system. The existing conditions are a result of incorrect slope and inadequately installed or missing waterproofing system.

Location: First floor - Outdoor living area, exterior landscape on east and west areas, Second floor - balcony on north, west and south areas, Third floor – terrace on north and south areas.



Photo 9017: Third Floor Terrace – General view of the north terrace without any slope. Client has reported water intrusion from this area damaging the interior floor finishes.



Photo 5593 – Penetrations made in the slab at second-floor walkway (at the south side -front portion of the residence) in order to drain ponding water.

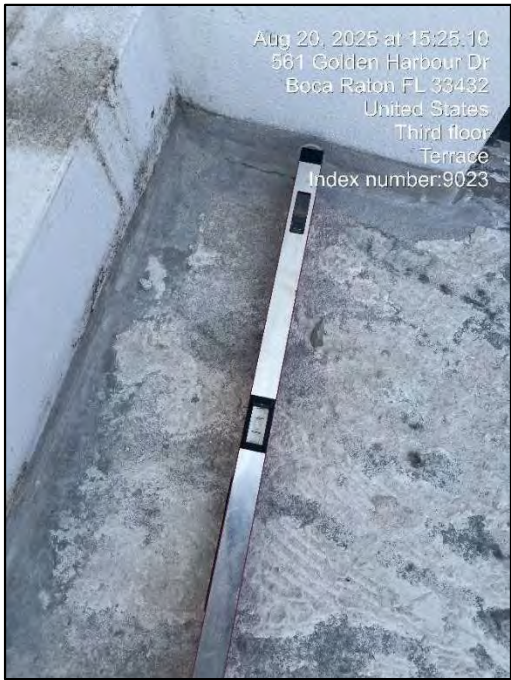


Photo 9023: *Third Floor Terrace – General view of the north terrace without any slope.*



Photo 31: *Third Floor Terrace – General view of the north terrace without any slope.*



Photo 35: *Third Floor Terrace – General view of the north terrace without any slope.*



Photo 45: *Third Floor Terrace – General view of the north terrace without any slope.*

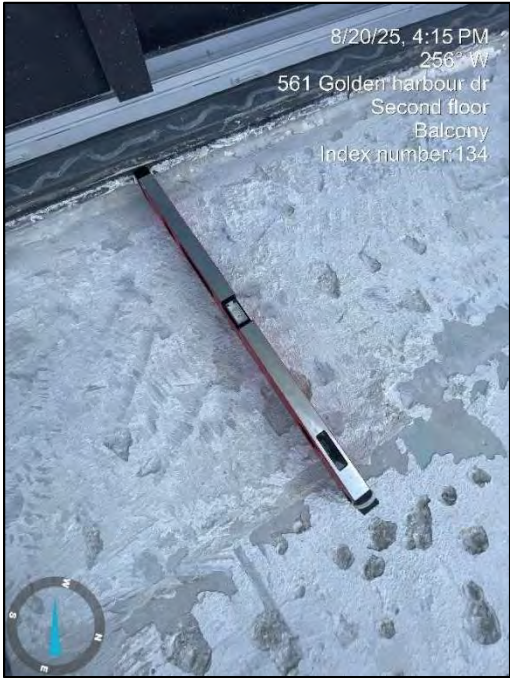


Photo 134: Second Floor Balcony – General view of the north balcony without any slope.



Photo 140: Second Floor Balcony – General view of the north balcony without any slope.

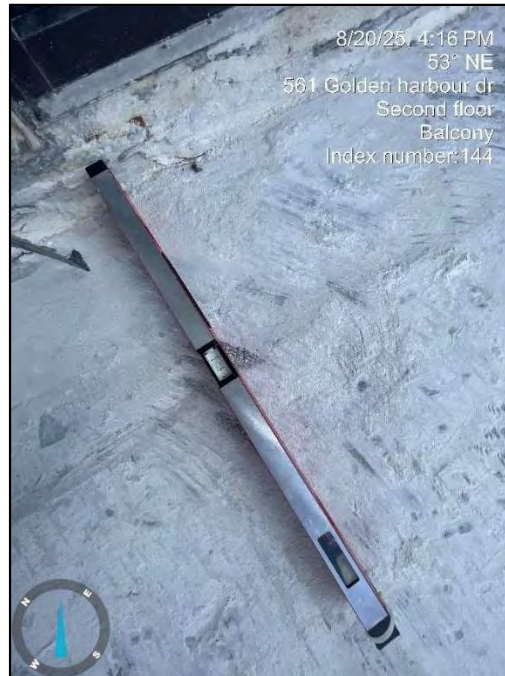


Photo 144: Second Floor Balcony – General view of the north balcony without any slope.

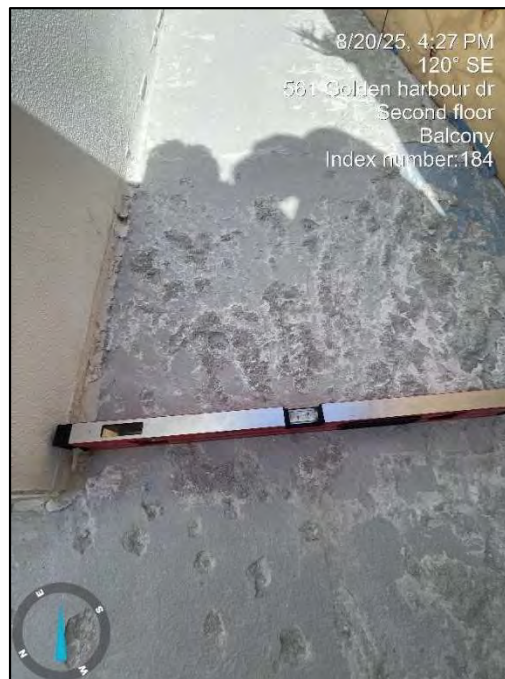


Photo 184: Second Floor Balcony – General view of the south balcony adjacent to the planter, near office, without any slope.



Photo 192: Second Floor Balcony –
*General view of the south balcony adjacent
to the office without any slope.*

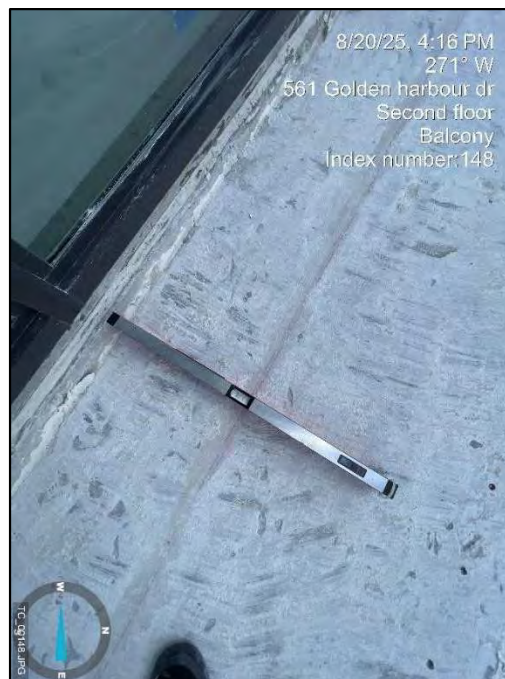


Photo 192: Second Floor Balcony –
*General view of the south balcony
adjacent to the office without any slope.*



Photo 163: Second Floor Balcony –
General view of the north balcony adjacent to the Her bathroom without any slope.

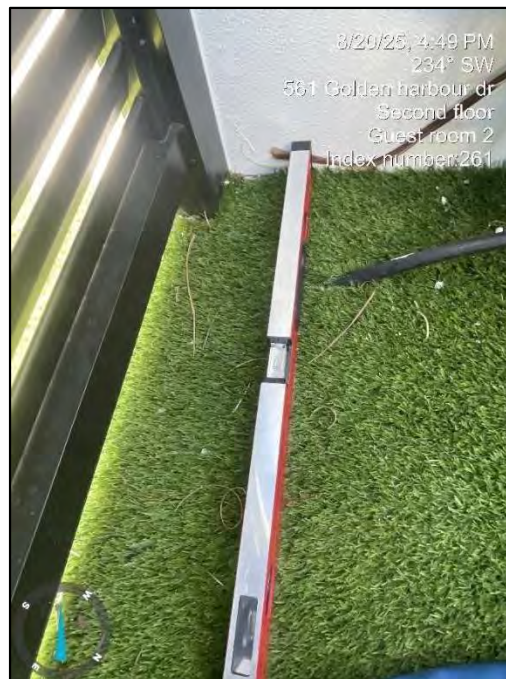


Photo 216: First Floor – General view of the
exterior landscape sloped towards to the house.



Photo 561 – 6.9.25 – Video #1 Still:
Second Floor Balcony – Showing water standing below floor finishes during demolition adjacent to window wall.



Photo 561 – 6.9.25 – Video #2 Still:
Second Floor Balcony – Showing water standing below floor finishes during demolition adjacent to window wall.

Criteria: The existing conditions are not in compliance with the permit/record set of drawings, FBC Chapter 15 and accepted industry standards.

FBC Section 1519.16 Waterproofing. *Waterproofing systems may be installed in lieu of an approved roof system over sloped or horizontal decks specifically*

designed for pedestrian and/or vehicular traffic whether deck is above occupied or unoccupied space. In new construction the minimum deck slope shall be $\frac{1}{4}$:12.

1515.2.1 Minimum slope. *All roofing assemblies must be installed in compliance with the slope requirements specified in the product control approval, in compliance with table 1515.2*

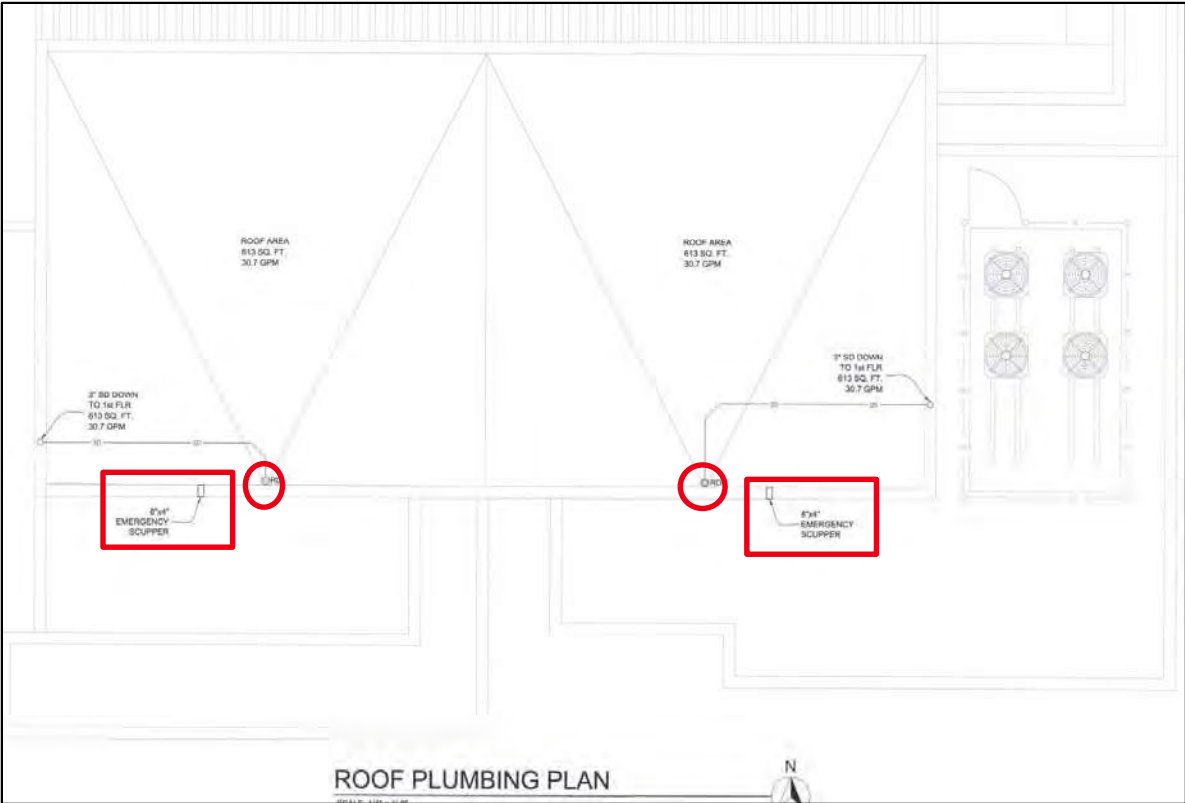
1515.2.2.1 *In new construction the minimum deck slope shall be not less than $\frac{1}{4}$:12.*

Recommendation: Provide slope and install waterproofing systems at floor slabs in compliance with the permit/record set of drawings and waterproofing manufacturer's recommendations. Professional of Record shall provide a protocol for remedial work.

1.4 Deficient Roofing Drains

Observation: Missing roof drain and missing emergency scuppers were observed on at various levels. Also, deficient installation of the drains on the fourth-floor roof deck was observed, which allows prolonged water ponding. The drain is installed on top of the waterproofing system and does not allow water to flow into the drain without causing water ponding. Additionally, inadequate slope was observed at the roof at some locations.

Location: Fourth floor roof drain



Roof Plumbing Plan – Showing roof drains and emergency scuppers.

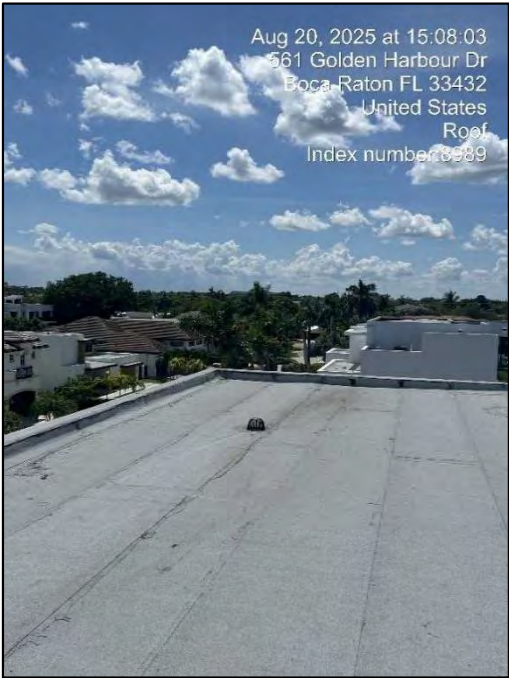


Photo 8989: *Fourth Floor Roof – General view of the Roof showing missing scupper and the incorrect position of the drain.*

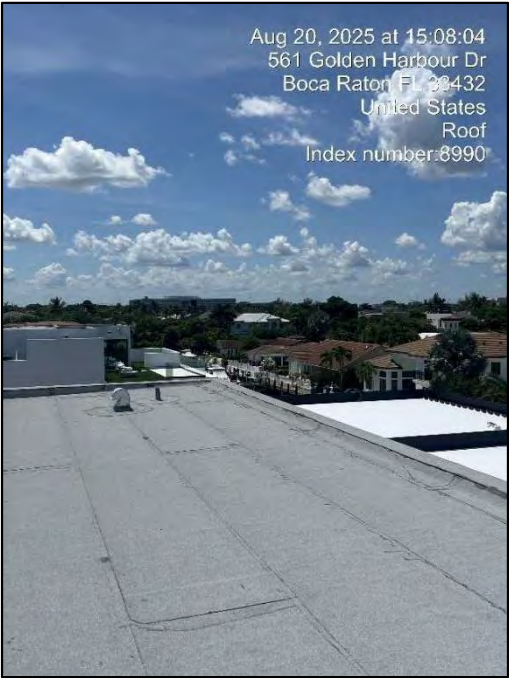
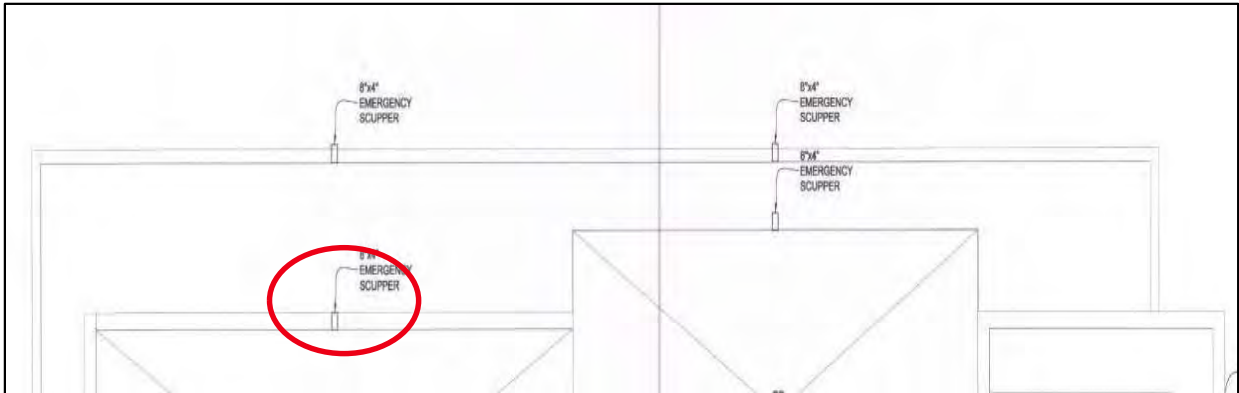


Photo 8990: Forth Floor Roof – General view of the Roof showing missing scupper and missing second drain.

Location: Third Floor Terraces



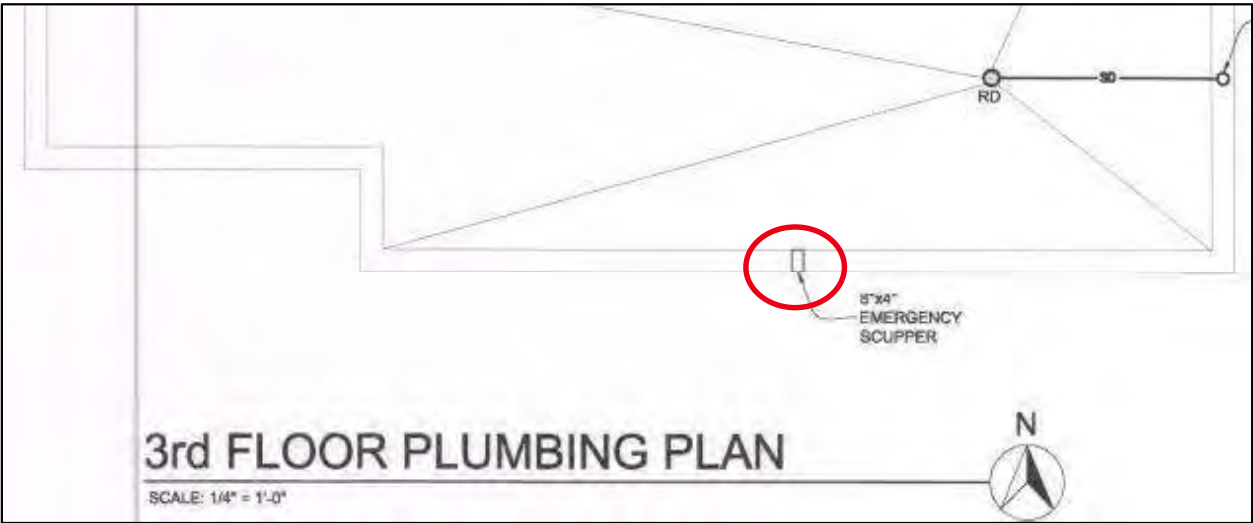
Third Floor Plumbing Plan Sheet P-03 – Showing emergency scuppers. However, no scuppers were found in the parapet wall/curb during the field visit. No curb was constructed at the far north terrace slab edge.



Photo 29: Emergency scupper not provided as per sheet P-03 at the curb on third-floor terrace.



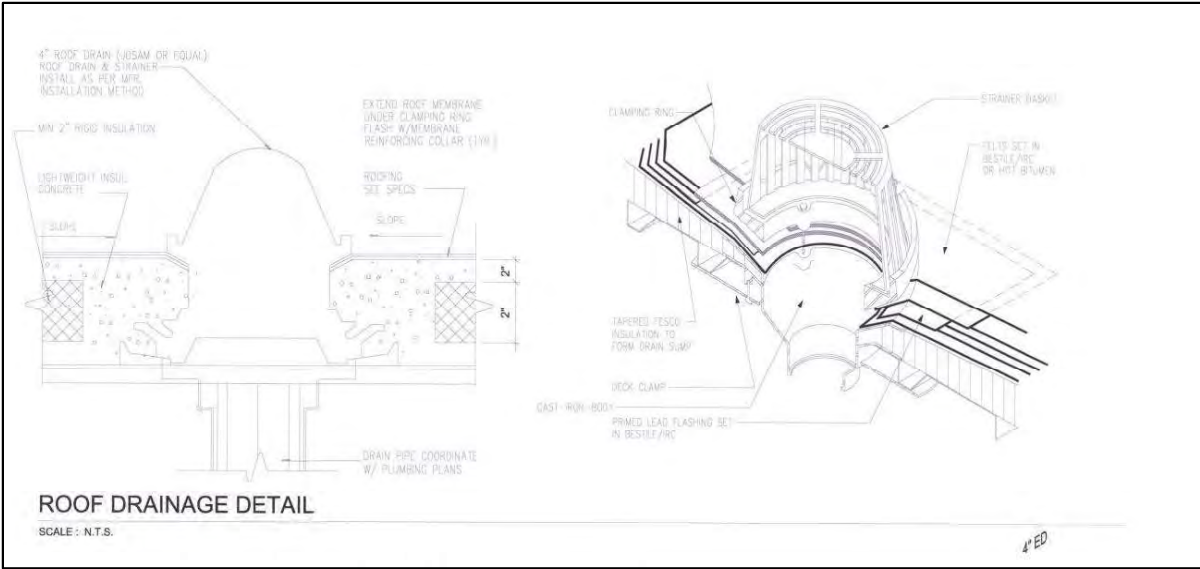
Photo 10: No curb was constructed at North terrace on third floor as specified on sheet P-03.



Third Floor Plumbing Plan Sheet P-03 – Showing emergency scupper. However, no scupper was observed in the curb during the field visit.



Photo 5638: *No scupper was provided at the curb of the South terrace at third floor.*



Roof Drain – Roof drain showing installation of drain.



Photo 9007: View of roof drain at 4th Floor. Note the drain is installed above the Roofing System.



Photo 9004: Measurement of 0 % slope on roof at 4th Floor.

Location: South-East Terrace at 3rd Floor.



Photo 76: The slope of the roof is away from the drain at South-East Terrace on the 3rd Floor.



Photo 82: The slope of the roof is away from the drain -East Terrace at 3rd Floor.

Criteria: The existing conditions are not in compliance with FBC Chapter 15, Permit documents, and acceptable industry standards.

FBC Section 107.4, Amended Construction Documents

Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.

Section 1502.1 Positive Roof Drainage. The drainage condition in which consideration has been made for all loading deflections of the roof deck, and additional slope has been provided to ensure drainage of the roof within 48 hours of precipitation.

Section 1503 Weather Protection

Section 1503.1 General. Roof decks shall be covered with approved roof coverings secured to the building or structure in accordance with the provisions of this chapter. Roof coverings shall be designed, installed and maintained in accordance with this code and the approved manufacturer's instructions such that the roof covering shall serve to protect the building or structure.

Section 1507.10.1 Slope. Built-up roofs shall have a design slope of a minimum of one-fourth unit vertical in 12 units horizontal (2-percent slope) for drainage, except for coal-tar built-up roofs that shall have a design slope of a minimum one-eighth unit vertical in 12 units horizontal (1-percent slope).

Recommendations: Provide a roofing system throughout the property that complies with the requirements of FBC, particularly with proper slope to prevent ponding water, ensuring that drains and scuppers are properly located and installed to allow required drainage. Professional of Record shall provide protocol for remedial work.

1.5 Deficient Roofing System

Observation: The roofing and waterproofing systems are inadequately installed as at many locations, peeling and unadhered waterproofing/roofing membranes were observed. At some locations inadequately installed flashing was visible. The existing conditions are compromising the integrity of the roofing and building systems.

Location: Main building roof.

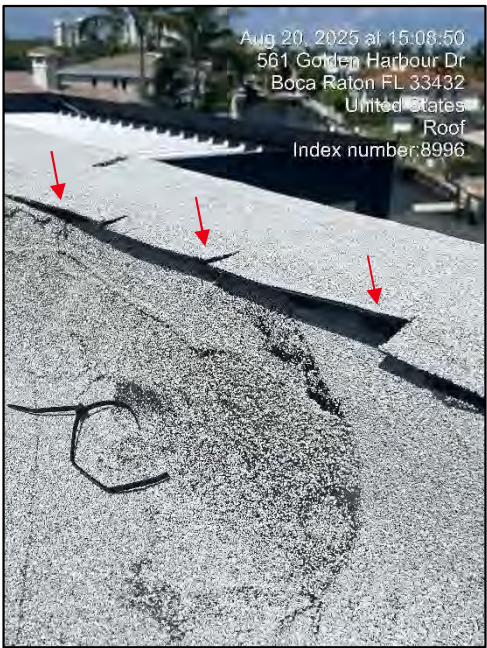


Photo 8996: View of loose roofing membrane.



Photo 8997: View of loose / debonded roofing membrane. at the roof curb.



ECS Photo 1: View of unadhered roofing membrane.

Location: Third floor terrace.

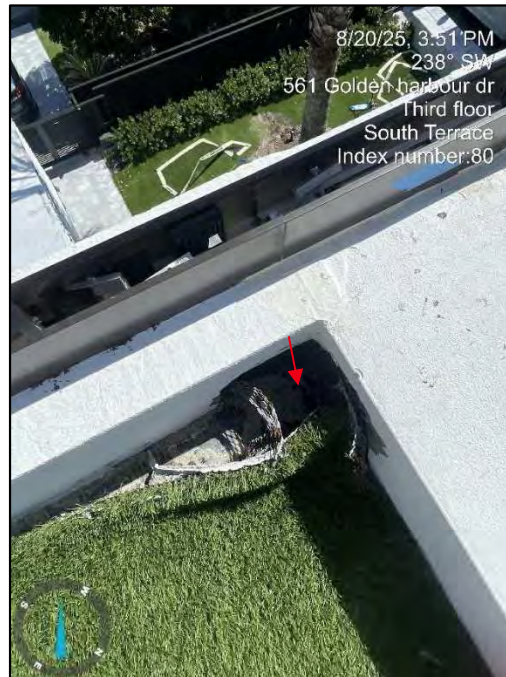


Photo 80: View of unfinished waterproofing flashing.

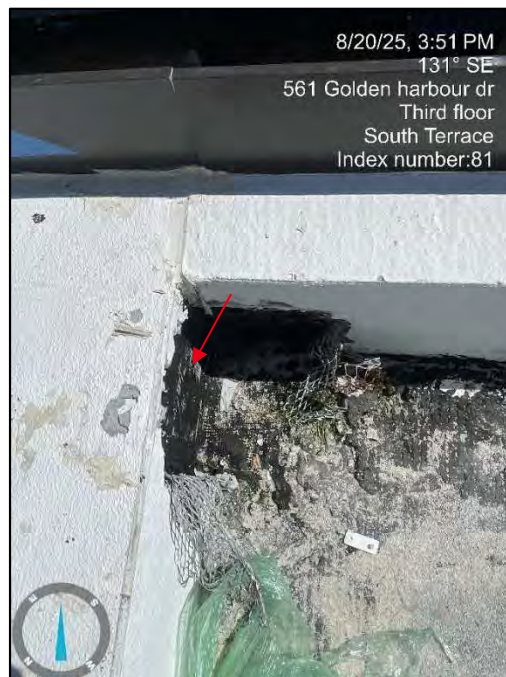


Photo 81: View of unevenly applied waterproofing as substrate is visible at some locations.

Criteria: The existing conditions are not in compliance with FBC Chapter 15, applicable NOAs, and acceptable industry standards.

Section 1503 Weather Protection

Section 1503.1 General. Roof decks shall be covered with approved roof coverings secured to the building or structure in accordance with the provisions of this chapter. Roof coverings shall be designed, installed and maintained in accordance with this code and the approved manufacturer's instructions such that the roof covering shall serve to protect the building or structure.

Section 1503.2 Flashing. Flashing shall be installed in such a manner so as to prevent moisture entering the wall and roof through joints in copings, through moisture-permeable materials and at intersections with parapet walls and other penetrations through the roof plane.

Recommendations: Repairs to all deficiencies identified above must be designed and performed to provide proper weather protection and flashing at roof areas that comply with the requirements of FBC and applicable NOAs and manufacturer recommendations. Professional of Record shall provide protocols for remedial work.

Section II: Structural

Section II – Structural

2.1 STUCCO CRACKS, VOIDS, AND DELAMINATION

Observation: Accessible areas at the finished stucco surfaces were randomly selected for percussion sound testing with the aid of a steel instrument. The hollow sound, characteristically associated with delaminated surfaces, was audible at the referenced locations. The existing condition is evidence that delamination of the stucco from the substrate has occurred. Cracks in the stucco were also observed at many locations on the walls throughout the building. The cracks and voids will allow moisture penetration and cause delamination and further deterioration of the finish and substrate materials. Typical sample areas found with this defect are listed below:

1. Second Level – Balcony wall,
2. Second Level - Parapet wall adjacent to glass railings,
3. Third Floor – Grill area walls



Photo 107 – Delaminated stucco at the exterior wall of the master bedroom at the second level.



Photo 89 – Stucco crack at parapet wall adjacent to South Terrace of glass railing at Level 3.



Photo 22 – Delaminated stucco at parapet wall adjacent to Grill area at Level 3.



Photo 23 – Stucco crack at parapet wall adjacent to Grill area at Level 3.



Photo 25 – Stucco cracks at wall adjacent to Grill area at Level 3.



Photo 21 – Delaminated Stucco at parapet adjacent to Grill area at Level 3.



Photo 6095 – Cracks in Stucco at exterior parapet wall at Level-3.

Criteria: The existing conditions are in violation of sections of the Florida Building Code (FBC) listed below. Additionally, the existing conditions are in violation of Industry Standards. The cracks/delamination can originate from inadequate curing process of the different applied layers that comprise the stucco and from inadequate application of stucco. The existing condition will also become a portal for moisture ingress permitting moisture accumulations between the back plane of stucco and the area between stucco and structural substrate.

The existing condition is in violation of the following codes and Standards.

FBC - Section 2510.3, Installation

Installation of these materials shall be in compliance with ASTM C 926 and ASTM C 1063.

ASTM C 926 Specification for Application of Portland Cement-Based Plaster.

ASTM C 1063 Specification for Installation of Lathing and Furring to Receive Interior and Exterior Portland Cement-Based Plaster.

FBC - Section 2510.7, Preparation of masonry and concrete Surfaces shall be clean, free from efflorescence, sufficiently damp and rough for proper bond. If the surface is insufficiently rough, approved bonding agents or a Portland cement dash bond coat mixed in proportions of not more than two parts volume of sand to one-part volume of Portland cement or plastic cement shall be applied. The dash bond coat shall be left undisturbed and shall be moist cured not less than 24 hours.

The Stucco Manufacturers Association provides guidelines with reference to the cracking of stucco in a publication titled “Stucco Crack Policy”. According to the Stucco Manufacturers Association.

“If a crack is visible from more than 10’ away or is a source of leaking, it should be patched.”

Recommendation: Cracks and voids in stucco at the exterior walls not only compromise the aesthetic presentation of the structure but will also compromise the water resistive barrier provided by the painted stucco. The cracks and voids will become a portal for moisture ingress permitting moisture accumulations between the back plane of the stucco and the structural substrate. The cracks, delamination, and voids in stucco must be repaired to provide a water resistive barrier to the structure.

All cracked and delaminated stucco areas must be removed and replaced with properly bonded stucco applied in strict conformance with FBC and stucco manufacturer’s recommendations. Top surface of the repaired areas must be finished and painted to match adjacent areas.

2.2 CRACKS IN CONCRETE SLABS, COLUMNS AND OTHER MEMBERS

Observation: Cracks are present at various locations in slabs and concrete members. Cracks are present at the ceiling at multiple locations on the second floor, and the floor slab of the third-floor terrace. Additionally, at one location opening has been made in

the concrete column which is not shown on the drawings. Typical sample areas found with this defect are listed below:

1. Pipe penetration at the column at Kitchen.
2. Crack at the beam at Staircase landing at 3rd Floor.
3. Crack at the floor slab at South Terrace at 3rd Floor.
4. Cracks at the overhead slab in Guest Bedroom 2 at 2nd Floor.
5. Multiple cracks at the concrete ceiling slab at the Southwest corner of the office at 2nd level.



Photo 8861 – Pipe penetration at the column at Kitchen, not shown on structural drawings.



Photo 8985 – Crack at the beam at Staircase landing – 3rd Floor.



Photo 77– Crack at the floor slab at South Terrace – 3rd Floor.

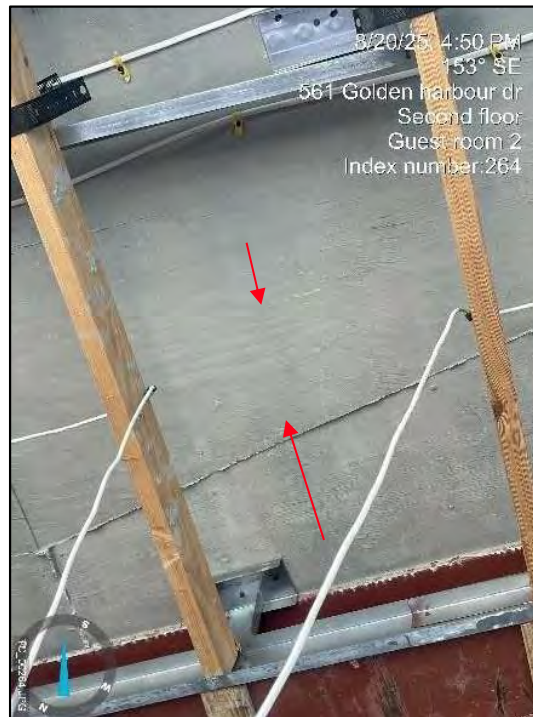


Photo 264– Crack at the overhead slab in Guest Bedroom 2 – 2nd Floor.

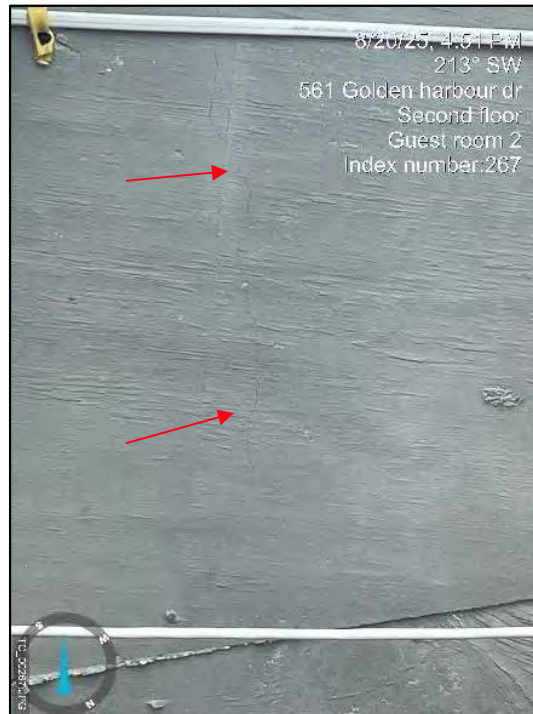


Photo 267– Crack at the overhead slab in Guest Bedroom 2 – 2nd Floor.

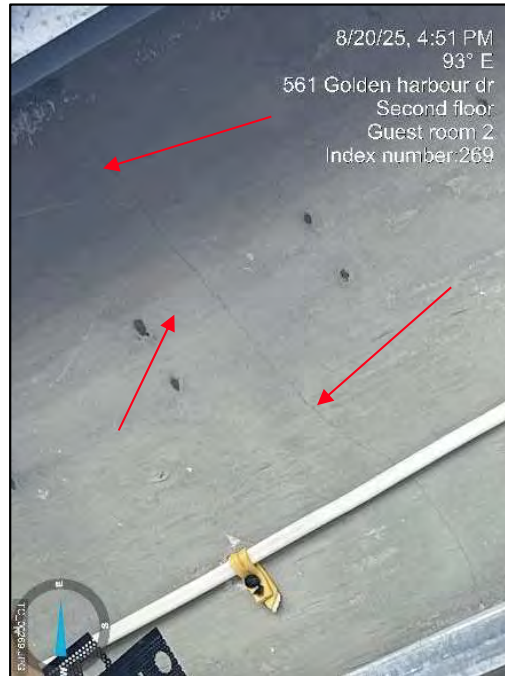


Photo 269– Crack at the overhead slab in Guest Bedroom 2 – 2nd Floor.



Photo 303 – Multiple cracks at the concrete ceiling slab at the Southwest corner of the office – 2nd level.



Photo 304 – Multiple cracks at the concrete ceiling slab at the Southwest corner of the office – 2nd level.



Photo 305– Multiple cracks at the concrete ceiling slab at the Southwest corner of the office – 2nd level.

Criteria: The existing conditions are in violation of Florida Building Code, 2020 7th Edition, and Permitted Drawings as existing cracks compromise the specified concrete

cover of the embedded reinforcement within the concrete member. Additionally, opening in the concrete column reduces the structural capacity of the column.

FBC Section 1901.2 Plain and reinforced concrete. *Structural concrete shall be designed and constructed in accordance with the requirements of this chapter and ACI 318...*

Drawing S-0.0, Structural Notes, Concrete Reinforcement

Reinforcing steel shall be free of rust, scale, and other deleterious matter. Reinforcing clear cover as follows:

Concrete placed directly in contact with ground:

All bar sizes3"

Face of concrete element exposed to weather or ground after form removal:

#5 bars or smaller.....1-1/2"

All other bar sizes.....2'

Face of concrete element not exposed to weather or ground

Slabs, cast in place walls3/4"

Beams and Columns1-1/2"

ACI 318-14, Section 20.6.1.3.1 *Nonprestressed cast-in-place concrete members shall have a specified concrete cover for reinforcement at least that given in Table 20.6.1.3.1.*

Table 20.6.1.3.1—Specified concrete cover for cast-in-place nonprestressed concrete members

Concrete exposure	Member	Reinforcement	Specified cover, in.
Cast against and permanently in contact with ground	All	All	3
Exposed to weather or in contact with ground	All	No. 6 through No. 18 bars	2
		No. 5 bar, W31 or D31 wire, and smaller	1-1/2
Not exposed to weather or in contact with ground	Slabs, joists, and walls	No. 14 and No. 18 bars	1-1/2
		No. 11 bar and smaller	3/4
	Beams, columns, pedestals, and tension ties	Primary reinforcement, stirrups, ties, spirals, and hoops	1-1/2

Existing cracks allow moisture penetration and will cause corrosion of the reinforcing steel rebars.

Continued moisture penetration into the reinforced concrete slab through these cracks will cause corrosion of the embedded reinforcing steel rebars resulting in spalling of the concrete and structural deterioration of the slab over time.

Recommendation: Structural cracks in reinforced concrete structures are typically repaired by utilizing epoxy pressure injection. Minor and non-structural cracks are repaired by utilizing elastomeric polyurethane sealants to prevent moisture intrusion into the concrete. The Structural Engineer of Record must be informed about the existing conditions and requested to verify adequacy of the structural design. The request for information must be submitted to the Engineer of Record (EOR) for verification of design capacity of the existing column considering the opening and a letter must be issued to the Home Owner confirming the adequacy of structure. Repairs to areas identified in this report must be designed and performed.

2.3 CONCRETE HONEYCOMBING / EXPOSED REINFORCEMENT/ VOIDS IN CONCRETE

Observation: At many locations, exposed rebar and honeycombed concrete were observed in the building. Exposed rebars and honeycombing of concrete have also permitted moisture intrusion with signs of corrosion and cracks in concrete. Typical sample areas found with this defect are listed below:

1. Exposed rebars are visible in the overhead beam in the southwest garage at first floor.
2. Honeycombing is visible at multiple locations in the overhead ceiling slab at the outdoor living area on the first floor.
3. Honeycombing is visible at the overhead ceiling slab at multiple locations adjacent to the main entrance area on the first floor.
4. Honeycombing is visible at the overhead ceiling of the master bedroom ceiling slab at 2nd floor.

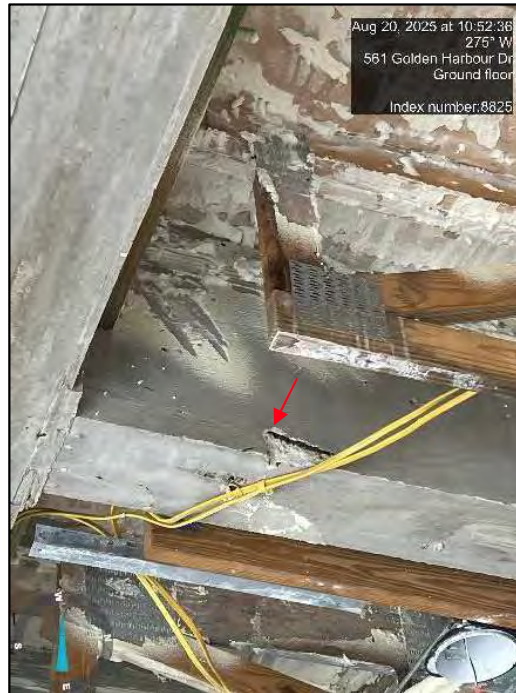
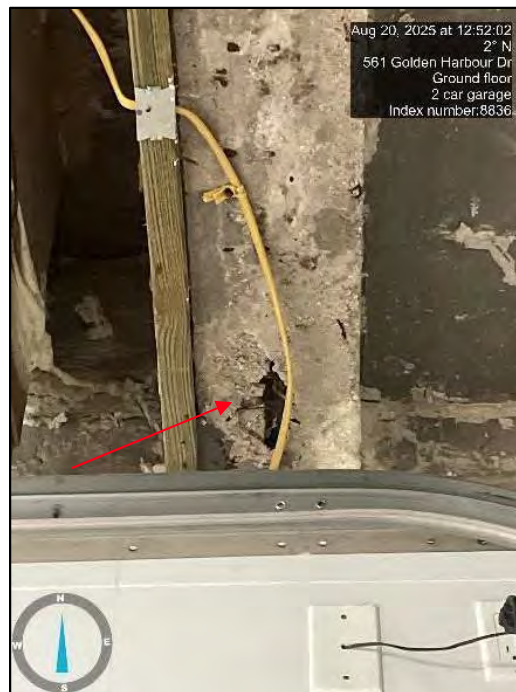


Photo 8825 – Exposed rebar at the overhead beam in the southwest garage at first floor.



Photograph No. 8836 – Exposed rebar at the overhead beam in the southwest garage at first floor. Owner reported active water leak from this location.



Photo 111 – Honeycombing at the overhead ceiling slab at the outdoor living area at the first floor.



Photo 113 – Honeycombing at the overhead ceiling slab at the outdoor living area at the first floor.



Photo 3099 – Honeycombing at the overhead ceiling slab at the main entrance adjacent to the garage area at the first floor.

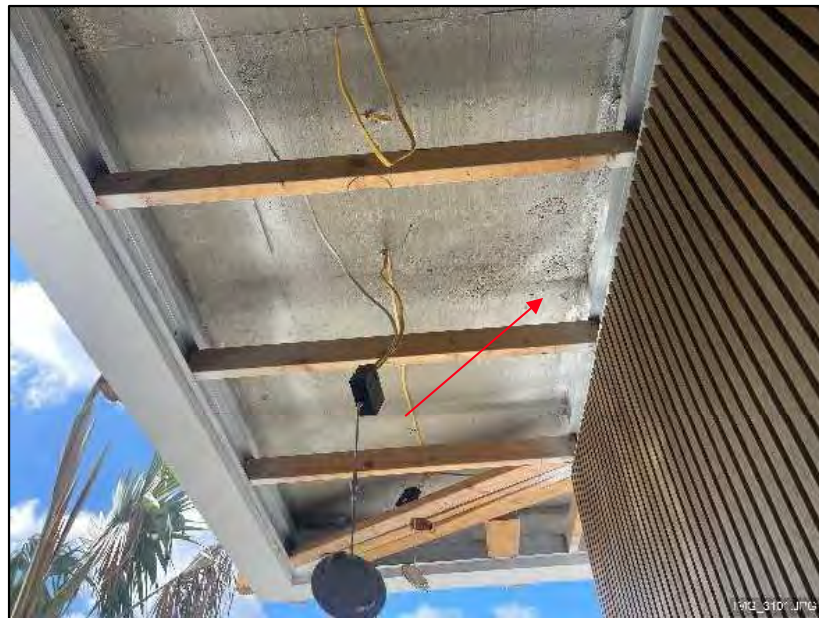


Photo 3101 – Honeycombing at the overhead ceiling slab at the main entrance adjacent to the garage area at the first floor.

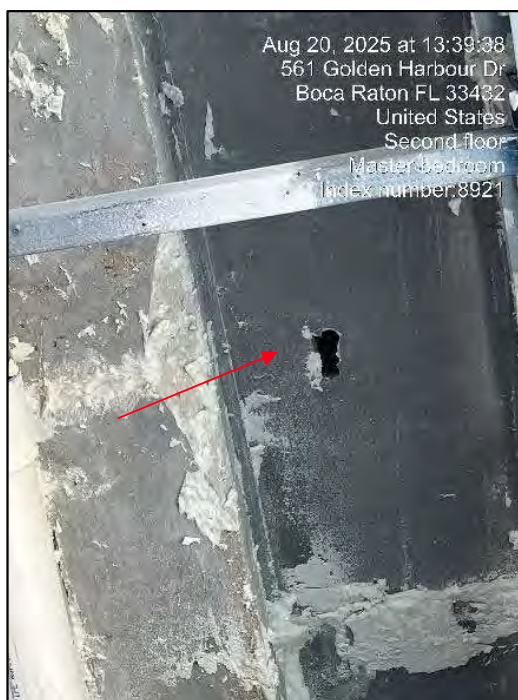


Photo 8921 – Honeycombing at the overhead ceiling slab of the master bedroom at 2nd floor.



Photo 231 – Honeycombing and wood embedded in the ceiling slab at the balcony at second floor.

Criteria: The existing conditions are in violation of Florida Building Code, 2020 7th Edition, and compromise the specified concrete cover on top of the embedded reinforcement in the concrete member. Additionally, existing conditions promote

premature corrosion of embedded steel reinforcement. Please refer to Item 2.2 for Florida Building Code references.

Drawing S-0.0, Structural Notes, Concrete Reinforcement

Reinforcing steel shall be free of rust, scale, and other deleterious matter. Reinforcing clear cover as follows:

Concrete placed directly in contact with ground:

All bar sizes3"

Face of concrete element exposed to weather or ground after form removal:

#5 bars or smaller1-1/2"

All other bar sizes2"

Face of concrete element not exposed to weather or ground

Slabs, cast in place walls3/4"

Beams and Columns1-1/2"

Ferrous items, such as reinforcing steel will begin corroding when exposed to aggressive atmospheric conditions. Corrosion is a byproduct formed by the reaction of iron with oxygen in the presence of water or moisture in the air. As rust development progresses, it expands against the surrounding concrete resulting in propagation of the cracks along the embedded ferrous material. This is a dynamic process that permits the acceleration of this reaction and results in a reduction of the durability of the concrete.

Recommendation: Repairs to remediate existing conditions must be designed and performed. If existing repairs are not performed, the existing conditions will eventually result in corrosion of steel reinforcement, delamination of concrete and expensive repairs in future.

2.4 CORROSION OF EMBEDDED METAL IN CONCRETE

Observation: Corrosion stains and ferrous materials such as form accessories and nails were observed corroding at several locations. These ferrous items will continue corroding and result in the subsequent spalling of concrete. Without remediation, this condition will progress with the passage of time. Typical sample areas found with this defect are listed below:

1. Multiple corrosion stains were observed at column in Guest bedroom #3 on the second level.
2. Multiple strips of corroded metal are embedded in the ceiling slab adjacent to the dining room at the first floor.
3. Corroded rebar is embedded in the beam at overhead ceiling of the guest bedroom #3 at second level.
4. Multiple corroded metal nails are embedded in the beam at overhead ceiling of the guest bedroom #1 & #3 at second level.

5. Multiple exposed corroded nails were observed embedded in the concrete wall at the staircase landing at first floor.



Photo 8953 – Corroded metal is visible at wall in Guest bedroom #3 at the 2nd Floor.



Photo 8954 – Corrosion stain visible at wall in Guest bedroom #3 at the 2nd Floor.

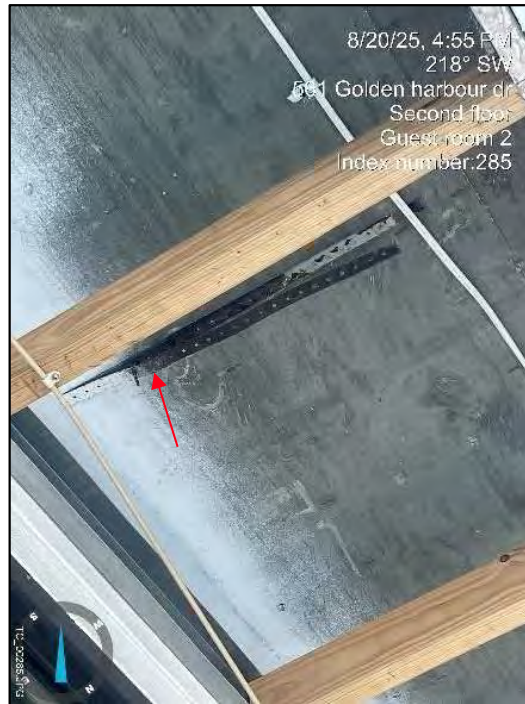


Photo 285 – Corroded metal embedded in ceiling slab adjacent to the dining room at the first floor.

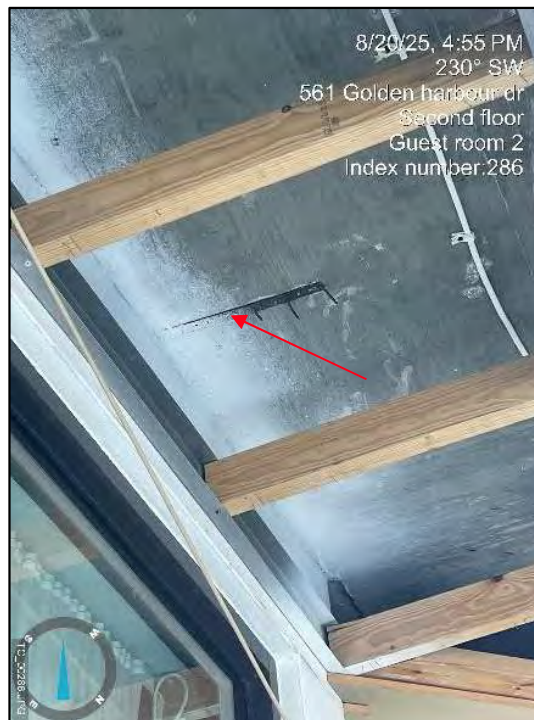


Photo 286 – Corroded metal embedded in ceiling slab adjacent to the dining room at the first floor.

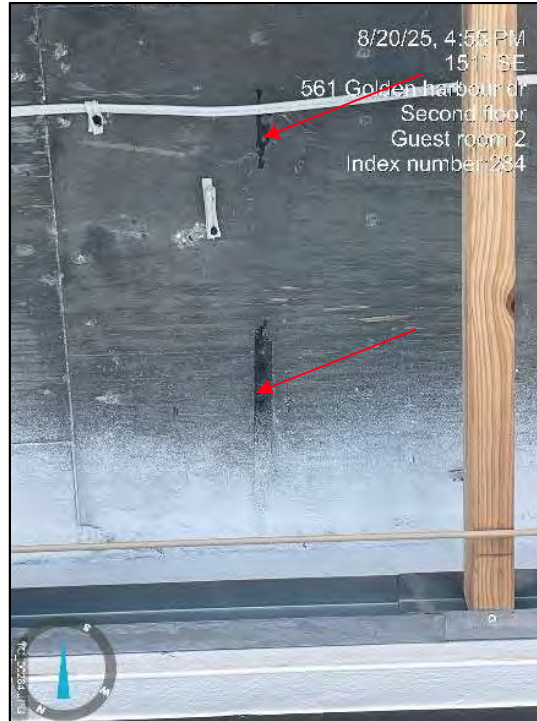


Photo 284 – Corroded metal embedded in ceiling slab adjacent to the dining room at the first floor.

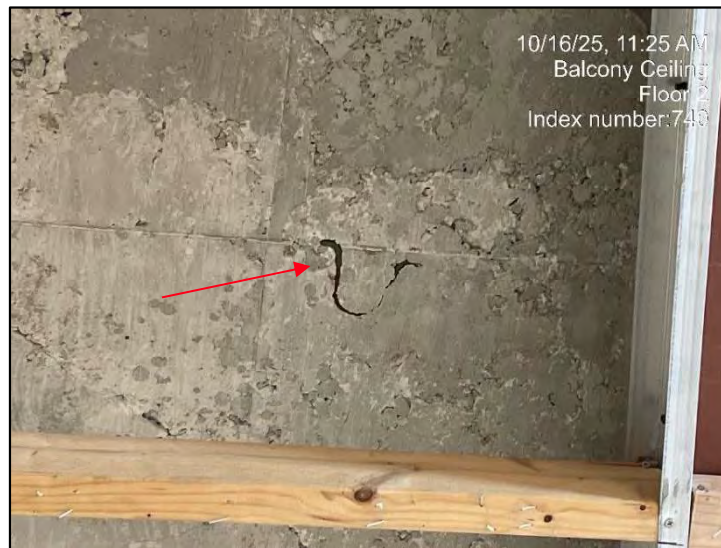


Photo TC_00740 – Corroded metal embedded in balcony ceiling at the second floor.



Photo 8960 – Corroded metal embedded in the beam at overhead ceiling of the guest bedroom #3 at second level.



Photo 8961 – Corroded metal nails embedded in the beam at overhead ceiling of the guest bedroom #3 at second level.

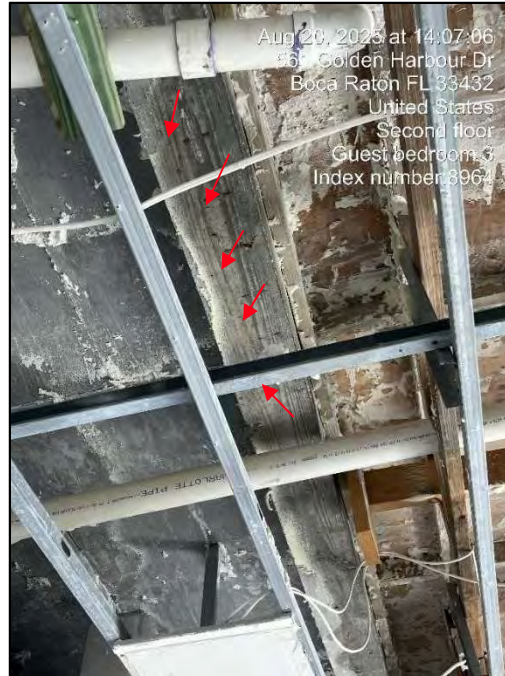


Photo 8964 – Corroded metal nails embedded in the beam at overhead ceiling of the guest bedroom #3 at second level.

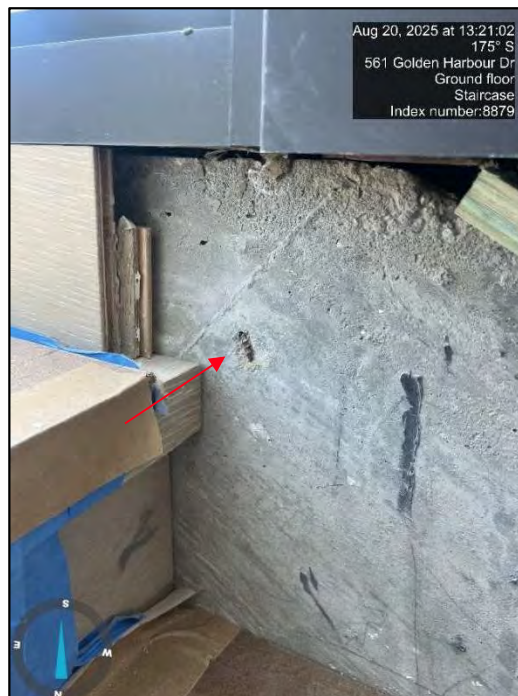


Photo 8879 - Exposed corroded nail at the staircase landing at first floor.

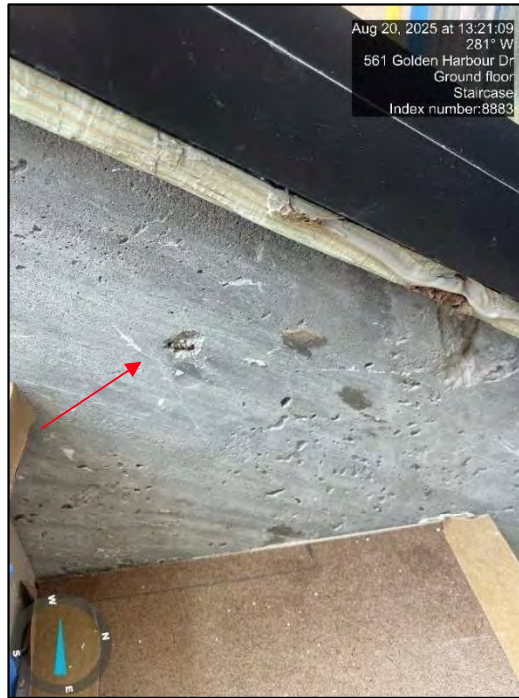


Photo 8883 - Exposed corroded nail at the staircase landing at first floor.



Photo 8884 - Exposed corroded nail at the staircase landing at the first floor.

Criteria: Existing conditions are in violation of the Permitted Drawings and

Florida Building Code, 2020 Edition, please refer to Item 2.2 for code reference.

Drawing S-0.0, Structural Notes, General

All materials and Construction shall comply with the Florida Building Code, 2020

FBC Section 1901.2 Plain and reinforced concrete. *Structural concrete shall be designed and constructed in accordance with the requirements of this chapter and ACI 318...*

ACI 318-14 also refers to:

ACI 347 (Guide to Formwork for Concrete), Chapter 4, Materials for Formwork, Section 4.3.5.2,

Removable portions of all ties should be of a type that can be readily removed without damage to the concrete and that leaves the smallest practicable holes to be filled. Removable portions of the ties should be removed unless the contract documents permit their remaining in place.

Chapter 5, Architectural Concrete, Materials and accessories, Section 5.3.4

Form Ties-Form-tie assemblies for architectural concrete should permit tightening of forms and leave no metal closer to the surface than 1-1/2 in. (38 mm) for steel ties and 1 in. (25 mm) for stainless steel ties.

Ferrous items such as nails, tie wire, and form strips will begin corroding when exposed to aggressive atmospheric conditions. Rust is a byproduct formed by the reaction of iron with oxygen in the presence of water or moisture in the air. As rust development progresses, it expands against the surrounding concrete resulting in propagation of cracks along the embedded ferrous material.

This is a dynamic process that permits the acceleration of this reaction and results in a reduction of the durability of the concrete.

Recommendation: All deleterious materials in the concrete must be removed. Repairs to remediate existing conditions must be designed and performed.

2.5 CORROSION OF METAL COMPONENTS

Observation: Corrosion of metal members, supports, fasteners, etc. of the structure was observed. At some areas the corrosion of different elements is more advanced than others. Typical sample areas found with this defect are listed below:

1. Corroded metal column at master bedroom at the second floor.
2. Corroded metal column at balcony at the second floor.
3. Corroded metal column at staircase landing at the second floor.
4. Corroded metal column at second above the main door.



Photo 104 – Corroded metal column at master bedroom at the second floor.

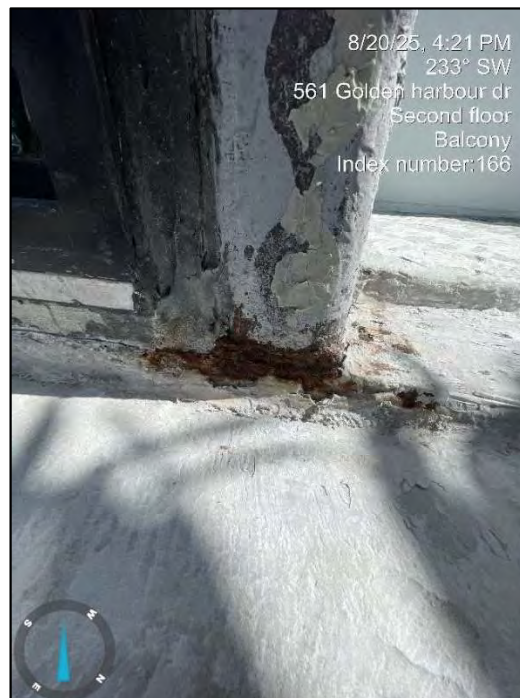


Photo 166 – Corroded metal column at master bedroom at the second floor.



Photo 100 – Corroded metal column at balcony at the second floor.



Photo 3102 – Corroded metal column potentially embedded in staircase landing floor slab at the second floor.

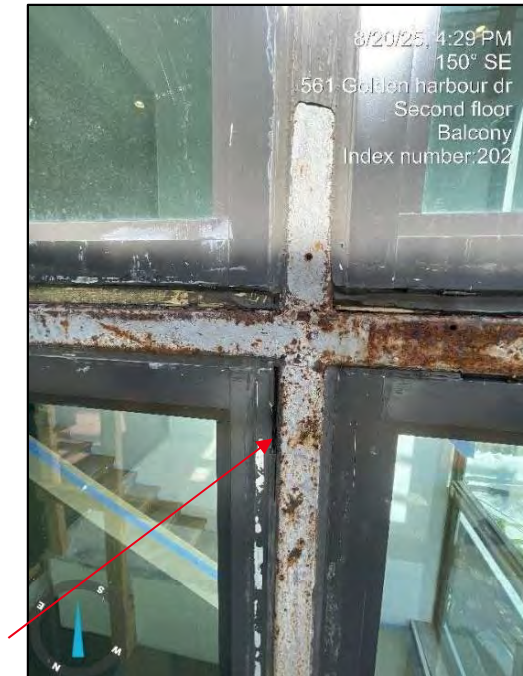


Photo 202 – Corroded metal mullions between aluminum glazing system in staircase landing at the second floor. Also, sealant is missing.



Photo 211 – Corroded metal columns and horizontal members at staircase landing at the second floor.



Photo 309 – Corroded metal beam/mullion at second floor slab above the main door.

Criteria: The existing conditions are a violation of the FBC and not in compliance with Permitted Drawings and industry standards. If not remediated the materials will deteriorate, compromising their structural integrity and functionality.

Drawing – S.0

All structural steel, when within air-conditioned space or further than 3 miles from the ocean (not including rebar) to have a shop coat of rust inhibitive paint after installation a field touch up shall be applied.

If the jobsite is further than 0.5 mile and within 3 miles from the ocean, any structural steel that is to be exterior to the building envelope shall be hot dip galvanized. All exterior structural steel within 0.5 mile from the ocean to be stainless steel.

FBC – Section 2203.2 Protection. *Painting of structural steel elements shall be in accordance with AISC 360.*

AISC 360-16

Section M3. Shop Painting.

General Requirements. *Shop painting and surface preparation shall be in accordance with the provisions in Code of Standard Practice Chapter 6.*

FBC- Section 2222.6 Protection of Metal

All members shall be treated with protective paint coatings or equivalent protection except as permitted in Sections 2222.6.1 or 2222.6.2.

FBC Section 2222.6.2

Abrasions or damages to the protective coating shall be spot treated with a material and in a manner compatible to the shop protective coating.

Recommendation: Elements showing corrosion are to be remediated by cleaning all corroded metal items by suitable means to bare silver metal surface and coat with oil-based primer and two coats of oil or epoxy-based paint. Excessively corroded elements must be removed and replaced with new.

2.6 WATER INTRUSION

Observation: There is evidence of water intrusion at multiple locations within the building. Typical sample areas found with this defect are listed below:

1. Water intrusion stains are visible at multiple locations at the overhead beam in master bedroom at second floor. There are also videos received from client of active water intrusion for these areas.
2. Water intrusion stains are visible at multiple locations at the overhead slab in guest bedroom#2 at second floor.
3. Water intrusion stains are visible at multiple locations adjacent to the pipe penetration at the overhead slab in guest bedroom #1 at second floor.
4. Water intrusion stains are visible at multiple locations at overhead slab in east car garage at first floor.
5. Water intrusion stains are visible at overhead slab in pantry at first floor.
6. Water intrusion is visible from the exterior at the column in the kitchen pantry at ground/first floor.
7. Water intrusion stains are visible in east and west car garages.
8. Water intrusion stains are visible below the concrete slab adjacent to office area at the south west side of the residence.



Photo 8923 – Water intrusion at the overhead beam in master bedroom at second floor.

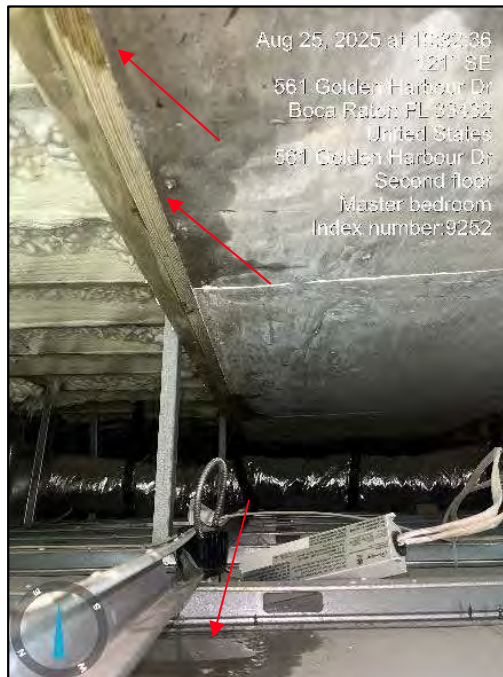


Photo 9252 – Water intrusion at the overhead beam in master bedroom at second floor.

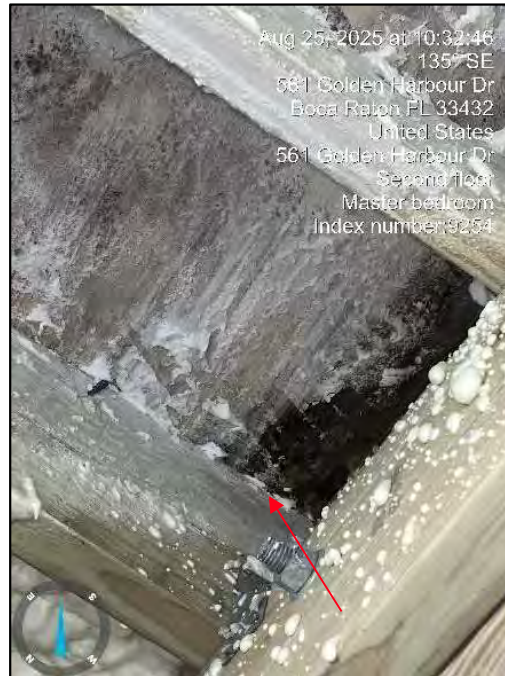


Photo 9254 – Water intrusion at the overhead slab in master bedroom at second floor.



Photo 9246 – Water intrusion at the overhead beam in master bedroom at second floor.



Photo 9249 – Water intrusion at the overhead slab in master bedroom at second floor.



Photo 8027 – Water intrusion from the overhead slab in master bedroom at second floor.



Photo 8929 – Water intrusion from the overhead slab in master bedroom at second floor.



Photo 8916 – Water intrusion from the overhead slab in master bedroom at second floor.



Photo 232 – Water intrusion at the overhead slab in guest bedroom#2 at second floor.



Photo 8972 – Signs of water intrusion adjacent to the pipe penetration at the overhead slab in guest bedroom #1 at second floor.



Photo 8951 – Signs of water intrusion adjacent to the pipe penetration at the overhead slab in guest bedroom #1 at second floor.



Photo 8844 – Signs of water intrusion from the overhead slab in east garage at first floor.



Photo 8852 – Signs of water intrusion from the ceiling in east garage at first floor.



Photo 8854 – Signs of water intrusion from the ceiling in east garage at first floor.



Photo 8842 – Signs of water intrusion from the ceiling in west garage at first floor.



Photo 8854 – Signs of water intrusion from the ceiling in west garage at first floor.



Photo 8856 – Water intrusion from the ceiling in pantry at first floor.



Photo 8859 - Water intrusion coming from the exterior at the column in the kitchen pantry at ground/first floor.

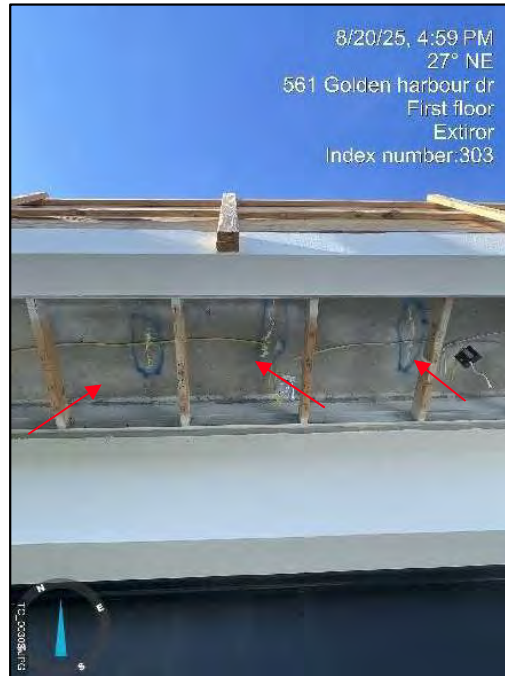


Photo 303 – Multiple cracks with signs of water intrusion and stalactites are visible at the concrete ceiling slab at the Southwest corner of the office – 2nd level.

Criteria: The existing conditions are in violation of Florida Building Code, 2020 Weather Protection, General, and Permitted Drawings.

FBC Section 107.4, Amended Construction Documents

Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.

FBC section 1503.1, General

Roof decks shall be covered with approved roof coverings secured to the building or structure in accordance with the provisions of this chapter. Roof covering shall be designed and installed in accordance with this code and the approved manufacturer's instructions such that the roof covering shall serve to protect the building or structure.

FBC section 1503.2, Flashing

Flashing shall be installed in such a manner so as to prevent moisture entering the wall and roof through joints in copings, through moisture-permeable materials and at intersections with parapet walls and other penetrations through the roof plane.

FBC Section 1519.16 Waterproofing. *Waterproofing systems may be installed in lieu of an approved roof system over sloped or horizontal decks specifically designed for pedestrian and/or vehicular traffic whether deck is above occupied or unoccupied space. In new construction the minimum deck slope shall be 1/4":12.*

Water intrusion within the interior areas below the balconies and terraces is evidence that the waterproofing above the balconies / terraces and planters have failed and is allowing water to intrude into the areas below. Additionally, water intrusion at other areas show that exterior protective barrier of the building have been compromised.

Recommendation: Repairs to prevent water intrusion at all areas identified in this report must be designed and performed.

2.7 CRACKS IN MASONRY WALLS

Observation: Cracks are visible at the reinforced masonry walls located at the interior of the building. Typical sample areas found with this defect are listed below:

- 1) Crack in masonry wall at the west staircase landing at the third floor.
- 2) Crack in joint between masonry wall and column at the guest bedroom #3 on second level.



Photo 98 – Crack in masonry wall at the west staircase landing at the third floor.



Photo 8956 – Crack in joint between masonry wall and column at the guest bedroom #3 on second level.

Criteria: Cracks in the masonry compromise the structural integrity of the walls and are not in compliance with the Record Set drawings.

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The existing conditions are in violation of the Permitted Plans, FBC and industry standards.

Recommendation: Repairs to cracks in masonry walls must be designed and performed.

2.8 GLAZING SYSTEM, INSTALLATION WITH EXCESSIVE GAPS

Observation: Excessive gaps were observed between the glazing system framing and structural substrate. At some locations the anchors between the bottom and top of the glazing system framing (sliding glass doors and fixed glass windows) and the structural slab were observed to be in mortar bed rather than in structural substrate.

In almost all inspected areas spacing between the aluminum framing system and substrate of one of the glazing system components (sliding glass doors, and fixed glass windows) were not in compliance with the permitted documents.

Typical sample areas found with this defect are listed below:

1. Fixed glass window with excessive gap and anchored in mortar bed at sill at third level is visible in southwest staircase.
2. Sliding glass window with excessive gap and anchored in mortar bed at sill is visible at third level terrace.
3. Sliding glass window with excessive gap and anchored in mortar bed at sill is visible at second level balcony.

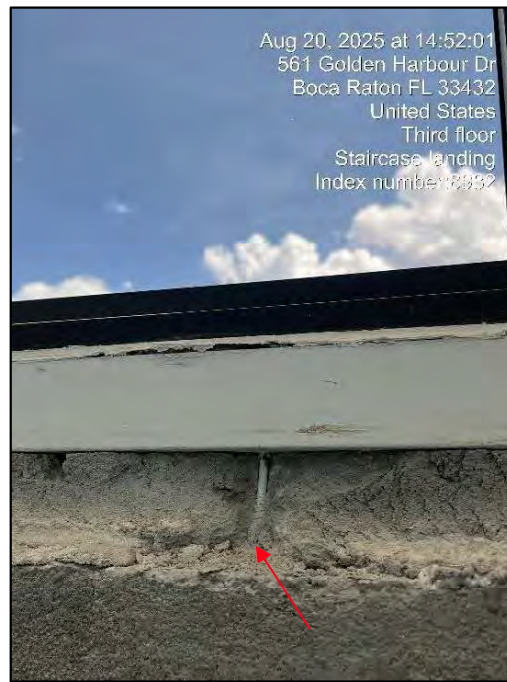


Photo 8982 – Fixed glass window with excessive gap and anchored in mortar bed at sill at third level southwest staircase.



Photo 8983 – Fixed glass window with excessive gap between framing and structural substrate at sill at third level southwest staircase. The arrow shows mortar between substrate and framing of glazing system.



Photo 62 – Sliding glass door with excessive gap between framing and structural substrate at sill at third level terrace.



Photo 108 – Sliding glass door with excessive gap between framing and structural substrate at sill at second level balcony.

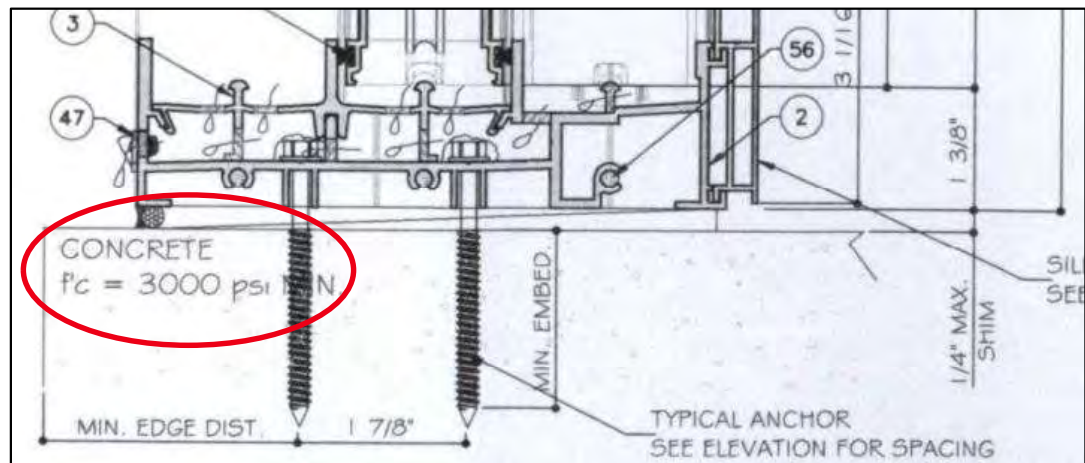
Criteria:

1. During process of product design and testing all data gathered for establishing the structural capacity of the framing system to resist applicable hurricanes forces is based upon the space, between the structural slab/substrate, specified in the NOA. If the existing space is more than the space shown in the NOA or doors/windows shop drawings, then the testing and calculations performed are no longer applicable and the product will not have the structural capacity to support loads in accordance with the applicable code requirements.
2. Based on sliding glass door NOA 33565.1 dated February 22, 2020 by Al-Farooq Corporation (signed and sealed by Jalal Farooq, P.E.) and approved by EOR on 1-20-2022 under permit application number 22_00008281 the following notes are to be followed:

1by or 2by wood bucks & buck fasteners by others, must be designed and installed adequately to transfer applied product loads to the building structure.

Anchors shall be corrosion resistant, spaced as shown on details and installed per manufacturer's instructions. Specified embedment to base material shall be beyond wall dressing or stucco.

3. Additionally, based on sliding exterior doors NOA by ES Windows (signed and sealed by Yiping Wang, P.E. on 10-10-2021) and approved by EOR on 1-03-2023 under permit application number 22_00008281 the anchors should be installed in a minimum of 3000 psi concrete.



4. In accordance with the approved NOAs the maximum shim space allowed is $\frac{1}{4}$ " , whereas the existing gaps are more than specified on the permitted documents. Excessive gaps reduce the unbraced length of the fastener securing the aluminum frame to the concrete structural members. The existing condition reduces the structural capacity of the fasteners therefore compromising the lateral load resisting capacity of the glazing systems.

The existing conditions are a result of inadequate construction and are in violation of Record Set Drawings, industry standards and Florida Building Code, 2020 7th Edition, Chapter 24 Glass and Glazing, Section 2410.4 High-Velocity Hurricane Zones - General and Windows, Doors, Glass and Glazing.

FBC Section 2410.4

All exterior wall cladding, surfacing, garage doors, skylights, operative and inoperative windows shall have product approval.

Recommendation: Considering that excessive gaps, more than specified in the permitted document, are present at many locations between the aluminum framing and structural substrate, a comprehensive remediation program must be implemented and repairs to existing sliding glass doors, windows and storefronts must be designed and performed.

2.9 INADEQUATE INSTALLATION OF THE RAILING SYSTEM

Observation: The railing system was not installed adequately. The review of ECS Florida, LLC (ECS) report shows that at many locations fasteners at the railing system were missing, fasteners were not sealed, the handrails were not anchored and layout of some handrails was incorrect as the same were not properly supported/installed. Additionally, review of photos and videos taken during the demolition of the railing system reveal that many of the fasteners securing the base of the railing system to the slab were not provided with sealant and water had accumulated inside and below the system..



ECS Photo 12 – Unsealed and missing fasteners.



ECS Photo – Unsealed and missing fasteners at the balcony railing.



ECS Photo – Unsecured balcony railing system cap components.



ECS Photo 24 – Missing fasteners at railing system. Also, railing end location is incorrect as it is not completely supported by the structural substrate.



561-6.5.25-Pic #13 – Fasteners at the base of railing system were not provided with sealant.



561-6.5.25-Pic #14 – Fasteners at the base of railing system were not provided with sealant.



561-6.5.25- Video#1 Still 1 – Showing general view before removal of unsealed fastener from railing system base channel.



561-6.5.25- Video#1 Still 2 – Showing water droplets expelled during removal of unsealed fastener from railing system base channel.

Criteria: During the design process data for computing the structural capacity of the railing system to resist applicable hurricanes forces and other code specified loads is

based upon the spacing of the fasteners specified on the permitted documents. If the number of existing fasteners installed are fewer than shown in the permitted documents, then the testing and calculations performed are no longer applicable and the product will not have the structural capacity to support loads in accordance with the applicable code requirements.

Missing and or inadequately installed fasteners and improper support of the railing components reduce the load resisting capacity of the railing system. The unsealed penetrations have created conditions allowing for water intrusion into the structure and behind stucco thereby causing stucco cracking and delamination. Refer to article-2.1 for details regarding stucco deficiencies.

The existing conditions are in violation of Record Set Drawings and Florida Building Code, 2020

FBC Section 107.4 Amended Construction Documents: *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Section 1607.8.1.1 Concentrated load. *Handrails and guards shall be designed to resist a concentrated load of 200 pounds (0.89 kN) in accordance with Section 4.5.1 of ASCE 7.*

Recommendation: Missing post fasteners must be provided and inadequately installed components of railing system must be remediated to ensure that the installation of railing system is in compliance with the permitted documents.

2.10 MISSING/DAMAGED BOLTS IN STEEL PLATE

Observation: The steel bolts were observed to be missing at the steel plate anchored to the concrete beam. The existing condition was observed above the southwest staircase at the second level.



Photo 8979 – Missing bolts and a inclined installation of one bolt.

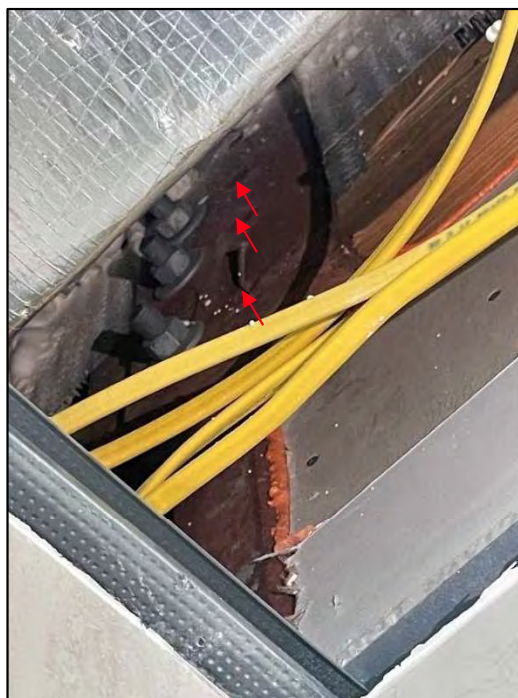


Photo 5556 – Missing bolts at his bathroom at level 2 (center).



Photo 5560 – Loose bolts at his bathroom at level 2 (west).

Criteria: Drawing *S-0.0, Structural Notes, Reinforcing Steel- ACI7-16, AISC LRFD 13th edition*, as follows:

1. *All steel bolts and threaded rods, unless noted otherwise on the plans to be ASTM A307, grade A and installed to a snug tight condition (defined as being tightened by the full effort of a worker using a regular spud wrench).*

The existing conditions are not in compliance with the permitted drawings *and in violation of FBC Section 107.4*.

FBC Section 107.4 Amended Construction Documents: *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Missing and or inadequately installed bolts reduce the load resisting capacity of the connections and therefore consequently reducing the structural capacity of the framing system and compromising integrity of the structure.

Recommendation: Missing and inadequately installed bolts must be provided to ensure that as-built installation is in compliance with the permitted documents.

2.11 DAMAGED/BROKEN TRUSS FRAME COMPONENTS

Observation: Damaged and broken truss members are visible at multiple locations. The existing conditions will compromise the structural integrity of the wood framing system. Typical sample areas found with this defect are listed below:

1. Damaged/broken truss members are visible at multiple locations at south staircase ceiling at 3rd level.

2. Damaged/broken truss member is visible at kitchen at 2nd level.



Photo TC_00792 – Damaged/broken truss member at south staircase ceiling (3rd level).

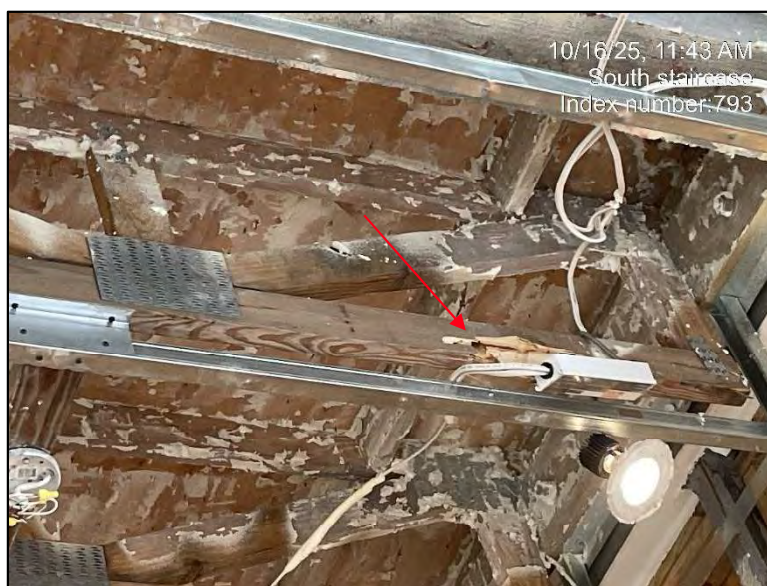


Photo TC_00793 – Damaged/broken truss frame at south staircase ceiling at Level-3.



Photo TC_00799 – Damaged/broken truss member is visible at kitchen at Level-2.



Photo TC_00800 – Damaged/broken truss member is visible at kitchen at Level-2.



Photo TC_00802 – Damaged/broken truss member is visible at kitchen at Level-2.



Photo TC_00804 – Damaged/broken truss member is visible at kitchen at Level-2.

Criteria: The existing conditions are in violation of FBC section 107.4.

FBC Section 107.4 Amended Construction Documents: *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Section 2303.435 Alterations to trusses. *Truss members and components shall not be cut, notched, drilled, spliced or otherwise altered in any way without written concurrence and approval of a registered design professional.*

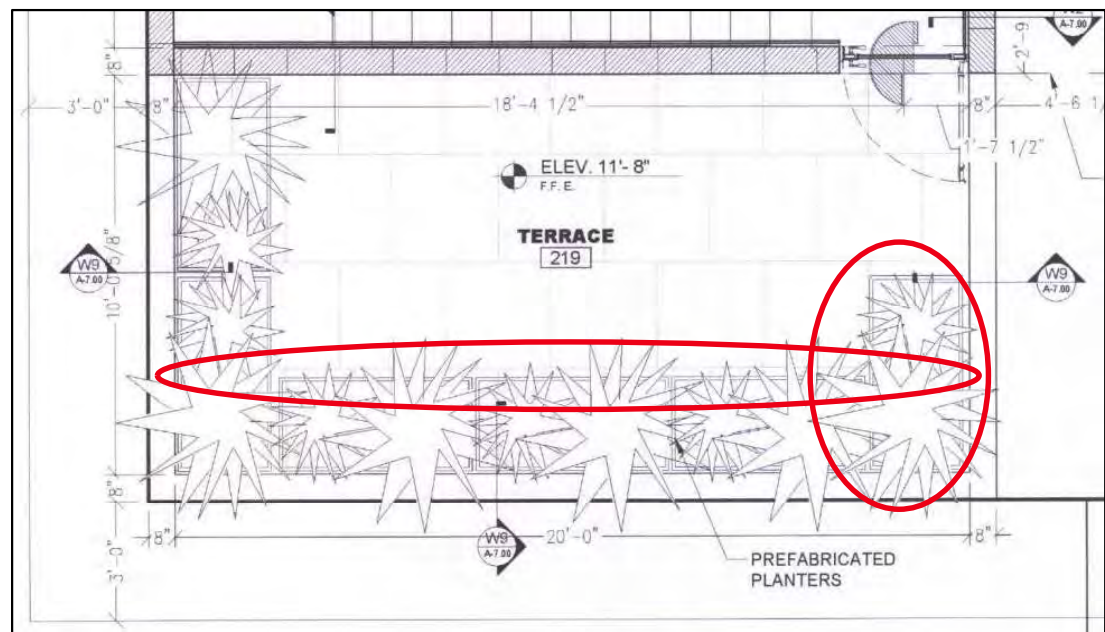
The existing conditions have compromised the load resisting capacity of the damaged trusses.

Recommendation: The request for information must be submitted to the Engineer of Record (EOR) for verification of design capacity of existing damaged trusses and a letter must be issued to the Home Owner confirming the adequacy of the wood framing system.

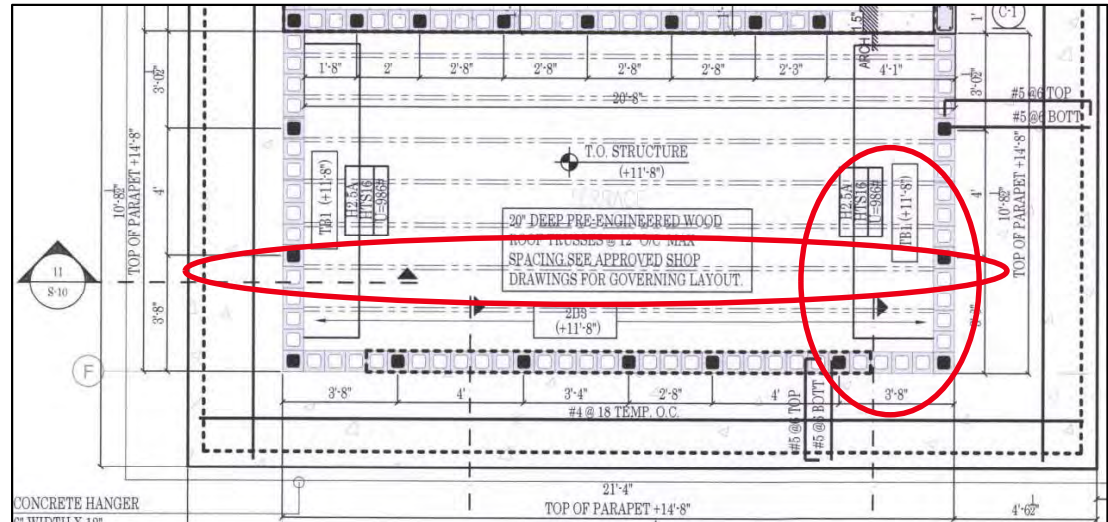
2.12 MISSING PLANTER WALL ON THE STRUCTURAL DRAWING

Observation: At the second level a planter was observed outside the office/terrace area however the planter is not shown on the architectural and structural drawings.

Criteria: The existing conditions are not in compliance with *Drawings A-1.01 & S-3:*



Drawing A-1.01 – Planter at second floor on the southwest corner adjacent to the office/terrace area.



Drawing S-3 – Planter is not shown at second floor on the southwest corner adjacent to the office/terrace area.

Recommendations: The request for information must be submitted to the Engineer of Record (EOR) for verification of design capacity of existing structure with inclusion of additional planter loads and a letter must be issued to the Homeowner confirming the adequacy of structure with additional load.

2.13 SAUNA & COLD PLUNGE ON THE ROOF

Observation: At the third level a sauna was observed on top of the roof at East side of the building, however the sauna is not shown on the architectural and structural drawings. P&A reached out to the manufacturer of sauna, and they have confirmed that their equipment has not been accredited for exterior installation on HVHZ. In addition, there was no documentation found that the sauna is UL certified, and how the sauna was wired into the house electrical system.

Criteria: The existing conditions are not in compliance with *Drawings A-1.02 & S-0 and FBC 107.4:*

FBC Section 107.4 Amended Construction Documents: “Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”



Photo TC_09338 – Sauna and cold plunge located at Level-3.

Drawing S-0 Section Concrete Tie Beam states: “Spas, tubs, stone clad features such as chimneys shall have their extra weights accounted for in the truss engineering. Request the cut sheet from the general contractor in order to apply the loads in the correct support points and with the correct magnitudes.”

Recommendations: The request for information must be submitted to the Engineer of Record (EOR) for verification of design capacity of existing structure with inclusion of loads induced by sauna and a letter must be issued to the Home Owner confirming the adequacy of structure with additional load. Additionally, request for information must be submitted to other design professionals for confirmation for compliance of sauna with the applicable FBC requirements.

END OF SECTION II

Section III: Mechanical and Plumbing

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Section III - Mechanical

General:

Inspections and evaluations of the mechanical, plumbing, and pool/spa systems installations were performed at the single-family residence located at 561 Golden Harbour Drive, Boca Raton, FL 33432.

The following documents were reviewed and utilized for this evaluation:

- Set of Mechanical Drawings prepared by Clay Cube Inc. signed and sealed on 7/30/2024 by Chris R. Beale, P.E.
- Set of Plumbing Drawings prepared by both Pear Engineering and Clay Cube Inc. with latest revision dated 3/16/2023 and signed and sealed by Daniel Riveros, P.E. and Chris R. Beale, P.E., respectively.
- Set of Gas Drawings prepared by Clay Cube Inc. dated 12/1/2022 (but not signed and sealed),
- Set of Pool/Spa Drawings prepared by Craft Master Custom Pools, signed and sealed by Murat Kizikli, P.E., dated 2/13/2024.

As per General Notes on the plans, the following Codes and Standards are applicable for this project:

- Florida Building Code Residential, (FBCR) 2020 and 2023 Editions
- Florida Building Code (FBC), 2020 and 2023 Editions
- Florida Mechanical Code (FMC), 2020 Edition
- Florida Plumbing Code (FPC), 2020 Edition
- Florida Energy Code (FEC) 2020 Edition
- Florida Fuel Gas Code (FGC) 2020 and 2023 Editions
- NFPA 54 National Fuel Gas Code, 2018 Edition

BUILDING SYSTEMS DESCRIPTION

HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS

The single-family residence is provided conditioned air by multiple individual direct expansion (DX) split air conditioning systems. The air handler units are located in the air conditioning closets on the 2nd and 3rd floors. The air-cooled condenser units are located on the roof of the 3rd floor and are anchored to the structure on aluminum equipment stands. Climate control is accomplished through dedicated thermostats. Air distribution is provided through fibrous and flexible ductwork located in the attic space or above suspended ceiling and soffits. The bathroom ceiling fans and clothes dryer vents discharge to the outside through exhaust ducts connected to wallcaps with backdraft dampers at the exterior wall.

PLUMBING SYSTEM

The plumbing system for the single-family residence consists of an incoming water service from the city which passes through a meter and shutoff valve. The hot water supply is provided by two gas-fired instantaneous water heaters located on the exterior of the building. The cold and hot water distribution system is constructed of a combination of copper and CPVC plastic piping. The plumbing system also encompasses the piping of sanitary drainage, venting, storm drainage, and special systems for the air conditioning equipment condensate. These are constructed of PVC plastic piping. Lastly, the plumbing system encompasses the gas distribution piping system. An incoming gas service from the street passes through a meter and regulator. Gas piping services cooking appliances, pool/spa heater, domestic water heater and fireplace appliances. The gas piping is constructed of a mix of galvanized steel pipe and flexible corrugated stainless steel tubing rated for gas application.

3.1 OBSERVED DEFICIENCIES

3.1.1 Dissimilar Metals Contact

Observation: The outdoor condenser equipment for the wine room cooling systems are installed on aluminum equipment stands. The equipment are secured to the stands with galvanized steel Unistrut c-channels and galvanized steel anchors. This creates dissimilar metal contact which will cause premature corrosion due to galvanic action. The anchors were observed to have signs of corrosion.

Location: The existing condition was observed at the Mechanical Roof Area on the 3rd Floor.



Galvanized steel Unistrut and anchors in contact with aluminum stand, typical dissimilar metals in contact



Corroded galvanized steel anchor in contact with aluminum equipment stand

Criteria: The existing condition deviates from the Florida Product Approval (FPA) #24546-R1 for the equipment stands and is a Code violation.

FBCR Section M1301.3 (2020 Edition) – *“Materials shall be installed in strict accordance with the standards under which the materials are accepted and approved. in the absence of such installation procedures, the manufacturer’s instructions shall be followed. Where the requirements of referenced standards or manufacturer’s instructions do not conform to minimum provisions of this code, the provisions of this code shall apply.”*

FBCR Section M1307.1 (2020 Edition) – *“Installation of appliance shall conform to the conditions of their listing and label and the manufacturer’s instructions. The manufacturer’s operating and installation instructions shall remain attached to the appliance.”*

FULL PERIMETER FILLET WELD UNLESS OTHERWISE NOTED.	
10.	THE CONTRACTOR IS RESPONSIBLE TO INSULATE MEMBERS FROM DISSIMILAR MATERIALS TO PREVENT ELECTROLYSIS.
11.	ELECTRICAL GROUND, WHEN REQUIRED, TO BE DESIGNED & INSTALLED

Excerpt from Sheet 1 Aluminum Stands for Mechanical Units approved engineering drawings for FPA #24546-R1

Recommendation: The anchoring fasteners and the unistrut c-channels must be replaced with coated materials to eliminate dissimilar metal contact as required by the equipment stand FPA and the Code.

3.1.2 Equipment Clearance

Observation: The outdoor condenser equipment for the wine room cooling systems are not provided with the minimum clearances around the equipment required by the manufacturer.

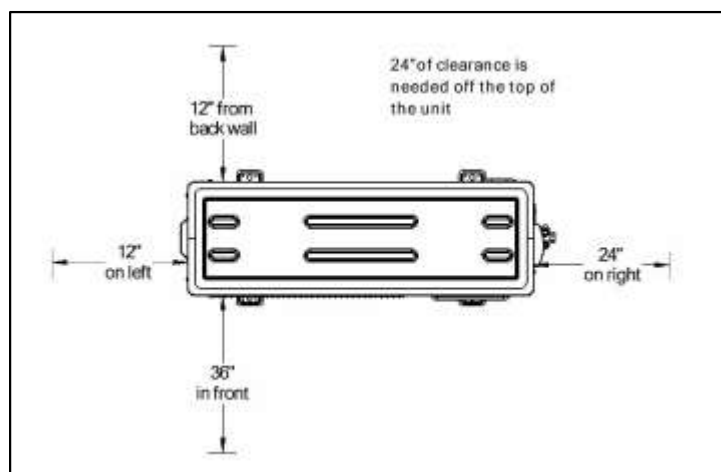
Location: The existing condition was observed at the Mechanical Roof Area on the 3rd Floor.



Typical conditions of insufficient clearance around equipment.

Criteria: The existing condition deviates from the manufacturer's installation requirements which is a Code violation.

FBCR Section M1307.1 (2020 Edition) – *“Installation of appliance shall conform to the conditions of their listing and label and the manufacturer's instructions. The manufacturer's operating and installation instructions shall remain attached to the appliance.”*



Excerpt from the WhisperKool installation manual

Recommendation: The condenser equipment must be relocated to provide the minimum clearances around the equipment as required by the manufacturer installation instructions.

3.1.3 Incorrectly Supported Piping at the 3rd Floor

Observation: There are installed refrigerant piping and gas supply piping observed to be incorrectly supported. Gas steel piping servicing the appliances at the 3rd Floor Outdoor Terrace was reported completely unsupported. Tie wire and clamp were added to temporarily support the pipe by the renovating contractor. Refrigerant piping was observed to be supported with zip ties to the stand framing. The zip ties are compressing the insulation and are not suitable for outdoor installation.

Location: The existing condition was observed at the 3rd Floor Outdoor Terrace and Mechanical Roof area.



Typical conditions of zip ties supporting refrigerant piping and compressing insulation



Unsupported gas piping.

Criteria: The existing condition is an improper installation of building systems and a Code violation.

FBCR Section M2101.9 (2020 Edition) – *“Hangers and supports shall be of material of sufficient strength to support the piping, and shall be fabricated from materials compatible with the piping material. Piping shall be supported at intervals not exceeding the spacing specified in Table M2101.9.”*

FBCR Section G2424.1 (2020 Edition) – *“Piping shall be supported at intervals not exceeding the spacing specified in Table G2424.1. Spacing of supports for CSST shall be in accordance with the CSST manufacturer’s instructions.”*

Recommendation: The gas piping and the refrigerant piping must be provide with suitable pipe hangers and supports appropriate for the application properly support the piping at intervals as required by the Code.

3.1.4 Incorrectly Installed Flexible Ductwork

Observation: Remediation efforts were already in progress during P&A inspection. Sections of the finished ceiling drywall were removed throughout the entire premise allowing for observation of the installed ductwork. Some sections of the flexible duct installations above the finished ceilings were observed to be installed incorrectly. There are duct lengths that have sharp bends, compressed insulation and excessive duct lengths. Sections of the flexible duct are routed through tight spaces where they are squeezed between the floor beams, joists, or other building systems. Lacerations in the insulation were observed in some duct sections. These conditions can restrict airflow through the duct, increase static pressure in the systems, compress duct insulation, cause condensation to form and reduce energy efficiency.

Location: The existing condition was observed at the flexible ducts installed throughout the rooms on all three floors.



Typical condition of flexible ducts squeezed between floor beams and joists, Master Bedroom.



Typical condition of flexible duct with sharp bend and compressed insulation, Bedroom 1.



Typical condition of flexible ducts with sharp bends and compressed insulation at vent box connection, Laundry Room.



Typical condition of flexible ducts squeezed between floor beams, joists, and building systems, Laundry Room.



Typical condition laceration observed in duct insulation, Bedroom 3.

Criteria: The existing condition is a Code violation and deviates from the manufacturer's installation requirements.

FBCR Section M1601.1.1 (2020 Edition) – *"Above-ground duct systems shall conform to the following: 4. Field-fabricated and shop-fabricated metal and flexible duct constructions shall conform to the SMACNA HVAC Duct Construction Standards-Metal and Flexible except as allowed by Table M1601.1.1. Galvanized steel shall conform to ASTM A653."*

FBCR Section M1601.4.4 (2020 Edition) – *"Factory-made ducts listed in accordance with UL 181 shall be supported in accordance with the manufacturer's installation instructions. Field- and shop-fabricated fibrous glass ducts shall be supported in accordance with SMACNA Fibrous Glass Duct Construction Standards or the NAIMA Fibrous Glass Duct Construction Standards. Field- and shop-fabricated metal and flexible ducts shall be supported in accordance with the SMACNA HVAC Duct Construction Standards- Metal and Flexible."*

Recommendation: The flexible ducts must be reinstalled correctly following the manufacturer's installation instructions and eliminating all locations of sharp bends, compressed insulation, excessive lengths, squeezed runs between beams, joists, and building components. Any sections of duct where the internal diameter has been damaged or the insulation has been damaged must be replaced.

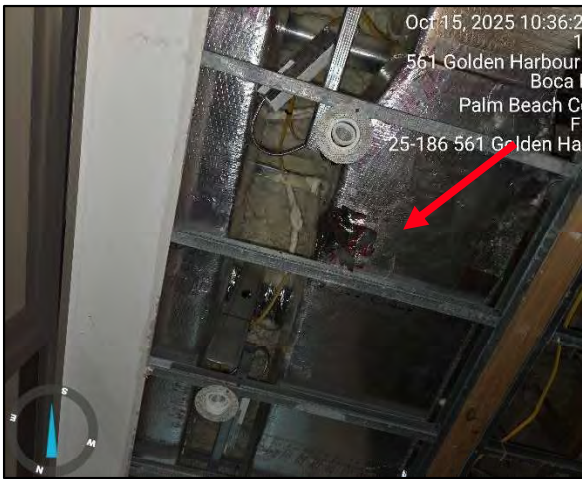
3.1.5 Damage to Ductwork

Observation: Removal of the ceiling drywall finishes revealed that the ductwork had been damaged or cut to allow room for the light fixtures to be installed. Unsealed openings and punctures were made in the ducts. The condition allows for air leakage from the ducts into the space above the ceiling. This will affect the cooling of the living spaces and potentially cause condensation to form on other building components. The remediating contractor photographed these conditions and provided P&A with photographs prior to sealing the openings within the ductwork.

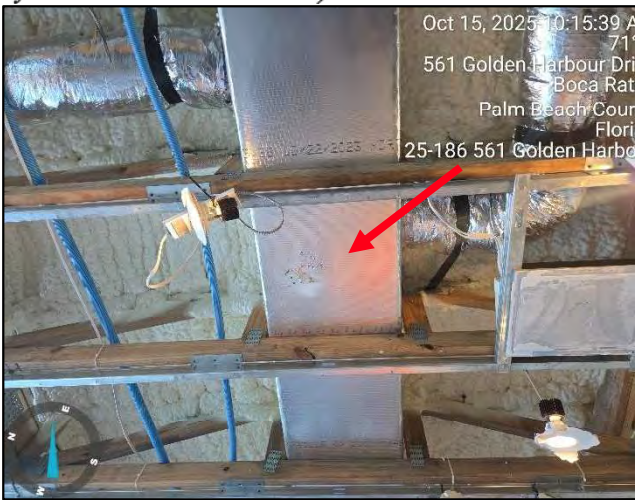
Location: The existing condition was



Opening in duct above Master Bathroom due to light fixture installation (photograph provided by renovation contractor)



Opening in duct above Master Bedroom closet due to light fixture installation (repaired by renovation contractor)



Lacerations in the duct due to light fixture installation in the Kitchen

Criteria: The existing installation of the light fixtures has damaged the installed fibrous glass ducts and is in violation of Code and SMACNA Fibrous Glass Duct Construction Standards.

FBCR Section M1601.1.1 (2020 Edition) – "Above-ground duct systems shall conform to the following: 3. Fibrous glass duct construction shall conform to the

SMACNA Fibrous Glass Duct Construction Standards or NAIMA Fibrous Glass Duct Construction Standards.”

Recommendation: All areas of damaged fibrous glass ducts must be repaired or replaced.

3.1.6 Missing Vibration Isolator Pads

Observation: Rubber neoprene vibration isolator pads were not installed at any of the air handler (AHU) equipment. Rubber neoprene vibration pads are specified on the Mechanical Drawings to be installed.

Location: The existing condition was observed at the air conditioning closet spaces on the 2nd and 3rd Floors.

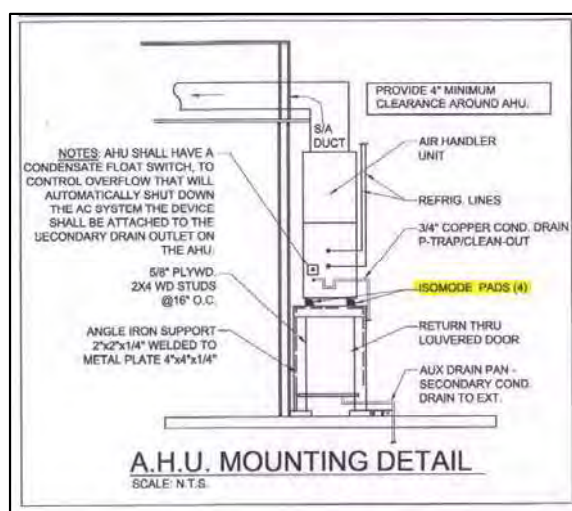


AHU #2 missing specified vibration isolator pads



AHU #3 missing specified vibration isolator pads

Criteria: The existing condition deviates from the Mechanical Drawing M4 and is a Code violation.



Excerpt from Mechanical Drawing M4

FBC Section 107.4 (2020 Edition) – *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Recommendation: Provide and install the rubber neoprene vibration isolator pads at all the air handling equipment as specified on the Mechanical Drawings.

3.1.7 Missing Traps at Condensate Drains

Observation: None of the air handling equipment (AHU) are provided with the required traps on the condensate drain lines. Traps are a necessary component to ensure proper drainage of the condensate, avoid overflows and backups, and prevent air and odors from being drain into the AHU from the condensate drainage line. The installed condition deviates from the manufacturer’s requirements and the Mechanical and Plumbing Drawings.

Location: The existing condition was observed at the air conditioning closet spaces on the 2nd and 3rd Floors.



AHU #3 condensate drainage line missing trap



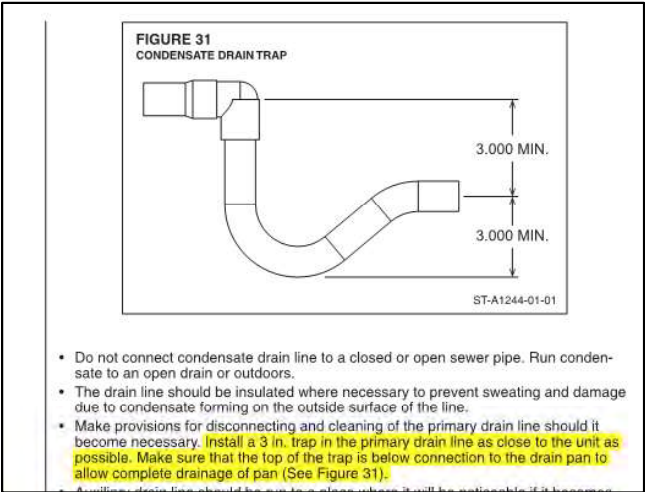
AHU #2 condensate drainage line missing trap



Label on AHU equipment indicates required trap.

Criteria: The existing condition deviates from the manufacturer’s installation instructions, deviates from the Mechanical Drawing M4 and Plumbing Drawing P-08 and is a Code violation.

FBCR Section M1401.1 (2020 Edition) – “Heating and cooling equipment and appliances shall be installed in accordance with the manufacturer’s instructions and the requirements of this code. Air-handling units installed in attic shall comply with the Florida Building Code, Energy Conservation Section R403.3.6.”



Excerpt from Rheem Installation Instructions Air Handlers (-)H2T – Page 47

Recommendation: P-traps must be installed at the AHU equipment condensate drainage line as required by the manufacturer’s installation instructions and as specified on the Mechanical and Plumbing Drawings.

3.1.8 Incorrect Location of Float Switch

Observation: The float switch devices installed at air handling equipment (AHU) #1, 3, and 4 are installed on the incorrect locations. These are installed in-line and downstream of the primary condensate drain line connection. This installation deviates from the Mechanical Drawing M4 which specifies for the float switches to be attached to the secondary drain outlet.

Location: The existing condition was observed at the air conditioning closet spaces on the 2nd and 3rd Floors

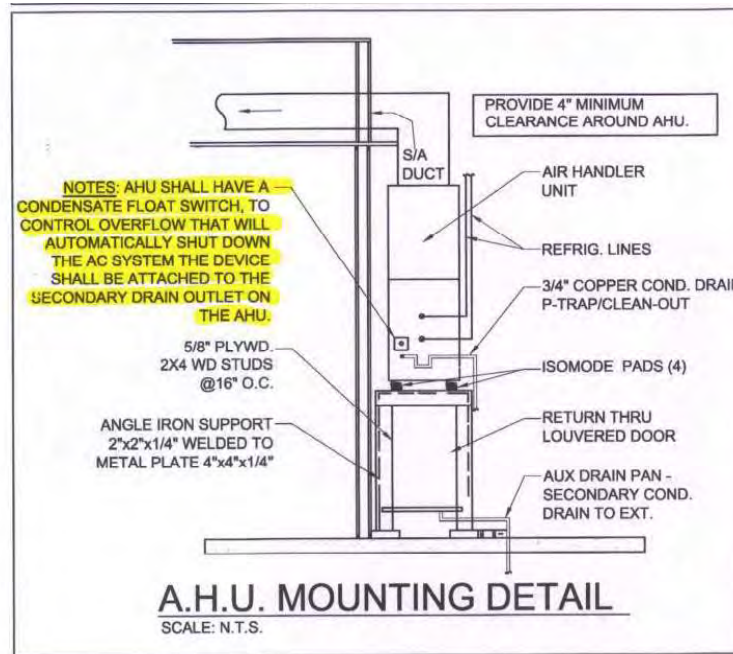


AHU #3 float switch in incorrect location



AHU #1 float switch in incorrect location

Criteria: The existing condition is a deviation from the Mechanical Drawings and is a Code violation.



Excerpt from Mechanical Drawing M4

FBCR Section M1411.3.1 (2020 Edition) – “In addition to the requirements of Section M1411.3, a secondary drain or auxiliary drain pan shall be required for each cooling or evaporator coil where damage to any building components will occur as a result of overflow from the equipment drain pan or stoppage in the condensate drain piping. Such piping shall maintain a minimum horizontal slope in the direction of discharge of not less than 1/8 unit vertical in 12 units horizontal (1-percent slope). Drain piping shall be not less than 3/4-inch (19 mm) nominal pipe size. One of the following methods shall be used: 4) A water level detection device conforming to UL 508 shall be installed that will shut off the equipment served in the event that the primary drain is blocked. The devices shall be installed in the primary drain line, the overflow drain line or the equipment-supplied drain pan, located at a point higher than then primary drain line connection and below the overflow rim of such pan.”

FBC Section 107.4 (2020 Edition) – “Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”

Recommendation: The float switches must be reinstalled on the secondary drain outlet as specified on the Mechanical Drawings and as required by Code.

3.1.9 Combustible Materials Within Return Air Plenums

Observation: There are combustible materials observed within the return air plenums servicing the AHUs. The condensate drainage piping is PVC plastic which is a combustible material. Additionally, there are plywood sheets installed to cover openings in the slab. The Plumbing Drawings specify that combustible materials shall not be installed within return air plenum spaces.

Location: The existing condition was observed at the air conditioning closet spaces on the 2nd and 3rd Floors.



AHU #3 PVC condensate drain within return air plenum.



AHU #4 PVC condensate drain within return air plenum.



AHU #1 plywood sheet installed within return air plenum.

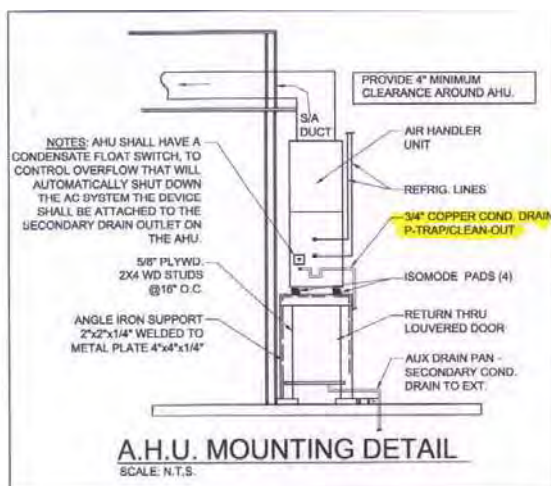


AHU #2 plywood sheet installed within return air plenum.

Criteria: The existing condition deviates from the Plumbing Drawing P-08 Plumbing Note 20 and Mechanical Drawing M4.

ACCESS PANEL FOR ALL WALL CLEAN OUTS.
20. NO COMBUSTIBLE MATERIAL TO BE USED IN MECHANICAL ROOMS OR IN CEILING SPACES WHERE USED AS RETURN AIR PLENUMS.
21. NO WATER, SANITARY OR DRAINAGE PIPING PERMITTED IN ELECTRICAL OR ELEVATOR

Excerpt from Plumbing Drawing P-08



Excerpt from Mechanical Drawing M4

FBC Section 107.4 (2020 Edition) – “*Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.*”

Recommendation: Combustible materials must be removed from the return air plenum and replaced with non-combustible materials. Alternatively, the materials can be provided with plenum rated wrapping (on piping) or coated with intumescent fire rated paint (wood sheets) to isolate the combustible materials from the return plenum entirely.

3.1.10 Deviation of AHU Equipment Support

Observation: The air handling equipment (AHU) #1, 2 and 4 are installed on top of return air plenum boxes constructed out of metal stud wall framing and drywall panels. This installation completely deviates from the support system specified on the Mechanical Drawings. Drawing M4 specifies that the equipment are to be supported by 5/8” thick plywood sheets with 2x4 wood studs and iron angle supports welded to metal plates. The existing installation is relying on very thin gauge metal studs to support the equipment.

Location: The existing condition was observed at the air conditioning closet spaces on the 2nd and 3rd Floors.



Return air plenum box for AHU #1 and #2



Return air plenum box for AHU #1 and #2

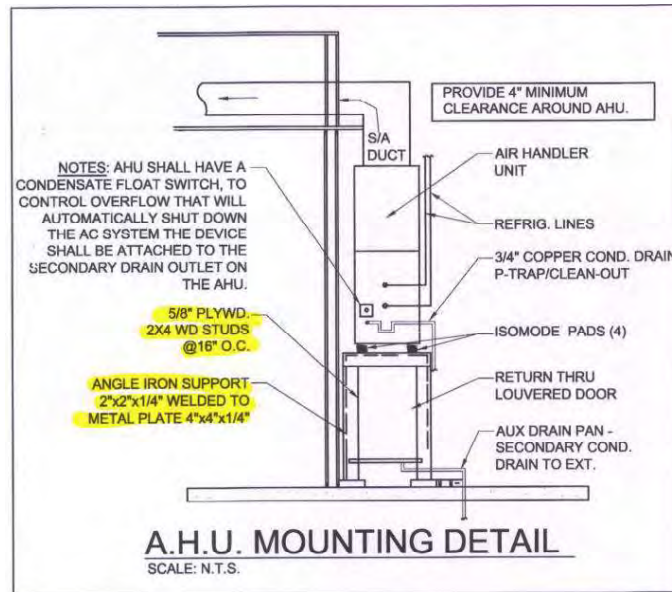


Typical construction of the return air plenum box support with drywall and metal wall studs.



Typical construction of the return air plenum box support with drywall and metal wall studs.

Criteria: The existing condition deviates from the Mechanical Drawings and is a Code violation.



Excerpt from Mechanical Drawing M4

FBC Section 107.4 (2020 Edition) – *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Recommendation: The plenum boxes supporting the AHU #1, 2, and 4 must be reconstructed and installed as specified on the Mechanical Drawing M4 to properly support the equipment and installation.

3.1.11 Missing Return Air

Observation: The Fitness Center room is not provided with means for return air transfer from the room. The Mechanical Drawing M1 specifies that the doors to the room are to be fully louvered doors. Solid doors were installed instead. Additionally, the 2nd Floor Laundry room is missing a transfer grille above the door. A transfer grill is specified on Mechanical Drawing M2. Lack of return air transfer from the rooms will affect the operation and efficiency of the air conditioning system and affect its ability to properly cool the space.

Location: The existing condition was observed at the 1st Floor Fitness Center and 2nd Floor Laundry Room.



Solid doors installed for Fitness Center and no return air provisions.



No transfer grille at wall above door.

Criteria: The existing condition is a deviation from the Mechanical Drawings M1 and M2 which is a Code violation.

FBC Section 107.4 (2020 Edition) – *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Recommendation: The doors to the Fitness Center must be replaced with fully louvered doors or a transfer grille must be installed above the door to allow for return air from the space. A transfer grille must be installed at the 2nd Floor Laundry Room as specified on the Mechanical Drawings.

3.1.12 Deviations of Duct Size from Mechanical Drawings

Observation: There are several locations where the installed duct sizes and number of duct connections deviate from the Mechanical Drawings. For example, in the 3rd guest Bedroom the return air duct is specified to be 10-inch diameter, but instead an 8-inch duct was installed. The register is also in the incorrect location. Similarly in the 1st Guest Bedroom the supply air register is specified with two 6-inch ducts and the return air register is specified with a 10-inch duct. Instead a single 10-inch duct is installed for the supply air and 8-inch duct installed for the return air. These deviations in the specified duct sizes may affect the amount of airflow reaching the spaces and affect the cooling of those spaces.

Location: The existing condition was observed at the 1st, 2nd and 3rd Guest Bedrooms on the 2nd Floor.

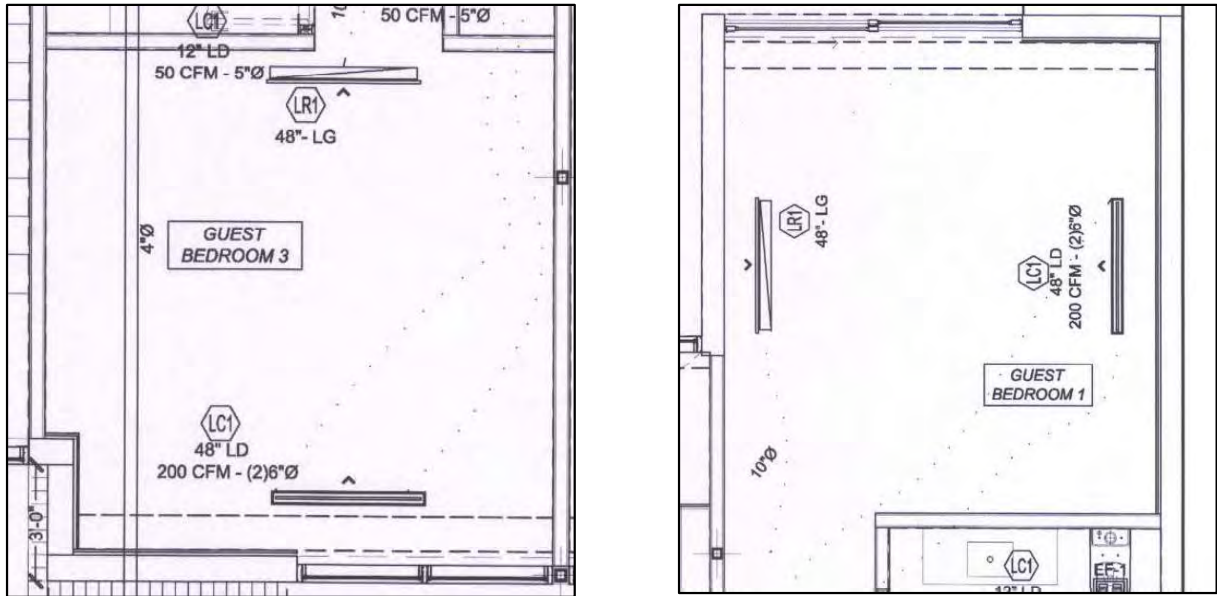


3rd Guest Bedroom RA duct 8-inch size



1st Guest Bedroom with single SA duct where two are specified.

Criteria: The existing condition deviates from the Mechanical Drawings and is a Code violation.



Excerpts from Mechanical Drawing M-02

FBC Section 107.4 (2020 Edition) – *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Recommendation: Ductwork configurations and sizes must be installed as specified to ensure that the proper CFM airflow rates are being realized in the services spaces and to ensure proper cooling of spaces and operation of the air conditioning system.

3.1.13 Air Diffuser Not Correct Size

Observation: The air diffusers servicing the Dining Room area are smaller than specified. The diffusers are measured to be 41-inches long whereas the Mechanical Drawing specifies them to be 48-inches long. This can affect the system from properly cooling the Dining Room area.

Location: This condition was observed at the following locations: 1st Floor Dining Room

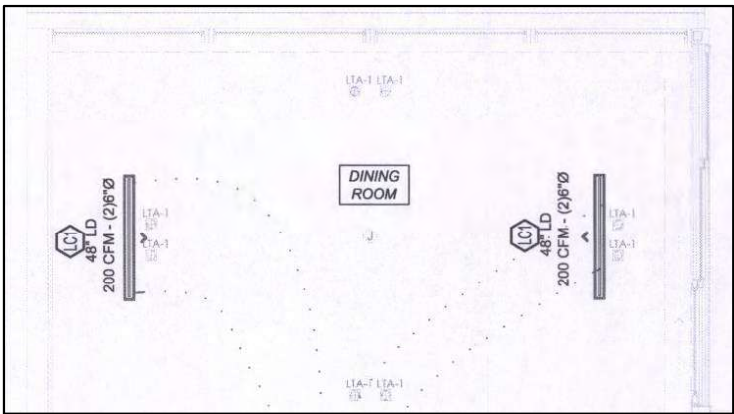


Air diffuser in the Dining Room



Length of diffuser measures 41-inches

Criteria: The existing condition deviates from the Mechanical Drawing M1 which is a Code violation.



Excerpt from Mechanical Drawing M1

FBC Section 107.4 (2020 Edition) – “*Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.*”

Recommendation: The supply air diffuser must be replaced matching the size that is specified on the Mechanical Drawings.

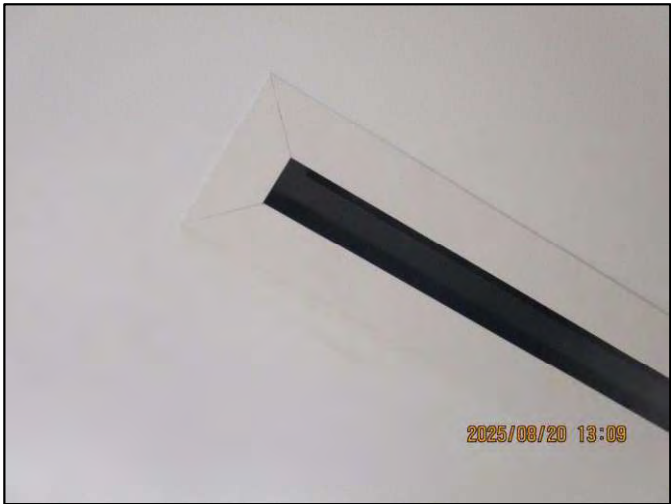
3.1.14 Condensation at Supply Air Diffusers

Observation: There are several air supply diffusers that were observed with condensation forming on the surface of the diffusers. This condition can be a result of unsealed installation of the diffuser at the drywall surface or excessive moisture/humidity in the space due to moisture intrusion.

Location: The existing condition was observed at the following locations: 2nd Floor Laundry Room, Corridor, Living Room, and Master Bedroom Closet and Bathroom.



Condensation at diffuser in Laundry Room



Moisture staining at diffuser in Master Bedroom Closet.

Criteria: The existing condition represents an incomplete building installation that is not operating as the design intended and a Code violation.

FEC Section R402.4.1.1 – “The components of the building thermal envelope as listed in Table R402.4.1.1 shall be installed in accordance with the manufacturer’s instructions and the criteria listed in Table R402.4.1.1, as applicable to the method of construction. Where required by the code official, an approved third party shall inspect all components and verify compliance.”

TABLE R402.4.1.1 AIR BARRIER AND INSULATION INSTALLATION^a

COMPONENT	AIR BARRIER CRITERIA	INSULATION INSTALLATION CRITERIA
<i>Ceiling/attic</i>	<i>The air barrier in any dropped ceiling/soffit shall be aligned with the insulation and any gaps in the air barrier shall be sealed. Access openings, drop down stairs or knee walls doors to unconditioned attic spaces shall be sealed.</i>	<i>The insulation in any dropped ceiling/soffit shall be aligned with the air barrier.</i>

Recommendation: All air diffusers where condensation is occurring must be sealed to be airtight. All moisture/water intrusion contributing to elevated humidity in the building must be corrected.

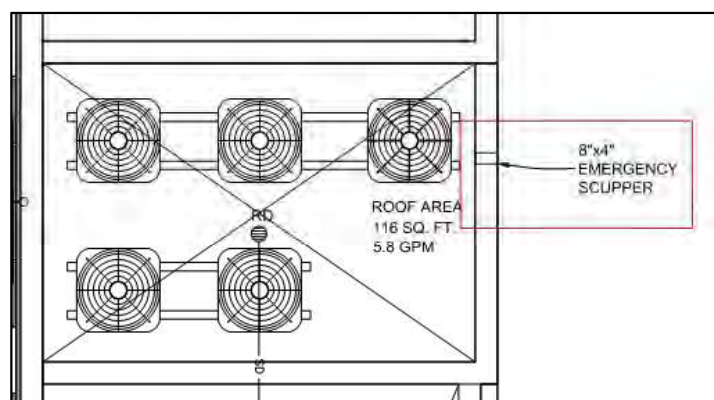
3.1.15 Missing Emergency Overflow Scupper

Observation: The mechanical roof area is missing the specified emergency overflow scupper at the parapet wall. The mechanical area is enclosed on all four sides and has no provisions for overflow drainage. An overflow scupper is specified on the Plumbing Drawings and is required by Code.

Location: The existing condition was observed at the Mechanical Roof Area on the 3rd Floor.



Emergency overflow drain missing at the Mechanical Roof Area



Excerpt from Plumbing Drawing P-03

Criteria: The existing condition is a deviation from the Plumbing Drawing P-03 and a Code violation.

FBCR Section R903.4.1 (2020 Edition) – “When other means of drainage of overflow water is not provided, overflow scuppers shall be placed in walls or parapets not less than 2 inches (51 mm) nor more than 4 inches (102 mm) above the finished roof covering and shall be located as close as practical to required vertical leaders or down-spouts or wall and parapet scuppers. An overflow scupper shall be sized in accordance with the Florida Building Code, Plumbing. Overflow drains shall discharge to an approved location and shall not be connected to roof drain lines.”

Recommendation: The emergency overflow scupper must be installed at the parapet wall in the Mechanical Roof area as specified on the Plumbing Drawings and required by Code.

3.1.16 Improper Terrace Drain Installation

Observation: The drains installed at the outdoor Terrace on the 3rd Floor are not installed properly. Two drains are completely missing drain body and clamping collar assemblies. Instead, strainers were just installed within the mortar bed and the drainage piping stubbed up from below. These drain outlets were measured to be 2-

inches, while 3-inch sized drains are specified on the Plumbing Drawings. The drain in the BBQ area on the Terrace appears to be provided with a drain body assembly, however, the grate/strainer assembly with clamping collar is missing. The opening in the roofing system is too small and obstructs the flow of water for the 3-inch drain.

Location: The existing condition was observed at the Outdoor Terrace on the 3rd Floor.



Typical grate/strainer installed at the outdoor Terrace.



No drain body or clamping collar assembly installed for the Terrace drains.



Drain outlet of 2-inches



BBQ Area drain missing grate/strainer assembly



Opening at roofing system smaller than drain outlet and obstructing water flow.

Criteria: The existing condition deviates from the Plumbing Drawings P-03 and P-09 and is a Code violation. The installation does not allow the storm water drainage system to operate as the design intended.

FBC Section 107.4 (2020 Edition) – *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Recommendation: The drains at the outdoor Terrace at the 3rd Floor and connected piping must be replaced with the appropriate two-stage drain body and clamping collar assembly matching the size specified. The Terrace is a walking surface and thus the grate/strainer must be flush with the Terrace finishes and heel-proof. The roofing/waterproofing system must not obstruct the drains or restrict waterflow.

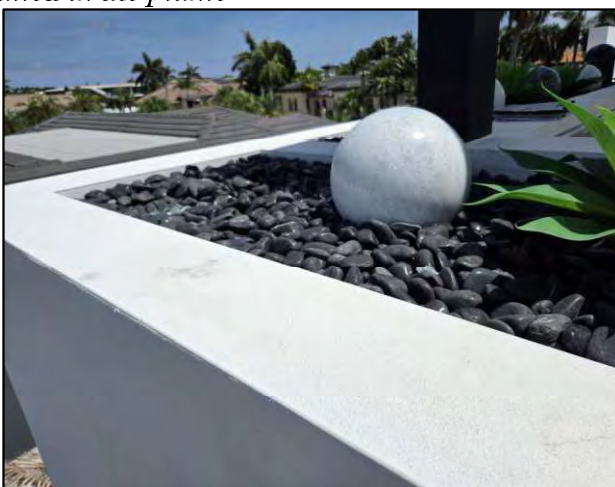
3.1.17 2nd and 3rd Floor Planter Drains

Observation: The drains installed at the planter on the 2nd floor wrap-around balcony and the 3rd floor outdoor terrace are not of the appropriate type. The installed drain is a typical plastic shower drain with no provisions for overflow drainage. The installed drain can easily get clogged and fail allowing for water to accumulate in the planter. A flooded planter will add unintended load to the structure and improper drainage can harm the plants. Plastic bodied drains can become brittle over time and cracking can occur due to thermal expansion. Additionally, without overflow drainage provisions there is no way to easily service the drain without entirely removing the soils out of the planter. The Plumbing Drawings do not have drainage specifications for these planters. Planter drains are typically specified for three stages of drainage: 1) overflow dome, 2) perforated standpipe, and 3) weep holes at the drain clamping collar.

Location: The existing condition was observed at the 2nd Floor planter on the exterior wrap-around balcony and 3rd Floor Outdoor Terrace.



Improper drains installed in the planter



No provisions of overflow drainage in outdoor terrace planters

Criteria: The existing condition is a deviation from industry standards and will not allow the storm water drainage system to operate as the design intended.

Recommendation: The plastic planter drains must be replaced with new drains with galvanized cast iron bodies and components. Overflow perforated standpipes with a dome (see example picture below) must be provided at all installed planter drains for proper operation of the storm drainage system and access to service the planter drains. Standpipes must be installed with coarse rock and filter fabric around the standpipe to prevent soil from intruding and clogging the drain. The Engineer of Record must specify the overflow standpipes and domes that are compatible with the installed planter drains.



3.1.18 Reverse Slope in Storm Drain Piping

Observation: Storm drainage piping installed above the ceiling in the Master Bedroom was found to have a reverse slope on the piping. This condition can cause water to stand in the pipe and backups to occur from the storm drain on the 3rd Floor Terrace.

Location: The existing condition was observed at the 2nd Floor Master Bedroom



Reverse pitch observed on the storm drainage piping

Criteria: The existing condition is an improper installation and a Code violation.

FBCR Section P3005.3 – “Horizontal drainage piping shall be installed in uniform alignment at uniform slopes not less than ¼ unit vertical in 12 units horizontal (2-percent slope) for 2 ½ inch (64 mm) diameter and less, and not less than 1/8 unit

vertical in 12 units horizontal (1-percent slope) for diameters of 3 inches (76 mm) or more.”

Recommendation: The storm drainage piping must be reinstalled with a positive uniform slope in the direction of discharge.

3.1.19 Missing Pipe Hangers

Observation: The planter drainage piping installed within the Garage is improperly supported. It is missing properly spaced hangers to support the piping.

Location: The existing condition was observed at the 1st Floor Garage.



Piping hangers missing to properly support the piping

Criteria: The existing condition is a Code violation.

FBCR Section P2605 (2020 Edition) – *“Piping shall be supported in accordance with the following: 5. Piping shall be supported at distances not to exceed those indicated in Table P2605.1.”*

TABLE P2605.1 PIPING SUPPORT

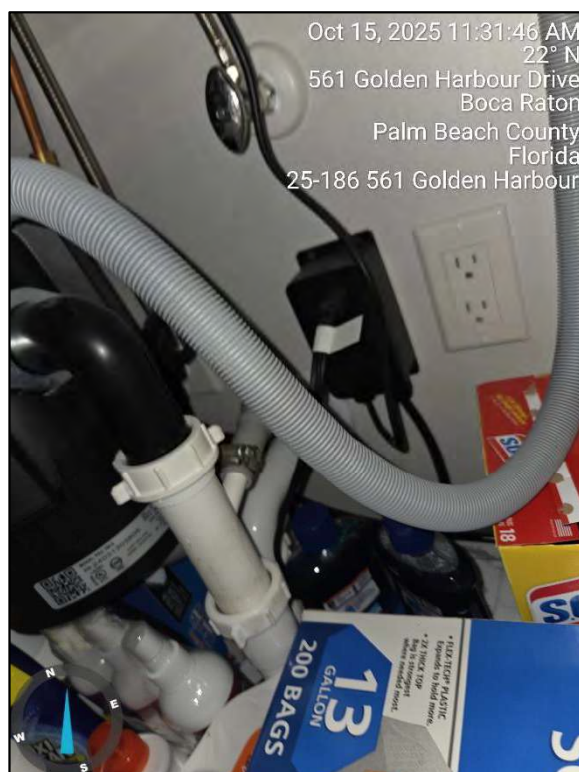
PIPING MATERIAL	MAXIMUM HORIZONTAL SPACING (feet)	MAXIMUM VERTICAL SPACING (feet)
PVC pipe	4	10 ^b
b. For sizes 2 inches and smaller a guide shall be installed midway between required vertical supports. Such guides shall prevent pipe movement in a direction perpendicular to the axis of the pipe.		

Recommendation: The missing pipe supports must be provide at the proper spacing as required by Code.

3.1.20 Missing Air Admittance Valve

Observation: The specified air admittance valve (AAV) was not observed installed at the Kitchen sink fixture.

Location: The existing condition was observed at the 1st Floor Kitchen sink fixture.



Kitchen sink fixture drainage piping missing specified AAV

Criteria: The existing condition is a deviation from the Plumbing Drawing P-10 and a Code Violation.

FBC Section 107.4 (2020 Edition) – *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Recommendation: The AAV must be installed as specified on the Plumbing Drawings.

3.1.21 Exposed PVC Pool Piping to Sunlight

Observation: The plastic PVC piping for the pool/spa and koi pond systems are not painted and are exposed to UV sunlight. Constant exposure to sunlight causes deterioration of PVC plastic.

Location: The existing condition was observed at the 1st Floor Pool/Spa and Koi Pond equipment areas.



Exposed plastic PVC piping at the Koi Pond equipment



Exposed plastic PVC piping at the Pool/Spa equipment

Criteria: The existing condition is a deviation from the PVC plastic piping manufacturer installation instruction, deviates from the Pool Drawing 5 and is Code violation.

FBCR Section R4501.6.5 (2023 Edition) – “All piping materials shall be installed in strict accordance with the manufacturer’s installation standards.”

Charlotte Pipe and Foundry Company – Plastics Product Knowledge Guide:

- **Page 34 – PVC Schedule 40 Pipe and Fittings for Pressure Applications – Special Considerations:** “UV Sensitivity. Do NOT install permanently in direct sunlight without painting with water-based latex paint or covering with insulation.”

Charlotte Pipe and Foundry Company – Plastics Technical and Installation Manual:

- **Page 44 – Design and Engineering Information – Weathering:** “The most common method used to protect above ground Abs, CPVC, and PVC pipe from the sun is painting with a latex (water based) paint. Preparation of the surface to be painted is very important. The pipe should be cleaned to remove moisture, dirt, and old and wiped with a clean, dry cloth. **Notice:** Petroleum-based paints should not be used, since the presence of petroleum will prevent proper bonding of paint to pipe.”

Recommendation: All exposed PVC plastic piping at the 1st Floor must be provided with one coat primer and minimum of two coats of water-based paint to eliminate exposure to UV sunlight per manufacturer and Code requirements.

3.1.22 Leak at Pool Skimmer

Observation: It was reported that there was an active leak at the pool skimmer. Photographs were provided showing the excavation of the skimmer at the cracks at the connected pipe and the skimmer body, itself. These cracks were the cause of the pool leak. The photographs were provided by the renovating contractor.

Location: The existing condition was observed at the 1st Floor exterior backyard area.



Excavation of the installed skimmer at the pool



Cracked found in the connected pipe fitting



Crack found in the pool skimmer body

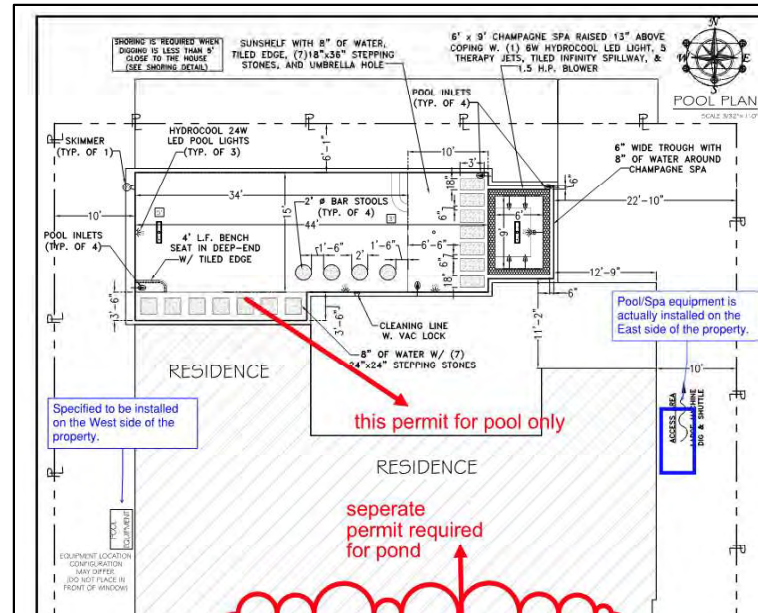
Criteria: The existing condition represents a deficient and damaged installation of the pool systems.

Recommendation: The damaged piping and pool skimmer must be replaced to eliminate the leak from the pool system.

3.1.23 Pool/Spa Equipment Location Deviate from Plans

Observation: The pool/spa equipment (pumps, filter, heater, chemical treatment, etc.) are installed in a completely different location than specified on the approved Pool Drawings. The equipment are installed along the East side of the property where there are windows and doors nearby. The approved Pool Drawings and Architectural Drawings specify for the equipment to be installed

Location The existing condition was observed at the 1st Floor Pool/Spa equipment area.



Excerpt from the approved Pool Drawing Sheet 1

Criteria: The existing condition is a deviation from the approved Pool Drawings, Architectural Drawings, and construction documents which is a Code violation.

FBC Section 107.4 (2020 Edition) – “*Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.*”

Recommendation: Relocate the pool/spa equipment to the area specified on the approved construction documents or revise the drawings to reflect the accurate installed conditions.

3.1.24 Emergency Generator Installed with Incorrect Clearances

Observation: The gas-fired emergency generator is installed near building opening (Laundry Room exterior door). Additionally, the generator is installed within 3 feet of adjacent landscaping and property line fencing. The equipment manufacturer requires minimum 3 feet clearance at the front and sides of the unit. The equipment must also not be concealed by shrubs.

Location: The existing condition was observed at the 1st Floor emergency generator equipment area.



Emergency generator within near building opening



Equipment within 10 feet of building opening



Trees installed within 3 feet of generator



Fence installed within 3 feet of generator and bushes installed up against generator

Criteria: The existing conditions deviate from the manufacturer's installation requirements and constitute as a Code violation.

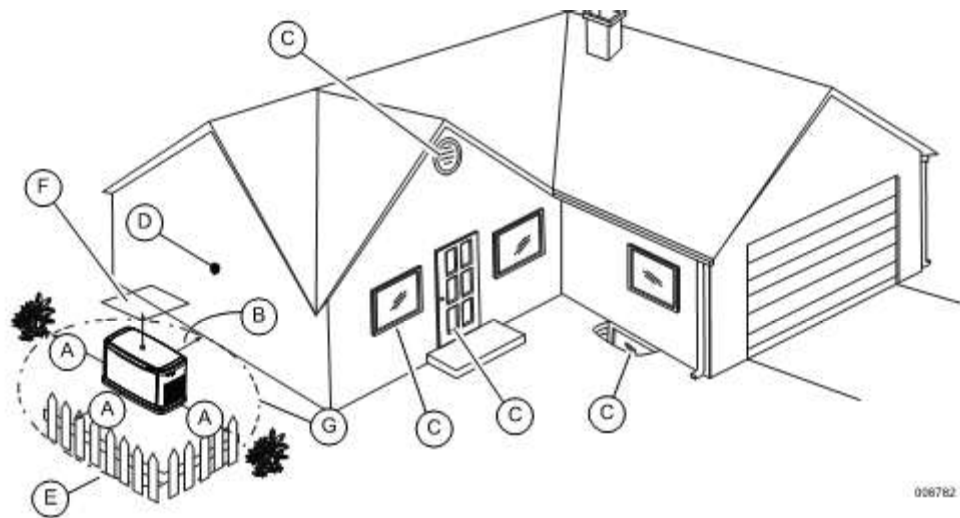


Figure 3-2. Generator Distance Requirements

ID	Description	Definition
A	Front and end clearance	Minimum clearance from the front and ends of generator must be 3 ft (0.91 m). This includes shrubs, bushes, and trees.
B	Rear clearance	Fuel and electrical connections are made here. 18 in (457 mm) minimum clearance per SwRI testing, labeling, and listing, unless state or local codes dictate otherwise.
C	Windows, vents, and openings	No operable windows, doors, vents, window wells, or openings in the wall are permitted near any point of the generator. See <i>Potential CO Entry Points</i> for more information.
D	Existing wall	The generator should not be placed closer than 18 in (457 mm) from existing walls.
E	Removable fence	A removable barrier (non-permanent; without footings) installed as a visual surround. Removable fence panels for servicing cannot be placed less than 3 ft (0.91 m) in front of the generator.
F	Overhead clearance	5 ft (1.52 m) minimum distance from any structure, overhang, or projections from wall.
G	Maintenance and servicing	Maneuvering space around generator for performing routine maintenance tasks such as battery replacement and engine service. Do not attempt to conceal generator with shrubs, bushes, or plants. See NEC Article 110.26 for more information.

Excerpt from Generac Installation Guidelines for 60 Hz Air-Cooled Generators 10 kW to 26 kW

FBCR Section G 2406.1 (2020 Edition) – “Appliances shall be located as required by this section, specific requirements elsewhere in this code and the conditions of the equipment and appliance listing.”

Recommendation: The emergency generator must be relocated to meet the spacing and clearance requirements of the manufacturer and Code.

3.1.25 Emergency Generator Gas Regulator

Observation: The vented gas pressure regulator for the emergency generator is installed incorrectly. The orientation of the vent will allow for water and insects to

enter the device. Additionally, the regulator is installed within 5 feet of the generator equipment. The manufacturer installation instructions specifies for minimum 5 feet distance between the generator and regulator.

Location: The existing condition was observed at the 1st Floor emergency generator equipment area.

Criteria: The existing condition is a Code violation and a deviation from the manufacturer's installation instructions.

FBCR Section G 2406.1 (2020 Edition) – *“Appliances shall be located as required by this section, specific requirements elsewhere in this code and the conditions of the equipment and appliance listing.”*

FBCR Section G2421.3 (2020 Edition) – *“Pressure regulators that require a vent shall be vented directly to the outdoors. The vent shall be designed to prevent the entry of insects, water and foreign objects.”*

Natural Gas Installation (Typical)

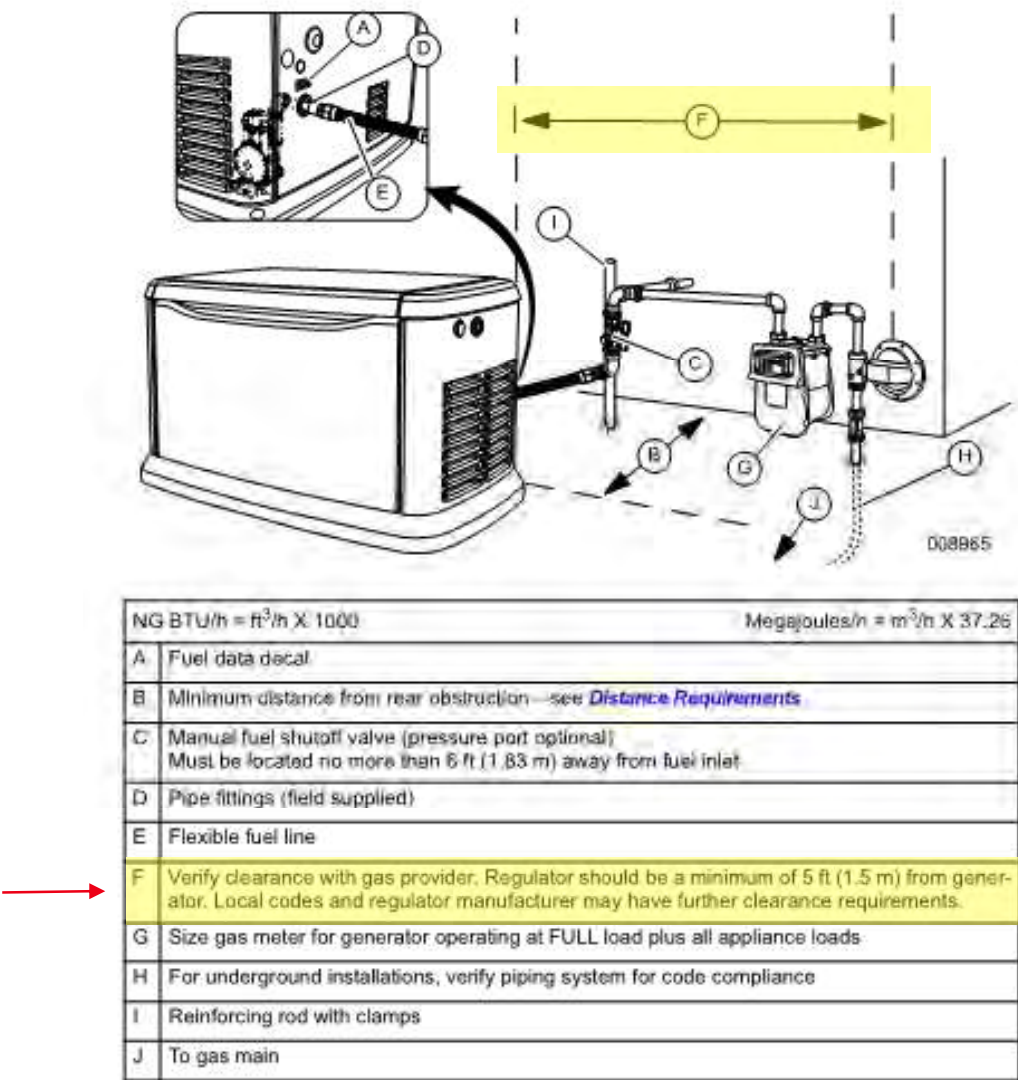


Figure 5-6. Natural Gas Installation (typical)

Recommendation: The gas pressure regulator must be relocated minimum 5 feet away from the equipment as required by the manufacturer. The regulator vent must be oriented in a manner to prevent water and insects from entering.

3.1.26 Pool/Spa Heater Equipment Near Openings

Observation: The gas-fired pool/spa heater equipment is located within 4 feet of an operable window. This is a life safety issue as it can allow gas fumes to enter the living space.

Location: The existing condition was observed at the 1st Floor Pool/Spa equipment area.



Pool/Spa gas-fired heater equipment located near operable window.



Gas-fired heater installed within 4 feet of the operable window.

Criteria: The existing condition is a deviation from the manufacturer's installation instructions, the approved Pool Drawing Sheet 1, and is a Code Violation.

Jandy JXi Gas-Fired Pool and Spa Heater Installation and Operation Manual:

- **Page 11 – Outdoor Installations:** *“Do not install the heater with the top of the vent assembly within 4 feet (1.22 m) horizontally, 4 feet (1.22 m) below or less than 1 ft (300 mm) above of any opening into a building. Local codes and installation requirements may vary.”*

FBCR Section G2408.1 (2023 Edition) – *“Equipment and appliances shall be installed as required by the terms of their approval, in accordance with the conditions of listing, the manufacturer's instructions and this code. Manufacturer's installation instructions shall be available on the job site at the time of inspection. Where a code provision is less restrictive than the condition of the listing of the equipment or appliance or the manufacturer's installation instructions, the conditions of the listing and the manufacturer's installation instructions shall apply.”*

Recommendation: The pool/spa pool heater equipment must be relocated a minimum 4 feet away from any operable opening as required by the manufacturer's installation instructions and the Code.

3.1.27 Unapproved Gas Drawings

Observation: The residence is provided with a natural gas system servicing the hot water heaters, cooking equipment, the pool heater, and the emergency generator. At the time of P&A's inspections no gas drawings were made available. There is sub-permit card for gas system issued by the City of Boca Raton which indicates that the system shall be installed per the Plumbing plans. However, the Plumbing Drawings have no gas system specifications. Later, an incomplete set of gas drawings were provided prepared by Clay Cube, Inc. These drawings were not signed and sealed and

there is no approval stamp indicating that they were submitted to the building department for review. Natural gas is a hazardous material. The proper design and sizing of that system is essential to avoid leaks and failures that can be dangerous. Accurate design drawings by a Florida licensed engineer are necessary to properly evaluate the installed gas system and are required for permitting and construction.

Location: The existing condition was observed at the 1st Floor and 3rd Floor

Criteria: The existing condition is a deviation from the permitted drawings and a Code violation.

FBC Section 107.4 (2020 Edition) – *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Recommendation: Provide the signed and sealed design drawings from the EOR for the natural gas supply system that has been installed at the building for review. These drawings must be submitted to the building department for review and approval if not done already.

3.1.28 Improperly Installed Gas Pressure Regulators

Observation: The vented gas pressure regulators installed for the pool heater and the hot water heaters were found to be installed within 3 feet of ignition sources (switches, outlets and panels). This is a life safety issue as ignition sources can potentially ignite gas vapors that are vented from the regulators.

Location: The existing condition was observed at the 1st Floor exterior back yard area.



Water heater regulator within 3 feet of ignition source



Pool heater regulator within 3 feet of control panel

Criteria: The existing condition is a Code violation.

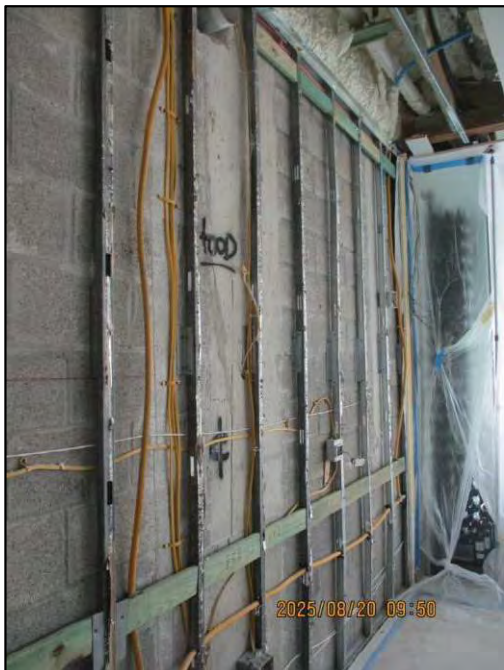
NFPA 54 Section 5.8.5.1 – “Line pressure regulators shall comply with the following:
(3) The regulator vent shall terminate at least 3 feet away from a source of ignition.”

Recommendations: The vented gas pressure regulators must be relocated so that they are a minimum of 3 feet away from ignition sources, as required by Code.

3.1.29 Improperly Installed Gas Distribution Piping

Observation: The corrugated stainless-steel tubing (CSST) utilized for the gas distribution piping within the residence was found improperly installed. The vertical and horizontal tubing is supported by the drywall framing. No protection plates were observed installed where the tubing passes concealed behind the wall/ceiling and where it crosses framing. The tubing does not have the required 3-inch distance to the outer edge of the framing or wall/ceiling finishes for installation without any protection plates. The owner had reported smelling gas fumes at the Kitchen. When the CSST was exposed, there were pinholes observed in the CSST due to drywall installation. P&A understands that the CSST in the Kitchen has since been abandoned. The installation of the CSST throughout the property deviates from the manufacturer’s installation requirements and poses a Life Safety issue.

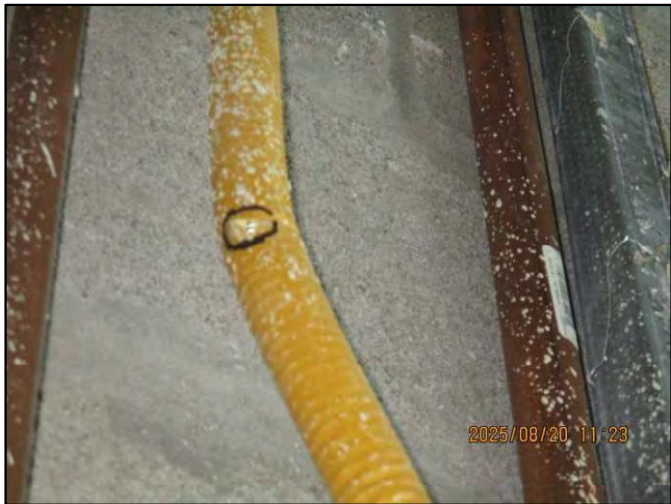
Location: The existing condition was observed at the 1st and 2nd Floors.



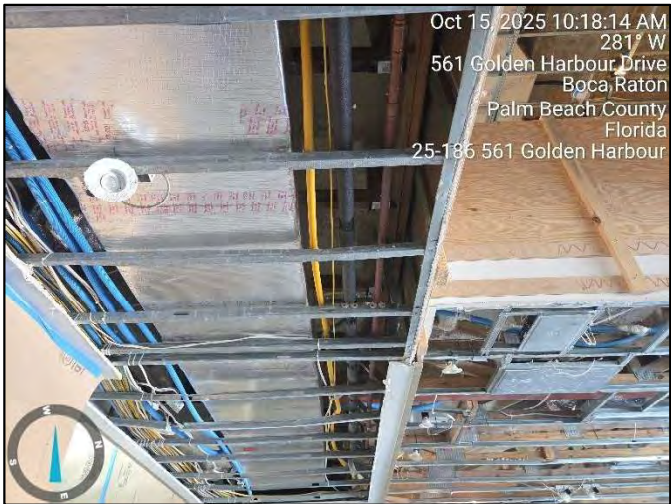
Installation of the CSST at the Kitchen wall



Installation of the CSST missing protection shield at the Kitchen wall



Pinhole in CSST from drywall installation at the Kitchen



Installation of the CSST missing protection shields



Installation of the CSST missing protection shield

Criteria: The existing condition is a Life Safety issue as the improper installation of the CSST can result in gas leak and potential fire/explosion. The existing installation deviates form the manufacturer’s installation instructions and is a Code violation.

When WARDFlex® is installed in locations where the potential of physical damage exists, hardened steel striker plates must be used. Striker plates other than those provided for use with WARDFlex® are prohibited. The tubing may also be routed inside strip wound conduit or schedule 40 pipe when protection is required.

In areas where penetration through studs, joists, plates and other similar structural members occur striker protection is required when all of the following criteria apply:

1. When the piping system is installed in a concealed location and is not viewable.
2. When the piping system is installed in a location that does not allow free movement to avoid puncture threats.
3. When the piping system is installed within 3 inches of possible points of penetration.

Excerpt from WardFlex Design and Installation Guide – Page 29

FBCR Section G2415.2 – “CSST piping systems shall be installed in accordance with the terms of their approval, the conditions of listing, the manufacturer’s instructions and this code.”

FBCR Section G2415.7.1 (2020 Edition) – *“Where piping is installed through holes or notches in framing members and the piping is located less than 1 1/2 inches (38 mm) from the framing member face to which wall, ceiling or floor membranes will be attached, the pipe shall be protected by shield plates that cover the width of the pipe and the framing member and that extend not less than 4 inches (51 mm) to each side of the framing member. Where the framing member that the piping passes through is a bottom plate, bottom track, top plate or top track, the shield plates shall cover the framing member and extend not less than 4 inches (51 mm) above the bottom framing member and not less than 4 inches (51 mm) below the top framing member.”*

FBCR Section G2415.7.2 (2020 Edition) – *“Where the piping is located within a framing member and is less than 1 1/2 inches (38 mm) from the framing member face to which wall, ceiling or floor membranes will be attached, the piping shall be protected by shield plates that cover the width and length of the piping. Where the piping is located outside of a framing member and is located less than 1 1/2 inches (38 mm) from the nearest edge of the face of the framing member to which the membrane will be attached, the piping shall be protected by shield plates that cover the width and length of the piping.”*

Recommendation: All the CSST piping installed for the gas distribution system must be reinstalled following the manufacturer’s installation requirements and provided with the necessary protection at the required locations to avoid damage of the CSST. The entire system must be tested to ensure no leaks are present.

3.1.30 Unbonded Gas Piping

Observation: The above ground gas supply piping was observed lacking electrical bonding. Bonding of the gas piping is required by Code.

Location: The existing condition was observed at the 1st through 3rd Floors.

Criteria: The existing condition is a Code violation.

FBCR Section G2411.1 (2020 Edition) – *“Each above-ground portion of a gas piping system other than corrugated stainless steel tubing (CSST) that is likely to become energized shall be electrically continuous and bonded to an effective ground-fault current path. Gas piping other than CSST shall be considered to be bonded where it is connected to appliances that are connected to the equipment grounding conductor of the circuit supplying that appliance.”*

FBCR Section G2411.2 (2020 Edition) – *“This section applies to corrugated stainless steel tubing (CSST) that is not listed with an arcresistant jacket or coating system in accordance with ANSI LC 1/CSA 6.26. CSST gas piping systems and piping systems containing one or more segments of CSST shall be electrically continuous and bonded to the electrical service grounding electrode system or, where provided, the lightning protection grounding electrode system.”*

Recommendation: Electrical bonding must be provided for the gas piping system as required by Code.

3.1.31 Improper Water Heater Installation

Observation: The installed gas-fired water heaters are manufactured by Navien model NPE240A2 and NPE240S2. The installation of this equipment deviates from the manufacturer's installation instructions. The manual for this equipment indicates that it is not suitable for installation outdoors near coastal environments without being enclosed. The property is located within three miles from the coast and is immediately adjacent to a canal which provides ocean access. The water heater equipment is not provided with the necessary enclosure to protect it from the corrosive coastal environment. Additionally, there are no check valves installed on the water supply piping to the water heater equipment. A check valve is required according to the manufacturer's installation instructions.

Location: The existing condition was observed at the 1st floor exterior backyard area.



Gas-fired instant water heaters exposed to coastal environment



Water supply connection to the water heater missing required check valve

Criteria: The existing condition deviates from the manufacturer's installation instructions and is a Code violation.

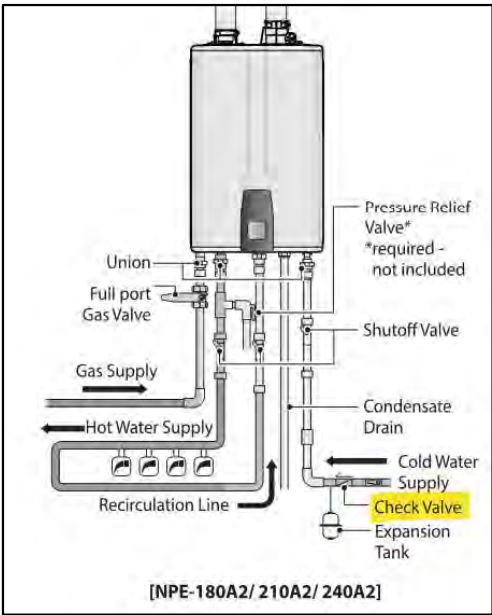
FBCR Section M2005.1 (2020 Edition) – “Water heaters shall be installed in accordance with Chapter 28, the manufacturer's instructions and the requirements of this code. Water heaters installed in an attic shall comply with the requirements of

Section M1305.1.3. Gas-fired water heaters shall comply with the requirements in Chapter 24. Domestic electric water heaters shall comply with UL 174. Oiled-fired water heaters shall comply with UL 732. Thermal solar water heaters shall comply with Chapter 23 and UL 174. Solid fuel-fired water heaters shall comply with UL 2523.”

FBCR Section G2408.1 (2020 Edition) – *“Equipment and appliances shall be installed as required by the terms of their approval, in accordance with the conditions of listing, the manufacturer’s instructions and this code. Manufacturer’s installation instructions shall be available on the job site at the time of inspection. Where a code provision is less restrictive than the conditions of the listing of the equipment or appliance or the manufacturer’s installation instructions, the conditions of the listing and the manufacturer’s installation instructions shall apply.*

Coastal Installations

For installations in sea or marine environments, the salty air can cause corrosion to the water heater. The water heater should be protected and enclosed to minimize exposure to the corrosive atmosphere. Damage due to a corrosive environment is not covered under warranty.



Excerpts from Navien installation instructions

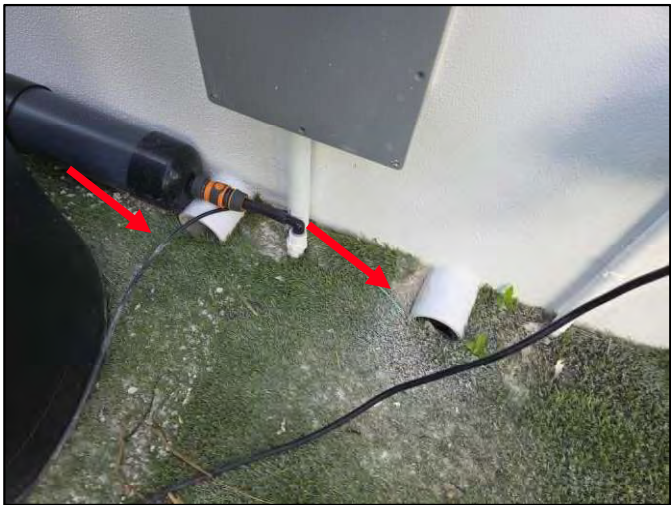
Recommendation: The water heater equipment must be provided with the required enclosure to protect the equipment from the coastal environment as required by the manufacturer’s installation instructions. All venting and intake installations must be

modified along with the new enclosure. Check valves must be provided on the water supply lines as required by the manufacturer’s installation instructions.

3.1.32 Obstructed Stormwater Discharge

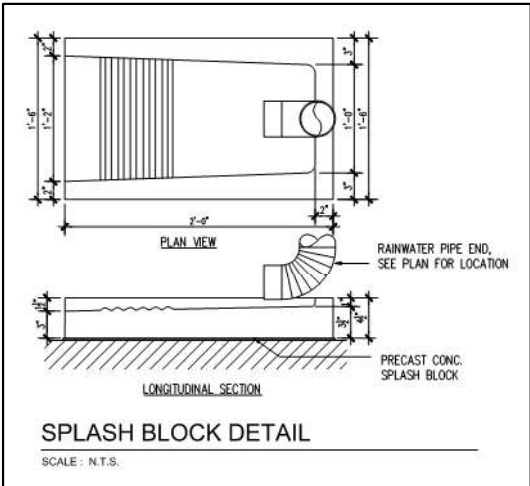
Observation: The rainwater drainage piping is installed to discharge over the ground at 1st level. The specified splash blocks were not installed at the pipe discharge points. Additionally, some of the rainwater discharge piping are installed lower than the grade level causing partial obstruction of the piping. This condition restricts the waterflow to discharge from the piping and can cause backups and water ponding during rain events.

Location: The existing condition was observed at the 1st floor exterior backyard area.



Typical conditions of rainwater drainage piping missing splash block and obstructed

Criteria: The existing condition deviates from the Plumbing Drawings which specify for the rainwater pipe to discharge over a splash block and is a Code violation.



Excerpt from Plumbing Drawing P-09

FBC Section 107.4 (2020 Edition) – “Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”

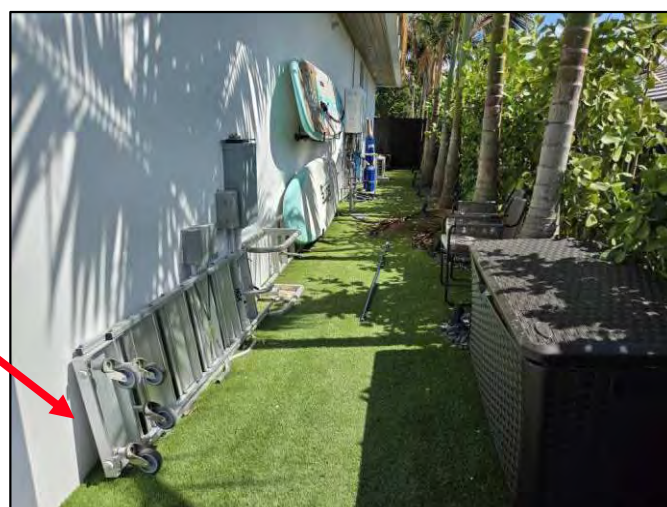
FPC Section 1101.2 (2020 Edition) – “Rainwater from roofs and storm water from paved areas, yards, courts and courtyards shall drain to an approved place of disposal. For one and two-family dwellings, and where approved, storm water is permitted to discharge onto flat areas, such as streets or lawns, provided that the storm water flows away from the building.”

Recommendation: Splash blocks must be provided at the rainwater drainage pipe discharge locations as specified on the Plumbing Drawings. The obstructed drainage piping must be raised so that they discharged without restriction over the top of grade.

3.1.33 Missing Hose Bibs

Observation: There are hose bibs specified on the Plumbing Drawings which are not installed on the 1st floor exterior backyard area.

Location: The existing condition was observed at the 1st floor exterior backyard area.



Locations where hose bibs are specified and not installed

Criteria: The existing condition deviates from the Plumbing Drawing P-05 which is a Code violation.

FBC Section 107.4 (2020 Edition) – “Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”

Recommendation: Hose bibs must be installed as specified on the Plumbing Drawings.

3.1.34 No Access to Gas Shutoff Valves

Observation: There is no access to the gas shutoff valve for the outdoor cooking equipment at the 1st Floor backyard area. The shutoff valve is located behind the cabinetry and appliances where it is not accessible. This condition was similarly reported for the interior gas stove in the Kitchen and the outdoor cooking equipment on the 3rd Floor Outdoor Terrace.

Location: The existing condition was observed at the 1st Floor exterior backyard area. This was also reported at the Kitchen and the 3rd Floor Outdoor Terrace.



Typical conditions of rainwater drainage piping missing splash block and obstructed

Criteria: The existing condition is a Code violation.

FBCR Section G2420.1.3 (2020 Edition) – “Shutoff valves shall be located in places so as to provide access for operation and shall be installed so as to be protected from damage.”

Recommendation: The shutoff valves must be relocated to ensure proper access for operation and servicing as required by Code.

3.1.35 Steam Generator Equipment Missing Access

Observation: The steam generator equipment servicing the Cabana Bath in the Guest Suite is not provided with the required access or clearances. The equipment is installed under the counter and behind the outdoor cooking equipment. It is not accessible for

required service and maintenance. Additionally, this location poses a life safety/fire hazard issue as it is located near a gas supply line and gas burning equipment.

Location: The existing condition was observed at the 1st floor exterior backyard area.



Outdoor, gas-burning cooking equipment at the backyard areas



Steam generator equipment installed behind the gas burning cooking equipment.

Criteria: The existing condition creates a life safety/fire hazard condition, deviates from the manufacturer's installation instruction, deviates from the Plumbing Drawing P-01, and is a Code violation.

3. To prevent damage to the steam generator or a fire hazard DO NOT install steambath generator near flammable or corrosive materials or chemicals such as gasoline, paint thinners, or the like. Installation in areas having high concentrations of chlorine (such as pool equipment room) must be avoided.	IMPORTANT NOTES: (Items 8-12) 8. Install anti-water hammer device as necessary. 9. Provide a minimum of 12 inches at both ends and top of the steam generator or as required for servicing. See page 10. 10. Provide unions as required to facilitate installation and disconnection of piping.
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Excerpt from Mr. Steam Steam Bath Generator Systems Installation, Operation and Maintenance Manual Page 5

FBCR Section M1305.1 (2020 Edition) – “Appliances shall be located to allow for access for inspection, service, repair and replacement without removing permanent construction, other appliances, or any other piping or ducts not connected to the appliance being inspected, serviced, repaired or replaced. A level working space not less than 30 inches deep and 30 inches wide (762 mm by 762 mm) shall be provided in front of the control side to service an appliance.”

FBC Section 107.4 (2020 Edition) – “Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”

Recommendation: The steam generator equipment must be relocated out from behind the gas-burning cooking equipment and installed in the location that is specified on the Plumbing Drawings and is Code compliant. Until this is complete the steam generator equipment must be completely disconnected to avoid a fire hazard.

3.1.36 Missing Sanitary Cleanout

Observation: The 4-inch cleanout on the main sanitary building drain/sewer was not observed installed at the front of the property. This cleanout fitting is specified on the Plumbing Drawings and required by Code.

Location: The existing condition was observed at the 1st floor exterior front yard area.



Missing sanitary cleanout

Criteria: The existing condition deviates from the Plumbing Drawing P-01 and is a Code violation.

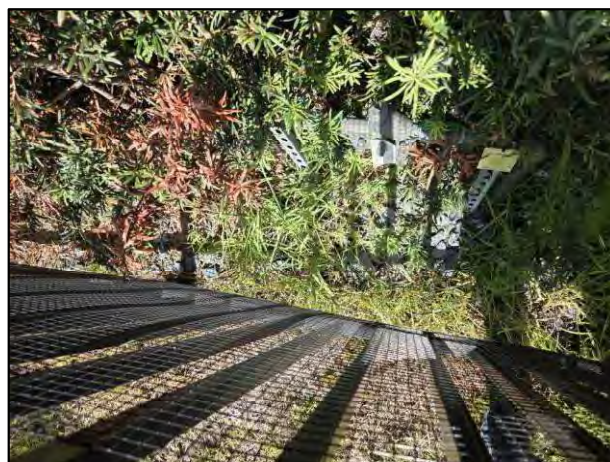
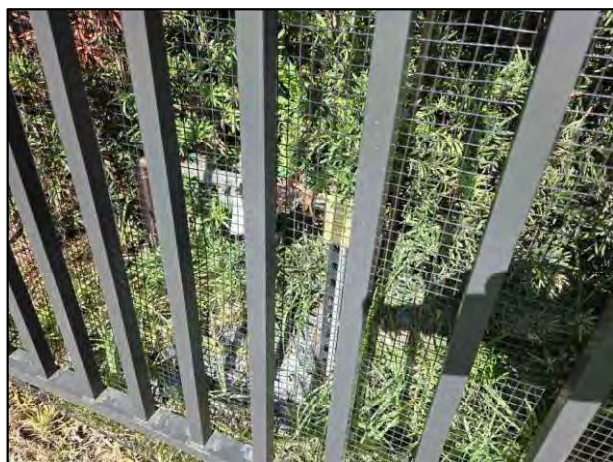
FBCR Section P3005.2.2 (2020 Edition) – *“Building sewers smaller than 8 inches (203 mm) shall have cleanouts located at intervals of not more than 100 feet (30 480 mm). Building sewers 8 inches (203 mm) and larger shall have a manhole located not more than 200 feet (60 960 mm) from the junction of the building drain and building sewer and at intervals of not more than 400 feet (122 m). The interval length shall be measured from the cleanout or manhole opening, along the developed length of the piping to the next drainage fitting providing access for cleaning, a manhole or the end of the building sewer.”*

Recommendation: The 4-inch cleanout must be installed as required by Code and as specified on the Plumbing Drawings.

3.1.37 Obstructed Backflow Preventer

Observation: The backflow preventer for the incoming water service from the city utility to the building is located behind dense landscaping. It is not accessible for inspection and service without removal of landscaping.

Location: The existing condition was observed at the 1st floor exterior front yard area.



Lack of access to the backflow preventer due to landscaping

Criteria: The existing condition deviates from the manufacturer's installation instructions and is a Code violation.

FBCR Section P2902.6 (2020 Edition) – “Access shall be provided to backflow preventers as specified by the manufacturer's installation instructions.”

Recommendation: The landscaping must be cleared to provide the necessary access and clearance to the backflow preventer for servicing, inspection and maintenance.

3.1.38 Deviation from the Plumbing and Mechanical Drawings

Observation: There are two gas-fired instant water heaters installed supplying the residence with hot water. This completely deviates from the Plumbing Drawings which specify for several electric instant water heaters. Additionally, a whole-house water filtration system is installed on the water distribution system. There is no whole-house filtration system specified to be installed on the Plumbing Drawings. Similarly, there is a mini split air conditioning system installed servicing one of the Garage's. This mini split is not specified on the Mechanical Drawings.

Location: The existing condition was observed at the 1st Floor exterior backyard area and Garage.



Gas-fired instant water heaters



Whole-house water filtration system



Condenser unit for the mini split system



Air handler for the mini split system in the Garage

Criteria: The existing condition deviates from the Plumbing and Mechanical Drawings and is a Code violation.

FBC Section 107.4 (2020 Edition) – “Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”

Recommendation: Provide the revised signed and sealed Plumbing drawings from the Engineer of Record reflecting the as-built conditions and installed systems. The revised as-builts must be submitted to the city for review and approval.

3.1.39 Low Water Pressure

Observation: The property owner has reported that there is poor water pressure available at the property. This is especially noticeable when there are multiple fixtures operating at once (dishwasher, washing machine, sinks, etc.) During P&A's inspection this condition was apparent when the irrigation system was operated. The irrigation system is supplied water from the property's domestic water system. When the irrigation system is on the available pressure for the building drops to almost zero. There does not appear to be sufficient water pressure and service to operate the irrigation system and the plumbing fixtures within the building.

Location: The existing condition was observed at the 1st Floor exterior backyard area.



Domestic water supply pressure drops to near zero when irrigation system is operating.

Criteria: The existing condition is a deviation from the approved Plumbing Drawing P-05 which is a Code violation.

FBC Section 107.4 (2020 Edition) – *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*

Recommendation: The irrigation system must be separated from the building's water supply and provided with its own connection for a water source for nonpotable water system. The entire irrigation system must be evaluated for proper operation.

3.1.40 Disconnected Irrigation Zones

Observation: Some sections of the irrigation system appear to be disconnected or cut. Drip line piping was found cut and disconnected along the perimeter planting areas. This can be contributing to the dying landscaping.

Location: The existing condition was observed at the 1st Floor exterior backyard area.



Disconnected irrigation drip lines at the perimeter planters

Criteria: The existing condition is preventing the irrigation system from operating as intended and contributing to the planting dying.

Recommendation: The entire irrigation system must be evaluated and repaired where the zone sections are disconnected.

END OF SECTION III

Section IV: Electrical

DRAFT

Section IV - Electrical

General

Inspections were performed of the electrical installations at the new residence located at 561 Golden Harbour Drive, Boca Raton, Fl. 33432. These installations were inspected for consistency with approved permitted drawings and compliance with applicable Codes.

The applicable Drawings and Codes are:

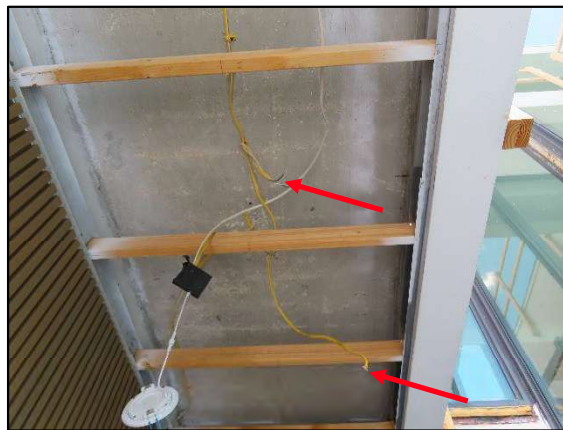
- Electrical signed by Daniel Riveros of Pear Engineering (dated 03/16/23-Rev.2)
- Florida Building Code (FBC) 2020, Residential, 7th Edition,
- National Electrical Code (NEC) 2017

The following adverse conditions were observed. **All issues are considered Life Safety issues and should be addressed as soon as possible. The exposed and energized wiring is considered an eminent danger issue and the remediation contractor on site was advised to de-energize those circuits as soon as possible.**

4.1 OBSERVATIONS

4.1.1 Improperly Installed Electrical Equipment

Observation: There is electrical equipment which has not been properly installed as indicated below.



Entrance Soffit-Unterminated & Energized Wiring

Locations:

- Exterior:
 - 1st Floor - Front Entrance & SW Corner Soffits: Unterminated & energized wiring;
 - 1st Floor - Sun Ledge Soffit: Unterminated & energized wiring;

- 1st Floor - Front of House: Landscape lighting cables at palm tree are not properly buried;
- Pool Area: There are ceiling mounted & landscape floor mounted luminaires within 5 ft of the pool and less than 12 ft above the pool water level;
- 3rd Floor grill area: Receptacle outlets are not type weather resistant (WR) and there are unterminated/capped wiring;
- 3rd Floor condensing unit area: receptacle outlets are not type weather resistant (WR) & disconnects are not labeled;
- 3rd Floor South Side Soffit: Unterminated & energized wiring;
- Soffits: The luminaires installed at the soffits are rated for damp locations instead of outdoor rated;
- Interior:
 - Garage: Receptacle outlets are not rated type weather resistant (WR) as per drawings;
 - Master Bedroom: There is a floor receptacle outlet more than 6 ft from the sliding glass door opening;
 - 3rd Floor Bathroom: Cabinet luminaires were flickering;
 - Panels: The panel directories are not completely coordinated with the breakers. For example, for Panel A (1st panel on the left), circuit number 32 has 2 twin type breakers with a tie handle (2 pole breaker) rated at 30A and the panel directory shows this circuit as “2FL bed” which as per the drawings should be either a single pole 15A or 20A branch circuit. Some of the panel circuit breaker numbers are covered. The descriptions for some of the circuits are not clear as to its purpose: for example: “guest bed”, “2fl bed”, “dining”, etc;

Criteria: The existing condition is in violation of **NEC 110.3(B) Examination, Identification, Installation, and use of Equipment:** “(B) *Installation and Use:* Listed or labeled equipment shall be installed and used in accordance with any instructions included in the listing or labeling.”; **NEC 352.30(A) Securing and Supporting:** “(A) *Securely Fastened.* PVC conduit shall be securely fastened within 900 mm (3 ft) of each outlet box, junction box, device box, conduit body, or other conduit termination....”; **NEC 680.22 (B)(1) Lighting, Receptacles, and Equipment:** “(B) *Luminaires, Lighting Outlets, and Ceiling-Suspended (Paddle) Fans.* (1) *New Outdoor Installation Clearances.* In outdoor pool areas, luminaires, lighting outlets, and ceiling-suspended (paddle) fans installed above the pool or the area extending 1.5 m (5 ft) horizontally from the inside walls of the pool shall be installed at a height not less than 3.7 m (12 ft) above the maximum water level of the pool.”; **NEC 210.52 (A)(1) Dwelling Unit Receptacle Outlets:** “... This section provides requirements for 125-volt, 15- and 20-ampere receptacle outlets ... (A) *General Provisions.* In every kitchen, family room, dining

room, living room, parlor, library, den, sunroom, bedroom, recreation room, or similar room or area of dwelling units, receptacle outlets shall be installed in accordance with the general provisions specified in 210.52(A)(1) through (A)(4).

(1) *Spacing:* Receptacles shall be installed such that no point measured horizontally along the floor line of any wall space is more than 1.8 m (6 ft) from a receptacle outlet.”; **NEC 110.22 (A) Identification of Disconnecting Means (A)**

General: “Each disconnecting means shall be legibly marked to indicate its purpose unless located and arranged so the purpose is evident. The marking shall be of sufficient durability to withstand the environment involved.”; **NEC 408.4(A)**

Field Identification Required: “(A) *Circuit Directory or Circuit Identification:* Every circuit and circuit modification shall be legibly identified as to its clear, evident, and specific purpose or use. The identification shall include an approved degree of detail that allows each circuit to be distinguished from all others. Spare positions that contain unused overcurrent devices or switches shall be described accordingly. The identification shall be included in a circuit directory that is located on the face or inside of the panel door in the case of a panelboard and located at switchboard. No circuit shall be described in a manner that depends on transient condition of occupancy.”; **Drawings;**

Recommendation: Properly install the equipment as per the referenced criteria.

4.1.2 Spaces About Electrical Equipment

Observation: There is electrical equipment with less than the required clear working spaces.



Condensing Unit Disconnects

Locations:

- Exterior:
 - 3rd Floor – Roof: Condensing Unit Disconnects (< 30” & <36”);

- Outdoor Grill Area: Disconnect for the cabana bathroom steam generator located underneath countertop (<36" & <6.5 ft);
- Interior:
 - 2nd Floor – Steam Generator Room: Master Bathroom steam generator disconnect (height <6.5 ft);

Criteria: The existing condition is in violation of **NEC 110.26 (A) Spaces About Electrical Equipment:** *“(A) Working Space. Working space for equipment operating at 600 volts, nominal, or less to ground and likely to require examination, adjustment, servicing, or maintenance while energized shall comply with the dimensions of 110.26(A)(1), (A)(2), and (A)(3) or as required or permitted elsewhere in this Code”. (1) Depth of Working Space: “The depth of the working space in the direction of live parts shall not be less than that specified in Table 110.26(A)(1)...”; NEC 110.26 (A)(2) Width of Working Space: “The width of the working space in front of the electrical equipment shall be the width of the equipment or 762 mm (30 in.), whichever is greater. In all cases, the work space shall permit at least a 90 degree opening of equipment doors or hinged panels.”; NEC 110.26 (A)(3) Height of Working Space: “The work space shall be clear and extend from the grade, floor, or platform to the height required by 110.26(E). Within the height requirements of this section, other equipment that is associated with the electrical installation and is located above or below the electrical equipment shall be permitted to extend not more than 150 mm (6 in.) beyond the front of the electrical equipment.”;*

Recommendation: Provide the required working spaces for the electrical equipment as per the referenced criteria.

4.1.3 As-built Discrepancies

Observation: There is electrical equipment which was not installed as per the electrical drawings.



Automatic Transfer Switches

Locations:

- Exterior:
 - 3rd Floor Terrace: The following GFCI/WR receptacle outlets shown on the drawings were not installed: north side under pergola wall, on wall between sliding glass doors and grill area;
 - 3rd Floor Terrace: Wall mounted luminaires were not installed, instead, luminaires were installed recessed on the pergola framing;
 - 3rd Floor Exterior South Side: The 2 GFCI/WR receptacle outlets shown on the drawings were not installed;
 - Ground Floor: The installed generator is rated at 26 KW (110A breaker) instead of 100 KVA (600A breaker) as per drawings;
 - Ground Floor: Three (3) automatic transfer switches (ATS) were installed instead of only 1 as per drawings. Each ATS feeds an electrical panel instead of only 1 ATS feeding a main distribution panel;
 - Ground Floor: The ATSS, meter and generator were installed on the east side of the house instead of the west as per drawings;
 - 1st Floor North Soffit (near grill): Non-GFCI/WR receptacle outlet installed;
- Interior:
 - Master Bedroom: The floor receptacle outlet next to the sliding glass door was not installed;
 - 3rd Floor Sky Lounge Grand Salon: There are 2 floor receptacle outlets on the north side that were not installed;
 - East Garage: The electrical panels were installed in the east garage instead of the west garage as per drawings;
 - The drawings show 3 interior panels (MDP, A & B) with a total number of 17 (MDP-11, Panel A-2, Panel B-4) empty breakers spaces for future use. Instead, only 5 empty breakers spaces are available and those are ½ size breaker spaces instead of full size;
 - The quantity of branch circuit breakers shown on the drawings for the interior panels does not match the quantity installed. The drawings show the following breaker quantities for the interior panels: 15A=15, 20A=56, 40A/2P=9, 50A/2P=2, 60A/2P=3, however installed are the following quantities: 15A=8, 20A=51, 40A/2P=2, 50A/2P=5, 60A/2P=2. Further investigations are required to determine how the missing branch circuits were wired;
 - White Romex wiring rated at 15A (#14) instead of yellow Romex wiring rated at 20A (#12) as per drawings were installed at the following locations (further investigations are required to determine all locations): Bedroom 2 receptacle outlets, 3rd floor exterior ceiling lighting - south side, 1st floor exterior ceiling lighting – north side & entrance. Further investigations are required to determine additional locations;

- The panel breakers have an AIC rating of 10K instead of 22K AIC as per drawings;
- The drawings show 8 electric tankless instant water heaters to be installed and instead 2 natural gas tankless water heaters were installed;
- The drawings show an electric cooktop to be installed, however a branch circuit for a cooktop is not shown on the panel directories;
- There are 7 condensing units installed and the drawings show only 5;
- There are 2 steam generators installed (one for master bathroom and one for the cabana bathroom), however, the drawings only show 1 for the cabana bathroom. The steam generator for the cabana bathroom was installed underneath the outdoor grill area countertop instead of inside the guest suite WIC;
- The drawings show only 1 outdoor refrigerator next to the grill, however, in addition, a wine cooler and freezer were installed;
- The drawings show 2 receptacle outlets to be installed at the outdoor grill countertop and only 1 was installed;
- A Dock Panel & 2 power pedestals were installed, however, this equipment is not shown on the drawings;
- A mini split AC was installed at the west side garage, however, this equipment is not shown on the drawings;
- The interior luminaires are not IC & Airtight rated as required;

Criteria: The existing condition is in violation of **Florida Building Code (FBC) 107.4 Amended construction documents:** *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of construction documents.”*;
NEC 210.8(A)(6) Ground-Fault Circuit-Interrupter Protection for Personnel: *“Ground-fault circuit-interruption for personnel shall be provided as required in 210.8(A) through (E). The ground-fault circuit-interrupter shall be installed in a readily accessible location. (A) Dwelling Units. All 125-volt, single-phase, 15- and 20-ampere receptacles installed in the locations specified in 210.8 (1) through (10) shall have ground-fault-circuit-interrupter protection for personnel...(3) Outdoors.”*;
NEC 702.4(B)(2)(a) Capacity and Rating: *“(B) System Capacity. The calculations of load on the standby source shall be made in accordance with Article 220 or by another approved method. (2) Automatic Transfer Equipment. Where automatic transfer equipment is used, an optional standby system shall comply with (2)(a) or (2)(b). (a) Full Load. The standby source shall be capable of supplying the full load that is transferred by the automatic transfer equipment. (b) Load Management. Where a system is employed that will automatically manage the connected load, the standby source shall have a capacity sufficient to supply the maximum load that will be connected by the load management system.”*;
Drawings;

Recommendation: Install the referenced electrical equipment as per the referenced criteria. Provide approved as-built drawings to include additional equipment.

4.1.4 Missing Arc-Fault Circuit-Interrupter (AFCI) Protection

Observation: Arc-Fault Circuit-Interrupter (AFCI) protection was not installed for any of the required branch circuits of the interior panels.



Panels

Locations:

- Interior – East Garage – 3 Panels:

Criteria: The existing condition is in violation of **Drawing E-04 Panel**

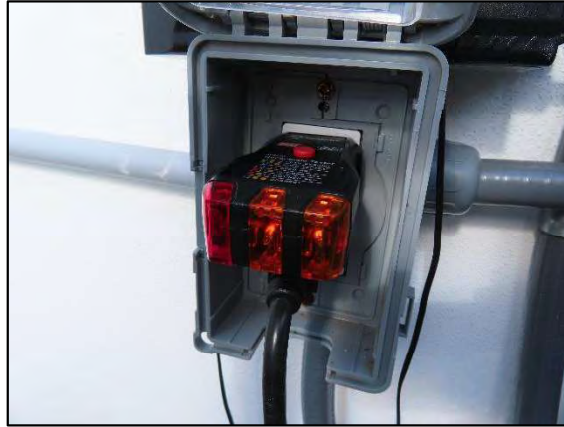
Schedules & Arc Fault Note: “All 15A or 20A, 120V branch circuits in dwelling units supplying outlets in family rooms, dining rooms, living rooms, parlors, libraries, dens, bedrooms, sunrooms, recreation rooms, closets, hallways, kitchen, or similar rooms or areas must be protected by a listed AFCI device of the combination type (as per the 2017 NEC 210-12).”;

NEC 210.12 (A) Arc-Fault Circuit Interrupter Protection: “Arc-fault circuit-interrupter protection shall be provided as required in 210.12(A) (B), and (C). The arc-fault circuit-interrupter shall be installed in a readily accessible location. (A) Dwelling Units. “All 120-volt, single phase, 15- and 20-ampere branch circuits supplying outlets or devices installed in dwelling unit kitchens, family rooms, dining rooms, living rooms, parlors, libraries, dens, bedrooms, sunrooms, recreation rooms, closets, hallways, laundry areas, or similar rooms or areas shall be protected by any of the means described in 210.12(A)(1) through (6).”

Recommendation: Provide Arc-Fault Circuit-Interrupter (AFCI) protection as per the referenced criteria.

4.1.5 Missing Ground Fault Circuit Interrupter (GFCI) Protection

Observation: The following equipment are missing Ground Fault Circuit Interrupter (GFCI) Protection.



3rd Floor – Condensing Unit Area

Locations:

- Exterior:
 - The branch circuit breakers for the outdoor refrigerators, wine cooler & freezer;
 - Receptacle outlet near laundry room door;
 - Dock power pedestal feeder & receptacle outlets (except 20A receptacle outlet);
 - Koi pond pumps and luminaires;
 - 3rd Floor grill area: receptacle outlets;
 - 3rd Floor condensing unit area: receptacle outlets;
- Interior:
 - Garage receptacle outlets;
 - 3rd Floor Bathroom: Receptacle outlet inside the cabinet;

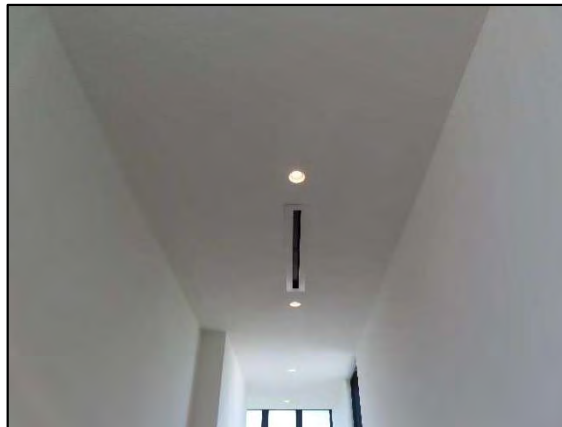
Criteria: The existing condition is in violation of NEC 680.21(C) Motors: “(C) GFCI Protection. Outlets supplying pool pump motors connected to single-phase, 120 volt through 240 volt branch circuits, whether by receptacle or by direct connection, shall be provided with ground fault circuit interrupter protection for personnel.”; NEC 680.51(A) Luminaires, Submersible Pumps, and Other Submersible Equipment: “(A) Ground-Fault Circuit Interrupter. Luminaires, submersible pumps, and other submersible equipment, unless listed for operation at low voltage contact limit or less and supplied by a transformer or power supply

that complies with 680.23(A)(2), shall be protected by a ground-fault circuit interrupter.”; NEC 555.3 Ground Fault Protection: “The overcurrent protective devices that supply the marina, boatyards, and commercial and noncommercial docking facilities shall have ground fault protection not exceeding 30 mA.”; Drawings;

Recommendation: Provide the required GFCI protection as per the referenced criteria.

4.1.6 Missing Smoke/Carbon Monoxide Detectors

Observation: Combination smoke & carbon monoxide (SD/CM) or carbon monoxide (CM) detectors were not installed at the following locations as shown on the drawings and as required by code.



3rd Floor – Hallway near Stairs

Locations:

- Interior:
 - 1st Floor – Outside Guest Suite (missing CM-only SD);
 - 1st Floor – Garages (missing CM);
 - 2nd Floor – Outside Master Bedroom (missing CM-only SD);
 - 2nd Floor – Outside Guest Bedrooms (missing CM-only SD);
 - 2nd Floor – Hallway near stairs (missing CM-only SD);
 - 3rd Floor – Hallway near stairs (missing SD/CM);

Criteria: The existing condition is in violation of **Florida Building Code (FBC), Building, Section 107.4 Amended construction documents:** *“Work shall be installed in accordance with the approved construction documents, and any changes made during construction that are not in compliance with the approved construction documents shall be resubmitted for approval as an amended set of*

construction documents.”; Drawings; FBC R315.1 Carbon monoxide protection. “Every separate building or an addition to an existing building for which a permit for new construction is issued and having a fossil-fuel-burning heater or appliance, a fireplace, an attached garage, or other feature, fixture, or element that emits carbon monoxide as byproduct of combustion shall have an operational carbon monoxide alarm installed within 10 feet of each room used for sleeping purposes.”; FBC R314.1 Smoke Alarms, General: “Smoke alarms shall comply with NFPA 72 and Section R314.”

Recommendation: Install combination smoke & carbon monoxide & carbon monoxide detectors as per the referenced criteria.

END OF SECTION IV

EXHIBIT “F”

J. R. Inspection Services, Inc.
7220 Serrano Terrace Delray Beach, Florida 33446
Office (561) 638-1450 Fax (561) 638-7415
Established 1986

State of Florida Licensed Building Inspector
State of Florida Licensed Home Inspector
State of Florida Licensed Mold Assessor
State of Florida Licensed Roofing Inspector
State of Florida Licensed Termite Inspector
ICC Certified Building Inspector
Registered Professional Building Inspector

Certified Indoor Environmentalist
Member of Florida Association of Building Inspectors (FABI)
Member of Home Inspectors Association of Florida (HIAF)
Member of Indoor Air Quality Association, Inc. (IAQA)
Certified Red Cross Disaster Damage Assessment Inspector
Member of International Code Council (ICC)

June 5, 2025

John Villa
Villa's Construction and Remodeling
7700 High Ridge Road Suite B
Boynton Beach, FL 33426

RE: Scott Kerner
561 Golden Harbour Dr.
Boca Raton, FL 33432

Dear Mr. Villa,

Pursuant to your request, our company conducted an onsite visual Mold Inspection on the above referenced property, at the locations listed below, on June 4, 2025, to determine if mold is present. Only Swab samples were taken.

Per the American Society, Heating, Refrigeration and Air Conditioning Engineers, (ASHRAE), the optimal indoor thermal comfort ranges are 73 to 81 Fahrenheit in the summer months and 68 to 76 Fahrenheit in the winter. The ASHRAE standard for indoor relative humidity is between 30% and 55%.

The potential for microbial growth increases as the relative humidity increases over 60%

The Surface Sample Analysis represents the condition present at the time of the inspection:

1. A surface sample (swab) was taken at the Gypcrete board under the wood flooring along the North wall of the Master Bedroom which **indicates** mold growth.
(Aspergillus/Penicillium and Ascotricha)
2. A surface sample (swab) was taken at the Gypcrete board under the wood flooring along the South wall of the 2nd floor SW Bedroom (Son's Room) which **indicates** mold growth.
(Stachybotrys-Memnoniella-Toxic)

3. A surface sample (swab) was taken at the Gypcrete board under the wood flooring along the South wall of the 2nd floor SE Bedroom (Daughter's Room) which **indicates** mold growth. (Aspergillus/Penicillium and Chaetomium)
4. A surface sample (swab) was taken at the drywall in the 2nd floor SE Bathroom which **indicates** mold growth. (Penicillium/Talaromyces)
5. A surface sample (swab) was taken at the drywall in the 2nd floor South Hallway which is under the 3rd floor South Exterior door which **indicates** mold growth. (Alternaria, Aspergillus/Penicillium, Cladosporium, Curvularia)
6. A surface sample (swab) was taken at the backside of the wood flooring which was removed from the Master Bedroom which **indicates** mold growth. (Basidiospores)
7. A surface sample (swab) was taken at the backside of the Laundry Room ceiling (ceiling was opened up_ which **Rare levels of** mold growth. (Aspergillus/Penicillium and Basidiospores)

Alternaria- Common allergen causes hay fever or hypersensitivity reactions that sometimes lead to asthma, serious infections are rare, except in people with compromised immune systems. Normal agents from the decomposition of plants.

Aspergillus/Penicillium-Like- These are two of the most common genera in the world. They can be found everywhere in nature, both indoors and outdoors. Indoors they can be found on water-damaged wallpaper, carpet, and other organic materials. They can also grow well in conditions of high humidity. Many species are allergens and are common causes of respiratory irritation. Some species are human and animal pathogens and can cause infection.

Basidiospores- These are primarily composed of mushrooms and shelf fungi. They are typically found outdoors. Occasionally they are found indoors growing on any organic matter causing dry rot. Some species can be allergens to sensitive individuals.

Chaetomium- These are typically found indoors on water damaged cellulose containing materials such as paper, sheetrock, and wallpaper. Not well studied but possible allergens with hay fever and asthma effects.

Cladosporium- One of the most common genera in both the indoor and outdoor environments. Indoors they grow well in damp environments and areas where condensation builds. They are often found on textiles, windowsills, in bathrooms, and A/C systems. They are common allergens when airborne.

Curvularia- Primarily found outdoors on plants and soil especially in subtropical and tropical environments. Indoors they grow on a variety of building materials. They are common allergens causing hay fever, asthma, and allergenic fungal sinusitis.

Memmoniella- Mycotoxin produces spores related to and often found in conjunction with Stachybotrys. These grow well on water damaged cellulose containing building materials such as sheetrock, paper, wallpaper, and textiles.

Stachybotrys- Often referred to as “toxic black mold”. It could produce mycotoxins which may cause a burning sensation in the mouth, throat and nasal passages. Chronic exposure has been known to cause headaches, diarrhea, memory loss and brain damage. Found growing on water damaged cellulose, paper, and ceiling tiles.

Molds have the potential to cause health problems. Any or all health questions or concerns should be addressed by a qualified physician and or an Immunologist, to give appropriate clinical meaning.

A complete set of lab results is enclosed.

Recommendations:

The following is to be used strictly as a general protocol. It is the responsibility of the remediation company to further review, evaluate, and perform all necessary remediation to eliminate the elevated mold conditions found.

No mold remediation work should be started until all the water intrusion has been rectified. After the walls, ceilings, and flooring are removed a water test must be done to pinpoint the water entry.

I observed the following (see pictures below):

- a) Gypcrete Board had mold growth on it in several rooms
 - b) Gypcrete Board was wet in several rooms
 - c) Gypcrete Board needs to be removed to expose the wood sub flooring
 - d) There was mold growth on the backside of the wood boards that were removed. You must remove all wood boards that are wet and located adjacent to the exterior walls
 - e) Water test all windows to prevent further damage. Roofer to inspect roof to make sure it is leak free. You can see there is water in the pan under the SE Bedroom window
 - f) All wallpaper in the rooms that have moisture need to be removed
 - g) Any wood furring strips that are wet need to be removed and replaced. You can see the furring strips that were exposed were wet that separates the 2nd floor SW and SE Bedroom
 - h) All walls that are wet will need to be removed
 - i) A little more of the ceiling needs to be removed in the laundry room
- Containment barriers will need to be used in all rooms that are getting remediated. All entryways must be sealed with Polyethylene Sheeting and duct tape. All return and supply vents in the remediation area must be sealed.

- Air Scrubbers and dehumidifiers will need to be brought into all rooms getting remediated, in accordance with the IICRC S520 (Standards and Reference Guide for Professional Mold Remediation)
- After the wallpaper is removed, the drywall needs to be inspected, and any damaged/stained drywall will need to be replaced.
- When removing drywall, you must go minimum four feet high and two feet every direction beyond the last visible trace of mold (and/or wet walls) and dispose of it properly. If additional areas of microbial growth are uncovered during the removal process, continue to remove the affected materials.
- Remove and discard any exposed insulation.
- The inner wall cavity areas must be hepa vacuumed and cleaned with an approved antimicrobial sanitizer. Inspect the exposed (wood) framing for microbial growth and decay. All (wood) studs that support microbial growth will need to be damp wiped with an approved microbicidal solution, wire brushed, sanded, hepa vacuumed and an antimicrobial coating applied.
- Remove and discard all wet wood flooring. The gypcrete board will also need to be removed to expose the wood sub flooring. The wood subflooring will need to be cleaned with an approved mild disinfectant detergent (possible sanded) and an antimicrobial paint applied before any flooring is laid back down.
- All surfaces inside the containment areas must be HEPA vacuumed. **If a thorough cleaning of the remediation areas is not done, this will be reflected by failure of clearance testing.**

All work should be conducted in accordance with ANSI/IICRC S520 Standard for Professional Mold Remediation and IICRC R520 Reference Guide for Professional Mold Remediation 4th edition, 2015, and the New York City remediation of fungi in indoor environment guidelines April 2000, which should be followed in their entirety. These guidelines are considered to be industry standard and will reduce the liability of cross contamination. The following Scope of Work complies with the American Conference of Governmental Industrial Hygienist (ACGIH) guidelines) for remediation of mold contaminated building components that have been chronically water damaged.

Institute of Inspection, Cleaning and Restoration Standards and Reference Guide for Professional Mold Remediation S520 (www.iicrc.org).

The American Conference of Governmental Industrial Hygienist (ACGIH), the EPA (www.epa.gov/iag/molds/ondex.html).

The New York City Department of Health published in 2000 (www.NYC.GOV/HTML/DOH/HTML/EPI/MOLDRPTI.HTML).

Clearance Testing/Post Testing:

Clearance testing should be performed after any type of mold removal or remediation to verify that the remediation was successful in reducing indoor microbial levels of equal to or below ambient outdoors. Testing is to be done after the clean-up phase of the remediation is completed, but prior to any walls being closed or components such as cabinets/flooring being reinstalled. **This includes testing inside and outside the containment areas. In the event that the remediation efforts are unsuccessful, additional remediation and re-cleaning will be required.**

Limitations:

It is important to understand that changes in occupancy, remodeling, maintenance procedures and many other factors can have a significant effect on indoor air quality. Walls behind wallpaper, paneling and furnishings may have a chance to have mold growth behind them, which is not visible until exposed. Maintaining acceptable indoor air quality is an ongoing effort and must be continually monitored to be effective.

Our recommendations are based on the above findings, according to EPA and NYC guidelines published and upon our professional expertise with no warranty or guarantee implied herein. This report is exclusively for the use and benefit of the client identified above. J.R. Inspection Services, Inc. accepts no responsibility for interpretations of this report by others. The contents of this report shall not be used or relied upon by other parties without prior written authorization by J.R. Inspection Services, Inc.

Thank You for the opportunity for performing this inspection. If you have any questions regarding the text of this report, please feel free to contact our office.

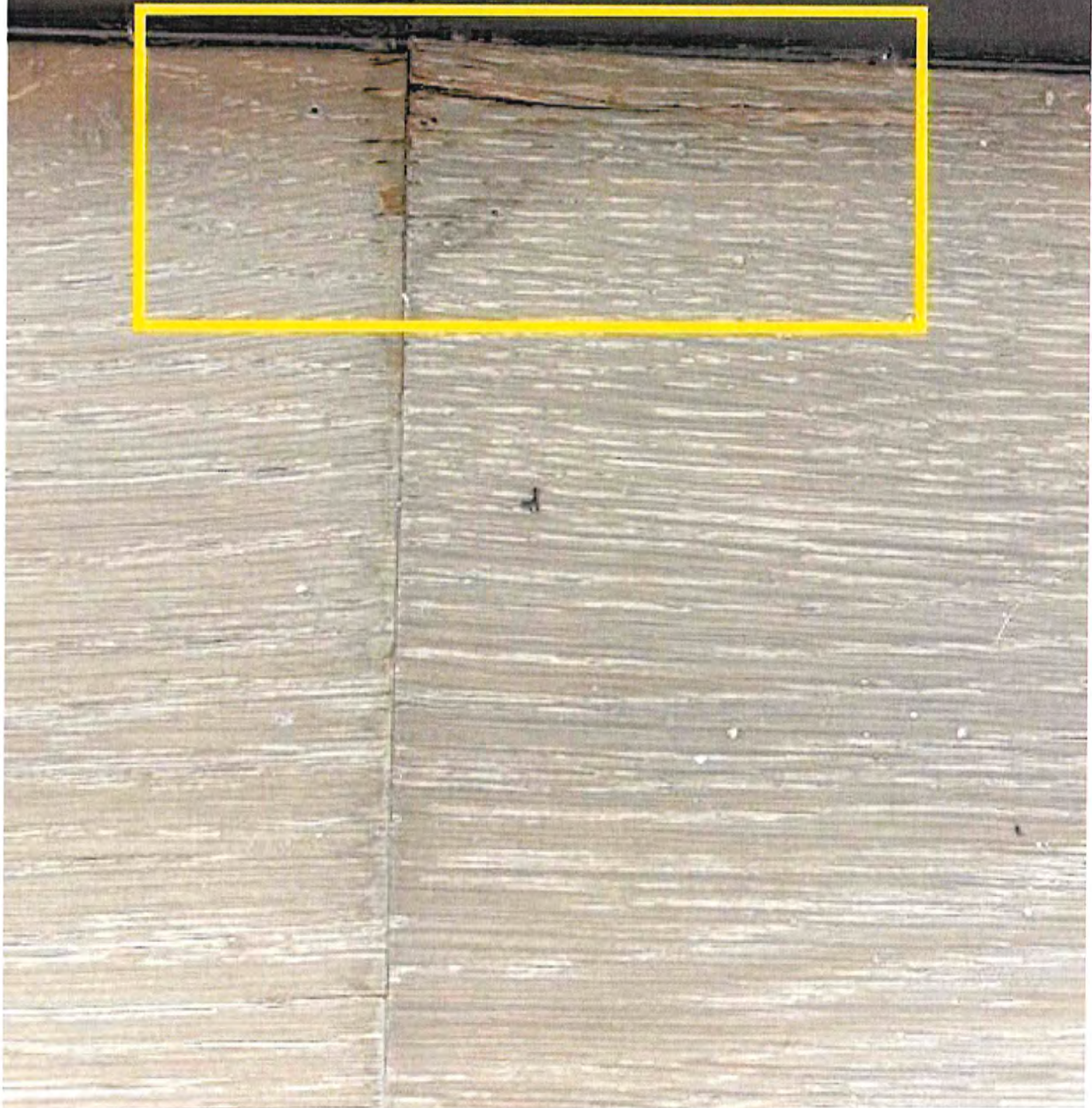
Enclosures

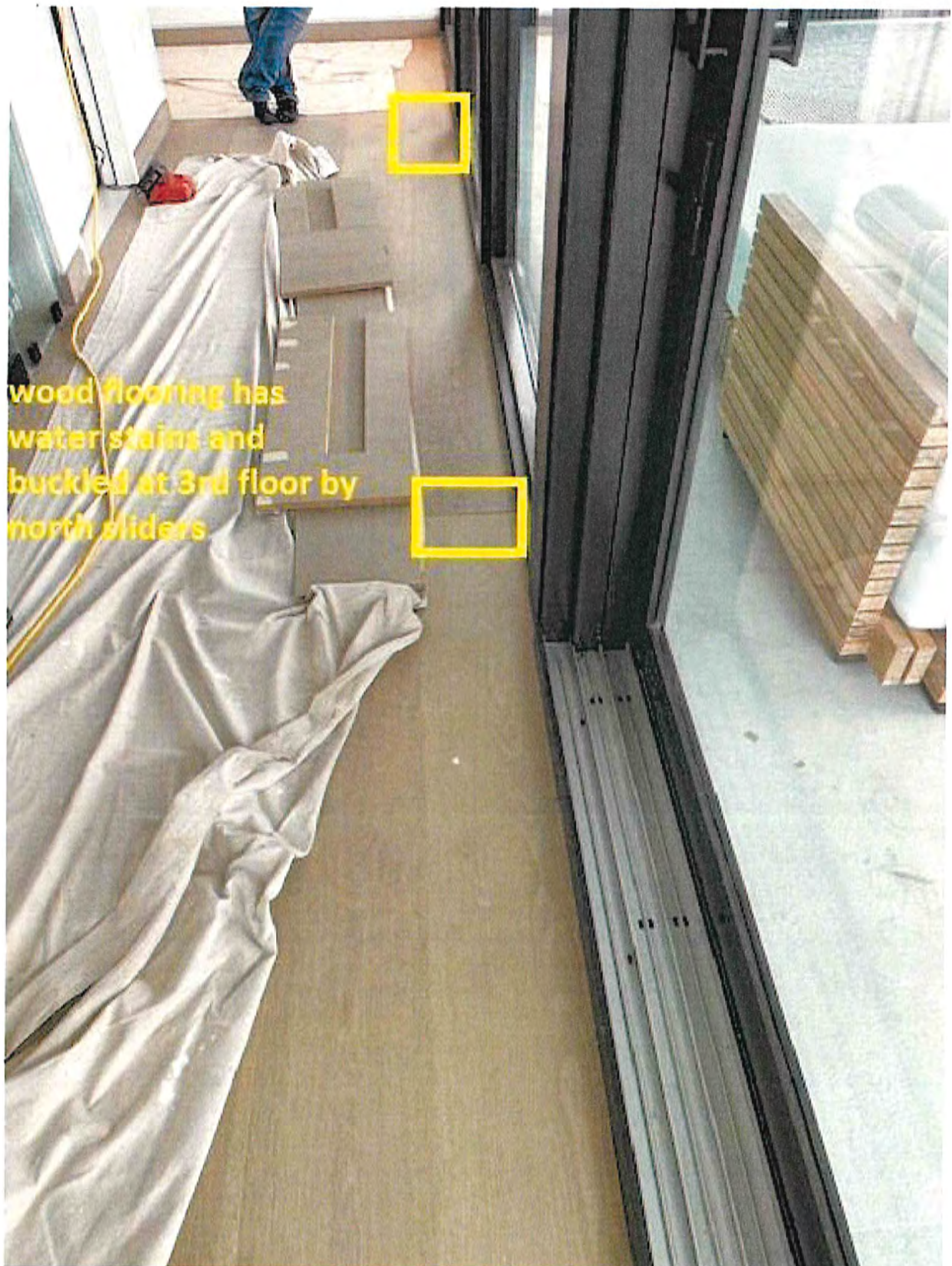
Very Truly Yours,

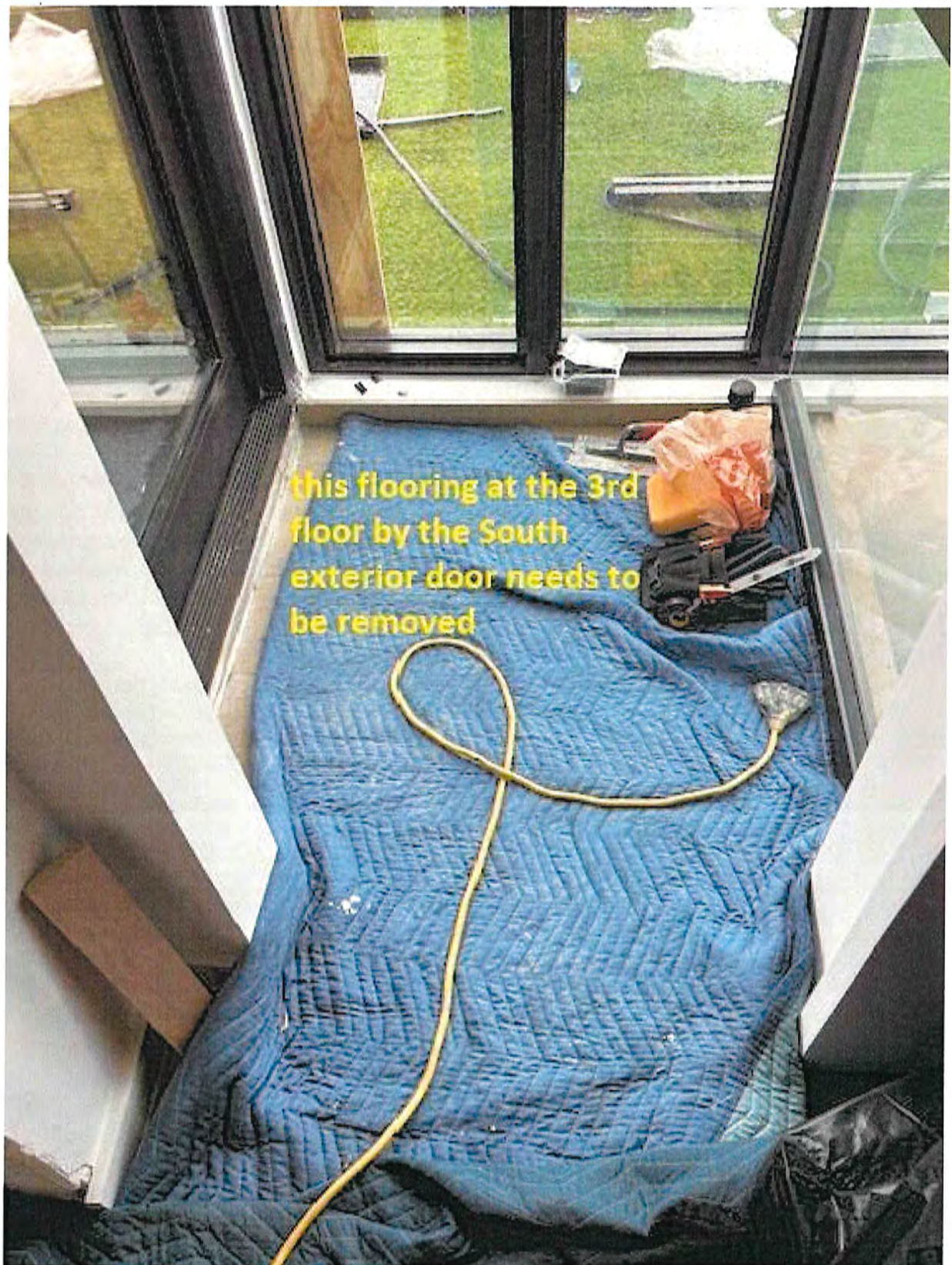
A handwritten signature in cursive script, appearing to read "Greg Rothberg".

Greg Rothberg
Certified Indoor Mold Environmentalist # 01333
State of Florida Licensed Mold Assessor MRSA #121

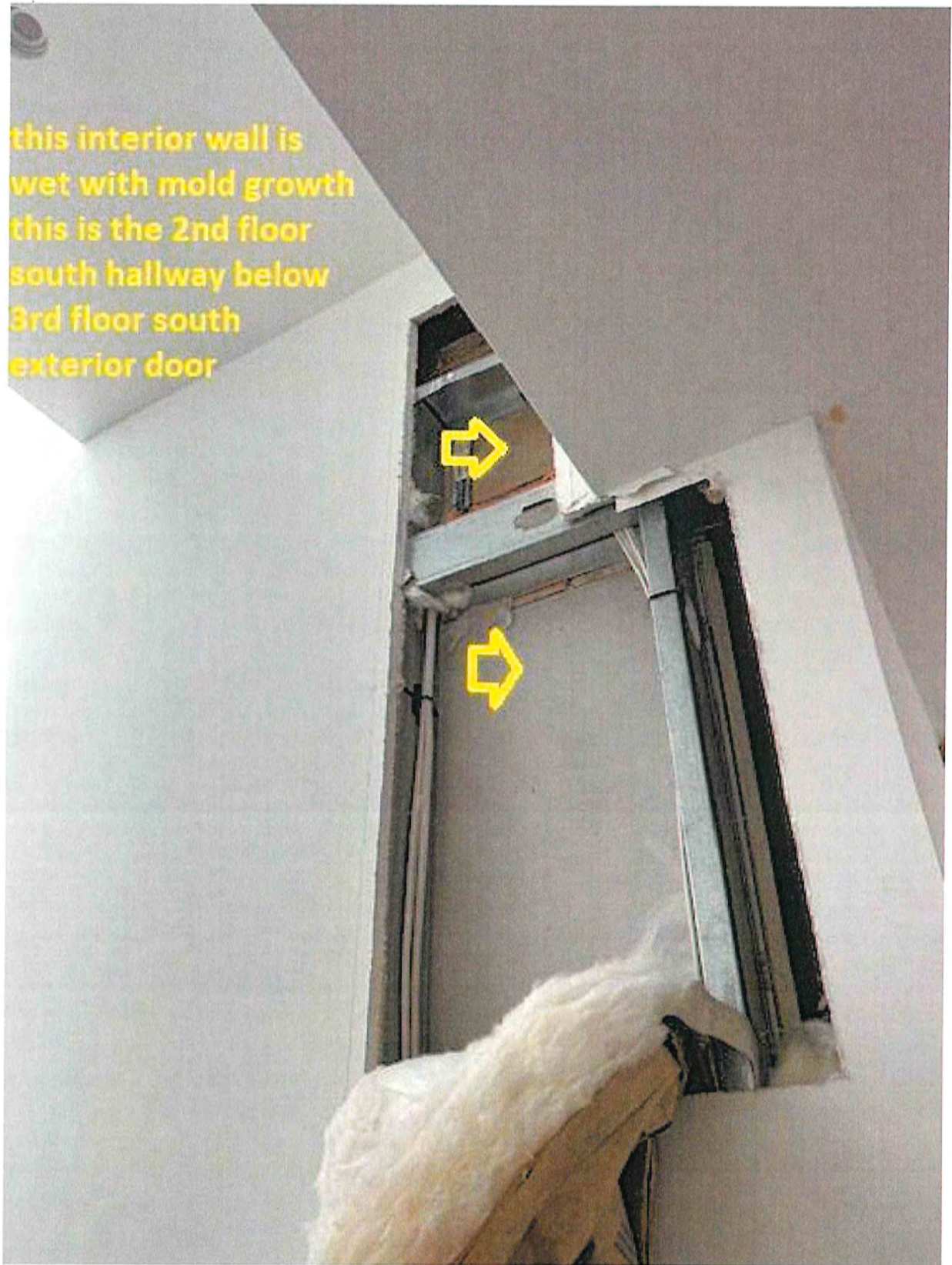
up close showing
wood flooring at 3rd
floor by north sliders

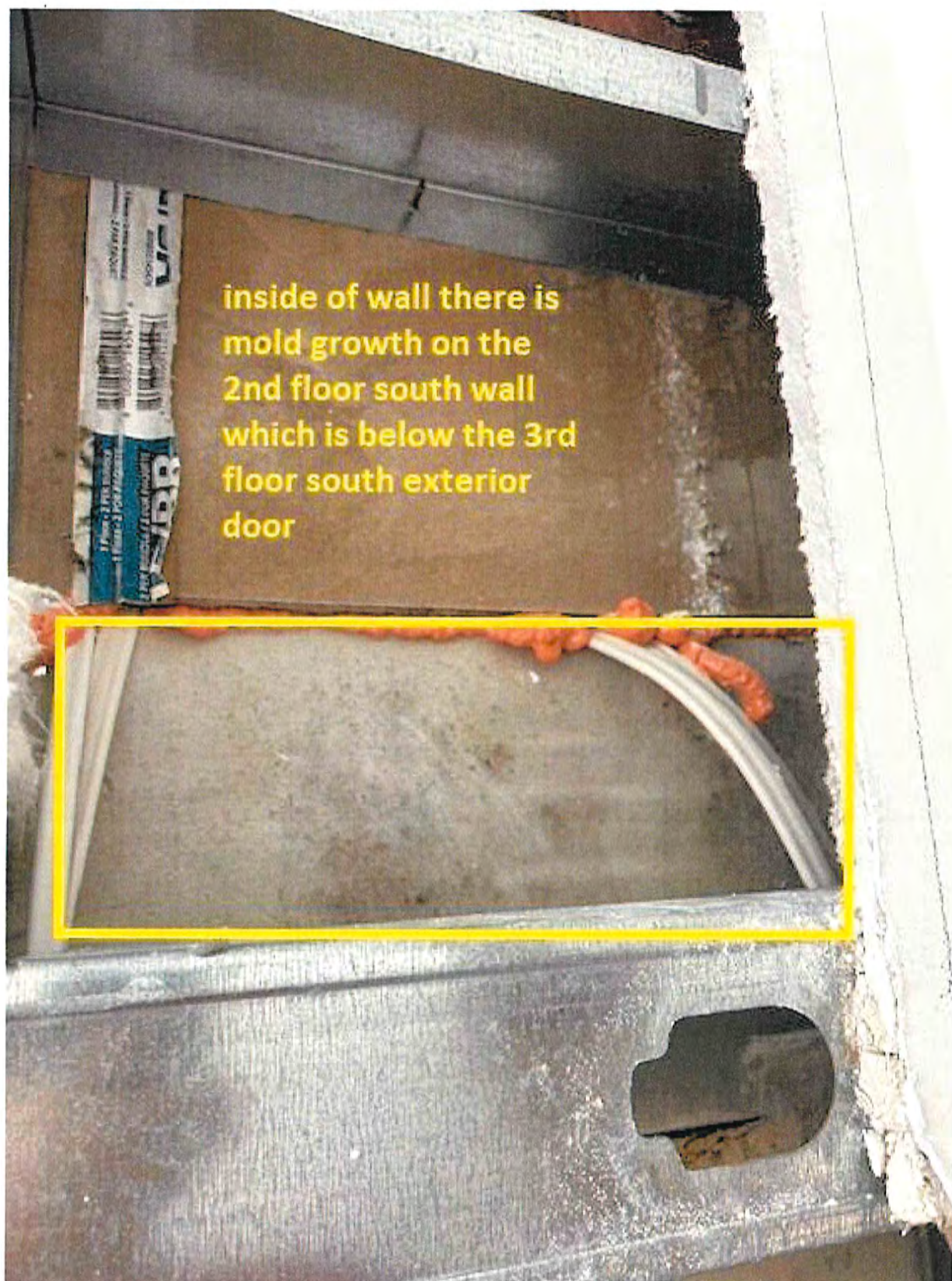






this interior wall is
wet with mold growth
this is the 2nd floor
south hallway below
3rd floor south
exterior door





inside of wall there is
mold growth on the
2nd floor south wall
which is below the 3rd
floor south exterior
door

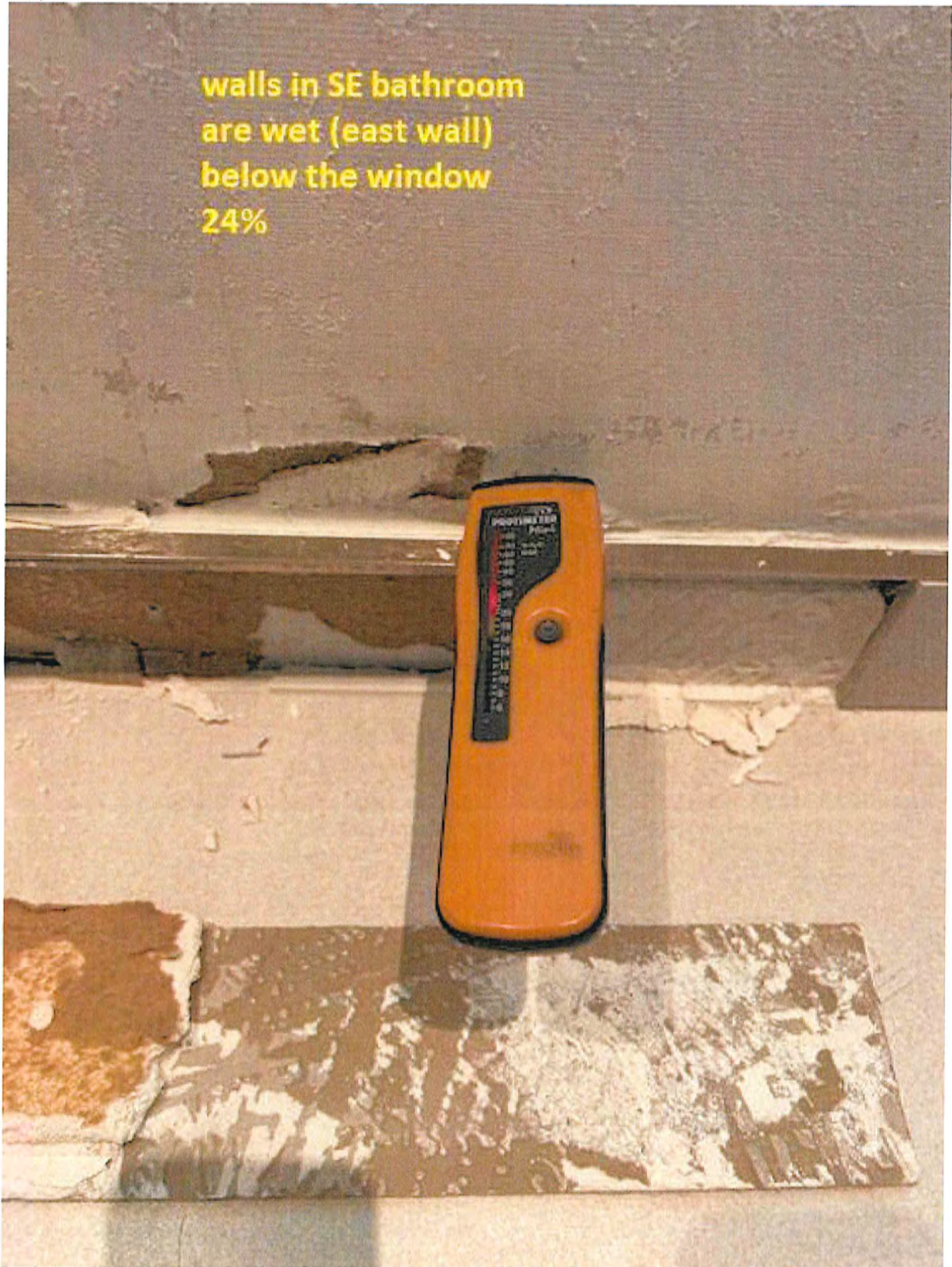


inside of wall under
the 3rd floor South
exterior door is wet
(80%)



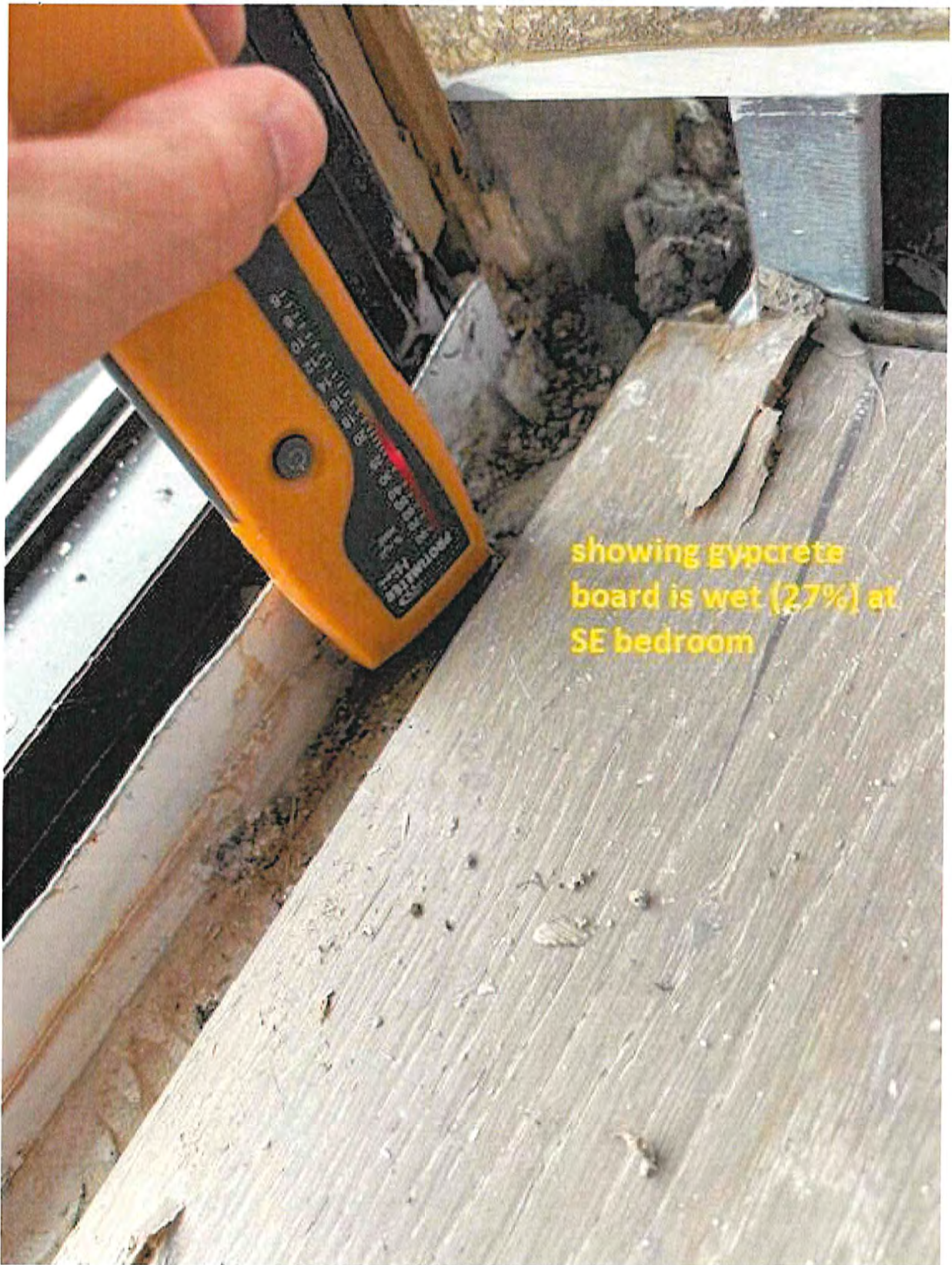


walls in SE bathroom
are wet (east wall)
below the window
24%

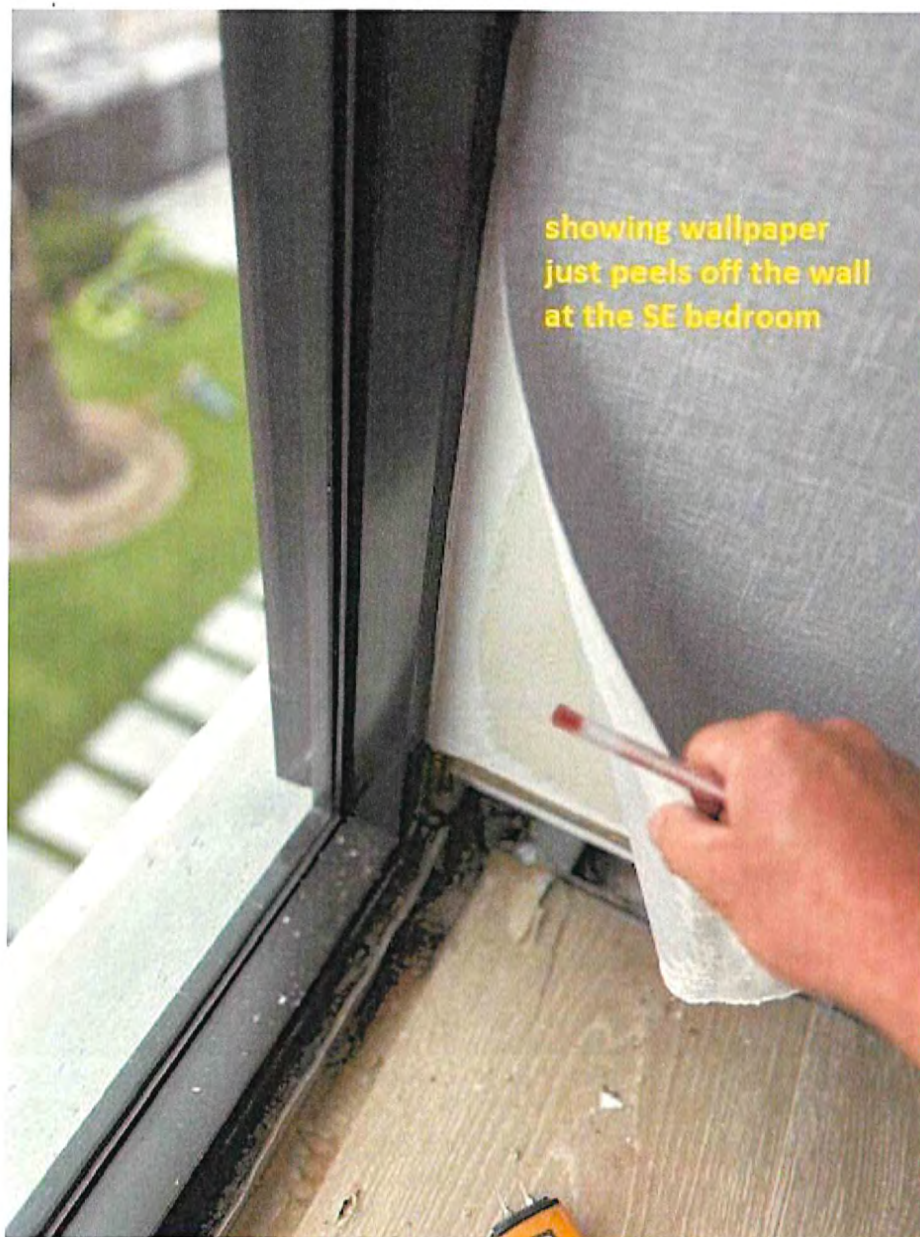


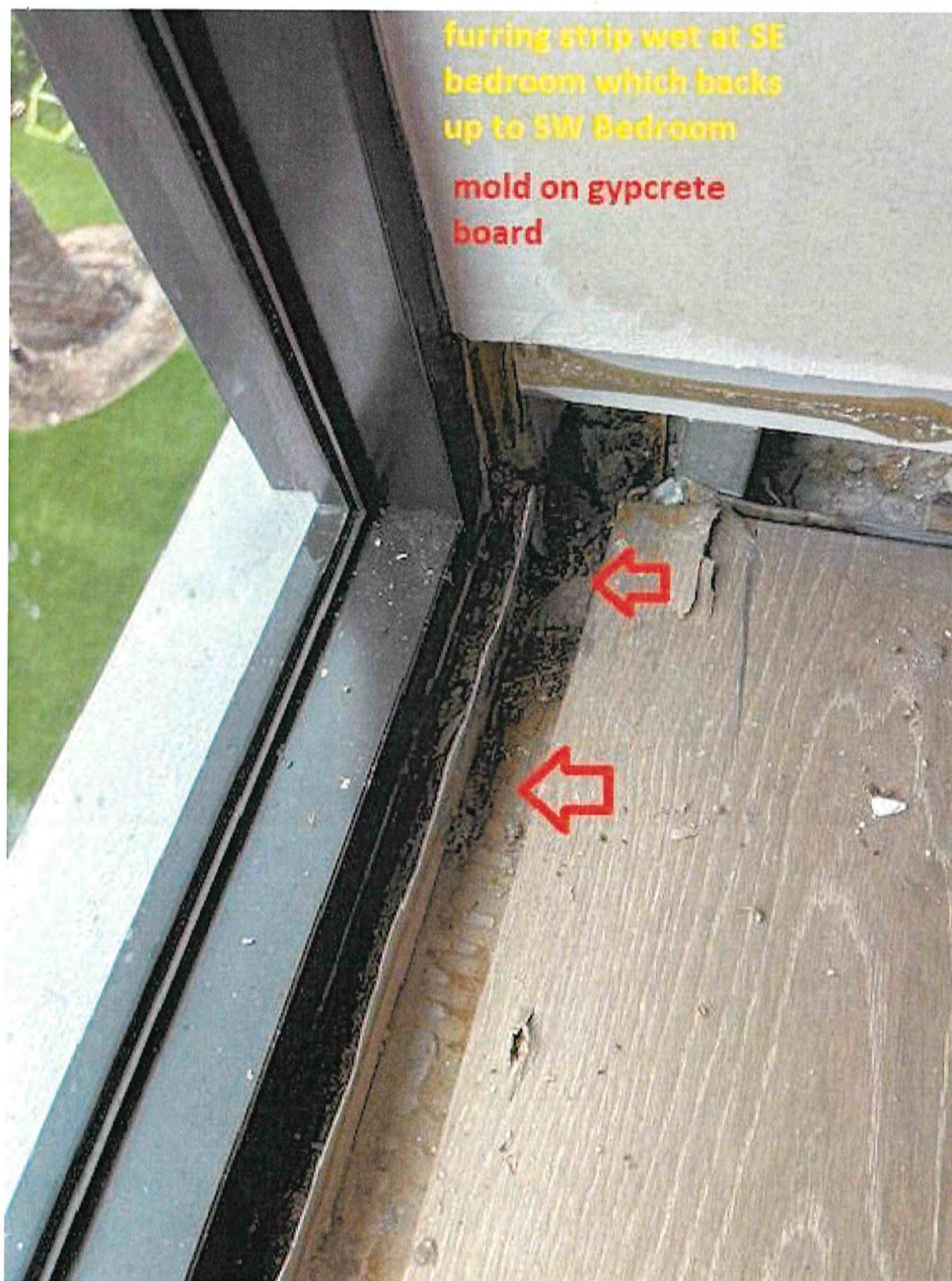


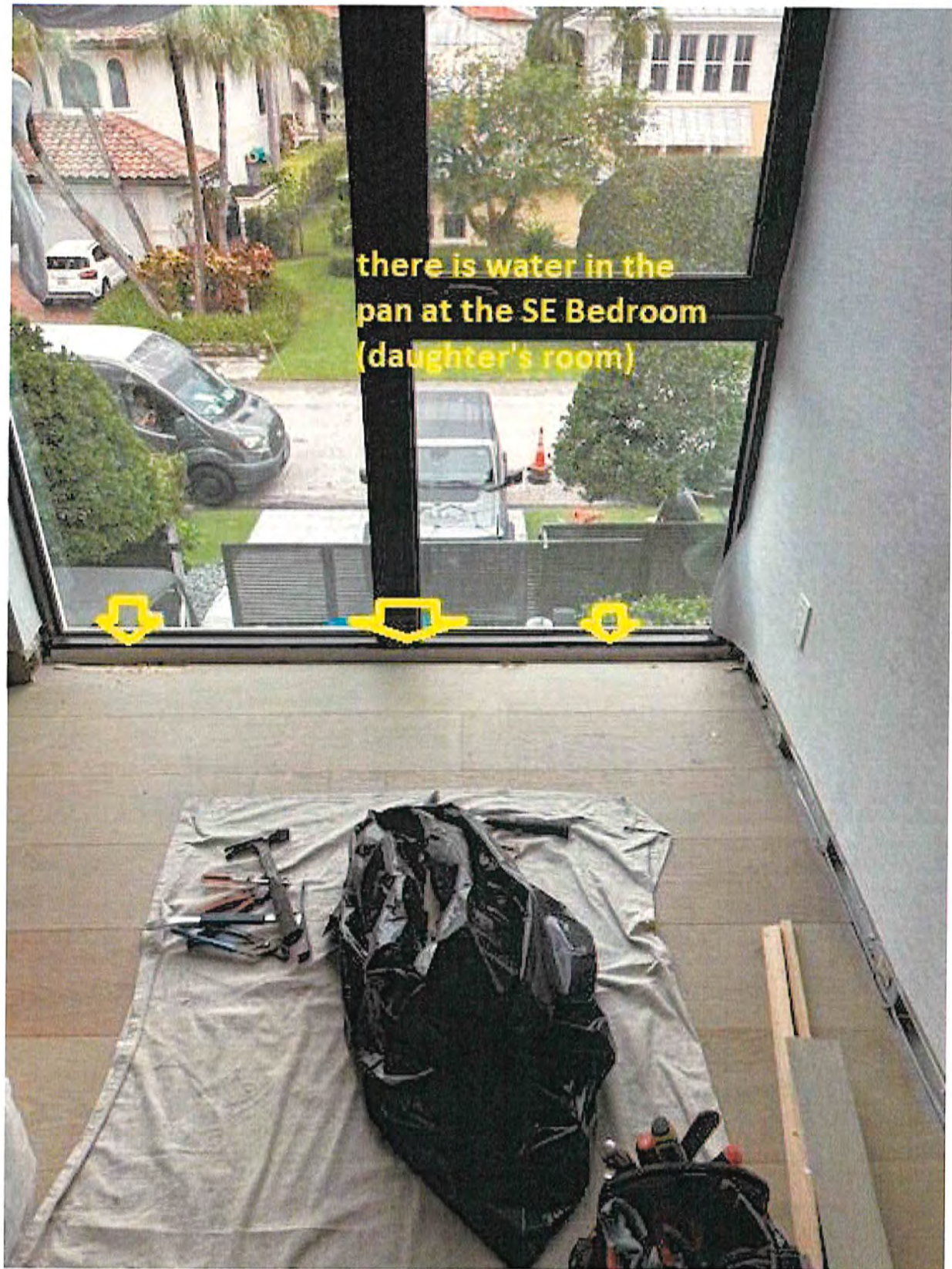








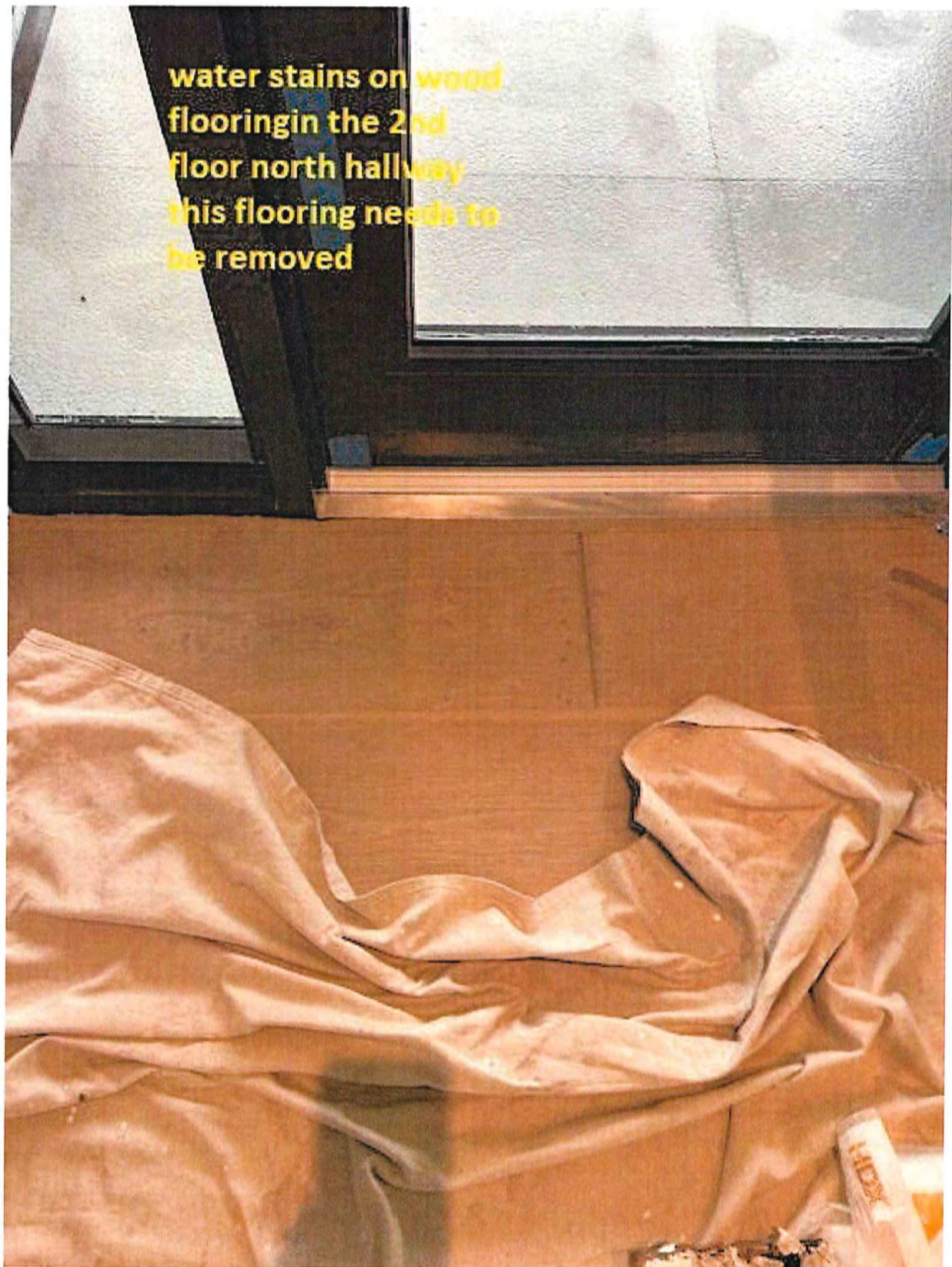


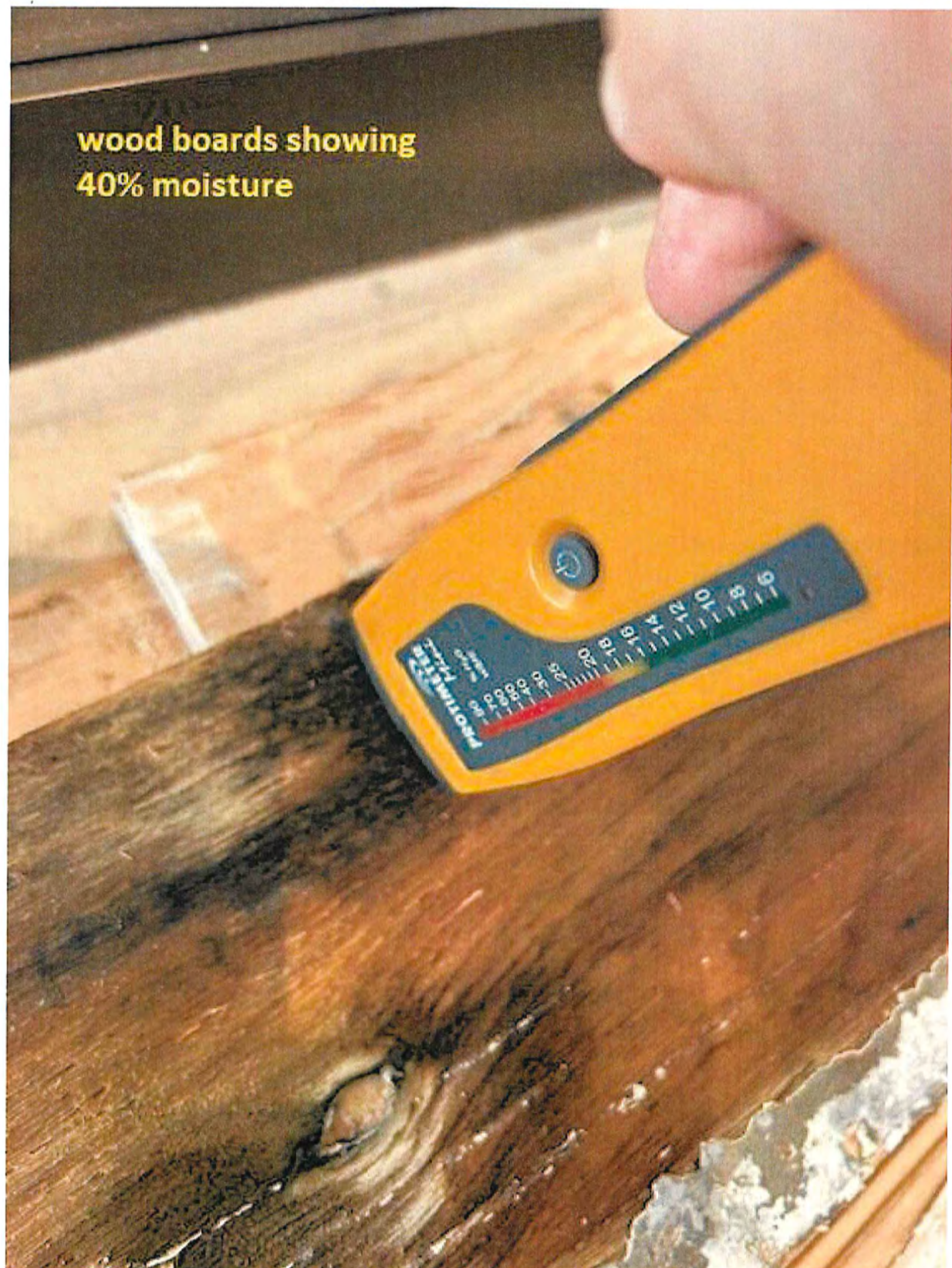




mold on gypcrete
board along south wall
of SW Bedroom (son's
room)

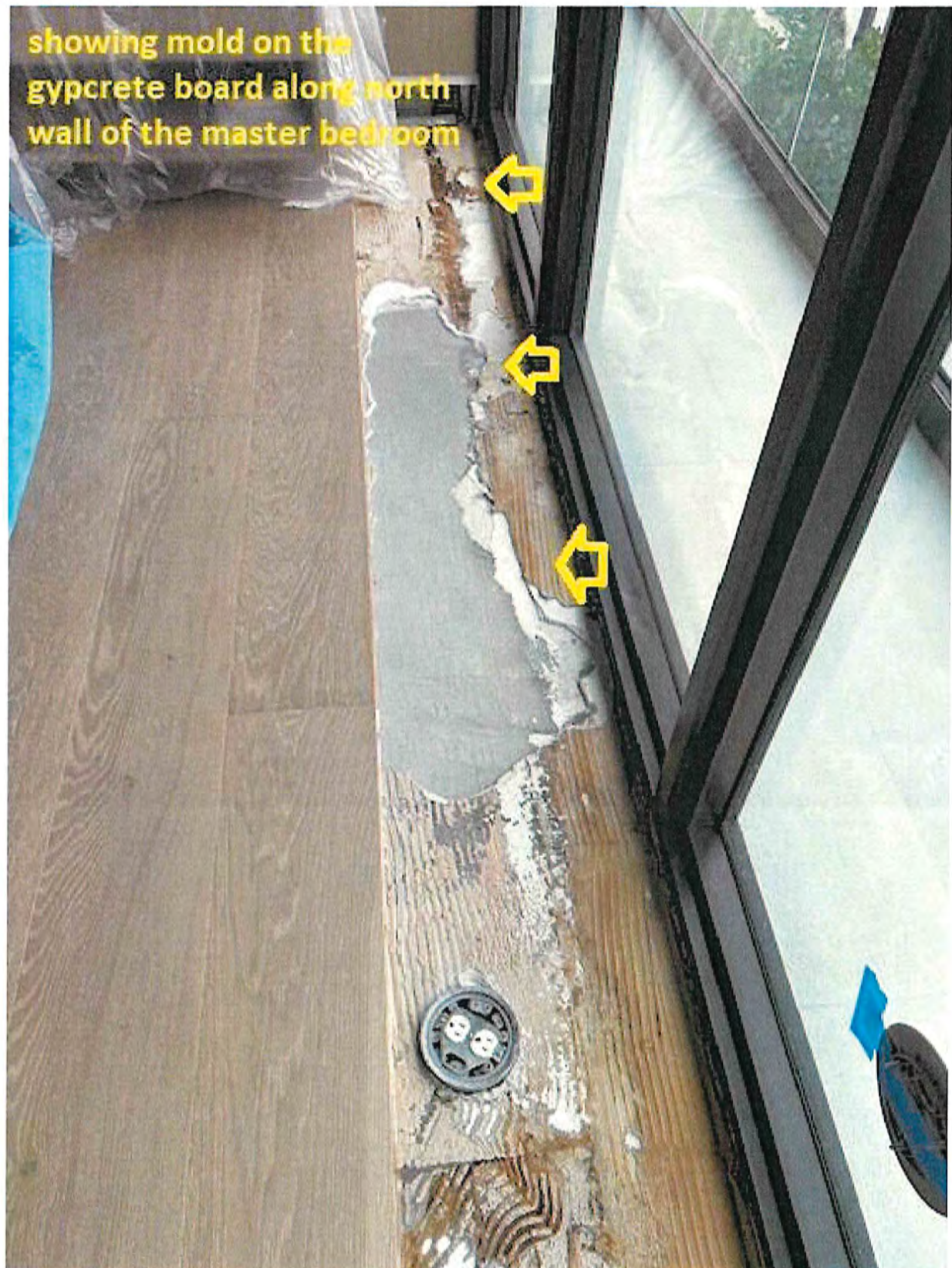




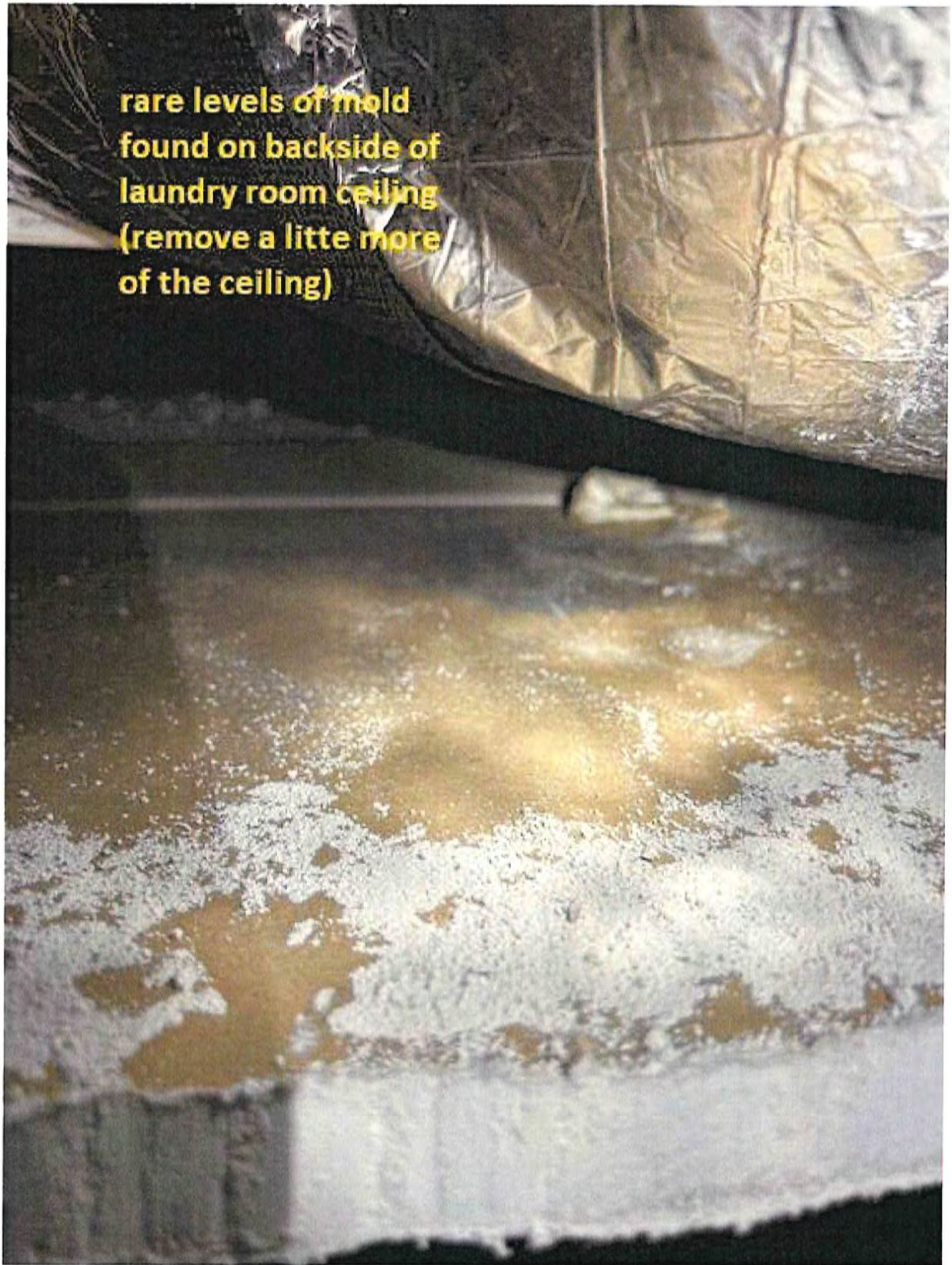




mold growth on the
backside of the wood
boards that were
removed



**rare levels of mold
found on backside of
laundry room ceiling
(remove a litte more
of the ceiling)**





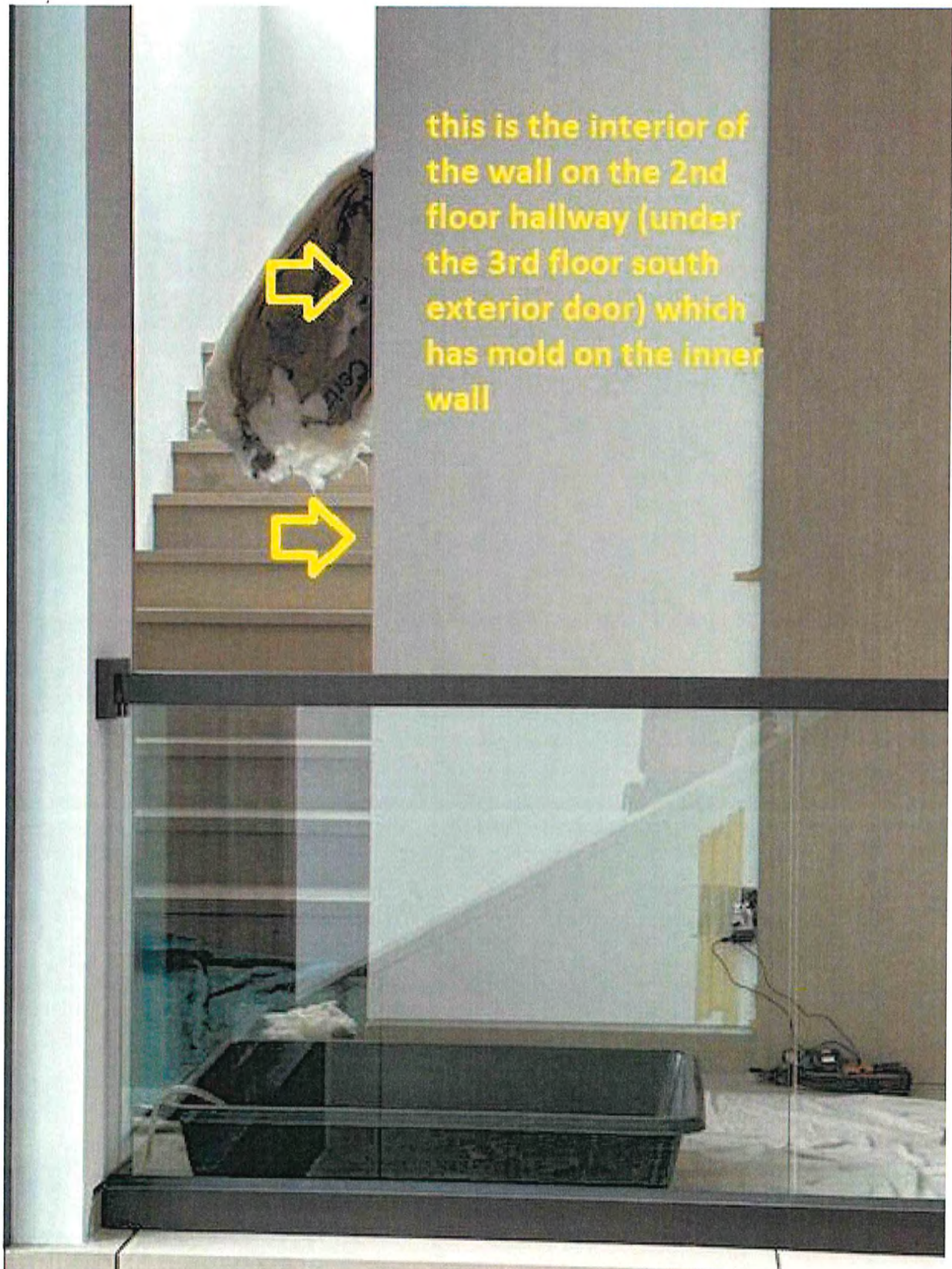


EXHIBIT “G”

November 25, 2025

Via Certified Mail and Email

Empire 561 LLC & Marc Elkman
c/o Scott C. Sankey, Esq.
Quitairos, Prieto, Wood & Boyer, P.A.
2440 E. Commercial Blvd., Suite 520,
Fort Lauderdale, FL 33308
Ssankey@qpwblaw.com

Bealecon Construction LLC & Chris Beale
c/o Scott C. Sankey, Esq.
Quitairos, Prieto, Wood & Boyer, P.A.
2440 E. Commercial Blvd., Suite 520,
Fort Lauderdale, FL 33308
Ssankey@qpwblaw.com

**Re: PRE-SUIT DEMAND AND CIVIL THEFT NOTICE
561 Golden Harbour Drive, Boca Raton, Florida**

Dear Mr. Sankey:

As you know, this firm represents Scott Kerner, the owner of the property located at 561 Golden Harbour Drive, Boca Raton, Florida 33432 (the “Property”). My attempt to describe Mr. Kerner’s frustration and dismay with the present circumstance of his home will only fall short or understate its severity, so I will not attempt. Mr. Kerner, his wife and two minor children are now displaced of their home and, based on current remediation schedules, will remain unable to occupy the Property until at least April 2026 while it is being repaired and brought up to code.

Plainly speaking, Mr. Kerner paid your clients more than \$12 million dollars to build his family’s primary home—supposedly a luxury home—but he received a house that leaks, cracks, and whistles. Water has infiltrated the home from almost every fenestration. Concrete beams were cut through to make way for vents, wood trusses were cut through and broken to pass through electrical wiring, and steel beams are missing bolts at the joints. The gas lines are built without official drawings and are pierced by framing nails in the family kitchen. All conditions violate the Florida Building Code, depart from the signed and sealed drawings, and present material risks to life safety, structural integrity, and habitability.¹

More peculiar, Chris Beale signed and sealed the architectural, structural, mechanical, and plumbing drawings yet still failed to conform to them as the general contractor and violated a laundry list of building codes in the process. How Mr. Beale can claim the requisite skill and training to be authorized to sign and seal so many disciplines is an obvious violation of the administrative codes that may explain the appalling quality of the work and countless life-safety issues. The breadth of disciplines signed and sealed, coupled with the defects identified, raises serious concerns regarding compliance with applicable administrative and licensing requirements and professional standards. The nature and scope of this misconduct exceed ordinary negligence.

¹ Attached hereto is a Property Evaluation Report identifying all the defects of which you were previously notified in the Fla. Stat. Ch. 558 Notice of Claim letters dated June 6, 2025, August 12, 2025, and August 28, 2025.

To add insult to injury, our investigation indicates that Marc Elkman, apparently unsatisfied with the millions he was making on this home, exploited this opportunity to carry out a petty invoicing scheme against Mr. Kerner, who was a friend and business partner at the time. Mr. Elkman inflated the costs of materials in change orders to overcharge Mr. Kerner substantial sums of money illegally. Mr. Elkman's actions constitute intentional fraud and theft under Florida law. **Pursuant to Section 772.11 (Civil remedy for theft or exploitation), Florida Statutes, consider this letter a written demand to return all stolen sums within thirty (30) days of this notice.** Failure to tender the stolen funds within the statutory period will result in the filing of a civil theft action seeking treble damages and attorney's fees as permitted by law.

If your clients wish to pursue a confidential resolution of this matter, please advise me in writing on or before **December 3, 2025**, of their agreement to attend a voluntary mediation in January 2026. We are amenable to mutually selecting a mediator and venue in Palm Beach or Broward County.

Absent your response by December 3, 2025, Mr. Kerner will assume your clients have no interest in resolving this matter, and proceed to file suit against Empire 561, LLC, Bealecon Construction, LLC, Marc Elkman, and Chris Beale, asserting his claims for breach of contract, gross negligence, professional negligence, violation of the Florida Building Code, fraud, civil theft, and conspiracy to commit theft. Mr. Kerner will seek all available remedies, including but not limited to, the full costs of repairs and remediations, damages for lost use and enjoyment of the Property, increased insurance premiums attributable to first-party claims, attorney's fees, consultant and expert fees, court or arbitration costs, treble damages and attorney's fees for civil theft under § 772.11, Fla. Stat., and punitive damages.

Please direct all communications regarding this matter to the undersigned.

BERGER SINGERMAN LLP

/s/ William O. Diab

William O. Diab

cc: Scott Kerner
Brian Rich, Esq.
Jeffery Wertman, Esq.
Perry Kaplan, Esq.