

A RESERVE STUDY UPDATE FOR

**San Simeon Phase 1
Residents' Association, Inc.
Commons
Fort Myers, Florida
File # 22920-06249**

FOR PERIOD: January 1, 2017 – December 31, 2017

**PREPARED BY
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October 24, 2016

San Simeon Phase 1 Residents' Association, Inc. Commons
Attn: Mr. Eric Vincent, President
C/o Marie Hamling, Property Manager
Paradigm Real Estate
17595 Tamiami Trail Ste. 214
Ft. Meyers, Florida 33908

Dear Mr. Vincent,

On April 4th, 2013 we completed an on-site inspection of San Simeon Phase 1 Residents' Association, Inc. Commons' common area reserve items. Data gleaned from this inspection was utilized in the completion of an original reserve study report published on June 16th, 2013. This reserve study report is an update of that previous reserve study report, which was accepted as accurate and reliable by the association representatives. A GAB Robins representative did re-inspect the common area reserve items for use in completion of this update reserve study report, on September 8, 2016.

The intent of this report is to show cash reserves necessary for the future repair or replacement of expendable components incorporated into the subject property. The purpose of this report is to aid San Simeon Phase 1 Residents' Association, Inc. Commons in making a determination for cash reserves that are needed to repair or replace short-lived building and/or site components.

The report identifies each component selected, it's estimated useful life, adjusted life, scheduled replacement date, and current cost to repair/replace. The useful and remaining lives of the building components in this study, as well as the current replacement costs, have been selected from market standards, cost estimating services, and consideration of actual recent costs incurred by the association for reserve upgrades. This report is classified as a full reserve study under the guidelines of the National Reserve Study Standards of the Community Associations Institute, and conforms to the Community Associations Institute Professional Reserve Specialist Code of Ethics. The Reserve Analyst and GAB Robins have no relationships with the association that would result in actual or perceived conflicts of interest.

This report is our opinion and based upon observed conditions and state of repair. Actual determinations of the current conditions and state of repair for certain items may be beyond the scope of this analysis. Items may not last as long as projected or may exceed their estimated lives. Influences such as weather, catastrophe, improper maintenance, physical abuse, or abnormal use can affect these lives and/or replacement costs. When such occurrences happen, another inspection should be made and a new revised study prepared. While we have attempted to create a useful tool for the association to plan their needs, the actual reserves set aside are solely at the association's discretion. The findings of this study

are not for use in performing an audit, quality/forensic analyses, or background checks of historical records.

In completing this report, the reserve analyst completed the physical on-site inspection of the subject property. Appropriate measurements and counts were taken to determine quantities; blueprints were not used to aid in the determination of quantities. No destructive testing methods (i.e. roof core sampling, etc.) were utilized during the inspection. Current financial data, including the actual or projected reserve fund balance as of the analysis date, and property histories, provided by you, were utilized in the completion of this report. This data was not audited, and was assumed to be complete and correct. The reserve analyst estimated the repair/replacement cost taking into account contingencies inherent to this type of work. The report was prepared utilizing the information gathered in the field and the costs estimated by the reserve analyst.

Respectfully submitted,
GAB Robins, A Division of Cunningham Lindsey

Patrick Conners
Reserve Analyst

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PROJECT OVERVIEW

The subject of this reserve study report is the common areas within San Simeon Phase 1 Residents' Association, Inc.'s common area site improvements and amenities, located in Fort Myers, Florida. Originally constructed in 2006, per the property representatives, these common areas include marquee signage and perimeter fencing/privacy walls, security access systems and automatic swing and barrier gates, landscaping and irrigation, site lighting, a clubhouse, pool and spa, tot lot, trash compactor building, asphalt paved parking and roadways, concrete sidewalks and curbing, and drainage/retention systems. These improvements support a total of 219 dwelling units.

The clubhouse is a single story building of concrete block construction, with painted stucco exteriors and pitched tile roofing. This building supports an administrative office, exercise room, social/multipurpose room with catering kitchen, restrooms, and typical storage and mechanical rooms. Air conditioning is via split HVAC air handler/condenser pairs. The finishes within the clubhouse are representative of a better quality property, with carpet and tile flooring, wall coverings and painted walls, good quality built ins (cabinetry/countertops, millwork/finish carpentry, doors, plumbing and electrical fixtures), better quality furnishings, health club grade exercise equipment, and residential grade kitchen appliances. Security access systems and video surveillance equipment are in place at the clubhouse as well. The pool and spa are of concrete construction, and are supported by paver decking, perimeter fencing and gates, average quality deck furniture, and typical heaters and equipment. The adjacent tot lot is also supported by perimeter fencing, with safety decking.

As of the date of our most recent inspection, the common areas were observed to be in good overall condition for a property of the subject's age and location. No items of significant deferred maintenance were noted.

Reserves are only calculated for the replacement of short-lived building or site components. This includes components that require replacement prior to the overall estimated end life of the buildings or structures. This report is designed to provide reasonable, appropriate budgetary cost and useful life data based on market standards for the subject's property type and in compliance with Florida statutes. Florida Statutes require consideration for roofs, exterior paint and/or waterproofing, pavement and all items that have an estimated repair or replacement cost above \$10,000. We are unaware of any private reserve requirements.



RESERVE STUDY FUNDING ANALYSIS

There are two generally accepted means of estimating reserves; the Cash Flow Analysis and the Component Funding Analysis methodologies. The **Cash Flow Analysis** (or Pooling Method) is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis recognizes interest income attributable to reserve accounts over the period of the analysis. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow and reserve account balance to adequately fund the future projected expenditures throughout the period of the analysis.

Prior to December 23, 2002, Florida statute mandated that condominium associations calculate reserves via the Component Funding Analysis method, on an annual basis. Funding at less than 100% of the fully funded estimate, based on the Component Funding Analysis method, could occur only after a full vote of the association membership. As of December 23, 2002, amendments to the Florida Administrative Code recognize the Cash Flow Analysis method as an approved methodology for the calculation of reserve funding for condominium associations. The fund requirement estimated by the Cash Flow Analysis method can now be provided to the membership, on an annual basis as a fully funded figure. The analysis must be completed as a portion of the association's annual budget, include the total estimated useful lives, estimated remaining useful lives, and estimated replacement cost/deferred maintenance expenses of all assets in the reserve budget (minimum roofing, painting, paving and any other item with a replacement/repair cost over \$10,000), and the estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

If the association maintains a pooled account for reserves, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal; the association may include annual percentage increases in costs for the reserve components, but these increases are not mandated. Fully funded reserve contributions utilizing this methodology may not include future special assessments, and the annual funding levels cannot include percentage increases.

In our Cash Flow Analysis calculations, we do not include increases in construction costs/inflation. While future costs are expected to be higher than today's costs, which is supported by our analysis of past indexes/trends, increases in costs should be recognized as the association estimates current repair/replacement costs during their annual calculations of full reserve funding. A current cost estimate during the current fiscal year would theoretically be lower than a current cost for future fiscal years. That way the estimates of current cost moving forward will eventually represent current cost as of the date of forecast expenditure. Funding the reserves annually on that basis should ensure that adequate monies are available as of the date of expense, assuming that the current cost estimate is appropriate and that the reserve was fully funded since its last repair/replacement project was completed.

The **Component Funding Analysis** (or Straight Line Method) calculates the annual contribution amount for each individual line item component by dividing the component's unfunded balance by its

remaining useful life. A component's unfunded balance is its replacement cost less the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis.

EXECUTIVE SUMMARY

PROPERTY DATA

Property Name: San Simeon Phase 1 Residents' Association, Inc. Commons

Property Location: Fort Myers, Florida

Property Type: HOA

Total Units: 219

Report Run Date: October 24, 2016

Budget Year Begins: January 1, 2017

Budget Year Ends: December 31, 2017

PROJECTED COMPONENT CATEGORIES AND PARAMETERS

1. Clubhouse Interiors
2. Painting & Waterproofing
3. Pavement
4. Recreational Amenities
5. Roofs
6. Site Improvements

Total current cost of all reserve components in reserve analysis:	\$	645,843
Estimated beginning reserve fund balance for reserve analysis:	\$	143,306
Total number of components scheduled for replacement in the 2017 budget year:		3
Total cost of components scheduled for replacement in the 2017 budget year:	\$	48,940

ANALYSIS RESULTS –CASH FLOW ANALYSIS

Current annual reserve funding contribution amount (2016 Budget):	\$	38,662
Our recommended annual reserve funding contribution amount:	\$	42,120
Increase (decrease) between current and recommended annual contribution amounts:	\$	3,458
Increase (decrease) between current and recommended annual contribution amounts:		9%

ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

Current annual reserve funding contribution amount (2016 Budget):	\$	38,662
Our recommended annual reserve funding contribution amount:	\$	113,235
Increase (decrease) between current and recommended annual contribution amounts:	\$	74,573
Increase (decrease) between current and recommended annual contribution amounts:		193%

RESERVE BUDGET COMPARISON

The previous page provides a comparison of the association's approved fiscal year 2016 reserve contribution level and our estimates for full reserve funding for fiscal year 2017. The funding requirement estimated for fiscal year 2017 via the Cash Flow Analysis is **higher** than the association's approved fiscal year 2016 contribution level, while the recommendation based on the Component Funding Analysis methodology is **higher** than the association's approved fiscal year 2016 contribution level.

Based on the Cash Flow Analysis methodology, the association can fully fund the reserves as analyzed in this report at \$42,120 in fiscal year 2017. This level of annual funding could remain stable over the remainder of the study period, provide adequate funds to offset planned reserve expenditures, and maintain a positive reserve fund balance over the entirety of the study period. In this analysis we have utilized a 0.65% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

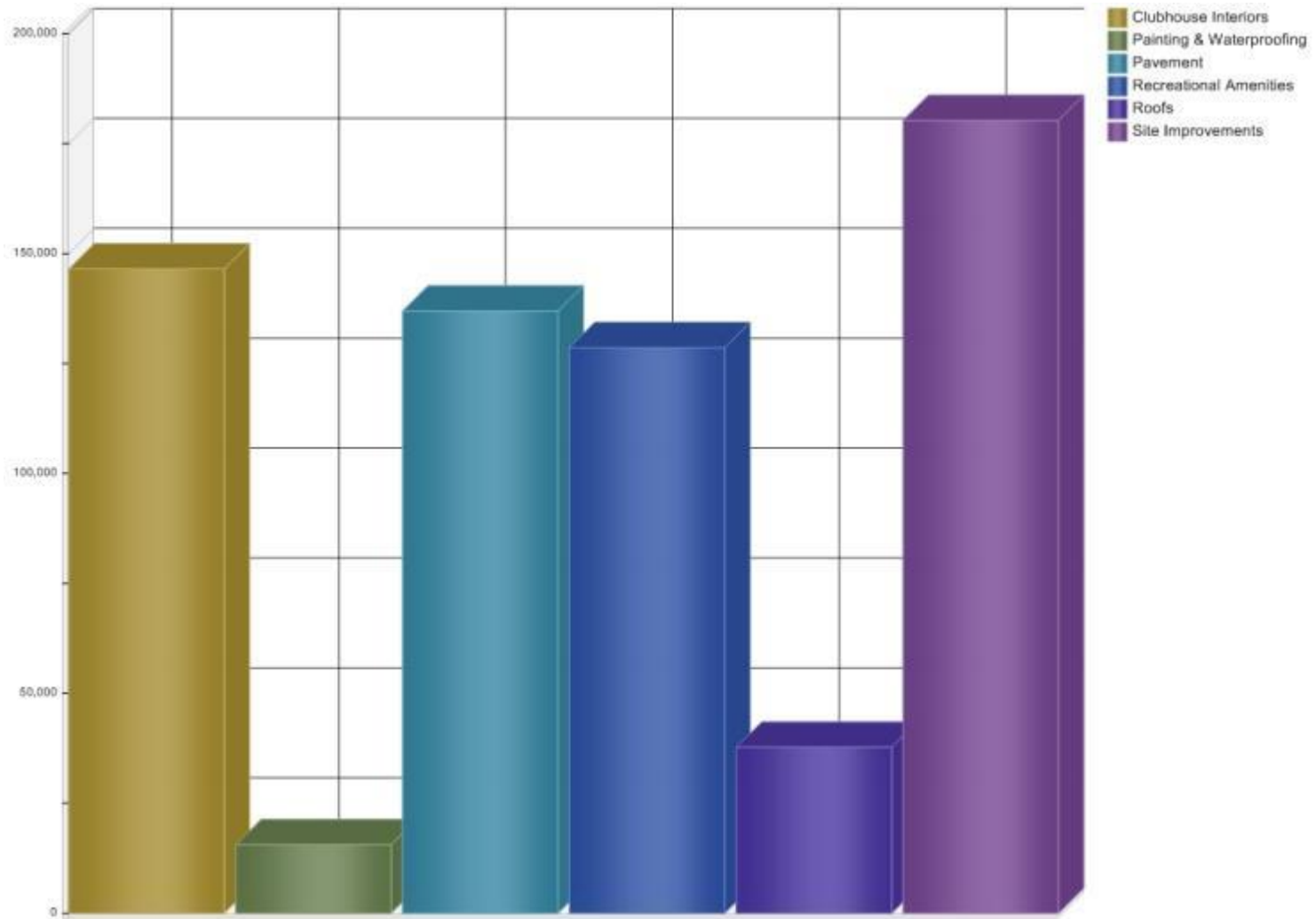
Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in fiscal year 2017, the contribution should be \$113,235. The Component Funding Analysis is a straight-line accounting procedure that was previously mandated by the State of Florida for condominiums, and has been a popular method of reserve computation by condominiums, cooperatives, homeowner's associations, property owner's associations, country clubs, etc.

CASH FLOW ANALYSIS

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameter - Category - Chart



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Detail

Description	Replace Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measure Basis
Clubhouse Interiors								
Clubhouse, AC Air Handler	06/01/2018	\$ 3,328.15	20:00	12:00	1:05	\$ 3,328.15	\$	665.63 tons
Clubhouse, AC Air Handler	06/01/2018	3,328.15	20:00	12:00	1:05	3,328.15		665.63 tons
Clubhouse, AC Air Handler	06/01/2018	1,331.26	20:00	12:00	1:05	1,331.26		665.63 tons
Clubhouse, AC Condenser	06/01/2018	3,752.45	12:00	12:00	1:05	3,752.45		750.49 tons
Clubhouse, AC Condenser	06/01/2018	3,752.45	12:00	12:00	1:05	3,752.45		750.49 tons
Clubhouse, AC Condenser	06/01/2018	1,500.98	12:00	12:00	1:05	1,500.98		750.49 tons
Clubhouse, Exercise Room & Equipment	06/01/2019	30,235.00	12:00	12:00	2:05	30,235.00		30,235.00 lp sum
Clubhouse, Furnishings/Finishes	06/01/2020	36,536.50	14:00	14:00	3:05	36,536.50		40.15 sq. ft.
Clubhouse, Kitchen	06/01/2026	10,327.50	20:00	20:00	9:05	10,327.50		114.75 sq. ft.
Clubhouse, Restrooms	06/01/2026	30,419.00	20:00	20:00	9:05	30,419.00		80.05 sq. ft.
Clubhouse, Security	10/01/2026	9,735.00	10:00	10:00	9:09	9,735.00		9,735.00 lp sum
Clubhouse, Tile Flooring	06/01/2026	12,293.30	20:00	20:00	9:05	12,293.30		9.14 sq. ft.
		\$ 146,539.74				\$ 146,539.74		
Painting & Waterproofing								
Paint/Waterproof Exteriors, Clubhouse	11/01/2019	4,601.00	7:00	7:00	2:10	4,601.00		4,601.00 lp sum
Paint/Waterproof Exteriors, Perimeter Wall	12/01/2019	10,971.00	7:00	7:00	2:11	10,971.00		10,971.00 lp sum
		\$ 15,572.00				\$ 15,572.00		
Pavement								
Asphalt Overlay	12/01/2032	105,015.80	20:00	20:00	15:11	105,015.80		9.22 sq. yds.
Asphalt Sealcoat/Rejuvenation	01/01/2017	11,959.50	4:00	4:01	0:00	11,959.50		1.05 sq. yds.
Concrete Paving Allowance	06/01/2023	20,000.00	10:00	10:00	6:05	20,000.00		20,000.00 lp sum
		\$ 136,975.30				\$ 136,975.30		
Recreational Amenities								
Pool & Spa Decking	06/01/2030	34,658.00	24:00	24:00	13:05	34,658.00		5.59 sq. ft.
Pool & Spa Equipment	06/01/2018	20,000.00	12:00	12:00	1:05	20,000.00		20,000.00 lp sum
Pool & Spa Furniture	06/01/2017	11,402.75	10:00	11:00	0:05	11,402.75		134.15 pieces
Pool & Spa Interiors	06/01/2017	25,578.10	12:00	11:00	0:05	25,578.10		11.47 sq. ft.
Pool/Tot Lot Fencing & Gates	06/01/2030	25,030.50	24:00	24:00	13:05	25,030.50		61.50 ln ft.
Tot Lot	06/01/2018	12,000.00	12:00	12:00	1:05	12,000.00		12,000.00 lp sum
		\$ 128,669.35				\$ 128,669.35		

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Detail

Description	Replace Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measure Basis
Roofs								
Roofing, Clubhouse	06/01/2031	\$ 33,880.00	25:00	25:00	14:05	\$ 33,880.00	\$ 880.00	sq.
Roofing, Compactor Building	06/01/2031	3,872.00	25:00	25:00	14:05	3,872.00	880.00	sq.
		\$ 37,752.00				\$ 37,752.00		
Site Improvements								
Access System/Equipment	06/01/2027	12,095.00	15:00	15:00	10:05	12,095.00	12,095.00	lp sum
Fencing, Perimeter	06/01/2033	73,168.04	27:00	27:00	16:05	73,168.04	39.38	ln ft.
Gate Operator, Barrier	09/01/2020	4,420.00	14:00	14:03	3:08	4,420.00	4,420.00	lp sum
Gate Operator, Barrier	09/01/2020	4,420.00	14:00	14:03	3:08	4,420.00	4,420.00	lp sum
Gate Operator, Barrier	06/01/2026	4,420.00	14:00	14:00	9:05	4,420.00	4,420.00	lp sum
Gate Operator, Barrier	06/01/2026	4,420.00	14:00	14:00	9:05	4,420.00	4,420.00	lp sum
Gate Operator, Swing	06/01/2020	2,734.45	14:00	14:00	3:05	2,734.45	2,734.45	lp sum
Gate Operator, Swing	06/01/2020	2,734.45	14:00	14:00	3:05	2,734.45	2,734.45	lp sum
Gate Operator, Swing	06/01/2026	2,734.45	14:00	14:00	9:05	2,734.45	2,734.45	lp sum
Gate Operator, Swing	06/01/2026	2,734.45	14:00	14:00	9:05	2,734.45	2,734.45	lp sum
Lake Fountain/Equipment	09/01/2031	7,935.00	16:00	16:00	14:08	7,935.00	7,935.00	lp sum
Lighting, Parking/Entry	06/01/2030	37,505.00	24:00	24:00	13:05	37,505.00	37,505.00	lp sum
Signage	06/01/2021	5,850.00	15:00	15:00	4:05	5,850.00	5,850.00	lp sum
Swing Gate	06/01/2026	3,791.00	20:00	20:00	9:05	3,791.00	3,791.00	lp sum
Swing Gate	06/01/2026	3,791.00	20:00	20:00	9:05	3,791.00	3,791.00	lp sum
Swing Gate	06/01/2032	3,791.00	20:00	20:00	15:05	3,791.00	3,791.00	lp sum
Swing Gate	06/01/2032	3,791.00	20:00	20:00	15:05	3,791.00	3,791.00	lp sum
		\$ 180,334.84				\$ 180,334.84		
		\$ 645,843.23				\$ 645,843.23		

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Clubhouse, AC Air Handler

Item Number	8	Measurement Basis	tons
Type	Common Area	Estimated Useful Life	20:00
Category	Clubhouse Interiors	Basis Cost	665.63
Tracking Method	Logistical Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
920-001-0008		06/01/2006	06/01/2018	1:05	12:00	5.00 \$	3,328.15 \$	3,328.15
920-002-0008		06/01/2006	06/01/2018	1:05	12:00	5.00 \$	3,328.15 \$	3,328.15
920-003-0008		06/01/2006	06/01/2018	1:05	12:00	2.00 \$	1,331.26 \$	1,331.26
						\$	7,987.56 \$	7,987.56

Comments

Because they may not require replacement concurrently, reserves for the individual air conditioning air handlers supporting the clubhouse interiors were included. Outside an ocean environment, a life cycle in the 20-year range range is the market norm we have observed for replacement of split HVAC air handlers, assuming proper and routine maintenance.

Changes to building codes since the 2006 installation date of these units have mandated that at the next condenser unit replacement, the corresponding air handler must also be replaced so that both are brought up to more efficient, code compliant use. The remaining useful lives of the air handlers were adjusted to reflect similar replacement dates as their corresponding condensers. Recurring 20-year life cycles were forecast thereafter.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Clubhouse, AC Condenser

Item Number	9	Measurement Basis	tons
Type	Common Area	Estimated Useful Life	12:00
Category	Clubhouse Interiors	Basis Cost	750.49
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
920-001-0009		06/01/2006	06/01/2018	1:05	12:00	5.00 \$	3,752.45 \$	3,752.45
920-002-0009		06/01/2006	06/01/2018	1:05	12:00	5.00 \$	3,752.45 \$	3,752.45
920-003-0009		06/01/2006	06/01/2018	1:05	12:00	2.00 \$	1,500.98 \$	1,500.98
						\$	9,005.88 \$	9,005.88

Comments

Outside an ocean environment, life cycles in the low to mid-10-year range have been observed for replacement of residential/commercial grade split HVAC condenser units like those supporting the clubhouse interiors. As they may not require replacement concurrently, a line item was included for each.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Clubhouse, Exercise Room & Equipment

Item Number	3	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	12:00
Category	Clubhouse Interiors	Basis Cost	30,235.00
Tracking Method	Logistical Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0003		06/01/2007	06/01/2019	2:05	12:00	1.00 \$	30,235.00 \$	30,235.00
						\$	30,235.00 \$	30,235.00

Comments

It is our market observation that while minor additions and/or replacements can be expected from time to time, better quality properties complete exercise equipment inventory replacements (treadmills, elliptical trainers, upright and recumbent exercise bikes, arc trainers, strength training stations, etc.) on a life cycle in the 10-12-year range, to insure the modern, appealing equipment is in use. This fund is designed to provide monies for as needed exercise equipment replacements, flooring, wall mirrors/finishes, etc. in the clubhouse exercise room over a recurring 12-year life cycle. The association representative has advised that the replacement of the gym equipment will occur in fiscal year 2019. The current lump sum cost estimate is an order of magnitude figure based on the size and quality of the existing inventory and size of the exercise room.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Clubhouse, Furnishings/Finishes

Item Number	20	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	14:00
Category	Clubhouse Interiors	Basis Cost	40.15
Tracking Method	Logistical Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0020		06/01/2006	06/01/2020	3:05	14:00	910.00	\$ 36,536.50	\$ 36,536.50
							\$ 36,536.50	\$ 36,536.50

Comments

To insure a modern cosmetic appeal, the association should expect to complete major common area furnishings/finishes projects on a periodic and regular basis. Included are sofas, chairs, window treatments, wall and door finishes, area rugs/carpeting, tables, lamps/decorative lighting, plants, etc. While minor additions/replacements/upgrades can be expected from time to time, a life cycle in the low to mid 10-year range is the market norm we have observed. A 14-year life cycle estimate reflects a 2020 expense date for major clubhouse interior furnishings/finishes upgrades. The current \$/square foot unit cost is an order of magnitude estimate based on actual market data we have observed in buildings of similar overall quality.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Clubhouse, Kitchen

Item Number	19	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	20:00
Category	Clubhouse Interiors	Basis Cost	114.75
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0019		06/01/2006	06/01/2026	9:05	20:00	90.00	\$ 10,327.50	\$ 10,327.50
							\$ 10,327.50	\$ 10,327.50

Comments

At some point in the foreseeable future, the association should expect to incur costs for major restoration of the common area kitchen (including, but not necessarily limited to, flooring, wall finishes, cabinetry and counters, plumbing and electrical fixtures, etc.). Life cycles of less than 15 years, to 30+ years, have been observed in properties of similar quality. A 20-year life cycle reflects a 2026 renovation date for the clubhouse kitchen. The current cost estimate does not include any unforeseen floor area reconfiguration and/or expansion.



This report assumes that as needed replacement of the appliances (microwave, refrigerator, water heater, dishwasher, etc.) will be funded through the association's annual operating budget, as a function of routine maintenance.

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Clubhouse, Restrooms

Item Number	6	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	20:00
Category	Clubhouse Interiors	Basis Cost	80.05
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0006		06/01/2006	06/01/2026	9:05	20:00	380.00	\$ 30,419.00	\$ 30,419.00
							\$ 30,419.00	\$ 30,419.00

Comments

Our inspection revealed that repairs to the clubhouse restroom wall coverings should be completed in the near future, which is a function of routine maintenance. At some point in the foreseeable future, the association should expect to incur costs for major restoration of the common area restroom interiors (including, but not necessarily limited to, flooring, wall finishes, vanities, mirrors, dividers, plumbing and electrical fixtures, etc.). Life cycles of less than 15 years, to 30+ years, have been observed in properties of similar quality. A 20-year life cycle estimate reflects a 2026 restroom renovation date. The current cost estimate does not include any unforeseen floor area reconfiguration and/or expansion.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Clubhouse, Security

Item Number	27	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	10:00
Category	Clubhouse Interiors	Basis Cost	9,735.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0027		10/01/2016	10/01/2026	9:09	10:00	1.00	\$ 9,735.00	\$ 9,735.00
							\$ 9,735.00	\$ 9,735.00

Comments

The clubhouse/common area security system includes an entry fob system and video surveillance cameras. While minor component repairs/replacements can be expected from time to time as a function of routine maintenance, it is our market observation that system modernization/replacement should be expected on a life cycle in the 10-12-year range. A 2026 expense date was forecast for this project, given the reported 2016 system upgrades.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Clubhouse, Tile Flooring

Item Number	7	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	20:00
Category	Clubhouse Interiors	Basis Cost	9.14
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0007		06/01/2006	06/01/2026	9:05	20:00	1345.00	\$ 12,293.30	\$ 12,293.30
							\$ 12,293.30	\$ 12,293.30

Comments

At some point in the foreseeable future, the association should expect to incur costs for replacement of their common area tile flooring. Because replacement is typically completed due to cosmetic dissatisfaction rather than physical wear out/failure of the flooring itself, life cycles can vary from property to property. We have observed life cycles of less than 10 years, to over 30 years, for replacement of tile flooring. The current cost estimate includes removal and disposal of the existing tile flooring and installation with like quality.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Paint/Waterproof Exteriors, Clubhouse

Item Number	4	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	7:00
Category	Painting & Waterproofing	Basis Cost	4,601.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0004		11/01/2012	11/01/2019	2:10	7:00	1.00 \$	4,601.00 \$	4,601.00
						\$	4,601.00 \$	4,601.00

Comments

To insure proper protection of the underlying concrete, stucco, wood and metal surfaces, the market reflects a maximum 7-year useful life for exterior painting & waterproofing (in lieu of an association purchased 10-year warranty). The clubhouse exteriors were repainted in fall 2012, and a 2019 expense date was forecast accordingly. The current average per dwelling unit cost estimate includes typical minor concrete/stucco repairs, surface preparation, as needed caulking and painting/refinishing of all exterior concrete, stucco, wood and metal surfaces.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Paint/Waterproof Exteriors, Perimeter Wall

Item Number	5	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	7:00
Category	Painting & Waterproofing	Basis Cost	10,971.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0005		12/01/2012	12/01/2019	2:11	7:00	1.00	\$ 10,971.00	\$ 10,971.00
							\$ 10,971.00	\$ 10,971.00

Comments

To insure proper protection of the underlying concrete, stucco, wood and metal surfaces, the market reflects a maximum 7-year useful life for exterior painting & waterproofing (in lieu of an association purchased 10-year warranty). The perimeter wall along the east property boundary and fencing monuments were repainted in fall 2012, and a 2019 expense date was forecast accordingly. The current cost estimate includes typical minor concrete/stucco repairs, and surface preparation, and is based on the approximate height and linear footage of the wall and monument count/sizes.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Asphalt Overlay

Item Number	1	Measurement Basis	sq. yds.
Type	Common Area	Estimated Useful Life	20:00
Category	Pavement	Basis Cost	9.22
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0001		12/01/2012	12/01/2032	15:11	20:00	11390.00	\$ 105,015.80	\$ 105,015.80
							\$ 105,015.80	\$ 105,015.80

Comments

We have observed life cycles of less than 15 years, to 25+ years, for asphalt overlay projects, assuming proper design, installation and routine maintenance. The asphalt paving was installed in late 2012; utilizing a 20-year life cycle estimate, this project was forecast in 2032. The current unit cost estimate includes as needed milling of the asphalt paving at its junction with adjacent concrete paving, typical minor repairs to the underlying pavement subbase and drainage systems, installation of a standard overlay, and re-striping. The paved area is a rounded estimate.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Asphalt Sealcoat/Rejuvenation

Item Number	2	Measurement Basis	sq. yds.
Type	Common Area	Estimated Useful Life	4:00
Category	Pavement	Basis Cost	1.05
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0002		12/22/2012	01/01/2017	0:00	4:01	11390.00	\$ 11,959.50	\$ 11,959.50
							\$ 11,959.50	\$ 11,959.50

Comments

Sealcoating/rejuvenation serves as not only a cosmetic upgrade; it also insures minimal moisture intrusion into the underlying pavement structure. Without a proper moisture barrier, premature deterioration in the form of potholes, etc. can occur, causing the need for more frequent (and costly) asphalt overlays. The market reflects a typical useful life of 3-4 years for this upgrade, and that to insure the maximum useful life of asphalt paving, should be completed within the first year of a new overlay project. As there were no reported plans to complete this project in 2016, a 2017 expense date was scheduled. A recurring 4-year life cycle was scheduled thereafter. The current cost estimate includes typical minor pavement repairs and re-stripping.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Concrete Paving Allowance

Item Number	30	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	10:00
Category	Pavement	Basis Cost	20,000.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0030		06/01/2013	06/01/2023	6:05	10:00	1.00	\$ 20,000.00	\$ 20,000.00
							\$ 20,000.00	\$ 20,000.00

Comments

Under normal conditions, total replacement of concrete paving (sidewalks, curbing, gutters, etc.) should not be necessary at any one given time. It is our market observation that while some associations do establish and fund contingency reserves for concrete paving repairs, many prefer to fund as needed repairs through their annual operating budgets, as a function of routine maintenance. At the association's request and sole discretion, a line item was included to provide \$20,000 for as needed common area concrete paving repairs/replacements over a recurring 10-year life cycle. This fund is a contingency only; actual costs and time frames may vary, perhaps widely, from these estimates.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Pool & Spa Decking

Item Number	18	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	24:00
Category	Recreational Amenities	Basis Cost	5.59
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0018		06/01/2006	06/01/2030	13:05	24:00	6200.00	\$ 34,658.00	\$ 34,658.00
							\$ 34,658.00	\$ 34,658.00

Comments

Some associations consider paver parking and drives, sidewalks, pool and spa decks, etc. to be effectively permanent, and opt to exclude replacement from their annual reserve budgets. Others do establish and fund reserves, on observed budgetary life cycles of 20-40 years. It is our opinion that reserving for eventual replacement is prudent, if only for cosmetic purposes; we have observed older pavers that appear worn and dated, even with periodic pressure washing and/or sealing. This reserve is designed to provide monies for as needed repairs to and eventual replacement of the paver decking at the pool, spa, and clubhouse walkways over a 24-year life cycle. The total area is a rounded estimate.



Of note was the report that some of the paver areas were becoming uneven, which could represent a trip and fall hazard. We recommend that the association complete needed repairs in the near future, accordingly.

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Pool & Spa Equipment

Item Number	11	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	12:00
Category	Recreational Amenities	Basis Cost	20,000.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0011		06/01/2006	06/01/2018	1:05	12:00	1.00	\$ 20,000.00	\$ 20,000.00
							\$ 20,000.00	\$ 20,000.00

Comments

Under normal conditions, total replacement of pool and spa equipment inventories (pumps, motors, chlorination systems, filters, heaters, etc.) should not be necessary at any one given time. As such, reserving for total replacement is not considered prudent or practical. This is supported by our review of reserve budgets at similar properties; while some associations establish and fund contingency reserves for as needed repair/replacement costs, others prefer to fund incidental expenses through their annual operating budgets, as a function of routine maintenance. For the association's consideration, and given its inclusion in the association's fiscal year 2013 reserve budget, we have included an allowance to provide monies for as needed pool and spa equipment expenses over a recurring 12-year life cycle. This fund is a projection only; actual costs and time frames may vary from our estimates.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Pool & Spa Furniture

Item Number	17	Measurement Basis	pieces
Type	Common Area	Estimated Useful Life	10:00
Category	Recreational Amenities	Basis Cost	134.15
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0017		06/01/2006	06/01/2017	0:05	11:00	85.00	\$ 11,402.75	\$ 11,402.75
							\$ 11,402.75	\$ 11,402.75

Comments

While minor additions/replacements can be expected from time to time, and assuming periodic as needed re-strapping and/or refinishing as a function of routine maintenance, most associations complete pool deck furniture inventory replacements on a 7-10-year life cycle. This fund is designed to provide monies for as needed pool and spa deck furniture replacements (chaise lounges, tables, chairs, umbrellas, trash receptacles, etc.) over a 10-year life cycle. No replacement has been reported, therefore the 2016 date for scheduled replacement has been adjusted to 2017.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Pool & Spa Interiors

Item Number	10	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	12:00
Category	Recreational Amenities	Basis Cost	11.47
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0010		06/01/2006	06/01/2017	0:05	11:00	2230.00	\$ 25,578.10	\$ 25,578.10
							\$ 25,578.10	\$ 25,578.10

Comments

Assuming proper installation, chemical balancing, and routine maintenance, interior resurfacing of standard concrete pools and spas with marcite or aggregate interior finishes should be expected on a life cycle in the 10-12-year range. Resurfacing of the +/- 2,140 square foot, 58,144-gallon pool and +/- 90 sq., 1,456-gallon spa was forecast in 2016. however, per the association representative a refurbishment date has been approved for fiscal year 2017. We have set the useful life on a 12 year recurring cycle. The current per square foot of surface area cost estimate includes typical minor tank/structural repairs, tile upgrades and/or replacements, and installation of new aggregate surface materials (i.e. "diamond brite", "pebble crete", etc.).



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Pool/Tot Lot Fencing & Gates

Item Number	13	Measurement Basis	In ft.
Type	Common Area	Estimated Useful Life	24:00
Category	Recreational Amenities	Basis Cost	61.50
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0013		06/01/2006	06/01/2030	13:05	24:00	407.00	\$ 25,030.50	\$ 25,030.50
							\$ 25,030.50	\$ 25,030.50

Comments

A life cycle in the low to mid 20-year range is the most typical useful life we have observed for replacement of standard aluminum pool/spa deck fencing and gates. The pool and tot lot fencing and gates were forecast for replacement in 2030, accordingly. The current per linear foot cost estimate includes removal and disposal of the existing fencing and gates and installation of like height/quality fencing and gates.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Tot Lot

Item Number	12	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	12:00
Category	Recreational Amenities	Basis Cost	12,000.00
Tracking Method	Logistical Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0012		06/01/2006	06/01/2018	1:05	12:00	1.00	\$ 12,000.00	\$ 12,000.00
							\$ 12,000.00	\$ 12,000.00

Comments

To insure a modern appeal, tot lot equipment replacement should be expected on a life cycle in the 10-12-year range. The existing equipment and decking was observed to be in average to good overall condition, and a 2018 replacement date forecast.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Roofing, Clubhouse

Item Number	15	Measurement Basis	sq.
Type	Common Area	Estimated Useful Life	25:00
Category	Roofs	Basis Cost	880.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0015		06/01/2006	06/01/2031	14:05	25:00	38.50	\$ 33,880.00	\$ 33,880.00
							\$ 33,880.00	\$ 33,880.00

Comments

Life cycles of less than 20 years, to 35+ years, have been observed for replacement of pitched tile roofing; the most typical life falls in the mid 20-year range, assuming proper design, installation and routine maintenance. As no professional roofing studies were provided that would indicate that physical conditions exist at this roofing that would otherwise limit its remaining useful life, a 2031 replacement date was forecast for replacement of the clubhouse roof. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, as needed repair/replacement of fascia, soffits etc., and installation of like roofing.

one square = 100 square feet



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Roofing, Compactor Building

Item Number	16	Measurement Basis	sq.
Type	Common Area	Estimated Useful Life	25:00
Category	Roofs	Basis Cost	880.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0016		06/01/2006	06/01/2031	14:05	25:00	4.40 \$	3,872.00 \$	3,872.00
						\$	3,872.00 \$	3,872.00

Comments

Life cycles of less than 20 years, to 35+ years, have been observed for replacement of pitched tile roofing; the most typical life falls in the mid 20-year range, assuming proper design, installation and routine maintenance. As no professional roofing studies were provided that would indicate that physical conditions exist at this roofing that would otherwise limit its remaining useful life, a 2031 replacement date was forecast for the compactor building tile roofing. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, as needed repair/replacement of fascia, soffits etc., and installation of like roofing.

one square = 100 square feet



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Access System/Equipment

Item Number	28	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	15:00
Category	Site Improvements	Basis Cost	12,095.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0028		06/01/2012	06/01/2027	10:05	15:00	1.00	\$ 12,095.00	\$ 12,095.00
							\$ 12,095.00	\$ 12,095.00

Comments

Access to the property is via an automatic vehicular transponder system and enterphone/keypad. While minor repairs/replacements can be expected from time to time as a function of routine maintenance, modernization/replacement of these access systems has been observed on life cycles in the mid to high 10-year range. Assuming installation during completion of the phase 2 Horton unit residential buildings, this expense was forecast in 2028. The current cost includes the transponder, keypad, hardware, software, etc.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Fencing, Perimeter

Item Number	25	Measurement Basis	In ft.
Type	Common Area	Estimated Useful Life	27:00
Category	Site Improvements	Basis Cost	39.38
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0025		06/01/2006	06/01/2033	16:05	27:00	1858.00	\$ 73,168.04	\$ 73,168.04
							\$ 73,168.04	\$ 73,168.04

Comments

Data gleaned from the provided property records indicates that there is a total of +/- 1,858 linear feet of decorative metal perimeter fencing, which was assumed to be original to the 2006 construction of the phase 1 improvements. Under normal conditions, a life cycle in the 25-30+ year range has been observed for replacement of similar fencing, and a 2033 replacement date forecast accordingly. The current per linear foot unit cost estimate includes removal and disposal of the existing fencing and installation of like quality/height fencing.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Gate Operator, Barrier

Item Number	22	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	14:00
Category	Site Improvements	Basis Cost	4,420.00
Tracking Method	Logistical Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
920-001-0022	Exit 1	06/01/2006	09/01/2020	3:08	14:03	1.00	\$ 4,420.00	\$ 4,420.00
920-002-0022	Exit 2	06/01/2006	09/01/2020	3:08	14:03	1.00	\$ 4,420.00	\$ 4,420.00
920-003-0022	Entry 1	06/01/2012	06/01/2026	9:05	14:00	1.00	\$ 4,420.00	\$ 4,420.00
920-004-0022	Entry 2	06/01/2012	06/01/2026	9:05	14:00	1.00	\$ 4,420.00	\$ 4,420.00
							\$ 17,680.00	\$ 17,680.00

Comments

Barring any unforeseen vehicular damage, and assuming proper and routine maintenance, replacement of automatic barrier gate operators has a market observed life cycle in the low to mid-10-year range. The two exit barrier gate operators were assumed to be original to the property, while aerial maps suggest that the entry barrier gate operators were installed during construction of the phase 2 Horton residential buildings. Separate line items were included for each gate operator, accordingly. The photographs are of representative barrier gate operators.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Gate Operator, Swing

Item Number	23	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	14:00
Category	Site Improvements	Basis Cost	2,734.45
Tracking Method	Logistical Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost		
							Current	Future	
920-001-0023	Exit 1	06/01/2006	06/01/2020	3:05	14:00	1.00 \$	2,734.45 \$	2,734.45	
920-002-0023	Exit 2	06/01/2006	06/01/2020	3:05	14:00	1.00 \$	2,734.45 \$	2,734.45	
920-003-0023	Entry 1	06/01/2012	06/01/2026	9:05	14:00	1.00 \$	2,734.45 \$	2,734.45	
920-004-0023	Entry 2	06/01/2012	06/01/2026	9:05	14:00	1.00 \$	2,734.45 \$	2,734.45	
							\$	10,937.80 \$	10,937.80

Comments

Barring any unforeseen vehicular damage, and assuming proper and routine maintenance, replacement of automatic swing gate operators has a market observed life cycle in the low to mid-10-year range. The two exit barrier gate operators were assumed to be original to the property, while aerial maps suggest that the entry barrier gate operators were installed during construction of the phase 2 Horton residential buildings. Separate line items were included for each gate operator, accordingly.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Lake Fountain/Equipment

Item Number	14	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	16:00
Category	Site Improvements	Basis Cost	7,935.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0014		09/01/2015	09/01/2031	14:08	16:00	1.00	\$ 7,935.00	\$ 7,935.00
							\$ 7,935.00	\$ 7,935.00

Comments

Life cycles for replacement of lake fountains suggest a probable life cycle in the mid-10 to 20-year range, under normal conditions. This fund is designed to provide monies for as needed repairs to the fountain, pumps, equipment, etc. and replacement of the lake fountain over a recurring 16-year life cycle.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Lighting, Parking/Entry

Item Number	26	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	24:00
Category	Site Improvements	Basis Cost	37,505.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0026		06/01/2006	06/01/2030	13:05	24:00	1.00	\$ 37,505.00	\$ 37,505.00
							\$ 37,505.00	\$ 37,505.00

Comments

Replacement of the decorative light fixtures at the marquee signage and entry (16) and decorative light posts/fixtures at the clubhouse parking (11) should be expected on a life cycle in the low to mid-20-year range. A 2030 inventory replacement date was forecast. The total cost estimate is based on a unit cost of \$580.20 for the 16 light fixtures and \$2,565.60 for the 11 posts/fixtures.



This report assumes that as needed repair/replacement of smaller common area light fixtures (landscaping, walkway, on building security, etc.) will be completed using in house labor, as a function of routine maintenance.

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Signage

Item Number	29	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	15:00
Category	Site Improvements	Basis Cost	5,850.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0029		06/01/2006	06/01/2021	4:05	15:00	1.00	\$ 5,850.00	\$ 5,850.00
							\$ 5,850.00	\$ 5,850.00

Comments

Under normal conditions, replacement of the concrete block/structure marquee signs should not be necessary in the foreseeable future. It is our market observation that associations often prefer to complete cosmetic restoration of this type of signage (lettering, facade/finish, lighting, etc.) to maintain a modern appeal, rather than raze and replace, and that this scope of renovation should be expected on a life cycle in the mid-10-year range. A 2021 expense date was forecast, accordingly.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Swing Gate

Item Number	24	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	20:00
Category	Site Improvements	Basis Cost	3,791.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
920-001-0024	Exit 1	06/01/2006	06/01/2026	9:05	20:00	1.00 \$	3,791.00 \$	3,791.00
920-002-0024	Exit 2	06/01/2006	06/01/2026	9:05	20:00	1.00 \$	3,791.00 \$	3,791.00
920-003-0024	Entry 1	06/01/2012	06/01/2032	15:05	20:00	1.00 \$	3,791.00 \$	3,791.00
920-004-0024	Entry 2	06/01/2012	06/01/2032	15:05	20:00	1.00 \$	3,791.00 \$	3,791.00
						\$	15,164.00 \$	15,164.00

Comments

Barring any unforeseen vehicular damage, replacement of the decorative metal swing gates at the proper entry and exit should be expected on a life cycle in the low to mid-20-year range. The two exit swing gates were assumed to be original to the property, while aerial maps suggest that the entry swing gates were installed during construction of the phase 2 Horton residential buildings. Separate line items were included for each gate, accordingly.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Expenditures - Items

Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Access System/Equipment										
Asphalt Overlay										
Asphalt Sealcoat/Rejuvenation	11,959				11,959				11,959	
Clubhouse, AC Air Handler		7,987								
Clubhouse, AC Condenser		9,005								
Clubhouse, Exercise Room & Equipment			30,235							
Clubhouse, Furnishings/Finishes				36,536						
Clubhouse, Kitchen										10,327
Clubhouse, Restrooms										30,419
Clubhouse, Security										9,735
Clubhouse, Tile Flooring										12,293
Concrete Paving Allowance							20,000			
Fencing, Perimeter										
Gate Operator, Barrier				8,840						8,840
Gate Operator, Swing				5,468						5,468
Lake Fountain/Equipment										
Lighting, Parking/Entry										
Paint/Waterproof Exteriors, Clubhouse			4,601							4,601
Paint/Waterproof Exteriors, Perimeter Wall			10,971							10,971
Pool & Spa Decking										
Pool & Spa Equipment		20,000								
Pool & Spa Furniture	11,402									
Pool & Spa Interiors	25,578									
Pool/Tot Lot Fencing & Gates										
Roofing, Clubhouse										
Roofing, Compactor Building										
Signage					5,850					
Swing Gate										7,582
Tot Lot		12,000								
	48,940	48,993	45,807	50,845	17,809		20,000		11,959	100,237

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Expenditures - Items

Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Access System/Equipment	12,095									
Asphalt Overlay						105,015				
Asphalt Sealcoat/Rejuvenation			11,959				11,959			
Clubhouse, AC Air Handler										
Clubhouse, AC Condenser				9,005						
Clubhouse, Exercise Room & Equipment					30,235					
Clubhouse, Furnishings/Finishes								36,536		
Clubhouse, Kitchen										
Clubhouse, Restrooms										
Clubhouse, Security										9,735
Clubhouse, Tile Flooring										
Concrete Paving Allowance							20,000			
Fencing, Perimeter							73,168			
Gate Operator, Barrier								8,840		
Gate Operator, Swing								5,468		
Lake Fountain/Equipment					7,935					
Lighting, Parking/Entry				37,505						
Paint/Waterproof Exteriors, Clubhouse							4,601			
Paint/Waterproof Exteriors, Perimeter Wall							10,971			
Pool & Spa Decking				34,658						
Pool & Spa Equipment				20,000						
Pool & Spa Furniture	11,402									
Pool & Spa Interiors			25,578							
Pool/Tot Lot Fencing & Gates				25,030						
Roofing, Clubhouse					33,880					
Roofing, Compactor Building					3,872					
Signage										5,850
Swing Gate						7,582				
Tot Lot				12,000						
	23,497		37,537	138,199	75,922	112,597	120,699	50,845		15,585

San Simeon Phase 1 Residents' Association, Inc.

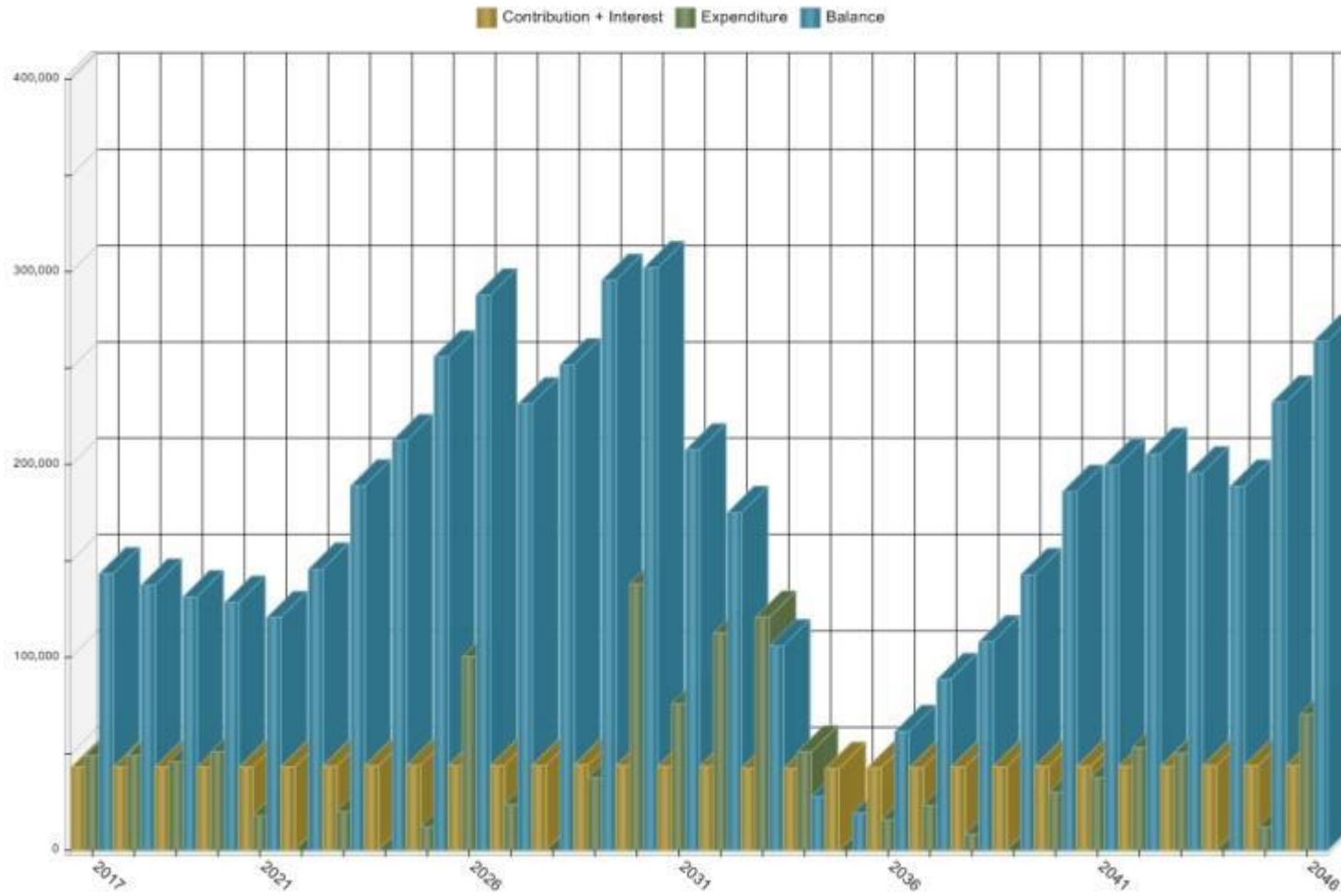
Analysis Date - January 1, 2017

Expenditures - Items

Description	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Access System/Equipment						12,095				
Asphalt Overlay										
Asphalt Sealcoat/Rejuvenation	11,959				11,959				11,959	
Clubhouse, AC Air Handler		7,987								
Clubhouse, AC Condenser						9,005				
Clubhouse, Exercise Room & Equipment							30,235			
Clubhouse, Furnishings/Finishes										
Clubhouse, Kitchen										10,327
Clubhouse, Restrooms										30,419
Clubhouse, Security										9,735
Clubhouse, Tile Flooring										12,293
Concrete Paving Allowance							20,000			
Fencing, Perimeter										
Gate Operator, Barrier				8,840						
Gate Operator, Swing				5,468						
Lake Fountain/Equipment										
Lighting, Parking/Entry										
Paint/Waterproof Exteriors, Clubhouse				4,601						
Paint/Waterproof Exteriors, Perimeter Wall				10,971						
Pool & Spa Decking										
Pool & Spa Equipment						20,000				
Pool & Spa Furniture	11,402									
Pool & Spa Interiors					25,578					
Pool/Tot Lot Fencing & Gates										
Roofing, Clubhouse										
Roofing, Compactor Building										
Signage										
Swing Gate										7,582
Tot Lot						12,000				
	23,362	7,987		29,880	37,537	53,100	50,235		11,959	70,356

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017



Cash Flow - Chart

San Simeon Phase 1 Residents' Association, Inc. Commons

Analysis Date - January 1, 2017

Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/17 - 12/17	\$ 143,306.83	\$ 42,120.00	\$ 866.33	\$ 48,940.35	\$ 137,352.81
01/18 - 12/18	137,352.81	42,120.00	859.85	48,993.44	131,339.22
01/19 - 12/19	131,339.22	42,120.00	880.08	45,807.00	128,532.30
01/20 - 12/20	128,532.30	42,120.00	810.21	50,845.40	120,617.11
01/21 - 12/21	120,617.11	42,120.00	828.16	17,809.50	145,755.77
01/22 - 12/22	145,755.77	42,120.00	1,087.39	0.00	188,963.16
01/23 - 12/23	188,963.16	42,120.00	1,298.57	20,000.00	212,381.73
01/24 - 12/24	212,381.73	42,120.00	1,521.74	0.00	256,023.47
01/25 - 12/25	256,023.47	42,120.00	1,731.56	11,959.50	287,915.53
01/26 - 12/26	287,915.53	42,120.00	1,730.07	100,237.70	231,527.90
	<u>\$ 143,306.83</u>	<u>\$ 421,200.00</u>	<u>\$ 11,613.96</u>	<u>\$ 344,592.89</u>	<u>\$ 231,527.90</u>

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/27 - 12/27	231,527.90	42,120.00	1,563.71	23,497.75	251,713.86
01/28 - 12/28	251,713.86	42,120.00	1,778.18	0.00	295,612.04
01/29 - 12/29	295,612.04	42,120.00	1,899.47	37,537.60	302,093.91
01/30 - 12/30	302,093.91	42,120.00	1,619.33	138,199.38	207,633.86
01/31 - 12/31	207,633.86	42,120.00	1,236.03	75,922.00	175,067.89
01/32 - 12/32	175,067.89	42,120.00	1,223.31	112,597.80	105,813.40
01/33 - 12/33	105,813.40	42,120.00	417.04	120,699.54	27,650.90
01/34 - 12/34	27,650.90	42,120.00	166.91	50,845.40	19,092.41
01/35 - 12/35	19,092.41	42,120.00	261.63	0.00	61,474.04
01/36 - 12/36	61,474.04	42,120.00	504.09	15,585.00	88,513.13
	<u>\$ 231,527.90</u>	<u>\$ 421,200.00</u>	<u>\$ 10,669.70</u>	<u>\$ 574,884.47</u>	<u>\$ 88,513.13</u>

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/37 - 12/37	88,513.13	42,120.00	599.29	23,362.25	107,870.17
01/38 - 12/38	107,870.17	42,120.00	812.22	7,987.56	142,814.83
01/39 - 12/39	142,814.83	42,120.00	1,068.23	0.00	186,003.06
01/40 - 12/40	186,003.06	42,120.00	1,292.60	29,880.90	199,534.76
01/41 - 12/41	199,534.76	42,120.00	1,273.08	37,537.60	205,390.24
01/42 - 12/42	205,390.24	42,120.00	1,288.93	53,100.88	195,698.29
01/43 - 12/43	195,698.29	42,120.00	1,235.85	50,235.00	188,819.14
01/44 - 12/44	188,819.14	42,120.00	1,368.12	0.00	232,307.26
01/45 - 12/45	232,307.26	42,120.00	1,576.93	11,959.50	264,044.69
01/46 - 12/46	264,044.69	42,120.00	1,631.60	70,356.80	237,439.49
	<u>\$ 88,513.13</u>	<u>\$ 421,200.00</u>	<u>\$ 12,146.85</u>	<u>\$ 284,420.49</u>	<u>\$ 237,439.49</u>

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2017	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	143,306.83	3,510.00	75.34	11,959.50	134,932.67
February	134,932.67	3,510.00	74.04	0.00	138,516.71
March	138,516.71	3,510.00	75.98	0.00	142,102.69
April	142,102.69	3,510.00	77.92	0.00	145,690.61
May	145,690.61	3,510.00	79.87	0.00	149,280.48
June	149,280.48	3,510.00	71.80	36,980.85	115,881.43
July	115,881.43	3,510.00	63.72	0.00	119,455.15
August	119,455.15	3,510.00	65.66	0.00	123,030.81
September	123,030.81	3,510.00	67.59	0.00	126,608.40
October	126,608.40	3,510.00	69.53	0.00	130,187.93
November	130,187.93	3,510.00	71.47	0.00	133,769.40
December	133,769.40	3,510.00	73.41	0.00	137,352.81
	\$ 143,306.83	\$ 42,120.00	\$ 866.33	\$ 48,940.35	\$ 137,352.81

2018	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	137,352.81	3,510.00	75.35	0.00	140,938.16
February	140,938.16	3,510.00	77.29	0.00	144,525.45
March	144,525.45	3,510.00	79.24	0.00	148,114.69
April	148,114.69	3,510.00	81.18	0.00	151,705.87
May	151,705.87	3,510.00	83.12	0.00	155,298.99
June	155,298.99	3,510.00	71.80	48,993.44	109,887.35
July	109,887.35	3,510.00	60.47	0.00	113,457.82
August	113,457.82	3,510.00	62.41	0.00	117,030.23
September	117,030.23	3,510.00	64.34	0.00	120,604.57
October	120,604.57	3,510.00	66.28	0.00	124,180.85
November	124,180.85	3,510.00	68.22	0.00	127,759.07
December	127,759.07	3,510.00	70.15	0.00	131,339.22
	\$ 137,352.81	\$ 42,120.00	\$ 859.85	\$ 48,993.44	\$ 131,339.22

2019	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	131,339.22	3,510.00	72.09	0.00	134,921.31
February	134,921.31	3,510.00	74.03	0.00	138,505.34
March	138,505.34	3,510.00	75.97	0.00	142,091.31
April	142,091.31	3,510.00	77.92	0.00	145,679.23
May	145,679.23	3,510.00	79.86	0.00	149,269.09
June	149,269.09	3,510.00	73.62	30,235.00	122,617.71
July	122,617.71	3,510.00	67.37	0.00	126,195.08
August	126,195.08	3,510.00	69.31	0.00	129,774.39
September	129,774.39	3,510.00	71.25	0.00	133,355.64
October	133,355.64	3,510.00	73.18	0.00	136,938.82
November	136,938.82	3,510.00	73.88	4,601.00	135,921.70
December	135,921.70	3,510.00	71.60	10,971.00	128,532.30
	\$ 131,339.22	\$ 42,120.00	\$ 880.08	\$ 45,807.00	\$ 128,532.30

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2020	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	128,532.30	3,510.00	70.57	0.00	132,112.87
February	132,112.87	3,510.00	72.51	0.00	135,695.38
March	135,695.38	3,510.00	74.45	0.00	139,279.83
April	139,279.83	3,510.00	76.39	0.00	142,866.22
May	142,866.22	3,510.00	78.34	0.00	146,454.56
June	146,454.56	3,510.00	68.90	42,005.40	108,028.06
July	108,028.06	3,510.00	59.47	0.00	111,597.53
August	111,597.53	3,510.00	61.40	0.00	115,168.93
September	115,168.93	3,510.00	60.94	8,840.00	109,899.87
October	109,899.87	3,510.00	60.48	0.00	113,470.35
November	113,470.35	3,510.00	62.41	0.00	117,042.76
December	117,042.76	3,510.00	64.35	0.00	120,617.11
	\$ 128,532.30	\$ 42,120.00	\$ 810.21	\$ 50,845.40	\$ 120,617.11

2021	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	120,617.11	3,510.00	63.05	11,959.50	112,230.66
February	112,230.66	3,510.00	61.74	0.00	115,802.40
March	115,802.40	3,510.00	63.68	0.00	119,376.08
April	119,376.08	3,510.00	65.61	0.00	122,951.69
May	122,951.69	3,510.00	67.55	0.00	126,529.24
June	126,529.24	3,510.00	67.90	5,850.00	124,257.14
July	124,257.14	3,510.00	68.26	0.00	127,835.40
August	127,835.40	3,510.00	70.19	0.00	131,415.59
September	131,415.59	3,510.00	72.13	0.00	134,997.72
October	134,997.72	3,510.00	74.07	0.00	138,581.79
November	138,581.79	3,510.00	76.02	0.00	142,167.81
December	142,167.81	3,510.00	77.96	0.00	145,755.77
	\$ 120,617.11	\$ 42,120.00	\$ 828.16	\$ 17,809.50	\$ 145,755.77

2022	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	145,755.77	3,510.00	79.90	0.00	149,345.67
February	149,345.67	3,510.00	81.85	0.00	152,937.52
March	152,937.52	3,510.00	83.79	0.00	156,531.31
April	156,531.31	3,510.00	85.74	0.00	160,127.05
May	160,127.05	3,510.00	87.69	0.00	163,724.74
June	163,724.74	3,510.00	89.63	0.00	167,324.37
July	167,324.37	3,510.00	91.58	0.00	170,925.95
August	170,925.95	3,510.00	93.54	0.00	174,529.49
September	174,529.49	3,510.00	95.49	0.00	178,134.98
October	178,134.98	3,510.00	97.44	0.00	181,742.42
November	181,742.42	3,510.00	99.39	0.00	185,351.81
December	185,351.81	3,510.00	101.35	0.00	188,963.16
	\$ 145,755.77	\$ 42,120.00	\$ 1,087.39	\$ 0.00	\$ 188,963.16

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2023	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	188,963.16	3,510.00	103.31	0.00	192,576.47
February	192,576.47	3,510.00	105.26	0.00	196,191.73
March	196,191.73	3,510.00	107.22	0.00	199,808.95
April	199,808.95	3,510.00	109.18	0.00	203,428.13
May	203,428.13	3,510.00	111.14	0.00	207,049.27
June	207,049.27	3,510.00	107.69	20,000.00	190,666.96
July	190,666.96	3,510.00	104.23	0.00	194,281.19
August	194,281.19	3,510.00	106.19	0.00	197,897.38
September	197,897.38	3,510.00	108.15	0.00	201,515.53
October	201,515.53	3,510.00	110.10	0.00	205,135.63
November	205,135.63	3,510.00	112.07	0.00	208,757.70
December	208,757.70	3,510.00	114.03	0.00	212,381.73
	\$ 188,963.16	\$ 42,120.00	\$ 1,298.57	\$ 20,000.00	\$ 212,381.73

2024	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	212,381.73	3,510.00	115.99	0.00	216,007.72
February	216,007.72	3,510.00	117.95	0.00	219,635.67
March	219,635.67	3,510.00	119.92	0.00	223,265.59
April	223,265.59	3,510.00	121.89	0.00	226,897.48
May	226,897.48	3,510.00	123.85	0.00	230,531.33
June	230,531.33	3,510.00	125.82	0.00	234,167.15
July	234,167.15	3,510.00	127.79	0.00	237,804.94
August	237,804.94	3,510.00	129.76	0.00	241,444.70
September	241,444.70	3,510.00	131.73	0.00	245,086.43
October	245,086.43	3,510.00	133.71	0.00	248,730.14
November	248,730.14	3,510.00	135.68	0.00	252,375.82
December	252,375.82	3,510.00	137.65	0.00	256,023.47
	\$ 212,381.73	\$ 42,120.00	\$ 1,521.74	\$ 0.00	\$ 256,023.47

2025	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	256,023.47	3,510.00	136.39	11,959.50	247,710.36
February	247,710.36	3,510.00	135.13	0.00	251,355.49
March	251,355.49	3,510.00	137.10	0.00	255,002.59
April	255,002.59	3,510.00	139.08	0.00	258,651.67
May	258,651.67	3,510.00	141.05	0.00	262,302.72
June	262,302.72	3,510.00	143.03	0.00	265,955.75
July	265,955.75	3,510.00	145.01	0.00	269,610.76
August	269,610.76	3,510.00	146.99	0.00	273,267.75
September	273,267.75	3,510.00	148.97	0.00	276,926.72
October	276,926.72	3,510.00	150.95	0.00	280,587.67
November	280,587.67	3,510.00	152.94	0.00	284,250.61
December	284,250.61	3,510.00	154.92	0.00	287,915.53
	\$ 256,023.47	\$ 42,120.00	\$ 1,731.56	\$ 11,959.50	\$ 287,915.53

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2026	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	287,915.53	3,510.00	156.90	0.00	291,582.43
February	291,582.43	3,510.00	158.89	0.00	295,251.32
March	295,251.32	3,510.00	160.88	0.00	298,922.20
April	298,922.20	3,510.00	162.87	0.00	302,595.07
May	302,595.07	3,510.00	164.86	0.00	306,269.93
June	306,269.93	3,510.00	146.55	74,930.70	234,995.78
July	234,995.78	3,510.00	128.24	0.00	238,634.02
August	238,634.02	3,510.00	130.21	0.00	242,274.23
September	242,274.23	3,510.00	132.18	0.00	245,916.41
October	245,916.41	3,510.00	131.52	9,735.00	239,822.93
November	239,822.93	3,510.00	129.61	4,601.00	238,861.54
December	238,861.54	3,510.00	127.36	10,971.00	231,527.90
	\$ 287,915.53	\$ 42,120.00	\$ 1,730.07	\$ 100,237.70	\$ 231,527.90

2027	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	231,527.90	3,510.00	126.36	0.00	235,164.26
February	235,164.26	3,510.00	128.33	0.00	238,802.59
March	238,802.59	3,510.00	130.30	0.00	242,442.89
April	242,442.89	3,510.00	132.27	0.00	246,085.16
May	246,085.16	3,510.00	134.25	0.00	249,729.41
June	249,729.41	3,510.00	129.86	23,497.75	229,871.52
July	229,871.52	3,510.00	125.46	0.00	233,506.98
August	233,506.98	3,510.00	127.43	0.00	237,144.41
September	237,144.41	3,510.00	129.40	0.00	240,783.81
October	240,783.81	3,510.00	131.38	0.00	244,425.19
November	244,425.19	3,510.00	133.35	0.00	248,068.54
December	248,068.54	3,510.00	135.32	0.00	251,713.86
	\$ 231,527.90	\$ 42,120.00	\$ 1,563.71	\$ 23,497.75	\$ 251,713.86

2028	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	251,713.86	3,510.00	137.30	0.00	255,361.16
February	255,361.16	3,510.00	139.27	0.00	259,010.43
March	259,010.43	3,510.00	141.25	0.00	262,661.68
April	262,661.68	3,510.00	143.23	0.00	266,314.91
May	266,314.91	3,510.00	145.20	0.00	269,970.11
June	269,970.11	3,510.00	147.18	0.00	273,627.29
July	273,627.29	3,510.00	149.17	0.00	277,286.46
August	277,286.46	3,510.00	151.15	0.00	280,947.61
September	280,947.61	3,510.00	153.13	0.00	284,610.74
October	284,610.74	3,510.00	155.11	0.00	288,275.85
November	288,275.85	3,510.00	157.10	0.00	291,942.95
December	291,942.95	3,510.00	159.09	0.00	295,612.04
	\$ 251,713.86	\$ 42,120.00	\$ 1,778.18	\$ 0.00	\$ 295,612.04

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2029	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	295,612.04	3,510.00	157.83	11,959.50	287,320.37
February	287,320.37	3,510.00	156.58	0.00	290,986.95
March	290,986.95	3,510.00	158.57	0.00	294,655.52
April	294,655.52	3,510.00	160.56	0.00	298,326.08
May	298,326.08	3,510.00	162.54	0.00	301,998.62
June	301,998.62	3,510.00	157.61	25,578.10	280,088.13
July	280,088.13	3,510.00	152.67	0.00	283,750.80
August	283,750.80	3,510.00	154.65	0.00	287,415.45
September	287,415.45	3,510.00	156.63	0.00	291,082.08
October	291,082.08	3,510.00	158.62	0.00	294,750.70
November	294,750.70	3,510.00	160.61	0.00	298,421.31
December	298,421.31	3,510.00	162.60	0.00	302,093.91
	\$ 295,612.04	\$ 42,120.00	\$ 1,899.47	\$ 37,537.60	\$ 302,093.91

2030	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	302,093.91	3,510.00	164.58	0.00	305,768.49
February	305,768.49	3,510.00	166.58	0.00	309,445.07
March	309,445.07	3,510.00	168.57	0.00	313,123.64
April	313,123.64	3,510.00	170.56	0.00	316,804.20
May	316,804.20	3,510.00	172.55	0.00	320,486.75
June	320,486.75	3,510.00	137.12	138,199.38	185,934.49
July	185,934.49	3,510.00	101.67	0.00	189,546.16
August	189,546.16	3,510.00	103.62	0.00	193,159.78
September	193,159.78	3,510.00	105.58	0.00	196,775.36
October	196,775.36	3,510.00	107.54	0.00	200,392.90
November	200,392.90	3,510.00	109.50	0.00	204,012.40
December	204,012.40	3,510.00	111.46	0.00	207,633.86
	\$ 302,093.91	\$ 42,120.00	\$ 1,619.33	\$ 138,199.38	\$ 207,633.86

2031	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	207,633.86	3,510.00	113.42	0.00	211,257.28
February	211,257.28	3,510.00	115.38	0.00	214,882.66
March	214,882.66	3,510.00	117.35	0.00	218,510.01
April	218,510.01	3,510.00	119.31	0.00	222,139.32
May	222,139.32	3,510.00	121.28	0.00	225,770.60
June	225,770.60	3,510.00	104.83	67,987.00	161,398.43
July	161,398.43	3,510.00	88.37	0.00	164,996.80
August	164,996.80	3,510.00	90.32	0.00	168,597.12
September	168,597.12	3,510.00	90.13	7,935.00	164,262.25
October	164,262.25	3,510.00	89.93	0.00	167,862.18
November	167,862.18	3,510.00	91.88	0.00	171,464.06
December	171,464.06	3,510.00	93.83	0.00	175,067.89
	\$ 207,633.86	\$ 42,120.00	\$ 1,236.03	\$ 75,922.00	\$ 175,067.89

San Simeon Phase 1 Residents' Association, Inc.

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2032	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	175,067.89	3,510.00	95.78	0.00	178,673.67
February	178,673.67	3,510.00	97.73	0.00	182,281.40
March	182,281.40	3,510.00	99.69	0.00	185,891.09
April	185,891.09	3,510.00	101.64	0.00	189,502.73
May	189,502.73	3,510.00	103.60	0.00	193,116.33
June	193,116.33	3,510.00	103.50	7,582.00	189,147.83
July	189,147.83	3,510.00	103.41	0.00	192,761.24
August	192,761.24	3,510.00	105.36	0.00	196,376.60
September	196,376.60	3,510.00	107.32	0.00	199,993.92
October	199,993.92	3,510.00	109.28	0.00	203,613.20
November	203,613.20	3,510.00	111.24	0.00	207,234.44
December	207,234.44	3,510.00	84.76	105,015.80	105,813.40
	\$ 175,067.89	\$ 42,120.00	\$ 1,223.31	\$ 112,597.80	\$ 105,813.40

2033	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	105,813.40	3,510.00	55.03	11,959.50	97,418.93
February	97,418.93	3,510.00	53.72	0.00	100,982.65
March	100,982.65	3,510.00	55.65	0.00	104,548.30
April	104,548.30	3,510.00	57.58	0.00	108,115.88
May	108,115.88	3,510.00	59.51	0.00	111,685.39
June	111,685.39	3,510.00	36.21	93,168.04	22,063.56
July	22,063.56	3,510.00	12.90	0.00	25,586.46
August	25,586.46	3,510.00	14.81	0.00	29,111.27
September	29,111.27	3,510.00	16.72	0.00	32,637.99
October	32,637.99	3,510.00	18.63	0.00	36,166.62
November	36,166.62	3,510.00	19.29	4,601.00	35,094.91
December	35,094.91	3,510.00	16.99	10,971.00	27,650.90
	\$ 105,813.40	\$ 42,120.00	\$ 417.04	\$ 120,699.54	\$ 27,650.90

2034	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	27,650.90	3,510.00	15.93	0.00	31,176.83
February	31,176.83	3,510.00	17.84	0.00	34,704.67
March	34,704.67	3,510.00	19.75	0.00	38,234.42
April	38,234.42	3,510.00	21.66	0.00	41,766.08
May	41,766.08	3,510.00	23.57	0.00	45,299.65
June	45,299.65	3,510.00	14.11	42,005.40	6,818.36
July	6,818.36	3,510.00	4.64	0.00	10,333.00
August	10,333.00	3,510.00	6.55	0.00	13,849.55
September	13,849.55	3,510.00	8.45	0.00	17,368.00
October	17,368.00	3,510.00	10.36	0.00	20,888.36
November	20,888.36	3,510.00	12.27	0.00	24,410.63
December	24,410.63	3,510.00	11.78	8,840.00	19,092.41
	\$ 27,650.90	\$ 42,120.00	\$ 166.91	\$ 50,845.40	\$ 19,092.41

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2035	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	19,092.41	3,510.00	11.29	0.00	22,613.70
February	22,613.70	3,510.00	13.20	0.00	26,136.90
March	26,136.90	3,510.00	15.11	0.00	29,662.01
April	29,662.01	3,510.00	17.02	0.00	33,189.03
May	33,189.03	3,510.00	18.93	0.00	36,717.96
June	36,717.96	3,510.00	20.84	0.00	40,248.80
July	40,248.80	3,510.00	22.75	0.00	43,781.55
August	43,781.55	3,510.00	24.67	0.00	47,316.22
September	47,316.22	3,510.00	26.58	0.00	50,852.80
October	50,852.80	3,510.00	28.50	0.00	54,391.30
November	54,391.30	3,510.00	30.41	0.00	57,931.71
December	57,931.71	3,510.00	32.33	0.00	61,474.04
	\$ 19,092.41	\$ 42,120.00	\$ 261.63	\$ 0.00	\$ 61,474.04

2036	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	61,474.04	3,510.00	34.25	0.00	65,018.29
February	65,018.29	3,510.00	36.17	0.00	68,564.46
March	68,564.46	3,510.00	38.09	0.00	72,112.55
April	72,112.55	3,510.00	40.01	0.00	75,662.56
May	75,662.56	3,510.00	41.93	0.00	79,214.49
June	79,214.49	3,510.00	42.27	5,850.00	76,916.76
July	76,916.76	3,510.00	42.61	0.00	80,469.37
August	80,469.37	3,510.00	44.54	0.00	84,023.91
September	84,023.91	3,510.00	46.46	0.00	87,580.37
October	87,580.37	3,510.00	45.75	9,735.00	81,401.12
November	81,401.12	3,510.00	45.04	0.00	84,956.16
December	84,956.16	3,510.00	46.97	0.00	88,513.13
	\$ 61,474.04	\$ 42,120.00	\$ 504.09	\$ 15,585.00	\$ 88,513.13

2037	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	88,513.13	3,510.00	45.66	11,959.50	80,109.29
February	80,109.29	3,510.00	44.34	0.00	83,663.63
March	83,663.63	3,510.00	46.27	0.00	87,219.90
April	87,219.90	3,510.00	48.19	0.00	90,778.09
May	90,778.09	3,510.00	50.12	0.00	94,338.21
June	94,338.21	3,510.00	48.96	11,402.75	86,494.42
July	86,494.42	3,510.00	47.80	0.00	90,052.22
August	90,052.22	3,510.00	49.73	0.00	93,611.95
September	93,611.95	3,510.00	51.66	0.00	97,173.61
October	97,173.61	3,510.00	53.59	0.00	100,737.20
November	100,737.20	3,510.00	55.52	0.00	104,302.72
December	104,302.72	3,510.00	57.45	0.00	107,870.17
	\$ 88,513.13	\$ 42,120.00	\$ 599.29	\$ 23,362.25	\$ 107,870.17

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2038	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	107,870.17	3,510.00	59.38	0.00	111,439.55
February	111,439.55	3,510.00	61.31	0.00	115,010.86
March	115,010.86	3,510.00	63.25	0.00	118,584.11
April	118,584.11	3,510.00	65.18	0.00	122,159.29
May	122,159.29	3,510.00	67.12	0.00	125,736.41
June	125,736.41	3,510.00	66.89	7,987.56	121,325.74
July	121,325.74	3,510.00	66.67	0.00	124,902.41
August	124,902.41	3,510.00	68.61	0.00	128,481.02
September	128,481.02	3,510.00	70.54	0.00	132,061.56
October	132,061.56	3,510.00	72.48	0.00	135,644.04
November	135,644.04	3,510.00	74.42	0.00	139,228.46
December	139,228.46	3,510.00	76.37	0.00	142,814.83
	\$ 107,870.17	\$ 42,120.00	\$ 812.22	\$ 7,987.56	\$ 142,814.83

2039	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	142,814.83	3,510.00	78.31	0.00	146,403.14
February	146,403.14	3,510.00	80.25	0.00	149,993.39
March	149,993.39	3,510.00	82.20	0.00	153,585.59
April	153,585.59	3,510.00	84.14	0.00	157,179.73
May	157,179.73	3,510.00	86.09	0.00	160,775.82
June	160,775.82	3,510.00	88.04	0.00	164,373.86
July	164,373.86	3,510.00	89.99	0.00	167,973.85
August	167,973.85	3,510.00	91.94	0.00	171,575.79
September	171,575.79	3,510.00	93.89	0.00	175,179.68
October	175,179.68	3,510.00	95.84	0.00	178,785.52
November	178,785.52	3,510.00	97.79	0.00	182,393.31
December	182,393.31	3,510.00	99.75	0.00	186,003.06
	\$ 142,814.83	\$ 42,120.00	\$ 1,068.23	\$ 0.00	\$ 186,003.06

2040	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	186,003.06	3,510.00	101.70	0.00	189,614.76
February	189,614.76	3,510.00	103.66	0.00	193,228.42
March	193,228.42	3,510.00	105.62	0.00	196,844.04
April	196,844.04	3,510.00	107.57	0.00	200,461.61
May	200,461.61	3,510.00	109.53	0.00	204,081.14
June	204,081.14	3,510.00	107.62	14,308.90	193,389.86
July	193,389.86	3,510.00	105.70	0.00	197,005.56
August	197,005.56	3,510.00	107.66	0.00	200,623.22
September	200,623.22	3,510.00	109.62	0.00	204,242.84
October	204,242.84	3,510.00	111.58	0.00	207,864.42
November	207,864.42	3,510.00	112.30	4,601.00	206,885.72
December	206,885.72	3,510.00	110.04	10,971.00	199,534.76
	\$ 186,003.06	\$ 42,120.00	\$ 1,292.60	\$ 29,880.90	\$ 199,534.76

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2041	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	199,534.76	3,510.00	105.79	11,959.50	191,191.05
February	191,191.05	3,510.00	104.51	0.00	194,805.56
March	194,805.56	3,510.00	106.47	0.00	198,422.03
April	198,422.03	3,510.00	108.43	0.00	202,040.46
May	202,040.46	3,510.00	110.39	0.00	205,660.85
June	205,660.85	3,510.00	105.42	25,578.10	183,698.17
July	183,698.17	3,510.00	100.45	0.00	187,308.62
August	187,308.62	3,510.00	102.41	0.00	190,921.03
September	190,921.03	3,510.00	104.37	0.00	194,535.40
October	194,535.40	3,510.00	106.32	0.00	198,151.72
November	198,151.72	3,510.00	108.28	0.00	201,770.00
December	201,770.00	3,510.00	110.24	0.00	205,390.24
	\$ 199,534.76	\$ 42,120.00	\$ 1,273.08	\$ 37,537.60	\$ 205,390.24

2042	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	205,390.24	3,510.00	112.20	0.00	209,012.44
February	209,012.44	3,510.00	114.17	0.00	212,636.61
March	212,636.61	3,510.00	116.13	0.00	216,262.74
April	216,262.74	3,510.00	118.09	0.00	219,890.83
May	219,890.83	3,510.00	120.06	0.00	223,520.89
June	223,520.89	3,510.00	107.64	53,100.88	174,037.65
July	174,037.65	3,510.00	95.22	0.00	177,642.87
August	177,642.87	3,510.00	97.17	0.00	181,250.04
September	181,250.04	3,510.00	99.13	0.00	184,859.17
October	184,859.17	3,510.00	101.08	0.00	188,470.25
November	188,470.25	3,510.00	103.04	0.00	192,083.29
December	192,083.29	3,510.00	105.00	0.00	195,698.29
	\$ 205,390.24	\$ 42,120.00	\$ 1,288.93	\$ 53,100.88	\$ 195,698.29

2043	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	195,698.29	3,510.00	106.95	0.00	199,315.24
February	199,315.24	3,510.00	108.91	0.00	202,934.15
March	202,934.15	3,510.00	110.87	0.00	206,555.02
April	206,555.02	3,510.00	112.83	0.00	210,177.85
May	210,177.85	3,510.00	114.80	0.00	213,802.65
June	213,802.65	3,510.00	103.16	50,235.00	167,180.81
July	167,180.81	3,510.00	91.51	0.00	170,782.32
August	170,782.32	3,510.00	93.46	0.00	174,385.78
September	174,385.78	3,510.00	95.41	0.00	177,991.19
October	177,991.19	3,510.00	97.36	0.00	181,598.55
November	181,598.55	3,510.00	99.32	0.00	185,207.87
December	185,207.87	3,510.00	101.27	0.00	188,819.14
	\$ 195,698.29	\$ 42,120.00	\$ 1,235.85	\$ 50,235.00	\$ 188,819.14

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2044	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	188,819.14	3,510.00	103.23	0.00	192,432.37
February	192,432.37	3,510.00	105.18	0.00	196,047.55
March	196,047.55	3,510.00	107.14	0.00	199,664.69
April	199,664.69	3,510.00	109.10	0.00	203,283.79
May	203,283.79	3,510.00	111.06	0.00	206,904.85
June	206,904.85	3,510.00	113.02	0.00	210,527.87
July	210,527.87	3,510.00	114.99	0.00	214,152.86
August	214,152.86	3,510.00	116.95	0.00	217,779.81
September	217,779.81	3,510.00	118.91	0.00	221,408.72
October	221,408.72	3,510.00	120.88	0.00	225,039.60
November	225,039.60	3,510.00	122.85	0.00	228,672.45
December	228,672.45	3,510.00	124.81	0.00	232,307.26
	\$ 188,819.14	\$ 42,120.00	\$ 1,368.12	\$ 0.00	\$ 232,307.26

2045	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	232,307.26	3,510.00	123.54	11,959.50	223,981.30
February	223,981.30	3,510.00	122.27	0.00	227,613.57
March	227,613.57	3,510.00	124.24	0.00	231,247.81
April	231,247.81	3,510.00	126.21	0.00	234,884.02
May	234,884.02	3,510.00	128.18	0.00	238,522.20
June	238,522.20	3,510.00	130.15	0.00	242,162.35
July	242,162.35	3,510.00	132.12	0.00	245,804.47
August	245,804.47	3,510.00	134.09	0.00	249,448.56
September	249,448.56	3,510.00	136.07	0.00	253,094.63
October	253,094.63	3,510.00	138.04	0.00	256,742.67
November	256,742.67	3,510.00	140.02	0.00	260,392.69
December	260,392.69	3,510.00	142.00	0.00	264,044.69
	\$ 232,307.26	\$ 42,120.00	\$ 1,576.93	\$ 11,959.50	\$ 264,044.69

2046	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	264,044.69	3,510.00	143.97	0.00	267,698.66
February	267,698.66	3,510.00	145.95	0.00	271,354.61
March	271,354.61	3,510.00	147.93	0.00	275,012.54
April	275,012.54	3,510.00	149.92	0.00	278,672.46
May	278,672.46	3,510.00	151.90	0.00	282,334.36
June	282,334.36	3,510.00	137.46	60,621.80	225,360.02
July	225,360.02	3,510.00	123.02	0.00	228,993.04
August	228,993.04	3,510.00	124.99	0.00	232,628.03
September	232,628.03	3,510.00	126.96	0.00	236,264.99
October	236,264.99	3,510.00	126.29	9,735.00	230,166.28
November	230,166.28	3,510.00	125.62	0.00	233,801.90
December	233,801.90	3,510.00	127.59	0.00	237,439.49
	\$ 264,044.69	\$ 42,120.00	\$ 1,631.60	\$ 70,356.80	\$ 237,439.49

San Simeon Phase 1 Residents' Association, Inc.

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**Supplementary Information
on Future Major Repairs and Replacements**

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2017 Funding Requirement	Components of Fund Balance at 12/31/2016
Clubhouse Interiors				
Clubhouse, AC Air Handler	1:05	\$ 7,988	\$ 678	\$ 1,772
Clubhouse, AC Condenser	1:05	9,006	764	1,998
Clubhouse, Exercise Room & Equipment	2:05	30,235	2,566	6,709
Clubhouse, Furnishings/Finishes	3:05	36,537	2,658	8,107
Clubhouse, Kitchen	9:05	10,328	526	2,292
Clubhouse, Restrooms	9:05	30,419	1,549	6,750
Clubhouse, Security	9:09	9,735	991	2,160
Clubhouse, Tile Flooring	9:05	12,293	626	2,728
		<u>146,541</u>	<u>10,358</u>	<u>32,516</u>
Painting & Waterproofing				
Paint/Waterproof Exteriors, Clubhouse	2:10	4,601	669	1,021
Paint/Waterproof Exteriors, Perimeter Wall	2:11	10,971	1,596	2,434
		<u>15,572</u>	<u>2,265</u>	<u>3,455</u>
Pavement				
Asphalt Overlay	15:11	105,016	5,348	23,302
Asphalt Sealcoat/Rejuvenation	0:00	11,960	2,983	2,654
Concrete Paving Allowance	6:05	20,000	2,037	4,438
		<u>136,976</u>	<u>10,368</u>	<u>30,394</u>
Recreational Amenities				
Pool & Spa Decking	13:05	34,658	1,471	7,690
Pool & Spa Equipment	1:05	20,000	1,697	4,438
Pool & Spa Furniture	0:05	11,403	1,056	2,530
Pool & Spa Interiors	0:05	25,578	2,368	5,676

**Supplementary Information
on Future Major Repairs and Replacements**

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2017 Funding Requirement	Components of Fund Balance at 12/31/2016
Pool/Tot Lot Fencing & Gates	13:05	\$ 25,031	\$ 1,062	\$ 5,554
Tot Lot	1:05	12,000	1,018	2,663
		128,670	8,672	28,551
Roofs				
Roofing, Clubhouse	14:05	33,880	1,380	7,518
Roofing, Compactor Building	14:05	3,872	158	859
		37,752	1,538	8,377
Site Improvements				
Access System/Equipment	10:05	12,095	821	2,684
Fencing, Perimeter	16:05	73,168	2,760	16,235
Gate Operator, Barrier	3:08 - 9:05	17,680	1,275	3,923
Gate Operator, Swing	3:05 - 9:05	10,938	796	2,427
Lake Fountain/Equipment	14:08	7,935	505	1,761
Lighting, Parking/Entry	13:05	37,505	1,592	8,322
Signage	4:05	5,850	397	1,298
Swing Gate	9:05 -15:05	15,164	772	3,365
		180,335	8,918	40,015
		\$ 645,846	\$ 42,119	\$ 143,307

COMPONENT FUNDING ANALYSIS

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2017
Access System/Equipment	\$ 12,095	15:00	10:05	\$ 0	\$ 12,095	\$ 1,161
Asphalt Overlay	105,016	20:00	15:11	39,061	65,955	4,144
Asphalt Sealcoat/Rejuvenation	11,960	4:00	0:00	4,800	7,160	10,149
Clubhouse, AC Air Handler	7,988	20:00	1:05	1,480	6,508	4,594
Clubhouse, AC Condenser	9,006	12:00	1:05	4,310	4,696	3,315
Clubhouse, Exercise Room & Equipment	30,235	12:00	2:05	6,658	23,577	9,756
Clubhouse, Furnishings/Finishes	36,537	14:00	3:05	3,359	33,178	9,710
Clubhouse, Kitchen	10,328	20:00	9:05	580	9,748	1,035
Clubhouse, Restrooms	30,419	20:00	9:05	2,156	28,263	3,001
Clubhouse, Security	9,735	10:00	9:09	181	9,554	980
Clubhouse, Tile Flooring	12,293	20:00	9:05	8,653	3,640	387
Concrete Paving Allowance	20,000	10:00	6:05	3,000	17,000	2,649
Fencing, Perimeter	73,168	27:00	16:05	8,231	64,937	3,956
Gate Operator, Barrier	17,680	14:00	3:08 - 9:05	2,986	14,694	2,246
Gate Operator, Swing	10,938	14:00	3:05 - 9:05	3,284	7,654	1,193
Lake Fountain/Equipment	7,935	16:00	14:08	210	7,725	527
Lighting, Parking/Entry	37,505	24:00	13:05	585	36,920	2,752
Paint/Waterproof Exteriors, Clubhouse	4,601	7:00	2:10	3,044	1,557	550
Paint/Waterproof Exteriors, Perimeter Wall	10,971	7:00	2:11	7,595	3,376	1,157
Pool & Spa Decking	34,658	24:00	13:05	6,000	28,658	2,136
Pool & Spa Equipment	20,000	12:00	1:05	4,280	15,720	11,096
Pool & Spa Furniture	11,403	10:00	0:05	6,200	5,203	5,868
Pool & Spa Interiors	25,578	12:00	0:05	2,886	22,692	23,935
Pool/Tot Lot Fencing & Gates	25,031	24:00	13:05	1,973	23,058	1,719
Roofing, Clubhouse	33,880	25:00	14:05	6,514	27,366	1,898
Roofing, Compactor Building	3,872	25:00	14:05	2,001	1,871	130
Signage	5,850	15:00	4:05	620	5,230	1,184
Swing Gate	15,164	20:00	9:05 - 15:05	2,000	13,164	1,060
Tot Lot	12,000	12:00	1:05	10,659	1,341	947

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2017
	\$ 645,846			\$ 143,307	\$ 502,540	\$ 113,235

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2017
Clubhouse Interiors						
Clubhouse, AC Air Handler	\$ 7,988	20:00	1:05	\$ 1,480	\$ 6,508	\$ 4,594
Clubhouse, AC Condenser	9,006	12:00	1:05	4,310	4,696	3,315
Clubhouse, Exercise Room & Equipment	30,235	12:00	2:05	6,658	23,577	9,756
Clubhouse, Furnishings/Finishes	36,537	14:00	3:05	3,359	33,178	9,710
Clubhouse, Kitchen	10,328	20:00	9:05	580	9,748	1,035
Clubhouse, Restrooms	30,419	20:00	9:05	2,156	28,263	3,001
Clubhouse, Security	9,735	10:00	9:09	181	9,554	980
Clubhouse, Tile Flooring	12,293	20:00	9:05	8,653	3,640	387
	\$ 146,541			\$ 27,377	\$ 119,164	\$ 32,778
Painting & Waterproofing						
Paint/Waterproof Exteriors, Clubhouse	\$ 4,601	7:00	2:10	\$ 3,044	\$ 1,557	\$ 550
Paint/Waterproof Exteriors, Perimeter Wall	10,971	7:00	2:11	7,595	3,376	1,157
	\$ 15,572			\$ 10,639	\$ 4,933	\$ 1,707
Pavement						
Asphalt Overlay	\$ 105,016	20:00	15:11	\$ 39,061	\$ 65,955	\$ 4,144
Asphalt Sealcoat/Rejuvenation	11,960	4:00	0:00	4,800	7,160	10,149
Concrete Paving Allowance	20,000	10:00	6:05	3,000	17,000	2,649
	\$ 136,976			\$ 46,861	\$ 90,115	\$ 16,942
Recreational Amenities						
Pool & Spa Decking	\$ 34,658	24:00	13:05	\$ 6,000	\$ 28,658	\$ 2,136
Pool & Spa Equipment	20,000	12:00	1:05	4,280	15,720	11,096
Pool & Spa Furniture	11,403	10:00	0:05	6,200	5,203	5,868
Pool & Spa Interiors	25,578	12:00	0:05	2,886	22,692	23,935
Pool/Tot Lot Fencing & Gates	25,031	24:00	13:05	1,973	23,058	1,719
Tot Lot	12,000	12:00	1:05	10,659	1,341	947
	\$ 128,670			\$ 31,998	\$ 96,672	\$ 45,701

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2017
Roofs						
Roofing, Clubhouse	\$ 33,880	25:00	14:05	\$ 6,514	\$ 27,366	\$ 1,898
Roofing, Compactor Building	3,872	25:00	14:05	2,001	1,871	130
	\$ 37,752			\$ 8,515	\$ 29,237	\$ 2,028
Site Improvements						
Access System/Equipment	\$ 12,095	15:00	10:05	\$ 0	\$ 12,095	\$ 1,161
Fencing, Perimeter	73,168	27:00	16:05	8,231	64,937	3,956
Gate Operator, Barrier	17,680	14:00	3:08 - 9:05	2,986	14,694	2,246
Gate Operator, Swing	10,938	14:00	3:05 - 9:05	3,284	7,654	1,193
Lake Fountain/Equipment	7,935	16:00	14:08	210	7,725	527
Lighting, Parking/Entry	37,505	24:00	13:05	585	36,920	2,752
Signage	5,850	15:00	4:05	620	5,230	1,184
Swing Gate	15,164	20:00	9:05 - 15:05	2,000	13,164	1,060
	\$ 180,335			\$ 17,916	\$ 162,419	\$ 14,079
	\$ 645,846			\$ 143,307	\$ 502,540	\$ 113,235

ADDENDUM

Chapter 720 Florida Statutes

720.303 -Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls. --

(6) BUDGETS. --

(a) The association shall prepare an annual budget that sets out the annual operating expenses. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges paid for by the association for recreational amenities, whether owned by the association, the developer, or another person. The association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The copy must be provided to the member within the time limits set forth in subsection (5).

(b) In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance for which the association is responsible. If reserve accounts are not established pursuant to paragraph (d), funding of such reserves is limited to the extent that the governing documents limit increases in assessments, including reserves. If the budget of the association includes reserve accounts established pursuant to paragraph (d), such reserves shall be determined, maintained, and waived in the manner provided in this subsection. Once an association provides for reserve accounts pursuant to paragraph (d) 2612 the association shall thereafter determine, maintain, and waive reserves in compliance with this subsection. This section does not preclude the termination of a reserve account established pursuant to this paragraph upon approval of a majority of the total voting interests of the association. Upon such approval, the terminating reserve account shall be removed from the budget.

(c)

1. If the budget of the association does not provide for reserve accounts pursuant to paragraph (d) and the association is responsible for the repair and maintenance of capital improvements that may result in a special assessment if reserves are not provided, each financial report for the preceding fiscal year required by subsection (7) must contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

2. If the budget of the association does provide for funding accounts for deferred expenditures, including, but not limited to, funds for capital expenditures and deferred maintenance, but such accounts are not created or established pursuant to paragraph (d), each financial report for the preceding fiscal year required under subsection (7) must also contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

(d) An association is deemed to have provided for reserve accounts if when reserve accounts have been initially established by the developer or if the membership of the association affirmatively elects to provide for reserves. If reserve accounts are not initially provided by the developer, the membership of the association may elect to do so upon the affirmative approval of a majority of the total voting interests of the association. Such approval may be obtained by vote of the members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the membership, the board of directors shall include provide for the required reserve accounts in the budget in the next fiscal year following the approval and in each year thereafter. Once established as provided in this subsection, the reserve accounts must shall be funded or maintained or have their funding waived in the manner provided in paragraph (f).

(e) The amount to be reserved in any account established shall be computed by means of a formula that is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates of cost or useful life of a reserve item.

(f) After one or more reserve accounts are established, the membership of the association, upon a majority vote at a meeting at which a quorum is present, may provide for no reserves or less reserves than required by this section. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and such result is not achieved or a quorum is not present, the reserves as included in the budget go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves. Any vote taken pursuant to this subsection to waive or reduce reserves is applicable only to one budget year.

(g) Funding formulas for reserves authorized by this section must be based on a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.

1. If the association maintains separate reserve accounts for each of the required assets, the amount of the contribution to each reserve account is the sum of the following two calculations:

The total amount necessary, if any, to bring a negative

a. component balance to zero.

b. The total estimated deferred maintenance expense or estimated replacement cost of the reserve component less the estimated balance of the reserve component as of the beginning of the period the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the component. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may include factors such as inflation and earnings on invested funds.

2. If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget may not be less than that required to ensure that the balance on hand at the beginning of the period the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful life of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal and accounts receivable minus the allowance for doubtful accounts. The reserve funding formula may not include any type of balloon payments.

(h) Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a meeting at which a quorum is present. Prior to turnover of control of an association by a developer to parcel owners, the developer-controlled association shall not vote to use reserves for purposes other

than those for which they were intended without the approval of a majority of all no developer voting interests voting in person or by limited proxy at a duly called meeting of the association.

Amended Rule Text

Amends 720.303(6) to provide clarification of reserve requirements to distinguish between "statutory" and "non-statutory/voluntary" reserves (called "limited voluntary deferred expenditure accounts"). Under the amended language, the Association, if the proper disclaimer is provided in the financial report for the prior fiscal year, may collect these limited voluntary deferred expenditure accounts which would not be subject to the use restrictions present for statutory reserves. A statutory reserve account may also be terminated by a vote of a majority of the total voting interests.

TERMS AND DEFINITIONS

ACCRUED FUND BALANCE (AFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association tool. Two formulae can be utilized, depending on the provider’s sensitivity to interest and inflation effects. Note: both yield identical results when interest and inflation are equivalent.

$$\text{AFB} = \text{Current Cost} \times \text{Effective Age/Useful Life}$$

or

$$\text{AFB} = (\text{Current Cost} \times \text{Effective Age/Useful Life}) + [(\text{Current Cost} \times \text{Effective Age/Useful Life}) / (1 + \text{Interest Rate}) ^ \text{Remaining Life}] - [(\text{Current Cost} \times \text{Effective Age/Useful Life}) / (1 + \text{Inflation Rate}) ^ \text{Remaining Life}]$$

CASH FLOW METHOD: A method of calculating Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved. “Because we use the cash flow method, we compute individual line item contributions after the total contribution rate has been established.” See “Component Method”.

CAPITAL EXPENDITURES: A capital expenditure means any expenditure of funds for: (1) the purchase or replacement of an asset whose useful life is greater than one year, or (2) the addition to an asset that extends the useful life of the previously existing asset for a period greater than one year.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, and 4) above a minimum threshold cost, and 5) as required by local codes. “We have 17 components in our reserve Study.”

COMPONENT ASSESSMENT AND VALUATION: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. This task is accomplished either with or without an on-site inspection, based on Level or Service selected by the client.

COMPONENT FULL FUNDING: When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task is accomplished through an on-site inspection, review of association design and organizational documents, and a review of established association precedents, and discussion with appropriate association representative(s).

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. “Since we calculate a Reserve contribution rate for each component and then sum them all together, we are using the component method to calculate our Reserve contributions.” See “Cash Flow Method”.

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed and reported characteristics.

CURRENT REPLACEMENT COST: See “Replacement Cost”.

DEFERRED MAINTENANCE: Deferred maintenance means any maintenance or repair that: (1) will be performed less frequently than yearly, and (2) will result in maintaining the useful life of an asset.

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED: When the budget is provided to the owners, it will show the amount of money that must be deposited that year for each reserve item to ensure that, when the time comes, sufficient funds will be available for deferred maintenance or a capital expenditure. (Definition published in “Budgets & Reserve Schedules Made Easy” training manual by the State of Florida Department of Business and Professional Regulations in January 1997).

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING PLAN: An association’s plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

- **Baseline Funding** – Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Component Full Funding** – Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100%.
- **Statutory Funding** – Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves of component required by local statutes.

- **Threshold Funding** – Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than “Component Full Funding.”

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve Components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage. “With \$76,000 in Reserves, and since our 100% Funded Balance is \$100,000, our association is 76% Funded”.

Editor’s Note: since funds can typically be allocated from one component to another with ease, this parameter has no real meaning on an individual Component basis. The purpose of this parameter is to identify the relative strength or weakness of the entire Reserve fund as of a particular point in time. The value of this parameter is in providing a more stable measure of Reserve Fund strength, since cash in Reserves may mean very different things to different associations.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE (RUL): Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have “zero” Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray to the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based on information provided and not audited

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.” The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis. “Our budget and finance committee is soliciting proposals to update our Reserve Study for the next year’s budget.”

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve duty of which he was in responsible charge. A reserve specialist

engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advanced notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by Governing Documents or local statutes. “Since we need a new roof and there wasn’t enough money in the Reserve fund, we had to pass a special assessment.”

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balances. See Deficit”.

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

ANNUAL UPDATE PROGRAM

GAB Robins is pleased to offer our clients a program to provide annual updates to their Reserve Studies for the next three calendar years for a guaranteed fee.

The Update Program is valid only if there are no changes to the property, i.e. new construction, major upgrades, etc. Changes to the property within the three-year update program period would require a re-inspection of the property at a higher fee.

Benefits:

- Annual Reserve Study updates on the property provide a written validation of reserve study needs.
- Demonstrates due diligence and impartiality on the part of the property manager and board members by the involvement of a third party professional.
- The cost of your update reserve study is lower if enrolled in the update program.
- Provides peace of mind to clients knowing that their property is adequately funded year after year.

If you have not already chosen to accept the three-year annual update program, and would like to do so at this time, please contact our bid proposal specialist at (407) 805-0086 x 257, or (800) 248-3379 x 257 (FL only) or fax your request to (407) 805-9921. We will be pleased to provide you with a bid for the three-year annual program.