Seville Condominium 2, Inc.

Structural Integrity Reserve Study – 2025 Annual Review



(954) 302-7530

jason@k-7design.com

www.k-7design.com

For 30-Year Projection Period: FY 2025 through FY 2055

This report contains intellectual property developed by K-7 Design, Inc. specific to this engagement and cannot be reproduced or distributed to those who conduct reserve studies without the written consent of K-7 Design, Inc. See the executed agreement for details concerning the use of this report.

Table of Contents

Table of Contents 2
What is a Reserve Study? 3
Statutory Requirements in Florida 4
Property Overview 5
Executive Summary 6
Financial Analysis 7
Component Method 7
Cash Flow Method 9
Property Categorization Definitions 12
Property Categorization Model 13
Reserve Expenditures ..... *Appendix A*
Component Funding Plan ..... *Appendix B*
Cash Flow Funding Plans ..... *Appendix C*
Expenditure Charts 14
Terms and Definitions 17
Disclosures and Limitations 19
Report Credentials 20
Quality Assurance Credentials 21

What is a Reserve Study?

The goal of a Reserve Study is to anticipate the major upcoming common area reserve expenditures for a Community Association and then provide a funding plan to offset these expenditures. A Reserve Study is a multi-phase process which can be summarized as follows:

Physical Analysis	Financial Analysis
On-site meeting between a representative of the Association and a credentialed inspector having reserve study experience in the type of community being inspected.	The financial analysis uses the information attained during the physical analysis to create a funding scenario that offsets the forecasted expenditures.
Relevant industry credentials include: **PE (Professional Engineer)** - Issued by the State Board of Engineers **PRA (Professional Reserve Analyst)** - Issued by APRA (Association of Professional Reserve Analysts) **RS (Reserve Specialist)** - Issued by Community Associations Institute	Two main funding methods exist: the component method and the cash flow method. Each method has its pros and cons, and these should be discussed with a representative of the firm conducting the reserve study, as legal ramifications exist for improperly funding, using the wrong method of funding and/or alternating between the two methods without proper voting methods.
Inspection of the Association's common area components with the goal of compiling a comprehensive list of items likely requiring major repairs and/or replacements in the next 30 years.	The results of the financial analysis are directly dependent on the components included by the inspector as well as the estimated costs and project timing of said components. Therefore, it is critical that the inspector have sufficient experience conducting reserve studies for your specific property type in order to arrive at valid results during the financial analysis portion of the reserve study.
Determination of the age, useful life, remaining useful life, repair or replacement cost, condition, and urgency of replacement for the components.	The cash flow method, also known as the pooling method, begins with the available ***combined*** reserve balance per the Association's most recent balance sheet. Funds entering and leaving this account are then analyzed, year over year, for the 30-year duration of the reserve study. The primary goal of the cash flow method is to ensure the ending balances in each of the 30 years are greater than zero with a built-in factor of safety.
Certain states mandate specific components which shall be included in the Reserve Study in order to maintain statutory compliance. For example, Florida now requires all condominium associations which contain buildings 3+ stories in height to conduct a SIRS (Structural Integrity Reserve Study). We expand on the definition of a SIRS later in this report.	The component method, also known as the straight-line depreciation method, analyzes each ***individual*** reserve component on a line-by-line basis, essentially funding for the depreciation of each component in the reserve study. The recommended reserve contribution for the next fiscal year is then calculated as the sum of recommended reserve contributions for each reserve component.

Statutory Requirements in Florida

Structural Integrity Reserve Studies

Per Senate Bill 4-D (May 2022), Senate Bill 154 (June 2023), House Bill 1021 (July 2024) and House Bill 913 (July 2025):

At a minimum, a Structural Integrity Reserve Study must identify the common areas being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of the common areas being visually inspected, and provide a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each common area.

The "Structural Integrity Reserve Study", section 718.112 (2)(g), must include, at a minimum ***for each building on the condominium property that is three habitable stories or higher in height***:

A study of the following items as related to the structural integrity and safety of the building:

a. *Roof*
b. *Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. 627.706*
c. *Fireproofing and fire protection systems*
d. *Plumbing*
e. *Electrical systems*
f. *Waterproofing and exterior painting*
g. *Windows and exterior doors*
h. *Any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000 or the inflation-adjusted amount determined by the division under subparagraph (f)6., whichever is greater, and the failure to replace or maintain such item negatively affects the items listed in subparagraphs a) through g), as determined by the visual inspection portion of the Structural Integrity Reserve Study.*

Standard Reserve Studies

Per Florida Statutes section 718.112 (2)(a):

In addition to annual operating expenses, the budget must include reserve accounts for capital expenditures and deferred maintenance. These accounts must include, but are not limited to:

a. *Roof replacement*
b. *Building painting*
c. *Pavement resurfacing*
d. *Any other item that has a deferred maintenance expense or replacement cost that exceeds $25,000 or the inflation-adjusted amount determined by the division under subparagraph 6., whichever amount is greater.*

Property Overview



Clearwater, Florida

Latitude: 27° 57' 18"

Longitude: 82° 43' 37"

CAI Level of Service: Update No-Site-Visit

Report Date: October 20, 2025

Executive Summary

K-7 Design, Inc. conducted an Annual Review of the 2024 SIRS (Structural Integrity Reserve Study). We identified 23 line items that require reserve funding during the noninvasive, visual inspection of the community. Our scope of services included:

- Review of the Association's financial statements, declarations, bylaws and/or articles of incorporation as required
- Review of available construction documents as required
- Review of historical project records and supporting documentation if provided by the Association
- Determination of project scopes of work and associated costs
- Classification of the property components into stratified categories by responsible entity and funding methodology
- Determination of useful life, urgency of replacement and remaining useful life for the reserve components

Seville Condominium 2, Inc. (Seville) is a midrise-style condominium located in Clearwater, Florida and is responsible for the common elements shared by 33 owners within one 3-story building. Seville was established in 1970. The development contains Exterior Building, Interior Building, Building Services and Property Site components.

Reference Number:	Report By:	Quality Assurance Review By:
3060.25	Graham Culkar, PE, RS	Jason Kubus, PE, RS

Financial Analysis

The Financial Analysis can be separated into one of two categories based on the funding mechanisms in place by the Association at the time of our inspection. The Association may use **either** a Cash Flow (Pooling) method **or** a Component (Straight-Line Depreciation) method of reserve funding. If the Association presently uses the Component method, it may not transfer funds between individual Component accounts without, typically, receiving a majority vote of the unit owners. Local and state guidelines can vary accordingly. For example, The Division of Condominiums, Timeshares and Mobile Homes can cite Associations for non-compliance with respect to the Florida Administration Code Rule 61B-22.005(3)(b) for funding plans that are considered to use balloon payments. Therefore, we recommend the Association always consult with management, legal counsel and/or its accounting team to thoroughly understand the options available to them.

Component Method

The **Component** method of funding utilizes straight-line accounting formulas. Straight-line accounting is based on current costs and excludes both interest and inflation in its calculations. Straight-line accounting takes each individual line item included in the Reserve Component inventory and computes its annual contribution amount by taking its unfunded balance (current replacement cost minus projected year end reserve balance) and dividing it by the remaining useful life of the component. This is the amount that should be contributed into that reserve account(s) over the remaining useful life of the component(s). Within the Component method, and in sharp contrast to the cash flow method, the Association **may not** use reserve funds from one established reserve account to fund projects that are associated with a different established reserve account. Rather, the Association may only use reserve funds for the specific components to which they are allocated, and this analysis must be computed annually to account for inflation of the estimated project costs included in the reserve study.

Seville 2 presently utilizes the **Component** method of funding. Therefore, as our official recommendation, we include the Component, or straight-line depreciation method to project and illustrate the reserve funding plan as depicted in **Appendix B**. We summarize the information from **Appendix B** in the following table(s):

SIRS Statutory Reserve Categories	2026 Recommended Contribution	
Roof	$	18,457.88
Structure	$	20,533.33
Fireproofing/Fire Protection	$	1,111.11
Plumbing	$	5,500.00
Electrical Systems	$	8,000.00
Waterproofing/Exterior Painting	$	4,565.04
Windows and Exterior Doors	$	9,507.58
Total	**$**	**67,674.94**

Non-SIRS Reserve Categories	2026 Recommended Contribution	
Elevator	$	12,146.43
Paving	$	5,704.68
AC/Lobby/Laundry Room	$	1,795.35
Deferred Maintenance	$	23,969.27
Total	**$**	**43,615.72**

We allocate the available funds from the Association's existing individual reserve accounts, as well as the Association's FY[1] 2025 budgeted reserve contributions, to the appropriate line items within our Reserve Component inventory. Note that not all the Association's existing reserve accounts will correlate directly to the items we include in the Reserve Component inventory. For example, the Association may have historically reserved for property insurance deductibles or storm clean-up, in which case we note these types of accounts as exclusions in the **Allocation Notes** section at the bottom of **Appendix B**.

[1] FY 2025 begins January 01, 2025 and Ends December 31, 2025

Cash Flow Method

The **Cash Flow** method of funding, otherwise known as the Pooled Method, utilizes reserve contributions designed to offset the variable annual reserve expenditures over the next 30 years. In this method, we test different reserve funding scenarios against the anticipated schedule of reserve expenditures on a year-by-year basis until the desired adequate or sufficient funding goal is achieved. In this method, funding recommendations are driven by a threshold (risk) year, determined by the schedule of reserve expenditures. Within the Cash Flow method, the Association **may** use reserve funds, as needed, for those expenditures related to components which are included in the Reserve Component inventory.

For reference and comparison purposes only, we include the 30-year Cash Flow funding plan as depicted in **Appendix C**. We summarize the information from **Appendix C** in the following table:

Cash Flow Funding Information (SIRS Only)	
FY 2025 Range:	Jan 1, 2025 - Dec 31, 2025
FY 2025 Total Budget:	$258,238.00
FY Starting Balance as of Oct 8, 2025 (SIRS Portion):	$57,201.26
FY 2025 Remaining Months:	3
FY 2025 Reserve Contribution (Budgeted SIRS Portion):	**$31,328.17**
FY 2025 Reserve Contribution (Remaining SIRS Portion):	**$7,832.04**
FY 2026 Recommended SIRS Reserve Contribution:	**$42,000.00**
FY 2026 Special Assessment:	$0
% Increase in Reserve Contributions (FY 2025 to FY 2026):	34.06%
% Increase in FY 2025 Total Budget:	4.13%
Anticipated Inflation Rate on Reserve Expenditures:	2.00%
Anticipated Rate of Return on Invested Reserves:	2.00%

Cash Flow Funding Information (Non-SIRS Only)	
FY 2025 Range:	Jan 1, 2025 - Dec 31, 2025
FY 2025 Total Budget:	$258,238.00
FY Starting Balance as of Oct 8, 2025 (Non-SIRS Portion):	$31,333.49
FY 2025 Remaining Months:	3
FY 2025 Reserve Contribution (Budgeted Non-SIRS Portion):	**$17,160.83**
FY 2025 Reserve Contribution (Remaining Non-SIRS Portion):	**$4,290.21**
FY 2026 Recommended Non-SIRS Reserve Contribution:	**$35,000.00**
FY 2026 Special Assessment:	$0
% Increase in Reserve Contributions (FY 2025 to FY 2026):	103.95%
% Increase in FY 2025 Total Budget:	6.91%
Anticipated Inflation Rate on Reserve Expenditures:	2.00%
Anticipated Rate of Return on Invested Reserves:	2.00%

The following table depicts the relative relationship between SIRS and Non-SIRS reserve components based on our anticipated expenditures over the next 25 years. We express this relationship in terms of both dollars (Column Two) and as a percentage of the total reserve expenditures over the 25-year period (Column Three). We use this relative relationship to arrive at the most equitable split of the Association's actual pooled starting balance and 2024 budgeted reserve contribution.

Cash Flow Reserve Account Segregation (SIRS vs. Non-SIRS)

Statutory Classification	Reserve Expenditures (Years 0 through 25)		% of Total Expenditures (Years 0 through 25)
SIRS	$	1,063,564	64.6%
Non-SIRS	$	582,595	35.4%
Total	**$**	**1,646,158**	**100%**

We encourage all clients to adequately fund their reserves. However, we recognize that the recommended increase in reserve contributions is significant. We suggest the Association discuss funding options with management, legal counsel and/or their accounting team. In many cases the Association can legally partially fund their **Non-SIRS** reserves as long as a fully-funded budget is disclosed to the owners and the appropriate voting procedures are followed.

The actual timing of the events depicted may not occur exactly as projected. Internal changes such as deferred or accelerated projects, variability in proposed project costs by different vendors, and external changes such as interest and inflation rates, are likely. Updates to the Reserve Study will incorporate these changes. To ensure equity in the adopted funding plan, ongoing annual Board reviews and an update of this Reserve Study with an on-site visit are recommended in two- to three-years depending on the complexity of the community, and changes in external and internal factors.

Property Categorization Definitions

As part of the analysis and to provide clarity regarding which property components are represented in the model, we segregate the property components into specific categories as follows:

1. Reserve Components are defined as follows:
    - Components which **are** the responsibility of the Association to maintain, repair or replace
    - Components with limited and determinate useful life expectancies
    - Components with limited and determinate remaining useful life expectancies
    - Components with replacement costs above a minimum threshold

2. Operating Budget Components are defined as follows:
    - Common area components historically funded through operating funds rather than reserve funds
    - Common area components whose replacement or repair costs fall below a specific dollar amount

3. Long-Lived Components are defined as follows:
    - Common area components without predictable or determinate remaining useful life expectancies
    - Common area components with remaining useful lives beyond the 30-year scope of this reserve study

4. Owner Components are defined as follows:
    - Components which **are not** the responsibility of the Association to maintain, repair or replace, but rather the responsibility of the individual unit owner or homeowner

5. Other Components are defined as follows:
    - Components that are neither the responsibility of the Association nor the Owner to maintain, repair or replace
    - Responsibility for maintenance, repairs, or replacement of the components in this category typically is that of the city, local municipality and/or local utility company

Property Categorization Model

		COMMON COMPONENTS (X)			REMAINING COMPONENTS (O)	
CATEGORY	COMPONENT	RESERVES	OPERATING	LONG-LIVED	OWNER	OTHER
	Air Handling and Condensing Unit, Lobbies (Obsolete - Per Management and Board)		X			
Property Site	Asphalt Pavement, Mill and Overlay	X				
Property Site	Asphalt Pavement, Patch and Surface Treatment	X				
Exterior Building	Balconies and Breezeways, Concrete, Repairs and Waterproof Coating Applications	X				
Property Site	Carport Roofs, Concrete Tile	X				
	Carports, Cleaning and Interim Repairs		X			
Property Site	Carports, Inspections and Capital Repairs	X				
Property Site	Concrete Sidewalks and Patios, Partial	X				
Exterior Building	Doors, Common, Phased	X				
	Doors, Serving Individual Units				O	
	Downspouts, Aluminum		X			
Building Services	Electrical System, Main Panels	X				
	Electrical Systems, Serving Individual Units				O	
Interior Building	Elevator Cab Finishes	X				
Building Services	Elevator, Hydraulic, Cylinder	X				
Building Services	Elevator, Hydraulic, Modernization	X				
	Expenses Less Than $5,000		X			
Interior Building	Floor Coverings, Tile, Lobbies and Laundry Room	X				
	Foundation(s), Complete Replacement			X		
	Fountain, Decorative		X			
	Furnishings, Elevator Lobbies		X			
	Gates, Metal, Decorative		X			
	Handrails, Metal		X			
	HVAC Equipment, Serving Individual Units				O	
	Irrigation System		X			
	Landscape		X			
	Laundry Equipment (Leased)					O
Building Services	Life Safety System, Control Panel and Emergency Devices	X				
Exterior Building	Light Fixtures, Exterior	X				
Property Site	Light Poles and Fixtures	X				
	Mailboxes		X			
	Other Repairs Normally Funded Through the Operating Budget		X			
	Paint Finishes, Interior, Lobbies and Laundry Room		X			
Property Site	Perimeter Walls, Masonry, Inspections and Capital Repairs	X				
	Pipes, Interior Building, Serving Individual Units				O	
Building Services	Pipes, Riser Sections, Domestic Water, Waste, Vent and Stormwater	X				
	Pipes, Subsurface Utilities, Complete Replacement			X		
Property Site	Retaining Walls, Stone, Inspection and Capital Repairs	X				
Exterior Building	Roofs, Concrete Tile	X				
Exterior Building	Roofs, Thermoplastic	X				
	Signage		X			
	Structural Frame(s), Complete Replacement			X		
Building Services	Trash Chute and Doors	X				
	Trash Chute, Interim Hatch Door Replacement		X			
	Unit Interiors				O	
Exterior Building	Walls, Stucco, Paint Finishes and Capital Repairs	X				
	Water Heater, Common, Laundry Room		X			
	Water Heaters, Serving Individual Units				O	
Exterior Building	Windows, Common	X				
	Windows, Serving Individual Units				O	

Reserve Expenditures

Seville Condominium 2, Inc.

Projected Inflation Rate 2.0%

Line Item	Reserve Components	Statutory Classification	Total Quantity	Per Phase Quantity	Unit of Measurement	1st Year of Replacement	Useful Life (Years)	Age (Year)	Remaining Life (Years)	2025 Unit Cost	2025 Cost of Replacement per Phase	2025 Cost of Replacement per Total	Total 30-Year Cumulative Cost of Replacement	Fiscal Year 2025	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030	Year 6 2031	Year 7 2032	Year 8 2033	Year 9 2034
	Exterior Building Components										***$498,950***	***$521,450***	***$1,088,155***										
1.000	Balconies and Breezeways, Concrete, Repairs and Waterproof Coating Applications	SIRS	**6,160**	6,160	Square Feet	2028	10 to 15	Unknown	3	$10.00	$61,600	$61,600	**$259,326**				$65,370						
1.130	Doors, Common, Phased	SIRS	**19**	4	Each	2028	20 to 25	Unknown	3	$1,500.00	$6,000	$28,500	**$57,238**				$6,367				$6,892		
1.160	Light Fixtures, Exterior	Non-SIRS	**131**	131	Each	2042	15 to 20	2022-23	17	$100.00	$13,100	$13,100	**$18,343**										
1.230	Roofs, Concrete Tile	SIRS	**6,200**	6,200	Square Feet	2036	25 to 30	2009	11	$15.00	$93,000	$93,000	**$115,634**										
1.320	Roofs, Thermoplastic	SIRS	**12,500**	12,500	Square Feet	2044	15 to 20	2024	19	$19.16	$239,500	$239,500	**$348,906**										
1.560	Walls, Stucco, Paint Finishes and Capital Repairs	SIRS	**29,500**	29,500	Square Feet	2028	8 to 10	2018	3	$1.50	$44,250	$44,250	**$241,971**				$46,958						
1.590	Windows, Common	SIRS	**415**	415	Square Feet	2031	to 40	1970	6	$100.00	$41,500	$41,500	**$46,736**							$46,736			
	Interior Building Components										***$29,500***	***$29,500***	***$35,037***										
2.010	Elevator Cab Finishes	Non-SIRS	**1**	1	Each	2035	20 to 25	Unknown	10	$10,000.00	$10,000	$10,000	**$12,190**										
2.060	Floor Coverings, Tile, Lobbies and Laundry Room	Non-SIRS	**1,300**	1,300	Square Feet	2033	to 30	Unknown	8	$15.00	$19,500	$19,500	**$22,847**									$22,847	
	Building Services Components										***$425,000***	***$425,000***	***$646,751***										
3.150	Electrical System, Main Panels	SIRS	**1**	1	Allowance	2040	to 70+	1970	15	$120,000.00	$120,000	$120,000	**$161,504**										
3.160	Elevator, Hydraulic, Cylinder	Non-SIRS	**1**	1	Each	2035	to 45	1970	10	$50,000.00	$50,000	$50,000	**$60,950**										
3.170	Elevator, Hydraulic, Modernization	Non-SIRS	**1**	1	Each	2035	20 to 25	2010	10	$70,000.00	$70,000	$70,000	**$85,330**										
3.230	Life Safety System, Control Panel and Emergency Devices	SIRS	**1**	1	Allowance	2034	to 15	2021	9	$10,000.00	$10,000	$10,000	**$27,411**										$11,951
3.250	Pipes, Riser Sections, Domestic Water, Waste, Vent and Stormwater	SIRS	**33**	33	Units	2055	to 80+	1970	30	$5,000.00	$165,000	$165,000	**$298,875**										
3.340	Trash Chute and Doors	Non-SIRS	**1**	1	Each	2037	to 65+	1970	12	$10,000.00	$10,000	$10,000	**$12,682**										
	Property Site Components										***$214,253***	***$270,013***	***$446,325***										
4.000	Asphalt Pavement, Patch and Surface Treatment	Non-SIRS	**2,250**	2,250	Square Yards	2035	3 to 5	Unknown	10	$2.25	$5,063	$5,063	**$28,813**										
4.010	Asphalt Pavement, Mill and Overlay	Non-SIRS	**2,250**	2,250	Square Yards	2030	20 to 25	Unknown	5	$16.00	$36,000	$36,000	**$104,956**						$39,747				
4.020	Carports, Inspections and Capital Repairs	Non-SIRS	**6,920**	6,920	Square Feet	2030	10 to 15	Unknown	5	$5.00	$34,600	$34,600	**$87,619**						$38,201				
4.025	Carport Roofs, Concrete Tile	Non-SIRS	**6,920**	6,920	Square Feet	2032	25 to 30	Unknown	7	$15.00	$103,800	$103,800	**$119,234**								$119,234		
4.090	Concrete Sidewalks and Patios, Partial	Non-SIRS	**7,750**	780	Square Feet	2028	to 65	Varies	3	$8.00	$6,240	$62,000	**$51,621**				$6,622					$7,311	
4.320	Light Poles and Fixtures	Non-SIRS	**11**	11	Each	2034	25 to 30	Unknown	9	$1,500.00	$16,500	$16,500	**$19,719**										$19,719
4.370	Perimeter Walls, Masonry, Inspections and Capital Repairs	Non-SIRS	**325**	325	Linear Feet	2036	10 to 15	Unknown	11	$20.00	$6,500	$6,500	**$18,537**										
4.520	Retaining Walls, Stone, Inspection and Capital Repairs	Non-SIRS	**185**	185	Linear Feet	2036	10 to 15	Unknown	11	$30.00	$5,550	$5,550	**$15,828**										
	Total Expenditures										$1,167,703	$1,245,963	**$2,216,269**	**$0**	**$0**	**$0**	**$125,318**	**$0**	**$77,948**	**$46,736**	**$126,126**	**$30,159**	**$31,670**

Reserve Expenditures

Seville Condominium 2, Inc.

Line Item	Reserve Components	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
		2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
	Exterior Building Components																					
1.000	Balconies and Breezeways, Concrete, Repairs and Waterproof Coating Applications							$84,564													$109,392	
1.130	Doors, Common, Phased		$7,460				$8,075				$8,741				$9,461				$10,241			
1.160	Light Fixtures, Exterior								$18,343													
1.230	Roofs, Concrete Tile		$115,634																			
1.320	Roofs, Thermoplastic										$348,906											
1.560	Walls, Stucco, Paint Finishes and Capital Repairs		$55,019								$64,464								$75,530			
1.590	Windows, Common																					
	Interior Building Components																					
2.010	Elevator Cab Finishes	$12,190																				
2.060	Floor Coverings, Tile, Lobbies and Laundry Room																					
	Building Services Components																					
3.150	Electrical System, Main Panels						$161,504															
3.160	Elevator, Hydraulic, Cylinder	$60,950																				
3.170	Elevator, Hydraulic, Modernization	$85,330																				
3.230	Life Safety System, Control Panel and Emergency Devices													$15,460								
3.250	Pipes, Riser Sections, Domestic Water, Waste, Vent and Stormwater																					$298,875
3.340	Trash Chute and Doors			$12,682																		
	Property Site Components																					
4.000	Asphalt Pavement, Patch and Surface Treatment	$6,171					$6,813					$7,523					$8,306					
4.010	Asphalt Pavement, Mill and Overlay																					$65,209
4.020	Carports, Inspections and Capital Repairs									$49,417												
4.025	Carport Roofs, Concrete Tile																					
4.090	Concrete Sidewalks and Patios, Partial				$8,072					$8,912					$9,840					$10,864		
4.320	Light Poles and Fixtures																					
4.370	Perimeter Walls, Masonry, Inspections and Capital Repairs		$8,082													$10,455						
4.520	Retaining Walls, Stone, Inspection and Capital Repairs		$6,901													$8,927						
	Total Expenditures	**$164,640**	**$193,096**	**$12,682**	**$8,072**	**$0**	**$176,393**	**$84,564**	**$18,343**	**$58,330**	**$422,111**	**$7,523**	**$0**	**$15,460**	**$19,301**	**$19,382**	**$8,306**	**$0**	**$85,771**	**$10,864**	**$109,392**	**$364,084**

Component Funding Plan (Straight-Line Method)

Seville Condominium 2, Inc.

Line Item	Reserve Components	Total Cycle Quantity	Units	1st Year of Replacement	Useful Life (Years)	Remaining Life (Years)	Unit Cost	Total Cost	Oct 8, 2025 Reserve Balances	2025 Budgeted Reserve Contributions	2025 Remaining Reserve Contributions	Dec 31, 2025 Projected Balances	Unfunded Residual Balance	2026 Recommended Contribution	Statutory Classification	Reserve Category
	Exterior Building Components															
1.000	Balconies and Breezeways, Concrete, Repairs and Waterproof Coating Applications	**6,160**	Square Feet	2028	10 to 15	3	$10.00	61,600.00	$0.00	$0.00	$0.00	$0.00	$61,600.00	**$20,533.33**	SIRS	**Structure**
1.130	Doors, Common, Phased	**19**	Each	2028	20 to 25	11	$1,500.00	28,500.00	$0.00	$0.00	$0.00	$0.00	$28,500.00	**$2,590.91**	SIRS	**Windows and Exterior Doors**
1.160	Light Fixtures, Exterior	**131**	Each	2042	15 to 20	17	$100.00	13,100.00	$0.00	$0.00	$0.00	$0.00	$13,100.00	**$770.59**	Non-SIRS	**Deferred Maintenance**
1.230	Roofs, Concrete Tile	**6,200**	Square Feet	2036	25 to 30	11	$15.00	93,000.00	$26,591.51	$8,119.00	$2,029.75	$28,621.26	$64,378.74	**$5,852.61**	SIRS	**Roof**
1.320	Roofs, Thermoplastic	**12,500**	Square Feet	2044	15 to 20	19	$19.16	239,500.00	$0.00	$0.00	$0.00	$0.00	$239,500.00	**$12,605.26**	SIRS	**Roof**
1.560	Walls, Stucco, Paint Finishes and Capital Repairs	**29,500**	Square Feet	2028	8 to 10	3	$1.50	44,250.00	$26,525.88	$16,116.00	$4,029.00	$30,554.88	$13,695.12	**$4,565.04**	SIRS	**Waterproofing/Exterior Painting**
1.590	Windows, Common	**415**	Square Feet	2031	to 40	6	$100.00	41,500.00	$0.00	$0.00	$0.00	$0.00	$41,500.00	**$6,916.67**	SIRS	**Windows and Exterior Doors**
	Interior Building Components															
2.010	Elevator Cab Finishes	**1**	Each	2035	20 to 25	10	$10,000.00	10,000.00	$0.00	$0.00	$0.00	$0.00	$10,000.00	**$1,000.00**	Non-SIRS	**Elevator**
2.060	Floor Coverings, Tile, Lobbies and Laundry Room	**1,300**	Square Feet	2033	to 30	8	$15.00	19,500.00	$4,860.96	$1,105.00	$276.25	$5,137.21	$14,362.79	**$1,795.35**	Non-SIRS	**AC/Lobby/Laundry Room**
	Building Services Components															
3.150	Electrical System, Main Panels	**1**	Allowance	2040	to 70+	15	$120,000.00	120,000.00	$0.00	$0.00	$0.00	$0.00	$120,000.00	**$8,000.00**	SIRS	**Electrical Systems**
3.160	Elevator, Hydraulic, Cylinder	**1**	Each	2035	to 45	10	$50,000.00	50,000.00	$0.00	$0.00	$0.00	$0.00	$50,000.00	**$5,000.00**	Non-SIRS	**Elevator**
3.170	Elevator, Hydraulic, Modernization	**1**	Each	2035	20 to 25	10	$70,000.00	70,000.00	$8,028.50	$2,029.00	$507.25	$8,535.75	$61,464.25	**$6,146.43**	Non-SIRS	**Elevator**
3.230	Life Safety System, Control Panel and Emergency Devices	**1**	Allowance	2034	to 15	9	$10,000.00	10,000.00	$0.00	$0.00	$0.00	$0.00	$10,000.00	**$1,111.11**	SIRS	**Fireproofing/Fire Protection**
3.250	Pipes, Riser Sections, Domestic Water, Waste, Vent and Stormwater	**33**	Units	2055	to 80+	30	$5,000.00	165,000.00	$0.00	$0.00	$0.00	$0.00	$165,000.00	**$5,500.00**	SIRS	**Plumbing**
3.340	Trash Chute and Doors	**1**	Each	2037	to 65+	12	$10,000.00	10,000.00	$0.00	$0.00	$0.00	$0.00	$10,000.00	**$833.33**	Non-SIRS	**Deferred Maintenance**
	Property Site Components															
4.000	Asphalt Pavement, Patch and Surface Treatment	**2,250**	Square Yards	2035	3 to 5	10	$2.25	5,062.50	$0.00	$0.00	$0.00	$0.00	$5,062.50	**$506.25**	Non-SIRS	**Paving**
4.010	Asphalt Pavement, Mill and Overlay	**2,250**	Square Yards	2030	20 to 25	5	$16.00	36,000.00	$9,727.87	$1,120.00	$280.00	$10,007.87	$25,992.13	**$5,198.43**	Non-SIRS	**Paving**
4.020	Carports, Inspections and Capital Repairs	**6,920**	Square Feet	2030	10 to 15	5	$5.00	34,600.00	$6,560.03	$20,000.00	$5,000.00	$11,560.03	$23,039.97	**$4,607.99**	Non-SIRS	**Deferred Maintenance**
4.025	Carport Roofs, Concrete Tile	**6,920**	Square Feet	2032	25 to 30	7	$15.00	103,800.00	$0.00	$0.00	$0.00	$0.00	$103,800.00	**$14,828.57**	Non-SIRS	**Deferred Maintenance**
4.090	Concrete Sidewalks and Patios, Partial	**780**	Square Feet	2028	to 65	3	$8.00	6,240.00	$6,240.00	$0.00	$0.00	$6,240.00	$0.00	**$0.00**	Non-SIRS	**Deferred Maintenance**
4.320	Light Poles and Fixtures	**11**	Each	2034	25 to 30	9	$1,500.00	16,500.00	$0.00	$0.00	$0.00	$0.00	$16,500.00	**$1,833.33**	Non-SIRS	**Deferred Maintenance**
4.370	Perimeter Walls, Masonry, Inspections and Capital Repairs	**325**	Linear Feet	2036	10 to 15	11	$20.00	6,500.00	$0.00	$0.00	$0.00	$0.00	$6,500.00	**$590.91**	Non-SIRS	**Deferred Maintenance**
4.520	Retaining Walls, Stone, Inspection and Capital Repairs	**185**	Linear Feet	2036	10 to 15	11	$30.00	5,550.00	$0.00	$0.00	$0.00	$0.00	$5,550.00	**$504.55**	Non-SIRS	**Deferred Maintenance**
	Totals								**$88,534.75**	**$48,489.00**	**$12,122.25**			**$111,291**		

No.	Financial Notes
1	FY 2025 begins January 1, 2025 and Ends December 31, 2025
2	FY 2025 Starting Balance and Remaining Reserve Contributions are as of October 8, 2025
3	Interest on Reserves is excluded from the Component Method calculations

No.	Allocation Notes
1	We allocate the existing Painting Reserve Funds toward Reserve Components associated with the Waterproofing/Exterior Painting SIRS account.
2	We allocate the existing Pressure Washing Reserve Funds toward Reserve Components associated with the Waterproofing/Exterior Painting SIRS account.
3	We allocate the existing Interest Reserve Funds toward Reserve Components associated with the Waterproofing/Exterior Painting SIRS account.
4	We allocate the existing Roof Reserve Funds toward Reserve Components associated with the Roof SIRS account.
5	We allocate the existing Mansard Reserve Funds toward Reserve Components associated with the Roof SIRS account.
6	We do not allocate the existing Special Assessment Funds Reserve Funds toward any identified Reserve Components.

Cash Flow Funding Plan (Pooled Method)
(SIRS Components Only)

Seville Condominium 2, Inc.

	FY	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
FY Starting Balance ($)		57,201	65,319	108,625	153,598	81,674	127,907	175,965	179,148	223,139	275,802	318,567	375,138	255,728	313,043	372,504	434,254
Recommended Reserve Contributions		7,832	42,000	42,800	43,700	44,600	45,500	46,400	47,300	48,200	49,200	50,200	51,200	52,200	53,200	54,300	55,400
Anticipated Interest Earned	2.00%	286	1,306	2,173	3,072	1,633	2,558	3,519	3,583	4,463	5,516	6,371	7,503	5,115	6,261	7,450	8,685
Projected Expenditures		0	0	0	(118,696)	0	0	(46,736)	(6,892)	0	(11,951)	0	(178,113)	0	0	0	(169,579)
FY Ending Balance ($)		65,319	108,625	153,598	81,674	127,907	175,965	179,148	223,139	275,802	318,567	375,138	255,728	313,043	372,504	434,254	328,760

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
FY Starting Balance ($)	328,760	307,271	371,016	437,236	83,870	146,747	212,082	264,464	325,192	397,896	473,354	551,721	547,284	629,930	606,237
Recommended Reserve Contributions	56,500	57,600	58,800	60,000	61,200	62,400	63,600	64,900	66,200	67,500	68,900	70,300	71,700	73,100	74,600
Anticipated Interest Earned 2.00%	6,575	6,145	7,420	8,745	1,677	2,935	4,242	5,289	6,504	7,958	9,467	11,034	10,946	12,599	12,125
Projected Expenditures	(84,564)	0	0	(422,111)	0	0	(15,460)	(9,461)	0	0	0	(85,771)	0	(109,392)	(298,875)
FY Ending Balance ($)	307,271	371,016	437,236	83,870	146,747	212,082	264,464	325,192	397,896	473,354	551,721	547,284	629,930	606,237	394,087
				Threshold/ Risk Year											

Cash Flow Notes:

1) FY 2025 begins January 1, 2025 and Ends December 31, 2025
2) FY 2025 Starting Balance and Remaining Reserve Contributions are as of October 8, 2025
3) Anticipated Interest Earned is calculated using the FY Starting Balance and is prorated for the current FY
4) Taxes on the interest earned are considered negligible

Cash Flow Funding Plan (Pooled Method)
(Non-SIRS Components Only)

Seville Condominium 2, Inc.

	FY	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
FY Starting Balance ($)		31,333	35,781	71,497	108,627	140,578	180,490	144,052	185,633	109,612	121,946	145,766	25,940	26,476	29,624	37,744	54,399
Recommended Reserve Contributions		4,290	35,000	35,700	36,400	37,100	37,900	38,700	39,500	40,300	41,100	41,900	15,000	15,300	15,600	15,900	16,200
Anticipated Interest Earned	2.00%	157	716	1,430	2,173	2,812	3,610	2,881	3,713	2,192	2,439	2,915	519	530	592	755	1,088
Projected Expenditures		0	0	0	(6,622)	0	(77,948)	0	(119,234)	(30,159)	(19,719)	(164,640)	(14,983)	(12,682)	(8,072)	0	(6,813)
FY Ending Balance ($)		35,781	71,497	108,627	140,578	180,490	144,052	185,633	109,612	121,946	145,766	25,940	26,476	29,624	37,744	54,399	64,873
												Threshold/ Risk Year					

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
FY Starting Balance ($)	64,873	82,670	82,780	43,207	61,471	72,877	92,435	112,784	124,100	126,501	140,425	163,334	187,101	200,879	226,197
Recommended Reserve Contributions	16,500	16,800	17,100	17,400	17,700	18,100	18,500	18,900	19,300	19,700	20,100	20,500	20,900	21,300	21,700
Anticipated Interest Earned 2.00%	1,297	1,653	1,656	864	1,229	1,458	1,849	2,256	2,482	2,530	2,809	3,267	3,742	4,018	4,524
Projected Expenditures	0	(18,343)	(58,330)	0	(7,523)	0	0	(9,840)	(19,382)	(8,306)	0	0	(10,864)	0	(65,209)
FY Ending Balance ($)	82,670	82,780	43,207	61,471	72,877	92,435	112,784	124,100	126,501	140,425	163,334	187,101	200,879	226,197	187,212

Cash Flow Notes:

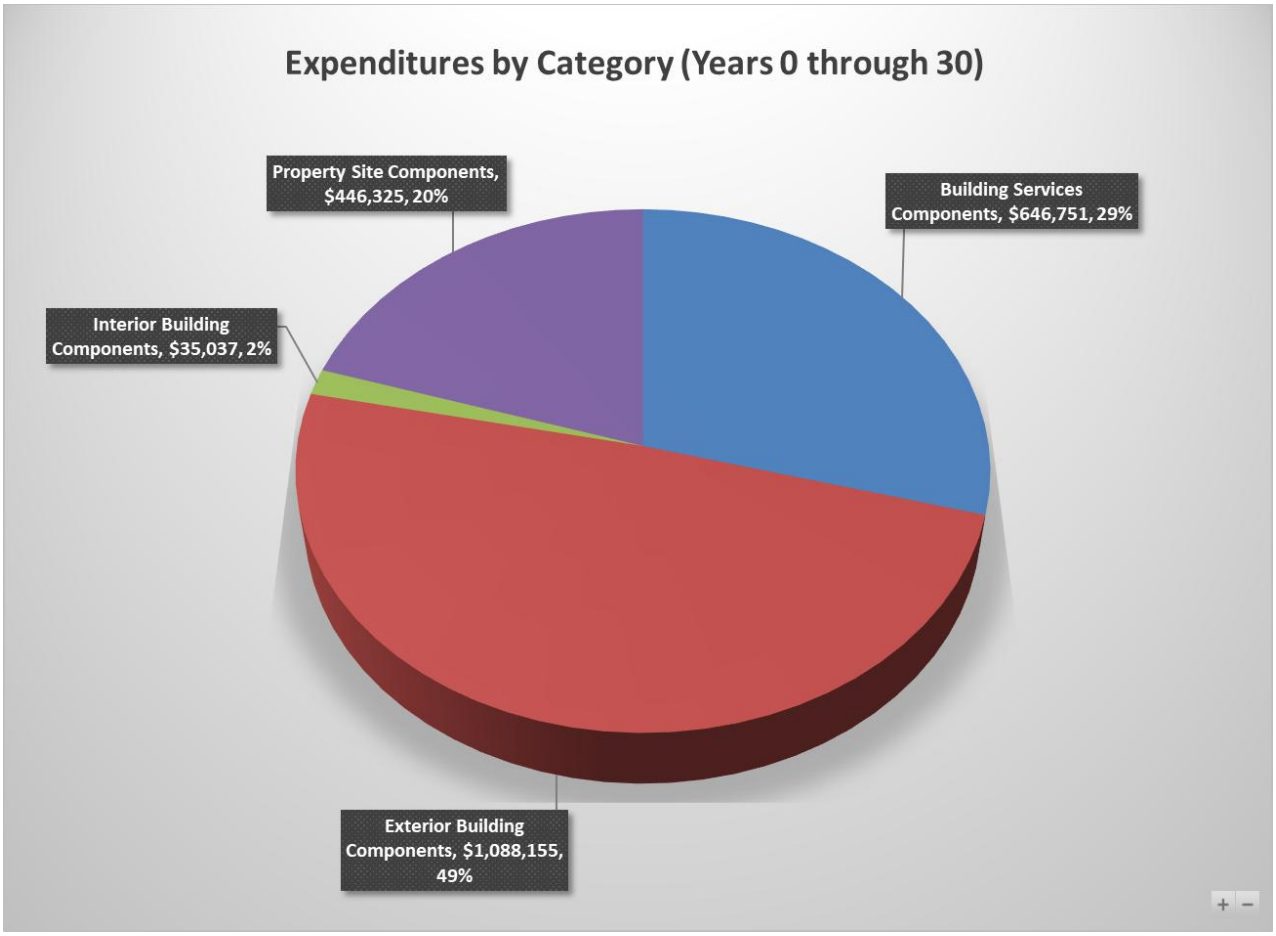
1) FY 2025 begins January 1, 2025 and Ends December 31, 2025

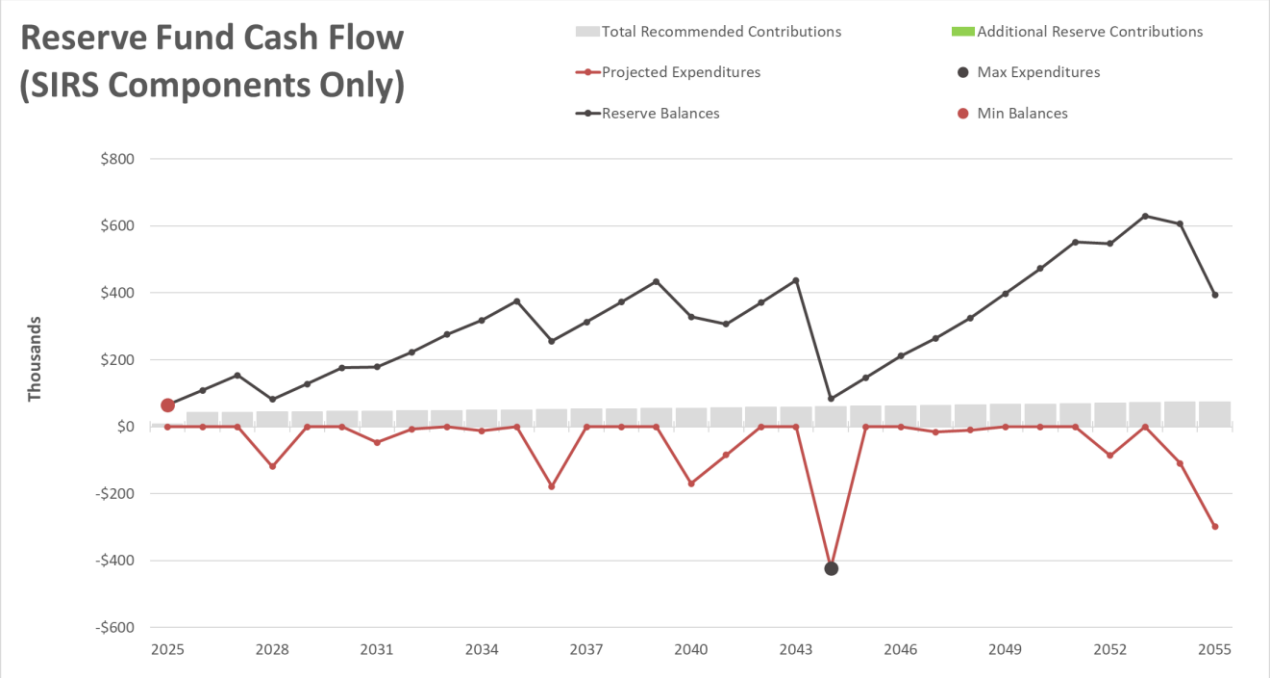
2) FY 2025 Starting Balance and Remaining Reserve Contributions are as of October 8, 2025

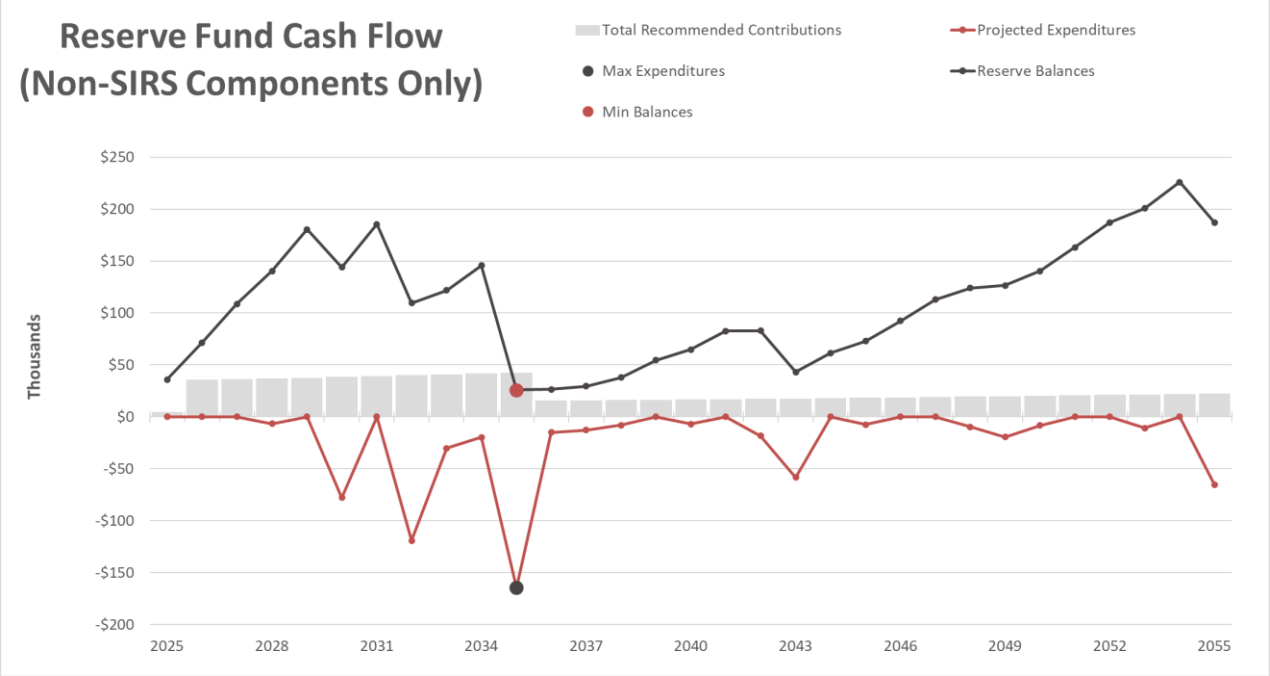
3) Anticipated Interest Earned is calculated using the FY Starting Balance and is prorated for the current FY

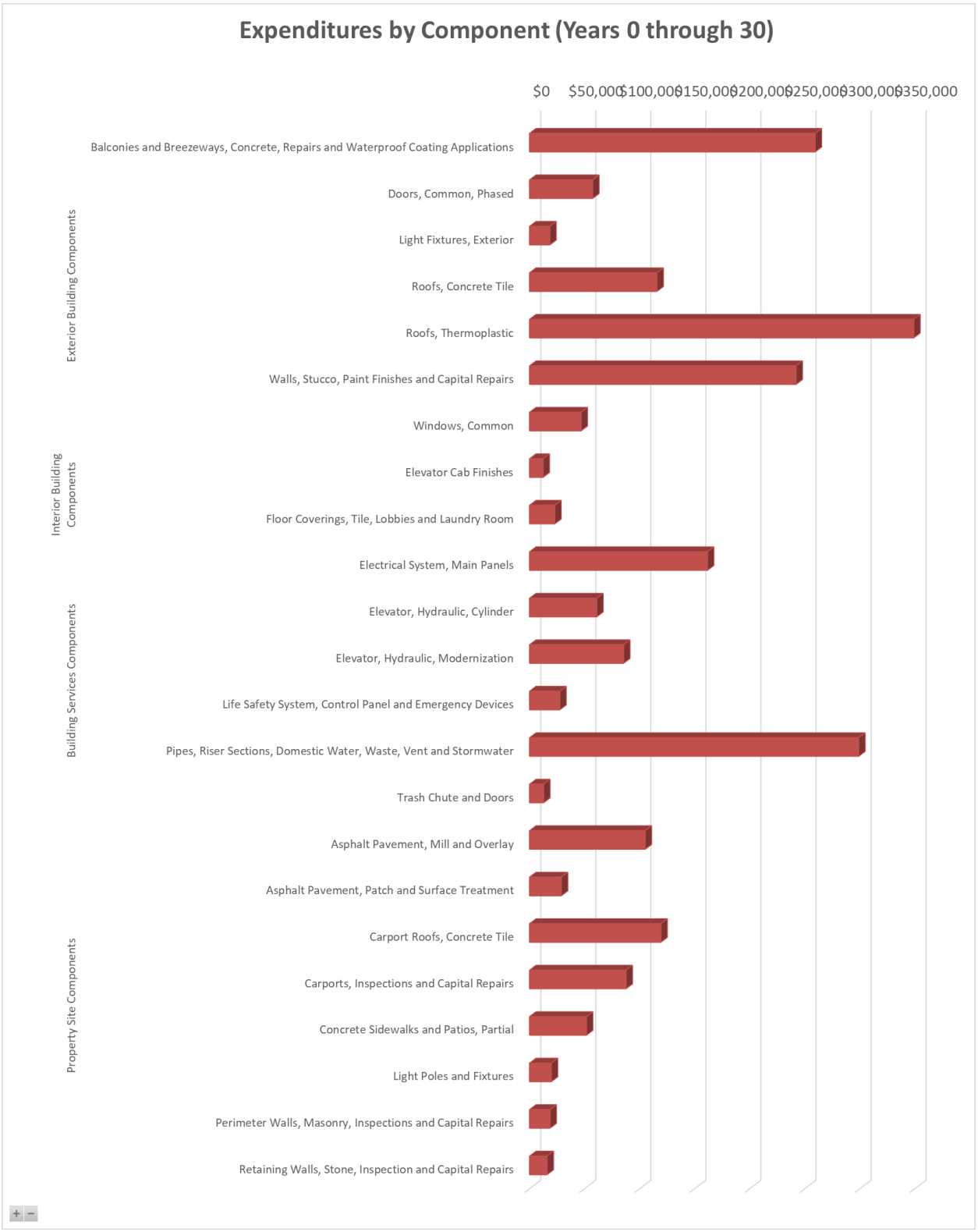
4) Taxes on the interest earned are considered negligible

Expenditure Charts




Reserve Fund Cash Flow
(SIRS Components Only)
Total Recommended Contributions
Additional Reserve Contributions
Projected Expenditures
Max Expenditures
Reserve Balances
Min Balances
Thousands
$800
$600
$400
$200
$0
-$200
-$400
-$600
2025
2028
2031
2034
2037
2040
2043
2046
2049
2052
2055


Reserve Fund Cash Flow
(Non-SIRS Components Only)
Total Recommended Contributions
Projected Expenditures
Max Expenditures
Reserve Balances
Min Balances
Thousands
$250
$200
$150
$100
$50
$0
-$50
-$100
-$150
-$200
2025
2028
2031
2034
2037
2040
2043
2046
2049
2052
2055


Expenditures by Component (Years 0 through 30)
$0
$50,000
$100,000
$150,000
$200,000
$250,000
$300,000
$350,000
Exterior Building Components
Balconies and Breezeways, Concrete, Repairs and Waterproof Coating Applications
Doors, Common, Phased
Light Fixtures, Exterior
Roofs, Concrete Tile
Roofs, Thermoplastic
Walls, Stucco, Paint Finishes and Capital Repairs
Windows, Common
Interior Building Components
Elevator Cab Finishes
Floor Coverings, Tile, Lobbies and Laundry Room
Building Services Components
Electrical System, Main Panels
Elevator, Hydraulic, Cylinder
Elevator, Hydraulic, Modernization
Life Safety System, Control Panel and Emergency Devices
Pipes, Riser Sections, Domestic Water, Waste, Vent and Stormwater
Trash Chute and Doors
Property Site Components
Asphalt Pavement, Mill and Overlay
Asphalt Pavement, Patch and Surface Treatment
Carport Roofs, Concrete Tile
Carports, Inspections and Capital Repairs
Concrete Sidewalks and Patios, Partial
Light Poles and Fixtures
Perimeter Walls, Masonry, Inspections and Capital Repairs
Retaining Walls, Stone, Inspection and Capital Repairs

Terms and Definitions

Term	Definition
Baseline Funding	Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
Cash Flow Method	A method of calculating Reserve contributions 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 expenditures until the desired Funding Goal is achieved.
Component	An individual line item in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks of the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.
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 onsite visual observations, based on Level of Service selected by the client.
Component Inventory	The task of selecting and quantifying Reserve Components. This task is accomplished through onsite visual observations, review of association design and organizational documents, and a review of established association precedents.
Component Method	A method of calculating Reserve contributions where the total reserve contribution is based on the sum of contributions for individual components.
Condition	Numerical value from "1" to "5" as determined by the engineer compiling the report. A score of "1" indicates the worst possible condition while a score of "5" indicates the best possible condition. Related to but independent of urgency.
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 computation.
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. The Financial Analysis is one of the two parts of a Reserve Study.
Fully Funded	100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.
Fully Funded Balance (FFB)	Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. In essence, it is the Reserve balance that is proportional to the current Repair/replacement cost and the fraction of life "used up". This number is calculated for each component, then summed together for an association total. 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.
Funding Goals	Independent of methodology utilized, the following represent the basic categories of Funding Plan goals.

Term	Definition
Funding Plan	An Association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.
Minimum Balance	A minimum Reserve balance established by the client.
Physical Analysis	The portion of the Reserve Study where the Component inventory, Condition Assessment and Life Adjustment and Valuation 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. Replacements anticipated to occur in the initial or base year have "zero" Remaining Useful Life.
Reserve Assessments	The portion of assessments contributed to the Reserve Fund.
Reserve Balance	Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves.
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.
Statutory Funding	Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statues.
Straight-Line Method	A formula used to calculate the annual reserve fund contribution for a specific component. Projected replacement cost divided by the useful life equals the annual payment.
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 "Fully Funded".
Urgency	Numerical value from "1" to "5" as determined by the engineer compiling the report. A score of "1" indicates the highest level of urgency while a score of "5" indicates the lowest level of urgency. Related to but independent of condition.
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 in its present application or installation.

Disclosures and Limitations

K-7 Design, Inc. does not and did not perform any destructive or investigative testing during the initial site inspection. We base our stated quantities on field measurements taken during our initial site inspection and/or review of documents provided by the Association. We base our estimates of cost on actual vendor bid costs provided by the Association, databases of proprietary actual costs, and/or extensive and ongoing experience with other similar residential and commercial entities and are not to be considered a guarantee of the actual replacement cost nor a warranty on the common area property. We base our estimates of useful life and remaining useful life on industry standards, manufacturer's recommendations, statistical analysis, and extensive and ongoing experience with other similar residential and commercial entities, and they are not to be considered a guarantee of the actual useful life or remaining useful life. We are unaware of any hidden or latent defects in design, construction, or condition, including but not limited to the presence of asbestos, mold, toxic chemicals, urea-formaldehyde insulation board or toxic drywall, which could affect the recommendations provided in this report or the health, safety, or welfare of the public. Unless otherwise noted in the report, we do not opine on the scope of work or costs associated with remediation of defects which existed at the time of our site visit. We do not have any other involvement(s) with the Association, which could result in actual or perceived conflict of interest. The purpose of this report is to assist Management and/or the Board with financial planning and/or budgeting sufficient reserves for future major repairs and replacements. We deem reliable all information provided by Management or the Board unless discovered to be inaccurate. This report reflects information provided to K-7 Design, Inc. and assembled for the Association's use, and shall not be used under any circumstances as a design specification or tool, appraisal, turnover inspection report, milestone inspection report, audit, quality/forensics analyses, background check of historical records or for any purpose other than that stated above. No reserve balances depicted in this report have been audited.

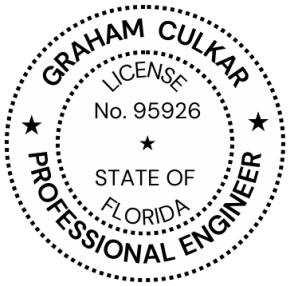
Report Credentials

GRAHAM CULKAR - Professional Engineer, Reserve Specialist

EDUCATION - Florida Gulf Coast University - Bachelor of Science in Environmental Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Professional Engineer (PE)
State of Florida



Reserve Specialist (RS)
Community Associations Institute



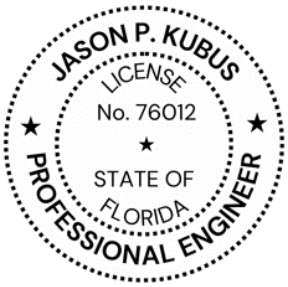
Quality Assurance Credentials

JASON KUBUS – Professional Engineer, Reserve Specialist

EDUCATION - University of Florida - Bachelor of Science in Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Professional Engineer (PE)
State of Florida



Reserve Specialist (RS)
Community Associations Institute

