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Sunland Division 7 Condo

Sequim, WA

MATTHEW C. SWAIN
CAI-RS
00134
DESIGNATION
RESERVE SPECIALIST

Report #: 23127-8
Beginning: January 1, 2024
Expires: December 31, 2024

RESERVE STUDY

Update "No-Site-Visit"

June 6, 2023

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is " predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**
  Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**
  A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**
  A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.

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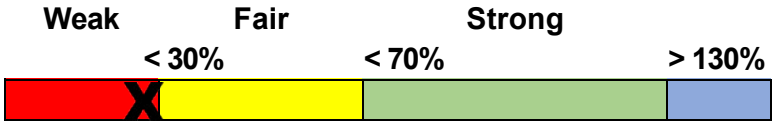
Sunland Division 7 Condo Report #: **23127-8**
Sequim, WA # of Units: 63
Level of Service: **Update "No-Site-Visit"** **January 1, 2024** through **December 31, 2024**

Findings & Recommendations as of January 1, 2024

Starting Reserve Balance	**$265,160**
Current Fully Funded Reserve Balance	**$994,973**
Percent Funded	**26.6 %**
Average Reserve (Deficit) or Surplus Per Unit	**($11,584)**
Recommended 2024 100% Annual "Full Funding" Contributions	**$121,000**
2024 "Baseline Funding" minimum to keep Reserves above $0	**$118,500**
Most Recent Budgeted Contribution Rate	**$18,940**

Reserve Fund Strength: 26.6%



Risk of Special Assessment: **High** **Medium** **Low**

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	**1.50 %**
Annual Inflation Rate	**3.00 %**

• This is a Update "No-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).

• **The reader should note that a number of significant expenses have historically been and continue to be treated as annual operating budget items, including exterior painting, deck repairs and replacements, among others. Going forward, this Reserve Study continues to assume excluding impact of those type expenses upon your maintenance reserves, primarily accruing for asphalt and roof replacements as you have historically indicated.** Further, as in the last 2023 WSV report current BOD directed us to continue reserve funding for ~$40,000 monies to be accrued by end FY 2025 for "Emergency Landscape/Maintenance Reserves". Lastly, we continue to recommend an expert, one-time evaluation of your 50 year old COA plumbing systems and now we are recommending expert, cyclical Building Envelope/Structure inspections to benefit future long term planning.

• **With the preceding understanding, your Reserve Fund is currently 26.6 % Funded.** This means the association's special assessment & deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.

• Based on this starting point and your anticipated future expenses, **we continue to recommend significantly increasing your Annual Reserve Contributions, this time to the 100% range as noted above (over 500% your current 2023 rate).** The 100% "Full" contribution rate is designed to gradually achieve the funding objective by the end of our 30-year report scope. **Going forward, collection of reserve monies to provide for fair distribution of expense burden to offset ongoing deterioration of reserve category projects and improve reserve fund status should be undertaken. In other words, current owners should contribute "their fair share" to maintenance reserves. The reader should note that the FY 2024 "Annual Deterioration" of reserve components is $69,954.**

• No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Site/Grounds			
110	Asphalt - Resurface	32	6	$134,500
112	Asphalt - Seal/Repair	4	0	$18,500
	Building Exteriors			
600	Comp Roof: #116 - Replace	25	24	$88,550
600	Comp Roof: #126 - Replace	25	0	$86,600
601	Comp Roof: #156 - Replace	25	1	$78,850
602	Comp Roofs: #125/#133 - Replace	25	3	$146,000
602	Comp Roofs: #137/#138/140 - Replace	25	4	$130,500
603	Comp Roof: #142 - Replace	25	5	$78,850
605	Comp Roof: #148 - Replace	25	6	$80,850
606	Comp Roof:#143/145,145/147- Replace	25	7	$82,300
607	Comp Roof: #117 - Replace	25	19	$60,000
609	Comp Roof: #119,121, 134 -Replace	25	21	$187,000
610	Comp Roof: #108 - Replace	25	23	$83,150
614	Tile Roof,1990 - Comp Transition	25	8	$275,000
	Equipment/Systems			
899	Plumbing - Systems Evaluation	50	0	$38,500
	Professional/Special Projects			
900	Contingency/Emergency Fund	0	1	$41,000
995	Building Envelope/Structure	4	0	$21,000
17	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.

Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology

For this Update No-Site-Visit Reserve Study, we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client History (install dates & previous life cycle information)
4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

1) Actual client cost history, or current proposals
2) Comparison to Association Reserves database of work done at similar associations
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
2) Compare that to the Reserve Fund Balance, and express as a percentage.

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?

RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*

FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in the 30-yr Summary Table, while details of the projects that make up these expenses are shown in the Cash Flow Detail Table.

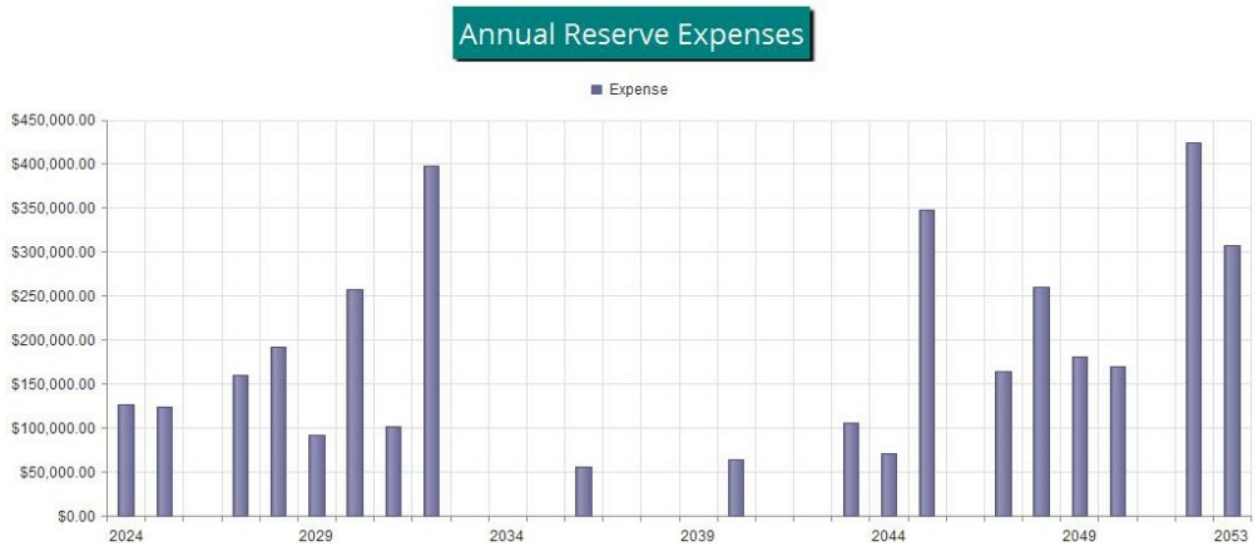


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $265,160 as-of the start of your Fiscal Year on 1/1/2024. As of that date, your Fully Funded Balance is computed to be $994,973 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of $121,000 this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

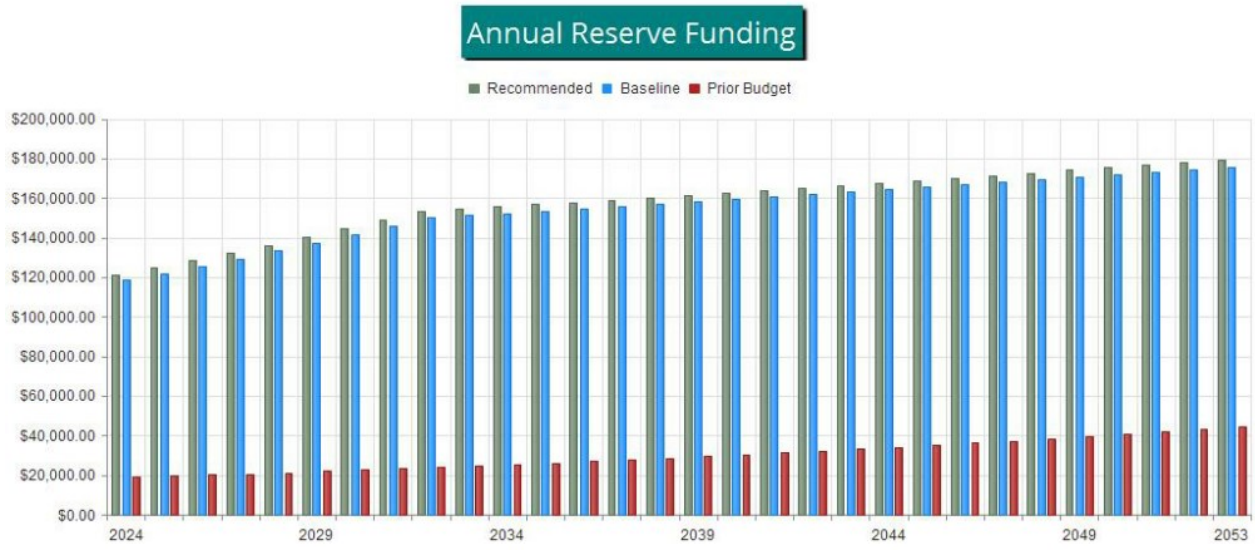


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate (assumes future increases), compared to your always-changing Fully Funded Balance target.

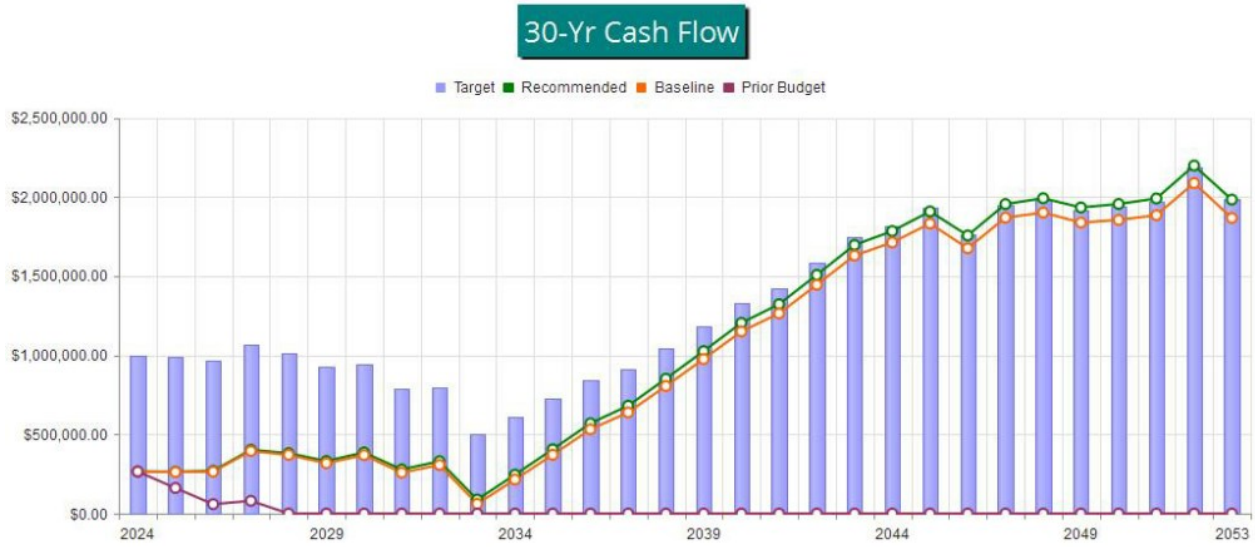


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

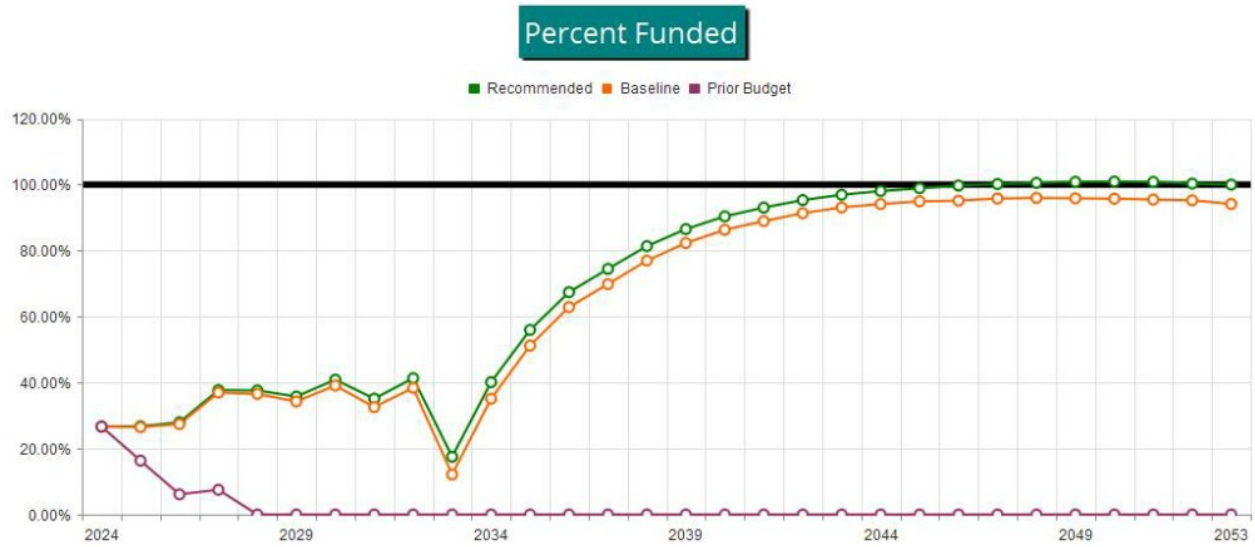


Figure 4

Table Descriptions

Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate Best Case	Current Cost Estimate Worst Case
	Site/Grounds					
110	Asphalt - Resurface	Approx 45,600 square feet	32	6	$123,000	$146,000
112	Asphalt - Seal/Repair	Approx 45,600 square feet	4	0	$16,000	$21,000
	Building Exteriors					
600	Comp Roof: #116 - Replace	~ 10,300 SF	25	24	$75,100	$102,000
600	Comp Roof: #126 - Replace	~ 10,100 SF	25	0	$73,600	$99,600
601	Comp Roof: #156 - Replace	~ 9,200 SF	25	1	$67,000	$90,700
602	Comp Roofs: #125/#133 - Replace	~ 17,000 SF	25	3	$124,000	$168,000
602	Comp Roofs: #137/#138/140 - Replace	~ 15,200 SF	25	4	$111,000	$150,000
603	Comp Roof: #142 - Replace	~ 9,200 SF	25	5	$67,000	$90,700
605	Comp Roof: #148 - Replace	~ 9,400 SF	25	6	$69,000	$92,700
606	Comp Roof:#143/145,145/147- Replace	~ 9,600 SF	25	7	$70,000	$94,600
607	Comp Roof: #117 - Replace	~ 7,000 SF	25	19	$51,000	$69,000
609	Comp Roof: #119,121, 134 -Replace	~ 21,800 SF	25	21	$159,000	$215,000
610	Comp Roof: #108 - Replace	~ 9,700 SF	25	23	$70,700	$95,600
614	Tile Roof,1990 - Comp Transition	Approx 21,500 square feet	25	8	$230,000	$320,000
	Equipment/Systems					
899	Plumbing - Systems Evaluation	Supply & drain lines	50	0	$36,000	$41,000
	Professional/Special Projects					
900	Contingency/Emergency Fund	$40,000	0	1	$39,000	$43,000
995	Building Envelope/Structure	Periodic Inspections	4	0	$19,000	$23,000
17	Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Site/Grounds							
110	Asphalt - Resurface	$134,500	X	26	/	32	=	$109,281
112	Asphalt - Seal/Repair	$18,500	X	4	/	4	=	$18,500
	Building Exteriors							
600	Comp Roof: #116 - Replace	$88,550	X	1	/	25	=	$3,542
600	Comp Roof: #126 - Replace	$86,600	X	25	/	25	=	$86,600
601	Comp Roof: #156 - Replace	$78,850	X	24	/	25	=	$75,696
602	Comp Roofs: #125/#133 - Replace	$146,000	X	22	/	25	=	$128,480
602	Comp Roofs: #137/#138/140 - Replace	$130,500	X	21	/	25	=	$109,620
603	Comp Roof: #142 - Replace	$78,850	X	20	/	25	=	$63,080
605	Comp Roof: #148 - Replace	$80,850	X	19	/	25	=	$61,446
606	Comp Roof:#143/145,145/147- Replace	$82,300	X	18	/	25	=	$59,256
607	Comp Roof: #117 - Replace	$60,000	X	6	/	25	=	$14,400
609	Comp Roof: #119,121, 134 -Replace	$187,000	X	4	/	25	=	$29,920
610	Comp Roof: #108 - Replace	$83,150	X	2	/	25	=	$6,652
614	Tile Roof,1990 - Comp Transition	$275,000	X	17	/	25	=	$187,000
	Equipment/Systems							
899	Plumbing - Systems Evaluation	$38,500	X	50	/	50	=	$0
	Professional/Special Projects							
900	Contingency/Emergency Fund	$41,000	X	0	/	0	=	$20,500
995	Building Envelope/Structure	$21,000	X	4	/	4	=	$21,000
								$994,973

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Site/Grounds				
110	Asphalt - Resurface	32	$134,500	$4,203	6.01 %
112	Asphalt - Seal/Repair	4	$18,500	$4,625	6.61 %
	Building Exteriors				
600	Comp Roof: #116 - Replace	25	$88,550	$3,542	5.06 %
600	Comp Roof: #126 - Replace	25	$86,600	$3,464	4.95 %
601	Comp Roof: #156 - Replace	25	$78,850	$3,154	4.51 %
602	Comp Roofs: #125/#133 - Replace	25	$146,000	$5,840	8.35 %
602	Comp Roofs: #137/#138/140 - Replace	25	$130,500	$5,220	7.46 %
603	Comp Roof: #142 - Replace	25	$78,850	$3,154	4.51 %
605	Comp Roof: #148 - Replace	25	$80,850	$3,234	4.62 %
606	Comp Roof:#143/145,145/147- Replace	25	$82,300	$3,292	4.71 %
607	Comp Roof: #117 - Replace	25	$60,000	$2,400	3.43 %
609	Comp Roof: #119,121, 134 -Replace	25	$187,000	$7,480	10.69 %
610	Comp Roof: #108 - Replace	25	$83,150	$3,326	4.75 %
614	Tile Roof,1990 - Comp Transition	25	$275,000	$11,000	15.72 %
	Equipment/Systems				
899	Plumbing - Systems Evaluation	50	$38,500	$770	1.10 %
	Professional/Special Projects				
900	Contingency/Emergency Fund	0	$41,000	$0	0.00 %
995	Building Envelope/Structure	4	$21,000	$5,250	7.50 %
17	Total Funded Components			$69,954	100.00 %

30-Year Reserve Plan Summary

Report # 23127-8
No-Site-Visit

Fiscal Year Start: 2024	Interest: 1.50 %	Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
Year	**Starting Reserve Balance**	**Fully Funded Balance**	**Percent Funded**	**Special Assmt Risk**	**% Increase In Annual Reserve Funding**	**Reserve Funding**	**Loan or Special Assmts**	**Interest Income**	**Reserve Expenses**
2024	$265,160	$994,973	26.6 %	High	538.86 %	$121,000	$0	$3,966	$126,100
2025	$264,026	$987,314	26.7 %	High	3.00 %	$124,630	$0	$3,997	$123,446
2026	$269,208	$963,182	27.9 %	High	3.00 %	$128,369	$0	$5,035	$0
2027	$402,612	$1,067,677	37.7 %	Medium	3.00 %	$132,220	$0	$5,875	$159,538
2028	$381,168	$1,013,250	37.6 %	Medium	3.00 %	$136,187	$0	$5,341	$191,336
2029	$331,359	$926,775	35.8 %	Medium	3.00 %	$140,272	$0	$5,374	$91,409
2030	$385,596	$943,036	40.9 %	Medium	3.00 %	$144,480	$0	$4,973	$257,139
2031	$277,910	$791,562	35.1 %	Medium	3.00 %	$148,815	$0	$4,557	$101,219
2032	$330,063	$798,694	41.3 %	Medium	3.00 %	$153,279	$0	$3,134	$398,399
2033	$88,077	$502,573	17.5 %	High	0.75 %	$154,429	$0	$2,496	$0
2034	$245,003	$610,628	40.1 %	Medium	0.75 %	$155,587	$0	$4,875	$0
2035	$405,465	$724,714	55.9 %	Medium	0.75 %	$156,754	$0	$7,308	$0
2036	$569,527	$845,095	67.4 %	Medium	0.75 %	$157,930	$0	$9,369	$56,318
2037	$680,508	$914,040	74.5 %	Low	0.75 %	$159,114	$0	$11,480	$0
2038	$851,101	$1,046,109	81.4 %	Low	0.75 %	$160,307	$0	$14,065	$0
2039	$1,025,474	$1,185,278	86.5 %	Low	0.75 %	$161,510	$0	$16,708	$0
2040	$1,203,692	$1,331,857	90.4 %	Low	0.75 %	$162,721	$0	$18,930	$63,386
2041	$1,321,957	$1,420,876	93.0 %	Low	0.75 %	$163,941	$0	$21,204	$0
2042	$1,507,103	$1,581,284	95.3 %	Low	0.75 %	$165,171	$0	$24,010	$0
2043	$1,696,284	$1,750,037	96.9 %	Low	0.75 %	$166,410	$0	$26,082	$105,210
2044	$1,783,565	$1,819,126	98.0 %	Low	0.75 %	$167,658	$0	$27,666	$71,341
2045	$1,907,547	$1,928,921	98.9 %	Low	0.75 %	$168,915	$0	$27,459	$347,875
2046	$1,756,047	$1,761,041	99.7 %	Low	0.75 %	$170,182	$0	$27,808	$0
2047	$1,954,036	$1,950,413	100.2 %	Low	0.75 %	$171,458	$0	$29,568	$164,104
2048	$1,990,960	$1,980,536	100.5 %	Low	0.75 %	$172,744	$0	$29,409	$260,299
2049	$1,932,814	$1,916,700	100.8 %	Low	0.75 %	$174,040	$0	$29,137	$181,321
2050	$1,954,670	$1,936,642	100.9 %	Low	0.75 %	$175,345	$0	$29,562	$170,047
2051	$1,989,531	$1,973,270	100.8 %	Low	0.75 %	$176,660	$0	$31,383	$0
2052	$2,197,574	$2,190,757	100.3 %	Low	0.75 %	$177,985	$0	$31,330	$424,411
2053	$1,982,479	$1,982,373	100.0 %	Low	0.75 %	$179,320	$0	$28,974	$307,532

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 23127-8
No-Site-Visit

Fiscal Year Start: 2024	Interest: 1.50 %	Inflation: 3.00 %
Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	$265,160	$994,973	26.6 %	High	525.66 %	$118,500	$0	$3,947	$126,100
2025	$261,508	$987,314	26.5 %	High	3.00 %	$122,055	$0	$3,939	$123,446
2026	$264,056	$963,182	27.4 %	High	3.00 %	$125,717	$0	$4,938	$0
2027	$394,711	$1,067,677	37.0 %	Medium	3.00 %	$129,488	$0	$5,735	$159,538
2028	$370,395	$1,013,250	36.6 %	Medium	3.00 %	$133,373	$0	$5,157	$191,336
2029	$317,588	$926,775	34.3 %	Medium	3.00 %	$137,374	$0	$5,144	$91,409
2030	$368,697	$943,036	39.1 %	Medium	3.00 %	$141,495	$0	$4,695	$257,139
2031	$257,748	$791,562	32.6 %	Medium	3.00 %	$145,740	$0	$4,229	$101,219
2032	$306,499	$798,694	38.4 %	Medium	3.00 %	$150,112	$0	$2,754	$398,399
2033	$60,966	$502,573	12.1 %	High	0.75 %	$151,238	$0	$2,063	$0
2034	$214,267	$610,628	35.1 %	Medium	0.75 %	$152,372	$0	$4,387	$0
2035	$371,026	$724,714	51.2 %	Medium	0.75 %	$153,515	$0	$6,763	$0
2036	$531,305	$845,095	62.9 %	Medium	0.75 %	$154,667	$0	$8,767	$56,318
2037	$638,421	$914,040	69.8 %	Medium	0.75 %	$155,827	$0	$10,819	$0
2038	$805,067	$1,046,109	77.0 %	Low	0.75 %	$156,995	$0	$13,345	$0
2039	$975,407	$1,185,278	82.3 %	Low	0.75 %	$158,173	$0	$15,927	$0
2040	$1,149,506	$1,331,857	86.3 %	Low	0.75 %	$159,359	$0	$18,086	$63,386
2041	$1,263,566	$1,420,876	88.9 %	Low	0.75 %	$160,554	$0	$20,297	$0
2042	$1,444,417	$1,581,284	91.3 %	Low	0.75 %	$161,758	$0	$23,037	$0
2043	$1,629,213	$1,750,037	93.1 %	Low	0.75 %	$162,972	$0	$25,043	$105,210
2044	$1,712,017	$1,819,126	94.1 %	Low	0.75 %	$164,194	$0	$26,559	$71,341
2045	$1,831,428	$1,928,921	94.9 %	Low	0.75 %	$165,425	$0	$26,283	$347,875
2046	$1,675,261	$1,761,041	95.1 %	Low	0.75 %	$166,666	$0	$26,561	$0
2047	$1,868,488	$1,950,413	95.8 %	Low	0.75 %	$167,916	$0	$28,250	$164,104
2048	$1,900,550	$1,980,536	96.0 %	Low	0.75 %	$169,175	$0	$28,017	$260,299
2049	$1,837,443	$1,916,700	95.9 %	Low	0.75 %	$170,444	$0	$27,670	$181,321
2050	$1,854,236	$1,936,642	95.7 %	Low	0.75 %	$171,722	$0	$28,018	$170,047
2051	$1,883,929	$1,973,270	95.5 %	Low	0.75 %	$173,010	$0	$29,761	$0
2052	$2,086,700	$2,190,757	95.3 %	Low	0.75 %	$174,308	$0	$29,628	$424,411
2053	$1,866,226	$1,982,373	94.1 %	Low	0.75 %	$175,615	$0	$27,190	$307,532

	Fiscal Year	2024	2025	2026	2027	2028
	Starting Reserve Balance	$265,160	$264,026	$269,208	$402,612	$381,168
	Annual Reserve Funding	$121,000	$124,630	$128,369	$132,220	$136,187
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,966	$3,997	$5,035	$5,875	$5,341
	Total Income	$390,126	$392,653	$402,612	$540,706	$522,695
#	Component					
	Site/Grounds					
110	Asphalt - Resurface	$0	$0	$0	$0	$0
112	Asphalt - Seal/Repair	$18,500	$0	$0	$0	$20,822
	Building Exteriors					
600	Comp Roof: #116 - Replace	$0	$0	$0	$0	$0
600	Comp Roof: #126 - Replace	$86,600	$0	$0	$0	$0
601	Comp Roof: #156 - Replace	$0	$81,216	$0	$0	$0
602	Comp Roofs: #125/#133 - Replace	$0	$0	$0	$159,538	$0
602	Comp Roofs: #137/#138/140 - Replace	$0	$0	$0	$0	$146,879
603	Comp Roof: #142 - Replace	$0	$0	$0	$0	$0
605	Comp Roof: #148 - Replace	$0	$0	$0	$0	$0
606	Comp Roof:#143/145,145/147- Replace	$0	$0	$0	$0	$0
607	Comp Roof: #117 - Replace	$0	$0	$0	$0	$0
609	Comp Roof: #119,121, 134 -Replace	$0	$0	$0	$0	$0
610	Comp Roof: #108 - Replace	$0	$0	$0	$0	$0
614	Tile Roof,1990 - Comp Transition	$0	$0	$0	$0	$0
	Equipment/Systems					
899	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Professional/Special Projects					
900	Contingency/Emergency Fund	$0	$42,230	$0	$0	$0
995	Building Envelope/Structure	$21,000	$0	$0	$0	$23,636
	Total Expenses	$126,100	$123,446	$0	$159,538	$191,336
	Ending Reserve Balance	$264,026	$269,208	$402,612	$381,168	$331,359

	Fiscal Year	2029	2030	2031	2032	2033
	Starting Reserve Balance	$331,359	$385,596	$277,910	$330,063	$88,077
	Annual Reserve Funding	$140,272	$144,480	$148,815	$153,279	$154,429
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,374	$4,973	$4,557	$3,134	$2,496
	Total Income	$477,005	$535,049	$431,282	$486,477	$245,003
#	Component					
	Site/Grounds					
110	Asphalt - Resurface	$0	$160,600	$0	$0	$0
112	Asphalt - Seal/Repair	$0	$0	$0	$23,435	$0
	Building Exteriors					
600	Comp Roof: #116 - Replace	$0	$0	$0	$0	$0
600	Comp Roof: #126 - Replace	$0	$0	$0	$0	$0
601	Comp Roof: #156 - Replace	$0	$0	$0	$0	$0
602	Comp Roofs: #125/#133 - Replace	$0	$0	$0	$0	$0
602	Comp Roofs: #137/#138/140 - Replace	$0	$0	$0	$0	$0
603	Comp Roof: #142 - Replace	$91,409	$0	$0	$0	$0
605	Comp Roof: #148 - Replace	$0	$96,539	$0	$0	$0
606	Comp Roof:#143/145,145/147- Replace	$0	$0	$101,219	$0	$0
607	Comp Roof: #117 - Replace	$0	$0	$0	$0	$0
609	Comp Roof: #119,121, 134 -Replace	$0	$0	$0	$0	$0
610	Comp Roof: #108 - Replace	$0	$0	$0	$0	$0
614	Tile Roof,1990 - Comp Transition	$0	$0	$0	$348,362	$0
	Equipment/Systems					
899	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Professional/Special Projects					
900	Contingency/Emergency Fund	$0	$0	$0	$0	$0
995	Building Envelope/Structure	$0	$0	$0	$26,602	$0
	Total Expenses	$91,409	$257,139	$101,219	$398,399	$0
	Ending Reserve Balance	$385,596	$277,910	$330,063	$88,077	$245,003

	Fiscal Year	2034	2035	2036	2037	2038
	Starting Reserve Balance	$245,003	$405,465	$569,527	$680,508	$851,101
	Annual Reserve Funding	$155,587	$156,754	$157,930	$159,114	$160,307
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,875	$7,308	$9,369	$11,480	$14,065
	Total Income	$405,465	$569,527	$736,825	$851,101	$1,025,474
#	Component					
	Site/Grounds					
110	Asphalt - Resurface	$0	$0	$0	$0	$0
112	Asphalt - Seal/Repair	$0	$0	$26,377	$0	$0
	Building Exteriors					
600	Comp Roof: #116 - Replace	$0	$0	$0	$0	$0
600	Comp Roof: #126 - Replace	$0	$0	$0	$0	$0
601	Comp Roof: #156 - Replace	$0	$0	$0	$0	$0
602	Comp Roofs: #125/#133 - Replace	$0	$0	$0	$0	$0
602	Comp Roofs: #137/#138/140 - Replace	$0	$0	$0	$0	$0
603	Comp Roof: #142 - Replace	$0	$0	$0	$0	$0
605	Comp Roof: #148 - Replace	$0	$0	$0	$0	$0
606	Comp Roof:#143/145,145/147- Replace	$0	$0	$0	$0	$0
607	Comp Roof: #117 - Replace	$0	$0	$0	$0	$0
609	Comp Roof: #119,121, 134 -Replace	$0	$0	$0	$0	$0
610	Comp Roof: #108 - Replace	$0	$0	$0	$0	$0
614	Tile Roof,1990 - Comp Transition	$0	$0	$0	$0	$0
	Equipment/Systems					
899	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Professional/Special Projects					
900	Contingency/Emergency Fund	$0	$0	$0	$0	$0
995	Building Envelope/Structure	$0	$0	$29,941	$0	$0
	Total Expenses	$0	$0	$56,318	$0	$0
	Ending Reserve Balance	$405,465	$569,527	$680,508	$851,101	$1,025,474

	Fiscal Year	2039	2040	2041	2042	2043
	Starting Reserve Balance	$1,025,474	$1,203,692	$1,321,957	$1,507,103	$1,696,284
	Annual Reserve Funding	$161,510	$162,721	$163,941	$165,171	$166,410
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$16,708	$18,930	$21,204	$24,010	$26,082
	Total Income	$1,203,692	$1,385,343	$1,507,103	$1,696,284	$1,888,776
#	Component					
	Site/Grounds					
110	Asphalt - Resurface	$0	$0	$0	$0	$0
112	Asphalt - Seal/Repair	$0	$29,687	$0	$0	$0
	Building Exteriors					
600	Comp Roof: #116 - Replace	$0	$0	$0	$0	$0
600	Comp Roof: #126 - Replace	$0	$0	$0	$0	$0
601	Comp Roof: #156 - Replace	$0	$0	$0	$0	$0
602	Comp Roofs: #125/#133 - Replace	$0	$0	$0	$0	$0
602	Comp Roofs: #137/#138/140 - Replace	$0	$0	$0	$0	$0
603	Comp Roof: #142 - Replace	$0	$0	$0	$0	$0
605	Comp Roof: #148 - Replace	$0	$0	$0	$0	$0
606	Comp Roof:#143/145,145/147- Replace	$0	$0	$0	$0	$0
607	Comp Roof: #117 - Replace	$0	$0	$0	$0	$105,210
609	Comp Roof: #119,121, 134 -Replace	$0	$0	$0	$0	$0
610	Comp Roof: #108 - Replace	$0	$0	$0	$0	$0
614	Tile Roof,1990 - Comp Transition	$0	$0	$0	$0	$0
	Equipment/Systems					
899	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Professional/Special Projects					
900	Contingency/Emergency Fund	$0	$0	$0	$0	$0
995	Building Envelope/Structure	$0	$33,699	$0	$0	$0
	Total Expenses	$0	$63,386	$0	$0	$105,210
	Ending Reserve Balance	$1,203,692	$1,321,957	$1,507,103	$1,696,284	$1,783,565

	Fiscal Year	2044	2045	2046	2047	2048
	Starting Reserve Balance	$1,783,565	$1,907,547	$1,756,047	$1,954,036	$1,990,960
	Annual Reserve Funding	$167,658	$168,915	$170,182	$171,458	$172,744
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$27,666	$27,459	$27,808	$29,568	$29,409
	Total Income	$1,978,889	$2,103,922	$1,954,036	$2,155,063	$2,193,113
#	Component					
	Site/Grounds					
110	Asphalt - Resurface	$0	$0	$0	$0	$0
112	Asphalt - Seal/Repair	$33,413	$0	$0	$0	$37,607
	Building Exteriors					
600	Comp Roof: #116 - Replace	$0	$0	$0	$0	$180,004
600	Comp Roof: #126 - Replace	$0	$0	$0	$0	$0
601	Comp Roof: #156 - Replace	$0	$0	$0	$0	$0
602	Comp Roofs: #125/#133 - Replace	$0	$0	$0	$0	$0
602	Comp Roofs: #137/#138/140 - Replace	$0	$0	$0	$0	$0
603	Comp Roof: #142 - Replace	$0	$0	$0	$0	$0
605	Comp Roof: #148 - Replace	$0	$0	$0	$0	$0
606	Comp Roof:#143/145,145/147- Replace	$0	$0	$0	$0	$0
607	Comp Roof: #117 - Replace	$0	$0	$0	$0	$0
609	Comp Roof: #119,121, 134 -Replace	$0	$347,875	$0	$0	$0
610	Comp Roof: #108 - Replace	$0	$0	$0	$164,104	$0
614	Tile Roof,1990 - Comp Transition	$0	$0	$0	$0	$0
	Equipment/Systems					
899	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Professional/Special Projects					
900	Contingency/Emergency Fund	$0	$0	$0	$0	$0
995	Building Envelope/Structure	$37,928	$0	$0	$0	$42,689
	Total Expenses	$71,341	$347,875	$0	$164,104	$260,299
	Ending Reserve Balance	$1,907,547	$1,756,047	$1,954,036	$1,990,960	$1,932,814

	Fiscal Year	2049	2050	2051	2052	2053
	Starting Reserve Balance	$1,932,814	$1,954,670	$1,989,531	$2,197,574	$1,982,479
	Annual Reserve Funding	$174,040	$175,345	$176,660	$177,985	$179,320
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$29,137	$29,562	$31,383	$31,330	$28,974
	Total Income	$2,135,992	$2,159,578	$2,197,574	$2,406,890	$2,190,774
#	Component					
	Site/Grounds					
110	Asphalt - Resurface	$0	$0	$0	$0	$0
112	Asphalt - Seal/Repair	$0	$0	$0	$42,327	$0
	Building Exteriors					
600	Comp Roof: #116 - Replace	$0	$0	$0	$0	$0
600	Comp Roof: #126 - Replace	$181,321	$0	$0	$0	$0
601	Comp Roof: #156 - Replace	$0	$170,047	$0	$0	$0
602	Comp Roofs: #125/#133 - Replace	$0	$0	$0	$334,037	$0
602	Comp Roofs: #137/#138/140 - Replace	$0	$0	$0	$0	$307,532
603	Comp Roof: #142 - Replace	$0	$0	$0	$0	$0
605	Comp Roof: #148 - Replace	$0	$0	$0	$0	$0
606	Comp Roof:#143/145,145/147- Replace	$0	$0	$0	$0	$0
607	Comp Roof: #117 - Replace	$0	$0	$0	$0	$0
609	Comp Roof: #119,121, 134 -Replace	$0	$0	$0	$0	$0
610	Comp Roof: #108 - Replace	$0	$0	$0	$0	$0
614	Tile Roof,1990 - Comp Transition	$0	$0	$0	$0	$0
	Equipment/Systems					
899	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Professional/Special Projects					
900	Contingency/Emergency Fund	$0	$0	$0	$0	$0
995	Building Envelope/Structure	$0	$0	$0	$48,046	$0
	Total Expenses	$181,321	$170,047	$0	$424,411	$307,532
	Ending Reserve Balance	$1,954,670	$1,989,531	$2,197,574	$1,982,479	$1,883,242

Accuracy, Limitations, and Disclosures

"The reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair or replacement of a reserve component."

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Christian Colunga, company President, is a credentialed Reserve Specialist (#208). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to: project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to, plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our research and analysis. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

1) Common area repair & replacement responsibility
2) Component must have a limited useful life
3) Life limit must be predictable
4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses).

Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed "Best Cost" and "Worst Cost". There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur.

Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

Site/Grounds

Comp #: 103 Concrete - Repair/Replace **Quantity: Extensive square feet**
Location: Walkways, some driveways, patios, etc…
Funded?: No. Annual costs, historically handled in operational budget
History: At least ~$50,000 in replacements 2005-2015, $27,000 2016-2018, $11,400 2021, from operating funds
Comments: Not funded – no changes from previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 110 Asphalt - Resurface **Quantity: Approx 45,600 square feet**
Location: Asphalt drivelanes, parking within community
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: Reportedly resurfaced last in 1998
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Useful Life: 32 years Remaining Life: 6 years
Best Case: $ 123,000 Worst Case: $146,000
Lower allowance Higher allowance
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 112 Asphalt - Seal/Repair **Quantity: Approx 45,600 square feet**
Location: Asphalt drivelanes, parking within community
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: 2023: crack fill & seal, $3,300; $5,900 local repairs occurred after our 6.22.2022 site inspection; reserve funds utilized.
Comments: Remaining useful life remains at 0 as full scope of this project not reported to have been completed or planned, and cost inflated from the prior reserve study.
Useful Life: 4 years Remaining Life: 0 years
Best Case: $ 16,000 Worst Case: $21,000
Lower allowance Higher allowance
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 132 Guard Rail - Repair/Replace **Quantity: Approx 30 linear feet**
Location: Adjacent to West perimeter, terminus asphalt drive
Funded?: No. Cost projected to be too small
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 150 Wood Fence/Screen - Replace **Quantity: Extensive linear feet**
Location: Select locations, within common and limited common areas
Funded?: No. Annual costs, historically handled in operational budget
History: At least $52,600 unsegregated expense for your budget category of "decks and fences" between 2016-2018; 2021 expense of $14,300 and 2022 YTD of $26,400 for similar needs
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 200 Landscape - Refurbish **Quantity: Extensive landscaping**
Location: Common areas
Funded?: No. Annual costs, historically handled in operational budget
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 204 Trees - Remove/Trim **Quantity: Extensive quantity**
Location: Throughout common areas
Funded?: No. Annual costs, historically handled in operational budget
History: We noted at least $17,900 expense for your budget categories of "tree care or removal" between 2016-2018. Provided 2022 budget indicates $3,000 line items for similar needs
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 206 Drainage/Storm System - Replace **Quantity: Extensive systems**
Location: Throughout community common areas and adjacent to buildings
Funded?: No. Useful life not predictable or extended
History: Expense for local drainage improvements in 2021 with ~$6,000 monies reportedly provided from operating funds and / or "Emergency Landscape/Maintenance Reserves
Comments: Not funded; no changes from the previous reserve study.

One-time expense for local drainage improvements in 2021 with $6,000 monies reportedly provided from "Emergency Landscape/Maintenance Reserves".

Note that reserve funds are typically accrued/allocated for predictable and significant expenses.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 220 Irrigation Systems - Repair/Replace **Quantity: Extensive systems**
Location: Throughout common area landscaping
Funded?: No. Annual costs, historically handled in operational budget
History: At least ~$13,400 expense in 2016
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 320 Pole Lights - Replace **Quantity: (4) assorted**
Location: Scattered common area locations
Funded?: No. Annual costs, historically handled in operational budget
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 330 Required Signage - Replace **Quantity: Moderate quantity**
Location: Adjacent to private drive and parking areas
Funded?: No. Cost projected to be too small
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 350 Mailboxes/Kiosks - Replace **Quantity: (67) box, (21) kiosk**
Location: Adjacent to private drive
Funded?: No. Board suggests owner responsibility for mailboxes, not association
History:
Comments: Not funded – no changes from previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Building Exteriors

Comp #: 500 Decks/Rails/Walls - Partial Replace **Quantity: Approx 13,890 SF, total**
Location: Grade and elevated decks adjacent to individual units
Funded?: No. Annual costs, historically handled in operational budget
History: 2015 / $32,500 to repair (4) elevated decks at Building #148. At least $52,600 unsegregated expense for your budget category of "decks and fences" between 2016-2018; 2021 expense of $14,300 and 2022 YTD of $26,400 for similar needs
Comments: Not funded – no changes from previous reserve study
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 504 Exterior Lights - Replace **Quantity: Approx (250) assorted**
Location: Exterior building elevations
Funded?: No. Board suggests owner responsibility, not association
History:
Comments: Not funded – no changes from previous reserve study
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 506 Entry Doors - Maintain/Replace **Quantity: (63) entry**
Location: Entry to each unit
Funded?: No. Board suggests owner responsibility, not association
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 508 Garage Doors - Maintain/ Replace **Quantity: (63) assorted**
Location: At each garage
Funded?: No. Board suggests owner responsibility, not association
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 510 Unit Signage - Replace **Quantity: (63) Units**
Location: Building exterior surfaces
Funded?: No. Research suggests association not responsible
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 530 Brick Work/Masonry - Repair/Point **Quantity: Extensive square feet**
Location: Chimneys and exterior walls at select units
Funded?: No. Useful life not predictable or extended
History:
Comments: Not funded – no changes from previous reserve study
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 540 Exteriors - Clean/Paint/Seal **Quantity: Extensive GSF**
Location: Building exterior surfaces
Funded?: No. Annual costs, historically handled in operational budget
History:
Comments: Not funded – no changes from previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 560 Exterior Siding - Replace **Quantity: Extensive GSF**
Location: Building exterior surfaces
Funded?: No. Annual costs, historically handled in operational budget
History: At least $16,700 unsegregated expense for your budget category of "building siding / eaves" in 2021
Comments: Not funded – no changes from previous reserve study
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 564 Windows/Glass Doors - Replace **Quantity: Extensive quantity**
Location: Exterior building elevations
Funded?: No. Annual costs, historically handled in operational budget
History: We noted at least $9,400 expense for your budget category of "window" or "glass replacement" between 2016-2018. Provided 2019 budget indicates $5,000 line items for similar needs
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 580 HVAC Units - Replace **Quantity: Extensive quantity**
Location: Adjacent to individual Units
Funded?: No. Research suggests association not responsible
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 586 Propane Tanks - Replace **Quantity: Extensive quantity**
Location: Adjacent to individual units.
Funded?: No. Research suggests association not responsible
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 600 Comp Roof: #116 - Replace **Quantity: ~ 10,300 SF**
Location: Roof of Building #116
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: 2023: To be replaced, $88,302.88; 3/1998: Replaced
Comments: Scope & schedule updated to address planned work for 2023.
Useful Life: 25 years Remaining Life: 24 years
Best Case: $ 75,100 Worst Case: $102,000
Lower allowance Higher allowance
Cost Source: Client Cost History

Comp #: 600 Comp Roof: #126 - Replace **Quantity: ~ 10,100 SF**
Location: Roof of Building #126
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: 1997: Replaced
Comments: Scope & schedule updated to address planned work for 2024.

Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.
Useful Life: 25 years Remaining Life: 0 years
Best Case: $ 73,600 Worst Case: $99,600
Lower allowance Higher allowance
Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 601 Comp Roof: #156 - Replace **Quantity: ~ 9,200 SF**
Location: Rooftop of Building #156
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: 2001: (1) building, (4) unit roofs replaced
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.

Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.

Useful Life: 25 years		Remaining Life:	1 years
Best Case: $ 67,000		Worst Case:	$90,700
	Lower allowance		Higher allowance

Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 602 Comp Roofs: #125/#133 - Replace **Quantity: ~ 17,000 SF**
Location: Rooftop of Buildings #125, #133
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: 2002: (4) buildings, (14) unit roofs replaced (#125, #133, #137 and #138 / 140)
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study. Component split based on association's report of conditions / plans for work moving forward.

Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.

Useful Life: 25 years		Remaining Life:	3 years
Best Case: $ 124,000		Worst Case:	$168,000
	Lower allowance		Higher allowance

Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 602 Comp Roofs: #137/#138/140 - Replace **Quantity: ~ 15,200 SF**
Location: Rooftop of Buildings #137 and #138 / 140
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: 2002: (4) buildings, (14) unit roofs replaced (#125, #133, #137 and #138 / 140)
Comments: Remaining useful life kept at 4 based on reports of conditions by association representative, and cost inflated from the prior reserve study. Component split based on association's report of conditions / plans for work moving forward.

Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.

Useful Life: 25 years		Remaining Life:	4 years
Best Case: $ 111,000		Worst Case:	$150,000
	Lower allowance		Higher allowance

Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 603 Comp Roof: #142 - Replace **Quantity: ~ 9,200 SF**
Location: Rooftop of Building #142
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: (1) building, (4) unit roofs replaced last in 2003
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.

Useful Life: 25 years		Remaining Life:	5 years
Best Case: $ 67,000		Worst Case:	$90,700
	Lower allowance		Higher allowance

Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 605 Comp Roof: #148 - Replace **Quantity: ~ 9,400 SF**
Location: Rooftop of Building #148
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: (1) building, (4) unit roofs replaced last in 2005
Comments: Remaining useful life adjusted up based on reports of conditions by association representative, and cost inflated from the prior reserve study.

Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.

Useful Life: 25 years		Remaining Life:	6 years
Best Case: $ 69,000		Worst Case:	$92,700
	Lower allowance		Higher allowance

Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 606 Comp Roof:#143/145,145/147- Replace **Quantity: ~ 9,600 SF**
Location: Rooftop of Buildings #143 / 145 and #147 /149
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: (2) buildings, (4) unit roofs replaced last in 2006
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.

Useful Life: 25 years		Remaining Life:	7 years
Best Case: $ 70,000		Worst Case:	$94,600
	Lower allowance		Higher allowance

Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 607 Comp Roof: #117 - Replace **Quantity: ~ 7,000 SF**
Location: Rooftop of Building #117
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: 2018: (1) building, (4) unit roofs replaced, $27,500 (gutters/downspouts not replaced at that time), previous 3/1998
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.

Useful Life: 25 years		Remaining Life:	19 years
Best Case: $ 51,000		Worst Case:	$69,000
	Lower allowance		Higher allowance

Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 609 Comp Roof: #119,121, 134 -Replace **Quantity: ~ 21,800 SF**
Location: Roof of Buildings #119, #134 and #121
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: (3) buildings, but (9) not (10) unit roofs replaced last in 2020 at expense of $98,300 (gutters/downspouts not replaced at that time) ; gutters/downspouts were not replaced. Previously replaced in 1997/1998 at #121/A,B,C but not Unit D which was reportedly replaced in 2018. All total six units at #119 and #134 previously replaced in 2004, so only 16 years of useful file achieved.
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.

Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.

Useful Life: 25 years		Remaining Life:	21 years
Best Case: $ 159,000		Worst Case:	$215,000
	Lower allowance		Higher allowance

Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 610 Comp Roof: #108 - Replace **Quantity: ~ 9,700 SF**
Location: Roof of Building #108
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: 2022: Replaced, $83,032.24; 6/1997: previously replaced
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.

Cost adjusted/increased based on your current bid/ market conditions, reset RUL from 2021 NSV reserve study.

Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.
Useful Life: 25 years Remaining Life: 23 years
Best Case: $ 70,700 Worst Case: $95,600
Lower allowance Higher allowance
Cost Source: Extrapolated, 2023 Client Estimate
($8.57/Sq Ft)

Comp #: 614 Tile Roof,1990 - Comp Transition **Quantity: Approx 21,500 square feet**

Location: Rooftop of (2) buildings, (7) Units; 151/153/155 and 157/159/161/163
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: Your records indicate build completed in 1992
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.

We once again confirmed your intention for future transition from existing tile roof to similar composition shingle roof as seen elsewhere in your community. Anticipate somewhat higher per unit expense as compared to those other locations due to such a material transition; adjust costs in future reserve study updates once future project completed.

Moving forward, we continue to recommend and factor expense for simultaneous gutter and downspout system replacements when replacing roofs for best performance. Also, ensure membrane for the few locations utilizing built-in gutters is renovated / integrated properly with new roof.
Useful Life: 25 years Remaining Life: 8 years
Best Case: $ 230,000 Worst Case: $320,000
Lower allowance Higher allowance
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 618 Gutters/Downspouts - Repair/Replace **Quantity: Approx 6,300 linear feet**
Location: Perimeter of buildings
Funded?: No. Expense for large scale replacements already recommended, factored within phased roof projects
History:
Comments: Not funded; no changes from the previous reserve study.
Expense for large scale replacements already recommended, factored within phased roof projects
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 620 Chimney Caps/Covers - Replace **Quantity: Extensive quantity**
Location: Select chimneys and rooftop chimney chases at individual units
Funded?: No. Annual cost best handled as operating expense
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 630 Skylights - Replace **Quantity: Extensive quantity**
Location: Rooftop of select units
Funded?: No. Annual cost best handled as operating expense
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Equipment/Systems

Comp #: 899 Plumbing - Systems Evaluation **Quantity: Supply & drain lines**
Location: Common plumbing
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History:
Comments: Added reserve funding recommendation moving forward.
Plumbing systems are generally considered by some in the engineering community to be life limited to the 50-year range. The costs for replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc... We highly recommend the association engage a qualified firm to assess the plumbing systems, including forensic wall openings, and test sections of piping. We have factored a budget allowance for a one-time plumbing evaluation.
Useful Life: 50 years Remaining Life: 0 years
Best Case: $ 36,000 Worst Case: $41,000
Lower allowance Higher allowance
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 900 Plumbing - Repair/Replace **Quantity: Extensive systems**
Location: Throughout common and limited common areas of community
Funded?: No. Useful life not predictable, prior to systems evaluation
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 902 Electrical - Repair/Replace **Quantity: Extensive systems**
Location: Throughout common and limited common areas
Funded?: No. Useful life not predictable or extended
History:
Comments: Not funded; no changes from the previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Professional/Special Projects

Comp #: 900 Contingency/Emergency Fund **Quantity: $40,000**
Location: Financial Institution
Funded?: Yes. $40,000 reserve monies to be accrued by end FY 2025 per current BOD direction for "Emergency Landscape/Maintenance Reserves"
History:
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.

One-time expense for local drainage improvements in 2021 with $6,000 monies reportedly provided from "Emergency Landscape/Maintenance Reserves".

Previously added reserve funding for $40,000 monies to be accrued by end FY 2025 per current BOD direction for "Emergency Landscape/Maintenance Reserves".

Note that reserve funds are typically accrued/allocated for predictable and significant expenses. Remaining useful life adjusted down, and cost inflated from the prior reserve study.

Useful Life: 0 years		Remaining Life:	1 years
Best Case: $ 39,000		Worst Case:	$43,000
	Lower allowance		Higher allowance

Cost Source: Estimate Provided by Client

Comp #: 990 Ancillary Evaluations **Quantity: Specialty evaluations**
Location: To augment reserve planning.
Funded?: No. Operating expense in year of occurrence
History:
Comments: A reserve study is a budget model, limited to visual exterior observations and research. As there are some key details and factors of buildings and grounds hidden from view, it is prudent to conduct additional ancillary evaluations from time to time. The purpose of these evaluations is to aid planning and assess for any basis of predictable funding that may be incorporated into the reserve study. We recommend that you periodically engage specialty evaluations in the following areas/fields as applicable to your property:

- Civil Engineering review: Soils & drainage, pavement specifications, below grade waterproofing
- Arborist: Trees & landscape - plan of care and life cycle forecast
- Legal Responsibility Matrix: Governing document review for clear expense delineation between the association and unit owners
- Legal Governing Document review periodically to incorporate changes in law over time and best practices
- Investment consultant: Maximize return and cash flow management while protecting principal
- Insurance policy & coverage review: Understand what is and is not covered and by whom (association vs. owner policies)
- Masonry consultant: Assess mortar condition and waterproofing, and provide forecast and recommendations
- Energy Audit: Typically conducted by a utility company to assess efficiency, and cost benefit to retrofit existing equipment

Note: There are several other important professional evaluations to augment reserve planning that are of heightened importance such as Life-Safety and/or Building Envelope & Structural issues, and Plumbing. Those components are addressed separately within this report.

Useful Life:		Remaining Life:	
Best Case:		Worst Case:	

Cost Source:

Comp #: 995 Building Envelope/Structure **Quantity: Periodic Inspections**
Location: The exterior walls, underlying waterproofing components, windows, decks, roofs and other structural components
Funded?: Yes. Meets National Reserve Study Standards criteria for Reserve Funding
History: No such comprehensive, expert reports are known in recent years nor provided for our review
Comments:

Useful Life: 4 years		Remaining Life:	0 years
Best Case: $ 19,000		Worst Case:	$23,000
	Lower allowance		Higher allowance

Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 997 Unit High-Risk Components **Quantity: Inspection & report**
Location: Analysis of in-unit high-risk components.
Funded?: No. Elective - operating expense
History:
Comments: While this component does not meet the criteria for reserve funding, our experience in preparing well over 10,000 reserve studies in the Pacific NW indicates that most communities would benefit from a review of the high-risk components within the individual units. High-risk components are those with a history of failure, often leading to significant damage of unit interiors and surrounding common area structural components. High-risk components include, but are not limited to water heaters, washer and dryer hookups, ice maker lines, plumbing angle stops, electrical panels, window and door waterproofing, etc. The Board of Directors is charged with a duty to set the standard of care in the community. Many governing documents and state law governing Common Interest Communities (RCW 64.90.440) provide guidance for those physical components that pose a heightened risk.

It is our strong recommendation that you factor the cost for a high-risk component review within an upcoming operating budget. Consult with an engineering firm specializing in such inspections and analysis. The cost for such a study may be in the range of $50 - $200 per unit, depending upon the complexity and scope of work. High-risk component review is not within the scope of our services.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 999 Reserve Study Update **Quantity: Annual update**
Location: Common and limited common areas
Funded?: No. Annual cost best handled as operating expense
History:
Comments: Not funded – no changes from previous reserve study.
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:
