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Sunland Division 7 Condo

Sequim, WA

CHRISTIAN COLUNGA
CAI-RS
00208
DESIGNATION
RESERVE SPECIALIST

Report #: 23127-10
Beginning: January 1, 2026
Expires: December 31, 2026

RESERVE STUDY

Update "With-Site-Visit"

March 28, 2025

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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Reserve Study Executive Summary — With-Site-Visit

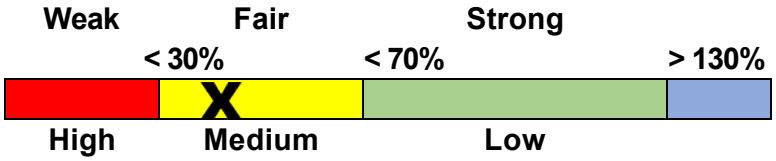
Sunland Division 7 Condo
Sequim, WA
Level of Service: **Update "With-Site-Visit"**

Report #: **23127-10**
# of Units: 63
January 1, 2026 through **December 31, 2026**

Findings & Recommendations — as of January 1, 2026

Starting Reserve Balance	**$360,455**
Current Fully Funded Reserve Balance	**$863,868**
Percent Funded	**41.7 %**
Average Reserve (Deficit) or Surplus Per Unit	**($7,991)**
Recommended 2026 100% Monthly "Full Funding" Reserve Transfers	**$6,580**
Recommended 2026 70% Monthly "Threshold Funding" Reserve Transfers	**$6,130**
2026 "Baseline Funding" minimum to keep Reserves above $0	**$5,300**
Most Recent Budgeted Reserve Transfer Rate	**$5,123**

Reserve Fund Strength: 41.7%



Risk of Special Assessment: High — Medium — Low

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	**1.00 %**
Annual Inflation Rate	**3.00 %**

• This is a Update "With-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™).

• Your Reserve Fund is currently 41.7 % Funded. This means the association's special assessment & deferred maintenance risk is currently Medium. 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. The current annual deterioration of your reserve components is $54,702 - see Component Significance table.

• Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Transfers to within the 70% to 100% range as noted above. The 100% "Full" and 70% transfer rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.

• 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 transfer 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.

***While siding repairs and replacements have been historically handled through the operating budget on an as needed basis, some of the buildings have or are approaching the 50 year milestone where exterior renovation projects are typically warranted. Our limited observations revealed signs of decay, which are likely to require replacement. At this time, we are recommending the Association engage with an expert vendor (see Component #995) to better determine exterior projects, including timing and costs based on a specific scope of work. If this evaluation is not completed by the next study update, we will include funding for exterior renovation projects for budgeting purposes; as if not planned for, these significant costs will likely pose a financial burden on the community.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Site & Grounds			
110	Asphalt - Partial Replace	10	8	$45,500
112	Asphalt - Repair/Sealcoat	5	3	$18,400
	Building Exteriors			
600	Comp Roof (126) - Replace	25	0	$74,200
601	Comp Roof (156) - Replace	25	0	$61,850
602	Comp Roof (125/133) - Replace	25	1	$128,700
602	Comp Roof (137/138/140) - Replace	25	2	$98,500
603	Comp Roof (142) - Replace	25	3	$65,550
605	Comp Roof (148) - Replace	25	4	$65,550
606	Comp Roof (143/145) - Replace	25	5	$34,200
608	Comp Roof (117) - Replace	25	17	$35,900
609	Comp Roof (119/121/134) - Replace	25	19	$117,400
610	Comp Roof (108) - Replace	25	21	$93,500
611	Comp Roof (116) - Replace	25	22	$96,500
612	Comp Roof (147/149) - Replace	25	23	$33,950
614	Tile Roofs - Replace	50	16	$387,000
	Systems & Evaluations			
995	Building Envelope & Structure	10	0	$25,000
16	**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 funding is not "for the future". Ongoing Reserve transfers are intended 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 With-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 performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

Which Physical Assets are Funded by Reserves?

There is a national-standard three-part test to determine which projects should appear in a Reserve Component List. First, it must be a common area maintenance obligation. Second, both the need and schedule of a component's project can be reasonably anticipated. Third, the project's total cost is material to the client, can be reasonably anticipated, and includes all direct and related costs. A project cost is commonly considered *material* if it is more than 0.5% to 1% of the total annual 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 natural disasters and/or insurable events), and expenses more appropriately handled from the Operational budget.

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 transfer to Reserves?

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 rate of ongoing Reserve transfers is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve transfers 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 Board members to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Board members invite liability exposure when Reserve transfers 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, recommended Reserve transfers for Baseline Funding average only 10% to 15% less than Full Funding recommendations. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 3/21/2025, we visually inspected all visible common areas, while compiling a photographic inventory, noting: general exterior observations, make & model information where appropriate, apparent levels of care and maintenance, exposure to weather elements and other factors that may affect the components useful life.

The below images illustrate observations of chipping and failed paint, some exteriors showed signs of wood decay.

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.

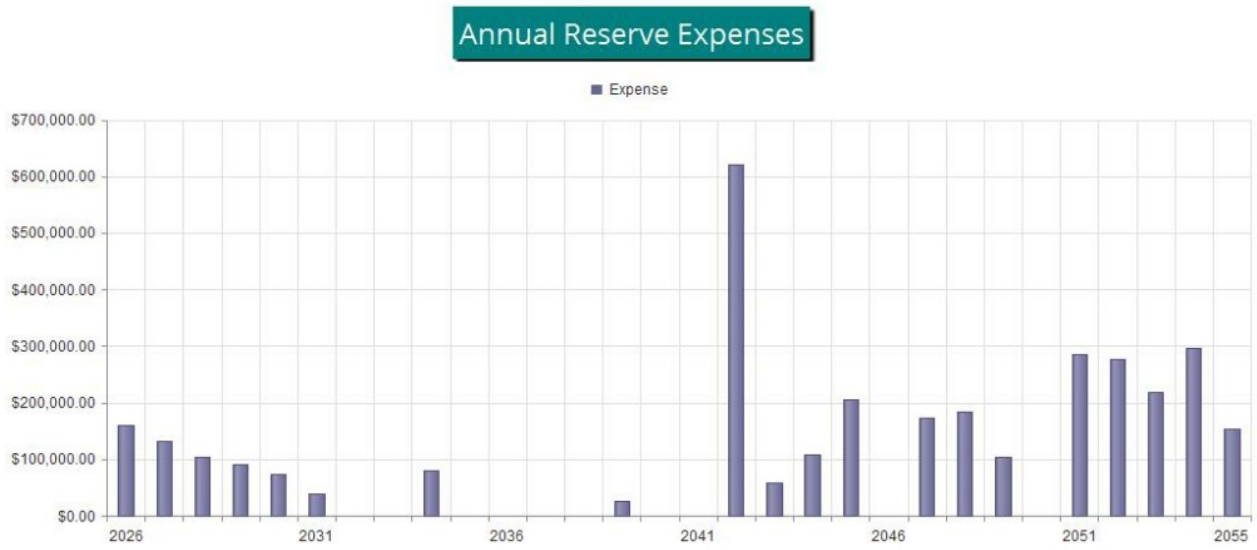


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $360,455 as-of the start of your Fiscal Year on 1/1/2026. As of that date, your Fully Funded Balance is computed to be $863,868 (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 transfers of $6,580 per month 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.

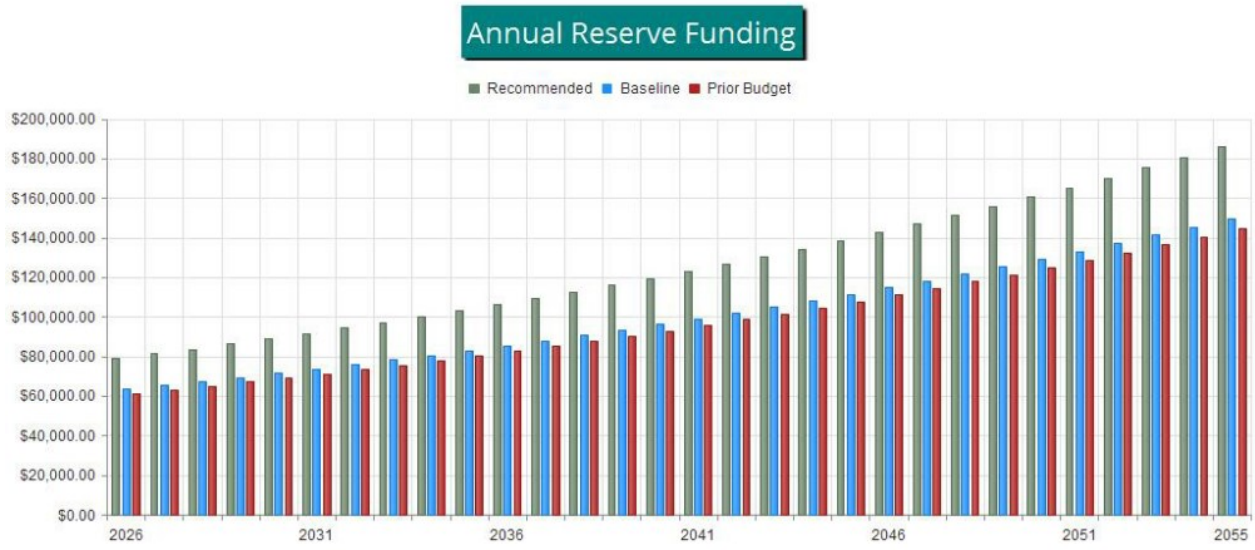


Figure 2

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

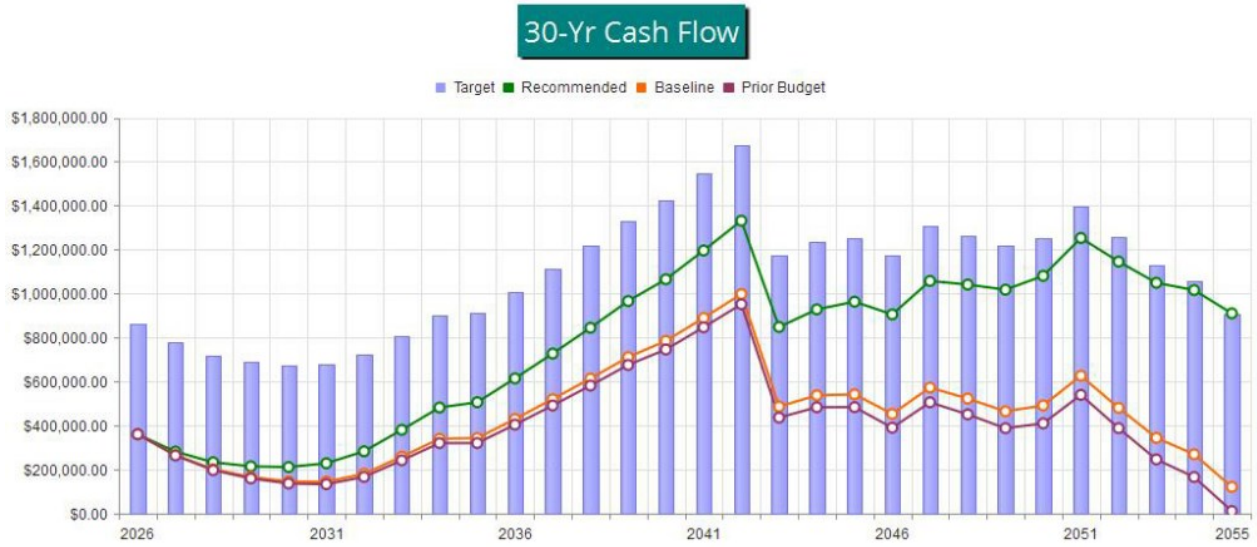


Figure 3

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.

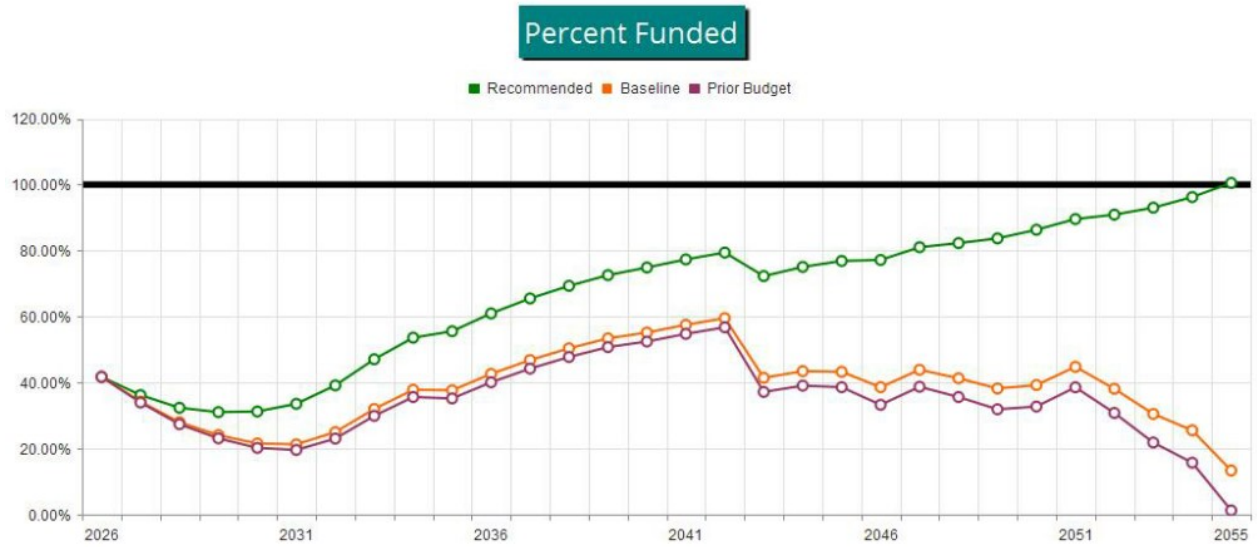


Figure 4

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 specific proportion related 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 funding requirements. 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	Worst Case
	Site & Grounds					
110	Asphalt - Partial Replace	~ 45,600 SF	10	8	$34,000	$57,000
112	Asphalt - Repair/Sealcoat	~ 45,600 SF	5	3	$15,600	$21,200
	Building Exteriors					
600	Comp Roof (126) - Replace	~ 10,100 SF	25	0	$70,400	$78,000
601	Comp Roof (156) - Replace	~ 9,200 SF	25	0	$48,700	$75,000
602	Comp Roof (125/133) - Replace	~ 17,000 SF	25	1	$97,400	$160,000
602	Comp Roof (137/138/140) - Replace	~ 15,200 SF	25	2	$77,000	$120,000
603	Comp Roof (142) - Replace	~ 9,200 SF	25	3	$48,700	$82,400
605	Comp Roof (148) - Replace	~ 9,400 SF	25	4	$48,700	$82,400
606	Comp Roof (143/145) - Replace	~ 5,000 SF	25	5	$28,400	$40,000
608	Comp Roof (117) - Replace	~ 7,000 SF	25	17	$30,500	$41,300
609	Comp Roof (119/121/134) - Replace	~ 21,800 SF	25	19	$99,800	$135,000
610	Comp Roof (108) - Replace	~ 9,700 SF	25	21	$79,500	$107,500
611	Comp Roof (116) - Replace	~ 10,300 SF	25	22	$82,000	$111,000
612	Comp Roof (147/149) - Replace	~ 4,600 SF	25	23	$28,900	$39,000
614	Tile Roofs - Replace	~ 21,500 SF	50	16	$329,000	$445,000
	Systems & Evaluations					
995	Building Envelope & Structure	Inspection & report	10	0	$20,000	$30,000
16	Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Site & Grounds							
110	Asphalt - Partial Replace	$45,500	X	2	/	10	=	$9,100
112	Asphalt - Repair/Sealcoat	$18,400	X	2	/	5	=	$7,360
	Building Exteriors							
600	Comp Roof (126) - Replace	$74,200	X	25	/	25	=	$74,200
601	Comp Roof (156) - Replace	$61,850	X	25	/	25	=	$61,850
602	Comp Roof (125/133) - Replace	$128,700	X	24	/	25	=	$123,552
602	Comp Roof (137/138/140) - Replace	$98,500	X	23	/	25	=	$90,620
603	Comp Roof (142) - Replace	$65,550	X	22	/	25	=	$57,684
605	Comp Roof (148) - Replace	$65,550	X	21	/	25	=	$55,062
606	Comp Roof (143/145) - Replace	$34,200	X	20	/	25	=	$27,360
608	Comp Roof (117) - Replace	$35,900	X	8	/	25	=	$11,488
609	Comp Roof (119/121/134) - Replace	$117,400	X	6	/	25	=	$28,176
610	Comp Roof (108) - Replace	$93,500	X	4	/	25	=	$14,960
611	Comp Roof (116) - Replace	$96,500	X	3	/	25	=	$11,580
612	Comp Roof (147/149) - Replace	$33,950	X	2	/	25	=	$2,716
614	Tile Roofs - Replace	$387,000	X	34	/	50	=	$263,160
	Systems & Evaluations							
995	Building Envelope & Structure	$25,000	X	10	/	10	=	$25,000
								$863,868

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Site & Grounds				
110	Asphalt - Partial Replace	10	$45,500	$4,550	8.32 %
112	Asphalt - Repair/Sealcoat	5	$18,400	$3,680	6.73 %
	Building Exteriors				
600	Comp Roof (126) - Replace	25	$74,200	$2,968	5.43 %
601	Comp Roof (156) - Replace	25	$61,850	$2,474	4.52 %
602	Comp Roof (125/133) - Replace	25	$128,700	$5,148	9.41 %
602	Comp Roof (137/138/140) - Replace	25	$98,500	$3,940	7.20 %
603	Comp Roof (142) - Replace	25	$65,550	$2,622	4.79 %
605	Comp Roof (148) - Replace	25	$65,550	$2,622	4.79 %
606	Comp Roof (143/145) - Replace	25	$34,200	$1,368	2.50 %
608	Comp Roof (117) - Replace	25	$35,900	$1,436	2.63 %
609	Comp Roof (119/121/134) - Replace	25	$117,400	$4,696	8.58 %
610	Comp Roof (108) - Replace	25	$93,500	$3,740	6.84 %
611	Comp Roof (116) - Replace	25	$96,500	$3,860	7.06 %
612	Comp Roof (147/149) - Replace	25	$33,950	$1,358	2.48 %
614	Tile Roofs - Replace	50	$387,000	$7,740	14.15 %
	Systems & Evaluations				
995	Building Envelope & Structure	10	$25,000	$2,500	4.57 %
16	Total Funded Components			$54,702	100.00 %

30-Year Reserve Plan Summary

Report # 23127-10
With-Site-Visit

Fiscal Year Start: 2026 | Net After Tax Interest: 1.00 % | Avg 30-Yr 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
2026	$360,455	$863,868	41.7 %		Medium	28.45 %	$78,960	$0	$3,209	$161,050
2027	$281,573	$777,671	36.2 %		Medium	3.00 %	$81,329	$0	$2,571	$132,561
2028	$232,912	$719,844	32.4 %		Medium	3.00 %	$83,769	$0	$2,236	$104,499
2029	$214,418	$690,848	31.0 %		Medium	3.00 %	$86,282	$0	$2,127	$91,734
2030	$211,092	$675,841	31.2 %		Medium	3.00 %	$88,870	$0	$2,196	$73,777
2031	$228,382	$680,642	33.6 %		Medium	3.00 %	$91,536	$0	$2,555	$39,647
2032	$282,826	$722,557	39.1 %		Medium	3.00 %	$94,282	$0	$3,315	$0
2033	$380,423	$808,435	47.1 %		Medium	3.00 %	$97,111	$0	$4,309	$0
2034	$481,843	$898,816	53.6 %		Medium	3.00 %	$100,024	$0	$4,936	$80,947
2035	$505,857	$910,518	55.6 %		Medium	3.00 %	$103,025	$0	$5,599	$0
2036	$614,481	$1,007,988	61.0 %		Medium	3.00 %	$106,116	$0	$6,706	$0
2037	$727,303	$1,110,488	65.5 %		Medium	3.00 %	$109,299	$0	$7,855	$0
2038	$844,458	$1,218,230	69.3 %		Medium	3.00 %	$112,578	$0	$9,049	$0
2039	$966,085	$1,331,437	72.6 %		Low	3.00 %	$115,955	$0	$10,152	$27,021
2040	$1,065,171	$1,422,509	74.9 %		Low	3.00 %	$119,434	$0	$11,301	$0
2041	$1,195,906	$1,546,513	77.3 %		Low	3.00 %	$123,017	$0	$12,632	$0
2042	$1,331,555	$1,676,678	79.4 %		Low	3.00 %	$126,708	$0	$10,894	$621,021
2043	$848,135	$1,173,608	72.3 %		Low	3.00 %	$130,509	$0	$8,878	$59,337
2044	$928,184	$1,236,569	75.1 %		Low	3.00 %	$134,424	$0	$9,453	$108,785
2045	$963,276	$1,253,154	76.9 %		Low	3.00 %	$138,457	$0	$9,338	$205,862
2046	$905,210	$1,172,993	77.2 %		Low	3.00 %	$142,611	$0	$9,810	$0
2047	$1,057,630	$1,305,294	81.0 %		Low	3.00 %	$146,889	$0	$10,489	$173,938
2048	$1,041,071	$1,265,322	82.3 %		Low	3.00 %	$151,296	$0	$10,290	$184,904
2049	$1,017,752	$1,215,856	83.7 %		Low	3.00 %	$155,834	$0	$10,488	$103,317
2050	$1,080,757	$1,252,030	86.3 %		Low	3.00 %	$160,509	$0	$11,663	$0
2051	$1,252,930	$1,398,891	89.6 %		Low	3.00 %	$165,325	$0	$11,986	$284,858
2052	$1,145,383	$1,260,032	90.9 %		Low	3.00 %	$170,284	$0	$10,968	$277,553
2053	$1,049,082	$1,127,908	93.0 %		Low	3.00 %	$175,393	$0	$10,321	$218,797
2054	$1,015,999	$1,055,819	96.2 %		Low	3.00 %	$180,655	$0	$9,626	$296,172
2055	$910,108	$905,454	100.5 %		Low	3.00 %	$186,074	$0	$9,302	$154,473

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 23127-10
With-Site-Visit

Fiscal Year Start: 2026	Net After Tax Interest: 1.00 %	Avg 30-Yr 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
2026	$360,455	$863,868	41.7 %	Medium	3.47 %	$63,600	$0	$3,132	$161,050
2027	$266,136	$777,671	34.2 %	Medium	3.00 %	$65,508	$0	$2,337	$132,561
2028	$201,420	$719,844	28.0 %	High	3.00 %	$67,473	$0	$1,837	$104,499
2029	$166,232	$690,848	24.1 %	High	3.00 %	$69,497	$0	$1,558	$91,734
2030	$145,553	$675,841	21.5 %	High	3.00 %	$71,582	$0	$1,451	$73,777
2031	$144,810	$680,642	21.3 %	High	3.00 %	$73,730	$0	$1,626	$39,647
2032	$180,518	$722,557	25.0 %	High	3.00 %	$75,942	$0	$2,195	$0
2033	$258,655	$808,435	32.0 %	Medium	3.00 %	$78,220	$0	$2,991	$0
2034	$339,866	$898,816	37.8 %	Medium	3.00 %	$80,567	$0	$3,412	$80,947
2035	$342,899	$910,518	37.7 %	Medium	3.00 %	$82,984	$0	$3,862	$0
2036	$429,744	$1,007,988	42.6 %	Medium	3.00 %	$85,473	$0	$4,747	$0
2037	$519,963	$1,110,488	46.8 %	Medium	3.00 %	$88,037	$0	$5,666	$0
2038	$613,666	$1,218,230	50.4 %	Medium	3.00 %	$90,678	$0	$6,620	$0
2039	$710,965	$1,331,437	53.4 %	Medium	3.00 %	$93,399	$0	$7,476	$27,021
2040	$784,819	$1,422,509	55.2 %	Medium	3.00 %	$96,201	$0	$8,367	$0
2041	$889,387	$1,546,513	57.5 %	Medium	3.00 %	$99,087	$0	$9,432	$0
2042	$997,906	$1,676,678	59.5 %	Medium	3.00 %	$102,059	$0	$7,418	$621,021
2043	$486,362	$1,173,608	41.4 %	Medium	3.00 %	$105,121	$0	$5,116	$59,337
2044	$537,262	$1,236,569	43.4 %	Medium	3.00 %	$108,275	$0	$5,395	$108,785
2045	$542,146	$1,253,154	43.3 %	Medium	3.00 %	$111,523	$0	$4,973	$205,862
2046	$452,780	$1,172,993	38.6 %	Medium	3.00 %	$114,869	$0	$5,126	$0
2047	$572,774	$1,305,294	43.9 %	Medium	3.00 %	$118,315	$0	$5,475	$173,938
2048	$522,626	$1,265,322	41.3 %	Medium	3.00 %	$121,864	$0	$4,934	$184,904
2049	$464,520	$1,215,856	38.2 %	Medium	3.00 %	$125,520	$0	$4,778	$103,317
2050	$491,501	$1,252,030	39.3 %	Medium	3.00 %	$129,286	$0	$5,587	$0
2051	$626,373	$1,398,891	44.8 %	Medium	3.00 %	$133,164	$0	$5,531	$284,858
2052	$480,210	$1,260,032	38.1 %	Medium	3.00 %	$137,159	$0	$4,119	$277,553
2053	$343,935	$1,127,908	30.5 %	Medium	3.00 %	$141,274	$0	$3,066	$218,797
2054	$269,477	$1,055,819	25.5 %	High	3.00 %	$145,512	$0	$1,950	$296,172
2055	$120,768	$905,454	13.3 %	High	3.00 %	$149,878	$0	$1,190	$154,473

	Fiscal Year	2026	2027	2028	2029	2030
	Starting Reserve Balance	$360,455	$281,573	$232,912	$214,418	$211,092
	Annual Reserve Funding	$78,960	$81,329	$83,769	$86,282	$88,870
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,209	$2,571	$2,236	$2,127	$2,196
	Total Income	$442,623	$365,473	$318,917	$302,826	$302,159
#	Component					
	Site & Grounds					
110	Asphalt - Partial Replace	$0	$0	$0	$0	$0
112	Asphalt - Repair/Sealcoat	$0	$0	$0	$20,106	$0
	Building Exteriors					
600	Comp Roof (126) - Replace	$74,200	$0	$0	$0	$0
601	Comp Roof (156) - Replace	$61,850	$0	$0	$0	$0
602	Comp Roof (125/133) - Replace	$0	$132,561	$0	$0	$0
602	Comp Roof (137/138/140) - Replace	$0	$0	$104,499	$0	$0
603	Comp Roof (142) - Replace	$0	$0	$0	$71,628	$0
605	Comp Roof (148) - Replace	$0	$0	$0	$0	$73,777
606	Comp Roof (143/145) - Replace	$0	$0	$0	$0	$0
608	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
611	Comp Roof (116) - Replace	$0	$0	$0	$0	$0
612	Comp Roof (147/149) - Replace	$0	$0	$0	$0	$0
614	Tile Roofs - Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
995	Building Envelope & Structure	$25,000	$0	$0	$0	$0
	Total Expenses	$161,050	$132,561	$104,499	$91,734	$73,777
	Ending Reserve Balance	$281,573	$232,912	$214,418	$211,092	$228,382

	Fiscal Year	2031	2032	2033	2034	2035
	Starting Reserve Balance	$228,382	$282,826	$380,423	$481,843	$505,857
	Annual Reserve Funding	$91,536	$94,282	$97,111	$100,024	$103,025
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,555	$3,315	$4,309	$4,936	$5,599
	Total Income	$322,473	$380,423	$481,843	$586,804	$614,481
#	Component					
	Site & Grounds					
110	Asphalt - Partial Replace	$0	$0	$0	$57,638	$0
112	Asphalt - Repair/Sealcoat	$0	$0	$0	$23,309	$0
	Building Exteriors					
600	Comp Roof (126) - Replace	$0	$0	$0	$0	$0
601	Comp Roof (156) - Replace	$0	$0	$0	$0	$0
602	Comp Roof (125/133) - Replace	$0	$0	$0	$0	$0
602	Comp Roof (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) - Replace	$39,647	$0	$0	$0	$0
608	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
611	Comp Roof (116) - Replace	$0	$0	$0	$0	$0
612	Comp Roof (147/149) - Replace	$0	$0	$0	$0	$0
614	Tile Roofs - Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
995	Building Envelope & Structure	$0	$0	$0	$0	$0
	Total Expenses	$39,647	$0	$0	$80,947	$0
	Ending Reserve Balance	$282,826	$380,423	$481,843	$505,857	$614,481

	Fiscal Year	2036	2037	2038	2039	2040
	Starting Reserve Balance	$614,481	$727,303	$844,458	$966,085	$1,065,171
	Annual Reserve Funding	$106,116	$109,299	$112,578	$115,955	$119,434
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$6,706	$7,855	$9,049	$10,152	$11,301
	Total Income	$727,303	$844,458	$966,085	$1,092,192	$1,195,906
#	Component					
	Site & Grounds					
110	Asphalt - Partial Replace	$0	$0	$0	$0	$0
112	Asphalt - Repair/Sealcoat	$0	$0	$0	$27,021	$0
	Building Exteriors					
600	Comp Roof (126) - Replace	$0	$0	$0	$0	$0
601	Comp Roof (156) - Replace	$0	$0	$0	$0	$0
602	Comp Roof (125/133) - Replace	$0	$0	$0	$0	$0
602	Comp Roof (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) - Replace	$0	$0	$0	$0	$0
608	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
611	Comp Roof (116) - Replace	$0	$0	$0	$0	$0
612	Comp Roof (147/149) - Replace	$0	$0	$0	$0	$0
614	Tile Roofs - Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
995	Building Envelope & Structure	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$27,021	$0
	Ending Reserve Balance	$727,303	$844,458	$966,085	$1,065,171	$1,195,906

	Fiscal Year	2041	2042	2043	2044	2045
	Starting Reserve Balance	$1,195,906	$1,331,555	$848,135	$928,184	$963,276
	Annual Reserve Funding	$123,017	$126,708	$130,509	$134,424	$138,457
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$12,632	$10,894	$8,878	$9,453	$9,338
	Total Income	$1,331,555	$1,469,156	$987,521	$1,072,062	$1,111,071
#	Component					
	Site & Grounds					
110	Asphalt - Partial Replace	$0	$0	$0	$77,461	$0
112	Asphalt - Repair/Sealcoat	$0	$0	$0	$31,325	$0
	Building Exteriors					
600	Comp Roof (126) - Replace	$0	$0	$0	$0	$0
601	Comp Roof (156) - Replace	$0	$0	$0	$0	$0
602	Comp Roof (125/133) - Replace	$0	$0	$0	$0	$0
602	Comp Roof (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) - Replace	$0	$0	$0	$0	$0
608	Comp Roof (117) - Replace	$0	$0	$59,337	$0	$0
609	Comp Roof (119/121/134) - Replace	$0	$0	$0	$0	$205,862
610	Comp Roof (108) - Replace	$0	$0	$0	$0	$0
611	Comp Roof (116) - Replace	$0	$0	$0	$0	$0
612	Comp Roof (147/149) - Replace	$0	$0	$0	$0	$0
614	Tile Roofs - Replace	$0	$621,021	$0	$0	$0
	Systems & Evaluations					
995	Building Envelope & Structure	$0	$0	$0	$0	$0
	Total Expenses	$0	$621,021	$59,337	$108,785	$205,862
	Ending Reserve Balance	$1,331,555	$848,135	$928,184	$963,276	$905,210

	Fiscal Year	2046	2047	2048	2049	2050
	Starting Reserve Balance	$905,210	$1,057,630	$1,041,071	$1,017,752	$1,080,757
	Annual Reserve Funding	$142,611	$146,889	$151,296	$155,834	$160,509
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$9,810	$10,489	$10,290	$10,488	$11,663
	Total Income	$1,057,630	$1,215,008	$1,202,656	$1,184,074	$1,252,930
#	Component					
	Site & Grounds					
110	Asphalt - Partial Replace	$0	$0	$0	$0	$0
112	Asphalt - Repair/Sealcoat	$0	$0	$0	$36,314	$0
	Building Exteriors					
600	Comp Roof (126) - Replace	$0	$0	$0	$0	$0
601	Comp Roof (156) - Replace	$0	$0	$0	$0	$0
602	Comp Roof (125/133) - Replace	$0	$0	$0	$0	$0
602	Comp Roof (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) - Replace	$0	$0	$0	$0	$0
608	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	$173,938	$0	$0	$0
611	Comp Roof (116) - Replace	$0	$0	$184,904	$0	$0
612	Comp Roof (147/149) - Replace	$0	$0	$0	$67,003	$0
614	Tile Roofs - Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
995	Building Envelope & Structure	$0	$0	$0	$0	$0
	Total Expenses	$0	$173,938	$184,904	$103,317	$0
	Ending Reserve Balance	$1,057,630	$1,041,071	$1,017,752	$1,080,757	$1,252,930

	Fiscal Year	2051	2052	2053	2054	2055
	Starting Reserve Balance	$1,252,930	$1,145,383	$1,049,082	$1,015,999	$910,108
	Annual Reserve Funding	$165,325	$170,284	$175,393	$180,655	$186,074
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$11,986	$10,968	$10,321	$9,626	$9,302
	Total Income	$1,430,241	$1,326,635	$1,234,796	$1,206,280	$1,105,484
#	Component					
	Site & Grounds					
110	Asphalt - Partial Replace	$0	$0	$0	$104,101	$0
112	Asphalt - Repair/Sealcoat	$0	$0	$0	$42,098	$0
	Building Exteriors					
600	Comp Roof (126) - Replace	$155,358	$0	$0	$0	$0
601	Comp Roof (156) - Replace	$129,500	$0	$0	$0	$0
602	Comp Roof (125/133) - Replace	$0	$277,553	$0	$0	$0
602	Comp Roof (137/138/140) - Replace	$0	$0	$218,797	$0	$0
603	Comp Roof (142) - Replace	$0	$0	$0	$149,974	$0
605	Comp Roof (148) - Replace	$0	$0	$0	$0	$154,473
606	Comp Roof (143/145) - Replace	$0	$0	$0	$0	$0
608	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
611	Comp Roof (116) - Replace	$0	$0	$0	$0	$0
612	Comp Roof (147/149) - Replace	$0	$0	$0	$0	$0
614	Tile Roofs - Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
995	Building Envelope & Structure	$0	$0	$0	$0	$0
	Total Expenses	$284,858	$277,553	$218,797	$296,172	$154,473
	Ending Reserve Balance	$1,145,383	$1,049,082	$1,015,999	$910,108	$951,011

Accuracy, Limitations, and Disclosures

"This 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 the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement." 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) The project is the Association's present obligation. 2) The need and schedule of a project can be reasonably anticipated. 3) The total cost of the project is material, can be estimated and includes all direct & related costs. 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.

Comp #: 103 Concrete - Repair/Replace **Quantity: Walkways/Patios/Pads**
Location: Adjacent to buildings
Funded?: No. Historically handled through the operating budget
History: 2024 $2,755; 2021 ~$11,400, driveway repairs; 2016-2018 ~$27,000, mostly driveways; 2005-2015 ~$50,000, driveways
Comments: Some cracking was noted. Per our board contact, these projects have been related to replacement and repairs of unit driveways, which may have included adding rebar to improve these installations. Our board contact reported unit decks which are located at the ground level have been transitioned to concrete patios and similar installations are anticipated to be converted as well.

Historically these projects have been handled through the operating budget. We assume this practice will continue; therefore, reserve funding is not warranted. Reserve funding may be included upon request.

The annual repair needs below the reserves funding threshold (1% or more of total annual expenses), and should be factored into the operating budget. In our experience, as the community ages larger repair/replacement expenses may emerge that cannot be comfortably absorbed into the operating budget. Currently, it is difficult to predict the timing, scope, and costs of larger repairs. Monitor the concrete annually and if conditions deteriorate leading to larger repair needs, funding can be included within a reserve study update.

As routine maintenance, inspect regularly and pressure wash for appearance. Repair any trip hazards (1/2” difference in height) immediately to ensure safety. Repair promptly, as needed, to prevent water penetrating into the base, which can cause further damage. Factors affecting the quality and service life of the concrete include the preparation of the underlying soil and drainage, thickness and strength of the concrete used, steel reinforcement (none likely), amount and weight of vehicle traffic, and tree roots.

Resources:
https://mrsc.org/explore-topics/public-works/streets,-road-and-sidewalks/sidewalk-construction-maintenance-and-repair
https://www.sakrete.com/blog/post/5-key-considerations-for-small-concrete-repairs/
http://www.concretenetwork.com/cold-weather-concrete/weather.html

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 110 Asphalt - Partial Replace **Quantity: ~ 45,600 SF**
Location: Asphalt drivelanes, parking within community
Funded?: Yes.
History: 1998, resurfaced
Comments: Some cracking and general raveling were noted.

We have factored the below allowances based on the assumption partial replacements are warranted based on recent project history. These projects are intended to align with similar sealcoat projects and accomplish larger repair needs. These allowances should be considered placeholder amounts until specific vendor estimates are developed.

The useful life below assumes regular repairs and seal coating (see component #121). The lack of repairs and seal coating can greatly decrease the asphalt's useful life. Resurfacing is typically one of the larger expense items in a reserve study. When the need to resurface is becoming apparent, consult with a geotechnical engineer for recommendations, specifications/scope of work, and project oversight.

As routine maintenance, keep surfaces clean and free of debris, ensure that drains are free flowing, repair cracks, and clean oil stains promptly. Assuming proactive maintenance, plan to resurface at roughly the time frame below.

Resources:
Pavement Surface Condition Field Rating Manual for Asphalt Pavement:
https://www.wsdot.wa.gov/publications/manuals/fulltext/m0000/AsphaltPavements.pdf
Washington Asphalt Pavement Association: http://www.asphaltwa.com/

Useful Life:
10 years

Remaining Life:
8 years

Best Case: $ 34,000 **Worst Case:** $ 57,000

Cost Source: Budget Allowance

Comp #: 112 Asphalt - Repair/Sealcoat **Quantity: ~ 45,600 SF**
Location: Asphalt drivelanes, parking within community
Funded?: Yes.
History: 2024 ~$17,321; 2023 ~$3,300, crack fill; 2022 ~$5,900 repairs
Comments: Some cracking and general raveling were noted.

The State of Washington Department of Transportation (WSDOT) recommends regular cycles of seal coating, along with needed repairs, for the long-term care of asphalt paving with low traffic and low speed to extend the useful life. The primary reason to seal coat asphalt pavement is to protect the pavement from the deteriorating effects of sun and water. When asphalt pavement is exposed, the asphalt oxidizes or hardens, and this causes the pavement to become increasingly brittle. As a result, the pavement will become more likely to crack, as it is unable to bend and flex when subjected to traffic (weight) and temperature changes (thermal expansion and contraction). A seal coat combats this situation by providing a waterproof membrane, which not only slows down the oxidation process, but also helps the pavement shed water. Seal coating also provides uniform appearance, and conceals the inevitable patching and repairs which accumulate over time, ultimately extending the useful life of asphalt before more costly resurfacing is needed (see component #120).

Repairing asphalt before seal coating is imperative. Surface preparation and dry weather during and following application is key to lasting performance.

Resources:
Asphalt Pavement Maintenance Best Practices Handbook: http://www.cee.mtu.edu/~balkire/CE5403/AsphaltPaveMaint.pdf
Asphalt Seal Coat Treatments General Overview: https://www.wsdot.wa.gov/research/reports/fullreports/136.1.pdf
Other: http://www.pavementinteractive.org/article/bituminous-surface-treatments/

Useful Life:
5 years

Remaining Life:
3 years

Best Case: $ 15,600 **Worst Case:** $ 21,200

Cost Source: Inflated Client Cost History

Comp #: 132 Guard Rail - Replace **Quantity: ~ (30) LF / Wood**
Location: Adjacent to West perimeter, terminus asphalt drive
Funded?: No. Cost projected to be too small for reserve funding
History: None known
Comments: No obvious damage was noted.

The projected costs for replacements are below typical reserve funding thresholds. Best to handle replacements through the operating budget on an as needed basis.

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. Historically handled through the operating budget
History: 2024 $6,133; 2022 ~$26,400; 2021 ~$14,300; 2016-2018 ~$52,600
Comments: These installations, which are mostly wood fences with some brick walls/columns and metal fencing are located between units. Gates incorporated into these installations are reportedly unit owner responsibility.

Historically these projects have been handled through the operating budget. We assume this practice will continue; therefore, reserve funding is not warranted. Reserve funding may be included upon request.

As routine maintenance, inspect regularly for any damage, and repair as needed. Avoid unnecessary contact with the ground, sprinkler patterns, and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance. Painting or staining the fence has a higher overall life cycle cost, but may extend life in addition to an aesthetic benefit.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 160 Pole Lights - Replace **Quantity: (4) Assemblies**
Location: Along the community roadways.
Funded?: No. No predictable large scale replacement projected
History: None known
Comments: The pole lights were observed during daylight hours and are assumed to be functional. No problems were reported. These installations include (3) fixtures affixed to wood pole and (1) 5' metal pole.

No predictable large scale replacement projected at this time. Best to handle replacements through the operating budget on an as needed basis. Reserve funding may be included upon request.

As routine maintenance, inspect, repair, and change bulbs as needed. Where possible, take precautions to limit damage from landscaping equipment.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 170 Landscape - Maintain/Refurbish **Quantity: Turf, shrubs, etc.**
Location: Throughout the community.
Funded?: No. Historically handled through the operating budget
History: 2025 ~$40,000
Comments: The landscape appeared to be generally healthy. PM - note field observations

Landscape maintenance is currently funded through the operating budget. As associations age, many find the need or desire for large-scale refurbishment projects not covered within the maintenance contract, and they allocate funds within reserves. These types of projects can include bed renovations, major replanting, large-scale bark or mulch replacements, turf renovations, drainage improvements, irrigation system extensions/replacement, etc.

Walk the landscaped areas each year with the community's landscape contractor, and perhaps a landscape architect, to assess the overall health, function, and future needs of maintenance and refurbish to determine if supplemental reserves funding should be planned.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 171 Trees - Trim/Remove & Replace **Quantity: Assorted / Mature**
Location: Throughout the community.
Funded?: No. Historically handled through the operating budget
History: 2022 ~$3,000; 2016-2018 ~$17,900
Comments: There were no specific problems with the trees observed or reported at this time. The community trees are generally mature. Some are close to buildings and drives.

This component may be utilized for larger tree removal/trimming projects which do not occur on an annual basis. If the community has not already done so, consult with a qualified arborist to assess the current plantings and to prepare a long term plan for the care and management of the community's trees, balancing aesthetics with the protection of the association's assets. Tree roots can be damaging to walkways, irrigation, underground utilities, and building structures. Track actual expenses, and adjust accordingly in reserve study updates.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 173 Irrigation System - Replace **Quantity: Heads, lines, timers, etc**
Location: Throughout the community.
Funded?: No. Historically handled through the operating budget
History: 2016 ~$13,400
Comments: Our visual observation of the irrigation system was limited, as the majority of the components are below grade. There were no reports of repairs or problems. At the time of this study, no information (plans and/or specifications) was provided to us regarding the extent of the irrigation system.

Historically these projects have been handled through the operating budget. We assume this practice will continue; therefore, reserve funding is not warranted. Reserve funding may be included upon request.

Have your landscaper or irrigation specialist periodically unearth sections to check lines for any damage or deterioration. PVC can eventually become brittle and leak (typically not before the 40 year mark of life).

As routine maintenance, inspect, test, and repair the system, as needed, as part of the operating budget. Follow proper winterization and spring startup procedures. If properly installed and bedded without defect, the lines could last for many years. Controls for the system can vary greatly in number, cost, and life expectancy - typically each controller is less than $500. Other elements (i.e. sprinkler heads, valves) within this system are generally lower cost, and have a failure rate that is difficult to predict. These elements are better suited to be handled with operating funds, not reserves.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 180 Drainage & Stormwater - Maintain **Quantity: Catchbasins, drains, etc.**
Location: Throughout the community.
Funded?: No. Historically handled through the operating budget
History: 2024 ~$7,573; 2021 ~$6,000, drainage improvements
Comments: An analysis of the drainage system is beyond the scope of a reserve study, as the vast majority of the drainage system is located below ground. Our observations were very limited to catch basin areas. No problems were observed or reported to us.

Historically these projects have been handled through the operating budget. We assume this practice will continue; therefore, reserve funding is not warranted. Reserve funding may be included upon request.

Local repairs should be performed as part of general maintenance. If problems become known from a professional evaluation, funding can be included in future reserve studies.

As routine maintenance, inspect regularly, and keep drains/grates free of debris to ensure water drains as intended. Maintenance schedules on stormwater systems depend on the condition of the system itself, and the amount of sediment and debris moving around on site. Stormwater inspections usually consist of inspecting the catch basins and manholes, and ensuring vaults and control structures are properly functioning. Evaluation of the drainage system can include the visual review of the interior drain lines with the use of a miniature remote camera. Clean out the drain lines and basins as often as needed in order to prevent decreased drainage capacity. Repair as needed. The responsibility of keeping the stormwater system in good working order falls on the association.

Resource:
Municipal Research and Services Center - Washington State Stormwater Manuals
https://mrsc.org/explore-topics/environment/water-topics/storm-and-surface-water-drainage-utilities

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 191 Common Signage – Replace **Quantity: (5) Wood or Metal**
Location: Adjacent to community street
Funded?: No. Cost projected to be too small for reserve funding
History: None known
Comments: No obvious damage noted.

The projected costs are below typical reserve funding thresholds. Best to handle replacements through the operating budget on an as needed basis.

As routine maintenance, inspect regularly, clean, and touch up for appearance. Repair with operating funds.

Useful Life:

Remaining Life:

No Photo Available

Best Case: **Worst Case:**

Cost Source:

Comp #: 196 Mailboxes/Kiosks - Replace **Quantity: (67) boxes & (21) kiosks**
Location: Along the community roadways.
Funded?: No. Reportedly the responsibility of Unit Owner(s), not the Association
History: None known
Comments: No obvious damage was noted.

Reportedly these installations are the responsibility of the Unit Owner(s), not the Association; therefore, resreve funding is not warranted.

Inspect regularly, clean, and repair promptly utilizing operating funds. Paint and roof the kiosks simultaneously as the buildings.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 523 Wood Siding - Exterior Renovation **Quantity: Extensive SF**
Location: The exterior walls, underlying waterproofing components, and structural components.
Funded?: No. Historically handled through the operating budget
History: 2021 ~$16,700
Comments: The wood siding is horizontal clapboard or paneling, and the surface is painted (see component #533 for exterior painting). No view of the critical underlying waterproofing was available as part of our limited visual review. Some obvious decay was noted at exterior boards.

Historically projects related to repair and/or partial replacements have been handled through the operating budget. As the costs related to larger replacements (such as exterior renovations) are significant, it is likely these projects cannot be comfortably absorbed into the operating budget. We strongly recommend planning for these projects well in advance. Specific timing should be determined by an expert vendor. We strongly recommend engaging with a building envelope expert to assist with planning these projects based on the actual condition of the exterior and underlying elements. Reserve funding will be revisited during the next study update.

Replacement may ultimately be needed due to the failure of the underlying waterproofing degrading over the decades, and/or the end of the useful life of the siding materials from general aging. Many factors influence the useful life, including exposure to (or protection from) wind driven rain, and the quality of the waterproofing and flashing beneath the siding. Evaluate the siding and the critical underlying waterproofing (typically building paper or house-wrap) more frequently as the remaining useful life approaches zero years. Adjust the remaining useful life as dictated by the evaluation. When practical, align siding replacement with window replacement for cost efficiencies and building envelope integrity. Inspect annually, and repair locally, as needed, using general operating maintenance funds. Keep the wood siding painted to protect it from water decay - see component #533.

Another item that greatly influences the useful life is the thoroughness of the original painting. Wood siding will last longer if each piece was painted on all six sides. Typically, wood siding is painted on the two sides that are exposed, and not on the back, ends, or top. Since we perform only a visual review, we were unable to confirm the extent of the painting. It is reasonable to presume that not all six sides are painted. If the siding is not painted on all sides, water can infiltrate, and be absorbed into the wood on the unpainted sides, which over time will lead to cupping, warping, and decay, limiting its useful life.

Note: Rehabilitative construction projects with associated costs equal to or greater than 5% of the assessed value of the units must comply with the requirements of RCW 64.55 http://app.leg.wa.gov/rcw/default.aspx?cite=64.55. These requirements include building enclosure design documents with waterproofing details by an architect or engineer, and independent oversight during construction to verify compliance with those details.

Project costs can vary depending upon materials chosen and the condition of the underlying structural framing when exposed. We recommend the Board conduct research well in advance in order to define the scope, timing, and costs; including a plan for some margin of contingency.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 529 Brick - Repoint **Quantity: Varies by Unit**
Location: The exterior building walls at chimneys and exterior walls at select units
Funded?: No. Large-scale repairs or replacements are not predictable.
History: None known
Comments: No spalling or cracking of the brick and mortar was observed during our limited visual review. No view of the critical underlying waterproofing was available.

Brick is typically a relatively low maintenance material. At about 50 years of age, the mortar (between bricks) can require re-pointing (or tuck pointing). Re-pointing is needed when the mortar cracks and provides a path for water infiltration. Water can infiltrate through a crack in the mortar if it is 1/64 of an inch or more. Re-pointing involves grinding out small sections of the existing mortar, installing new mortar, and continuing until all of the failed mortar has been replaced. As the brick and mortar ages, cracking may appear, indicating a need for re-pointing. A reserve study's limited visual review is for general financial planning purposes only. Periodic thorough investigations/testing of the brick and mortar by masonry specialists is prudent.

If water infiltration occurs, it can be either through cracks or by absorption of water into and through the mortar and/or brick. A sealer (clear) can be applied to limit the amount of water that is absorbed into the brick and mortar. Sealers can be effective if water penetration is through the mortar and brick, and not by cracks or other open pathways. We recommend that the Board conduct research prior to starting such a project to better define timing and costs (scope of work, material specifications, etc.), in addition to other projects with potentially high costs.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 533 Exterior Surfaces - Caulk & Paint **Quantity: Extensive SF**
Location: The exterior building walls.
Funded?: No. Historically handled through the operating budget
History: 2024 ~$2,363
Comments: Some peeling, blistering, fading, and chipping were noted.

Historically these costs have been handled through the operating budget. We assume this practice to continue; therefore, reserve funding is not warranted.

Typical Northwest paint cycles vary greatly depending upon many factors including the type of material painted, surface preparation, quality of the primer/paint/stain, application methods, weather conditions during the application process, moisture beneath the surface, and exposure to weather conditions. Repair areas, as needed, prior to painting/caulking. As routine maintenance, inspect regularly (including sealants), repair locally, and touch-up paint, as needed, using operating funds.

Proper sealant/caulking is critical to keeping water out of the walls, and preventing water damage. Incorrect installation of sealants is very common, and can greatly decrease its useful life. Inspect sealants (more frequently as they age) to determine if failing is occurring. Typical sealant problems include failure of the sealant to adhere to adjacent materials, and tearing/splitting of the sealant itself. As sealants age, and due to exposure to ultraviolet sunlight, they will dry out, harden, and lose their elastic ability. Remove and replace all sealants at the time sealant failure begins to appear. Proper cleaning, prep work, and installation technique (shape, size, tooling of joint) are critical for a long lasting sealant/caulking. Do not install sealant in locations that would block water drainage from behind the siding (e.g. at head flashings).

Resources:
American Coatings Association: http://www.paint.org/
Master Paint Institute: http://www.paintinfo.com/

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 535 Windows & Sliders - Replace **Quantity: Extensive / Assorted**
Location: The exterior building walls.
Funded?: No. Historically handled through the operating budget
History: 2024 ~$5,308; 2019 ~$5,000; 2016-2018 ~$9,400
Comments: The windows are mostly horizontal sliders and fixed operation. Head flashing was not observed. The jambs and sills had sealant joints between the window frame and cladding. The weep holes at exterior lower corners were observed to be clear in the few windows sampled for our study. No condensation was observed between window panes, typically indicative of failed glazing seals. Failed glazing seals are common in windows as they age, especially areas with high UV exposure. No observation of the critical underlying waterproofing details and flashing was part of our limited visual review. The underlying details and flashing are critical to maintaining the waterproofing of the building envelope and preventing structural damage as a result of water infiltration. A reserve study is a budget model, limited to visual exterior observation and research. It is outside the scope of our services, and the purpose of a reserve study, to assess the adequacy of the building envelope performance, as many of the key details are hidden from view. Periodic reviews by an architect, building envelope professional, etc. are prudent.

The Declaration notes the window mechanism(s) are Unit Owner(s) responsibility; whereas, the glass is Association responsibility. As window frames are not specifically mentioned, we assume "the glass" refers the the entire window assembly which is integrated into the cladding system. Historically, costs related to these installations have been handled though the operating budget. We assume this practice will continue; therefore, reserve funding is not included at this time. However, we strongly recommend planning for large scale replacements with similar exterior renovation projects. Specific timing should be determined by an expert vendor. We strongly recommend engaging with a building envelope expert to assist with planning these projects based on the actual condition of the exterior and underlying elements. Reserve funding will be revisited during the next study

update.

Many factors affect the useful life, including the quality of the window (design pressure rating), waterproofing and flashing details, building movement, and exposure to the elements, including wind driven rain. Those same variables, along with glazing and frame materials, can also greatly affect the appropriate choice and replacement costs. You can learn more about window design here: http://rci-online.org/wp-content/uploads/2010-04-hinjosa.pdf

Inspect regularly, including sealant, if any, and repair as needed. Typical sealant failures include a lack of adhesion to adjacent materials, tearing/splitting of the sealant itself, and loss of elastic ability. Loss of elastic ability can be caused by exposure to ultraviolet light, and general aging. Remove and replace all sealants as signs of failure begin to appear. Proper cleaning, prep work, and installation of specified joint design are critical for lasting performance. Keep weep holes free and clear to allow proper drainage of water that gets into the window frame. Do not block (caulk or seal) the gap at the top of head flashing, as this allows water that gets behind the siding to drain out.

We recommend the board conduct research well in advance of this project to help better define timing and costs (scope of work, material specifications, etc.). Further, we recommend that you hire a professional consultant (architect, engineer, building envelope consultant) to evaluate the existing windows, design and specify new installation requirements, assist with the bid process, and observe the construction to increase the likelihood of proper installation. We recommend all associations hire qualified consultants whenever they are considering having work performed on any high-risk building envelope components (roof, walls, windows, decks, exterior painting and caulking/sealant).

Note: Costs below factor for professional architectural details, specifications, and installation oversight. Any needed repair of the underlying structural framing can add significantly to the project cost. No observation of the critical underlying waterproofing details and flashing was part of our limited visual review.

Resource:
Fenestration & Glazing Industry Alliance (formerly AAMA): https://fgiaonline.org/

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

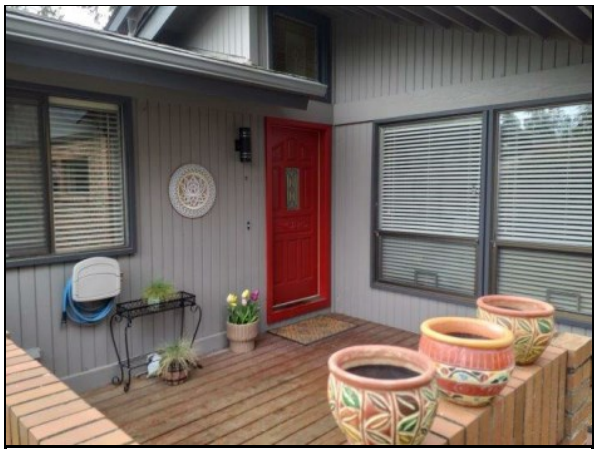
Comp #: 540 Exterior Doors - Replace **Quantity: (63) Assemblies**
Location: The exterior building walls.
Funded?: No. Large-scale repairs or replacements are not predictable.
History: None known
Comments: No widespread problems with the exterior doors were observed or reported.

There is no predictable large-scale repair or replacement of doors.

Inspect periodically and repair as needed to maintain appearance, security, and operation with operating funds. Touch up paint, as needed, between painting cycles.

Useful Life:

Remaining Life:



Best Case: **Worst Case:**

Cost Source:

Comp #: 560 Decks/Porches/Rails/Benches - Replace **Quantity: Varies by Unit**
Location: Adjacent to units
Funded?: No. Historically handled through the operating budget
History: 2024 ~$12,497; 2022 ~$26,400; 2021 ~$14,300; 2016-2018 ~$52,600; 2015 ~$32,500 to repair (4) elevated decks at Building #148
Comments: No obvious damage was noted.

These installations include wood or composite decks and porches. (2) units (#117 B & C) have balconies over garages (we assume waterproof membrane or liquid applied coating); no access has been historically provided. Some installations at or near the ground level have been converted into concrete patios; there is anticipation more will be converted.

Historically these projects have been handled through the operating budget. We assume this practice will continue; therefore, reserve funding is not warranted. As these costs related to these installations are significant, we recommend planning for future projects proactively. Reserve funding may be included upon request.

Inspect the deck, stairs, and railings annually, and repair as needed. As part of maintenance, apply water repellent stain/preservative every two to three years. Almost all exterior wood exposed to the Puget Sound area weather will decay over time, and require replacement. Current building codes require flashing of the ledger joist (at the exterior building wall) to prevent decay from compromising the structural integrity. Options for a longer lasting deck include using thick wood boards or a composite product (increased costs).

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 570 Exterior Lights - Replace **Quantity: ~ (250) fixtures**
Location: Mounted to the building exteriors.
Funded?: No. Reportedly the responsibility of Individual Unit Owner(s), not the Association.
History: None known
Comments: Reportedly these installations are the responsibility of Individual Unit Owner(s), not the Association; therefore, reserve funding is not warranted.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 595 Garage Doors - Replace **Quantity: (63) assorted**
Location: The garage entrance.
Funded?: No. Large-scale repairs or replacements are not predictable.
History: 2023 ~$2,757 (1) replaced; 1999 (1) Replaced
Comments: The metal frame garage doors are assumed to be operational. No damage was observed.

Handle smaller maintenance items as an operating expense. These door types can last for many years if properly maintained, and not damaged or abused. In our experience, vehicle damage not covered by insurance (or prohibitive due to a high deductible) is typically the cause for replacement.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 600 Comp Roof (126) - Replace **Quantity: ~ 10,100 SF**
Location: Rooftop of Units #126
Funded?: Yes.
History: 1997
Comments: This component factors the roof for Building #126, which was reportedly last replaced in 1997.

Roof ventilation (the lack of which can greatly reduce the roof's useful life) was observed at the eave and ridge. Eave venting consisted of circular holes in the blocking between the rafters. Ridge venting appeared to be provided by continuous ridge vents, and roof jacks. Portions of roof flashing were visible at the rake, headwall, and sidewalls. Diverter (kick-out) flashing was not observed. Gutters blocked the view of the eaves, so eave flashing was not confirmed. Debris and moss were not observed on the roof surface. A reserve study conducts a limited visual review for budget purposes, and many of the critical waterproofing and ventilation items of the roof are not readily viewable. For a full evaluation have a professional roof consultant/contractor perform a thorough up-close survey of your entire roof system, including attic inspection (if any).

As routine maintenance, many manufacturers recommend inspections at least twice annually (once in the fall before the rainy season, and again in the spring), and after large storm events. Promptly replace any damaged/missing sections and complete any other repairs needed to ensure the waterproof integrity of the roof. Keep the roof surface, gutters, and downspouts clear and free of moss and/or debris.

At the time of re-roofing, we recommend that you hire a professional consultant to evaluate the existing roof, specify the new roof materials/design, and provide installation oversight. We recommend that all associations hire qualified consultants whenever they are considering having work performed on any building envelope (waterproofing) components including the roof, walls, windows, decks, exterior painting, and caulking/sealant.

Resources:
National Roofing Contractors Association (NRCA) http://www.nrca.net/
Asphalt Roofing Manufacturers Association (ARMA) http://www.asphaltroofing.org/
International Institute of Building Enclosure Consultants https://iibec.org/
Western States Roofing Contractors Association (WSRCA) https://wsrca.com/

Useful Life:
25 years

Remaining Life:
0 years

Best Case: $ 70,400 **Worst Case:** $ 78,000

Cost Source: Estimate Provided by Client

Comp #: 601 Comp Roof (156) - Replace **Quantity: ~ 9,200 SF**
Location: Rooftop of Units #156
Funded?: Yes.
History: 2001
Comments: This component factors the roof for Building #126, which was reportedly last replaced in 2001. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
0 years

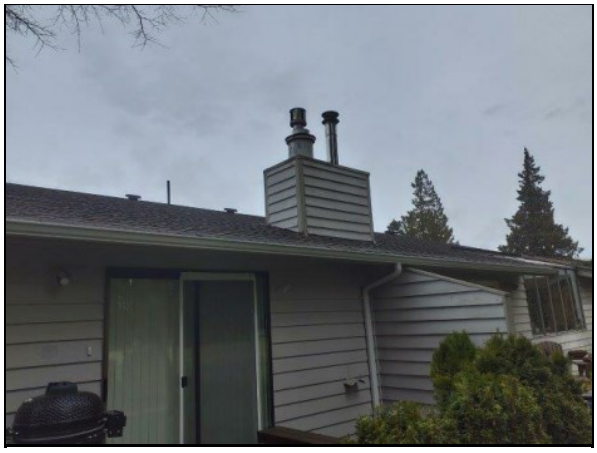
Best Case: $ 48,700 **Worst Case:** $ 75,000

Cost Source: Estimate Provided by Client

Comp #: 602 Comp Roof (125/133) - Replace **Quantity: ~ 17,000 SF**
Location: Rooftop of Units #125 & #133
Funded?: Yes.
History: 2002
Comments: This component factors the roof for Buildings #125 & 133, which were reportedly last replaced in 2002. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
1 years



Best Case: $ 97,400 **Worst Case:** $ 160,000

Cost Source: Estimate Provided by Client

Comp #: 602 Comp Roof (137/138/140) - Replace **Quantity: ~ 15,200 SF**
Location: Rooftop of Units #137, #138 & #140
Funded?: Yes.
History: 2002
Comments: This component factors the roof for Buildings #137, 138 & 140, which were reportedly last replaced in 2002. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
2 years

Best Case: $ 77,000 **Worst Case:** $ 120,000

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

Comp #: 603 Comp Roof (142) - Replace **Quantity: ~ 9,200 SF**
Location: Rooftop of Units #142
Funded?: Yes.
History: 2003
Comments: This component factors the roof for Building #142, which was reportedly last replaced in 2003. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
3 years

Best Case: $ 48,700 **Worst Case:** $ 82,400

Cost Source: Estimate Provided by Client

Comp #: 605 Comp Roof (148) - Replace **Quantity: ~ 9,400 SF**
Location: Rooftop of Units #148
Funded?: Yes.
History: 2005
Comments: This component factors the roof for Building #148, which was reportedly last replaced in 2005. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
4 years

Best Case: $ 48,700 **Worst Case:** $ 82,400

Cost Source: Estimate Provided by Client

Comp #: 606 Comp Roof (143/145) - Replace **Quantity: ~ 5,000 SF**
Location: Rooftop of Units #143 & #145
Funded?: Yes.
History: 2006
Comments: This component factors the roof for Buildings #143 & 145, which were reportedly last replaced in 2006. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
5 years

Best Case: $ 28,400 **Worst Case:** $ 40,000

Cost Source: Estimate Provided by Client

Comp #: 608 Comp Roof (117) - Replace **Quantity: ~ 7,000 SF**
Location: Rooftop of Units #117
Funded?: Yes.
History: 2018 ~$27,500; 1998
Comments: This component factors the roof for Building #117, which was reportedly last replaced in 2018. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
17 years

Best Case: $ 30,500 **Worst Case:** $ 41,300

Cost Source: Inflated Client Cost History

Comp #: 609 Comp Roof (119/121/134) - Replace **Quantity: ~ 21,800 SF**
Location: Rooftop of Units #119, #121 & #134
Funded?: Yes.
History: 2020 ~$98,300; 1997/1998 #121 (A,B,C); 2018 #121 D; 2004
Comments: This component factors the roof for Buildings #1119, 121 & 134, which were reportedly last replaced in 2020. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
19 years

Best Case: $ 99,800 **Worst Case:** $ 135,000

Cost Source: Inflated Client Cost History

Comp #: 610 Comp Roof (108) - Replace **Quantity: ~ 9,700 SF**
Location: Rooftop of Units #108
Funded?: Yes.
History: 2022 ~$83,032; 1997
Comments: This component factors the roof for Building #108, which was reportedly last replaced in 2022. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
21 years

Best Case: $ 79,500 **Worst Case:** $ 107,500

Cost Source: Inflated Client Cost History

Comp #: 611 Comp Roof (116) - Replace **Quantity: ~ 10,300 SF**
Location: Rooftop of Units #116
Funded?: Yes.
History: 2023 ~$88,303; 1998
Comments: This component factors the roof for Building #116, which was reportedly last replaced in 2023. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
22 years

Best Case: $ 82,000 **Worst Case:** $ 111,000

Cost Source: Inflated Client Cost History

Comp #: 612 Comp Roof (147/149) - Replace **Quantity: ~ 4,600 SF**
Location: Rooftop of Units #147 & #149
Funded?: Yes.
History: 2024 ~$32,037; 2006
Comments: This component factors the roof for Buildings #147 & 149, which were reportedly last replaced in 2024. See Component #600 for more detailed comments and recommendations.

Useful Life:
25 years

Remaining Life:
23 years

Best Case: $ 28,900 **Worst Case:** $ 39,000

Cost Source: Inflated Client Cost History

Comp #: 614 Tile Roofs - Replace **Quantity: ~ 21,500 SF**
Location: Rooftop of Units 151/153/155 & 157/159/161/163 (2 buildings)
Funded?: Yes. Anticipated transition from tile roofs to composition shingle material
History: Assumed original to Construction
Comments: This component factors the tile roofs. The below allowances are based on the anticipation the roofing material is transitioned to composition shingle during the next replacement cycle. Costs related to tile materials are significantly higher.

Roof ventilation (the lack of which can greatly reduce the roof's useful life) was observed at eave and ridge. Eave venting consisted of circular holes in the blocking between rafters. Ridge venting appeared to be provided by continuous ridge vents, and roof jacks. Visible portions of roof flashing were observed at the rake, headwall, sidewalls. Diverter (kick-out) flashing was not observed. Gutters blocked the view of the eaves, so eave flashing was not confirmed. Debris and moss were not observed on the roof surface. A reserve study conducts only a limited visual review, and many of the critical waterproofing and ventilation items of the roof are not readily viewable. For a full evaluation, have a professional roof consultant/contractor perform a thorough up-close survey of your entire roof system, including an attic inspection (if any).

Concrete or clay tile should last in the 50-75 year range, but the underlayment and the wood battens beneath the roofing will likely need to be replaced sooner. As routine maintenance, many manufacturers recommend inspections at least twice annually (once in the fall before the rainy season and again in the spring), and after large storm events. Promptly replace any damaged/missing sections or any other repair needed to ensure the waterproof integrity of the roof. Keep the roof surface, gutters, and downspouts clear and free of moss or debris.

At the time of re-roofing, we recommend that you hire a professional consultant to evaluate the existing roof and specify the new roof materials/design, and provide installation oversight. We recommend that all associations hire qualified consultants whenever they are considering having work performed on any building envelope (waterproofing) components including the roof, walls, windows, decks, exterior painting, and caulking/sealant.

Resources:
National Roofing Contractors Association (NRCA): http://www.nrca.net/
The Basics of Roof Maintenance: https://www.buildings.com/feature/article/10193212/the-basics-of-roof-maintenance

Useful Life:
50 years

Remaining Life:
16 years

Best Case: $ 329,000 **Worst Case:** $ 445,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 618 Gutters/Downspouts - Replace **Quantity: ~ 6,300 LF**
Location: Perimeter of buildings
Funded?: No. Funding included within similar components; no separate funding necessary
History: None known
Comments: Based on our limited visual inspection, the metal gutters and downspouts appeared to be functional.

These installations have been historically included within prior roof replacement projects. Funding is included within similar roof replacement components; no separate funding is necessary.

As routine maintenance, inspect regularly, and keep gutters and downspouts free of debris.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 620 Chimney Caps/Covers - Replace **Quantity: Extensive / Metal**
Location: Select chimneys and rooftop chimney chases at individual units
Funded?: No. Historically handled through the operating budget
History: None known
Comments: No obvious damage was noted.

Historically these costs have been handled through the operating budget. We assume this practice to continue; therefore, reserve funding is not warranted.

Replacement cycles are typically timed to coincide with re-roofing. Review the condition of chimney covers and flue caps with a consultant while evaluating the roofing project.

As routine maintenance, inspect and clean during roof maintenance. Repair locally, as needed.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 630 Skylights - Replace **Quantity: Varies by Unit**
Location: Rooftop of select units
Funded?: No. Historically handled through the operating budget or Owner responsibility.
History: None known
Comments: Observation of the skylights revealed curb mounted fixtures with visible portions of flashing. No current water leaks or other problems were reported by the association.

Historically these costs have been handled through the operating budget. We assume this practice to continue; therefore, reserve funding is not warranted.

Inspect the skylights as part of the ongoing roof inspections, and repair as needed to maintain the waterproof integrity. Review the skylight conditions with a consultant or roof contractor while evaluating the roofing project.

Resource:
https://www.veluxusa.com/help/installation-help/service-and-maintenance

Note: Any installations which have been modified or added by the unit owner since the original construction are considered Unit Owner(s) responsibility.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

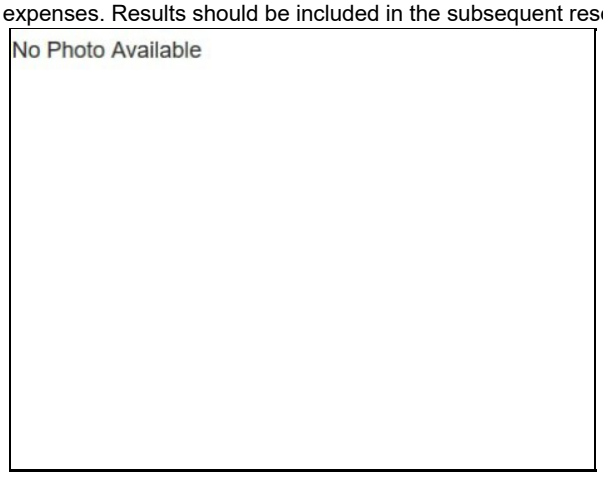
Cost Source:

Comp #: 899 Plumbing - Systems Evaluation **Quantity: Supply & drain lines**
Location: Common plumbing
Funded?: No. Operating expense in year of occurrence
History: None known
Comments: Plumbing systems are generally considered life limited by the engineering community. The costs for replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc.

The Declaration notes the plumbing and electrical systems were installed independent of any other unit and the responsibility of installations within the unit boundaries are the responsibility of the Unit Owner(s), not the Association; therefore, reserve funding is not warranted.

The vast majority of the plumbing system is hidden, and not visible for review. A reserve study is limited to visual exterior observations and research for budget purposes.

We highly recommend the association engage a qualified firm to conduct a baseline study, evaluating the plumbing systems (supply, waste, any fire system pipe), including forensic wall openings, and test sections of piping. Additional testing may be further recommended. Patterns of significant repair expenses, leaks, poor flow, and sediments in the lines, should accelerate the need to address proactively and seek a detailed analysis to identify hidden conditions, project a remaining useful life, and recommendations for any needed repairs, maintenance, etc. The costs can vary depending on the complexity of systems, the number of wall or ceiling openings, etc. Prior to such an evaluation, there is no predictable basis at this time for large-scale plumbing repair or replacement expenses. Results should be included in the subsequent reserve study update.



Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

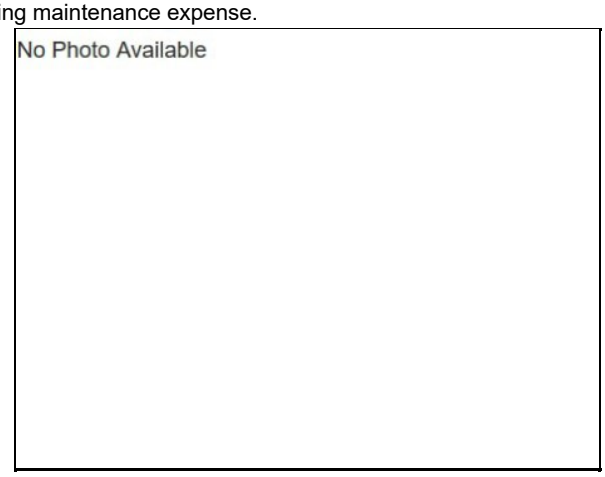
Comp #: 900 Plumbing - Repair/Replace **Quantity: Extensive systems**
Location: Throughout common and limited common areas of community
Funded?: No. Useful life not predictable, prior to systems evaluation
History: None known
Comments: Plumbing systems are generally considered life limited by the engineering community. The costs for systems replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc.

Prior replacements of water meters (code compliance) was completed as an expense to individual Unit Owner(s). The Declaration notes the plumbing and electrical systems were installed independent of any other unit and the responsibility of installations within the unit boundaries are the responsibility of the Unit Owner(s), not the Association; therefore, reserve funding is not warranted. Reportedly, the utility provider is responsible for the installations outside for the meter.

See the previous component for a recommended plumbing evaluation. Until a qualified engineering firm has performed an evaluation of your plumbing systems, and provided specific recommendations, there is no predictable basis for system replacement reserves funding at this time.

Manufacturing defects become apparent from time to time, and certain site conditions (e.g. galvanic corrosion, dissimilar metals in contact with piping, chemical reactions, etc.) can contribute to premature deterioration of the plumbing systems.

Treat minor repairs as an ongoing maintenance expense.



Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 916 AC Units - Replace **Quantity: Varies by Unit**
Location: Adjacent to buildings
Funded?: No. Reportedly the responsibility of Individual Unit Owner(s), not the Association.
History: None known
Comments: These installations are reportedly the responsibility of Individual Unit Owner(s), not the Association; therefore reserve funding is not warranted.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 920 Electrical System - Maintain/Repair **Quantity: Main & branch systems**
Location: Throughout the community.
Funded?: No. Large-scale repairs or replacements are not predictable.
History: None known
Comments: The majority of the electrical system is not visible for review. Analysis of the electrical system, beyond a limited visual review, is not within the scope of a reserve study. No large issues or problems/defects were reported.

We recommend periodic evaluation by engineer/master electrician to evaluate the system(s) for safety, code-compliance, maintenance, and repair and replacement needs. Any predictable expenses identified that meet the criteria for reserves funding can be included in the reserves plan. Some electrical system components are known to be life limited. Manufacturing defects become known from time to time, and certain site conditions can contribute to premature deterioration of electrical components.

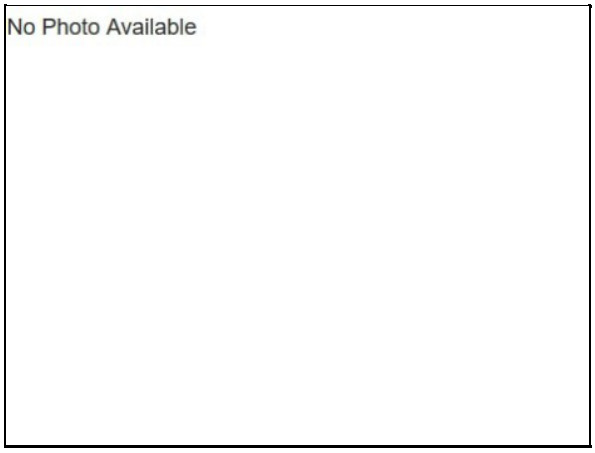
Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 921 Propane Tanks - Replace **Quantity: Varies by Unit**
Location: Adjacent to individual units.
Funded?: No. Reportedly the responsibility of Individual Unit Owner(s), not the Association.
History: None known
Comments: These installations are reportedly the responsibility of Individual Unit Owner(s), not the Association; therefore reserve funding is not warranted.



Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source:

Comp #: 990 Ancillary Evaluations **Quantity: Specialty evaluations**
Location: To augment reserve planning.
Funded?: No. Operating expense in year of occurrence
History: None known
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: Inspection & report**
Location: The exterior walls, underlying waterproofing components, windows, decks, roofs and other structural components
Funded?: Yes.
History: None known
Comments: A reserve study is a budget model, limited to visual exterior observations and research. It is outside the scope of our services, and the purpose of a reserve study, to assess the adequacy of the building envelope and structural performance, as many of the key details are hidden from view. Many associations are required to have annual inspections by a qualified engineer or architect to assess the physical condition of the improvements - check your governing documents for any such requirements. Any areas of concern observable from our limited exterior observations, and cycles for repair and replacement, have been stated in the various component field notes throughout this report. We highly recommend regular professional specialty inspections by a qualified engineering, architectural, or building envelope consulting firm to evaluate the performance of the building envelope and structural components.

Many associations are required by their Declaration to have annual inspections by a qualified architect or engineer to assess the physical condition of the building envelope enclosure. The building envelope inspection typically covers at minimum the roofs, decks, siding, windows, doors, sealants/caulking, and flashings. As the building ages, and the waterproofing typically deteriorates, provide more frequent inspections.

Building envelope inspections can be either visual or intrusive. An intrusive investigation (where finished materials are removed to view and better understand the underlying systems, conditions and performance) should be of greater benefit, since a visual review provides only a limited amount of information derived from surface observations.

In addition, we recommend the association annually survey residents to inquire about conditions only visible from the unit interiors that the association may not be aware of. Survey questions may include, but are not limited to, water intrusion/organic growth (particularly at windows and doors, skylights, water heaters, plumbing fixtures, etc), cracking or any other movement of drywall or structural members, and any other general building concerns. Such surveys can be key in identifying potential concerns early, thus increasing the opportunity to conduct repairs before advanced deterioration/damage and, therefore, larger expenses occur.

Useful Life:
10 years

Remaining Life:
0 years

Best Case: $ 20,000 **Worst Case:** $ 30,000

Cost Source: Budget Allowance

Comp #: 999 Reserve Study - Update **Quantity: Annual update**
Location: The community common and limited common elements.
Funded?: No. Costs are best handled with operating funds.
History: 2026 WSV; 2025-2018; 2017 Full
Comments: Per Washington State law (RCW), reserve studies are to be updated annually, with site inspections by an independent reserve study professional to occur no less than every three years to assess changes in condition (i.e., physical, economic, governmental, etc), and the resulting effect on the community's long-term reserves plan. Reserve Study costs are most appropriately factored within the annual operating budget, not as a reserves component.

Useful Life:

Remaining Life:

Best Case: **Worst Case:**

Cost Source: