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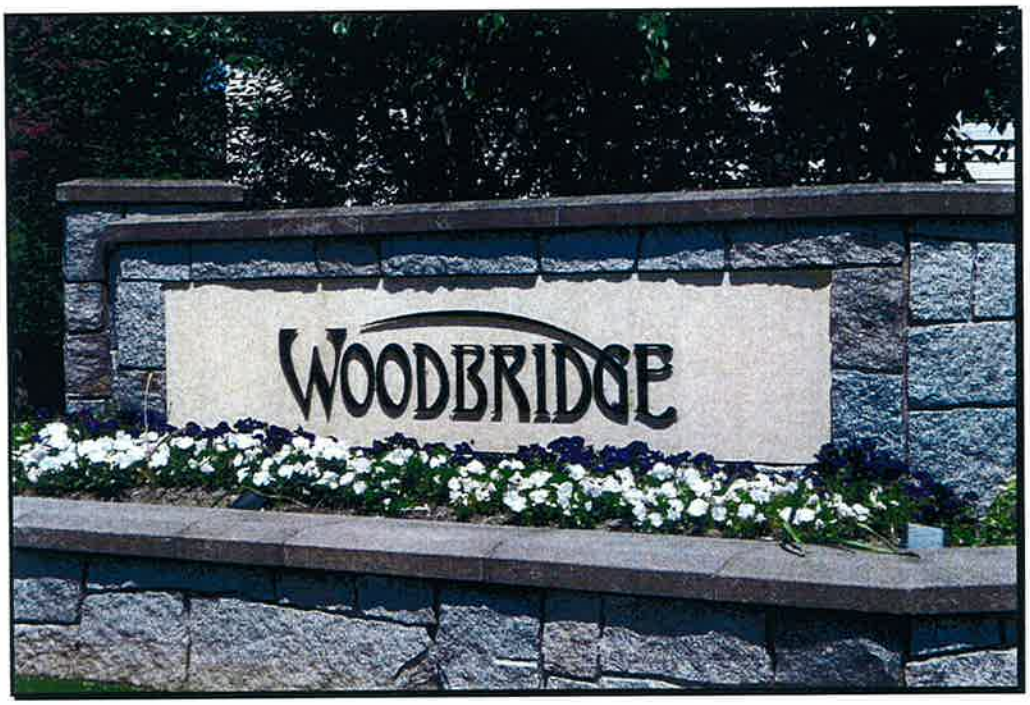
Update "With-Site-Visit" Reserve Study



Parkside at Woodbridge

Redmond, WA

JIM TALAGA
CAI-RS
00066
DESIGNATION
RESERVE SPECIALIST

Report #: 15035-3
For Period Beginning: January 1, 2014
Expires: December 31, 2014

Date Prepared: June 20, 2013

Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you "where you are", and "where to go from here".

In this Report, you will find...

1) **A List of What you're Reserving For**

2) **An Evaluation of your Reserve Fund Size and Strength**

3) **A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

253.661.5437

ASSOCIATION RESERVES

Reserve Studies for Community Associations

Table of Contents

3- Minute Executive Summary

Association:	**Parkside at Woodbridge**	**Assoc. #: 15035-3**
Location:	**Redmond, WA**	
# of Units:	**24**	
Report Period:	**January 1, 2014 through December 31, 2014**	

Results as-of 1/1/2014:

Projected Starting Reserve Balance:	**$124,067**
Fully Funded Reserve Balance:	**$293,324**
Average Reserve Deficit (Surplus) Per Unit:	**$7,052**
Percent Funded:	**42.3%**
100% Full Funding 2014 Monthly Reserve Contribution:	**$1,800**
70% Threshold Monthly Reserve Contribution:	**$1,400**
Baseline Contribution (min to maintain reserves above $0)	**$800**
Recommended 2014 Special Assessment for Reserves:	**$0**
Most Recent Reserve Contribution Rate:	**$1,250**

Economic Assumptions:

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

- **This is an "Update With-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves for your 2010 Fiscal Year. The information in this Reserve Study is based on our site inspection on June 3, 2013 and meets or exceeds all requirements of the RCW. This Reserve Study was prepared by a credentialed Reserve Specialist (RS).**

- **Your Reserve Fund is 42.3% Funded. Comparatively, the 70-130% level is where associations statistically enjoy fiscal stability with low risk of special assessment and/or deferred maintenance.**

- **Based on this starting point and your anticipated future expenses, our recommendation is to increase your Reserve contributions to within the 70% to 100% Full Funding level as noted above (Tables and charts herein reflect Full Funding as recommended contribution). Full and 70% contribution rates are designed to achieve the stated funding objective by the end of our 30-year report scope. See photo pages for detailed component information and the basis of our assumptions.**

Table 1: Executive Summary 15035-3

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
104	Elastomeric Deck - Seal/Repair	5	3	$4,050	$4,426
201	Asphalt - Mill and Overlay	30	20	$6,350	$11,469
202	Asphalt - Seal/Repair	5	2	$750	$796
324	Exterior Lights - Replace	20	10	$7,200	$9,676
505	Wood Fence - Replace	20	10	$18,550	$24,930
506	Privacy Fence - Replace	20	10	$3,000	$4,032
701	Garage Doors - Replace	30	20	$18,000	$32,510
1002	Irrigation System - Repair/Replace	10	7	$2,000	$2,460
1100	Windows/Glass Doors -Replace	40	30	$381,600	$926,243
1109	Wood Fence - Seal/Paint	5	3	$4,350	$4,753
1116	Exterior Surfaces - Paint/Caulk	7	3	$60,000	$65,564
1120	Exterior Siding - Replace	40	30	$301,000	$730,606
1303	Comp Shingle Roof - Replace	25	15	$94,350	$146,994
1310	Gutters/Downspouts - Repair/Replace	25	15	$33,150	$51,647
1803	Fire Alarm Communicators - Replace	20	10	$20,000	$26,878
1811	Plumbing - Replace	N/A	0	$0	$0
1922	Reserve Study WSV	3	2	$1,460	$1,549

17 Total Funded Components

Note:
Cross reference component numbers with photographic inventory appendix. Highlighting denotes projects either anticipated to occur in the initial year or un-funded. Components with 0 UL / 0 RUL and no costs were considered per RCW 64.34.382 but did not meet NRSS criteria (see page 2) for reserve funding in the judgment of the Reserve Specialist.

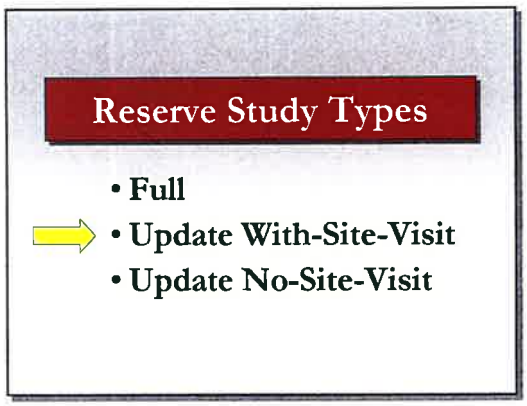
Introduction

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 process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing common area deterioration.

Methodology



First we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan. For this "Update With-Site-Visit" Reserve Study, we started with a review of your prior Reserve Study, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into 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 Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include "lifetime" components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

Reserve Components

- **Common Area**
- **Limited Useful Life**
- **Predictable Life Limit**
- **Cost must be Significant**

How are Useful Life and Remaining Useful Life established?

1) Visual Inspection (observed wear and age since last report)
2) Association Reserves database of experience
3) Client Component History
4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order…

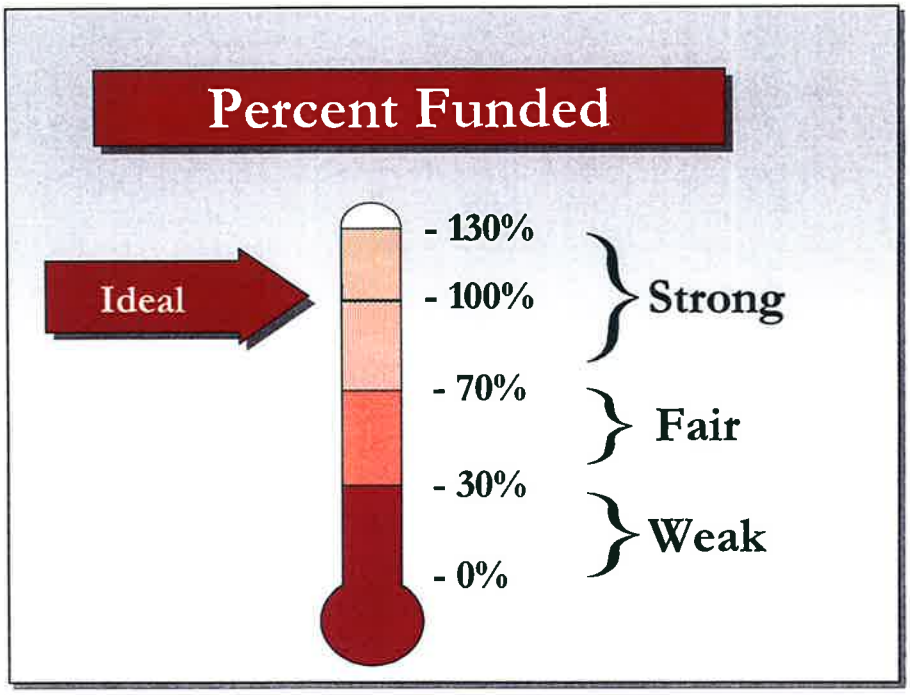
1) Client Cost History
2) Comparison to Association Reserves database of work done at similar associations
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

1) Calculate the association's Fully Funded Balance (FFB).
2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



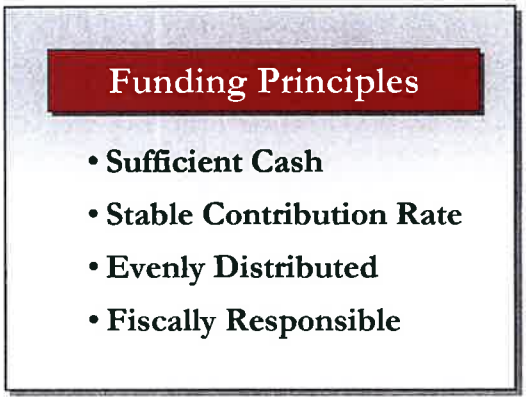
Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

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

How much should we contribute?

There are four Funding Principles that we 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. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their "fair share" of the association's Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and "safe" for Boardmembers to recommend to their association.

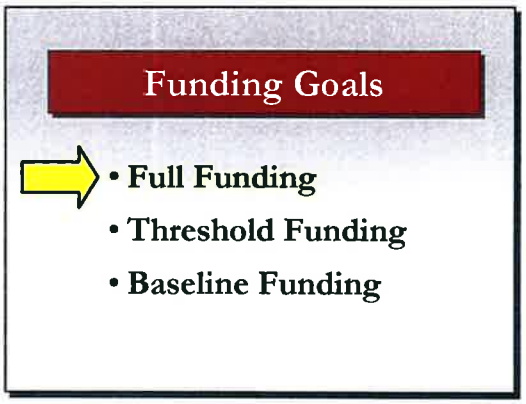


What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called "Full Funding" the Reserves (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.



Site Inspection Notes

During our site visit on June 3, 2013, we started the site inspection beginning with the general common areas of the property. We visually re-inspected all the common elements while compiling a new photographic inventory and noting current condition, apparent levels of care and maintenance, exposure to weather, etc... We were not able to inspect the elevated unit decks up close due to access limitations.

We were informed of the items being handled from the Operational maintenance budget, not Reserves.

Projected Expenses

The figure below shows the array of the projected future expenses at your association. This figure clearly shows the near term and future expenses that your association will face.

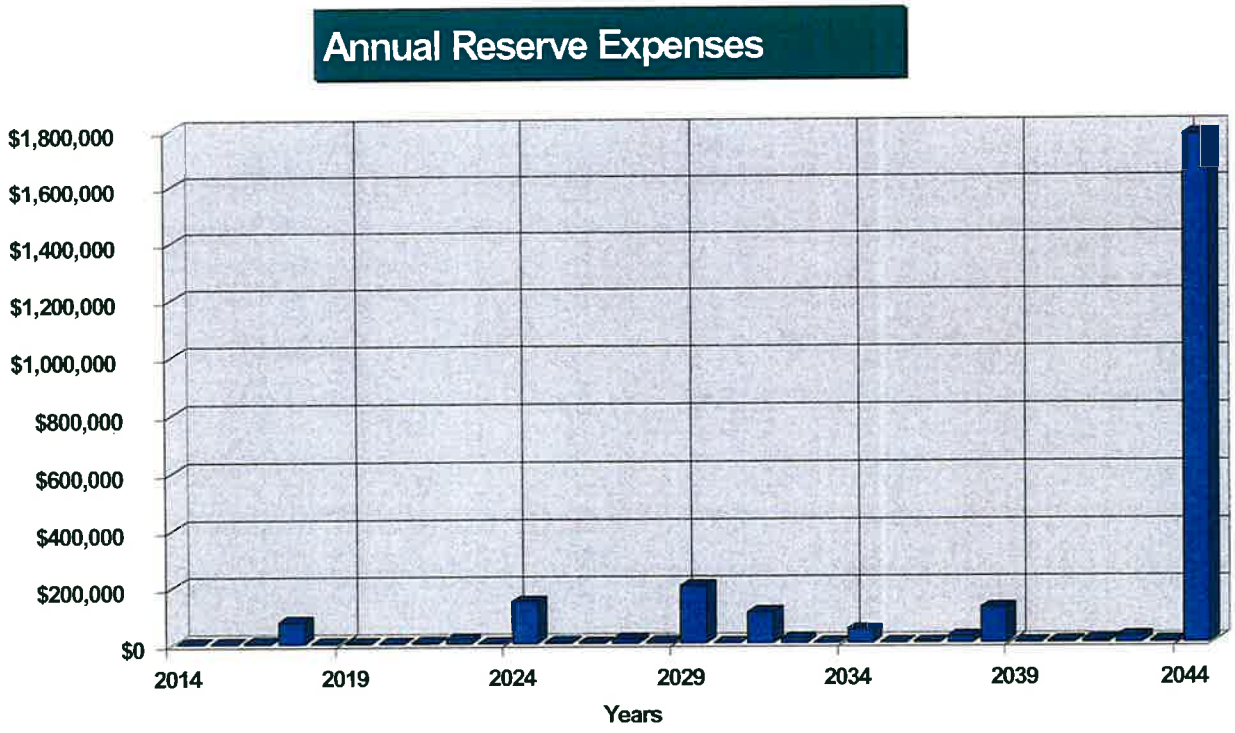


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about "near-term" projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $124,067 as-of the start of your Fiscal Year on January 1, 2014. As of January 1, 2014, your Fully Funded Balance is computed to be $293,324 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 42% Funded.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of $1,800/month this Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

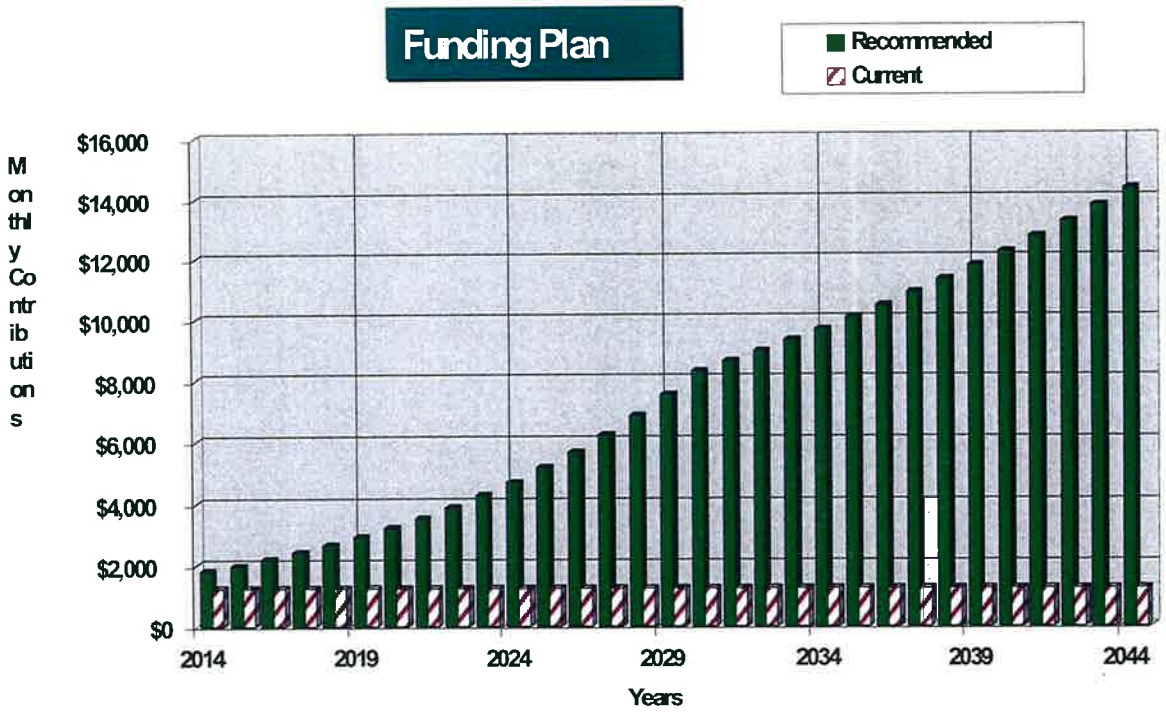


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

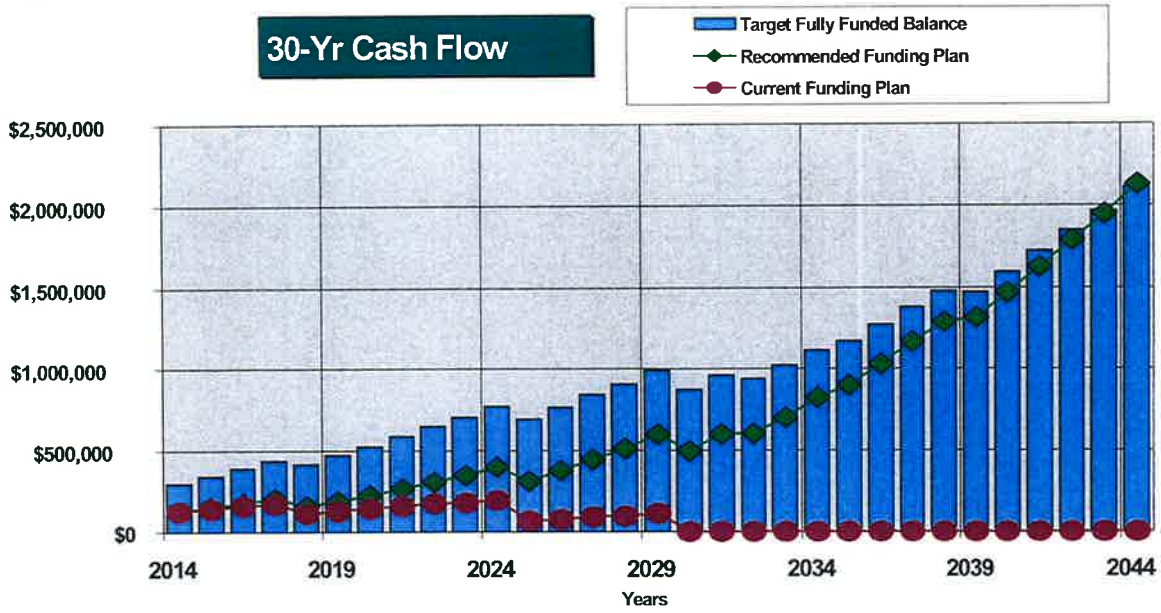


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

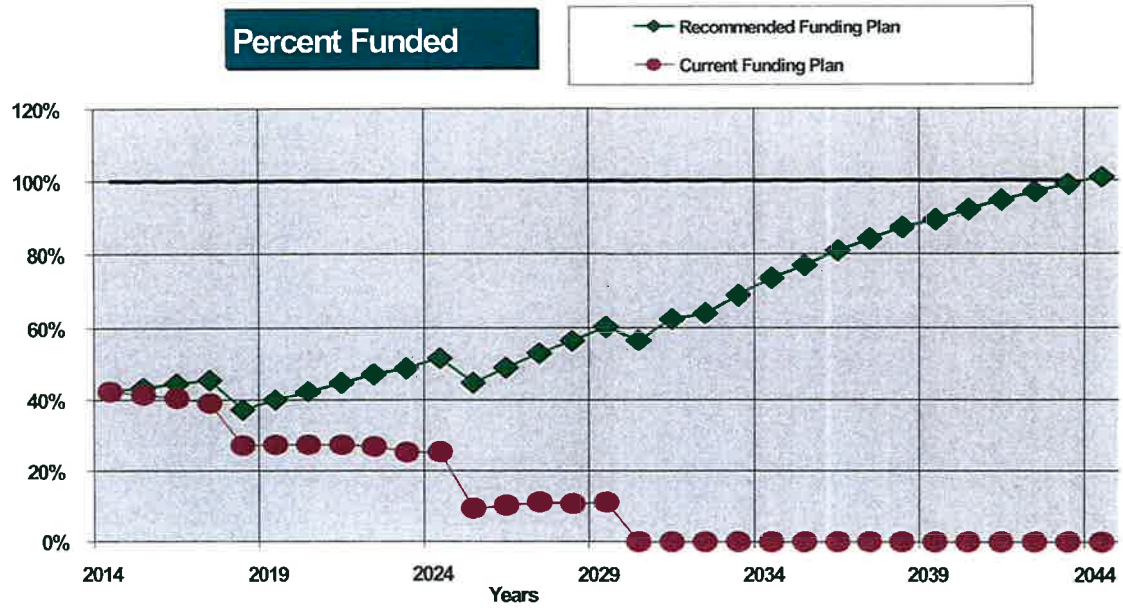


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail 15035-3

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
104	Elastomeric Deck - Seal/Repair	Approx 580 GSF	5	3	$3,500	$4,600
201	Asphalt - Mill and Overlay	Approx 3,100 GSF	30	20	$6,000	$6,700
202	Asphalt - Seal/Repair	Approx 3,100 GSF	5	2	$600	$900
324	Exterior Lights - Replace	(48) Light Fixtures	20	10	$6,000	$8,400
505	Wood Fence - Replace	Approx 825 LF	20	10	$16,500	$20,600
506	Privacy Fence - Replace	Approx 100 LF	20	10	$2,500	$3,500
701	Garage Doors - Replace	(24) Doors	30	20	$12,000	$24,000
1002	Irrigation System - Repair/Replace	Extensive Systems	10	7	$1,500	$2,500
1100	Windows/Glass Doors -Replace	(424) Various Sizes	40	30	$339,200	$424,000
1109	Wood Fence - Seal/Paint	Approx 4,950 GSF	5	3	$3,700	$5,000
1116	Exterior Surfaces - Paint/Caulk	(24) Units	7	3	$55,200	$64,800
1120	Exterior Siding - Replace	Approx 43,000 GSF	40	30	$258,000	$344,000
1303	Comp Shingle Roof - Replace	Approx 34,300 GSF	25	15	$85,800	$102,900
1310	Gutters/Downspouts - Repair/Replace	Approx 3,900 LF	25	15	$27,300	$39,000
1803	Fire Alarm Communicators - Replace	(8) Panels	20	10	$16,000	$24,000
1811	Plumbing - Replace	Supply, drainage	N/A	0	$0	$0
1922	Reserve Study WSV	Every Three Years	3	2	$1,360	$1,560

17 Total Funded Components

Table 3: Contribution and Fund Breakdown 15035-3

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
104	Elastomeric Deck - Seal/Repair	5	3	$4,050	$1,620	$1,620.00	$39.94
201	Asphalt - Mill and Overlay	30	20	$6,350	$2,117	$2,116.67	$10.44
202	Asphalt - Seal/Repair	5	2	$750	$450	$450.00	$7.40
324	Exterior Lights - Replace	20	10	$7,200	$3,600	$3,600.00	$17.75
505	Wood Fence - Replace	20	10	$18,550	$9,275	$9,275.00	$45.74
506	Privacy Fence - Replace	20	10	$3,000	$1,500	$1,500.00	$7.40
701	Garage Doors - Replace	30	20	$18,000	$6,000	$6,000.00	$29.59
1002	Irrigation System - Repair/Replace	10	7	$2,000	$600	$600.00	$9.86
1100	Windows/Glass Doors -Replace	40	30	$381,600	$95,400	$1,392.95	$470.44
1109	Wood Fence - Seal/Paint	5	3	$4,350	$1,740	$1,740.00	$42.90
1116	Exterior Surfaces - Paint/Caulk	7	3	$60,000	$34,286	$34,285.71	$422.67
1120	Exterior Siding - Replace	40	30	$301,000	$75,250	$0.00	$371.07
1303	Comp Shingle Roof - Replace	25	15	$94,350	$37,740	$37,740.00	$186.10
1310	Gutters/Downspouts - Repair/Replace	25	15	$33,150	$13,260	$13,260.00	$65.39
1803	Fire Alarm Communicators - Replace	20	10	$20,000	$10,000	$10,000.00	$49.31
1811	Plumbing - Replace	N/A	0	$0	$0	$0.00	$0.00
1922	Reserve Study WSV	3	2	$1,460	$487	$486.67	$24.00
17	Total Funded Components				$293,324	$124,067	$1,800

Table 4: 30-Year Reserve Plan Summary — 15035-3

Fiscal Year Beginning: 01/01/14 | **Interest:** 1.0% | **Inflation:** 3.0%

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2014	$124,067	$293,324	42.3%	Fair	$21,600	$0	$1,355	$0
2015	$147,022	$339,721	43.3%	Fair	$23,760	$0	$1,596	$0
2016	$172,378	$388,638	44.4%	Fair	$26,136	$0	$1,851	$2,345
2017	$198,021	$437,769	45.2%	Fair	$28,750	$0	$1,758	$74,743
2018	$153,786	$415,001	37.1%	Fair	$31,625	$0	$1,704	$0
2019	$187,115	$469,767	39.8%	Fair	$34,787	$0	$2,046	$1,693
2020	$222,255	$525,703	42.3%	Fair	$38,266	$0	$2,425	$0
2021	$262,946	$586,367	44.8%	Fair	$42,092	$0	$2,836	$3,382
2022	$304,492	$646,714	47.1%	Fair	$46,302	$0	$3,229	$12,490
2023	$341,532	$700,878	48.7%	Fair	$50,932	$0	$3,687	$0
2024	$396,150	$770,960	51.4%	Fair	$56,025	$0	$3,527	$146,151
2025	$309,551	$694,081	44.6%	Fair	$61,627	$0	$3,409	$2,021
2026	$372,567	$764,865	48.7%	Fair	$67,790	$0	$4,078	$1,069
2027	$443,365	$840,315	52.8%	Fair	$74,569	$0	$4,767	$12,336
2028	$510,365	$908,031	56.2%	Fair	$82,026	$0	$5,528	$2,208
2029	$595,711	$989,867	60.2%	Fair	$90,229	$0	$5,440	$198,641
2030	$492,739	$873,538	56.4%	Fair	$99,251	$0	$5,449	$0
2031	$597,439	$960,077	62.2%	Fair	$103,221	$0	$5,987	$106,129
2032	$600,518	$941,709	63.8%	Fair	$107,350	$0	$6,500	$14,300
2033	$700,068	$1,019,238	68.7%	Fair	$111,644	$0	$7,594	$0
2034	$819,306	$1,115,742	73.4%	Strong	$116,110	$0	$8,580	$46,616
2035	$897,380	$1,169,105	76.8%	Strong	$120,755	$0	$9,622	$0
2036	$1,027,756	$1,274,120	80.7%	Strong	$125,585	$0	$10,948	$1,437
2037	$1,162,852	$1,382,904	84.1%	Strong	$130,608	$0	$12,240	$19,460
2038	$1,286,241	$1,478,549	87.0%	Strong	$135,832	$0	$12,991	$121,968
2039	$1,313,097	$1,473,707	89.1%	Strong	$141,266	$0	$13,901	$0
2040	$1,468,264	$1,596,639	92.0%	Strong	$146,916	$0	$15,472	$3,149
2041	$1,627,504	$1,722,377	94.5%	Strong	$152,793	$0	$17,087	$6,109
2042	$1,791,275	$1,851,271	96.8%	Strong	$158,905	$0	$18,697	$19,219
2043	$1,949,657	$1,973,034	98.8%	Strong	$165,261	$0	$20,399	$3,441

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4) 15035-3

Fiscal Year	2014	2015	2016	2017	2018
Starting Reserve Balance	$124,067	$147,022	$172,378	$198,021	$153,786
Annual Reserve Contribution	$21,600	$23,760	$26,136	$28,750	$31,625
Planned Special Assessments	$0	$0	$0	$0	$0
Interest Earnings	$1,355	$1,596	$1,851	$1,758	$1,704
Total Income	$147,022	$172,378	$200,365	$228,529	$187,115
# Component					
104 Elastomeric Deck - Seal/Repair	$0	$0	$0	$4,426	$0
201 Asphalt - Mill and Overlay	$0	$0	$0	$0	$0
202 Asphalt - Seal/Repair	$0	$0	$796	$0	$0
324 Exterior Lights - Replace	$0	$0	$0	$0	$0
505 Wood Fence - Replace	$0	$0	$0	$0	$0
506 Privacy Fence - Replace	$0	$0	$0	$0	$0
701 Garage Doors - Replace	$0	$0	$0	$0	$0
1002 Irrigation System - Repair/Replace	$0	$0	$0	$0	$0
1100 Windows/Glass Doors -Replace	$0	$0	$0	$0	$0
1109 Wood Fence - Seal/Paint	$0	$0	$0	$4,753	$0
1116 Exterior Surfaces - Paint/Caulk	$0	$0	$0	$65,564	$0
1120 Exterior Siding - Replace	$0	$0	$0	$0	$0
1303 Comp Shingle Roof - Replace	$0	$0	$0	$0	$0
1310 Gutters/Downspouts - Repair/Replace	$0	$0	$0	$0	$0
1803 Fire Alarm Communicators - Replace	$0	$0	$0	$0	$0
1811 Plumbing - Replace	$0	$0	$0	$0	$0
1922 Reserve Study WSV	$0	$0	$1,549	$0	$0
Total Expenses	$0	$0	$2,345	$74,743	$0
Ending Reserve Balance:	$147,022	$172,378	$198,021	$153,786	$187,115

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9) 15035-3

Fiscal Year	2019	2020	2021	2022	2023
Starting Reserve Balance	$187,115	**$222,255**	$262,946	**$304,492**	$341,532
Annual Reserve Contribution	$34,787	**$38,266**	$42,092	**$46,302**	$50,932
Planned Special Assessments	$0	**$0**	$0	**$0**	$0
Interest Earnings	$2,046	**$2,425**	$2,836	**$3,229**	$3,687
Total Income	$223,948	**$262,946**	$307,874	**$354,022**	$396,150
# Component					
104 Elastomeric Deck - Seal/Repair	$0	**$0**	$0	**$5,130**	$0
201 Asphalt - Mill and Overlay	$0	**$0**	$0	**$0**	$0
202 Asphalt - Seal/Repair	$0	**$0**	$922	**$0**	$0
324 Exterior Lights - Replace	$0	**$0**	$0	**$0**	$0
505 Wood Fence - Replace	$0	**$0**	$0	**$0**	$0
506 Privacy Fence - Replace	$0	**$0**	$0	**$0**	$0
701 Garage Doors - Replace	$0	**$0**	$0	**$0**	$0
1002 Irrigation System - Repair/Replace	$0	**$0**	$2,460	**$0**	$0
1100 Windows/Glass Doors -Replace	$0	**$0**	$0	**$0**	$0
1109 Wood Fence - Seal/Paint	$0	**$0**	$0	**$5,510**	$0
1116 Exterior Surfaces - Paint/Caulk	$0	**$0**	$0	**$0**	$0
1120 Exterior Siding - Replace	$0	**$0**	$0	**$0**	$0
1303 Comp Shingle Roof - Replace	$0	**$0**	$0	**$0**	$0
1310 Gutters/Downspouts - Repair/Replace	$0	**$0**	$0	**$0**	$0
1803 Fire Alarm Communicators - Replace	$0	**$0**	$0	**$0**	$0
1811 Plumbing - Replace	$0	**$0**	$0	**$0**	$0
1922 Reserve Study WSV	$1,693	**$0**	$0	**$1,849**	$0
Total Expenses	$1,693	$0	$3,382	**$12,490**	$0
Ending Reserve Balance:	$222,255	**$262,946**	$304,492	**$341,532**	$396,150

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14) 15035-3

Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	$396,150	$309,551	$372,567	$443,365	$510,365
Annual Reserve Contribution	$56,025	$61,627	$67,790	$74,569	$82,026
Planned Special Assessments	$0	$0	$0	$0	$0
Interest Earnings	$3,527	$3,409	$4,078	$4,767	$5,528
Total Income	$455,702	$374,588	$444,435	$522,701	$597,919
# Component					
104 Elastomeric Deck - Seal/Repair	$0	$0	$0	$5,948	$0
201 Asphalt - Mill and Overlay	$0	$0	$0	$0	$0
202 Asphalt - Seal/Repair	$0	$0	$1,069	$0	$0
324 Exterior Lights - Replace	$9,676	$0	$0	$0	$0
505 Wood Fence - Replace	$24,930	$0	$0	$0	$0
506 Privacy Fence - Replace	$4,032	$0	$0	$0	$0
701 Garage Doors - Replace	$0	$0	$0	$0	$0
1002 Irrigation System - Repair/Replace	$0	$0	$0	$0	$0
1100 Windows/Glass Doors -Replace	$0	$0	$0	$0	$0
1109 Wood Fence - Seal/Paint	$0	$0	$0	$6,388	$0
1116 Exterior Surfaces - Paint/Caulk	$80,635	$0	$0	$0	$0
1120 Exterior Siding - Replace	$0	$0	$0	$0	$0
1303 Comp Shingle Roof - Replace	$0	$0	$0	$0	$0
1310 Gutters/Downspouts - Repair/Replace	$0	$0	$0	$0	$0
1803 Fire Alarm Communicators - Replace	$26,878	$0	$0	$0	$0
1811 Plumbing - Replace	$0	$0	$0	$0	$0
1922 Reserve Study WSV	$0	$2,021	$0	$0	$2,208
Total Expenses	$146,151	$2,021	$1,069	$12,336	$2,208
Ending Reserve Balance:	$309,551	$372,567	$443,365	$510,365	$595,711

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19) 15035-3

	Fiscal Year	2029	2030	2031	2032	2033
	Starting Reserve Balance	$595,711	**$492,739**	$597,439	**$600,518**	$700,068
	Annual Reserve Contribution	$90,229	**$99,251**	$103,221	**$107,350**	$111,644
	Planned Special Assessments	$0	**$0**	$0	**$0**	$0
	Interest Earnings	$5,440	**$5,449**	$5,987	**$6,500**	$7,594
	Total Income	$691,379	**$597,439**	$706,647	**$714,368**	$819,306
#	Component					
104	Elastomeric Deck - Seal/Repair	$0	**$0**	$0	**$6,895**	$0
201	Asphalt - Mill and Overlay	$0	**$0**	$0	**$0**	$0
202	Asphalt - Seal/Repair	$0	**$0**	$1,240	**$0**	$0
324	Exterior Lights - Replace	$0	**$0**	$0	**$0**	$0
505	Wood Fence - Replace	$0	**$0**	$0	**$0**	$0
506	Privacy Fence - Replace	$0	**$0**	$0	**$0**	$0
701	Garage Doors - Replace	$0	**$0**	$0	**$0**	$0
1002	Irrigation System - Repair/Replace	$0	**$0**	$3,306	**$0**	$0
1100	Windows/Glass Doors -Replace	$0	**$0**	$0	**$0**	$0
1109	Wood Fence - Seal/Paint	$0	**$0**	$0	**$7,406**	$0
1116	Exterior Surfaces - Paint/Caulk	$0	**$0**	$99,171	**$0**	$0
1120	Exterior Siding - Replace	$0	**$0**	$0	**$0**	$0
1303	Comp Shingle Roof - Replace	$146,994	**$0**	$0	**$0**	$0
1310	Gutters/Downspouts - Repair/Replace	$51,647	**$0**	$0	**$0**	$0
1803	Fire Alarm Communicators - Replace	$0	**$0**	$0	**$0**	$0
1811	Plumbing - Replace	$0	**$0**	$0	**$0**	$0
1922	Reserve Study WSV	$0	**$0**	$2,413	**$0**	$0
	Total Expenses	$198,641	**$0**	$106,129	**$14,300**	$0
	Ending Reserve Balance:	$492,739	**$597,439**	$600,518	**$700,068**	$819,306

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24) 15035-3

Fiscal Year	2034	2035	2036	2037	2038
Starting Reserve Balance	$819,306	$897,380	$1,027,756	$1,162,852	$1,286,241
Annual Reserve Contribution	$116,110	$120,755	$125,585	$130,608	$135,832
Planned Special Assessments	$0	$0	$0	$0	$0
Interest Earnings	$8,580	$9,622	$10,948	$12,240	$12,991
Total Income	$943,996	$1,027,756	$1,164,289	$1,305,701	$1,435,065
# Component					
104 Elastomeric Deck - Seal/Repair	$0	$0	$0	$7,993	$0
201 Asphalt - Mill and Overlay	$11,469	$0	$0	$0	$0
202 Asphalt - Seal/Repair	$0	$0	$1,437	$0	$0
324 Exterior Lights - Replace	$0	$0	$0	$0	$0
505 Wood Fence - Replace	$0	$0	$0	$0	$0
506 Privacy Fence - Replace	$0	$0	$0	$0	$0
701 Garage Doors - Replace	$32,510	$0	$0	$0	$0
1002 Irrigation System - Repair/Replace	$0	$0	$0	$0	$0
1100 Windows/Glass Doors -Replace	$0	$0	$0	$0	$0
1109 Wood Fence - Seal/Paint	$0	$0	$0	$8,585	$0
1116 Exterior Surfaces - Paint/Caulk	$0	$0	$0	$0	$121,968
1120 Exterior Siding - Replace	$0	$0	$0	$0	$0
1303 Comp Shingle Roof - Replace	$0	$0	$0	$0	$0
1310 Gutters/Downspouts - Repair/Replace	$0	$0	$0	$0	$0
1803 Fire Alarm Communicators - Replace	$0	$0	$0	$0	$0
1811 Plumbing - Replace	$0	$0	$0	$0	$0
1922 Reserve Study WSV	$2,637	$0	$0	$2,881	$0
Total Expenses	$46,616	$0	$1,437	$19,460	$121,968
Ending Reserve Balance:	$897,380	$1,027,756	$1,162,852	$1,286,241	$1,313,097

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29) 15035-3

Fiscal Year	2039	2040	2041	2042	2043
Starting Reserve Balance	$1,313,097	**$1,468,264**	$1,627,504	**$1,791,275**	$1,949,657
Annual Reserve Contribution	$141,266	**$146,916**	$152,793	**$158,905**	$165,261
Planned Special Assessments	$0	**$0**	$0	**$0**	$0
Interest Earnings	$13,901	**$15,472**	$17,087	**$18,697**	$20,399
Total Income	$1,468,264	**$1,630,652**	$1,797,383	**$1,968,876**	$2,135,317
# Component					
104 Elastomeric Deck - Seal/Repair	$0	**$0**	$0	**$9,266**	$0
201 Asphalt - Mill and Overlay	$0	**$0**	$0	**$0**	$0
202 Asphalt - Seal/Repair	$0	**$0**	$1,666	**$0**	$0
324 Exterior Lights - Replace	$0	**$0**	$0	**$0**	$0
505 Wood Fence - Replace	$0	**$0**	$0	**$0**	$0
506 Privacy Fence - Replace	$0	**$0**	$0	**$0**	$0
701 Garage Doors - Replace	$0	**$0**	$0	**$0**	$0
1002 Irrigation System - Repair/Replace	$0	**$0**	$4,443	**$0**	$0
1100 Windows/Glass Doors -Replace	$0	**$0**	$0	**$0**	$0
1109 Wood Fence - Seal/Paint	$0	**$0**	$0	**$9,952**	$0
1116 Exterior Surfaces - Paint/Caulk	$0	**$0**	$0	**$0**	$0
1120 Exterior Siding - Replace	$0	**$0**	$0	**$0**	$0
1303 Comp Shingle Roof - Replace	$0	**$0**	$0	**$0**	$0
1310 Gutters/Downspouts - Repair/Replace	$0	**$0**	$0	**$0**	$0
1803 Fire Alarm Communicators - Replace	$0	**$0**	$0	**$0**	$0
1811 Plumbing - Replace	$0	**$0**	$0	**$0**	$0
1922 Reserve Study WSV	$0	**$3,149**	$0	**$0**	$3,441
Total Expenses	$0	**$3,149**	$6,109	**$19,219**	$3,441
Ending Reserve Balance:	$1,468,264	**$1,627,504**	$1,791,275	**$1,949,657**	$2,131,877

Accuracy, Limitations, and Disclosures

Washington disclosure, per RCW 64.34.382:

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 you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair or replacement of a reserve component.

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves, Inc., and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James D. Talaga R.S., company president, is a credentialed Reserve Specialist (#66). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association's situation.

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were developed by Association Reserves unless otherwise noted in our "Site Inspection Notes" comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
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 Reserve Balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

FFB = (Current Cost X Effective Age) / Useful Life

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 Table 5.

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, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a common area component can be expected to serve its intended function.

Photographic Inventory Appendix

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

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

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed "Best Cost" and "Worst Cost" below the photo. There are many factors that can result in a wide variety of potential costs; we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

Comp #: **103 Concrete - Repair/Replace**

Quantity: Approx 7,500 GSF

Location: Patios, driveways for four buildings, etc…

Evaluation: Concrete flatwork is in overall good condition with no significant cracking or damage observed at this time. As routine maintenance, inspect regularly, pressure wash for appearance and repair/replace as needed using general operating funds. Continue to monitor as the Association ages and if regular patterns of deterioration emerge, funding may be incorporated into future reserve study updates. No basis for reserve funding at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 104 Elastomeric Deck - Seal/Repair

Quantity: Approx 580 GSF

Location: Elevated decks adjacent to individual units

Evaluation: We did not closely inspect the decks due to access limitations. There are no reported problems at this time. This surface type needs to be top coated periodically for waterproof integrity, protection of surrounding wood structure and appearance. As routine maintenance, we recommend annual professional inspections, with cleaning and repair as needed. Clean with mild solution such as TSP; bleach can be added if mold/mildew become a problem.

Useful Life:
5 years

Remaining Life:
3 years

Best Case: $3,500.00

$6/GSF - Lower allowance to clean, prime and seal/top coat

Worst Case: $4,600.00

$8/GSF - Higher allowance to clean, prime and seal/top coat

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 105 Elastomeric Deck - Repair/Replace

Quantity: Approx 580 GSF

Location: Elevated decks adjacent to individual units

Evaluation: We cannot assume the decks have been correctly installed with proper flashings and adequate slope and drainage provision, as a reserve study conducts only a limited visual review for budget purposes. No reported problems at this time - periodic evaluations by architect or building envelope consultant are prudent. With proactive care and maintenance, there is no predictable expectation for large scale repair / replacement at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 201 Asphalt - Mill and Overlay

Quantity: Approx 3,100 GSF

Location: Driveway access

Evaluation: Asphalt is in overall good condition with some noted areas of damage. Recommend yearly inspections to ensure surface integrity and fill developing cracks. Also, shoulder design and maintenance are critical in maintaining the integrity of the asphalt. We recommend following WSDOT road design (cross section) recommendations, or engage an engineer to recommend specific design criteria for this community.

Useful Life:
30 years

Remaining Life:
20 years

Best Case: $6,000.00

$1.95/GSF - Lower allowance to mill and overlay

Worst Case: $6,700.00

$2.15/GSF - Higher allowance to mill and overlay

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 202 Asphalt - Seal/Repair

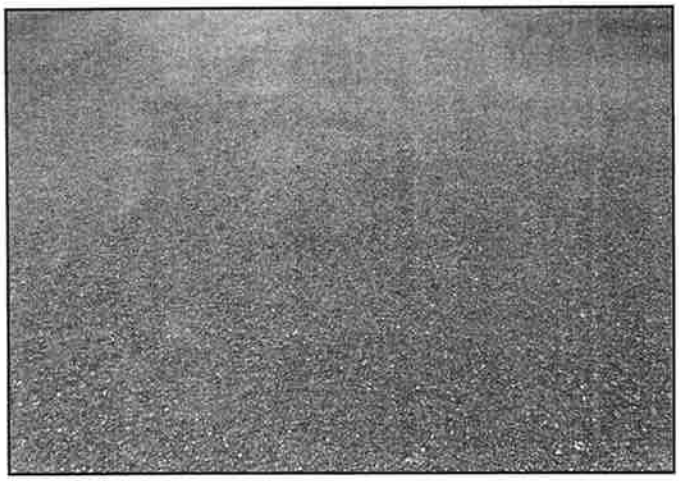
Quantity: Approx 3,100 GSF

Location: Driveway access

Evaluation: Asphalt surface is in fair condition with minor signs of drying. Seal coating does not add any structural integrity to the asphalt. However, seal coating protects the asphalt from UV deterioration and fills cracks typically no larger than 1/16". Recommend yearly inspections and crack/fill work to mitigate any subsurface moisture.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: $600.00

$.20/GSF - Lower allowance to seal

Worst Case: $900.00

$.30/GSF - Higher allowance to seal

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 206 Special Concrete - Seal/Repair

Quantity: Approx 5,900 GSF

Location: Entry areas of buildings

Evaluation: Stamped concrete is in overall good to fair condition with no damage or significant cracking observed at this time. Inspect regularly, clean for appearance and repair as needed from operating budget. Some associations choose to apply sealer for enhanced appearance and water-shedding (~$2 - $3 / sq ft). No expectation of large scale expenses impacting reserves at this time, so no reserve funding suggested.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 324 Exterior Lights - Replace

Quantity: (48) Light Fixtures

Location: Exterior common and limited common area locations

Evaluation: Exterior lighting is in overall fair condition with minimal fading depending on orientation and exposure. Lights were observed during daylight hours, but assumed to be in functional operating condition. As routine maintenance, clean by wiping down with an appropriate cleaner; change bulbs and repair as needed.

Useful Life:
20 years

Remaining Life:
10 years

Best Case: $6,000.00

$125/each - Lower average allowance to replace; installed be electrician

Worst Case: $8,400.00

$175/each - Higher average allowance to replace

Cost Source: Research with Vendor - Lighting Universe

Comp #: 503 Metal Rail - Replace

Quantity: Moderate Quantity

Location: Adjacent to individual unit entries

Evaluation: Metal rails are in fair condition with no unusual deterioration observed at this time. Inspect regularly, clean for appearance, treat for corrosion and repair as needed from operating funds. Paint along with other exterior building paint projects. No reserve funding recommended at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 505 Wood Fence - Replace

Quantity: Approx 825 LF

Location: Throughout community

Evaluation: 4' Wood fence is in good condition with no unusual deterioration observed at this time. As routine maintenance, inspect regularly for any damage, repair as needed. Avoid contact with ground and surrounding vegetation. Regular cycles of paint will help to maintain appearance and maximize life (see component #1109 Wood Fence - Seal/Paint).

Useful Life:
20 years

Remaining Life:
10 years

Best Case: $16,500.00
$20/LF - Lower allowance to replace

Worst Case: $20,600.00
$25/LF - Higher allowance to replace

Cost Source: Research with Local Contractor - Town and Country Fencing

Comp #: 506 Privacy Fence - Replace

Quantity: Approx 100 LF

Location: Adjacent to buildings

Evaluation: The 6 foot wood fence is in overall good condition with no widespread cracking, damage or loose sections evident at this time. Inspect regularly, touch up paint and complete minor repairs as needed from operating budget.

Useful Life:
20 years

Remaining Life:
10 years

Best Case: $2,500.00

$25/LF - Lower allowance to replace

Worst Case: $3,500.00

$35/LF - Higher allowance to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 700 Entry Doors - Replace

Quantity: (24) Entry Doors

Location: Entry to each unit

Evaluation: The insulated metal doors are in good condition with no damage or deterioration observed. Inspect regularly, repair hardware as needed from maintenance budget. Clean and paint along with other exterior building surfaces, no need for separate funding. No expectation for large scale replacement at this time. No reserve funding recommended.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 701 Garage Doors - Replace

Quantity: (24) Doors

Location: At each garage

Evaluation: The metal roll up garage doors are in overall good condition with no significant damage or unusual deterioration evident at this time. If not damaged or abused, expect extended life from these metal doors. Commercially applied finish is durable, but may need to be painted in future years. Anticipate replacement due to age and use.

Useful Life:
30 years

Remaining Life:
20 years

Best Case: $12,000.00

$500/each - Lower allowance to replace

Worst Case: $24,000.00

$1,000/each - Higher allowance to replace

Cost Source: ARI Cost Database

Comp #: 702 Utility Doors - Replace

Quantity: (8) Wood Doors

Location: Exterior locations on buildings

Evaluation: Doors are in good condition with no significant cracking, damage or delaminating observed at this time. Repair hardware as needed as part of routine maintenance. Paint regularly as needed along with other building components. Replace doors as needed through the operating budget. No reserve funding suggested.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1002 Irrigation System - Repair/Replace

Quantity: Extensive Systems

Location: Throughout common area landscaping

Evaluation: Irrigation system is assumed to be in functional operating condition. As routine maintenance, inspect and test system regularly, perform any minor repairs as necessary from operating budget. Follow proper winterization and spring start up procedures. Although the failure rate of the elements within this component are typically difficult to predict, as the system ages, periodic replacement of significant items such as clocks and back flow preventers can be expected.

Useful Life:
10 years

Remaining Life:
7 years

Best Case: $1,500.00

Lower allowance to replace a portion

Worst Case: $2,500.00

Higher allowance to replace a portion

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1100 Windows/Glass Doors -Replace

Quantity: (424) Various Sizes

Location: Exterior building elevations

Evaluation: Windows appeared in fair condition during our limited scope visual inspection, with no deterioration or fogging apparent. We recommend regular professional inspections and prompt repair as needed to ensure building waterproofing and help prevent structural damage. If properly installed without defect, windows and glass doors are typically durable and have an extended useful life; however, we recommend to plan for eventual replacement at the time frame indicated below. Note: there are many types of glazing and windows available in today's market, a general mid-range funding allowance is factored below. Timed below logically with siding.

Useful Life:
40 years

Remaining Life:
30 years

Best Case: $339,200.00

$800/each - Lower average allowance to replace

Worst Case: $424,000.00

$1,000/each - Higher average allowance to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1109 Wood Fence - Seal/Paint

Quantity: Approx 4,950 GSF

Location: Throughout community

Evaluation: We recommend the regular application of a quality exterior paint, on both sides of the wood fencing for appearance, protection of wood and maximum design life. Remove any contact with ground and surrounding landscape, repair as needed and clean prior to sealer application. Pay particular attention to end grains of fence to help prevent water from wicking into wood.

Useful Life:
5 years

Remaining Life:
3 years

Best Case: $3,700.00

$.75/GSF - Lower allowance to clean and seal both sides of wood fencing

Worst Case: $5,000.00

$1.00/GSF - Higher allowance to clean and seal both sides of wood fencing

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1116 Exterior Surfaces - Paint/Caulk

Quantity: (24) Units

Location: Building exterior surfaces

Evaluation: Exterior paint is in fair condition with some noted deterioration on rafter tails and various locations. We recommend regular professional inspections with prompt touch up and repair as needed to ensure that the waterproof integrity of the buildings is maintained. Typical Northwest paint cycles are between five and eight years depending upon surface preparation, material quality, application methods, site and weather conditions. Removal and replacement of caulking with high quality product is important part of surface preparation. Repair any siding or trim necessary prior to painting.

Useful Life:
7 years

Remaining Life:
3 years

Best Case: $55,200.00

$2,300/unit - Lower allowance to clean, seal and repaint

Worst Case: $64,800.00

$2,700/unit - Higher allowance to clean, seal and repaint

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1120 Exterior Siding - Replace

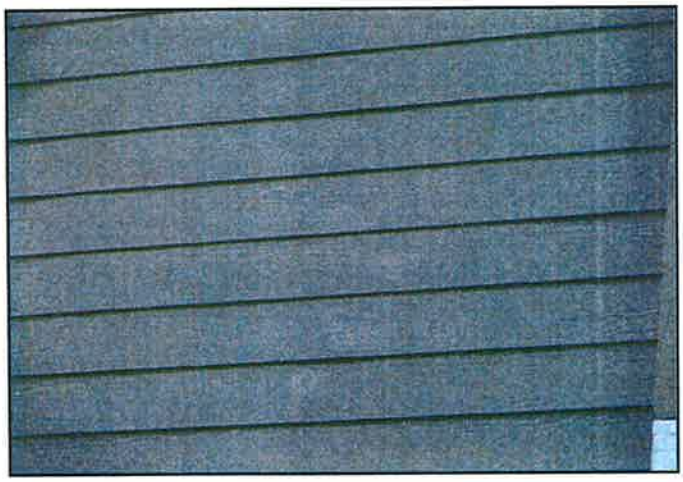
Quantity: Approx 43,000 GSF

Location: Building exterior surfaces

Evaluation: Exterior siding appears in overall good condition, with no significant cracking, damage or deterioration apparent. No reported water intrusion problems at this time. The siding throughout the development is primarily cementious, with approximately 15% covered by wood shingle/panel siding. Forensic building inspection is beyond the scope of our services and we recommend regular professional inspections to ensure that the waterproof integrity of building structures is maintained, with prompt repair as needed. Assumed to have been installed properly with adequate moisture barrier below. Products manufactured prior to 2009 carried a 50 year warranty, but recently, manufacturers have reduced warranty coverages to 30 years. Based on this, anticipate a shorter useful life than advertised by the manufacturer. Note: cost below is for siding only - professional archtictural spec's & drawings, project management, etc... can add significantly to cost - some associations choose that approach versus hiring a siding contractor directly.

Useful Life:
40 years

Remaining Life:
30 years



Best Case: $258,000.00

$6/GSF - Lower allowance to replace

Worst Case: $344,000.00

$8/GSF - Higher allowance to replace

Cost Source: ARI Cost Database

Comp #: 1303 Comp Shingle Roof - Replace

Quantity: Approx 34,300 GSF

Location: Rooftop of buildings

Evaluation: Asphalt shingles appear in overall fair condition with no noted areas of raised or buckled shingles. Roofs were not inspected closely due to access limitations. Anticipate a shorter useful life than advertised by the manufacturer due to weather conditions. Recommend yearly inspections by a qualified roofer to ensure roof and flashings are intact and maintained.

Useful Life:
25 years

Remaining Life:
15 years

Best Case: $85,800.00

$2.50/GSF - Lower allowance to replace

Worst Case: $102,900.00

$3.00/GSF - Higher allowance to replace

Cost Source: Research with Local Contractor - McMains Roofing

Comp #: 1310 Gutters/Downspouts - Repair/Replace

Quantity: Approx 3,900 LF

Location: Perimeter of buildings

Evaluation: Gutters and downspouts appear to be in overall good condition with no significant signs of damage. Recommend yearly inspections and cleaning to ensure full useful life. Cycle replacement in conjunction with component #1303 Comp Shingle Roof - Replace.

Useful Life:
25 years

Remaining Life:
15 years

Best Case: $27,300.00

$7/LF - Lower allowance to replace

Worst Case: $39,000.00

$10/LF - Higher allowance to replace

Cost Source: Research with Local Contractor - McMains Roofing

Comp #: 1803 Fire Alarm Communicators - Replace

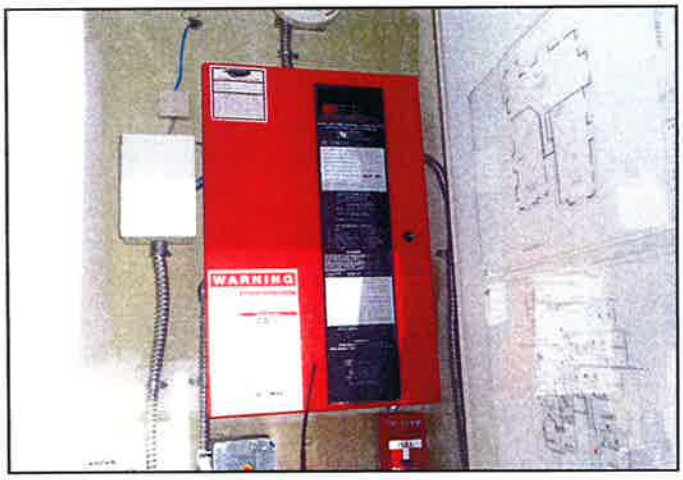
Quantity: (8) Panels

Location: Exterior of each building

Evaluation: The Silent Knight monitoring panels appear in good condition and are assumed to be in working order and operating as designed. Professional regular inspections are recommended. The failure rate of these types of communicators is typically difficult to predict and they can last many years barring an unforeseen electrical event; however, we recommend setting aside funding for periodic replacement at roughly the interval indicated below.

Useful Life:
20 years

Remaining Life:
10 years



Best Case: $16,000.00

$2,000/each - Lower allowance for replacement

Worst Case: $24,000.00

$3,000/each - Higher allowance for replacement

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1807 Drainage/Storm System - Replace

Quantity: Extensive Systems

Location: Throughout community

Evaluation: No reported problems. Assumed to have been properly designed with adequate provisions for community drainage needs. Inspect regularly, keep drains and grates free of debris and free flowing to ensure water evacuating as designed. Pump out sediments if needed utilizing mobile evacuator service; fund from operating budget. No expectation of large scale repairs/replacement at this time. No reserve funding recommended.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 1808 Trees - Remove/Trim

Quantity: Extensive Quantity

Location: Throughout common areas

Evaluation: This component may be utilized for larger tree removal/trimming projects which do not occur on a annual basis. If the community has not already done so, consult with a qualified arborist for a long term plan for the care and management of the trees within the community, balancing aesthetics with protection of association assets. Tree removal/trimming expenses currently handled through the operating budget, incorporate into future reserve study updates if conditions merit.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 1811 Plumbing - Repair/Replace

Quantity: Extensive Systems

Location: Throughout common and limited common areas of community

Evaluation: If installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. No reported problems at this time. Treat minor repairs as ongoing maintenance expense. If patterns of significant repair emerge, funding may be incorporated into future reserve study updates. No reserve funding suggested at this time.

Useful Life:

Remaining Life:
0 years

Best Case: Worst Case:

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 1812 Electrical - Repair/Replace

Quantity: Extensive Systems

Location: Throughout common and limited common areas

Evaluation: No reported problems at this time. Assessing the electrical systems is beyond the scope of our services. If installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. Treat minor repairs as ongoing maintenance expense. Funding may be incorporated into future reserve study updates if conditions change. No reserve funding suggested at this time.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 1901 Landscape - Refurbish

Quantity: Extensive Landscaping

Location: Common areas

Evaluation: Although typically funded as ongoing maintenance item, this component may be utilized for setting aside funds for larger expenses that do not occur on an annual basis, such as large scale plantings, common area drainage projects, extensive bark mulch every two/three years, resodding lawn areas, landscape improvement projects, etc... No stated desire to fund at this time, these types of expenses may be incorporated into future reserve study updates.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 1922 Reserve Study WSV

Quantity: Every Three Years

Location: Common areas of property

Evaluation: Per the direction of Kappes Miller Management, we have factored the estimated cost for reserve study update with site inspection, to occur every three years to assess current physical and economic conditions impacting the long term reserve plan.

Useful Life:
3 years

Remaining Life:
2 years

Photo Not Available

Best Case: $1,360.00

Lower allowance to update reserve study, with site inspection

Worst Case: $1,560.00

Higher allowance to update reserve study, with site inspection.

Cost Source: Client Cost History