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Level I – FULL Reserve Study Report

For Fiscal Year Beginning January 1, 2024

Sample Condo

Your Town, WA

January 18, 2024

KAREN MCDONALD
CAI-RS
355
DESIGNATION
RESERVE SPECIALIST

Reserve Study Summary for Sample Condo

50 Units
For Fiscal Year Beginning January 1, 2024

Overview	
Starting Reserve Balance	$595,000
Fully Funded Balance	$920,654
Percent Funded	65%
Reserve Fund Strength (Weak, Fair or Strong)	Fair
Total Surplus or (Deficit) of Reserve Funding	$(325,654)
Surplus or (Deficit) on a Per Unit Average Basis***	$(6,513)
Current Reserve Contribution Based on Last Approved Budget	
Current Reserve Contribution Rate, Annually	$95,800
Current Special Assessment For Reserves, Annually	n/a
Is the Current Contribution Rate Within Range Provided by Study Below?	Yes
Reserve Study Funding Plan Options Beginning January 1, 2024	
100% Full Funding Contribution Rate, Annually	$117,000
70% Threshold Funding Contribution Rate, Annually	$94,000
Baseline Funding Contribution Rate, Annually	$46,500
Recommended Annual Special Assessment	n/a

Study Description & Assumptions

This is a Level I Full reserve study. As part of this report, a site visit was performed on June 6, 2023. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes on interest income and other outside factors are not included.

Property Description

Sample Condo consists of 50 units located in Your Town, WA. It was constructed in or around 2008.

Recommended Funding Plan

We recommend that the association budget for annual reserve contributions of $94,000 to $117,000 per year in 2024.

Recommended Special Assessment(s)

No special assessments are recommended at this time.

Other Notes

None.

***Current surplus or deficit is calculated on an average per unit. If the association calculates its assessments based on a fraction or percentage that varies by unit, it should calculate the current deficit or surplus based on that schedule. To do so, subtract the association's starting reserve balance above from the fully funded balance, and multiply the resulting number by the fraction or percentage allocable to each unit.

Sample Condo
Component List

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
Grounds					
1000	Concrete - Repair	5		4	$3,200
1005	Asphalt - Repair & Sealcoat	5		2	$22,000
1015	Asphalt - Overlay	40	-2	22	$165,000
1065	Mailboxes - Replace	25		9	$12,000
1070	Wood Fence - Replace	20	-1	3	$12,455
1075	Wood Fence - Repair & Stain	5		3	$2,996
1135	Landscape - Refurbish	3		1	$2,500
1145	Trees - Trim/Remove	3		0	$1,600
1155	Irrigation System - Repair	5		4	$1,500
1160	Drainage System - Maintain	Unfunded			
1175	Pole Lights - Replace	Unfunded			
Building Exterior					
4000	Composition Roof - Replace	30		14	$255,500
4025	Skylights - Replace	30		14	$35,000
4030	Chimney Caps & Covers - Replace	30		14	$40,000
4035	Gutters/Downspouts - Replace	30		14	$37,350
4040	Fiber-Cement Siding - Replace	50		34	$1,206,000
4065	Exterior Surfaces - Repair & Paint	10		4	$150,750
4068	Exterior Lights - Replace	25		9	$18,750
4070	Windows/Sliders - Replace	Unfunded			
4075	Exterior Doors - Replace	Unfunded			
4085	Garage Doors - Replace	Unfunded			
4115	Traffic Coated Decks & Porches - Repair & Coat	5		0	$59,250
4130	Metal Deck Rail - Replace	50		34	$213,750
Equipment & Mechanical					
5000	Electrical System - Repair/Replace	Unfunded			
5005	Plumbing System - Repair/Replace	Unfunded			
Professional					
6000	Periodic Investigations - Perform	5		3	$5,500
6005	WA Clean Buildings Performance Standard	Unfunded			
6010	Reserve Study - Annual Update	Unfunded			

An Introduction to Your Reserve Study

The Purpose of Your Reserve Study

The purpose of your reserve study is to develop a budgetary model to assist the association with preparing for the maintenance, repair and replacement of the assets which are under the association's responsibility. The report provides both estimated timeframes in which these projects are expected to occur as well as a cost allowance for the project. A reserve study consists of two parts; the physical analysis and the financial analysis. The physical analysis includes the component inventory and associated information including useful life, remaining useful life and cost allowances. The financial analysis includes the association's current reserve fund status (the percent funded) and funding recommendations.

Reserve Study Standards

This report is prepared in accordance with the National Reserve Study Standards (NRSS) by Community Associations Institute (CAI). First published in 1998, the NRSS provides guidelines related to the preparation of reserve studies including what information is included and how calculations are prepared. The full NRSS can be viewed at National Reserve Study Standards and an explanation of the NRSS is available at NRSS Explanation.

Types of Reserve Studies

There are four types of reserve studies under National Reserve Study Standards:

- ***Level I Full*** – This is the initial report prepared by the association. This report includes a site visit, in which a non-intrusive basic visual review is conducted and association assets are counted, measured and/or quantified. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly. A Full study is typically only prepared once as the quantities and other data can be used in all other reports going forward.
- ***Level II With-Site-Visit*** – This report includes a site visit in which a non-intrusive basic visual review is conducted. No assets are quantified as this process was previously completed during the Full study process. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated accordingly. After the initial full study, most associations perform a with-site-visit report every third year; this cycle is required for Washington State associations with significant assets.
- ***Level III No-Site-Visit*** – This report does not include a site visit. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated. The No-Site-Visit update is primarily based on the current reserve account balance, projects completed since the last report, current industry costs, and any proposals the association may have received for upcoming projects.
- ***Level IV Preliminary, Community Not Yet Constructed*** – This report is prepared for communities that are in the development phase and have not yet been constructed. The component list is typically developed using building and site plans along with details provided by the developer. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly.

What Components are Included

National Reserve Study Standards provide for a three-part test to determine which items are funded within a reserve study. First, the component needs to be an item that the association is responsible to maintain, repair and replace. It cannot be an item that an owner or other party is responsible for. Next, the item must be "predictable" in that it has a predictable useful life (i.e. we need to be able to determine how long, on average, the item will last), and a remaining useful life (i.e. we need to be able to determine how much longer until that item requires replacement). Lastly, the cost to maintain, repair and replace the component must be above a minimum cost which is typically defined as 1% or more of the annual operating budget, however some associations may opt to define a different funding threshold. Using 1% of the annual operating budget, an association with a $100,000 annual budget would have a $1,000 reserve funding

threshold.

One consideration that is not included within the NRSS three-part test are significant expenses which occur annually. Some associations opt to include annual expenses that exceed the 1% funding threshold in their study, however it is our opinion that these expenses are best handled through the operating budget. From an administrative and practical standpoint it is most advantageous to budget and pay for those expenses through the operating account, particularly in states such as Washington State which feature statutory limitations regarding reserve fund disbursements.

The intent of funding for reserve components is to maintain, repair or replace those exact components in the future. Capital improvements are not included within a reserve study and reserve funds should not be used accordingly. A capital improvement is the addition of an item that does not previously exist, such as installing a swimming pool when one was not previously present. Repurposing an existing item into something new is also considered a capital improvement; an example would be converting a janitorial closet in the clubhouse into an additional restroom. Replacing an existing item with an upgraded but like-kind product is not considered a capital improvement and reserve funds may be used in this instance; an example would be replacement of a wood deck with a composite (Trex®) material.

How Are Costs Determined

The cost allowances within a reserve study are determined in a number of ways. First, the association's prior cost history or recent vendor proposals are generally the best predictor of future costs as they are specific to your community. When a cost history is unavailable, a number of methods to determine costs may be used by the reserve study provider including, but not limited to research with vendors (including the association's vendors) and/or industry average costs. When industry average costs are used, they are adjusted based on the geographical location and current economical market of each client.

Fully Funded Balance Calculation

One of the most common questions related to a reserve study is how the fully funded balance is calculated. Contrary to popular belief, the fully funded balance is *not* the cost to replace all the association's assets today. Rather, it is the total accumulated deterioration of the association's assets. Let's take the example of a roof. If the roof lasts 30 years and costs $30,000 to replace, the association would save $1,000 per year so that it would have the $30,000 it needs to replace the roof by the 30th year. If the roof is two years old, the association would need $2,000 on hand to be 100% funded, meaning that it had the exact amount of cash on hand that the roof had deteriorated to date. If the association only saved $1,000 by the second year, it would then be 50% funded instead. The reserve study calculates the deterioration of each of the association's assets through the date of the study, taking into consideration their age and replacement cost allowances, and the cumulative total of those numbers is the association's fully funded balance.

Reserve Fund Strength, Also Known As Percent Funded

The association's percent funded is calculated by comparing the association's current reserve balance against the fully funded balance, which we defined above. Generally speaking, an association that is less than 30% funded is considered to have a weak reserve account balance and thus a high risk of requiring a special assessment. Associations which are between 30% and 69% funded are considered to have a moderate funding position and therefore a medium risk of a special assessment. Association's which are 70% or more funded have a strong funding position and a low risk of requiring a special assessment. One of the many goals of your reserve study is to help the association achieve, and keep, a strong funding position with a low risk of a special assessment.

How to Pay for Reserve Projects

The question of reserve expenses is not if they will occur, but when they will occur. The best and most cost-effective way to ensure that funds are available for these expenses is to save for future projects through regular contributions to the reserve fund. This not only ensures that funds are available as projects arise, thus reducing the chances of deferred

maintenance, but it is also the most equitable to ownership groups over time. If a person owns a unit for one year, they contribute toward one year of reserves. The same goes for a person who owns their unit for five years, or for 30 years. If the association does not fund the reserve account through regular contributions and instead assesses a special assessment or takes out a loan for the project, the current ownership group is unfairly burdened with paying the full project cost even though previous owners enjoyed the use of those assets.

Properly reserving for anticipated maintenance, repair and replacement projects also results in lower overall costs to the association. Inadequate reserve funds often result in deferred maintenance, which can cause higher project costs and risk potential damage to association assets. For example, deferring an exterior paint project may result in increased future costs due to the additional prep work required to address peeling paint, repairs to exposed wood which has started to decay, etc. There are also administrative expenses associated with levying a special assessment and interest expenses associated with taking out a loan, both of which are avoided when adequate reserve funds are available.

Preventive Maintenance Manual

Preventive maintenance is a critical aspect of properly maintaining association assets and achieving their longest useful life. National Reserve Study Standards (NRSS) recommends that a preventive maintenance manual be prepared by each community and updated regularly. Preparation of such manual is beyond the scope of standard reserve study services and should be prepared independently by the association. Additional resources are available within Community Associations Institute's Best Practices: Community Association Maintenance at www.condosafety.com. The preventive maintenance manual should incorporate maintenance of all common elements, not just those included within the reserve study. Some preventive maintenance projects, such as asphalt sealcoating for example, may be funded within the association's reserve study. Other projects, such as gutter cleaning, are most commonly funded through the annual operating budget. Additional preventive maintenance projects identified by the maintenance manual may be added to the reserve study as needed provided they are significant in cost and do not occur annually, as annual expenditures are generally best handled through the annual operating budget. Any preventive maintenance contracts reported by client are notated on the appropriate components within the component detail inventory toward the rear of this report; common contracts include the maintenance of pool equipment, elevators, fire alarm/sprinkler equipment and HVAC equipment.

Report Sections

This report was designed to provide clear, distinct chapters for the different funding plan options so the association can easily compare and select a funding plan to follow. Your report includes separate sections detailing the Full Funding plan, 70% Funding plan, Baseline Funding plan, as well as data illustrating the reserve funding projections based on the association's current contribution rate. The different funding options are also summarized in the Report Summary at the beginning of this study. In rare instances, associations with unique funding scenarios may not have a 70% Funding option available; in those cases the 70% Funding chapter has been omitted.

Annual Expenditure Charts

The data within this section represents the association's projected expenses over the 30 year scope of this report. These expenses are projected to occur independent of which funding plan the association chooses to follow (Full, 70% or Baseline), and the charts are particularly helpful to the association in planning near term projects (i.e. within the next 1-5 years).

This section also includes a deterioration summary, which shows the total deterioration of the association's assets on an annual basis. It is important that the association consider this data when selecting an annual reserve contribution, as contributing significantly less than the annual deterioration rate means that the association's assets are deteriorating at a faster rate than the association is reserving.

Sample Condo

Your Town, WA

Year By Year Spread Sheet

ID	Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Grounds											
1000	Concrete - Repair					3,602					4,175
1005	Asphalt - Repair & Sealcoat			23,340					27,057		
1015	Asphalt - Overlay										
1065	Mailboxes - Replace										15,657
1070	Wood Fence - Replace				13,610						
1075	Wood Fence - Repair & Stain				3,274					3,796	
1135	Landscape - Refurbish		2,575			2,814			3,075		
1145	Trees - Trim/Remove	1,600			1,748			1,910			2,088
1155	Irrigation System - Repair					1,688					1,957
1160	Drainage System - Maintain	*Unfunded*									
1175	Pole Lights - Replace	*Unfunded*									
Grounds Total:		**1,600**	**2,575**	**23,340**	**18,632**	**8,104**		**1,910**	**30,132**	**3,796**	**23,877**
Building Exterior											
4000	Composition Roof - Replace										
4025	Skylights - Replace										
4030	Chimney Caps & Covers - Replace										
4035	Gutters/Downspouts - Replace										
4040	Fiber-Cement Siding - Replace										
4065	Exterior Surfaces - Repair & Paint					169,670					
4068	Exterior Lights - Replace										24,464
4070	Windows/Sliders - Replace	*Unfunded*									
4075	Exterior Doors - Replace	*Unfunded*									
4085	Garage Doors - Replace	*Unfunded*									
4115	Traffic Coated Decks & Porches - Repair & Coat	59,250					68,687				
4130	Metal Deck Rail - Replace										
Building Exterior Total:		**59,250**				**169,670**	**68,687**				**24,464**
Equipment & Mechanical											
5000	Electrical System - Repair/Replace	*Unfunded*									
5005	Plumbing System - Repair/Replace	*Unfunded*									

Sample Condo

Your Town, WA

Year By Year Spread Sheet

ID	Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Professional											
6000	Periodic Investigations - Perform				6,010					6,967	
6005	WA Clean Buildings Performance Standard	*Unfunded*									
6010	Reserve Study - Annual Update	*Unfunded*									
Professional Total:					**6,010**					**6,967**	
Year Total:		**60,850**	**2,575**	**23,340**	**24,642**	**177,774**	**68,687**	**1,910**	**30,132**	**10,763**	**48,342**

Sample Condo
Your Town, WA
Year By Year Spread Sheet

ID	Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Grounds											
1000	Concrete - Repair					4,840					5,611
1005	Asphalt - Repair & Sealcoat			31,367					36,363		
1015	Asphalt - Overlay										
1065	Mailboxes - Replace										
1070	Wood Fence - Replace										
1075	Wood Fence - Repair & Stain				4,400					5,101	
1135	Landscape - Refurbish	3,360			3,671			4,012			4,384
1145	Trees - Trim/Remove			2,281			2,493			2,724	
1155	Irrigation System - Repair					2,269					2,630
1160	Drainage System - Maintain	*Unfunded*									
1175	Pole Lights - Replace	*Unfunded*									
Grounds Total:		**3,360**		**33,648**	**8,071**	**7,109**	**2,493**	**4,012**	**36,363**	**7,825**	**12,625**
Building Exterior											
4000	Composition Roof - Replace					386,467					
4025	Skylights - Replace					52,941					
4030	Chimney Caps & Covers - Replace					60,504					
4035	Gutters/Downspouts - Replace					56,495					
4040	Fiber-Cement Siding - Replace										
4065	Exterior Surfaces - Repair & Paint					228,023					
4068	Exterior Lights - Replace										
4070	Windows/Sliders - Replace	*Unfunded*									
4075	Exterior Doors - Replace	*Unfunded*									
4085	Garage Doors - Replace	*Unfunded*									
4115	Traffic Coated Decks & Porches - Repair & Coat	79,627					92,310				
4130	Metal Deck Rail - Replace										
Building Exterior Total:		**79,627**				**784,429**	**92,310**				
Equipment & Mechanical											
5000	Electrical System - Repair/Replace	*Unfunded*									
5005	Plumbing System - Repair/Replace	*Unfunded*									

Sample Condo

Your Town, WA

Year By Year Spread Sheet

ID	Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Professional											
6000	Periodic Investigations - Perform				8,077					9,363	
6005	WA Clean Buildings Performance Standard	*Unfunded*									
6010	Reserve Study - Annual Update	*Unfunded*									
Professional Total:					**8,077**					**9,363**	
Year Total:		**82,987**		**33,648**	**16,148**	**791,538**	**94,802**	**4,012**	**36,363**	**17,188**	**12,625**

Sample Condo

Your Town, WA

Year By Year Spread Sheet

ID	Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Grounds											
1000	Concrete - Repair					6,505					7,541
1005	Asphalt - Repair & Sealcoat			42,154					48,868		
1015	Asphalt - Overlay			316,157							
1065	Mailboxes - Replace										
1070	Wood Fence - Replace				24,581						
1075	Wood Fence - Repair & Stain				5,913					6,855	
1135	Landscape - Refurbish			4,790			5,234			5,720	
1145	Trees - Trim/Remove		2,976			3,252			3,554		
1155	Irrigation System - Repair					3,049					3,535
1160	Drainage System - Maintain	*Unfunded*									
1175	Pole Lights - Replace	*Unfunded*									
Grounds Total:			**2,976**	**363,102**	**30,494**	**12,807**	**5,234**		**52,422**	**12,575**	**11,076**
Building Exterior											
4000	Composition Roof - Replace										
4025	Skylights - Replace										
4030	Chimney Caps & Covers - Replace										
4035	Gutters/Downspouts - Replace										
4040	Fiber-Cement Siding - Replace										
4065	Exterior Surfaces - Repair & Paint					306,444					
4068	Exterior Lights - Replace										
4070	Windows/Sliders - Replace	*Unfunded*									
4075	Exterior Doors - Replace	*Unfunded*									
4085	Garage Doors - Replace	*Unfunded*									
4115	Traffic Coated Decks & Porches - Repair & Coat	107,012					124,056				
4130	Metal Deck Rail - Replace										
Building Exterior Total:		**107,012**				**306,444**	**124,056**				
Equipment & Mechanical											
5000	Electrical System - Repair/Replace	*Unfunded*									
5005	Plumbing System - Repair/Replace	*Unfunded*									

Sample Condo

Your Town, WA

Year By Year Spread Sheet

ID	Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Professional											
6000	Periodic Investigations - Perform				10,855					12,584	
6005	WA Clean Buildings Performance Standard	*Unfunded*									
6010	Reserve Study - Annual Update	*Unfunded*									
Professional Total:					**10,855**					**12,584**	
Year Total:		**107,012**	**2,976**	**363,102**	**41,349**	**319,250**	**129,291**		**52,422**	**25,159**	**11,076**

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2024	
Trees - Trim/Remove	1,600
Traffic Coated Decks & Porches - Repair & Coat	59,250
Total for 2024	**$60,850**
Replacement Year 2025	
Landscape - Refurbish	2,575
Total for 2025	**$2,575**
Replacement Year 2026	
Asphalt - Repair & Sealcoat	23,340
Total for 2026	**$23,340**
Replacement Year 2027	
Trees - Trim/Remove	1,748
Periodic Investigations - Perform	6,010
Wood Fence - Repair & Stain	3,274
Wood Fence - Replace	13,610
Total for 2027	**$24,642**
Replacement Year 2028	
Landscape - Refurbish	2,814
Concrete - Repair	3,602
Irrigation System - Repair	1,688
Exterior Surfaces - Repair & Paint	169,670
Total for 2028	**$177,774**
Replacement Year 2029	
Traffic Coated Decks & Porches - Repair & Coat	68,687
Total for 2029	**$68,687**
Replacement Year 2030	
Trees - Trim/Remove	1,910
Total for 2030	**$1,910**

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2031	
Landscape - Refurbish	3,075
Asphalt - Repair & Sealcoat	27,057
Total for 2031	**$30,132**
Replacement Year 2032	
Periodic Investigations - Perform	6,967
Wood Fence - Repair & Stain	3,796
Total for 2032	**$10,763**
Replacement Year 2033	
Trees - Trim/Remove	2,088
Concrete - Repair	4,175
Irrigation System - Repair	1,957
Exterior Lights - Replace	24,464
Mailboxes - Replace	15,657
Total for 2033	**$48,342**
Replacement Year 2034	
Landscape - Refurbish	3,360
Traffic Coated Decks & Porches - Repair & Coat	79,627
Total for 2034	**$82,987**
No Replacement in 2035	
Replacement Year 2036	
Trees - Trim/Remove	2,281
Asphalt - Repair & Sealcoat	31,367
Total for 2036	**$33,648**
Replacement Year 2037	
Landscape - Refurbish	3,671
Periodic Investigations - Perform	8,077
Wood Fence - Repair & Stain	4,400
Total for 2037	**$16,148**

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2038	
Concrete - Repair	4,840
Irrigation System - Repair	2,269
Exterior Surfaces - Repair & Paint	228,023
Chimney Caps & Covers - Replace	60,504
Composition Roof - Replace	386,467
Gutters/Downspouts - Replace	56,495
Skylights - Replace	52,941
Total for 2038	**$791,538**
Replacement Year 2039	
Trees - Trim/Remove	2,493
Traffic Coated Decks & Porches - Repair & Coat	92,310
Total for 2039	**$94,802**
Replacement Year 2040	
Landscape - Refurbish	4,012
Total for 2040	**$4,012**
Replacement Year 2041	
Asphalt - Repair & Sealcoat	36,363
Total for 2041	**$36,363**
Replacement Year 2042	
Trees - Trim/Remove	2,724
Periodic Investigations - Perform	9,363
Wood Fence - Repair & Stain	5,101
Total for 2042	**$17,188**
Replacement Year 2043	
Landscape - Refurbish	4,384
Concrete - Repair	5,611
Irrigation System - Repair	2,630
Total for 2043	**$12,625**

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2044	
Traffic Coated Decks & Porches - Repair & Coat	107,012
Total for 2044	**$107,012**
Replacement Year 2045	
Trees - Trim/Remove	2,976
Total for 2045	**$2,976**
Replacement Year 2046	
Landscape - Refurbish	4,790
Asphalt - Repair & Sealcoat	42,154
Asphalt - Overlay	316,157
Total for 2046	**$363,102**
Replacement Year 2047	
Periodic Investigations - Perform	10,855
Wood Fence - Repair & Stain	5,913
Wood Fence - Replace	24,581
Total for 2047	**$41,349**
Replacement Year 2048	
Trees - Trim/Remove	3,252
Concrete - Repair	6,505
Irrigation System - Repair	3,049
Exterior Surfaces - Repair & Paint	306,444
Total for 2048	**$319,250**
Replacement Year 2049	
Landscape - Refurbish	5,234
Traffic Coated Decks & Porches - Repair & Coat	124,056
Total for 2049	**$129,291**
No Replacement in 2050	
Replacement Year 2051	
Trees - Trim/Remove	3,554

Sample Condo
Your Town, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2051 continued...	
Asphalt - Repair & Sealcoat	48,868
Total for 2051	**$52,422**
Replacement Year 2052	
Landscape - Refurbish	5,720
Periodic Investigations - Perform	12,584
Wood Fence - Repair & Stain	6,855
Total for 2052	**$25,159**
Replacement Year 2053	
Concrete - Repair	7,541
Irrigation System - Repair	3,535
Total for 2053	**$11,076**

Sample Condo
Deterioration Summary

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
1000	Concrete - Repair	5	$3,200	$640
1005	Asphalt - Repair & Sealcoat	5	$22,000	$4,400
1015	Asphalt - Overlay	40	$165,000	$4,125
1065	Mailboxes - Replace	25	$12,000	$480
1070	Wood Fence - Replace	20	$12,455	$623
1075	Wood Fence - Repair & Stain	5	$2,996	$599
1135	Landscape - Refurbish	3	$2,500	$833
1145	Trees - Trim/Remove	3	$1,600	$533
1155	Irrigation System - Repair	5	$1,500	$300
1160	Drainage System - Maintain	Unfunded		
1175	Pole Lights - Replace	Unfunded		
4000	Composition Roof - Replace	30	$255,500	$8,517
4025	Skylights - Replace	30	$35,000	$1,167
4030	Chimney Caps & Covers - Replace	30	$40,000	$1,333
4035	Gutters/Downspouts - Replace	30	$37,350	$1,245
4040	Fiber-Cement Siding - Replace	50	$1,206,000	$24,120
4065	Exterior Surfaces - Repair & Paint	10	$150,750	$15,075
4068	Exterior Lights - Replace	25	$18,750	$750
4070	Windows/Sliders - Replace	Unfunded		
4075	Exterior Doors - Replace	Unfunded		
4085	Garage Doors - Replace	Unfunded		
4115	Traffic Coated Decks & Porches - Repair & Coat	5	$59,250	$11,850
4130	Metal Deck Rail - Replace	50	$213,750	$4,275
5000	Electrical System - Repair/Replace	Unfunded		
5005	Plumbing System - Repair/Replace	Unfunded		
6000	Periodic Investigations - Perform	5	$5,500	$1,100
6005	WA Clean Buildings Performance Standard	Unfunded		
6010	Reserve Study - Annual Update	Unfunded		
Total Annual Deterioration of Association Assets				$81,965

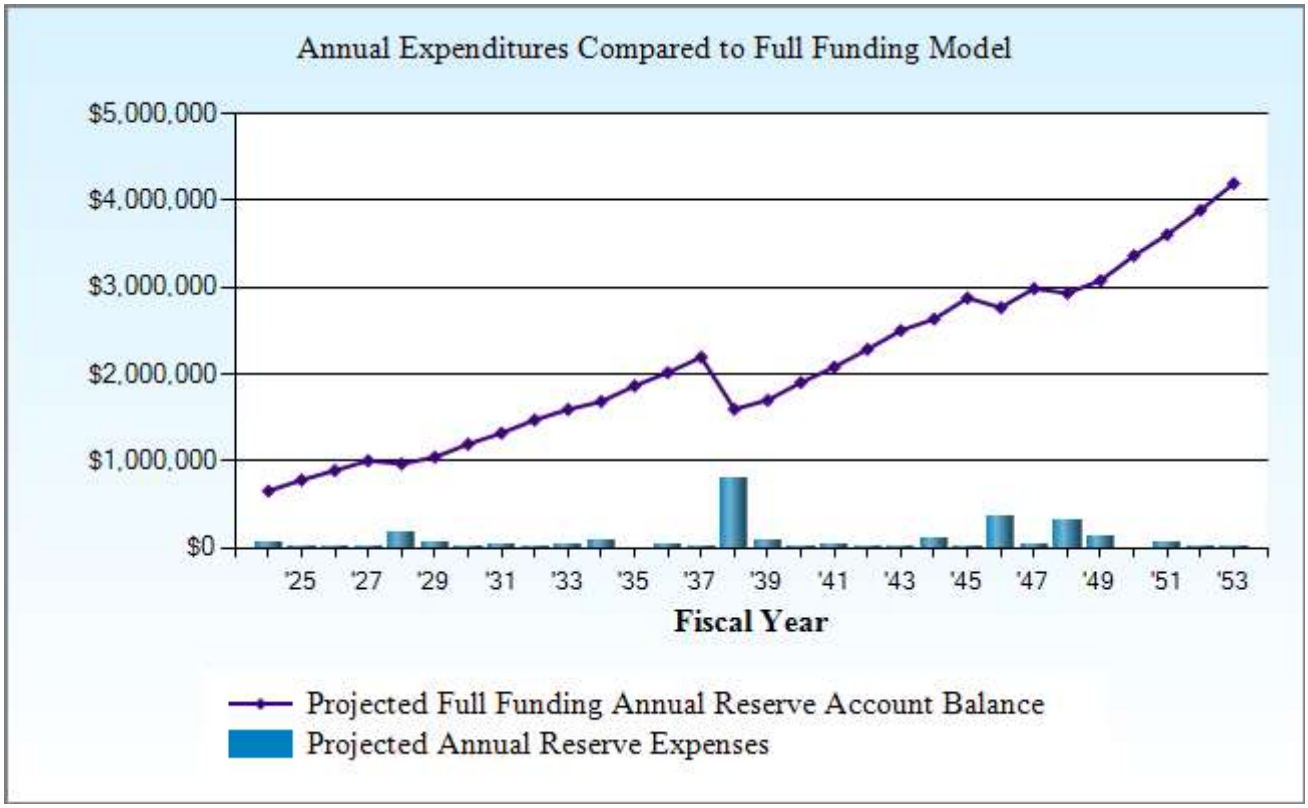
Full Funding Model

The data within this section represents the 100% full funding model. In this model the association works to fund the reserve account to a level in which the reserve account balance equals the fully funded balance, thus achieving 100% funding. This is accomplished over the 30 year scope of the report. Following this funding model is recommended, as it puts the association at the lowest risk of requiring a special assessment should a project occur earlier than projected or cost more than anticipated.

Sample Condo
Full Funding Model Projection

Beginning Balance: $595,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	2,245,101	117,000	6,511	60,850	657,661	970,280	68%
2025	2,312,454	120,510	7,756	2,575	783,352	1,083,958	72%
2026	2,381,828	124,125	8,841	23,340	892,979	1,182,276	76%
2027	2,453,283	127,849	9,962	24,642	1,006,148	1,284,859	78%
2028	2,526,881	131,685	9,601	177,774	969,659	1,235,570	78%
2029	2,602,688	135,635	10,366	68,687	1,046,973	1,300,019	81%
2030	2,680,768	139,704	11,848	1,910	1,196,614	1,438,126	83%
2031	2,761,191	143,895	13,104	30,132	1,323,481	1,554,340	85%
2032	2,844,027	148,212	14,609	10,763	1,475,540	1,697,114	87%
2033	2,929,348	152,658	15,799	48,342	1,595,655	1,808,682	88%
2034	3,017,228	157,238	16,699	82,987	1,686,606	1,891,226	89%
2035	3,107,745	161,955	18,486		1,867,047	2,065,135	90%
2036	3,200,978	166,814	20,002	33,648	2,020,215	2,213,119	91%
2037	3,297,007	171,818	21,759	16,148	2,197,644	2,387,188	92%
2038	3,395,917	176,973	15,831	791,538	1,598,909	1,771,557	90%
2039	3,497,795	182,282	16,864	94,802	1,703,253	1,858,936	92%
2040	3,602,728	187,751	18,870	4,012	1,905,862	2,046,407	93%
2041	3,710,810	193,383	20,629	36,363	2,083,511	2,210,256	94%
2042	3,822,135	199,185	22,655	17,188	2,288,163	2,402,967	95%
2043	3,936,799	205,160	24,807	12,625	2,505,505	2,610,483	96%
2044	4,054,903	211,315	26,098	107,012	2,635,906	2,731,458	97%
2045	4,176,550	217,654	28,506	2,976	2,879,090	2,967,806	97%
2046	4,301,846	224,184	27,402	363,102	2,767,574	2,844,612	97%
2047	4,430,902	230,910	29,571	41,349	2,986,706	3,053,979	98%
2048	4,563,829	237,837	29,053	319,250	2,934,345	2,988,388	98%
2049	4,700,743	244,972	30,500	129,291	3,080,527	3,121,636	99%
2050	4,841,766	252,321	33,328		3,366,176	3,397,353	99%
2051	4,987,019	259,891	35,736	52,422	3,609,381	3,632,810	99%
2052	5,136,629	267,688	38,519	25,159	3,890,429	3,909,037	100%
2053	5,290,728	275,718	41,551	11,076	4,196,622	4,213,852	100%



This chart compares the projected yearly reserve balance within the full funding plan against the cumulative expenses anticipated within that year.

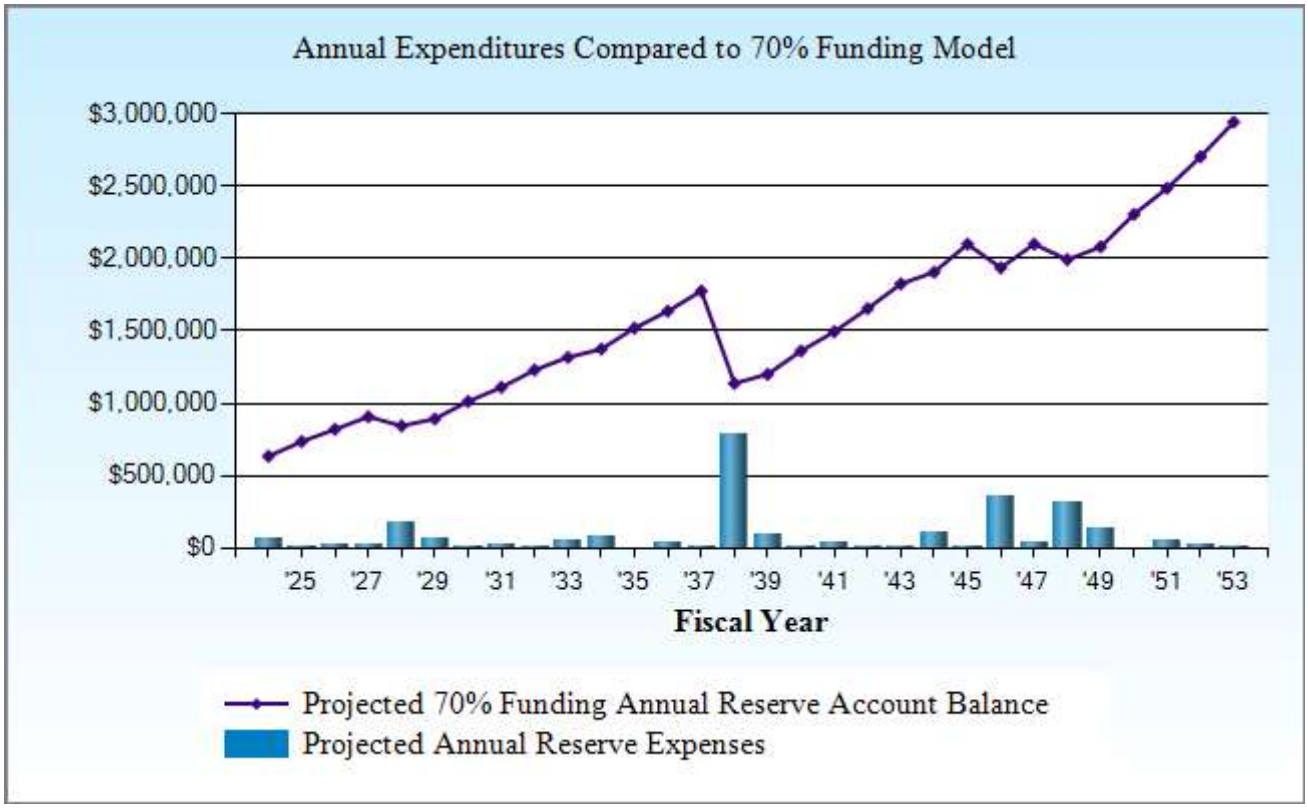
70% Threshold Funding Model

The data within this section represents the 70% threshold funding model. In this model the association aims to become 70% funded over the 30 year scope of the report. While the 100% full funding model in the prior section features the lowest risk of a special assessment, this 70% model provides an alternate option for associations that do not wish to fund reserves to 100% but wish to actively mitigate the risk of a special assessment by funding reserves to a level in which the risk of a special assessment is still relatively low.

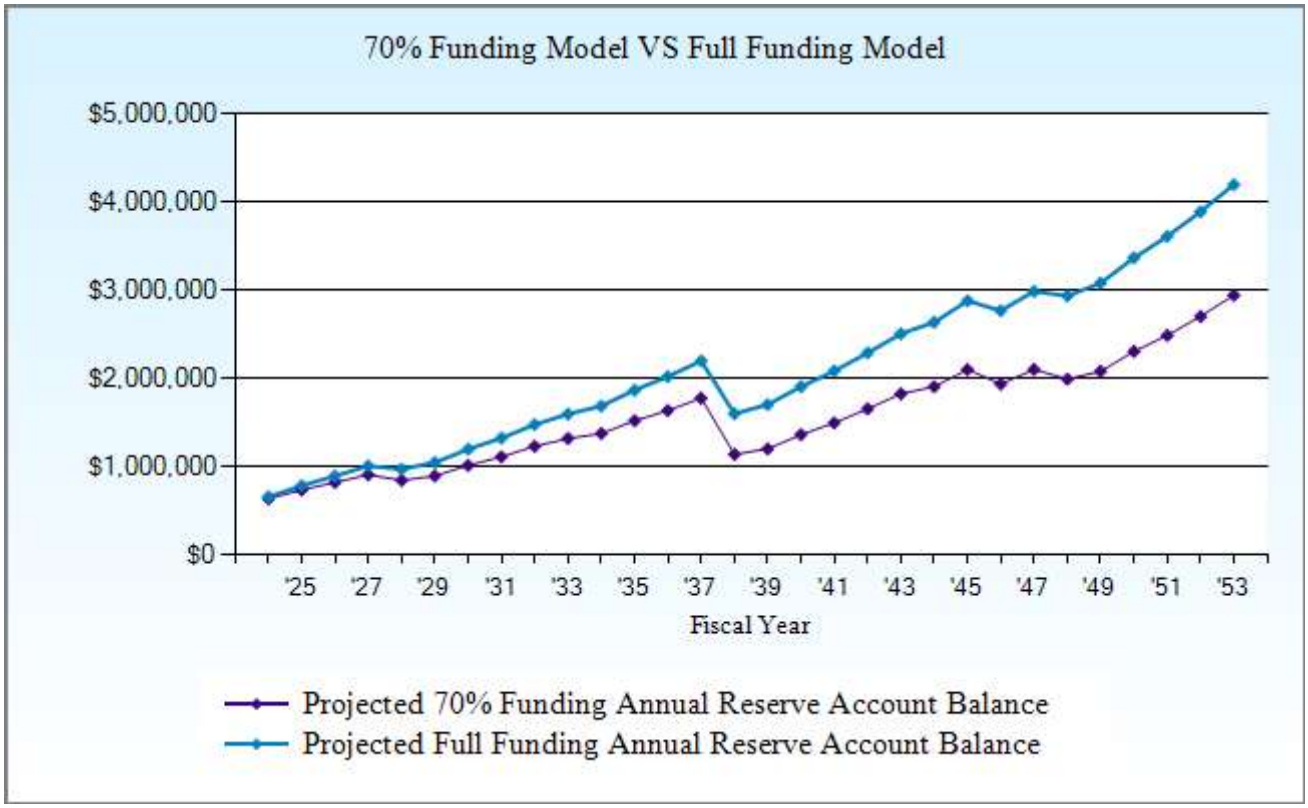
Sample Condo
70% Threshold Funding Model Projection

Beginning Balance: $595,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	2,245,101	94,000	6,281	60,850	634,431	970,280	65%
2025	2,312,454	96,820	7,287	2,575	735,963	1,083,958	68%
2026	2,381,828	99,725	8,123	23,340	820,472	1,182,276	69%
2027	2,453,283	102,716	8,985	24,642	907,531	1,284,859	71%
2028	2,526,881	105,798	8,356	177,774	843,910	1,235,570	68%
2029	2,602,688	108,972	8,842	68,687	893,037	1,300,019	69%
2030	2,680,768	112,241	10,034	1,910	1,013,401	1,438,126	70%
2031	2,761,191	115,608	10,989	30,132	1,109,866	1,554,340	71%
2032	2,844,027	119,076	12,182	10,763	1,230,361	1,697,114	72%
2033	2,929,348	122,649	13,047	48,342	1,317,715	1,808,682	73%
2034	3,017,228	126,328	13,611	82,987	1,374,667	1,891,226	73%
2035	3,107,745	130,118	15,048		1,519,833	2,065,135	74%
2036	3,200,978	134,022	16,202	33,648	1,636,408	2,213,119	74%
2037	3,297,007	138,042	17,583	16,148	1,775,885	2,387,188	74%
2038	3,395,917	142,183	11,265	791,538	1,137,796	1,771,557	64%
2039	3,497,795	146,449	11,894	94,802	1,201,337	1,858,936	65%
2040	3,602,728	150,842	13,482	4,012	1,361,649	2,046,407	67%
2041	3,710,810	155,368	14,807	36,363	1,495,461	2,210,256	68%
2042	3,822,135	160,029	16,383	17,188	1,654,684	2,402,967	69%
2043	3,936,799	164,830	18,069	12,625	1,824,957	2,610,483	70%
2044	4,054,903	169,774	18,877	107,012	1,906,597	2,731,458	70%
2045	4,176,550	174,868	20,785	2,976	2,099,273	2,967,806	71%
2046	4,301,846	180,114	19,163	363,102	1,935,448	2,844,612	68%
2047	4,430,902	185,517	20,796	41,349	2,100,412	3,053,979	69%
2048	4,563,829	191,083	19,722	319,250	1,991,967	2,988,388	67%
2049	4,700,743	196,815	20,595	129,291	2,080,086	3,121,636	67%
2050	4,841,766	202,720	22,828		2,305,634	3,397,353	68%
2051	4,987,019	208,801	24,620	52,422	2,486,633	3,632,810	68%
2052	5,136,629	215,065	26,765	25,159	2,703,305	3,909,037	69%
2053	5,290,728	221,517	29,137	11,076	2,942,883	4,213,852	70%



This chart compares the projected yearly reserve balance within the 70% Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the 70% Funding model and the Full Funding model.

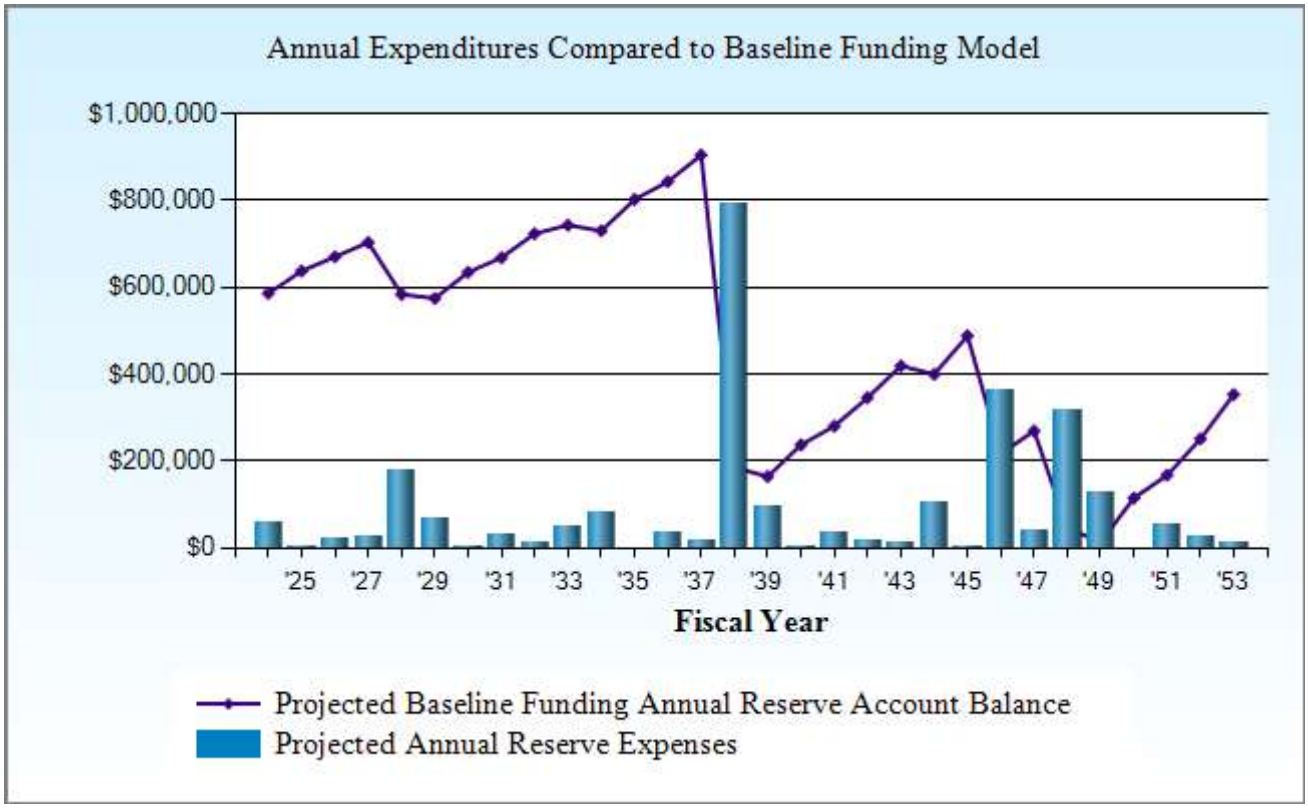
Baseline Funding Model

The data within this section represents the baseline funding model. In this model, the association funds reserves at a level in which the reserve balance is not projected to drop below zero over the 30 year scope of this report. Baseline funding has the highest risk of a special assessment. Under this model, if a project comes in just slightly over budget, or occurs earlier than anticipated, the association has a high risk of requiring a special assessment.

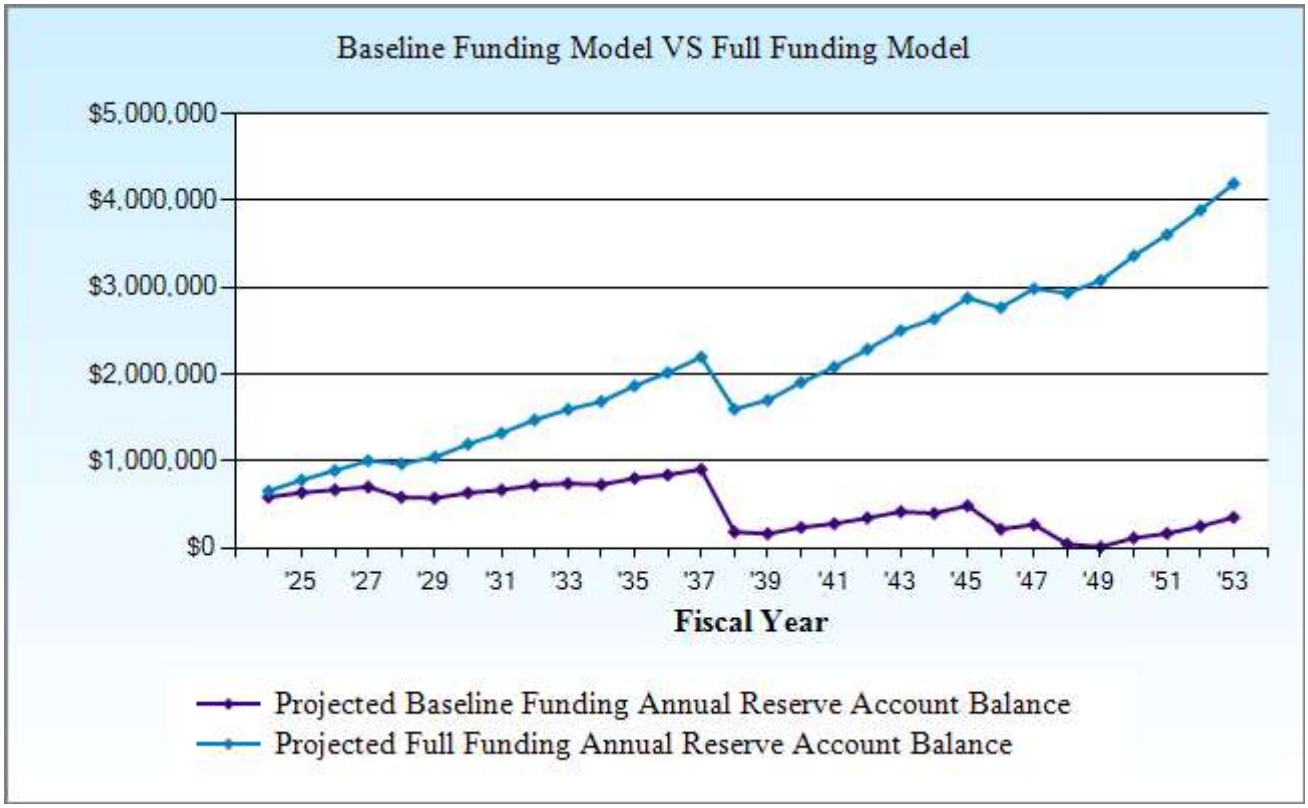
Sample Condo
Baseline Funding Model Projection

Beginning Balance: $595,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	2,245,101	46,500	5,806	60,850	586,456	970,280	60%
2025	2,312,454	47,895	6,318	2,575	638,094	1,083,958	59%
2026	2,381,828	49,332	6,641	23,340	670,727	1,182,276	57%
2027	2,453,283	50,812	6,969	24,642	703,866	1,284,859	55%
2028	2,526,881	52,336	5,784	177,774	584,212	1,235,570	47%
2029	2,602,688	53,906	5,694	68,687	575,125	1,300,019	44%
2030	2,680,768	55,523	6,287	1,910	635,026	1,438,126	44%
2031	2,761,191	57,189	6,621	30,132	668,704	1,554,340	43%
2032	2,844,027	58,905	7,168	10,763	724,014	1,697,114	43%
2033	2,929,348	60,672	7,363	48,342	743,708	1,808,682	41%
2034	3,017,228	62,492	7,232	82,987	730,445	1,891,226	39%
2035	3,107,745	64,367	7,948		802,760	2,065,135	39%
2036	3,200,978	66,298	8,354	33,648	843,764	2,213,119	38%
2037	3,297,007	68,287	8,959	16,148	904,862	2,387,188	38%
2038	3,395,917	70,335	1,837	791,538	185,496	1,771,557	10%
2039	3,497,795	72,445	1,631	94,802	164,770	1,858,936	9%
2040	3,602,728	74,619	2,354	4,012	237,731	2,046,407	12%
2041	3,710,810	76,857	2,782	36,363	281,008	2,210,256	13%
2042	3,822,135	79,163	3,430	17,188	346,413	2,402,967	14%
2043	3,936,799	81,538	4,153	12,625	419,479	2,610,483	16%
2044	4,054,903	83,984	3,965	107,012	400,415	2,731,458	15%
2045	4,176,550	86,504	4,839	2,976	488,782	2,967,806	16%
2046	4,301,846	89,099	2,148	363,102	216,927	2,844,612	8%
2047	4,430,902	91,772	2,673	41,349	270,023	3,053,979	9%
2048	4,563,829	94,525	453	319,250	45,751	2,988,388	2%
2049	4,700,743	97,361	138	129,291	13,959	3,121,636	0%
2050	4,841,766	100,281	1,142		115,383	3,397,353	3%
2051	4,987,019	103,290	1,663	52,422	167,913	3,632,810	5%
2052	5,136,629	106,389	2,491	25,159	251,634	3,909,037	6%
2053	5,290,728	109,580	3,501	11,076	353,640	4,213,852	8%



This chart compares the projected yearly reserve balance within the Baseline Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the Baseline Funding model and the Full Funding model.

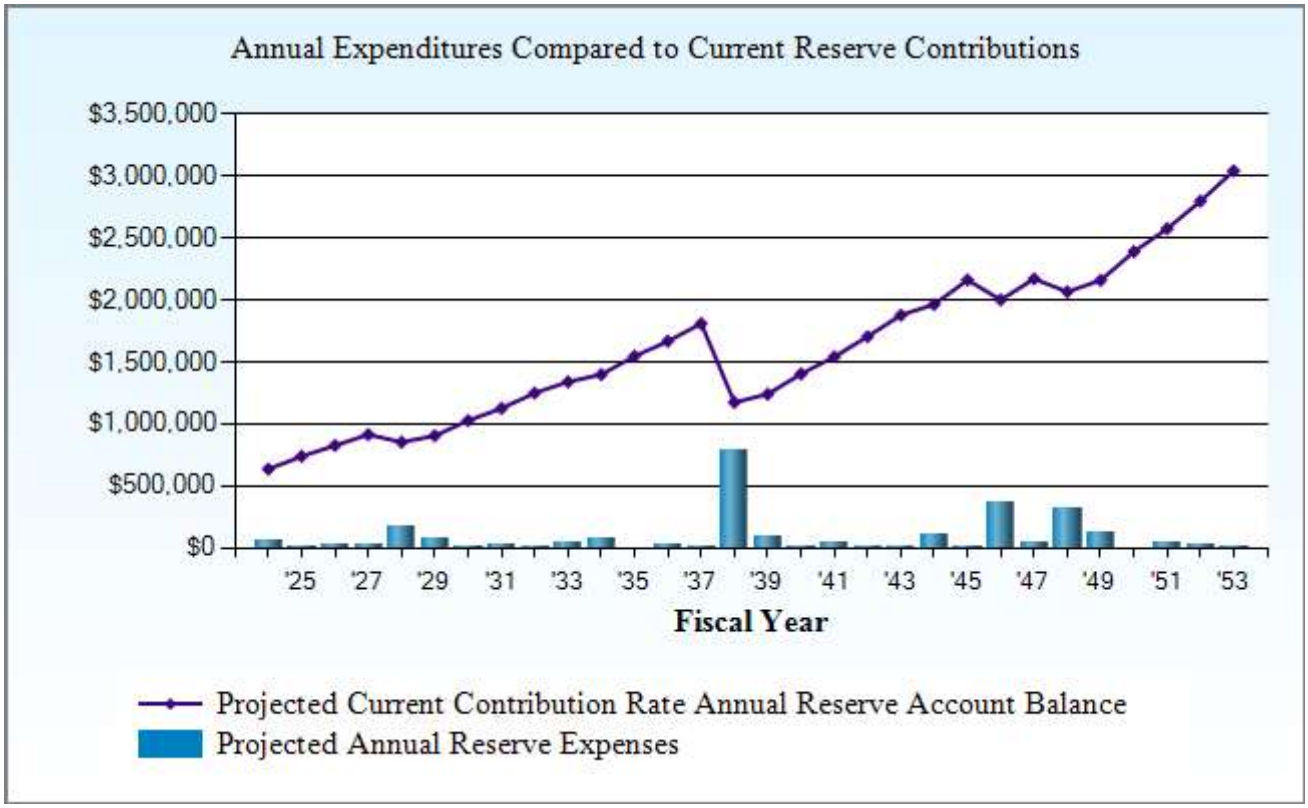
Current Funding Model

The data within this section represents the association's current funding model, based on the most recent annual budget. This data is helpful in determining whether current contribution rates are sufficient to meet the association's funding goals over time.

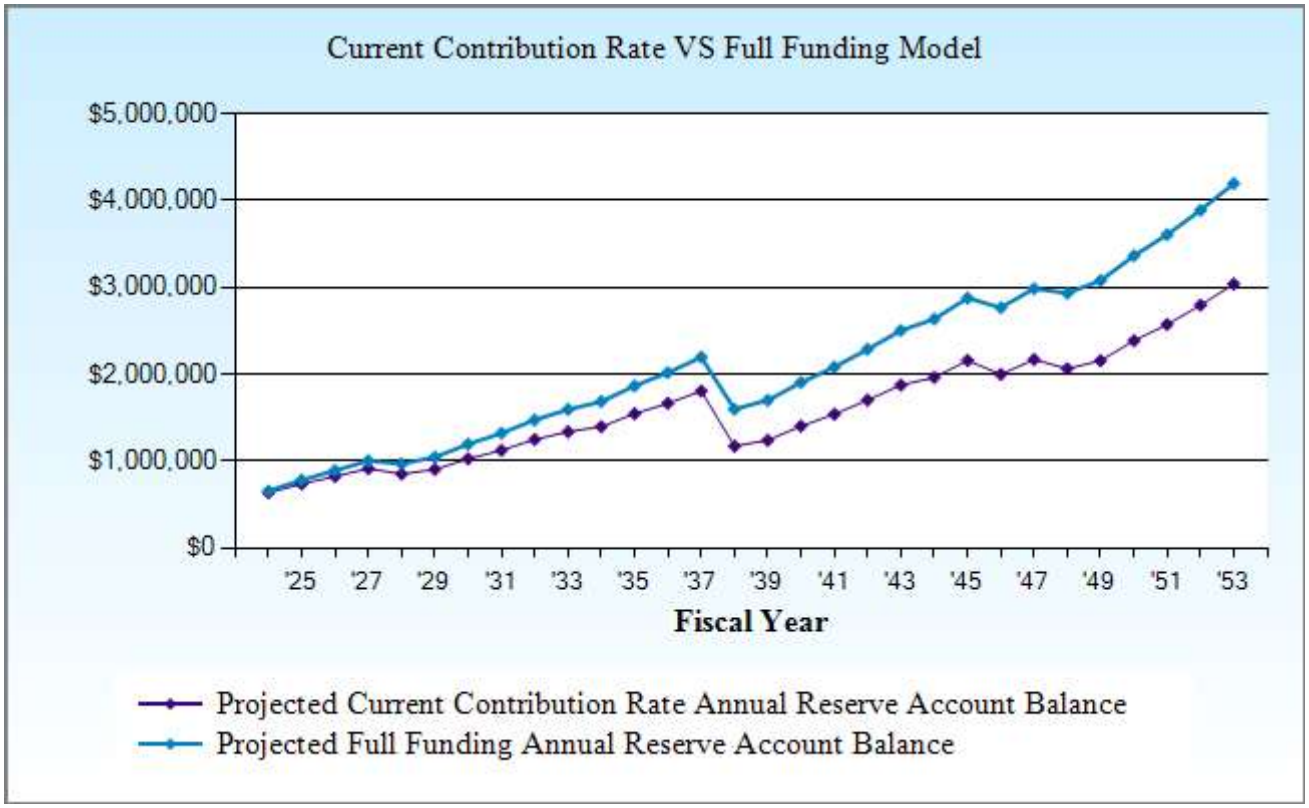
Sample Condo
Current Funding Model Projection

Beginning Balance: $595,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	2,245,101	95,800	6,299	60,850	636,249	970,280	66%
2025	2,312,454	98,674	7,323	2,575	739,672	1,083,958	68%
2026	2,381,828	101,634	8,180	23,340	826,146	1,182,276	70%
2027	2,453,283	104,683	9,062	24,642	915,249	1,284,859	71%
2028	2,526,881	107,824	8,453	177,774	853,751	1,235,570	69%
2029	2,602,688	111,058	8,961	68,687	905,084	1,300,019	70%
2030	2,680,768	114,390	10,176	1,910	1,027,739	1,438,126	71%
2031	2,761,191	117,822	11,154	30,132	1,126,584	1,554,340	72%
2032	2,844,027	121,357	12,372	10,763	1,249,549	1,697,114	74%
2033	2,929,348	124,997	13,262	48,342	1,339,467	1,808,682	74%
2034	3,017,228	128,747	13,852	82,987	1,399,079	1,891,226	74%
2035	3,107,745	132,610	15,317		1,547,006	2,065,135	75%
2036	3,200,978	136,588	16,499	33,648	1,666,445	2,213,119	75%
2037	3,297,007	140,686	17,910	16,148	1,808,892	2,387,188	76%
2038	3,395,917	144,906	11,623	791,538	1,173,883	1,771,557	66%
2039	3,497,795	149,253	12,283	94,802	1,240,617	1,858,936	67%
2040	3,602,728	153,731	13,903	4,012	1,404,240	2,046,407	69%
2041	3,710,810	158,343	15,262	36,363	1,541,482	2,210,256	70%
2042	3,822,135	163,093	16,874	17,188	1,704,261	2,402,967	71%
2043	3,936,799	167,986	18,596	12,625	1,878,218	2,610,483	72%
2044	4,054,903	173,025	19,442	107,012	1,963,673	2,731,458	72%
2045	4,176,550	178,216	21,389	2,976	2,160,302	2,967,806	73%
2046	4,301,846	183,563	19,808	363,102	2,000,571	2,844,612	70%
2047	4,430,902	189,070	21,483	41,349	2,169,774	3,053,979	71%
2048	4,563,829	194,742	20,453	319,250	2,065,718	2,988,388	69%
2049	4,700,743	200,584	21,370	129,291	2,158,382	3,121,636	69%
2050	4,841,766	206,601	23,650		2,388,633	3,397,353	70%
2051	4,987,019	212,799	25,490	52,422	2,574,500	3,632,810	71%
2052	5,136,629	219,183	27,685	25,159	2,796,210	3,909,037	72%
2053	5,290,728	225,759	30,109	11,076	3,041,002	4,213,852	72%



This chart compares the projected yearly reserve balance at the association's current contribution rate against the cumulative expenses anticipated within that year.

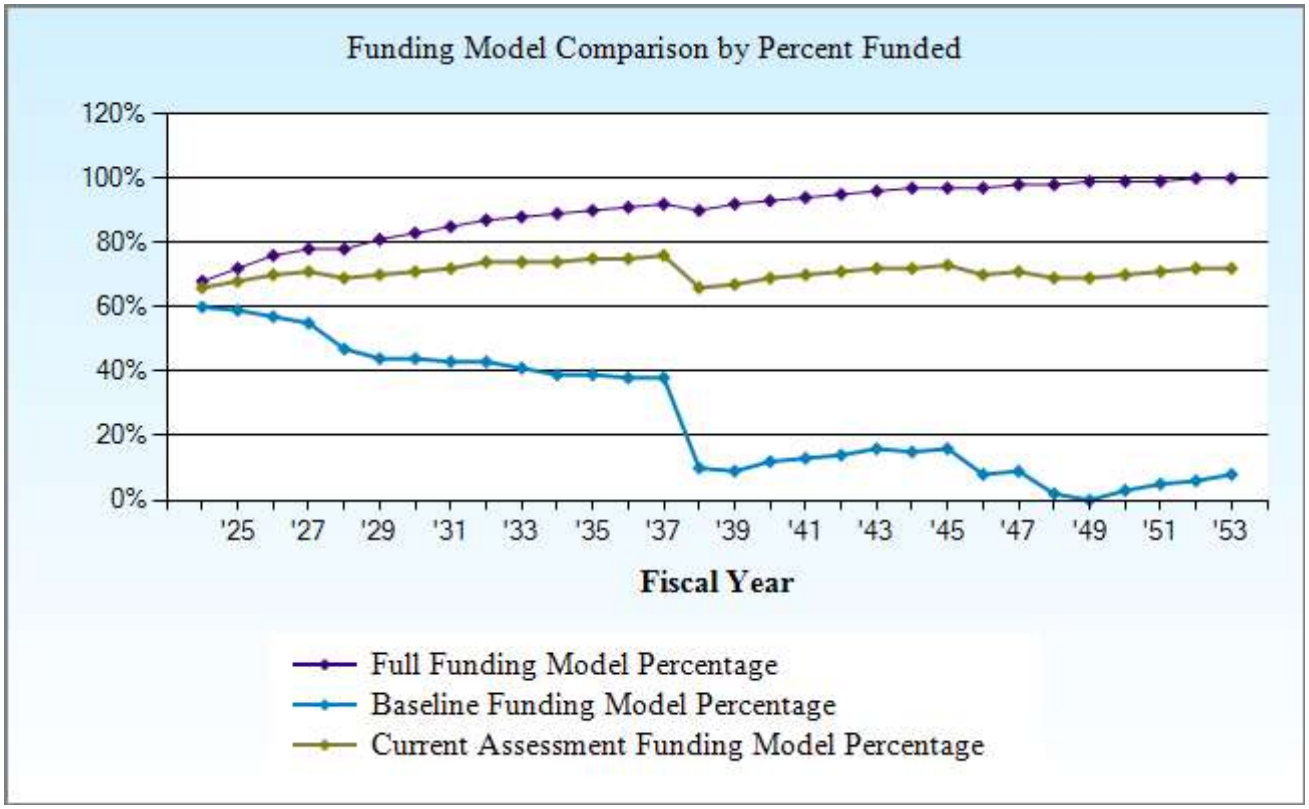


This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.

Comparison Charts

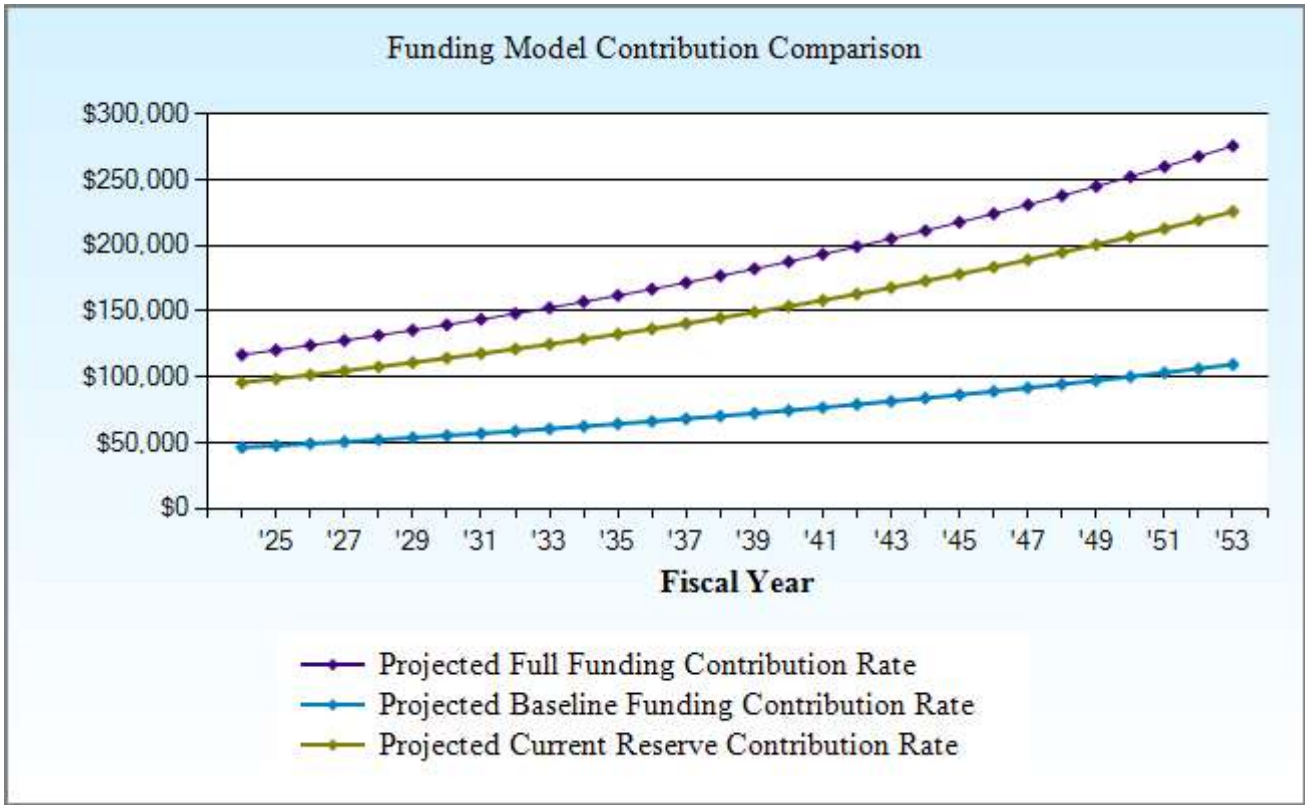
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included within the study.

Sample Condo
Funding Model Comparison by Percent Funded



This chart compares the association's projected percent funded on an annual basis between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

Sample Condo
Funding Model Assessment Comparison Chart



This chart compares the projected contribution rate between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

Component Detail Report

The following section features a detailed breakdown of each of the association's reserve components. This section details component history, quantities, useful life, remaining useful life and cost breakdowns, among other important data. For Level I Full and Level II With-Site-Visit reports, this section also features maintenance recommendations and photographs of the components.

Sample Condo
Index of Funded Components

Total Funded Assets	19
Total Unfunded Assets	9
Total Assets	28

Concrete - Repair - 2028

		1 Allowance	@ $3,200.00
Asset ID	1000	Asset Actual Cost	$3,200.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$3,601.63
Placed in Service	January 2023		
Useful Life	5		
Replacement Year	2028		
Remaining Life	4		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Client cost history

Location: Curbs and sidewalks throughout community

Component History: Repairs 2023 $3,200

Concrete appeared generally intact, with no major damage or deterioration observed. Typically, concrete surfaces have a predictable useful life which exceeds the scope of this report however we have included a rotating funding allowance for periodic repairs and spot replacements.

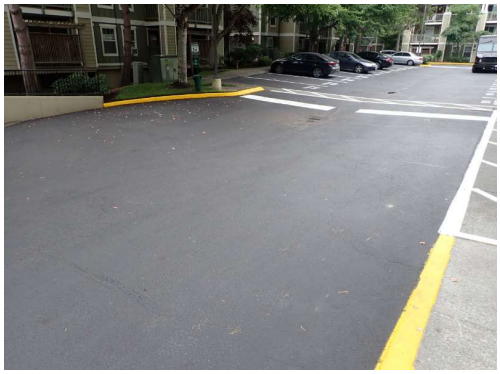
Inspect and repair concrete as needed through annual operating budget. Clean periodically to remove stains and organic debris, and repair any trip hazards (defined as ¼" or more of vertical change at any joint or crack by the 1990 Americans with Disabilities Act) immediately.

Some jurisdictions make sidewalks along public roads the responsibility of the adjacent property owner to maintain, repair and replace. We recommend consulting with your local municipality to confirm responsibility if your governing documents are not clear on this matter.

The Portland Cement Association has extensive resources available regarding concrete and cement products on its website: Portland Cement

Asphalt - Repair & Sealcoat - 2026

		55,000 GSF	@ $0.40
Asset ID	1005	Asset Actual Cost	$22,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$23,339.80
Placed in Service	January 2021		
Useful Life	5		
Replacement Year	2026		
Remaining Life	2		



Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Client cost history, adjusted for inflation

Location: Parking areas and driving lane

Component History: Reportedly sealed 2021 $21,200

Regular cycles of seal coating are recommended to prevent water from penetrating the asphalt surface. We typically recommend that asphalt seal coat is applied at 5 year intervals, however areas of high traffic or water movement (such as on a slope) may require more frequent applications. Failure to regularly apply asphalt seal coat is likely to reduce the overall useful life of asphalt. Repairing asphalt and sealing cracks prior to seal coat application is imperative, and an allowance for repairs is included within the funding in this report. Repair costs can vary significantly based on scope, therefore costs may vary from the allowances included herein. Costs also factor re-striping asphalt following seal coat application, if applicable.

The Washington State Department of Transportation has published a report detailing asphalt seal coats and techniques for application, which can be found here: Washington DOT Recommendations

Asphalt - Overlay - 2046

		55,000 GSF	@ $3.00
Asset ID	1015	Asset Actual Cost	$165,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$316,157.06
Placed in Service	January 2008		
Useful Life	40		
Adjustment	-2		
Replacement Year	2046		
Remaining Life	22		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Parking areas and driving lane

Component History: Reportedly original to ~ 2008 construction

Asphalt appeared generally intact, with local cracks and tree root uplift observed in areas. The average useful life of asphalt can range significantly based on several factors including, but not limited to, quality of initial installation, traffic levels and type, proximity of tree roots, frequency of proactive repairs and frequency of seal coat or chip seal application. Typically asphalt is initially installed 2-4 inches in depth and resurfacing involves grinding down the top 1-2 inches and overlaying a new layer of asphalt. This is typically performed at 20-40 year intervals depending on the unique site conditions of the property and levels of proactive maintenance. Asphalt resurfacing is often one of the larger expenses experienced by an association, especially if the association is responsible for private roads, therefore proactive maintenance and sealing to prolong the useful life of the asphalt is a best practice.

Mailboxes - Replace - 2033

		4 Cluster Boxes	@ $3,000.00
Asset ID	1065	Asset Actual Cost	$12,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$15,657.28
Placed in Service	January 2008		
Useful Life	25		
Replacement Year	2033		
Remaining Life	9		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to parking areas

Component History: 2008 manufacture date

Plan to replace mailboxes at roughly 20-25 year cycles. Inspect, clean and repair as needed utilizing operating funds. The most common causes for premature replacement are damage caused by a vehicle and/or vandalism. Contact your local post office prior to replacement of mailboxes to ensure new boxes are installed according to post office guidelines and to coordinate installation of the master lock.

Wood Fence - Replace - 2027

		235 LF	@ $53.00
Asset ID	1070	Asset Actual Cost	$12,455.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$13,609.91
Placed in Service	January 2008		
Useful Life	20		
Adjustment	-1		
Replacement Year	2027		
Remaining Life	3		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Partial perimeter of community, primarily along N and NW perimeters.

Component History: None known

Deterioration was observed in areas of wood fencing. The typical useful life of a wood fence ranges from 15 to 25 years depending on multiple factors including, but not limited to, the thickness and quality of wood at the time of installation, exposure to the elements and regular cycles of paint/stain. According to the American Fence Association, cedar posts should be inserted directly into the ground and not mounted in concrete to avoid premature decay. Pressure treated pine posts may be set in concrete as the chemical treatment will help prevent decay. Ensure that vegetation is trimmed back from fencing and that soil does not touch the bottom of the fence to prevent premature decay. Adjust irrigation systems as needed to limit contact with fence.

Inspect and repair fence through the annual operating budget in between larger replacement cycles. It is strongly recommended that wood fences are regularly stained to prolong the useful life of the fencing, and for the aesthetic benefits that stain affords.

The American Fence Association has an excellent fencing resource available through its website: American Fence Association

Wood Fence - Repair & Stain - 2027

		235 LF	@ $12.75
Asset ID	1075	Asset Actual Cost	$2,996.25
		Percent Replacement	100%
Category	Grounds	Future Cost	$3,274.08
Placed in Service	January 2022		
Useful Life	5		
Replacement Year	2027		
Remaining Life	3		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Client cost history, adjusted for inflation

Location: Partial perimeter of community, primarily along N and NW perimeters.

Component History: Stained 2022 $2,800

Regular cycles of staining of wood fencing are recommended, typically at 5 year intervals. A semi-transparent or solid bodied stain typically yield the best results aesthetically as paint is prone to peel over time and may require additional prep work prior to each paint cycle, resulting in increased costs. In addition to the aesthetic benefit of staining the fence, stain also provides water repellency and may help extend the useful life of the fence. Ensure that fence is adequately cleaned prior to stain application and adjust irrigation systems as needed to limit contact with fence, as direct contact will result in deterioration and discoloration of stain in those areas.

Landscape - Refurbish - 2025

		1 Allowance	@ $2,500.00
Asset ID	1135	Asset Actual Cost	$2,500.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$2,575.00
Placed in Service	January 2022		
Useful Life	3		
Replacement Year	2025		
Remaining Life	1		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Throughout association common area grounds.

Component History: Shrub replacement 2022 $450

Typically, landscape maintenance is handled through the operating budget however this component factors an allowance for larger periodic landscaping projects outside the scope of the annual maintenance contract. Actual costs may vary significantly based on scope of work, therefore track actual expenses, as well as frequency, and update future reserve studies as needed. Irrigation work, tree trimming and bark/mulch replacement are handled as separate components within this report, if applicable.

Because this is a rotating component, the date in service represents the approximate last landscape renovation date.

Trees - Trim/Remove - 2024

		1 Allowance	@ $1,600.00
Asset ID	1145	Asset Actual Cost	$1,600.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$1,600.00
Placed in Service	January 2021		
Useful Life	3		
Replacement Year	2024		
Remaining Life	0		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Client cost history, adjusted for inflation

Location: Trees throughout community landscape.

Component History: Tree trimming 2021 $1,450

Prior to performing any tree trimming, removal or replacement, we strongly urge the association to consult with an arborist to assess the condition of the trees and to assist the association in formulating a tree maintenance plan. Typically, some minor tree work is included within an annual landscape maintenance contract, however many communities require a rotating allowance for larger tree projects. Cost may vary significantly from the allowance included here depending on the scope of work; track actual project costs and timeframes and adjust future reserve studies as needed.

Irrigation System - Repair - 2028

Asset ID	1155	1 Allowance	@ $1,500.00
		Asset Actual Cost	$1,500.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$1,688.26
Placed in Service	January 2023		
Useful Life	5		
Replacement Year	2028		
Remaining Life	4		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Throughout common area landscape.

Component History: Repairs 2019 $1,200, an estimated in-service date of 2023 has been used as no current repair needs reported

It is beyond the scope of a reserve study to assess the design, quality and/or function of an irrigation system, however no problems related to irrigation system reported at the time of this report. Irrigation systems typically consist of three main components; timer(s), underground water distribution lines (generally constructed of PVC) and spray heads. The United States Golf Association suggests complete replacement of irrigation systems at 25-30 years of age, as lines can become brittle over time and parts obsolete.

Regularly inspect your system and consult with your landscape vendor to determine the condition of your specific system. There is no information available to indicate that full replacement of system is required within this report, therefore a rotating allowance has been included for periodic larger repairs. Cost may vary widely from the allowances within this report based on scope of work. Proper winterization is key to prevent damage from frozen lines. Handle smaller repairs such as head replacement (typically done in the spring upon system start-up) through the annual operating budget.

Drainage System - Maintain

		1 Allowance	
Asset ID	1160	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2008		
No Useful Life			

Location: Common area drainage

Component History: No major projects known

It is beyond the scope of a reserve study to assess the design, quality and/or function of the stormwater drainage system, however no problems reported by client as of this report. When properly installed with no known defects or deficiencies, there is no predictable basis to expect maintenance, repair or replacement of the drainage system within the scope of this report, therefore no reserve funding included.

Common stormwater system components include gutters, ditches, catch basins and control facilities. Catch basins are the drains commonly found in asphalt or concrete surfaces and consist of a metal grate with a compartment below ground. Water gathers inside the compartment and is then drained through an outlet pipe. Often, sediment removal is required within the compartment structure. This is typically done using a vactor truck. The frequency at which sediment removal is required varies by location and is dependent on numerous factors. We recommend assessing the sediment levels in your catch basins every 1-2 years and cleaning as needed through the annual operating budget.

The Washington State Department of Ecology has extensive resources available pertaining to stormwater systems and stormwater management, including manuals specific to both Western Washington and Eastern Washington: Washington Department of Ecology Stormwater Manuals

Pole Lights - Replace

		5 Each	
Asset ID	1175	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2008		
No Useful Life			

Location: Adjacent to parking areas

Component History: Original to ~ 2008 construction

Client reports that pole lights are the responsiblity of the local municipality to maintain, repair and replace, therefore no reserve funding included.

Composition Roof - Replace - 2038

		36,500 GSF	@ $7.00
Asset ID	4000	Asset Actual Cost	$255,500.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$386,466.67
Placed in Service	January 2008		
Useful Life	30		
Replacement Year	2038		
Remaining Life	14		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Rooftop of buildings

Component History: Reportedly original to ~ 2008 construction

The average useful life of a composition shingle roof can vary based on the quality of installation, quality of shingle product, underlayment, flashings and general site conditions (exposure to high winds, etc.). The useful life above is for financial planning purposes; have your roof evaluated by your roofing vendor or an independent roofing consultant as the roof nears the end of its useful life to narrow down an exact time frame for replacement.

As routine maintenance, have your roof inspected regularly by a qualified roofing contractor. Inspection schedules typically include in the spring, fall, and following significant wind events. Signs of roof failure include loss of granulation (typically identified by granule build up in gutters), curling and/or buckling of shingles, and loss of shingles during weather events. Clean roof regularly to remove any tree debris and treat for moss as needed. Keep gutters clean to ensure proper drainage and install heat tape in colder climates to prevent ice damming. Crickets installed at any chimney to roof interfaces help to divert water and prevent water damage.

Composition Roof - Replace continued...

At the time of replacement, we strongly urge the association to utilize an independent roofing or building envelope consultant to oversee the project and ensure that proper installation techniques are followed. Many associations are tempted to phase large projects such as roof replacement; we strongly urge the association to perform any roof replacement projects at the same time, when possible, as the association is likely to achieve better pricing and thus an overall cost savings by doing so.

The National Roofing Contractors Association has resources available on its website, including videos pertaining to roof maintenance, through the following link: National Roofing Contractors Association

Additional resources are available on the Western States Roofing Contractors Association through the following link: Western States Roofing Contractors Association

Skylights - Replace - 2038

		50 Each	@ $700.00
Asset ID	4025	Asset Actual Cost	$35,000.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$52,940.64
Placed in Service	January 2008		
Useful Life	30		
Replacement Year	2038		
Remaining Life	14		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Rooftop of buildings

Component History: Reportedly original to ~ 2008 construction

The average useful life of a skylight is 20-30 years. Skylights are best replaced in conjunction with roofing cycles for both cost efficiencies and best weatherproofing practices. Inspect skylights regularly as part of twice annual roof inspections and repair as needed. Proper flashings are imperative to preventing water leaks around skylights. Handle individual replacements in between larger replacement projects as an operating expense.

Chimney Caps & Covers - Replace - 2038

Asset ID	4030
Category	Building Exterior
Placed in Service	January 2008
Useful Life	30
Replacement Year	2038
Remaining Life	14

50 Each	@ $800.00
Asset Actual Cost	$40,000.00
Percent Replacement	100%
Future Cost	$60,503.59

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Rooftop of buildings

Component History: Reportedly original to ~ 2008 construction

It is a best practice to replace chimney caps in conjunction with roofing cycles for cost efficiencies, when possible. As routine maintenance, inspect caps as part of twice yearly roof inspections and repair/replace as needed in between larger replacement cycles. Cost of chimney cap and cover replacement can vary widely, especially if custom fabrication is necessary. Funding allowances are based on a mid-range funding allowance

Gutters/Downspouts - Replace - 2038

Asset ID	4035	4,150 LF	@ $9.00
		Asset Actual Cost	$37,350.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$56,495.23
Placed in Service	January 2008		
Useful Life	30		
Replacement Year	2038		
Remaining Life	14		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of building roofs

Component History: Reportedly original to ~ 2008 construction

Regular cleaning of gutters and downspouts is imperative to maintaining function and preventing water damage. Clean twice per year, in the fall and spring, and immediately following any large wind events. In cold climates, install heat tape to prevent ice dams from forming. Inspect during twice yearly roof inspections and repair as needed. Ensure downspouts are securely mounted to building and drain away from building foundation.

Plan to replace gutters and downspouts in conjunction with roof replacement cycles for cost efficiencies, when possible.

Fiber-Cement Siding - Replace - 2058

		50,250 GSF	@ $24.00
Asset ID	4040	Asset Actual Cost	$1,206,000.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$3,294,677.78
Placed in Service	January 2008		
Useful Life	50		
Replacement Year	2058		
Remaining Life	34		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior building walls

Component History: Reportedly original to ~ 2008 construction

The typical average useful life of fiber-cement siding is approximately 50 years. The actual useful life is dependent on a number of factors including, but not limited to, quality of product, proper flashings and sealants, weather exposure, as well as routine maintenance and paint cycles. Fiber-cement siding is typically installed with wood trim which is highly reliant on regular paint cycles for protection from the elements. Failure to proactively keep siding and wood trim painted and caulked/sealed may result in accelerated deterioration of siding system and trim and/or increased repair costs with each paint cycle. Siding installed over a rain screen system is optimal. Siding should be butted against trim and sealed, as installation under trim provides opportunity for water intrusion.

While the exterior of the siding is the most visible, siding is actually a multi-layered system. The siding is the primary defense against water intrusion within the structure of the building, however the weather resistive barrier (WRB) behind the siding also helps keep any water that penetrates the siding from reaching the structure of the building. In some cases, the exterior siding may be in good visual condition, however the WRB may have deteriorated necessitating siding replacement. As a

Fiber-Cement Siding - Replace continued...

result, it is best to plan for roughly 50 year cycles of siding replacement. As the useful life of the siding nears zero, perform an intrusive building envelope investigation to determine the exact condition of the siding and underlayment, and whether any hidden damages may be present.

The cost allowances within this component factor architectural details and professional project management for the siding replacement project. It is imperative that these professionals are engaged for the duration of this project to ensure that proper flashings and weatherproofing techniques are utilized. When possible, it is best to combine window replacement with the siding project for best weatherproofing practices. Cost allowances assume replacement of the siding and WRB only; hidden damages and structural repairs are not predictable and may substantially increase the cost of the project.

Exterior Surfaces - Repair & Paint - 2028

Asset ID	4065	50,250 GSF	@ $3.00
		Asset Actual Cost	$150,750.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$169,670.45
Placed in Service	January 2018		
Useful Life	10		
Replacement Year	2028		
Remaining Life	4		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior building walls, trim, etc.

Component History: Painted 2018 $125k

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8-10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure. Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

The Master Painters Association has extensive resources related to paint on their website at Master Painters Association

Properties built before 1978 may contain lead based paint. Additional resources regarding lead based paint can be found on the Department of Housing and Urban Development's Website.

Exterior Lights - Replace - 2033

		150 Each	@ $125.00
Asset ID	4068	Asset Actual Cost	$18,750.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$24,464.50
Placed in Service	January 2008		
Useful Life	25		
Replacement Year	2033		
Remaining Life	9		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior building walls

Component History: Reportedly original to ~ 2008 construction

It is beyond the scope of a reserve study to test lighting, therefore no testing was conducted as part of this report. No problems reported by client. Plan for regular cycles of fixture replacement to maintain function and aesthetics, best timed to occur in conjunction with exterior paint cycles for cost efficiencies. Funding allowances factor replacement with mid-range fixture as cost can vary widely based on quality of fixture chosen. Funding includes professional installation of fixtures, however extensive wiring/electrical work may increase cost. Inspect fixtures regularly, clean as needed and replace bulbs. Some utility companies offer rebates for installation of energy efficient fixtures; check with your local utility company prior to replacement to see if any rebates are available in your area.

Windows/Sliders - Replace

		300 Each	
Asset ID	4070	Asset Actual Cost	
		Percent Replacement	100%
Category	Building Exterior	Future Cost	
Placed in Service	January 2008		
No Useful Life			

Location: Exterior building walls

Component History: Majority original to ~ 2008 construction, spot replacements by owners

Client reports that windows and sliding glass doors are the responsibility of the unit owner to maintain, repair and replace therefore no reserve funding included.

Exterior Doors - Replace

		100 Each	
Asset ID	4075	Asset Actual Cost	
		Percent Replacement	100%
Category	Building Exterior	Future Cost	
Placed in Service	January 2008		
No Useful Life			

Location: Unit entry doors & deck storage closet doors

Component History: Reportedly original to ~ 2008 construction

Client reports that exterior doors are the responsibility of the unit owner to maintain, repair and replace therefore no reserve funding included.

Garage Doors - Replace

		50 Each	
Asset ID	4085	Asset Actual Cost	
		Percent Replacement	100%
Category	Building Exterior	Future Cost	
Placed in Service	January 2008		
No Useful Life			

Location: Garage at each individual unit

Component History: Majority reportedly original to ~ 2008 construction

Client reports that garage doors are the responsibility of the unit owner to maintain, repair and replace therefore no reserve funding included.

Traffic Coated Decks & Porches - Repair & Coat - 2024

		3,950 GSF	@ $15.00
Asset ID	4115	Asset Actual Cost	$59,250.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$59,250.00
Placed in Service	January 2018		
Useful Life	5		
Replacement Year	2024		
Remaining Life	0		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Elevated decks and landings throughout association

Component History: Reportedly recoated 2018 $28,500

Traffic coated decks are typically comprised of a coating system using three or more layers including a base coat, an aggregate for anti-slip properties and a top coat. The top coat must be periodically reapplied in order to maintain the weatherproofing capabilities of the coating system. Many associations attempt to postpone recoating because the decks “look ok”, however top coat deterioration is the result of UV exposure and foot traffic and cannot typically be seen with the naked eye. It is a best practice to routinely, and proactively, recoat decks at regular cycles. Failure to regularly reapply top coat may result in damage to other layers of the coating, requiring stripping and complete reapplication of the coating system, and/or damage to the wood structure of the deck.

Use caution when cleaning decks to prevent damage to coating. Encourage residents to elevate planters above the deck surface by placing them on feet and installing protectors on patio furniture legs. Keep drains clear and free flowing, if present, and do not place items such as carpeting, AstroTurf, etc. over the deck surface.

Traffic Coated Decks & Porches - Repair & Coat continued...

Funding allowances here factor recoating of decks with a small allowance for repairs as needed. Track actual expenses and update future reserve studies as needed.

Hidden damages and deterioration which could have been prevented through proper deck maintenance and periodic repairs is one of the most common surprise expenses experienced by associations, therefore proactive deck maintenance is absolutely imperative to avoiding future unexpected (and preventable) costs.

Pacific Polymers, a leading manufacturer of elastomeric deck coatings, has answers to many Frequently Asked Questions on their website through the following link: Pacific Polymers FAQ

Metal Deck Rail - Replace - 2058

		1,425 LF	@ $150.00
Asset ID	4130	Asset Actual Cost	$213,750.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$583,944.75
Placed in Service	January 2008		
Useful Life	50		
Replacement Year	2058		
Remaining Life	34		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to entry stairs and elevated decks

Component History: Reportedly original to ~ 2008 construction

We did not test railings for structural integrity as this is beyond the scope of a reserve study. The average useful life of deck railings is approximately 40-50 years. There is no predictable basis to expect regular cycles of paint at these railings as the powder coated finish is expected to have a long useful life. Inspect regularly, repair and touch up paint as needed through the annual operating budget. The preferred method for installation of deck railings is mounting through the front of the fascia board, as opposed to through the top of the deck surface. Installation through the top of the deck surface increases opportunities for water to penetrate into the structure of the deck, risking decay and hidden damages.

Electrical System - Repair/Replace

		1	Allowance
Asset ID	5000	Asset Actual Cost	
		Percent Replacement	100%
Category	Equipment & Mechanical	Future Cost	
Placed in Service	January 2008		
No Useful Life			

Location: Common area electrical

Component History: No history reported

No problems reported of electrical system at the time of this report. Evaluation of electrical components is beyond the scope of a reserve study; if problems are suspected, consult with a qualified electrician immediately. Generally, if installed without defect, there is no predictable basis to expect complete replacement of electrical system within the scope of this report therefore no reserve funding included. No known defects reported by client.

Regularly inspect common area electrical panels and equipment. Contact a qualified electrician if breakers routinely trip or fuses regularly blow, or if you notice a sizzling sound or a burning odor. Ensure that electrical plugs near wet locations (restrooms, exterior building walls, outdoor parking garages, etc.) are Ground-Fault Circuit Interrupters (GFCI).

Individual unit electrical systems may be the responsibility of the unit owner; consult with your governing documents accordingly.

Plumbing System - Repair/Replace

		1	Allowance
Asset ID	5005	Asset Actual Cost	
		Percent Replacement	100%
Category	Equipment & Mechanical	Future Cost	
Placed in Service	January 2008		
No Useful Life			

Location: Common area plumbing

Component History: Exterior faucet repairs 2020 $11,850

No problems reported of plumbing system at the time of this report. Evaluation of plumbing systems is beyond the scope of a reserve study; if problems are suspected, consult with a qualified plumber. Generally, if installed without defect, there is no predictable basis to expect complete replacement of plumbing system within the scope of this report, therefore no reserve funding included. No known defects reported by client.

Regularly inspect common area plumbing and equipment. Contact a qualified plumber if you are experiencing low water pressure, discoloration and/or leaks. Protect exposed lines from freezing temperatures. Some governing documents may make plumbing which serves an individual unit that unit's responsibility to maintain, repair and replace. Consult your governing documents accordingly.

Some plumbing systems are known to have deficiencies which may become more prevalent over time. These systems may include galvanized plumbing installed in older buildings, and CPVC lines installed in newer buildings. If you have not done so already, consult with a plumber to inspect and evaluate the plumbing system at your association to determine whether the system will require eventual replacement. Plumbing system renovations can be very costly, therefore it is best to determine this information early for financial planning purposes.

Annual testing of any backflow devices installed on your system is typically required by local municipalities. These devices are generally installed on water supply lines at irrigation systems, fire sprinkler systems, etc. The American Backflow Prevention Association has resources available on their website including information about backflow testing and a list of certified testers through the following link: American Backflow Prevention Association

Periodic Investigations - Perform - 2027

		1 Investigation	@ $5,500.00
Asset ID	6000	Asset Actual Cost	$5,500.00
		Percent Replacement	100%
Category	Professional	Future Cost	$6,010.00
Placed in Service	January 2022		
Useful Life	5		
Replacement Year	2027		
Remaining Life	3		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of investigation

Cost Source: Client cost history

Location: Building structure and equipment

Component History: 2022 $5,500

A reserve study site visit conducts a limited visual review for budgetary purposes only and does not include any invasive testing or structural evaluation. As a result, periodic professional investigations are strongly recommended to ensure that common area systems are functioning as designed. Common inspections include, but are not limited to, building envelope investigations, structural inspections/evaluations, plumbing system inspection and evaluation, electrical system inspection and evaluation, elevator assessments, etc. Community Associations Institute, which publishes National Reserve Study Standards, recommends periodic structural investigations in their Condominium Safety Public Policy Report and additional details regarding this recommendation can be found at www.condosafety.com. The need and frequency of these inspections varies greatly by community therefore monitor community needs and perform investigations as needed, incorporating the results within future reserve study updates.

Periodic building envelope investigations are strongly recommended to ensure that building envelope components are performing as designed and to help identify the potential for hidden damages early, thus reducing the risk of unanticipated repair costs. When performed prior to exterior work such as

Periodic Investigations - Perform continued...

siding and window replacement, a building envelope investigation also helps determine the extent of hidden damages, if any, so the association is not surprised by a significant increase in costs after the project starts. These investigations are also helpful in determining the estimated remaining useful life of a building envelope component. Building envelope investigations should be performed at regular intervals and prior to performing large exterior envelope projects. Some governing documents may require annual envelope investigations; we recommend reviewing your association's governing documents for any requirements unique to your association.

A building envelope investigation typically involves two professional parties, an architect or an engineer and a general contractor. The architect or engineer identifies areas of concerns at the building and the general contractor removes portions of the building exterior to assist the architect or engineer in identifying whether hidden damages exist. Moisture readings are also commonly performed during this process. Following the physical site visit, the architect or engineer will provide the association with a report detailing the results of their findings including photographs. Some reports may also include a summary of recommendations for repairs. If significant repair needs are identified at your building, the architect or engineer can usually be engaged to assist with drafting the official scope of work and bidding out the project to ensure that vendors correctly bid the project based on the scope of work. We strongly recommend that the architect or engineer's services be engaged for professional project management during any repairs done as the result of the envelope investigation to ensure that proper weatherproofing techniques are used to reduce the risk of future water intrusion.

The cost of inspections and evaluations can vary significantly based on the scope of work and the type of investigation being performed. We have used a mid-range funding allowance for financial planning purposes; update costs and frequency as needed in future reserve study updates.

A direct link to the CAI Condominium Safety Public Policy can be found here:
https://www.caionline.org/Advocacy/Priorities/condolegislation/Documents/CondoSafetyPublicPolicyReportJune2023.pdf

A link to CAI's Best Practices: Community Association Maintenance, which contains additional details pertaining to recommended inspections can be found here:
https://foundation.caionline.org/wp-content/uploads/2023/06/BestPracticesCAMaintenance.final2_.pdf

WA Clean Buildings Performance Standard

		1 Allowance	
Asset ID	6005	Asset Actual Cost	
		Percent Replacement	100%
Category	Professional	Future Cost	
Placed in Service	January 2024		
No Useful Life			

Component History: None reported

In 2019 Washington State passed legislation aimed at reducing energy consumption at some buildings. In addition, some municipalities (including the City of Seattle) may have adopted their own standards related to building energy consumption. Determination of which, if any, legislation applies to your building(s) is beyond the scope of a reserve study therefore it is recommended that you consult with legal counsel or an energy usage expert for further guidance.

For buildings to which Clean Buildings Performance Standards apply, replacement of items listed within the reserve study may require upgrading to a more energy efficient item at the time of replacement, replacement of an item with one that uses a different energy source (i.e. replacement of a gas powered item with an electric powered one), or replacing an item earlier than planned in order to upgrade energy efficiency of the item (such as early replacement of windows in order to upgrade their energy efficiency).

If your association has reported a plan to replace certain items in order to achieve energy efficiency standards, that plan has been incorporated into this report and notated accordingly. Absent a plan directly reported by client, this report assumes replacement costs of like for like items and utilizes the standard average useful life of the components. Upgrading to a more energy efficient item or converting an item to an alternate power source may result in increased costs which are not predictable in the scope of this report and therefore are not considered in the component cost allowances. Further, replacement of an item prematurely to upgrade its energy efficiency is also not predicable for the purposes of this report and may have a significant effect on the association's reserve funding position if the component is substantial in cost.

Associations should monitor this legislation closely and for those to which it applies, work with its energy consumption vendor(s) to determine a plan to meet energy use standards and incorporate those results within the reserve study, if applicable.

A link to Washington's Clean Building Performance Standards can be found here:
https://www.commerce.wa.gov/growing-the-economy/energy/buildings/clean-buildings-standards/

A link to Seattle's Building Emissions Performance Standards can be found here:
https://www.seattle.gov/environment/climate-change/buildings-and-energy/building-performance-standards

Reserve Study - Annual Update

		1 Annual	
Asset ID	6010	Asset Actual Cost	
		Percent Replacement	100%
Category	Professional	Future Cost	
Placed in Service	January 2024		
No Useful Life			

Time for your annual update, contact us today!

Component History: 2024 FULL

It is recommended that this study is updated annually. Some states, including Washington and Oregon, feature statutes which require that studies be updated on an annual basis for many communities (consult with your legal counsel if you have questions about whether an update is required for your community). Some governing documents may also require that the study be updated annually. Regardless of any state requirements for updates, it is prudent to update your report annually to adjust for constantly changing information including, but not limited to, actual reserve account balance, actual project costs, vendor estimates, economic and market changes, etc. The cost to update your study annually is best treated through the operating budget, therefore no reserve funding included.

Key:
FULL = Level 1 Full Reserve Study
WSV = Level 2 With-Site-Visit Reserve Study
NSV = Level 3 No-Site-Visit Reserve Study
PCNYC = Level 4 Preliminary, Community Not Yet Constructed Reserve Study

Common Terms & Definitions

A portion of this information is from the National Reserve Study Standards (NRSS) published by Community Associations Institute, dated 07/2023. A link to the full National Reserve Study Standards document can be found here: National Reserve Study Standards

ADEQUATE RESERVES — A replacement reserve fund and equitable multi-year funding plan which together provide for the reliable and timely execution of major repair and replacement projects as defined within National Reserve Study Standards without reliance on additional supplemental funding.

ALLOWANCE (QUANTITY) — When used in reference to quantity, the term allowance means that the component could not be reasonably quantified to assign a unit cost and therefore a flat cost allowance has been used.

ALLOWANCE (COST) — When used in reference to cost, the term allowance refers to the cost range assigned to that component. For example, the cost allowance for replacement of a roof may be $4.00 per square foot to $6.00 per square foot.

CAPITAL IMPROVEMENT — Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.

CASH FLOW METHOD — A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

COMMON AREA — Areas identified within the association's governing documents that the association is obligated to maintain, repair or replace.

COMPONENT — The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. predictable in nature, and 3. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.

COMPONENT INVENTORY — The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.

COMPONENT METHOD — A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.

CONDITION ASSESSMENT — The task of evaluating the current condition of the component based on

observed or reported characteristics.

CY Cubic yards.

EFFECTIVE AGE The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULLY FUNDED 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

FULLY FUNDED BALANCE (FFB) An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

FFB = Current Cost X Effective Age/Useful Life

Example: For a component with a $10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be $4,000.

FUND STATUS The status of the reserve fund reported in terms of cash or percent funded.

FUNDING GOALS Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

- **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.

- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "Fully Funded" with respective higher risk or less risk of cash problems.

- **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

FUNDING PLAN An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.

FUNDING PRINCIPLES The reserve study must provide a funding plan addressing these principles:

- Sufficient funds when required.
- Stable contribution rate over the years.
- Equitable contribution rate over the years.
- Fiscally responsible.

GSF Gross square feet.

GSY Gross square yards.

INITIAL YEAR The first fiscal year of the financial analysis or funding plan.

LIFE ESTIMATES The task of estimating the useful life and remaining useful life of the reserve components.

LF Lineal feet.

MAINTENACE Maintenance is the process of maintaining or preserving an item, or the state of being maintained. Maintenance is often defined in three ways, preventive maintenance, corrective maintenance and deferred maintenance.

PERCENT FUNDED The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan in light of the association's risk tolerance.

PERIODIC STRUCTURAL INSPECTION Structural system inspections aimed at identifying issues when they become evident. This inspection is outside of the scope of a reserve study and is to be conducted by client independently, with the results of such inspection incorporated in the reserve study as applicable.

PHYSICAL ANALYSIS The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

REMAINING USEFUL LIFE (RUL) Also referred to as "remaining life" (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.

REPLACEMENT COST The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including

but not limited to shipping, engineering and design, permits, installation, disposal, etc.).

RESERVE BALANCE Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE PROVIDER An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

RESERVE STUDY A budget planning tool which identifies the components that the association is responsible to maintain, repair or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures. The reserve study is conducted for budget and cash flow purposes only and tasks outside the scope of a reserve study include, but are not limited to, construction evaluation, intrusive or destructive testing, preventive maintenance plans and structural or safety evaluations.

SPECIAL ASSESSMENT A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

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

VALUATION ESTIMATES The task of estimating the current cost for the reserve components.

Disclosures

The report was prepared by, or with the oversight of, Karen McDonald, CMCA, AMS, PCAM, RS, Reserve Study Specialist (RS) # 355 through Community Associations Institute, on behalf of Accurate Reserve Professionals, LLC ("ARP") and is subject to all terms, conditions, limitations and disclaimers of any contracts between client and ARP regarding this report and the services provided by ARP for client in connection with this report.

As of the date of this report, there are no known conflicts of interest involving ARP and the client for which this report was prepared. ARP has no familial or marital relationship with client, no ownership interest in client, and no ongoing business relationship with client.

Any site visit work performed in the process of preparing this report included a limited non-invasive visual walk through of areas identified by client, and reliance by ARP upon client's representations that such areas constituted a representative sampling of the organization's common areas. No destructive testing was performed. Unless otherwise noted, and in addition to any information provided directly by client, the component list and quantities for Level IV Preliminary Community Not Yet Constructed reports are developed using plans and drawings. Level I Full report component lists are developed using field measurements, other technology available (satellite imagery, etc.) and data provided by client. All quantities are an approximate estimate and may not be exact. Any site visit is not considered a site inspection, project audit or quality inspection of any areas or projects. Structural integrity evaluations are beyond the scope of a reserve study and were not performed as part of this report. ARP lacks information to incorporate necessary corrective maintenance costs and timing for structural work, if any, unless provided by client.

If this report is an update of a prior reserve study, it is reliant on the validity of the prior study(s) and ARP cannot guarantee the accuracy of this report.

This report attempts to include all reserve components identified by client, including best efforts to note any unfunded components within the inventory appendix.

Any information provided by client regarding financial information, physical conditions, quantities, historical issues, components, designs, and current and prior reserve projects, is relied upon by ARP as accurate, true and correct, in preparing this report (the "**Provided Information**"). ARP can only be aware of preventive maintenance plans or programs that have been disclosed by the client. This report is for the client's sole use and shall not be used by or relied upon by third parties for any purpose. Use of the Provided Information by ARP is not intended to validate the accuracy of such information and this report is not an audit, quality/forensics analysis or a background check of the client's historical records, preventive maintenance plan(s) or the Provided Information.

The actual or projected starting balance within this Reserve Study is based upon information provided by client and was not audited or verified in any way. To the best of ARP's knowledge and based upon the information provided to ARP by client, at the time of generating this report there are no known material issues excluded from this report which would affect the data provided.

For Level II With-Site-Visit and Level III No-Site-Visit reports, the client is considered to have deemed the previously developed component quantities as accurate and reliable. This data is not audited or verified in any way for these reports.

The report is for client's internal use and based on the Provided information and may not be relied upon by third parties for any reason. Visual inspections are to verify existence and appearance of assets. ARP does not

guarantee the accuracy of the information in the reports, and Client may not fully rely on the final figures in the report, due to a variety of factors outside of ARP's control and knowledge, including but not limited to reliance on information provided by Client and other third parties that may be inaccurate, incomplete, or inadequate, hidden damages, latent defects, economic factors, labor and material costs, environmental factors, deferred maintenance, and other such factors.

Washington State Client Disclosures

This reserve study report meets the requirements of RCW 64.34.382, 64.38.070 and 64.90.550.

Washington State Client Disclosure for Clients Under RCW 64.34.682 and 64.38.070

“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.”

Washington State Client Disclosure for Clients Under RCW 64.90.550

"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."