



LAKE FOREST ESTATES
HOMEOWNERS' ASSOCIATION
RESERVE FUND STUDY

December 31, 2022

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1. Summary

The purpose of this Reserve Fund Study is to review the various assets and facilities that are the maintenance responsibility of the Lake Forest Estates Homeowners' Association and develop a 30-year funding plan to provide for the necessary maintenance and replacement.

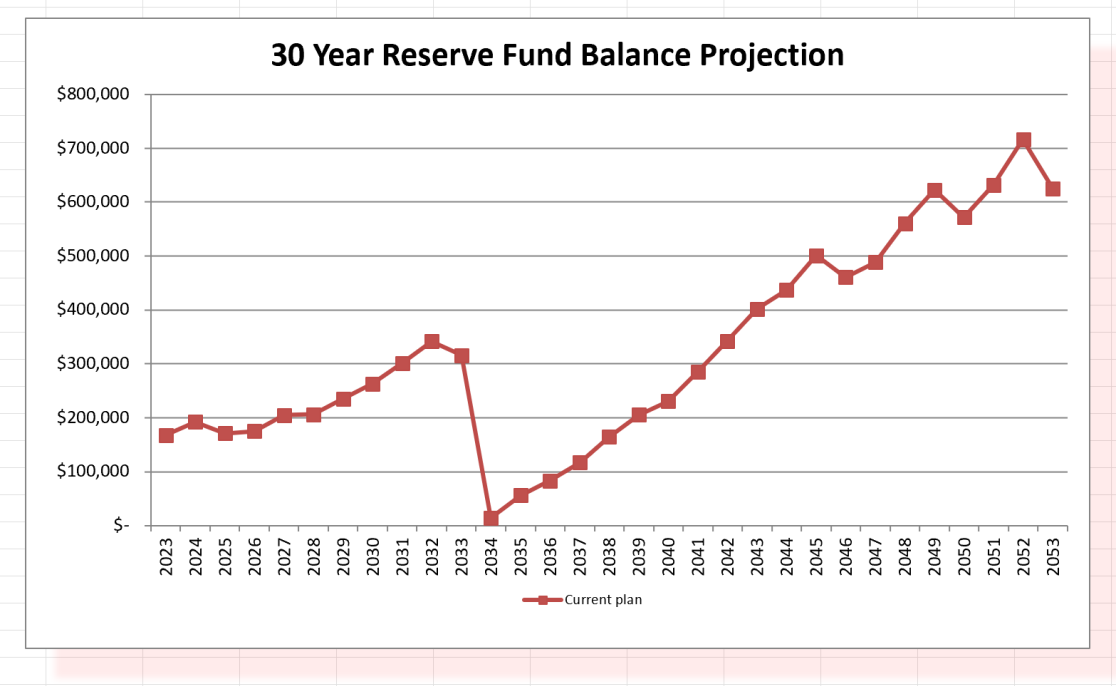
The dues for 2022 were \$755. The Annual Operating Fund contributions are \$63,825 (\$555 per home) and Reserve Fund contributions are \$23,000 (\$200 per home). The annual dues for 2023 are \$796.

We use the Cash Flow Method of determining Reserve Fund annual contribution.

During the early years of our Association, we had no organized method for determining long term maintenance needs. Starting in 2013, we completed our first 30-year Reserve Study according to the National Reserve Study Standards.

Our current 30-Year Reserve Fund Balance Projection is as follows:

Updated: 12/31/2022



2. Introduction

The Lake Forest Estates Homeowners' Association, PO Box 782, Maple Valley, Washington 98038, owns and maintains certain common properties and facilities on behalf of 115 association members. Proper and timely maintenance of our common facilities is important in maintaining our individual property values. The purpose of this Reserve Study is to inventory the assets that are the responsibility of the association and develop a 30-year funding plan to provide for the necessary maintenance and replacement.

The intent of this study is to develop an adequate funding plan that is stable over the long term and is equally fair to all residents, both current and future. Personal situations will cause some families to live here only a few years while others will live here for decades. With a stable plan, each resident will contribute their share of major maintenance expenses on an annual basis. Maintenance costs tend to occur in large amounts on various years. For instance, a wood fence will require an expensive replacement cost about every 25 years. If we relied on special assessments to cover the costs, then those residents living here at the time would have to shoulder the entire burden. With a properly funded reserve plan, each resident will contribute for time they live here. We wish to minimize the need for special assessments.

It is expected that this plan will be regularly updated and adjusted as necessary. This plan is based on careful inspection of our assets, and we have estimated the useful life and remaining life of each component. However, we need to recognize that these are only estimates. Actual conditions may cause some items to deteriorate more rapidly or last longer than we predicted. Probably the biggest unknown is inflation. Up to 2022, we used a 2.5% inflation factor.

During the 2022 fiscal year, the Consumer Price Index (CPI) rose to 8.6%. Since the Federal Bank is taking steps to reduce and control long term inflation, we do not see the current CPI continuing long term. We have decided to use an average of 5 years CPI for future projections for this study which is currently 3.75% (2018 – 2.4%, 2019 – 1.8%, 2020 – 1.2%, 2021 – 4.7%, 2022 – 8.6%). Due to the 30-year time frame of this study, we feel that the 5-year CPI average will give more stable projection year to year, with the same end result.

Up until 2013, our Homeowner's Association kept a common accounting for our annual operating budget items and funds intended for long term maintenance. Subsequently, we have separated our funds between an Operating Fund and a Reserve Fund. Each fund is held in a separate bank account. Examples for budget items to be included in the Operating Fund are contract lawn care maintenance, irrigation water, electricity, insurance, printing, and mailing costs. Examples for items to be included in the Reserve Fund are painting the cedar fence along SR169, replacement of the fence, and resurfacing the sports court.

For an item to be included in the Reserve Fund, it must meet a four-part test:

- a. Is it a common area (LFEHOA) maintenance responsibility?
- b. Does it have a limited life? (Within 30 years)
- c. Does it have a predictable remaining life?
- d. Is it above a minimum cost significance? (\$1,000)

If we want to add an item that currently does not exist, for instance if we want to install a fence around the sports court; since it is not a current HOA maintenance responsibility, it will not meet the first test question. We could do this (if approved as outlined in our CC&Rs and Bylaws) but it would be included in the annual budget for the Operating Fund as a special project. Future replacement of the fence would then be included in the next update of the Reserve Study.

Items that have no specific life or reasonable means of estimating costs such as storm damage or vandalism are considered Operating Fund items. If the associated costs for these items are large, they could impact future dues assessment or cause a special assessment.

This Reserve Fund Study is also based on a key assumption that an item will be replaced at the end of its useful life with an identical item. For planning purposes, the 6-foot-high cedar fence along SR169 will be replaced with a similar quality 6-foot-high cedar fence. When it comes time for replacement of the fence, the membership can certainly consider alternatives, for instance replace the fence with a different type of fence. However, the HOA Board of Directors would have to consider how to fund the added cost.

The normal approval process as outlined in our CC&Rs and Bylaws which require a membership vote for any project over \$15,000 will apply. Our CC&Rs also require a vote approval for *assessment of projects* over \$15,000. During the annual election of 2015, the membership approved assessment for the following projects:

- Accumulate reserves of \$39,151 by 2023 for the purpose of replacement of the wood fence along SR169
- Accumulate reserves of \$24,585 by 2028 for the purpose of replacement of the children's play structure
- Accumulate reserves of \$26,637 by 2033 for the purpose replacing the posts of the current mailbox structures
- Accumulate reserves of \$265,000 by 2034 for the purpose of replacing the swimming dock

3. Reserve Study Level

This Reserve Study is a Level 1: Full Reserve Study with visual site inspection

4. Basis of Reserve Study

This Reserve Study is based on the following sources:

1. Washington State law RCW 64.38.065; Level 1: Full Reserve Study with visual site inspection
2. National Reserve Study Standards by the Community Associations Institute
3. Various webinars available on www.reservestudy.com
4. Wood Fence Physical Condition Evaluation, August 2012, available on www.lakeforestestateshoa.com

5. Assumptions and Strategy of the Reserve Study

Assumptions of the Reserve Study:

- Future inflation is based on the 5 year average of the Consumer Price Index, currently 3.75% (2018 – 2.4%, 2019 – 1.8%, 2020 – 1.2%, 2021 – 4.7%, 2022 – 8.6%)
- Minimum annual balance for the operating fund is \$8,000.
- Minimum annual balance for the Reserve Fund is \$10,000 (the minimum reserve threshold amount)
- Replacement of old facilities with similar size, construction, quality, etc. – So, a wood fence gets replaced with a wood fence. If we want to install a different type of fence, the added cost will be covered by a special assessment or other funding options.
 - If it becomes known that federal or state regulations prevent a like for like replacement, then a similar construction replacement that would meet regulations will be included in the study. An example affecting us is that our swimming dock structural framework is pressure treated timber. Regulations no longer allow pressure treated timber construction over natural freshwater bodies, so the study has estimated a framework of Port Orford cedar.
 - If the HOA wishes to remove and not replace a facility, by vote of the membership, long term maintenance costs for the item can be deleted from future updates of the study. The HOA Board of Directors will determine at the

time the decision is made, how to cover removal and restoration costs and how to deal with the accumulated Reserve Fund for that item.

- The Reserve Fund is for maintenance and replacement of currently existing assets only. If we wish to make improvements that do not currently exist, the cost will be covered by a special assessment or other funding options.

6. Sections of the Reserve Study

- **Component Inventory**

The first step in the Reserve Study is to complete a physical inventory of the various assets within the development area. The inventory then defines what is within the responsibility of the Homeowners' Association. Then applying the four-part test described in section 2, each item is assigned to the Operating Fund, Reserve Fund or not funded for the reasons shown. The Component Inventory can be found in [Appendix A](#).

- **Condition Assessment of Reserve Components**

For those items covered by the Reserve Fund, a physical inspection of the asset was completed, an estimate of its useful life (when new, how long would it last) and its remaining useful life. A cost estimate was obtained. Where we have done the item before, such as fence painting, we used the last actual cost (adjusted for inflation). When feasible and not previously done, a contractor or supplier estimate, or bid was obtained. A few minor items were estimated based on our experience. Also included on the assessment form is the origin and maintenance history to aid in future updates of the study. The Condition Assessment can be found in [Appendix B](#).

- **Condition Assessment of Operating Fund Components**

Although not normally part of a Reserve Study, we have included the Condition Assessment of the items covered by the Operating Fund. This can be found in [Appendix C](#).

- **Life and Valuation Estimate**

The Life and Valuation Estimate recaps the information from the Condition Assessment sheets and calculates the current year cost by applying the inflation factor for the years since the estimate data was obtained. This can be found in [Appendix D](#).

- **Expenses by Component**

The Expenses by Component determines the expenditure for the appropriate year for each component, calculates the escalated value, and provides a total Reserve Fund expenditure for each year. This can be found in [Appendix E](#).

- **Fully Funded Summary**

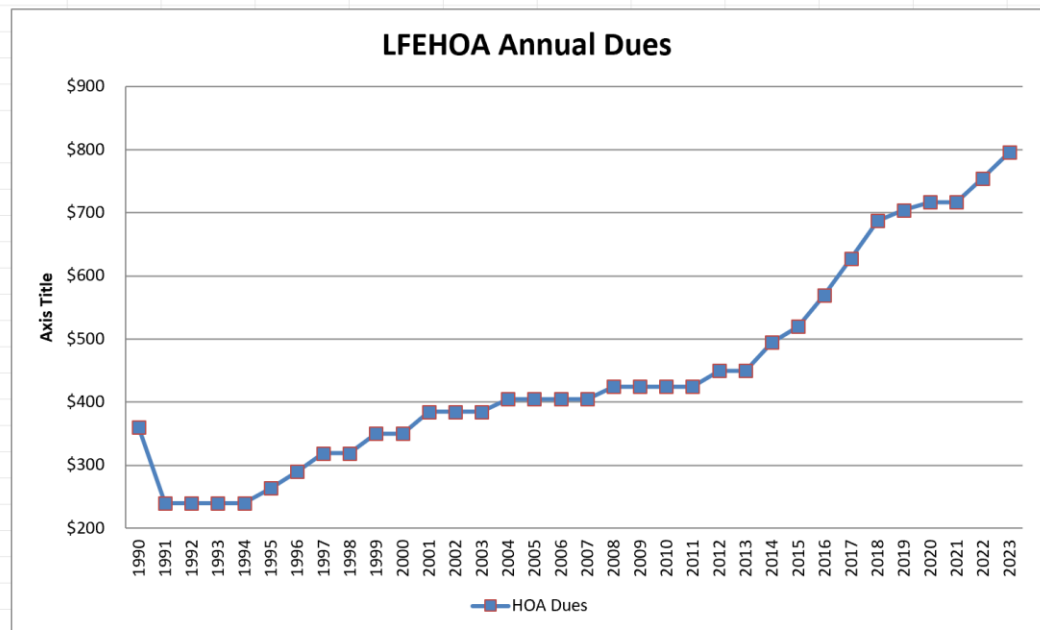
The Fully Funded Summary calculates the reserve balance that would be needed to pay all necessary prorated maintenance requirements at one time. Since the various maintenance projects are spread over many years, funding less than the 100% fully

funded amount can suffice. Our funding plan is based on the Cash Flow Method with a minimum threshold reserve balance of \$10,000. The Fully Funded Summary is included to comply with RCW 64.38.070 and can be found in [Appendix F](#).

7. Results of Reserve Study

- The dues for 2023 are \$796. The Annual Operating Fund contributions are \$66,240 (\$576 per home) and Reserve Fund contributions are \$25,300 (\$220 per home).
- Our annual dues, since founding the association have been:

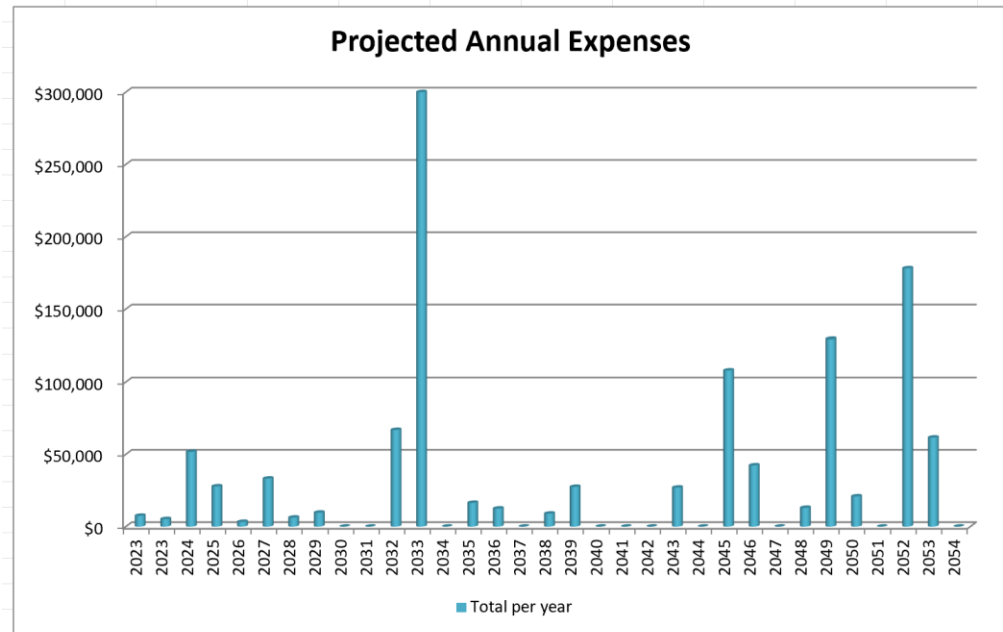
Updated: 12/31/2022



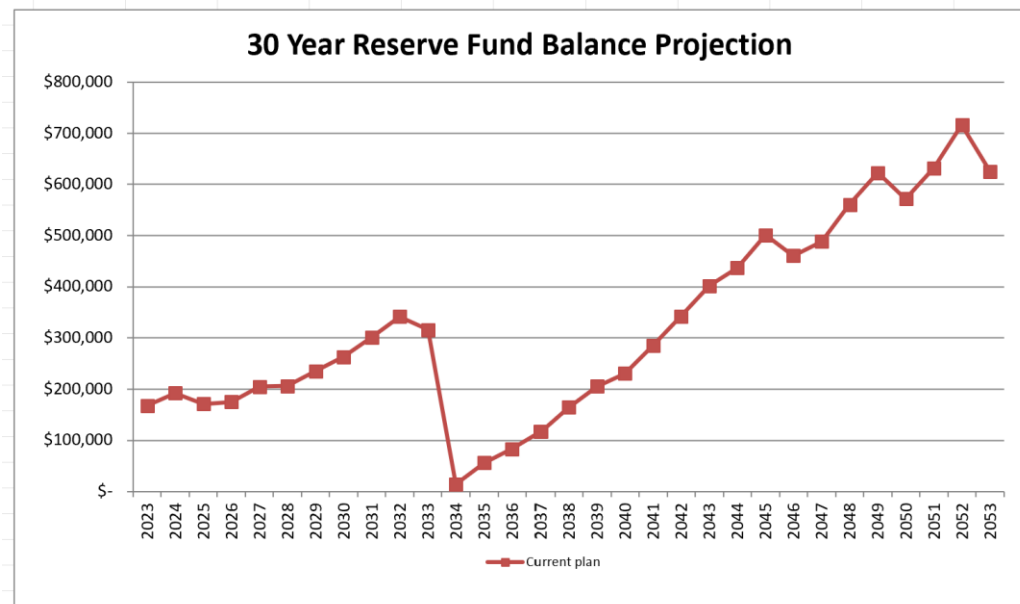
- There has been only a single special assessment, in 1999, of \$110 to pay for unexpected dock repairs (dock sunk – pontoons and decking were replace).

- Our projected annual expenses are as follows (see Appendix E for actual costs):

Updated: 12/31/2022



- This gives a 30-Year Reserve Balance Projection of:



8. Disclaimer and statement required by RCW 64.38.070

- a. This study is intended to comply with Washington State law RCW 64.38.065 (Level 1: Update with visual site inspection).
- b. Disclaimer required by RCW 64.38.070.3: “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.”

9. Preparation

The Reserve Study was completed by Wayne M. Anderson, PE (WA 37665, OR 10256, CA M34380).

10. Notes

The City of Maple Valley announced a planned city and state project to widen a portion of Highway SR169 which borders our development on the east side. The proposed schedule was to complete the design in 2022 and have construction in 2024 or possibly as late as 2027. The timing of the SR169 Widening Project not within the control of the HOA and should be considered with a certain amount of skepticism.

The proposed project will significantly impact our HOA maintained frontage along SR169 and the SR169 / SE 253rd Place intersection. Most of the landscaped frontage will be replaced with added traffic lanes (2 lanes both directions), a roundabout, curb, tree lined planting strip, sidewalk, and retaining wall. The impact to the HOA owned and maintained fence is unknown.

In 2019, the HOA Board decided to hold off on fence replacement and painting until the SR169 Widening Project definition and timing is clarified.

Appendix A: Component Inventory

Updated: 12/31/2022

Number	Item	Operating Fund	Reserve Fund	Not covered	Reason / Notes
100	Entry area				
110	Entry landscaping				
111	Entry landscape maintenance	•			Routine landscape maintenance (mowing, pruning, etc.)
112	Landscaping along SR169, highway widening impact			•	The widening of SR169 will have major changes to the landscaped area. The extent of the changes, timing, and whether the city project will fund restoration of our landscaping is unknown. The past strategy has been to defer improvements until completion of the widening project.
113	Landscaping around LFE signs	•			
114	Landscaping strip along SE 253 rd PI	•			
115	Landscaping for SE 253 rd PI center island	•			
116	Landscaping along SR169	•			
117	Entry landscaping storm damage	•			
120	Entry fence				
121	Entry fence replacement		•		
122	Entry fence painting		•		
130	Entry irrigation system				
131	Entry irrigation system maintenance	•			
132	Entry irrigation system SR169 widening impact			•	The widening of SR169 will have major impact on the landscaped area. The extent of the changes, timing, and whether the city project will fund restoration of our system is unknown.
140	Entry brick sign	•			
150	Lighting for street, island and sign	•			
160	Storm water pond at entry			•	Maintained by the City of Maple Valley
200	Central core area				
210	Mailbox structures (16)				
211	Mailbox structure replacement		•		
212	Mailbox structure cleaning and paint		•		
220	Parking circle landscaping	•			
230	Street maintenance			•	Maintained by the City of Maple Valley
240	Street lighting (other than entry)			•	Maintained by Puget Sound Energy
250	Utilities (sewer, water, gas, electric, cable)			•	Maintained by the owning company
300	Sports court / park area				
310	Parking lot				
311	Parking lot paving		•		
312	Parking lot gate	•			
320	Sports court				
321	Sports court paved surface coating and lines		•		
322	Sports court net and hoop nets	•			

Number	Item	Operating Fund	Reserve Fund	Not covered	Reason / Notes
323	Sports court posts, winch, and basketball posts, hoops & backboards	•			
330	Landscaping				
331	Sports court & park landscaping maintenance	•			
332	Sports court & park landscaping storm damage	•			
333	Tract G NGPE (north of pond)	•			Natural Growth Protective Easement area
334	Tract H NGPE (north of park)	•			Natural Growth Protective Easement area
335	Tract I & J NGPE (south of park)	•			Natural Growth Protective Easement area
340	Sports court & park irrigation system	•			
350	Storm water pond at park			•	Maintained by the City of Maple Valley
360	Restroom				
361	Restroom masonry structure			•	We believe structure has a life exceeding of 50 years
362	Restroom roof		•		
363	Restroom plumbing	•			
364	Restroom trim paint		•		
370	Picnic shelter				
371	Picnic shelter masonry structure			•	We believe structure has a life exceeding of 50 years
372	Picnic shelter roof		•		
374	Picnic shelter trim paint		•		
380	Park fences				
381	Park chain link fence (east and north sides)		•		
382	Wood fence separating park from lot 51 replacement		•		
383	Wood fence separating park from lot 51 repainting		•		
390	Dock				
391	Dock structure		•		
392	Dock swimming ladders	•			
393	Dock handrail	•			
394	Dock miscellaneous maintenance	•			
400	Children's play structure				
401	Children's play structure replacement		•		
402	Children's play structure maintenance	•			
403	Children's swing set		•		
480	Park miscellaneous items				
481	Park benches	•			
482	Picnic tables and benches	•			
483	Garbage cans and holders	•			
484	Bar-be-cues	•			
485	Horseshoe pit				Removed in 2016 to make way for swing set.
486	Sports court and park signs	•			
487	Lock and key system	•			

Number	Item	Operating Fund	Reserve Fund	Not covered	Reason / Notes
488	Walkways	•			Periodically, steps need to be pressure washed and accumulated gravel removed from steps.
489	Stairs and steps	•			
490	Bicycle rack	•			
491	Beach sand		•		Periodically, the beach sand needs to be replenished. Note: a CMV permit is needed for any shoreline work.

Appendix B: Condition Assessment of Reserve Components

Updated: 12/31/2022

Item: 121 Entry fence replacement	
Description: A cedar wood fence bordering State Highway SR169 and lots 84, 85, 86, 87, 89, 90, 1, and a storm water settling pond (located to the southwest of intersection of SE 253 rd Place and SR-169). A short section of this fence extends west along the frontage of SE 253 rd Place separating the settling pond lot from the roadway and short section of fence extends west from the southeast corner of lot 1 separating the lot from SE 253 rd Place. Note that the fences bordering lots 91, 92 and 93 are owned by the respective homeowners, but the HOA is responsible for painting the street side of the fence.	
Cost data, source and date: Dimensions: approximately 1060 lineal feet of 6-foot-high fence and 115 lineal feet of 4-foot-high fence. Life expectancy: 25 years 1/4/1997 Bid by Town & Country Fence Co.; \$47,816 10/27/2006 Bid by Bilt-rite Fence; \$30,000 including sales tax (1370 ft to include both entry and park) Adjust for entry only = \$30,000 * 1175 ft / 1370 ft = \$25,730	
Origin and maintenance history: 1989 Fence built with original development and painted a light blue color. A plate on the fence indicates it was built by Burwick Fence Company. About 2005 A tree from lot 1 fell and crushed 2 sections of the fence (LFEHOA contracted with Maple Valley Lawn Service to repair the fence – numerous complaints over quality of repair).	
Current condition and remaining life: 8/2012 A comprehensive evaluation and report of the LFEHOA's wood fences was completed by Wayne Anderson, Chuck Denning, and Lorin Burke. A copy of the report is available for review upon request. Some repairs are required. 2022 The fence is in good condition considering it is now about 32 years old. Due to the proposed SR169 Widening Project, the BOD has decided to withhold any planned work until after the widening project. There is a possibility that fence would be replaced as part of that project. Useful life: 25 years, remaining life: 0 years	

Item: 122 Entry fence painting	
Description: A cedar wood fence bordering State Highway SR169 and lots 84, 85, 86, 87, 89, 90, 1, and a storm water settling pond (located to the southwest of intersection of SE 253 rd Place and SR169). A short section of this fence extends west along the frontage of SE 253 rd Place separating the settling pond lot from the roadway and short section of fence extends west from the southeast corner of lot 1 separating the lot from SE 253 rd Place. Note that the fences bordering lots 91, 92 and 93 are owned by the respective homeowners, but the HOA is responsible for painting the street side of the fence.	
Cost data, source and date: 6/2003 Carlin Painting painted public side of entry fence, park wood fence and park structures for \$7,204. Frontage fence = 1175'; lots 91, 92 & 93 = 316'; park 2x195 = 390'. Portion of \$7,204 * (1175 + 316) / (1175 + 316 + 390) = \$5,710 6/2013 Wilson Enterprise painted public side of entry fence, replace approx 23% of weather rail, trim surface boards contacting tree root and repair old repair when tree fell on fence for \$13,200. Repairs are assumed to be \$3,000, and pressure wash and painting is \$10,200.	
Origin and maintenance history: 1989 Fence built with original development and painted a light blue color. A plate on the fence indicates it was built by Burwick Fence Company	

1998	Paint the interior and exterior of the fence (Rocky Whitbeck, did <u>not</u> back brush sprayed finish, didn't hold up well)
2003	Pressure wash and paint the exterior of the fence (Carlin Painting recommended a stain/oil or a paint/oil mix based on their experience, check HOA records, did excellent work and it has held up well). Changed color to gray, to match LFE brick sign.
2013	Pressure wash, repair decayed and damaged wood, and paint.
Current condition and remaining life:	
2022	Condition: paint has exceeded time to paint, however due to the proposed SR169 Widening Project, the BOD has determined to hold off repainting until after the SR169 Widening Project. Useful life: 7 years, remaining life: 0 years

Item: 211 Mailbox structures (16) replacement	
Description: 16 mailbox structures. Note: an additional 2 box structure has been built and maintained by homeowners of lots 51 and 52. This structure is considered homeowners' property.	
Cost data, source and date: 11/2012 estimate by WA to replace posts, reroof with asphalt roofing, less pressure wash and paint = \$17,010 (see Mailbox Structure Physical Condition Evaluation report for details) 11/2013 The mailbox structures were rebuilt with new posts, structures widened to allow 12" per mailbox, 4 new roof structures, cedar roofing replaced with asphalt (50-year life), replace center support structure and install common locking mailboxes.	
Total project cost	\$48,719
2012 bid for reroofing by Horizon Roofing	(3,260)
Mailbox purchase cost	(9,570)
Cleaning and painting	<u>(3,377)</u>
Structural work	\$32,512
Assume reoccurring cost to replace post would only be 50% of above or \$16,256	
Origin and maintenance history: 1989 Built with original development. 2011 Structure 39N had a single post (right side) rot out and it was replaced by the association in 2011. Note that the left post now shows rot and needs replacement. 2011 Structure 44E was damaged by a car accident in 2011 and both posts were replaced. 1993 Structure 44S suffered severe damage when a falling tree crushed it in 1993. It is unknown whether the posts were replaced at that time, but the roof and center section were replaced. 2011 Structure 63 was damaged by a car accident in 2011 and both posts were replaced. 2012 Structure 5 failed when both posts completely rotted through, and structure fell over. 2013 The mailbox structures were rebuilt with new posts; structures widened to allow 12" per mailbox; cedar roofing replaced with asphalt; replaced center support structure; and installed common locking mailboxes. 2022 Structure damaged by car accident, repaired by residents (near lot 72)	
Current condition and remaining life: 2022 Condition: good. Useful life: 20 years, remaining life: 11 years.	

Item: 212 Mailbox structure cleaning and paint	
Description: 16 mailbox structures. Note: an additional 2 box structure has been built and maintained by homeowners of lots 51 and 52. This structure is considered homeowners' property.	
Cost data, source and date: 5/1/2002 Actual cost to clean and paint = \$2,511	

Origin and maintenance history:

1989 Built with original development
5/1/2002 All mailbox structures were pressure washed and painted by Marlowe Construction.
2013 Structures were repainted in 2013 as part of Item 2011 Mailbox Rebuild Project

Current condition and remaining life:

2022 Condition: good. Useful life 7 years, remaining life 1 years.

Item: 311 Sports court parking area

Description: Asphalt paved parking lot and access road

Cost data, source and date:

Dimensions: 23' x 144' + 124' x 50' = 9,512 ft²
Cost to seal coat; from Evergreen Asphalt & Concrete, Kent, \$1,944 incl sales tax, 1/2013

Origin and maintenance history:

1989 Built with original development
Approximately 6/2000, the road and parking lot was coated with seal coating by City of Maple Valley as settlement for cracked paving repair after installation of new storm water drainpipe.

Current condition and remaining life:

2022 Current condition: good. Useful life: 20 years, remaining life: 3 years

Item: 321 Sports court paved surface coating and lines

Description:

Dimensions: 53' x 86' = 4,558 ft²
Court is an asphalt paved surface coated with colored rubber coating impregnated with sand non-skid surface.

Cost data, source and date:

6/2002 Surface repaired and coated with rubber coating by Statewide Parking Lot Service cost: \$5,005, actual cost.
8/2014 Surface repaired and recoated by Pacific Ace LLC: \$7,320, actual cost.

Origin and maintenance history:

1989 Built with original development
6/2002 Surface repaired and coated with rubber coating by Statewide Parking Lot Service cost: \$5,005.
8/2014 Surface repaired and recoated by Pacific Ace LLC: \$7,320, actual cost.
4/1/2018 Pressure washed. Looked great after cleaning.

Current condition and remaining life:

2022 Current condition: good. Useful life: 10, remaining life: 4 years

Item: 362 Restroom roof

Description:

Restroom is a masonry block structure with wood roof structure.

Cost data, source and date:

Dimensions: 18' x 13' = 234 ft²

2011 The original cedar shake roof on both the restroom and picnic shelter were replaced with asphalt roofing by New Millennium Contractors / Salvador Zamora, cost: \$ 2,580. Assume that this roof was 50% of total or \$1,290.
Origin and maintenance history: 1989 Built with original development with original cedar shake roof. 2011 The original roofing was replaced with asphalt roofing.
Current condition and remaining life: 2022 Current condition: good. Useful life: 50 years, remaining life 39 years.

Item: 364 Restroom trim paint
Description: Restroom is a masonry block structure with wood roof structure and metal doors with wood trim.
Cost data, source and date: 2013 Estimate \$500.
Origin and maintenance history: 1989 Built with original development 2003 Doors and trim was repainted by Carlin Painting in conjunction with the HOA fence painting. 2014 Doors and trim was repainted by Wilson Enterprises: \$235, actual cost.
Current condition and remaining life: 2022 Current condition: good. Useful life: 7 years, remaining life: 1 years

Item: 372 Picnic shelter roof
Description: Dimensions: 18' x 13' = 234 ft ² Picnic shelter has masonry block support posts with wood roof structure.
Cost data, source and date: 2011 The original cedar shake roof on both the restroom and picnic shelter were replaced with asphalt roofing by New Millennium Contractors / Salvador Zamora-Cruz, cost: \$ 2,580. Assume that this roof was 50% of total or \$1,290.
Origin and maintenance history: 1989 Built with original development with original cedar shake roof 2011 The original roofing was replaced with asphalt roofing
Current condition and remaining life: 2022 Current condition: good. Useful life: 50 years, remaining life 39 years.

Item: 374 Picnic shelter trim paint
Description: Picnic shelter has masonry block support posts with wood roof structure.
Cost data, source and date: 2013 Estimate \$500.

Origin and maintenance history: 1989 Built with original development 2003 Repainted by Carlin Painting in conjunction with the HOA fence painting. 2014 Doors and trim was repainted by Wilson Enterprises: \$235, actual cost.
Current condition and remaining life: 2022 Current condition: good. Useful life: 7 years, remaining life: 1 years

Item: 381 Park chain link fence (east and north sides)
Description: Six-foot-high chain link fence with access and maintenance gates. Length: 640 ft.
Cost data, source and date: 1/2013 Replacement pricing by Bilt-rite Fence: removal of existing \$1 per foot, replacement \$11.50 per foot: 640 ft x 12.50 \$/ft = \$8,000 Price if we were to replace with an 8' fence: removal of existing \$1 per foot, replacement \$14 per foot: 640 ft x 15 \$/ft = \$9,600
Origin and maintenance history: 1989 Built with original development Over the years there have been considerable damage caused by people making inappropriate entry in the park (climbing over, crawling under, cutting and ripping down) resulting in many repairs and patch jobs. 2016 Replaced fence with 8-foot climb resistant fence.
Current condition and remaining life: 2022 Current condition: good. Useful life: 30 years, remaining life: 24 years.

Item: 382 Wood fence separating park from lot 51 replacement
Description: A cedar wood fence separating park from lot 51 replacement.
Cost data, source and date: 10/27/2006 Bid by Bilt-rite Fence; \$30,000 including sales tax (1370 ft to include both entry and park). Adjust for park only = \$30,000 * 195 ft / 1370 ft = \$4,270. 7/2013 Fence was replaced by Town & Country Fencing, \$5,620. Dimensions: approximately lineal feet of 6 foot high. Life expectancy: 20 years
Origin and maintenance history: 1989 Fence built with original development. 8/2012 A comprehensive evaluation and report of the LFEHOA's wood fences was completed by Wayne Anderson, Chuck Denning, and Lorin Burke. A copy of the report is available for review upon request. Fence needed replacement 7/2013 Fence was replaced by Town & Country Fencing, \$5,620.
Current condition and remaining life: 2022 Current condition: good. Useful life: 20 years, remaining life: 11 years.

Item: 383 Painting wood fence separating park from lot 51 replacement	
Description: A cedar wood fence separating park from lot 51 replacement.	
Cost data, source and date: 1989 Original wood was painted several times – no records remain 7/2013 Fence was replaced by Town & Country Fencing, \$5,620 including painting. Assume paint Portion \$1,000	
Origin and maintenance history: 1989 Fence built with original development. 7/2013 Replacement fence painted when new.	
Current condition and remaining life: 2022 Current condition: good. Useful life: 7 years, remaining life: 1 years.	

Item: 391 Dock replacement	
Description: Wood swimming and fishing dock	
Cost data, source and date: Dimensions: 12' x 85' + 20' x 30' = 1,620 ft ² 2007 Cost to remove existing dock and replace with new estimated as \$100,000 from Transpac Marianas 2014 Letter from Dave Rytand, Transpac Marinas, current cost estimate to remove existing dock is \$15/ft ² and \$85\$/ft ² to replace dock, cost to remove is \$24,300 and remove and replace is \$162,000. 2014 City of Maple Valley bid project to replace the concrete swimming dock in the city park on other side of lake; bidders were McLure & Sons, 15714 Country Club Drive, Mill Creek, WA 425 316-6999; Blackwater Marine, Redside Construction, LLC, 360 297-9557, www.redside.biz ; Ballard Marine Construction; Neptune, www.neptunemarine.biz . Low bid was \$345,000 + \$29,670 ST. Adjusted for our size this would be (\$345,000 + 29,670) * 1,620 ft ² / 3,074 ft ² = \$197,451 2014 Informal budget proposal by Waters and Wood, Inc., 253 939 7691: for removal and replacement of existing dock \$110,000 + ST \$ 9,460 = \$ \$119,460	
Origin and maintenance history: 1989 Built with original development, Transpac Marianas, PO Box 1169, 702 R Avenue, Anacortes, WA 98221, Phone: (800) 775-0577, (360) 293-8888 1998 Dock sank, pontoons were replaced and deck surface planking with plastic material, cost: \$37,464, Kessler & Son 2004 Plastic decking failed, wood decking recommended by dock supplier, cost shared 50/50 with 1998 contractor, cost: \$10,681, Kessler & Son 2007 Mooring chains failed due to corrosion, new concrete anchors and galvanized steel mooring chains installed (WA and many HOA volunteers) 2013 Repairs made to railing posts (post very loose due to kids using as diving board). 2015 The membership voted to build a Reserve Fund to eventually replace the dock when it reaches the end of its useful life. The cost impact will be a two-year dues increase of 10% per year.	
Current condition and remaining life: 2022 Current condition: good. Useful life: 45 years, remaining life: 12 years.	

Item: 401 Children play structure	
Description: Children's play structure.	
Cost data, source and date: 2003 Actual replacement cost: \$13,261 by Playscapes Northwest.	
Origin and maintenance history: 1989 A simple play structure was supplied with original development. 2003 Original structure was removed and replaced with current structure. 2015 Early in the year, the wood posts on the swing set broke due to rot. The Board attempted to get the supplier to honor the 25-year warrantee to repair it with no avail. The Board finally decided to remove the swing and form a committee to recommend a replacement. Membership voted to spend \$8,000 to replace the swing set in 2016.	
Current condition and remaining life: 2022 Item 403 was added to cover the swing set Current condition: remaining structure: good. Useful life of remaining structure: 25 years, remaining life: 6 years.	

Item: 403 Swing set	
Description: Swing set	
Cost data, source and date:	
Origin and maintenance history: 1989 A simple play structure was supplied with original development. 2003 Original structure was removed and replaced with current structure. 2015 Early in the year, the wood posts on the swing set broke due to rot. The Board attempted to get the supplier to honor the 25-year warrantee to repair it with no avail. The Board finally decided to remove the swing and form a committee to recommend a replacement. Membership voted to spend \$8,000 to replace the swing set in 2016. 2016 Swing set replaced with steel swing, with powder coat finish.	
Current condition and remaining life: 2022 Condition: good. Useful life: 30 years, remaining life: 24 years	

Item: 491 Beach sand	
Description: Sand on park beach	
Cost data, source and date: 5/2014 Wilson Enterprises, 20 yd ³ sand to beach, actual cost: \$2063.40 5/2014 City of MV Permit, actual cost: \$425 + paperwork \$13.82 4/2019 Msite Construction, \$3,594.49, 40 yd ³	

Origin and maintenance history:

1989: Supplied with the original development.

This has been done as needed since the Association started.

5/2014 Wilson Enterprises, 20 yd³ sand to beach.

4/2019 Msite Construction, 40 yd³ sand to beach.

Note: a city permit is required to place sand on beach.

Current condition and remaining life:

2022 Current condition: good. Useful life: 5 years, remaining life: 2 years.

Appendix C: Condition Assessment of Operating Fund Components

Updated: 12/31/2022

Number	Item	Current Condition	Priority	Defer
111	Entry landscape maintenance	OK	-	
113	Landscaping around LFE sign	Good, replaced 2013 and updated 2016.	-	
114	Landscaping strip along SE 253 rd PI	OK – this is a missed opportunity for improvement for our development	L	
115	Landscaping for SE 253 rd PI center island	OK – re-barked and some plants replaced 2016.	-	
116	Landscaping along SR169	OK – fortuniana hedge has died and removed, defer pending widening of SR169	L	•
117	Entry landscaping storm damage	Currently OK	-	
131	Entry irrigation system maintenance	OK	-	
140	Entry brick sign	OK	-	
150	Lighting for street, island, and sign	OK	-	
220	Parking circle landscaping	252 nd CT – very good, SE 254 th St – good, SE 236 th St– missing all plants, SE 234 th ST– good, SE 232 nd St– good	L	
312	Parking lot gate	Needs painting	H	
322	Sports court net and hoop nets	OK	-	
323	Sports court posts, winch and basketball hoops & backboards	OK	-	
331	Sports court and park landscaping maintenance	Sports court - some plants have died over time and have not been replaced Park landscaping flower beds have significant improvement over the past few years.	L	
332	Sports court and park landscaping storm damage	Currently OK	-	
333	Tract G NGPE (north of pond)	OK	-	
334	Tract H NGPE (north of park)	OK	-	

Number	Item	Current Condition	Priority	Defer
335	Tract I & J NGPE (south of park)	OK – neighbor cleaned illegally felled trees.	-	
340	Sports court & park irrigation system	OK	-	
363	Restroom plumbing	OK	-	
392	Dock swimming ladders	Ok	-	
393	Dock handrail	OK - repaired 2013.	-	
394	Dock miscellaneous maintenance	OK	-	
402	Children's play structure maintenance	OK	-	
481	Park benches	OK – wood planking is deteriorating but serviceable	L	
482	Picnic tables and benches	OK - (replacement table & bench 6': Pacific Outdoor catalog price: \$720 ea, 2012)	-	
483	Garbage cans and holders	OK - (replacement trash can holder: Pacific Outdoor catalog price: \$412 ea, 2012)	-	
484	Bar-be-cues	OK - (replacement bar-be-cue: Pacific Outdoor catalog price: small \$407 ea, large \$909 ea, 2012)	-	
485	Horseshoe pit	Removed	-	
486	Sports court and park signs	OK	-	
487	Lock and key system	OK	-	
488	Walkways	OK – old timbers removed.	-	
489	Stairs and steps	OK	-	
489	Bicycle rack	OK - (replacement bike rack: Pacific Outdoor catalog price: \$480 ea, 2012)	-	

Appendix D: Life and Valuation Estimate

Updated: 12/31/2022

Assumptions: Inflation		3.74%	per year					
	Current year	2022						
#	DESCRIPTION	USEFUL LIFE	REMAINING USEFUL LIFE	BASIS OF ESTIMATE	PROVIDED BY	COST ESTIMATE	YEAR OF ESTIMATE	CURRENT YR COST
121	Entry fence replacement	25	3	Bid	Bilt-rite Fence Co	\$25,730	2006	\$46,300
122	Entry fence painting	7	4	Actual	Wilson Enterprise	\$10,200	2013	\$14,194
211	Mailbox structure rebuild	20	11	Actual	HOC Contractors	\$16,256	2013	\$22,622
212	Mailbox structure cleaning and paint	7	1	Actual	Marlowe Construction	\$2,511	2002	\$5,233
311	Sports court parking area coating	20	5	Bid	A1 Asphalt Paving Co.	\$1,950	2013	\$2,714
321	Sports court paved surface coating and lines	10	4	Actual	Pacific Ace LLC	\$7,320	2014	\$9,819
362	Restroom roof	50	39	Actual	New Millennium Contractors	\$1,290	2011	\$1,932
364	Restroom trim paint	7	1	Actual	Wilson Enterprises	\$235	2014	\$315
372	Picnic shelter roof	50	39	Actual	New Millennium Contractors	\$1,290	2011	\$1,932
374	Picnic shelter trim paint	7	1	Actual	Wilson Enterprises	\$235	2014	\$315
381	Park chainlink fence	30	24	Bid	Alki Fencing	\$20,000	2016	\$24,929
382	Replacement wood fence separating park from lot 51	20	11	Actual	Town & Country Fencing	\$5,620	2013	\$7,821
383	Painting wood fence separating park from lot 51	7	1	Actual	Wilson Enterprises	\$1,000	2014	\$1,341
391	Dock replacement	45	12	Estimate	Transpac Marinas	\$162,000	2014	\$ 217,313
401	Children's play structure	25	6	Actual	Playscapes Northwest	\$13,261	2003	\$26,641
403	Swing set	30	24	Bid		\$8,000	2016	\$9,972
491	Beach sand	5	2	Actual	Msiste Construction	\$3,594	2014	\$4,821

Appendix E: Expenses by Component

Updated: 12/31/2022

ASSUMPTIONS				CURRENT YEAR							
				2022							
				INFLATION 3.74%							
#	DESCRIPTION	CURRENT YR COST	USEFUL LIFE	REMAINING USEFUL LIFE	2022	2023	2024	2025	2026	2027	2028
121	Entry fence replacement	\$46,300	25	3				\$51,691			
122	Entry fence painting	\$14,194	7	4					\$16,440		
211	Mailbox structure rebuild	\$22,622	20	11							
212	Mailbox structure cleaning and paint	\$5,233	7	1		\$5,429					
311	Sports court parking area coating	\$2,714	20	5						\$3,260	
321	Sports court paved surface coating and lines	\$9,819	10	4					\$11,373		
362	Restroom roof	\$1,932	50	39							
364	Restroom trim paint	\$315	7	1		\$327					
372	Picnic shelter roof	\$1,932	50	39							
374	Picnic shelter trim paint	\$315	7	1		\$327					
381	Park chainlink fence	\$24,929	30	24							
382	Replacement wood fence separating park from lot 51	\$7,821	20	11							
383	Painting wood fence separating park from lot 51	\$1,341	7	1		\$1,392					
391	Dock replacement	\$217,313	45	12							
401	Children's play structure	\$26,641	25	6							\$33,207
403	Swing set	\$9,972	30	24							
491	Beach sand	\$4,821	5	2			\$5,188				
Total					\$0	\$7,475	\$5,188	\$51,691	\$27,813	\$3,260	\$33,207

Appendix F: Fully Funded Summary

Updated: 12/31/2022

Assumptions: Inflation rate	3.74% per year	INFR					
Interest rate	0.600% per year	INTR					
Current year	2022						

#	DESCRIPTION	USEFUL LIFE	REMAINING USEFUL LIFE	EFFECTIVE AGE	CURRENT YR COST	ANNUAL COST	FULLY FUNDED BALANCE	ANNUAL CONTRIBUTION
		UL	RUL	UL - RUL	CC	CC / UL	*	FFB / EA
121	Entry fence replacement	25	3	22	\$46,300	\$1,852	\$44,269	\$2,012
122	Entry fence painting	7	4	3	\$14,194	\$2,028	\$6,771	\$2,257
211	Mailbox structure rebuild	20	11	9	\$22,622	\$1,131	\$12,914	\$1,435
212	Mailbox structure cleaning and paint	7	1	6	\$5,233	\$748	\$4,621	\$770
311	Sports court parking area coating	20	5	15	\$2,714	\$136	\$2,317	\$154
321	Sports court paved surface coating and lines	10	4	6	\$9,819	\$982	\$6,557	\$1,093
362	Restroom roof	50	39	11	\$1,932	\$39	\$660	\$60
364	Restroom trim paint	7	1	6	\$315	\$45	\$278	\$46
372	Picnic shelter roof	50	39	11	\$1,932	\$39	\$660	\$60
374	Picnic shelter trim paint	7	1	6	\$315	\$45	\$278	\$46
381	Park chainlink fence	30	24	6	\$24,929	\$831	\$7,239	\$1,207
382	Replacement wood fence separating park from lot 51	20	11	9	\$7,821	\$391	\$4,465	\$496
383	Painting wood fence separating park from lot 51	7	1	6	\$1,341	\$192	\$1,184	\$197
391	Dock replacement	45	12	33	\$217,313	\$4,829	\$205,114	\$6,216
401	Children's play structure	25	6	19	\$26,641	\$1,066	\$23,537	\$1,239
403	Swing set	30	24	6	\$9,972	\$332	\$2,896	\$483
491	Beach sand	5	2	3	\$4,821	\$964	\$3,063	\$1,021
Total						\$15,649	\$326,824	\$18,792

* $FFB = (AC \times EA) + ((AC \times EA) / (1 + INTR)^{RUL}) - ((AC \times EA) / (1 + INFR)^{RUL})$