



RESERVE DATA ANALYST

Lake Forest Estates

Maple Valley, WA

Level I Reserve Study (With Site Inspection)

Report Date: May 9, 2025

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Prepared for Fiscal Year: 2025

Reserve Data Analyst

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Thank you for utilizing the services of Reserve Data Analyst for your reserve study. We strive to create a comprehensive report that can be utilized for your budgeting needs. If there are any questions, concerns, corrections, or revisions needed please do not hesitate to call or email us. While this study does have some explanations of the methodology used, we have kept it to a minimum for brevity. More detailed explanations of methodology & concepts are explained by following the links in the Knowledge Base pages of this reserve study and in our Reserve Study Guidebook available at the following link:



www.reservedataanalyst.com/guidebook

To navigate this study more easily, we recommend printing out the Table of Contents page(s) and the Component Details Index page(s) at the front of the study. We have found it easiest for most readers to have the PDF of this study open on their computer while referring to the printed-out Table of Contents and Component Details Index pages when navigating.

Within this reserve study you will find:

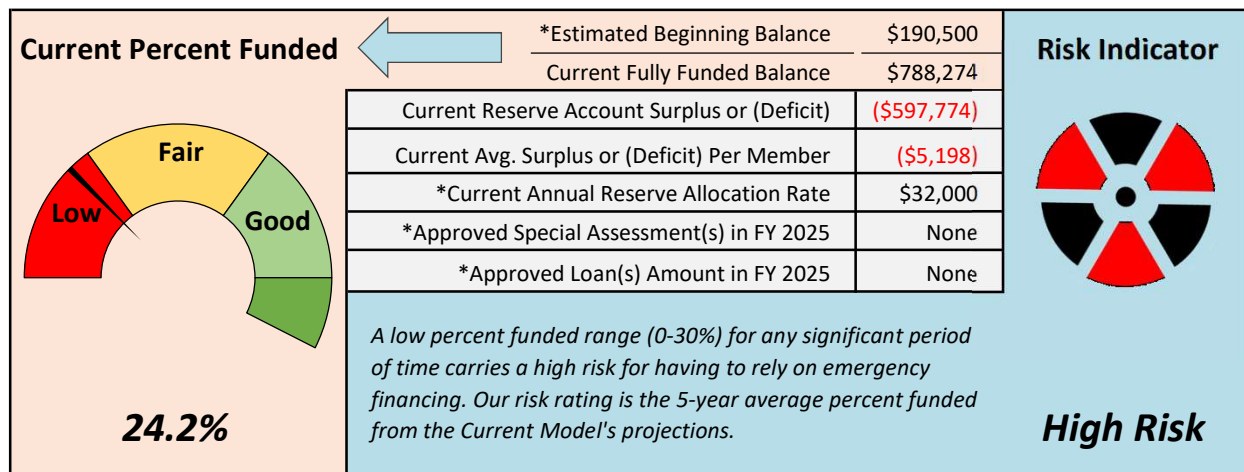
- ➞ Knowledge Base Pages - A list of common questions that a typical reader of our reserve study will have (e.g., cost, inflation, useful life), as well as links to additional information on the topics.
- ➞ The Component List - A list of the components (i.e., assets) that are reportedly the Client's responsibility along with their respective costs, quantity, useful life, remaining useful life, etc.
- ➞ Annual Projected Expenditures - A timeline of the estimated dates that we recommend fully allocating money to the repair/replacement projects. (Annual Expenditures Chart & Annual Expenditure List)
- ➞ Funding Model Projections - Various funding models with different goals in mind and comments about the particular funding model goal.
- ➞ Component Detail Pages - These pages have more in depth information for each component. Prior replacement history, component specific comments and reasoning for implementing different funding scenarios or functions in our software (e.g., delay funding, repeat limit, adjustments to age) can be found here. This sections is best navigated by utilizing the Component Details Index which follows the Table of Contents page.

One of the main points we like to make clear to a reader of this reserve study is that recommendations for the allocation rates of the different funding models (excluding Client provided models) are only for the initial year of this reserve study; all future years are projections which are educated guesses and have numerous assumptions (e.g., inflation, proper maintenance, proper installation, known reserve account balances, etc.) built into the mathematical models. The further out in time a reader of the study goes, the less reliable the projections are likely to be. Note that the recommendations for the first fiscal year in the study are based on current cost and current useful life estimates, which we typically have lots of good data on, as opposed to future cost and future useful life projections which again are educated guesses based on historical averages.

Importance of Updates : From year to year the recommendations of the reserve analyst will typically change (sometimes significantly) based on variables that will usually change over time. More frequent updates (preferably annually) to this study help to incorporate changes to these variables as they occur each fiscal year so revisions to the recommendations are less significant than if updates are done infrequently.

Organization Name	Lake Forest Estates
Organization Location	Maple Valley, WA
*Contributing Members	115
Approximate Year of Construction	1989
*Fiscal Year Time Period	January 1st - December 31st
Level of Service	Level I Reserve Study (With Site Inspection)
Report Version	Draft2
Prepared for Fiscal Year	2025
Last On-Site Inspection Date	May 9, 2025
Inflation Rate for Projections	3.50%
*Rate of Return (APR) for Account Balances	4.00%
*Tax Rate on Interest Earned	30.00%
Funding Plan Method	Inflation Adjusted Pooled Cash Flow Method

Reserve Account Summary

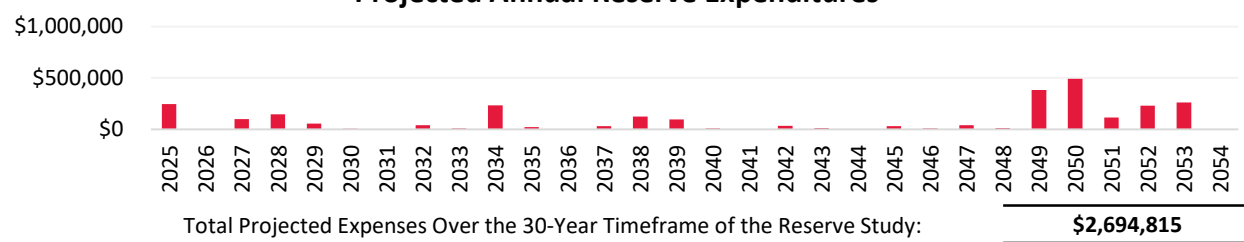


Reserve Allocation Rates & Year-End % Funded - 5 Year Summary

	100% Funded		Recommended		Baseline		Current		
2025	\$640,000	100.1%	\$82,500	5.0%	\$69,000	2.7%	\$32,000		2025
2026	\$43,500	100.1%	\$85,388	17.9%	\$71,415	13.6%	\$33,120	1.9%	2026
2027	\$45,023	100.2%	\$88,376	18.1%	\$73,915	11.1%	\$34,279		2027
2028	\$46,598	100.4%	\$91,469	11.6%	\$76,502	0.4%	\$35,479		2028
2029	\$48,229	100.6%	\$94,671	19.2%	\$52,500	0.0%	\$36,721		2029
~ 100% funded at end of each fiscal year.			Achieve 100% funded within projections.		Account stays above \$0 for projections.		Current allocation rate has been supplied by the Client.		

* Data supplied by the Client. Any year end negative percent funded (if applicable) has not been shown.

Projected Annual Reserve Expenditures



What is a Reserve Study?

A reserve study is a budgeting tool that can be utilized to make more informed budgeting decisions regarding a reserve account, it is an independent assessment of the adequacy of the reserve account balance and allocation rate utilizing a mathematical formula known as the “Percent Funded” calculation.

The Reserve Analyst develops funding models that adhere to some basic principles:

- ➞ Distribute the costs as fairly as possible over time.
- ➞ Have stable budgets over time (i.e., limiting large fluctuations)
- ➞ Limit the risk of reliance on emergency financing or having to defer overdue projects.

A Reserve Study is an independent assessment of the reserve account and is **not** the Budget.

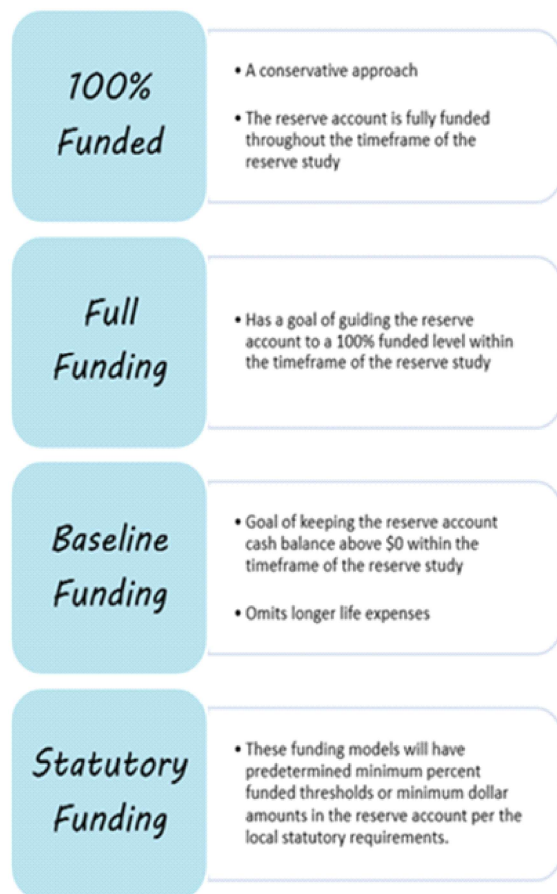
This study is not the budget, and it should not be revised to just reflect the budgeting decisions of the Client. An example of this is to push off overdue projects that the Client may not have the funds to complete. This report should reflect the replacement dates of the components utilizing typical or historical records for the useful lives & costs for these projects; the useful lives can be updated to reflect actual on-site conditions as the components age and in updates to this report.

Should the Client decide to make budgeting decisions such as deferring projects (typically due to a lack of funds) and that appear to be overdue carries its own risk with relation to scenarios like higher project costs later and marketability issues.

How Much Should We Reserve?

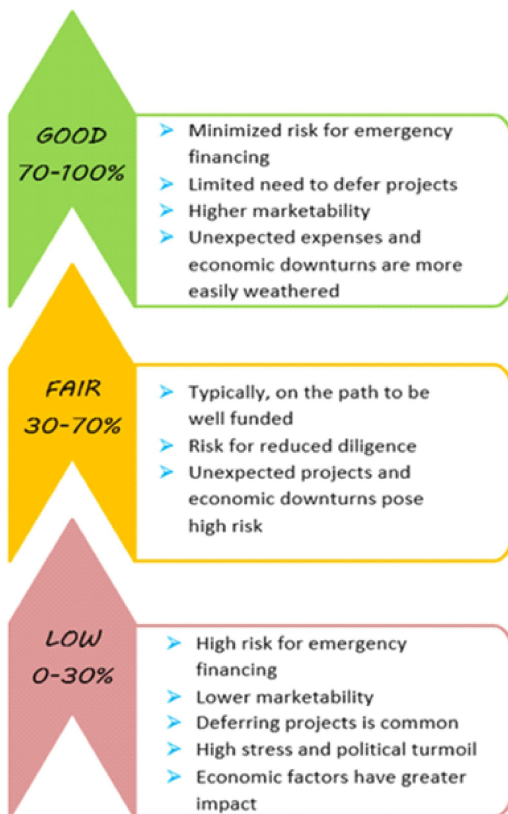
There is no right or wrong answer to the question of “How Much Should We Reserve?” as the reserve contributions in all the funding models in this study are based on different funding goals. It is more appropriate to consider the risk levels associated with different funding models as each Client has different risk tolerances and challenges in enacting whatever funding model is most appropriate to them.

In our opinion any funding model that projects the reserve account balance to dip to zero would not be appropriate or fiscally responsible as future emergency financing or deferring projects are typically the outcome. Below are some of the more common funding models utilized:



About Percent Funded

Percent funded is a calculation of how much is in the reserve account versus an ideal amount known as the Fully Funded Balance. The different risk levels associated with the levels of funding are explained in more depth below.



The below video link explains the Percent Funded calculation in more detail:



www.reservedataanalyst.com/pf

About the Fully Funded Balance

The Fully Funded balance is a mathematical calculation that represents the accrued deterioration of a component or a group of components at a specific point in time. It is an answer to the question of "How much should be in a reserve account at a specific point in time?" When the reserve account balance is the same as the Fully Funded Balance the reserve account is considered Fully Funded (100% Funded) at that specific point in time.

The below video link provides a more in-depth explanation of the Fully Funded balance:



www.reservedataanalyst.com/ffb

Calculating Inflation in the Reserve Study

Inflationary factors impact the project costs over time and are the main driving force that must be overcome with diligent and steadfast budgeting towards reserves. Due to the compounding impact of inflation on costs, in a relatively short period of time, a reserve account can become severely underfunded if it is not considered in the budgeting scenarios. Follow the below link to learn more about how we calculate inflationary factors (escalation of the prices) in the reserve study and some of the tools we use in the process:



www.reservedataanalyst.com/inf

Component Useful Life Estimates

The useful life of components in the reserve study are predominantly based on our experiences with many different types of organizations and their respective repair and replacement cycles with building and site components. In addition to our own experiences working with many organizations over the years there is ample data available online regarding useful life estimates of building and site components. It is important to note that the estimates in the reserve study are based on averages and are not specific to any one property. Follow the below link to view some of the various useful life tables that we utilize:



www.reservedataanalyst.com/ul

Determining Component Project Costs

We utilize many sources for determining what is an appropriate component project cost in the reserve study. These can include:

- ➞ Client invoices, bids, estimates
- ➞ Our in-house database that is based on the collection of many Client invoices, bids, and estimates.
- ➞ Cost manuals

It's important to understand that unless we are provided actual project costs based on a client invoice/bid or estimate we utilize average costs figures that are not specific to any one Client. In the bidding process you...

... will find that there is a large difference in price from one vendor to the next for a variety of reasons. We aim to be in the middle of these estimates unless we have Client data to incorporate into the reserve study. Future costs (projections) for the component expenses are simply inflated from current cost based on the inflation assumption in the reserve study. It is important to remember that our current recommendations are based on current project costs and not the inflated number that is utilized in the projections portion of the reserve study. The below link goes into this topic in more detail:



www.reservedataanalyst.com/cost

National Reserve Study Standards

There are two recognized organizations that dictate national reserve study standards in the industry. The Community Association's Institute and the Association of Professional Reserve Analysts award designations to those reserve study professionals that meet education & work experience, adhere to the minimum report requirements, complete ongoing continuing education courses, and abide by ethical considerations in the field. The standards for both organizations can be viewed at the links below:



www.reservedataanalyst.com/CAI



Association of Professional Reserve Analysts

www.reservedataanalyst.com/APRA

What Components to Include in the Study?

Reserve expenses for components are major expenses which must be budgeted for in advance to provide the necessary funds in time for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. They are expenses that when incurred would have a significant impact on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance.

A common concern when beginning this process is what components are to be included and funded for in the Reserve Study. Nationally recognized CAI Reserve Study Standards as well as APRA Standards of Practice dictate that the reserve components need to meet the following criteria:

- ➞ It's not already covered in the Operating Budget.
- ➞ The component has a limited life expectancy.
- ➞ The component has a reasonably defined remaining useful life.
- ➞ As required by local statutes.

When to Complete Reserve Projects?

Components should be replaced when they are no longer functioning as designed. This is best determined by your component specific Vendor who can inspect and give their best professional advice on the condition assessment and timeframe on when/what needs to be done. Note that this reserve study is not a "to do list"; it is a budgeting document with recommendations for when we suggest having the funds allocated towards the projects. If something fails earlier than projected then replace it, if it lasts longer (as determined by your component specific ...

... Vendor) then take their advice as they are experts in their specific field. Projects should be completed when they need to be completed regardless of our projections in the study.

Note that this does not mean it would be appropriate to delay projects simply because funds are not available though as that is a budgeting decision not based on component specific Vendor recommendations.

A common issue we see is the delay of projects simply because there is a lack of reserve funds available, only to have a much larger and more expensive project later due to a variety of factors that come into play when delaying reserve projects (e.g., inflation, collateral damage).

Ongoing Component Maintenance

While this reserve study has been developed to disclose and inform the Client of the predictable larger long-term project costs related to site and building components, there is also a need to complete regular inspections and repairs to virtually all components on much shorter cycles. These costs would typically be covered in the annual Operating Budget.

Virtually all the components should receive regular cycles of inspection and repairs by a qualified Vendor. Failure to complete ongoing maintenance typically leads to shorter useful lives and higher costs later. RSMeans provides a free link to common building and site component items to inspect.



www.reservedataanalyst.com/rsmeans

Recommendations Versus Projections

In the reserve study the Reserve Analyst's recommendations for the allocation rates of the different funding models apply only to the year the reserve study is being developed for. All projections in the study are future educated guesses with assumptions about a significant number of variables (e.g., inflation rate, financial, component useful life, component remaining useful life, proper maintenance, etc.).

Projections can be accurate or extremely inaccurate based on these assumptions; because of this we do not suggest giving much consideration to projections in the decision making for overall reserve budgeting. This may sound counter-intuitive, but this is due to recommendations for the allocation rates, in the initial year of the study, being based on predominantly current known factors (e.g., current costs, current inflation, current maintenance practices) versus projections which are based on future assumptions to a variety of variables (e.g., future costs, future inflation rates, and future maintenance practices). Follow the below link to our website to learn more about recommendations versus projections.



www.reservedataanalyst.com/projections

You Have a Reserve Study Now What?

Adequately budgeting for reserves is often one of the more difficult tasks our clients face. Reserve component projects are infrequent and often years down the line, making it very easy to just "deal with it later"...

... We have found those that are most successful with reserve budgeting goals typically follow these simple rules when creating and implementing a reserve budget.

Actionable

Is your goal possible within the constraints & limitations of very important but often overlooked factors related to statutory requirements and the governing documents?

Comprehensive

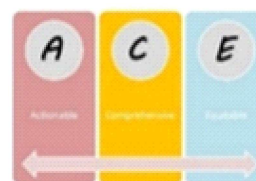
Your goal should be clear and specific, otherwise you won't be able to focus your efforts or feel truly motivated to achieve it. When drafting your goal, try to answer the four "W" questions - What do we want to accomplish? Why is this goal important? Who is involved? When is this goal set to occur?

Equitable

Your goal should be reasonable and attainable to be successful. In other words, it should stretch your abilities but remain possible. When you set an achievable goal, you may be able to identify previously overlooked opportunities or resources that can bring you closer to it.

This often means that transitioning to a more stable financial track will take years of smaller goals being obtained.

Severely underfunded reserve accounts typically develop after many years or decades; it's usually not reasonable for the answers to come quick or easily.



www.reservedataanalyst.com/ace

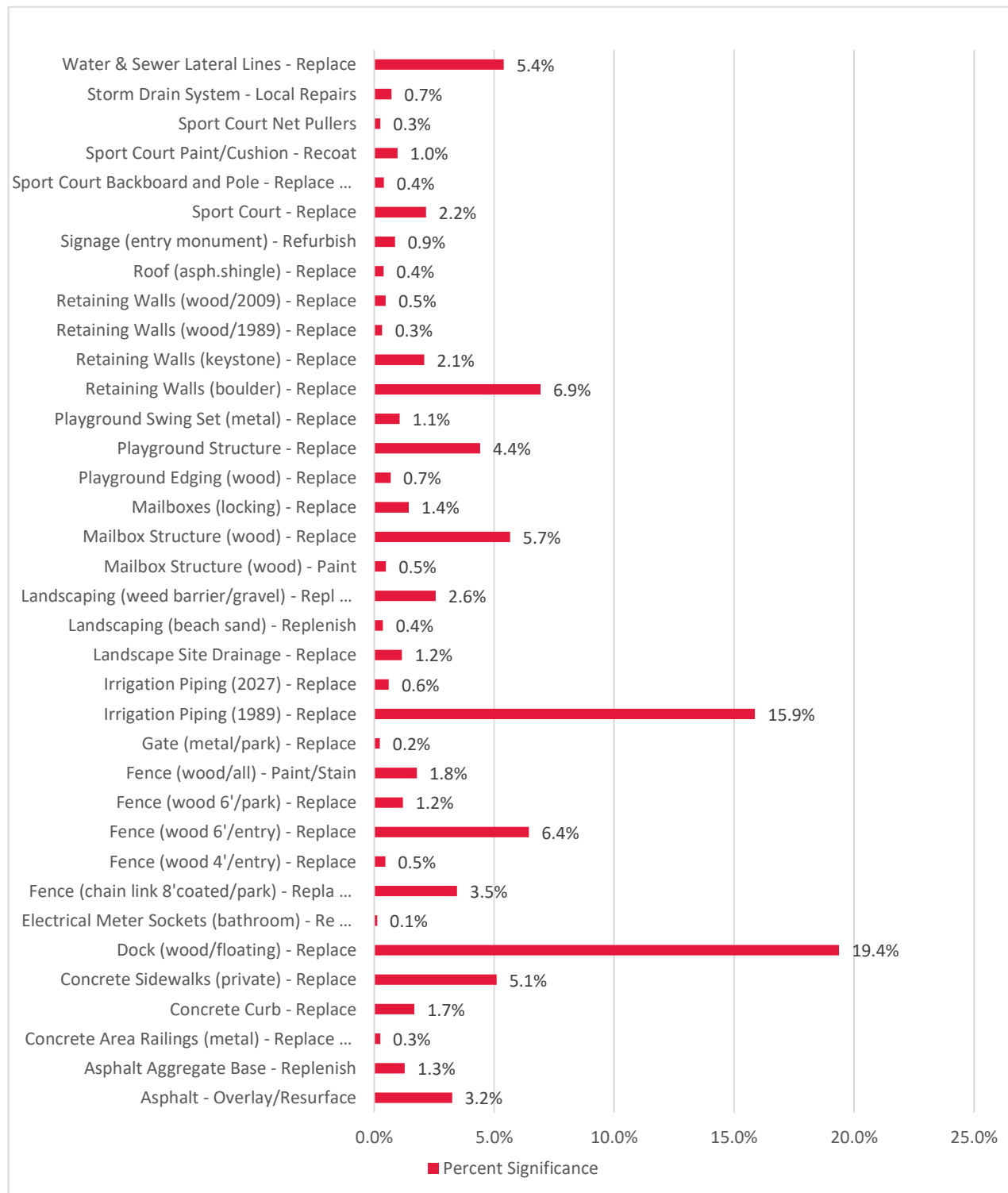
Version: Draft2

ID	Component Description	Install/Alloc. Year	Replace Year	Useful Life (UL)	Adjust / Delay (D)	Remaining UL	Quantity	Qty. Type	Cost Per Qty.	% Replace	Current Cost	% Significance
										Totals:	\$1,036,196	100%
1140	Asphalt - Overlay/Resurface	1989	2028	25	14	3	12,020	sf	\$2.80	100.0%	\$33,656	3.2%
1160	Asphalt - Seal Coat	2000					12,020	sf	\$0.38	0.0%	Unfunded	
1111	Asphalt Aggregate Base - Replenish	1989	2028	50	-11	3	12,020	sf	\$1.10	100.0%	\$13,222	1.3%
6290	Concrete Area Railings (metal) - Replace ...	1989	2039	50		14	22	lf	\$120.00	100.0%	\$2,640	0.3%
2070	Concrete Curb - Replace	1989	2028	40	-1	3	334	lf	\$52.00	100.0%	\$17,368	1.7%
2150	Concrete Sidewalks (private) - Replace	1989	2039	50		14	2,202	sf	\$24.00	100.0%	\$52,848	5.1%
2570	Dock (wood/floating) - Replace	1989	2025	25		0	1,632	sf	\$123.00	100.0%	\$200,736	19.4%
2970	Electrical Meter Sockets (bathroom) - Re ...	1989	2034	45		9	1	ea	\$1,300.00	100.0%	\$1,300	0.1%
3190	Fence (chain link 8'coated/park) - Repla ...	2016	2051	35		26	640	lf	\$56.00	100.0%	\$35,840	3.5%
3372	Fence (wood 4'/entry) - Replace	1989	2027	25	13	2	115	lf	\$42.00	100.0%	\$4,830	0.5%
3370	Fence (wood 6'/entry) - Replace	1989	2027	25	13	2	1,060	lf	\$63.00	100.0%	\$66,780	6.4%
3371	Fence (wood 6'/park) - Replace	2013	2032	25	-6	7	198	lf	\$63.00	100.0%	\$12,474	1.2%
3390	Fence (wood/all) - Paint/Stain	2013	2027	5	9	2	16,016	sf	\$1.15	100.0%	\$18,418	1.8%
4050	Gate (metal/park) - Replace	1989	2039	50		14	1	ea	\$2,500.00	100.0%	\$2,500	0.2%
4530	Irrigation Piping (1989) - Replace	1989	2034	45		9	78,300	sf	\$2.10	100.0%	\$164,430	15.9%
4531	Irrigation Piping (2027) - Replace	2027	2072	45	D	47	3,000	sf	\$2.10	100.0%	\$6,300	0.6%
4620	Landscape Site Drainage - Replace	2009	2029	20		4	1	ls	\$12,000.00	100.0%	\$12,000	1.2%
4722	Landscaping (beach sand) - Replenish	2025	2030	5		5	1	ls	\$3,750.00	100.0%	\$3,750	0.4%
4720	Landscaping (weed barrier/gravel) - Repl ...	2009	2029	20		4	12,639	sf	\$2.10	100.0%	\$26,542	2.6%
4991	Mailbox Structure (wood) - Paint	2023	2028	5		3	16	ea	\$317.00	100.0%	\$5,072	0.5%
4990	Mailbox Structure (wood) - Replace	2013	2038	25		13	16	ea	\$3,670.00	100.0%	\$58,720	5.7%
5000	Mailboxes (locking) - Replace	2013	2038	25		13	115	ea	\$130.00	100.0%	\$14,950	1.4%
6680	Playground Edging (wood) - Replace	2003	2028	25		3	102	lf	\$70.00	100.0%	\$7,140	0.7%
6700	Playground Structure - Replace	2003	2028	25		3	1	ea	\$45,815.46	100.0%	\$45,815	4.4%
6740	Playground Swing Set (metal) - Replace	2016	2051	35		26	1	ea	\$11,000.00	100.0%	\$11,000	1.1%
6880	Retaining Walls (boulder) - Replace	1989	2049	60		24	1,159	sf	\$62.00	100.0%	\$71,858	6.9%
6870	Retaining Walls (keystone) - Replace	2019	2059	40		34	432	sf	\$50.00	100.0%	\$21,600	2.1%
6920	Retaining Walls (wood/1989) - Replace	1989	2025	25		0	87	sf	\$40.00	100.0%	\$3,480	0.3%
6921	Retaining Walls (wood/2009) - Replace	2009	2034	25		9	124	sf	\$40.00	100.0%	\$4,960	0.5%
6970	Roof (asph.shingle) - Replace	2011	2046	35		21	5	sq	\$825.00	100.0%	\$4,125	0.4%

Version: Draft2

ID	Component Description	Install/Alloc. Year	Replace Year	Useful Life (UL)	Adjust / Delay (D)	Remaining UL	Quantity	Qty. Type	Cost Per Qty.	% Replace	Current Cost	% Significance
7640	Signage (entry monument) - Refurbish	1989	2029	40		4	2 ls		\$4,500.00	100.0%	\$9,000	0.9%
7950	Sport Court - Replace	1989	2025	30		0	4,664 sf		\$4.80	100.0%	\$22,387	2.2%
6350	Sport Court Backboard and Pole - Replace ...	1989	2025	30		0	2 ea		\$2,100.00	100.0%	\$4,200	0.4%
7960	Sport Court Paint/Cushion - Recoat	2014	2025	10		0	4,664 sf		\$2.16	100.0%	\$10,074	1.0%
7991	Sport Court Net Pullers	1989	2025	30		0	2 ea		\$1,350.00	100.0%	\$2,700	0.3%
7800	Storm Drain System - Local Repairs	1989	2028	25	14	3	1 ls		\$7,500.00	100.0%	\$7,500	0.7%
5470	Water & Sewer Lateral Lines - Replace	1989	2049	60		24	622 lf		\$90.00	100.0%	\$55,980	5.4%

Component % Significance



The above chart illustrates the current cost breakdown (by percent) of the components that are included in the mathematical models (components with minimal significance have been omitted for the chart). Special attention should be given to those components which take up a bulk of the % of the current cost as these may require significant planning to adequately budget for their replacement. These large expenses may be well into the future during "Peak Year" cycles. Refer to the Projected Annual Expenditures List pages of this study for a breakdown, by year, of the projected timeline of expected expenditures.

Excluded Components

Unless noted otherwise the below components have been excluded from funding in this reserve study. Note that the inclusion of any of these items later via a revision or update to this study will impact the funding strategies developed by the Reserve Analyst.

Long Life Components

If properly constructed the below components are long life components which, currently, have no predictable useful life, predictable remaining useful life, or predictable associated replacement costs. As these components age and a history of repair/replacement needs becomes evident or there are failures then we suggest reevaluating these systems and having them inspected by qualified vendors. Future updates to the reserve study should be revised accordingly.

- > Storm Water System Replacement (at parking area)
- > Bathroom & Picnic Shelter Replacement - If properly maintained we do not anticipate a need to budget for total replacement at this time.

Not Client's Responsibility

The below components are reportedly not the Client's responsibility per their interpretation of their governing documents. Note that the Reserve Analyst does **not** interpret governing documents and has excluded items based on the Client's request and based their interpretation of their own governing documents. If there is ambiguity or questions as to what specific wording means in the governing documents, we recommend consulting with a qualified and experienced attorney.

- > Utility Main & Lateral Lines (to meter) - Utility Company's Responsibility
- > Public Street - City's Responsibility
- > Storm Water Catch Basins at Public Street - City's Responsibility
- > Public Sidewalks - <https://www.maplevalleywa.gov/government/departments/index.php>
- > Street Pole Lights - Utility Company's Responsibility
- > Storm Water Facilities (Tract C & K) - City's Responsibility
- > Storm Water Pond Access Road and Parking Bollard - City's Responsibility
- > Public Trail (between community park and parking area/sport court)
- > Landscaping & Maintenance of Cul-de-sac Circles - Lot Owner's Responsibility

Operating Account Expenses

The below components are reportedly paid for from the Operating Account and have not been included in this reserve study.

- > Storm Water System Maintenance (at parking area)
- > Asphalt Crack Sealing - Complete annually as needed.
- > Ongoing Landscaping & Landscape Lights at Monuments
- > Minor Irrigation System Repairs (e.g., sprinkler heads, valve replacement, elec. panel, controllers/timers)
- > Small Signage at Park and Sport Court
- > Bark/Mulch Replenishment at Community Signs/Monuments
- > Gravel Trail Replenishment (between weed barrier replacement)
- > All Tree Care and Hazardous Tree Removal
- > Tennis Court Net & Net Pullers
- > Dock Ladders and Dock Entry Rails
- > Dock Repairs & Inspections - Completed annually as needed (e.g., replace floats and decking where needed)
- > Fence Repairs
- > Site Railing and Park Gate Paint
- > Bike Rack
- ... Continued on Next Page

Operational Account Expenses - Continued

- > Benches (5), Picnic Tables (12), BBQ Stands (4), Trash Receptacles (3), Disk Frisbee
- > Playground Surface Wood Chip Replenishment
- > Paint for Bathroom, Covered Picnic Table Structure, Park Entry Covers
- > Bathroom Renovations (door, light, toilet, sink)
- > Wood & Paver Staircases in Park
- > Site Drinking Fountain (in park)
- > Wood Kiosk Sign in Park
- > Wood Covered Entrances On Chain Link Fence
- > Life Jacket Holder (at beach)

Components Maintenance & Inspections

The Client stated that they have been working with the Vendors for ongoing maintenance of components. Note that a lack of ongoing maintenance at any point in the past or future can significantly reduce the useful life of components. It is assumed that all proper maintenance has and will be completed per the component specific Vendor's recommendations (unless otherwise noted). It is assumed all inspections will be completed per local statute and are assumed to be paid for from the operational account, as reported by the Client (unless otherwise noted).

Comments on Reserve Data Analyst's Software

Software Functions

Utilizing software that is mathematically accurate, and which is also adaptable is an extremely important part of completing a reserve study. With so many scenarios we encounter having flexible software helps us to create comprehensive and adaptable reserve studies. Typically comments will be made in the Component Details sections of this reserve study when a components fully funded balance or projected allocation/replace date has been altered utilizing one of our software functions. To learn more about our software functions please visit our [blog post](http://www.reservedataanalyst.com/blog/software-functions/) about our proprietary software and its functions: www.reservedataanalyst.com/blog/software-functions/

Washington State Assessment & Disclosure Request Form

Included in the fee for this reserve study is an Assessment & Disclosure Form which complies with statutory requirements for common interest communities in Washington State. Note that this form can only be requested after the budget has been voted on and approved by the Board and/or Community Membership. This disclosure is a requirement for Boards to provide to the membership annually. Please follow the following link to complete the request form on our website: www.reservedataanalyst.com/rad/

Washington State Disclosures

RCW 64.34.382 & RCW 64.38.070

This reserve study meets minimum standards as required per WA State RCW requirements outlined in the Washington Condominium Act, the Homeowners' Association Act, and the Washington Uniform Common Interest Ownership Act. 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.

Disclosures Required by RCW 64.90.550.

This Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act. a) This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent). This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and) 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.

WA State RCW - Reserve Study Contents (minimum report standards)

This reserve study exceeds the WA State RCW minimum report requirements as outlined in the Washington Uniform Common Interest Ownership Act (RCW 64.90.550), the Washington State Homeowners Association Act (RCW 64.38.070), and the Washington State Condominium Act (RCW 64.34.382):

(2) A reserve study must include:

(a) A reserve component list, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component. If one of these reserve components is not included in the reserve study, the study must explain the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current major replacement costs for each reserve component;

(b) The date of the study and a disclosure as to whether the study meets the requirements of this section;

(c) The following level of reserve study performed:

- (i) Level I: Full reserve study funding analysis and plan;
- (ii) Level II: Update with visual site inspection; or
- (iii) Level III: Update with no visual site inspection;

(d) The association's reserve account balance;

(e) The percentage of the fully funded balance to which the reserve account is funded;

(f) Special assessments already implemented or planned;

(g) Interest and inflation assumptions;

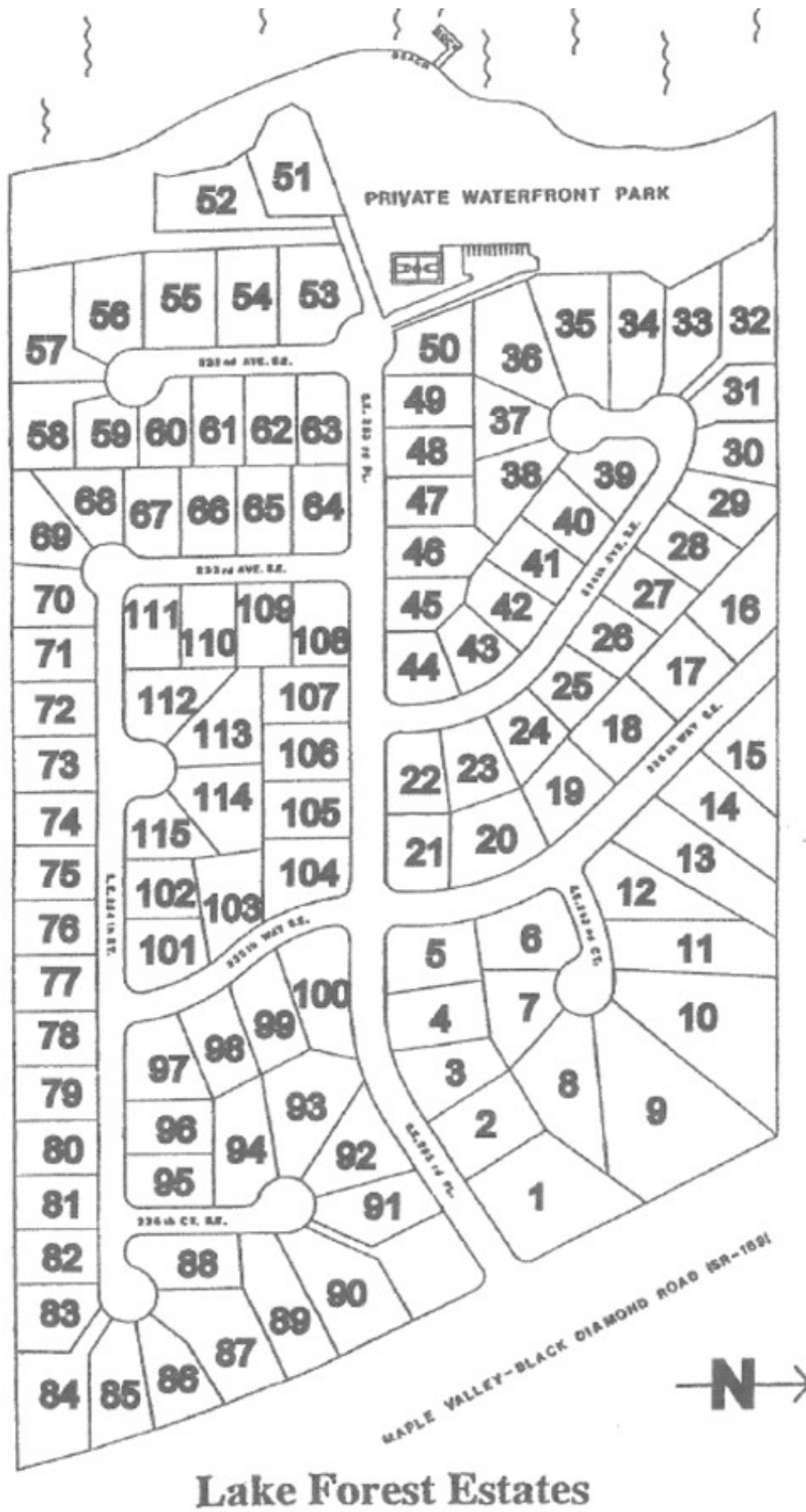
(h) Current reserve account contribution rates for a full funding plan and a baseline funding plan;

(i) A recommended reserve account contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a recommended reserve account contribution rate for a baseline funding plan to maintain the reserve account balance above zero throughout the thirty-year study period without special assessments, and a reserve account contribution rate recommended by the reserve study professional;

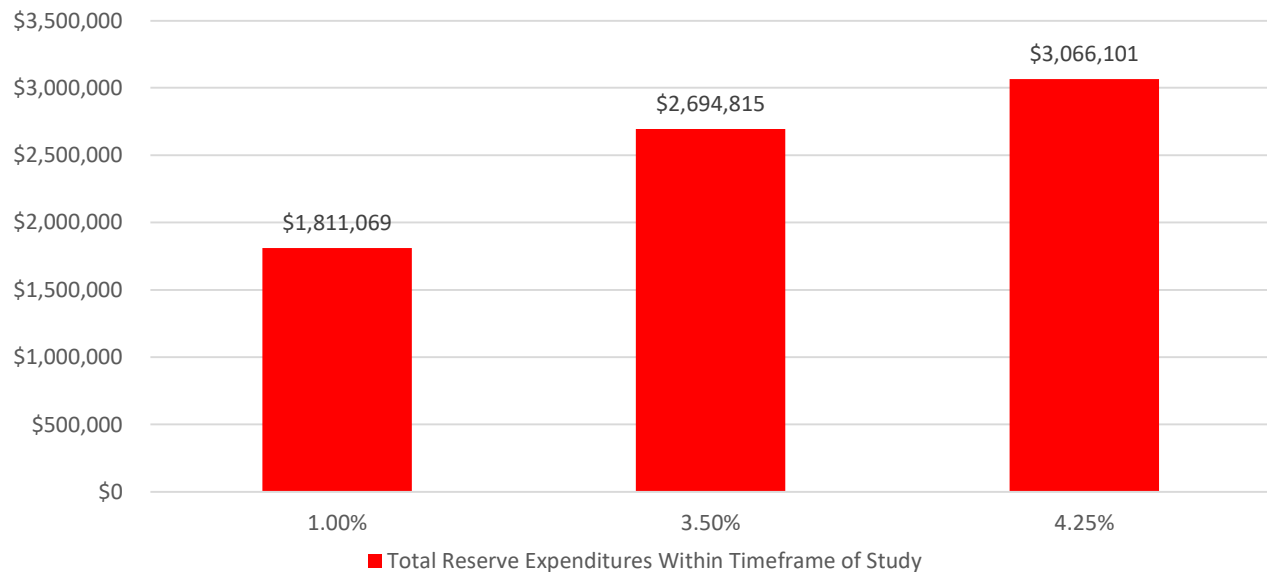
(j) A projected reserve account balance for thirty years based on each funding plan presented in the reserve study;

(k) A disclosure on whether the reserve study was prepared with the assistance of a reserve study professional, and whether the reserve study professional was independent; and

(l) A statement of the amount of any current deficit or surplus in reserve funding expressed on a dollars per unit basis. The amount is calculated by subtracting the association's reserve account balance as of the date of the study from the fully funded balance, and then multiplying the result by the fraction or percentage of the common expenses of the association allocable to each unit; except that if the fraction or percentage of the common expenses of the association allocable vary by unit, the association must calculate any current deficit or surplus in a manner that reflects the variation.



Impact of Construction Inflation



The above chart compares the impact of the below annual construction inflation rates applied to the reserve expenditures over time (an annual list is provided on the Annual Expenditures List Pages - see Table of Contents). The total sum of the 30-years of projected reserve project expenditures varies significantly based on these different inflation rates applied to the reserve study mathematical models. Updating prior studies with actual construction inflation rates and utilizing an accurate historical average going forward in time helps to achieve a reserve account will have a higher success in meeting expected reserve expenditures.

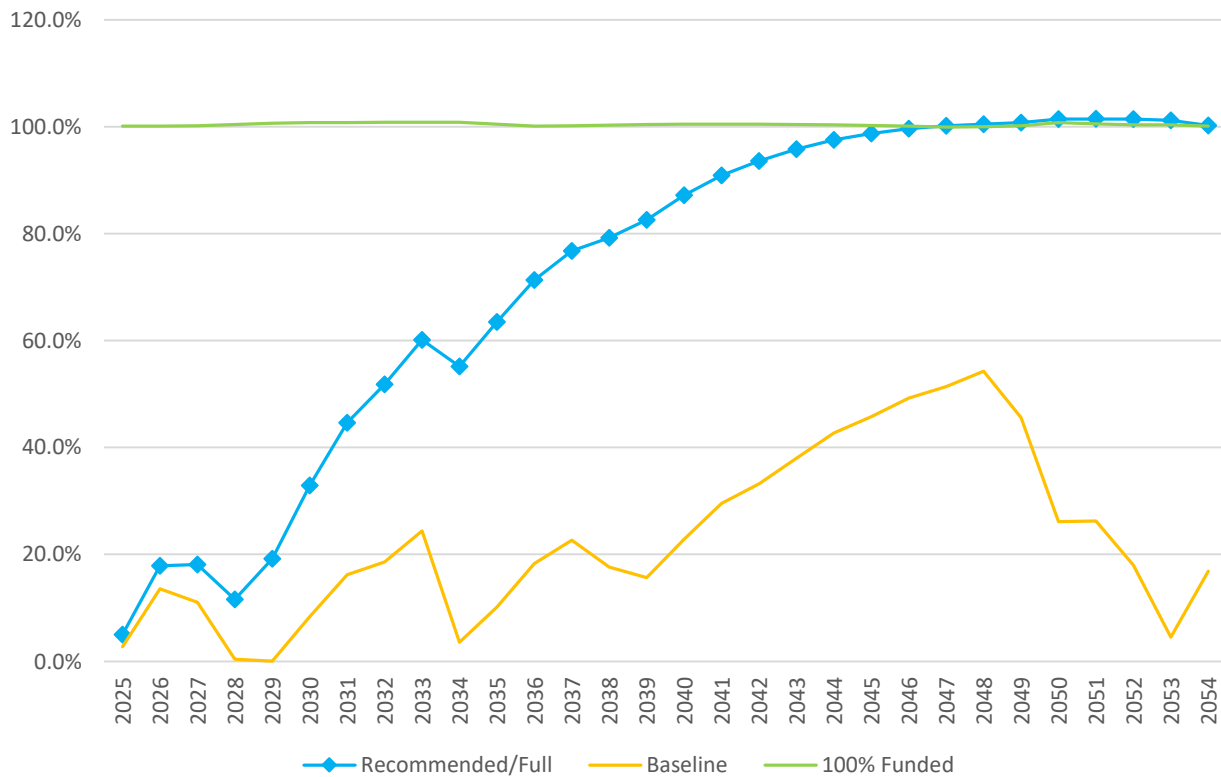
- > **1.00%** - this is a common annual inflation rate we see being utilized in reserve budgets.
*costs double approximately every 71 years at 1.0% annual inflation
- > **3.50%** - the most recent 50-year U.S. historical average annual construction cost inflation rate.
*costs double approximately every 21.5 years at 3.5% annual inflation
- > **4.25%** - the most recent 30-year U.S. historical average annual construction cost inflation rate.
*costs double approximately every 17.5 years at 4.25% annual inflation

In this reserve study we have used an inflation rate that is well supported by the historical data without being overly conservative. Unless otherwise noted (e.g., variance to specific component inflation rates), we typically use a 50-year historical average which has fluctuated less than the most recent 30-year average.

Inflation factors impacting reserve projects costs, over time, is the number one aspect of reserve budgeting that an adequately funded reserve account must address as time passes. It has been our experience that ignoring the impact of inflationary factors and/or using an annual inflation rate that is significantly lower than historical average (for future projections) will typically result in a much higher risk for reliance on emergency financing (special assessments/loans) due to reserve account balances that do not adequately fund predictable reserve projects. It is also important to remember that inflation of project costs occurs whether a reserve project occurs or not, and is one of the reasons why pushing off a reserve project simply results in a more expensive project later.

Often we see budgets that utilize inflation cost indexes that are not related to construction costs (e.g., the Consumer Price Index - CPI). Please follow the link here to learn more about construction cost indices and mistakes we often see when applying inflation rates to reserve account budgets. (link: <https://www.reservedataanalyst.com/inf>)

Percent Funded Chart



The above chart compares the funding models by the percentage funded levels over the timeframe of the projections, as calculated at the end of each fiscal year.

The **Recommended/Full Funding Model** increases the Client's reserve account Percent Funded Level to 100% funding within the timeframe of the projections in this report. Once this 100% funded level is reached it is a good indicator that the reserve account is on track to meet its future obligations with minimal risk of reliance on emergency financing or having to defer projects that come due. Note that the Recommended Model is not necessarily a low risk, no risk or ideal model to follow. It simply has a goal of guiding the reserve account to a 100% funded level within the timeframe of projections.

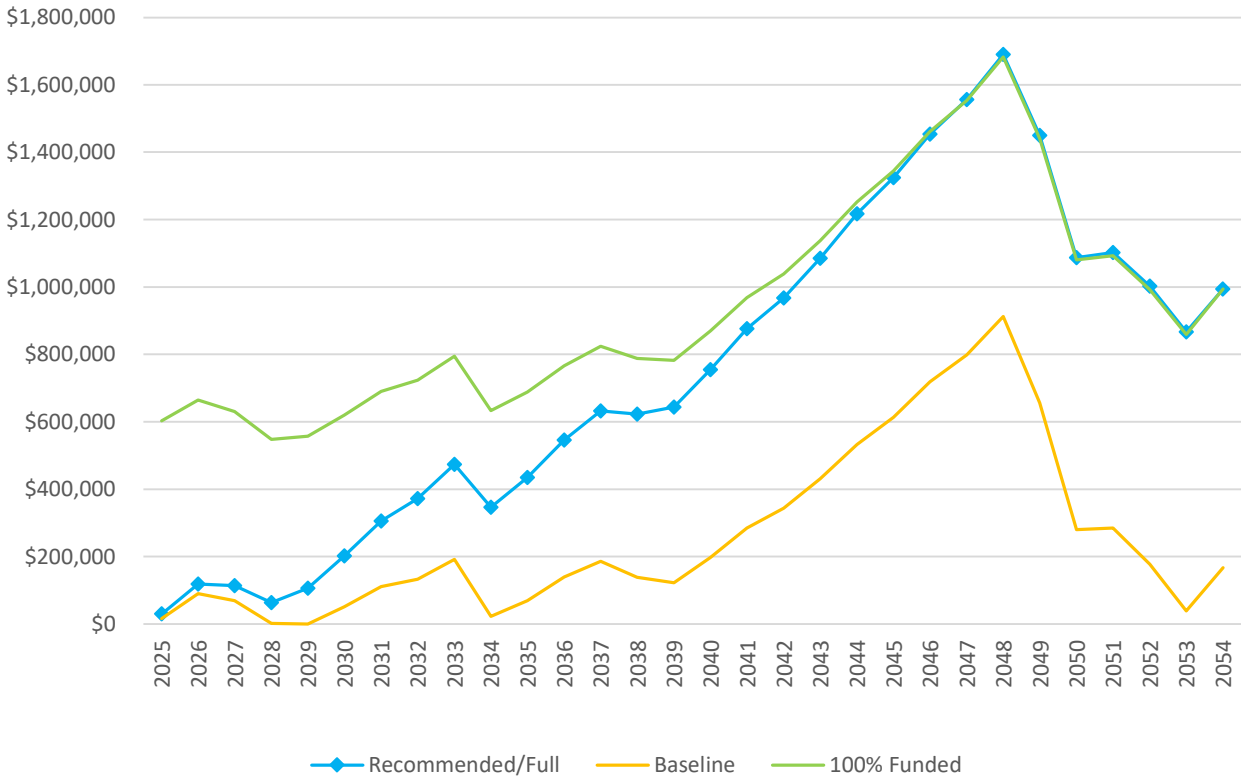
The **Alt. Recommended/Full Funding Model** has been included (if applicable) as an alternative to the regular Recommended Model (which utilizes an annual reserve contribution percentage increase rate that is similar to the inflation rate). This alternative model has a goal of reaching 100% funded by the end of a 30-year period but starts with a higher or lower reserve allocation rate and increases at a significantly higher or lower annual percentage increase (i.e., the annual reserve allocation percentage change is significantly higher or lower than the projected inflation rate) until the reserve account reaches the 100% funded level by the end of the 30-years of projections.

The **Baseline Funding Model** has a goal of only keeping the reserve account cash positive within the timeframe of the projections (i.e., at some point within the timeframe of the projections the reserve account is depleted to near \$0). This model carries significant risk for reliance on emergency financing and/or having to defer projects due to the common occurrence of components failing earlier than projected or costs increasing more rapidly than projected.

The **100% Funded Model** has a goal of maintaining the reserve account to a minimum of 100% Funded in each year of the projections. This model minimizes risk for reliance on emergency financing and deferred maintenance and places the reserve account on a low-risk path for budgeting of future reserve expenditures.

The **Current Funding Model** (if included here) is based on the reserve allocation rate supplied by the Client as of the date of this study; it has not been independently verified and is assumed to be correct.

Reserve Account Balance Chart



The chart above compares the annual year-end balance of the reserve account for the respective funding models over the timeframe covered in the projections. Projected reserve account balances (funding model lines) will often have large fluctuations from year to year due to projects occurring in any given year.

There is often an incorrect perception that the reserve account funds grow and just "sit" in the reserve account indefinitely. In actuality the reserve funds should be allowed to accumulate over time so that there are adequate funds when the reserve projects are projected to occur. The math for the fully funded balance and projections does not simply end at the 30-year timeframe of projections in this reserve study.

Example: Reserve funds that are projected to be in the reserve account at the end of year 30 of the study are for projected reserve projects in fiscal years 31, 32, 33, 34, etc. Often a peak expense year (one or numerous large reserve projects) will fall outside of the 30-year projections so it may appear to a reader of this study that these funds are "extra" when in fact they are needed for projections that are simply not visible due to the printout stopping at a 30 year timeframe.

The model that departs from this "building reserves" philosophy, by definition, is the Baseline Funding Model which ignores all expenses past the 30-year timeframe of the reserve study (like they simply do not exist) and is the reason it typically indicates a much lower needed reserve allocation rate and reserve account balance. **However**, in updates to the study as these projected reserve projects do begin to fall within the 30-year snapshot they will need to be funded for, often requiring significant increases to the reserve account allocation rate. It is one of the reasons the Baseline Model is a high risk model that is extremely difficult to follow (especially for communities past 20 years of age) for any significant period of time.

100% Funded Model

This funding model has a goal of being a minimum of 100% funded, annually, over the timeframe of the projections. Allocation rates will fluctuate based on the expenditures projected in any given year. The initial year will have a higher allocation rate than subsequent years if the reserve account is underfunded and requires a cash injection to elevate the reserve account to a 100% funded track.

While being at a 100% funded level is considered ideal it has been our experience that it is frequently not realistic due to a lack of funds that would need to be deposited into the reserve account to elevate it to a 100% funded level in the initial year of the projections. The initial year allocation percentage increase/decrease is the change from the Client provided current reserve allocation amount.

Beginning Balance: \$190,500											
	YrEnd Inflated Asset Cost	Inflation Rate	Allocation Rate	Allocation % Change	Interest Rate	NET Interest	Special Assess	Annual Expenditures	Year End Account Balance	Year End FFB	YrEnd % Funded
2025	\$1,072,463	3.50%	\$640,000	1900.00%	4.00%	\$16,434		\$243,577	\$603,356	\$602,774	100.1%
2026	\$1,109,999	3.50%	\$43,500	-93.20%	4.00%	\$18,112		\$0	\$664,968	\$664,249	100.1%
2027	\$1,148,849	3.50%	\$45,023	3.50%	4.00%	\$17,179		\$96,441	\$630,730	\$629,629	100.2%
2028	\$1,189,059	3.50%	\$46,598	3.50%	4.00%	\$14,936		\$143,882	\$548,382	\$546,163	100.4%
2029	\$1,230,676	3.50%	\$48,229	3.50%	4.00%	\$15,178		\$54,555	\$557,234	\$553,748	100.6%
2030	\$1,273,750	3.50%	\$49,917	3.50%	4.00%	\$16,876		\$4,454	\$619,573	\$615,026	100.7%
2031	\$1,318,331	3.50%	\$51,664	3.50%	4.00%	\$18,795		\$0	\$690,032	\$684,687	100.8%
2032	\$1,364,473	3.50%	\$53,473	3.50%	4.00%	\$19,718		\$39,304	\$723,918	\$717,791	100.9%
2033	\$1,412,229	3.50%	\$55,344	3.50%	4.00%	\$21,632		\$6,679	\$794,216	\$787,565	100.8%
2034	\$1,461,657	3.50%	\$54,000	-2.43%	4.00%	\$17,236		\$232,633	\$632,819	\$627,722	100.8%
2035	\$1,512,815	3.50%	\$55,890	3.50%	4.00%	\$18,738		\$19,500	\$687,946	\$684,746	100.5%
2036	\$1,565,764	3.50%	\$57,846	3.50%	4.00%	\$20,882		\$0	\$766,675	\$765,881	100.1%
2037	\$1,620,565	3.50%	\$63,000	8.91%	4.00%	\$22,452		\$27,831	\$824,295	\$823,051	100.2%
2038	\$1,677,285	3.50%	\$65,205	3.50%	4.00%	\$21,458		\$123,149	\$787,809	\$785,640	100.3%
2039	\$1,735,990	3.50%	\$67,487	3.50%	4.00%	\$21,320		\$93,865	\$782,751	\$779,371	100.4%
2040	\$1,796,750	3.50%	\$69,849	3.50%	4.00%	\$23,697		\$6,283	\$870,015	\$865,750	100.5%
2041	\$1,859,636	3.50%	\$72,294	3.50%	4.00%	\$26,385		\$0	\$968,693	\$963,950	100.5%
2042	\$1,924,723	3.50%	\$74,824	3.50%	4.00%	\$28,293		\$33,055	\$1,038,755	\$1,033,752	100.5%
2043	\$1,992,089	3.50%	\$77,443	3.50%	4.00%	\$30,990		\$9,421	\$1,137,767	\$1,132,917	100.4%
2044	\$2,061,812	3.50%	\$80,154	3.50%	4.00%	\$34,102		\$0	\$1,252,022	\$1,247,850	100.3%
2045	\$2,133,975	3.50%	\$82,959	3.50%	4.00%	\$36,609		\$27,507	\$1,344,083	\$1,340,970	100.2%
2046	\$2,208,664	3.50%	\$85,863	3.50%	4.00%	\$39,801		\$8,495	\$1,461,251	\$1,459,754	100.1%
2047	\$2,285,967	3.50%	\$88,868	3.50%	4.00%	\$42,304		\$39,259	\$1,553,164	\$1,553,678	100.0%
2048	\$2,365,976	3.50%	\$95,000	6.90%	4.00%	\$45,835		\$11,189	\$1,682,810	\$1,682,862	100.0%
2049	\$2,448,785	3.50%	\$98,325	3.50%	4.00%	\$39,235		\$379,900	\$1,440,469	\$1,437,976	100.2%
2050	\$2,534,493	3.50%	\$101,766	3.50%	4.00%	\$29,421		\$491,475	\$1,080,183	\$1,072,168	100.7%
2051	\$2,623,200	3.50%	\$97,000	-4.68%	4.00%	\$29,753		\$114,569	\$1,092,367	\$1,086,893	100.5%
2052	\$2,715,012	3.50%	\$100,395	3.50%	4.00%	\$27,016		\$227,913	\$991,865	\$988,175	100.4%
2053	\$2,810,038	3.50%	\$103,909	3.50%	4.00%	\$23,405		\$259,878	\$859,301	\$856,388	100.3%
2054	\$2,908,389	3.50%	\$107,546	3.50%	4.00%	\$27,072		\$0	\$993,918	\$992,552	100.1%
Totals:			\$2,733,371			\$764,862		\$2,694,815			

Recommended/Full Funding Model

We have developed a funding plan which will help steer the reserve account into a high funded range within the 30-year projection timeframe. This Recommended Funding Model (also commonly referred to as the Full Funding Model) requires the Client allocate the recommended allocation amount into the reserve account with annual increases thereafter to offset inflationary factors.

This Recommended Funding Plan Considers 4 Basic Principles; there are adequate reserves when needed, the budget should remain stable but increasing to offset inflationary factors, the costs are fairly distributed over time, and the funding plan must allow the Client to be fiscally responsible. Note that the Recommended Model is not necessarily a low risk, no risk or ideal model to follow (especially if the reserve account is currently significantly underfunded). It simply has a goal of having the reserve account reach 100% funded by the end of a 30-year period. An "ideal" model to follow would be the 100% funded model as this model has the reserve account funded to a minimum 100% funded level each year of the study which is considered an ideal level of funding and overall low risk for having to rely on emergency financing.

Beginning Balance: \$190,500											
	YrEnd Inflated Asset Cost	Inflation Rate	Allocation Rate	Allocation % Change	Interest Rate	NET Interest	Special Assess	Annual Expenditures	Year End Account Balance	Year End FFB	YrEnd % Funded
2025	\$1,072,463	3.50%	\$82,500	157.81%	4.00%	\$824		\$243,577	\$30,246	\$602,774	5.0%
2026	\$1,109,999	3.50%	\$85,388	3.50%	4.00%	\$3,238		\$0	\$118,872	\$664,249	17.9%
2027	\$1,148,849	3.50%	\$88,376	3.50%	4.00%	\$3,103		\$96,441	\$113,910	\$629,629	18.1%
2028	\$1,189,059	3.50%	\$91,469	3.50%	4.00%	\$1,722		\$143,882	\$63,219	\$546,163	11.6%
2029	\$1,230,676	3.50%	\$94,671	3.50%	4.00%	\$2,893		\$54,555	\$106,227	\$553,748	19.2%
2030	\$1,273,750	3.50%	\$94,907	0.25%	4.00%	\$5,507		\$4,454	\$202,188	\$615,026	32.9%
2031	\$1,318,331	3.50%	\$95,145	0.25%	4.00%	\$8,325		\$0	\$305,658	\$684,687	44.6%
2032	\$1,364,473	3.50%	\$95,382	0.25%	4.00%	\$10,129		\$39,304	\$371,865	\$717,791	51.8%
2033	\$1,412,229	3.50%	\$95,621	0.25%	4.00%	\$12,903		\$6,679	\$473,710	\$787,565	60.1%
2034	\$1,461,657	3.50%	\$95,860	0.25%	4.00%	\$9,434		\$232,633	\$346,371	\$627,722	55.2%
2035	\$1,512,815	3.50%	\$96,100	0.25%	4.00%	\$11,843		\$19,500	\$434,813	\$684,746	63.5%
2036	\$1,565,764	3.50%	\$96,340	0.25%	4.00%	\$14,872		\$0	\$546,025	\$765,881	71.3%
2037	\$1,620,565	3.50%	\$96,581	0.25%	4.00%	\$17,214		\$27,831	\$631,988	\$823,051	76.8%
2038	\$1,677,285	3.50%	\$96,822	0.25%	4.00%	\$16,959		\$123,149	\$622,620	\$785,640	79.3%
2039	\$1,735,990	3.50%	\$97,064	0.25%	4.00%	\$17,523		\$93,865	\$643,342	\$779,371	82.5%
2040	\$1,796,750	3.50%	\$97,307	0.25%	4.00%	\$20,562		\$6,283	\$754,929	\$865,750	87.2%
2041	\$1,859,636	3.50%	\$97,550	0.25%	4.00%	\$23,869		\$0	\$876,348	\$963,950	90.9%
2042	\$1,924,723	3.50%	\$97,794	0.25%	4.00%	\$26,350		\$33,055	\$967,438	\$1,033,752	93.6%
2043	\$1,992,089	3.50%	\$98,039	0.25%	4.00%	\$29,570		\$9,421	\$1,085,625	\$1,132,917	95.8%
2044	\$2,061,812	3.50%	\$98,284	0.25%	4.00%	\$33,149		\$0	\$1,217,058	\$1,247,850	97.5%
2045	\$2,133,975	3.50%	\$98,529	0.25%	4.00%	\$36,066		\$27,507	\$1,324,146	\$1,340,970	98.7%
2046	\$2,208,664	3.50%	\$98,776	0.25%	4.00%	\$39,604		\$8,495	\$1,454,030	\$1,459,754	99.6%
2047	\$2,285,967	3.50%	\$99,023	0.25%	4.00%	\$42,386		\$39,259	\$1,556,180	\$1,553,678	100.2%
2048	\$2,365,976	3.50%	\$99,270	0.25%	4.00%	\$46,039		\$11,189	\$1,690,300	\$1,682,862	100.4%
2049	\$2,448,785	3.50%	\$99,518	0.25%	4.00%	\$39,478		\$379,900	\$1,449,396	\$1,437,976	100.8%
2050	\$2,534,493	3.50%	\$99,767	0.25%	4.00%	\$29,615		\$491,475	\$1,087,304	\$1,072,168	101.4%
2051	\$2,623,200	3.50%	\$100,017	0.25%	4.00%	\$30,037		\$114,569	\$1,102,789	\$1,086,893	101.5%
2052	\$2,715,012	3.50%	\$100,267	0.25%	4.00%	\$27,304		\$227,913	\$1,002,446	\$988,175	101.4%
2053	\$2,810,038	3.50%	\$100,517	0.25%	4.00%	\$23,606		\$259,878	\$866,692	\$856,388	101.2%
2054	\$2,908,389	3.50%	\$100,769	0.25%	4.00%	\$27,089		\$0	\$994,550	\$992,552	100.2%
Totals:			\$2,887,650			\$611,214		\$2,694,815			

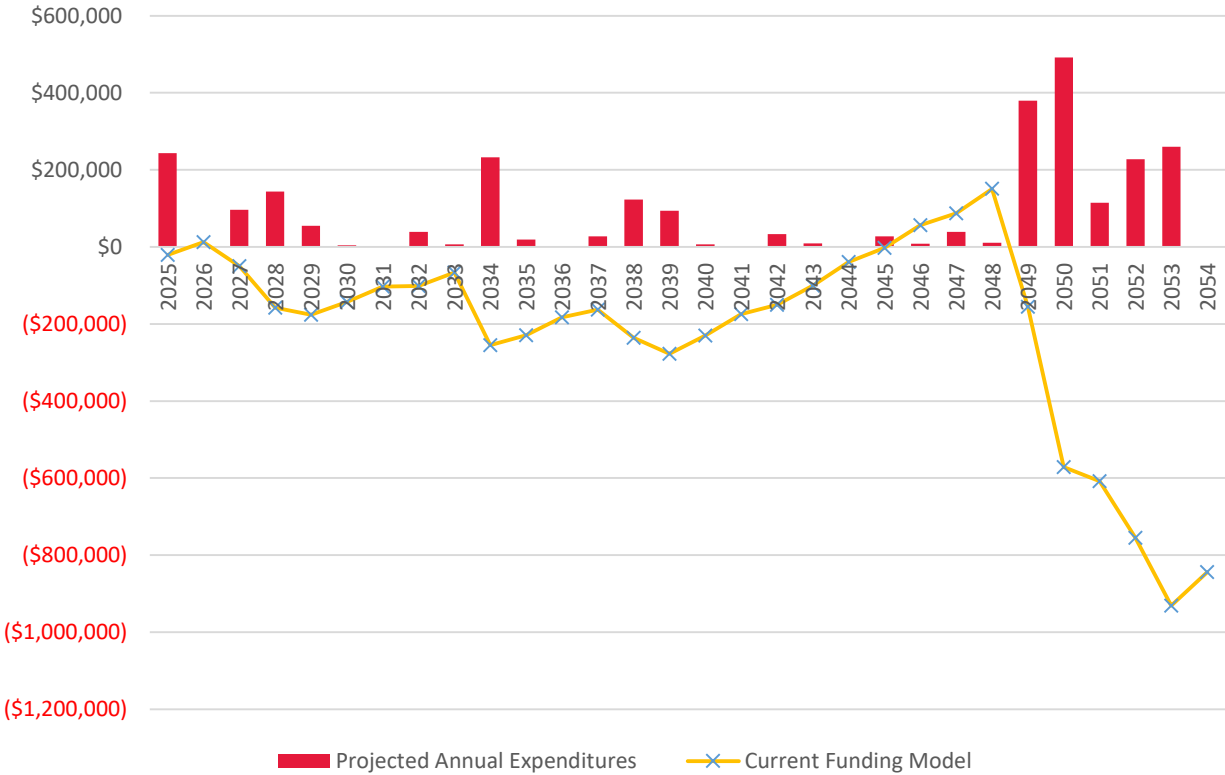
Baseline Funding Model

The Baseline Funding Model is considered a bare minimum approach which has a goal of keeping the reserve account balance above \$0 within the 30-year timeframe of the projections and does not take into consideration projected expenses that fall outside of the 30-year timeframe of the projections (i.e., longer life components are simply ignored).

This funding model carries a higher risk for reliance on emergency financing specifically if large component expenses occur earlier than projected or costs see significant increases. Additionally, in the future when longer life components come into the 30-year timeframe of the projections their projected expenditures will have a significant impact on the allocation requirements to keep the reserve account cash positive. Should there be a desire to not fund for longer life component projects (i.e., projects that are set to occur after the 30-year projections) at this time then we suggest setting a goal of at least funding to the Baseline Funding Model which has the goal of only staying cash positive for the 30-year time-frame of the projections. Note the "Year End Account Balance" column (3rd from right) which indicates the year(s) that the reserve account is projected to drop to near **zero** in the reserve account.

Beginning Balance: \$190,500											
	YrEnd Inflated Asset Cost	Inflation Rate	Allocation Rate	Allocation % Change	Interest Rate	NET Interest	Special Assess	Annual Expenditures	Year End Account Balance	Year End FFB	YrEnd % Funded
2025	\$1,072,463	3.50%	\$69,000	115.63%	4.00%	\$446		\$243,577	\$16,368	\$602,774	2.7%
2026	\$1,109,999	3.50%	\$71,415	3.50%	4.00%	\$2,458		\$0	\$90,241	\$664,249	13.6%
2027	\$1,148,849	3.50%	\$73,915	3.50%	4.00%	\$1,896		\$96,441	\$69,611	\$629,629	11.1%
2028	\$1,189,059	3.50%	\$76,502	3.50%	4.00%	\$62		\$143,882	\$2,293	\$546,163	0.4%
2029	\$1,230,676	3.50%	\$52,500	-31.37%	4.00%	\$7		\$54,555	\$244	\$553,748	0.0%
2030	\$1,273,750	3.50%	\$54,338	3.50%	4.00%	\$1,404		\$4,454	\$51,532	\$615,026	8.4%
2031	\$1,318,331	3.50%	\$56,239	3.50%	4.00%	\$3,018		\$0	\$110,788	\$684,687	16.2%
2032	\$1,364,473	3.50%	\$58,208	3.50%	4.00%	\$3,631		\$39,304	\$133,324	\$717,791	18.6%
2033	\$1,412,229	3.50%	\$60,245	3.50%	4.00%	\$5,233		\$6,679	\$192,123	\$787,565	24.4%
2034	\$1,461,657	3.50%	\$62,354	3.50%	4.00%	\$612		\$232,633	\$22,455	\$627,722	3.6%
2035	\$1,512,815	3.50%	\$64,536	3.50%	4.00%	\$1,890		\$19,500	\$69,380	\$684,746	10.1%
2036	\$1,565,764	3.50%	\$66,795	3.50%	4.00%	\$3,813		\$0	\$139,988	\$765,881	18.3%
2037	\$1,620,565	3.50%	\$69,132	3.50%	4.00%	\$5,076		\$27,831	\$186,365	\$823,051	22.6%
2038	\$1,677,285	3.50%	\$71,552	3.50%	4.00%	\$3,774		\$123,149	\$138,541	\$785,640	17.6%
2039	\$1,735,990	3.50%	\$74,056	3.50%	4.00%	\$3,325		\$93,865	\$122,057	\$779,371	15.7%
2040	\$1,796,750	3.50%	\$76,648	3.50%	4.00%	\$5,388		\$6,283	\$197,811	\$865,750	22.8%
2041	\$1,859,636	3.50%	\$79,331	3.50%	4.00%	\$7,760		\$0	\$284,902	\$963,950	29.6%
2042	\$1,924,723	3.50%	\$82,108	3.50%	4.00%	\$9,351		\$33,055	\$343,306	\$1,033,752	33.2%
2043	\$1,992,089	3.50%	\$84,981	3.50%	4.00%	\$11,728		\$9,421	\$430,594	\$1,132,917	38.0%
2044	\$2,061,812	3.50%	\$87,956	3.50%	4.00%	\$14,519		\$0	\$533,069	\$1,247,850	42.7%
2045	\$2,133,975	3.50%	\$91,034	3.50%	4.00%	\$16,705		\$27,507	\$613,301	\$1,340,970	45.7%
2046	\$2,208,664	3.50%	\$94,220	3.50%	4.00%	\$19,573		\$8,495	\$718,599	\$1,459,754	49.2%
2047	\$2,285,967	3.50%	\$97,518	3.50%	4.00%	\$21,752		\$39,259	\$798,610	\$1,553,678	51.4%
2048	\$2,365,976	3.50%	\$100,931	3.50%	4.00%	\$24,874		\$11,189	\$913,226	\$1,682,862	54.3%
2049	\$2,448,785	3.50%	\$104,464	3.50%	4.00%	\$17,858		\$379,900	\$655,648	\$1,437,976	45.6%
2050	\$2,534,493	3.50%	\$108,120	3.50%	4.00%	\$7,624		\$491,475	\$279,918	\$1,072,168	26.1%
2051	\$2,623,200	3.50%	\$111,904	3.50%	4.00%	\$7,763		\$114,569	\$285,017	\$1,086,893	26.2%
2052	\$2,715,012	3.50%	\$115,821	3.50%	4.00%	\$4,842		\$227,913	\$177,767	\$988,175	18.0%
2053	\$2,810,038	3.50%	\$119,875	3.50%	4.00%	\$1,057		\$259,878	\$38,821	\$856,388	4.5%
2054	\$2,908,389	3.50%	\$124,070	3.50%	4.00%	\$4,561		\$0	\$167,452	\$992,552	16.9%
Totals:			\$2,459,769			\$211,998		\$2,694,815			

Client Current Funding Model Chart



The above chart provides a visual of the Client Current Funding Model's reserve account projected year end balance and the projected annual expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for, as they are often overlooked, or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later.

If applicable, any negative account balance shown is for visual representation of deficiency over time.

Client Current Funding Model

The Current Funding Model is based on the annual reserve allocation rate supplied by the Client as of the date of this study; it has not been independently verified and is assumed to be correct. We have assumed that the Current Model's reserve allocation rate will increase annually based on the below provided allocation percent change, to offset inflationary factors.

Beginning Balance: \$190,500											
	YrEnd Inflated Asset Cost	Inflation Rate	Allocation Rate	Allocation % Change	Interest Rate	NET Interest	Special Assess	Annual Expenditures	Year End Account Balance	Year End FFB	YrEnd % Funded
2025	\$1,072,463	3.50%	\$32,000	0.00%	4.00%	\$0		\$243,577	-\$21,077	\$602,774	
2026	\$1,109,999	3.50%	\$33,120	3.50%	4.00%	\$337		\$0	\$12,380	\$664,249	1.9%
2027	\$1,148,849	3.50%	\$34,279	3.50%	4.00%	\$0		\$96,441	-\$49,782	\$629,629	
2028	\$1,189,059	3.50%	\$35,479	3.50%	4.00%	\$0		\$143,882	-\$158,185	\$546,163	
2029	\$1,230,676	3.50%	\$36,721	3.50%	4.00%	\$0		\$54,555	-\$176,020	\$553,748	
2030	\$1,273,750	3.50%	\$38,006	3.50%	4.00%	\$0		\$4,454	-\$142,467	\$615,026	
2031	\$1,318,331	3.50%	\$39,336	3.50%	4.00%	\$0		\$0	-\$103,131	\$684,687	
2032	\$1,364,473	3.50%	\$40,713	3.50%	4.00%	\$0		\$39,304	-\$101,722	\$717,791	
2033	\$1,412,229	3.50%	\$42,138	3.50%	4.00%	\$0		\$6,679	-\$66,263	\$787,565	
2034	\$1,461,657	3.50%	\$43,613	3.50%	4.00%	\$0		\$232,633	-\$255,283	\$627,722	
2035	\$1,512,815	3.50%	\$45,139	3.50%	4.00%	\$0		\$19,500	-\$229,645	\$684,746	
2036	\$1,565,764	3.50%	\$46,719	3.50%	4.00%	\$0		\$0	-\$182,926	\$765,881	
2037	\$1,620,565	3.50%	\$48,354	3.50%	4.00%	\$0		\$27,831	-\$162,403	\$823,051	
2038	\$1,677,285	3.50%	\$50,047	3.50%	4.00%	\$0		\$123,149	-\$235,505	\$785,640	
2039	\$1,735,990	3.50%	\$51,798	3.50%	4.00%	\$0		\$93,865	-\$277,572	\$779,371	
2040	\$1,796,750	3.50%	\$53,611	3.50%	4.00%	\$0		\$6,283	-\$230,243	\$865,750	
2041	\$1,859,636	3.50%	\$55,488	3.50%	4.00%	\$0		\$0	-\$174,756	\$963,950	
2042	\$1,924,723	3.50%	\$57,430	3.50%	4.00%	\$0		\$33,055	-\$150,381	\$1,033,752	
2043	\$1,992,089	3.50%	\$59,440	3.50%	4.00%	\$0		\$9,421	-\$100,363	\$1,132,917	
2044	\$2,061,812	3.50%	\$61,520	3.50%	4.00%	\$0		\$0	-\$38,843	\$1,247,850	
2045	\$2,133,975	3.50%	\$63,673	3.50%	4.00%	\$0		\$27,507	-\$2,677	\$1,340,970	
2046	\$2,208,664	3.50%	\$65,902	3.50%	4.00%	\$1,532		\$8,495	\$56,262	\$1,459,754	3.9%
2047	\$2,285,967	3.50%	\$68,208	3.50%	4.00%	\$2,386		\$39,259	\$87,598	\$1,553,678	5.6%
2048	\$2,365,976	3.50%	\$70,596	3.50%	4.00%	\$4,116		\$11,189	\$151,120	\$1,682,862	9.0%
2049	\$2,448,785	3.50%	\$73,067	3.50%	4.00%	\$0		\$379,900	-\$155,713	\$1,437,976	
2050	\$2,534,493	3.50%	\$75,624	3.50%	4.00%	\$0		\$491,475	-\$571,564	\$1,072,168	
2051	\$2,623,200	3.50%	\$78,271	3.50%	4.00%	\$0		\$114,569	-\$607,862	\$1,086,893	
2052	\$2,715,012	3.50%	\$81,010	3.50%	4.00%	\$0		\$227,913	-\$754,765	\$988,175	
2053	\$2,810,038	3.50%	\$83,846	3.50%	4.00%	\$0		\$259,878	-\$930,797	\$856,388	
2054	\$2,908,389	3.50%	\$86,780	3.50%	4.00%	\$0		\$0	-\$844,017	\$992,552	
Totals:			\$1,651,926			\$8,372		\$2,694,815			

Full Funded Balance Calculations (Beginning FY)

Version: Draft2

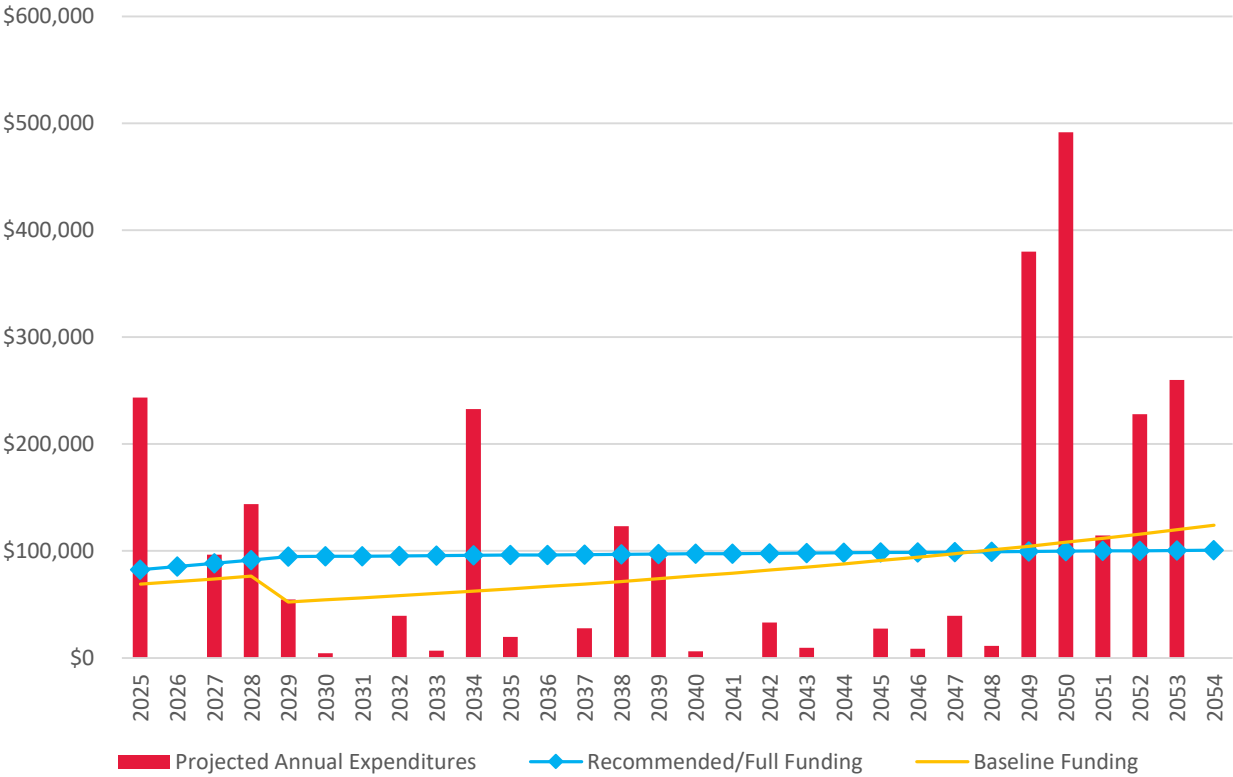
ID	Component Description	Current Cost		Effective Age		Useful Life		FFB
Total FFB								\$788,274
1140	Asphalt - Overlay/Resurface	\$33,656	X	22	/	25	=	\$29,617
1160	Asphalt - Seal Coat							Unfunded
1111	Asphalt Aggregate Base - Replenish	\$13,222	X	47	/	50	=	\$12,429
6290	Concrete Area Railings (metal) - Replace ...	\$2,640	X	36	/	50	=	\$1,901
2070	Concrete Curb - Replace	\$17,368	X	37	/	40	=	\$16,065
2150	Concrete Sidewalks (private) - Replace	\$52,848	X	36	/	50	=	\$38,051
2570	Dock (wood/floating) - Replace	\$200,736	X	25	/	25	=	\$200,736
2970	Electrical Meter Sockets (bathroom) - Re ...	\$1,300	X	36	/	45	=	\$1,040
3190	Fence (chain link 8'coated/park) - Repla ...	\$35,840	X	9	/	35	=	\$9,216
3372	Fence (wood 4'/entry) - Replace	\$4,830	X	23	/	25	=	\$4,444
3370	Fence (wood 6'/entry) - Replace	\$66,780	X	23	/	25	=	\$61,438
3371	Fence (wood 6'/park) - Replace	\$12,474	X	18	/	25	=	\$8,981
3390	Fence (wood/all) - Paint/Stain	\$18,418	X	3	/	5	=	\$11,051
4050	Gate (metal/park) - Replace	\$2,500	X	36	/	50	=	\$1,800
4530	Irrigation Piping (1989) - Replace	\$164,430	X	36	/	45	=	\$131,544
4531	Irrigation Piping (2027) - Replace	\$6,300	X	0	/	45	=	Delayed
4620	Landscape Site Drainage - Replace	\$12,000	X	16	/	20	=	\$9,600
4722	Landscaping (beach sand) - Replenish	\$3,750	X	0	/	5	=	\$0
4720	Landscaping (weed barrier/gravel) - Repl ...	\$26,542	X	16	/	20	=	\$21,234
4991	Mailbox Structure (wood) - Paint	\$5,072	X	2	/	5	=	\$2,029
4990	Mailbox Structure (wood) - Replace	\$58,720	X	12	/	25	=	\$28,186
5000	Mailboxes (locking) - Replace	\$14,950	X	12	/	25	=	\$7,176
6680	Playground Edging (wood) - Replace	\$7,140	X	22	/	25	=	\$6,283
6700	Playground Structure - Replace	\$45,815	X	22	/	25	=	\$40,318
6740	Playground Swing Set (metal) - Replace	\$11,000	X	9	/	35	=	\$2,829
6880	Retaining Walls (boulder) - Replace	\$71,858	X	36	/	60	=	\$43,115
6870	Retaining Walls (keystone) - Replace	\$21,600	X	6	/	40	=	\$3,240
6920	Retaining Walls (wood/1989) - Replace	\$3,480	X	25	/	25	=	\$3,480
6921	Retaining Walls (wood/2009) - Replace	\$4,960	X	16	/	25	=	\$3,174
6970	Roof (asph.shingle) - Replace	\$4,125	X	14	/	35	=	\$1,650
7640	Signage (entry monument) - Refurbish	\$9,000	X	36	/	40	=	\$8,100
7950	Sport Court - Replace	\$22,387	X	30	/	30	=	\$22,387

Full Funded Balance Calculations (Beginning FY)

Version: Draft2

ID	Component Description	Current Cost		Effective Age		Useful Life		FFB
6350	Sport Court Backboard and Pole - Replace ...	\$4,200	X	30	/	30	=	\$4,200
7960	Sport Court Paint/Cushion - Recoat	\$10,074	X	10	/	10	=	\$10,074
7991	Sport Court Net Pullers	\$2,700	X	30	/	30	=	\$2,700
7800	Storm Drain System - Local Repairs	\$7,500	X	22	/	25	=	\$6,600
5470	Water & Sewer Lateral Lines - Replace	\$55,980	X	36	/	60	=	\$33,588

Projected Annual Expenditures Chart



Total Projected Expenses Over the 30-Year Timeframe of the Reserve Study: **\$2,694,815**

The above chart provides a visual of the reserve account projected expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for, as they are often overlooked, or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later. A breakdown of what projects are included in each years' projected expenditures can be found on the Projected Annual Expenditures List pages in this reserve study (page number in Table of Contents).

One of the greatest challenges when planning for reserve budgeting is creating and implementing a funding model that is stable and fair while also adequate to cover reserve project expenditures that are typically infrequent and erratic. This is particularly true for reserve accounts that drop to low levels of funding; there will be a need to catch up the reserve account to a more suitable level while also being as fair and stable as possible as time progresses.

We have created numerous funding models with various goals in mind; the above models (Recommended/Full & Baseline) adhere to the principle of having stability going forward in time while also covering the projected annual reserve expenditures. Their respective annual allocation rates (lines on the chart) are shown compared to the annual reserve expenditures (columns on the chart) within the timeframe of the projections. Note the relative stableness of the annual funding model allocation rates versus the infrequent and erratic nature of the reserve expenditures.

Projected Annual Expenditures List

Asset ID	Projected Expenditures By Year	Projected Costs
2025		
2570	Dock (wood/floating) - Replace	\$200,736
6920	Retaining Walls (wood/1989) - Replace	\$3,480
7950	Sport Court - Replace	\$22,387
6350	Sport Court Backboard and Pole - Replace	\$4,200
7960	Sport Court Paint/Cushion - Recoat	\$10,074
7991	Sport Court Net Pullers	\$2,700
Total for Year 2025		\$243,577
2026		
Total for Year 2026		\$0
2027		
3372	Fence (wood 4'/entry) - Replace	\$5,174
3370	Fence (wood 6'/entry) - Replace	\$71,536
3390	Fence (wood/all) - Paint/Stain	\$19,730
Total for Year 2027		\$96,441
2028		
1140	Asphalt - Overlay/Resurface	\$37,315
1111	Asphalt Aggregate Base - Replenish	\$14,659
2070	Concrete Curb - Replace	\$19,256
4991	Mailbox Structure (wood) - Paint	\$5,623
6680	Playground Edging (wood) - Replace	\$7,916
6700	Playground Structure - Replace	\$50,796
7800	Storm Drain System - Local Repairs	\$8,315
Total for Year 2028		\$143,882
2029		
4620	Landscape Site Drainage - Replace	\$13,770
4720	Landscaping (weed barrier/gravel) - Replace	\$30,457
7640	Signage (entry monument) - Refurbish	\$10,328
Total for Year 2029		\$54,555
2030		
4722	Landscaping (beach sand) - Replenish	\$4,454
Total for Year 2030		\$4,454
2031		
Total for Year 2031		\$0
2032		
3371	Fence (wood 6'/park) - Replace	\$15,870
3390	Fence (wood/all) - Paint/Stain	\$23,433
Total for Year 2032		\$39,304
2033		
4991	Mailbox Structure (wood) - Paint	\$6,679
Total for Year 2033		\$6,679
2034		
2970	Electrical Meter Sockets (bathroom) - Replace	\$1,772
4530	Irrigation Piping (1989) - Replace	\$224,101
6921	Retaining Walls (wood/2009) - Replace	\$6,760
Total for Year 2034		\$232,633
2035		
4722	Landscaping (beach sand) - Replenish	\$5,290
7960	Sport Court Paint/Cushion - Recoat	\$14,211

Projected Annual Expenditures List

Asset ID	Projected Expenditures By Year	Projected Costs
	Total for Year 2035	\$19,500
	2036	
	Total for Year 2036	\$0
	2037	
3390	Fence (wood/all) - Paint/Stain	\$27,831
	Total for Year 2037	\$27,831
	2038	
4991	Mailbox Structure (wood) - Paint	\$7,932
4990	Mailbox Structure (wood) - Replace	\$91,835
5000	Mailboxes (locking) - Replace	\$23,381
	Total for Year 2038	\$123,149
	2039	
6290	Concrete Area Railings (metal) - Replace	\$4,273
2150	Concrete Sidewalks (private) - Replace	\$85,545
4050	Gate (metal/park) - Replace	\$4,047
	Total for Year 2039	\$93,865
	2040	
4722	Landscaping (beach sand) - Replenish	\$6,283
	Total for Year 2040	\$6,283
	2041	
	Total for Year 2041	\$0
	2042	
3390	Fence (wood/all) - Paint/Stain	\$33,055
	Total for Year 2042	\$33,055
	2043	
4991	Mailbox Structure (wood) - Paint	\$9,421
	Total for Year 2043	\$9,421
	2044	
	Total for Year 2044	\$0
	2045	
4722	Landscaping (beach sand) - Replenish	\$7,462
7960	Sport Court Paint/Cushion - Recoat	\$20,046
	Total for Year 2045	\$27,507
	2046	
6970	Roof (asph.shingle) - Replace	\$8,495
	Total for Year 2046	\$8,495
	2047	
3390	Fence (wood/all) - Paint/Stain	\$39,259
	Total for Year 2047	\$39,259
	2048	
4991	Mailbox Structure (wood) - Paint	\$11,189
	Total for Year 2048	\$11,189
	2049	
4620	Landscape Site Drainage - Replace	\$27,400
4720	Landscaping (weed barrier/gravel) - Replace	\$60,604
6880	Retaining Walls (boulder) - Replace	\$164,075
5470	Water & Sewer Lateral Lines - Replace	\$127,821
	Total for Year 2049	\$379,900
	2050	

Projected Annual Expenditures List

Asset ID	Projected Expenditures By Year	Projected Costs
2570	Dock (wood/floating) - Replace	\$474,388
4722	Landscaping (beach sand) - Replenish	\$8,862
6920	Retaining Walls (wood/1989) - Replace	\$8,224
Total for Year 2050		\$491,475
2051		
3190	Fence (chain link 8'coated/park) - Replace	\$87,663
6740	Playground Swing Set (metal) - Replace	\$26,906
Total for Year 2051		\$114,569
2052		
3372	Fence (wood 4'/entry) - Replace	\$12,227
3370	Fence (wood 6'/entry) - Replace	\$169,058
3390	Fence (wood/all) - Paint/Stain	\$46,627
Total for Year 2052		\$227,913
2053		
1140	Asphalt - Overlay/Resurface	\$88,185
4991	Mailbox Structure (wood) - Paint	\$13,290
6680	Playground Edging (wood) - Replace	\$18,708
6700	Playground Structure - Replace	\$120,044
7800	Storm Drain System - Local Repairs	\$19,651
Total for Year 2053		\$259,878
2054		
Total for Year 2054		\$0

Projected Annual Expenditures Spreadsheet

				Annual Totals	\$243,577	\$0	\$96,441	\$143,882	\$54,555	\$4,454
Component Description	Asset ID	Useful Life	Remain. UL	Current Cost	2025	2026	2027	2028	2029	2030
Asphalt - Overlay/Resurface	1140	25	3	\$33,656				\$37,315		
Asphalt - Seal Coat	1160			Unfunded						
Asphalt Aggregate Base - Replenish	1111	50	3	\$13,222				\$14,659		
Concrete Area Railings (metal) - Replace	6290	50	14	\$2,640						
Concrete Curb - Replace	2070	40	3	\$17,368				\$19,256		
Concrete Sidewalks (private) - Replace	2150	50	14	\$52,848						
Dock (wood/floating) - Replace	2570	25	0	\$200,736	\$200,736					
Electrical Meter Sockets (bathroom) - Replace	2970	45	9	\$1,300						
Fence (chain link 8'coated/park) - Replace	3190	35	26	\$35,840						
Fence (wood 4'/entry) - Replace	3372	25	2	\$4,830			\$5,174			
Fence (wood 6'/entry) - Replace	3370	25	2	\$66,780			\$71,536			
Fence (wood 6'/park) - Replace	3371	25	7	\$12,474						
Fence (wood/all) - Paint/Stain	3390	5	2	\$18,418			\$19,730			
Gate (metal/park) - Replace	4050	50	14	\$2,500						
Irrigation Piping (1989) - Replace	4530	45	9	\$164,430						
Irrigation Piping (2027) - Replace	4531	45	47	\$6,300						
Landscape Site Drainage - Replace	4620	20	4	\$12,000					\$13,770	
Landscaping (beach sand) - Replenish	4722	5	5	\$3,750						\$4,454
Landscaping (weed barrier/gravel) - Replace	4720	20	4	\$26,542					\$30,457	
Mailbox Structure (wood) - Paint	4991	5	3	\$5,072				\$5,623		
Mailbox Structure (wood) - Replace	4990	25	13	\$58,720						
Mailboxes (locking) - Replace	5000	25	13	\$14,950						
Playground Edging (wood) - Replace	6680	25	3	\$7,140				\$7,916		
Playground Structure - Replace	6700	25	3	\$45,815				\$50,796		
Playground Swing Set (metal) - Replace	6740	35	26	\$11,000						
Retaining Walls (boulder) - Replace	6880	60	24	\$71,858						
Retaining Walls (keystone) - Replace	6870	40	34	\$21,600						
Retaining Walls (wood/1989) - Replace	6920	25	0	\$3,480	\$3,480					
Retaining Walls (wood/2009) - Replace	6921	25	9	\$4,960						
Roof (asph.shingle) - Replace	6970	35	21	\$4,125						
Signage (entry monument) - Refurbish	7640	40	4	\$9,000					\$10,328	
Sport Court - Replace	7950	30	0	\$22,387	\$22,387					
Sport Court Backboard and Pole - Replace	6350	30	0	\$4,200	\$4,200					
Sport Court Paint/Cushion - Recoat	7960	10	0	\$10,074	\$10,074					

Projected Annual Expenditures Spreadsheet

		\$0	\$39,304	\$6,679	\$232,633	\$19,500	\$0	\$27,831	\$123,149	\$93,865
Component Description	Asset ID	2031	2032	2033	2034	2035	2036	2037	2038	2039
Asphalt - Overlay/Resurface	1140									
Asphalt - Seal Coat	1160									
Asphalt Aggregate Base - Replenish	1111									
Concrete Area Railings (metal) - Replace	6290									\$4,273
Concrete Curb - Replace	2070									
Concrete Sidewalks (private) - Replace	2150									\$85,545
Dock (wood/floating) - Replace	2570									
Electrical Meter Sockets (bathroom) - Replace	2970				\$1,772					
Fence (chain link 8'coated/park) - Replace	3190									
Fence (wood 4'/entry) - Replace	3372									
Fence (wood 6'/entry) - Replace	3370									
Fence (wood 6'/park) - Replace	3371		\$15,870							
Fence (wood/all) - Paint/Stain	3390		\$23,433					\$27,831		
Gate (metal/park) - Replace	4050									\$4,047
Irrigation Piping (1989) - Replace	4530				\$224,101					
Irrigation Piping (2027) - Replace	4531									
Landscape Site Drainage - Replace	4620									
Landscaping (beach sand) - Replenish	4722					\$5,290				
Landscaping (weed barrier/gravel) - Replace	4720									
Mailbox Structure (wood) - Paint	4991			\$6,679					\$7,932	
Mailbox Structure (wood) - Replace	4990								\$91,835	
Mailboxes (locking) - Replace	5000								\$23,381	
Playground Edging (wood) - Replace	6680									
Playground Structure - Replace	6700									
Playground Swing Set (metal) - Replace	6740									
Retaining Walls (boulder) - Replace	6880									
Retaining Walls (keystone) - Replace	6870									
Retaining Walls (wood/1989) - Replace	6920									
Retaining Walls (wood/2009) - Replace	6921				\$6,760					
Roof (asph.shingle) - Replace	6970									
Signage (entry monument) - Refurbish	7640									
Sport Court - Replace	7950									
Sport Court Backboard and Pole - Replace	6350									
Sport Court Paint/Cushion - Recoat	7960					\$14,211				

Projected Annual Expenditures Spreadsheet

		\$6,283	\$0	\$33,055	\$9,421	\$0	\$27,507	\$8,495	\$39,259	\$11,189
Component Description	Asset ID	2040	2041	2042	2043	2044	2045	2046	2047	2048
Asphalt - Overlay/Resurface	1140									
Asphalt - Seal Coat	1160									
Asphalt Aggregate Base - Replenish	1111									
Concrete Area Railings (metal) - Replace	6290									
Concrete Curb - Replace	2070									
Concrete Sidewalks (private) - Replace	2150									
Dock (wood/floating) - Replace	2570									
Electrical Meter Sockets (bathroom) - Replace	2970									
Fence (chain link 8'coated/park) - Replace	3190									
Fence (wood 4'/entry) - Replace	3372									
Fence (wood 6'/entry) - Replace	3370									
Fence (wood 6'/park) - Replace	3371									
Fence (wood/all) - Paint/Stain	3390			\$33,055					\$39,259	
Gate (metal/park) - Replace	4050									
Irrigation Piping (1989) - Replace	4530									
Irrigation Piping (2027) - Replace	4531									
Landscape Site Drainage - Replace	4620									
Landscaping (beach sand) - Replenish	4722	\$6,283					\$7,462			
Landscaping (weed barrier/gravel) - Replace	4720									
Mailbox Structure (wood) - Paint	4991				\$9,421					\$11,189
Mailbox Structure (wood) - Replace	4990									
Mailboxes (locking) - Replace	5000									
Playground Edging (wood) - Replace	6680									
Playground Structure - Replace	6700									
Playground Swing Set (metal) - Replace	6740									
Retaining Walls (boulder) - Replace	6880									
Retaining Walls (keystone) - Replace	6870									
Retaining Walls (wood/1989) - Replace	6920									
Retaining Walls (wood/2009) - Replace	6921									
Roof (asph.shingle) - Replace	6970							\$8,495		
Signage (entry monument) - Refurbish	7640									
Sport Court - Replace	7950									
Sport Court Backboard and Pole - Replace	6350									
Sport Court Paint/Cushion - Recoat	7960						\$20,046			

Projected Annual Expenditures Spreadsheet

		\$379,900	\$491,475	\$114,569	\$227,913	\$259,878	\$0
Component Description	Asset ID	2049	2050	2051	2052	2053	2054
Asphalt - Overlay/Resurface	1140					\$88,185	
Asphalt - Seal Coat	1160						
Asphalt Aggregate Base - Replenish	1111						
Concrete Area Railings (metal) - Replace	6290						
Concrete Curb - Replace	2070						
Concrete Sidewalks (private) - Replace	2150						
Dock (wood/floating) - Replace	2570		\$474,388				
Electrical Meter Sockets (bathroom) - Replace	2970						
Fence (chain link 8'coated/park) - Replace	3190			\$87,663			
Fence (wood 4'/entry) - Replace	3372				\$12,227		
Fence (wood 6'/entry) - Replace	3370				\$169,058		
Fence (wood 6'/park) - Replace	3371						
Fence (wood/all) - Paint/Stain	3390				\$46,627		
Gate (metal/park) - Replace	4050						
Irrigation Piping (1989) - Replace	4530						
Irrigation Piping (2027) - Replace	4531						
Landscape Site Drainage - Replace	4620	\$27,400					
Landscaping (beach sand) - Replenish	4722		\$8,862				
Landscaping (weed barrier/gravel) - Replace	4720	\$60,604					
Mailbox Structure (wood) - Paint	4991					\$13,290	
Mailbox Structure (wood) - Replace	4990						
Mailboxes (locking) - Replace	5000						
Playground Edging (wood) - Replace	6680					\$18,708	
Playground Structure - Replace	6700					\$120,044	
Playground Swing Set (metal) - Replace	6740			\$26,906			
Retaining Walls (boulder) - Replace	6880	\$164,075					
Retaining Walls (keystone) - Replace	6870						
Retaining Walls (wood/1989) - Replace	6920		\$8,224				
Retaining Walls (wood/2009) - Replace	6921						
Roof (asph.shingle) - Replace	6970						
Signage (entry monument) - Refurbish	7640						
Sport Court - Replace	7950						
Sport Court Backboard and Pole - Replace	6350						
Sport Court Paint/Cushion - Recoat	7960						

Projected Annual Expenditures Spreadsheet

Component Description	Asset ID	Useful Life	Remain. UL	Current Cost	2025	2026	2027	2028	2029	2030
Sport Court Net Pullers	7991	30	0	\$2,700	\$2,700					
Storm Drain System - Local Repairs	7800	25	3	\$7,500				\$8,315		
Water & Sewer Lateral Lines - Replace	5470	60	24	\$55,980						

Projected Annual Expenditures Spreadsheet

Component Description	Asset ID	2031	2032	2033	2034	2035	2036	2037	2038	2039
Sport Court Net Pullers	7991									
Storm Drain System - Local Repairs	7800									
Water & Sewer Lateral Lines - Replace	5470									

Projected Annual Expenditures Spreadsheet

Component Description	Asset ID	2040	2041	2042	2043	2044	2045	2046	2047	2048
Sport Court Net Pullers	7991									
Storm Drain System - Local Repairs	7800									
Water & Sewer Lateral Lines - Replace	5470									

Projected Annual Expenditures Spreadsheet

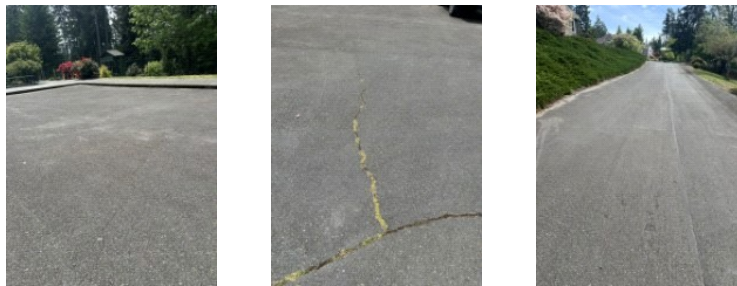
Component Description	Asset ID	2049	2050	2051	2052	2053	2054
Sport Court Net Pullers	7991						
Storm Drain System - Local Repairs	7800					\$19,651	
Water & Sewer Lateral Lines - Replace	5470	\$127,821					

Asphalt - Overlay/Resurface

Asset ID	1140	Age Adjust +/-	14
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Asphalt Surfaces	Next Replacement Year	2028
Install / Allocate Year	1989	Units	12,020 sf
Useful Life (UL)	25	Unit Cost	\$2.80
Remaining UL	3	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$33,656

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Asphalt - Overlay/Resurface (year end)									
\$32,047	\$34,611	\$37,315	\$1,545	\$3,198	\$4,965	\$6,851	\$8,864	\$11,009	\$13,293
Inflation Rate for Asphalt - Overlay/Resurface Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2028	\$37,315
2053	\$88,185
Next replace year then only within timeframe of this study	

Comments for Asphalt - Overlay/Resurface

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurfacing (overlay). If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life. Cost estimate assumes a 2 inch overlay over

Continued on Next Page ...

Comments for Asphalt - Overlay/Resurface ... Continued

existing surfaces. Note that the most common mistake we see when budgeting for asphalt is pushing out the overlay project too far in time due to the high expense. The typical outcome of this scenario is that Vendors will no longer be able to complete an overlay project due to advanced deterioration and there must be a replacement project completed which is typically much more expensive than an overlay project. Deterioration to asphalt typically rapidly increases in the later years of its useful life so delaying an Overlay project is often an extremely costly budgeting mistake.

We also suggest consulting with the Asphalt Vendor to determine conclusively if an Overlay is appropriate for these surfaces. Different Vendors will have different equipment, experience and opinions as to the benefit of an Overlay versus Replacement of these areas which is often related to slope/drainage concerns with (replacement of the asphalt and aggregate base - which is typically considerably more expensive than an Overlay). Should the Client wish to budget for a Replacement project versus an Overlay (based on the Asphalt Vendor recommendations) this reserve study, or a future update should be revised to reflect that decision.

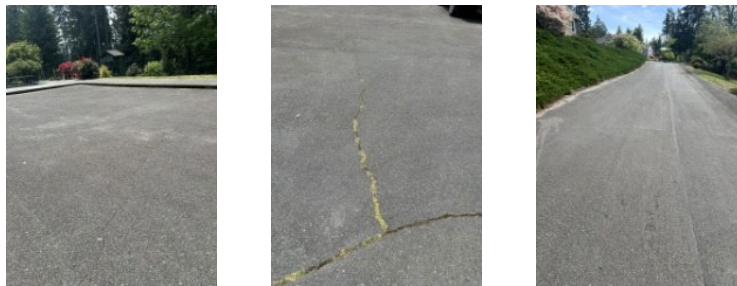
> 2025 FY - We suggest budgeting to a scenario of resurfacing vs. replacement for future cycles as it is typically the much less expensive option. It appears the current asphalt has deteriorated to a point that a replacement project will be needed for the first cycle however, so an adjustment has been given, timed to occur before asphalt becomes so uneven that it causes trip hazards and is a safety hazard.

Asphalt - Seal Coat

Asset ID	1160	Age Adjust +/-	None
Funded?	No	Delay Funding?	No
Group		Repeat Count Limit	No
Category	Asphalt Surfaces	Next Replacement Year	
Install / Allocate Year	2000	Units	12,020 sf
Useful Life (UL)		Unit Cost	\$0.38
Remaining UL		% Replace	0.0%
Cost Source	Reserve Analyst Research	Total Current Cost	Unfunded

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Asphalt - Seal Coat (year end)									
Inflation Rate for Asphalt - Seal Coat Component - 10 Year Projections									

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
Next replace year then only within timeframe of this study	

Comments for Asphalt - Seal Coat

The primary reason to seal coat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material. Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure. Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an

Continued on Next Page ...

Comments for Asphalt - Seal Coat ... Continued

operating expense. Cost estimate includes crack filling and 2 coats are to be applied. We typically recommend funding for this component at the same time as the Overlay/Replacement project for cost efficiency with the Vendor.

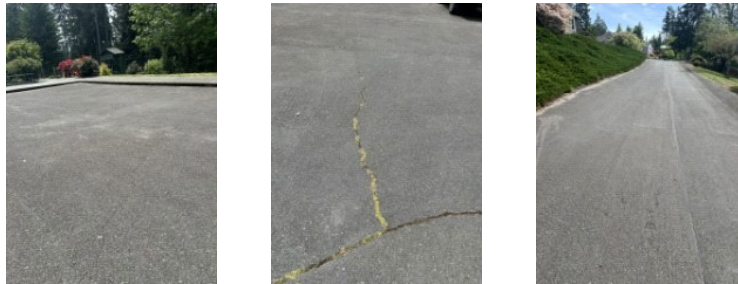
> FY 2025 - No seal coat present at this time and no seal coat since the year 2000 (seal coat in 2000 was reportedly paid by city after a city project caused damage) per Client. It is assumed that there will be no seal coating in the future as there has reportedly been no HOA paid seal coating projects. Note that it has been our experience that forgoing sealcoating will often increase the risk that a future Overlay will not be the best option (due to water intrusion into the base aggregate of the asphalt causing deterioration to occur more rapidly than if sealcoating is done).

Asphalt Aggregate Base - Replenish

Asset ID	1111	Age Adjust +/-	-11
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Asphalt Surfaces	Next Replacement Year	2028
Install / Allocate Year	1989	Units	12,020 sf
Useful Life (UL)	50	Unit Cost	\$1.10
Remaining UL	3	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$13,222

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Asphalt Aggregate Base - Replenish (year end)									
\$13,137	\$13,880	\$14,659	\$303	\$628	\$975	\$1,346	\$1,741	\$2,162	\$2,611
Inflation Rate for Asphalt Aggregate Base - Replenish Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2028	\$14,659
Next replace year then only within timeframe of this study	

Comments for Asphalt Aggregate Base - Replenish

If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). Over time significant deterioration to asphalt will typically warrant a replacement project as vendors will not be able to guarantee their work if the base layer(s) are not functioning as designed. Cost estimate assumes removal of the current asphalt and base as warranted.

> Adjustment given so this cycles initially with the resurfacing component.

Concrete Area Railings (metal) - Replace

Asset ID	6290	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Railings	Next Replacement Year	2039
Install / Allocate Year	1989	Units	22 lf
Useful Life (UL)	50	Unit Cost	\$120.00
Remaining UL	14	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$2,640

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Concrete Area Railings (metal) - Replace (year end)									
\$2,022	\$2,149	\$2,283	\$2,424	\$2,571	\$2,726	\$2,889	\$3,059	\$3,238	\$3,426
Inflation Rate for Concrete Area Railings (metal) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years

Year	Future Cost
2039	\$4,273
Next replace year then only within timeframe of this study	

Comments for Concrete Area Railings (metal) - Replace

Site railing (at park stairs and parking sport court stairs) appear to be deteriorating at a rate typical of its age. As part of ongoing maintenance program, inspect regularly for any damage/deterioration and repair promptly as needed from operating budget. Clean regularly for appearance, maximum design life and to ensure adequate footing.

Concrete Curb - Replace

Asset ID	2070	Age Adjust +/-	-1
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Concrete Surfaces	Next Replacement Year	2028
Install / Allocate Year	1989	Units	334 lf
Useful Life (UL)	40	Unit Cost	\$52.00
Remaining UL	3	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$17,368

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Concrete Curb - Replace (year end)									
\$17,077	\$18,140	\$19,256	\$498	\$1,031	\$1,601	\$2,210	\$2,859	\$3,551	\$4,287
Inflation Rate for Concrete Curb - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years

Year	Future Cost
2028	\$19,256
Next replace year then only within timeframe of this study	

Comments for Concrete Curb - Replace

Concrete curbs appear to be deteriorating at a rate typical of their age. Best to cycle curb replacement with road Overlay or replacement projects. Over time root intrusion, vehicle damage, drainage and general deterioration of curbs occur. Note that it is likely that there will be areas that need replacement well before the end of the useful life for this component (typically due to root intrusion or vehicle damage); as these areas of curbing are replaced the reserve study should be updated to reflect those particular phases.

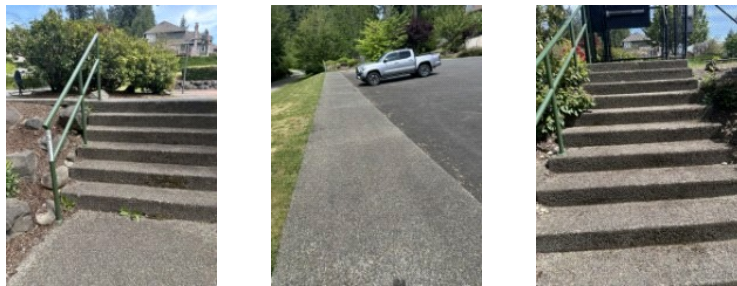
> Located at landscape circles in cul-de-sacs and the parking area. Adjustment given so this is timed to coincide with the asphalt resurfacing component.

Concrete Sidewalks (private) - Replace

Asset ID	2150	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Concrete Surfaces	Next Replacement Year	2039
Install / Allocate Year	1989	Units	2,202 sf
Useful Life (UL)	50	Unit Cost	\$24.00
Remaining UL	14	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$52,848

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Concrete Sidewalks (private) - Replace (year end)									
\$40,476	\$43,025	\$45,703	\$48,515	\$51,469	\$54,569	\$57,824	\$61,240	\$64,824	\$68,584
Inflation Rate for Concrete Sidewalks (private) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years

Year	Future Cost
2039	\$85,545
Next replace year then only within timeframe of this study	

Comments for Concrete Sidewalks (private) - Replace

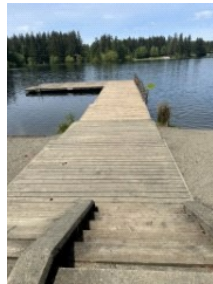
Replacement component has been included for the concrete walkways and staircase on site. We recommend repairing trip hazards immediately to limit liability.

Dock (wood/floating) - Replace

Asset ID	2570	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Dock Systems	Next Replacement Year	2025
Install / Allocate Year	1989	Units	1,632 sf
Useful Life (UL)	25	Unit Cost	\$123.00
Remaining UL	0	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$200,736

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Dock (wood/floating) - Replace (year end)									
\$8,310	\$17,203	\$26,707	\$36,856	\$47,682	\$59,221	\$71,510	\$84,586	\$98,490	\$113,263
Inflation Rate for Dock (wood/floating) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2025	\$200,736
2050	\$474,388
Next replace year then only within timeframe of this study	

Comments for Dock (wood/floating) - Replace

Wood dock appear to be deteriorating at a rate typical of its age (wood decking on dock deteriorated to a point of causing splinters on feet likely). As part of ongoing maintenance program, inspect regularly for any damage/deterioration and repair promptly as needed from operating budget. Clean regularly for appearance, maximum design life and to ensure adequate footing. We recommend budgeting for eventual full replacement of these docks due to constant exposure to the elements.

> Origin and maintenance history per Client records <

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

Continued on Next Page ...

Comments for Dock (wood/floating) - Replace ... Continued

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).

> Cost History per Client records <

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/ft² and \$85\$/ft² to replace dock, cost to remove is \$24,300 and remove and replace is \$162,000.

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

Electrical Meter Sockets (bathroom) - Replace

Asset ID	2970	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Electrical	Next Replacement Year	2034
Install / Allocate Year	1989	Units	1 ea
Useful Life (UL)	45	Unit Cost	\$1,300.00
Remaining UL	9	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$1,300

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Electrical Meter Sockets (bathroom) - Replace (year end)									
\$1,106	\$1,176	\$1,249	\$1,326	\$1,407	\$1,491	\$1,580	\$1,674	\$1,772	\$41
Inflation Rate for Electrical Meter Sockets (bathroom) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2034	\$1,772
Next replace year then only within timeframe of this study	

Comments for Electrical Meter Sockets (bathroom) - Replace

Electrical meter sockets appear to be deteriorating at a rate typical of their age. We recommend that a qualified professional be consulted to evaluate these systems and determine the current condition and repair/modernization needs.

Fence (chain link 8'coated/park) - Replace

Asset ID	3190	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Fencing	Next Replacement Year	2051
Install / Allocate Year	2016	Units	640 lf
Useful Life (UL)	35	Unit Cost	\$56.00
Remaining UL	26	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$35,840

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Fence (chain link 8'coated/park) - Replace (year end)									
\$10,598	\$12,066	\$13,624	\$15,276	\$17,027	\$18,881	\$20,845	\$22,923	\$25,121	\$27,445
Inflation Rate for Fence (chain link 8'coated/park) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2016	Unknown	Client
Comments On Replacement History		
The old 6' chain linked fence was reportedly replaced with an 8' fence to try and deter unlawful access which had caused advanced deterioration.		

*Projected Replacement Years	
Year	Future Cost
2051	\$87,663
Next replace year then only within timeframe of this study	

Comments for Fence (chain link 8'coated/park) - Replace

The vinyl coated 8' high chain link fence (at east and north side of park) appears to be deteriorating at a rate more rapidly than is typical of its age. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

> We have given a useful life based on more advanced deterioration due to likely unlawful access (note that typical coated would be 45 years).

Fence (wood 4'/entry) - Replace

Asset ID	3372	Age Adjust +/-	13
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Fencing	Next Replacement Year	2027
Install / Allocate Year	1989	Units	115 lf
Useful Life (UL)	25	Unit Cost	\$42.00
Remaining UL	2	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$4,830

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Fence (wood 4'/entry) - Replace (year end)									
\$4,799	\$5,174	\$214	\$443	\$688	\$950	\$1,229	\$1,526	\$1,843	\$2,180
Inflation Rate for Fence (wood 4'/entry) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2027	\$5,174
2052	\$12,227
Next replace year then only within timeframe of this study	

Comments for Fence (wood 4'/entry) - Replace

Wood fencing appears to be deteriorating at a rate typical of its age. As routine maintenance, inspect regularly for any damage, repair as needed. Avoid contact with ground and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance and maximize life. Plan to replace at roughly the time frame indicated.

> Measurement is for the wood fencing at the community entrance, the measurement has been take from the Clients own records as this area was not accessible on the date of the site inspection due to ongoing City work at SR 169. An adjustment has been given so budgeting for this fence replacement occurs in 2027, reportedly when the City will be finished with their street project in this area. Per Client Records: "A cedar

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Comments for Fence (wood 4'/entry) - Replace ... Continued

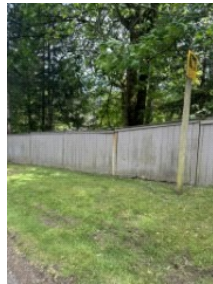
wood fence bordering State Highway SR169 and lots 84, 85, 86, 87, 89, 90, 1, and a storm water settling pond (located to the southwest of intersection of SE 253rd Place and SR-169). A short section of this fence extends west along the frontage of SE 253rd Place separating the settling pond lot from the roadway and short section of fence extends west from the southeast corner of lot 1 separating the lot from SE 253rd 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."

Fence (wood 6'/entry) - Replace

Asset ID	3370	Age Adjust +/-	13
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Fencing	Next Replacement Year	2027
Install / Allocate Year	1989	Units	1,060 lf
Useful Life (UL)	25	Unit Cost	\$63.00
Remaining UL	2	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$66,780

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Fence (wood 6'/entry) - Replace (year end)									
\$66,353	\$71,536	\$2,962	\$6,131	\$9,518	\$13,134	\$16,993	\$21,105	\$25,484	\$30,144
Inflation Rate for Fence (wood 6'/entry) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2027	\$71,536
2052	\$169,058
Next replace year then only within timeframe of this study	

Comments for Fence (wood 6'/entry) - Replace

Wood fencing appears to be deteriorating at a rate typical of its age (reportedly a section recent blew down). As routine maintenance, inspect regularly for any damage, repair as needed. Avoid contact with ground and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance and maximize life. Plan to replace at roughly the time frame indicated.

> Measurement is for the wood fencing at the community entrance, the measurement has been take from the Clients own records as this area was not accessible on the date of the site inspection due to ongoing City work at SR 169. An adjustment has been given so budgeting for this fence replacement occurs in 2027, reportedly when the City will be finished with their street project in

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Comments for Fence (wood 6'/entry) - Replace ... Continued

this area. Per Client Records: "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 253rd Place and SR-169). A short section of this fence extends west along the frontage of SE 253rd 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 253rd 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."

Fence (wood 6'/park) - Replace

Asset ID	3371	Age Adjust +/-	-6
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Fencing	Next Replacement Year	2032
Install / Allocate Year	2013	Units	198 lf
Useful Life (UL)	25	Unit Cost	\$63.00
Remaining UL	7	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$12,474

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Fence (wood 6'/park) - Replace (year end)									
\$9,812	\$10,690	\$11,617	\$12,596	\$13,630	\$14,720	\$15,870	\$657	\$1,360	\$2,111
Inflation Rate for Fence (wood 6'/park) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2013	\$5,620	Client
Comments On Replacement History		
Was reportedly last replaced in 2013 by Town & Country Fencing.		

*Projected Replacement Years	
Year	Future Cost
2032	\$15,870
Next replace year then only within timeframe of this study	

Comments for Fence (wood 6'/park) - Replace

Wood fencing appears to be deteriorating at a rate more rapidly than a wood fence of its age. As routine maintenance, inspect regularly for any damage, repair as needed. Avoid contact with ground and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance and maximize life. Plan to replace at roughly the time frame indicated.

> An adjustment has been given so budgeting for this fence replacement occurs in 2027 and to coincide with the wood fencing at the entrance to the community. We suggest budget at the same time for cost efficiencies for both the paint replacement project and paint project for these wood fences. Prior replacement of this fence reportedly occurred in 2013 but the fence appears to have significant rot

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Comments for Fence (wood 6'/park) - Replace ... Continued

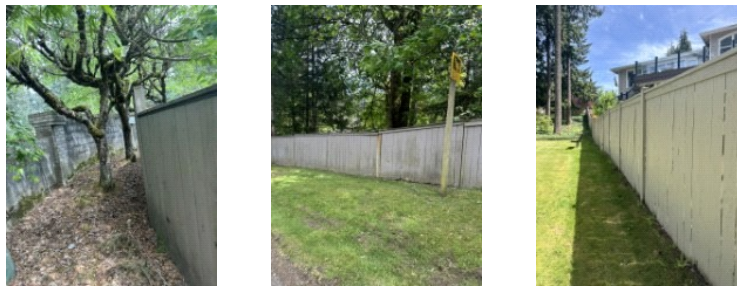
at this time (likely due to paint cycles that are too infrequent).

Fence (wood/all) - Paint/Stain

Asset ID	3390	Age Adjust +/-	9
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Fencing	Next Replacement Year	2027
Install / Allocate Year	2013	Units	16,016 sf
Useful Life (UL)	5	Unit Cost	\$1.15
Remaining UL	2	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$18,418

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Fence (wood/all) - Paint/Stain (year end)									
\$15,250	\$19,730	\$4,084	\$8,454	\$13,125	\$18,113	\$23,433	\$4,851	\$10,041	\$15,589
Inflation Rate for Fence (wood/all) - Paint/Stain Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2013	\$10,200	Client
Comments On Replacement History		
Per Client records this prior 2013 project was to paint (and pressure wash) only one side of the fence at the entrances (SR 169). Some repairs were also reportedly completed for an additional \$3,000.		

*Projected Replacement Years	
Year	Future Cost
2027	\$19,730
2032	\$23,433
2037	\$27,831
2042	\$33,055
Next replace year then only within timeframe of this study	

Comments for Fence (wood/all) - Paint/Stain

Regular sealer applications (stain/paint, etc.) on the timeline indicated are strongly recommended for appearance and protection of wood fencing. Remove any contact with ground and surrounding landscape and sprinkler patterns, repair as needed and clean prior to sealer application. Life of finish will vary depending upon surface preparation, material quality, application method and weather conditions.

> Unless otherwise noted the cost estimate assumes only once side of the fences will be coated. An adjustment has been given so budgeting for this fence paint occurs in 2027 and to coincide with the wood fencing at the entrance to the community. An adjustment has been given so this coincides with the fence replacement components.

Gate (metal/park) - Replace

Asset ID	4050	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Gate Systems	Next Replacement Year	2039
Install / Allocate Year	1989	Units	1 ea
Useful Life (UL)	50	Unit Cost	\$2,500.00
Remaining UL	14	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$2,500

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Gate (metal/park) - Replace (year end)									
\$1,915	\$2,035	\$2,162	\$2,295	\$2,435	\$2,581	\$2,735	\$2,897	\$3,067	\$3,244
Inflation Rate for Gate (metal/park) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2039	\$4,047
Next replace year then only within timeframe of this study	

Comments for Gate (metal/park) - Replace

Park vehicle gate (metal swing) appears to be deteriorating at a rate typical of its age. We strongly recommend regular professional inspections, touch up paint, maintenance and repairs (paid from Operating Account) to help extend useful life cycles; this is most easily/economically addressed by setting up annual maintenance contracts with a Gate Vendor. These types of metal gates are typically durable, however, we recommend setting aside funding for regular intervals of replacement due to constant usage, wear and the typical damage not covered by insurance as seen in similar communities.

Irrigation Piping (1989) - Replace

Asset ID	4530	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Irrigation Systems	Next Replacement Year	2034
Install / Allocate Year	1989	Units	78,300 sf
Useful Life (UL)	45	Unit Cost	\$2.10
Remaining UL	9	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$164,430

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Irrigation Piping (1989) - Replace (year end)									
\$139,930	\$148,742	\$157,999	\$167,722	\$177,932	\$188,651	\$199,903	\$211,711	\$224,101	\$5,154
Inflation Rate for Irrigation Piping (1989) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2034	\$224,101
Next replace year then only within timeframe of this study	

Comments for Irrigation Piping (1989) - Replace

No reported problems with the irrigation distribution piping at this time. As routine maintenance, inspect and test system regularly, perform any minor repairs as necessary from maintenance budget. Although the failure rate of the elements within this component are typically difficult to predict, prudent planning suggests setting aside funding, for larger scale refurbishing of irrigation systems (e.g., piping, valves, etc.), on a cyclical basis. This component is for the replacement of the underground irrigation piping. Note that ongoing repairs and replacement of sprinkler heads are assumed to be paid from the Operating Account as needed. Note that it is likely that there will be areas that need replacement well before the end of the useful life

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Comments for Irrigation Piping (1989) - Replace ... Continued

for this component (typically due to root intrusion); as these areas of piping are replaced the reserve study should be updated to reflect those particular phases.

> Measurement includes the community park and the areas around the sport court and parking area.

Irrigation Piping (2027) - Replace

Asset ID	4531	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	Yes, Until 2027
Group	Site Components	Repeat Count Limit	No
Category	Irrigation Systems	Next Replacement Year	2072
Install / Allocate Year	2027	Units	3,000 sf
Useful Life (UL)	45	Unit Cost	\$2.10
Remaining UL	47	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$6,300

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Irrigation Piping (2027) - Replace (year end)									
Delayed	Delayed	\$155	\$321	\$499	\$688	\$891	\$1,106	\$1,336	\$1,580
Inflation Rate for Irrigation Piping (2027) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory

Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2072	\$31,735
Next replace year then only within timeframe of this study	

Comments for Irrigation Piping (2027) - Replace

As routine maintenance, inspect and test system regularly, perform any minor repairs as necessary from maintenance budget. Although the failure rate of the elements within this component are typically difficult to predict, prudent planning suggests setting aside funding, for larger scale refurbishing of irrigation systems (e.g., piping, valves, etc.), on a cyclical basis. This component is for the replacement of the underground irrigation piping. Note that ongoing repairs and replacement of sprinkler heads are assumed to be paid from the Operating Account as needed. Note that it is likely that there will be areas that need replacement well before the end of the useful life for this component (typically due to root intrusion); as these areas of

Continued on Next Page ...

Comments for Irrigation Piping (2027) - Replace ... Continued

piping are replaced the reserve study should be updated to reflect those particular phases.

> Approximate measurement (not able to access area which was closed due to construction - approximate measurement taken from google aerial maps) includes the areas at the community entry monuments. Note that this component has been Delayed funding for as it is not yet installed. Per the Client, this area will be installed and initial installation paid for by the City and after they have completed their sidewalk and widening project which currently has a estimated completion year of 2026/2027. After initial installation the Client will reportedly be responsible for this area of irrigation piping.

Landscape Site Drainage - Replace

Asset ID	4620	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Landscaping	Next Replacement Year	2029
Install / Allocate Year	2009	Units	1 ls
Useful Life (UL)	20	Unit Cost	\$12,000.00
Remaining UL	4	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$12,000

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Landscape Site Drainage - Replace (year end)									
\$10,557	\$11,569	\$12,639	\$13,770	\$713	\$1,475	\$2,290	\$3,160	\$4,089	\$5,078
Inflation Rate for Landscape Site Drainage - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2029	\$13,770
2049	\$27,400
Next replace year then only within timeframe of this study	

Comments for Landscape Site Drainage - Replace

Assumed to have been properly designed with adequate provisions for the site drainage needs. This component is for a refurbishment of the current drainage system which will tend to clog and have root intrusion issues with time; these drainage systems typically require periodic refurbishment to adequately operate as designed. If after invasive testing is completed a larger scale replacement project is determined more appropriate then the costs can be included in future reserve studies. Cost estimate based on past experiences with similar sized communities. No schematic of the drainage systems on site have been provided but we have used prior records of similar sized communities in similar geographical areas for an approximate count/cost. Note that

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Comments for Landscape Site Drainage - Replace ... Continued

drainage locations often get forgotten and/or covered with landscaping over time and their failure is often a reminder of where they are and how many locations are present on site.

> Place in service date estimated based in typical useful life since original construction. Likely site drainage locations are around the bathroom, covered picnic area and around the sport court area.

Landscaping (beach sand) - Replenish

Asset ID	4722	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Landscaping	Next Replacement Year	2030
Install / Allocate Year	2025	Units	1 ls
Useful Life (UL)	5	Unit Cost	\$3,750.00
Remaining UL	5	% Replace	100.0%
Cost Source	Client Supplied	Total Current Cost	\$3,750

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Landscaping (beach sand) - Replenish (year end)									
\$776	\$1,607	\$2,495	\$3,443	\$4,454	\$922	\$1,908	\$2,963	\$4,089	\$5,290
Inflation Rate for Landscaping (beach sand) - Replenish Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2025	Unknown	Client
Comments On Replacement History		
Was also reportedly replenished in 2019 for \$3,594 and 2014 for \$2,063.		

*Projected Replacement Years	
Year	Future Cost
2030	\$4,454
2035	\$5,290
2040	\$6,283
2045	\$7,462
Next replace year then only within timeframe of this study	

Comments for Landscaping (beach sand) - Replenish

Beach sand areas require regular cycles of replenishment.

> Cost estimate per bid in 2019 and inflated to current estimate.

Landscaping (weed barrier/gravel) - Replace

Asset ID	4720	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Landscaping	Next Replacement Year	2029
Install / Allocate Year	2009	Units	12,639 sf
Useful Life (UL)	20	Unit Cost	\$2.10
Remaining UL	4	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$26,542

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Landscaping (weed barrier/gravel) - Replace (year end)									
\$23,350	\$25,589	\$27,956	\$30,457	\$1,576	\$3,263	\$5,065	\$6,990	\$9,043	\$11,232
Inflation Rate for Landscaping (weed barrier/gravel) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2029	\$30,457
2049	\$60,604
Next replace year then only within timeframe of this study	

Comments for Landscaping (weed barrier/gravel) - Replace

Gravel areas (at trails) require replacement with weed barrier as it breaks down.

> Per the Client replenishment intervals between weed barrier replacement are paid for operationally as needed. Placed in service date estimated based on typical useful life of weed barriers.

Mailbox Structure (wood) - Paint

Asset ID	4991	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Mailboxes	Next Replacement Year	2028
Install / Allocate Year	2023	Units	16 ea
Useful Life (UL)	5	Unit Cost	\$317.00
Remaining UL	3	% Replace	100.0%
Cost Source	Client Supplied	Total Current Cost	\$5,072

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Mailbox Structure (wood) - Paint (year end)									
\$3,150	\$4,347	\$5,623	\$1,164	\$2,410	\$3,741	\$5,162	\$6,679	\$1,383	\$2,862
Inflation Rate for Mailbox Structure (wood) - Paint Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2013	\$3,377	Client
Comments On Replacement History		
Cost extracted from a total project cost of \$48,719 in 2013. Note it appears the mailboxes have been painted more recently as indicated by the removed pieces of trim (on		

*Projected Replacement Years	
Year	Future Cost
2028	\$5,623
2033	\$6,679
2038	\$7,932
2043	\$9,421
Next replace year then only within timeframe of this study	

Comments for Mailbox Structure (wood) - Paint

Wood mailbox structure appears to be deteriorating at a rate typical of its age. This wood structure should be inspected and painted/stained as needed paid from the Operating account. Over time this structure will need replacement due to exposure to the elements.

> 2025 - Per Client records: "Note: an additional 2 box structure has been built and maintained by homeowners of lots 51 and 52. This structure is considered homeowners' property." Place in service date estimated based on google street view pictures.

Mailbox Structure (wood) - Replace

Asset ID	4990	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Mailboxes	Next Replacement Year	2038
Install / Allocate Year	2013	Units	16 ea
Useful Life (UL)	25	Unit Cost	\$3,670.00
Remaining UL	13	% Replace	100.0%
Cost Source	Client Supplied	Total Current Cost	\$58,720

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Mailbox Structure (wood) - Replace (year end)									
\$31,603	\$35,225	\$39,062	\$43,125	\$47,424	\$51,971	\$56,778	\$61,858	\$67,225	\$72,891
Inflation Rate for Mailbox Structure (wood) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2013	\$35,772	Client
Comments On Replacement History		
Cost extracted from a total project cost of \$48,719 in 2013.		

*Projected Replacement Years	
Year	Future Cost
2038	\$91,835
Next replace year then only within timeframe of this study	

Comments for Mailbox Structure (wood) - Replace

Wood mailbox structure appears to be deteriorating at a rate typical of its age. This wood structure should be inspected and painted/stained as needed paid from the Operating account. Over time this structure will need replacement due to exposure to the elements.

> 2025 - Per Client records: "Note: an additional 2 box structure has been built and maintained by homeowners of lots 51 and 52. This structure is considered homeowners' property."

Mailboxes (locking) - Replace

Asset ID	5000	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Mailboxes	Next Replacement Year	2038
Install / Allocate Year	2013	Units	115 ea
Useful Life (UL)	25	Unit Cost	\$130.00
Remaining UL	13	% Replace	100.0%
Cost Source	Client Supplied	Total Current Cost	\$14,950

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Mailboxes (locking) - Replace (year end)									
\$8,046	\$8,968	\$9,945	\$10,980	\$12,074	\$13,232	\$14,456	\$15,749	\$17,115	\$18,558
Inflation Rate for Mailboxes (locking) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2013	\$9,570	Client
Comments On Replacement History		
Cost extracted from a total project cost of \$48,719 in 2013.		

*Projected Replacement Years	
Year	Future Cost
2038	\$23,381
Next replace year then only within timeframe of this study	

Comments for Mailboxes (locking) - Replace

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time. Adjustment given so this is timed to occur with paint cycles.

Playground Edging (wood) - Replace

Asset ID	6680	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Recreation	Next Replacement Year	2028
Install / Allocate Year	2003	Units	102 lf
Useful Life (UL)	25	Unit Cost	\$70.00
Remaining UL	3	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$7,140

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Playground Edging (wood) - Replace (year end)									
\$6,799	\$7,343	\$7,916	\$328	\$678	\$1,053	\$1,453	\$1,880	\$2,335	\$2,820
Inflation Rate for Playground Edging (wood) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2028	\$7,916
2053	\$18,708
Next replace year then only within timeframe of this study	

Comments for Playground Edging (wood) - Replace

We recommend budgeting for replacement of these wood surfaces at the time frame indicated due to constant exposure to the elements.

Playground Structure - Replace

Asset ID	6700	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Recreation	Next Replacement Year	2028
Install / Allocate Year	2003	Units	1 ea
Useful Life (UL)	25	Unit Cost	\$45,815.46
Remaining UL	3	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$45,815

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Playground Structure - Replace (year end)									
\$43,625	\$47,116	\$50,796	\$2,103	\$4,353	\$6,758	\$9,326	\$12,066	\$14,986	\$18,096
Inflation Rate for Playground Structure - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2003	\$13,261	Client
Comments On Replacement History		
Per Client records, the original play structure installed by the developer was a lower quality and was replaced in 2003 with the current structure.		

*Projected Replacement Years	
Year	Future Cost
2028	\$50,796
2053	\$120,044
Next replace year then only within timeframe of this study	

Comments for Playground Structure - Replace

Play structure appears to be deteriorating at a rate typical of its age. We recommend budgeting for replacement at the timeframe indicated to limit liability issues that arise from old structures that require ongoing repairs and have safety issues and before actual failure of the structure. There is a very wide range in cost figures for this type of component due to significant quality variations. The estimate in this reserve study is based on replacement with a similar quality structure.

Playground Swing Set (metal) - Replace

Asset ID	6740	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Recreation	Next Replacement Year	2051
Install / Allocate Year	2016	Units	1 ea
Useful Life (UL)	35	Unit Cost	\$11,000.00
Remaining UL	26	% Replace	100.0%
Cost Source	Client Supplied	Total Current Cost	\$11,000

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Playground Swing Set (metal) - Replace (year end)									
\$3,253	\$3,703	\$4,181	\$4,688	\$5,226	\$5,795	\$6,398	\$7,036	\$7,710	\$8,423
Inflation Rate for Playground Swing Set (metal) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2016	\$8,000	Client
Comments On Replacement History		
An old wood swing set was reportedly replaced with the current metal once in 2016.		

*Projected Replacement Years	
Year	Future Cost
2051	\$26,906
Next replace year then only within timeframe of this study	

Comments for Playground Swing Set (metal) - Replace

Swing set appears to be deteriorating at a rate typical of its age. We recommend budgeting for replacement at the timeframe indicated to limit liability issues that arise from old structures that require ongoing repairs and have safety issues and before actual failure of the structure.

Retaining Walls (boulder) - Replace

Asset ID	6880	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Retaining Walls	Next Replacement Year	2049
Install / Allocate Year	1989	Units	1,159 sf
Useful Life (UL)	60	Unit Cost	\$62.00
Remaining UL	24	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$71,858

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Retaining Walls (boulder) - Replace (year end)									
\$45,863	\$48,752	\$51,786	\$54,972	\$58,319	\$61,832	\$65,520	\$69,390	\$73,451	\$77,711
Inflation Rate for Retaining Walls (boulder) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years

Year	Future Cost
2049	\$164,075
Next replace year then only within timeframe of this study	

Comments for Retaining Walls (boulder) - Replace

Boulder (rock) retaining walls on site appear to be in generally fair and stable condition; no significant crumbling, erosion, etc., noted. We assume that these were designed and installed properly with adequate base and surrounding drainage. Monitor closely and if areas of deterioration emerge, consult with civil or geotechnical engineer for repair scope. Boulder retaining walls are a long life component (if installed correctly), it is likely that some areas will need repair well before the useful life given in this reserve study.

> Located at sport court, playground area and community beach.

Retaining Walls (keystone) - Replace

Asset ID	6870	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Retaining Walls	Next Replacement Year	2059
Install / Allocate Year	2019	Units	432 sf
Useful Life (UL)	40	Unit Cost	\$50.00
Remaining UL	34	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$21,600

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Retaining Walls (keystone) - Replace (year end)									
\$3,912	\$4,628	\$5,388	\$6,197	\$7,055	\$7,966	\$8,931	\$9,955	\$11,039	\$12,188
Inflation Rate for Retaining Walls (keystone) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years

Year	Future Cost
2059	\$69,571
Next replace year then only within timeframe of this study	

Comments for Retaining Walls (keystone) - Replace

Masonry block retaining wall on site appear to be in generally fair and stable condition; no significant instability noted. We assume that retaining walls were designed and installed properly with adequate base and surrounding drainage. Monitor closely and if areas of instability emerge, consult with civil or geotechnical engineer for repair scope.

> Located at the covered picnic area. Placed in service date estimated based on typical timeframe of replacement of prior wood retaining wall (this keystone paver wall is not original to the development). It appears one area is slightly older than the other but we suggest budgeting all at once to minimize phasing and for cost efficiencies.

Retaining Walls (wood/1989) - Replace

Asset ID	6920	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Retaining Walls	Next Replacement Year	2025
Install / Allocate Year	1989	Units	87 sf
Useful Life (UL)	25	Unit Cost	\$40.00
Remaining UL	0	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$3,480

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Retaining Walls (wood/1989) - Replace (year end)									
\$144	\$298	\$463	\$639	\$827	\$1,027	\$1,240	\$1,466	\$1,707	\$1,964
Inflation Rate for Retaining Walls (wood/1989) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2025	\$3,480
2050	\$8,224
Next replace year then only within timeframe of this study	

Comments for Retaining Walls (wood/1989) - Replace

Wood retaining walls on site appear to be deteriorating at a rate typical of their age. We assume that these were designed and installed properly with adequate base and surrounding drainage. Monitor closely and if areas of deterioration emerge, consult with civil or geotechnical engineer for repair scope.

> These (located at one picnic area and the gravel trail) area appear to have or in process of failing and appear original.

Retaining Walls (wood/2009) - Replace

Asset ID	6921	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Retaining Walls	Next Replacement Year	2034
Install / Allocate Year	2009	Units	124 sf
Useful Life (UL)	25	Unit Cost	\$40.00
Remaining UL	9	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$4,960

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Retaining Walls (wood/2009) - Replace (year end)									
\$3,491	\$3,826	\$4,179	\$4,553	\$4,948	\$5,365	\$5,806	\$6,270	\$6,760	\$280
Inflation Rate for Retaining Walls (wood/2009) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2034	\$6,760
Next replace year then only within timeframe of this study	

Comments for Retaining Walls (wood/2009) - Replace

Wood retaining walls on site appear to be deteriorating at a rate typical of their age. We assume that these were designed and installed properly with adequate base and surrounding drainage. Monitor closely and if areas of deterioration emerge, consult with civil or geotechnical engineer for repair scope.

> Placed in service date estimated based on typical useful life since construction (appears to have been replaced once already).

Roof (asph.shingle) - Replace

Asset ID	6970	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Roofing System	Next Replacement Year	2046
Install / Allocate Year	2011	Units	5 sq
Useful Life (UL)	35	Unit Cost	\$825.00
Remaining UL	21	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$4,125

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Roof (asph.shingle) - Replace (year end)									
\$1,830	\$2,020	\$2,221	\$2,434	\$2,660	\$2,898	\$3,149	\$3,414	\$3,694	\$3,990
Inflation Rate for Roof (asph.shingle) - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2011	\$2,580	Client
Comments On Replacement History		
This project cost was reportedly for the bathroom and covered picnic shelter.		

*Projected Replacement Years	
Year	Future Cost
2046	\$8,495
Next replace year then only within timeframe of this study	

Comments for Roof (asph.shingle) - Replace

Asphalt shingle roofing at the bathroom and covered picnic shelter appears to be deteriorating at a rate typical of its age based on our limited scope visual inspection. As routine maintenance, we recommend professional inspections at least twice annually and after windstorms. Promptly replace any damaged/missing shingles or any other repair needed to ensure waterproof integrity of roof. Keep gutters and downspouts clear and free of debris. Plan for replacement at roughly the time frame indicated. Cost estimates include removal of old roofing materials and replacement of flashing. Underlying rot/mold issues that may be present have not been considered in the cost estimate as it will not be known until the roof is removed, the extent of this damage

Continued on Next Page ...

Comments for Roof (asph.shingle) - Replace ... Continued

(if any). Roof Vendors will typically include verbiage in their bid/estimate that the cost does not include any necessary repairs to sheathing that may be found. A common budgeting mistake we see is pushing out the roof replacement project well past the Roof Vendor's recommended replacement date only to have a much higher cost related to moisture intrusion issues (e.g., mold, rot) when the roof is eventually replaced.

> Per Client records, "50-year" shingles were installed. We do not recommend budgeting to 50 years as we have never seen "50-year" shingles actually last to 50 years.

Signage (entry monument) - Refurbish

Asset ID	7640	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Signage	Next Replacement Year	2029
Install / Allocate Year	1989	Units	2 Is
Useful Life (UL)	40	Unit Cost	\$4,500.00
Remaining UL	4	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$9,000

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Signage (entry monument) - Refurbish (year end)									
\$8,616	\$9,159	\$9,729	\$10,328	\$267	\$553	\$859	\$1,185	\$1,533	\$1,904
Inflation Rate for Signage (entry monument) - Refurbish Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years

Year	Future Cost
2029	\$10,328
Next replace year then only within timeframe of this study	

Comments for Signage (entry monument) - Refurbish

Entry monument appears to be deteriorating at a rate typical of its age and is typically a long life component. As routine maintenance, inspect regularly, clean/touch up for appearance and complete minor repairs, paid from operating budget. Reserve funding for refurbishment of this monument recommended to maintain a consistent, quality appearance.

Sport Court - Replace

Asset ID	7950	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Recreation	Next Replacement Year	2025
Install / Allocate Year	1989	Units	4,664 sf
Useful Life (UL)	30	Unit Cost	\$4.80
Remaining UL	0	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$22,387

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Sport Court - Replace (year end)									
\$772	\$1,599	\$2,482	\$3,425	\$4,431	\$5,504	\$6,646	\$7,861	\$9,153	\$10,526
Inflation Rate for Sport Court - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2025	\$22,387
Next replace year then only within timeframe of this study	

Comments for Sport Court - Replace

For the safety and playability of the tennis court these surfaces should be inspected annually, and repairs made as needed between resurfacing/replacement projects. When tennis courts do not receive regular cycles of resurfacing water often causes extensive damage as it seeps into the cracks on the court and causes underlying deterioration of the aggregate base which will minimize the useful life of this component. Note that some Vendors may be willing to complete an Overlay (2-inch asphalt layer) on the subject court which is cheaper than a replacement project. It has been our experiences that these Overlay projects on Tennis Courts often do not successfully fix the cracking and uneven areas on the court as the real issue of a deteriorated

Continued on Next Page ...

Comments for Sport Court - Replace ... Continued

aggregate base has not been addressed. While Overlays often appear to have been successful for a year or two the cracking and uneven nature of the aggregate base typically comes to the surface within a couple of years.

Sport Court Backboard and Pole - Replace

Asset ID	6350	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Recreation	Next Replacement Year	2025
Install / Allocate Year	1989	Units	2 ea
Useful Life (UL)	30	Unit Cost	\$2,100.00
Remaining UL	0	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$4,200

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Sport Court Backboard and Pole - Replace (year end)									
\$145	\$300	\$466	\$643	\$831	\$1,033	\$1,247	\$1,475	\$1,717	\$1,975
Inflation Rate for Sport Court Backboard and Pole - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History

Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years

Year	Future Cost
2025	\$4,200
Next replace year then only within timeframe of this study	

Comments for Sport Court Backboard and Pole - Replace

We recommend budgeting for replacement of these basketball poles and backboards at the timeframe indicated as these types of recreational items receive a high degree of wear with continued use.

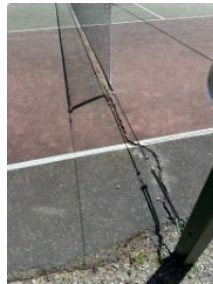
> For cost efficiencies and as to not rip up a newer sport court surface we suggest timing with the sport court replacement component.

Sport Court Paint/Cushion - Recoat

Asset ID	7960	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Recreation	Next Replacement Year	2025
Install / Allocate Year	2014	Units	4,664 sf
Useful Life (UL)	10	Unit Cost	\$2.16
Remaining UL	0	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$10,074

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Sport Court Paint/Cushion - Recoat (year end)									
\$1,043	\$2,158	\$3,351	\$4,624	\$5,983	\$7,430	\$8,972	\$10,613	\$12,357	\$14,211
Inflation Rate for Sport Court Paint/Cushion - Recoat Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
2014	\$7,320	Client
Comments On Replacement History		
Was also recoated in 2002 for \$5,005 per Client records.		

*Projected Replacement Years	
Year	Future Cost
2025	\$10,074
2035	\$14,211
2045	\$20,046
Next replace year then only within timeframe of this study	

Comments for Sport Court Paint/Cushion - Recoat

For the safety and playability of the tennis court these surfaces should be inspected annually, and repairs made as needed between resurfacing projects. When tennis court do not receive regular cycles of resurfacing water often causes extensive damage as it seeps into the cracks on the court and causes underlying deterioration of the aggregate base. If nothing is done, then eventually a resurfacing project would not be possible (if the base is in below average condition) and the Community will need to budget for total replacement of the court at a much higher cost.

> Cost estimate is for the paint/cushion layer only.

Sport Court Net Pullers

Asset ID	7991	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Recreation	Next Replacement Year	2025
Install / Allocate Year	1989	Units	2 ea
Useful Life (UL)	30	Unit Cost	\$1,350.00
Remaining UL	0	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$2,700

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Sport Court Net Pullers (year end)									
\$93	\$193	\$299	\$413	\$534	\$664	\$802	\$948	\$1,104	\$1,270
Inflation Rate for Sport Court Net Pullers Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2025	\$2,700
Next replace year then only within timeframe of this study	

Comments for Sport Court Net Pullers

Tennis court posts/net pullers appears to be deteriorating at a rate typical of its age. This component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

> For cost efficiencies and as to not rip up a newer sport court surface we suggest timing with the sport court replacement component.

Storm Drain System - Local Repairs

Asset ID	7800	Age Adjust +/-	14
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Stormwater Facilities	Next Replacement Year	2028
Install / Allocate Year	1989	Units	1 ls
Useful Life (UL)	25	Unit Cost	\$7,500.00
Remaining UL	3	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$7,500

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Storm Drain System - Local Repairs (year end)									
\$7,142	\$7,713	\$8,315	\$344	\$713	\$1,106	\$1,527	\$1,975	\$2,453	\$2,962
Inflation Rate for Storm Drain System - Local Repairs Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2028	\$8,315
2053	\$19,651
Next replace year then only within timeframe of this study	

Comments for Storm Drain System - Local Repairs

This line item is for local repairs to the storm drainage system, not replacement of the piping or catch basins on a large scale. Review contingency annually and adjust as conditions and repair needs dictate.

> 2025 - Adjustment given so this is timed to occur with the asphalt resurfacing component.

Water & Sewer Lateral Lines - Replace

Asset ID	5470	Age Adjust +/-	None
Funded?	Yes	Delay Funding?	No
Group	Site Components	Repeat Count Limit	No
Category	Plumbing	Next Replacement Year	2049
Install / Allocate Year	1989	Units	622 lf
Useful Life (UL)	60	Unit Cost	\$90.00
Remaining UL	24	% Replace	100.0%
Cost Source	Reserve Analyst Research	Total Current Cost	\$55,980

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Fully Funded Balance for Water & Sewer Lateral Lines - Replace (year end)									
\$35,729	\$37,979	\$40,343	\$42,826	\$45,433	\$48,170	\$51,043	\$54,058	\$57,221	\$60,540
Inflation Rate for Water & Sewer Lateral Lines - Replace Component - 10 Year Projections									
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

Photo Inventory



Client Provided Replacement History		
Year	Cost	Source
Comments On Replacement History		

*Projected Replacement Years	
Year	Future Cost
2049	\$127,821
Next replace year then only within timeframe of this study	

Comments for Water & Sewer Lateral Lines - Replace

Water & sewer lateral lines located at the community bathroom (in the park) are reportedly functioning as designed. We recommend budgeting for water and sewer lateral line replacement at the timeframe indicated due to the age of the piping and likelihood that these lines will require replacement at approximately the timeframe indicated per our experiences with similar style piping. A condition evaluation of these systems is beyond the scope of a Reserve Study. We recommend that a qualified professional be consulted to evaluate these systems and determine the current condition and repair needs. Once a widespread replacement plan is implemented the reserve study will need to be adjusted to reflect scheduled repairs. Note that this component should be

Continued on Next Page ...

Comments for Water & Sewer Lateral Lines - Replace ... Continued

set to coincide with the asphalt replacement project for cost efficiencies when possible. No as-builts have been provided of the lateral water & sewer line locations or quantity; we have made an assumption regarding the linear feet based on the location of the nearby road.

Definitions Index

Abbreviations

ea = each FY = fiscal year lf or lin ft = lineal feet
 ls = lump sum RL = remaining life sf or sq ft = square feet
 sy or sq yd = square yard UL = useful life 100 sq ft = 1 square
 % = percent

1. Allocation %

A percentage of the total Reserve Allocation. See - Calculations Appendix

2. Allocation Increase Rate

Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow Analysis.

3. Base Year

The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period) and utilized to determine the approximate complex age. This parameter is provided for information only.

4. Common Interest Development (CID)

Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The following are two typical CID subdivision types:
 > Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit.
 > Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

*Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.

5. Component Inventory

The task of selecting and quantifying reserve items. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents, and discussion with appropriate association representatives.

6. Condition Assessment

The task of evaluating the current condition of the component based on observed or reported characteristics and normal documented in the field report for a Level 1 or Level 2 Reserve Study.

7. Contingency Rate

Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.

8. Current Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See - Calculations Appendix.

9. Disbursement / Expenditures

The funds expected to be paid or expended from the Reserve Balance.

10. Extended Cost

See - Calculations Appendix.

11. Fiscal Year (FY)

A twelve-month period for which an organization plans the use of its funds. There are two distinct types:

> Calendar Fiscal Year (ends December 31)

> Non-Calendar Fiscal Year (does not end December)

12. Full Funded Balance (FFB)

Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared. The balance that is in direct proportion to the fraction of life "used up" of the cost. See - Calculations Appendix.

13. Funding Goal

Independent of methodology utilized, the following represents the basic categories of funding plan goals:

> Baseline Funding- Maintaining a Net Reserve Balance above zero for length of the study.

> Full Funding- Maintaining a Reserve Balance at or near Percent Funded of 100%.

> Statutory Funding- Maintaining a specified Reserve Balance/Percent Funded per statute.

> Threshold Funding- Establishing and maintaining a set predetermined Reserve Balance or Percent Funded.

14. Funding Method (or Funding Plan)

An Association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:

> Cash Flow Method- A method of developing a reserve funding plan where allocations 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.

Component Method - The component method develops a reserve-funding plan where the total contribution is based on the sum of contributions for individual components. The component method is the more conservative (typically higher reserve account balance) of the two funding options and assures that the association will achieve and maintain an ideal level of reserves over time. This method also allows for computations on individual components in the analysis. However, this method has also limitations with respects to variations in actual useful life of components and is much more time intensive to accurately follow this funding strategy.

15. Funding Plan

The combined Funding Method & Funding Goal.

16. FY End Balance (same as next FY Start Balance)

The balance in reserves at end of applicable fiscal year. See - Calculations Appendix.

17. FY Start Balance (same as prior year FY End Balance)

The balance in reserves at start of applicable fiscal year.

18. Inflation Rate

Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.

19. Interest Earned

The annual earning of reserve funds that have been deposited into certificates of deposit (CDs), money market accounts or other investment vehicles. See - Calculations Appendix.

20. Interest Rate

The ratio of the gain received from an investment and the investment over a period (usually one year), prior to any federal or state-imposed taxes.

21. Interest Rate (net effective)

The ratio of the gain received from an investment and the investment over a period (usually one year), after any federal or state-imposed taxes.

22. Levels of Service

Level 1 Reserve Study (Full or Comprehensive) - A Reserve Study in which the following Reserve Study tasks are performed:

- > Component Inventory
- > Life and Cost Estimates
- > Remaining Useful Life Estimates
- > Fund Status
- > Funding Plan

Level 2 Reserve Study (Update, With-Site-Visit/On-Site Review) - A Reserve Study update in which the following five tasks are performed:

- > Component Inventory (from prior study)
- > Life and Valuation Estimates
- > Remaining Useful Life Estimate
- > Fund Status
- > Funding Plan

*Note - Updates are reliant on the validity of prior Reserve Studies.

Level 3 Reserve Study (Update, No-Site-Visit/Off-Site Review) - A Reserve Study update with no on-site visual observations in which the following three tasks are performed:

- > Component Inventory (from prior study)
- > Life and Cost Estimates
- > Remaining Useful Life Estimate
- > Fund Status
- > Funding Plan

*Note - Updates are reliant on the validity of prior Reserve Studies.

23. Percent Funded

A comparison of the Fully Funded Balance (ideal balance) to the Fiscal Year Actual Start Balance expressed as a percentage and used to provide a 'general indication' of reserve strength. See Calculations Appendix.

24. Quantity

The number or amount of a reserve component or sub-component.

25. Remaining Life (RL)

The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.

26. Replacement %

A percentage of the total replacement for a reserve component or sub-component. This parameter is normally 100%.

27. Reserve Allocation

The amount to be annually budgeted towards reserves based on a Funding Plan.

28. Reserve Component (or sub-component)

The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- > an association responsibility
- > with limited useful life expectancy
- > predictable remaining useful life expectancy
- > above a minimum threshold cost (Client defined)
- > as required by statutes.

29. Restoration

Defined as to bring back to an unimpaired or improved condition.

General types follow:

- > Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
- > Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
- > Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.

30. Risk Factor (Percent Funded)

The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:

- > 70% and above -LOW
- > 30% to 70% -MODERATE
- > 30% and below -HIGH

*High risk is associated with a higher risk for reliance on special assessments, loans and litigation.

31. Unit Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or sub-component to its original functional condition.

32. Unit of Measure

A system of units used in measuring a reserve component or sub-component (i.e., each, lineal feet, square feet, etc.).

33. Useful Life (UL)

Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

Disclosures Index

The below disclosures are in accordance with reserve study standards developed by CAI, APRA and statutory requirements.

1. Items Beyond the Scope of this Report

This reserve study has been conducted to outline a financial plan for the proper and adequate budgeting of the Association component repair and/or replacement. This report should not be utilized for any other purpose and should not be considered or deemed appropriate or reliable for, but not limited to, any of the following:

- > Building or land appraisals for any purpose
- > State or local zoning ordinance violations
- > Building code violations
- > Soils conditions, soils contamination or geological stability of site
- > Engineering analysis or structural stability of site
- > Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
- > Water quality or other environmental hazards
- > Invasions by termites and any or all other destroying organisms or insects
- > Damage or destruction due to pests, birds, bats or animals to buildings or site
- > Adequacy or efficiency of any system or component on site
- > Specifically excluded reserve items
- > Septic systems and septic tanks
- > Buried or concealed portions of swing pools, pool liners, Jacuzzis/spas or similar items
- > Items concealed by signs, carpets or other things
- > Missing or omitted information supplied by the Association for the purposes of reserve study preparation
- > Hidden improvements such as sewer lines, water lines, or other buried or concealed items

2. Qualifications

We are a professional business in the market to prepare Reserve Studies. Our Reserve Analysts' are either designated with or working towards the RS and/or PRA designations which are given by the two leading industry organizations which require peer review, continuing education and provide resources to stay on top of industry trends.

3. Invasive Testing

Estimated life expectancy and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive/invasive testing during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.

4. Conflicts of Interests

As the preparer of this reserve study; the Reserve Analyst certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

5. Representative Sampling

This study and report is based on observations of the visible and apparent conditions of a reasonable representative sampling of the property's elements at the time of inspection. Although due diligence was performed during the inspection phase, we make no representations regarding latent or concealed defects that may exist. The inspection did not constitute any invasive investigations and was not intended to determine whether applicable building components, systems, or equipment are adequate or in compliance with any specific or commonly accepted design requirement, building code, or specification. Such tasks as material testing, engineering analysis, destructive testing, or performance testing of building systems, components, or equipment are not considered as part of the scope of work, nor are they considered by the reserve study industry standard.

6. Reliance on Client & Vendor Data Provided

Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will reflect information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited. A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. The results of this study are based on the independent opinion of the preparer and their experience and research during their career in preparing Reserve Studies. In addition, the opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warrantee or guarantee regarding our life and cost estimates/predictions. There is no implied warrantee or guarantee in any of our work product. Our results and findings will vary from another preparer's results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

7. Update to Prior Reserve Studies

Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies.

Level III Studies: In addition to the above we have not visited the property when completing a Level III "No Site Visit" study. Therefore, we have not verified the current condition of the common area components. It is assumed all prior study component information related to quantities, condition assessments, useful life and remaining useful life are accurate.

8. Assumption Regarding Ongoing Maintenance

The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components.

9. Assumptions Regarding Defect in Design or Construction

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives. We have assumed all components have been properly built and will reach normal, typical life expectancy. In general, a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

10. Basis of Cost Estimates

Pricing used for the repair or replacement costs indicated in this report are derived from a variety of sources, e.g., recent contractor bids received by subject property HOA or prior clients, construction product vendor catalogs, internet, or national construction cost estimating publishers (RS Means / Marshall & Swift). The material and labor pricing provided are estimates and have been augmented, as necessary, to account for specific site conditions (i.e. material handling, scaffolding, etc.). The total expenses represent a useful guideline whereby reserve funds can be accumulated for future repairs and replacements. The estimated repair and replacement expenses, unless otherwise noted, do not include allowances for architectural, engineering, or permitting fees.

11. Limitations on Report Use

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. 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.

12. State Specific Disclosures

Washington State

RCW 64.34.382 & WA State RCW 64.38.070 & 64.90.550

This reserve study meets minimum standards as required per WA State RCW requirements outlined in the Washington Condominium Act, the Homeowners' Association Act, and the Washington Uniform Common Interest Ownership Act

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

Disclosures Required by RCW 64.90.550.

This Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act.

- a) This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent;
- b) This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and
- c) 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.

Calculations Index

1. Allocation % =

Reserve Allocation (Component Method) / Total Reserve Allocation (Component Method) x 100

2. Current Cost =

Extended Cost (for a component without subcomponents)

-or-

Sum of subcomponent Extended Costs (for a component with subcomponents)

3. Extended Cost =

Quantity x Unit Cost x Replacement % x (1+Contingency Rate)

4. FY End Balance (same as Next FY Start Balance) =

Initial or current fiscal year-

Current Reserve Balance + Interest Earned + Reserve Allocation to Fund + Special Assessment to

Fund + Funds Due from Operating - Approved Funds to Disburse - Disbursements

Subsequent fiscal years-

FY Start Balance + Interest Earned + (Reserve Allocation (from previous year) x

(1 + Reserve Allocation Rate) - Disbursements

5. Interest Earned =

Initial fiscal year-

Current Reserve Balance x (Interest Rate (net effective))/12 x

Number of funding months remaining in current fiscal year)

Subsequent fiscal years-

FY Start Balance x Interest Rate (net effective)

Accumulation Function and Amount Function

<https://www.reservedataanalyst.com/int>

6. Percent Funded =

(Reserve Account Balance / Fully Funded Balance) x 100

7. Reserve Allocation (Component Method) =

Current Cost / Useful Life

8. Fully Funded Balance (FFB) =

Basic Fully Funded

> Fully Funded = Age/Useful Life * Cost

Note that "Age" is adjusted for each year of the study (e.g. one year later also equates to an Age which is one year greater). We do not use the age from the first year of the study for future FFB calculations as this would not appropriately address the deterioration of the component over time (i.e. when providing future projections one can make a valid assumption that a component will deteriorate by one year if providing projections for one year later).

Cost (component project cost) is inflated for each year based on an annual inflation rate (compounding) given in this reserve study (e.g., a paint project "cost" may be \$1,000 in Year 1 of the study but will have a "cost" of \$1,030 in Year 2 of the study, and \$1,060.90 in Year 3 of the study, when utilizing an annual 3% inflation rate). Note that we do not use the "cost" (current project cost) from the first year of the study for future year's FFB calculations as this approach does not consider the impact of inflation on the project cost and will usually result in a significantly underfunded reserve account over time. This is also known as the Inflation Adjusted Cost Method

**Unless specifically noted otherwise we have utilized the above FFB formula and methodology in this reserve study.

Community Association Institute FFB Formula

The Community Association Institute published the FFB formula to account for inflation and interest earned on deposit ("present value" is based on the current cost only - with no inflation of the project cost) the writers of 'RESERVE FUNDS: How & Why community Associations Invest Assets' published:

Mathematical formula information can be found at the following link: www.reservedataanalyst.com/math