Serving the Pacific Northwest
10900 NE 4th St, Suite 2300
Bellevue, WA 98004

Tel: (253) 661-5437
www.reservestudy.com

ASSOCIATION RESERVES®
Planning For The Inevitable

Regional Offices

Arizona	Nevada
California	New Jersey
Colorado	New Mexico
Florida	North Carolina
Hawaii	Ohio
Mid-Atlantic	Texas
Midwest	Washington

Highland Greens Condominium

Port Ludlow, WA

RICHARD DUBUQUE CAI-RS 00444 DESIGNATION RESERVE SPECIALIST

Report #: 16465-4
Beginning: January 1, 2026
Expires: December 31, 2026

RESERVE STUDY

Update "With-Site-Visit"

September 2, 2025

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is " predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**
  Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**
  A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**
  A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.

ASSOCIATION RESERVES®
Planning For The Inevitable

www.reservestudy.com

Table of Contents

Reserve Study Executive Summary — With-Site-Visit

Highland Greens Condominium
Port Ludlow, WA
Level of Service: **Update "With-Site-Visit"**

Report #: **16465-4**
# of Units: 38
January 1, 2026 through **December 31, 2026**

Findings & Recommendations — as of January 1, 2026

Starting Reserve Balance	**$263,020**
Current Fully Funded Reserve Balance	**$3,699,545**
Percent Funded	**7.1 %**
Average Reserve Deficit or (Surplus) Per Unit	**$90,435**
Recommended 2026 100% Monthly "Full Funding" Reserve Transfers	**$15,885**
Recommended 2026 70% Monthly "Threshold Funding" Reserve Transfers	**$12,875**
2026 "Baseline Funding" minimum to keep Reserves above $0	**$7,555**
Recommended 2026 thru 2033 Special Assessment	****$500,000 each year**
Most Recent Budgeted Reserve Transfer Rate	**$5,942**

Reserve Fund Strength: 7.1%

Weak	Fair	Strong
< 30%	< 70%	> 130%
X		

Risk of Special Assessment: High | Medium | Low

Economic Assumptions:

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

• This is a Update "With-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).

• Your Reserve Fund is currently 7.1 % Funded. This means the association's special assessment & deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems. The current annual deterioration of your reserve components is $269,810 - see Component Significance table.

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

•**The recommended special assessment amounts are preliminary in nature, and subject to change pending the final scope of work, materials chosen, contractor selection, and the actual timing of the project. The special assessments are to prepare for the eventual building remediation project which is currently projected to occur in 2033.

• No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan transfer rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Special Projects			
98	2026 Decks - Repair/Replace	1	0	$112,000
	Site & Grounds			
101	Concrete Walkways - Repair/Replace	8	7	$5,500
120	Road & Driveways - Grind & Overlay	30	0	$168,100
121	Road & Driveways - Repair & Seal	5	0	$16,250
148	Garbage Enclosures - Repair/Replace	35	34	$57,700
149	Garbage Enclosure - Paint	10	9	$6,300
160	Pole Lights - Repair/Replace	20	18	$9,200
190	Community Signs - Repair/Replace	20	19	$7,000
195	Mailboxes - Repair/Replace	25	24	$8,700
	Building Exteriors			
500	Steep Slope Roofs - Repair/Replace	25	7	$793,100
512	Skylights - Repair/Replace	25	7	$11,100
516	Gutters & Downspouts - Repair/Replace	50	7	$64,600
523	Wood Siding - Exterior Renovation	50	7	$2,844,400
533	Exterior Surfaces - Caulk & Paint	10	0	$219,800
552	Unit Decks - Repair/Replace	25	25	$574,200
555	Stairs & Landings - Repair/Replace	20	18	$87,500
566	Foundations & Crawlspaces-Inspect/Repair	20	0	$49,100
595	Garage Doors - Repair/Replace	30	7	$16,300
	Systems & Evaluations			
900	Plumbing - Systems Evaluation	15	0	$18,200
995	Building Envelope & Structure	10	0	$9,500
20	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.

Reserve funding is not "for the future". Ongoing Reserve transfers are intended to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology

For this Update With-Site-Visit Reserve Study, we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

Which Physical Assets are Funded by Reserves?

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

How do we establish Useful Life and Remaining Useful Life estimates?

1) Visual Inspection (observed wear and age)
2) Association Reserves database of experience
3) Client History (install dates & previous life cycle information)
4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order…

1) Actual client cost history, or current proposals
2) Comparison to Association Reserves database of work done at similar associations
3) Vendor Recommendations
4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
2) Compare that to the Reserve Fund Balance, and express as a percentage.

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

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

How much should we transfer to Reserves?

RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable rate of ongoing Reserve transfers is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve transfers that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Board members to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Board members invite liability exposure when Reserve transfers are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*

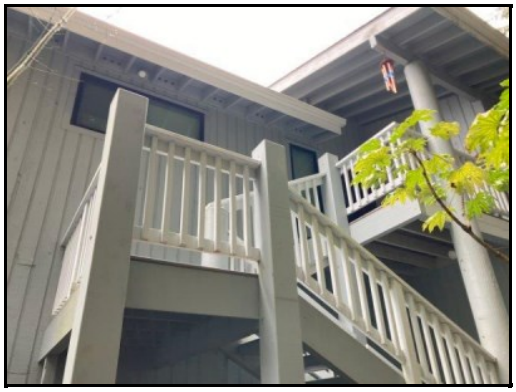
FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, recommended Reserve transfers for Baseline Funding average only 10% to 15% less than Full Funding recommendations. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 2/21/2025, we visually inspected all visible common areas, while compiling a photographic inventory, noting: general exterior observations, make & model information where appropriate, apparent levels of care and maintenance, exposure to weather elements and other factors that may affect the components useful life.

Based on the age of the buildings, we recommend the association complete an intrusive building envelope inspection. The inspector (an engineer or architect) will cut select areas of siding to review the current conditions of the underlying weather resistant barrier (WBR), and conduct moisture readings. They will also review for mold. They should then be able to provide an estimated remaininig useful life which can be incorporated into future reserve studies. See component #995 for additional information.



Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in the 30-yr Summary Table, while details of the projects that make up these expenses are shown in the Cash Flow Detail Table.

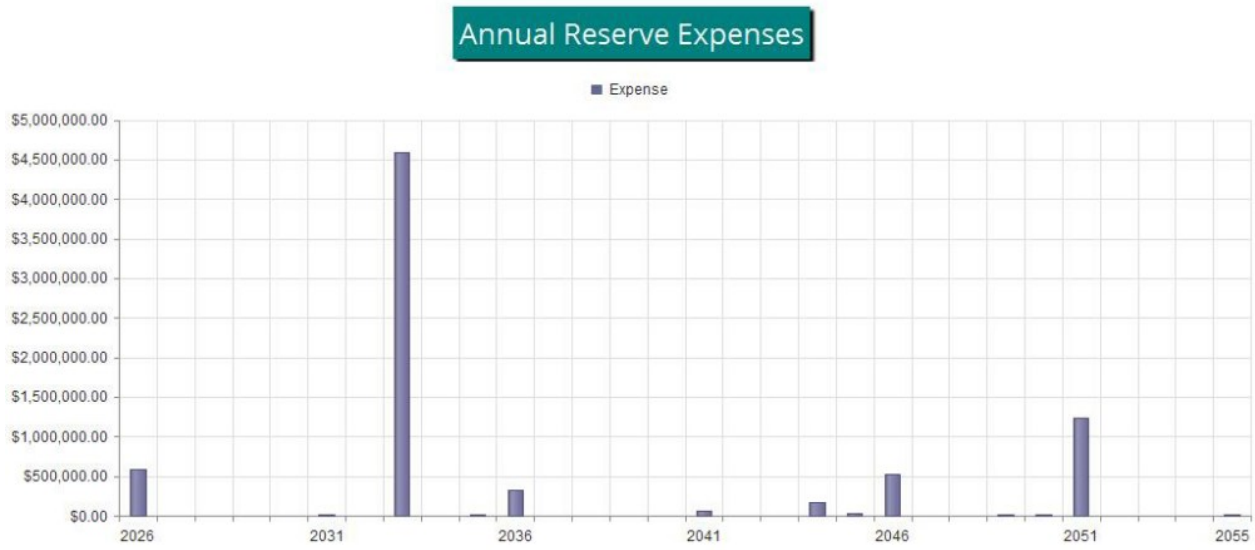


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $263,020 as-of the start of your Fiscal Year on 1/1/2026. As of that date, your Fully Funded Balance is computed to be $3,699,545 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted transfers of $15,885 per month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

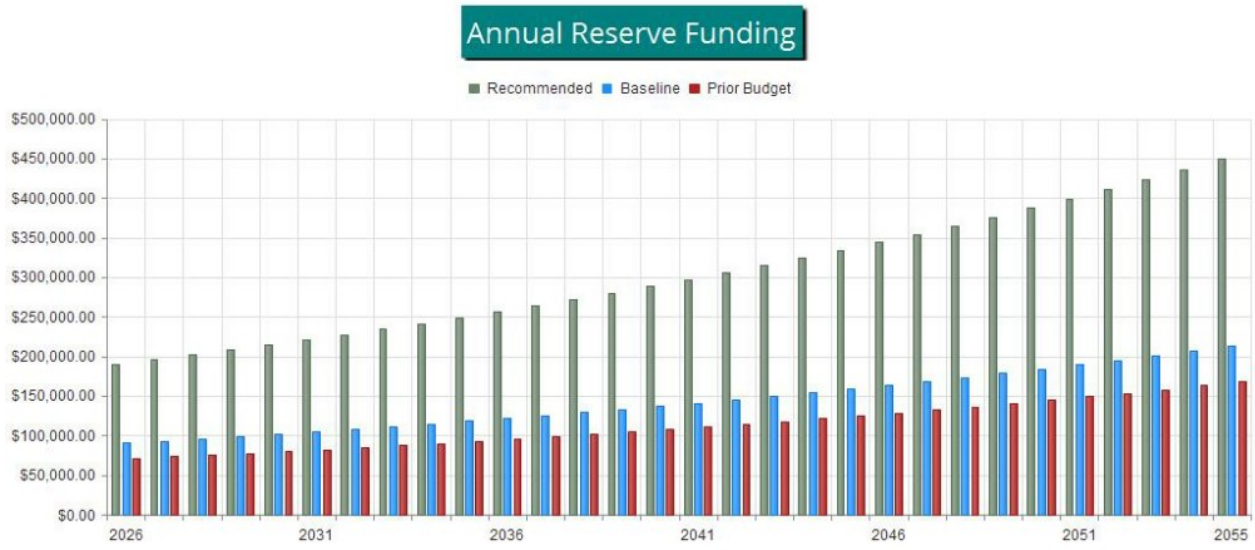


Figure 2

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

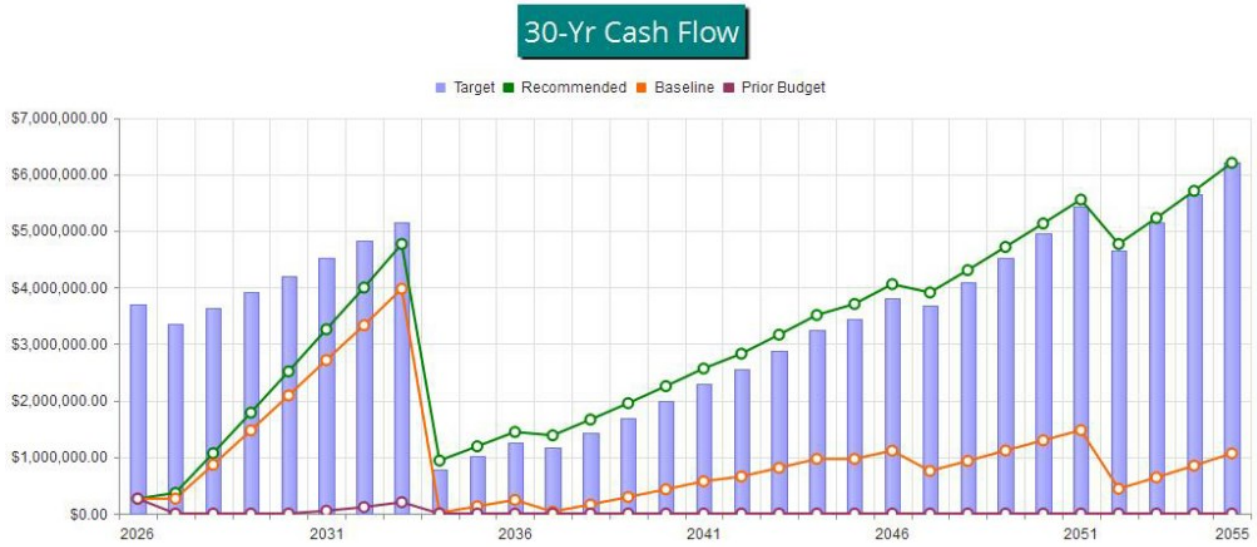


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

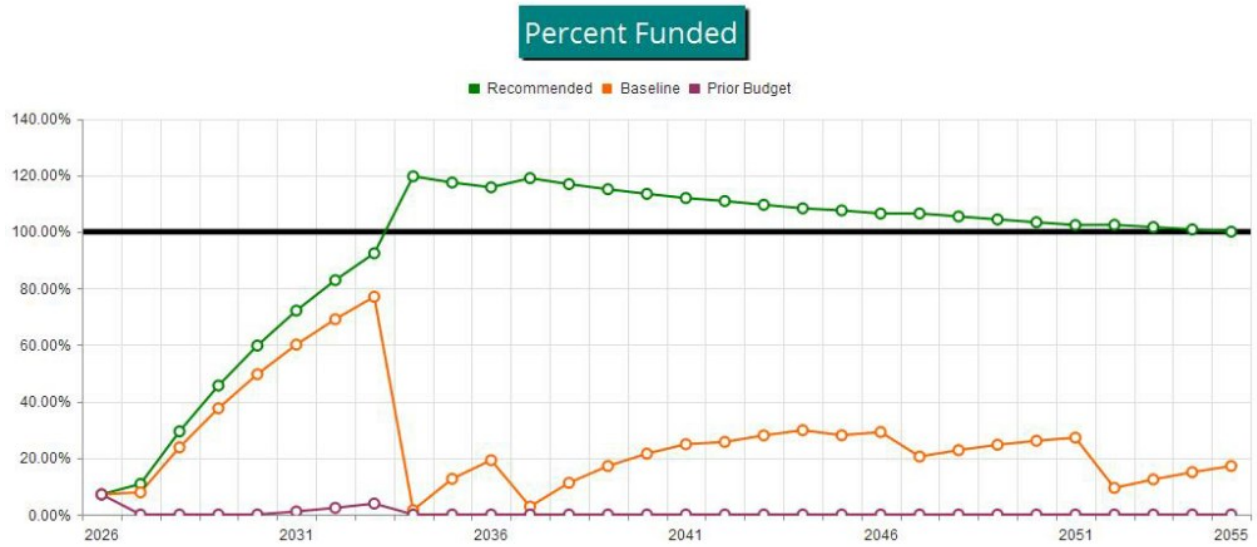


Figure 4

Table Descriptions

Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their specific proportion related to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve funding requirements. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Accounting & Tax Summary provides information on each Component's proportion of key totals. If shown, the Current Fund Balance is a re-distribution of the current Reserve total to near-term (low RUL) projects first. Any Reserve transfer shown is a portion of the total current transfer rate, assigned proportionally on the basis of that component's deterioration cost/yr. As this is a Cash Flow analysis in which no funds are assigned or restricted to particular components, all values shown are only representative and have no merit outside of tax preparation purposes. They are not useful for Reserve funding calculations.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Approx Quantity		Useful Life	Rem. Useful Life	Current Cost Estimate Lower Estimate	Higher Estimate
	Special Projects						
98	2026 Decks - Repair/Replace	1	allowance	1	0	$101,000	$123,000
	Site & Grounds						
101	Concrete Walkways - Repair/Replace	1	allowance	8	7	$4,950	$6,050
120	Road & Driveways - Grind & Overlay	40,000	SF asphalt	30	0	$151,000	$185,000
121	Road & Driveways - Repair & Seal	40,000	SF asphalt	5	0	$14,600	$17,900
148	Garbage Enclosures - Repair/Replace	2	structures	35	34	$51,900	$63,500
149	Garbage Enclosure - Paint	2	structures	10	9	$5,670	$6,930
160	Pole Lights - Repair/Replace	21	metal assemblies	20	18	$8,280	$10,100
190	Community Signs - Repair/Replace	2	wood	20	19	$6,300	$7,700
195	Mailboxes - Repair/Replace	4	clusters	25	24	$7,830	$9,570
	Building Exteriors						
500	Steep Slope Roofs - Repair/Replace	70,000	SF Malarkey	25	7	$714,000	$872,000
512	Skylights - Repair/Replace	12	fixtures	25	7	$9,990	$12,200
516	Gutters & Downspouts - Repair/Replace	3,700	LF metal	50	7	$58,100	$71,100
523	Wood Siding - Exterior Renovation	58,600	SF	50	7	$2,560,000	$3,130,000
533	Exterior Surfaces - Caulk & Paint	58,600	SF	10	0	$198,000	$242,000
552	Unit Decks - Repair/Replace	13	decks	25	25	$517,000	$632,000
555	Stairs & Landings - Repair/Replace	8	structures	20	18	$78,800	$96,200
566	Foundations & Crawlspaces-Inspect/Repair	1	allowance	20	0	$44,200	$54,000
595	Garage Doors - Repair/Replace	38	doors	30	7	$14,700	$17,900
	Systems & Evaluations						
900	Plumbing - Systems Evaluation	1	evaluation	15	0	$16,400	$20,000
995	Building Envelope & Structure	1	condition assessment	10	0	$8,550	$10,400
20	Total Funded Components						

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Special Projects							
98	2026 Decks - Repair/Replace	$112,000	X	1	/	1	=	$112,000
	Site & Grounds							
101	Concrete Walkways - Repair/Replace	$5,500	X	1	/	8	=	$688
120	Road & Driveways - Grind & Overlay	$168,100	X	30	/	30	=	$168,100
121	Road & Driveways - Repair & Seal	$16,250	X	5	/	5	=	$16,250
148	Garbage Enclosures - Repair/Replace	$57,700	X	1	/	35	=	$1,649
149	Garbage Enclosure - Paint	$6,300	X	1	/	10	=	$630
160	Pole Lights - Repair/Replace	$9,200	X	2	/	20	=	$920
190	Community Signs - Repair/Replace	$7,000	X	1	/	20	=	$350
195	Mailboxes - Repair/Replace	$8,700	X	1	/	25	=	$348
	Building Exteriors							
500	Steep Slope Roofs - Repair/Replace	$793,100	X	18	/	25	=	$571,032
512	Skylights - Repair/Replace	$11,100	X	18	/	25	=	$7,992
516	Gutters & Downspouts - Repair/Replace	$64,600	X	43	/	50	=	$55,556
523	Wood Siding - Exterior Renovation	$2,844,400	X	43	/	50	=	$2,446,184
533	Exterior Surfaces - Caulk & Paint	$219,800	X	10	/	10	=	$219,800
552	Unit Decks - Repair/Replace	$574,200	X	0	/	25	=	$0
555	Stairs & Landings - Repair/Replace	$87,500	X	2	/	20	=	$8,750
566	Foundations & Crawlspaces-Inspect/Repair	$49,100	X	20	/	20	=	$49,100
595	Garage Doors - Repair/Replace	$16,300	X	23	/	30	=	$12,497
	Systems & Evaluations							
900	Plumbing - Systems Evaluation	$18,200	X	15	/	15	=	$18,200
995	Building Envelope & Structure	$9,500	X	10	/	10	=	$9,500
								$3,699,545

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Special Projects				
98	2026 Decks - Repair/Replace	1	$112,000	$112,000	41.51 %
	Site & Grounds				
101	Concrete Walkways - Repair/Replace	8	$5,500	$688	0.25 %
120	Road & Driveways - Grind & Overlay	30	$168,100	$5,603	2.08 %
121	Road & Driveways - Repair & Seal	5	$16,250	$3,250	1.20 %
148	Garbage Enclosures - Repair/Replace	35	$57,700	$1,649	0.61 %
149	Garbage Enclosure - Paint	10	$6,300	$630	0.23 %
160	Pole Lights - Repair/Replace	20	$9,200	$460	0.17 %
190	Community Signs - Repair/Replace	20	$7,000	$350	0.13 %
195	Mailboxes - Repair/Replace	25	$8,700	$348	0.13 %
	Building Exteriors				
500	Steep Slope Roofs - Repair/Replace	25	$793,100	$31,724	11.76 %
512	Skylights - Repair/Replace	25	$11,100	$444	0.16 %
516	Gutters & Downspouts - Repair/Replace	50	$64,600	$1,292	0.48 %
523	Wood Siding - Exterior Renovation	50	$2,844,400	$56,888	21.08 %
533	Exterior Surfaces - Caulk & Paint	10	$219,800	$21,980	8.15 %
552	Unit Decks - Repair/Replace	25	$574,200	$22,968	8.51 %
555	Stairs & Landings - Repair/Replace	20	$87,500	$4,375	1.62 %
566	Foundations & Crawlspaces-Inspect/Repair	20	$49,100	$2,455	0.91 %
595	Garage Doors - Repair/Replace	30	$16,300	$543	0.20 %
	Systems & Evaluations				
900	Plumbing - Systems Evaluation	15	$18,200	$1,213	0.45 %
995	Building Envelope & Structure	10	$9,500	$950	0.35 %
20	Total Funded Components			$269,810	100.00 %

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Proportional Reserve Funding
	Special Projects					
98	2026 Decks - Repair/Replace	1	0	$112,000	$112,000	$6,593.97
	Site & Grounds					
101	Concrete Walkways - Repair/Replace	8	7	$5,500	$688	$40.48
120	Road & Driveways - Grind & Overlay	30	0	$168,100	$168,100	$329.89
121	Road & Driveways - Repair & Seal	5	0	$16,250	$16,250	$191.34
148	Garbage Enclosures - Repair/Replace	35	34	$57,700	$1,649	$97.06
149	Garbage Enclosure - Paint	10	9	$6,300	$630	$37.09
160	Pole Lights - Repair/Replace	20	18	$9,200	$920	$27.08
190	Community Signs - Repair/Replace	20	19	$7,000	$350	$20.61
195	Mailboxes - Repair/Replace	25	24	$8,700	$348	$20.49
	Building Exteriors					
500	Steep Slope Roofs - Repair/Replace	25	7	$793,100	$571,032	$1,867.74
512	Skylights - Repair/Replace	25	7	$11,100	$7,992	$26.14
516	Gutters & Downspouts - Repair/Replace	50	7	$64,600	$55,556	$76.07
523	Wood Siding - Exterior Renovation	50	7	$2,844,400	$2,446,184	$3,349.27
533	Exterior Surfaces - Caulk & Paint	10	0	$219,800	$219,800	$1,294.07
552	Unit Decks - Repair/Replace	25	25	$574,200	$0	$1,352.24
555	Stairs & Landings - Repair/Replace	20	18	$87,500	$8,750	$257.58
566	Foundations & Crawlspaces-Inspect/Repair	20	0	$49,100	$49,100	$144.54
595	Garage Doors - Repair/Replace	30	7	$16,300	$12,497	$31.99
	Systems & Evaluations					
900	Plumbing - Systems Evaluation	15	0	$18,200	$18,200	$71.43
995	Building Envelope & Structure	10	0	$9,500	$9,500	$55.93
20	Total Funded Components				$3,699,545	$15,885

30-Year Reserve Plan Summary

Report # 16465-4
With-Site-Visit

Fiscal Year Start: 2026	Net After Tax Interest: 1.00 %	Avg 30-Yr Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2026	$263,020	$3,699,545	7.1 %	High	167.33 %	$190,620	$500,000	$3,133	$592,950
2027	$363,823	$3,362,337	10.8 %	High	3.00 %	$196,339	$500,000	$7,153	$0
2028	$1,067,314	$3,630,628	29.4 %	High	3.00 %	$202,229	$500,000	$14,249	$0
2029	$1,783,792	$3,911,990	45.6 %	Medium	3.00 %	$208,296	$500,000	$21,478	$0
2030	$2,513,566	$4,206,966	59.7 %	Medium	3.00 %	$214,544	$500,000	$28,840	$0
2031	$3,256,950	$4,516,120	72.1 %	Low	3.00 %	$220,981	$500,000	$36,246	$18,838
2032	$3,995,339	$4,820,634	82.9 %	Low	3.00 %	$227,610	$500,000	$43,792	$0
2033	$4,766,741	$5,159,340	92.4 %	Low	3.00 %	$234,439	$500,000	$28,502	$4,593,579
2034	$936,103	$782,643	119.6 %	Low	3.00 %	$241,472	$0	$10,617	$0
2035	$1,188,192	$1,012,028	117.4 %	Low	3.00 %	$248,716	$0	$13,145	$8,220
2036	$1,441,832	$1,246,006	115.7 %	Low	3.00 %	$256,177	$0	$14,114	$329,999
2037	$1,382,124	$1,161,934	119.0 %	Low	3.00 %	$263,863	$0	$15,210	$0
2038	$1,661,197	$1,421,791	116.8 %	Low	3.00 %	$271,779	$0	$18,053	$0
2039	$1,951,029	$1,696,194	115.0 %	Low	3.00 %	$279,932	$0	$21,006	$0
2040	$2,251,967	$1,985,782	113.4 %	Low	3.00 %	$288,330	$0	$24,071	$0
2041	$2,564,368	$2,291,218	111.9 %	Low	3.00 %	$296,980	$0	$26,941	$62,241
2042	$2,826,048	$2,549,086	110.9 %	Low	3.00 %	$305,889	$0	$29,927	$0
2043	$3,161,864	$2,886,394	109.5 %	Low	3.00 %	$315,066	$0	$33,347	$0
2044	$3,510,276	$3,241,647	108.3 %	Low	3.00 %	$324,518	$0	$36,067	$164,625
2045	$3,706,236	$3,446,053	107.6 %	Low	3.00 %	$334,253	$0	$38,795	$23,322
2046	$4,055,962	$3,810,436	106.4 %	Low	3.00 %	$344,281	$0	$39,802	$532,171
2047	$3,907,875	$3,670,187	106.5 %	Low	3.00 %	$354,609	$0	$41,040	$0
2048	$4,303,524	$4,082,673	105.4 %	Low	3.00 %	$365,248	$0	$45,068	$0
2049	$4,713,839	$4,516,605	104.4 %	Low	3.00 %	$376,205	$0	$49,190	$10,855
2050	$5,128,380	$4,961,718	103.4 %	Low	3.00 %	$387,491	$0	$53,377	$17,685
2051	$5,551,563	$5,422,773	102.4 %	Low	3.00 %	$399,116	$0	$51,566	$1,236,271
2052	$4,765,973	$4,652,429	102.4 %	Low	3.00 %	$411,089	$0	$49,944	$0
2053	$5,227,006	$5,142,543	101.6 %	Low	3.00 %	$423,422	$0	$54,637	$0
2054	$5,705,065	$5,657,878	100.8 %	Low	3.00 %	$436,125	$0	$59,504	$0
2055	$6,200,694	$6,199,504	100.0 %	Low	3.00 %	$449,209	$0	$64,474	$14,846

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 16465-4
With-Site-Visit

Fiscal Year Start: 2026	Net After Tax Interest: 1.00 %	Avg 30-Yr Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes					
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2026	$263,020	$3,699,545	7.1 %		High	27.15 %	$90,660	$500,000	$2,631	$592,950
2027	$263,361	$3,362,337	7.8 %		High	3.00 %	$93,380	$500,000	$5,626	$0
2028	$862,367	$3,630,628	23.8 %		High	3.00 %	$96,181	$500,000	$11,658	$0
2029	$1,470,206	$3,911,990	37.6 %		Medium	3.00 %	$99,067	$500,000	$17,779	$0
2030	$2,087,051	$4,206,966	49.6 %		Medium	3.00 %	$102,039	$500,000	$23,990	$0
2031	$2,713,080	$4,516,120	60.1 %		Medium	3.00 %	$105,100	$500,000	$30,200	$18,838
2032	$3,329,542	$4,820,634	69.1 %		Medium	3.00 %	$108,253	$500,000	$36,504	$0
2033	$3,974,299	$5,159,340	77.0 %		Low	3.00 %	$111,500	$500,000	$19,924	$4,593,579
2034	$12,144	$782,643	1.6 %		High	3.00 %	$114,845	$0	$699	$0
2035	$127,688	$1,012,028	12.6 %		High	3.00 %	$118,291	$0	$1,836	$8,220
2036	$239,594	$1,246,006	19.2 %		High	3.00 %	$121,839	$0	$1,361	$329,999
2037	$32,797	$1,161,934	2.8 %		High	3.00 %	$125,495	$0	$960	$0
2038	$159,251	$1,421,791	11.2 %		High	3.00 %	$129,259	$0	$2,249	$0
2039	$290,760	$1,696,194	17.1 %		High	3.00 %	$133,137	$0	$3,590	$0
2040	$427,487	$1,985,782	21.5 %		High	3.00 %	$137,131	$0	$4,983	$0
2041	$569,601	$2,291,218	24.9 %		High	3.00 %	$141,245	$0	$6,119	$62,241
2042	$654,725	$2,549,086	25.7 %		High	3.00 %	$145,483	$0	$7,308	$0
2043	$807,516	$2,886,394	28.0 %		High	3.00 %	$149,847	$0	$8,865	$0
2044	$966,228	$3,241,647	29.8 %		High	3.00 %	$154,343	$0	$9,655	$164,625
2045	$965,600	$3,446,053	28.0 %		High	3.00 %	$158,973	$0	$10,382	$23,322
2046	$1,111,633	$3,810,436	29.2 %		High	3.00 %	$163,742	$0	$9,317	$532,171
2047	$752,521	$3,670,187	20.5 %		High	3.00 %	$168,654	$0	$8,407	$0
2048	$929,583	$4,082,673	22.8 %		High	3.00 %	$173,714	$0	$10,211	$0
2049	$1,113,508	$4,516,605	24.7 %		High	3.00 %	$178,925	$0	$12,030	$10,855
2050	$1,293,609	$4,961,718	26.1 %		High	3.00 %	$184,293	$0	$13,832	$17,685
2051	$1,474,049	$5,422,773	27.2 %		High	3.00 %	$189,822	$0	$9,552	$1,236,271
2052	$437,152	$4,652,429	9.4 %		High	3.00 %	$195,517	$0	$5,374	$0
2053	$638,042	$5,142,543	12.4 %		High	3.00 %	$201,382	$0	$7,421	$0
2054	$846,845	$5,657,878	15.0 %		High	3.00 %	$207,424	$0	$9,549	$0
2055	$1,063,818	$6,199,504	17.2 %		High	3.00 %	$213,646	$0	$11,686	$14,846

	Fiscal Year	2026	2027	2028	2029	2030
	Starting Reserve Balance	$263,020	$363,823	$1,067,314	$1,783,792	$2,513,566
	Annual Reserve Funding	$190,620	$196,339	$202,229	$208,296	$214,544
	Recommended Special Assessments	$500,000	$500,000	$500,000	$500,000	$500,000
	Interest Earnings	$3,133	$7,153	$14,249	$21,478	$28,840
	Total Income	$956,773	$1,067,314	$1,783,792	$2,513,566	$3,256,950
#	Component					
	Special Projects					
98	2026 Decks - Repair/Replace	$112,000	$0	$0	$0	$0
	Site & Grounds					
101	Concrete Walkways - Repair/Replace	$0	$0	$0	$0	$0
120	Road & Driveways - Grind & Overlay	$168,100	$0	$0	$0	$0
121	Road & Driveways - Repair & Seal	$16,250	$0	$0	$0	$0
148	Garbage Enclosures - Repair/Replace	$0	$0	$0	$0	$0
149	Garbage Enclosure - Paint	$0	$0	$0	$0	$0
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Repair/Replace	$0	$0	$0	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
500	Steep Slope Roofs - Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
516	Gutters & Downspouts - Repair/Replace	$0	$0	$0	$0	$0
523	Wood Siding - Exterior Renovation	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$219,800	$0	$0	$0	$0
552	Unit Decks - Repair/Replace	$0	$0	$0	$0	$0
555	Stairs & Landings - Repair/Replace	$0	$0	$0	$0	$0
566	Foundations & Crawlspaces-Inspect/Repair	$49,100	$0	$0	$0	$0
595	Garage Doors - Repair/Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
900	Plumbing - Systems Evaluation	$18,200	$0	$0	$0	$0
995	Building Envelope & Structure	$9,500	$0	$0	$0	$0
	Total Expenses	$592,950	$0	$0	$0	$0
	Ending Reserve Balance	$363,823	$1,067,314	$1,783,792	$2,513,566	$3,256,950

	Fiscal Year	2031	2032	2033	2034	2035
	Starting Reserve Balance	$3,256,950	$3,995,339	$4,766,741	$936,103	$1,188,192
	Annual Reserve Funding	$220,981	$227,610	$234,439	$241,472	$248,716
	Recommended Special Assessments	$500,000	$500,000	$500,000	$0	$0
	Interest Earnings	$36,246	$43,792	$28,502	$10,617	$13,145
	Total Income	$4,014,177	$4,766,741	$5,529,682	$1,188,192	$1,450,052
#	Component					
	Special Projects					
98	2026 Decks - Repair/Replace	$0	$0	$0	$0	$0
	Site & Grounds					
101	Concrete Walkways - Repair/Replace	$0	$0	$6,764	$0	$0
120	Road & Driveways - Grind & Overlay	$0	$0	$0	$0	$0
121	Road & Driveways - Repair & Seal	$18,838	$0	$0	$0	$0
148	Garbage Enclosures - Repair/Replace	$0	$0	$0	$0	$0
149	Garbage Enclosure - Paint	$0	$0	$0	$0	$8,220
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Repair/Replace	$0	$0	$0	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
500	Steep Slope Roofs - Repair/Replace	$0	$0	$975,413	$0	$0
512	Skylights - Repair/Replace	$0	$0	$13,652	$0	$0
516	Gutters & Downspouts - Repair/Replace	$0	$0	$79,450	$0	$0
523	Wood Siding - Exterior Renovation	$0	$0	$3,498,253	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$0	$0	$0	$0
552	Unit Decks - Repair/Replace	$0	$0	$0	$0	$0
555	Stairs & Landings - Repair/Replace	$0	$0	$0	$0	$0
566	Foundations & Crawlspaces-Inspect/Repair	$0	$0	$0	$0	$0
595	Garage Doors - Repair/Replace	$0	$0	$20,047	$0	$0
	Systems & Evaluations					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
995	Building Envelope & Structure	$0	$0	$0	$0	$0
	Total Expenses	$18,838	$0	$4,593,579	$0	$8,220
	Ending Reserve Balance	$3,995,339	$4,766,741	$936,103	$1,188,192	$1,441,832

	Fiscal Year	2036	2037	2038	2039	2040
	Starting Reserve Balance	$1,441,832	$1,382,124	$1,661,197	$1,951,029	$2,251,967
	Annual Reserve Funding	$256,177	$263,863	$271,779	$279,932	$288,330
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$14,114	$15,210	$18,053	$21,006	$24,071
	Total Income	$1,712,123	$1,661,197	$1,951,029	$2,251,967	$2,564,368
#	Component					
	Special Projects					
98	2026 Decks - Repair/Replace	$0	$0	$0	$0	$0
	Site & Grounds					
101	Concrete Walkways - Repair/Replace	$0	$0	$0	$0	$0
120	Road & Driveways - Grind & Overlay	$0	$0	$0	$0	$0
121	Road & Driveways - Repair & Seal	$21,839	$0	$0	$0	$0
148	Garbage Enclosures - Repair/Replace	$0	$0	$0	$0	$0
149	Garbage Enclosure - Paint	$0	$0	$0	$0	$0
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Repair/Replace	$0	$0	$0	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
500	Steep Slope Roofs - Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
516	Gutters & Downspouts - Repair/Replace	$0	$0	$0	$0	$0
523	Wood Siding - Exterior Renovation	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$295,393	$0	$0	$0	$0
552	Unit Decks - Repair/Replace	$0	$0	$0	$0	$0
555	Stairs & Landings - Repair/Replace	$0	$0	$0	$0	$0
566	Foundations & Crawlspaces-Inspect/Repair	$0	$0	$0	$0	$0
595	Garage Doors - Repair/Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
995	Building Envelope & Structure	$12,767	$0	$0	$0	$0
	Total Expenses	$329,999	$0	$0	$0	$0
	Ending Reserve Balance	$1,382,124	$1,661,197	$1,951,029	$2,251,967	$2,564,368

	Fiscal Year	2041	2042	2043	2044	2045
	Starting Reserve Balance	$2,564,368	$2,826,048	$3,161,864	$3,510,276	$3,706,236
	Annual Reserve Funding	$296,980	$305,889	$315,066	$324,518	$334,253
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$26,941	$29,927	$33,347	$36,067	$38,795
	Total Income	$2,888,289	$3,161,864	$3,510,276	$3,870,861	$4,079,284
#	Component					
	Special Projects					
98	2026 Decks - Repair/Replace	$0	$0	$0	$0	$0
	Site & Grounds					
101	Concrete Walkways - Repair/Replace	$8,569	$0	$0	$0	$0
120	Road & Driveways - Grind & Overlay	$0	$0	$0	$0	$0
121	Road & Driveways - Repair & Seal	$25,317	$0	$0	$0	$0
148	Garbage Enclosures - Repair/Replace	$0	$0	$0	$0	$0
149	Garbage Enclosure - Paint	$0	$0	$0	$0	$11,047
160	Pole Lights - Repair/Replace	$0	$0	$0	$15,662	$0
190	Community Signs - Repair/Replace	$0	$0	$0	$0	$12,275
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
500	Steep Slope Roofs - Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
516	Gutters & Downspouts - Repair/Replace	$0	$0	$0	$0	$0
523	Wood Siding - Exterior Renovation	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$0	$0	$0	$0
552	Unit Decks - Repair/Replace	$0	$0	$0	$0	$0
555	Stairs & Landings - Repair/Replace	$0	$0	$0	$148,963	$0
566	Foundations & Crawlspaces-Inspect/Repair	$0	$0	$0	$0	$0
595	Garage Doors - Repair/Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
900	Plumbing - Systems Evaluation	$28,355	$0	$0	$0	$0
995	Building Envelope & Structure	$0	$0	$0	$0	$0
	Total Expenses	$62,241	$0	$0	$164,625	$23,322
	Ending Reserve Balance	$2,826,048	$3,161,864	$3,510,276	$3,706,236	$4,055,962

	Fiscal Year	2046	2047	2048	2049	2050
	Starting Reserve Balance	$4,055,962	$3,907,875	$4,303,524	$4,713,839	$5,128,380
	Annual Reserve Funding	$344,281	$354,609	$365,248	$376,205	$387,491
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$39,802	$41,040	$45,068	$49,190	$53,377
	Total Income	$4,440,046	$4,303,524	$4,713,839	$5,139,234	$5,569,248
#	Component					
	Special Projects					
98	2026 Decks - Repair/Replace	$0	$0	$0	$0	$0
	Site & Grounds					
101	Concrete Walkways - Repair/Replace	$0	$0	$0	$10,855	$0
120	Road & Driveways - Grind & Overlay	$0	$0	$0	$0	$0
121	Road & Driveways - Repair & Seal	$29,349	$0	$0	$0	$0
148	Garbage Enclosures - Repair/Replace	$0	$0	$0	$0	$0
149	Garbage Enclosure - Paint	$0	$0	$0	$0	$0
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Repair/Replace	$0	$0	$0	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$17,685
	Building Exteriors					
500	Steep Slope Roofs - Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
516	Gutters & Downspouts - Repair/Replace	$0	$0	$0	$0	$0
523	Wood Siding - Exterior Renovation	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$396,983	$0	$0	$0	$0
552	Unit Decks - Repair/Replace	$0	$0	$0	$0	$0
555	Stairs & Landings - Repair/Replace	$0	$0	$0	$0	$0
566	Foundations & Crawlspaces-Inspect/Repair	$88,680	$0	$0	$0	$0
595	Garage Doors - Repair/Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
995	Building Envelope & Structure	$17,158	$0	$0	$0	$0
	Total Expenses	$532,171	$0	$0	$10,855	$17,685
	Ending Reserve Balance	$3,907,875	$4,303,524	$4,713,839	$5,128,380	$5,551,563

	Fiscal Year	2051	2052	2053	2054	2055
	Starting Reserve Balance	$5,551,563	$4,765,973	$5,227,006	$5,705,065	$6,200,694
	Annual Reserve Funding	$399,116	$411,089	$423,422	$436,125	$449,209
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$51,566	$49,944	$54,637	$59,504	$64,474
	Total Income	$6,002,244	$5,227,006	$5,705,065	$6,200,694	$6,714,376
#	Component					
	Special Projects					
98	2026 Decks - Repair/Replace	$0	$0	$0	$0	$0
	Site & Grounds					
101	Concrete Walkways - Repair/Replace	$0	$0	$0	$0	$0
120	Road & Driveways - Grind & Overlay	$0	$0	$0	$0	$0
121	Road & Driveways - Repair & Seal	$34,024	$0	$0	$0	$0
148	Garbage Enclosures - Repair/Replace	$0	$0	$0	$0	$0
149	Garbage Enclosure - Paint	$0	$0	$0	$0	$14,846
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Repair/Replace	$0	$0	$0	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
500	Steep Slope Roofs - Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
516	Gutters & Downspouts - Repair/Replace	$0	$0	$0	$0	$0
523	Wood Siding - Exterior Renovation	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$0	$0	$0	$0
552	Unit Decks - Repair/Replace	$1,202,247	$0	$0	$0	$0
555	Stairs & Landings - Repair/Replace	$0	$0	$0	$0	$0
566	Foundations & Crawlspaces-Inspect/Repair	$0	$0	$0	$0	$0
595	Garage Doors - Repair/Replace	$0	$0	$0	$0	$0
	Systems & Evaluations					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
995	Building Envelope & Structure	$0	$0	$0	$0	$0
	Total Expenses	$1,236,271	$0	$0	$0	$14,846
	Ending Reserve Balance	$4,765,973	$5,227,006	$5,705,065	$6,200,694	$6,699,530

Accuracy, Limitations, and Disclosures

"This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement." Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Jim Talaga, company President, is a credentialed Reserve Specialist (#66). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation. Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified. Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to: project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to, plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing. Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses. In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
UOM	Unit of Measure
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our research and analysis. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding: 1) The project is the Association's present obligation. 2) The need and schedule of a project can be reasonably anticipated. 3) The total cost of the project is material, can be estimated and includes all direct & related costs. Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above three criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed “Best Cost” and “Worst Cost”. There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur. Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

Special Projects

Comp #: 97 2025 Decks - Repair/Rebuild **Approx Quantity: 1 unfunded**
Location: Select decks.
Funded?: No. Anticipated 2025.
History: Anticipated 2025.
Comments: The Board of Directors reported select decks are anticipated to be repaired in 2025.

Note: The photograph may not be representative of the actual component.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 98 2026 Decks - Repair/Replace **Approx Quantity: 1 allowance**
Location: Select decks.
Funded?: Yes. Anticipated one-time project.
History: Anticipated 2026.
Comments: The Board of Directors reported phase 3 of deck repairs are anticipated to occur in 2026.

Note: The photograph may not be representative of the actual component.

Useful Life:
1 years

Remaining Life:
0 years

Lower Estimate: $ 101,000 **Higher Estimate:** $ 123,000

Cost Source: Inflated Budget Allowance Provided by Client: 2024 ~$112,000

Site & Grounds

Comp #: 101 Concrete Walkways - Repair/Replace **Approx Quantity: 1 allowance**
Location: The community walkways.
Funded?: Yes.
History: Trip hazard repairs 2024 ~$17,400.
Comments: Localized cracks and an area of lifting were observed. The Board of Directors reported trip hazards were repaired in 2024.

Due to the general age and eventual wear, we suggest a periodic funding allowance to supplement the operating budget for periodic large-scale repair/replacements as reflected below.

As routine maintenance utilizing operating funds, inspect regularly, and pressure wash for appearance. Repair promptly as needed to prevent water penetrating into the base, which can cause further damage. Factors affecting the quality of the concrete include the preparation of the underlying soil and drainage, thickness and strength of the concrete used, steel reinforcement (none likely), and the amount and weight of vehicle traffic.

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

Useful Life:
8 years

Remaining Life:
7 years

Lower Estimate:	$ 4,950	**Higher Estimate:**	$ 6,050

Cost Source: Budget Allowance

Comp #: 120 Road & Driveways - Grind & Overlay **Approx Quantity: 40,000 SF asphalt**
Location: The community roadway and driveways.
Funded?: Yes.
History: None known.
Comments: The asphalt was noted to have alligator cracking, cracking, and extensive wear.

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

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

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

Useful Life:
30 years

Remaining Life:
0 years

Lower Estimate:	$ 151,000	**Higher Estimate:**	$ 185,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 121 Road & Driveways - Repair & Seal **Approx Quantity: 40,000 SF asphalt**
Location: The community roadway and driveways.
Funded?: Yes.
History: Driveways repaired 2024 Lakeside Industries ~$14,800.
Comments: The State of Washington Department of Transportation (WSDOT) recommends regular cycles of seal coating, along with needed repairs, for the long-term care of asphalt paving with low traffic and low speed to extend the useful life. The primary reason to seal coat asphalt pavement is to protect the pavement from the deteriorating effects of sun and water. When asphalt pavement is exposed, the asphalt oxidizes or hardens, and this causes the pavement to become increasingly brittle. As a result, the pavement will become more likely to crack, as it is unable to bend and flex when subjected to traffic (weight) and temperature changes (thermal expansion and contraction). A seal coat combats this situation by providing a waterproof membrane, which not only slows down the oxidation process, but also helps the pavement shed water. Seal coating also provides uniform appearance, and conceals the inevitable patching and repairs which accumulate over time, ultimately extending the useful life of asphalt before more costly resurfacing is needed (see component #120).

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

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

Useful Life:
5 years

Remaining Life:
0 years

Lower Estimate:	$ 14,600	**Higher Estimate:**	$ 17,900

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 140 Wood Fence - Repair/Replace **Approx Quantity: 50 LF ~3 high picket**
Location: The end of Highland Green.
Funded?: No. Anticipated removal with no plans to replace.
History: Anticipated removal.
Comments: The fence had vegetation growth atop of it and was damaged in some areas. The Board of Directors reported the community anticipates removing the fence and there are no plans to replace it.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 148 Garbage Enclosures - Repair/Replace **Approx Quantity: 2 structures**
Location: Along the community roadway.
Funded?: Yes.
History: Rebuilt 2025 ~$56,000.
Comments: The Board of Directors reported the community rebuilt the garbage enclosures in 2025.

A general rotating funding allowance is factored below for repairs/replacement. Track the actual history and expenses, and adjust this component accordingly in reserve study updates.

These garbage enclosures are subject to abuse. It is reasonable to expect repairs at relatively small intervals due to misuse, although it is difficult to predict the precise scope and timing of such repairs. We suggest at the next replacement to consider a more durable enclosure material such as steel posts and rails. By utilizing such materials, the enclosure can better withstand regular abuse, reduce repair costs, and increase its useful life. A less expensive option is to install concrete wheel stops (typically used at the front of parking spaces) to prevent the container or vehicles from impacting the enclosure.

Useful Life:
35 years

Remaining Life:
34 years

Lower Estimate: $ 51,900 **Higher Estimate:** $ 63,500

Cost Source: Inflated Client Cost History: 2025 ~$56,000

Comp #: 149 Garbage Enclosure - Paint **Approx Quantity: 2 structures**
Location: The garbage enclosures.
Funded?: Yes.
History: Painted 2025 ~$6,100.
Comments: The Board of Directors reported the garbage enclosures were painted after the 2025 rebuilds.

The timing for painting is estimated below for financial planning purposes. Evaluate regularly to determine the most appropriate timing for repainting. When practical, we recommend including garbage enclosure painting with the painting of the exterior building surfaces (component #533) for cost efficiency.

Touch up paint, and secure any fasteners, as needed, as part of general maintenance. If corrosion is found, apply a rust inhibitor to prevent corrosion and extend the useful life.

Useful Life:
10 years

Remaining Life:
9 years

Lower Estimate: $ 5,670 **Higher Estimate:** $ 6,930

Cost Source: Inflated Client Cost History: 2025 ~$6,100

Comp #: 151 Shed - Repair/Replace **Approx Quantity: 1 ~9' x 9'**
Location: The community entrance.
Funded?: No. The useful life cannot be estimated.
History: None known.
Comments: No damages to the shed were observed.

Inspect regularly, and repair as necessary utilizing operating funds. Paint and replace the roof simultaneously as the buildings.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 156 Rockeries - Maintain/Repair **Approx Quantity: 1 unfunded**
Location: Throughout the community.
Funded?: No. Large-scale repairs or replacements are not predictable.
History: None known.
Comments: Our visual observations of the rockery walls were limited, but no widespread deterioration was observed. There were no signs of recent large-scale movement, and none were reported. Analysis of a rockery wall beyond visual observation is not within the scope of a reserve study. No information regarding its construction was available to us, which could include how it was installed, if drainage (critical) was provided, and if the drainage is still fully functioning.

At this time, no large-scale repairs or replacements are predictable. Funding can be added to future reserve studies if conditions dictate.

Inspect regularly, including drainage, and repair as needed. If movement or other problems are suspected, consult with an engineer (geo-technical) for evaluation and repair recommendations.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 157 Retaining Walls - Maintain/Repair **Approx Quantity: 1 concrete**
Location: Scattered throughout the community.
Funded?: No. Large-scale repairs or replacements are not predictable.
History: None known.
Comments: Our limited observation revealed no signs of the concrete walls being extremely out of plumb, or having large-scale cracking and/or spalling. Analysis of a retaining wall is beyond the scope of a reserve study. If problems, including shifting, leaning, or cracking are observed or suspected, consult with an engineer (structural, civil, and/or geo-technical) for an evaluation and repair recommendations. There were no reported problems at this time.

No information was provided to us concerning how the retaining wall was designed or constructed. Observation of drainage was not possible. Proper drainage on the uphill side prevents a backlog of water (water, if present, can add substantial weight and pressure to the wall). A backlog of water, if left unchecked, could damage or break the wall. The interior of drainage lines (or pipes) can be viewed by video using a remote miniature camera. Clean out the drain lines as often as needed to prevent decreased drainage. See component #180 Drainage & Stormwater for additional information. Utilize a mobile evacuator service if needed. Inspect regularly and repair, as needed, using operating funds.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 160 Pole Lights - Repair/Replace **Approx Quantity: 21 metal assemblies**
Location: The front of each unit.
Funded?: Yes.
History: LED upgrades, light sensors installed, & painted 2024.
Comments: The pole lights were observed during daylight hours and are assumed to be functional. The Board of Directors reported the assemblies were painted, the light bulbs were upgraded to LED, and dusk to dawn sensors were installed in 2024.

Our recommendation is to plan for a large-scale replacement project at roughly the time frame below, for both cost efficiency and consistent quality/appearance throughout the community. There are a variety of materials and styles available and a general mid-range funding allowance is projected below. Cost can vary significantly depending on the quality of the light pole chosen.

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

Useful Life:
20 years

Remaining Life:
18 years

Lower Estimate: $ 8,280 **Higher Estimate:** $ 10,100

Cost Source: Budget Allowance

Comp #: 165 Ground Light - Repair/Replace **Approx Quantity: 1 fixture**
Location: The community sign.
Funded?: No. Costs are best handled with operating funds.
History: Community sign fixture replaced 2024.
Comments: The Board of Directors reported the community sign ground light was replaced in 2024.

As routine maintenance, inspect, and repair/change bulbs, as needed. Some local replacement may be needed from time to time - use general operating funds.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 170 Landscape - Maintain/Refurbish **Approx Quantity: 1 unfunded**
Location: Throughout the community.
Funded?: No. Reported to be historically handled with operating funds.
History: None known.
Comments: The landscape appeared to be generally healthy.

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

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

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 171 Trees - Trim/Remove & Replace **Approx Quantity: 1 unfunded**
Location: Throughout the community.
Funded?: No. Reported to be historically handled with operating funds.
History: Varies.
Comments: There were no specific problems with the trees observed or reported at this time. The community trees are generally mature.

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

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 173 Irrigation System - Repair/Replace **Approx Quantity: 1 system**
Location: Throughout the community.
Funded?: No. Decommissioned 2022.
History: Decommissioned 2022.
Comments: The Board of Directors reported the irrigation system was decommissioned in 2022.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 180 Drainage & Stormwater - Maintain **Approx Quantity: 1 system**
Location: Throughout the community.
Funded?: No. There is no predictable large-scale repair/replacement at this time.
History: Inspected, cleaned, & repaired 2024 Kitsap Drainage & Waterproofing ~$31,500.
Comments: An analysis of the drainage system is beyond the scope of a reserve study, as the vast majority of the drainage system is located below ground. Our observations were very limited to catch basin areas. No problems were observed or reported to us.

There is no predictable large-scale repair/replacement at this time. Local repairs should be performed as part of general maintenance. If problems become known from a professional evaluation, funding can be included in future reserve studies.

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

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

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 190 Community Signs - Repair/Replace **Approx Quantity: 2 wood**
Location: The community entrance.
Funded?: Yes.
History: Cleaned & painted 2024.
Comments: The Board of Directors reported the community sign was cleaned and painted in 2024.

Reserves funding is recommended for regular intervals of replacement to maintain a consistent and quality appearance.

Inspect periodically, repair, clean, and touch up for appearance, as needed, using operating funds.

Useful Life:
20 years

Remaining Life:
19 years

Lower Estimate:	$ 6,300	**Higher Estimate:**	$ 7,700

Cost Source: Budget Allowance

Comp #: 195 Mailboxes - Repair/Replace **Approx Quantity: 4 clusters**
Location: Along the community roadway.
Funded?: Yes.
History: Clusters installed 2025 ~$8,400.
Comments: The Board of Directors reported the community replaced the single mailboxes with four secured mailbox clusters in 2025.

In our experience, it is best to plan for total replacement at roughly the time frame below due to constant usage and wear over time.

As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges, and repair as needed with operating funds.

Useful Life:
25 years

Remaining Life:
24 years

Lower Estimate:	$ 7,830	**Higher Estimate:**	$ 9,570

Cost Source: Inflated Client Cost History: 2025 ~$8,400

Comp #: 500 Steep Slope Roofs - Repair/Replace **Approx Quantity: 70,000 SF Malarkey**
Location: The rooftops.
Funded?: Yes.
History: Replaced 2001 thru 2010.
Comments: Roof ventilation (the lack of which can greatly reduce the roof's useful life) was observed at the eave and ridge. Eave venting consisted of circular holes in the blocking between the rafters. Ridge venting appeared to be provided by continuous ridge vents. Portions of roof flashing were visible at the rake, headwall, and valleys. Diverter (kick-out) flashing was observed. Gutters blocked the view of the eaves, so eave flashing was not confirmed. Debris and moss were not observed on the roof surface. A reserve study conducts a limited visual review for budget purposes, and many of the critical waterproofing and ventilation items of the roof are not readily viewable. For a full evaluation have a professional roof consultant/contractor perform a thorough up-close survey of your entire roof system, including attic inspection (if any).

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

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

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

Useful Life:
25 years

Remaining Life:
7 years

Lower Estimate:	$ 714,000	**Higher Estimate:**	$ 872,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 512 Skylights - Repair/Replace **Approx Quantity: 12 fixtures**
Location: Select rooftops.
Funded?: Yes.
History: None known.
Comments: Observation of the skylights revealed curb mounted fixtures with visible portions of flashing. No current water leaks or other problems were reported by the association.

We have aligned the skylight's useful life with roofing for waterproofing integration and cost efficiency.

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

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

Useful Life:
25 years

Remaining Life:
7 years

Lower Estimate:	$ 9,990	**Higher Estimate:**	$ 12,200

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 514 Chimney Flues & Caps - Repair/Replace **Approx Quantity: 38 metal**
Location: The building rooftops.
Funded?: No. Costs are best handled with operating funds.
History: Varies.
Comments: One cap was noted to be hanging from the top of the flue.

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

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

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 516 Gutters & Downspouts - Repair/Replace **Approx Quantity: 3,700 LF metal**
Location: The building perimeters.
Funded?: Yes.
History: Cleaned quarterly; prior repairs.
Comments: Based on our limited visual inspection, the metal gutters and downspouts appeared to be functional.

We recommend planning for a total replacement of the gutters and downspouts at the same intervals as the roof replacement for cost efficiency. Evaluate these components at the time of the project to determine if replacement or re-use is the better value.

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

Useful Life:
50 years

Remaining Life:
7 years

Lower Estimate: $ 58,100 **Higher Estimate:** $ 71,100

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 523 Wood Siding - Exterior Renovation **Approx Quantity: 58,600 SF**
Location: The exterior walls, underlying waterproofing components, and structural components.
Funded?: Yes.
History: Installed 1979.
Comments: The siding is primarily vertically installed channel wood siding. It was reported in prior reserve studies, according to a contractor who has long history with this community, the original flashing details are problematic and underlying waterproofing details are not to ideal. Localized work on siding has been needed due to rot which was a result of poor details and new installations include counter flashing. No view of the critical underlying waterproofing was available as part of our limited visual review. The ground level ends of some boards had some deterioration. The ends of some wood beams were also noted to have deterioration.

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

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

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

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

Useful Life:
50 years

Remaining Life:
7 years

Lower Estimate:	$ 2,560,000	**Higher Estimate:**	$ 3,130,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 533 Exterior Surfaces - Caulk & Paint **Approx Quantity: 58,600 SF**
Location: The exterior building walls.
Funded?: Yes.
History: Painted 2004.
Comments: The trim paint was noted to have fading, peeling, and chipping.

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

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

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

Useful Life:
10 years

Remaining Life:
0 years

Lower Estimate:	$ 198,000	**Higher Estimate:**	$ 242,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 535 Windows - Repair/Replace **Approx Quantity: 234 windows**
Location: The exterior building walls.
Funded?: No. Reported to be the responsibility of the individual unit owner.
History: None known.
Comments: The Board of Directors reported windows are the responsibility of the individual unit owners to maintain, repair, and replace. We recommend the association consider amending their governing documents to include windows and doors as an association responsibility. Doing so will ensure proper installation and integration with the underlying weather resistant barrier. Additionally, replacement of all windows in unison, and simultaneously with the siding, is the most cost-efficient and aesthetically-pleasing method. If the association opts not to amend the governing documents, we recommend the Board of Directors provide oversight of all window replacement, and suggest hiring a certified architect, engineer, etc. to manage oversight, and inspect the installation, ensuring proper integration has been completed.

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

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

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

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 536 Sliding Glass Doors - Repair/Replace **Approx Quantity: 38 doors**
Location: The exterior building walls.
Funded?: No. Reported to be the responsibility of the individual unit owner.
History: None known.
Comments: The Board of Directors reported sliding glass doors are the responsibility of the individual unit owners to maintain, repair, and replace. We recommend the association consider amending their governing documents to include windows and doors as an association responsibility. Doing so will ensure proper installation and integration with the underlying weather resistant barrier. Additionally, replacement of all windows and doors in unison, and simultaneously with the siding, is the most cost-efficient and aesthetically-pleasing method. If the association opts not to amend the governing documents, we recommend the Board of Directors provide oversight of all window and door replacement, and suggest hiring a certified architect, engineer, etc. to manage oversight, and inspect the installation, ensuring proper integration has been completed.

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

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

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

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 540 Exterior Doors - Repair/Replace **Approx Quantity: 40 doors**
Location: Each unit entrance, and storage areas.
Funded?: No. Large-scale repairs or replacements are not predictable.
History: None known.
Comments: No widespread problems with the exterior doors were observed or reported.

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

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

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 552 Unit Decks - Repair/Replace **Approx Quantity: 13 decks**
Location: The unit decks.
Funded?: Yes.
History: Anticipated repairs/rebuild 2025 & 2026; repairs/rebuilds completed 2024.
Comments: The decks are a mix of composite and wood deck boards. The Board of Directors reported the decks are being repaired/rebuilt in phases with the first phase completed in 2024.

Funding is included for replacement of only the composite boards that form the walking surface, and does not include replacement of the structural framing. Evaluate the structural framing prior to replacement of the boards to better determine the full scope of the project. Costs can vary depending on the final scope of work.

Inspect the boards and structure periodically, and repair as needed.

Useful Life:
25 years

Remaining Life:
25 years

Lower Estimate: $ 517,000 **Higher Estimate:** $ 632,000

Cost Source: Budget Allowance

Comp #: 555 Stairs & Landings - Repair/Replace **Approx Quantity: 8 structures**
Location: Various building entrances.
Funded?: Yes.
History: Varies.
Comments: The stair stringers are wood, and the stair treads are wood attached to the stair stringer by steel angle and bolts. The railings are wood. No corrosion was observed on the steel angle attachments and no decay of wood was observed in the few stairs sampled for our visual review.

There are no predictable large-scale repairs or replacements at this time. Repair, as needed, using general maintenance funds. As stairs age, and repair needs become evident, funding can be added to future reserve studies.

As routine maintenance, inspect regularly to ensure safety and stability. Repair promptly, as needed, with operating funds. Paint as a part of an exterior paint project - see component #533. Treat corroded metal with a rusted inhibitor to extend the useful life.

Useful Life:
20 years

Remaining Life:
18 years

Lower Estimate: $ 78,800 **Higher Estimate:** $ 96,300

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 557 Peeler Poles - Repair/Replace **Approx Quantity: 126 wood**
Location: 52 on frontside of the buildings and 74 on the backsides.
Funded?: No. The useful life cannot be estimated.
History: Tested & treated 2022 Evergreen Wood Restoration.
Comments: The Board of Directors reported the peeler poles were repaired, with some fully replaced, in 2022.

Continue to inspect the poles regularly and complete any necessary repairs with operating funds. If a large-scale repair/replacement project becomes necessary, funding can be added to this component in a future reserve study.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 566 Foundations & Crawlspaces-Inspect/Repair **Approx Quantity: 1 allowance**
Location: Each building.
Funded?: Yes.
History: Drainage upgrades & sump pump installation 2022 bldg 1 ~$8,700 & bldg 5 ~$31,000.
Comments: The Board of Directors reported the community anticipates having the crawlspaces inspected and cleaned. Additionally, any necessary drainage upgrades will also be completed.

As discussed with contractor, best to plan for trenching and installation of sump pumps in remainder of building crawlspaces. A budget allowance is included and could vary depending on scope needed at each building.

Useful Life:
20 years

Remaining Life:
0 years

Lower Estimate: $ 44,200 **Higher Estimate:** $ 54,000

Cost Source: Budget Allowance

Comp #: 570 Exterior Lights - Repair/Replace **Approx Quantity: 1 metal & glass**
Location: Mounted to the building exteriors.
Funded?: No. Assumed to be the responsibility of the individual unit owner.
History: None known.
Comments: The exterior lights were observed during daylight hours and are assumed to be functional. The fixtures vary in age and appearance. It is assumed individual unit owners have replaced the fixtures. Due to this, funding has been removed from this component.

It is best to plan for large-scale replacement of these fixtures at roughly the time frame indicated below - timed to coincide with exterior painting projects for cost efficiency, and a consistent quality appearance throughout the community. A mid-range replacement allowance is factored below for planning purposes.

As routine maintenance, inspect, and repair/change bulbs, as needed.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 595 Garage Doors - Repair/Replace **Approx Quantity: 38 doors**
Location: The garage entrance.
Funded?: Yes.
History: Varies.
Comments: The metal frame garage doors are assumed to be operational. No damage was observed.

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

Useful Life:
30 years

Remaining Life:
7 years

Lower Estimate: $ 14,700 **Higher Estimate:** $ 17,900

Cost Source: Budget Allowance

Comp #: 598 Office/Work Shop - Maintain **Approx Quantity: 1 unfunded**
Location: Behind building 6.
Funded?: No. The useful life cannot be estimated.
History: None known.
Comments: The office/work shop appeared be functional.

As routine maintenance, inspect regularly, and clean/repair promptly utilizing operating funds.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 900 Plumbing - Systems Evaluation **Approx Quantity: 1 evaluation**
Location: Throughout the community.
Funded?: Yes.
History: None known.
Comments: Plumbing systems are generally considered life limited by the engineering community. The costs for replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc.

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

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

Useful Life:
15 years

Remaining Life:
0 years

Lower Estimate:	$ 16,400	**Higher Estimate:**	$ 20,000

Cost Source: Budget Allowance: KE|AD Building Consultants 206-702-1833

Comp #: 901 Plumbing - Repair/Replace **Approx Quantity: 1 system**
Location: Throughout the community.
Funded?: No. Large-scale repairs or replacements are not predictable prior to a systems evaluation.
History: None known.
Comments: Plumbing systems are generally considered life limited by the engineering community. The costs for systems replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc.

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

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

Treat minor repairs as an ongoing maintenance expense.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 916 AC Units - Repair/Replace **Approx Quantity: 1 unfunded**
Location: Select units.
Funded?: No. Reported to be the responsibility of the individual unit owner.
History: None known.
Comments: The Board of Directors reported AC units are the responsibility of the individual unit owner to maintain, repair, and replace.

With proactive service and maintenance, the useful life can often be extended. Have service vendors evaluate the unit(s) periodically.

Air conditioning manufacturers are required to cease all production utilizing R22 refrigerant (AC Freon) by Jan 1, 2020 in favor of more environmentally friendly products (currently R410A). There are currently no reported service restrictions by the EPA for existing R22 units. New equipment utilizing R410A is readily available. When replacement of your system is necessary, a changeover to R410A may necessitate replacement of the refrigerant lines as they use different lubricants for the compressors (costs of refrigerant lines is not included in our allowances below - discuss this and other potential costs with your service vendor). Evaluate all options for annualized costs and environmental impact as well as comfort.

Resources:
American Society of Heating, Refrigerating and Air-Conditioning Engineers: https://www.ashrae.org/
http://home.howstuffworks.com/ac2.htm

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

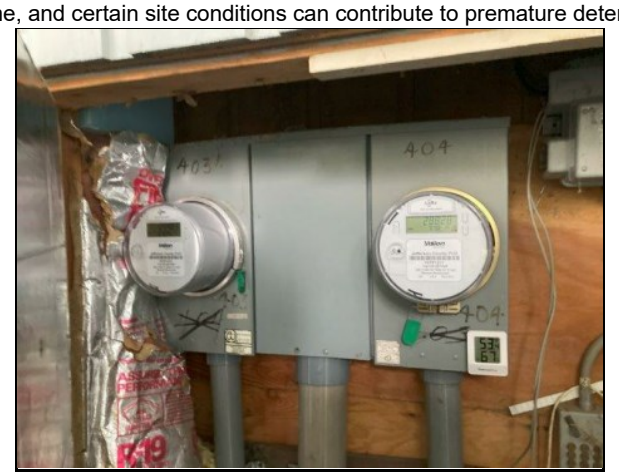
Cost Source:

Comp #: 920 Electrical System - Maintain/Repair **Approx Quantity: 1 system**
Location: Throughout the community.
Funded?: No. Large-scale repairs or replacements are not predictable.
History: None known.
Comments: The majority of the electrical system is not visible for review. Analysis of the electrical system, beyond a limited visual review, is not within the scope of a reserve study. No large issues or problems/defects were reported.

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

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 966 Fire Extinguishers - Test/Replace **Approx Quantity: 1 unfunded**
Location: Throughout the community.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: The fire extinguishers are assumed to function properly.

Follow all local fire codes, and inspection and testing requirements. Replace the extinguishers utilizing operating funds as recommended after testing. If a large-scale replacement becomes necessary, funding can be added to this component in a future report.

Useful Life:

Remaining Life:

No Photo Available

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 969 Fire Hydrants - Repair/Replace **Approx Quantity: 1 unfunded**
Location: Scattered throughout the community.
Funded?: No.
History: None known.
Comments: The fire hydrants are assumed to be functional, and it is assumed it is the responsibility of Jefferson County to maintain, repair, and replace the hydrants.

Our research indicates fire hydrants can last anywhere from 30 to over 100 years. Most fire codes require a three foot clearance around the circumference of fire hydrants, including landscaping.

Inspect the hydrants regularly, and report any concerns to the Jefferson County Public Works Department.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

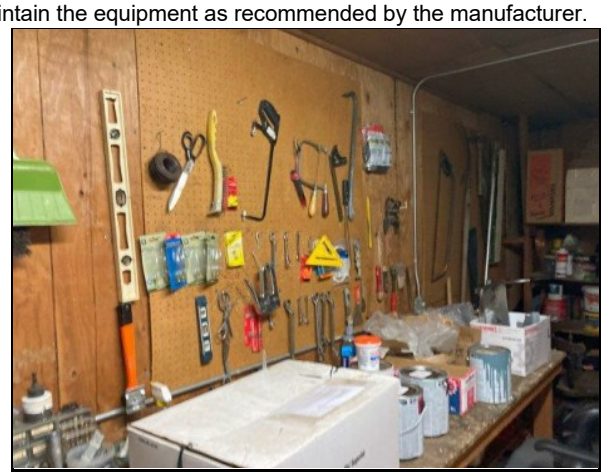
Comp #: 975 Maintenance Equipment - Repair/Replace **Approx Quantity: 1 unfunded**
Location: The office/work shop.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: The various pieces of maintenance equipment are assumed to function properly. No problems were reported.

The cost of replacing the equipment individually, as needed, is typically too small for reserves funding. If replaced individually, use operating funds.

Provide regular service and maintain the equipment as recommended by the manufacturer.

Useful Life:

Remaining Life:



Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 979 Vents - Clean & Inspect **Approx Quantity: 38 vents**
Location: The building exteriors.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: The buildings include multiple vents that serve various purposes. We recommend the association have the vents inspected and cleaned annually with operating funds. Heightened attention should be given to dryer vents to ensure no blockages have occurred. Dirty/blocked dryer vents (and hoses) have the potential to lead to a fire hazard.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 990 Ancillary Evaluations **Approx Quantity: 1 specialty evaluations**
Location: To augment reserve planning.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: A reserve study is a budget model, limited to visual exterior observations and research. As there are some key details and factors of buildings and grounds hidden from view, it is prudent to conduct additional ancillary evaluations from time to time. The purpose of these evaluations is to aid planning and assess for any basis of predictable funding that may be incorporated into the reserve study. We recommend that you periodically engage specialty evaluations in the following areas/fields as applicable to your property:

- Civil Engineering review: Soils & drainage, pavement specifications, below grade waterproofing
- Arborist: Trees & landscape - plan of care and life cycle forecast
- Legal Responsibility Matrix: Governing document review for clear expense delineation between the association and unit owners
- Legal Governing Document review periodically to incorporate changes in law over time and best practices
- Investment consultant: Maximize return and cash flow management while protecting principal
- Insurance policy & coverage review: Understand what is and is not covered and by whom (association vs. owner policies)
- Masonry consultant: Assess mortar condition and waterproofing, and provide forecast and recommendations
- Energy Audit: Typically conducted by a utility company, HVAC vendor or consulting engineer to assess efficiency, and cost benefit to retrofit existing equipment. WA Clean Building Performance Standard is a new law in Washington for residential buildings 20,000 GSF and larger - see the Dept. of Commerce for more information. Rules and compliance are not yet fully formed.
- Surveillance: Have local law enforcement visit the community to assess potential risks and provide suggestions for security and safety. This is typically completed free of charge. This assessment can help guide a service vendor in the bid process.

Note: There are several other important professional evaluations to augment reserves planning that are of heightened importance such as Life-Safety and/or Building Envelope & Structural issues, and Plumbing. Those components are addressed separately within this report.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 995 Building Envelope & Structure **Approx Quantity: 1 condition assessment**
Location: The exterior walls, underlying waterproofing components, and structural components.
Funded?: Yes.
History: None known.
Comments: A reserve study is a budget model, limited to visual exterior observations and research. It is outside the scope of our services, and the purpose of a reserve study, to assess the adequacy of the building envelope and structural performance, as many of the key details are hidden from view. Many associations are required to have annual inspections by a qualified engineer or architect to assess the physical condition of the improvements - check your governing documents for any such requirements. Any areas of concern observable from our limited exterior observations, and cycles for repair and replacement, have been stated in the various component field notes throughout this report. We highly recommend regular professional specialty inspections by a qualified engineering, architectural, or building envelope consulting firm to evaluate the performance of the building envelope and structural components.

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

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

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

Useful Life:
10 years

Remaining Life:
0 years

Lower Estimate:	$ 8,550	**Higher Estimate:**	$ 10,500

Cost Source: Budget Allowance: Evolution Architecture

Comp #: 997 Unit High-Risk Components **Approx Quantity: 1 inspection & report**
Location: Analysis of in-unit high-risk components.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: While this component does not meet the criteria for reserves funding, our experience in preparing well over 10,000 reserve studies in the Pacific NW indicates that most communities would benefit from a review of the high-risk components within the individual units. High-risk components are those with a history of failure, often leading to significant damage of unit interiors, and surrounding common area structural components. High-risk components include, but are not limited to, water heaters, washer and dryer hookups, ice maker lines, plumbing angle stops, electrical panels, window and door waterproofing, etc. The Board of Directors is charged with a duty to set the standard of care in the community. Many governing documents and state law governing Common Interest Communities (RCW 64.90.440) provide guidance for those physical components within the units that pose a heightened risk.

It is our strong recommendation that you factor the cost for a high-risk component review within an upcoming operating budget. Consult with an engineering firm specializing in such inspections and analysis. The cost for this study may be in the range of $50 - $200 per unit, depending upon the complexity and scope of work. High-risk component review is not within the scope of our services.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:

Comp #: 999 Reserve Study - Update **Approx Quantity: 1 annual update**
Location: The community common and limited common elements.
Funded?: No. Costs are best handled with operating funds.
History: 2026 WSV; 2025 NSV; 2024 NSV; 2023 Full; 2008 DIY.
Comments: Per Washington State law (RCW), reserve studies are to be updated annually, with site inspections by an independent reserve study professional to occur no less than every three years to assess changes in condition (i.e., physical, economic, governmental, etc), and the resulting effect on the community's long-term reserves plan. Reserve Study costs are most appropriately factored within the annual operating budget, not as a reserves component.

Useful Life:

Remaining Life:

Lower Estimate: **Higher Estimate:**

Cost Source:
