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Silver Firs HOA
Everett, WA



Report #: 21887-1
Beginning: February 1, 2023
Expires: December 31, 2023

RESERVE STUDY
Update "With-Site-Visit"

October 25, 2022

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.



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Silver Firs HOA

Report #: 21887-1

Everett, WA

of Units: 723

Level of Service: Update "With-Site-Visit"

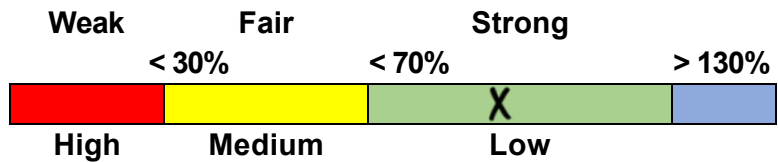
February 1, 2023 through December 31, 2023

Findings & Recommendations

as of February 1, 2023

Starting Reserve Balance	\$161,193
Current Fully Funded Reserve Balance	\$165,505
Percent Funded	97.5 %
Average Reserve (Deficit) or Surplus Per Unit	(\$6)
Recommended 2023 100% Monthly "Full Funding" Contributions	\$2,705
Recommended 2023 70% Monthly "Threshold Funding" Contributions	\$2,485
2023 "Baseline Funding" minimum to keep Reserves above \$0	\$2,350
Most Recent Budgeted Contribution Rate	\$2,409

Reserve Fund Strength: 97.5%



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 97.5 % Funded. This means the association's special assessment & deferred maintenance risk is currently Low. 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 \$28,421 - see Component Significance table.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to within the 70% to 100% range as noted above. The 100% "Full" and 70% contribution rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- 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 contribution 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
Inventory Appendix			
123 Asphalt Path - Partial Replace	20	19	\$34,750
125 Nature Trails - Refurbish	2	0	\$5,000
127 Trail Signs - Replace	20	18	\$4,950
130 Foot Bridge - Replace	20	2	\$6,650
142 Fence: Wood - Repair/Stain	5	0	\$5,650
170 Landscape - Refurbish	5	2	\$6,650
190 Greenbelts/Trees - Trim/Remove	5	2	\$21,000
200 Entry Monuments - Refurbish	20	2	\$44,500
205 Mailboxes - Replace	20	19	\$114,000
320 Asphalt Court - Resurface	50	16	\$11,550
321 Asphalt Court - Repair/Paint	5	0	\$7,450
330 Basketball Assemblies - Replace	50	16	\$4,350
338 Silver Firs Dr: Play Equip- Replace	20	2	\$25,000
339 Court Park: Play Equip- Replace	20	19	\$40,000
340 Glen View: Play Equip- Replace	20	10	\$30,000
341 Play Chips - Replenish	5	0	\$7,200
346 Site Furniture - Replace	20	2	\$10,650
347 Site Furniture - Install 2023	20	0	\$9,750
18 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 contributions are not “for the future”. Reserve contributions are designed 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 four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total 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 fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

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 contribute?



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 contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions 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 Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions 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, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. 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 10/25/2022, we visually inspected all visible common areas, while compiling a photographic inventory, noting: current condition, 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.

The below photo illustrate observations of exposed roots at nature paths and advanced deterioration of site furniture.



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.

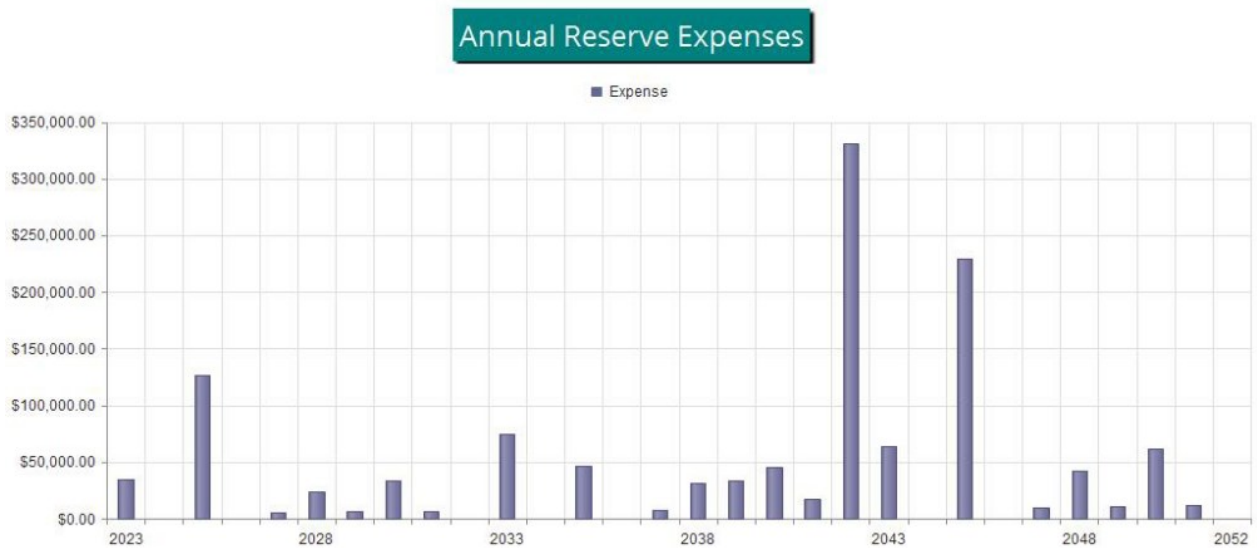


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$161,193 as-of the start of your Fiscal Year on 2/1/2023. As of that date, your Fully Funded Balance is computed to be \$165,505 (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 contributions of \$2,705 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.

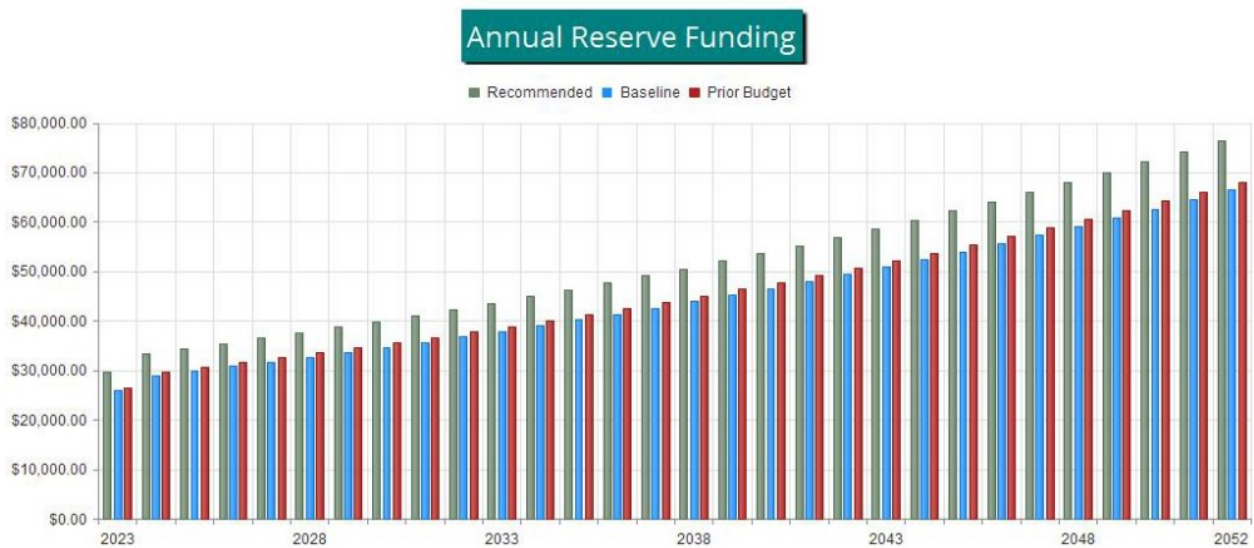


Figure 2

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

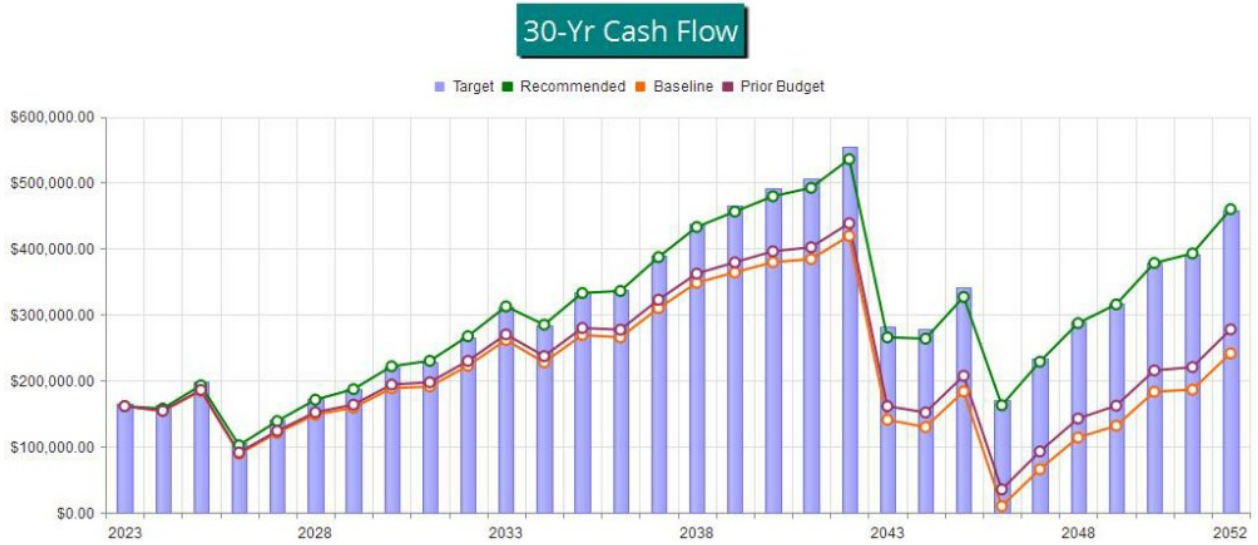


Figure 3

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.

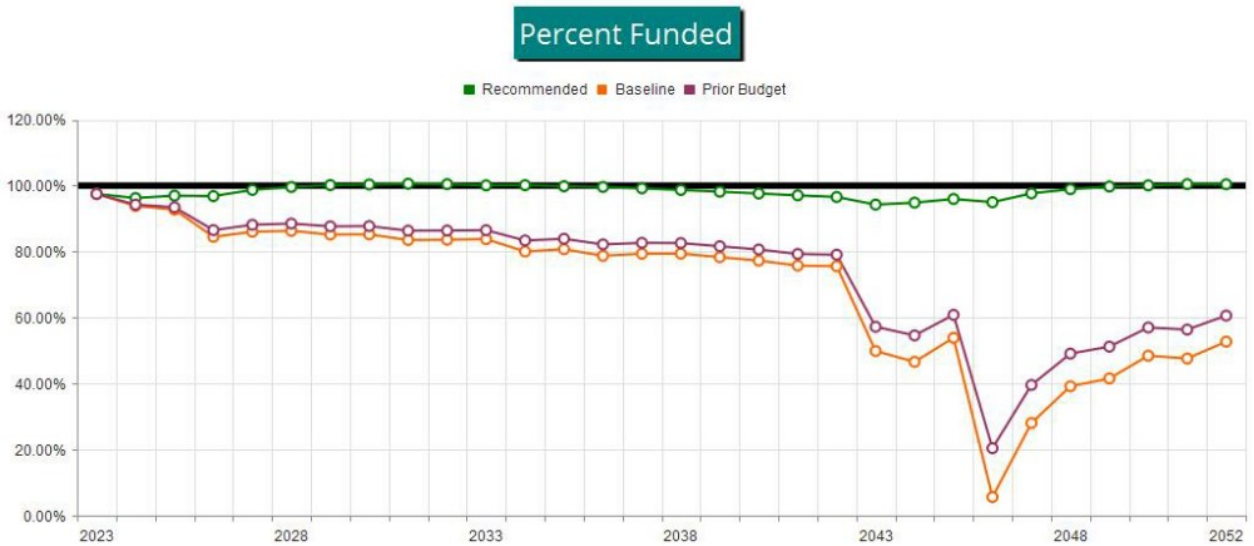


Figure 4



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 contributions 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 contribution rate. 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.

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	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
				Best Case	Worst Case
Inventory Appendix					
123 Asphalt Path - Partial Replace	~ 19,800 square feet	20	19	\$29,500	\$40,000
125 Nature Trails - Refurbish	~ 2.5 miles	2	0	\$4,200	\$5,800
127 Trail Signs - Replace	Extensive / Wood & Metal	20	18	\$3,700	\$6,200
130 Foot Bridge - Replace	(1) 23' x 4' / Wood	20	2	\$5,300	\$8,000
142 Fence: Wood - Repair/Stain	~ 13,680 square feet	5	0	\$4,100	\$7,200
170 Landscape - Refurbish	Plantings & Turf	5	2	\$5,300	\$8,000
190 Greenbelts/Trees - Trim/Remove	Extensive/Assorted	5	2	\$18,000	\$24,000
200 Entry Monuments - Refurbish	(8) Wood/Brick	20	2	\$39,000	\$50,000
205 Mailboxes - Replace	(60) Cluster Stands	20	19	\$96,000	\$132,000
320 Asphalt Court - Resurface	~ 3,300 square feet	50	16	\$6,600	\$16,500
321 Asphalt Court - Repair/Paint	~ 3,300 square feet	5	0	\$5,000	\$9,900
330 Basketball Assemblies - Replace	(2) Metal Assemblies	50	16	\$3,700	\$5,000
338 Silver Firs Dr: Play Equip- Replace	(1) Metal Assembly	20	2	\$20,000	\$30,000
339 Court Park: Play Equip- Replace	(1) Metal Assembly	20	19	\$34,000	\$46,000
340 Glen View: Play Equip- Replace	(1) Metal/Composite	20	10	\$25,000	\$35,000
341 Play Chips - Replenish	~ 160 Cubic Yards	5	0	\$6,100	\$8,300
346 Site Furniture - Replace	~ (8) Wood/Composite	20	2	\$9,000	\$12,300
347 Site Furniture - Install 2023	(5) Pieces	20	0	\$8,300	\$11,200
18 Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Inventory Appendix								
123	Asphalt Path - Partial Replace	\$34,750	X	1	/	20	=	\$1,738
125	Nature Trails - Refurbish	\$5,000	X	2	/	2	=	\$5,000
127	Trail Signs - Replace	\$4,950	X	2	/	20	=	\$495
130	Foot Bridge - Replace	\$6,650	X	18	/	20	=	\$5,985
142	Fence: Wood - Repair/Stain	\$5,650	X	5	/	5	=	\$5,650
170	Landscape - Refurbish	\$6,650	X	3	/	5	=	\$3,990
190	Greenbelts/Trees - Trim/Remove	\$21,000	X	3	/	5	=	\$12,600
200	Entry Monuments - Refurbish	\$44,500	X	18	/	20	=	\$40,050
205	Mailboxes - Replace	\$114,000	X	1	/	20	=	\$5,700
320	Asphalt Court - Resurface	\$11,550	X	34	/	50	=	\$7,854
321	Asphalt Court - Repair/Paint	\$7,450	X	5	/	5	=	\$7,450
330	Basketball Assemblies - Replace	\$4,350	X	34	/	50	=	\$2,958
338	Silver Firs Dr: Play Equip- Replace	\$25,000	X	18	/	20	=	\$22,500
339	Court Park: Play Equip- Replace	\$40,000	X	1	/	20	=	\$2,000
340	Glen View: Play Equip- Replace	\$30,000	X	10	/	20	=	\$15,000
341	Play Chips - Replenish	\$7,200	X	5	/	5	=	\$7,200
346	Site Furniture - Replace	\$10,650	X	18	/	20	=	\$9,585
347	Site Furniture - Install 2023	\$9,750	X	20	/	20	=	\$9,750
								\$165,505

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Inventory Appendix				
123 Asphalt Path - Partial Replace	20	\$34,750	\$1,738	6.11 %
125 Nature Trails - Refurbish	2	\$5,000	\$2,500	8.80 %
127 Trail Signs - Replace	20	\$4,950	\$248	0.87 %
130 Foot Bridge - Replace	20	\$6,650	\$333	1.17 %
142 Fence: Wood - Repair/Stain	5	\$5,650	\$1,130	3.98 %
170 Landscape - Refurbish	5	\$6,650	\$1,330	4.68 %
190 Greenbelts/Trees - Trim/Remove	5	\$21,000	\$4,200	14.78 %
200 Entry Monuments - Refurbish	20	\$44,500	\$2,225	7.83 %
205 Mailboxes - Replace	20	\$114,000	\$5,700	20.06 %
320 Asphalt Court - Resurface	50	\$11,550	\$231	0.81 %
321 Asphalt Court - Repair/Paint	5	\$7,450	\$1,490	5.24 %
330 Basketball Assemblies - Replace	50	\$4,350	\$87	0.31 %
338 Silver Firs Dr: Play Equip- Replace	20	\$25,000	\$1,250	4.40 %
339 Court Park: Play Equip- Replace	20	\$40,000	\$2,000	7.04 %
340 Glen View: Play Equip- Replace	20	\$30,000	\$1,500	5.28 %
341 Play Chips - Replenish	5	\$7,200	\$1,440	5.07 %
346 Site Furniture - Replace	20	\$10,650	\$533	1.87 %
347 Site Furniture - Install 2023	20	\$9,750	\$488	1.72 %
18 Total Funded Components			\$28,421	100.00 %

Fiscal Year Start: 2023

Interest: 1.00 %

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		Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	In Annual Reserve Funding					
2023	\$161,193	\$165,349	97.5 %	Low	12.30 %	\$29,755	\$0	\$1,593	\$35,050		
2024	\$157,491	\$163,641	96.2 %	Low	12.36 %	\$33,434	\$0	\$1,750	\$0		
2025	\$192,675	\$198,702	97.0 %	Low	3.00 %	\$34,437	\$0	\$1,472	\$126,725		
2026	\$101,859	\$105,192	96.8 %	Low	3.00 %	\$35,470	\$0	\$1,201	\$0		
2027	\$138,530	\$140,336	98.7 %	Low	3.00 %	\$36,534	\$0	\$1,547	\$5,628		
2028	\$170,984	\$171,697	99.6 %	Low	3.00 %	\$37,630	\$0	\$1,789	\$23,533		
2029	\$186,869	\$186,544	100.2 %	Low	3.00 %	\$38,759	\$0	\$2,042	\$5,970		
2030	\$221,700	\$220,944	100.3 %	Low	3.00 %	\$39,922	\$0	\$2,257	\$34,006		
2031	\$229,872	\$228,549	100.6 %	Low	3.00 %	\$41,119	\$0	\$2,484	\$6,334		
2032	\$267,142	\$265,964	100.4 %	Low	3.00 %	\$42,353	\$0	\$2,896	\$0		
2033	\$312,391	\$312,137	100.1 %	Low	3.00 %	\$43,624	\$0	\$2,984	\$74,319		
2034	\$284,680	\$284,294	100.1 %	Low	3.00 %	\$44,932	\$0	\$3,086	\$0		
2035	\$332,698	\$333,344	99.8 %	Low	3.00 %	\$46,280	\$0	\$3,341	\$46,551		
2036	\$335,768	\$337,133	99.6 %	Low	3.00 %	\$47,669	\$0	\$3,613	\$0		
2037	\$387,049	\$390,235	99.2 %	Low	3.00 %	\$49,099	\$0	\$4,097	\$7,563		
2038	\$432,682	\$438,431	98.7 %	Low	3.00 %	\$50,572	\$0	\$4,442	\$31,627		
2039	\$456,069	\$464,615	98.2 %	Low	3.00 %	\$52,089	\$0	\$4,675	\$33,538		
2040	\$479,294	\$490,983	97.6 %	Low	3.00 %	\$53,651	\$0	\$4,855	\$45,701		
2041	\$492,099	\$507,025	97.1 %	Low	3.00 %	\$55,261	\$0	\$5,136	\$16,939		
2042	\$535,557	\$554,623	96.6 %	Low	3.00 %	\$56,919	\$0	\$4,004	\$330,974		
2043	\$265,505	\$281,689	94.3 %	Low	3.00 %	\$58,626	\$0	\$2,644	\$63,304		
2044	\$263,471	\$277,807	94.8 %	Low	3.00 %	\$60,385	\$0	\$2,950	\$0		
2045	\$326,806	\$340,598	96.0 %	Low	3.00 %	\$62,197	\$0	\$2,446	\$228,879		
2046	\$162,570	\$171,161	95.0 %	Low	3.00 %	\$64,063	\$0	\$1,955	\$0		
2047	\$228,588	\$234,069	97.7 %	Low	3.00 %	\$65,984	\$0	\$2,577	\$10,164		
2048	\$286,985	\$290,129	98.9 %	Low	3.00 %	\$67,964	\$0	\$3,011	\$42,504		
2049	\$315,456	\$316,345	99.7 %	Low	3.00 %	\$70,003	\$0	\$3,467	\$10,783		
2050	\$378,143	\$377,859	100.1 %	Low	3.00 %	\$72,103	\$0	\$3,852	\$61,419		
2051	\$392,680	\$390,958	100.4 %	Low	3.00 %	\$74,266	\$0	\$4,260	\$11,440		
2052	\$459,767	\$457,878	100.4 %	Low	3.00 %	\$76,494	\$0	\$5,003	\$0		

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 21887-1
With-Site-Visit

Fiscal Year Start: 2023

Interest: 1.00 %

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
2023	\$161,193	\$165,349	97.5 %	Low	-2.44 %	\$25,850	\$0	\$1,573	\$35,050
2024	\$153,566	\$163,641	93.8 %	Low	12.36 %	\$29,046	\$0	\$1,689	\$0
2025	\$184,301	\$198,702	92.8 %	Low	3.00 %	\$29,917	\$0	\$1,365	\$126,725
2026	\$88,859	\$105,192	84.5 %	Low	3.00 %	\$30,815	\$0	\$1,047	\$0
2027	\$120,721	\$140,336	86.0 %	Low	3.00 %	\$31,739	\$0	\$1,344	\$5,628
2028	\$148,177	\$171,697	86.3 %	Low	3.00 %	\$32,692	\$0	\$1,535	\$23,533
2029	\$158,870	\$186,544	85.2 %	Low	3.00 %	\$33,672	\$0	\$1,735	\$5,970
2030	\$188,307	\$220,944	85.2 %	Low	3.00 %	\$34,682	\$0	\$1,895	\$34,006
2031	\$190,879	\$228,549	83.5 %	Low	3.00 %	\$35,723	\$0	\$2,065	\$6,334
2032	\$222,333	\$265,964	83.6 %	Low	3.00 %	\$36,795	\$0	\$2,418	\$0
2033	\$261,546	\$312,137	83.8 %	Low	3.00 %	\$37,898	\$0	\$2,445	\$74,319
2034	\$227,570	\$284,294	80.0 %	Low	3.00 %	\$39,035	\$0	\$2,482	\$0
2035	\$269,088	\$333,344	80.7 %	Low	3.00 %	\$40,206	\$0	\$2,671	\$46,551
2036	\$265,415	\$337,133	78.7 %	Low	3.00 %	\$41,413	\$0	\$2,874	\$0
2037	\$309,702	\$390,235	79.4 %	Low	3.00 %	\$42,655	\$0	\$3,288	\$7,563
2038	\$348,081	\$438,431	79.4 %	Low	3.00 %	\$43,935	\$0	\$3,559	\$31,627
2039	\$363,948	\$464,615	78.3 %	Low	3.00 %	\$45,253	\$0	\$3,715	\$33,538
2040	\$379,377	\$490,983	77.3 %	Low	3.00 %	\$46,610	\$0	\$3,816	\$45,701
2041	\$384,102	\$507,025	75.8 %	Low	3.00 %	\$48,009	\$0	\$4,015	\$16,939
2042	\$419,186	\$554,623	75.6 %	Low	3.00 %	\$49,449	\$0	\$2,797	\$330,974
2043	\$140,458	\$281,689	49.9 %	Medium	3.00 %	\$50,932	\$0	\$1,349	\$63,304
2044	\$129,435	\$277,807	46.6 %	Medium	3.00 %	\$52,460	\$0	\$1,564	\$0
2045	\$183,459	\$340,598	53.9 %	Medium	3.00 %	\$54,034	\$0	\$965	\$228,879
2046	\$9,579	\$171,161	5.6 %	High	3.00 %	\$55,655	\$0	\$376	\$0
2047	\$65,610	\$234,069	28.0 %	High	3.00 %	\$57,325	\$0	\$896	\$10,164
2048	\$113,667	\$290,129	39.2 %	Medium	3.00 %	\$59,045	\$0	\$1,225	\$42,504
2049	\$131,433	\$316,345	41.5 %	Medium	3.00 %	\$60,816	\$0	\$1,572	\$10,783
2050	\$183,037	\$377,859	48.4 %	Medium	3.00 %	\$62,640	\$0	\$1,845	\$61,419
2051	\$186,104	\$390,958	47.6 %	Medium	3.00 %	\$64,520	\$0	\$2,136	\$11,440
2052	\$241,320	\$457,878	52.7 %	Medium	3.00 %	\$66,455	\$0	\$2,758	\$0

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$161,193	\$157,491	\$192,675	\$101,859	\$138,530
Annual Reserve Funding	\$29,755	\$33,434	\$34,437	\$35,470	\$36,534
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,593	\$1,750	\$1,472	\$1,201	\$1,547
Total Income	\$192,541	\$192,675	\$228,584	\$138,530	\$176,611
# Component					
Inventory Appendix					
123 Asphalt Path - Partial Replace	\$0	\$0	\$0	\$0	\$0
125 Nature Trails - Refurbish	\$5,000	\$0	\$5,305	\$0	\$5,628
127 Trail Signs - Replace	\$0	\$0	\$0	\$0	\$0
130 Foot Bridge - Replace	\$0	\$0	\$7,055	\$0	\$0
142 Fence: Wood - Repair/Stain	\$5,650	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$7,055	\$0	\$0
190 Greenbelts/Trees - Trim/Remove	\$0	\$0	\$22,279	\$0	\$0
200 Entry Monuments - Refurbish	\$0	\$0	\$47,210	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
320 Asphalt Court - Resurface	\$0	\$0	\$0	\$0	\$0
321 Asphalt Court - Repair/Paint	\$7,450	\$0	\$0	\$0	\$0
330 Basketball Assemblies - Replace	\$0	\$0	\$0	\$0	\$0
338 Silver Firs Dr: Play Equip- Replace	\$0	\$0	\$26,523	\$0	\$0
339 Court Park: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
340 Glen View: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
341 Play Chips - Replenish	\$7,200	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$11,299	\$0	\$0
347 Site Furniture - Install 2023	\$9,750	\$0	\$0	\$0	\$0
Total Expenses	\$35,050	\$0	\$126,725	\$0	\$5,628
Ending Reserve Balance	\$157,491	\$192,675	\$101,859	\$138,530	\$170,984

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$170,984	\$186,869	\$221,700	\$229,872	\$267,142
Annual Reserve Funding	\$37,630	\$38,759	\$39,922	\$41,119	\$42,353
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,789	\$2,042	\$2,257	\$2,484	\$2,896
Total Income	\$210,402	\$227,670	\$263,878	\$273,476	\$312,391
# Component					
Inventory Appendix					
123 Asphalt Path - Partial Replace	\$0	\$0	\$0	\$0	\$0
125 Nature Trails - Refurbish	\$0	\$5,970	\$0	\$6,334	\$0
127 Trail Signs - Replace	\$0	\$0	\$0	\$0	\$0
130 Foot Bridge - Replace	\$0	\$0	\$0	\$0	\$0
142 Fence: Wood - Repair/Stain	\$6,550	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$8,179	\$0	\$0
190 Greenbelts/Trees - Trim/Remove	\$0	\$0	\$25,827	\$0	\$0
200 Entry Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
320 Asphalt Court - Resurface	\$0	\$0	\$0	\$0	\$0
321 Asphalt Court - Repair/Paint	\$8,637	\$0	\$0	\$0	\$0
330 Basketball Assemblies - Replace	\$0	\$0	\$0	\$0	\$0
338 Silver Firs Dr: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
339 Court Park: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
340 Glen View: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
341 Play Chips - Replenish	\$8,347	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
347 Site Furniture - Install 2023	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$23,533	\$5,970	\$34,006	\$6,334	\$0
Ending Reserve Balance	\$186,869	\$221,700	\$229,872	\$267,142	\$312,391

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$312,391	\$284,680	\$332,698	\$335,768	\$387,049
Annual Reserve Funding	\$43,624	\$44,932	\$46,280	\$47,669	\$49,099
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,984	\$3,086	\$3,341	\$3,613	\$4,097
Total Income	\$358,999	\$332,698	\$382,319	\$387,049	\$440,245
# Component					
Inventory Appendix					
123 Asphalt Path - Partial Replace	\$0	\$0	\$0	\$0	\$0
125 Nature Trails - Refurbish	\$6,720	\$0	\$7,129	\$0	\$7,563
127 Trail Signs - Replace	\$0	\$0	\$0	\$0	\$0
130 Foot Bridge - Replace	\$0	\$0	\$0	\$0	\$0
142 Fence: Wood - Repair/Stain	\$7,593	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$9,481	\$0	\$0
190 Greenbelts/Trees - Trim/Remove	\$0	\$0	\$29,941	\$0	\$0
200 Entry Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
320 Asphalt Court - Resurface	\$0	\$0	\$0	\$0	\$0
321 Asphalt Court - Repair/Paint	\$10,012	\$0	\$0	\$0	\$0
330 Basketball Assemblies - Replace	\$0	\$0	\$0	\$0	\$0
338 Silver Firs Dr: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
339 Court Park: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
340 Glen View: Play Equip- Replace	\$40,317	\$0	\$0	\$0	\$0
341 Play Chips - Replenish	\$9,676	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
347 Site Furniture - Install 2023	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$74,319	\$0	\$46,551	\$0	\$7,563
Ending Reserve Balance	\$284,680	\$332,698	\$335,768	\$387,049	\$432,682

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$432,682	\$456,069	\$479,294	\$492,099	\$535,557
Annual Reserve Funding	\$50,572	\$52,089	\$53,651	\$55,261	\$56,919
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,442	\$4,675	\$4,855	\$5,136	\$4,004
Total Income	\$487,695	\$512,832	\$537,800	\$552,496	\$596,479
# Component					
Inventory Appendix					
123 Asphalt Path - Partial Replace	\$0	\$0	\$0	\$0	\$60,934
125 Nature Trails - Refurbish	\$0	\$8,024	\$0	\$8,512	\$0
127 Trail Signs - Replace	\$0	\$0	\$0	\$8,427	\$0
130 Foot Bridge - Replace	\$0	\$0	\$0	\$0	\$0
142 Fence: Wood - Repair/Stain	\$8,803	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$10,991	\$0	\$0
190 Greenbelts/Trees - Trim/Remove	\$0	\$0	\$34,710	\$0	\$0
200 Entry Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$199,900
320 Asphalt Court - Resurface	\$0	\$18,534	\$0	\$0	\$0
321 Asphalt Court - Repair/Paint	\$11,607	\$0	\$0	\$0	\$0
330 Basketball Assemblies - Replace	\$0	\$6,980	\$0	\$0	\$0
338 Silver Firs Dr: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
339 Court Park: Play Equip- Replace	\$0	\$0	\$0	\$0	\$70,140
340 Glen View: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
341 Play Chips - Replenish	\$11,217	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
347 Site Furniture - Install 2023	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$31,627	\$33,538	\$45,701	\$16,939	\$330,974
Ending Reserve Balance	\$456,069	\$479,294	\$492,099	\$535,557	\$265,505

Fiscal Year	2043	2044	2045	2046	2047
Starting Reserve Balance	\$265,505	\$263,471	\$326,806	\$162,570	\$228,588
Annual Reserve Funding	\$58,626	\$60,385	\$62,197	\$64,063	\$65,984
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,644	\$2,950	\$2,446	\$1,955	\$2,577
Total Income	\$326,775	\$326,806	\$391,449	\$228,588	\$297,149
# Component					
Inventory Appendix					
123 Asphalt Path - Partial Replace	\$0	\$0	\$0	\$0	\$0
125 Nature Trails - Refurbish	\$9,031	\$0	\$9,581	\$0	\$10,164
127 Trail Signs - Replace	\$0	\$0	\$0	\$0	\$0
130 Foot Bridge - Replace	\$0	\$0	\$12,742	\$0	\$0
142 Fence: Wood - Repair/Stain	\$10,205	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$12,742	\$0	\$0
190 Greenbelts/Trees - Trim/Remove	\$0	\$0	\$40,238	\$0	\$0
200 Entry Monuments - Refurbish	\$0	\$0	\$85,267	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
320 Asphalt Court - Resurface	\$0	\$0	\$0	\$0	\$0
321 Asphalt Court - Repair/Paint	\$13,456	\$0	\$0	\$0	\$0
330 Basketball Assemblies - Replace	\$0	\$0	\$0	\$0	\$0
338 Silver Firs Dr: Play Equip- Replace	\$0	\$0	\$47,903	\$0	\$0
339 Court Park: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
340 Glen View: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
341 Play Chips - Replenish	\$13,004	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$20,407	\$0	\$0
347 Site Furniture - Install 2023	\$17,610	\$0	\$0	\$0	\$0
Total Expenses	\$63,304	\$0	\$228,879	\$0	\$10,164
Ending Reserve Balance	\$263,471	\$326,806	\$162,570	\$228,588	\$286,985

Fiscal Year	2048	2049	2050	2051	2052
Starting Reserve Balance	\$286,985	\$315,456	\$378,143	\$392,680	\$459,767
Annual Reserve Funding	\$67,964	\$70,003	\$72,103	\$74,266	\$76,494
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,011	\$3,467	\$3,852	\$4,260	\$5,003
Total Income	\$357,960	\$388,926	\$454,098	\$471,206	\$541,264
# Component					
Inventory Appendix					
123 Asphalt Path - Partial Replace	\$0	\$0	\$0	\$0	\$0
125 Nature Trails - Refurbish	\$0	\$10,783	\$0	\$11,440	\$0
127 Trail Signs - Replace	\$0	\$0	\$0	\$0	\$0
130 Foot Bridge - Replace	\$0	\$0	\$0	\$0	\$0
142 Fence: Wood - Repair/Stain	\$11,830	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$0	\$0	\$14,772	\$0	\$0
190 Greenbelts/Trees - Trim/Remove	\$0	\$0	\$46,647	\$0	\$0
200 Entry Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
320 Asphalt Court - Resurface	\$0	\$0	\$0	\$0	\$0
321 Asphalt Court - Repair/Paint	\$15,599	\$0	\$0	\$0	\$0
330 Basketball Assemblies - Replace	\$0	\$0	\$0	\$0	\$0
338 Silver Firs Dr: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
339 Court Park: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
340 Glen View: Play Equip- Replace	\$0	\$0	\$0	\$0	\$0
341 Play Chips - Replenish	\$15,075	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
347 Site Furniture - Install 2023	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$42,504	\$10,783	\$61,419	\$11,440	\$0
Ending Reserve Balance	\$315,456	\$378,143	\$392,680	\$459,767	\$541,264



Accuracy, Limitations, and Disclosures

"The reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair or replacement of a reserve component."

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James Talaga, company President, is a credentialed Reserve Specialist (#066). 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)
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) Common area repair & replacement responsibility
- 2) Component must have a limited useful life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses).

Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four 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.

Inventory Appendix

Comp #: 100 Concrete - Repair/Replace

Quantity: Walkways/Curbing/Pads

Location: Mostly adjacent to community streets
Funded?: No. Annual costs best handled through operating budget
History: None Known
Comments: The concrete appeared in generally stable condition, with no significant deterioration at this time.

The majority of walkways and curbing installations are adjacent to individually owned lots, in which the responsibility for repairs/replacement falls upon the Lot Owner(s), not the Association. The annual repair needs for the areas within Association responsibility are below typical reserve funding thresholds (1% or more of total annual expenses), and should be factored into the operating budget.

In our experience, as the community ages larger repair/replacement expenses may emerge that cannot be comfortably absorbed into the operating budget. Currently, it is difficult to predict the timing, scope, and costs of larger repairs. Monitor the concrete annually and if conditions deteriorate leading to larger repair needs, funding can be included within a reserve study update.

As routine maintenance, inspect regularly and pressure wash for appearance. Repair any trip hazards (1/2" difference in height) immediately to ensure safety. Repair promptly, as needed, to prevent water penetrating into the base, which can cause further damage. Factors affecting the quality and service life of the concrete include the preparation of the underlying soil and drainage, thickness and strength of the concrete used, steel reinforcement (none likely), amount and weight of vehicle traffic, and tree roots.

Resources:

- <http://www.mrsc.org/subjects/pubworks/sidew.aspx>
- http://www.sakrete.com/media-center/blog-detail.cfm/bp_alias/Placing-Concrete-in-hot-or-cold-weather
- <http://www.concretenetwork.com/cold-weather-concrete/weather.html>

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 120 Asphalt Streets - Maintain

Quantity: Extensive square feet

Location: Roads throughout the association

Funded?: No. Reportedly the responsibility of local municipality, not Association

History: None known

Comments: The asphalt appeared in stable condition, with no widespread problems like cracking, excessive wear, alligator cracking, etc observed during our limited visual review.

The community streets are dedicated public right of ways, The responsibility for maintenance, repairs and replacement falls upon the local municipality, not the association. Therefore reserve funding is not warranted.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 123 Asphalt Path - Partial Replace

Quantity: ~ 19,800 square feet

Location: Paved walkway along Puget Park Dr. adjacent to Division 5

Funded?: Yes.

History: 2022 ~\$33,745

Comments: The asphalt appeared in stable condition, with no widespread problems like cracking, excessive wear, alligator cracking, etc observed during our limited visual review.

In prior study updates, we had excluded funding as this path was reported to be the responsibility of the local municipality. Due to differed maintenance, issues related to upheaval and cracking, the Association elected to refurbish this path in 2022. With the anticipation of future large scale expenses by the Association for similar work, we have included the below allowances based in 2022 expenses. Track expenses and history, and make adjustments to this component in reserve study updates, if needed.

Useful Life:
20 years

Remaining Life:
19 years



Best Case: \$ 29,500

Worst Case: \$ 40,000

Lower Allowance

Higher Allowance

Cost Source: Inflated Client Cost History

Comp #: 125 Nature Trails - Refurbish

Quantity: ~ 2.5 miles

Location: Trail system throughout common areas of association

Funded?: Yes.

History: None known

Comments: Trails within the community were noted in varied condition. Some areas have gravel fill; however majority are exposed soil. Some exposed roots were noted with may pose tripping hazards.

Fair coverage with no major depressions observed were noted in areas with gravel fill. The profile and drainage appear adequate. Although ongoing refurbishing/replenishment should be part of an annual maintenance program, we recommend including a funding allowance in reserves for periodic larger projects to maintain/rebuild some of these areas; these project may also include vegetation management and root removals. Track expenses and history, and make adjustments to this component in reserve study updates, if needed.

Note: Funding allowances are not intended to cover the entire trail system, rather to replenish select areas where previous installed or fill in previous exposed areas.

Useful Life:
2 years

Remaining Life:
0 years



Best Case: \$ 4,200

Worst Case: \$ 5,800

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 127 Trail Signs - Replace

Quantity: Extensive / Wood & Metal

Location: At trail heads throughout community

Funded?: Yes.

History: No specific details provided

Comments: During our site visit, we noted the common area signage was in stable condition. The majority of these installations appeared recently replaced; no specific details were provided.

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

As routine maintenance, inspect regularly, clean, and touch up for appearance. Repair with operating funds.

Useful Life:
20 years

Remaining Life:
18 years



Best Case: \$ 3,700

Worst Case: \$ 6,200

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 130 Foot Bridge - Replace

Quantity: (1) 23' x 4' / Wood

Location: Division 3 at common area trail

Funded?: Yes.

History: None known

Comments: The surface has open boards that allow water to drain between them. The wood decking is 5/4 inch boards, on top of wood structural framing. The wood deck surface was not painted or stained. No significant decay of boards was observed.

Funding factored below is for replacing the installation with like-kind materials. The costs may be greater if the structural work or other related needs become necessary.

Inspect annually, and repair as needed. As part of maintenance, apply water repellent stain/preservative at least every other year through the operating budget or combine with a similar project. Almost all exterior wood exposed to the Puget Sound area weather will decay over time, and require replacement. Options for a longer lasting deck include using thick wood boards or a composite product (increased costs).

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$ 5,300

Worst Case: \$ 8,000

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 140 Wood Fencing - Replace

Quantity: Extensive

Location: Perimeters of individually owned lots throughout community

Funded?: No. Reportedly the responsibility of Individual Lot Owner(s), not the Association.

History: None known

Comments: The wood fences appeared in generally stable to fair condition with some aging apparent. Some decay or advanced deterioration was observed.

These installations are the responsibility of the individual lot owner(s), not the association. Therefore, reserve funding is not warranted. See the following component for staining needs at highly visible locations.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 142 Fence: Wood - Repair/Stain

Quantity: ~ 13,680 square feet

Location: Along Puget Drive in visible areas (street facing side only)

Funded?: Yes. Funding for materials; labor provided by volunteers

History: None known

Comments: The finish on the wood fence appeared in generally fair condition.

Note: The privacy fencing installations are owner responsibility, not the Association. However, in a previous study update Association Management reported the Association has maintained the fencing in highly visible areas along Puget Dr. Historically, these projects have been handled by volunteer labor. With this understanding and assumed continuation of this practice, we have included the below allowances for the purchase of materials. Reserve funding may be adjusted if vendor related work is anticipated.

Regular sealer applications are recommended for the appearance, protection, and maximum useful life of the wood. Actual timing of staining will vary based on exposure, and quality of material and application. In our experience, quality solid-bodied stain typically produces the best result. Remove any unnecessary contact with the ground, surrounding landscape, and sprinkler patterns. Repair as needed, and clean prior to sealer application.

There are three general options for finishing wood fences. The first, and least expensive, option is to leave it unfinished. The second option is regular cycles of penetrating water repellent (typically clear or semi-transparent). The third option is painting or staining. The second option typically has a shorter useful life, and perhaps a lower life-cycle cost than staining/painting. Left unfinished, the wood will "gray" from its exposure to weather and often exhibit mildew - the lesser appearance may adversely affect marketability, however. The third option is to apply a penetrating stain that is similar to painting, in that it will extend the life of the wood fence. The costs for applying the penetrating water repellent can be much less than staining, but needs to be done more often (every two to three years). Using a quality solid-bodied stain is often thought to best balance the objectives of the association and is, therefore, factored below.

If the wood is cedar, the Western Red Cedar Lumber Association (WRCLA) has additional information available on their website: <https://www.realcedar.com/>

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 4,100

Worst Case: \$ 7,200

Lower allowance

Higher allowance

Cost Source: Budget Allowance

Comp #: 170 Landscape - Refurbish

Quantity: Plantings & Turf

Location: Throughout common areas, open spaces, etc.

Funded?: Yes.

History: None known

Comments: The landscape is in generally healthy condition.

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. We have included the below allowances to supplement the operating budget. 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 how supplemental reserve funding should be used.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$ 5,300

Worst Case: \$ 8,000

Lower Allowance

Higher allowance

Cost Source: Budget Allowance

Comp #: 175 Irrigation System - Replace

Quantity: Controls, conveyance

Location: Scattered entry area monuments

Funded?: No. Reportedly not in use

History: None known

Comments: Our visual observation of the irrigation system was limited, as the majority of system components are below grade. Reportedly, the systems have not been in use for many years. At the time of this study, no information (plans and/or specifications) was provided to us regarding the extent of the irrigation system; however, these installations are primarily adjacent to entry monuments.

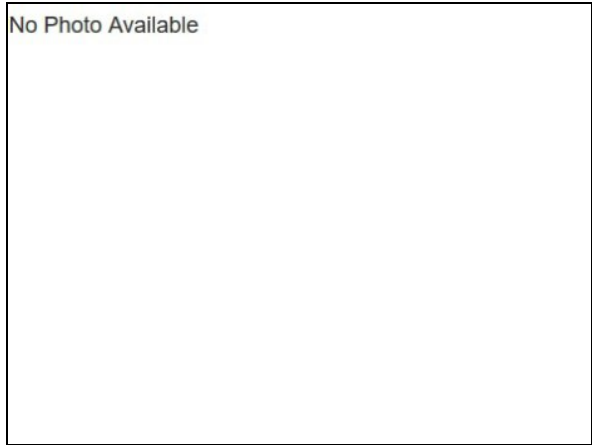
With the understanding the systems have not been in use, there is no basis for reserve funding. Reserve funding may be included upon request.

Have your landscaper or irrigation specialist periodically unearth sections to check lines for any damage or deterioration. PVC can eventually become brittle and leak (typically not before the 40 year mark of life).

As routine maintenance, inspect, test, and repair the system, as needed, as part of the operating budget. Follow proper winterization and spring startup procedures. If properly installed and bedded without defect, the lines could last for many years. Controls for the system can vary greatly in number, cost, and life expectancy - typically each controller is less than \$500. Other elements (i.e. sprinkler heads, valves) within this system are generally lower cost, and have a failure rate that is difficult to predict. These elements are better suited to be handled with operating funds, not reserves.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 182 Drainage & Stormwater Systems

Quantity: Culverts/Basins/Drains

Location: Scattered throughout community common areas

Funded?: No. No predictable large scale replacement projected

History: None known

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 mostly limited to catch basin areas. No problems were 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

<http://mrsc.org/Home/Explore-Topics/Environment/Water-Topics/Storm-and-Surface-Water-Management/Stormwater-Detention-Facility-Maintenance.aspx>

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 185 Stormwater Pond - Refurbish

Quantity: (1) Detention

Location: Adjacent to cul-de-sac on 55th Dr SE (Div 5)

Funded?: No. Reportedly the responsibility of Snohomish County, not Association

History: None known

Comments: The stormwater pond appeared in generally stable condition during our limited visual review with no excess vegetation. Ongoing maintenance is assumed.

Based on previous research, this facility is reportedly maintained by Snohomish County, not the Association. With this understanding, reserve funding is not warranted. Reserve funding may be included if practices by the County are altered and large scale expenses are anticipated by the Association.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 190 Greenbelts/Trees - Trim/Remove

Quantity: Extensive/Assorted

Location: Throughout greenbelt/common areas of association

Funded?: Yes.

History: No specific details provided

Comments: There were no specific problems reported at this time. As noted within Component #125, tree roots are posing potential tripping hazards at the nature trails. The community trees are generally mature.

This component factors larger tree removal/trimming projects which do not occur on an annual basis or expenses/projects which exceed budgeted projects. We have included the below allowances to supplement the operating budget. 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:
5 years

Remaining Life:
2 years



Best Case: \$ 18,000

Worst Case: \$ 24,000

Lower Allowance

Higher Allowance

Cost Source: Inflated Client Cost History

Comp #: 200 Entry Monuments - Refurbish

Quantity: (8) Wood/Brick

Location: Adjacent to entry drives throughout community, off Puget Park Dr. SE

Funded?: Yes.

History: None known

Comments: The community monuments appeared in stable to fair condition. No obvious damage or unusual deterioration was noted.

These installations consist of a painted wood signs affixed to brick walls or columns. Some locations have adjacent split wood rail fencing.

Reserve funding is recommended for regular intervals of refurbishment to maintain a consistent and quality appearance. These projects are likely to include refinishing or replacement of wood signs, repairs/replacement of adjacent fencing, lighting replacement/improvements and landscaping work. Track expenses and history, and make adjustments to this component in reserve study updates, if needed.

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

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$ 39,000

Worst Case: \$ 50,000

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 205 Mailboxes - Replace

Quantity: (60) Cluster Stands

Location: Adjacent to roadways throughout the community

Funded?: Yes.

History: Installation completion in 2023

Comments: The mailboxes appeared in stable condition. The mailboxes are not protected from the rain by a structure.

Historically, the mailbox installations have been treated as Lot Owner responsibility. In 2022, the Association began installing cluster stands to replace individual boxes for improved security. The initial installation costs are being funded outside of reserves; however, we have included funding per Association Management request, as well as, these installations are held in common and are appropriate for reserve funding. This project is anticipated to be complete within the 2023 fiscal year.

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:
20 years

Remaining Life:
19 years



Best Case: \$ 96,000

Worst Case: \$ 132,000

Lower Allowance

Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 320 Asphalt Court - Resurface

Quantity: ~ 3,300 square feet

Location: Within Division 5

Funded?: Yes.

History: Assumed original to Construction

Comments: The court surface was in mostly stable condition with some local cracks noted, but not significant or widespread at this time. Some ponding water was noted.

In addition to periodic seal/repair projects (see separate component #321), plan for an eventual total resurface. Repair the base as needed at that time to ensure positive drainage. As routine maintenance, inspect regularly, clean as needed, and fill cracks with operating funds. See the previous component for cyclical seal coating and striping.

Useful Life:
50 years

Remaining Life:
16 years



Best Case: \$ 6,600

Worst Case: \$ 16,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 321 Asphalt Court - Repair/Paint

Quantity: ~ 3,300 square feet

Location: The tennis court.

Funded?: Yes.

History: ~2018

Comments: The tennis court was in mostly fair condition with no significant damage/deterioration noted. The seal and striping were in fair condition.

Plan for regular cycles of repairs/partial replacements, seal, and restripe at intervals shown here. For larger overlay/resurface needs, see separate component #320.

Inspect regularly, and locally repair as needed with operating funds. As with any asphalt or concrete surface, preventing water from entering the base is critical, so repair cracks promptly.

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 5,000

Worst Case: \$ 9,900

Lower allowance

Higher allowance

Cost Source: Budget Allowance

Comp #: 330 Basketball Assemblies - Replace

Quantity: (2) Metal Assemblies

Location: Adjacent to each end of the asphalt court within Division 5

Funded?: Yes.

History: None known

Comments: The basketball hoop assemblies were observed in stable and functional condition. Aging was apparent, however, no significant damage or deterioration.

These sturdy installations should serve the community for an extended period. We have included the below allowances for eventual replacement with alignment of court resurfacing (see Component #320).

Inspect regularly, and complete any necessary repairs or replacement with operating funds.

Note: Only the two fixed assemblies are included within component funding. There is also a freestanding assembly which we assume was donated.

Useful Life:
50 years

Remaining Life:
16 years



Best Case: \$ 3,700

Worst Case: \$ 5,000

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 338 Silver Firs Dr: Play Equip– Replace

Quantity: (1) Metal Assembly

Location: Silver Firs Dr & Puget Park Dr, within Division 4

Funded?: Yes.

History: None known

Comments: The play equipment was observed in fair condition with no significant damage or unusual wear.

Replacement cycles vary depending on the amount of use/abuse, however, expect to complete an extensive park area renovation at roughly the time frame listed below. Inspect for stability, damage and excessive wear, and utilize operating funds for any repairs needed between replacement cycles.

Note: Code and/or insurance regulations may necessitate “commercial grade” equipment.

Resources:

Public Playground Safety Handbook: <https://www.cpsc.gov/s3fs-public/325.pdf>

Public Playground Safety Checklist: <https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>

Outdoor Home Playground Safety Checklist: <https://www.cpsc.gov/s3fs-public/324.pdf>

WAC 110-305-4950 Playground Equipment: <https://apps.leg.wa.gov/WAC/default.aspx?cite=110-305-4950>

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$ 20,000

Worst Case: \$ 30,000

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 339 Court Park: Play Equip- Replace

Quantity: (1) Metal Assembly

Location: Silver Firs Dr & Puget Park Dr, within Division 4

Funded?: Yes.

History: 2022 ~\$38,887

Comments: The play equipment was not installed as of the site visit; reportedly the installation was completed shortly following our site visit. The proposed design included (3) pieces (2 climbing and (1) swing type assemblies).

Replacement cycles vary depending on the amount of use/abuse, however, expect to complete an extensive park area renovation at roughly the time frame listed below. Inspect for stability, damage and excessive wear, and utilize operating funds for any repairs needed between replacement cycles.

Note: Code and/or insurance regulations may necessitate "commercial grade" equipment.

Resources:

Public Playground Safety Handbook: <https://www.cpsc.gov/s3fs-public/325.pdf>

Public Playground Safety Checklist: <https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>

Outdoor Home Playground Safety Checklist: <https://www.cpsc.gov/s3fs-public/324.pdf>

WAC 110-305-4950 Playground Equipment: <https://apps.leg.wa.gov/WAC/default.aspx?cite=110-305-4950>

Useful Life:
20 years

Remaining Life:
19 years



Best Case: \$ 34,000

Worst Case: \$ 46,000

Lower allowance

Higher allowance

Cost Source: Inflated Vendor Estimate - Allplay Systems

Comp #: 340 Glen View: Play Equip- Replace

Quantity: (1) Metal/Composite

Location: Glen View Community Park (138th PI SE/Puget Park Dr, within Division 5)

Funded?: Yes.

History: Installed ~2013

Comments: The play equipment was observed in stable condition with no significant damage or unusual wear.

Replacement cycles vary depending on the amount of use/abuse, however, expect to complete an extensive park area renovation at roughly the time frame listed below. Inspect for stability, damage and excessive wear, and utilize operating funds for any repairs needed between replacement cycles.

Note: Code and/or insurance regulations may necessitate "commercial grade" equipment.

Resources:

Public Playground Safety Handbook: <https://www.cpsc.gov/s3fs-public/325.pdf>

Public Playground Safety Checklist: <https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>

Outdoor Home Playground Safety Checklist: <https://www.cpsc.gov/s3fs-public/324.pdf>

WAC 110-305-4950 Playground Equipment: <https://apps.leg.wa.gov/WAC/default.aspx?cite=110-305-4950>

Useful Life:
20 years

Remaining Life:
10 years



Best Case: \$ 25,000

Worst Case: \$ 35,000

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 341 Play Chips - Replenish

Quantity: ~ 160 Cubic Yards

Location: Within play areas

Funded?: Yes.

History: None known

Comments: The play chips were noted in fair condition. General weathering and compression were noted.

Periodic replenishment is warranted for safety purposes. The National Safety Counsel and the Consumer Product Safety Commission both recommend a minimum depth of 12 inches. Replenishment becomes necessary due to chip loss, compression, and exposure to the elements.

As routine maintenance inspect regularly, agitate to reduce compression, and replenish low areas to maintain adequate coverage.

Resources:

<https://www.nsc.org/community-safety/safety-topics/child-safety/playground-safety>

<https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 6,100

Worst Case: \$ 8,300

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 342 Fitness Station Pieces - Replace

Quantity: ~(8) Wood/Metal

Location: Scattered areas at trails, common areas

Funded?: No. Planned to be decommissioned

History: None known

Comments: The wood and metal pieces was observed in fair condition with typical deterioration noted.

The Association is planning to decommission these installations. Therefore, reserve funding is not warranted.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 346 Site Furniture - Replace

Quantity: ~ (8) Wood/Composite

Location: Scattered common areas of association

Funded?: Yes.

History: None known

Comments: Generally stable to fair condition of the community outdoor furniture with advanced deterioration noted at select pieces. At least one of the pieces appears to have been replaced in recent years.

Inspect regularly, and repair as needed. Clean with an appropriate cleaner (refinish if desired) using operating funds.

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$ 9,000

Worst Case: \$ 12,300

Lower Allowance

Higher Allowance

Cost Source: Budget Allowance

Comp #: 347 Site Furniture - Install 2023

Quantity: (5) Pieces

Location: Adjacent to asphalt court and play equipment

Funded?: Yes.

History: Anticipated 2023

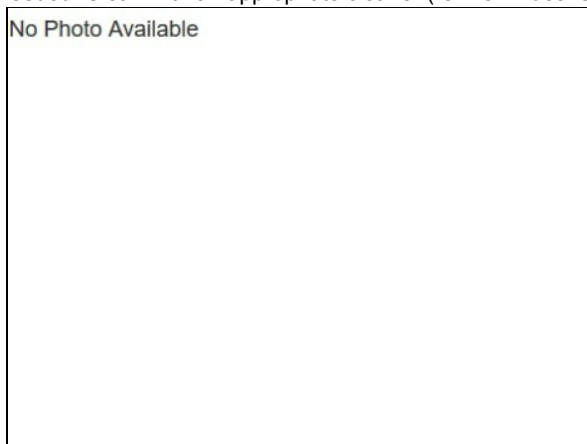
Comments: This component factors the anticipated additions of site furniture. These installations are anticipated to be installed adjacent to the new play equipment (see Component #339).

The below allowances are based on the anticipated installations of (3) benches and (2) tables. No specific costs estimates were provided; therefore, we have used similar cost history until actual expenses are provided.

Inspect regularly, and repair as needed. Clean with an appropriate cleaner (refinish if desired) using operating funds.

Useful Life:
20 years

Remaining Life:
0 years



Best Case: \$ 8,300

Worst Case: \$ 11,200

Lower allowance

Higher allowance

Cost Source: Budget Allowance

Comp #: 999 Reserve Study Update

Quantity: Annual Update

Location: Common elements throughout association

Funded?: No.

History: 2023 WSV; 2012 Full

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 the condition (i.e. physical, economic, governmental, etc.), and the resulting effect on the community's long-term reserve plan. Reserve study costs are most appropriately factored within the operating budget, and not as a funded reserve component.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source: