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SUSAN OORD
CAI-RS
00191
DESIGNATION
RESERVE SPECIALIST

Report #: 23122-3
Beginning: January 1, 2023
Expires: December 31, 2023

RESERVE STUDY

Update "With-Site-Visit"

June 24, 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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Reserve Study Executive Summary — With-Site-Visit

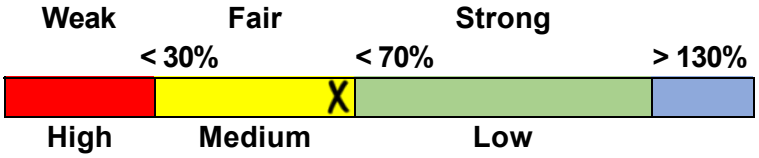
Sunrise Ridge/The Highlands at Somerset
Tumwater, WA
Level of Service: **Update "With-Site-Visit"**

Report #: **23122-3**
# of Units: 195
January 1, 2023 through **December 31, 2023**

Findings & Recommendations — as of January 1, 2023

Starting Reserve Balance	**$256,550**
Current Fully Funded Reserve Balance	**$375,246**
Percent Funded	**68.4 %**
Average Reserve (Deficit) or Surplus Per Unit	**($609)**
Recommended 2023 100% Monthly "Full Funding" Contributions	**$4,456**
Recommended 2023 70% Monthly "Threshold Funding" Contributions	**$4,070**
2023 "Baseline Funding" minimum to keep Reserves above $0	**$3,540**
Most Recent Budgeted Contribution Rate	**$4,456**

Reserve Fund Strength: 68.4%



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 68.4 % Funded. This means the association's special assessment & deferred maintenance risk is currently Medium. 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 $38,151 - 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.

Executive Summary Table

Report # 23122-3
With-Site-Visit

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Inventory Appendix			
100	Concrete/Curbs - Repair/Replace	5	2	$8,955
120	Asphalt Roads - Resurface/Repave	30	12	$313,000
121	Asphalt - Clean/Repair/Crackfill	3	2	$3,600
140	Double Rail Fence - Replace	20	2	$14,700
142	Wood/Cyclone Fencing - Replace	20	2	$17,400
143	Wood Fencing - Rpr/Clean/Stain	4	2	$18,000
144	Cyclone Fencing - Replace	30	11	$14,300
160	Street Lights - Replace	20	2	$34,150
170	Landscape - Refurbish	1	0	$4,000
175	Storm Drainage Ponds - Cleaning	20	2	$54,650
176	Stormwater Vault/Filters - Cln/Repl	4	0	$7,210
177	Gravel Access Road - Refurbish	12	3	$14,800
178	Drains - Inspect/Clean	4	1	$6,000
185	Irrigation System - Repair/Replace	1	0	$2,000
200	Entry Monuments - Refurbish	20	2	$11,905
201	Required Signage - Replace	25	8	$7,650
205	Mailboxes - Replace	20	14	$25,050
220	Bus Shelter - Repair/Replace	4	1	$1,500
999	Reserve Study - Update	3	2	$1,920
19	**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?

RESERVE COMPONENT "FOUR-PART TEST"

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 6/16/2022, 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.No major deterioration throughout common areas with ongoing maintenance and work being conducted regularly.

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.

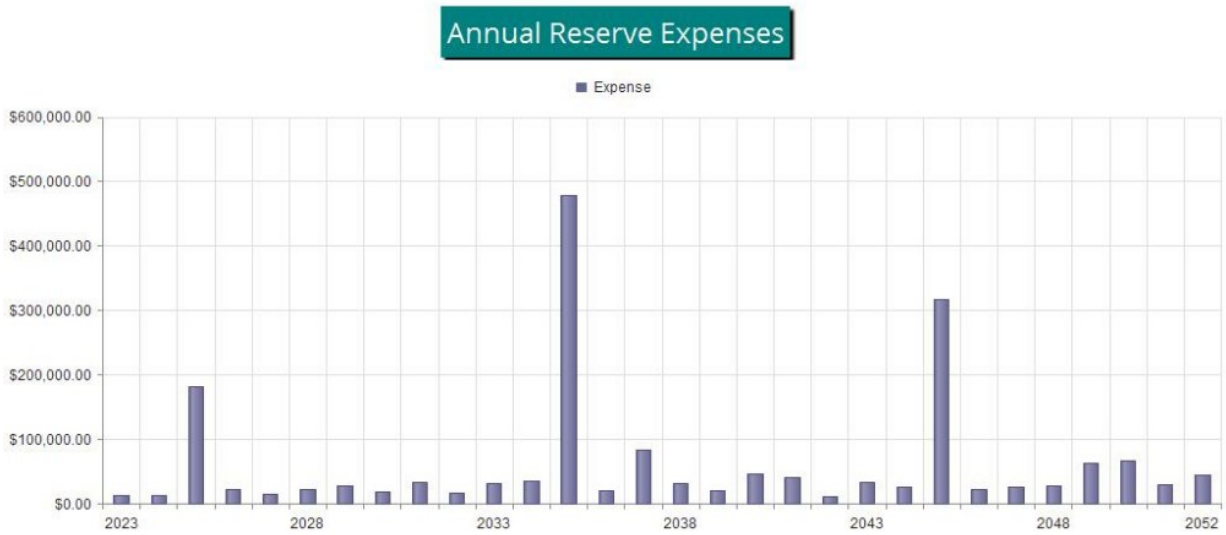


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $256,550 as-of the start of your Fiscal Year on 1/1/2023. As of that date, your Fully Funded Balance is computed to be $375,246 (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 $4,456 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.

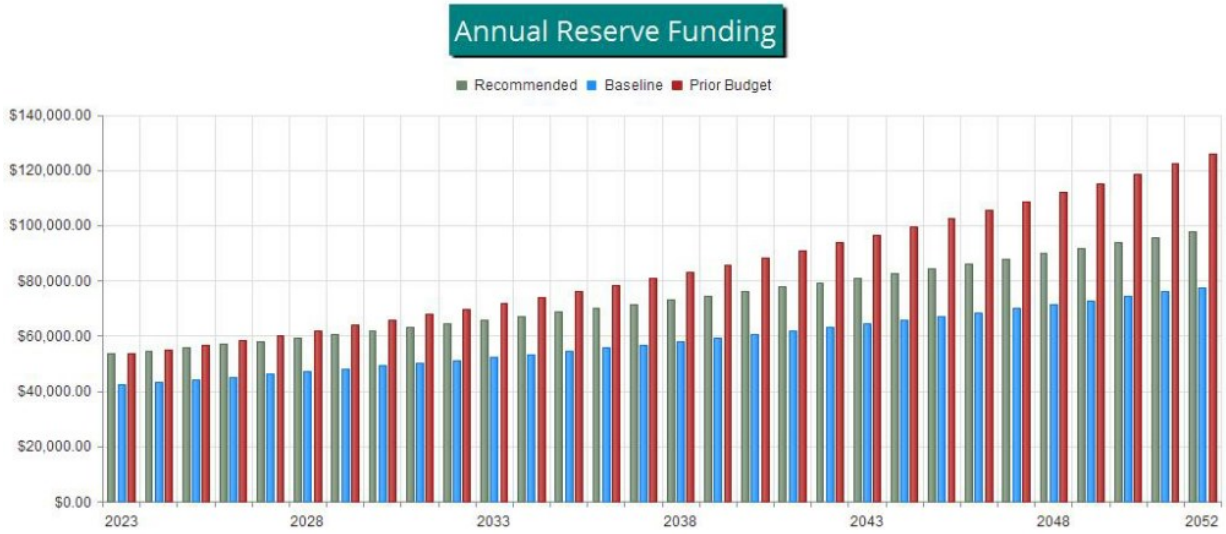


Figure 2

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.

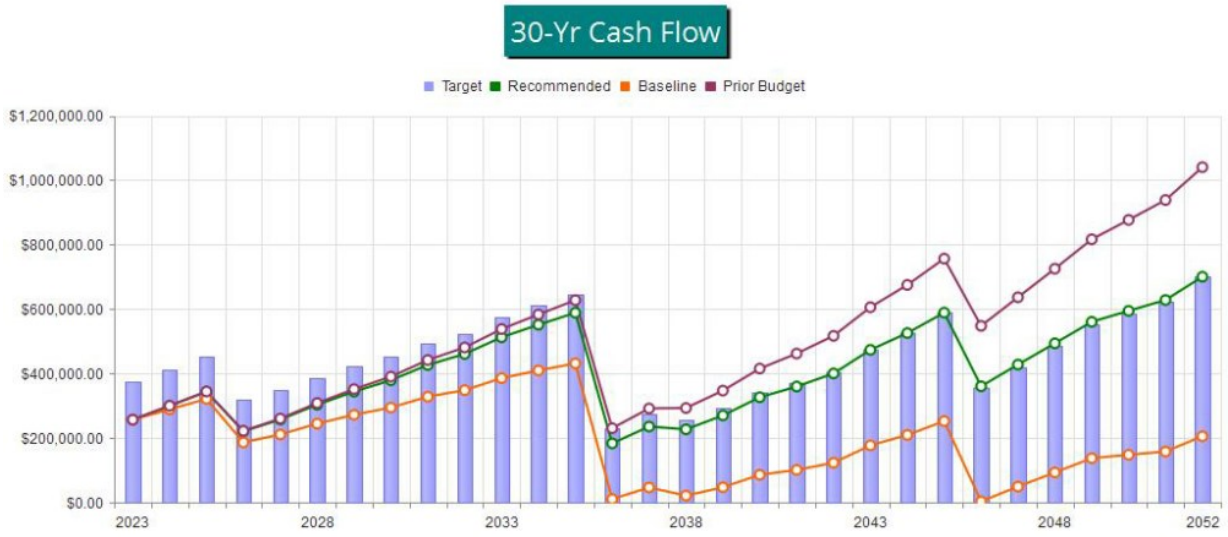


Figure 3

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.

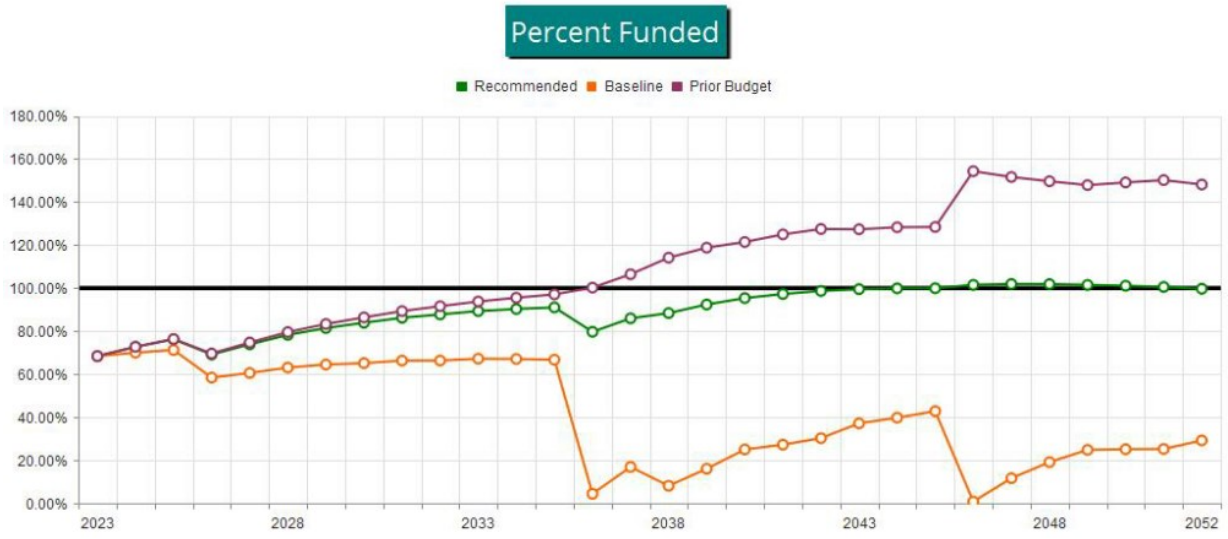


Figure 4

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 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					
100	Concrete/Curbs - Repair/Replace	~ 36,000 GSF sdwlks/curbs	5	2	$6,010	$11,900
120	Asphalt Roads - Resurface/Repave	~ 116,400 GSF	30	12	$279,000	$347,000
121	Asphalt - Clean/Repair/Crackfill	~ 116,400 GSF	3	2	$3,200	$4,000
140	Double Rail Fence - Replace	~730 LF, wood board	20	2	$11,500	$17,900
142	Wood/Cyclone Fencing - Replace	~850 LF wood/link	20	2	$13,900	$20,900
143	Wood Fencing - Rpr/Clean/Stain	~1,580 LF	4	2	$15,000	$21,000
144	Cyclone Fencing - Replace	~400 LF, vinyl coated	30	11	$11,900	$16,700
160	Street Lights - Replace	~ (25) metal assemblies	20	2	$27,300	$41,000
170	Landscape - Refurbish	Grass, shrubs, trees, etc	1	0	$3,500	$4,500
175	Storm Drainage Ponds - Cleaning	(5) storm ponds	20	2	$49,200	$60,100
176	Stormwater Vault/Filters - Cln/Repl	8'X16' vault, (15) filtrs	4	0	$6,010	$8,410
177	Gravel Access Road - Refurbish	~550' X 15' gravel	12	3	$13,500	$16,100
178	Drains - Inspect/Clean	~(120) drains	4	1	$5,000	$7,000
185	Irrigation System - Repair/Replace	Controls, pipes, etc.	1	0	$1,500	$2,500
200	Entry Monuments - Refurbish	(4), wood/metal/stone	20	2	$9,510	$14,300
201	Required Signage - Replace	~ (80) metal signs	25	8	$6,670	$8,630
205	Mailboxes - Replace	~(14) metal clusters	20	14	$21,700	$28,400
220	Bus Shelter - Repair/Replace	*(1)10' X 6' wood shelter	4	1	$1,000	$2,000
999	Reserve Study - Update	Every three years	3	2	$1,720	$2,120
19	Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Inventory Appendix							
100	Concrete/Curbs - Repair/Replace	$8,955	X	3	/	5	=	$5,373
120	Asphalt Roads - Resurface/Repave	$313,000	X	18	/	30	=	$187,800
121	Asphalt - Clean/Repair/Crackfill	$3,600	X	1	/	3	=	$1,200
140	Double Rail Fence - Replace	$14,700	X	18	/	20	=	$13,230
142	Wood/Cyclone Fencing - Replace	$17,400	X	18	/	20	=	$15,660
143	Wood Fencing - Rpr/Clean/Stain	$18,000	X	2	/	4	=	$9,000
144	Cyclone Fencing - Replace	$14,300	X	19	/	30	=	$9,057
160	Street Lights - Replace	$34,150	X	18	/	20	=	$30,735
170	Landscape - Refurbish	$4,000	X	1	/	1	=	$4,000
175	Storm Drainage Ponds - Cleaning	$54,650	X	18	/	20	=	$49,185
176	Stormwater Vault/Filters - Cln/Repl	$7,210	X	4	/	4	=	$7,210
177	Gravel Access Road - Refurbish	$14,800	X	9	/	12	=	$11,100
178	Drains - Inspect/Clean	$6,000	X	3	/	4	=	$4,500
185	Irrigation System - Repair/Replace	$2,000	X	1	/	1	=	$2,000
200	Entry Monuments - Refurbish	$11,905	X	18	/	20	=	$10,715
201	Required Signage - Replace	$7,650	X	17	/	25	=	$5,202
205	Mailboxes - Replace	$25,050	X	6	/	20	=	$7,515
220	Bus Shelter - Repair/Replace	$1,500	X	3	/	4	=	$1,125
999	Reserve Study - Update	$1,920	X	1	/	3	=	$640
								$375,246

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Inventory Appendix				
100	Concrete/Curbs - Repair/Replace	5	$8,955	$1,791	4.69 %
120	Asphalt Roads - Resurface/Repave	30	$313,000	$10,433	27.35 %
121	Asphalt - Clean/Repair/Crackfill	3	$3,600	$1,200	3.15 %
140	Double Rail Fence - Replace	20	$14,700	$735	1.93 %
142	Wood/Cyclone Fencing - Replace	20	$17,400	$870	2.28 %
143	Wood Fencing - Rpr/Clean/Stain	4	$18,000	$4,500	11.80 %
144	Cyclone Fencing - Replace	30	$14,300	$477	1.25 %
160	Street Lights - Replace	20	$34,150	$1,708	4.48 %
170	Landscape - Refurbish	1	$4,000	$4,000	10.48 %
175	Storm Drainage Ponds - Cleaning	20	$54,650	$2,733	7.16 %
176	Stormwater Vault/Filters - Cln/Repl	4	$7,210	$1,803	4.72 %
177	Gravel Access Road - Refurbish	12	$14,800	$1,233	3.23 %
178	Drains - Inspect/Clean	4	$6,000	$1,500	3.93 %
185	Irrigation System - Repair/Replace	1	$2,000	$2,000	5.24 %
200	Entry Monuments - Refurbish	20	$11,905	$595	1.56 %
201	Required Signage - Replace	25	$7,650	$306	0.80 %
205	Mailboxes - Replace	20	$25,050	$1,253	3.28 %
220	Bus Shelter - Repair/Replace	4	$1,500	$375	0.98 %
999	Reserve Study - Update	3	$1,920	$640	1.68 %
19	Total Funded Components			$38,151	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 In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2023	$256,550	$375,246	68.4 %	Medium	0.00 %	$53,472	$0	$2,780	$13,210
2024	$299,591	$412,192	72.7 %	Low	2.10 %	$54,595	$0	$3,214	$13,905
2025	$343,495	$450,710	76.2 %	Low	2.10 %	$55,741	$0	$2,818	$181,711
2026	$220,344	$318,757	69.1 %	Medium	2.10 %	$56,912	$0	$2,385	$22,729
2027	$256,912	$347,848	73.9 %	Low	2.10 %	$58,107	$0	$2,798	$14,868
2028	$302,949	$387,196	78.2 %	Low	2.10 %	$59,327	$0	$3,231	$22,049
2029	$343,458	$421,655	81.5 %	Low	2.10 %	$60,573	$0	$3,611	$28,657
2030	$378,985	$451,708	83.9 %	Low	2.10 %	$61,845	$0	$4,026	$18,393
2031	$426,463	$494,643	86.2 %	Low	2.10 %	$63,144	$0	$4,434	$33,417
2032	$460,623	$524,840	87.8 %	Low	2.10 %	$64,470	$0	$4,863	$17,614
2033	$512,341	$573,714	89.3 %	Low	2.10 %	$65,824	$0	$5,316	$32,254
2034	$551,227	$610,513	90.3 %	Low	2.10 %	$67,206	$0	$5,696	$35,741
2035	$588,388	$646,409	91.0 %	Low	2.10 %	$68,618	$0	$3,855	$477,865
2036	$182,996	$229,625	79.7 %	Low	2.10 %	$70,059	$0	$2,091	$19,825
2037	$235,320	$273,800	85.9 %	Low	2.10 %	$71,530	$0	$2,309	$82,542
2038	$226,616	$256,434	88.4 %	Low	2.10 %	$73,032	$0	$2,481	$32,406
2039	$269,723	$291,969	92.4 %	Low	2.10 %	$74,566	$0	$2,978	$21,198
2040	$326,068	$341,951	95.4 %	Low	2.10 %	$76,131	$0	$3,426	$46,238
2041	$359,387	$369,533	97.3 %	Low	2.10 %	$77,730	$0	$3,796	$40,858
2042	$400,054	$405,432	98.7 %	Low	2.10 %	$79,363	$0	$4,365	$10,521
2043	$473,260	$475,663	99.5 %	Low	2.10 %	$81,029	$0	$4,991	$33,828
2044	$525,453	$526,060	99.9 %	Low	2.10 %	$82,731	$0	$5,568	$25,114
2045	$588,637	$589,075	99.9 %	Low	2.10 %	$84,468	$0	$4,742	$317,613
2046	$360,235	$354,899	101.5 %	Low	2.10 %	$86,242	$0	$3,938	$22,736
2047	$427,679	$419,681	101.9 %	Low	2.10 %	$88,053	$0	$4,604	$26,853
2048	$493,482	$484,491	101.9 %	Low	2.10 %	$89,902	$0	$5,267	$28,266
2049	$560,386	$552,187	101.5 %	Low	2.10 %	$91,790	$0	$5,771	$63,663
2050	$594,284	$587,924	101.1 %	Low	2.10 %	$93,718	$0	$6,109	$66,094
2051	$628,016	$624,770	100.5 %	Low	2.10 %	$95,686	$0	$6,638	$30,224
2052	$700,116	$702,287	99.7 %	Low	2.10 %	$97,695	$0	$7,299	$44,822

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 23122-3
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	$256,550	$375,246	68.4 %	Medium	-20.56 %	$42,480	$0	$2,724	$13,210
2024	$288,544	$412,192	70.0 %	Low	2.10 %	$43,372	$0	$3,047	$13,905
2025	$321,058	$450,710	71.2 %	Low	2.10 %	$44,283	$0	$2,535	$181,711
2026	$186,165	$318,757	58.4 %	Medium	2.10 %	$45,213	$0	$1,983	$22,729
2027	$210,632	$347,848	60.6 %	Medium	2.10 %	$46,162	$0	$2,273	$14,868
2028	$244,200	$387,196	63.1 %	Medium	2.10 %	$47,132	$0	$2,579	$22,049
2029	$271,861	$421,655	64.5 %	Medium	2.10 %	$48,121	$0	$2,829	$28,657
2030	$294,154	$451,708	65.1 %	Medium	2.10 %	$49,132	$0	$3,109	$18,393
2031	$328,003	$494,643	66.3 %	Medium	2.10 %	$50,164	$0	$3,379	$33,417
2032	$348,129	$524,840	66.3 %	Medium	2.10 %	$51,217	$0	$3,666	$17,614
2033	$385,397	$573,714	67.2 %	Medium	2.10 %	$52,293	$0	$3,972	$32,254
2034	$409,409	$610,513	67.1 %	Medium	2.10 %	$53,391	$0	$4,202	$35,741
2035	$431,260	$646,409	66.7 %	Medium	2.10 %	$54,512	$0	$2,206	$477,865
2036	$10,113	$229,625	4.4 %	High	2.10 %	$55,657	$0	$282	$19,825
2037	$46,226	$273,800	16.9 %	High	2.10 %	$56,826	$0	$335	$82,542
2038	$20,845	$256,434	8.1 %	High	2.10 %	$58,019	$0	$338	$32,406
2039	$46,797	$291,969	16.0 %	High	2.10 %	$59,237	$0	$661	$21,198
2040	$85,497	$341,951	25.0 %	High	2.10 %	$60,481	$0	$930	$46,238
2041	$100,671	$369,533	27.2 %	High	2.10 %	$61,752	$0	$1,116	$40,858
2042	$122,680	$405,432	30.3 %	Medium	2.10 %	$63,048	$0	$1,496	$10,521
2043	$176,704	$475,663	37.1 %	Medium	2.10 %	$64,372	$0	$1,929	$33,828
2044	$209,176	$526,060	39.8 %	Medium	2.10 %	$65,724	$0	$2,305	$25,114
2045	$252,092	$589,075	42.8 %	Medium	2.10 %	$67,104	$0	$1,274	$317,613
2046	$2,857	$354,899	0.8 %	High	2.10 %	$68,514	$0	$259	$22,736
2047	$48,893	$419,681	11.7 %	High	2.10 %	$69,952	$0	$708	$26,853
2048	$92,700	$484,491	19.1 %	High	2.10 %	$71,421	$0	$1,148	$28,266
2049	$137,004	$552,187	24.8 %	High	2.10 %	$72,921	$0	$1,423	$63,663
2050	$147,685	$587,924	25.1 %	High	2.10 %	$74,453	$0	$1,526	$66,094
2051	$157,569	$624,770	25.2 %	High	2.10 %	$76,016	$0	$1,813	$30,224
2052	$205,174	$702,287	29.2 %	High	2.10 %	$77,612	$0	$2,226	$44,822

	Fiscal Year	2023	2024	2025	2026	2027
	Starting Reserve Balance	$256,550	$299,591	$343,495	$220,344	$256,912
	Annual Reserve Funding	$53,472	$54,595	$55,741	$56,912	$58,107
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,780	$3,214	$2,818	$2,385	$2,798
	Total Income	$312,801	$357,400	$402,055	$279,641	$317,817
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$9,500	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$0	$0	$3,819	$0	$0
140	Double Rail Fence - Replace	$0	$0	$15,595	$0	$0
142	Wood/Cyclone Fencing - Replace	$0	$0	$18,460	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$0	$0	$19,096	$0	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$0	$0	$36,230	$0	$0
170	Landscape - Refurbish	$4,000	$4,120	$4,244	$4,371	$4,502
175	Storm Drainage Ponds - Cleaning	$0	$0	$57,978	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$7,210	$0	$0	$0	$8,115
177	Gravel Access Road - Refurbish	$0	$0	$0	$16,172	$0
178	Drains - Inspect/Clean	$0	$6,180	$0	$0	$0
185	Irrigation System - Repair/Replace	$2,000	$2,060	$2,122	$2,185	$2,251
200	Entry Monuments - Refurbish	$0	$0	$12,630	$0	$0
201	Required Signage - Replace	$0	$0	$0	$0	$0
205	Mailboxes - Replace	$0	$0	$0	$0	$0
220	Bus Shelter - Repair/Replace	$0	$1,545	$0	$0	$0
999	Reserve Study - Update	$0	$0	$2,037	$0	$0
	Total Expenses	$13,210	$13,905	$181,711	$22,729	$14,868
	Ending Reserve Balance	$299,591	$343,495	$220,344	$256,912	$302,949

	Fiscal Year	2028	2029	2030	2031	2032
	Starting Reserve Balance	$302,949	$343,458	$378,985	$426,463	$460,623
	Annual Reserve Funding	$59,327	$60,573	$61,845	$63,144	$64,470
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,231	$3,611	$4,026	$4,434	$4,863
	Total Income	$365,507	$407,642	$444,856	$494,040	$529,956
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$11,014	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$4,173	$0	$0	$4,560	$0
140	Double Rail Fence - Replace	$0	$0	$0	$0	$0
142	Wood/Cyclone Fencing - Replace	$0	$0	$0	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$0	$21,493	$0	$0	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$0	$0	$0	$0	$0
170	Landscape - Refurbish	$4,637	$4,776	$4,919	$5,067	$5,219
175	Storm Drainage Ponds - Cleaning	$0	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$0	$0	$0	$9,133	$0
177	Gravel Access Road - Refurbish	$0	$0	$0	$0	$0
178	Drains - Inspect/Clean	$6,956	$0	$0	$0	$7,829
185	Irrigation System - Repair/Replace	$2,319	$2,388	$2,460	$2,534	$2,610
200	Entry Monuments - Refurbish	$0	$0	$0	$0	$0
201	Required Signage - Replace	$0	$0	$0	$9,691	$0
205	Mailboxes - Replace	$0	$0	$0	$0	$0
220	Bus Shelter - Repair/Replace	$1,739	$0	$0	$0	$1,957
999	Reserve Study - Update	$2,226	$0	$0	$2,432	$0
	Total Expenses	$22,049	$28,657	$18,393	$33,417	$17,614
	Ending Reserve Balance	$343,458	$378,985	$426,463	$460,623	$512,341

	Fiscal Year	2033	2034	2035	2036	2037
	Starting Reserve Balance	$512,341	$551,227	$588,388	$182,996	$235,320
	Annual Reserve Funding	$65,824	$67,206	$68,618	$70,059	$71,530
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,316	$5,696	$3,855	$2,091	$2,309
	Total Income	$583,481	$624,129	$660,861	$255,145	$309,158
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$12,768	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$446,263	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$0	$4,983	$0	$0	$5,445
140	Double Rail Fence - Replace	$0	$0	$0	$0	$0
142	Wood/Cyclone Fencing - Replace	$0	$0	$0	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$24,190	$0	$0	$0	$27,227
144	Cyclone Fencing - Replace	$0	$19,795	$0	$0	$0
160	Street Lights - Replace	$0	$0	$0	$0	$0
170	Landscape - Refurbish	$5,376	$5,537	$5,703	$5,874	$6,050
175	Storm Drainage Ponds - Cleaning	$0	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$0	$0	$10,280	$0	$0
177	Gravel Access Road - Refurbish	$0	$0	$0	$0	$0
178	Drains - Inspect/Clean	$0	$0	$0	$8,811	$0
185	Irrigation System - Repair/Replace	$2,688	$2,768	$2,852	$2,937	$3,025
200	Entry Monuments - Refurbish	$0	$0	$0	$0	$0
201	Required Signage - Replace	$0	$0	$0	$0	$0
205	Mailboxes - Replace	$0	$0	$0	$0	$37,890
220	Bus Shelter - Repair/Replace	$0	$0	$0	$2,203	$0
999	Reserve Study - Update	$0	$2,658	$0	$0	$2,904
	Total Expenses	$32,254	$35,741	$477,865	$19,825	$82,542
	Ending Reserve Balance	$551,227	$588,388	$182,996	$235,320	$226,616

	Fiscal Year	2038	2039	2040	2041	2042
	Starting Reserve Balance	$226,616	$269,723	$326,068	$359,387	$400,054
	Annual Reserve Funding	$73,032	$74,566	$76,131	$77,730	$79,363
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,481	$2,978	$3,426	$3,796	$4,365
	Total Income	$302,129	$347,266	$405,625	$440,913	$483,781
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$14,801	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$0	$0	$5,950	$0	$0
140	Double Rail Fence - Replace	$0	$0	$0	$0	$0
142	Wood/Cyclone Fencing - Replace	$0	$0	$0	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$0	$0	$0	$30,644	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$0	$0	$0	$0	$0
170	Landscape - Refurbish	$6,232	$6,419	$6,611	$6,810	$7,014
175	Storm Drainage Ponds - Cleaning	$0	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$0	$11,570	$0	$0	$0
177	Gravel Access Road - Refurbish	$23,058	$0	$0	$0	$0
178	Drains - Inspect/Clean	$0	$0	$9,917	$0	$0
185	Irrigation System - Repair/Replace	$3,116	$3,209	$3,306	$3,405	$3,507
200	Entry Monuments - Refurbish	$0	$0	$0	$0	$0
201	Required Signage - Replace	$0	$0	$0	$0	$0
205	Mailboxes - Replace	$0	$0	$0	$0	$0
220	Bus Shelter - Repair/Replace	$0	$0	$2,479	$0	$0
999	Reserve Study - Update	$0	$0	$3,173	$0	$0
	Total Expenses	$32,406	$21,198	$46,238	$40,858	$10,521
	Ending Reserve Balance	$269,723	$326,068	$359,387	$400,054	$473,260

	Fiscal Year	2043	2044	2045	2046	2047
	Starting Reserve Balance	$473,260	$525,453	$588,637	$360,235	$427,679
	Annual Reserve Funding	$81,029	$82,731	$84,468	$86,242	$88,053
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,991	$5,568	$4,742	$3,938	$4,604
	Total Income	$559,281	$613,751	$677,848	$450,414	$520,336
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$17,159	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$6,502	$0	$0	$7,105	$0
140	Double Rail Fence - Replace	$0	$0	$28,167	$0	$0
142	Wood/Cyclone Fencing - Replace	$0	$0	$33,340	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$0	$0	$34,490	$0	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$0	$0	$65,435	$0	$0
170	Landscape - Refurbish	$7,224	$7,441	$7,664	$7,894	$8,131
175	Storm Drainage Ponds - Cleaning	$0	$0	$104,715	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$13,022	$0	$0	$0	$14,656
177	Gravel Access Road - Refurbish	$0	$0	$0	$0	$0
178	Drains - Inspect/Clean	$0	$11,162	$0	$0	$0
185	Irrigation System - Repair/Replace	$3,612	$3,721	$3,832	$3,947	$4,066
200	Entry Monuments - Refurbish	$0	$0	$22,811	$0	$0
201	Required Signage - Replace	$0	$0	$0	$0	$0
205	Mailboxes - Replace	$0	$0	$0	$0	$0
220	Bus Shelter - Repair/Replace	$0	$2,790	$0	$0	$0
999	Reserve Study - Update	$3,468	$0	$0	$3,789	$0
	Total Expenses	$33,828	$25,114	$317,613	$22,736	$26,853
	Ending Reserve Balance	$525,453	$588,637	$360,235	$427,679	$493,482

	Fiscal Year	2048	2049	2050	2051	2052
	Starting Reserve Balance	$493,482	$560,386	$594,284	$628,016	$700,116
	Annual Reserve Funding	$89,902	$91,790	$93,718	$95,686	$97,695
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,267	$5,771	$6,109	$6,638	$7,299
	Total Income	$588,652	$657,947	$694,111	$730,340	$805,110
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$19,892	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$0	$7,764	$0	$0	$8,484
140	Double Rail Fence - Replace	$0	$0	$0	$0	$0
142	Wood/Cyclone Fencing - Replace	$0	$0	$0	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$0	$38,819	$0	$0	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$0	$0	$0	$0	$0
170	Landscape - Refurbish	$8,375	$8,626	$8,885	$9,152	$9,426
175	Storm Drainage Ponds - Cleaning	$0	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$0	$0	$0	$16,496	$0
177	Gravel Access Road - Refurbish	$0	$0	$32,875	$0	$0
178	Drains - Inspect/Clean	$12,563	$0	$0	$0	$14,139
185	Irrigation System - Repair/Replace	$4,188	$4,313	$4,443	$4,576	$4,713
200	Entry Monuments - Refurbish	$0	$0	$0	$0	$0
201	Required Signage - Replace	$0	$0	$0	$0	$0
205	Mailboxes - Replace	$0	$0	$0	$0	$0
220	Bus Shelter - Repair/Replace	$3,141	$0	$0	$0	$3,535
999	Reserve Study - Update	$0	$4,141	$0	$0	$4,525
	Total Expenses	$28,266	$63,663	$66,094	$30,224	$44,822
	Ending Reserve Balance	$560,386	$594,284	$628,016	$700,116	$760,288

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/Curbs - Repair/Replace **Quantity: ~ 36,000 GSF sdwlks/curbs**
Location: Sidewalks/curbing/gutters at private roads: Vista Verde Ln SW, Skyline Ridge Ln SW, Serenity Ln SW, Sunrise Vista Lane & Rockcreek Lane
Funded?: Yes.
History: Local work
Comments: Like our previous site visit, dirt/grime observed on surfaces, however no major or widespread cracking/damaged noted of concrete rolled curbs and gutters and flatwork sidewalks.

In our experience, larger repair/replacement expenses emerge as the community ages. Although difficult to predict timing, cost and scope, funding allowance factored here to supplement the operating/maintenance budget. As routine maintenance, inspect regularly, pressure wash for appearance and repair promptly as needed to prevent water penetrating into the base and causing further damage. Repair any trip and fall hazards (1/2" or larger displacement) immediately to ensure safety. Monitor tree roots nearby; consult with arborist for best practice.

Useful Life:
5 years

Remaining Life:
2 years

Best Case: $ 6,010 Worst Case: $ 11,900

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 120 Asphalt Roads - Resurface/Repave **Quantity: ~ 116,400 GSF**
Location: Vista Verde Ln SW, Skyline Ridge Ln SW, Serenity Ln SW, Sunrise Vista Lane and Rockcreek Lane
Funded?: Yes.
History: None known
Comments: No major or widespread cracking/damage noted; some local cracks (crackfill planned for 2022 #121) and some raveling but majority is stable. No history of emulsion seal coating in this community with some local repairs/crackfilling having already occurred. As discussed with our board contact, routine sealcoat cycles are not part of the Association plans.

Factored here for long term is repave/resurface. The useful life here adjusted downward from previous reserve study as Association is not having sealcoating completed. When need to resurface is apparent within a couple of years, consult with 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.

Useful Life:
30 years

Remaining Life:
12 years

Best Case:	$ 279,000	Worst Case:	$ 347,000
	Lower allowance		Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 121 Asphalt - Clean/Repair/Crackfill **Quantity: ~ 116,400 GSF**

Location: Vista Verde Ln SW, Skyline Ridge Ln SW, Serenity Ln SW, Sunrise Vista Lane and Rockcreek Lane
Funded?: Yes.
History: Crackfilling planned for 2022
Comments: We noted a couple local cracks during our June 2022 site visit. The Association is having about 1,200 LF of clean and crack-filling completed in 2022 subsequent to our site visit. Overall, the asphalt surfaces have not had sealcoating in the past and according to our board contact no plans to begin sealcoat. We noted some raveling in areas and a couple cracks but no widespread or major damage noted at this time.

Funding included here for periodic cleaning, repairing/crackfilling. This is in addition to annual inspections that might prompt work between these cycles. The costs/timing of this component can vary and should be adjusted as needed.

Useful Life:
3 years

Remaining Life:
2 years

Best Case: $ 3,200 Worst Case: $ 4,000

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 140 Double Rail Fence - Replace **Quantity: ~730 LF, wood board**

Location: Common areas: entry area tracts, street corners, ponds, etc.
Funded?: Yes.
History: None known
Comments: Like our previous site visit, no obvious major instability noted of sturdy, pressure treated wood fencing; pressure treated 6”x6” posts with 2" X 8" double horizontal boards.

Factored here is replacement due to typical deterioration that will occur over time. As routine maintenance, inspect regularly for any damage and repair as needed. Avoid contact with ground and surrounding vegetation. Note: this same type of fencing with cyclone attached is included separately under component #142.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 11,500 Worst Case: $ 17,900

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 142 Wood/Cyclone Fencing - Replace **Quantity: ~850 LF wood/link**

Location: Perimeter of ponds
Funded?: Yes.
History: Unknown
Comments: Fencing in this component is the same style wood type rail fencing described in component #140, however black (coated) cyclone type fencing is attached to pond (inside) side. This fencing is in the wet pond areas. No obvious instability in areas we were able to inspect.

Factored here is replacement due to typical deterioration that will occur over time. As routine maintenance, inspect regularly for any damage and repair as needed. Avoid contact with ground and surrounding vegetation.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 13,900 Worst Case: $ 20,900

Lower allowance Higher allowance

Cost Source: ARI Cost Database/Similar Project Cost History

Comp #: 143 Wood Fencing - Rpr/Clean/Stain **Quantity: ~1,580 LF**

Location: Common areas: entry area tracts, street corners, ponds, etc.
Funded?: Yes.
History: Cleaned and stained in 2021
Comments: Good, consistent coverage of surfaces noted during our June 2022 site visit. Last staining project occurred in 2021 and included not only fencing but monument sign staining.

Factored here is sealer applications for appearance and protection. 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 best result. Remove any unnecessary contact with ground and 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 first 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 second option to apply a penetrating stain 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 stain is often thought to best balance the objectives of the association and is therefore factored below.

Useful Life:
4 years

Remaining Life:
2 years

Best Case: $ 15,000 Worst Case: $ 21,000

Lower allowance Higher allowance

Cost Source: Inflated Client Cost History: BrightView Landscape Services

Comp #: 144 Cyclone Fencing - Replace **Quantity: ~400 LF, vinyl coated**
Location: Common areas: entry areas, street corners, ponds, etc.
Funded?: Yes.
History: None known
Comments: No widespread or major damage noted of vinyl coated, chain link fencing.

Although sturdy fencing, funding included here for replacement to maintain function/appearance. Evaluate fence as remaining useful life approaches zero years and adjust life accordingly. Chain link fencing is generally a low maintenance item. Inspect periodically and repair as needed.

Useful Life:
30 years

Remaining Life:
11 years

Best Case: $ 11,900 Worst Case: $ 16,700

Lower allowance Higher allowance

Cost Source: ARI Cost Database/Similar Project Cost History

Comp #: 160 Street Lights - Replace **Quantity: ~ (25) metal assemblies**
Location: Street lights at private roads: Vista Verde Ln SW, Skyline Ridge Ln SW, Serenity Ln SW, Sunrise Vista Lane & Rockcreek Lane
Funded?: Yes.
History: Unknown
Comments: Commercial, steel light poles and metal fixtures appeared stable. Observed during daylight hours; assumed to be in functional operating condition.

Very study metal poles and while complete replacement not anticipated at this time, however factored here funding for ballasts, fixtures, etc. This could vary greatly. As routine maintenance, inspect, repair/change bulbs as needed.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 27,300 Worst Case: $ 41,000

Lower allowance Higher allowance

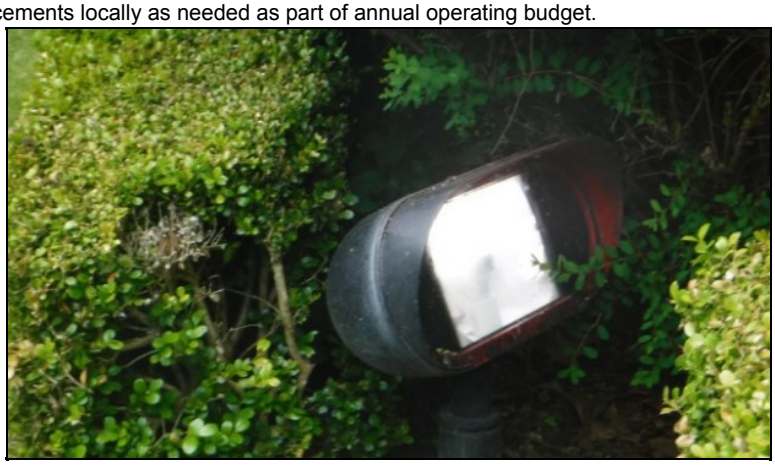
Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 164 Landscape Lights - Replace **Quantity: Minimal, assorted**
Location: Adjacent to monument/sign at Blue Sky Dr/Vista Verde Ln and off Barnes Rd.
Funded?: No. Too small for reserve funding
History: None known
Comments: No obvious damage of small amount of ground lighting noted; observed during daylight hours and assumed to be functional.

Small total quantity and individual replacement costs typically not at reserve funding threshold, therefore not suitable for reserve funding. Anticipate repairs/replacements locally as needed as part of annual operating budget.

Useful Life:

Remaining Life:



Best Case: Worst Case:

Cost Source:

Comp #: 170 Landscape - Refurbish **Quantity: Grass, shrubs, trees, etc**
Location: Common area Association landscaped tracts
Funded?: Yes.
History: Some refurbishing in 2015
Comments: For several years, landscaping was not properly maintained and at this point several renovations projects are coming due in addition to general maintenance funded from the operating budget. One such project is renovating the landscape corners at the intersections which typically costs about $2,000 per corner. The intersection at Vista and Ridgeview is planned for 2022.

As discussed with board contact, an annual allowance is factored at this time through reserves. These costs can vary in pricing and timing.

Useful Life:
1 years

Remaining Life:
0 years

Best Case: $ 3,500 Worst Case: $ 4,500

Lower allowance Higher allowance

Cost Source: Budget Allowance

Comp #: 175 Storm Drainage Ponds - Cleaning **Quantity: (5) storm ponds**
Location: Private storm ponds throughout community (Phase 1 Tracts A, B, G and Phase 2 Tracts T & U)
Funded?: Yes.
History: Clean-up in 2018 and major refurbishing at most in 2015
Comments: We noted vegetation in areas, however reported to us, no requirements by inspections for major work at this time.

Even with proactive cleanings/inspections, debris will eventually build up and warranting sediment removal. Factored here is allowance for larger work which could vary. The state Department of Ecology and local (i.e. county or city) stormwater resources have standards for maintaining and, eventually, reconstructing the pond to the original design parameters. Sediment must be removed when the floor depth has reached 10% of original design depth. Regular maintenance and inspection are keys to extending useful life. Have the pond periodically assessed by a professional engineer in addition to overseeing governmental authority.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 49,200 Worst Case: $ 60,100

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 176 Stormwater Vault/Filters - Cln/Repl **Quantity: 8'X16' vault, (15) filtrs**
Location: Phase 1, Tract A (community has named this area Pond B)
Funded?: Yes.
History: Last cleaned in 2013, filter replacement
Comments: Previously reported to us by Contech representative, there is an 8' X 6' filter vault with (15) Contech filters. Vault cleaned in 2017; filters were last replaced in 2013 through the cartridge exchange program.

Factored here is allowance vault cleaning and filter replacement. This assumes annual inspections/local work if needed.

Useful Life:
4 years

Remaining Life:
0 years

Best Case: $ 6,010 Worst Case: $ 8,410

Lower allowance Higher allowance

Cost Source: Estimate by Contech

Comp #: 177 Gravel Access Road - Refurbish **Quantity: ~550' X 15' gravel**
Location: At Tract T stormpond area in The Highlands
Funded?: Yes.
History: Last refurbished in 2014
Comments: A gravel road is installed at the stormpond area identified here for access. It was reportedly last renovated in 2014. Currently grass is growing in the area but is being maintained.

As discussed with board contact, plan for refurbishing as shown. Some ongoing refurbishing/replenishment may need to be included as part of the annual maintenance program. Track expenses and history, and make adjustments to this component in reserve study updates, if needed.

Useful Life:
12 years

Remaining Life:
3 years

Best Case: $ 13,500 Worst Case: $ 16,100

Lower allowance Higher allowance

Cost Source: Budget Allowance

Comp #: 178 Drains - Inspect/Clean **Quantity: ~(120) drains**
Location: Private roads throughout community:Vista Verde Ln SW, Skyline Ridge Ln SW, Serenity Ln SW, Sunrise Vista Lane and Rockcreek Lane and other common area drains
Funded?: Yes.
History: Last cleaned in 2020. Previous to this in 2017 and Highlands area cleaned in 2015
Comments: No obvious issues observed by us on our dry weather inspection day and no problems currently reported to us. There are several catchbasins/underground stormwater drainage systems throughout the private roadways and at common areas. Some larger cleaning projects in the past.

Funding included here for comprehensive cleaning project. This could vary in scope, pricing, timing, etc. Have proactively inspected at least annually to maintain functionality and local cleaning may need to be completed between these larger projects.

Useful Life:
4 years

Remaining Life:
1 years

Best Case: $ 5,000 Worst Case: $ 7,000

Lower allowance Higher allowance

Cost Source: Budget Allowance/Past Work

Comp #: 185 Irrigation System - Repair/Replace **Quantity: Controls, pipes, etc.**
Location: Throughout common area landscaping
Funded?: Yes.
History: Highlands Phase 2 work in 2017
Comments: Ongoing work anticipated with irrigation system with mapping anticipated in 2022 and other repairs as well. Reported previously, due to lack of maintenance at Highlands Phase 2, reserve expenses incurred mostly in 2017 (small amount 2016).

As discussed with board member, factored here is funding for ongoing work outside typical maintenance through operating. This could vary greatly and to be used for place marker. Ongoing items like head replacement, local valves, etc. typically handled as maintenance expense. As routine maintenance, inspect regularly, test system and repair as needed. Follow proper winterization and spring start up procedures.

Useful Life:
1 years

Remaining Life:
0 years

Best Case: $ 1,500 Worst Case: $ 2,500

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 188 Tract L - Maintain **Quantity: ~ 5.9 Acres**
Location: Tract "L"
Funded?: No. City owned property
History: Purchased by the city
Comments: Tract L was reportedly purchased by the city of Tumwater and is not the responsibility of the Association to maintain.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 200 Entry Monuments - Refurbish **Quantity: (4), wood/metal/stone**
Location: Crosby Blvd/Vista Loop, Blue Sky Dr/Vista Verde Ln and Barnes at both Vista Loop and Ridgeview Loop
Funded?: Yes.
History: Cleaning/staining in 2021 with fencing (#143)
Comments: Some fading/local wear, however no obvious major instability of signs/monument; construction consists of metal signage attached to stone with adjacent wood trellis.

Funding allowance here for regular cycles of sign refurbishment and repair/replacement of wood areas as needed due to typical deterioration caused by constant exposure. As routine maintenance, inspect regularly, clean/touch up for appearance as needed.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 9,510 Worst Case: $ 14,300

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 201 Required Signage - Replace **Quantity: ~ (80) metal signs**
Location: Adjacent to private roadways throughout community
Funded?: Yes.
History: Varies
Comments: No major damage or widespread problems observed of a variety of metal signs affixed to posts at private roads; includes stop signs, speed limits, dead ends, street names and no parking signs. Recently some no trespassing signs added but reserve funds not utilized.

Factored here for replacement collectively as cost merits reserve funding. Inspect regularly, clean for appearance and repair as needed.

Useful Life:
25 years

Remaining Life:
8 years

Best Case: $ 6,670 Worst Case: $ 8,630

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 205 Mailboxes - Replace **Quantity: ~(14) metal clusters**

Location: Adjacent to roadways within community
Funded?: Yes.
History: Majority replaced in 2017
Comments: Like our previous site visit, no obvious instability or widespread damage noted of metal cluster boxes. In 2017, eleven of the fourteen cluster stands were replaced; reportedly other 3 were replaced at different times prior to this due to damage, so no original stands.

Factored is replacement as shown due to constant exposure, usage and wear over time. Inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Note: USPS has a limited budget for replacement and should not be relied upon for purposes of long term planning.

Useful Life:
20 years

Remaining Life:
14 years

Best Case: $ 21,700 Worst Case: $ 28,400

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 220 Bus Shelter - Repair/Replace **Quantity: *(1)10' X 6' wood shelter**

Location: Along Ridgeview Loop SW
Funded?: Yes.
History: Two to be removed in 2022
Comments: Two of the three originally installed bus shelters are to be removed in 2022 and not replaced. No major or widespread damage noted of structure to remain; three sided wood structure which is painted, has a single bench and roofed with composition shingle roofing materials. This structure was cleaned/stained in 2021 as part of the fence stain project (#143).

Factored here for refurbishing/replacements to include such as things as replacing the roof, benches, painting, etc. as shown here. Costs and timing can vary depending on scope of work and to be used for general planning purposes. Inspect regularly - overall this structure is smaller with most individual costs for repairs, painting, etc. not meriting reserve funding.

Useful Life:
4 years

Remaining Life:
1 years

Best Case: $ 1,000 Worst Case: $ 2,000

Lower allowance Higher allowance

Cost Source: ARI Cost Database/Similar Project Cost History

Comp #: 250 Water Tanks - Maintain **Quantity: (2) Water Tanks**
Location: Tract ZZ along Barnes Road just past Vista Loop SW
Funded?: No. Association not responsible
History: Unknown
Comments: Tract ZZ (including all improvements at the tract) are dedicated to the city of Tumwater and thus the Association is not responsible for maintenance of the tract and improvements.

Useful Life:

Remaining Life:

Best Case: Worst Case:

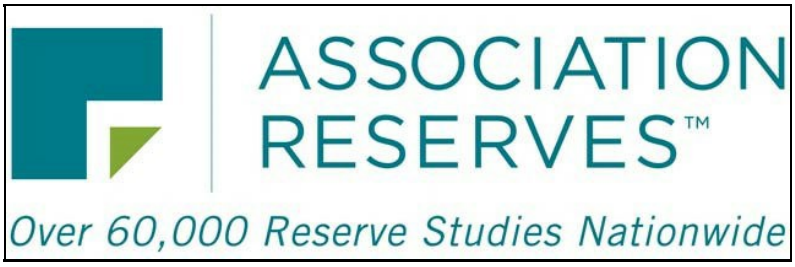
Cost Source:

Comp #: 999 Reserve Study - Update **Quantity: Every three years**
Location: Common areas of association
Funded?: Yes.
History: This reserve study is 2020 with-site-visit update, prior to this 2017 fiscal year, prior to this 2014 fiscal year
Comments: Per Washington law, 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 reserve plan. Most appropriately factored within operating budget, not as reserve component.

As discussed with board contact, a with-site-visit update every 3 years is being factored as reserve cost which is Associations preference as to timing.

Useful Life:
3 years

Remaining Life:
2 years



Best Case: $ 1,720 Worst Case: $ 2,120

Lower allowance Higher allowance

Cost Source: Inflated History: Association Reserves
