Serving the Pacific Northwest
505 South 336th Street, Suite 620
Federal Way, WA 98003

Tel : (253) 661-5437 / (866) 900-2792
Fax : (253) 661-5430
www.reservestudy.com

ASSOCIATION RESERVES™
Planning For The Inevitable™

Regional Offices
Arizona
California
Colorado
Florida
Hawaii
Nevada
North Carolina
Texas
Washington

Update "With-Site-Visit" Reserve Study

Sunrise Ridge/The Highlands at Somerset Hill
Tumwater, WA

Report #: 23122-2
For Period Beginning: January 1, 2020
Expires: December 31, 2020

Date Prepared: July 24, 2019

SUSAN OORD
CAI-RS
00191
DESIGNATION
RESERVE SPECIALIST

Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

253-661-5437

ASSOCIATION RESERVES™

Table of Contents

3- Minute Executive Summary

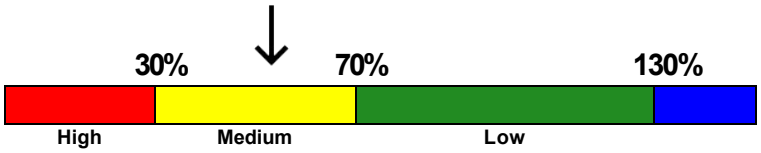
Association:	**Sunrise Ridge/The Highlands at Somerset Hill**	**Assoc. #: 23122-2**
Location:	**Tumwater, WA**	**# of Units: 195**
Report Period:	**January 1, 2020 through December 31, 2020**	

Findings/Recommendations as-of: January 1, 2020

Starting Reserve Balance	**$163,600**
Current Fully Funded Reserve Balance	**$303,169**
Percent Funded	**54.0 %**
Average Reserve Deficit or (Surplus) Per Unit	**$716**
Recommended 2020 100% Monthly "Full Funding" Contributions	**$4,200**
Recommended 2020 70% Monthly "Threshold Funding" Contributions	**$3,930**
2020 "Alternate / Baseline Funding" minimum to keep Reserves above $0	**$3,330**
Most Recent Budgeted Contribution Rate	**$4,020**

Reserves % Funded: 54.0%

Special Assessment Risk:



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" Reserve Study, meeting or exceeding all requirements of the RCW. This study was prepared by a credentialed Reserve Specialist (RS™).

• Your Reserve Fund is currently 54.0 % 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.

• 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. "Alternate Funding" in this report is synonymous with Baseline Funding, 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 are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Inventory Appendix			
100	Concrete/Curbs - Repair/Replace	5	2	$8,200
120	Asphalt Roads - Resurface/Repave	30	15	$286,500
121	Asphalt - Clean/Repair/Crackfill	3	0	$5,000
140	Double Rail Fence - Replace	20	4	$11,960
142	Wood/Cyclone Fencing - Replace	20	5	$13,900
143	Wood Fencing - Rpr/Clean/Stain	4	0	$12,000
144	Cyclone Fencing - Replace	30	14	$13,100
160	Street Lights - Replace	20	5	$31,250
170	Landscape - Refurbish	5	0	$10,000
175	Storm Drainage Ponds - Cleaning	20	5	$50,000
176	Stormwater Vault/Filters - Cln/Repl	4	0	$6,600
178	Drains - Inspect/Clean	5	2	$12,500
185	Irrigation System - Repair/Replace	5	2	$5,500
200	Entry Monuments - Refurbish	20	5	$10,900
201	Required Signage - Replace	20	6	$7,000
205	Mailboxes - Replace	20	17	$22,950
220	Bus Shelters - Repair/Replace	20	3	$6,550
999	Reserve Study - Update	3	2	$1,790
18	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this initial year, green 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 STUDY RESULTS

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?

FUNDING OBJECTIVES

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.*

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 6/24/2019, 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. We met with a board member and had discussion with Association Management regarding past projects, current concerns and future plans.

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.

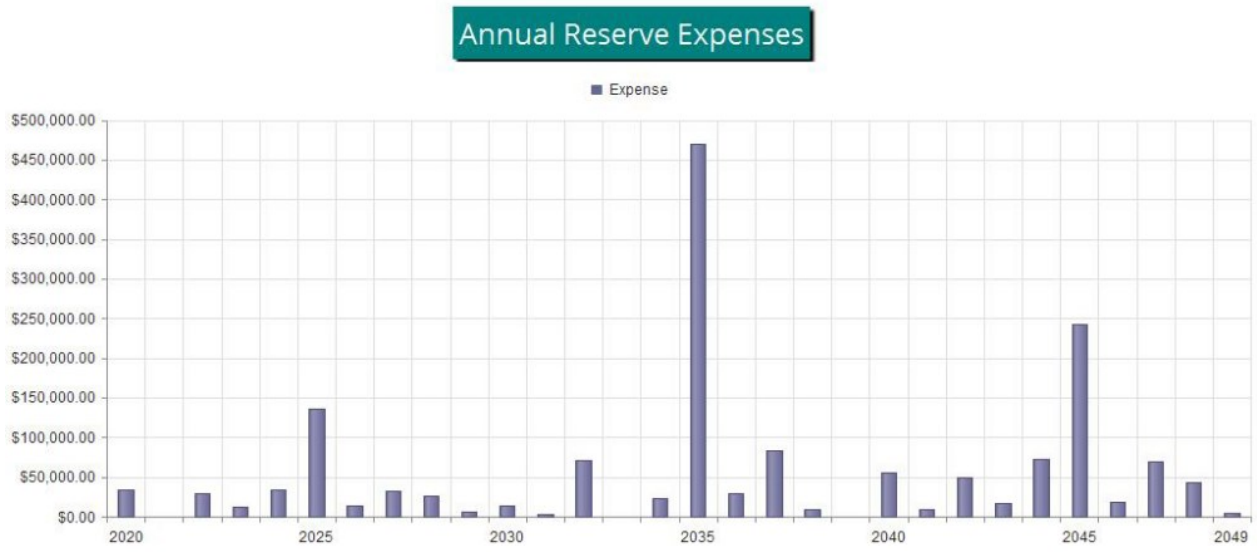


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $163,600 as-of the start of your Fiscal Year on 1/1/2020. As of that date, your Fully Funded Balance is computed to be $303,169 (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 $4,200 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.

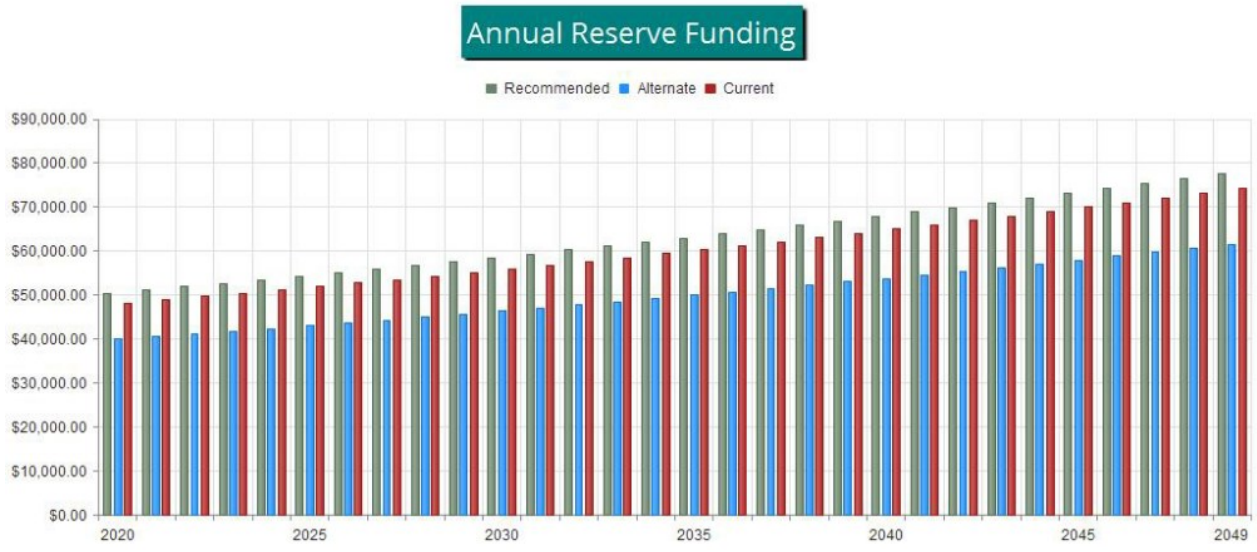


Figure 2

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.

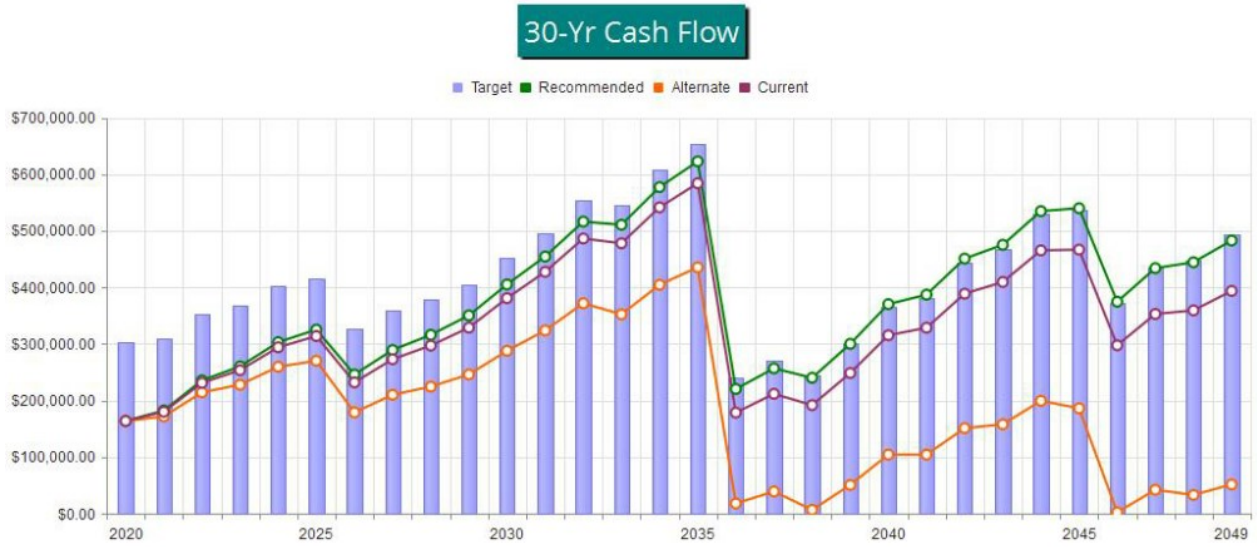


Figure 3

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.

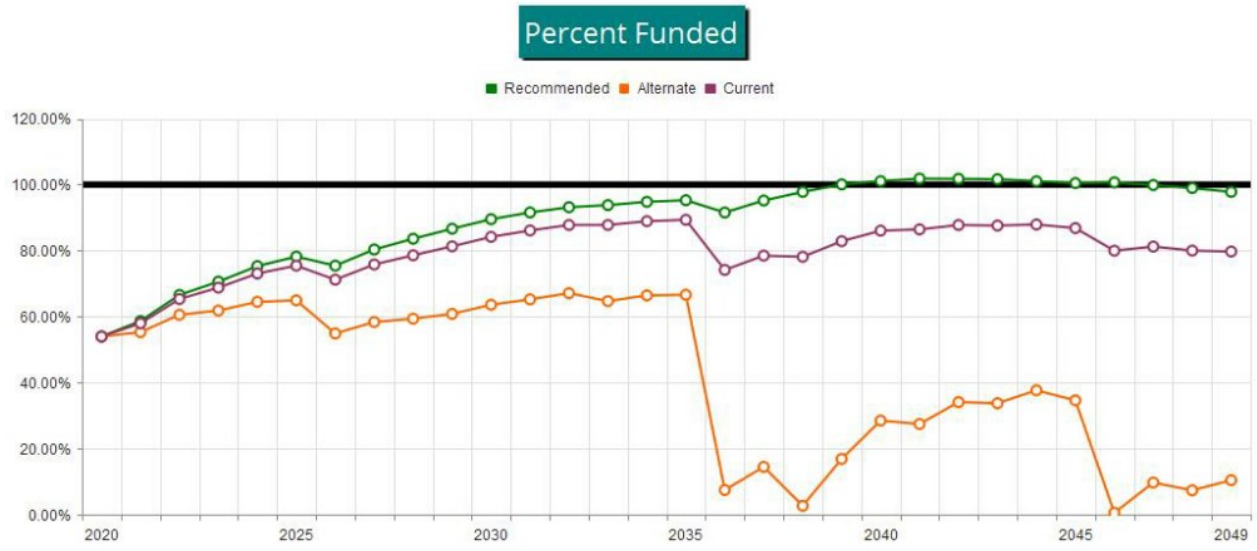


Figure 4

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 association 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 association, 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	Current Cost Estimate Worst Case
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	~ 36,000 GSF sdwlks/curbs	5	2	$5,500	$10,900
120	Asphalt Roads - Resurface/Repave	~ 116,400 GSF	30	15	$255,000	$318,000
121	Asphalt - Clean/Repair/Crackfill	~ 116,400 GSF	3	0	$4,000	$6,000
140	Double Rail Fence - Replace	~730 LF, wood board	20	4	$9,620	$14,300
142	Wood/Cyclone Fencing - Replace	~850 LF	20	5	$11,100	$16,700
143	Wood Fencing - Rpr/Clean/Stain	~1,580 LF	4	0	$10,000	$14,000
144	Cyclone Fencing - Replace	~400 LF, vinyl coated	30	14	$10,900	$15,300
160	Street Lights - Replace	~ (25) metal assemblies	20	5	$25,000	$37,500
170	Landscape - Refurbish	Grass, shrubs, trees, etc	5	0	$8,000	$12,000
175	Storm Drainage Ponds - Cleaning	(5) storm ponds	20	5	$45,000	$55,000
176	Stormwater Vault/Filters - Cln/Repl	8'X16' vault, (15) filtrs	4	0	$5,500	$7,700
178	Drains - Inspect/Clean	~(120) drains	5	2	$10,000	$15,000
185	Irrigation System - Repair/Replace	Controls, pipes, etc.	5	2	$4,400	$6,600
200	Entry Monuments - Refurbish	(4), wood/metal/stone	20	5	$8,700	$13,100
201	Required Signage - Replace	~ (80) metal signs	20	6	$6,100	$7,900
205	Mailboxes - Replace	~(14) metal clusters	20	17	$19,900	$26,000
220	Bus Shelters - Repair/Replace	(3) 10' X 6' wood shelter	20	3	$4,900	$8,200
999	Reserve Study - Update	Every three years	3	2	$1,690	$1,890
18	Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Inventory Appendix							
100	Concrete/Curbs - Repair/Replace	$8,200	X	3	/	5	=	$4,920
120	Asphalt Roads - Resurface/Repave	$286,500	X	15	/	30	=	$143,250
121	Asphalt - Clean/Repair/Crackfill	$5,000	X	3	/	3	=	$5,000
140	Double Rail Fence - Replace	$11,960	X	16	/	20	=	$9,568
142	Wood/Cyclone Fencing - Replace	$13,900	X	15	/	20	=	$10,425
143	Wood Fencing - Rpr/Clean/Stain	$12,000	X	4	/	4	=	$12,000
144	Cyclone Fencing - Replace	$13,100	X	16	/	30	=	$6,987
160	Street Lights - Replace	$31,250	X	15	/	20	=	$23,438
170	Landscape - Refurbish	$10,000	X	5	/	5	=	$10,000
175	Storm Drainage Ponds - Cleaning	$50,000	X	15	/	20	=	$37,500
176	Stormwater Vault/Filters - Cln/Repl	$6,600	X	4	/	4	=	$6,600
178	Drains - Inspect/Clean	$12,500	X	3	/	5	=	$7,500
185	Irrigation System - Repair/Replace	$5,500	X	3	/	5	=	$3,300
200	Entry Monuments - Refurbish	$10,900	X	15	/	20	=	$8,175
201	Required Signage - Replace	$7,000	X	14	/	20	=	$4,900
205	Mailboxes - Replace	$22,950	X	3	/	20	=	$3,443
220	Bus Shelters - Repair/Replace	$6,550	X	17	/	20	=	$5,568
999	Reserve Study - Update	$1,790	X	1	/	3	=	$597
								$303,169

Component Significance

23122-2
WSV

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Inventory Appendix				
100	Concrete/Curbs - Repair/Replace	5	$8,200	$1,640	5.15 %
120	Asphalt Roads - Resurface/Repave	30	$286,500	$9,550	29.97 %
121	Asphalt - Clean/Repair/Crackfill	3	$5,000	$1,667	5.23 %
140	Double Rail Fence - Replace	20	$11,960	$598	1.88 %
142	Wood/Cyclone Fencing - Replace	20	$13,900	$695	2.18 %
143	Wood Fencing - Rpr/Clean/Stain	4	$12,000	$3,000	9.41 %
144	Cyclone Fencing - Replace	30	$13,100	$437	1.37 %
160	Street Lights - Replace	20	$31,250	$1,563	4.90 %
170	Landscape - Refurbish	5	$10,000	$2,000	6.28 %
175	Storm Drainage Ponds - Cleaning	20	$50,000	$2,500	7.85 %
176	Stormwater Vault/Filters - Cln/Repl	4	$6,600	$1,650	5.18 %
178	Drains - Inspect/Clean	5	$12,500	$2,500	7.85 %
185	Irrigation System - Repair/Replace	5	$5,500	$1,100	3.45 %
200	Entry Monuments - Refurbish	20	$10,900	$545	1.71 %
201	Required Signage - Replace	20	$7,000	$350	1.10 %
205	Mailboxes - Replace	20	$22,950	$1,148	3.60 %
220	Bus Shelters - Repair/Replace	20	$6,550	$328	1.03 %
999	Reserve Study - Update	3	$1,790	$597	1.87 %
18	Total Funded Components			$31,866	100.00 %

30-Year Reserve Plan Summary

23122-2
WSV

Fiscal Year Start: 2020	Interest: 1.00 %	Inflation: 3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2020	$163,600	$303,169	54.0 %	Medium	$50,400	$0	$1,728	$33,600
2021	$182,128	$310,477	58.7 %	Medium	$51,156	$0	$2,087	$0
2022	$235,371	$353,598	66.6 %	Medium	$51,923	$0	$2,476	$29,695
2023	$260,075	$368,441	70.6 %	Low	$52,702	$0	$2,814	$12,621
2024	$302,971	$402,359	75.3 %	Low	$53,493	$0	$3,140	$34,396
2025	$325,207	$415,943	78.2 %	Low	$54,295	$0	$2,854	$136,609
2026	$245,747	$325,764	75.4 %	Low	$55,110	$0	$2,674	$14,329
2027	$289,202	$359,969	80.3 %	Low	$55,936	$0	$3,024	$32,223
2028	$315,940	$377,944	83.6 %	Low	$56,775	$0	$3,329	$25,829
2029	$350,215	$404,256	86.6 %	Low	$57,627	$0	$3,775	$6,524
2030	$405,093	$452,488	89.5 %	Low	$58,491	$0	$4,296	$13,439
2031	$454,441	$496,330	91.6 %	Low	$59,369	$0	$4,851	$2,478
2032	$516,183	$554,100	93.2 %	Low	$60,259	$0	$5,132	$71,003
2033	$510,570	$544,386	93.8 %	Low	$61,163	$0	$5,436	$0
2034	$577,170	$608,917	94.8 %	Low	$62,080	$0	$5,997	$22,522
2035	$622,725	$653,632	95.3 %	Low	$63,012	$0	$4,213	$469,727
2036	$220,222	$240,556	91.5 %	Low	$63,957	$0	$2,384	$29,848
2037	$256,715	$269,699	95.2 %	Low	$64,916	$0	$2,482	$84,196
2038	$239,918	$245,317	97.8 %	Low	$65,890	$0	$2,698	$8,512
2039	$299,994	$299,785	100.1 %	Low	$66,878	$0	$3,350	$0
2040	$370,222	$366,331	101.1 %	Low	$67,881	$0	$3,785	$54,888
2041	$387,000	$380,066	101.8 %	Low	$68,900	$0	$4,187	$9,301
2042	$450,785	$442,945	101.8 %	Low	$69,933	$0	$4,628	$50,202
2043	$475,144	$467,415	101.7 %	Low	$70,982	$0	$5,047	$16,460
2044	$534,714	$529,260	101.0 %	Low	$72,047	$0	$5,371	$72,286
2045	$539,845	$537,402	100.5 %	Low	$73,128	$0	$4,570	$242,983
2046	$374,560	$371,973	100.7 %	Low	$74,225	$0	$4,040	$18,956
2047	$433,869	$434,389	99.9 %	Low	$75,338	$0	$4,389	$69,304
2048	$444,291	$448,944	99.0 %	Low	$76,468	$0	$4,634	$42,555
2049	$482,838	$493,673	97.8 %	Low	$77,615	$0	$5,219	$4,218

30-Year Income/Expense Detail

23122-2 WSV

	Fiscal Year	2020	2021	2022	2023	2024
	Starting Reserve Balance	$163,600	$182,128	$235,371	$260,075	$302,971
	Annual Reserve Contribution	$50,400	$51,156	$51,923	$52,702	$53,493
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,728	$2,087	$2,476	$2,814	$3,140
	Total Income	$215,728	$235,371	$289,770	$315,592	$359,603
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$8,699	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$5,000	$0	$0	$5,464	$0
140	Double Rail Fence - Replace	$0	$0	$0	$0	$13,461
142	Wood/Cyclone Fencing - Replace	$0	$0	$0	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$12,000	$0	$0	$0	$13,506
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$0	$0	$0	$0	$0
170	Landscape - Refurbish	$10,000	$0	$0	$0	$0
175	Storm Drainage Ponds - Cleaning	$0	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$6,600	$0	$0	$0	$7,428
178	Drains - Inspect/Clean	$0	$0	$13,261	$0	$0
185	Irrigation System - Repair/Replace	$0	$0	$5,835	$0	$0
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 Shelters - Repair/Replace	$0	$0	$0	$7,157	$0
999	Reserve Study - Update	$0	$0	$1,899	$0	$0
	Total Expenses	$33,600	$0	$29,695	$12,621	$34,396
	Ending Reserve Balance	$182,128	$235,371	$260,075	$302,971	$325,207

	Fiscal Year	2025	2026	2027	2028	2029
	Starting Reserve Balance	$325,207	$245,747	$289,202	$315,940	$350,215
	Annual Reserve Contribution	$54,295	$55,110	$55,936	$56,775	$57,627
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,854	$2,674	$3,024	$3,329	$3,775
	Total Income	$382,356	$303,530	$348,162	$376,044	$411,617
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$10,085	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$0	$5,970	$0	$0	$6,524
140	Double Rail Fence - Replace	$0	$0	$0	$0	$0
142	Wood/Cyclone Fencing - Replace	$16,114	$0	$0	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$0	$0	$0	$15,201	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$36,227	$0	$0	$0	$0
170	Landscape - Refurbish	$11,593	$0	$0	$0	$0
175	Storm Drainage Ponds - Cleaning	$57,964	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$0	$0	$0	$8,361	$0
178	Drains - Inspect/Clean	$0	$0	$15,373	$0	$0
185	Irrigation System - Repair/Replace	$0	$0	$6,764	$0	$0
200	Entry Monuments - Refurbish	$12,636	$0	$0	$0	$0
201	Required Signage - Replace	$0	$8,358	$0	$0	$0
205	Mailboxes - Replace	$0	$0	$0	$0	$0
220	Bus Shelters - Repair/Replace	$0	$0	$0	$0	$0
999	Reserve Study - Update	$2,075	$0	$0	$2,268	$0
	Total Expenses	$136,609	$14,329	$32,223	$25,829	$6,524
	Ending Reserve Balance	$245,747	$289,202	$315,940	$350,215	$405,093

	Fiscal Year	2030	2031	2032	2033	2034
	Starting Reserve Balance	$405,093	$454,441	$516,183	$510,570	$577,170
	Annual Reserve Contribution	$58,491	$59,369	$60,259	$61,163	$62,080
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,296	$4,851	$5,132	$5,436	$5,997
	Total Income	$467,880	$518,660	$581,573	$577,170	$645,247
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$11,691	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$0	$0	$7,129	$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	$17,109	$0	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$19,815
160	Street Lights - Replace	$0	$0	$0	$0	$0
170	Landscape - Refurbish	$13,439	$0	$0	$0	$0
175	Storm Drainage Ponds - Cleaning	$0	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$0	$0	$9,410	$0	$0
178	Drains - Inspect/Clean	$0	$0	$17,822	$0	$0
185	Irrigation System - Repair/Replace	$0	$0	$7,842	$0	$0
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 Shelters - Repair/Replace	$0	$0	$0	$0	$0
999	Reserve Study - Update	$0	$2,478	$0	$0	$2,708
	Total Expenses	$13,439	$2,478	$71,003	$0	$22,522
	Ending Reserve Balance	$454,441	$516,183	$510,570	$577,170	$622,725

	Fiscal Year	2035	2036	2037	2038	2039
	Starting Reserve Balance	$622,725	$220,222	$256,715	$239,918	$299,994
	Annual Reserve Contribution	$63,012	$63,957	$64,916	$65,890	$66,878
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,213	$2,384	$2,482	$2,698	$3,350
	Total Income	$689,949	$286,563	$324,114	$308,506	$370,222
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$13,553	$0	$0
120	Asphalt Roads - Resurface/Repave	$446,358	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$7,790	$0	$0	$8,512	$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	$19,256	$0	$0	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$0	$0	$0	$0	$0
170	Landscape - Refurbish	$15,580	$0	$0	$0	$0
175	Storm Drainage Ponds - Cleaning	$0	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$0	$10,591	$0	$0	$0
178	Drains - Inspect/Clean	$0	$0	$20,661	$0	$0
185	Irrigation System - Repair/Replace	$0	$0	$9,091	$0	$0
200	Entry Monuments - Refurbish	$0	$0	$0	$0	$0
201	Required Signage - Replace	$0	$0	$0	$0	$0
205	Mailboxes - Replace	$0	$0	$37,933	$0	$0
220	Bus Shelters - Repair/Replace	$0	$0	$0	$0	$0
999	Reserve Study - Update	$0	$0	$2,959	$0	$0
	Total Expenses	$469,727	$29,848	$84,196	$8,512	$0
	Ending Reserve Balance	$220,222	$256,715	$239,918	$299,994	$370,222

	Fiscal Year	2040	2041	2042	2043	2044
	Starting Reserve Balance	$370,222	$387,000	$450,785	$475,144	$534,714
	Annual Reserve Contribution	$67,881	$68,900	$69,933	$70,982	$72,047
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,785	$4,187	$4,628	$5,047	$5,371
	Total Income	$441,888	$460,087	$525,346	$551,174	$612,131
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$15,712	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$0	$9,301	$0	$0	$10,164
140	Double Rail Fence - Replace	$0	$0	$0	$0	$24,312
142	Wood/Cyclone Fencing - Replace	$0	$0	$0	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$21,673	$0	$0	$0	$24,394
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$0	$0	$0	$0	$0
170	Landscape - Refurbish	$18,061	$0	$0	$0	$0
175	Storm Drainage Ponds - Cleaning	$0	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$11,920	$0	$0	$0	$13,416
178	Drains - Inspect/Clean	$0	$0	$23,951	$0	$0
185	Irrigation System - Repair/Replace	$0	$0	$10,539	$0	$0
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 Shelters - Repair/Replace	$0	$0	$0	$12,927	$0
999	Reserve Study - Update	$3,233	$0	$0	$3,533	$0
	Total Expenses	$54,888	$9,301	$50,202	$16,460	$72,286
	Ending Reserve Balance	$387,000	$450,785	$475,144	$534,714	$539,845

	Fiscal Year	2045	2046	2047	2048	2049
	Starting Reserve Balance	$539,845	$374,560	$433,869	$444,291	$482,838
	Annual Reserve Contribution	$73,128	$74,225	$75,338	$76,468	$77,615
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,570	$4,040	$4,389	$4,634	$5,219
	Total Income	$617,543	$452,825	$513,596	$525,393	$565,672
#	Component					
	Inventory Appendix					
100	Concrete/Curbs - Repair/Replace	$0	$0	$18,215	$0	$0
120	Asphalt Roads - Resurface/Repave	$0	$0	$0	$0	$0
121	Asphalt - Clean/Repair/Crackfill	$0	$0	$11,106	$0	$0
140	Double Rail Fence - Replace	$0	$0	$0	$0	$0
142	Wood/Cyclone Fencing - Replace	$29,104	$0	$0	$0	$0
143	Wood Fencing - Rpr/Clean/Stain	$0	$0	$0	$27,455	$0
144	Cyclone Fencing - Replace	$0	$0	$0	$0	$0
160	Street Lights - Replace	$65,431	$0	$0	$0	$0
170	Landscape - Refurbish	$20,938	$0	$0	$0	$0
175	Storm Drainage Ponds - Cleaning	$104,689	$0	$0	$0	$0
176	Stormwater Vault/Filters - Cln/Repl	$0	$0	$0	$15,100	$0
178	Drains - Inspect/Clean	$0	$0	$27,766	$0	$0
185	Irrigation System - Repair/Replace	$0	$0	$12,217	$0	$0
200	Entry Monuments - Refurbish	$22,822	$0	$0	$0	$0
201	Required Signage - Replace	$0	$15,096	$0	$0	$0
205	Mailboxes - Replace	$0	$0	$0	$0	$0
220	Bus Shelters - Repair/Replace	$0	$0	$0	$0	$0
999	Reserve Study - Update	$0	$3,860	$0	$0	$4,218
	Total Expenses	$242,983	$18,956	$69,304	$42,555	$4,218
	Ending Reserve Balance	$374,560	$433,869	$444,291	$482,838	$561,454

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: We noted dirt/grime on surfaces, however no major or widespread cracking/damaged noted of concrete rolled curbs and gutters. Repair any trip and fall hazards (1/2" or larger displacement) immediately to ensure safety.

In our experience, larger repair/replacement expenses emerge as the community ages. Although difficult to predict timing, cost and scope, funding allowance to supplement the operating/maintenance budget funded here for periodic larger repairs. Adjust as conditions, actual expense history indicates within future reserve study updates. 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. Monitor tree roots nearby; consult with arborist for best practice.

Useful Life:
5 years

Remaining Life:
2 years

Best Case: $ 5,500 Worst Case: $ 10,900

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: Like our previous site visit, we noted a couple local cracks and raveling but not widespread or significant at this time. 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.

Funding included here for long term 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:
15 years

Best Case:	$ 255,000	Worst Case:	$ 318,000
	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: None known
Comments: These 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.

As discussed with board member, 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:
0 years

Best Case: $ 4,000 Worst Case: $ 6,000

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: No obvious major instability noted of sturdy, pressure treated wood fencing; pressure treated 6”x6” posts with 2" X 8" double horizontal boards.

Funding for 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:
4 years

Best Case: $ 9,620 Worst Case: $ 14,300

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 142 Wood/Cyclone Fencing - Replace **Quantity: ~850 LF**
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 side. This fencing is in the wet pond areas. No obvious instability in areas we were able to inspect.

Funding for 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:
5 years

Best Case: $ 11,100 Worst Case: $ 16,700

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: Repaired, cleaned and stained in 2016
Comments: We noted some inconsistencies in appearance and general fading of surfaces at wood fencing.

Funding shown here for routine 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:
0 years

Best Case: $ 10,000 Worst Case: $ 14,000

Lower allowance Higher allowance

Cost Source: Inflated Client Cost History

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: We noted a couple local areas that are damaged, however the majority appears stable.

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:
14 years

Best Case: $ 10,900 Worst Case: $ 15,300

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: Like our previous site visit, no instability or other major damage observed of commercial, steel light poles. Observed during daylight hours; assumed to be in functional operating condition.

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

Useful Life:
20 years

Remaining Life:
5 years

Best Case: $ 25,000 Worst Case: $ 37,500

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 ground lighting noted and no problems reported to us; 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: Some various larger landscape projects completed in the past. Currently reported by our board contact, that project at both entries removing damaged trees and replacing is needed.

Funding included here for periodic larger landscape projects that are not funded within the maintenance reserve. These costs can vary in pricing and timing.

Useful Life:
5 years

Remaining Life:
0 years

Best Case: $ 8,000 Worst Case: $ 12,000

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

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: A large cleaning project to be completed at ponds in 2018 (mostly vegetation work). Previous to this in 2015, due to long history of neglect, a significant amount of work to stormwater ponds was including vegetation (cat tail)/root removal, rip/rap wall rebuilding, berm repairs, etc. As discussed with board member, following the 2018 anticipated work, annual funding will be included in the budget so that more proactive, routine maintenance will occur.

Even with proactive cleanings/inspections, debris will eventually build up and warranting sediment removal. Funding included here 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:
5 years

Best Case: $ 45,000 Worst Case: $ 55,000

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: Reported to us previously 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.

Funding included here for vault cleaning and filter replacement. This assumes annual inspections/local work if needed.

Useful Life:
4 years

Remaining Life:
0 years

Best Case: $ 5,500 Worst Case: $ 7,700

Lower allowance Higher allowance

Cost Source: Estimate by Contech

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: Cleaning in 2017 and Highlands area cleaned in 2015
Comments: There are several catchbasins/underground stormwater drainage systems throughout the private roadways and at common areas. Some larger cleaning projects in the past. No problems currently reported to us.

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:
5 years

Remaining Life:
2 years

Best Case: $ 10,000 Worst Case: $ 15,000

Lower allowance Higher allowance

Cost Source: Estimate per Client/Bid/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: Due to lack of maintenance at Highlands Phase 2, reserve expenses incurred mostly in 2017 (small amount 2016). At this time, no major issues with irrigation systems reported.

Funding included here for periodic larger projects that will be needed as the community ages; large system renovations, repairs, zone reconfiguration, etc. 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:
5 years

Remaining Life:
2 years

Best Case: $ 4,400 Worst Case: $ 6,600

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:

No Photo Available

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: Unknown
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 metal 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:
5 years

Best Case: $ 8,700 Worst Case: $ 13,100

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: None known
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.

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

Useful Life:
20 years

Remaining Life:
6 years

Best Case: $ 6,100 Worst Case: $ 7,900

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: 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.

Funding for 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:
17 years

Best Case: $ 19,900 Worst Case: $ 26,000

Lower allowance Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 220 Bus Shelters - Repair/Replace **Quantity: (3) 10' X 6' wood shelter**
Location: Common area tracts C, E and F along Vista Loop SW and Ridgeview Loop SW
Funded?: Yes.
History: None known
Comments: No major or widespread damage noted of these structures; three sided wood structures which are painted, have a single bench and roofed with composition shingle roofing materials.

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

Useful Life:
20 years

Remaining Life:
3 years

Best Case: $ 4,900 Worst Case: $ 8,200

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.

Useful Life:
3 years

Remaining Life:
2 years

Best Case:	$ 1,690	Worst Case:	$ 1,890
	Lower allowance		Higher allowance

Cost Source: Per Client