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CHRISTIAN COLUNGA
CAI-RS
00208
DESIGNATION
RESERVE SPECIALIST

Report #: 48794-0
Beginning: January 1, 2024
Expires: December 31, 2024

RESERVE STUDY
"Full"

November 29, 2023

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 — Full

Mission Bay HOA
Polson, MT
Level of Service: **"Full"**

Report #: **48794-0**
# of Units: 201
January 1, 2024 through **December 31, 2024**

Findings & Recommendations — as of January 1, 2024

Starting Reserve Balance	**$372,035**
Current Fully Funded Reserve Balance	**$975,667**
Percent Funded	**38.1 %**
Average Reserve (Deficit) or Surplus Per Unit	**($3,003)**
Recommended 2024 100% Monthly "Full Funding" Contributions	**$9,600**
2024 "Baseline Funding" minimum to keep Reserves above $0	**$9,250**
Recommended 2024-2026 Special Assessments	**$75,000/Each Year**
Most Recent Budgeted Contribution Rate	**$1,656**

Reserve Fund Strength: 38.1%

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

Risk of Special Assessment: High | Medium | Low

Economic Assumptions:

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

• This is a "Full", 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 38.1 % 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 $74,417 - 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 and levy Special Assessments in the amount of $75,000 each year from 2024 through 2026 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.

*** These Special Assessments are preliminary in nature and are considered placeholder amounts until vendor estimates are gathered. These Special Assessments are recommended to bolster reserves for various projects outlined for 2024-2026.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Inventory Appendix			
120	Asphalt - Resurface	30	11	$1,220,000
121	Asphalt - Repair & Seal	5	1	$132,500
150	Gazebo - Repair/Replace	20	2	$4,000
156	Bulkhead - Maintain/Repair	20	19	$30,000
160	Pole Lights - Repair/Replace	20	2	$1,500
190	Community Signs - Partial Rpr/Rpl	10	2	$4,000
195	Mailboxes - Repair/Replace	20	2	$28,500
340	Play Equipment - Repair/Replace	15	2	$21,000
360	Docks - Repair/Replace	25	4	$25,000
730	Bathroom Building - Refurbish	20	2	$25,000
10	**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 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 Full Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

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 8/21/2023, we visually inspected all visible common areas, while compiling a photographic inventory, noting: general exterior observations, make & model information where appropriate, apparent levels of care and maintenance, exposure to weather elements and other factors that may affect the components useful life.

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.

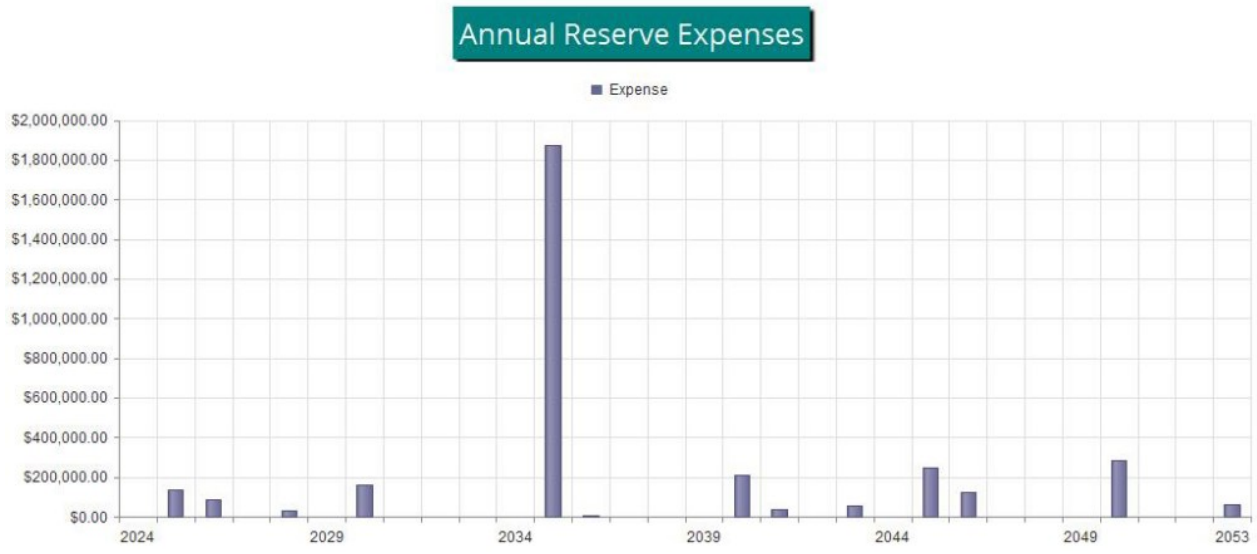


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $372,035 as-of the start of your Fiscal Year on 1/1/2024. As of that date, your Fully Funded Balance is computed to be $975,667 (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 $9,600 per month this Fiscal Year in addition to Special Assessments in the amount of $75,000 each year from 2024 to 2026. 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.

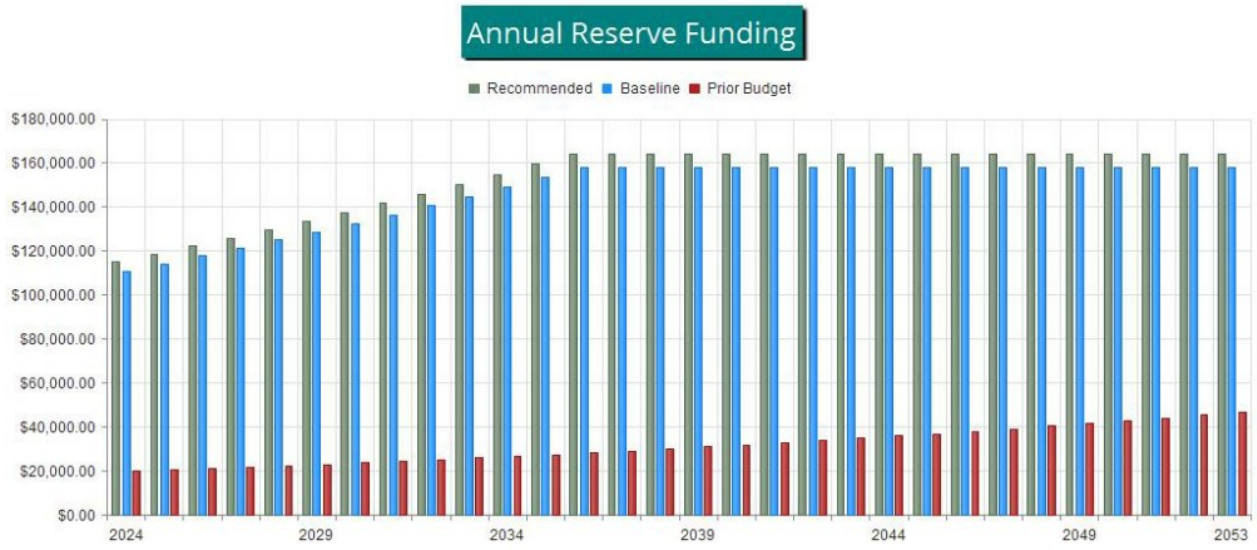


Figure 2

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.

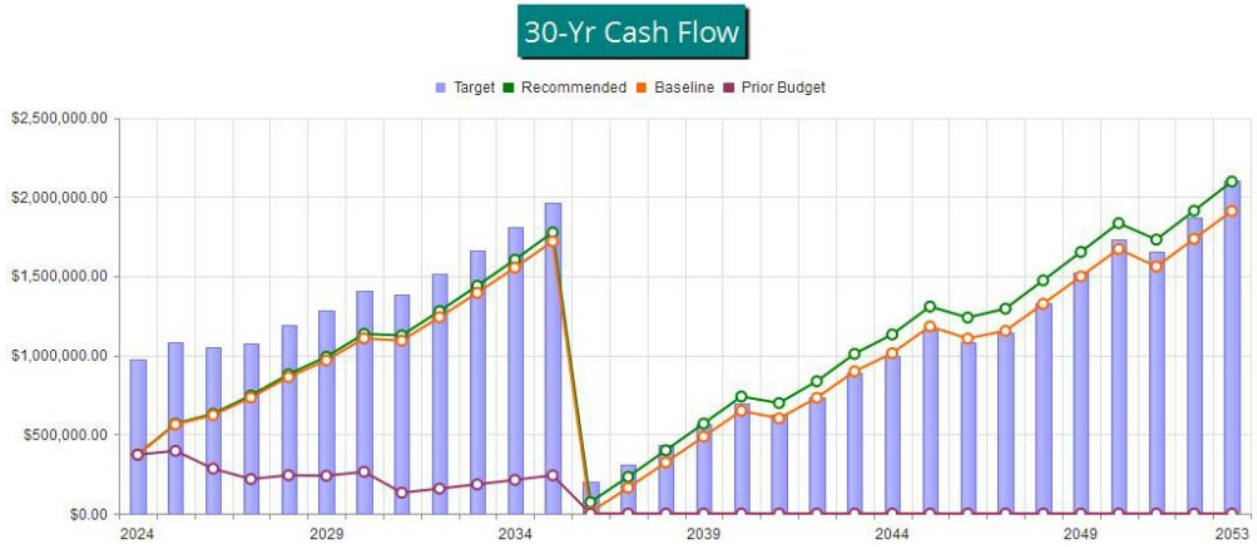


Figure 3

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.

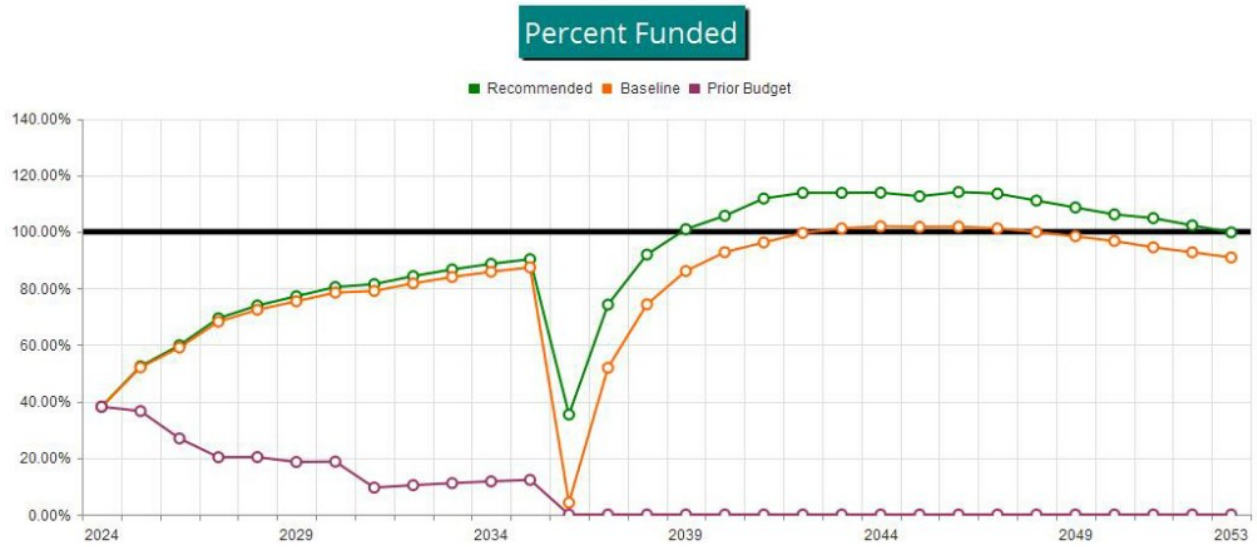


Figure 4

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					
120	Asphalt - Resurface	~413,000 SF	30	11	$1,115,000	$1,325,000
121	Asphalt - Repair & Seal	~413,000 SF	5	1	$100,000	$165,000
150	Gazebo - Repair/Replace	~(1) Wood Structure	20	2	$3,000	$5,000
156	Bulkhead - Maintain/Repair	~Rocks, gravel, etc	20	19	$25,000	$35,000
160	Pole Lights - Repair/Replace	~(5) assemblies	20	2	$1,100	$1,900
190	Community Signs - Partial Rpr/Rpl	(1) Large (2) Small	10	2	$3,000	$5,000
195	Mailboxes - Repair/Replace	~(14) clusters	20	2	$25,000	$32,000
340	Play Equipment - Repair/Replace	(2) Metal/Plastic	15	2	$18,000	$24,000
360	Docks - Repair/Replace	~1,000 SF	25	4	$20,000	$30,000
730	Bathroom Building - Refurbish	(2) bathrooms ~460 SF	20	2	$20,000	$30,000
10	Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Inventory Appendix							
120	Asphalt - Resurface	$1,220,000	X	19	/	30	=	$772,667
121	Asphalt - Repair & Seal	$132,500	X	4	/	5	=	$106,000
150	Gazebo - Repair/Replace	$4,000	X	18	/	20	=	$3,600
156	Bulkhead - Maintain/Repair	$30,000	X	1	/	20	=	$1,500
160	Pole Lights - Repair/Replace	$1,500	X	18	/	20	=	$1,350
190	Community Signs - Partial Rpr/Rpl	$4,000	X	8	/	10	=	$3,200
195	Mailboxes - Repair/Replace	$28,500	X	18	/	20	=	$25,650
340	Play Equipment - Repair/Replace	$21,000	X	13	/	15	=	$18,200
360	Docks - Repair/Replace	$25,000	X	21	/	25	=	$21,000
730	Bathroom Building - Refurbish	$25,000	X	18	/	20	=	$22,500
								$975,667

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Inventory Appendix				
120	Asphalt - Resurface	30	$1,220,000	$40,667	54.65 %
121	Asphalt - Repair & Seal	5	$132,500	$26,500	35.61 %
150	Gazebo - Repair/Replace	20	$4,000	$200	0.27 %
156	Bulkhead - Maintain/Repair	20	$30,000	$1,500	2.02 %
160	Pole Lights - Repair/Replace	20	$1,500	$75	0.10 %
190	Community Signs - Partial Rpr/Rpl	10	$4,000	$400	0.54 %
195	Mailboxes - Repair/Replace	20	$28,500	$1,425	1.91 %
340	Play Equipment - Repair/Replace	15	$21,000	$1,400	1.88 %
360	Docks - Repair/Replace	25	$25,000	$1,000	1.34 %
730	Bathroom Building - Refurbish	20	$25,000	$1,250	1.68 %
10	Total Funded Components			$74,417	100.00 %

30-Year Reserve Plan Summary

Report # 48794-0
Full

Fiscal Year Start: 2024 | Interest: 1.00 % | Inflation: 3.00 %

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
	Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
2024	$372,035	$975,667	38.1 %		Medium	479.71 %	$115,200	$75,000	$4,693	$0
2025	$566,928	$1,081,586	52.4 %		Medium	3.00 %	$118,656	$75,000	$5,983	$136,475
2026	$630,092	$1,052,413	59.9 %		Medium	3.00 %	$122,216	$75,000	$6,873	$89,116
2027	$745,064	$1,073,513	69.4 %		Medium	3.00 %	$125,882	$0	$8,117	$0
2028	$879,064	$1,189,475	73.9 %		Low	3.00 %	$129,659	$0	$9,341	$28,138
2029	$989,926	$1,282,447	77.2 %		Low	3.00 %	$133,548	$0	$10,616	$0
2030	$1,134,090	$1,409,778	80.4 %		Low	3.00 %	$137,555	$0	$11,289	$158,212
2031	$1,124,722	$1,380,636	81.5 %		Low	3.00 %	$141,681	$0	$12,011	$0
2032	$1,278,414	$1,516,324	84.3 %		Low	3.00 %	$145,932	$0	$13,576	$0
2033	$1,437,922	$1,658,910	86.7 %		Low	3.00 %	$150,310	$0	$15,200	$0
2034	$1,603,432	$1,808,687	88.7 %		Low	3.00 %	$154,819	$0	$16,886	$0
2035	$1,775,137	$1,965,958	90.3 %		Low	3.00 %	$159,464	$0	$9,230	$1,872,176
2036	$71,654	$202,696	35.4 %		Medium	3.00 %	$164,248	$0	$1,516	$5,703
2037	$231,715	$312,186	74.2 %		Low	0.00 %	$164,248	$0	$3,153	$0
2038	$399,115	$434,113	91.9 %		Low	0.00 %	$164,248	$0	$4,835	$0
2039	$568,198	$563,075	100.9 %		Low	0.00 %	$164,248	$0	$6,533	$0
2040	$738,978	$699,385	105.7 %		Low	0.00 %	$164,248	$0	$7,181	$212,624
2041	$697,783	$624,363	111.8 %		Low	0.00 %	$164,248	$0	$7,661	$34,710
2042	$834,982	$734,032	113.8 %		Low	0.00 %	$164,248	$0	$9,213	$0
2043	$1,008,442	$886,543	113.7 %		Low	0.00 %	$164,248	$0	$10,692	$52,605
2044	$1,130,776	$993,361	113.8 %		Low	0.00 %	$164,248	$0	$12,185	$0
2045	$1,307,209	$1,161,599	112.5 %		Low	0.00 %	$164,248	$0	$12,719	$246,489
2046	$1,237,687	$1,085,153	114.1 %		Low	0.00 %	$164,248	$0	$12,652	$120,715
2047	$1,293,872	$1,140,240	113.5 %		Low	0.00 %	$164,248	$0	$13,823	$0
2048	$1,471,943	$1,325,721	111.0 %		Low	0.00 %	$164,248	$0	$15,612	$0
2049	$1,651,803	$1,521,304	108.6 %		Low	0.00 %	$164,248	$0	$17,419	$0
2050	$1,833,469	$1,727,430	106.1 %		Low	0.00 %	$164,248	$0	$17,809	$285,748
2051	$1,729,777	$1,650,233	104.8 %		Low	0.00 %	$164,248	$0	$18,202	$0
2052	$1,912,227	$1,870,000	102.3 %		Low	0.00 %	$164,248	$0	$20,035	$0
2053	$2,096,510	$2,101,467	99.8 %		Low	0.00 %	$164,248	$0	$21,591	$58,914

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 48794-0
Full

Fiscal Year Start: 2024	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
2024	$372,035	$975,667	38.1 %	Medium	458.57 %	$111,000	$75,000	$4,672	$0
2025	$562,707	$1,081,586	52.0 %	Medium	3.00 %	$114,330	$75,000	$5,918	$136,475
2026	$621,480	$1,052,413	59.1 %	Medium	3.00 %	$117,760	$75,000	$6,764	$89,116
2027	$731,889	$1,073,513	68.2 %	Medium	3.00 %	$121,293	$0	$7,962	$0
2028	$861,143	$1,189,475	72.4 %	Low	3.00 %	$124,931	$0	$9,137	$28,138
2029	$967,074	$1,282,447	75.4 %	Low	3.00 %	$128,679	$0	$10,362	$0
2030	$1,106,115	$1,409,778	78.5 %	Low	3.00 %	$132,540	$0	$10,983	$158,212
2031	$1,091,426	$1,380,636	79.1 %	Low	3.00 %	$136,516	$0	$11,650	$0
2032	$1,239,592	$1,516,324	81.7 %	Low	3.00 %	$140,611	$0	$13,159	$0
2033	$1,393,363	$1,658,910	84.0 %	Low	3.00 %	$144,830	$0	$14,725	$0
2034	$1,552,918	$1,808,687	85.9 %	Low	3.00 %	$149,175	$0	$16,350	$0
2035	$1,718,442	$1,965,958	87.4 %	Low	3.00 %	$153,650	$0	$8,631	$1,872,176
2036	$8,547	$202,696	4.2 %	High	3.00 %	$158,259	$0	$852	$5,703
2037	$161,956	$312,186	51.9 %	Medium	0.00 %	$158,259	$0	$2,422	$0
2038	$322,637	$434,113	74.3 %	Low	0.00 %	$158,259	$0	$4,036	$0
2039	$484,933	$563,075	86.1 %	Low	0.00 %	$158,259	$0	$5,667	$0
2040	$648,859	$699,385	92.8 %	Low	0.00 %	$158,259	$0	$6,245	$212,624
2041	$600,740	$624,363	96.2 %	Low	0.00 %	$158,259	$0	$6,656	$34,710
2042	$730,945	$734,032	99.6 %	Low	0.00 %	$158,259	$0	$8,138	$0
2043	$897,343	$886,543	101.2 %	Low	0.00 %	$158,259	$0	$9,545	$52,605
2044	$1,012,542	$993,361	101.9 %	Low	0.00 %	$158,259	$0	$10,967	$0
2045	$1,181,769	$1,161,599	101.7 %	Low	0.00 %	$158,259	$0	$11,429	$246,489
2046	$1,104,968	$1,085,153	101.8 %	Low	0.00 %	$158,259	$0	$11,289	$120,715
2047	$1,153,802	$1,140,240	101.2 %	Low	0.00 %	$158,259	$0	$12,386	$0
2048	$1,324,447	$1,325,721	99.9 %	Low	0.00 %	$158,259	$0	$14,100	$0
2049	$1,496,807	$1,521,304	98.4 %	Low	0.00 %	$158,259	$0	$15,832	$0
2050	$1,670,898	$1,727,430	96.7 %	Low	0.00 %	$158,259	$0	$16,145	$285,748
2051	$1,559,555	$1,650,233	94.5 %	Low	0.00 %	$158,259	$0	$16,462	$0
2052	$1,734,276	$1,870,000	92.7 %	Low	0.00 %	$158,259	$0	$18,217	$0
2053	$1,910,753	$2,101,467	90.9 %	Low	0.00 %	$158,259	$0	$19,694	$58,914

	Fiscal Year	2024	2025	2026	2027	2028
	Starting Reserve Balance	$372,035	$566,928	$630,092	$745,064	$879,064
	Annual Reserve Funding	$115,200	$118,656	$122,216	$125,882	$129,659
	Recommended Special Assessments	$75,000	$75,000	$75,000	$0	$0
	Interest Earnings	$4,693	$5,983	$6,873	$8,117	$9,341
	Total Income	$566,928	$766,567	$834,180	$879,064	$1,018,063
#	Component					
	Inventory Appendix					
120	Asphalt - Resurface	$0	$0	$0	$0	$0
121	Asphalt - Repair & Seal	$0	$136,475	$0	$0	$0
150	Gazebo - Repair/Replace	$0	$0	$4,244	$0	$0
156	Bulkhead - Maintain/Repair	$0	$0	$0	$0	$0
160	Pole Lights - Repair/Replace	$0	$0	$1,591	$0	$0
190	Community Signs - Partial Rpr/Rpl	$0	$0	$4,244	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$30,236	$0	$0
340	Play Equipment - Repair/Replace	$0	$0	$22,279	$0	$0
360	Docks - Repair/Replace	$0	$0	$0	$0	$28,138
730	Bathroom Building - Refurbish	$0	$0	$26,523	$0	$0
	Total Expenses	$0	$136,475	$89,116	$0	$28,138
	Ending Reserve Balance	$566,928	$630,092	$745,064	$879,064	$989,926

	Fiscal Year	2029	2030	2031	2032	2033
	Starting Reserve Balance	$989,926	$1,134,090	$1,124,722	$1,278,414	$1,437,922
	Annual Reserve Funding	$133,548	$137,555	$141,681	$145,932	$150,310
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$10,616	$11,289	$12,011	$13,576	$15,200
	Total Income	$1,134,090	$1,282,934	$1,278,414	$1,437,922	$1,603,432
#	Component					
	Inventory Appendix					
120	Asphalt - Resurface	$0	$0	$0	$0	$0
121	Asphalt - Repair & Seal	$0	$158,212	$0	$0	$0
150	Gazebo - Repair/Replace	$0	$0	$0	$0	$0
156	Bulkhead - Maintain/Repair	$0	$0	$0	$0	$0
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Partial Rpr/Rpl	$0	$0	$0	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
340	Play Equipment - Repair/Replace	$0	$0	$0	$0	$0
360	Docks - Repair/Replace	$0	$0	$0	$0	$0
730	Bathroom Building - Refurbish	$0	$0	$0	$0	$0
	Total Expenses	$0	$158,212	$0	$0	$0
	Ending Reserve Balance	$1,134,090	$1,124,722	$1,278,414	$1,437,922	$1,603,432

	Fiscal Year	2034	2035	2036	2037	2038
	Starting Reserve Balance	$1,603,432	$1,775,137	$71,654	$231,715	$399,115
	Annual Reserve Funding	$154,819	$159,464	$164,248	$164,248	$164,248
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$16,886	$9,230	$1,516	$3,153	$4,835
	Total Income	$1,775,137	$1,943,830	$237,418	$399,115	$568,198
#	Component					
	Inventory Appendix					
120	Asphalt - Resurface	$0	$1,688,765	$0	$0	$0
121	Asphalt - Repair & Seal	$0	$183,411	$0	$0	$0
150	Gazebo - Repair/Replace	$0	$0	$0	$0	$0
156	Bulkhead - Maintain/Repair	$0	$0	$0	$0	$0
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Partial Rpr/Rpl	$0	$0	$5,703	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
340	Play Equipment - Repair/Replace	$0	$0	$0	$0	$0
360	Docks - Repair/Replace	$0	$0	$0	$0	$0
730	Bathroom Building - Refurbish	$0	$0	$0	$0	$0
	Total Expenses	$0	$1,872,176	$5,703	$0	$0
	Ending Reserve Balance	$1,775,137	$71,654	$231,715	$399,115	$568,198

	Fiscal Year	2039	2040	2041	2042	2043
	Starting Reserve Balance	$568,198	$738,978	$697,783	$834,982	$1,008,442
	Annual Reserve Funding	$164,248	$164,248	$164,248	$164,248	$164,248
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$6,533	$7,181	$7,661	$9,213	$10,692
	Total Income	$738,978	$910,407	$869,691	$1,008,442	$1,183,382
#	Component					
	Inventory Appendix					
120	Asphalt - Resurface	$0	$0	$0	$0	$0
121	Asphalt - Repair & Seal	$0	$212,624	$0	$0	$0
150	Gazebo - Repair/Replace	$0	$0	$0	$0	$0
156	Bulkhead - Maintain/Repair	$0	$0	$0	$0	$52,605
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Partial Rpr/Rpl	$0	$0	$0	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
340	Play Equipment - Repair/Replace	$0	$0	$34,710	$0	$0
360	Docks - Repair/Replace	$0	$0	$0	$0	$0
730	Bathroom Building - Refurbish	$0	$0	$0	$0	$0
	Total Expenses	$0	$212,624	$34,710	$0	$52,605
	Ending Reserve Balance	$738,978	$697,783	$834,982	$1,008,442	$1,130,776

	Fiscal Year	2044	2045	2046	2047	2048
	Starting Reserve Balance	$1,130,776	$1,307,209	$1,237,687	$1,293,872	$1,471,943
	Annual Reserve Funding	$164,248	$164,248	$164,248	$164,248	$164,248
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$12,185	$12,719	$12,652	$13,823	$15,612
	Total Income	$1,307,209	$1,484,176	$1,414,587	$1,471,943	$1,651,803
#	Component					
	Inventory Appendix					
120	Asphalt - Resurface	$0	$0	$0	$0	$0
121	Asphalt - Repair & Seal	$0	$246,489	$0	$0	$0
150	Gazebo - Repair/Replace	$0	$0	$7,664	$0	$0
156	Bulkhead - Maintain/Repair	$0	$0	$0	$0	$0
160	Pole Lights - Repair/Replace	$0	$0	$2,874	$0	$0
190	Community Signs - Partial Rpr/Rpl	$0	$0	$7,664	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$54,609	$0	$0
340	Play Equipment - Repair/Replace	$0	$0	$0	$0	$0
360	Docks - Repair/Replace	$0	$0	$0	$0	$0
730	Bathroom Building - Refurbish	$0	$0	$47,903	$0	$0
	Total Expenses	$0	$246,489	$120,715	$0	$0
	Ending Reserve Balance	$1,307,209	$1,237,687	$1,293,872	$1,471,943	$1,651,803

	Fiscal Year	2049	2050	2051	2052	2053
	Starting Reserve Balance	$1,651,803	$1,833,469	$1,729,777	$1,912,227	$2,096,510
	Annual Reserve Funding	$164,248	$164,248	$164,248	$164,248	$164,248
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$17,419	$17,809	$18,202	$20,035	$21,591
	Total Income	$1,833,469	$2,015,526	$1,912,227	$2,096,510	$2,282,348
#	Component					
	Inventory Appendix					
120	Asphalt - Resurface	$0	$0	$0	$0	$0
121	Asphalt - Repair & Seal	$0	$285,748	$0	$0	$0
150	Gazebo - Repair/Replace	$0	$0	$0	$0	$0
156	Bulkhead - Maintain/Repair	$0	$0	$0	$0	$0
160	Pole Lights - Repair/Replace	$0	$0	$0	$0	$0
190	Community Signs - Partial Rpr/Rpl	$0	$0	$0	$0	$0
195	Mailboxes - Repair/Replace	$0	$0	$0	$0	$0
340	Play Equipment - Repair/Replace	$0	$0	$0	$0	$0
360	Docks - Repair/Replace	$0	$0	$0	$0	$58,914
730	Bathroom Building - Refurbish	$0	$0	$0	$0	$0
	Total Expenses	$0	$285,748	$0	$0	$58,914
	Ending Reserve Balance	$1,833,469	$1,729,777	$1,912,227	$2,096,510	$2,223,434

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. Christian Colunga, company President, is a credentialed Reserve Specialist (#208). 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.

Comp #: 100 Concrete - Repair/Replace **Quantity: Sidewalks, curbs, etc.**
Location: The community walkways, patios, driveways, and curbs.
Funded?: No. Annual repair needs are below the reserves funding threshold.
History: No major projects known
Comments: Localized areas of minor cracking in concrete sidewalks and curbs observed with one minor trip hazard noted just west of the community center.

The annual repair needs are below the reserves funding threshold (1% or more of total annual expenses), and should be factored into the operating budget. In our experience, as the community ages larger repair/replacement expenses may emerge that cannot be comfortably absorbed into the operating budget. Currently, it is difficult to predict the timing, scope, and costs of larger repairs. Monitor the concrete annually and if conditions deteriorate leading to larger repair needs, funding can be included within a reserve study update.

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

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 112 Metal Site Rail - Repair/Replace **Quantity: ~Metal**

Location: The community walkways and stairs.
Funded?: No. Costs are projected to be too small for reserve funding
History: None known
Comments: Metal hand rail at beachfront area was fair condition with no obvious signs of instability or wear/fading to paint. As this railing is a small and should be painted/replaced as needed through the operating budget.

Routinely inspect for stability, security, and appearance. Repair locally, as needed, with operating funds.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 120 Asphalt - Resurface **Quantity: ~413,000 SF**

Location: The community roadways and parking areas.
Funded?: Yes.
History: Majority 2005/6 per satellite imagery
Comments: Roads generally appeared in fair condition with localized areas of crack fill, raveling, and repairs. Large areas of alligator cracking which may indicate an erosion of the underlying sub base. At this point we recommend reaching out to a civil engineering firm to determine overall life and maintenance needs moving forward.

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

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

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

Useful Life:
30 years

Remaining Life:
11 years

Best Case: $ 1,115,000 Worst Case: $ 1,325,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 121 Asphalt - Repair & Seal **Quantity: ~413,000 SF**

Location: The community roadways and parking areas.
Funded?: Yes.
History: 2021 Crack fill and patching ~$13,500
Comments: Asphalt was observed with previous crack fill throughout the roads. Localized areas of structural alligator cracking observed. For the longest lasting roads we recommend regular seal coating and crack fill roughly at the timing below. At this point we recommend reaching out to a civil engineering firm to determine overall life and maintenance needs moving forward.

The primary reason to seal coat asphalt pavement is to protect the pavement from the deteriorating effects of sun and water. When asphalt pavement is exposed, the asphalt oxidizes or hardens, and this causes the pavement to become increasingly brittle. As a result, the pavement will become more likely to crack, as it is unable to bend and flex when subjected to traffic (weight) and temperature changes (thermal expansion and contraction). A seal coat combats this situation by providing a waterproof membrane, which not only slows down the oxidation process, but also helps the pavement shed water. Seal coating also provides uniform appearance, and conceals the inevitable patching and repairs which accumulate over time, ultimately extending the useful life of asphalt before more costly resurfacing is needed (see component #120).

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

Resources:
Asphalt Pavement Maintenance Best Practices Handbook: http://www.cee.mtu.edu/~balkire/CE5403/AsphaltPaveMaint.pdf
Other: http://www.pavementinteractive.org/article/bituminous-surface-treatments/

Useful Life:
5 years

Remaining Life:
1 years

Best Case: $ 100,000 Worst Case: $ 165,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 150 Gazebo - Repair/Replace **Quantity: ~(1) Wood Structure**

Location: The community park.
Funded?: Yes.
History: None known
Comments: Gazebo is wood with painted surfaces in fair condition with no obvious signs of major instability. Roof was wood shingle roof and reported to be original to the structure. Shingles were warped and had moderate organic growth and debris from overhanging tree limbs. Roof shingles may need to be replaced ahead of refurbish timing below. Monitor regularly for missing shingles or advanced deterioration. No recent major repairs or replacements reported.

Inspect regularly, and repair as necessary utilizing operating funds. The gazebo's eventual replacement will likely become necessary around the timeframe indicated below.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 3,000 Worst Case: $ 5,000

Cost Source: Budget Allowance

Comp #: 156 Bulkhead - Maintain/Repair **Quantity: ~Rocks, gravel, etc**

Location: NW beach area.

Funded?: Yes.

History: Restoration 2023 $30,000

Comments: Our visual observations of the rockery walls were limited, but no widespread deterioration was observed. There were no signs of recent large-scale movement, and a recent restoration project reported by McCrumb Construction & Marine of the beach area. Analysis of a rockery wall beyond visual observation is not within the scope of a reserve study. No information regarding its construction was available to us, which could include how it was installed, if drainage (critical) was provided, and if the drainage is still fully functioning.

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

Useful Life:
20 years

Remaining Life:
19 years

Best Case: $ 25,000 Worst Case: $ 35,000

Cost Source: Estimate Provided by Client - McCrumb Construction & Marine

Comp #: 160 Pole Lights - Repair/Replace **Quantity: ~(5) assemblies**
Location: Along the community roadways.
Funded?: Yes.
History: No major projects known
Comments: The pole lights were observed during daylight hours and are assumed to be functional. No problems were reported. Poles appeared to be painted metal with globe-style tops. No major wear or obvious signs of instability observed.

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

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

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 1,100 Worst Case: $ 1,900

Cost Source: Budget Allowance

Comp #: 165 Grounds Lighting - Repair/Replace **Quantity: ~(6) fixtures**
Location: Community entrance and adjacent to playground area
Funded?: No. Costs are best handled with operating funds.
History: None known
Comments: The ground lighting was observed during daylight hours and is assumed to be functional. Two landscape lights by the playground area were observed to be laying on ground out of their base.

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 170 Landscape - Maintain/Refurbish **Quantity: Turf, shrubs, etc.**
Location: Throughout the community.
Funded?: No. Costs are best handled with operating funds.
History: None known
Comments: The landscape appeared to be generally healthy with no obvious deficiencies, decay, or overgrowth.

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

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 171 Trees - Trim/Remove & Replace **Quantity: Various species, Mature**
Location: Throughout the community.
Funded?: No.
History: None known
Comments: There were no specific problems with the trees observed or reported at this time. The community trees are generally mature with no obvious signs of decay.

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 173 Irrigation System - Repair/Replace **Quantity: Heads, lines, timers, etc**

Location: Throughout the community.

Funded?: No. There are no predictable large-scale costs at this time.

History: No major projects known

Comments: Our visual observation of the irrigation system was limited, as the majority of the components are below grade. There were no reports of repairs or problems. At the time of this study, no information (plans and/or specifications) was provided to us regarding the extent of the irrigation system.

There are no predictable large-scale costs at this time. Have your landscaper or irrigation specialist periodically unearth sections to check lines for any damage or deterioration. PVC can eventually become brittle and leak (typically not before the 40 year mark of life).

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 180 Drainage & Stormwater - Maintain **Quantity: Catchbasins, drains, etc.**
Location: Throughout the community.
Funded?: No. There is no predictable large-scale repair/replacement at this time.
History: None known
Comments: An analysis of the drainage system is beyond the scope of a reserve study, as the vast majority of the drainage system is located below ground. Our observations were very limited to catch basin areas. No problems were observed or reported to us.

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

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

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 190 Community Signs - Partial Rpr/Rpl **Quantity: (1) Large (2) Small**
Location: The community entrance, Hawk Dr N of Community Center, and Mission Bay Dr
Funded?: Yes.
History: No major projects known
Comments: Community entrance sign appeared in fair condition with localized fading/chipping of paint and some staining of wood. Small signs off of Hawk and Mission Bay Dr both appeared to have been painted more recently than main entrance sign. Some localized fading/chipping of paint and wood pillar stain.

Reserves funding is recommended for regular intervals of replacement and repairs to maintain a consistent and quality appearance. Factored below is a partial replacement/refurbishment allowance for these monument signs at the timing below.

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

Useful Life:
10 years

Remaining Life:
2 years

Best Case: $ 3,000 Worst Case: $ 5,000

Cost Source: Budget Allowance

Comp #: 191 Common Signage – Repair/Replace **Quantity: Various metal/wood**
Location: Scattered throughout the community.
Funded?: No. Costs are best handled with operating funds.
History: None known
Comments: Common area signage included road signs which appeared in fair condition with no obvious instability, illegibility or wear noted.

Costs are projected too small to be handled out of reserves, replace as-needed through operating budget. As routine maintenance, inspect regularly, clean, and touch up for appearance. Repair with operating funds.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 194 Pet Stations - Maintain/Replace **Quantity: Various Metal**
Location: Scattered throughout the community.
Funded?: No. Costs are best handled with operating funds.
History: None known
Comments: Pet stations appeared in fair condition with no obvious signs of fading to paint or instability to pole structure.

Inspect regularly, stock bags, and repair/replace as needed with operating funds. If the association opts to install an extensive amount of pet stations, funding can be added to this component in future reports.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 195 Mailboxes - Repair/Replace **Quantity: ~(14) clusters**
Location: Along the community roadways.
Funded?: Yes.
History: Manufactured date 2000-2007
Comments: Mailboxes manufactured dates varied from 2000-2007 and all appeared in fair condition with no obvious signs of instability or damage during our site inspection. Evaluate remaining life at the time of the next site inspection.

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

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

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 25,000 Worst Case: $ 32,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 340 Play Equipment - Repair/Replace **Quantity: (2) Metal/Plastic**
Location: The community playground.
Funded?: Yes.
History: Assumed original to construction
Comments: Slide and swing set appeared to be in fair condition with no obvious signs of advanced wear or instability. Remaining useful life aligned with next life site visit to reevaluate life.

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

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

Resources:
Public Playground Safety Handbook: https://www.cpsc.gov/s3fs-public/325.pdf
Public Playground Safety Checklist: https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist
Outdoor Home Playground Safety Checklist: https://www.cpsc.gov/s3fs-public/324.pdf
WAC 110-305-4950 Playground Equipment: https://apps.leg.wa.gov/WAC/default.aspx?cite=110-305-4950

Useful Life:
15 years

Remaining Life:
2 years

Best Case: $ 18,000 Worst Case: $ 24,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 346 Site Furniture - Repair/Replace **Quantity: (2) pieces**
Location: The community playground and beach area
Funded?: No. Costs are best handled with operating funds.
History: None known
Comments: One picnic bench was metal and plastic and appeared to be in good condition with no obvious signs of wear or deterioration. Wood picnic bench and beach area appeared in good condition with no obvious deterioration observed. Costs are projected to be too small for reserve funding

Inspect regularly, and repair/replace as needed with operating funds. Clean with an appropriate cleaner using operating funds.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 360 Docks - Repair/Replace **Quantity: ~1,000 SF**
Location: The shoreline.
Funded?: Yes.
History: None known
Comments: Wood dock appeared in fair condition with no major rotting or obvious signs of instability noted. No reports of recent repairs or replacements.

Due to exposure to the weather elements, replacement of the surface boards should be anticipated around the time frame indicated below. The funding factored below is for replacing the existing walking surface materials with like-kind materials. The costs may be greater if the structural framing and/or pilings are found to need repair or replacement.

Inspect regularly, and repair any loose boards promptly. Replace rotting boards utilizing operating funds.

Useful Life:
25 years

Remaining Life:
4 years

Best Case: $ 20,000 Worst Case: $ 30,000

Cost Source: Budget Allowance

Comp #: 730 Bathroom Building - Refurbish **Quantity: (2) bathrooms ~460 SF**

Location: Beach front area adjacent to the parking lot

Funded?: Yes.

History: No major projects known

Comments: Beach front bathroom appeared to be in fair condition with no obvious signs of disrepair or recently reported projects. General allowance for periodic interior and exterior remodel/refurbishment. This could possibly include replacing the roofs, painting the exterior, repairing the exterior, replacing fixtures, heaters as needed. Aligned remaining useful life with next site visit to reevaluate timing.

Clean and maintain as needed to extend the useful life. Simple, durable materials typically have an extended useful life, however, many communities choose to refurbish restrooms periodically for aesthetic updating and/or function. Doing so may include cabinets (reface or replace), sinks, counter tops, lighting, ventilation, etc. We have added in a general allowance for refurbishment below.

Useful Life:
20 years

Remaining Life:
2 years

Best Case: $ 20,000 Worst Case: $ 30,000

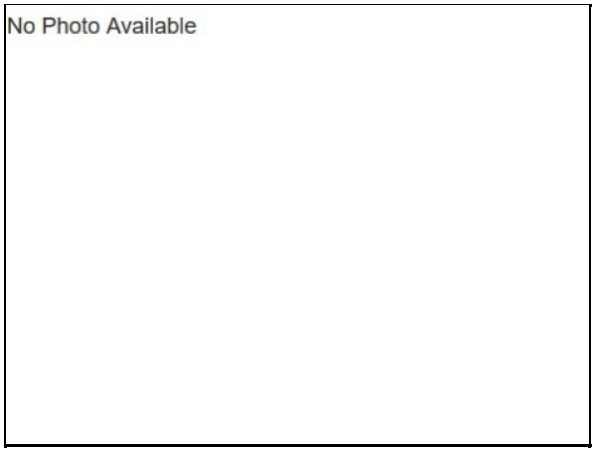
Cost Source: Budget Allowance

Comp #: 990 Ancillary Evaluations **Quantity: Specialty evaluations**

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

- Civil Engineering review: Soils & drainage, pavement specifications, below grade waterproofing
- Arborist: Trees & landscape - plan of care and life cycle forecast
- Legal Responsibility Matrix: Governing document review for clear expense delineation between the association and unit owners
- Legal Governing Document review periodically to incorporate changes in law over time and best practices
- Investment consultant: Maximize return and cash flow management while protecting principal
- Insurance policy & coverage review: Understand what is and is not covered and by whom (association vs. owner policies)
- Masonry consultant: Assess mortar condition and waterproofing, and provide forecast and recommendations
-Surveillance: Have local law enforcement visit the community to assess potential risks and provide suggestions for security and safety. This is typically completed free of charge. This assessment can help guide a service vendor in the bid process.

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



Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 999 Reserve Study - Update **Quantity: Annual update**

Location: The community common and limited common elements.
Funded?: No. Costs are best handled with operating funds.
History: 2024 FULL
Comments: We recommend reserve studies are to be updated annually, with site inspections by an independent reserve study professional to occur no less than every three years to assess changes in condition (i.e., physical, economic, governmental, etc), and the resulting effect on the community's long-term reserves plan. Reserve Study costs are most appropriately factored within the annual operating budget, not as a reserves component.

Thank you for choosing Association Reserves!

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: