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Update “With Site-Visit” Reserve Study



West Highlands Park Issaquah

Report #: 24841-3
For Period Beginning: July 1, 2016
Expires: June 30, 2017
Date Prepared: January 18, 2016



Hello, and welcome to your Reserve Study!

We don't want you to be surprised. This Report is designed to help you anticipate, and prepare for, the major common area expenses your association will face. Inside you will find:

- 1) **The Reserve Component List** (the “Scope and Schedule” of your Reserve projects) – telling you what your association is Reserving for, what condition they are in now, and what they'll cost to replace.
- 2) **An Evaluation of your current Reserve Fund Size and Strength** (Percent Funded). This tells you your financial starting point, revealing your risk of deferred maintenance and special assessments.
- 3) **A Recommended Multi-Year Reserve Funding Plan**, answering the question... “What do we do now?”

More Questions?

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

253/661-5437

Relax, it's from



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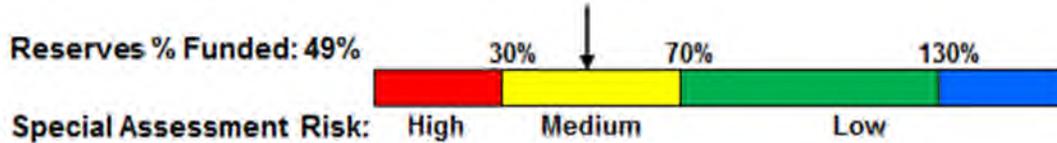
3- Minute Executive Summary

Association: West Highlands Park **#:** 24841-3
Location: Issaquah **# of Units:** 104
Report Period: July 1, 2016 through June 30, 2017

Findings/Recommendations as-of 7/1/2016:

Projected Starting Reserve Balance:	\$289,411
Current Fully Funded Reserve Balance:	\$591,256
Average Reserve Deficit (Surplus) Per Unit:	\$2,902
100% 2016-2017 Monthly “Full Funding” Contributions:	\$7,750
70% 2016-2017 Monthly “Threshold Funding” Contributions:	\$6,700
Baseline contributions (min to keep Reserves above \$0:	\$4,490
Recommended 2016 Special Assessment:	\$0

Most Recent Budgeted Reserve Contribution Rate:\$4,458



Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 0.15%
Annual Inflation Rate..... 3.00%

- This is an “Update With-Site-Visit” Reserve Study, based on our site inspection on January 8, 2016 and meets or exceeds all requirements of the RCW. This study was prepared by a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 49% 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 increase your Reserve contributions to within the 70% to 100% level as noted above. The 100% “Full” and 70% contribution rates are designed to achieve these funding objectives *by the end* of our 30-year report scope. No assets appropriate for Reserve designation were excluded. See photo appendix for component details and the basis of our assumptions.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
Attached 1				
100	Road, Sdwk, etc. - Rpr/Repl(Att 1)	5	1	\$5,450
140	Wood Trellis - Repr/Replace(Att 1)	15	10	\$3,200
147	Trash Enclosures - Rpr/Repl (Att 1)	15	10	\$4,300
200	Sloped Roofs - Repr/Replace(Att1)	25	20	\$189,000
205	Roofs - Inspect/Clean/Repair(Att 1)	3	0	\$9,300
210	Gutters/Dwnspts - Rpr/Replc(Att 1)	25	20	\$42,300
220	Ext Siding/Srvc - Repr/Replc(Att 1)	50	45	\$1,000,000
225	Full Exterior - Paint/Caulk (Att 1)	8	3	\$190,500
227	Partial Ext.- Paint/Caulk (Att 1)	8	7	\$45,000
229	Caulk, etc - Inspect/Repair (Att 1)	4	1	\$4,900
250	Wood Rail - Repair/Replace(Att 1)	24	19	\$166,500
260	Bldg. Ext. Lights - Replace (Att 1)	24	19	\$6,900
Attached 2				
300	Sdwk, Drvs, etc. - Rpr/Repl (Att 2)	5	2	\$3,300
400	Sloped Roofs - Repr/Replace(Att2)	25	21	\$183,000
405	Roofs - Inspect/Clean/Repair(Att 2)	3	0	\$9,300
410	Gutters/Dwnspts - Rpr/Replc(Att 2)	25	21	\$29,300
420	Ext Siding/Srvc - Repr/Replc(Att 2)	50	46	\$1,050,000
425	Full Exterior - Paint/Caulk (Att 2)	8	4	\$163,500
427	Partial Ext.- Paint/Caulk (Att 2)	8	0	\$38,400
429	Caulk, etc - Inspect/Repair (Att 2)	4	2	\$4,900
438	Metal Decks - Refinish (Att 2)	16	12	\$4,400
460	Bldg. Ext. Lights - Replace (Att 2)	24	20	\$6,900
Neighborhood				
500	Drives, Sdwiks... - Repr/Rep (Nbhd)	5	1	\$4,400
575	Drain Lines - Clean/Inspect (Nbhd)	5	2	\$7,750
582	Irrig. Controls, etc - Rplc. (Nbhd)	20	16	\$10,400
25	Total Funded Components			

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Note 2: Yellow highlighted line items are expected to require attention in the initial year, green highlighted items are expected to occur within the first five years.

Cross reference component numbers with photographic inventory appendix.

Introduction



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

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



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

Methodology



For this [Update With-Site-Visit](#) Reserve Study, we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and

researched any well-established association precedents. We performed an on-site inspection to evaluate your common areas, *updating and adjusting* your Reserve Component List as appropriate.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.



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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



SPECIAL ASSESSMENT RISK

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 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 January 8, 2016, 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 Association Management and discussed past projects, current concerns and future plans. We were also informed which items are being handled from the Operational maintenance budget, not Reserves.

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. Your *first five years* of projected Reserve expenses total \$501,624. Adding the next five years, your *first ten years* of projected Reserve expenses are \$695,366. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

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 Table 5, while details of the projects that make up these expenses are shown in Table 6.

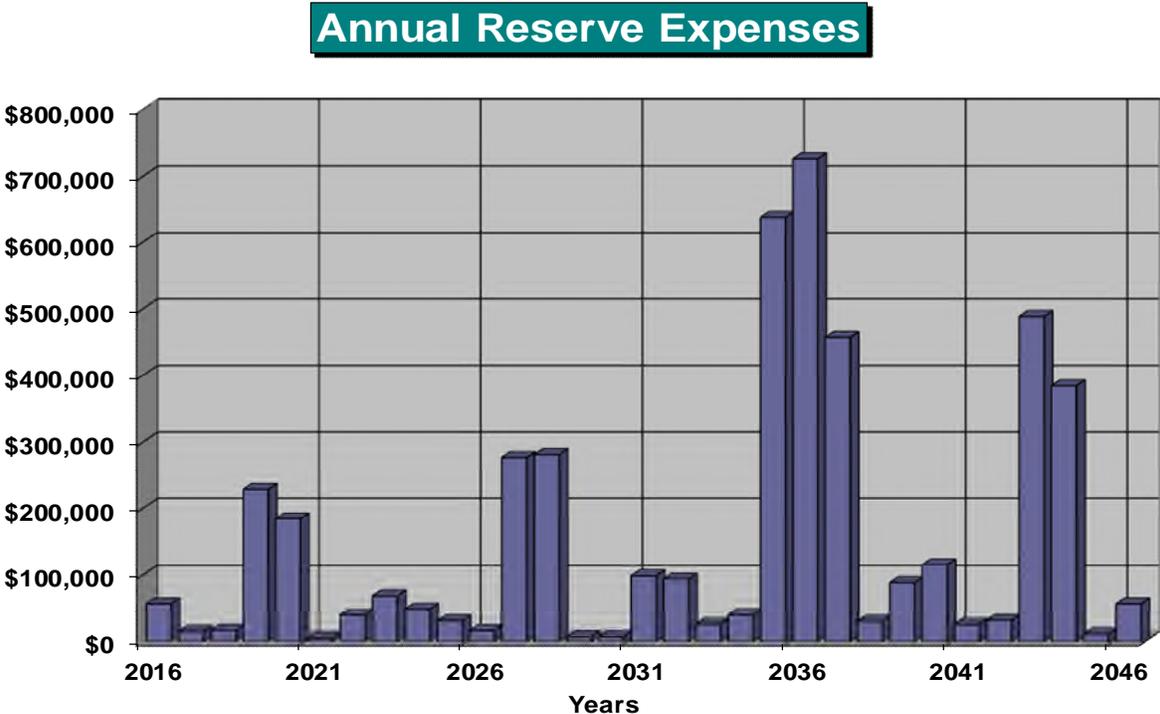


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$289,411 as-of the start of your Fiscal Year on July 1, 2016. As of July 1, 2016, your Fully Funded Balance is computed to be \$591,256 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 49% Funded. Across the country approx 13% of associations in this range experience special assessments or deferred maintenance.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$7,750/month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both Table 5 and Table 6.

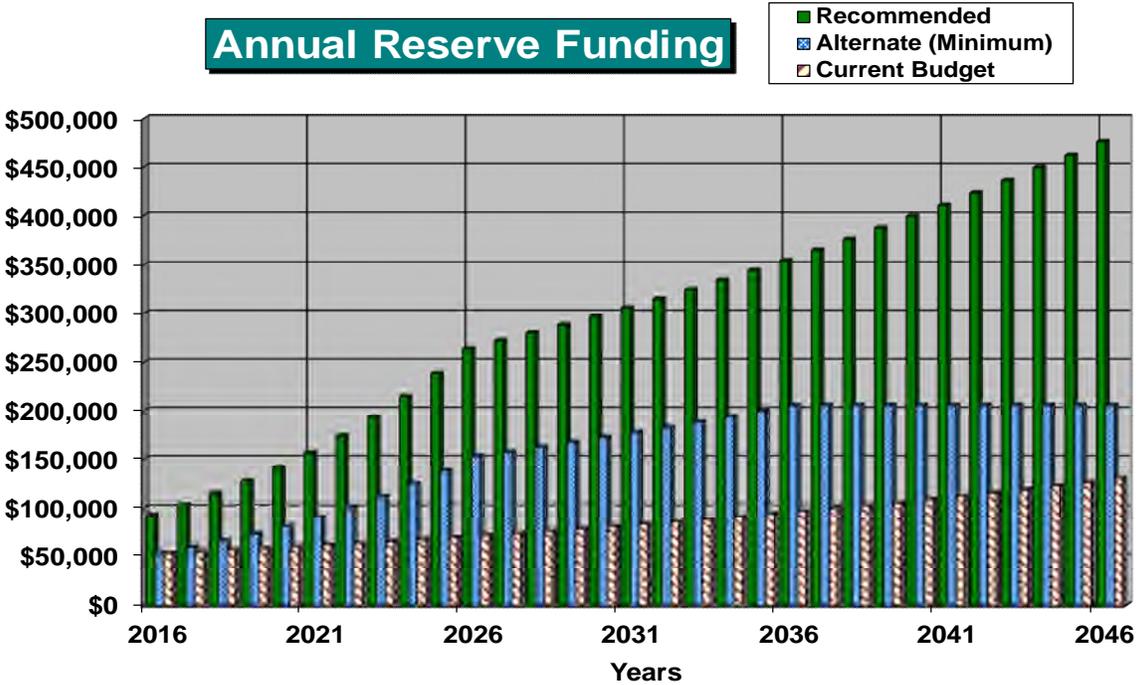


Figure 2

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, compared to your always-changing Fully Funded Balance target.

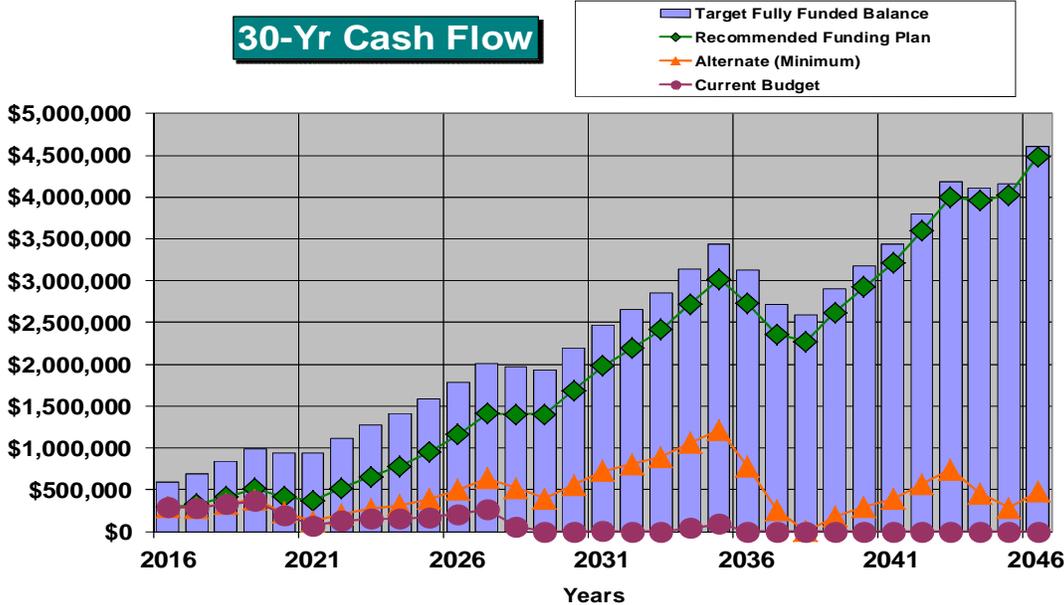


Figure 3

This figure shows this same information, plotted on a [Percent Funded](#) scale.

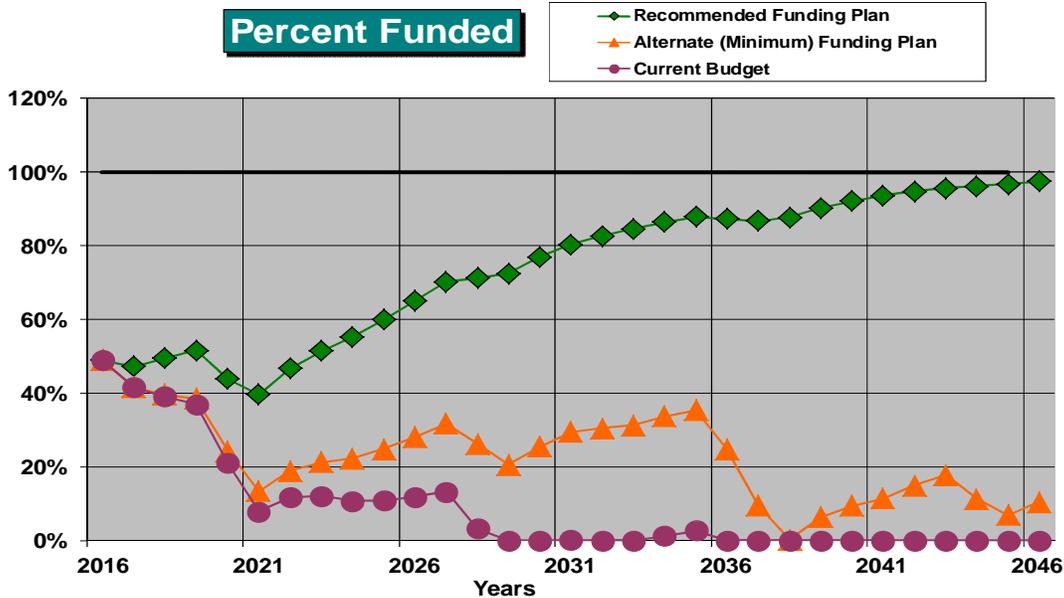


Figure 4

Table Descriptions

The tabular information in this Report is broken down into six tables.

Table 1 is a summary of your Reserve Components (your Reserve Component List), the information found in Table 2.

Table 2 is your Reserve Component List, which forms the foundation of this Reserve Study. This table represents the information from which all other tables are derived.

Table 3 shows the calculation of your Fully Funded Balance, the measure of your current Reserve component deterioration. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Table 4 shows the significance of each component to Reserve 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 Useful Life, then that component's percentage of the total is displayed.

Table 5: This table 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 for each year.

Table 6: This table shows the cash flow detail for the next 30 years. This table makes it possible to see which components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail

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#	Component	Quantity	Useful Life	Rem. Useful Life	[--- Current Cost Estimate ---]	
					Best Case	Worst Case
Attached 1						
100	Road, Sdwk, etc. - Rpr/Repl(Att 1)	Concrete surfaces	5	1	\$4,300	\$6,600
140	Wood Trellis - Repr/Replace(Att 1)	(2), ~8 LF each	15	10	\$2,200	\$4,200
147	Trash Enclosures - Rpr/Repl (Att 1)	(2), brick/wood gates	15	10	\$3,200	\$5,400
200	Sloped Roofs - Repr/Replace(Att1)	~42,000 SF, comp shingles	25	20	\$168,000	\$210,000
205	Roofs - Inspect/Clean/Repair(Att 1)	~42,000 SF, comp shingles	3	0	\$8,200	\$10,400
210	Gutters/Dwnspts - Rpr/Replc(Att 1)	~6,500 LF, metal	25	20	\$35,800	\$48,800
220	Ext Siding/Srfc - Repr/Replc(Att 1)	80,000 GSF	50	45	\$800,000	\$1,200,000
225	Full Exterior - Paint/Caulk (Att 1)	Extensive GSF	8	3	\$174,000	\$207,000
227	Partial Ext.- Paint/Caulk (Att 1)	Extensive GSF	8	7	\$40,000	\$50,000
229	Caulk, etc - Inspect/Repair (Att 1)	Extensive GSF	4	1	\$3,800	\$6,000
250	Wood Rail - Repair/Replace(Att 1)	~3,500 LF, wood	24	19	\$140,000	\$193,000
260	Bldg. Ext. Lights - Replace (Att 1)	~(50) metal fixtures	24	19	\$5,500	\$8,300
Attached 2						
300	Sdwk, Drvs, etc. - Rpr/Repl (Att 2)	Concrete surfaces	5	2	\$2,800	\$3,800
400	Sloped Roofs - Repr/Replace(Att2)	~43,000 SF, comp shingles	25	21	\$172,000	\$194,000
405	Roofs - Inspect/Clean/Repair(Att 2)	~42,000 SF, comp shingles	3	0	\$8,200	\$10,400
410	Gutters/Dwnspts - Rpr/Replc(Att 2)	~4,500 LF, metal	25	21	\$24,800	\$33,800
420	Ext Siding/Srfc - Repr/Replc(Att 2)	84,000 GSF	50	46	\$840,000	\$1,260,000
425	Full Exterior - Paint/Caulk (Att 2)	Extensive GSF	8	4	\$149,000	\$178,000
427	Partial Ext.- Paint/Caulk (Att 2)	Extensive GSF	8	0	\$33,600	\$43,200
429	Caulk, etc - Inspect/Repair (Att 2)	Extensive GSF	4	2	\$3,800	\$6,000
438	Metal Decks - Refinish (Att 2)	(8) elevated decks	16	12	\$3,500	\$5,300
460	Bldg. Ext. Lights - Replace (Att 2)	~(50) metal fixtures	24	20	\$5,500	\$8,300
Neighborhood						
500	Drives, Sdwks... - Repr/Rep (Nbhd)	Concrete, Moderate	5	1	\$3,300	\$5,500
575	Drain Lines - Clean/Inspect (Nbhd)	Storm drains	5	2	\$7,200	\$8,300
582	Irrig. Controls, etc - Rplc. (Nbhd)	ET Mgrs, Controls, etc.	20	16	\$8,800	\$12,000
25	Total Funded Components					

Table 3: Fully Funded Balance

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#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Attached 1								
100	Road, Sdwk, etc. - Rpr/Repl(Att 1)	\$5,450	X	4	/	5	=	\$4,360
140	Wood Trellis - Repr/Replace(Att 1)	\$3,200	X	5	/	15	=	\$1,067
147	Trash Enclosures - Rpr/Repl (Att 1)	\$4,300	X	5	/	15	=	\$1,433
200	Sloped Roofs - Repr/Replace(Att1)	\$189,000	X	5	/	25	=	\$37,800
205	Roofs - Inspect/Clean/Repair(Att 1)	\$9,300	X	3	/	3	=	\$9,300
210	Gutters/Dwnspts - Rpr/Replc(Att 1)	\$42,300	X	5	/	25	=	\$8,460
220	Ext Siding/Srvc - Repr/Replc(Att 1)	\$1,000,000	X	5	/	50	=	\$100,000
225	Full Exterior - Paint/Caulk (Att 1)	\$190,500	X	5	/	8	=	\$119,063
227	Partial Ext.- Paint/Caulk (Att 1)	\$45,000	X	1	/	8	=	\$5,625
229	Caulk, etc - Inspect/Repair (Att 1)	\$4,900	X	3	/	4	=	\$3,675
250	Wood Rail - Repair/Replace(Att 1)	\$166,500	X	5	/	24	=	\$34,688
260	Bldg. Ext. Lights - Replace (Att 1)	\$6,900	X	5	/	24	=	\$1,438
Attached 2								
300	Sdwk, Drvs, etc. - Rpr/Repl (Att 2)	\$3,300	X	3	/	5	=	\$1,980
400	Sloped Roofs - Repr/Replace(Att2)	\$183,000	X	4	/	25	=	\$29,280
405	Roofs - Inspect/Clean/Repair(Att 2)	\$9,300	X	3	/	3	=	\$9,300
410	Gutters/Dwnspts - Rpr/Replc(Att 2)	\$29,300	X	4	/	25	=	\$4,688
420	Ext Siding/Srvc - Repr/Replc(Att 2)	\$1,050,000	X	4	/	50	=	\$84,000
425	Full Exterior - Paint/Caulk (Att 2)	\$163,500	X	4	/	8	=	\$81,750
427	Partial Ext.- Paint/Caulk (Att 2)	\$38,400	X	8	/	8	=	\$38,400
429	Caulk, etc - Inspect/Repair (Att 2)	\$4,900	X	2	/	4	=	\$2,450
438	Metal Decks - Refinish (Att 2)	\$4,400	X	4	/	16	=	\$1,100
460	Bldg. Ext. Lights - Replace (Att 2)	\$6,900	X	4	/	24	=	\$1,150
Neighborhood								
500	Drives, Sdwlks... - Repr/Rep (Nbhd)	\$4,400	X	4	/	5	=	\$3,520
575	Drain Lines - Clean/Inspect (Nbhd)	\$7,750	X	3	/	5	=	\$4,650
582	Irrig. Controls, etc - Rplc. (Nbhd)	\$10,400	X	4	/	20	=	\$2,080
								\$591,256

Table 4: Component Significance

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#	Component	Useful Life	Current Cost Estimate	Deterioration Cost/yr	Deterioration Significance
Attached 1					
100	Road, Sdwb, etc. - Rpr/Repl(Att 1)	5	\$5,450	\$1,090	0.8%
140	Wood Trellis - Repr/Replace(Att 1)	15	\$3,200	\$213	0.2%
147	Trash Enclosures - Rpr/Repl (Att 1)	15	\$4,300	\$287	0.2%
200	Sloped Roofs - Repr/Replace(Att1)	25	\$189,000	\$7,560	5.6%
205	Roofs - Inspect/Clean/Repair(Att 1)	3	\$9,300	\$3,100	2.3%
210	Gutters/Dwnspts - Rpr/Replc(Att 1)	25	\$42,300	\$1,692	1.3%
220	Ext Siding/Srvc - Repr/Replc(Att 1)	50	\$1,000,000	\$20,000	14.8%
225	Full Exterior - Paint/Caulk (Att 1)	8	\$190,500	\$23,813	17.6%
227	Partial Ext.- Paint/Caulk (Att 1)	8	\$45,000	\$5,625	4.2%
229	Caulk, etc - Inspect/Repair (Att 1)	4	\$4,900	\$1,225	0.9%
250	Wood Rail - Repair/Replace(Att 1)	24	\$166,500	\$6,938	5.1%
260	Bldg. Ext. Lights - Replace (Att 1)	24	\$6,900	\$288	0.2%
Attached 2					
300	Sdwb, Drvs, etc. - Rpr/Repl (Att 2)	5	\$3,300	\$660	0.5%
400	Sloped Roofs - Repr/Replace(Att2)	25	\$183,000	\$7,320	5.4%
405	Roofs - Inspect/Clean/Repair(Att 2)	3	\$9,300	\$3,100	2.3%
410	Gutters/Dwnspts - Rpr/Replc(Att 2)	25	\$29,300	\$1,172	0.9%
420	Ext Siding/Srvc - Repr/Replc(Att 2)	50	\$1,050,000	\$21,000	15.5%
425	Full Exterior - Paint/Caulk (Att 2)	8	\$163,500	\$20,438	15.1%
427	Partial Ext.- Paint/Caulk (Att 2)	8	\$38,400	\$4,800	3.6%
429	Caulk, etc - Inspect/Repair (Att 2)	4	\$4,900	\$1,225	0.9%
438	Metal Decks - Refinish (Att 2)	16	\$4,400	\$275	0.2%
460	Bldg. Ext. Lights - Replace (Att 2)	24	\$6,900	\$288	0.2%
Neighborhood					
500	Drives, Sdwlks... - Repr/Rep (Nbhd)	5	\$4,400	\$880	0.7%
575	Drain Lines - Clean/Inspect (Nbhd)	5	\$7,750	\$1,550	1.1%
582	Irrig. Controls, etc - Rplc. (Nbhd)	20	\$10,400	\$520	0.4%
25	Total Funded Components			\$135,057	100.0%

Table 5: 30-Year Reserve Plan Summary

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Fiscal Year Start: 07/01/16

Interest: 0.2%

Inflation: 3.0%

**Reserve Fund Strength Calculations
(All values as of Fiscal Year Start Date)**

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2016	\$289,411	\$591,256	48.9%	Med	\$93,000	\$0	\$461	\$57,000
2017	\$325,872	\$689,391	47.3%	Med	\$103,230	\$0	\$555	\$15,193
2018	\$414,465	\$837,706	49.5%	Med	\$114,585	\$0	\$695	\$16,921
2019	\$512,825	\$992,988	51.6%	Med	\$127,190	\$0	\$694	\$228,489
2020	\$412,219	\$939,441	43.9%	Med	\$141,181	\$0	\$587	\$184,021
2021	\$369,965	\$934,651	39.6%	Med	\$156,710	\$0	\$669	\$5,680
2022	\$521,664	\$1,118,104	46.7%	Med	\$173,949	\$0	\$884	\$39,822
2023	\$656,674	\$1,276,733	51.4%	Med	\$193,083	\$0	\$1,079	\$68,934
2024	\$781,902	\$1,415,118	55.3%	Med	\$214,322	\$0	\$1,298	\$48,644
2025	\$948,878	\$1,583,687	59.9%	Med	\$237,897	\$0	\$1,580	\$30,662
2026	\$1,157,693	\$1,781,120	65.0%	Med	\$264,066	\$0	\$1,923	\$16,665
2027	\$1,407,018	\$2,004,339	70.2%	Low	\$271,988	\$0	\$2,108	\$277,331
2028	\$1,403,783	\$1,971,376	71.2%	Low	\$280,148	\$0	\$2,106	\$281,659
2029	\$1,404,377	\$1,938,744	72.4%	Low	\$288,552	\$0	\$2,319	\$7,196
2030	\$1,688,053	\$2,193,779	76.9%	Low	\$297,209	\$0	\$2,751	\$7,412
2031	\$1,980,601	\$2,462,372	80.4%	Low	\$306,125	\$0	\$3,128	\$99,087
2032	\$2,190,768	\$2,650,910	82.6%	Low	\$315,309	\$0	\$3,454	\$94,116
2033	\$2,415,415	\$2,856,726	84.6%	Low	\$324,768	\$0	\$3,850	\$26,363
2034	\$2,717,670	\$3,145,198	86.4%	Low	\$334,511	\$0	\$4,300	\$40,007
2035	\$3,016,474	\$3,435,169	87.8%	Low	\$344,546	\$0	\$4,308	\$638,101
2036	\$2,727,227	\$3,124,907	87.3%	Low	\$354,883	\$0	\$3,815	\$725,515
2037	\$2,360,411	\$2,722,619	86.7%	Low	\$365,529	\$0	\$3,474	\$456,981
2038	\$2,272,433	\$2,592,389	87.7%	Low	\$376,495	\$0	\$3,671	\$30,562
2039	\$2,622,037	\$2,905,228	90.3%	Low	\$387,790	\$0	\$4,160	\$88,811
2040	\$2,925,176	\$3,175,451	92.1%	Low	\$399,424	\$0	\$4,604	\$115,869
2041	\$3,213,334	\$3,434,148	93.6%	Low	\$411,406	\$0	\$5,113	\$25,963
2042	\$3,603,890	\$3,801,692	94.8%	Low	\$423,749	\$0	\$5,704	\$31,810
2043	\$4,001,533	\$4,182,978	95.7%	Low	\$436,461	\$0	\$5,967	\$489,017
2044	\$3,954,944	\$4,113,780	96.1%	Low	\$449,555	\$0	\$5,986	\$384,143
2045	\$4,026,342	\$4,159,795	96.8%	Low	\$463,042	\$0	\$6,383	\$11,547

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)

24841-3

Fiscal Year	2016	2017	2018	2019	2020
Starting Reserve Balance	\$289,411	\$325,872	\$414,465	\$512,825	\$412,219
Annual Reserve Contribution	\$93,000	\$103,230	\$114,585	\$127,190	\$141,181
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$461	\$555	\$695	\$694	\$587
Total Income	\$382,872	\$429,658	\$529,746	\$640,708	\$553,986

Component

Attached 1

100	Road, Sdwk, etc. - Rpr/Repl(Att 1)	\$0	\$5,614	\$0	\$0	\$0
140	Wood Trellis - Repr/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
147	Trash Enclosures - Rpr/Repl (Att 1)	\$0	\$0	\$0	\$0	\$0
200	Sloped Roofs - Repr/Replace(Att1)	\$0	\$0	\$0	\$0	\$0
205	Roofs - Inspect/Clean/Repair(Att 1)	\$9,300	\$0	\$0	\$10,162	\$0
210	Gutters/Dwnspts - Rpr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
220	Ext Siding/Srfc - Repr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
225	Full Exterior - Paint/Caulk (Att 1)	\$0	\$0	\$0	\$208,164	\$0
227	Partial Ext.- Paint/Caulk (Att 1)	\$0	\$0	\$0	\$0	\$0
229	Caulk, etc - Inspect/Repair (Att 1)	\$0	\$5,047	\$0	\$0	\$0
250	Wood Rail - Repair/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
260	Bldg. Ext. Lights - Replace (Att 1)	\$0	\$0	\$0	\$0	\$0

Attached 2

300	Sdwk, Drvs, etc. - Rpr/Repl (Att 2)	\$0	\$0	\$3,501	\$0	\$0
400	Sloped Roofs - Repr/Replace(Att2)	\$0	\$0	\$0	\$0	\$0
405	Roofs - Inspect/Clean/Repair(Att 2)	\$9,300	\$0	\$0	\$10,162	\$0
410	Gutters/Dwnspts - Rpr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
420	Ext Siding/Srfc - Repr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
425	Full Exterior - Paint/Caulk (Att 2)	\$0	\$0	\$0	\$0	\$184,021
427	Partial Ext.- Paint/Caulk (Att 2)	\$38,400	\$0	\$0	\$0	\$0
429	Caulk, etc - Inspect/Repair (Att 2)	\$0	\$0	\$5,198	\$0	\$0
438	Metal Decks - Refinish (Att 2)	\$0	\$0	\$0	\$0	\$0
460	Bldg. Ext. Lights - Replace (Att 2)	\$0	\$0	\$0	\$0	\$0

Neighborhood

500	Drives, Sdwks... - Repr/Rep (Nbhd)	\$0	\$4,532	\$0	\$0	\$0
575	Drain Lines - Clean/Inspect (Nbhd)	\$0	\$0	\$8,222	\$0	\$0
582	Irrig. Controls, etc - Rplc. (Nbhd)	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$57,000	\$15,193	\$16,921	\$228,489	\$184,021
Ending Reserve Balance:		\$325,872	\$414,465	\$512,825	\$412,219	\$369,965

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)

24841-3

Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$369,965	\$521,664	\$656,674	\$781,902	\$948,878
Annual Reserve Contribution	\$156,710	\$173,949	\$193,083	\$214,322	\$237,897
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$669	\$884	\$1,079	\$1,298	\$1,580
Total Income	\$527,344	\$696,496	\$850,836	\$997,522	\$1,188,355

Component

Attached 1

100	Road, Sdwb, etc. - Rpr/Repl(Att 1)	\$0	\$6,508	\$0	\$0	\$0
140	Wood Trellis - Repr/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
147	Trash Enclosures - Rpr/Repl (Att 1)	\$0	\$0	\$0	\$0	\$0
200	Sloped Roofs - Repr/Replace(Att1)	\$0	\$0	\$0	\$0	\$0
205	Roofs - Inspect/Clean/Repair(Att 1)	\$0	\$11,105	\$0	\$0	\$12,134
210	Gutters/Dwnspts - Rpr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
220	Ext Siding/Srhc - Repr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
225	Full Exterior - Paint/Caulk (Att 1)	\$0	\$0	\$0	\$0	\$0
227	Partial Ext.- Paint/Caulk (Att 1)	\$0	\$0	\$55,344	\$0	\$0
229	Caulk, etc - Inspect/Repair (Att 1)	\$5,680	\$0	\$0	\$0	\$6,393
250	Wood Rail - Repair/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
260	Bldg. Ext. Lights - Replace (Att 1)	\$0	\$0	\$0	\$0	\$0

Attached 2

300	Sdwb, Drvs, etc. - Rpr/Repl (Att 2)	\$0	\$0	\$4,059	\$0	\$0
400	Sloped Roofs - Repr/Replace(Att2)	\$0	\$0	\$0	\$0	\$0
405	Roofs - Inspect/Clean/Repair(Att 2)	\$0	\$11,105	\$0	\$0	\$12,134
410	Gutters/Dwnspts - Rpr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
420	Ext Siding/Srhc - Repr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
425	Full Exterior - Paint/Caulk (Att 2)	\$0	\$0	\$0	\$0	\$0
427	Partial Ext.- Paint/Caulk (Att 2)	\$0	\$0	\$0	\$48,644	\$0
429	Caulk, etc - Inspect/Repair (Att 2)	\$0	\$5,851	\$0	\$0	\$0
438	Metal Decks - Refinish (Att 2)	\$0	\$0	\$0	\$0	\$0
460	Bldg. Ext. Lights - Replace (Att 2)	\$0	\$0	\$0	\$0	\$0

Neighborhood

500	Drives, Sdwks... - Repr/Rep (Nbhd)	\$0	\$5,254	\$0	\$0	\$0
575	Drain Lines - Clean/Inspect (Nbhd)	\$0	\$0	\$9,532	\$0	\$0
582	Irrig. Controls, etc - Rplc. (Nbhd)	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$5,680	\$39,822	\$68,934	\$48,644	\$30,662
Ending Reserve Balance:		\$521,664	\$656,674	\$781,902	\$948,878	\$1,157,693

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)

24841-3

Fiscal Year	2026	2027	2028	2029	2030
Starting Reserve Balance	\$1,157,693	\$1,407,018	\$1,403,783	\$1,404,377	\$1,688,053
Annual Reserve Contribution	\$264,066	\$271,988	\$280,148	\$288,552	\$297,209
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,923	\$2,108	\$2,106	\$2,319	\$2,751
Total Income	\$1,423,682	\$1,681,114	\$1,686,037	\$1,695,249	\$1,988,013
# Component					

Attached 1

100	Road, Sdwk, etc. - Rpr/Repl(Att 1)	\$0	\$7,544	\$0	\$0	\$0
140	Wood Trellis - Repr/Replace(Att 1)	\$4,301	\$0	\$0	\$0	\$0
147	Trash Enclosures - Rpr/Repl (Att 1)	\$5,779	\$0	\$0	\$0	\$0
200	Sloped Roofs - Repr/Replace(Att1)	\$0	\$0	\$0	\$0	\$0
205	Roofs - Inspect/Clean/Repair(Att 1)	\$0	\$0	\$13,260	\$0	\$0
210	Gutters/Dwnspts - Rpr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
220	Ext Siding/Srhc - Repr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
225	Full Exterior - Paint/Caulk (Att 1)	\$0	\$263,697	\$0	\$0	\$0
227	Partial Ext.- Paint/Caulk (Att 1)	\$0	\$0	\$0	\$0	\$0
229	Caulk, etc - Inspect/Repair (Att 1)	\$0	\$0	\$0	\$7,196	\$0
250	Wood Rail - Repair/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
260	Bldg. Ext. Lights - Replace (Att 1)	\$0	\$0	\$0	\$0	\$0

Attached 2

300	Sdwk, Drvs, etc. - Rpr/Repl (Att 2)	\$0	\$0	\$4,705	\$0	\$0
400	Sloped Roofs - Repr/Replace(Att2)	\$0	\$0	\$0	\$0	\$0
405	Roofs - Inspect/Clean/Repair(Att 2)	\$0	\$0	\$13,260	\$0	\$0
410	Gutters/Dwnspts - Rpr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
420	Ext Siding/Srhc - Repr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
425	Full Exterior - Paint/Caulk (Att 2)	\$0	\$0	\$233,112	\$0	\$0
427	Partial Ext.- Paint/Caulk (Att 2)	\$0	\$0	\$0	\$0	\$0
429	Caulk, etc - Inspect/Repair (Att 2)	\$6,585	\$0	\$0	\$0	\$7,412
438	Metal Decks - Refinish (Att 2)	\$0	\$0	\$6,273	\$0	\$0
460	Bldg. Ext. Lights - Replace (Att 2)	\$0	\$0	\$0	\$0	\$0

Neighborhood

500	Drives, Sdwks... - Repr/Rep (Nbhd)	\$0	\$6,091	\$0	\$0	\$0
575	Drain Lines - Clean/Inspect (Nbhd)	\$0	\$0	\$11,050	\$0	\$0
582	Irrig. Controls, etc - Rplc. (Nbhd)	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$16,665	\$277,331	\$281,659	\$7,196	\$7,412
Ending Reserve Balance:		\$1,407,018	\$1,403,783	\$1,404,377	\$1,688,053	\$1,980,601

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)

24841-3

Fiscal Year	2031	2032	2033	2034	2035
Starting Reserve Balance	\$1,980,601	\$2,190,768	\$2,415,415	\$2,717,670	\$3,016,474
Annual Reserve Contribution	\$306,125	\$315,309	\$324,768	\$334,511	\$344,546
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,128	\$3,454	\$3,850	\$4,300	\$4,308
Total Income	\$2,289,855	\$2,509,531	\$2,744,033	\$3,056,481	\$3,365,328
# Component					

Attached 1

100 Road, Sdwk, etc. - Rpr/Repl(Att 1)	\$0	\$8,746	\$0	\$0	\$0
140 Wood Trellis - Repr/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
147 Trash Enclosures - Rpr/Repl (Att 1)	\$0	\$0	\$0	\$0	\$0
200 Sloped Roofs - Repr/Replace(Att1)	\$0	\$0	\$0	\$0	\$0
205 Roofs - Inspect/Clean/Repair(Att 1)	\$14,489	\$0	\$0	\$15,833	\$0
210 Gutters/Dwnspts - Rpr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
220 Ext Siding/Srhc - Repr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
225 Full Exterior - Paint/Caulk (Att 1)	\$0	\$0	\$0	\$0	\$334,043
227 Partial Ext.- Paint/Caulk (Att 1)	\$70,109	\$0	\$0	\$0	\$0
229 Caulk, etc - Inspect/Repair (Att 1)	\$0	\$0	\$8,099	\$0	\$0
250 Wood Rail - Repair/Replace(Att 1)	\$0	\$0	\$0	\$0	\$291,959
260 Bldg. Ext. Lights - Replace (Att 1)	\$0	\$0	\$0	\$0	\$12,099

Attached 2

300 Sdwk, Drvs, etc. - Rpr/Repl (Att 2)	\$0	\$0	\$5,454	\$0	\$0
400 Sloped Roofs - Repr/Replace(Att2)	\$0	\$0	\$0	\$0	\$0
405 Roofs - Inspect/Clean/Repair(Att 2)	\$14,489	\$0	\$0	\$15,833	\$0
410 Gutters/Dwnspts - Rpr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
420 Ext Siding/Srhc - Repr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
425 Full Exterior - Paint/Caulk (Att 2)	\$0	\$0	\$0	\$0	\$0
427 Partial Ext.- Paint/Caulk (Att 2)	\$0	\$61,621	\$0	\$0	\$0
429 Caulk, etc - Inspect/Repair (Att 2)	\$0	\$0	\$0	\$8,342	\$0
438 Metal Decks - Refinish (Att 2)	\$0	\$0	\$0	\$0	\$0
460 Bldg. Ext. Lights - Replace (Att 2)	\$0	\$0	\$0	\$0	\$0

Neighborhood

500 Drives, Sdwks... - Repr/Rep (Nbhd)	\$0	\$7,061	\$0	\$0	\$0
575 Drain Lines - Clean/Inspect (Nbhd)	\$0	\$0	\$12,810	\$0	\$0
582 Irrig. Controls, etc - Rplc. (Nbhd)	\$0	\$16,689	\$0	\$0	\$0
Total Expenses	\$99,087	\$94,116	\$26,363	\$40,007	\$638,101
Ending Reserve Balance:	\$2,190,768	\$2,415,415	\$2,717,670	\$3,016,474	\$2,727,227

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)

24841-3

Fiscal Year	2036	2037	2038	2039	2040
Starting Reserve Balance	\$2,727,227	\$2,360,411	\$2,272,433	\$2,622,037	\$2,925,176
Annual Reserve Contribution	\$354,883	\$365,529	\$376,495	\$387,790	\$399,424
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,815	\$3,474	\$3,671	\$4,160	\$4,604
Total Income	\$3,085,926	\$2,729,414	\$2,652,599	\$3,013,987	\$3,329,203
# Component					

Attached 1

100 Road, Sdwk, etc. - Rpr/Repl(Att 1)	\$0	\$10,139	\$0	\$0	\$0
140 Wood Trellis - Repr/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
147 Trash Enclosures - Rpr/Repl (Att 1)	\$0	\$0	\$0	\$0	\$0
200 Sloped Roofs - Repr/Replace(Att1)	\$341,355	\$0	\$0	\$0	\$0
205 Roofs - Inspect/Clean/Repair(Att 1)	\$0	\$17,301	\$0	\$0	\$18,905
210 Gutters/Dwnspts - Rpr/Replc(Att 1)	\$76,399	\$0	\$0	\$0	\$0
220 Ext Siding/Srhc - Repr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
225 Full Exterior - Paint/Caulk (Att 1)	\$0	\$0	\$0	\$0	\$0
227 Partial Ext.- Paint/Caulk (Att 1)	\$0	\$0	\$0	\$88,811	\$0
229 Caulk, etc - Inspect/Repair (Att 1)	\$0	\$9,115	\$0	\$0	\$0
250 Wood Rail - Repair/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
260 Bldg. Ext. Lights - Replace (Att 1)	\$0	\$0	\$0	\$0	\$0

Attached 2

300 Sdwk, Drvs, etc. - Rpr/Repl (Att 2)	\$0	\$0	\$6,323	\$0	\$0
400 Sloped Roofs - Repr/Replace(Att2)	\$0	\$340,434	\$0	\$0	\$0
405 Roofs - Inspect/Clean/Repair(Att 2)	\$0	\$17,301	\$0	\$0	\$18,905
410 Gutters/Dwnspts - Rpr/Replc(Att 2)	\$0	\$54,507	\$0	\$0	\$0
420 Ext Siding/Srhc - Repr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
425 Full Exterior - Paint/Caulk (Att 2)	\$295,299	\$0	\$0	\$0	\$0
427 Partial Ext.- Paint/Caulk (Att 2)	\$0	\$0	\$0	\$0	\$78,059
429 Caulk, etc - Inspect/Repair (Att 2)	\$0	\$0	\$9,389	\$0	\$0
438 Metal Decks - Refinish (Att 2)	\$0	\$0	\$0	\$0	\$0
460 Bldg. Ext. Lights - Replace (Att 2)	\$12,462	\$0	\$0	\$0	\$0

Neighborhood

500 Drives, Sdwks... - Repr/Rep (Nbhd)	\$0	\$8,185	\$0	\$0	\$0
575 Drain Lines - Clean/Inspect (Nbhd)	\$0	\$0	\$14,850	\$0	\$0
582 Irrig. Controls, etc - Rplc. (Nbhd)	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$725,515	\$456,981	\$30,562	\$88,811	\$115,869
Ending Reserve Balance:	\$2,360,411	\$2,272,433	\$2,622,037	\$2,925,176	\$3,213,334

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)

24841-3

Fiscal Year	2041	2042	2043	2044	2045
Starting Reserve Balance	\$3,213,334	\$3,603,890	\$4,001,533	\$3,954,944	\$4,026,342
Annual Reserve Contribution	\$411,406	\$423,749	\$436,461	\$449,555	\$463,042
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,113	\$5,704	\$5,967	\$5,986	\$6,383
Total Income	\$3,629,853	\$4,033,343	\$4,443,961	\$4,410,485	\$4,495,766
# Component					

Attached 1

100 Road, Sdwk, etc. - Rpr/Repl(Att 1)	\$0	\$11,753	\$0	\$0	\$0
140 Wood Trellis - Repr/Replace(Att 1)	\$6,700	\$0	\$0	\$0	\$0
147 Trash Enclosures - Rpr/Repl (Att 1)	\$9,003	\$0	\$0	\$0	\$0
200 Sloped Roofs - Repr/Replace(Att1)	\$0	\$0	\$0	\$0	\$0
205 Roofs - Inspect/Clean/Repair(Att 1)	\$0	\$0	\$20,658	\$0	\$0
210 Gutters/Dwnspts - Rpr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
220 Ext Siding/Srhc - Repr/Replc(Att 1)	\$0	\$0	\$0	\$0	\$0
225 Full Exterior - Paint/Caulk (Att 1)	\$0	\$0	\$423,156	\$0	\$0
227 Partial Ext.- Paint/Caulk (Att 1)	\$0	\$0	\$0	\$0	\$0
229 Caulk, etc - Inspect/Repair (Att 1)	\$10,260	\$0	\$0	\$0	\$11,547
250 Wood Rail - Repair/Replace(Att 1)	\$0	\$0	\$0	\$0	\$0
260 Bldg. Ext. Lights - Replace (Att 1)	\$0	\$0	\$0	\$0	\$0

Attached 2

300 Sdwk, Drvs, etc. - Rpr/Repl (Att 2)	\$0	\$0	\$7,330	\$0	\$0
400 Sloped Roofs - Repr/Replace(Att2)	\$0	\$0	\$0	\$0	\$0
405 Roofs - Inspect/Clean/Repair(Att 2)	\$0	\$0	\$20,658	\$0	\$0
410 Gutters/Dwnspts - Rpr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
420 Ext Siding/Srhc - Repr/Replc(Att 2)	\$0	\$0	\$0	\$0	\$0
425 Full Exterior - Paint/Caulk (Att 2)	\$0	\$0	\$0	\$374,076	\$0
427 Partial Ext.- Paint/Caulk (Att 2)	\$0	\$0	\$0	\$0	\$0
429 Caulk, etc - Inspect/Repair (Att 2)	\$0	\$10,567	\$0	\$0	\$0
438 Metal Decks - Refinish (Att 2)	\$0	\$0	\$0	\$10,067	\$0
460 Bldg. Ext. Lights - Replace (Att 2)	\$0	\$0	\$0	\$0	\$0

Neighborhood

500 Drives, Sdwks... - Repr/Rep (Nbhd)	\$0	\$9,489	\$0	\$0	\$0
575 Drain Lines - Clean/Inspect (Nbhd)	\$0	\$0	\$17,215	\$0	\$0
582 Irrig. Controls, etc - Rplc. (Nbhd)	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$25,963	\$31,810	\$489,017	\$384,143	\$11,547
Ending Reserve Balance:	\$3,603,890	\$4,001,533	\$3,954,944	\$4,026,342	\$4,484,219

Accuracy, Limitations, and Disclosures

Washington disclosures, per RCW:

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require 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.

Because we have no control over future events, we do not expect that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect Reserve funds to continue to earn interest, so we believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. We can control measurements, which we attempt to establish within 5% accuracy through a combination of on-site measurements, drawings, and satellite imagery. The starting Reserve Balance and interest rate earned on deposited Reserve funds that you provided to us were considered reliable and were not confirmed independently. We have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable. Component Useful Life, Remaining Useful Life, and Current Cost estimates assume a stable economic environment and lack of natural disasters.

Because the physical condition of your components, the association's Reserve balance, the economic environment, and legislative environment change each year, this Reserve Study is by nature a "one-year" document. Because a long-term perspective improves the accuracy of near-term planning, this Report projects expenses for the next 30 years. It is our recommendation and that of the Financial Accounting Standards Board (FASB) that your Reserve Study be updated each year as part of the annual budget process.

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James D. Talaga R.S., company president, is a credentialed Reserve Specialist (#66). All work done by Association Reserves WA, LLC is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association's situation.

Component quantities indicated in this Report were found in prior Reserve Studies unless otherwise noted. No destructive or intrusive testing was performed. This Report and this site inspection were accomplished only for Reserve budget purposes (to help identify and address the normal deterioration of properly built and installed components with predictable life expectancies). The Funding Plan in this Report was developed using the cash-flow methodology to achieve the specified Funding Objective.

Association Reserves' 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.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

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 Table 6.

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 photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

- 1) Common are maintenance, repair & replacement reasonability
- 2) Components must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of annual operating expenses).

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed “Best Cost” and “Worst Cost” below the photo. There are many factors that can result in a wide variety of potential cost; we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

Client: 24841A West Highlands Park

Comp # : 100 Road, Sdwb, etc. - Rpr/Repl(Att 1) Quantity: Concrete surfaces

Location : 5th Pl. NE, sidewalks, stairs, walkways, curbs, etc. throughout community

Funded? : Yes

History : Unknown

Evaluation : Although some local cracks, no major or widespread instability or damage noted. Repair any trip and fall hazards (1/2" or larger displacement) immediately to ensure safety. In our experience, larger repair/replacement expenses can emerge as the community ages. Although difficult to predict timing, cost and scope, we suggest a periodic funding allowance to supplement the operating/maintenance budget for larger repair needs that may emerge. Adjust as conditions, actual expense history dictates 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:
1 years



Best Case: \$4,300

Worst Case: \$6,600

Lower allowance for partial repair, replacement expenses

Higher allowance, more extensive, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 140 Wood Trellis - Repr/Replace(Att 1) Quantity: (2), ~8 LF each

Location : At Tract B, at south end of 4th Ave., South end of community

Funded? : Yes

History : None Known

Evaluation : No major damage/deterioration noted of wood trellis'. With ordinary care and maintenance, plan for replacement at roughly the interval indicated below due to deterioration that will result from constant exposure. Clean and paint/stain along with other larger projects or as general maintenance (not separate reserve item) to preserve the wood and extend the useful life. Local repairs between large scale replacements can be funded as general maintenance item.

Useful Life:
15 years

Remaining Life:
10 years



Best Case: \$2,200

\$1,100/each (x2), Lower allowance to remove and replace

Worst Case: \$4,200

\$2,100/each (x2), Higher allowance, upgraded materials, design, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 147 Trash Enclosures - Rpr/Repl (Att 1) Quantity: (2), brick/wood gates

Location : Adjacent to private road (5th Pl. NE) within community (22' x 6' each)

Funded? : Yes

History : None known

Evaluation : Structures are brick on three sides with wood boards attached to galvanized metal framing at gates. Although no instability observed, wood boards are weathered. Although brick should have long life with no major repair/replacement expenses anticipated, best to plan for replacement of wood gate/fronts as shown here due to damage/deterioration that will result from constant exposure and use/abuse. As part of routine maintenance, inspect, clean, repair and stain locally as needed.

Useful Life:
15 years

Remaining Life:
10 years



Best Case: \$3,200

\$1,600/each (x2), Lower allowance for replacement of wood components

Worst Case: \$5,400

\$2,700/each (x2), Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 170 Landscape - Refurbish (Att 1)

Quantity: Shrubs, grass, trees

Location : Scattered areas throughout site

Funded? : No No predictable basis for funding

History : None known

Evaluation : No major problems with landscaping noted at this time and no issues reported to us. Although typically funded as ongoing maintenance item, this component may be utilized for setting aside funds for larger expenses that do not occur on an annual basis, such as large scale plantings, resodding lawn areas, bark/mulch replenishment, etc. Often times these type of projects can be handled within the annual operating budget as a separate line item from the landscape maintenance contract. At this time no specific projects anticipated and no desire by community for refurbishing. Monitor and include funding in reserve study updates if needed / desired as landscaping matures.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 180 Irrigation Sys. - Maintain (Att 1)

Quantity: Extensive system

Location : Scattered throughout community

Funded? : No No predictable basis for funding

History : None known

Evaluation : As with our previous site visit, system was winterized during our site visit therefore we did not observe functioning. No problems reported to us. If properly installed and bedded without defect, the lines themselves are expected to be long-lived with no predictable expectation for replacement. While large system renovations, repairs, zone reconfiguration, etc. may become necessary, difficult to predict cost/timing. At this time no basis for reserve funding. As routine maintenance, inspect regularly, test system and repair as needed. Follow proper winterization and spring start up procedures.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 24841A West Highlands Park

Comp # : 200 Sloped Roofs - Repr/Replace(Att1)

Quantity: ~42,000 SF, comp shingles

Location : Rooftops of buildings

Funded? : Yes

History : None known

Evaluation : We had limited visibility from our ground level inspection, however no major damage/deterioration noted; some moss growth at shaded areas. Ventilation was visible by gable louver end vents and roof jacks. We noted metal flashing at roof rakes, barge board cut ends were protected by shingles above and flashing was visible at roof/wall interfaces.

Plan for replacement at roughly the time frame indicated below with costs shown here for similar shingle to what is currently in place. At time of re-roof we recommend that you hire a professional roof consultant such as Architect, Engineer, or building envelope consultant; to evaluate, design, specify, help bid the project, select best bidder, and observe construction to ensure proper installation. We recommend all Associations seek advice from a qualified consultant whenever they are considering having work performed on any building envelope components (roof, walls, windows, decks, exterior painting and caulking/sealant). As routine maintenance, many manufacturers recommend inspections at least twice annually (once in the fall, before the rainy season, and again in the spring) and after large storm events. Promptly replace any damaged/missing sections or any other repair needed to ensure waterproof integrity of roof. Keep roof surface, gutters and downspouts clear and free of moss or debris. Funding for moss removal/treatment shown in component #205. There is a wealth of information available through Roofing Organizations such as the Western States Roofing Contractors Association (WSRCA) <http://www.wsrca.com/> Roof Consultant Institute <http://www.rci-online.org/> and the National Roofing Contractors Association (NRCA) <http://www.nrca.net/> NCRA has some very good information for homeowners. They have an entire section dedicated to "consumer" with valuable information including this page for getting your monies worth out of your new roof. <http://www.nrca.net/consumer/fyi.aspx?homeowners>. Their page on maintenance is here: <http://www.nrca.net/consumer/maintenance.aspx>.

Useful Life:
25 years

Remaining Life:
20 years



Best Case: \$168,000

\$4/Sq Ft, Lower allowance to tear off and reroof

Worst Case: \$210,000

\$5/Sq Ft, Higher allowance; upgrades, underlying repair needs, metal work, etc...

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 205 Roofs - Inspect/Clean/Repair(Att 1)

Quantity: ~42,000 SF, comp shingles

Location : Rooftops of buildings

Funded? : Yes

History : None known

Evaluation : Difficult to observe from our ground level inspection and while it does not appear to be widespread, we noted moss at shaded areas of roof. As requested by Association Management, plan for periodic inspections, repairs, cleaning and moss treatment every 3 years as shown here. Moss growth can decrease the life of the roofing shingles and should be removed as soon as possible. Liquid applied fungicide (moss killer) is recommended instead of power washing the living moss off the shingles. Moss roots grow into the shingles. Killing the moss in-place, with a fungicide, allows the roots to gradually release from the shingles where they can be swept away. Do not use high pressure wash. As routine maintenance, many manufacturers recommend inspections at least twice annually (once in the fall, before the rainy season, and again in the spring) and after large storm events. Promptly replace any damaged/missing sections or any other repair needed to ensure waterproof integrity of roof.

Useful Life:
3 years

Remaining Life:
0 years



Best Case: \$8,200

Worst Case: \$10,400

Lower allowance to inspect, clean, repair and apply moss treatment

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 210 Gutters/Dwnspts - Rpr/Replc(Att 1) Quantity: ~6,500 LF, metal

Location : Perimeter of buildings

Funded? : Yes

History : None known

Evaluation : From our ground level view, no major issues such as improper sloping, poor attachment or other damage/deterioration observed during our dry day inspection. No problems reported to us. We recommend that the adjacent gutter (and downspouts) be replaced when the roof (#200) is being replaced for cost efficiency/consistency. Evaluate at time of roofing to determine if replacement or re-use is the better value. National Roofing Contractor Association (NRCA) roofing standard includes installing eave flashings at the gutters. As routine maintenance, inspect regularly, keep gutters and downspouts free of debris.

Useful Life:
25 years

Remaining Life:
20 years



Best Case: \$35,800

Worst Case: \$48,800

\$5.50/Linear Ft, Lower allowance to remove and replace

\$7.50/Linear Ft, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 220 Ext Siding/Srvc - Repr/Replc(Att 1) Quantity: 80,000 GSF

Location : Exterior of buildings

Funded? : Yes

History : None known

Evaluation : Buildings include a variety of types of siding with majority believed to be fiber-cement materials of lap and panel style with some brick; trim, fascia, door moldings, etc. are painted wood. Throughout exteriors, wood trim surrounding windows, belly bands, etc. do not have metal flashing at the top/horizontal sides. We also noted the wood trim window sills have a horizontal ledge that is susceptible to standing water which can result in rot; some deterioration of paint noted in these areas. We recommend these areas be professionally evaluated and follow recommendations for repairs/replacement, if needed. It is imperative the Association conduct routine inspections and maintain caulk/paint.

Warranty periods for fiber-cement products have generally lessened in recent years. James Hardie siding, offers either a 30-year non-prorated warranty in the Washington area or the Association can choose a 50-year prorated warranty. These warranties generally cover (a) remain non-combustible, (b) resist damage caused by hail or termites, (c) will not crack, rot or delaminate; warranty does not cover ordinary wear and tear. At the suggestion of Hardie siding rep and based on our research, we recommend planning for about 50 year life for this product as shown here due to normal wear and tear, degradation of underlying waterproofing, etc. This assumes routine maintenance and following recommended paint/caulk cycles (see #225). As timing draws nearer, inspect closely and adjust this component in reserve study updates. As routine maintenance, inspect regularly and touch-up/repair locally as needed as part of operating budget.

Useful Life:
50 years

Remaining Life:
45 years



Best Case: \$800,000

\$10/SF, Lower allowance to remove and replace siding/waterproofing

Worst Case: \$1,200,000

\$15/SF, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 225 Full Exterior - Paint/Caulk (Att 1)

Quantity: Extensive GSF

Location : Exterior of buildings

Funded? : Yes

History : None known

Evaluation : According to the Association declaration Section 3.1.4.2, "caulking and painting (including staining) of all exterior painted portions of the improvements", including any garage door, exterior doors, windows, shutters, and fascia on the improvements, etc. is the responsibility of the Neighborhood Association. For discussion of exterior repairs/replacement, see component #220. According to the Association declaration Section 3.1.4.3), caulking of the exterior portions of all windows and doors is the responsibility of the Neighborhood Association. For discussion of repairs/replacements of windows and doors see #235 and #280.

We noted some deterioration of paint at lower wood trim window ledge, however overall painted surfaces/caulking appear in good condition. Siding appears to be primarily cement fiber materials of lap and bat/board style with some brick. Typical Northwest paint cycles vary greatly depending upon many factors including; type of material painted, surface preparations, quality of primer/paint/stain, application methods, weather conditions during application, moisture beneath paint, and exposure to weather conditions. We recommend planning to paint entire building exterior surfaces (body/field area of siding) and caulk every 8 years as shown here. Association Management is requesting touch-up/partial paint project (#227) at the mid-way point between these cycles as well as inspection/touch-up caulk cycles (#229) between the partial and full paint projects (just completed in 2015-16). As routine maintenance, inspect regularly (including sealants) repair locally and touch-up paint as needed. Additional information on painting is available through American Coatings Association at <http://www.paint.org/>.

Useful Life:
8 years

Remaining Life:
3 years



Best Case: \$174,000

~\$3,100/unit (x56 units), Lower allowance for full paint project

Worst Case: \$207,000

~\$3,700/unit (x56), Higher allowance, change of color scheme, more ancillary work, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 227 Partial Ext.- Paint/Caulk (Att 1) Quantity: Extensive GSF

Location : Exterior of buildings ; trim, fascia, door moldings, etc. are painted wood

Funded? : Yes

History : Partial paint in 2015-16 fiscal year

Evaluation : We noted some deterioration of paint at lower window trim ledges, however overall building exterior painted surfaces appear in good condition. A partial paint project was completed in the 2015-16 fiscal year which included only localized sides of buildings that are more exposed and showing wear. Typical Northwest paint cycles vary greatly depending upon many factors including; type of material painted, surface preparations, quality of primer/paint/stain, application methods, weather conditions during application, moisture beneath paint, and exposure to weather conditions. At the request of Association Management, this component reflects partial paint projects (trim, touch-up, more exposed areas) and caulking at the mid-way point between exhaustive paint projects (#225) hence this reflects 8 year cycles which fund 4 years following the full paint project. As routine maintenance, inspect regularly (including sealants) repair locally and touch-up paint as needed. Additional information on painting is available through American Coatings Association at <http://www.paint.org/>

Useful Life:
8 years

Remaining Life:
7 years



Best Case: \$40,000

~\$700/unit (x56 units), Lower allowance for periodic partial paint projects between exhaustive projects

Worst Case: \$50,000

~\$900/unit (x56), Higher allowance, additional color schemes, doors, etc.

Cost Source: Client Cost History: Townhouse Painters

Client: 24841A West Highlands Park

Comp # : 229 Caulk, etc - Inspect/Repair (Att 1)

Quantity: Extensive GSF

Location : Exterior perimeters at caulked interfaces

Funded? : Yes

History : Last caulking during 2013-14 fiscal year; partial paint in 2015-16 (see previous component)

Evaluation : According to the Association declaration (Section 3.1.4.3), caulking of the exterior portions of all windows and doors is the responsibility of the Neighborhood Association. For discussion of repairs/replacements of windows and doors see #235 and #280. From our limited, ground level inspection, very difficult to observe, however no obvious signs of significant or widespread failure of caulking/sealant. At the request of the Association Management, this component includes funding for inspections/caulking touch-up as needed between the exhaustive paint projects (# 225) and the trim/partial paint projects (#227). Caulking and painting during these paint projects is assumed to be included in the costs in those separate components. Proper sealant/caulking is critical to keeping water out of the walls, and preventing water damage. Incorrect installations of sealant are common, and can greatly decrease its useful life. Inspect sealant, more frequently as it ages, to determine if it is failing. Typical sealant problems include failure of sealant to adhere to adjacent materials and tearing/splitting of the sealant itself. As sealants age and are exposure to ultra-violet sunlight, they will dry out, harden, and lose their elastic ability. Remove and replace sealant as signs of failure begin to appear. Proper cleaning, prep work, and installation are critical for a long lasting sealant/caulking - use services of specialty caulking contractor, not painter or other. Do not install sealant in locations that would block water drainage from behind the siding. Repair areas as needed prior to painting/caulking. As routine maintenance, inspect regularly (including sealants) repair locally and touch-up paint as needed.

Useful Life:
4 years

Remaining Life:
1 years



Best Case: \$3,800

Worst Case: \$6,000

Lower allowance to inspect and replace caulking

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 235 Windows/Sliders - Rpr/Replc(Att 1) Quantity: Extensive, assorted

Location : Exterior walls

Funded? : No Unit owner responsibility

History : Unknown

Evaluation : According to Governing Documents for West Highlands Park Neighborhood (Article 3.1.4.3), although the residential association is responsible for caulking of the exterior portions of all windows, "The Residential Association shall not be responsible for any maintenance or repairs to any ...window" (Article 3.4). With this understanding, no funding for association repair/replacement herein. However, the association should establish specific guidelines and architectural control policies for repairs/replacements to ensure that underlying structure is protected when any work is done in these areas. Note: funding for caulking included within component #229.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 241 Patios/Porches - Rpr/Replace(Att 1) Quantity: Moderate, Concrete

Location : Adjacent to units throughout the community

Funded? : No Useful life not predictable

History : Unknown

Evaluation : Although dirty and soiled in some areas, no significant damage/deterioration observed. Although larger repair/replacement expenses can emerge as the community ages, at this time no predictable basis that this may be needed therefore no reserve funding included at this time. As routine maintenance, inspect regularly, pressure wash for appearance and repair promptly as needed to prevent water penetrating into the base and causing further damage. Repair any trip and fall hazards (1/2" or larger displacement) immediately to ensure safety. Monitor tree roots nearby; consult with arborist for best practice.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 24841A West Highlands Park

Comp # : 250 Wood Rail - Repair/Replace(Att 1) Quantity: ~3,500 LF, wood

Location : Adjacent to entry stairs/porches at units

Funded? : Yes

History : None known

Evaluation : Although some local wear of surfaces, no widespread or significant damage/instability observed. We suggest reserve funding for regular intervals of total replacement as indicated below due to damage/deterioration that will result from constant exposure. This component is best to coincide with paint projects for cost efficiency/consistency. As routine maintenance, inspect regularly to ensure safety and stability; repair promptly as needed using general operating/maintenance funds.

Useful Life:
24 years

Remaining Life:
19 years



Best Case: \$140,000

Worst Case: \$193,000

\$40/LF, Lower allowance to remove and replace

\$55/LF, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 260 Bldg. Ext. Lights - Replace (Att 1) Quantity: ~(50) metal fixtures

Location : At garages and other doors at exteriors of building

Funded? : Yes

History : None known

Evaluation : No major deterioration of metal light fixtures observed at this time. Best to plan for large scale replacement, timed to coincide with exterior paint cycles (#225/#227), if possible, for cost efficiency and consistent quality/appearance throughout association. A mid-range replacement allowance is factored below for planning purposes. As routine maintenance, inspect, repair/change bulbs as needed.

Useful Life:
24 years

Remaining Life:
19 years



Best Case: \$5,500

Worst Case: \$8,300

\$110/each (x50), Lower allowance to remove and replace

\$165/each (x50), Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 280 Unit/Garage Doors - Replace (Att 1) Quantity: Extensive, assorted

Location : Entries to units and garages

Funded? : No Unit owner responsibility

History : Unknown

Evaluation : Stable condition of metal/aluminum garage and pedestrian doors with no significant damage or deterioration observed. We assume installed without defect of material and/or workmanship. As with windows (#235), according to Governing Documents for West Highlands Park Neighborhood Article 3.1.4.2, although the residential association is responsible for caulking of the exterior portions of all ..doors, "The Residential Association shall not be responsible for any maintenance or repairs to any ... door" (Article 3.4). With this understanding, no funding for association repair/replacement however association should establish specific guidelines to provide to homeowners for repairs/replacements to ensure adequate waterproofing, consistent appearance, etc. throughout community. These door types should have long life.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 24841A West Highlands Park

Comp # : 300 Sdwk, Drvs, etc. - Rpr/Repl (Att 2) Quantity: Concrete surfaces

Location : Driveways, sidewalks, stairs, walkways, curbs, etc. throughout community

Funded? : Yes

History : None known

Evaluation : Although some local cracks and damage, not widespread or significant. Repair any trip and fall hazards (1/2" or larger displacement) immediately to ensure safety. In our experience, larger repair/replacement expenses can emerge as the community ages. Although difficult to predict timing, cost and scope, we suggest a periodic funding allowance to supplement the operating/maintenance budget for larger repair needs that may emerge. Adjust as conditions, actual expense history dictates 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: \$2,800

Worst Case: \$3,800

Lower allowance for partial repair, replacement expenses

Higher allowance, more extensive, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 370 Landscape - Refurbish (Att 2)

Quantity: Shrubs, grass, trees

Location : Scattered areas throughout site

Funded? : No Useful life no predictable

History : None known

Evaluation : No widespread or specific issues with landscaping observed or reported to us. Although typically funded as ongoing maintenance item, this component may be utilized for setting aside funds for larger expenses that do not occur on an annual basis, such as large scale plantings, resodding lawn areas, bark/mulch replenishment, etc. Often times these type of projects can be handled within the annual operating budget as a separate line item from the landscape maintenance contract. At this time no specific projects anticipated and no desire by community for refurbishing. Monitor and include funding in reserve study updates if needed / desired.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 380 Irrigation Sys. - Maintain (Att 2)

Quantity: Extensive system

Location : Scattered throughout community

Funded? : No Useful life not predictable

History : None known

Evaluation : As with our previous site visit, system was winterized during our site visit therefore we did not observe functioning, however, no problems reported to us. If properly installed and bedded without defect, the lines themselves are expected to be long-lived with no predictable expectation for replacement. While large system renovations, repairs, zone reconfiguration, etc. may become necessary, difficult to predict cost/timing. At this time no basis for reserve funding. As routine maintenance, inspect regularly, test system and repair as needed. Follow proper winterization and spring start up procedures.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 24841A West Highlands Park

Comp # : 400 Sloped Roofs - Repr/Replace(Att2) Quantity: ~43,000 SF, comp shingles

Location : Rooftops of (8) buildings identified as Attached 2 units

Funded? : Yes

History : None known

Evaluation : Roofing appears to be laminated shingles with no significant or widespread damage/deterioration observed from our limited visual inspection. We noted some local moss in shaded areas. Ventilation was observed at roof jacks and gable end louvers. Metal flashing is installed at roof rakes, flashing was visible at roof to siding interfaces and barge board cut ends are covered on the top by roof shingles.

Plan for replacement at roughly the time frame indicated below with costs shown here for similar shingle to what is currently in place. At time of re-roof we recommend that you hire a professional roof consultant such as Architect, Engineer, or building envelope consultant; to evaluate, design, specify, help bid the project, select best bidder, and observe construction to ensure proper installation. We recommend all Associations seek advice from a qualified consultant whenever they are considering having work performed on any building envelope components (roof, walls, windows, decks, exterior painting and caulking/sealant). As routine maintenance, many manufacturers recommend inspections at least twice annually (once in the fall, before the rainy season, and again in the spring) and after large storm events. Promptly replace any damaged/missing sections or any other repair needed to ensure waterproof integrity of roof. Keep roof surface, gutters and downspouts clear and free of moss or debris. Funding for moss removal/treatment shown in component #405. There is a wealth of information available through Roofing Organizations such as the Western States Roofing Contractors Association (WSRCA) <http://www.wsrca.com/> Roof Consultant Institute <http://www.rci-online.org/> and the National Roofing Contractors Association (NRCA) <http://www.nrca.net/> NCRA has some very good information for homeowners. They have an entire section dedicated to "consumer" with valuable information including this page for getting your monies worth out of your new roof. <http://www.nrca.net/consumer/fyi.aspx?homeowners>. Their page on maintenance is here: <http://www.nrca.net/consumer/maintenance.aspx>.

Useful Life:
25 years

Remaining Life:
21 years



Best Case: \$172,000

Worst Case: \$194,000

\$4/Sq Ft, Lower allowance to tear off and reroof

\$4.50/Sq Ft, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 405 Roofs - Inspect/Clean/Repair(Att 2)

Quantity: ~42,000 SF, comp shingles

Location : Rooftops of buildings designated as Attached 2

Funded? : Yes

History : None known

Evaluation : We noted some local moss at shaded areas but majority of areas we view from our limited ground level inspection appear in average condition. Difficult to observe from our ground level inspection. As requested by Association Management, plan for periodic inspections, repairs, cleaning and moss treatment every 3 years as shown here. Moss growth can decrease the life of the roofing shingles and should be removed as soon as possible. Liquid applied fungicide (moss killer) is recommended instead of power washing the living moss off the shingles. Moss roots grow into the shingles. Killing the moss in-place, with a fungicide, allows the roots to gradually release from the shingles where they can be swept away. Do not use high pressure wash. As routine maintenance, many manufacturers recommend inspections at least twice annually (once in the fall, before the rainy season, and again in the spring) and after large storm events. Promptly replace any damaged/missing sections or any other repair needed to ensure waterproof integrity of roof.

Useful Life:
3 years

Remaining Life:
0 years



Best Case: \$8,200

Worst Case: \$10,400

Lower allowance to inspect, clean, repair and apply moss treatment

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 410 Gutters/Dwnspts - Rpr/Replc(Att 2) Quantity: ~4,500 LF, metal

Location : Perimeter of buildings

Funded? : Yes

History : None known

Evaluation : From our limited ground level inspection, no major issues observed such as improper sloping, poor attachment and other damage/deterioration observed at this time. We inspected on a dry day so we did not observe functioning, however no problems reported to us. We recommend that the adjacent gutter (and downspouts) be replaced when the roof (#200) is being replaced for cost efficiency/consistency. Evaluate at time of roofing to determine if replacement or re-use is the better value. National Roofing Contractor Association (NRCA) roofing standard includes installing eave flashings at the gutters. As routine maintenance, inspect regularly, keep gutters and downspouts free of debris.

Useful Life:
25 years

Remaining Life:
21 years



Best Case: \$24,800

Worst Case: \$33,800

\$5.50/Linear Ft, Lower allowance to remove and replace

\$7.50/Linear Ft, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 420 Ext Siding/Srvc - Repr/Replc(Att 2) Quantity: 84,000 GSF

Location : Exterior of buildings

Funded? : Yes

History : None known

Evaluation : Buildings include a variety of types of siding with majority believed to be fiber-cement materials of lap and panel style with some brick; trim, fascia, door moldings, etc. are painted wood. Throughout exteriors, wood trim surrounding windows, belly bands, etc. do not have metal flashing at the top/horizontal sides. We also noted the wood trim window sills have a horizontal ledge that is susceptible to standing water which can result in rot; some deterioration of paint noted in these areas. We recommend these areas be professionally evaluated and follow recommendations for repairs/replacement, if needed. It is imperative the Association conduct routine inspections and maintain caulk/paint.

Warranty periods for fiber-cement products have generally lessened in recent years. James Hardie siding, offers either a 30-year non-prorated warranty in the Washington area or the Association can choose a 50-year prorated warranty. These warranties generally cover (a) remain non-combustible, (b) resist damage caused by hail or termites, (c) will not crack, rot or delaminate; warranty does not cover ordinary wear and tear. At the suggestion of Hardie siding rep and based on our research, we recommend planning for about 50 year life for this product as shown here due to normal wear and tear, degradation of underlying waterproofing, etc. This assumes routine maintenance and following recommended paint/caulk cycles (see #425). As timing draws nearer, inspect closely and adjust this component in reserve study updates. As routine maintenance, inspect regularly and touch-up/repair locally as needed as part of operating budget.

Useful Life:
50 years

Remaining Life:
46 years



Best Case: \$840,000

\$10/SF, Lower allowance to remove and replace siding and waterproofing

Worst Case: \$1,260,000

\$15/SF, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 425 Full Exterior - Paint/Caulk (Att 2) Quantity: Extensive GSF

Location : Exterior of buildings

Funded? : Yes

History : None known

Evaluation : According to the Association declaration Section 3.1.4.2, "caulking and painting (including staining) of all exterior painted portions of the improvements", including any garage door, exterior doors, windows, shutters, and fascia on the improvements, etc. is the responsibility of the Neighborhood Association. For discussion of exterior repairs/replacement, see component #420. According to the Association declaration (Section 3.1.4.3), caulking of the exterior portions of all windows and doors is the responsibility of the Neighborhood Association. For discussion of repairs/replacements of windows and doors see #435 and #480.

Based on our inspection, the majority of the painted surfaces of the exteriors of the buildings appeared in good condition with no widespread or significant fading/deterioration observed. Siding appears to be primarily cement fiber materials of lap and bat/board style with some brick. Typical Northwest paint cycles vary greatly depending upon many factors including; type of material painted, surface preparations, quality of primer/paint/stain, application methods, weather conditions during application, moisture beneath paint, and exposure to weather conditions. We recommend planning to paint entire building exterior surfaces (body/field area of siding) and caulk every 8 years as shown here. Association Management is requesting touch-up/partial paint project (#427) at the mid-way point between these cycles as well as inspection/touch-up caulk cycles (#429) between the partial and full paint projects. As routine maintenance, inspect regularly (including sealants) repair locally and touch-up paint as needed. Additional information on painting is available through American Coatings Association at <http://www.paint.org/>.

Useful Life:
8 years

Remaining Life:
4 years



Best Case: \$149,000

\$3,100/unit (x48 units), Lower allowance for full paint project

Worst Case: \$178,000

\$3,700/unit (x48), Higher allowance, change of color scheme, more ancillary work, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 427 Partial Ext.- Paint/Caulk (Att 2) Quantity: Extensive GSF

Location : Exterior of buildings ; trim, fascia, door moldings, etc. are painted wood

Funded? : Yes

History : None known

Evaluation : We noted some local deterioration at window horizontal wood sills and more exposed areas. Typical Northwest paint cycles vary greatly depending upon many factors including; type of material painted, surface preparations, quality of primer/paint/stain, application methods, weather conditions during application, moisture beneath paint, and exposure to weather conditions. At the request of Association Management, this component reflects partial paint projects (trim, touch-up) and caulking at the mid-way point between exhaustive paint projects (#425) hence this reflects 8 year cycles which fund 4 years following the full paint project. As routine maintenance, inspect regularly (including sealants) repair locally and touch-up paint as needed. Additional information on painting is available through American Coatings Association at <http://www.paint.org/>

Useful Life:
8 years

Remaining Life:
0 years



Best Case: \$33,600

\$700/unit (x48 units), Lower allowance for partial paint/caulk (wood, more exposed areas, etc)

Worst Case: \$43,200

\$900/unit (x48), Higher allowance, additional color schemes, doors, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 429 **Caulk, etc - Inspect/Repair (Att 2)** Quantity: Extensive GSF

Location : Exterior perimeters at dissimilar surfaces, siding ends, etc.

Funded? : Yes

History : None known

Evaluation : According to the Association declaration (Section 3.1.4.3), caulking of the exterior portions of all windows and doors is the responsibility of the Neighborhood Association. For discussion of repairs/replacements of windows and doors see #235 and #280. From our limited, ground level inspection, very difficult to observe, however no obvious signs of significant or widespread failure of caulking/sealant. At the request of the Association Management, this component includes funding for inspections/caulking touch-up as needed between the exhaustive paint projects (# 425) and the trim/partial paint projects (#427). Caulking and painting during these paint projects is assumed to be included in the costs in those separate components. Proper sealant/caulking is critical to keeping water out of the walls, and preventing water damage. Incorrect installations of sealant are common, and can greatly decrease its useful life. Inspect sealant, more frequently as it ages, to determine if it is failing. Typical sealant problems include failure of sealant to adhere to adjacent materials and tearing/splitting of the sealant itself. As sealants age and are exposure to ultra-violet sunlight, they will dry out, harden, and lose their elastic ability. Remove and replace sealant as signs of failure begin to appear. Proper cleaning, prep work, and installation are critical for a long lasting sealant/caulking - use services of specialty caulking contractor, not painter or other. Do not install sealant in locations that would block water drainage from behind the siding. Repair areas as needed prior to painting/caulking. As routine maintenance, inspect regularly (including sealants) repair locally and touch-up paint as needed.

Useful Life:
4 years

Remaining Life:
2 years



Best Case: \$3,800

Worst Case: \$6,000

Lower allowance to inspect and replace caulking

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 435 Windows/Sliders - Rpr/Replc(Att 2) Quantity: Extensive, assorted

Location : Exterior walls

Funded? : No Unit owner responsibility

History : None known

Evaluation : According to Governing Documents for West Highlands Park Neighborhood (Article 3.1.4.3), although the residential association is responsible for caulking of the exterior portions of all windows, "The Residential Association shall not be responsible for any maintenance or repairs to any ...window" (Article 3.4). With this understanding, no funding for association repair/replacement herein. However, the association should establish specific guidelines and architectural control policies for repairs/replacements to ensure that underlying structure is protected when any work is done in these areas. Note: funding for caulking included within component #429.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 438 Metal Decks - Refinish (Att 2) Quantity: (8) elevated decks

Location : Attached to buildings at 2nd floor of Attached 2 buildings

Funded? : Yes

History : None known

Evaluation : As with our previous site visit, no obvious wear/deterioration observed from our ground level inspection of elevated decks attached directly to buildings. Units are steel fabrication and appear to have a baked-on finish. We recommend planning for periodic cleaning/refinishing of surfaces to maintain appearance and provide protection. This component aligns with building paint cycles (#425) for cost efficiency/consistency (every other building paint cycle). With proactive maintenance, no large scale repair/replacement expenses anticipated. As routine maintenance, inspect regularly and touch-up locally as needed.

Useful Life:
16 years

Remaining Life:
12 years



Best Case: \$3,500

Worst Case: \$5,300

Lower allowance to clean/refinish metal deck surfaces

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 441 Patios/Porches - Rpr/Replace(Att 2) Quantity: Moderate, Concrete

Location : Adjacent to units throughout the community

Funded? : No Useful life not predictable

History : None known

Evaluation : Although some local cracks, no significant or widespread damage/deterioration noted. Although larger repair/replacement expenses can emerge as the community ages, at this time no predictable basis that this may be needed therefore no reserve funding included at this time. As routine maintenance, inspect regularly, pressure wash for appearance and repair promptly as needed to prevent water penetrating into the base and causing further damage. Repair any trip and fall hazards (1/2" or larger displacement) immediately to ensure safety. Monitor tree roots nearby; consult with arborist for best practice.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 460 Bldg. Ext. Lights - Replace (Att 2) Quantity: ~(50) metal fixtures

Location : Attached to buildings near garage and other doors at Attached 2 buildings

Funded? : Yes

History : None known

Evaluation : No significant deterioration of metal fixtures noted. Best to plan for large scale replacement, timed to coincide with exterior paint cycles (#425/#427), if possible, for cost efficiency and consistent quality/appearance throughout association. A mid-range replacement allowance is factored below for planning purposes. As routine maintenance, inspect, repair/change bulbs as needed.

Useful Life:

24 years

Remaining Life:

20 years



Best Case: \$5,500

Worst Case: \$8,300

\$110/each (x50), Lower allowance to remove and replace

\$165/each (x50), Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 24841A West Highlands Park

Comp # : 480 Unit/Garage Doors - Replace (Att 2) Quantity: Extensive, assorted

Location : Entries to units and garages

Funded? : No Unit owner responsibility

History : None known

Evaluation : Stable condition of metal/aluminum garage and pedestrian doors with no significant damage or deterioration observed. We assume installed without defect of material and/or workmanship. As with windows (#435), according to Governing Documents for West Highlands Park Neighborhood Article 3.1.4.2, although the residential association is responsible for caulking of the exterior portions of all ..doors, "The Residential Association shall not be responsible for any maintenance or repairs to any ... door" (Article 3.4). With this understanding, no funding for association repair/replacement however association should establish specific guidelines to provide to homeowners for repairs/replacements to ensure adequate waterproofing, consistent appearance, etc. throughout community. These door types should have long life.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 24841A West Highlands Park

Comp # : 500 Drives, Sdwlks... - Repr/Rep (Nbhd)

Quantity: Concrete, Moderate

Location : Access drives, walkways, sidewalks, stairs, etc.

Funded? : Yes

History : None known

Evaluation : Some local cracks, but no widespread or significant damage/deterioration observed. Repair any trip and fall hazards (1/2" or larger displacement) immediately to ensure safety. In our experience, larger repair/replacement expenses can emerge as the community ages. Although difficult to predict timing, cost and scope, we suggest a funding allowance to supplement the operating/maintenance budget for periodic, larger repairs. Adjust as conditions, actual expense history dictates 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:
1 years



Best Case: \$3,300

Worst Case: \$5,500

Lower allowance for partial repair

Higher allowance; more repair needs

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 570 Landscape - Refurbish (Nbhd)

Quantity: Shrubs, grass, trees

Location : Scattered areas throughout site

Funded? : No Useful life not predictable

History : None known

Evaluation : No significant or widespread problems observed and none reported to us. Although typically funded as ongoing maintenance item, this component may be utilized for setting aside funds for larger expenses that do not occur on an annual basis, such as large scale plantings, resodding lawn areas, bark/mulch replenishment, etc. Often times these type of projects can be handled within the annual operating budget as a separate line item from the landscape maintenance contract. At this time no specific projects anticipated and no desire by community for refurbishing. Monitor and include funding in reserve study updates if needed / desired.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 24841A West Highlands Park

Comp # : 575 Drain Lines - Clean/Inspect (Nbhd) Quantity: Storm drains

Location : Scattered throughout community

Funded? : Yes

History : None known

Evaluation : No specific problems reported at this time; we inspected during dry day. Drainage facilities are typically inspected periodically by governing authority; typically storm system maintenance guidelines can be found on their website. Association management is requesting cyclical drain line cleaning be included within the reserve budget every 5 years for best performance. Local cleaning/inspections can be conducted as part of routine annual maintenance.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$7,200

Worst Case: \$8,300

Lower estimate to inspect/clean drain lines

Higher estimate

Cost Source: Inflated Estimate Provided by Client per Bid

Comp # : 580 Irrigation Sys. - Maintain (Nbhd) Quantity: Pipes, valves, etc.

Location : Scattered throughout community

Funded? : No Useful life not predictable

History : None known

Evaluation : As with our previous site visit, system was winterized during our site visit therefore we did not observe functioning. No problems reported to us. If properly installed and bedded without defect, the lines themselves are expected to be long-lived with no predictable expectation for replacement. While large system renovations, repairs, zone reconfiguration, etc. may become necessary, difficult to predict cost/timing. At this time no basis for reserve funding. As routine maintenance, inspect regularly, test system and repair as needed. Follow proper winterization and spring start up procedures.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 24841A West Highlands Park

Comp # : 582 Irrig. Controls, etc - Rplc. (Nbhd)

Quantity: ET Mgrs, Controls, etc.

Location : Throughout landscaped areas

Funded? : Yes

History : None known

Evaluation : We did not observe irrigation system functioning as we inspected during winter months. No problems reported to us. Best to plan to replace controllers, ET Managers and flow sensors as shown here due to parts obsolescence, technological upgrades, etc. As routine maintenance, inspect regularly and repair/replace locally as needed.

Useful Life:
20 years

Remaining Life:
16 years



Best Case: \$8,800

\$1,100/each (x4) for ET Managers & flow sensors plus
\$1,100/each (x4) for controllers, Lower estimate to
replace

Worst Case: \$12,000

\$1,500/each (x4) for ET Managers & flow sensors
plus \$1,500/each (x4) for controllers, Lower estimate
to replace

Cost Source: Inflated Estimate Provided by Client

Comp # : 595 Wood Fencing - Repr/Replace (Nbhd)

Quantity: ~30 LF, 6' board

Location : At the community perimeter boundary at Tracts D and H

Funded? : No Small quantity/cost, fund as operating when needed

History : None known

Evaluation : Stable condition noted with no significant or widespread damage/deterioration observed. Although replacement will be needed (typically around 12-15 years), with small amount, most likely can fund within the general maintenance/operating budget, not large scale reserves (replacement estimated at less than \$1,000). As routine maintenance, inspect regularly for any damage, repair as needed and avoid contact with ground and surrounding vegetation. Regular cycles of uniform, professional sealing/painting will help to maintain appearance and maximize life.

Useful Life:

Remaining Life:

Photo Not Available

Best Case:

Worst Case:

Cost Source:

Client: 24841A West Highlands Park

Comp # : 997 Association Annual Inspection Quantity: Every year
Location : Common elements of association
Funded? : No Annual costs
History : Unknown

Evaluation : Many Associations are required to have annual inspections by a qualified engineer or architect to assess the physical condition of the improvements. The inspection typically covers, at a minimum, the building envelope, including: roofs, exterior, decks, waterproofing / sealants, flashings, glazing systems and doors. Forensic evaluation, building drops, etc...are beyond the scope of a typical reserve study. Although your Associations governing documents do not appear to have such a requirement, we recommend the Board provide for periodic building envelope inspections, funded from the operating budget, to help ensure critical areas are functioning properly.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 999 Reserve Study Update Quantity: Annual
Location : Common elements of association
Funded? : No Annual costs, fund as part of operating budget
History : Last reserve study by Association Reserves for 2014-15 fiscal year

Evaluation : Per Washington law (RCW), reserve studies are to be updated annually, with site inspections by an independent reserve study professional to occur no less than every three years to assess changes in condition (i.e., physical, economic, governmental, etc...) and the resulting effect on the community's long-term reserve plan. Most appropriately factored within operating budget, not as reserve component.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source: