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“Full” Reserve Study



View Ridge Neighborhood Issaquah, WA

Report #: 28682-0
For Period Beginning: July 1, 2016
Expires: June 30, 2017

Date Prepared: January 25, 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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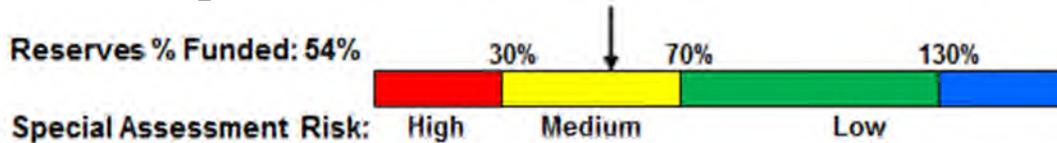
3- Minute Executive Summary

Association: View Ridge Neighborhood **#:** 28682-0
Location: Issaquah, WA **# of Units:** 38
Report Period: July 1, 2016 through June 30, 2017

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

Projected Starting Reserve Balance:	\$82,181
Current Fully Funded Reserve Balance:	\$150,881
Average Reserve Deficit (Surplus) Per Unit:.....	\$1,808
100%2016-2017 Monthly “Full Funding” Contributions:	\$4,200
70% 2016-2017 Monthly “Threshold Funding” Contributions:	\$3,650
Baseline contributions (min to keep Reserves above \$0):.....	\$2,820
Recommended 2016 Special Assessment:.....	\$0

Most Recent Budgeted Reserve Contribution Rate:..... \$3,538



Economic Assumptions:

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

- This is a “Full” Reserve Study, based on our site inspection on January 15, 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 54% 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 the funding objective *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
Site / Grounds				
100	Sidewalks, Driveways - Repr/Replace	5	8	\$4,000
107	Plaza Trellis - Repair/Replace	15	12	\$4,000
112	Metal Handrails - Repair/Replace	30	27	\$15,600
115	Benches, Picnic, etc - Replace	20	17	\$3,000
160	Walkway Lights - Repair/Replace	20	17	\$7,900
182	Drainage Lines - Inspect/Clean	5	2	\$5,000
200	Community Signs - Repair/Replace	20	17	\$4,000
Building Exteriors				
500	Steep Slope Roofs - Repr/Replace	25	22	\$180,500
505	Roofs - Inspect/Clean/Repair	3	1	\$5,000
510	Gutters/Downspouts - Repair/Replace	25	22	\$39,000
520	Ext Surfaces/Siding - Repr/Replace	50	47	\$500,000
525	Full Exterior - Paint/Caulk	8	5	\$135,500
527	Partial Exterior - Paint/Caulk	8	3	\$45,000
529	Caulk, etc. - Inspect/Replace	8	1	\$5,000
177	Irrigation System - Repair/Replace	20	19	\$6,000
15	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.

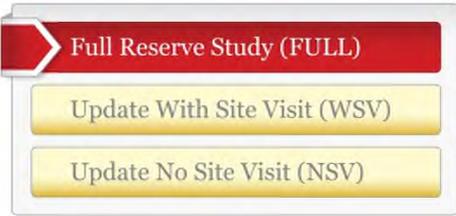
The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association’s 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

LEVELS OF SERVICE



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents.

We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

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.



RESERVE COMPONENT "FOUR-PART TEST"

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% -130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association’s Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board’s job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called “Full Funding” (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70-130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0-30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the “margin of safety” is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on January 15, 2016, we visually inspected all visible common area 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 also met with Association Management and discussed history, current concerns and future plans. We were 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 \$70,405. Adding the next five years, your *first ten years* of projected Reserve expenses are \$251,376. 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.

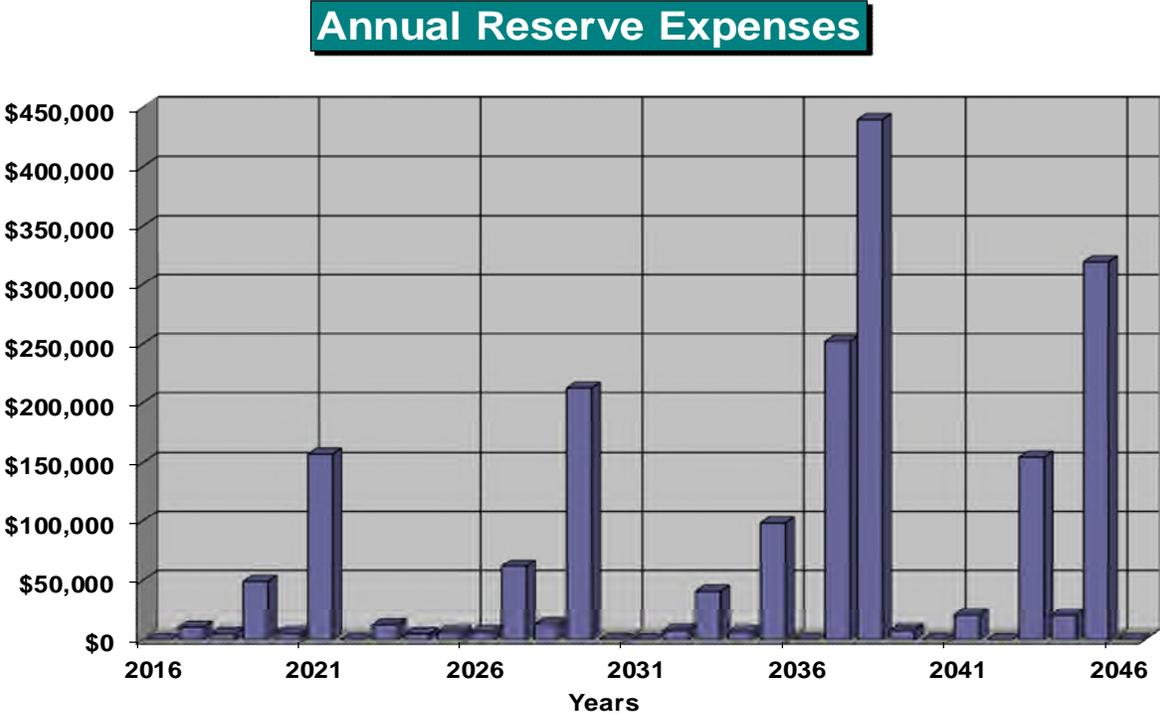


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$82,181 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 \$150,881 (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 54% [Funded](#). Across the country, approx 6% 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 \$4,200/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.

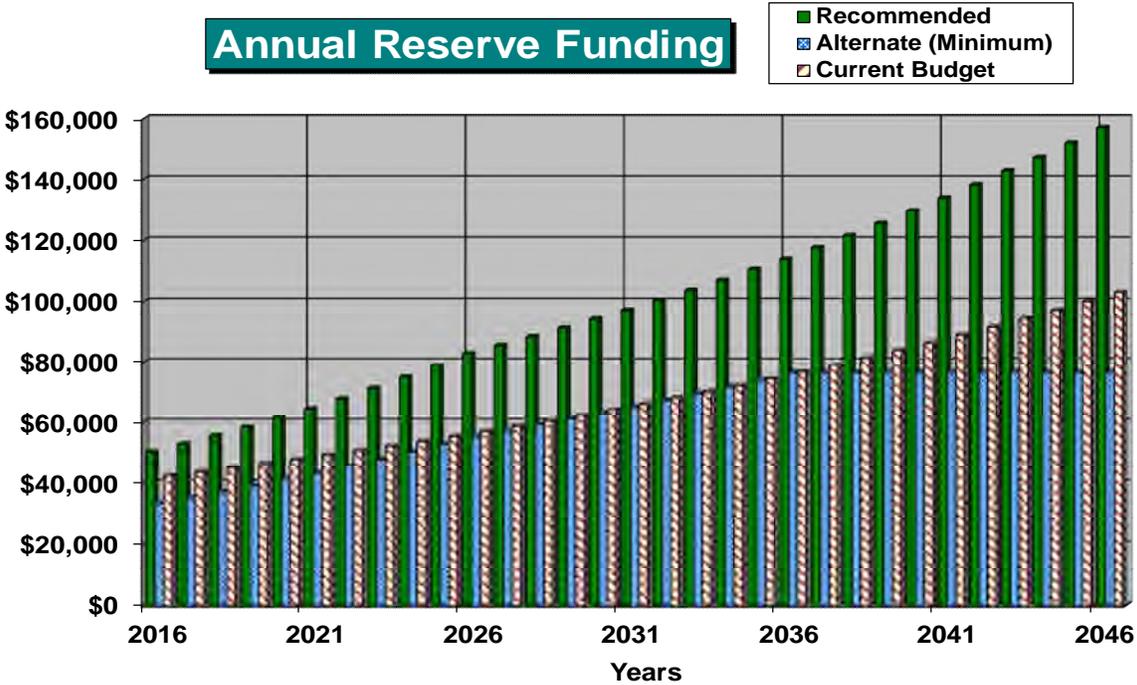


Figure 2

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.

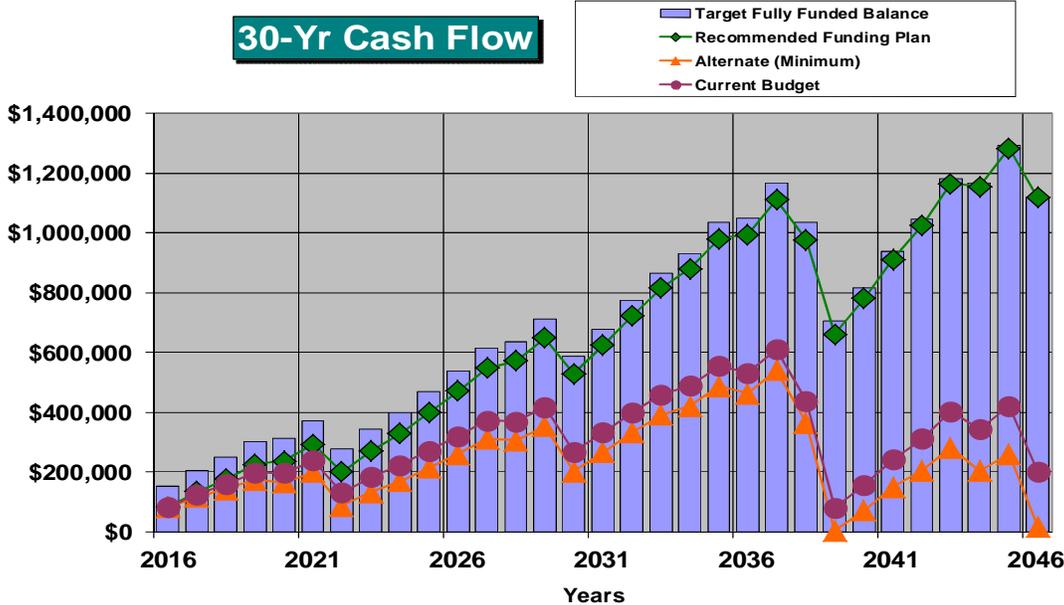


Figure 3

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

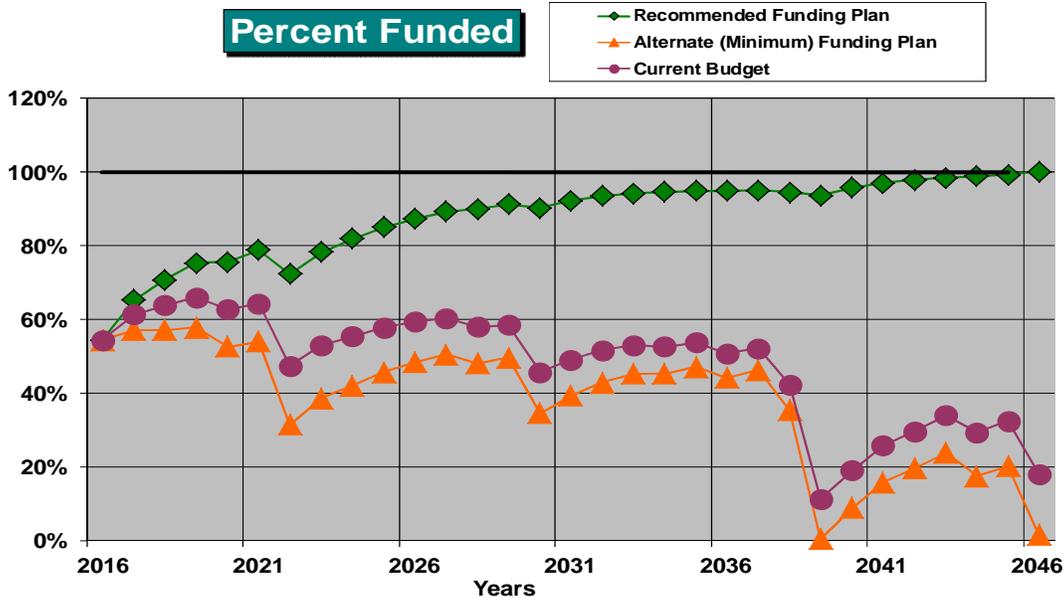


Figure 4

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 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
Site / Grounds						
100	Sidewalks, Driveways - Repr/Replace	Poured in place	5	8	\$3,000	\$5,000
107	Plaza Trellis - Repair/Replace	(1) 10' long wood struct	15	12	\$3,000	\$5,000
112	Metal Handrails - Repair/Replace	~260 LF, aluminum	30	27	\$13,000	\$18,200
115	Benches, Picnic, etc - Replace	~(7) metal pieces	20	17	\$2,500	\$3,500
160	Walkway Lights - Repair/Replace	~(45) metal standards	20	17	\$6,800	\$9,000
182	Drainage Lines - Inspect/Clean	Storm Drains	5	2	\$4,000	\$6,000
200	Community Signs - Repair/Replace	(4) wood/plastic	20	17	\$3,000	\$5,000
Building Exteriors						
500	Steep Slope Roofs - Repr/Replace	~45,000 GSF, arch shingle	25	22	\$158,000	\$203,000
505	Roofs - Inspect/Clean/Repair	~45,000 GSF, arch shingle	3	1	\$4,000	\$6,000
510	Gutters/Downspouts - Repair/Replace	~6,500 LF metal	25	22	\$32,500	\$45,500
520	Ext Surfaces/Siding - Repr/Replace	~40,000 GSF, fiber-cement	50	47	\$400,000	\$600,000
525	Full Exterior - Paint/Caulk	~45,000 GSF, Siding/Trim	8	5	\$113,000	\$158,000
527	Partial Exterior - Paint/Caulk	Portions of buildings	8	3	\$40,000	\$50,000
529	Caulk, etc. - Inspect/Replace	Partial areas as needed	8	1	\$4,000	\$6,000
177	Irrigation System - Repair/Replace	Valves, controls, etc.	20	19	\$5,000	\$7,000
15	Total Funded Components					

Table 3: Fully Funded Balance

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#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Site / Grounds								
100	Sidewalks, Driveways - Repr/Replace	\$4,000	X	0	/	5	=	\$0
107	Plaza Trellis - Repair/Replace	\$4,000	X	3	/	15	=	\$800
112	Metal Handrails - Repair/Replace	\$15,600	X	3	/	30	=	\$1,560
115	Benches, Picnic, etc - Replace	\$3,000	X	3	/	20	=	\$450
160	Walkway Lights - Repair/Replace	\$7,900	X	3	/	20	=	\$1,185
182	Drainage Lines - Inspect/Clean	\$5,000	X	3	/	5	=	\$3,000
200	Community Signs - Repair/Replace	\$4,000	X	3	/	20	=	\$600
Building Exteriors								
500	Steep Slope Roofs - Repr/Replace	\$180,500	X	3	/	25	=	\$21,660
505	Roofs - Inspect/Clean/Repair	\$5,000	X	2	/	3	=	\$3,333
510	Gutters/Downspouts - Repair/Replace	\$39,000	X	3	/	25	=	\$4,680
520	Ext Surfaces/Siding - Repr/Replace	\$500,000	X	3	/	50	=	\$30,000
525	Full Exterior - Paint/Caulk	\$135,500	X	3	/	8	=	\$50,813
527	Partial Exterior - Paint/Caulk	\$45,000	X	5	/	8	=	\$28,125
529	Caulk, etc. - Inspect/Replace	\$5,000	X	7	/	8	=	\$4,375
177	Irrigation System - Repair/Replace	\$6,000	X	1	/	20	=	\$300
								\$150,881

Table 4: Component Significance

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#	Component	Useful Life	Current Cost Estimate	Deterioration Cost/yr	Deterioration Significance
Site / Grounds					
100	Sidewalks, Driveways - Repr/Replace	5	\$4,000	\$800	1.7%
107	Plaza Trellis - Repair/Replace	15	\$4,000	\$267	0.6%
112	Metal Handrails - Repair/Replace	30	\$15,600	\$520	1.1%
115	Benches, Picnic, etc - Replace	20	\$3,000	\$150	0.3%
160	Walkway Lights - Repair/Replace	20	\$7,900	\$395	0.8%
182	Drainage Lines - Inspect/Clean	5	\$5,000	\$1,000	2.1%
200	Community Signs - Repair/Replace	20	\$4,000	\$200	0.4%
Building Exteriors					
500	Steep Slope Roofs - Repr/Replace	25	\$180,500	\$7,220	15.3%
505	Roofs - Inspect/Clean/Repair	3	\$5,000	\$1,667	3.5%
510	Gutters/Downspouts - Repair/Replace	25	\$39,000	\$1,560	3.3%
520	Ext Surfaces/Siding - Repr/Replace	50	\$500,000	\$10,000	21.2%
525	Full Exterior - Paint/Caulk	8	\$135,500	\$16,938	35.8%
527	Partial Exterior - Paint/Caulk	8	\$45,000	\$5,625	11.9%
529	Caulk, etc. - Inspect/Replace	8	\$5,000	\$625	1.3%
177	Irrigation System - Repair/Replace	20	\$6,000	\$300	0.6%
15	Total Funded Components			\$47,266	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	\$82,181	\$150,881	54.5%	Med	\$50,400	\$0	\$161	\$0
2017	\$132,742	\$203,267	65.3%	Med	\$52,970	\$0	\$231	\$10,300
2018	\$175,644	\$248,052	70.8%	Low	\$55,672	\$0	\$301	\$5,305
2019	\$226,313	\$300,804	75.2%	Low	\$58,511	\$0	\$347	\$49,173
2020	\$235,998	\$312,378	75.5%	Low	\$61,495	\$0	\$396	\$5,628
2021	\$292,262	\$370,747	78.8%	Low	\$64,631	\$0	\$369	\$157,082
2022	\$200,181	\$276,514	72.4%	Low	\$67,928	\$0	\$351	\$0
2023	\$268,460	\$342,940	78.3%	Low	\$71,392	\$0	\$447	\$12,299
2024	\$328,001	\$400,436	81.9%	Low	\$75,033	\$0	\$545	\$5,067
2025	\$398,511	\$468,901	85.0%	Low	\$78,860	\$0	\$652	\$6,524
2026	\$471,500	\$539,769	87.4%	Low	\$82,882	\$0	\$765	\$6,720
2027	\$548,426	\$614,468	89.3%	Low	\$85,575	\$0	\$841	\$62,291
2028	\$572,552	\$636,133	90.0%	Low	\$88,356	\$0	\$916	\$12,832
2029	\$648,992	\$711,412	91.2%	Low	\$91,228	\$0	\$883	\$212,203
2030	\$528,901	\$585,679	90.3%	Low	\$94,193	\$0	\$865	\$0
2031	\$623,958	\$676,888	92.2%	Low	\$97,254	\$0	\$1,010	\$0
2032	\$722,222	\$773,042	93.4%	Low	\$100,415	\$0	\$1,153	\$8,024
2033	\$815,766	\$866,092	94.2%	Low	\$103,678	\$0	\$1,271	\$41,156
2034	\$879,560	\$930,151	94.6%	Low	\$107,048	\$0	\$1,395	\$6,810
2035	\$981,194	\$1,033,923	94.9%	Low	\$110,527	\$0	\$1,482	\$98,196
2036	\$995,007	\$1,049,166	94.8%	Low	\$114,119	\$0	\$1,579	\$0
2037	\$1,110,705	\$1,168,569	95.0%	Low	\$117,828	\$0	\$1,566	\$252,070
2038	\$978,029	\$1,034,560	94.5%	Low	\$121,657	\$0	\$1,229	\$439,746
2039	\$661,170	\$705,942	93.7%	Low	\$125,611	\$0	\$1,081	\$7,894
2040	\$779,968	\$815,071	95.7%	Low	\$129,694	\$0	\$1,268	\$0
2041	\$910,930	\$938,487	97.1%	Low	\$133,909	\$0	\$1,452	\$20,938
2042	\$1,025,353	\$1,047,009	97.9%	Low	\$138,261	\$0	\$1,643	\$0
2043	\$1,165,256	\$1,183,410	98.5%	Low	\$142,754	\$0	\$1,740	\$154,602
2044	\$1,155,149	\$1,167,814	98.9%	Low	\$147,394	\$0	\$1,829	\$20,591
2045	\$1,283,780	\$1,293,024	99.3%	Low	\$152,184	\$0	\$1,802	\$319,315

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

28682-0

Fiscal Year	2016	2017	2018	2019	2020
Starting Reserve Balance	\$82,181	\$132,742	\$175,644	\$226,313	\$235,998
Annual Reserve Contribution	\$50,400	\$52,970	\$55,672	\$58,511	\$61,495
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$161	\$231	\$301	\$347	\$396
Total Income	\$132,742	\$185,944	\$231,617	\$285,171	\$297,889
# Component					
Site / Grounds					
100 Sidewalks, Driveways - Repr/Replace	\$0	\$0	\$0	\$0	\$0
107 Plaza Trellis - Repair/Replace	\$0	\$0	\$0	\$0	\$0
112 Metal Handrails - Repair/Replace	\$0	\$0	\$0	\$0	\$0
115 Benches, Picnic, etc - Replace	\$0	\$0	\$0	\$0	\$0
160 Walkway Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
182 Drainage Lines - Inspect/Clean	\$0	\$0	\$5,305	\$0	\$0
200 Community Signs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
500 Steep Slope Roofs - Repr/Replace	\$0	\$0	\$0	\$0	\$0
505 Roofs - Inspect/Clean/Repair	\$0	\$5,150	\$0	\$0	\$5,628
510 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
520 Ext Surfaces/Siding - Repr/Replace	\$0	\$0	\$0	\$0	\$0
525 Full Exterior - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
527 Partial Exterior - Paint/Caulk	\$0	\$0	\$0	\$49,173	\$0
529 Caulk, etc. - Inspect/Replace	\$0	\$5,150	\$0	\$0	\$0
177 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$10,300	\$5,305	\$49,173	\$5,628
Ending Reserve Balance:	\$132,742	\$175,644	\$226,313	\$235,998	\$292,262

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

28682-0

Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$292,262	\$200,181	\$268,460	\$328,001	\$398,511
Annual Reserve Contribution	\$64,631	\$67,928	\$71,392	\$75,033	\$78,860
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$369	\$351	\$447	\$545	\$652
Total Income	\$357,262	\$268,460	\$340,299	\$403,578	\$478,023
# Component					
Site / Grounds					
100 Sidewalks, Driveways - Repr/Replace	\$0	\$0	\$0	\$5,067	\$0
107 Plaza Trellis - Repair/Replace	\$0	\$0	\$0	\$0	\$0
112 Metal Handrails - Repair/Replace	\$0	\$0	\$0	\$0	\$0
115 Benches, Picnic, etc - Replace	\$0	\$0	\$0	\$0	\$0
160 Walkway Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
182 Drainage Lines - Inspect/Clean	\$0	\$0	\$6,149	\$0	\$0
200 Community Signs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
500 Steep Slope Roofs - Repr/Replace	\$0	\$0	\$0	\$0	\$0
505 Roofs - Inspect/Clean/Repair	\$0	\$0	\$6,149	\$0	\$0
510 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
520 Ext Surfaces/Siding - Repr/Replace	\$0	\$0	\$0	\$0	\$0
525 Full Exterior - Paint/Caulk	\$157,082	\$0	\$0	\$0	\$0
527 Partial Exterior - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
529 Caulk, etc. - Inspect/Replace	\$0	\$0	\$0	\$0	\$6,524
177 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$157,082	\$0	\$12,299	\$5,067	\$6,524
Ending Reserve Balance:	\$200,181	\$268,460	\$328,001	\$398,511	\$471,500

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

28682-0

Fiscal Year	2026	2027	2028	2029	2030
Starting Reserve Balance	\$471,500	\$548,426	\$572,552	\$648,992	\$528,901
Annual Reserve Contribution	\$82,882	\$85,575	\$88,356	\$91,228	\$94,193
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$765	\$841	\$916	\$883	\$865
Total Income	\$555,146	\$634,842	\$661,824	\$741,104	\$623,958
# Component					
Site / Grounds					
100 Sidewalks, Driveways - Repr/Replace	\$0	\$0	\$0	\$5,874	\$0
107 Plaza Trellis - Repair/Replace	\$0	\$0	\$5,703	\$0	\$0
112 Metal Handrails - Repair/Replace	\$0	\$0	\$0	\$0	\$0
115 Benches, Picnic, etc - Replace	\$0	\$0	\$0	\$0	\$0
160 Walkway Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
182 Drainage Lines - Inspect/Clean	\$0	\$0	\$7,129	\$0	\$0
200 Community Signs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
500 Steep Slope Roofs - Repr/Replace	\$0	\$0	\$0	\$0	\$0
505 Roofs - Inspect/Clean/Repair	\$6,720	\$0	\$0	\$7,343	\$0
510 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
520 Ext Surfaces/Siding - Repr/Replace	\$0	\$0	\$0	\$0	\$0
525 Full Exterior - Paint/Caulk	\$0	\$0	\$0	\$198,986	\$0
527 Partial Exterior - Paint/Caulk	\$0	\$62,291	\$0	\$0	\$0
529 Caulk, etc. - Inspect/Replace	\$0	\$0	\$0	\$0	\$0
177 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$6,720	\$62,291	\$12,832	\$212,203	\$0
Ending Reserve Balance:	\$548,426	\$572,552	\$648,992	\$528,901	\$623,958

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

28682-0

Fiscal Year	2031	2032	2033	2034	2035
Starting Reserve Balance	\$623,958	\$722,222	\$815,766	\$879,560	\$981,194
Annual Reserve Contribution	\$97,254	\$100,415	\$103,678	\$107,048	\$110,527
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,010	\$1,153	\$1,271	\$1,395	\$1,482
Total Income	\$722,222	\$823,790	\$920,716	\$988,004	\$1,093,203
# Component					
Site / Grounds					
100 Sidewalks, Driveways - Repr/Replace	\$0	\$0	\$0	\$6,810	\$0
107 Plaza Trellis - Repair/Replace	\$0	\$0	\$0	\$0	\$0
112 Metal Handrails - Repair/Replace	\$0	\$0	\$0	\$0	\$0
115 Benches, Picnic, etc - Replace	\$0	\$0	\$4,959	\$0	\$0
160 Walkway Lights - Repair/Replace	\$0	\$0	\$13,057	\$0	\$0
182 Drainage Lines - Inspect/Clean	\$0	\$0	\$8,264	\$0	\$0
200 Community Signs - Repair/Replace	\$0	\$0	\$6,611	\$0	\$0
Building Exteriors					
500 Steep Slope Roofs - Repr/Replace	\$0	\$0	\$0	\$0	\$0
505 Roofs - Inspect/Clean/Repair	\$0	\$8,024	\$0	\$0	\$8,768
510 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
520 Ext Surfaces/Siding - Repr/Replace	\$0	\$0	\$0	\$0	\$0
525 Full Exterior - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
527 Partial Exterior - Paint/Caulk	\$0	\$0	\$0	\$0	\$78,908
529 Caulk, etc. - Inspect/Replace	\$0	\$0	\$8,264	\$0	\$0
177 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$10,521
Total Expenses	\$0	\$8,024	\$41,156	\$6,810	\$98,196
Ending Reserve Balance:	\$722,222	\$815,766	\$879,560	\$981,194	\$995,007

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

28682-0

Fiscal Year	2036	2037	2038	2039	2040
Starting Reserve Balance	\$995,007	\$1,110,705	\$978,029	\$661,170	\$779,968
Annual Reserve Contribution	\$114,119	\$117,828	\$121,657	\$125,611	\$129,694
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,579	\$1,566	\$1,229	\$1,081	\$1,268
Total Income	\$1,110,705	\$1,230,099	\$1,100,916	\$787,862	\$910,930
# Component					
Site / Grounds					
100 Sidewalks, Driveways - Repr/Replace	\$0	\$0	\$0	\$7,894	\$0
107 Plaza Trellis - Repair/Replace	\$0	\$0	\$0	\$0	\$0
112 Metal Handrails - Repair/Replace	\$0	\$0	\$0	\$0	\$0
115 Benches, Picnic, etc - Replace	\$0	\$0	\$0	\$0	\$0
160 Walkway Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
182 Drainage Lines - Inspect/Clean	\$0	\$0	\$9,581	\$0	\$0
200 Community Signs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
500 Steep Slope Roofs - Repr/Replace	\$0	\$0	\$345,857	\$0	\$0
505 Roofs - Inspect/Clean/Repair	\$0	\$0	\$9,581	\$0	\$0
510 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$74,728	\$0	\$0
520 Ext Surfaces/Siding - Repr/Replace	\$0	\$0	\$0	\$0	\$0
525 Full Exterior - Paint/Caulk	\$0	\$252,070	\$0	\$0	\$0
527 Partial Exterior - Paint/Caulk	\$0	\$0	\$0	\$0	\$0
529 Caulk, etc. - Inspect/Replace	\$0	\$0	\$0	\$0	\$0
177 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$252,070	\$439,746	\$7,894	\$0
Ending Reserve Balance:	\$1,110,705	\$978,029	\$661,170	\$779,968	\$910,930

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

28682-0

Fiscal Year	2041	2042	2043	2044	2045
Starting Reserve Balance	\$910,930	\$1,025,353	\$1,165,256	\$1,155,149	\$1,283,780
Annual Reserve Contribution	\$133,909	\$138,261	\$142,754	\$147,394	\$152,184
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,452	\$1,643	\$1,740	\$1,829	\$1,802
Total Income	\$1,046,291	\$1,165,256	\$1,309,751	\$1,304,372	\$1,437,766
# Component					
Site / Grounds					
100 Sidewalks, Driveways - Repr/Replace	\$0	\$0	\$0	\$9,152	\$0
107 Plaza Trellis - Repair/Replace	\$0	\$0	\$8,885	\$0	\$0
112 Metal Handrails - Repair/Replace	\$0	\$0	\$34,652	\$0	\$0
115 Benches, Picnic, etc - Replace	\$0	\$0	\$0	\$0	\$0
160 Walkway Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
182 Drainage Lines - Inspect/Clean	\$0	\$0	\$11,106	\$0	\$0
200 Community Signs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Building Exteriors					
500 Steep Slope Roofs - Repr/Replace	\$0	\$0	\$0	\$0	\$0
505 Roofs - Inspect/Clean/Repair	\$10,469	\$0	\$0	\$11,440	\$0
510 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
520 Ext Surfaces/Siding - Repr/Replace	\$0	\$0	\$0	\$0	\$0
525 Full Exterior - Paint/Caulk	\$0	\$0	\$0	\$0	\$319,315
527 Partial Exterior - Paint/Caulk	\$0	\$0	\$99,958	\$0	\$0
529 Caulk, etc. - Inspect/Replace	\$10,469	\$0	\$0	\$0	\$0
177 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$20,938	\$0	\$154,602	\$20,591	\$319,315
Ending Reserve Balance:	\$1,025,353	\$1,165,256	\$1,155,149	\$1,283,780	\$1,118,451

Accuracy, Limitations, and Disclosures

Washington disclosure, per RCW:

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

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 WA, LLC 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 developed by Association Reserves unless otherwise noted in our “Site Inspection Notes” comments. 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 area maintenance repair & replacement responsibility
- 2) Components must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically 1/2 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 costs, 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: 28682A View Ridge Neighborhood

Comp # : 100 Sidewalks, Driveways - Repr/Replace Quantity: Poured in place

Location : Driveways, sidewalks, exterior stairs, etc.

Funded? : Yes

History : None known

Evaluation : No widespread or significant cracking or damage noted of concrete. 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. The timing here is set to start at about when the community is about 10 years old. 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:
8 years



Best Case: \$3,000

Worst Case: \$5,000

Lower allowance for periodic local repairs/replacement

Higher allowance; more repair needs

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 101 Roads/Alley - Repair/Replace Quantity: Concrete, asphalt

Location : Logan, 24th Ave, Mulberry Street within community, alley adjacent to east side of site

Funded? : No Responsibility of city of Issaquah

History : N/A

Evaluation : According to our inquiry with city of Issaquah Public Works Operations department, the concrete loop road within the community made up of an extension of Logan St. to the South and Mulberry St. to the North and 24th Ave. to the West, is city of Issaquah responsibility to maintain. Additionally, the asphalt alley adjacent to the East side of the site between Logan St. and Mulberry St. and west of Magnolia Village is also city of Issaquah responsibility to maintain. With this understanding, no Association funding. See next component for Tract E

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 28682A View Ridge Neighborhood

Comp # : 103 Tract E Driveway/Parking - Rpr/Rplc Quantity: ~3,600 SF, concrete

Location : Within Tract E

Funded? : No Not Association responsibility

History : Assumed original to installation

Evaluation : According to the plat notes on the recorded map/plan, an equal and undivided interest in Tract E is conveyed to the owners of Lots 21-26 for the purpose of private access and utilities. The docs go on to state the owners of said lots are responsible for the maintenance of the access and utility facilities within said tract. With this understanding, no reserve funding included here for the Residential Association.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 105 Plaza Concrete - Repair/Replace Quantity: Colored pad, bench

Location : Middle section of property at Tract C

Funded? : No - Useful life is not predictable; repair/replace as needed out of operating budget

History : None known

Evaluation : There is a circular concrete plaza pad with colored concrete surface; adjacent concrete bench adjoins this area. With ordinary care and maintenance (cleaning/locally repairing), no predictable basis for major repairs/replacement assuming designed and installed correctly. No basis for reserve funding.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 28682A View Ridge Neighborhood

Comp # : 107 Plaza Trellis - Repair/Replace

Quantity: (1) 10' long wood struct

Location : Installed at common plaza area within Tract C

Funded? : Yes

History : Assumed original to installation

Evaluation : Wood trellis has three wood posts set in stone columns and two benches spanning between columns. No significant deterioration or damage was observed. Expect to replace wood at roughly the time frame shown below due to typical exposure. Evaluate as remaining useful life approaches zero years and adjust life accordingly. Inspect periodically and repair as needed. Clean and paint/stain as needed as part of routine maintenance.

Useful Life:
15 years

Remaining Life:
12 years



Best Case: \$3,000

Worst Case: \$5,000

Lower allowance to replace wood portion of trellis structure, including benches

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 112 Metal Handrails - Repair/Replace

Quantity: ~260 LF, aluminum

Location : Adjacent to pedestrian stairs at scattered areas of site

Funded? : Yes

History : Assumed original to installation

Evaluation : No obvious instability or widespread damage to what appears to be powder coated, aluminum railings. Over time, these railings will deteriorate due to constant exposure and use/abuse over time. We suggest reserve funding for regular intervals of total replacement as indicated below. As routine maintenance, inspect regularly to ensure safety and stability; repair promptly as needed using general operating/maintenance funds.

Useful Life:
30 years

Remaining Life:
27 years



Best Case: \$13,000

Worst Case: \$18,200

\$50/LF, Lower allowance to remove and replace

\$70/LF, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 115 Benches, Picnic, etc - Replace Quantity: ~(7) metal pieces
Location : Installed within Tract C
Funded? : Yes

History : Assumed original to construction

Evaluation : No significant damage/deterioration noted of metal pieces which include (2) benches, (1) picnic table with (3) small backless benches and (1) trash receptacle. Over time these pieces will wear due to exposure and while individually can be replaced as needed out of the operating budget, in order to maintenance a consistent, quality appearance, we recommend planning for replacement as shown. As routine maintenance, inspect regularly and clean/repair locally as needed.

Useful Life:
20 years

Remaining Life:
17 years



Best Case: \$2,500

Worst Case: \$3,500

Lower allowance to replace metal pieces (benches, picnic table, trash receptacle)

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 160 Walkway Lights - Repair/Replace Quantity: ~(45) metal standards
Location : Adjacent to scattered pedestrian walkways within community
Funded? : Yes

History : Assumed original to installation

Evaluation : No major damage/deterioration noted. Observed during daylight hours; assumed to be in functional operating condition. Best to plan for replacement at roughly the time frame below for cost efficiency and consistent quality/appearance throughout association. As routine maintenance, inspect, repair/change bulbs as needed.

Useful Life:
20 years

Remaining Life:
17 years



Best Case: \$6,800

Worst Case: \$9,000

\$150/each (x45), Lower allowance to replace

\$200/each (x45, Higher allowance)

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 170 Landscape - Maintain/Refurbish Quantity: Shrubs, grass, trees

Location : Common area tracts, adjacent to units

Funded? : No Useful life not predictable, repair/replace as needed out of operating budget

History : Assumed original to construction

Evaluation : Moderate amount of landscaping here appears to be low maintenance items. 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, 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; small total area and newer plantings. At this time no predictable basis for reserve funding; monitor and include funding in reserve study updates if needed / desired.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 28682A View Ridge Neighborhood

Comp # : 175 Irrigation System - Repair/Replace Quantity: Valves, controls, etc.

Location : Throughout landscaing

Funded? : No - Useful life is not predictable; repair/replace as needed out of operating budget

History : Assumed original to installation

Evaluation : Our visual observation of the irrigation system was limited as the majority of system components are below grade. At the time of this study, no information (plans and/or specifications) was provided to us regarding the extent of the irrigation system and system was not in use during our off-season January inspection.

Assuming professional inspections and maintenance, no predictable basis for reserve funding at this time for overall system. As routine maintenance, inspect, test, and repair system as needed from operating budget. Follow proper winterization and spring startup procedures. If properly installed and bedded without defect, the lines could last for many years. Other elements (i.e. sprinkler heads, valves) within this system are generally lower cost and have a failure rate that is difficult to predict. These elements are better suited to be handled through the maintenance and operating budget, not reserves. See next component for valve.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 177 Irrigation System - Repair/Replace Quantity: Valves, controls, etc.

Location : Within community

Funded? : Yes

History : Assumed original to installation

Evaluation : Per Association irrigation specialist, plan to replace valve at time frame and cost shown here.

Useful Life:
20 years

Remaining Life:
19 years



Best Case: \$5,000

Worst Case: \$7,000

Lower estimate to replace valve

Higher estimate

Cost Source: Cost per Association Irrigation Specialist

Client: 28682A View Ridge Neighborhood

Comp # : 180 Play Tunnel/Mats - Repair/Replace Quantity: (1) 10' tunnel, rbr mats

Location : Main plaza area within Tract C near trellis

Funded? : No - Useful life is not predictable; repair/replace as needed out of operating budget

History : Assumed original to installation

Evaluation : There is a 10' long plastic tunnel installed within ground area at plaza with rubber mats at both entry/exits. No specific issues observed at this time. Assuming inspecting and repairing as needed, no predicable basis for reserve funding. Local work can be funded out of the operating budget as needed.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 182 Drainage Lines - Inspect/Clean Quantity: Storm Drains

Location : Throughout community

Funded? : Yes

History : None known

Evaluation : No specific problems observed or reported at this time. Drainage facilities are typically inspected periodically by governing authority; typically storm system maintenance guidelines can be found on their website. As is the proactive with other communities in this area and managed by same management company, cyclical drain line cleaning is being included here. Local cleaning/inspections can be conducted as part of routine annual maintenance.

Useful Life:
5 years

Remaining Life:
2 years



Best Case: \$4,000

Worst Case: \$6,000

Lower allowance to inspect/clean drain lines

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 200 Community Signs - Repair/Replace Quantity: (4) wood/plastic

Location : Scattered areas of community, mostly near plaza entries

Funded? : Yes

History : Assumed original to installation

Evaluation : No major damage/deterioration noted of plastic signs mounted to wood structures. Reserve funding recommended for regular intervals of replacement to maintain a consistent, quality appearance. As noted within Association documents, various other signs identifying pedestrian paths, etc. are city of Issaquah responsibility to maintain, repair and replace.

Useful Life:
20 years

Remaining Life:
17 years



Best Case: \$3,000

Worst Case: \$5,000

Lower allowance to remove and replace

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 500 Steep Slope Roofs - Repr/Replace

Quantity: ~45,000 GSF, arch shingle

Location : Rooftops of building, rear porches, etc.

Funded? : Yes

History : Assumed original to installation

Evaluation : Although we had limited visibility from our ground level inspection, we observed metal flashing at rake edges, roofing shingles overhang barge board cut ends, flashing visible at roof/wall interfaces and metal crickets at valleys. Visible ventilation includes circular holes between rafters at eaves and roof jacks; we could not confirm if ridge vents in place.

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 #505.

Useful Life:
25 years

Remaining Life:
22 years



Best Case: \$158,000

\$3.50/Sq Ft, Lower allowance to tear off and reroof

Worst Case: \$203,000

\$4.50/Sq Ft, Higher allowance; upgrades, underlying repair needs, metal work, etc.

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 505 Roofs - Inspect/Clean/Repair

Quantity: ~45,000 GSF, arch shingle

Location : Rooftops of buildings, porches

Funded? : Yes

History : None known

Evaluation : No widespread debris, moss, etc. viewed from our ground level inspection and no problems reported to us. 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:
1 years



Best Case: \$4,000

Worst Case: \$6,000

Lower allowance to inspect, clean and apply moss treatment

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 510 Gutters/Downspouts - Repair/Replace Quantity: ~6,500 LF metal

Location : Perimeter of buildings

Funded? : Yes

History : Assumed original to construction

Evaluation : We did not observe any obvious issues such as improper sloping, poor attachment and other damage/deterioration from our limited ground level view. We recommend that the adjacent gutter (and downspouts) be replaced when the roof (#500) 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:
22 years



Best Case: \$32,500

Worst Case: \$45,500

\$5/Linear Ft, Lower allowance to remove and replace

\$70/Linear Ft, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 520 Ext Surfaces/Siding - Repr/Replace Quantity: ~40,000 GSF, fiber-cement

Location : Exterior of buildings

Funded? : Yes

History : Assumed original to construction

Evaluation : Buildings include a variety of types of siding with majority believed to be fiber-cement materials of horizontal clap board and board/batten style; trim, fascia, door moldings, etc. appear to be painted wood. We noted corner trim butts to siding and is caulked, metal flashing is installed at top of trim at windows and top side of penetrations and belly bands, caulking in place at window sills/jams; siding to siding ends are not caulked.

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:
47 years



Best Case: \$400,000

Worst Case: \$600,000

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

\$15/SF, Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 525 Full Exterior - Paint/Caulk

Quantity: ~45,000 GSF, Siding/Trim

Location : Exterior of buildings

Funded? : Yes

History : None known

Evaluation : According to the Association declaration Section 3.1.3 (b), painting (including staining) of all exterior painted portions of the improvements, including garage, garage door, exterior doors, shutters, fascia, etc. is the responsibility of the Neighborhood Association. For discussion of exterior repairs/replacement, see component # 520. Furthermore, Association declaration Section 3.1.3(b), 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 #535 and #580.

No widespread or significant deterioration of exterior painted surfaces and caulking at this time. Siding appears to be primarily fiber-cement materials of horizontal clapboard and bat/board style with wood trim. 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 (#527) at the mid-way point between these cycles as well as inspection/touch-up caulk cycles (#529) 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:
5 years



Best Case: \$113,000

\$2.50/SF, Lower allowance to paint entire building exterior surfaces including caulking

Worst Case: \$158,000

\$3.50/SF, Higher allowance, includes other things such as benches, small light posts, etc.

Cost Source: ARI Cost Database: Similar Project Cost History/Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 527 Partial Exterior - Paint/Caulk

Quantity: Portions of buildings

Location : Portions of exterior of buildings

Funded? : Yes

History : None known

Evaluation : This component reflects partial paint projects (trim, touch-up, more exposed areas) and caulking at the mid-way point between exhaustive paint projects (#525) hence this reflects 8 year cycles which fund 4 years following the full paint project. This typically would include more exposed sides of buildings, wood areas, darker colors that fade, etc. 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: \$40,000

Worst Case: \$50,000

Lower allowance for partial caulk/paint project between comprehensive paint projects

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History/Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 529 Caulk, etc. - Inspect/Replace

Quantity: Partial areas as needed

Location : Partial exteriors as needed

Funded? : Yes

History : done

Evaluation : According to the Association declaration (Section 3.1.3 c), 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 #535 and #580. 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 (# 525) and the trim/partial paint projects (#527). 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:
8 years

Remaining Life:
1 years



Best Case: \$4,000

Worst Case: \$6,000

Lower allowance for inspection/touch-up caulk project

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 28682A View Ridge Neighborhood

Comp # : 535 Windows - Repair/Replace

Quantity: Extensive, assorted

Location : Exterior walls

Funded? : No Unit owner responsibility, not Association

History : None known

Evaluation : According to Governing Documents section 3.2 the Residential Association is not responsible for windows maintenance and repairs other than caulking (funded separately). 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 separate components.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 540 Decks/Porches - Repair/Replace

Quantity: Varies

Location : Adjacent to individual units

Funded? : No Association not responsible; individual owner responsibility

History : Assumed original to construction

Evaluation : In Section 3.7 of governing documents, maintenance, repair and replacement of front porches and decks installed as part of original construction is individual unit owner responsibility, not the Residential Association. With this understanding no funding included here. However, we recommend the Association oversee work in these areas to ensure proper waterproofing/protection of association assets. We noted concrete porches and patios at ground level and elevated decks appear to be either composite drip through decking or solid surface decking (assume elastomeric). We assume all railings adjacent to these areas are also unit owner responsibility, not Association.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 28682A View Ridge Neighborhood

Comp # : 560 **Bldg. Exterior Lights - Replace** Quantity: Metal/glass

Location : Mounted on exterior walls of buildings

Funded? : No Residential Association not responsible, unit owner responsible

History : Assumed original to installation

Evaluation : According to governing documents Section 3.7 (g), owners are responsible to maintain, repair and replace exterior lights. No reserve funding included here.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 580 **Unit/Garage Doors - Replace** Quantity: Extensive, assorted

Location : Entries to units and garages

Funded? : No Unit owner responsibility

History : None known

Evaluation : Doors appear to be sturdy metal designs. We assume installed without defect of material and/or workmanship. As with windows (#535), according to Governing Documents Section 3.2, the Residential Association is not responsible for maintenance or repairs to doors or garage doors, other than caulking and painting. 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: 28682A View Ridge Neighborhood

Comp # : 997 Association Annual Inspection Quantity: Every year
Location : Common elements of association
Funded? : No Annual costs, best handled in operational budget
History : None known

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, best handled in operational budget
History : No previous reserve study known

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: