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Sample Townhome Community II
WA 2022 FY
Anytown, WA

JIM TALAGA CAI-RS 00066 DESIGNATION RESERVE SPECIALIST

Report #: 9999-0
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY
"Full"

July 29, 2021

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is " predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**
  Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**
  A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**
  A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.

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Reserve Study Executive Summary — Full

Sample Townhome Community II - WA 2022 FY Report #: **9999-0**
Anytown, WA # of Units: 9
Level of Service: **"Full"** **January 1, 2022** through **December 31, 2022**

Findings & Recommendations — as of January 1, 2022

Starting Reserve Balance	**$46,105**
Current Fully Funded Reserve Balance	**$44,380**
Percent Funded	**103.9 %**
Average Reserve Deficit or (Surplus) Per Unit	**($192)**
Recommended 2022 100% Monthly "Full Funding" Contributions	**$1,985**
2022 "Baseline Funding" minimum to keep Reserves above $0	**$1,030**
Most Recent Budgeted Contribution Rate	**$904**

Reserve Fund Strength: 103.9%

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

Risk of Special Assessment: **High** **Medium** **Low**

Economic Assumptions:

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

• This is a "Full", prepared by a credentialed Reserve Specialist (RS™).

• Your Reserve Fund is currently 103.9 % Funded. This means the association's special assessment & deferred maintenance risk is currently Low. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.

• Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to within the 100% range as noted above. The 100% "Full" contribution rate is designed to achieve, or maintain the "Fully Funded" objective.

• No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is defined as, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

Executive Summary Table

Report # 9999-0
Full

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	Site & Grounds			
205	Mailboxes – Repair/Replace	20	18	$2,100
215	Community Deck - Repair/Replace	30	25	$5,250
	Building Exteriors			
505	Low Slope Roof – Repair/Replace	20	18	$53,600
512	Skylights - Repair/Replace	20	18	$1,800
514	Chimney Flues & Caps – Replace	40	38	$2,900
522	Fiber Cement Siding-Repair/Replace	50	48	$286,200
533	Exterior Surfaces - Caulk & Paint	8	6	$45,350
535	Windows & Glass Doors - Replace	25	23	$64,100
542	Elastomeric Decks - Repair & Recoat	5	3	$1,800
551	Composite Decks – Repair/Replace	30	28	$2,650
555	Deck Rail - Repair/Replace	30	28	$16,650
560	Exterior Lights - Repair/Replace	24	22	$5,400
	Building Interiors			
700	Carpeting - Maintain/Replace	10	8	$4,200
710	Interior Walls & Ceilings - Paint	10	8	$7,000
	Systems & Inspections			
900	Plumbing - Systems Evaluation	1	0	$5,000
15	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

Introduction

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

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

RESERVE STUDY RESULTS

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

Methodology

For this Full Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

RESERVE COMPONENT "FOUR-PART TEST"

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

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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

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

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

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

How much should we contribute?

RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

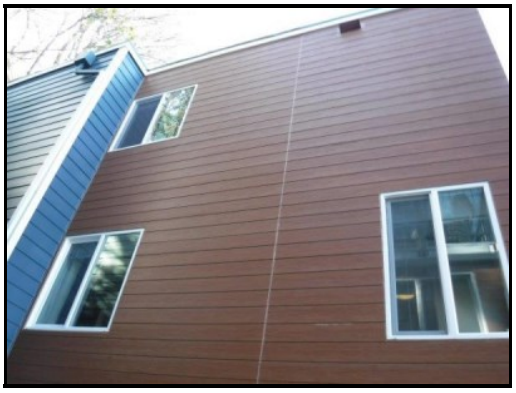
Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 -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

FUNDING OBJECTIVES

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

Site Inspection Notes

During our site visit on 7/27/2021, 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.



Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in the 30-yr Summary Table, while details of the projects that make up these expenses are shown in the Cash Flow Detail Table.

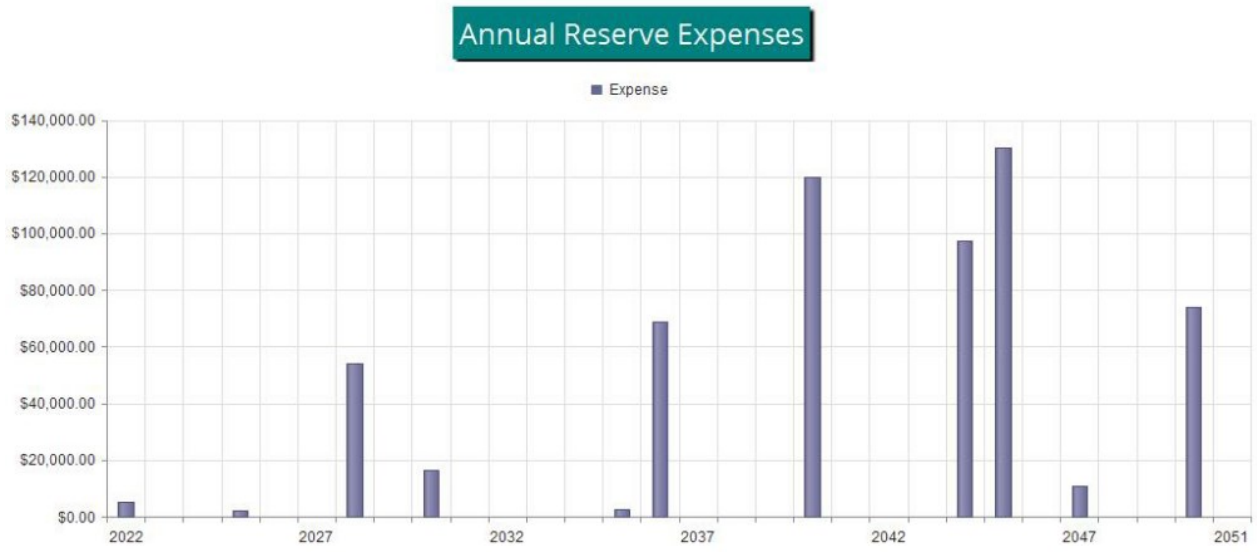


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be $46,105 as-of the start of your Fiscal Year on 1/1/2022. As of that date, your Fully Funded Balance is computed to be $44,380 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of $1,985 per month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

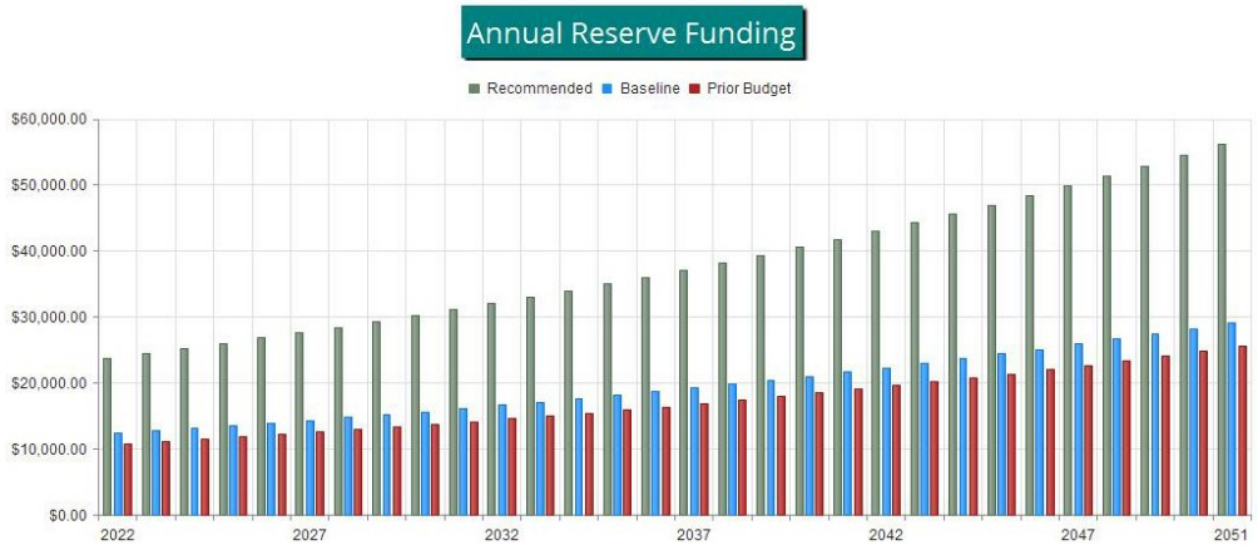


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate (assumes future increases), compared to your always-changing Fully Funded Balance target.

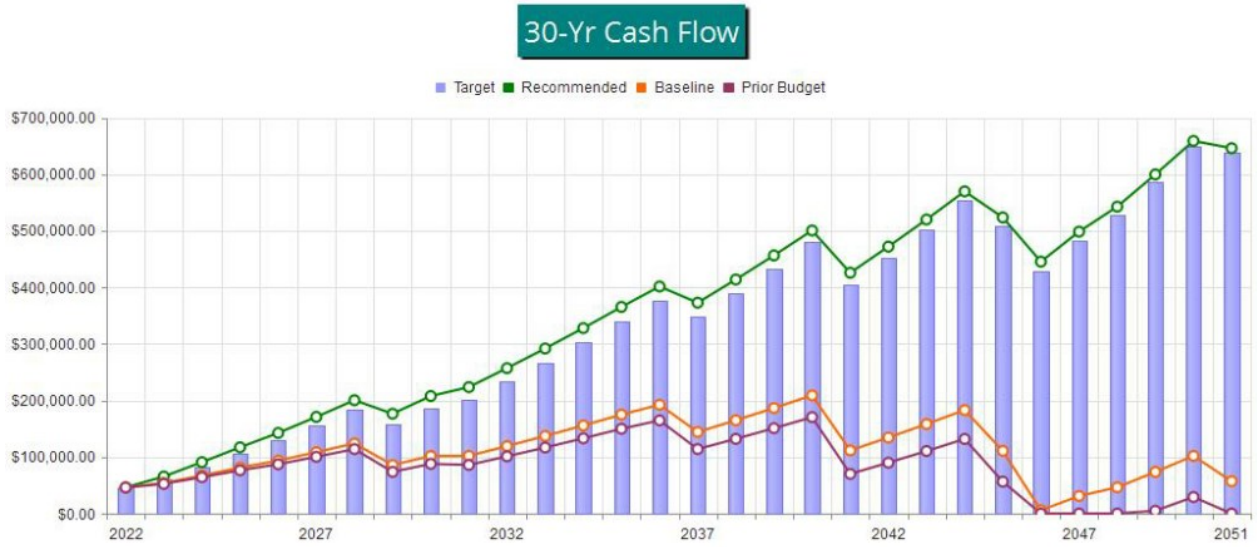


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

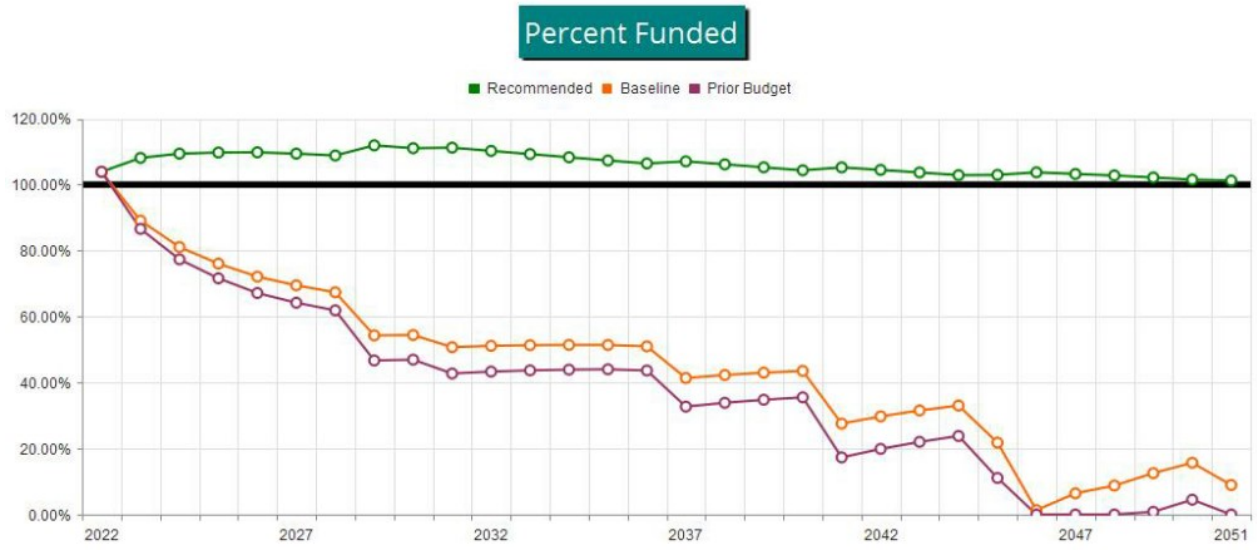


Figure 4

Table Descriptions

Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
					Best Case	Worst Case
	Site & Grounds					
205	Mailboxes – Repair/Replace	2 clusters/8 boxes	20	18	$1,800	$2,400
215	Community Deck - Repair/Replace	~150 SF	30	25	$3,000	$7,500
	Building Exteriors					
505	Low Slope Roof – Repair/Replace	~3,040 SF	20	18	$45,600	$61,600
512	Skylights - Repair/Replace	2 fixtures	20	18	$1,500	$2,100
514	Chimney Flues & Caps – Replace	9 flues & 9 caps	40	38	$2,500	$3,300
522	Fiber Cement Siding-Repair/Replace	~12,950 SF	50	48	$235,700	$336,700
533	Exterior Surfaces - Caulk & Paint	~12,950 SF	8	6	$38,900	$51,800
535	Windows & Glass Doors - Replace	39 windows & 7 doors	25	23	$52,100	$76,100
542	Elastomeric Decks - Repair & Recoat	~150 SF	5	3	$1,500	$2,100
551	Composite Decks – Repair/Replace	~75 SF	30	28	$1,500	$3,800
555	Deck Rail - Repair/Replace	~145 LF	30	28	$15,200	$18,100
560	Exterior Lights - Repair/Replace	18 fixtures	24	22	$4,600	$6,200
	Building Interiors					
700	Carpeting - Maintain/Replace	~60 SY/~545 SF	10	8	$3,600	$4,800
710	Interior Walls & Ceilings - Paint	~2,785 SF	10	8	$5,600	$8,400
	Systems & Inspections					
900	Plumbing - Systems Evaluation	Supply & drain lines	1	0	$4,000	$6,000
15	Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
	Site & Grounds							
205	Mailboxes – Repair/Replace	$2,100	X	2	/	20	=	$210
215	Community Deck - Repair/Replace	$5,250	X	5	/	30	=	$875
	Building Exteriors							
505	Low Slope Roof – Repair/Replace	$53,600	X	2	/	20	=	$5,360
512	Skylights - Repair/Replace	$1,800	X	2	/	20	=	$180
514	Chimney Flues & Caps – Replace	$2,900	X	2	/	40	=	$145
522	Fiber Cement Siding-Repair/Replace	$286,200	X	2	/	50	=	$11,448
533	Exterior Surfaces - Caulk & Paint	$45,350	X	2	/	8	=	$11,338
535	Windows & Glass Doors - Replace	$64,100	X	2	/	25	=	$5,128
542	Elastomeric Decks - Repair & Recoat	$1,800	X	2	/	5	=	$720
551	Composite Decks – Repair/Replace	$2,650	X	2	/	30	=	$177
555	Deck Rail - Repair/Replace	$16,650	X	2	/	30	=	$1,110
560	Exterior Lights - Repair/Replace	$5,400	X	2	/	24	=	$450
	Building Interiors							
700	Carpeting - Maintain/Replace	$4,200	X	2	/	10	=	$840
710	Interior Walls & Ceilings - Paint	$7,000	X	2	/	10	=	$1,400
	Systems & Inspections							
900	Plumbing - Systems Evaluation	$5,000	X	1	/	1	=	$5,000
								$44,380

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
	Site & Grounds				
205	Mailboxes – Repair/Replace	20	$2,100	$105	0.43 %
215	Community Deck - Repair/Replace	30	$5,250	$175	0.72 %
	Building Exteriors				
505	Low Slope Roof – Repair/Replace	20	$53,600	$2,680	10.97 %
512	Skylights - Repair/Replace	20	$1,800	$90	0.37 %
514	Chimney Flues & Caps – Replace	40	$2,900	$73	0.30 %
522	Fiber Cement Siding-Repair/Replace	50	$286,200	$5,724	23.43 %
533	Exterior Surfaces - Caulk & Paint	8	$45,350	$5,669	23.21 %
535	Windows & Glass Doors - Replace	25	$64,100	$2,564	10.50 %
542	Elastomeric Decks - Repair & Recoat	5	$1,800	$360	1.47 %
551	Composite Decks – Repair/Replace	30	$2,650	$88	0.36 %
555	Deck Rail - Repair/Replace	30	$16,650	$555	2.27 %
560	Exterior Lights - Repair/Replace	24	$5,400	$225	0.92 %
	Building Interiors				
700	Carpeting - Maintain/Replace	10	$4,200	$420	1.72 %
710	Interior Walls & Ceilings - Paint	10	$7,000	$700	2.87 %
	Systems & Inspections				
900	Plumbing - Systems Evaluation	1	$5,000	$5,000	20.47 %
15	Total Funded Components			$24,428	100.00 %

30-Year Reserve Plan Summary

Report # 9999-0
Full

Fiscal Year Start: 2022	Interest: 1.00 %	Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2022	$46,105	$44,380	103.9 %	Low	119.58 %	$23,820	$0	$558	$5,000
2023	$65,483	$60,572	108.1 %	Low	3.00 %	$24,535	$0	$781	$0
2024	$90,798	$83,000	109.4 %	Low	3.00 %	$25,271	$0	$1,039	$0
2025	$117,108	$106,719	109.7 %	Low	3.00 %	$26,029	$0	$1,297	$1,967
2026	$142,467	$129,760	109.8 %	Low	3.00 %	$26,810	$0	$1,566	$0
2027	$170,843	$156,175	109.4 %	Low	3.00 %	$27,614	$0	$1,855	$0
2028	$200,312	$184,058	108.8 %	Low	3.00 %	$28,442	$0	$1,883	$54,150
2029	$176,487	$157,698	111.9 %	Low	3.00 %	$29,296	$0	$1,920	$0
2030	$207,703	$187,040	111.0 %	Low	3.00 %	$30,174	$0	$2,155	$16,468
2031	$223,565	$201,037	111.2 %	Low	3.00 %	$31,080	$0	$2,402	$0
2032	$257,046	$233,178	110.2 %	Low	3.00 %	$32,012	$0	$2,743	$0
2033	$291,801	$267,065	109.3 %	Low	3.00 %	$32,972	$0	$3,097	$0
2034	$327,871	$302,776	108.3 %	Low	3.00 %	$33,962	$0	$3,464	$0
2035	$365,297	$340,390	107.3 %	Low	3.00 %	$34,980	$0	$3,832	$2,643
2036	$401,466	$377,265	106.4 %	Low	3.00 %	$36,030	$0	$3,870	$68,596
2037	$372,770	$348,196	107.1 %	Low	3.00 %	$37,111	$0	$3,931	$0
2038	$413,812	$389,818	106.2 %	Low	3.00 %	$38,224	$0	$4,349	$0
2039	$456,385	$433,623	105.2 %	Low	3.00 %	$39,371	$0	$4,783	$0
2040	$500,538	$479,706	104.3 %	Low	3.00 %	$40,552	$0	$4,629	$120,022
2041	$425,698	$404,541	105.2 %	Low	3.00 %	$41,769	$0	$4,486	$0
2042	$471,953	$451,766	104.5 %	Low	3.00 %	$43,022	$0	$4,957	$0
2043	$519,932	$501,460	103.7 %	Low	3.00 %	$44,312	$0	$5,446	$0
2044	$569,690	$553,729	102.9 %	Low	3.00 %	$45,642	$0	$5,464	$97,242
2045	$523,553	$508,523	103.0 %	Low	3.00 %	$47,011	$0	$4,842	$130,059
2046	$445,347	$429,310	103.7 %	Low	3.00 %	$48,421	$0	$4,717	$0
2047	$498,485	$482,867	103.2 %	Low	3.00 %	$49,874	$0	$5,203	$10,992
2048	$542,570	$527,928	102.8 %	Low	3.00 %	$51,370	$0	$5,709	$0
2049	$599,648	$586,920	102.2 %	Low	3.00 %	$52,911	$0	$6,290	$0
2050	$658,849	$648,976	101.5 %	Low	3.00 %	$54,498	$0	$6,521	$73,900
2051	$645,969	$638,111	101.2 %	Low	3.00 %	$56,133	$0	$6,771	$0

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 9999-0
Full

Fiscal Year Start: 2022	Interest: 1.00 %	Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date					Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2022	$46,105	$44,380	103.9 %	Low	13.94 %	$12,360	$0	$500	$5,000
2023	$53,965	$60,572	89.1 %	Low	3.00 %	$12,731	$0	$606	$0
2024	$67,302	$83,000	81.1 %	Low	3.00 %	$13,113	$0	$742	$0
2025	$81,157	$106,719	76.0 %	Low	3.00 %	$13,506	$0	$873	$1,967
2026	$93,569	$129,760	72.1 %	Low	3.00 %	$13,911	$0	$1,010	$0
2027	$108,490	$156,175	69.5 %	Medium	3.00 %	$14,329	$0	$1,162	$0
2028	$123,981	$184,058	67.4 %	Medium	3.00 %	$14,758	$0	$1,048	$54,150
2029	$85,637	$157,698	54.3 %	Medium	3.00 %	$15,201	$0	$937	$0
2030	$101,775	$187,040	54.4 %	Medium	3.00 %	$15,657	$0	$1,018	$16,468
2031	$101,982	$201,037	50.7 %	Medium	3.00 %	$16,127	$0	$1,106	$0
2032	$119,215	$233,178	51.1 %	Medium	3.00 %	$16,611	$0	$1,281	$0
2033	$137,107	$267,065	51.3 %	Medium	3.00 %	$17,109	$0	$1,463	$0
2034	$155,679	$302,776	51.4 %	Medium	3.00 %	$17,622	$0	$1,652	$0
2035	$174,954	$340,390	51.4 %	Medium	3.00 %	$18,151	$0	$1,835	$2,643
2036	$192,297	$377,265	51.0 %	Medium	3.00 %	$18,696	$0	$1,681	$68,596
2037	$144,078	$348,196	41.4 %	Medium	3.00 %	$19,256	$0	$1,544	$0
2038	$164,878	$389,818	42.3 %	Medium	3.00 %	$19,834	$0	$1,756	$0
2039	$186,469	$433,623	43.0 %	Medium	3.00 %	$20,429	$0	$1,976	$0
2040	$208,874	$479,706	43.5 %	Medium	3.00 %	$21,042	$0	$1,601	$120,022
2041	$111,495	$404,541	27.6 %	High	3.00 %	$21,673	$0	$1,229	$0
2042	$134,398	$451,766	29.7 %	High	3.00 %	$22,324	$0	$1,462	$0
2043	$158,184	$501,460	31.5 %	Medium	3.00 %	$22,993	$0	$1,705	$0
2044	$182,881	$553,729	33.0 %	Medium	3.00 %	$23,683	$0	$1,468	$97,242
2045	$110,790	$508,523	21.8 %	High	3.00 %	$24,394	$0	$582	$130,059
2046	$5,706	$429,310	1.3 %	High	3.00 %	$25,125	$0	$184	$0
2047	$31,015	$482,867	6.4 %	High	3.00 %	$25,879	$0	$386	$10,992
2048	$46,288	$527,928	8.8 %	High	3.00 %	$26,655	$0	$599	$0
2049	$73,543	$586,920	12.5 %	High	3.00 %	$27,455	$0	$877	$0
2050	$101,875	$648,976	15.7 %	High	3.00 %	$28,279	$0	$794	$73,900
2051	$57,047	$638,111	8.9 %	High	3.00 %	$29,127	$0	$719	$0

	Fiscal Year	2022	2023	2024	2025	2026
	Starting Reserve Balance	$46,105	$65,483	$90,798	$117,108	$142,467
	Annual Reserve Contribution	$23,820	$24,535	$25,271	$26,029	$26,810
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$558	$781	$1,039	$1,297	$1,566
	Total Income	$70,483	$90,798	$117,108	$144,434	$170,843
#	Component					
	Site & Grounds					
205	Mailboxes – Repair/Replace	$0	$0	$0	$0	$0
215	Community Deck - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
505	Low Slope Roof – Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
514	Chimney Flues & Caps – Replace	$0	$0	$0	$0	$0
522	Fiber Cement Siding-Repair/Replace	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$0	$0	$0	$0
535	Windows & Glass Doors - Replace	$0	$0	$0	$0	$0
542	Elastomeric Decks - Repair & Recoat	$0	$0	$0	$1,967	$0
551	Composite Decks – Repair/Replace	$0	$0	$0	$0	$0
555	Deck Rail - Repair/Replace	$0	$0	$0	$0	$0
560	Exterior Lights - Repair/Replace	$0	$0	$0	$0	$0
	Building Interiors					
700	Carpeting - Maintain/Replace	$0	$0	$0	$0	$0
710	Interior Walls & Ceilings - Paint	$0	$0	$0	$0	$0
	Systems & Inspections					
900	Plumbing - Systems Evaluation	$5,000	$0	$0	$0	$0
	Total Expenses	$5,000	$0	$0	$1,967	$0
	Ending Reserve Balance	$65,483	$90,798	$117,108	$142,467	$170,843

	Fiscal Year	2027	2028	2029	2030	2031
	Starting Reserve Balance	$170,843	$200,312	$176,487	$207,703	$223,565
	Annual Reserve Contribution	$27,614	$28,442	$29,296	$30,174	$31,080
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$1,855	$1,883	$1,920	$2,155	$2,402
	Total Income	$200,312	$230,637	$207,703	$240,033	$257,046
#	Component					
	Site & Grounds					
205	Mailboxes – Repair/Replace	$0	$0	$0	$0	$0
215	Community Deck - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
505	Low Slope Roof – Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
514	Chimney Flues & Caps – Replace	$0	$0	$0	$0	$0
522	Fiber Cement Siding-Repair/Replace	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$54,150	$0	$0	$0
535	Windows & Glass Doors - Replace	$0	$0	$0	$0	$0
542	Elastomeric Decks - Repair & Recoat	$0	$0	$0	$2,280	$0
551	Composite Decks – Repair/Replace	$0	$0	$0	$0	$0
555	Deck Rail - Repair/Replace	$0	$0	$0	$0	$0
560	Exterior Lights - Repair/Replace	$0	$0	$0	$0	$0
	Building Interiors					
700	Carpeting - Maintain/Replace	$0	$0	$0	$5,320	$0
710	Interior Walls & Ceilings - Paint	$0	$0	$0	$8,867	$0
	Systems & Inspections					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Total Expenses	$0	$54,150	$0	$16,468	$0
	Ending Reserve Balance	$200,312	$176,487	$207,703	$223,565	$257,046

	Fiscal Year	2032	2033	2034	2035	2036
	Starting Reserve Balance	$257,046	$291,801	$327,871	$365,297	$401,466
	Annual Reserve Contribution	$32,012	$32,972	$33,962	$34,980	$36,030
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$2,743	$3,097	$3,464	$3,832	$3,870
	Total Income	$291,801	$327,871	$365,297	$404,110	$441,366
#	Component					
	Site & Grounds					
205	Mailboxes – Repair/Replace	$0	$0	$0	$0	$0
215	Community Deck - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
505	Low Slope Roof – Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
514	Chimney Flues & Caps – Replace	$0	$0	$0	$0	$0
522	Fiber Cement Siding-Repair/Replace	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$0	$0	$0	$68,596
535	Windows & Glass Doors - Replace	$0	$0	$0	$0	$0
542	Elastomeric Decks - Repair & Recoat	$0	$0	$0	$2,643	$0
551	Composite Decks – Repair/Replace	$0	$0	$0	$0	$0
555	Deck Rail - Repair/Replace	$0	$0	$0	$0	$0
560	Exterior Lights - Repair/Replace	$0	$0	$0	$0	$0
	Building Interiors					
700	Carpeting - Maintain/Replace	$0	$0	$0	$0	$0
710	Interior Walls & Ceilings - Paint	$0	$0	$0	$0	$0
	Systems & Inspections					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$2,643	$68,596
	Ending Reserve Balance	$291,801	$327,871	$365,297	$401,466	$372,770

	Fiscal Year	2037	2038	2039	2040	2041
	Starting Reserve Balance	$372,770	$413,812	$456,385	$500,538	$425,698
	Annual Reserve Contribution	$37,111	$38,224	$39,371	$40,552	$41,769
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$3,931	$4,349	$4,783	$4,629	$4,486
	Total Income	$413,812	$456,385	$500,538	$545,720	$471,953
#	Component					
	Site & Grounds					
205	Mailboxes – Repair/Replace	$0	$0	$0	$3,575	$0
215	Community Deck - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
505	Low Slope Roof – Repair/Replace	$0	$0	$0	$91,250	$0
512	Skylights - Repair/Replace	$0	$0	$0	$3,064	$0
514	Chimney Flues & Caps – Replace	$0	$0	$0	$0	$0
522	Fiber Cement Siding-Repair/Replace	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$0	$0	$0	$0
535	Windows & Glass Doors - Replace	$0	$0	$0	$0	$0
542	Elastomeric Decks - Repair & Recoat	$0	$0	$0	$3,064	$0
551	Composite Decks – Repair/Replace	$0	$0	$0	$0	$0
555	Deck Rail - Repair/Replace	$0	$0	$0	$0	$0
560	Exterior Lights - Repair/Replace	$0	$0	$0	$0	$0
	Building Interiors					
700	Carpeting - Maintain/Replace	$0	$0	$0	$7,150	$0
710	Interior Walls & Ceilings - Paint	$0	$0	$0	$11,917	$0
	Systems & Inspections					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$0	$120,022	$0
	Ending Reserve Balance	$413,812	$456,385	$500,538	$425,698	$471,953

	Fiscal Year	2042	2043	2044	2045	2046
	Starting Reserve Balance	$471,953	$519,932	$569,690	$523,553	$445,347
	Annual Reserve Contribution	$43,022	$44,312	$45,642	$47,011	$48,421
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$4,957	$5,446	$5,464	$4,842	$4,717
	Total Income	$519,932	$569,690	$620,795	$575,406	$498,485
#	Component					
	Site & Grounds					
205	Mailboxes – Repair/Replace	$0	$0	$0	$0	$0
215	Community Deck - Repair/Replace	$0	$0	$0	$0	$0
	Building Exteriors					
505	Low Slope Roof – Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
514	Chimney Flues & Caps – Replace	$0	$0	$0	$0	$0
522	Fiber Cement Siding-Repair/Replace	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$0	$86,895	$0	$0
535	Windows & Glass Doors - Replace	$0	$0	$0	$126,507	$0
542	Elastomeric Decks - Repair & Recoat	$0	$0	$0	$3,552	$0
551	Composite Decks – Repair/Replace	$0	$0	$0	$0	$0
555	Deck Rail - Repair/Replace	$0	$0	$0	$0	$0
560	Exterior Lights - Repair/Replace	$0	$0	$10,347	$0	$0
	Building Interiors					
700	Carpeting - Maintain/Replace	$0	$0	$0	$0	$0
710	Interior Walls & Ceilings - Paint	$0	$0	$0	$0	$0
	Systems & Inspections					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Total Expenses	$0	$0	$97,242	$130,059	$0
	Ending Reserve Balance	$519,932	$569,690	$523,553	$445,347	$498,485

	Fiscal Year	2047	2048	2049	2050	2051
	Starting Reserve Balance	$498,485	$542,570	$599,648	$658,849	$645,969
	Annual Reserve Contribution	$49,874	$51,370	$52,911	$54,498	$56,133
	Recommended Special Assessments	$0	$0	$0	$0	$0
	Interest Earnings	$5,203	$5,709	$6,290	$6,521	$6,771
	Total Income	$553,562	$599,648	$658,849	$719,869	$708,874
#	Component					
	Site & Grounds					
205	Mailboxes – Repair/Replace	$0	$0	$0	$0	$0
215	Community Deck - Repair/Replace	$10,992	$0	$0	$0	$0
	Building Exteriors					
505	Low Slope Roof – Repair/Replace	$0	$0	$0	$0	$0
512	Skylights - Repair/Replace	$0	$0	$0	$0	$0
514	Chimney Flues & Caps – Replace	$0	$0	$0	$0	$0
522	Fiber Cement Siding-Repair/Replace	$0	$0	$0	$0	$0
533	Exterior Surfaces - Caulk & Paint	$0	$0	$0	$0	$0
535	Windows & Glass Doors - Replace	$0	$0	$0	$0	$0
542	Elastomeric Decks - Repair & Recoat	$0	$0	$0	$4,118	$0
551	Composite Decks – Repair/Replace	$0	$0	$0	$6,063	$0
555	Deck Rail - Repair/Replace	$0	$0	$0	$38,094	$0
560	Exterior Lights - Repair/Replace	$0	$0	$0	$0	$0
	Building Interiors					
700	Carpeting - Maintain/Replace	$0	$0	$0	$9,609	$0
710	Interior Walls & Ceilings - Paint	$0	$0	$0	$16,015	$0
	Systems & Inspections					
900	Plumbing - Systems Evaluation	$0	$0	$0	$0	$0
	Total Expenses	$10,992	$0	$0	$73,900	$0
	Ending Reserve Balance	$542,570	$599,648	$658,849	$645,969	$708,874

Accuracy, Limitations, and Disclosures

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

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James Talaga, company President, is a credentialed Reserve Specialist (#066). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to: project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to, plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our research and analysis. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

1) Common area repair & replacement responsibility
2) Component must have a limited useful life
3) Life limit must be predictable
4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses).

Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed "Best Cost" and "Worst Cost". There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur.

Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

Special Projects

Comp #: 97 Legal Responsibility Matrix **Quantity: Review & report**

Location: Analysis of the governing documents to determine maintenance responsibilities and create a matrix.
Funded?: No.
History: None known.
Comments: While this component does not meet the criteria for reserve funding, our experience in preparing well over 10,000 reserve studies in the Pacific NW indicates that most communities would benefit from a legal review of their governing documents, and drafting of a maintenance responsibility matrix. The purpose of a matrix is to delineate the common and limited common expense responsibilities of the community association vs. individual unit owners. Many governing documents allocate those responsibilities differently.

It is our strong recommendation that you factor the cost for review and creation of a matrix within an upcoming operating budget. Consult with your attorney or one specializing in general matters for community associations. The cost for such a study may be in the range of $50 - $200 per unit depending upon the complexity and scope of work.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

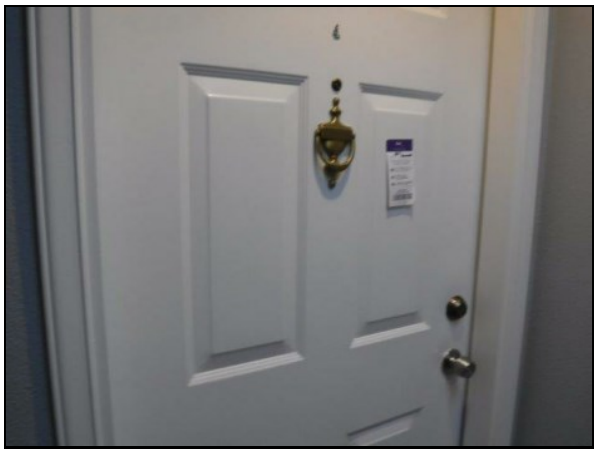
Comp #: 98 Unit High-Risk Components **Quantity: Inspection & report**

Location: Analysis of in-unit high-risk components.
Funded?: No.
History: None known.
Comments: While this component does not meet the criteria for reserve funding, our experience in preparing well over 10,000 reserve studies in the Pacific NW indicates that most communities would benefit from a review of the high-risk components within the individual units. High-risk components are those with a history of failure, often leading to significant damage of unit interiors and surrounding common area structural components. High-risk components include, but are not limited to water heaters, washer and dryer hookups, ice maker lines, plumbing angle stops, electrical panels, window and door waterproofing, etc. The Board of Directors is charged with a duty to set the standard of care in the community. Many governing documents and state law governing Common Interest Communities (RCW 64.90.440) provide guidance for those physical components that pose a heightened risk.

It is our strong recommendation that you factor the cost for a high-risk component review within an upcoming operating budget. Consult with an engineering firm specializing in such inspections and analysis. The cost for such a study may be in the range of $50 - $200 per unit, depending upon the complexity and scope of work. High-risk component review is not within the scope of our services.

Useful Life:

Remaining Life:



Best Case: Worst Case:

Cost Source:

Site & Grounds

Comp #: 100 Concrete - Repair/Replace **Quantity: Moderate quantity**
Location: The community driveway, stairs, and sidewalk.
Funded?: No. The useful life is not predictable.
History: None known.
Comments: The concrete appeared in generally stable condition, with no significant deterioration at this time.

In Seattle, certain parts of the public right of way (i.e. sidewalks and alley) are the adjacent property owner's (condominium) responsibility to maintain. Include these areas as part of your regular maintenance and repair. City of Seattle Property Owners' Responsibilities: http://www.seattle.gov/transportation/projects-and-programs/programs/maintenance-and-paving/property-owners-responsibilities

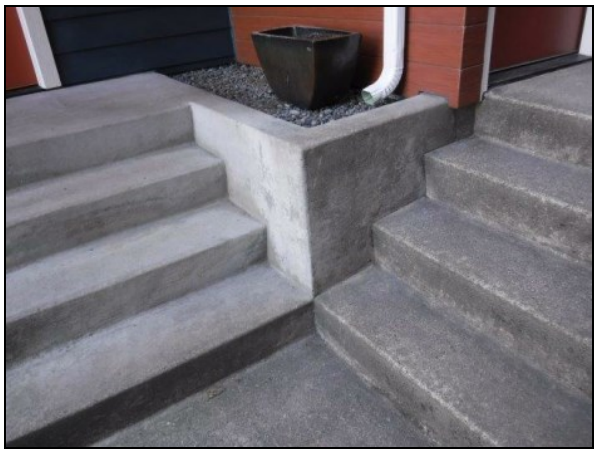
The annual repair needs are below the reserve funding threshold (1% or more of total annual expenses), and should be factored into the operating budget. In our experience, as the community ages larger repair/replacement expenses may emerge that cannot be comfortably absorbed into the operating budget.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

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

Resources:
http://www.mrsc.org/subjects/pubworks/sidew.aspx
http://www.sakrete.com/media-center/blog-detail.cfm/bp_alias/Placing-Concrete-in-hot-or-cold-weather
http://www.concretenetwork.com/cold-weather-concrete/weather.html

Useful Life:

Remaining Life:



Best Case: Worst Case:

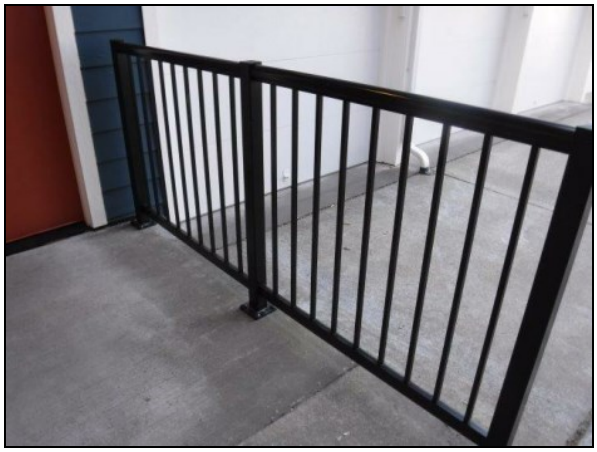
Cost Source:

Comp #: 112 Site Rail - Repair/Replace **Quantity: ~20 LF**
Location: The building entrances.
Funded?: No. The useful life is not predictable.
History: Replaced 2020.
Comments: The site rails appeared in fair condition, with no areas of instability or damage noted during our limited visual review. It was reported the rails were replaced in 2020.

Routinely inspect for stability, security, and appearance. Repair locally, as needed, with operating funds. Paint, if needed, simultaneously as the buildings.

Useful Life:

Remaining Life:



Best Case: Worst Case:

Cost Source:

Comp #: 156 Rockeries - Maintain/Repair **Quantity: Moderate quantity**
Location: The east side of the community.
Funded?: No. The useful life is not predictable.
History: None known.
Comments: Our visual observations of rockery walls were limited, but no widespread deterioration was observed. There were no signs of recent large-scale movement, and none were reported. Analysis of a rockery wall beyond visual observation is not within the scope of a reserve study. No information regarding its construction was available to us, which could include how it was installed, if drainage (critical) was provided, and if the drainage is still fully functioning.

At this time, no large-scale repairs or replacements are predictable. Funding can be added to future reserve studies if conditions dictate.

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 157 Retaining Walls - Maintain/Repair **Quantity: Masonry blocks**
Location: Scattered throughout the community.
Funded?: No. The useful life is not predictable.
History: North wall rebuilt 2020.
Comments: Our limited observation revealed no signs of the masonry block walls being extremely out of plumb, or having large-scale cracking and/or spalling. Analysis of a retaining wall is beyond the scope of a reserve study. If problems, including shifting, leaning, or cracking are observed or suspected, consult with an engineer (structural, civil, and/or geo-technical) for an evaluation and repair recommendations. There were no reported problems at this time.

It was reported the north wall was rebuilt in 2020.

At this time, no large-scale repairs or replacements are predictable. Funding can be added to future reserve studies if conditions dictate.

No information was provided to us concerning how the retaining wall was designed or constructed. Observation of drainage was not possible. Proper drainage on the uphill side prevents a backlog of water (water, if present, can add substantial weight and pressure to the wall). A backlog of water, if left unchecked, could damage or break the wall. The interior of drainage lines (or pipes) can be viewed by video using a remote miniature camera. Clean out the drain lines as often as needed to prevent decreased drainage. See component #182 Drainage & Stormwater for additional information. Utilize a mobile evacuator service if needed. Inspect regularly and repair, as needed, using operating funds.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 170 Landscape - Maintain/Refurbish **Quantity: Turf, shrubs, etc.**
Location: Throughout the community.
Funded?: No. Costs are best handled with operating funds.
History: Tree removed 2020 ~$2,000.
Comments: The landscape is in generally healthy condition.

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

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 182 Stormwater System - Maintain **Quantity: Catchbasins, drains, etc.**

Location: Throughout the community.
Funded?: No. The useful life is not predictable.
History:
Comments: An analysis of the drainage system is beyond the scope of a reserve study, as the vast majority of the drainage system is located below ground. Our observations were very limited to catch basin areas. No problems were reported to us.

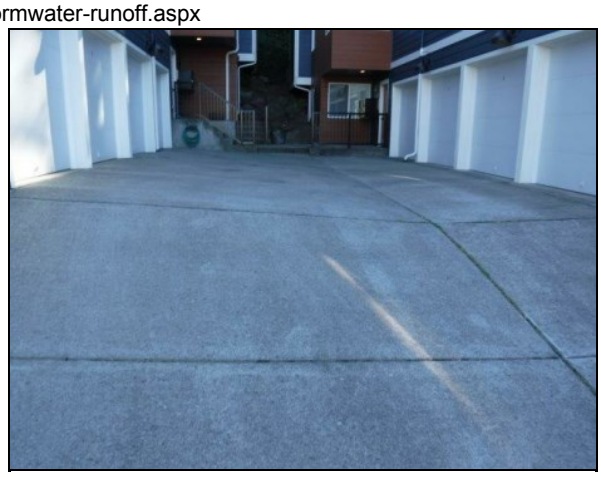
There is no predictable large-scale repair/replacement at this time. Local repairs should be performed as part of general maintenance. If problems become known from a professional evaluation, funding can be included in future reserve studies.

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

Resource:
King County Surface Water Management: https://your.kingcounty.gov/dnrp/library/water-and-land/stormwater/surface-water-management-infographic.pdf
King County Stormwater Runoff Pollution & How to Reduce It: https://kingcounty.gov/services/environment/water-and-land/stormwater/introduction/stormwater-runoff.aspx

Useful Life:

Remaining Life:



Best Case: Worst Case:

Cost Source:

Comp #: 205 Mailboxes – Repair/Replace **Quantity: 2 clusters/8 boxes**
Location: Wall hung adjacent to each building entrance.
Funded?: Yes.
History: Replaced 2020 Building Specialties ~$2,000.
Comments: The mailboxes appeared in good condition. The mailboxes are protected from the rain by a structure.

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

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

Useful Life:
20 years

Remaining Life:
18 years

Best Case: $ 1,800 Worst Case: $ 2,400

Lower Allowance Higher Allowance

Cost Source: Inflated Client Cost History: 2020 Building Specialties ~$2,000

Comp #: 215 Community Deck - Repair/Replace **Quantity: ~150 SF**
Location: The west side of the community.
Funded?: Yes.
History: Installed 2017.
Comments: The common area deck was noted to be in stable condition.

Funding is included for replacement of only the composite boards that form the walking surface, and does not include funding for replacement of the structural framing. Evaluate the structure framing prior to replacement of the boards to better determine the full scope of the project. Costs can vary depending on the scope of replacement.

Inspect boards and structure periodically, and repair as needed.

Useful Life:
30 years

Remaining Life:
25 years

Best Case: $ 3,000 Worst Case: $ 7,500

Lower Allowance Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 220 Site Furniture - Repair/Replace **Quantity: Minimal quantity**
Location: The community deck.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: Generally fair condition of the community outdoor furniture with no significant damage or deterioration observed.

Inspect regularly, and repair as needed. Clean with an appropriate cleaner (refinish if desired) using operating funds. Replace, as needed, with operating funds.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 505 Low Slope Roof – Repair/Replace **Quantity: ~3,040 SF**
Location: The rooftops of the buildings.
Funded?: Yes.
History: Replaced 2020 CJ Northwest Construction ~$50,600.
Comments: Access to the roofs was not available during our site visit, however, it was reported both roofs were replaced in 2020.

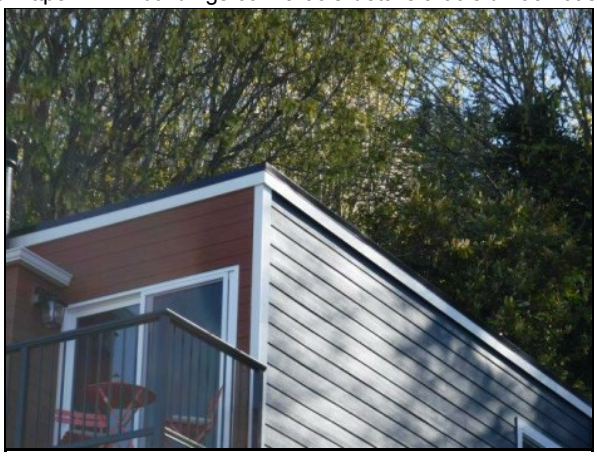
Evaluate the roof frequently, and adjust the remaining useful life accordingly. The typical useful life of a low slope roof is 15-20 years depending on the quality of the roof system installed, and the maintenance it receives throughout its life. Limit access to the roof to essential persons only. Roof membranes are delicate and can be damaged easily.

At the time of re-roofing, we recommend that you hire a professional consultant to evaluate the existing roof, and specify the new roof materials/design. We recommend that all associations hire qualified consultants whenever they are considering having work performed on any building envelope (waterproof) components including the roof, walls, windows, decks, exterior painting, and caulking/sealant.

Resources:
The National Roofing Contractors Association (NRCA): http://www.nrca.net/
The Basics of Roof Maintenance: https://www.buildings.com/article-details/articleid/4937/title/the-basics-of-roof-maintenance

Useful Life:
20 years

Remaining Life:
18 years



Best Case: $ 45,600 Worst Case: $ 61,600

Lower Allowance Higher Allowance

Cost Source: Inflated Client Cost History: 2020 CJ Northwest Construction ~$50,600

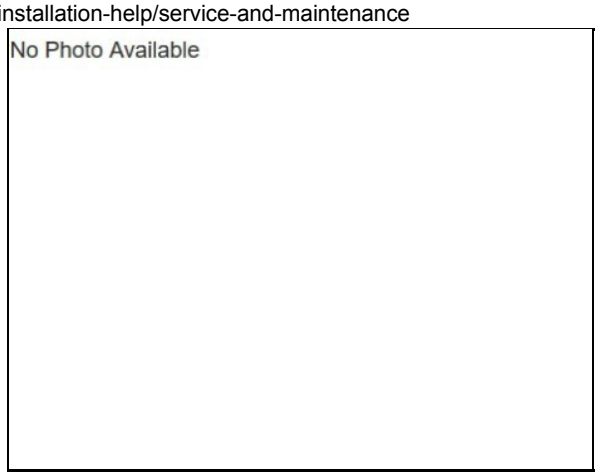
Comp #: 512 Skylights - Repair/Replace **Quantity: 2 fixtures**

Location: The rooftops of the buildings.
Funded?: Yes.
History: Replaced 2020.
Comments: Observation of the skylights was not viable due to limited access. No current water leaks or other problems were reported by the association. It was reported the fixtures were replaced in 2020.

We have aligned the skylight's useful life with roofing for waterproofing integration and cost efficiency.

Skylight warranties for the glass seal are typically 20 years, which is about the life of roofing. Inspect the skylights as part of the twice yearly roof inspections, and repair as needed to maintain the waterproof integrity. Review the skylight conditions with a consultant or roof contractor while evaluating the roofing project.

Resource:
https://www.veluxusa.com/help/installation-help/service-and-maintenance



Useful Life:
20 years

Remaining Life:
18 years

Best Case: $ 1,500 Worst Case: $ 2,100

Lower Allowance Higher Allowance

Cost Source: Inflated Internet Research: 2021 How Much ~$875/fixture

Comp #: 514 Chimney Flues & Caps – Replace **Quantity: 9 flues & 9 caps**

Location: The rooftops of the buildings.
Funded?: Yes.
History: Replaced 2020.
Comments: Observation of the top of the chimney was very limited to viewing from a distance. The metal chimney flues appeared in good condition with no corrosion. The flue caps appeared in good condition.

Replacement cycles are typically timed to coincide with re-roofing. Review the condition of chimney covers and flue caps with a consultant while evaluating the roofing project.

As routine maintenance, inspect and clean during roof maintenance. Repair locally, as needed.

Useful Life:
40 years

Remaining Life:
38 years

Best Case: $ 2,500 Worst Case: $ 3,300

Lower Allowance Higher Allowance

Cost Source: Inflated Internet Research: 2021 Lindemann Chimney Co. ~$315/flue & cap

Comp #: 522 Fiber Cement Siding-Repair/Replace **Quantity: ~12,950 SF**

Location: The exterior building walls.
Funded?: Yes.
History: Replaced 2020 Pacific Exteriors LLD.
Comments: The siding is horizontal clapboard, and the surface is painted (see component #533 for exterior painting). It was reported the siding was replaced in 2020 and is Hardie Plank.

Replacement may ultimately be needed due to the failure of the underlying waterproofing components degrading over the decades, and/or the end of the useful life of the siding materials from general aging. Many factors influence the useful life, including exposure to (or protection from) wind driven rain, and the quality of the waterproofing and flashing beneath the siding. Evaluate the siding and the critical underlying waterproofing (typically building paper or house-wrap) more frequently as the remaining useful life approaches zero years. Adjust the remaining useful life as dictated by the evaluation. When practical, align siding replacement with window replacement for cost efficiencies and building envelope integrity. Inspect annually and repair locally, as needed, using general operating maintenance funds.

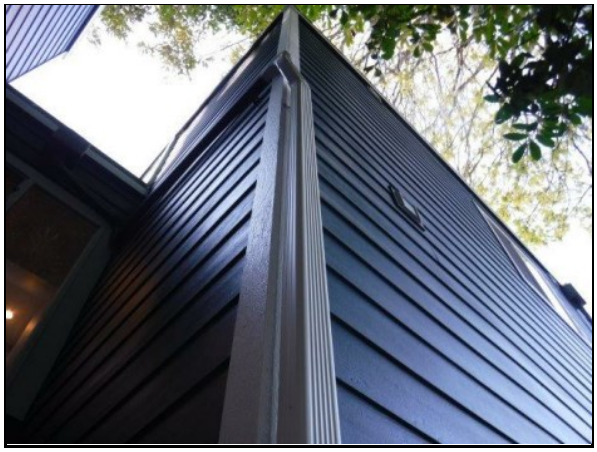
The leading manufacture of fiber-cement siding (James Hardie Siding) currently provides either a 30-year non-prorated or 50-year prorated limited warranty on their products. A local James Hardie representative suggests planning for ~50-year total service life of siding.

Note: Rehabilitative construction projects with associated costs are equal to or greater than 5% of the assessed value of the units must comply with the requirements of RCW 64.55 http://app.leg.wa.gov/rcw/default.aspx?cite=64.55. These requirements include building enclosure design documents with waterproofing details by an architect or engineer, and independent oversight during construction to verify compliance with those details.

Project costs can vary depending upon materials chosen and the condition of the underlying structural framing when exposed. We recommend the Board conduct research well in advance in order to define the scope, timing, and costs; including a plan for some margin of contingency.

Useful Life:
50 years

Remaining Life:
48 years



Best Case: $ 235,700 Worst Case: $ 336,700

Lower Allowance Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 533 Exterior Surfaces - Caulk & Paint **Quantity: ~12,950 SF**
Location: The exterior building walls.
Funded?: Yes.
History: Painted 2020.
Comments: The painted surfaces of the siding and trim appeared in good condition.

Typical Northwest paint cycles vary greatly depending upon many factors including the type of material painted, surface preparation, quality of the primer/paint/stain, application methods, weather conditions during the application process, moisture beneath the surface, and exposure to weather conditions. Repair areas, as needed, prior to painting/caulking. As routine maintenance, inspect regularly (including sealants), repair locally, and touch-up paint, as needed, using operating funds.

Proper sealant/caulking is critical to keeping water out of the walls, and preventing water damage. Incorrect installation of sealants is very common, and can greatly decrease its useful life. Inspect sealants (more frequently as they age) to determine if failing is occurring. Typical sealant problems include failure of the sealant to adhere to adjacent materials, and tearing/splitting of the sealant itself. As sealants age, and due to exposure to ultraviolet sunlight, they will dry out, harden, and lose their elastic ability. Remove and replace all sealants at the time sealant failure begins to appear. Proper cleaning, prep work, and installation technique (shape, size, tooling of joint) are critical for a long lasting sealant/caulking. Do not install sealant in locations that would block water drainage from behind the siding (e.g. at head flashings).

Resources:
American Coatings Association: http://www.paint.org/
Master Paint Institute: http://www.paintinfo.com/

Useful Life:
8 years

Remaining Life:
6 years

Best Case: $ 38,900 Worst Case: $ 51,800

Lower Allowance Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 535 Windows & Glass Doors - Replace **Quantity: 39 windows & 7 doors**

Location: The exterior building walls.
Funded?: Yes.
History: Replaced 2020 CJ Northwest Construction.
Comments: The windows are mostly horizontal sliders and fixed operation. Head flashing was observed. The jambs and sills had sealant joints between the window frame and cladding. The weep holes at exterior lower corners were observed to be clear in the few windows sampled for our study. No observation of the critical underlying waterproofing details and flashing was part of our limited visual review. The underlying details and flashing are critical to maintaining the waterproofing of the building envelope and preventing structural damage as a result of water infiltration. A reserve study is a budget model, limited to visual exterior observation and research. It is outside the scope of our services, and the purpose of a reserve study, to assess the adequacy of the building envelope performance, as many of the key details are hidden from view. Periodic reviews by an architect, building envelope professional, etc. are prudent.

Many factors affect the useful life, including the quality of window (design pressure rating), waterproofing and flashing details, building movement, and exposure to the elements, including wind driven rain. Those same variables, along with glazing and frame materials, can also greatly affect the appropriate choice and replacement costs. You can learn more about window design here: http://rci-online.org/wp-content/uploads/2010-04-hinjosa.pdf

Inspect regularly, including sealant, if any, and repair as needed. Typical sealant failures include a lack of adhesion to adjacent materials, tearing/splitting of the sealant itself, and loss of elastic ability. Loss of elastic ability can be caused by exposure to ultraviolet light, and general aging. Remove and replace all sealants as signs of failure begin to appear. Proper cleaning, prep work, and installation of specified joint design are critical for lasting performance. Keep weep holes free and clear to allow proper drainage of water that gets into the window frame. Do not block (caulk or seal) the gap at the top of head flashing, as this allows water that gets behind the siding to drain out.

We recommend the board conduct research well in advance of this project to help better define timing and costs (scope of work, material specifications, etc.). Further, we recommend that you hire a professional consultant (architect, engineer, building envelope consultant) to evaluate the existing windows, design and specify new installation requirements, assist with the bid process, and observe the construction to increase the likelihood of proper installation. We recommend all associations hire qualified consultants whenever they are considering having work performed on any high-risk building envelope components (roof, walls, windows, decks, exterior painting and caulking/sealant).

Note: Costs below factor for professional architectural details, specifications, and installation oversight. Any needed repair of the underlying structural framing can add significantly to the project cost. No observation of the critical underlying waterproofing details and flashing was part of our limited visual review.

Resource:
Fenestration & Glazing Industry Alliance (formerly AAMA): https://fgiaonline.org/

Useful Life:
25 years

Remaining Life:
23 years

Best Case: $ 52,100 Worst Case: $ 76,100

Lower Allowance Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 540 Exterior Doors - Repair/Replace **Quantity: 10 doors**

Location: The exterior entrances to the buildings and storage closets.
Funded?: No. The useful life is not predictable.
History: None known.
Comments: The exterior doors are metal with metal frames. They appeared in stable condition. No widespread problems were observed or reported.

There is no predictable large-scale repair or replacement of doors.

Door painting is included as part of component #533. Inspect periodically, and repair as needed to maintain appearance, security, and operation with operating funds. Touch up paint, as needed, between painting cycles.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 541 Elastomeric Decks - Repair/Replace **Quantity: ~150 SF**

Location: The elevated decks.
Funded?: No. The useful life is not predictable.
History: Rebuilt 2020.
Comments: Direct access to a deck an elastomeric deck was not available and viewing was limited from ground level during our site visit. It was reported the decks were rebuilt in 2020. The slope appeared adequate. The drip edge of the deck was open. A vertical portion of drip edge flashing was observed. We were unable to view if the coating was turned up the wall a few inches beneath the cladding to prevent water from entering behind the siding. We were unable to confirm if the door threshold was raised slightly above the deck surface to allow proper flashing. Venting on the underside of the deck, at the soffit below, was observed. Venting is a good practice as it can reduce problems from condensation. The railing connections did not attach through the deck surface. The fewer penetrations through the waterproof surface, the fewer opportunities there are for water penetration.

Re-application of the topcoat periodically is required to maintain its waterproof integrity - see the next component. If decks are not maintained adequately, significant repair/replacement expenses often occur.

Most deck coatings come with a warranty. A typical warranty is three to five years if properly maintained. Some warranties can be extended if the re-coating, and any other prescribed maintenance, is performed within a certain time frame. Check your warranty paperwork to determine the necessary timing of recoating and maintenance.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 542 Elastomeric Decks - Repair & Recoat **Quantity: ~150 SF**

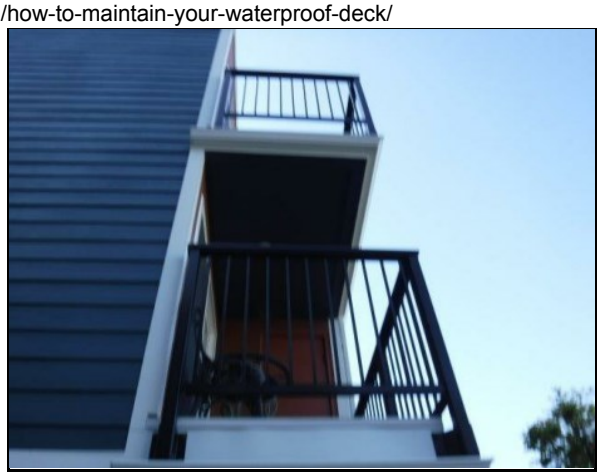
Location: The surfaces of the elevated decks.
Funded?: Yes.
History: Recoated 2020.
Comments: It was reported the deck surface is an elastomeric coating. Re-application of the topcoat periodically is required to maintain its waterproof integrity. If decks are not maintained adequately, significant repair/replacement expenses often occur. Proactive coating cycles are cost effective. Extending the time between coatings runs the risk of increased costs due to wear on the second coat in addition to the topcoat and potential water penetration, which can damage the underlying components and greatly increase costs. Elastomeric deck surfaces are typically a three-coat system. The top coat loses thickness each year, primarily from exposure to ultraviolet sunlight, and to a lesser extent wear and tear. If more than the topcoat is allowed to wear off, the surface may still appear to be in 'good' condition, but the waterproof integrity may be compromised by nearly imperceptible "pin holes". Evaluate and repair, as needed, before recoating. Check with your specific manufacturer for cleaning instructions to avoid damage to the coating. Many manufacturers allow cleaning with a mild solution, such as soap and water, TSP, etc.

Most deck coatings come with a warranty. A typical warranty is three to five years if properly maintained. Some warranties can be extended if the re-coating is performed within a certain time frame. Check your warranty paperwork to determine the necessary timing of recoating and maintenance.

Resource:
https://deckandfloorcoating.com/how-to-maintain-your-waterproof-deck/

Useful Life:
5 years

Remaining Life:
3 years



Best Case: $ 1,500 Worst Case: $ 2,100

Lower Allowance Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 551 Composite Decks – Repair/Replace **Quantity: ~75 SF**
Location: The 2nd floor rear decks.
Funded?: Yes.
History: None known.
Comments: The composite decks appeared in fair condition.

Funding is included for replacement of only the composite boards that form the walking surface, and does not include funding for replacement of the structural framing. Evaluate the structure framing prior to replacement of the boards to better determine the full scope of the project. Costs can vary depending on the scope of replacement.

Inspect boards and structure periodically, and repair as needed.

Useful Life:
30 years

Remaining Life:
28 years

Best Case: $ 1,500 Worst Case: $ 3,800

Lower Allowance Higher Allowance

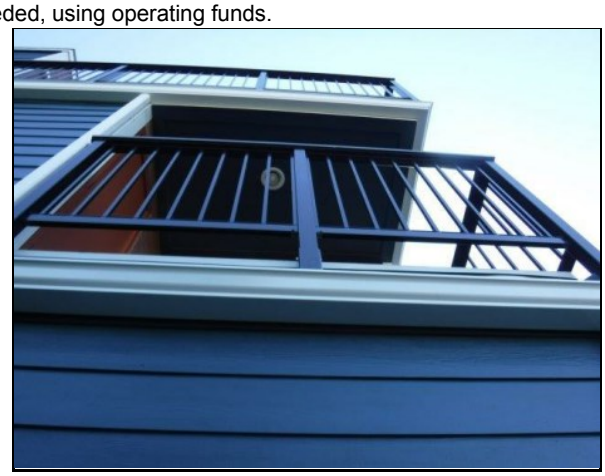
Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 555 Deck Rail - Repair/Replace **Quantity: ~145 LF**
Location: The deck perimeters.
Funded?: Yes.
History: Replaced 2020.
Comments: The metal rails appeared in good condition. The rails were not attached through the waterproof surface of the deck.

As routine maintenance, all railings and connections should be inspected at least annually for structural and/or waterproofing issues. Repair promptly, as needed, using operating funds.

Useful Life:
30 years

Remaining Life:
28 years



Best Case: $ 15,200 Worst Case: $ 18,100

Lower Allowance Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 560 Exterior Lights - Repair/Replace **Quantity: 18 fixtures**
Location: Mounted to the building exteriors.
Funded?: Yes.
History: Replaced 2020.
Comments: The exterior lights appeared in fair condition with no significant damage or deterioration during our visual observation.

It is best to plan for large-scale replacement of these fixtures at roughly the time frame indicated below - timed to coincide with exterior painting projects for cost efficiency, and a consistent quality appearance throughout the community. A mid-range replacement allowance is factored below for planning purposes.

As routine maintenance, inspect, and repair/change bulbs, as needed.

Useful Life:
24 years

Remaining Life:
22 years

Best Case: $ 4,600 Worst Case: $ 6,200

Lower Allowance Higher Allowance

Cost Source: Inflated Internet Research: 2021 Bellacor ~$290/fixture

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Comp #: 568 Building Numbers - Maintain/Replace **Quantity: Minimal quantity**
Location: Wall mounted to the building exteriors.
Funded?: No. The useful life is not predictable.
History: Replaced 2020.
Comments: The building number signs appeared in good condition.

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

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 593 Storage Units - Maintain/Replace **Quantity: 9 units**
Location: The ground floor of building 1 (#4114).
Funded?: No. The useful life is not predictable.
History: None known.
Comments: The storage units were noted to be in stable and functional condition.

Inspect regularly and repair, as needed, with operating funds. If a full remodel becomes desired or necessary, funding can be added to this component in future reports.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 600 Garages - Maintain **Quantity: 2 garages**
Location: The ground floor of each building.
Funded?: No. The useful life is not predictable.
History: Constructed 1982.
Comments: The concrete garage had some limited cracking, which is very common with concrete. During our limited visual review, no extensive or significant cracking was observed to indicate that predictable large-scale expenses are needed.

Efflorescence stains, which are signs of water penetration from the exterior through the concrete were not observed. Efflorescence is the white staining. As water from the exterior moves through the concrete, it dissolves salts and minerals from the concrete. When the water reaches the interior face of the concrete, the water can evaporate which leaves behind the salts and minerals as white stains. Typically, trying to waterproof the exterior surface of the garage is cost prohibitive. Less expensive interior surface remedies, such as epoxy coating and injections, may (or may not) help limit water penetration, and the resulting efflorescence.

As routine maintenance, inspect, clean, and repair when needed.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 605 Garage Doors - Repair/Replace **Quantity: 8 doors**

Location: The garages.
Funded?: No. The useful life is not predictable.
History: Replaced 2020.
Comments: The metal frame garage doors are assumed to be in operating condition. It was reported the doors were replaced in 2020.

Handle smaller maintenance items as an operating expense. These door types can last for many years if properly maintained, and not damaged or abused. In our experience, vehicle damage not covered by insurance (or prohibitive due to high deductible) is typically the cause for replacement.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 700 Carpeting - Maintain/Replace **Quantity: ~60 SY/~545 SF**
Location: The interior stairs and landings.
Funded?: Yes.
History: Replaced 2020.
Comments: The carpeting was noted to be in good condition. It was reported the carpet was replaced in 2020.

Actual replacement costs can vary greatly based upon the carpet and pad material chosen. A wide variety of types and quality are available - a funding allowance is factored below for financial planning purposes.

As part of an ongoing maintenance program, vacuum regularly, and professionally clean as needed. Replacement is best timed just after repainting for cost efficiency, and to maintain a quality appearance.

Useful Life:
10 years

Remaining Life:
8 years

Best Case: $ 3,600 Worst Case: $ 4,800

Lower Allowance Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 710 Interior Walls & Ceilings - Paint **Quantity: ~2,785 SF**
Location: The interior walls and ceilings.
Funded?: Yes.
History: Painted 2020.
Comments: The interior wall and ceiling paint was noted to be in good condition. It was reported painting was completed in 2020.

Regular cycles of professional painting are recommended to maintain a pleasant appearance, and are best timed prior to any flooring replacement.

Keep touch-up paint on site for in between cycle paint projects.

Useful Life:
10 years

Remaining Life:
8 years

Best Case: $ 5,600 Worst Case: $ 8,400

Lower Allowance Higher Allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 715 Interior Doors - Repair/Replace **Quantity: 9 doors**
Location: The unit entrances.
Funded?: No. The useful life is not predictable.
History: None known.
Comments: The unit entry doors appeared in stable condition with no widespread damage or wear observed during our limited visual review.

With ordinary care, and adequate maintenance, there is no predictable expectation to replace these on a cyclical basis. If the need to repair or replace doors in large-scale becomes known, funding can be added to future reserve studies.

As routine maintenance, inspect periodically, and repair or replace as needed using general maintenance funds. Clean and paint with other interior building surfaces.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 720 Interior Lights - Repair/Replace **Quantity: 10 fixtures**

Location: Wall and ceiling mounted.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: The interior lights were an assortment of ambient lights, exit lights, and emergency lighting. The lights generally appear to be in fair and functional condition.

With ordinary care and maintenance, there is no predictable expectation to replace all fixtures simultaneously. If the community desires or requires an upgrade, reserve funds can be included within a future reserve study.

As routine maintenance, inspect, and repair/change bulbs as needed. Evaluate the community's needs each year, and replace individual fixtures as needed using operating funds.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 900 Plumbing - Systems Evaluation **Quantity: Supply & drain lines**

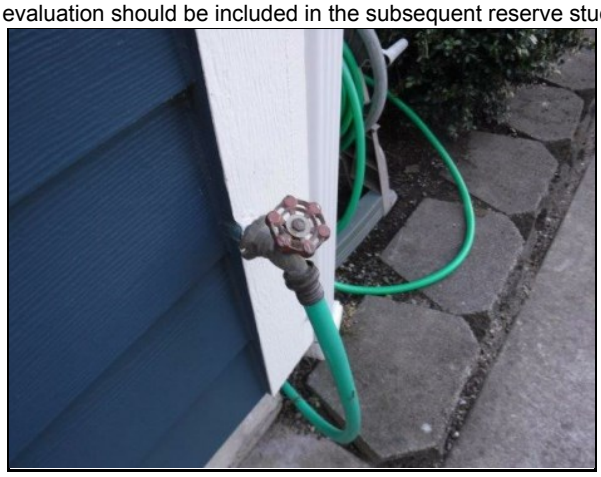
Location: Throughout the buildings.
Funded?: Yes. Costs are best handled with operating funds.
History: None known.
Comments: Plumbing systems are generally considered by the engineering community to be life limited to the 50-year range. The costs for replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc.

The vast majority of the plumbing system is hidden, and not visible for review. A reserve study is limited to visual exterior observations and research for budget purposes.

We highly recommend the association engage a qualified firm to assess the plumbing systems, including forensic wall openings, and test sections of piping. We have factored a budget allowance for a one-time plumbing evaluation. Additional testing may be further recommended. Patterns of significant repair expenses, leaks, poor flow, and sediments in the lines, should accelerate the need for such an assessment. This type of evaluation will provide a detailed analysis to identify hidden conditions, project a remaining useful life, and recommendations for any needed repairs, maintenance, etc. The cost projected below is a budget allowance for the evaluation and can vary depending on the complexity of systems, the number of wall or ceiling openings, etc. Prior to this assessment, there is no predictable basis at this time for large-scale plumbing repair or replacement expenses. Results of the plumbing system evaluation should be included in the subsequent reserve study update.

Useful Life:
1 years

Remaining Life:
0 years



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

Lower Allowance Higher Allowance

Cost Source: Inflated Estimate Provided by Vendor: 2021 Kent Engineering

Comp #: 901 Plumbing - Repair/Replace **Quantity: Supply & drain lines**

Location: Throughout the buildings.
Funded?: No. The useful life is not predictable.
History: None known.
Comments: Plumbing systems are generally considered by the engineering community to be life limited to the 50-year range. The costs for systems replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc.

See the previous component for a recommended plumbing evaluation. Until a qualified engineering firm has performed an evaluation of your plumbing systems, and provided specific recommendations, there is no predictable basis for system replacement reserve funding at this time.

Manufacturing defects become apparent from time to time, and certain site conditions (e.g. galvanic corrosion, dissimilar metals in contact with piping, chemical reactions, etc.) can contribute to premature deterioration of the plumbing systems.

Treat minor repairs as an ongoing maintenance expense.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 920 Electric - Maintain/Repair **Quantity: Main & branch systems**
Location: Throughout the community.
Funded?: No. The useful life is not predictable.
History: None known.
Comments: The majority of the electrical system was not visible for review. Analysis of the electrical system, beyond a limited visual review, is not within the scope of a reserve study. No large issues or problems/defects were reported.

Typically, if installed per architectural specifications and local building codes, there is no predictable time frame for large-scale repair/replacement expenses within the scope of our review. Some electrical system components are known to be life limited. Manufacturing defects become known from time to time, and certain site conditions can contribute to premature deterioration of electrical components. Periodic inspections and maintenance by a master electrician may become necessary. Some associations employ infrared, or other testing methodologies, to identify potential trouble spots.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 953 Garage Door Operators - Replace **Quantity: 8 Linear**
Location: Ceiling mounted in the garages.
Funded?: No. The useful life is not predictable.
History: Replaced 2020.
Comments: It was reported the garage door operators were replaced in 2020.

It is unlikely all operators will need to be replaced simultaneously, as the useful life is dependent upon actual use, and is thus unpredictable. Inspect regularly, and replace operators, as needed, with operating funds.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 964 Fire System - Inspect/Test **Quantity: 1 system**

Location: Throughout the buildings.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: Several tests are required over time per the NFPA 25, Inspections, Testing and Maintenance of Water-Based Fire Protection Systems. These types of expenses are typically most appropriately factored within the annual operating budget, not reserves.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 966 Fire Extinguishers-Inspect/Replace **Quantity: 4 units**

Location: In the buildings.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: The fire extinguishers were observed to be in stable condition and are assumed to function properly.

Follow all local fire code and inspection requirements. Replace extinguishers utilizing operating funds as recommended after inspection. If large-scale replacement becomes necessary, funding can be added to this component in a future report.

Useful Life:

Remaining Life:

Best Case: Worst Case:

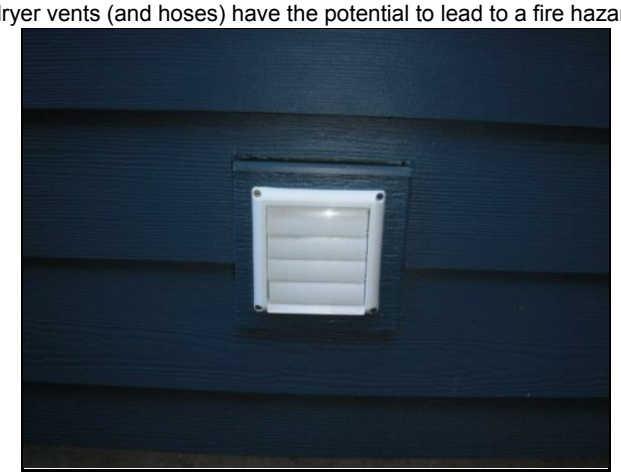
Cost Source:

Comp #: 975 Vents - Clean & Repair **Quantity: Extensive quantity**

Location: The buildings.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: The buildings include multiple vents that serve various purposes. We recommend the association have the vents inspected and cleaned annually with operating funds. Heightened attention should be given to dryer vents to ensure no blockages have occurred. Dirty/blocked dryer vents (and hoses) have the potential to lead to a fire hazard.

Useful Life:

Remaining Life:



Best Case: Worst Case:

Cost Source:

Comp #: 992 Energy - Audit **Quantity: Energy consumption**

Location: The building interiors and equipment
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: We highly recommend having a comprehensive energy audit of the building to analyze cost efficiencies and timing of equipment replacement. Contact Seattle City Light to learn about energy conservation and potential rebate offers. Companies like Washington Energy Services and Evergreen Energy Services offer onsite energy audits for a minimal fee.

Seattle City Light:
Online form: https://energysolutions.seattle.gov/contact-us/
Phone: 206-684-3800
Email: SCLEnergyAdvisor@seattle.gov

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 993 Seattle Energy Benchmark - Report **Quantity: Energy consumption**

Location: Energy use

Funded?: No. Costs are best handled with operating funds.

History: None known.

Comments: The City of Seattle's Energy Benchmarking program requires multi-family residential buildings to track and report their annual energy use. Reporting must be completed by April 1st each year. The City has the authority to levy substantial fines if a good faith effort is not made to comply with these requirements. To learn more and to determine if 58th Place II is required to participate*, visit the following website: https://www.seattle.gov/environment/climate-change/building-energy/energy-benchmarking

*Buildings with less than 20,000 square feet are not required to register or report energy use, but can still choose to participate. Contact the City of Seattle for more information.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 995 Building Envelope - Inspection **Quantity: Intrusive inspection**

Location: The underlying weatherproofing elements of the buildings.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: There were no reported problems at this time. A reserve study is a budget model, limited to visual exterior observations and research. It is outside the scope of our services, and the purpose of a reserve study, to assess the adequacy of the building envelope performance, as many of the key details are hidden from view. Any areas of concern observable from exterior observation have been noted in the various component field notes throughout this report. We highly recommend regular professional inspections by a qualified engineering, architectural, or building envelope consulting firm to evaluate the performance of the building envelope. Many associations are required by their Declaration to have annual inspections by a qualified architect or engineer to assess the physical condition of the building envelope enclosure. The building envelope inspection typically covers the roofs, decks, siding, windows, doors, sealants/caulking, and flashings. As the building ages, and the waterproofing typically deteriorates, provide more frequent inspections.

Building envelope inspections can be either visual or intrusive. An intrusive investigation (where finished materials are removed to view and better understand the underlying waterproofing systems and performance) should be of greater benefit, since a visual review provides only a limited amount of information derived from surface observations.

Cycles for future maintenance, repair, and replacement work of exterior building components are identified throughout this report.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

Comp #: 997 Annual Inspection & Survey **Quantity: Annual update**

Location: Inspect the building components and survey the community residents.
Funded?: No. Costs are best handled with operating funds.
History: None known.
Comments: 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, siding, decks, waterproofing/sealants, flashings, glazing systems, and doors. Forensic evaluation, building drops, etc. are beyond the scope of a typical reserve study. Although your association's governing documents do not appear to have such a requirement, we recommend that the Board provide for periodic building envelope inspections, funded from the operating budget, to help ensure critical areas are functioning properly.

In addition to an annual inspection, we recommend the association annually survey residents to inquire about conditions only visible from the unit interiors that the association may not be aware exist. Survey questions may include, but are not limited to, water intrusion/organic growth (particularly at windows and doors, skylights, water heaters, plumbing fixtures, etc), cracking or any other movement of drywall or structural members, and any other general building concerns. Such surveys can be key in identifying potential concerns early, thus increasing the opportunity to conduct repairs before advanced deterioration/damage and, therefore, larger expense occurs.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source:

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

Location: The community common and limited common elements.

Funded?: No. Costs are best handled with operating funds.

History: 2022 Full.

Comments: Per Washington State law (RCW 64.34.380), 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 the condition (i.e. physical, economic, governmental, etc.), and the resulting effect on the community's long-term reserve plan. Reserve study costs are most appropriately factored within the operating budget, and not as a funded reserve component.

Useful Life:

Remaining Life:

Best Case: Worst Case:

Cost Source: