



**2023
RESERVE STUDY
VALLEY RUN TOWNHOMES OWNERS ASSOCIATION**

Ketchum, ID 83340

Financial Year 2023 (January 1 2023 - December 31 2023)

Level 1 Full Study with Site Visit

05/04/22



A New Strategy for Reserve Funding.

Our reserve study approach is simple. We provide you with the insight needed to make fast, accurate and informed decisions. We focus on understanding your situation and providing funding solutions that are designed with your goals in mind. By focusing on the detail and the big picture we provide the information you need to best manage your reserve fund and annual contributions.

As a long-term capital budget plan, the reserve study identifies the current status of the reserve fund and whether contributions to the fund are adequate to address future needs. The report helps the Association make necessary decisions regarding the development of their reserve fund and establish expectations in relation to the timing and cost of significant repair and replacement projects.

The reserve study recommends funding through smaller monthly contributions rather than risking large, unanticipated special assessments. Regular and ongoing reserve contributions are favored over special assessment as they help distribute expenses equally between current and future owners, and establish a stable contribution rate.

The reserve study contains 'forward looking' concepts which reflect expectations with respect to certain future events and potential financial performance. Although we believe at this time that the expectations reflected within the reserve study are reasonable, no assurances can be given that such expectations will prove correct. We recommend that the reserve study be updated annually to address changing circumstances and conditions.



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EXECUTIVE SUMMARY

PROPERTY SUMMARY

ASSOCIATION NAME	Valley Run Townhomes Owners Association
LOCATION	Ketchum, IDAHO 83340
YEAR CONSTRUCTED	2000
NUMBER OF UNITS	8
FINANCIAL YEAR	2023 (January 1 2023 - December 31 2023)
REPORT LEVEL	Level 1 Full Study with Site Visit

RESERVE FUND

PROJECT STARTING BALANCE ¹	\$10,500
FULLY FUNDED BALANCE, IDEAL	\$362,939
CURRENT PER UNIT DEFICIENCY/(SURPLUS) IN RESERVES	\$44,055
PERCENT FUNDED ²	3 %
INTEREST EARNED	0.00 %
INFLATION RATE ³	3.00 %

RESERVE CONTRIBUTIONS

CURRENT RESERVE FUND CONTRIBUTION	\$0
FULL FUNDING, MAXIMUM CONTRIBUTION	\$57,463
BASELINE FUNDING, MINIMUM CONTRIBUTION	\$47,481
SPECIAL ASSESSMENT	\$0

¹ Information in relation to the Association's finances were supplied by the Association's representative and is not audited.

² The ratio, at a particular point of time (the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage (www.caionline.org). Used to highlight the strength of the Association's reserve fund.

³ Inflation rate is based upon the average annual increase of the Consumer Price Index (CPI) over the last 30-years, as published by the US Bureau of Labor Statistics (www.labor.gov).



KEY INSIGHTS

\$10,500

RESERVE ACCOUNT
BALANCE

\$0

ANNUAL
RESERVE CONTRIBUTION

\$2,153,368

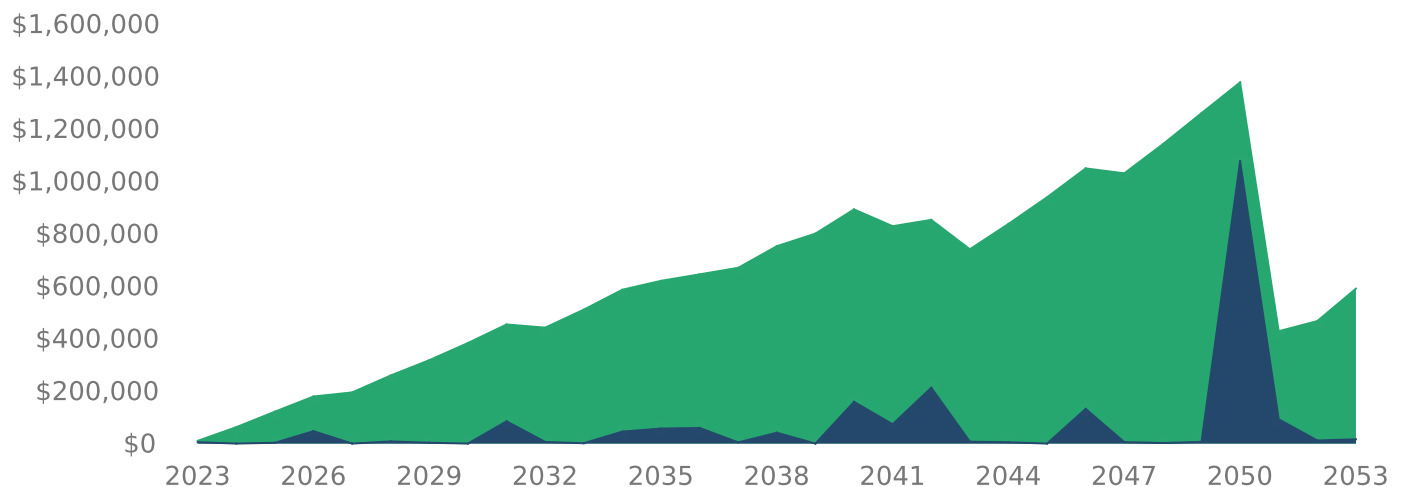
PROJECTED EXPENSES
OVER 30 YEARS

FULL FUNDING STRATEGY

Annual member contributions to the reserve fund are used to address those expenses too large or infrequent to be addressed through annual operating funds. The chart below highlights the outcome of the Full Funding strategy over the mid-to-long term.

YEAR 1-30 EXPENSES

\$2,153,368



STARTING BALANCE

\$10,500

ENDING BALANCE

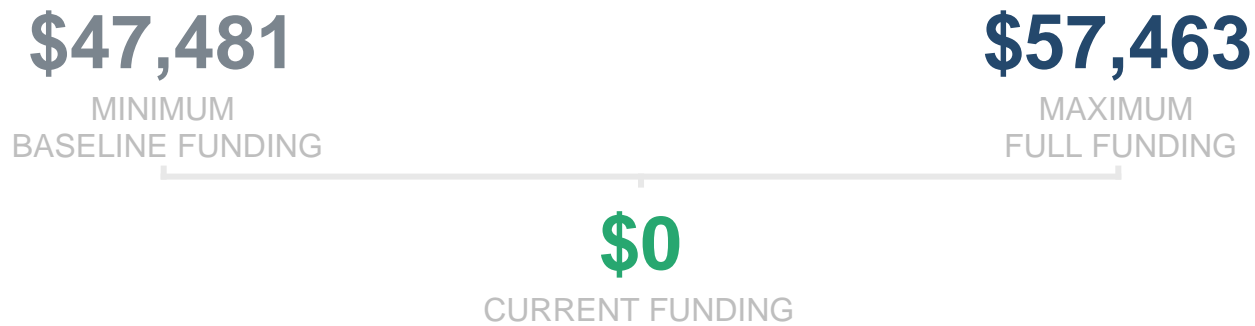
\$590,944

Note: Figures based upon the expectation that the Association will continue to increase member contributions by an inflationary rate of 3.00% annually. Year-over-year change the result of projected expenses on the Association's reserve account.



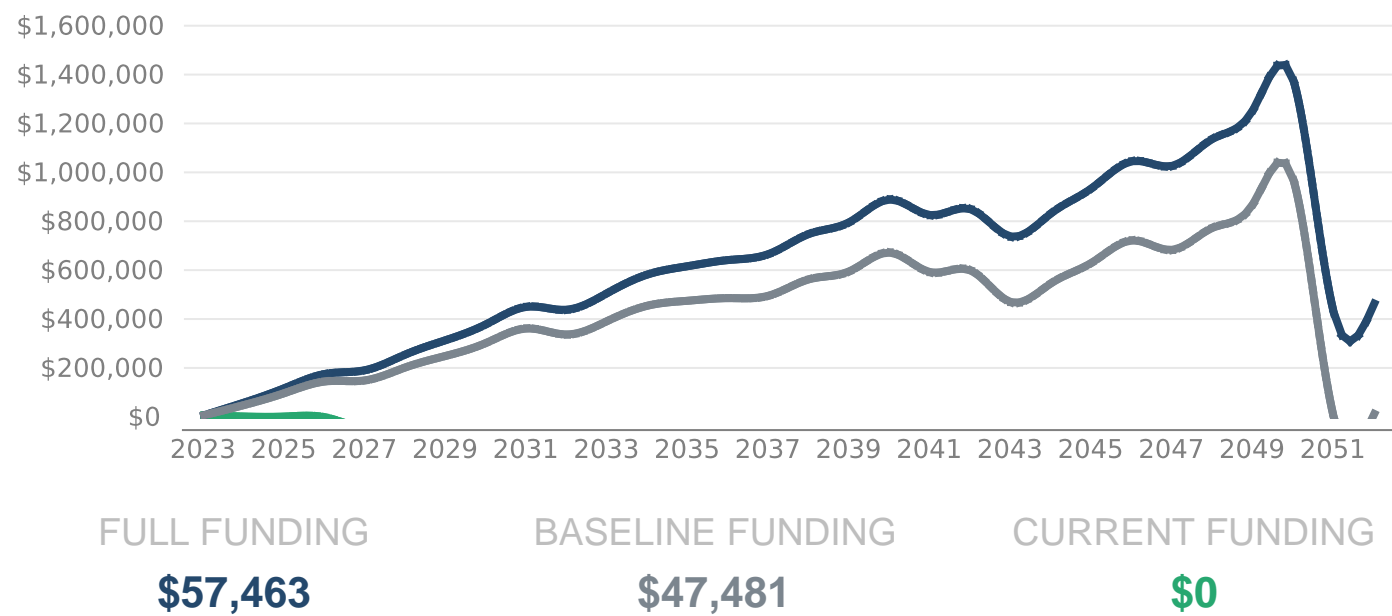
CONTRIBUTION RANGE

We recommend that reserve contributions be evenly distributed between members over the life of a community. To achieve this goal, we establish an ideal contribution range within which the Association should establish ongoing payments.



FUNDING STRATEGIES

The funding strategy chosen will have a direct impact on the growth of the Association’s reserve fund. The chart below highlights the outcomes of the various funding strategies.



Note: Figures based upon the expectation that the Association will continue to increase member contributions by an inflationary rate of 3.00% annually. Year-over-year change the result of projected expenses on the Association’s reserve account.



FULL FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2023	\$362,939	3%	\$10,500	\$57,463	\$0	\$0	\$5,360	\$62,603
2024	\$403,087	16%	\$62,603	\$59,187	\$0	\$0	\$0	\$121,789
2025	\$451,004	27%	\$121,789	\$60,962	\$0	\$0	\$3,183	\$179,569
2026	\$498,154	36%	\$179,569	\$62,791	\$0	\$0	\$47,271	\$195,088
2027	\$502,415	39%	\$195,088	\$64,675	\$0	\$0	\$0	\$259,763
2028	\$556,634	47%	\$259,763	\$66,615	\$0	\$0	\$8,115	\$318,263
2029	\$605,295	53%	\$318,263	\$68,613	\$0	\$0	\$3,296	\$383,581
2030	\$661,589	58%	\$383,581	\$70,672	\$0	\$0	\$0	\$454,253
2031	\$724,213	63%	\$454,253	\$72,792	\$0	\$0	\$84,874	\$442,172
2032	\$702,579	63%	\$442,172	\$74,976	\$0	\$0	\$6,211	\$510,937
2033	\$762,640	67%	\$510,937	\$77,225	\$0	\$0	\$1,344	\$586,818
2034	\$830,877	71%	\$586,818	\$79,542	\$0	\$0	\$45,680	\$620,680
2035	\$856,898	72%	\$620,680	\$81,928	\$0	\$0	\$57,116	\$645,492
2036	\$873,365	74%	\$645,492	\$84,386	\$0	\$0	\$59,476	\$670,402
2037	\$889,383	75%	\$670,402	\$86,917	\$0	\$0	\$4,538	\$752,782
2038	\$963,999	78%	\$752,782	\$89,525	\$0	\$0	\$41,380	\$800,927
2039	\$1,004,485	80%	\$800,927	\$92,211	\$0	\$0	\$0	\$893,138
2040	\$1,090,433	82%	\$893,138	\$94,977	\$0	\$0	\$159,004	\$829,111
2041	\$1,016,859	82%	\$829,111	\$97,826	\$0	\$0	\$73,647	\$853,290
2042	\$1,030,720	83%	\$853,290	\$100,761	\$0	\$0	\$212,876	\$741,176
2043	\$903,368	82%	\$741,176	\$103,784	\$0	\$0	\$7,224	\$837,736
2044	\$985,846	85%	\$837,736	\$106,898	\$0	\$0	\$5,134	\$939,499
2045	\$1,074,835	87%	\$939,499	\$110,104	\$0	\$0	\$0	\$1,049,603
2046	\$1,173,724	89%	\$1,049,603	\$113,408	\$0	\$0	\$132,230	\$1,030,780
2047	\$1,141,381	90%	\$1,030,780	\$116,810	\$0	\$0	\$5,611	\$1,141,980
2048	\$1,240,546	92%	\$1,141,980	\$120,314	\$0	\$0	\$2,094	\$1,260,200
2049	\$1,348,429	93%	\$1,260,200	\$123,924	\$0	\$0	\$6,470	\$1,377,654
2050	\$1,457,225	95%	\$1,377,654	\$127,641	\$0	\$0	\$1,076,792	\$428,503
2051	\$469,104	91%	\$428,503	\$131,471	\$0	\$0	\$92,661	\$467,313
2052	\$467,313	100%	\$467,313	\$135,415	\$0	\$0	\$11,783	\$590,944

\$57,463

2023
ANNUAL CONTRIBUTION

3.00 %

PERCENTAGE ANNUAL
CONTRIBUTION INCREASE

0.00 %

ANNUAL
INTEREST RATE



BASELINE FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2023	\$362,939	3%	\$10,500	\$47,481	\$0	\$0	\$5,360	\$52,621
2024	\$403,087	13%	\$52,621	\$48,906	\$0	\$0	\$0	\$101,527
2025	\$451,004	23%	\$101,527	\$50,373	\$0	\$0	\$3,183	\$148,718
2026	\$498,154	30%	\$148,718	\$51,884	\$0	\$0	\$47,271	\$153,331
2027	\$502,415	31%	\$153,331	\$53,441	\$0	\$0	\$0	\$206,772
2028	\$556,634	37%	\$206,772	\$55,044	\$0	\$0	\$8,115	\$253,701
2029	\$605,295	42%	\$253,701	\$56,695	\$0	\$0	\$3,296	\$307,100
2030	\$661,589	46%	\$307,100	\$58,396	\$0	\$0	\$0	\$365,497
2031	\$724,213	50%	\$365,497	\$60,148	\$0	\$0	\$84,874	\$340,771
2032	\$702,579	49%	\$340,771	\$61,953	\$0	\$0	\$6,211	\$396,513
2033	\$762,640	52%	\$396,513	\$63,811	\$0	\$0	\$1,344	\$458,980
2034	\$830,877	55%	\$458,980	\$65,725	\$0	\$0	\$45,680	\$479,026
2035	\$856,898	56%	\$479,026	\$67,697	\$0	\$0	\$57,116	\$489,607
2036	\$873,365	56%	\$489,607	\$69,728	\$0	\$0	\$59,476	\$499,860
2037	\$889,383	56%	\$499,860	\$71,820	\$0	\$0	\$4,538	\$567,142
2038	\$963,999	59%	\$567,142	\$73,975	\$0	\$0	\$41,380	\$599,737
2039	\$1,004,485	60%	\$599,737	\$76,194	\$0	\$0	\$0	\$675,931
2040	\$1,090,433	62%	\$675,931	\$78,480	\$0	\$0	\$159,004	\$595,407
2041	\$1,016,859	59%	\$595,407	\$80,834	\$0	\$0	\$73,647	\$602,593
2042	\$1,030,720	58%	\$602,593	\$83,259	\$0	\$0	\$212,876	\$472,977
2043	\$903,368	52%	\$472,977	\$85,757	\$0	\$0	\$7,224	\$551,509
2044	\$985,846	56%	\$551,509	\$88,330	\$0	\$0	\$5,134	\$634,704
2045	\$1,074,835	59%	\$634,704	\$90,979	\$0	\$0	\$0	\$725,684
2046	\$1,173,724	62%	\$725,684	\$93,709	\$0	\$0	\$132,230	\$687,162
2047	\$1,141,381	60%	\$687,162	\$96,520	\$0	\$0	\$5,611	\$778,072
2048	\$1,240,546	63%	\$778,072	\$99,416	\$0	\$0	\$2,094	\$875,394
2049	\$1,348,429	65%	\$875,394	\$102,398	\$0	\$0	\$6,470	\$971,322
2050	\$1,457,225	67%	\$971,322	\$105,470	\$0	\$0	\$1,076,792	\$0
2051	\$469,104	0%	\$0	\$108,634	\$0	\$0	\$92,661	\$15,973
2052	\$467,313	3%	\$15,973	\$111,893	\$0	\$0	\$11,783	\$116,083

\$47,481

2023
ANNUAL CONTRIBUTION

3.00 %

PERCENTAGE ANNUAL
CONTRIBUTION INCREASE

0.00 %

ANNUAL
INTEREST RATE



CURRENT FUNDING PLAN | SUMMARY

Year	Fully Funded Balance	Percentage Funded	Beginning Balance	Reserve Contribution	Special Assessment	Interest Earned	Reserve Expenditures	Ending Balance
2023	\$362,939	3%	\$10,500	\$0	\$0	\$0	\$5,360	\$5,140
2024	\$403,087	1%	\$5,140	\$0	\$0	\$0	\$0	\$5,140
2025	\$451,004	1%	\$5,140	\$0	\$0	\$0	\$3,183	\$1,957
2026	\$498,154	0%	\$1,957	\$0	\$0	\$0	\$47,271	-\$45,314
2027	\$502,415	0%	-\$45,314	\$0	\$0	\$0	\$0	-\$45,314
2028	\$556,634	0%	-\$45,314	\$0	\$0	\$0	\$8,115	-\$53,429
2029	\$605,295	0%	-\$53,429	\$0	\$0	\$0	\$3,296	-\$56,725
2030	\$661,589	0%	-\$56,725	\$0	\$0	\$0	\$0	-\$56,725
2031	\$724,213	0%	-\$56,725	\$0	\$0	\$0	\$84,874	-\$141,598
2032	\$702,579	0%	-\$141,598	\$0	\$0	\$0	\$6,211	-\$147,809
2033	\$762,640	0%	-\$147,809	\$0	\$0	\$0	\$1,344	-\$149,153
2034	\$830,877	0%	-\$149,153	\$0	\$0	\$0	\$45,680	-\$194,833
2035	\$856,898	0%	-\$194,833	\$0	\$0	\$0	\$57,116	-\$251,949
2036	\$873,365	0%	-\$251,949	\$0	\$0	\$0	\$59,476	-\$311,424
2037	\$889,383	0%	-\$311,424	\$0	\$0	\$0	\$4,538	-\$315,962
2038	\$963,999	0%	-\$315,962	\$0	\$0	\$0	\$41,380	-\$357,342
2039	\$1,004,485	0%	-\$357,342	\$0	\$0	\$0	\$0	-\$357,342
2040	\$1,090,433	0%	-\$357,342	\$0	\$0	\$0	\$159,004	-\$516,345
2041	\$1,016,859	0%	-\$516,345	\$0	\$0	\$0	\$73,647	-\$589,993
2042	\$1,030,720	0%	-\$589,993	\$0	\$0	\$0	\$212,876	-\$802,868
2043	\$903,368	0%	-\$802,868	\$0	\$0	\$0	\$7,224	-\$810,093
2044	\$985,846	0%	-\$810,093	\$0	\$0	\$0	\$5,134	-\$815,227
2045	\$1,074,835	0%	-\$815,227	\$0	\$0	\$0	\$0	-\$815,227
2046	\$1,173,724	0%	-\$815,227	\$0	\$0	\$0	\$132,230	-\$947,457
2047	\$1,141,381	0%	-\$947,457	\$0	\$0	\$0	\$5,611	-\$953,068
2048	\$1,240,546	0%	-\$953,068	\$0	\$0	\$0	\$2,094	-\$955,162
2049	\$1,348,429	0%	-\$955,162	\$0	\$0	\$0	\$6,470	-\$961,632
2050	\$1,457,225	0%	-\$961,632	\$0	\$0	\$0	\$1,076,792	-\$2,038,424
2051	\$469,104	0%	-\$2,038,424	\$0	\$0	\$0	\$92,661	-\$2,131,085
2052	\$467,313	0%	-\$2,131,085	\$0	\$0	\$0	\$11,783	-\$2,142,868

\$0

2023
ANNUAL CONTRIBUTION

3.00 %

PERCENTAGE ANNUAL
CONTRIBUTION INCREASE

0.00 %

ANNUAL
INTEREST RATE



METHODOLOGY

An important aspect of living in a common area development such as a cooperative, condominium, or homeowner Association is the community's ownership and commitment to maintain its common areas.

Association members have a vested interest in maintaining and preserving their investment. To meet these obligations, the Association should prudently prepare for the future and contribute funds into a reserve account. Periodic contributions provide the freedom to gradually accumulate funds for anticipated expenditures while limiting the need to raise large sums of money through alternative means, such as special assessments.

When implementing a policy to fund major repair or replacement, the Board must educate owners about the benefits of accumulating reserve funds in advance through periodic contributions. Benefits of a systematic accumulation of funds include:

- having assurance that funds for major repairs and replacements will be available when needed;
- development of an equitable method of charging both current and future owners for ongoing use of assets;
- preservation of the market value of individual units; and
- compliance with the governing documents, statutes, mortgages, and other similar requirements.

A reserve study recommends the preferable mode of funding through smaller monthly contributions rather than facing large, unanticipated special assessments. The reserve study provides an Association with access to information and materials that will assist them in making timely and informed decisions about their reserve fund and contributions.

A reserve study is the sum of two parts: the physical and financial analysis. The physical analysis is a result of the on-site collection and review of data specific to the property's reserve components, common areas, and limited common areas. Through an onsite inspection and the use of source materials, the Reserve Specialist quantifies and establishes the reserve component inventory and assesses the physical condition of the Association's reserve components. Data from the physical analysis is used to define the scope and timing of future anticipated expenses.

The financial analysis evaluates the condition of the Association's reserve fund in relation to its income and anticipated expenses. It appraises the adequacy of the reserve fund, and associated member contributions, against the current and future expenditures of the Association. To adequately forecast these expenditures over the 30-year projection period, current costs, projected inflation, and interest rates must be established. Recommendations are then provided to establish a reserve fund that addresses anticipated expenses, without having to resort to special assessments.

Due to the long-term nature of a reserve study, certain assumptions must be made. Every effort has been made to ensure that the recommendations are based upon reliable and experienced sources in the building industry. However, there can be no guarantee that events will occur at the predicted specific intervals, or that they will occur at all. Any reserve study must be viewed in the light of circumstances existing at the actual time of the study.



PHYSICAL ANALYSIS

As part of this reserve study a comprehensive list of reserve components (major common and limited common elements) has been compiled. Estimates for the useful life, remaining life, plus current repair and replacement costs for each of these reserve components have been calculated. This list is not intended to be exhaustive. However, an inaccurate or incomplete list of components can have an adverse impact upon the Association's long-term funding plan.

Site Inspection

A site inspection is conducted to assess the general condition of the property and its common areas. The on-site inspection is visual in nature, and no destructive or invasive testing is conducted. Observations are recorded using a representative sampling of the Association's common areas and reserve components. The component inventory and associated field measurements are also substantiated as part of the inspection.

Reserve Components

Determination of what constitutes a reserve component is dependent on a number of factors. A four-part test is generally used to distinguish a reserve item from an operational or maintenance expense. A component is included as a reserve item only if it satisfies ALL criteria outlined below:

- It is part of the Association's common and limited common area responsibilities.
- It has a predictable useful service life.
- Its useful life fits within the projection period. This means that components with a life of 30 years or more may not be included as part of the report if it is determined that they will last beyond the projection period.
- Its cost for repair or replacement is too high to include as part of the operating budget.

The components of common property that an Association includes in its reserve funding plan are also dependent on the type of project, the construction properties and the Association's applicable governing documents and state statutes.

Component Useful Life

The useful life of a reserve component relates to the number of years it is expected to last, given reasonable care and maintenance. The prediction of reserve and building component life can be no more than an informed estimate based upon information made available at the time of the report's development. Consideration is given to vendor recommendations, material warranty information provided at the time of the report's development, along with other published sources. The data and service life estimates in this report are based on information gathered from various groups and industry sources as outlined below:

- Historical data and feedback from the Association;
- Management groups and maintenance managers;
- Manufacturer recommendations and industry standards;
- Published sources of service life data;
- Manufacturers' and suppliers' data.



Component Remaining Useful Life

The remaining life of a reserve component refers to the number of years left before an item's expected repair or replacement. A component's remaining life is contingent upon the following factors:

- Age/years in service;
- Physical condition;
- Frequency and quality of inspections and maintenance;
- General use;
- Environment, impact of weather and building location;
- Installation methods that meets or exceed industry standards;
- Design and quality of materials used.

In addition to deterioration or anticipated failure of a component, the longevity may be impacted by obsolescence. The accuracy of the estimate is contingent upon reliable information made available at the time of the report's development. It is important to note that even with the highest degree of diligence and experience, outcomes will vary, and no guarantee can be given as to the timing or service life of the reserve components. All service life assessments in this report are based on the assumption that installation is carried out in accordance with manufacturer's recommendations and installation instructions, together with industry standards of workmanship.

FINANCIAL ANALYSIS

An Association, like any business entity, must prepare financially for the replacement and repair of its assets. Reserve study funding analysis is an important part of the annual budget process. Reserve funding should be reviewed at least once annually to help determine the annual assessment to be charged to members. The following elements are used in the financial analysis.

Recommended Funding Rate

We advocate a program of regular reserve fund contributions and promote a gradual means of reserving for future repair and replacement expenses. Recommended contributions are set at a level where they require only minor annual increases. The rate is designed to distribute the anticipated cost of common property ownership equitably between all members over the entire projection period.

Fully Funded Balance

The Fully Funded balance is equal to the total depreciable cost of all the Association's reserve components. It is determined by dividing each reserve component's cost by its useful life, and multiplying that by the number of years the component has been in service (effectively its age). In essence, the depreciated or 'used up' value of a component is utilized to establish an amount that the Association should have saved by a particular time. The recommendations in this report are based upon a Full Funding plan, which sets the goal of achieving one hundred percent fully funded reserves by the end of the 30-year projection period. We advocate full funding as we feel that this approach provides a solid platform to address future needs, thus dramatically reducing the need for special assessment.



Percent Funded

An Association's reserve fund status is assessed by comparing the ratio of actual or projected funds available versus how much they 'should have saved'. The result is presented as a percentage and is commonly known as "percent funded". In other words, percent funded is calculated by dividing the Association's current reserve fund balance by the fully funded balance. This equation is an industry measure of how well prepared an Association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the Association's reserve account in relation to the anticipated costs of repair and replacement.

Reserve Component Cost

Current cost estimates for reserve components are derived from a variety of sources but typically are based on cost data sourced from national construction estimators (R.S. Means) and vendor pricing acquired from regional contractors and suppliers. All cost estimates formulated from national estimators are based upon the latest specific geographical information for the area. Future cost estimates are determined by applying the assumed annual inflation rate to the current cost of each component.

Individual cost estimates are for budgeting purposes only. Actual construction costs can vary significantly due to economies of scale, material availability, labor, seasonal considerations, and other factors beyond our control. We recommend that project costs be substantiated well in advance of the anticipated date of repair and replacement. A detailed evaluation by a qualified professional should also be undertaken to establish the scope and budget of each project.

Cost estimates do not account for permits, architectural, or project management fees that may be required. Allowances and contingencies must also be added to the total as the scope of work is defined.

Inflation Rate

The effect of inflation on the cost of reserve components is a key factor in the financial projections. Historically, the cost of construction materials and labor rise at a higher rate than that experienced by the general economy. RSG has chosen to use an inflationary multiplier that is somewhat higher than the current general consumer index for inflation. The rate used is based upon the historical average of inflation over the last 30 years. This rate reflects a realistic appreciation of future costs for reserve components and assists the Association in adequately budgeting for increasing cost.

Interest Rate

The interest rate used in this report is formulated on a conservative rate of return. Unless otherwise advised by the Association, an assumed net interest rate of 1.00% is used. RSG offers no guarantee or opinion in relation to investment decisions made by the Association or the rate of return achieved.

Current Reserve Fund Balance

The analysis, recommendations, and financial projections made within this report are heavily reliant on information provided by the Association and its representatives. The starting reserve fund balance (current or projected) and member contribution totals are supplied by these sources. This information has not been audited nor have the financial projections or recommendations.



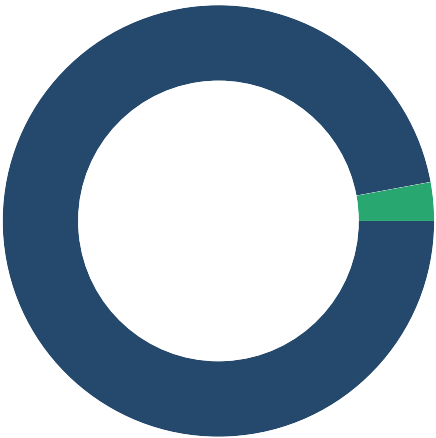
FINANCIAL ANALYSIS

This section of the report is intended to provide the association with the awareness to adequately plan for the ongoing major maintenance, repair and replacement of their common property components. The recommendations included within this report represent one scenario, and are not intended to represent the only means of achieving the association’s goals. We recommend that the Board of Directors use the following information as a guide in planning for their future objectives.

Percent Funded

The Percent Funded equation is the industry measure of how well prepared an association is to meet its current and future repair and replacement obligations. Percent funded highlights the strength of the association’s reserve account in relation to its anticipated costs of repair and replacement. The higher the funded level, the less exposed an association is to market conditions, unanticipated expenses or events, and fluctuations in the general economy.

PERCENT
FUNDED
3%



RESERVE FUND
BALANCE
\$10,500

IDEAL
BALANCE
\$362,939

An Association at or below a funding level of 30% has an increased risk of requiring special assessments to meet their ongoing obligations, as compared to Associations with higher funding levels. A level of funding at and above 60% is categorized as good or well funded. We recommend that associations look to achieve and maintain funding levels at and above 60%, with a preference to being 100% funded.

Funding Goals

There is a range of funding alternatives available to the association. In our opinion the strategy chosen should not only meet the immediate needs and risk tolerance of current members, but also the longer term needs of the association.

The association needs to establish a reserve contribution rate which, at a minimum, meets their anticipated financial needs without having to resort to special assessment or deferred maintenance. In addition, the funding goal needs to be prudent enough to meet the expectations of current members while not unfairly burdening future owners.



FULL FUNDING

Establishes a goal of achieving one hundred percent fully funded reserves by the end of the projection period.

THRESHOLD FUNDING

Sets out to keep the cash reserves above a specified dollar or percent funded amount for the duration of the projection period.

BASELINE FUNDING

Establishes a goal of maintaining a reserve account balance above zero dollars throughout the study period.

The minimum funding goal needed to meet planned expenditure is Baseline Funding. Baseline Funding maintains the reserve account at or above zero dollars, but leaves the association with no contingency to address unanticipated outcomes. Threshold funding is a strategy designed to provide for this contingency by keeping cash reserves above a specific dollar amount or percent funded level.

The reserve fund plan highlighted in this report is based upon the Full Funding program of reserve contributions. The Full Funding plan highlights an ideal level of contributions which will enable an association to be 100% funded by the end of the projection period. As stated previously, we recommend that the association implement a program that moves them toward and maintains a funding level of 60-100%.



RESERVE COMPONENT LIST

Component	Useful Life	Remaining Useful Life	Quantity	Unit of Measure	Unit Cost	Current Cost
Building Exterior - Roof, Asphalt Shingle	20	19	127	Squares	\$650.00	\$82,550
Building Exterior - Roof, Gutters & Downspouts	20	19	1605	LF	\$10.00	\$16,050
Building Exterior - Roof, Chimney Shroud & Chase Cover	25	19	8	Each	\$2,600.00	\$20,800
Building Exterior - Paint & Caulk, Siding	5	3	1	Lump Sum	\$40,500.00	\$40,500
Building Exterior - Paint & Caulk, Stucco	15	8	1	Lump Sum	\$17,500.00	\$17,500
Building Exterior - Siding, Replace	50	27	13900	SF	\$20.00	\$278,000
Building Exterior - Stucco, Replace	50	27	6800	SF	\$30.00	\$204,000
Building Exterior - Doors, Garage, Replace	20	15	8	Each	\$2,850.00	\$22,800
Building Exterior - Doors, Unit Entry, Stain	35	0	8	Each	\$200.00	\$1,600
Building Exterior - Deck & Entry Stair, Surface, Replace	30	12	920	SF	\$20.00	\$18,400
Building Exterior - Deck & Entry Stair, Surface, Stain	3	0	920	SF	\$3.00	\$2,760
Building Exterior - Deck & Entry Stair, Railings, Replace	30	12	270	LF	\$70.00	\$18,900
General Site - Pavers, Replace	40	17	4660	SF	\$20.00	\$93,200
General Site - Fence, 6' Wood	15	8	75	LF	\$80.00	\$6,000
General Site - Landscape, Tree Remove & Replace	3	2	1	Lump Sum	\$3,000.00	\$3,000
General Site - Landscape, Irrigation, Repair Allowance	5	0	1	Lump Sum	\$1,000.00	\$1,000
General Site - Snowmelt Boiler	20	11	1	Lump Sum	\$30,000.00	\$30,000
General Site - Equipment Bldg, Repair Allowance	10	9	1	Lump Sum	\$2,000.00	\$2,000
General Site - Signage, Entry	25	5	1	Each	\$3,000.00	\$3,000
TOTALS						\$862,060

Readers should be aware that certain property elements are considered 'long life' elements and are not accounted for within the reserve study [building foundations, utility piping, structural, plumbing & electrical elements] in conjunction with elements that are or can be managed as part of the Association's operating budget.

Cost estimates do not account for permits, architectural, or project management fees that may be required. Allowances and contingencies must also be added to the total as the scope of work is defined.



FULLY FUNDED BALANCE

Component	Current Cost	Current Fully Funded Balance	Annual Cost	% Annual Cost
Building Exterior - Roof, Asphalt Shingle	\$82,550	\$4,128	\$4,128	12.22%
Building Exterior - Roof, Gutters & Downspouts	\$16,050	\$803	\$803	2.38%
Building Exterior - Roof, Chimney Shroud & Chase Cover	\$20,800	\$4,992	\$832	2.46%
Building Exterior - Paint & Caulk, Siding	\$40,500	\$16,200	\$8,100	23.99%
Building Exterior - Paint & Caulk, Stucco	\$17,500	\$8,167	\$1,167	3.45%
Building Exterior - Siding, Replace	\$278,000	\$127,880	\$5,560	16.47%
Building Exterior - Stucco, Replace	\$204,000	\$93,840	\$4,080	12.08%
Building Exterior - Doors, Garage, Replace	\$22,800	\$5,700	\$1,140	3.38%
Building Exterior - Doors, Unit Entry, Stain	\$1,600	\$1,600	\$46	0.14%
Building Exterior - Deck & Entry Stair, Surface, Replace	\$18,400	\$11,040	\$613	1.82%
Building Exterior - Deck & Entry Stair, Surface, Stain	\$2,760	\$2,760	\$920	2.72%
Building Exterior - Deck & Entry Stair, Railings, Replace	\$18,900	\$11,340	\$630	1.87%
General Site - Pavers, Replace	\$93,200	\$53,590	\$2,330	6.90%
General Site - Fence, 6' Wood	\$6,000	\$2,800	\$400	1.18%
General Site - Landscape, Tree Remove & Replace	\$3,000	\$1,000	\$1,000	2.96%
General Site - Landscape, Irrigation, Repair Allowance	\$1,000	\$1,000	\$200	0.59%
General Site - Snowmelt Boiler	\$30,000	\$13,500	\$1,500	4.44%
General Site - Equipment Bldg, Repair Allowance	\$2,000	\$200	\$200	0.59%
General Site - Signage, Entry	\$3,000	\$2,400	\$120	0.36%
TOTALS	\$862,060	\$362,939	\$33,768	100%



RESERVE EXPENSES 1-5 YEARS

Component	2023	2024	2025	2026	2027
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Shroud & Chase Cover	\$0	\$0	\$0	\$0	\$0
Building Exterior - Paint & Caulk, Siding	\$0	\$0	\$0	\$44,255	\$0
Building Exterior - Paint & Caulk, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stucco, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Garage, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Unit Entry, Stain	\$1,600	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Stain	\$2,760	\$0	\$0	\$3,016	\$0
Building Exterior - Deck & Entry Stair, Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pavers, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, 6' Wood	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Remove & Replace	\$0	\$0	\$3,183	\$0	\$0
General Site - Landscape, Irrigation, Repair Allowance	\$1,000	\$0	\$0	\$0	\$0
General Site - Snowmelt Boiler	\$0	\$0	\$0	\$0	\$0
General Site - Equipment Bldg, Repair Allowance	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Entry	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$5,360	\$0	\$3,183	\$47,271	\$0



RESERVE EXPENSES 6-10 YEARS

Component	2028	2029	2030	2031	2032
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Shroud & Chase Cover	\$0	\$0	\$0	\$0	\$0
Building Exterior - Paint & Caulk, Siding	\$0	\$0	\$0	\$51,304	\$0
Building Exterior - Paint & Caulk, Stucco	\$0	\$0	\$0	\$22,168	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stucco, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Garage, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Unit Entry, Stain	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Stain	\$0	\$3,296	\$0	\$0	\$3,601
Building Exterior - Deck & Entry Stair, Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pavers, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, 6' Wood	\$0	\$0	\$0	\$7,601	\$0
General Site - Landscape, Tree Remove & Replace	\$3,478	\$0	\$0	\$3,800	\$0
General Site - Landscape, Irrigation, Repair Allowance	\$1,159	\$0	\$0	\$0	\$0
General Site - Snowmelt Boiler	\$0	\$0	\$0	\$0	\$0
General Site - Equipment Bldg, Repair Allowance	\$0	\$0	\$0	\$0	\$2,610
General Site - Signage, Entry	\$3,478	\$0	\$0	\$0	\$0
Annual Expenditure	\$8,115	\$3,296	\$0	\$84,874	\$6,211



RESERVE EXPENSES 11-15 YEARS

Component	2033	2034	2035	2036	2037
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Shroud & Chase Cover	\$0	\$0	\$0	\$0	\$0
Building Exterior - Paint & Caulk, Siding	\$0	\$0	\$0	\$59,476	\$0
Building Exterior - Paint & Caulk, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stucco, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Garage, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Unit Entry, Stain	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Replace	\$0	\$0	\$26,234	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Stain	\$0	\$0	\$3,935	\$0	\$0
Building Exterior - Deck & Entry Stair, Railings, Replace	\$0	\$0	\$26,947	\$0	\$0
General Site - Pavers, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, 6' Wood	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Remove & Replace	\$0	\$4,153	\$0	\$0	\$4,538
General Site - Landscape, Irrigation, Repair Allowance	\$1,344	\$0	\$0	\$0	\$0
General Site - Snowmelt Boiler	\$0	\$41,527	\$0	\$0	\$0
General Site - Equipment Bldg, Repair Allowance	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Entry	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$1,344	\$45,680	\$57,116	\$59,476	\$4,538



RESERVE EXPENSES 16-20 YEARS

Component	2038	2039	2040	2041	2042
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$144,752
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$28,144
Building Exterior - Roof, Chimney Shroud & Chase Cover	\$0	\$0	\$0	\$0	\$36,473
Building Exterior - Paint & Caulk, Siding	\$0	\$0	\$0	\$68,949	\$0
Building Exterior - Paint & Caulk, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stucco, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Garage, Replace	\$35,522	\$0	\$0	\$0	\$0
Building Exterior - Doors, Unit Entry, Stain	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Stain	\$4,300	\$0	\$0	\$4,699	\$0
Building Exterior - Deck & Entry Stair, Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pavers, Replace	\$0	\$0	\$154,045	\$0	\$0
General Site - Fence, 6' Wood	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Remove & Replace	\$0	\$0	\$4,959	\$0	\$0
General Site - Landscape, Irrigation, Repair Allowance	\$1,558	\$0	\$0	\$0	\$0
General Site - Snowmelt Boiler	\$0	\$0	\$0	\$0	\$0
General Site - Equipment Bldg, Repair Allowance	\$0	\$0	\$0	\$0	\$3,507
General Site - Signage, Entry	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$41,380	\$0	\$159,004	\$73,647	\$212,876



RESERVE EXPENSES 21-25 YEARS

Component	2043	2044	2045	2046	2047
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Shroud & Chase Cover	\$0	\$0	\$0	\$0	\$0
Building Exterior - Paint & Caulk, Siding	\$0	\$0	\$0	\$79,930	\$0
Building Exterior - Paint & Caulk, Stucco	\$0	\$0	\$0	\$34,538	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Stucco, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Garage, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Unit Entry, Stain	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Stain	\$0	\$5,134	\$0	\$0	\$5,611
Building Exterior - Deck & Entry Stair, Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pavers, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, 6' Wood	\$0	\$0	\$0	\$11,842	\$0
General Site - Landscape, Tree Remove & Replace	\$5,418	\$0	\$0	\$5,921	\$0
General Site - Landscape, Irrigation, Repair Allowance	\$1,806	\$0	\$0	\$0	\$0
General Site - Snowmelt Boiler	\$0	\$0	\$0	\$0	\$0
General Site - Equipment Bldg, Repair Allowance	\$0	\$0	\$0	\$0	\$0
General Site - Signage, Entry	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$7,224	\$5,134	\$0	\$132,230	\$5,611



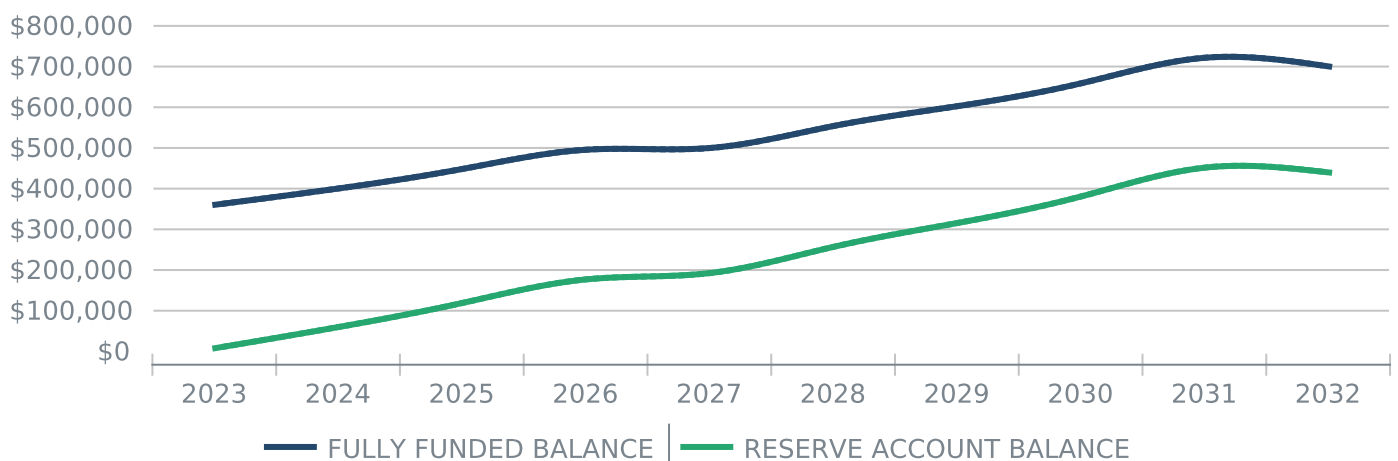
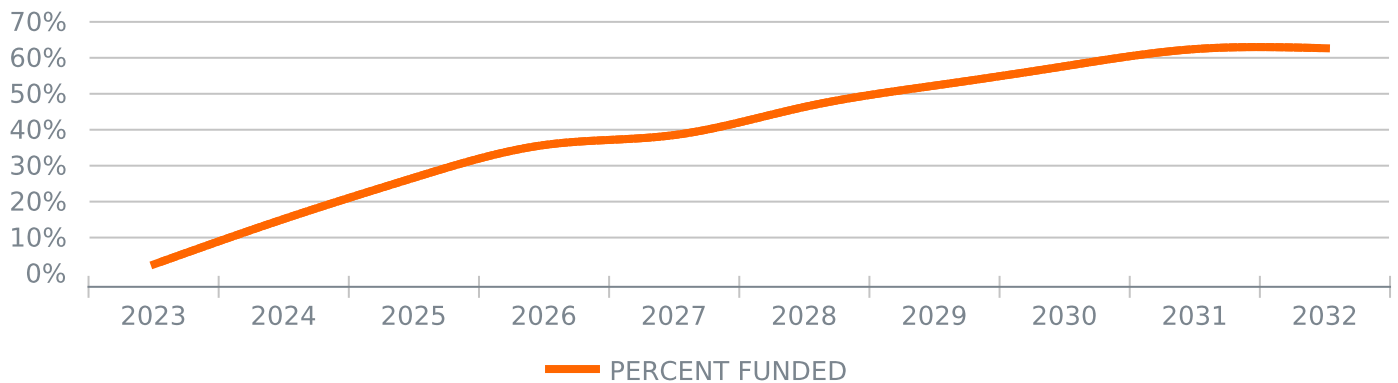
RESERVE EXPENSES 26-30 YEARS

Component	2048	2049	2050	2051	2052
Building Exterior - Roof, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Gutters & Downspouts	\$0	\$0	\$0	\$0	\$0
Building Exterior - Roof, Chimney Shroud & Chase Cover	\$0	\$0	\$0	\$0	\$0
Building Exterior - Paint & Caulk, Siding	\$0	\$0	\$0	\$92,661	\$0
Building Exterior - Paint & Caulk, Stucco	\$0	\$0	\$0	\$0	\$0
Building Exterior - Siding, Replace	\$0	\$0	\$617,518	\$0	\$0
Building Exterior - Stucco, Replace	\$0	\$0	\$453,143	\$0	\$0
Building Exterior - Doors, Garage, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Doors, Unit Entry, Stain	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior - Deck & Entry Stair, Surface, Stain	\$0	\$0	\$6,131	\$0	\$0
Building Exterior - Deck & Entry Stair, Railings, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Pavers, Replace	\$0	\$0	\$0	\$0	\$0
General Site - Fence, 6' Wood	\$0	\$0	\$0	\$0	\$0
General Site - Landscape, Tree Remove & Replace	\$0	\$6,470	\$0	\$0	\$7,070
General Site - Landscape, Irrigation, Repair Allowance	\$2,094	\$0	\$0	\$0	\$0
General Site - Snowmelt Boiler	\$0	\$0	\$0	\$0	\$0
General Site - Equipment Bldg, Repair Allowance	\$0	\$0	\$0	\$0	\$4,713
General Site - Signage, Entry	\$0	\$0	\$0	\$0	\$0
Annual Expenditure	\$2,094	\$6,470	\$1,076,792	\$92,661	\$11,783



FULL FUNDING PLAN 1-10 YEARS

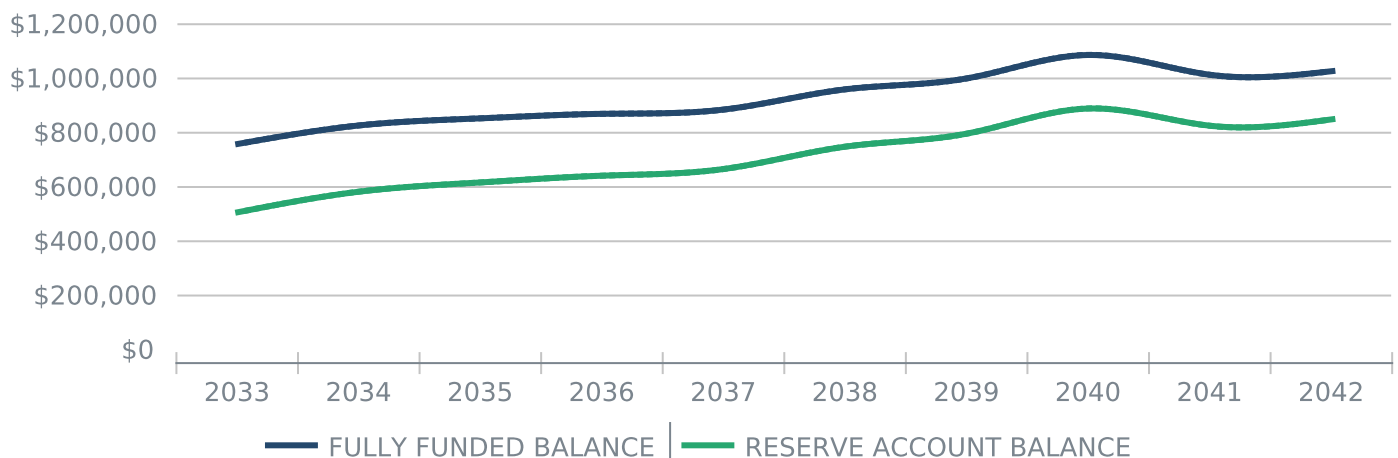
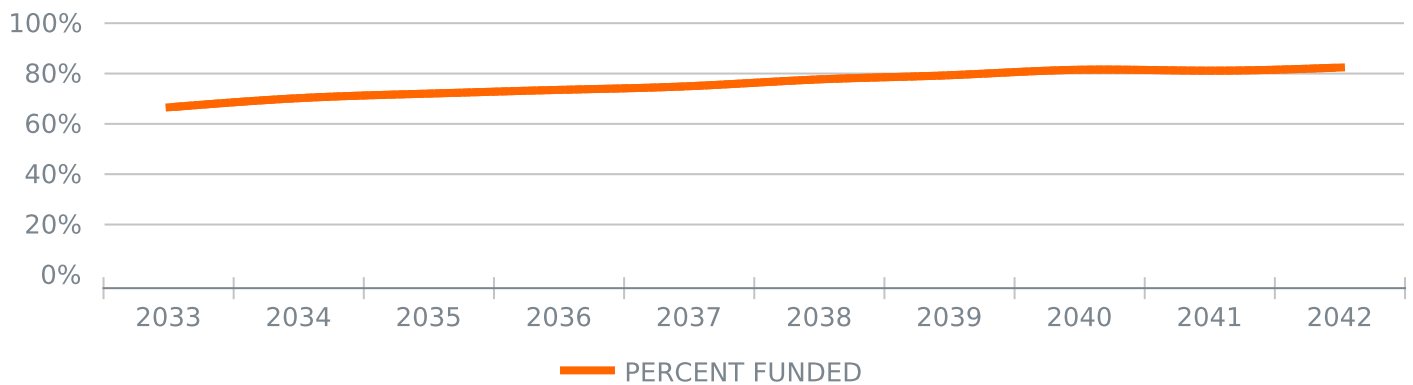
YEAR 1-10	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fully Funded Balance	\$362,939	\$403,087	\$451,004	\$498,154	\$502,415	\$556,634	\$605,295	\$661,589	\$724,213	\$702,579
Percentage Funded (%)	3%	16%	27%	36%	39%	47%	53%	58%	63%	63%
Beginning Balance	\$10,500	\$62,603	\$121,789	\$179,569	\$195,088	\$259,763	\$318,263	\$383,581	\$454,253	\$442,172
Reserve Contribution	\$57,463	\$59,187	\$60,962	\$62,791	\$64,675	\$66,615	\$68,613	\$70,672	\$72,792	\$74,976
Avg Unit Contribution (mth)	\$598.57	\$616.53	\$635.02	\$654.07	\$673.70	\$693.91	\$714.72	\$736.17	\$758.25	\$781.00
Contribution Increase (%)	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Expenditures	\$5,360	\$0	\$3,183	\$47,271	\$0	\$8,115	\$3,296	\$0	\$84,874	\$6,211
ENDING BALANCE	\$62,603	\$121,789	\$179,569	\$195,088	\$259,763	\$318,263	\$383,581	\$454,253	\$442,172	\$510,937





FULL FUNDING PLAN 11-20 YEARS

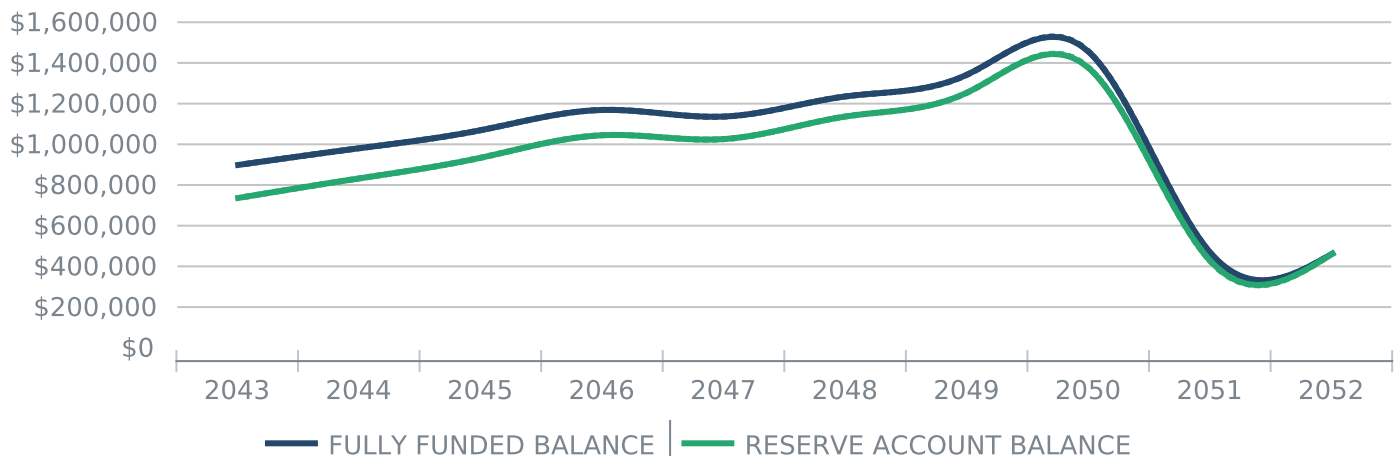
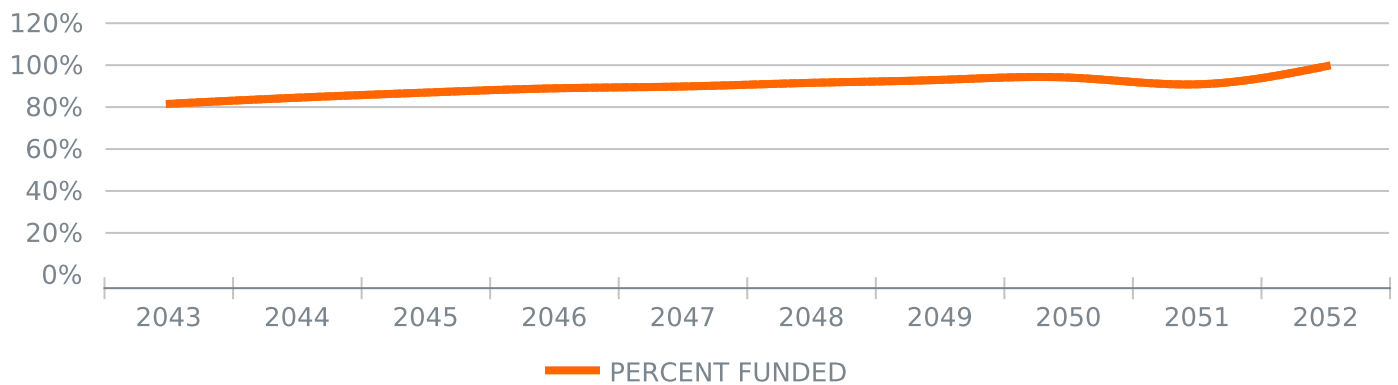
YEAR 11-20	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Fully Funded Balance	\$762,640	\$830,877	\$856,898	\$873,365	\$889,383	\$963,999	\$1,004,485	\$1,090,433	\$1,016,859	\$1,030,720
Percentage Funded (%)	67%	71%	72%	74%	75%	78%	80%	82%	82%	83%
Beginning Balance	\$510,937	\$586,818	\$620,680	\$645,492	\$670,402	\$752,782	\$800,927	\$893,138	\$829,111	\$853,290
Reserve Contribution	\$77,225	\$79,542	\$81,928	\$84,386	\$86,917	\$89,525	\$92,211	\$94,977	\$97,826	\$100,761
Avg Unit Contribution (mth)	\$804.43	\$828.56	\$853.42	\$879.02	\$905.39	\$932.55	\$960.53	\$989.34	\$1,019.03	\$1,049.60
Contribution Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Expenditures	\$1,344	\$45,680	\$57,116	\$59,476	\$4,538	\$41,380	\$0	\$159,004	\$73,647	\$212,876
ENDING BALANCE	\$586,818	\$620,680	\$645,492	\$670,402	\$752,782	\$800,927	\$893,138	\$829,111	\$853,290	\$741,176





FULL FUNDING PLAN 21-30 YEARS

YEAR 21-30	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Fully Funded Balance	\$903,368	\$985,846	\$1,074,835	\$1,173,724	\$1,141,381	\$1,240,546	\$1,348,429	\$1,457,225	\$469,104	\$467,313
Percentage Funded (%)	82%	85%	87%	89%	90%	92%	93%	95%	91%	100%
Beginning Balance	\$741,176	\$837,736	\$939,499	\$1,049,603	\$1,030,780	\$1,141,980	\$1,260,200	\$1,377,654	\$428,503	\$467,313
Reserve Contribution	\$103,784	\$106,898	\$110,104	\$113,408	\$116,810	\$120,314	\$123,924	\$127,641	\$131,471	\$135,415
Avg Unit Contribution (mth)	\$1,081.08	\$1,113.52	\$1,146.92	\$1,181.33	\$1,216.77	\$1,253.27	\$1,290.87	\$1,329.60	\$1,369.48	\$1,410.57
Contribution Increase (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Expenditures	\$7,224	\$5,134	\$0	\$132,230	\$5,611	\$2,094	\$6,470	\$1,076,792	\$92,661	\$11,783
ENDING BALANCE	\$837,736	\$939,499	\$1,049,603	\$1,030,780	\$1,141,980	\$1,260,200	\$1,377,654	\$428,503	\$467,313	\$590,944





PHYSICAL ANALYSIS

This section of the report provides specific information regarding the physical condition of the property and common area assets. The data that follows is a result of the visual [non-intrusive] site review.

SITE INSPECTION

An on-site field survey was conducted to assess the general condition of the property and its reserve components. The survey was visual in nature, and no destructive or invasive testing was conducted. Observations were recorded using a representative sampling of the Association's common areas and reserve components. The component inventory and associated field measurements were also substantiated as part of the inspection. Due to the general and non-invasive nature of the site inspection, RSG cannot comment on components and conditions not visible to the naked eye.

MAINTENANCE GUIDE

The Maintenance guide focuses on reserve components that account for a significant percentage of the Association's reserve fund budget. Ongoing review and maintenance of all common area assets is generally recommended, although in some cases it is critical that such activities occur on a frequent and regular basis. Condition and performance of the Association's common areas assets is contingent on the implementation of a comprehensive program of preventative maintenance.

COMPONENT INVENTORY

The component inventory summarizes associated costs of each reserve component, and additionally highlights those components which require further review. The inventory provides a visual reference point for understanding the Association's common area responsibilities.



SITE INSPECTION SUMMARY

A visual noninvasive inspection of the property was conducted on April 21st 2022. Recommendations contained within the report are based upon conditions viewed as part of the site inspection as well as reference materials obtained from the client, public resources and associated vendors.



COMPONENT INVENTORY



The following inventory summarizes the key data points of each reserve component funded through the Association’s reserves. The list of components is unique to the Association and may serve as a general guide in determining the current condition and level of care needed to adequately maintain each component.



Building Exterior - Roof, Asphalt Shingle

Current Cost \$82,550	Estimated Quantity 127 Squares	Work Required Replace	Action Required 2042
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COMPONENT INVENTORY



Building Exterior - Roof, Gutters & Downspouts

Current Cost	Estimated Quantity	Work Required	Action Required
\$16,050	1605 LF	Replace	2042



Building Exterior - Roof, Chimney Shroud & Chase Cover

Current Cost	Estimated Quantity	Work Required	Action Required
\$20,800	8 Each	Replace	2042

COMPONENT INVENTORY



Building Exterior - Paint & Caulk, Siding

Current Cost	Estimated Quantity	Work Required	Action Required
\$40,500	1	Paint	2026
	Lump Sum		

Building Exterior - Paint & Caulk, Stucco

Current Cost	Estimated Quantity	Work Required	Action Required
\$17,500	1	Replace	2031
	Lump Sum		



Building Exterior - Siding, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$278,000	13900	Replace	2050
	SF		

Building Exterior - Stucco, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$204,000	6800	Replace	2050
	SF		

COMPONENT INVENTORY



Building Exterior - Doors, Garage, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$22,800	8 Each	Replace	2038

Building Exterior - Doors, Unit Entry, Stain

Current Cost	Estimated Quantity	Work Required	Action Required
\$1,600	8 Each	Replace	2023

COMPONENT INVENTORY



Building Exterior - Deck & Entry Stair, Surface, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$18,400	920 SF	Recoat	2035

Building Exterior - Deck & Entry Stair, Surface, Stain

Current Cost	Estimated Quantity	Work Required	Action Required
\$2,760	920 SF	Maintain	2023

COMPONENT INVENTORY



Building Exterior - Deck & Entry Stair, Railings, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$18,900	270 LF	Replace	2035



General Site - Pavers, Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$93,200	4660 SF	Replace	2040

COMPONENT INVENTORY



General Site - Fence, 6' Wood

Current Cost	Estimated Quantity	Work Required	Action Required
\$6,000	75 LF	Replace	2031



General Site - Landscape, Tree Remove & Replace

Current Cost	Estimated Quantity	Work Required	Action Required
\$3,000	1 Lump Sum	Replace	2025

COMPONENT INVENTORY



General Site - Landscape, Irrigation, Repair Allowance

Current Cost	Estimated Quantity	Work Required	Action Required
\$1,000	1 Lump Sum	Repair	2023



General Site - Snowmelt Boiler

Current Cost	Estimated Quantity	Work Required	Action Required
\$30,000	1 Lump Sum	Replace	2034

COMPONENT INVENTORY



General Site - Equipment Bldg, Repair Allowance

Current Cost	Estimated Quantity	Work Required	Action Required
\$2,000	1 Lump Sum	Replace	2032



General Site - Signage, Entry

Current Cost	Estimated Quantity	Work Required	Action Required
\$3,000	1 Each	Repair	2028



DISCLOSURES

As a guideline for establishing and spending reserves, it is assumed that the reserve study will be regularly updated to address the Association's changing physical and financial circumstances. As such this report is valid at the date shown and Reserve Study Group, LLC (RSG) cannot be held responsible for subsequent changes in physical/chemical environmental conditions and/or legislation over which we have no control.

This reserve study is based on visual inspections of the physical plant's major components. No invasive or destructive testing, or testing of materials was conducted during the inspections, or at any other time during the preparation of this report. It is assumed that all building and ancillary components have been designed and constructed properly and that life cycles will approximate normal industry performance standards. RSG shall not be responsible for accurate determination of remaining life expectancies of components that may have been improperly designed and constructed. Our opinions of the remaining life expectancy of the property's components do not represent a guarantee or warranty of performance in relation to the product, materials or workmanship.

Cost estimates used represent a preliminary opinion only and are neither a quote nor a warranty of actual costs that may be incurred. These estimates are based on typical cost data that may not fully characterize the scope of the underlying property conditions. It should be anticipated that actual cost outcomes will be impacted by varying physical and economic conditions, maintenance practices, changes in technology, and future regulatory actions.

The authors of this report make no representation or warranty, expressed or implied, with respect to the contents of this publication or any part thereof and cannot accept any legal responsibility or liability for any inaccuracies, errors or omissions contained in this publication or any part thereof. Our best professional judgment has been used, however certain facts forming the basis of this report are subject to professional interpretation and differing conclusions could be reached.

RSG nor any of its representatives, agents or employees maintain management roles or vested interest in, or have other business relationships with the Association. There is no perceived or actual conflicts of interest between RSG and the Association. Our reserve studies are prepared by a reserve study professional and also comply with the requirements of the Washington Unified Common Interest Act (WUCIOA).

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.



GLOSSARY OF TERMS

Component

The individual line items in the Reserve Study which are included in the Physical Analysis. These elements form the building blocks for the Reserve Study.

Estimated Useful Life

The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Fully Funded

When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

Fully Funded Balance (FFB)

The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an Association total.

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

Percent Funded

The ratio, at a particular point of time, of the actual Reserve Balance to the Fully Funded Balance (FFB), expressed as a percentage.

Remaining Useful Life

The estimated time, in years, that a Reserve Component can be expected to continue to service its intended function. Projects anticipated to occur in the initial year have a “zero” Remaining Life.

Unit Cost Estimate

The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during the current year.

Unit of Measure

Various units of measure have been used to quantify the amounts and costs in relation to each reserve component. Below are the key units used as part of this report.

SF = Square Foot

SY = Square Yard

LF = Linear Foot

SQUARE = 100 Square Feet (Roofing)

