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MeadowWood
Garden Ridge
Liberty Lake, WA



Report #: 32516-1
Beginning: January 1, 2024
Expires: December 31, 2024

RESERVE STUDY
Update "With-Site-Visit"

December 15, 2023

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

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

Questions?

Please contact your Project Manager directly.



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Table of Contents

Executive Summary	4
Executive Summary (Component List)	5
Introduction, Objectives, and Methodology	6
Which Physical Assets are Funded by Reserves?	7
How do we establish Useful Life and Remaining Useful Life estimates?	7
How do we establish Current Repair/Replacement Cost Estimates?	7
How much Reserves are enough?	8
How much should we contribute?	9
What is our Recommended Funding Goal?	9
Site Inspection Notes	10
Projected Expenses	11
Annual Reserve Expenses Graph	11
Reserve Fund Status & Recommended Funding Plan	12
Annual Reserve Funding Graph	12
30-Yr Cash Flow Graph	13
Percent Funded Graph	13
Table Descriptions	14
Reserve Component List Detail	15
Fully Funded Balance	16
Component Significance	17
30-Year Reserve Plan Summary	18
30-Year Reserve Plan Summary (Alternate Funding Plan)	19
30-Year Income/Expense Detail	20
Accuracy, Limitations, and Disclosures	26
Terms and Definitions	27
Component Details	28
Inventory Appendix	29



MeadowWood - Garden Ridge

Liberty Lake, WA

Level of Service: **Update "With-Site-Visit"**

Report #: **32516-1**

of Units: 81

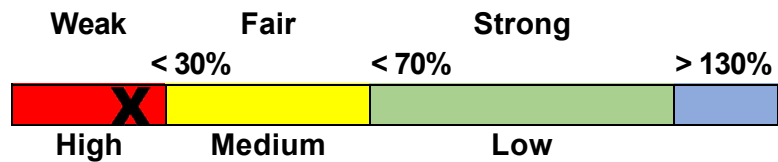
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Starting Reserve Balance	\$82,182
Current Fully Funded Reserve Balance	\$365,374
Percent Funded	22.5 %
Average Reserve (Deficit) or Surplus Per Unit	(\$3,496)
Recommended 2024 100% Monthly "Full Funding" Contributions	\$3,350
2024 "Baseline Funding" minimum to keep Reserves above \$0	\$3,150
Most Recent Budgeted Contribution Rate	\$1,891

Reserve Fund Strength: 22.5%



Risk of Special Assessment:

Economic Assumptions:

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

- This is a Update "With-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 22.5 % Funded. This means the association's special assessment & deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems. The current annual deterioration of your reserve components is \$24,109 - see Component Significance table.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to 100% as noted above. The 100% "Full" contribution rate is designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Inventory Appendix			
120 Asphalt - Resurface	40	13	\$310,500
121 Asphalt - Seal Coat	5	0	\$41,000
143 Metal Fence - Replace	50	29	\$128,500
145 Metal Fence - Repaint	10	0	\$46,000
175 Irrigation System - Repair/Replace	5	1	\$1,600
200 Monument Sign - Replace	25	7	\$2,000
205 Mailboxes - Replace	25	4	\$14,400

7 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.

Introduction



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

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



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

Methodology



For this [Update With-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

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 11/17/2023, we visually inspected all visible common areas, while compiling a photographic inventory, noting: general exterior observations, make & model information where appropriate, apparent levels of care and maintenance, exposure to weather elements and other factors that may affect the components useful life.



Projected Expenses

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

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

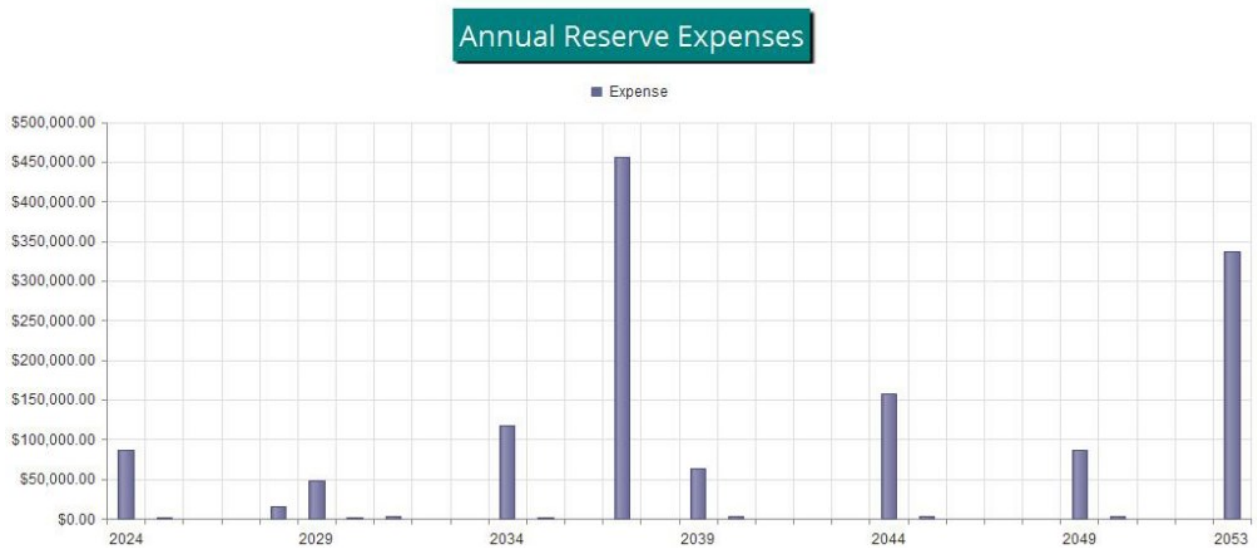


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$82,182 as-of the start of your Fiscal Year on 1/1/2024. As of that date, your Fully Funded Balance is computed to be \$365,374 (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 \$3,350 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.

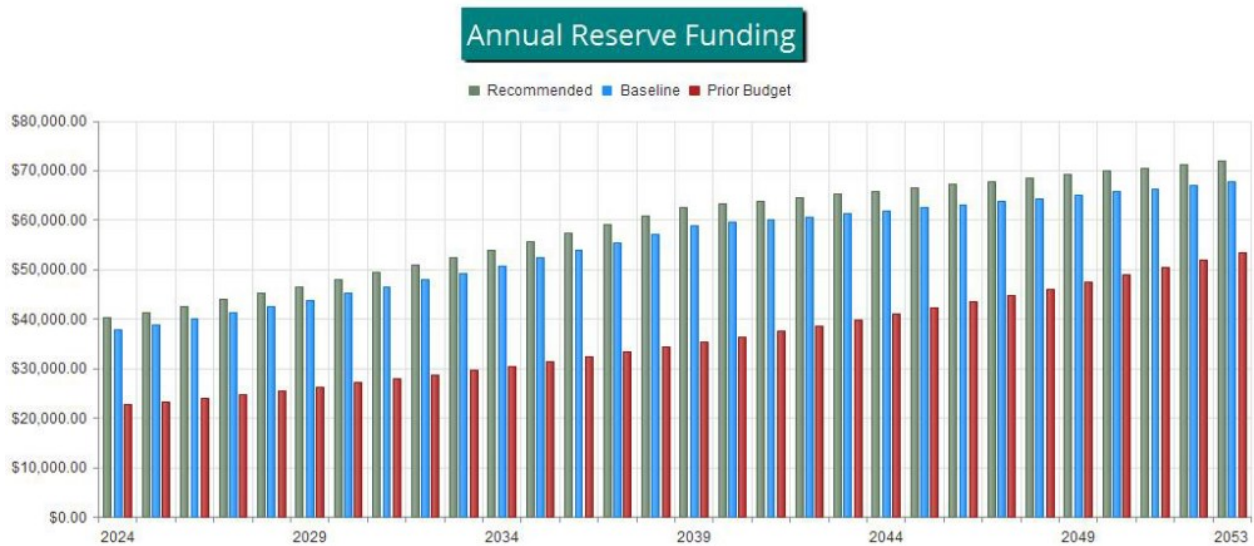


Figure 2

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.

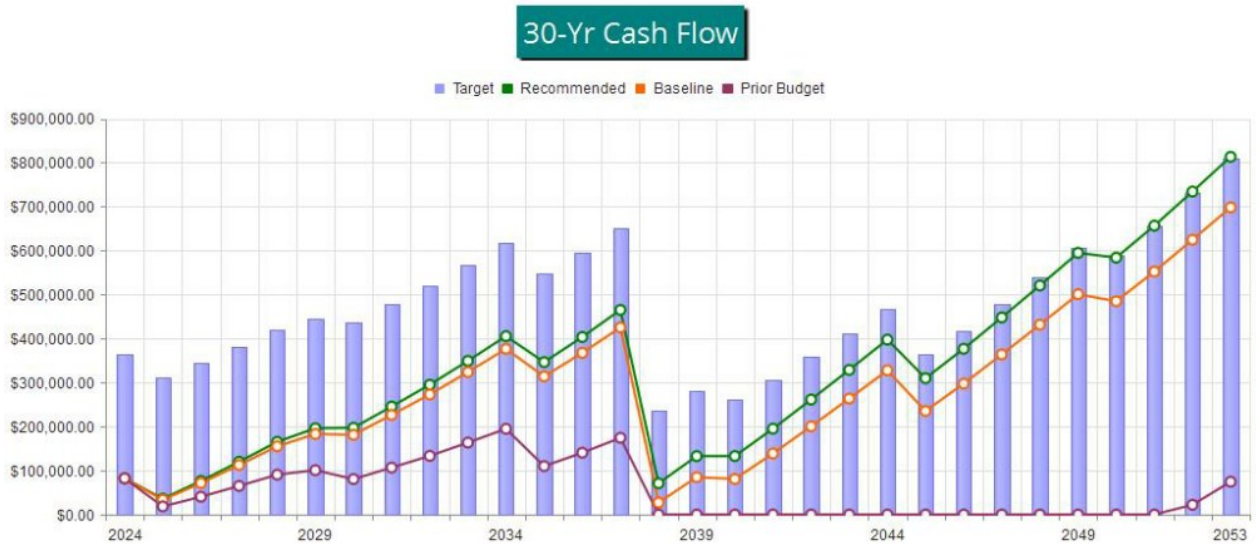


Figure 3

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.

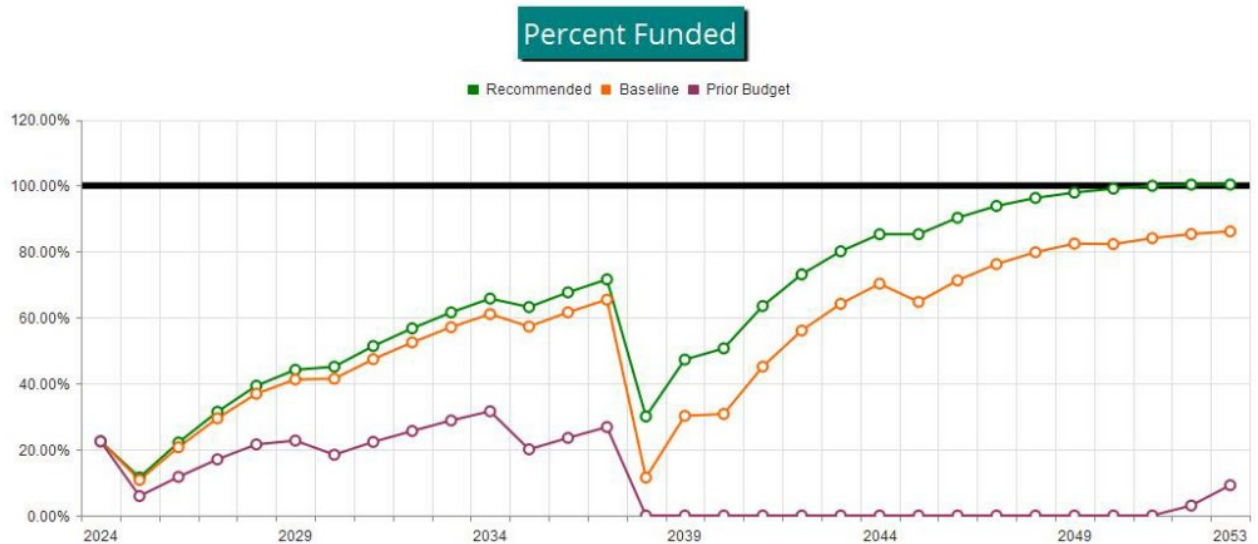


Figure 4



Executive Summary is a summary of your Reserve Components

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

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

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

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

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

# Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
				Best Case	Worst Case
Inventory Appendix					
120 Asphalt - Resurface	~ 105,355 GSF asphalt	40	13	\$283,000	\$338,000
121 Asphalt - Seal Coat	~ 105,355 GSF asphalt	5	0	\$32,000	\$50,000
143 Metal Fence - Replace	~ 1,680 LF metal	50	29	\$110,000	\$147,000
145 Metal Fence - Repaint	~ 1,680 LF metal	10	0	\$37,000	\$55,000
175 Irrigation System - Repair/Replace	Extensive system	5	1	\$1,000	\$2,200
200 Monument Sign - Replace	~ (2) concrete/metal	25	7	\$1,500	\$2,500
205 Mailboxes - Replace	~ (8) metal clusters	25	4	\$12,400	\$16,400
7 Total Funded Components					



#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Inventory Appendix								
120	Asphalt - Resurface	\$310,500	X	27	/	40	=	\$209,588
121	Asphalt - Seal Coat	\$41,000	X	5	/	5	=	\$41,000
143	Metal Fence - Replace	\$128,500	X	21	/	50	=	\$53,970
145	Metal Fence - Repaint	\$46,000	X	10	/	10	=	\$46,000
175	Irrigation System - Repair/Replace	\$1,600	X	4	/	5	=	\$1,280
200	Monument Sign - Replace	\$2,000	X	18	/	25	=	\$1,440
205	Mailboxes - Replace	\$14,400	X	21	/	25	=	\$12,096
								\$365,374

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Inventory Appendix				
120 Asphalt - Resurface	40	\$310,500	\$7,763	32.20 %
121 Asphalt - Seal Coat	5	\$41,000	\$8,200	34.01 %
143 Metal Fence - Replace	50	\$128,500	\$2,570	10.66 %
145 Metal Fence - Repaint	10	\$46,000	\$4,600	19.08 %
175 Irrigation System - Repair/Replace	5	\$1,600	\$320	1.33 %
200 Monument Sign - Replace	25	\$2,000	\$80	0.33 %
205 Mailboxes - Replace	25	\$14,400	\$576	2.39 %
7 Total Funded Components			\$24,109	100.00 %

30-Year Reserve Plan Summary

Report # 32516-1
With-Site-Visit

Fiscal Year Start: 2024

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2024	\$82,182	\$365,374	22.5 %	High	77.20 %	\$40,200	\$0	\$591	\$87,000
2025	\$35,972	\$311,556	11.5 %	High	3.00 %	\$41,406	\$0	\$561	\$1,648
2026	\$76,291	\$344,782	22.1 %	High	3.00 %	\$42,648	\$0	\$981	\$0
2027	\$119,920	\$381,470	31.4 %	Medium	3.00 %	\$43,928	\$0	\$1,425	\$0
2028	\$165,273	\$420,048	39.3 %	Medium	3.00 %	\$45,245	\$0	\$1,806	\$16,207
2029	\$196,117	\$443,905	44.2 %	Medium	3.00 %	\$46,603	\$0	\$1,966	\$47,530
2030	\$197,156	\$437,052	45.1 %	Medium	3.00 %	\$48,001	\$0	\$2,212	\$1,910
2031	\$245,458	\$477,847	51.4 %	Medium	3.00 %	\$49,441	\$0	\$2,702	\$2,460
2032	\$295,141	\$520,188	56.7 %	Medium	3.00 %	\$50,924	\$0	\$3,221	\$0
2033	\$349,286	\$567,250	61.6 %	Medium	3.00 %	\$52,452	\$0	\$3,772	\$0
2034	\$405,510	\$616,667	65.8 %	Medium	3.00 %	\$54,025	\$0	\$3,758	\$116,921
2035	\$346,373	\$548,111	63.2 %	Medium	3.00 %	\$55,646	\$0	\$3,748	\$2,215
2036	\$403,552	\$596,646	67.6 %	Medium	3.00 %	\$57,316	\$0	\$4,342	\$0
2037	\$465,210	\$649,950	71.6 %	Low	3.00 %	\$59,035	\$0	\$2,680	\$455,980
2038	\$70,945	\$236,255	30.0 %	Medium	3.00 %	\$60,806	\$0	\$1,018	\$0
2039	\$132,769	\$280,903	47.3 %	Medium	3.00 %	\$62,630	\$0	\$1,328	\$63,877
2040	\$132,850	\$262,224	50.7 %	Medium	1.00 %	\$63,257	\$0	\$1,639	\$2,568
2041	\$195,179	\$307,294	63.5 %	Medium	1.00 %	\$63,889	\$0	\$2,282	\$0
2042	\$261,350	\$357,556	73.1 %	Low	1.00 %	\$64,528	\$0	\$2,950	\$0
2043	\$328,827	\$410,557	80.1 %	Low	1.00 %	\$65,173	\$0	\$3,631	\$0
2044	\$397,631	\$466,416	85.3 %	Low	1.00 %	\$65,825	\$0	\$3,536	\$157,132
2045	\$309,861	\$363,412	85.3 %	Low	1.00 %	\$66,483	\$0	\$3,432	\$2,976
2046	\$376,799	\$417,443	90.3 %	Low	1.00 %	\$67,148	\$0	\$4,123	\$0
2047	\$448,070	\$477,547	93.8 %	Low	1.00 %	\$67,820	\$0	\$4,842	\$0
2048	\$520,732	\$540,881	96.3 %	Low	1.00 %	\$68,498	\$0	\$5,575	\$0
2049	\$594,805	\$607,585	97.9 %	Low	1.00 %	\$69,183	\$0	\$5,892	\$85,845
2050	\$584,034	\$589,385	99.1 %	Low	1.00 %	\$69,875	\$0	\$6,201	\$3,451
2051	\$656,659	\$657,064	99.9 %	Low	1.00 %	\$70,573	\$0	\$6,951	\$0
2052	\$734,184	\$731,934	100.3 %	Low	1.00 %	\$71,279	\$0	\$7,734	\$0
2053	\$813,197	\$810,706	100.3 %	Low	1.00 %	\$71,992	\$0	\$6,839	\$336,753

30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 32516-1
With-Site-Visit

Fiscal Year Start: 2024

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2024	\$82,182	\$365,374	22.5 %	High	66.62 %	\$37,800	\$0	\$578	\$87,000
2025	\$33,560	\$311,556	10.8 %	High	3.00 %	\$38,934	\$0	\$524	\$1,648
2026	\$71,371	\$344,782	20.7 %	High	3.00 %	\$40,102	\$0	\$918	\$0
2027	\$112,391	\$381,470	29.5 %	High	3.00 %	\$41,305	\$0	\$1,337	\$0
2028	\$155,033	\$420,048	36.9 %	Medium	3.00 %	\$42,544	\$0	\$1,690	\$16,207
2029	\$183,059	\$443,905	41.2 %	Medium	3.00 %	\$43,821	\$0	\$1,820	\$47,530
2030	\$181,170	\$437,052	41.5 %	Medium	3.00 %	\$45,135	\$0	\$2,037	\$1,910
2031	\$226,432	\$477,847	47.4 %	Medium	3.00 %	\$46,489	\$0	\$2,496	\$2,460
2032	\$272,957	\$520,188	52.5 %	Medium	3.00 %	\$47,884	\$0	\$2,983	\$0
2033	\$323,824	\$567,250	57.1 %	Medium	3.00 %	\$49,320	\$0	\$3,501	\$0
2034	\$376,645	\$616,667	61.1 %	Medium	3.00 %	\$50,800	\$0	\$3,452	\$116,921
2035	\$313,976	\$548,111	57.3 %	Medium	3.00 %	\$52,324	\$0	\$3,406	\$2,215
2036	\$367,491	\$596,646	61.6 %	Medium	3.00 %	\$53,894	\$0	\$3,963	\$0
2037	\$425,347	\$649,950	65.4 %	Medium	3.00 %	\$55,511	\$0	\$2,261	\$455,980
2038	\$27,140	\$236,255	11.5 %	High	3.00 %	\$57,176	\$0	\$560	\$0
2039	\$84,875	\$280,903	30.2 %	Medium	3.00 %	\$58,891	\$0	\$828	\$63,877
2040	\$80,718	\$262,224	30.8 %	Medium	1.00 %	\$59,480	\$0	\$1,097	\$2,568
2041	\$138,727	\$307,294	45.1 %	Medium	1.00 %	\$60,075	\$0	\$1,695	\$0
2042	\$200,497	\$357,556	56.1 %	Medium	1.00 %	\$60,676	\$0	\$2,319	\$0
2043	\$263,492	\$410,557	64.2 %	Medium	1.00 %	\$61,282	\$0	\$2,955	\$0
2044	\$327,729	\$466,416	70.3 %	Low	1.00 %	\$61,895	\$0	\$2,814	\$157,132
2045	\$235,307	\$363,412	64.7 %	Medium	1.00 %	\$62,514	\$0	\$2,663	\$2,976
2046	\$297,507	\$417,443	71.3 %	Low	1.00 %	\$63,139	\$0	\$3,306	\$0
2047	\$363,952	\$477,547	76.2 %	Low	1.00 %	\$63,771	\$0	\$3,977	\$0
2048	\$431,700	\$540,881	79.8 %	Low	1.00 %	\$64,408	\$0	\$4,660	\$0
2049	\$500,768	\$607,585	82.4 %	Low	1.00 %	\$65,052	\$0	\$4,926	\$85,845
2050	\$484,902	\$589,385	82.3 %	Low	1.00 %	\$65,703	\$0	\$5,184	\$3,451
2051	\$552,339	\$657,064	84.1 %	Low	1.00 %	\$66,360	\$0	\$5,882	\$0
2052	\$624,581	\$731,934	85.3 %	Low	1.00 %	\$67,024	\$0	\$6,611	\$0
2053	\$698,216	\$810,706	86.1 %	Low	1.00 %	\$67,694	\$0	\$5,663	\$336,753

Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	\$82,182	\$35,972	\$76,291	\$119,920	\$165,273
Annual Reserve Funding	\$40,200	\$41,406	\$42,648	\$43,928	\$45,245
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$591	\$561	\$981	\$1,425	\$1,806
Total Income	\$122,972	\$77,939	\$119,920	\$165,273	\$212,325
# Component					
Inventory Appendix					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$41,000	\$0	\$0	\$0	\$0
143 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
145 Metal Fence - Repaint	\$46,000	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$0	\$1,648	\$0	\$0	\$0
200 Monument Sign - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$16,207
Total Expenses	\$87,000	\$1,648	\$0	\$0	\$16,207
Ending Reserve Balance	\$35,972	\$76,291	\$119,920	\$165,273	\$196,117

Fiscal Year	2029	2030	2031	2032	2033
Starting Reserve Balance	\$196,117	\$197,156	\$245,458	\$295,141	\$349,286
Annual Reserve Funding	\$46,603	\$48,001	\$49,441	\$50,924	\$52,452
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,966	\$2,212	\$2,702	\$3,221	\$3,772
Total Income	\$244,686	\$247,369	\$297,601	\$349,286	\$405,510
# Component					
Inventory Appendix					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$47,530	\$0	\$0	\$0	\$0
143 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
145 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$0	\$1,910	\$0	\$0	\$0
200 Monument Sign - Replace	\$0	\$0	\$2,460	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$47,530	\$1,910	\$2,460	\$0	\$0
Ending Reserve Balance	\$197,156	\$245,458	\$295,141	\$349,286	\$405,510

Fiscal Year	2034	2035	2036	2037	2038
Starting Reserve Balance	\$405,510	\$346,373	\$403,552	\$465,210	\$70,945
Annual Reserve Funding	\$54,025	\$55,646	\$57,316	\$59,035	\$60,806
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,758	\$3,748	\$4,342	\$2,680	\$1,018
Total Income	\$463,294	\$405,767	\$465,210	\$526,925	\$132,769
# Component					
Inventory Appendix					
120 Asphalt - Resurface	\$0	\$0	\$0	\$455,980	\$0
121 Asphalt - Seal Coat	\$55,101	\$0	\$0	\$0	\$0
143 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
145 Metal Fence - Repaint	\$61,820	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$0	\$2,215	\$0	\$0	\$0
200 Monument Sign - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$116,921	\$2,215	\$0	\$455,980	\$0
Ending Reserve Balance	\$346,373	\$403,552	\$465,210	\$70,945	\$132,769

Fiscal Year	2039	2040	2041	2042	2043
Starting Reserve Balance	\$132,769	\$132,850	\$195,179	\$261,350	\$328,827
Annual Reserve Funding	\$62,630	\$63,257	\$63,889	\$64,528	\$65,173
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,328	\$1,639	\$2,282	\$2,950	\$3,631
Total Income	\$196,727	\$197,746	\$261,350	\$328,827	\$397,631
# Component					
Inventory Appendix					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$63,877	\$0	\$0	\$0	\$0
143 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
145 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$0	\$2,568	\$0	\$0	\$0
200 Monument Sign - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$63,877	\$2,568	\$0	\$0	\$0
Ending Reserve Balance	\$132,850	\$195,179	\$261,350	\$328,827	\$397,631

Fiscal Year	2044	2045	2046	2047	2048
Starting Reserve Balance	\$397,631	\$309,861	\$376,799	\$448,070	\$520,732
Annual Reserve Funding	\$65,825	\$66,483	\$67,148	\$67,820	\$68,498
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,536	\$3,432	\$4,123	\$4,842	\$5,575
Total Income	\$466,992	\$379,776	\$448,070	\$520,732	\$594,805
# Component					
Inventory Appendix					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$74,051	\$0	\$0	\$0	\$0
143 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
145 Metal Fence - Repaint	\$83,081	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$0	\$2,976	\$0	\$0	\$0
200 Monument Sign - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$157,132	\$2,976	\$0	\$0	\$0
Ending Reserve Balance	\$309,861	\$376,799	\$448,070	\$520,732	\$594,805

Fiscal Year	2049	2050	2051	2052	2053
Starting Reserve Balance	\$594,805	\$584,034	\$656,659	\$734,184	\$813,197
Annual Reserve Funding	\$69,183	\$69,875	\$70,573	\$71,279	\$71,992
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,892	\$6,201	\$6,951	\$7,734	\$6,839
Total Income	\$669,879	\$660,110	\$734,184	\$813,197	\$892,028
# Component					
Inventory Appendix					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal Coat	\$85,845	\$0	\$0	\$0	\$0
143 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$302,819
145 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$0	\$3,451	\$0	\$0	\$0
200 Monument Sign - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$33,935
Total Expenses	\$85,845	\$3,451	\$0	\$0	\$336,753
Ending Reserve Balance	\$584,034	\$656,659	\$734,184	\$813,197	\$555,275



Accuracy, Limitations, and Disclosures

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

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Christian Colunga, company President, is a credentialed Reserve Specialist (#208). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

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

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

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

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



Terms and Definitions

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



Component Details

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

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

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

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

Inventory Appendix

Comp #: 100 Concrete - Repair/Replace

Quantity: Curbs, etc.

Location: Curbs along private roadways, etc.

Funded?: No. Useful life not predictable

History: None known

Comments: Small localized areas of spalling concrete and minor tripping hazards, however no major cracking or deterioration observed.

Annual repair needs below the reserve funding threshold (1% or more of total annual expenses) should be factored in the operating budget. In our experience, larger repair/replacement expenses may emerge as the community ages that cannot be comfortably absorbed in the operating budget. Currently, it is difficult to predict timing, scope and costs of larger repairs. Monitor 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, service life of the concrete include; the preparation of the underlying soil and drainage, thickness and strength of concrete used, steel reinforcement (none likely), amount and weight of vehicle traffic, if any and tree roots nearby.

Additional 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 #: 120 Asphalt - Resurface

Quantity: ~ 105,355 GSF asphalt

Location: Private roadways within community

Funded?: Yes.

History: Repairs 2019 \$601.13

Comments: Asphalt appeared generally intact at the time of our site visit with no small areas of structural alligator cracking observed at the entrance of the community (see component #121 for additional comments on cracking).

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

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

Further resources:

Pavement Surface Condition Field Rating Manual for Asphalt Pavement.

<https://www.wsdot.wa.gov/publications/manuals/fulltext/m0000/AsphaltPavements.pdf>

Washington Asphalt Pavement Association

<http://www.asphaltwa.com/>

Useful Life:
40 years

Remaining Life:
13 years



Best Case: \$ 283,000

Worst Case: \$ 338,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 121 Asphalt - Seal Coat

Quantity: ~ 105,355 GSF asphalt

Location: Private roadways within community

Funded?: Yes.

History: 2017 ~ \$17,000 + tax

Comments: Asphalt seal appeared faded with failing crack fill throughout the roads. Major areas of lateral and hairline cracking observed at the corner of N Tanglewood Ln and E Eagle Bend Ln.

Regular cycles of seal coating, along with needed repairs is a best practice for the long term care of lower traffic asphalt areas to extend the useful life.

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

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

For further resources:

Best Practices Handbook on Asphalt Pavement Maintenance

<http://www.cee.mtu.edu/~balkire/CE5403/AsphaltPaveMaint.pdf>

For a general overview of Asphalt Seal Coat Treatments review this publication:

<https://www.wsdot.wa.gov/research/reports/fullreports/136.1.pdf>

Other references:

<http://www.pavementinteractive.org/article/bituminous-surface-treatments/>

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 32,000

Worst Case: \$ 50,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 143 Metal Fence - Replace

Quantity: ~ 1,680 LF metal

Location: Partial property perimeter

Funded?: Yes.

History: None known

Comments: Metal fencing appeared to be in fair condition, with no obvious signs of instability significant displacement during our site inspection.

We suggest planning for total replacement at approximately the time shown below. As remaining useful life approaches zero years, evaluate the fence and adjust life accordingly.

Routinely inspect for stability, security, and appearance. Repair locally as needed as part of general maintenance.

Useful Life:
50 years

Remaining Life:
29 years



Best Case: \$ 110,000

Worst Case: \$ 147,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 145 Metal Fence - Repaint

Quantity: ~ 1,680 LF metal

Location: Partial property perimeter

Funded?: Yes.

History: None known

Comments: The painted metal fence appeared to have faded or completely missing areas of paint with exposed rusting elements of fence (see photo). Recommended to pursue painting estimates as soon as possible to prevent further corrosion.

Timing of paint is estimated for financial planning purposes; evaluate regularly to determine the most appropriate timing for repainting.

Touch up paint, and secure any fasteners as needed as part of general maintenance. If corrosion is found, apply rust inhibitor to prevent corrosion, and extend the useful life.

Useful Life:
10 years

Remaining Life:
0 years



Best Case: \$ 37,000

Worst Case: \$ 55,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 147 Concrete Pillars - Repair/Replace

Quantity: ~ (43) concrete

Location: Throughout metal fencing

Funded?: No. Useful life not predictable

History: None known

Comments: concrete pillars appeared to be generally intact with moderate grime and organic growth observed throughout. We recommend cleaning with fence paint project outlined in component #145.

There is no basis to expect complete replacement within the scope of this report, therefore maintain, repair and replace as needed utilizing general maintenance operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 160 Pole Lights - Replace

Quantity: Minimal quantity

Location: Adjacent to roadway

Funded?: No. Reportedly responsibility of Avista Utilities to maintain, repair and replace

History: None known

Comments: It was previously reported that pole lights are the responsibility of Avista Utilities to maintain, repair and replace, therefore no reserve funding included.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 170 Landscape - Refurbish

Quantity: Trees, shrubs, turf

Location: Common area landscaping

Funded?: No. Reported to be handled through operating budget.

History: None known

Comments: Extensive landscape area consisting of primarily mature trees, shrubs and turf. The association manager reported that landscape projects for Garden Ridge are handled through the operating budget. Reserve funding has been removed.

Currently, landscaping maintenance is funded out of the operating budget however we have included a rotating allowance for larger projects which cannot be easily absorbed within the annual budget. As associations age, many find the need or desire for larger scale refurbish 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 area each year with 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 for.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 175 Irrigation System - Repair/Replace

Quantity: Extensive system

Location: Throughout common area landscape

Funded?: Yes.

History: None known

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

No predictable large-scale costs at this time, however we have included a rotating allowance for larger repairs as requested by client. Have your landscaper or irrigation specialist periodically unearth sections to check lines for any damage or deterioration. PVC can eventually become brittle and leak (typically not before the 40 year mark of life).

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

Useful Life:
5 years

Remaining Life:
1 years



Best Case: \$ 1,000

Worst Case: \$ 2,200

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 182 Drainage/Stormwater Sys - Maintain

Quantity: Catch basins, etc.

Location: Common area drainage

Funded?: No. Useful life not predictable

History: Cross gutter installed 2022 ~\$10,000

Comments: Analysis of the drainage system is beyond the scope of a reserve study as the vast majority of the drainage systems are located below ground. Observations were very limited to catch basin areas. No problems were reported to us.

No predictable large-scale repairs/replacement at this time. Local repairs should be performed as part of general maintenance. If problems become known from 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, ensuring vaults and control structures are properly functioning. Evaluation of drainage can include the visual review of interior drain lines by use of miniature remote camera. Clean out 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 Link: Municipal Research and Services Center - Washington State Stormwater Manuals

<http://mrsc.org/Home/Explore-Topics/Environment/Water-Topics/Storm-and-Surface-Water-Management/Stormwater-Detention-Facility-Maintenance.aspx>

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 200 Monument Sign - Replace

Quantity: ~ (2) concrete/metal

Location: Main entryway of community

Funded?: Yes.

History: None known

Comments: Monument consisted of two large concrete block monuments with small metal signs. Monuments also featured lighting. Pillars appeared generally clean with no major signs of spalling or obvious instability.

While there is no basis to expect complete replacement of concrete block monuments, it is reasonable to expect that periodic repairs and lettering replacement will be necessary. A mid-range allowance for periodic refurbishing is below.

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

Useful Life:
25 years

Remaining Life:
7 years



Best Case: \$ 1,500

Worst Case: \$ 2,500

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 205 Mailboxes - Replace

Quantity: ~ (8) metal clusters

Location: Adjacent to roadways throughout community

Funded?: Yes.

History: None known

Comments: Mailboxes appeared in generally fair condition with weathered exteriors, however no obvious signs of instability were observed. Mailboxes are not protected from the weather 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 from the operating budget.

Useful Life:
25 years

Remaining Life:
4 years



Best Case: \$ 12,400

Worst Case: \$ 16,400

Cost Source: ARI Cost Database: Similar Project Cost History



MeadowWood - Garden Ridge

Liberty Lake, WA

Level of Service: **Update "With-Site-Visit"**

Report #: **32516-1**

of Units: 81

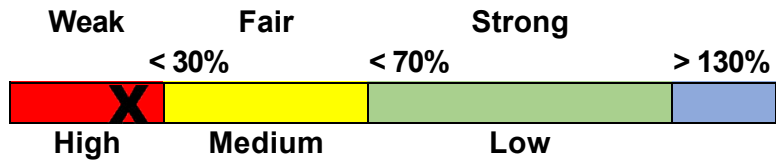
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Starting Reserve Balance	\$82,182
Current Fully Funded Reserve Balance	\$365,374
Percent Funded	22.5 %
Average Reserve (Deficit) or Surplus Per Unit	(\$3,496)
Recommended 2024 100% Monthly "Full Funding" Contributions	\$3,350
2024 "Baseline Funding" minimum to keep Reserves above \$0	\$3,150
Most Recent Budgeted Contribution Rate	\$1,891

Reserve Fund Strength: 22.5%



Risk of Special Assessment:

Economic Assumptions:

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

- This is a Update "With-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 22.5 % Funded. This means the association's special assessment & deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems. The current annual deterioration of your reserve components is \$24,109 - see Component Significance table.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to 100% as noted above. The 100% "Full" contribution rate is designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Inventory Appendix			
120 Asphalt - Resurface	40	13	\$310,500
121 Asphalt - Seal Coat	5	0	\$41,000
143 Metal Fence - Replace	50	29	\$128,500
145 Metal Fence - Repaint	10	0	\$46,000
175 Irrigation System - Repair/Replace	5	1	\$1,600
200 Monument Sign - Replace	25	7	\$2,000
205 Mailboxes - Replace	25	4	\$14,400

7 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.