

**Washington Office**  
33915 1<sup>st</sup> Way So. Ste 116  
Federal Way, WA 98003

TEL 253/661-5437  
FAX 253/661-5430  
arwa@reservestudy.com  
www.reservestudy.com

# ASSOCIATION RESERVES

Washington, LLC  
*Reserve Studies for Community Associations*

**Corporate Office**  
Calabasas, CA

**Regional Offices**  
Phoenix, AZ  
San Francisco, CA  
Denver, CO  
Honolulu, HI  
Las Vegas, NV

## “Full” Reserve Study



## Vista Del Lago Manson, WA

Report #: 17674-0  
For Period Beginning: January 1, 2009  
Ending: December 31, 2009

Date Prepared: December 3, 2008

---

## **Hello, and welcome to your Reserve Study!**

**T**his Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face over time.

**W**ith respect to Reserves, this Report will tell you “where you are”, and “where to go from here”.

**In this Report, you will find...**

- 1) A List of What you’re Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

**More Questions?**

Visit our website at [www.ReserveStudy.com](http://www.ReserveStudy.com) or call us at:

**253.661.5437**



# Table of Contents

|  |                 |
|--|-----------------|
| <b>Executive Summary .....</b>                                   | <b>i</b>        |
| Reserve Study Summary .....                                      | i               |
| Reserve Component List – Table 1 .....                           | ii              |
| <b>Introduction, Objectives, and Methodology.....</b>            | <b>1</b>        |
| Which Physical Assets are Covered by Reserves?.....              | 2               |
| How are Useful Life and Remaining Useful Life established? ..... | 2               |
| How are Cost Estimates Established? .....                        | 2               |
| How much Reserves are enough? .....                              | 3               |
| How much should we contribute? .....                             | 3               |
| What is our Funding Goal?.....                                   | 4               |
| <b>Site Inspection.....</b>                                      | <b>5</b>        |
| <b>Projected Expenses .....</b>                                  | <b>6</b>        |
| Expense Graph – Figure 1 .....                                   | 6               |
| <b>Reserve Fund Status &amp; Recommended Funding Plan .....</b>  | <b>7</b>        |
| Funding Plan Graph – Figure 2.....                               | 7               |
| Cash Flow Graph – Figure 3 .....                                 | 8               |
| % Funded Graph – Figure 4.....                                   | 8               |
| <b>Table Descriptions.....</b>                                   | <b>9</b>        |
| Reserve Component List Detail – Table 2.....                     | 10              |
| Contribution & Fund Breakdown – Table 3 .....                    | 11              |
| 30 Year Reserve Plan Summary – Table 4.....                      | 12              |
| 30 Year Reserve Plan Year by Year Detail – Table 5 .....         | 13              |
| <b>Accuracy, Limitations, and Disclosures .....</b>              | <b>19</b>       |
| <b>Terms and Definitions .....</b>                               | <b>21</b>       |
| <b>Photographic Inventory.....</b>                               | <b>Appendix</b> |

## 3- Minute Executive Summary

Association: Vista Del Lago Assoc. #: 17674-0  
Location: Manson, WA  
# of Units: 80  
Report Period: January 1, 2009 through December 31, 2009

### Results

|  |           |
|--|-----------|
| Projected Starting Reserve Balance: .....            | \$41,671  |
| Fully Funded Reserve Balance: .....                  | \$214,185 |
| Average Reserve Deficit (Surplus) Per Unit:.....     | \$2,156   |
| Percent Funded: .....                                | 19.5%     |
| Recommended 2009 Monthly Reserve Contribution: ..... | \$3,260   |
| Recommended Special Assessment this year: .....      | \$0       |
| Most Recent Reserve Contribution Rate:.....          | \$333     |

### Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves.....0.00%  
Annual Inflation Rate .....3.00%

- This is a "Full" Reserve Study, based on our site inspection on August 22, 2008 and meets all requirements of chapter 64.34 RCW Article 3, Section 2. This Reserve Study was prepared by, or under the supervision of, a credentialed Reserve Specialist (RS #0066).
- Your Reserve Fund is 19.5% Funded. This represents a weak position, well below the 70-100% level where associations typically enjoy fiscal stability with relatively low risk of special assessment and/or deferred maintenance.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Monthly Reserve Contributions to \$3,260 with annual inflation offsetting increases thereafter.
- See photo pages for detailed component information and the basis of our assumptions. Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".

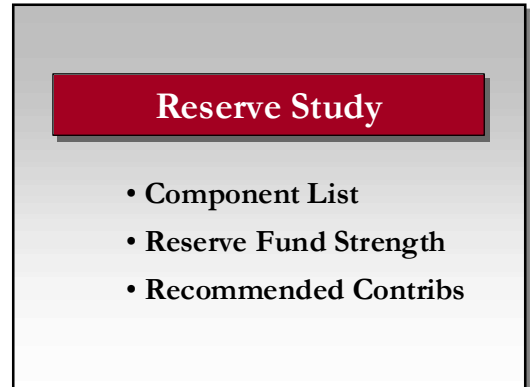
| # Component                                     | Useful Life (yrs) | Rem. Useful Life (yrs) | Current Average Cost | Future Average Cost |
|---|-------------------|------------------------|----------------------|---------------------|
| 102 Concrete - Repair/Replace                   | 4                 | 2                      | \$1,500              | \$1,591             |
| <b>106 RV Lot - Refurbish</b>                   | <b>N/A</b>        | <b>0</b>               | <b>\$16,000</b>      | <b>\$0</b>          |
| 116 Decks, Stairs - Repair/Replace              | 22                | 10                     | \$26,650             | \$35,815            |
| 201 Asphalt - Resurface (Overlay)               | 24                | 18                     | \$153,615            | \$261,519           |
| 202 Asphalt - Seal/Repair                       | 4                 | 2                      | \$16,975             | \$18,009            |
| 303 HVAC Units - Replace                        | 15                | 3                      | \$3,000              | \$3,278             |
| 305 Water Heater - Replace (a)                  | 15                | 3                      | \$700                | \$765               |
| 305 Water Heater - Replace (b)                  | 15                | 6                      | \$700                | \$836               |
| 403 Mailboxes - Replace                         | 20                | 8                      | \$6,750              | \$8,551             |
| 505 Chain Link Fence - Total Replace            | 30                | 20                     | \$58,800             | \$106,199           |
| 505 Chain Link Vinyl Slats - Replace            | 15                | 5                      | \$12,000             | \$13,911            |
| 601 Clubhouse Flooring - Replace (a)            | 12                | 1                      | \$7,000              | \$7,210             |
| 601 Clubhouse Flooring - Replace (b)            | 15                | 5                      | \$4,000              | \$4,637             |
| 901 Appliances - Replace                        | 20                | 8                      | \$3,000              | \$3,800             |
| 903 Furniture - Replace                         | 12                | 1                      | \$4,000              | \$4,120             |
| 909 Bathrooms - Refurbish                       | 20                | 8                      | \$7,500              | \$9,501             |
| <b>1107 Metal Fence/Rail - Repaint</b>          | <b>8</b>          | <b>0</b>               | <b>\$4,840</b>       | <b>\$6,131</b>      |
| 1110 Interior Surfaces - Repaint (a)            | 12                | 1                      | \$4,560              | \$4,697             |
| 1110 Interior Surfaces - Repaint (b)            | 15                | 5                      | \$4,160              | \$4,823             |
| <b>1116 Bldg Exteriors - Paint/Caulk/Repair</b> | <b>8</b>          | <b>0</b>               | <b>\$6,195</b>       | <b>\$7,848</b>      |
| 1200 Pool Deck - Resurface                      | 30                | 18                     | \$49,140             | \$83,658            |
| 1201 Pool Fence - Repair/Replace                | 30                | 18                     | \$19,950             | \$33,964            |
| <b>1202 Pool - Resurface</b>                    | <b>12</b>         | <b>0</b>               | <b>\$16,000</b>      | <b>\$22,812</b>     |
| 1207 Pool Filters - Replace                     | 15                | 3                      | \$2,400              | \$2,623             |
| 1208 Gas Pool Heater - Replace                  | 10                | 8                      | \$3,000              | \$3,800             |
| 1209 Pool Heat Pump - Replace                   | 10                | 8                      | \$5,000              | \$6,334             |
| 1211 Pool Furniture - Replace                   | 3                 | 2                      | \$1,750              | \$1,857             |
| 1303 Building Roof - Repair/Replace             | 30                | 18                     | \$40,500             | \$68,949            |
| <b>28 Total Funded Components</b>               |                   |                        |                      |                     |

Note: a Useful Life of "N/A" means a one-time expense, not expected to repeat. Cross reference component numbers with photographic inventory appendix.

## Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

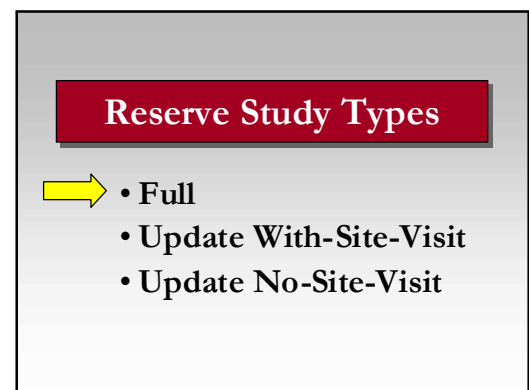
In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.



As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing common area deterioration.

## Methodology

First we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".



### *Which Physical Assets are Covered by Reserves?*

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited 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. This limits Reserve

#### **Reserve Components**

- Common Area
- Limited Useful Life
- Predictable Life Limit
- Cost must be Significant

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 are Useful Life and Remaining Useful Life established?*

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

### *How are Cost Estimates Established?*

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

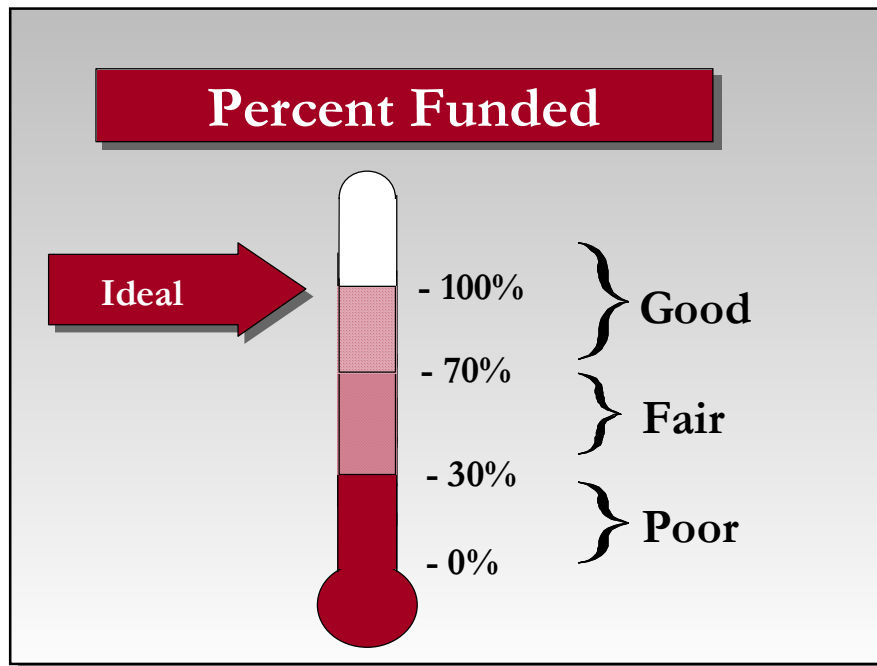
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

### *How much Reserves are enough?*

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the association's Fully Funded Balance (FFB).
- 2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered “strong” because in this range cash flow problems are rare.

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?*

There are four Funding Principles that we 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. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the years, enable each owner to pay their “fair share” of the association’s Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board members to recommend to their association.

**Funding Principles**

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible


*What is our Recommended Funding Goal?*

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

**Funding Goals**



- Full Funding
- Threshold Funding
- Baseline Funding

## **Site Inspection Notes**

During our site visit on August 22, 2008, we started with a brief meeting with Mr. Dave Sneesby. After a discussion of historical policies and practices at Vista Del Lago, we started the site inspection beginning with the clubhouse assets. We visually inspected all of the visible common and limited common elements while compiling a photographic inventory. We noted current condition, materials, apparent levels of care and maintenance as well as exposure to weather elements.

We were informed which items are being successfully handled from the Operational maintenance budget, not Reserves.

### Projected Expenses

The figure below shows the array of the projected future expenses at your association. As expenses are based on the average of our Best Case and Worst Case projections, inflated appropriately for future years.

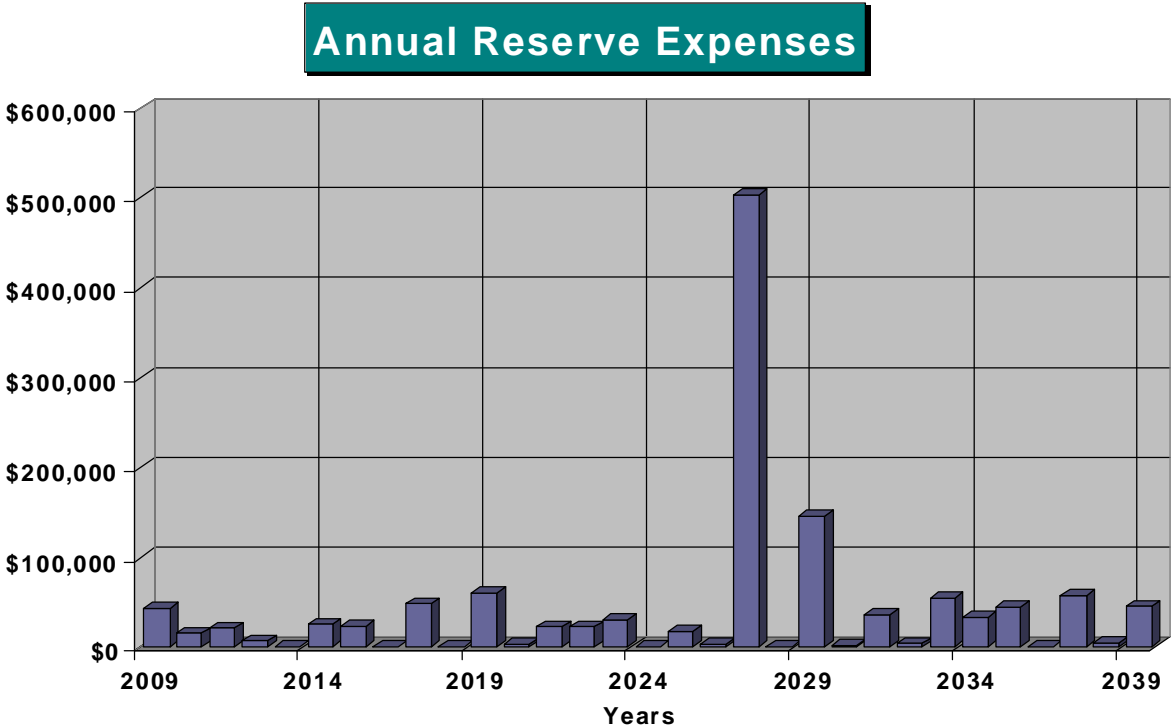


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

### Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$41,671 as-of the start of your Fiscal Year on January 1, 2009. As of January 1, 2009, your Fully Funded Balance is computed to be \$214,185 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 20% Funded. As indicated earlier in the Executive Summary, this represents a weak status.

### Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$3,260/month this Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

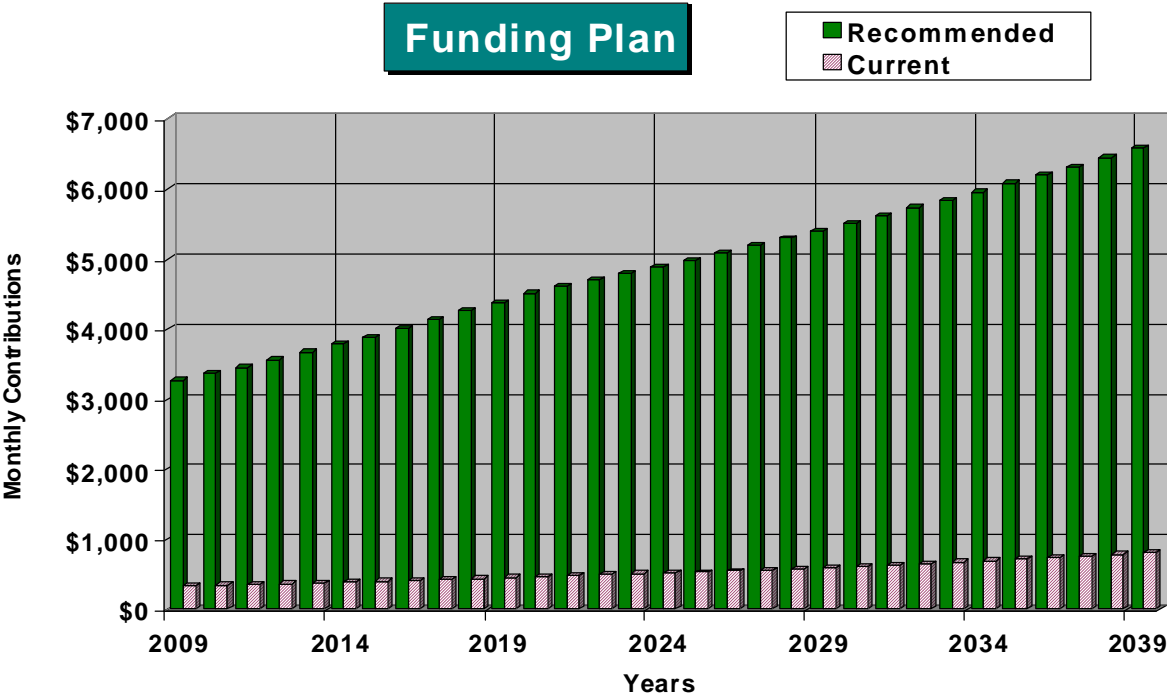


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

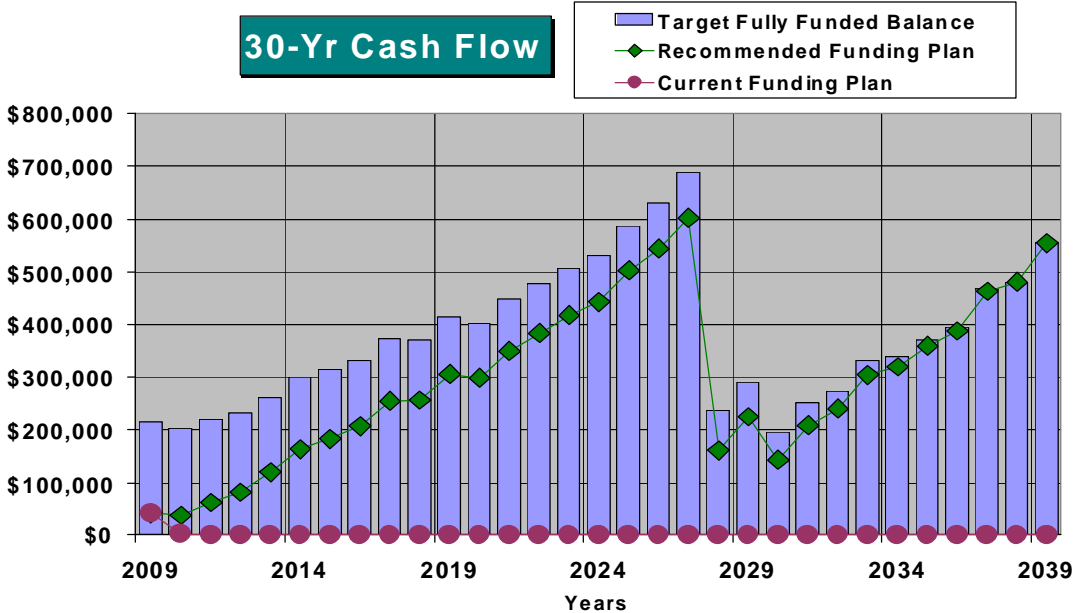


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

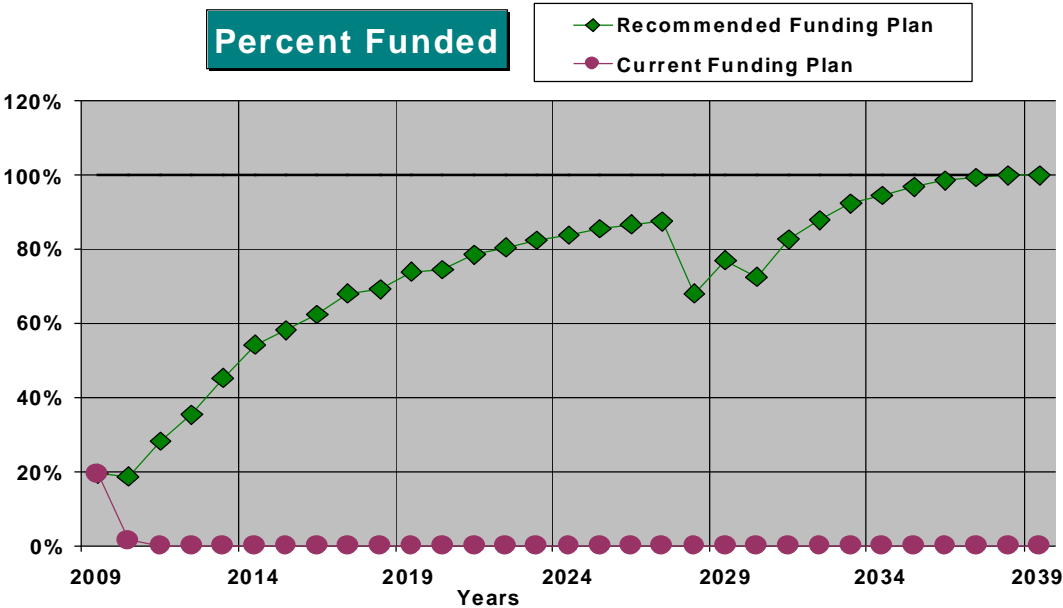


Figure 4

## Table Descriptions

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

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is under-funded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

**Table 2: Reserve Component List Detail**
**17674-0**

| # Component                              | Quantity                 | Useful | Rem.        | Best      | Current    |
|--|--------------------------|--------|-------------|-----------|------------|
|  |                          | Life   | Useful Life | Cost      | Worst Cost |
| 102 Concrete - Repair/Replace            | Extensive linear feet    | 4      | 2           | \$1,000   | \$2,000    |
| 106 RV Lot - Refurbish                   | Approx 170 x 150         | N/A    | 0           | \$12,000  | \$20,000   |
| 116 Decks, Stairs - Repair/Replace       | Approx 820 square feet   | 22     | 10          | \$24,600  | \$28,700   |
| 201 Asphalt - Resurface (Overlay)        | Approx 80,850 square ft  | 24     | 18          | \$145,530 | \$161,700  |
| 202 Asphalt - Seal/Repair                | Approx 80,850 square ft  | 4      | 2           | \$14,550  | \$19,400   |
| 303 HVAC Units - Replace                 | (1) Lennox               | 15     | 3           | \$2,500   | \$3,500    |
| 305 Water Heater - Replace (a)           | (1) water heaters        | 15     | 3           | \$600     | \$800      |
| 305 Water Heater - Replace (b)           | (1) water heaters        | 15     | 6           | \$600     | \$800      |
| 403 Mailboxes - Replace                  | (3) 16-unit (2) 12-unit  | 20     | 8           | \$6,500   | \$7,000    |
| 505 Chain Link Fence - Total Replace     | Approx 2,400 linear feet | 30     | 20          | \$55,200  | \$62,400   |
| 505 Chain Link Vinyl Slats - Replace     | Approx 2,400 linear feet | 15     | 5           | \$9,600   | \$14,400   |
| 601 Clubhouse Flooring - Replace (a)     | Approx 200 square yards  | 12     | 1           | \$6,000   | \$8,000    |
| 601 Clubhouse Flooring - Replace (b)     | Approx 160 square yards  | 15     | 5           | \$3,200   | \$4,800    |
| 901 Appliances - Replace                 | Assorted pieces          | 20     | 8           | \$2,500   | \$3,500    |
| 903 Furniture - Replace                  | Assorted pieces          | 12     | 1           | \$3,000   | \$5,000    |
| 909 Bathrooms - Refurbish                | Four bathrooms           | 20     | 8           | \$5,000   | \$10,000   |
| 1107 Metal Fence/Rail - Repaint          | Approx 440 linear feet   | 8      | 0           | \$4,400   | \$5,280    |
| 1110 Interior Surfaces - Repaint (a)     | Approx 5,700 square feet | 12     | 1           | \$3,990   | \$5,130    |
| 1110 Interior Surfaces - Repaint (b)     | Approx 5,200 square feet | 15     | 5           | \$3,640   | \$4,680    |
| 1116 Bldg Exteriors - Paint/Caulk/Repair | Approx 3,540 GSF         | 8      | 0           | \$5,310   | \$7,080    |
| 1200 Pool Deck - Resurface               | Approx 3,780 square feet | 30     | 18          | \$45,360  | \$52,920   |
| 1201 Pool Fence - Repair/Replace         | Approx 285 linear feet   | 30     | 18          | \$17,100  | \$22,800   |
| 1202 Pool - Resurface                    | Approx 1,400 sf surface  | 12     | 0           | \$14,000  | \$18,000   |
| 1207 Pool Filters - Replace              | (2) 4.9 sq ft sand       | 15     | 3           | \$2,000   | \$2,800    |
| 1208 Gas Pool Heater - Replace           | (1) Pentair mini-max     | 10     | 8           | \$2,800   | \$3,200    |
| 1209 Pool Heat Pump - Replace            | (1) condensing unit      | 10     | 8           | \$4,500   | \$5,500    |
| 1211 Pool Furniture - Replace            | ~(41) assorted pieces    | 3      | 2           | \$1,500   | \$2,000    |
| 1303 Building Roof - Repair/Replace      | Approx 4,500 sq ft       | 30     | 18          | \$36,000  | \$45,000   |
| 28 Total Funded Components               |                          |        |             |           |            |

**Table 3: Contribution and Fund Breakdown****17674-0**

| # Component                              | Useful Life | Rem. Useful Life | Current (Avg) Cost | Fully Funded Balance | Current Fund Balance | Reserve Contributions |
|--|-------------|------------------|--------------------|----------------------|----------------------|-----------------------|
| 102 Concrete - Repair/Replace            | 4           | 2                | \$1,500            | \$750                | \$0.00               | \$44.85               |
| 106 RV Lot - Refurbish                   | N/A         | 0                | \$16,000           | \$16,000             | \$14,636.00          | \$163.12              |
| 116 Decks, Stairs - Repair/Replace       | 22          | 10               | \$26,650           | \$14,536             | \$0.00               | \$144.86              |
| 201 Asphalt - Resurface (Overlay)        | 24          | 18               | \$153,615          | \$38,404             | \$0.00               | \$765.44              |
| 202 Asphalt - Seal/Repair                | 4           | 2                | \$16,975           | \$8,488              | \$0.00               | \$507.50              |
| 303 HVAC Units - Replace                 | 15          | 3                | \$3,000            | \$2,400              | \$0.00               | \$23.92               |
| 305 Water Heater - Replace (a)           | 15          | 3                | \$700              | \$560                | \$0.00               | \$5.58                |
| 305 Water Heater - Replace (b)           | 15          | 6                | \$700              | \$420                | \$0.00               | \$5.58                |
| 403 Mailboxes - Replace                  | 20          | 8                | \$6,750            | \$4,050              | \$0.00               | \$40.36               |
| 505 Chain Link Fence - Total Replace     | 30          | 20               | \$58,800           | \$19,600             | \$0.00               | \$234.39              |
| 505 Chain Link Vinyl Slats - Replace     | 15          | 5                | \$12,000           | \$8,000              | \$0.00               | \$95.67               |
| 601 Clubhouse Flooring - Replace (a)     | 12          | 1                | \$7,000            | \$6,417              | \$0.00               | \$69.76               |
| 601 Clubhouse Flooring - Replace (b)     | 15          | 5                | \$4,000            | \$2,667              | \$0.00               | \$31.89               |
| 901 Appliances - Replace                 | 20          | 8                | \$3,000            | \$1,800              | \$0.00               | \$17.94               |
| 903 Furniture - Replace                  | 12          | 1                | \$4,000            | \$3,667              | \$0.00               | \$39.86               |
| 909 Bathrooms - Refurbish                | 20          | 8                | \$7,500            | \$4,500              | \$0.00               | \$44.85               |
| 1107 Metal Fence/Rail - Repaint          | 8           | 0                | \$4,840            | \$4,840              | \$4,840.00           | \$72.35               |
| 1110 Interior Surfaces - Repaint (a)     | 12          | 1                | \$4,560            | \$4,180              | \$0.00               | \$45.44               |
| 1110 Interior Surfaces - Repaint (b)     | 15          | 5                | \$4,160            | \$2,773              | \$0.00               | \$33.17               |
| 1116 Bldg Exteriors - Paint/Caulk/Repair | 8           | 0                | \$6,195            | \$6,195              | \$6,195.00           | \$92.61               |
| 1200 Pool Deck - Resurface               | 30          | 18               | \$49,140           | \$19,656             | \$0.00               | \$195.88              |
| 1201 Pool Fence - Repair/Replace         | 30          | 18               | \$19,950           | \$7,980              | \$0.00               | \$79.53               |
| 1202 Pool - Resurface                    | 12          | 0                | \$16,000           | \$16,000             | \$16,000.00          | \$159.45              |
| 1207 Pool Filters - Replace              | 15          | 3                | \$2,400            | \$1,920              | \$0.00               | \$19.13               |
| 1208 Gas Pool Heater - Replace           | 10          | 8                | \$3,000            | \$600                | \$0.00               | \$35.88               |
| 1209 Pool Heat Pump - Replace            | 10          | 8                | \$5,000            | \$1,000              | \$0.00               | \$59.79               |
| 1211 Pool Furniture - Replace            | 3           | 2                | \$1,750            | \$583                | \$0.00               | \$69.76               |
| 1303 Building Roof - Repair/Replace      | 30          | 18               | \$40,500           | \$16,200             | \$0.00               | \$161.44              |
| 28 Total Funded Components               |             |                  |                    | \$214,185            | \$41,671             | \$3,260               |

**Table 4: 30-Year Reserve Plan Summary**

**17674-0**

**Fiscal Year  
Beginning:**

**01/01/09**

**Interest: 0.0%**

**Inflation: 3.0%**

| Year | Starting Reserve Balance | Fully Funded Balance | Percent Funded | Rating | Contribs, Loans, and Spec. Assmts | Interest Income | Projected Reserve Expenses | Ending Reserve Balance |
|------|--------------------------|----------------------|----------------|--------|-----------------------------------|-----------------|----------------------------|------------------------|
| 2009 | \$41,671                 | \$214,185            | 19.5%          | Weak   | \$39,120                          | \$0             | \$43,035                   | \$37,756               |
| 2010 | \$37,756                 | \$202,958            | 18.6%          | Weak   | \$40,294                          | \$0             | \$16,027                   | \$62,023               |
| 2011 | \$62,023                 | \$220,012            | 28.2%          | Weak   | \$41,502                          | \$0             | \$21,457                   | \$82,069               |
| 2012 | \$82,069                 | \$232,810            | 35.3%          | Fair   | \$42,747                          | \$0             | \$6,666                    | \$118,150              |
| 2013 | \$118,150                | \$262,075            | 45.1%          | Fair   | \$44,030                          | \$0             | \$0                        | \$162,180              |
| 2014 | \$162,180                | \$299,958            | 54.1%          | Fair   | \$45,351                          | \$0             | \$25,400                   | \$182,131              |
| 2015 | \$182,131                | \$313,717            | 58.1%          | Fair   | \$46,711                          | \$0             | \$22,896                   | \$205,947              |
| 2016 | \$205,947                | \$331,395            | 62.1%          | Fair   | \$48,113                          | \$0             | \$0                        | \$254,059              |
| 2017 | \$254,059                | \$374,141            | 67.9%          | Fair   | \$49,556                          | \$0             | \$48,182                   | \$255,434              |
| 2018 | \$255,434                | \$369,527            | 69.1%          | Fair   | \$51,043                          | \$0             | \$0                        | \$306,477              |
| 2019 | \$306,477                | \$415,415            | 73.8%          | Strong | \$52,574                          | \$0             | \$60,644                   | \$298,406              |
| 2020 | \$298,406                | \$401,261            | 74.4%          | Strong | \$54,151                          | \$0             | \$2,422                    | \$350,135              |
| 2021 | \$350,135                | \$447,725            | 78.2%          | Strong | \$55,234                          | \$0             | \$22,812                   | \$382,557              |
| 2022 | \$382,557                | \$475,690            | 80.4%          | Strong | \$56,339                          | \$0             | \$22,850                   | \$416,046              |
| 2023 | \$416,046                | \$505,596            | 82.3%          | Strong | \$57,466                          | \$0             | \$30,592                   | \$442,919              |
| 2024 | \$442,919                | \$529,599            | 83.6%          | Strong | \$58,615                          | \$0             | \$0                        | \$501,534              |
| 2025 | \$501,534                | \$587,043            | 85.4%          | Strong | \$59,787                          | \$0             | \$17,708                   | \$543,614              |
| 2026 | \$543,614                | \$629,218            | 86.4%          | Strong | \$60,983                          | \$0             | \$2,892                    | \$601,704              |
| 2027 | \$601,704                | \$689,202            | 87.3%          | Strong | \$62,203                          | \$0             | \$503,546                  | \$160,362              |
| 2028 | \$160,362                | \$236,635            | 67.8%          | Fair   | \$63,447                          | \$0             | \$0                        | \$223,808              |
| 2029 | \$223,808                | \$290,506            | 77.0%          | Strong | \$64,716                          | \$0             | \$145,771                  | \$142,753              |
| 2030 | \$142,753                | \$197,251            | 72.4%          | Strong | \$66,010                          | \$0             | \$1,302                    | \$207,461              |
| 2031 | \$207,461                | \$251,447            | 82.5%          | Strong | \$67,330                          | \$0             | \$35,400                   | \$239,391              |
| 2032 | \$239,391                | \$273,637            | 87.5%          | Strong | \$68,677                          | \$0             | \$3,454                    | \$304,614              |
| 2033 | \$304,614                | \$330,931            | 92.0%          | Strong | \$70,050                          | \$0             | \$54,957                   | \$319,708              |
| 2034 | \$319,708                | \$338,474            | 94.5%          | Strong | \$71,451                          | \$0             | \$32,579                   | \$358,580              |
| 2035 | \$358,580                | \$370,920            | 96.7%          | Strong | \$72,880                          | \$0             | \$43,617                   | \$387,843              |
| 2036 | \$387,843                | \$394,645            | 98.3%          | Strong | \$74,338                          | \$0             | \$0                        | \$462,181              |
| 2037 | \$462,181                | \$465,733            | 99.2%          | Strong | \$75,825                          | \$0             | \$57,770                   | \$480,236              |
| 2038 | \$480,236                | \$481,228            | 99.8%          | Strong | \$77,341                          | \$0             | \$4,124                    | \$553,453              |

**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)****17674-0**

| Fiscal Year                              | 2009            | 2010            | 2011             | 2012             | 2013             |
|--|-----------------|-----------------|------------------|------------------|------------------|
| Starting Reserve Balance                 | \$41,671        | \$37,756        | \$62,023         | \$82,069         | \$118,150        |
| Annual Reserve Contribution              | \$39,120        | \$40,294        | \$41,502         | \$42,747         | \$44,030         |
| Planned Special Assessments              | \$0             | \$0             | \$0              | \$0              | \$0              |
| Interest Earnings                        | \$0             | \$0             | \$0              | \$0              | \$0              |
| <b>Subtotal</b>                          | <b>\$80,791</b> | <b>\$78,050</b> | <b>\$103,525</b> | <b>\$124,816</b> | <b>\$162,180</b> |
| <b># Component</b>                       |                 |                 |                  |                  |                  |
| 102 Concrete - Repair/Replace            | \$0             | \$0             | \$1,591          | \$0              | \$0              |
| 106 RV Lot - Refurbish                   | \$16,000        | \$0             | \$0              | \$0              | \$0              |
| 116 Decks, Stairs - Repair/Replace       | \$0             | \$0             | \$0              | \$0              | \$0              |
| 201 Asphalt - Resurface (Overlay)        | \$0             | \$0             | \$0              | \$0              | \$0              |
| 202 Asphalt - Seal/Repair                | \$0             | \$0             | \$18,009         | \$0              | \$0              |
| 303 HVAC Units - Replace                 | \$0             | \$0             | \$0              | \$3,278          | \$0              |
| 305 Water Heater - Replace (a)           | \$0             | \$0             | \$0              | \$765            | \$0              |
| 305 Water Heater - Replace (b)           | \$0             | \$0             | \$0              | \$0              | \$0              |
| 403 Mailboxes - Replace                  | \$0             | \$0             | \$0              | \$0              | \$0              |
| 505 Chain Link Fence - Total Replace     | \$0             | \$0             | \$0              | \$0              | \$0              |
| 505 Chain Link Vinyl Slats - Replace     | \$0             | \$0             | \$0              | \$0              | \$0              |
| 601 Clubhouse Flooring - Replace (a)     | \$0             | \$7,210         | \$0              | \$0              | \$0              |
| 601 Clubhouse Flooring - Replace (b)     | \$0             | \$0             | \$0              | \$0              | \$0              |
| 901 Appliances - Replace                 | \$0             | \$0             | \$0              | \$0              | \$0              |
| 903 Furniture - Replace                  | \$0             | \$4,120         | \$0              | \$0              | \$0              |
| 909 Bathrooms - Refurbish                | \$0             | \$0             | \$0              | \$0              | \$0              |
| 1107 Metal Fence/Rail - Repair           | \$4,840         | \$0             | \$0              | \$0              | \$0              |
| 1110 Interior Surfaces - Repaint (a)     | \$0             | \$4,697         | \$0              | \$0              | \$0              |
| 1110 Interior Surfaces - Repaint (b)     | \$0             | \$0             | \$0              | \$0              | \$0              |
| 1116 Bldg Exteriors - Paint/Caulk/Repair | \$6,195         | \$0             | \$0              | \$0              | \$0              |
| 1200 Pool Deck - Resurface               | \$0             | \$0             | \$0              | \$0              | \$0              |
| 1201 Pool Fence - Repair/Replace         | \$0             | \$0             | \$0              | \$0              | \$0              |
| 1202 Pool - Resurface                    | \$16,000        | \$0             | \$0              | \$0              | \$0              |
| 1207 Pool Filters - Replace              | \$0             | \$0             | \$0              | \$2,623          | \$0              |
| 1208 Gas Pool Heater - Replace           | \$0             | \$0             | \$0              | \$0              | \$0              |
| 1209 Pool Heat Pump - Replace            | \$0             | \$0             | \$0              | \$0              | \$0              |
| 1211 Pool Furniture - Replace            | \$0             | \$0             | \$1,857          | \$0              | \$0              |
| 1303 Building Roof - Repair/Replace      | \$0             | \$0             | \$0              | \$0              | \$0              |
| <b>Subtotal</b>                          | <b>\$43,035</b> | <b>\$16,027</b> | <b>\$21,457</b>  | <b>\$6,666</b>   | <b>\$0</b>       |
| Ending Reserve Balance:                  | \$37,756        | \$62,023        | \$82,069         | \$118,150        | \$162,180        |

**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)****17674-0**

| Fiscal Year                              | 2014      | 2015      | 2016      | 2017      | 2018      |
|--|-----------|-----------|-----------|-----------|-----------|
| Starting Reserve Balance                 | \$162,180 | \$182,131 | \$205,947 | \$254,059 | \$255,434 |
| Annual Reserve Contribution              | \$45,351  | \$46,711  | \$48,113  | \$49,556  | \$51,043  |
| Planned Special Assessments              | \$0       | \$0       | \$0       | \$0       | \$0       |
| Interest Earnings                        | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$207,531 | \$228,843 | \$254,059 | \$303,615 | \$306,477 |
| # Component                              |           |           |           |           |           |
| 102 Concrete - Repair/Replace            | \$0       | \$1,791   | \$0       | \$0       | \$0       |
| 106 RV Lot - Refurbish                   | \$0       | \$0       | \$0       | \$0       | \$0       |
| 116 Decks, Stairs - Repair/Replace       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 201 Asphalt - Resurface (Overlay)        | \$0       | \$0       | \$0       | \$0       | \$0       |
| 202 Asphalt - Seal/Repair                | \$0       | \$20,269  | \$0       | \$0       | \$0       |
| 303 HVAC Units - Replace                 | \$0       | \$0       | \$0       | \$0       | \$0       |
| 305 Water Heater - Replace (a)           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 305 Water Heater - Replace (b)           | \$0       | \$836     | \$0       | \$0       | \$0       |
| 403 Mailboxes - Replace                  | \$0       | \$0       | \$0       | \$8,551   | \$0       |
| 505 Chain Link Fence - Total Replace     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 505 Chain Link Vinyl Slats - Replace     | \$13,911  | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (a)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (b)     | \$4,637   | \$0       | \$0       | \$0       | \$0       |
| 901 Appliances - Replace                 | \$0       | \$0       | \$0       | \$3,800   | \$0       |
| 903 Furniture - Replace                  | \$0       | \$0       | \$0       | \$0       | \$0       |
| 909 Bathrooms - Refurbish                | \$0       | \$0       | \$0       | \$9,501   | \$0       |
| 1107 Metal Fence/Rail - Repaint          | \$0       | \$0       | \$0       | \$6,131   | \$0       |
| 1110 Interior Surfaces - Repaint (a)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1110 Interior Surfaces - Repaint (b)     | \$4,823   | \$0       | \$0       | \$0       | \$0       |
| 1116 Bldg Exteriors - Paint/Caulk/Repair | \$0       | \$0       | \$0       | \$7,848   | \$0       |
| 1200 Pool Deck - Resurface               | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1201 Pool Fence - Repair/Replace         | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1202 Pool - Resurface                    | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1207 Pool Filters - Replace              | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1208 Gas Pool Heater - Replace           | \$0       | \$0       | \$0       | \$3,800   | \$0       |
| 1209 Pool Heat Pump - Replace            | \$0       | \$0       | \$0       | \$6,334   | \$0       |
| 1211 Pool Furniture - Replace            | \$2,029   | \$0       | \$0       | \$2,217   | \$0       |
| 1303 Building Roof - Repair/Replace      | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$25,400  | \$22,896  | \$0       | \$48,182  | \$0       |
| Ending Reserve Balance:                  | \$182,131 | \$205,947 | \$254,059 | \$255,434 | \$306,477 |

**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)****17674-0**

| Fiscal Year                              | 2019      | 2020      | 2021      | 2022      | 2023      |
|--|-----------|-----------|-----------|-----------|-----------|
| Starting Reserve Balance                 | \$306,477 | \$298,406 | \$350,135 | \$382,557 | \$416,046 |
| Annual Reserve Contribution              | \$52,574  | \$54,151  | \$55,234  | \$56,339  | \$57,466  |
| Planned Special Assessments              | \$0       | \$0       | \$0       | \$0       | \$0       |
| Interest Earnings                        | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$359,051 | \$352,558 | \$405,369 | \$438,896 | \$473,512 |
| # Component                              |           |           |           |           |           |
| 102 Concrete - Repair/Replace            | \$2,016   | \$0       | \$0       | \$0       | \$2,269   |
| 106 RV Lot - Refurbish                   | \$0       | \$0       | \$0       | \$0       | \$0       |
| 116 Decks, Stairs - Repair/Replace       | \$35,815  | \$0       | \$0       | \$0       | \$0       |
| 201 Asphalt - Resurface (Overlay)        | \$0       | \$0       | \$0       | \$0       | \$0       |
| 202 Asphalt - Seal/Repair                | \$22,813  | \$0       | \$0       | \$0       | \$25,676  |
| 303 HVAC Units - Replace                 | \$0       | \$0       | \$0       | \$0       | \$0       |
| 305 Water Heater - Replace (a)           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 305 Water Heater - Replace (b)           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 403 Mailboxes - Replace                  | \$0       | \$0       | \$0       | \$0       | \$0       |
| 505 Chain Link Fence - Total Replace     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 505 Chain Link Vinyl Slats - Replace     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (a)     | \$0       | \$0       | \$0       | \$10,280  | \$0       |
| 601 Clubhouse Flooring - Replace (b)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 901 Appliances - Replace                 | \$0       | \$0       | \$0       | \$0       | \$0       |
| 903 Furniture - Replace                  | \$0       | \$0       | \$0       | \$5,874   | \$0       |
| 909 Bathrooms - Refurbish                | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1107 Metal Fence/Rail - Repaint          | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1110 Interior Surfaces - Repaint (a)     | \$0       | \$0       | \$0       | \$6,697   | \$0       |
| 1110 Interior Surfaces - Repaint (b)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1116 Bldg Exteriors - Paint/Caulk/Repair | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1200 Pool Deck - Resurface               | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1201 Pool Fence - Repair/Replace         | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1202 Pool - Resurface                    | \$0       | \$0       | \$22,812  | \$0       | \$0       |
| 1207 Pool Filters - Replace              | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1208 Gas Pool Heater - Replace           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1209 Pool Heat Pump - Replace            | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1211 Pool Furniture - Replace            | \$0       | \$2,422   | \$0       | \$0       | \$2,647   |
| 1303 Building Roof - Repair/Replace      | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$60,644  | \$2,422   | \$22,812  | \$22,850  | \$30,592  |
| Ending Reserve Balance:                  | \$298,406 | \$350,135 | \$382,557 | \$416,046 | \$442,919 |

**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)****17674-0**

| Fiscal Year                              | 2024      | 2025      | 2026      | 2027      | 2028      |
|--|-----------|-----------|-----------|-----------|-----------|
| Starting Reserve Balance                 | \$442,919 | \$501,534 | \$543,614 | \$601,704 | \$160,362 |
| Annual Reserve Contribution              | \$58,615  | \$59,787  | \$60,983  | \$62,203  | \$63,447  |
| Planned Special Assessments              | \$0       | \$0       | \$0       | \$0       | \$0       |
| Interest Earnings                        | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$501,534 | \$561,322 | \$604,597 | \$663,907 | \$223,808 |
| # Component                              |           |           |           |           |           |
| 102 Concrete - Repair/Replace            | \$0       | \$0       | \$0       | \$2,554   | \$0       |
| 106 RV Lot - Refurbish                   | \$0       | \$0       | \$0       | \$0       | \$0       |
| 116 Decks, Stairs - Repair/Replace       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 201 Asphalt - Resurface (Overlay)        | \$0       | \$0       | \$0       | \$261,519 | \$0       |
| 202 Asphalt - Seal/Repair                | \$0       | \$0       | \$0       | \$28,899  | \$0       |
| 303 HVAC Units - Replace                 | \$0       | \$0       | \$0       | \$5,107   | \$0       |
| 305 Water Heater - Replace (a)           | \$0       | \$0       | \$0       | \$1,192   | \$0       |
| 305 Water Heater - Replace (b)           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 403 Mailboxes - Replace                  | \$0       | \$0       | \$0       | \$0       | \$0       |
| 505 Chain Link Fence - Total Replace     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 505 Chain Link Vinyl Slats - Replace     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (a)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (b)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 901 Appliances - Replace                 | \$0       | \$0       | \$0       | \$0       | \$0       |
| 903 Furniture - Replace                  | \$0       | \$0       | \$0       | \$0       | \$0       |
| 909 Bathrooms - Refurbish                | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1107 Metal Fence/Rail - Repaint          | \$0       | \$7,767   | \$0       | \$0       | \$0       |
| 1110 Interior Surfaces - Repaint (a)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1110 Interior Surfaces - Repaint (b)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1116 Bldg Exteriors - Paint/Caulk/Repair | \$0       | \$9,941   | \$0       | \$0       | \$0       |
| 1200 Pool Deck - Resurface               | \$0       | \$0       | \$0       | \$83,658  | \$0       |
| 1201 Pool Fence - Repair/Replace         | \$0       | \$0       | \$0       | \$33,964  | \$0       |
| 1202 Pool - Resurface                    | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1207 Pool Filters - Replace              | \$0       | \$0       | \$0       | \$4,086   | \$0       |
| 1208 Gas Pool Heater - Replace           | \$0       | \$0       | \$0       | \$5,107   | \$0       |
| 1209 Pool Heat Pump - Replace            | \$0       | \$0       | \$0       | \$8,512   | \$0       |
| 1211 Pool Furniture - Replace            | \$0       | \$0       | \$2,892   | \$0       | \$0       |
| 1303 Building Roof - Repair/Replace      | \$0       | \$0       | \$0       | \$68,949  | \$0       |
| Subtotal                                 | \$0       | \$17,708  | \$2,892   | \$503,546 | \$0       |
| Ending Reserve Balance:                  | \$501,534 | \$543,614 | \$601,704 | \$160,362 | \$223,808 |

**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)****17674-0**

| Fiscal Year                              | 2029      | 2030      | 2031      | 2032      | 2033      |
|--|-----------|-----------|-----------|-----------|-----------|
| Starting Reserve Balance                 | \$223,808 | \$142,753 | \$207,461 | \$239,391 | \$304,614 |
| Annual Reserve Contribution              | \$64,716  | \$66,010  | \$67,330  | \$68,677  | \$70,050  |
| Planned Special Assessments              | \$0       | \$0       | \$0       | \$0       | \$0       |
| Interest Earnings                        | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$288,524 | \$208,763 | \$274,791 | \$308,068 | \$374,664 |
| # Component                              |           |           |           |           |           |
| 102 Concrete - Repair/Replace            | \$0       | \$0       | \$2,874   | \$0       | \$0       |
| 106 RV Lot - Refurbish                   | \$0       | \$0       | \$0       | \$0       | \$0       |
| 116 Decks, Stairs - Repair/Replace       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 201 Asphalt - Resurface (Overlay)        | \$0       | \$0       | \$0       | \$0       | \$0       |
| 202 Asphalt - Seal/Repair                | \$0       | \$0       | \$32,526  | \$0       | \$0       |
| 303 HVAC Units - Replace                 | \$0       | \$0       | \$0       | \$0       | \$0       |
| 305 Water Heater - Replace (a)           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 305 Water Heater - Replace (b)           | \$0       | \$1,302   | \$0       | \$0       | \$0       |
| 403 Mailboxes - Replace                  | \$0       | \$0       | \$0       | \$0       | \$0       |
| 505 Chain Link Fence - Total Replace     | \$106,199 | \$0       | \$0       | \$0       | \$0       |
| 505 Chain Link Vinyl Slats - Replace     | \$21,673  | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (a)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (b)     | \$7,224   | \$0       | \$0       | \$0       | \$0       |
| 901 Appliances - Replace                 | \$0       | \$0       | \$0       | \$0       | \$0       |
| 903 Furniture - Replace                  | \$0       | \$0       | \$0       | \$0       | \$0       |
| 909 Bathrooms - Refurbish                | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1107 Metal Fence/Rail - Repaint          | \$0       | \$0       | \$0       | \$0       | \$9,839   |
| 1110 Interior Surfaces - Repaint (a)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1110 Interior Surfaces - Repaint (b)     | \$7,513   | \$0       | \$0       | \$0       | \$0       |
| 1116 Bldg Exteriors - Paint/Caulk/Repair | \$0       | \$0       | \$0       | \$0       | \$12,593  |
| 1200 Pool Deck - Resurface               | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1201 Pool Fence - Repair/Replace         | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1202 Pool - Resurface                    | \$0       | \$0       | \$0       | \$0       | \$32,525  |
| 1207 Pool Filters - Replace              | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1208 Gas Pool Heater - Replace           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1209 Pool Heat Pump - Replace            | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1211 Pool Furniture - Replace            | \$3,161   | \$0       | \$0       | \$3,454   | \$0       |
| 1303 Building Roof - Repair/Replace      | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$145,771 | \$1,302   | \$35,400  | \$3,454   | \$54,957  |
| Ending Reserve Balance:                  | \$142,753 | \$207,461 | \$239,391 | \$304,614 | \$319,708 |

**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)****17674-0**

| Fiscal Year                              | 2034      | 2035      | 2036      | 2037      | 2038      |
|--|-----------|-----------|-----------|-----------|-----------|
| Starting Reserve Balance                 | \$319,708 | \$358,580 | \$387,843 | \$462,181 | \$480,236 |
| Annual Reserve Contribution              | \$71,451  | \$72,880  | \$74,338  | \$75,825  | \$77,341  |
| Planned Special Assessments              | \$0       | \$0       | \$0       | \$0       | \$0       |
| Interest Earnings                        | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$391,159 | \$431,460 | \$462,181 | \$538,006 | \$557,577 |
| # Component                              |           |           |           |           |           |
| 102 Concrete - Repair/Replace            | \$0       | \$3,235   | \$0       | \$0       | \$0       |
| 106 RV Lot - Refurbish                   | \$0       | \$0       | \$0       | \$0       | \$0       |
| 116 Decks, Stairs - Repair/Replace       | \$0       | \$0       | \$0       | \$0       | \$0       |
| 201 Asphalt - Resurface (Overlay)        | \$0       | \$0       | \$0       | \$0       | \$0       |
| 202 Asphalt - Seal/Repair                | \$0       | \$36,608  | \$0       | \$0       | \$0       |
| 303 HVAC Units - Replace                 | \$0       | \$0       | \$0       | \$0       | \$0       |
| 305 Water Heater - Replace (a)           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 305 Water Heater - Replace (b)           | \$0       | \$0       | \$0       | \$0       | \$0       |
| 403 Mailboxes - Replace                  | \$0       | \$0       | \$0       | \$15,444  | \$0       |
| 505 Chain Link Fence - Total Replace     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 505 Chain Link Vinyl Slats - Replace     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (a)     | \$14,656  | \$0       | \$0       | \$0       | \$0       |
| 601 Clubhouse Flooring - Replace (b)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 901 Appliances - Replace                 | \$0       | \$0       | \$0       | \$6,864   | \$0       |
| 903 Furniture - Replace                  | \$8,375   | \$0       | \$0       | \$0       | \$0       |
| 909 Bathrooms - Refurbish                | \$0       | \$0       | \$0       | \$17,159  | \$0       |
| 1107 Metal Fence/Rail - Repaint          | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1110 Interior Surfaces - Repaint (a)     | \$9,548   | \$0       | \$0       | \$0       | \$0       |
| 1110 Interior Surfaces - Repaint (b)     | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1116 Bldg Exteriors - Paint/Caulk/Repair | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1200 Pool Deck - Resurface               | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1201 Pool Fence - Repair/Replace         | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1202 Pool - Resurface                    | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1207 Pool Filters - Replace              | \$0       | \$0       | \$0       | \$0       | \$0       |
| 1208 Gas Pool Heater - Replace           | \$0       | \$0       | \$0       | \$6,864   | \$0       |
| 1209 Pool Heat Pump - Replace            | \$0       | \$0       | \$0       | \$11,440  | \$0       |
| 1211 Pool Furniture - Replace            | \$0       | \$3,774   | \$0       | \$0       | \$4,124   |
| 1303 Building Roof - Repair/Replace      | \$0       | \$0       | \$0       | \$0       | \$0       |
| Subtotal                                 | \$32,579  | \$43,617  | \$0       | \$57,770  | \$4,124   |
| Ending Reserve Balance:                  | \$358,580 | \$387,843 | \$462,181 | \$480,236 | \$553,453 |

## Accuracy, Limitations, and Disclosures

### Washington disclosure, per Senate Bill 6215:

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

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

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

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were developed by Association Reserves unless otherwise noted in our "Site Inspection Notes" comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

## Terms and Definitions

|            |  |
|------------|--|
| <b>BTU</b> | British Thermal Unit (a standard unit of energy) |
| <b>DIA</b> | Diameter   |
| <b>GSF</b> | Gross Square Feet (area)                         |
| <b>GSY</b> | Gross Square Yards (area)                        |
| <b>HP</b>  | Horsepower                                       |
| <b>LF</b>  | 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 Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

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

**Inflation:** Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

**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, page ii.

**Percent Funded:** The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life:** The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

**Useful Life:** The estimated time, in years, that a common area component can be expected to serve its intended function.

## Photographic Inventory Appendix