Reserve Study Level II

Prepared for Grand Ridge Drive

2025 - 2026 Fiscal Year

Prepared by CEDCORE, LLC
Version 1

Contents

1. Executive Summary

Report Details			
Association Name:	Grand Ridge Drive		
Location:	Issaquah, WA	**Number of Units:**	40
Physical Description	PUD/Single Family	**Site Visit Date:**	11/13/2024
Level of Service:	Level II		
Report Period:	FY 2025 - 2026	**Projection Period:**	2026 - 2055

Reserve Account Snap Shot July 1, 2025		
Projected Reserve Balance:		$362,415
Fully Funded Reserve Balance:		$355,544
Percent Funded:		102 %
Reserve Surplus or (-) Deficit Per Unit:		$172
Current Monthly Reserve Fund Contribution:		$0
Interest Rate		3.00 %
Inflation Rate		3.00 %

2025 - 2026 Reserve Contribution Requirements (based on the above position)		
Full Funding	Monthly Reserve Contribution:	$2,145
	Monthly Reserve Contribution Per Unit (Average):	$54
	Special Assessment Required for this Plan:	$0
Baseline Funding	Monthly Reserve Contribution:	$730
	Monthly Reserve Contribution Per Unit (Average):	$18
	Special Assessment Required for this Plan:	$0

Based upon the budget and maintenance practices of the association we have used a funding threshold of $1,000. Expenses below $1,000 are not funded within this report and best treated as a maintenance expense. We have included comments within the Component Analysis Section of this report.

The projected reserve fund balance is estimated based on the current reserve fund balance adding any remaining budgeted contributions and subtracting any planned projects to be completed prior to the end of the fiscal year.

The Association will be Fully Funded at the beginning of the 2025/2026 Fiscal Year but will need to contribute $53.63 average per Unit per month to stay on the Fully Funded path and have sufficient funds in the Reserve Account to maintain, repair or replace the Common Elements when needed.

1.1 Table 1 - Component List

Component	Quantity	Current Cost	UL	RUL
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	182,000 Square Feet	$70,000	5	0
Asphalt: Resurface	182,000 Square Feet	$600,000	50	31
Bridge Rail: Clean/Repair/Seal	160 Linear Feet	$3,300	5	4
Bridge Rail: Repair/Replace	160 Linear Feet	$10,000	20	1
Bridge: Repair/Replace	Unfunded due to unpredictable nature of component			
Concrete: Repairs	Unfunded, not Association responsibility			
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	1 Allowance	$9,100	12	0
Fencing: Wood Rail, Replace	387 Linear Feet	$13,200	15	11
Irrigation System: Repair/Replace	Unfunded, operating expense			
Irrigation Time Clocks: Repair/Replace	2 Each	$8,630	10	2
Landscaping: Refurbish	Unfunded, operating expense			
Lights, Bridge & Entry: Replace	6 Each	$4,600	22	21
Lights: Pole, Replace	Unfunded, not Association responsibility			
Mailbox Cluster: Replace	4 Each	$10,400	20	1
Mailbox Structure: Repair & Reroof	4 Each	$12,000	35	16
Mailbox Structure: Restain	4 Each	$2,600	4	0
Masonry Walls: Clean, Repair & Seal	1,500 Square Feet	$10,000	15	8
Monuments: Repair/Replace	6 Each	$4,200	20	1
Signs: Replace	Unfunded, operating expense			
Wetland Sensitivity Area	Unfunded, operating expense			
	Total Current Costs	$758,030		
	Total Funded Components	13		

Components without a UL are one-time expenses, not expecting to reoccur at this time. It is important to note that actual costs may vary significantly based on scope of work, actual conditions, hidden deterioration, vendor selection, etc. This component list is for budget planning purposes only.

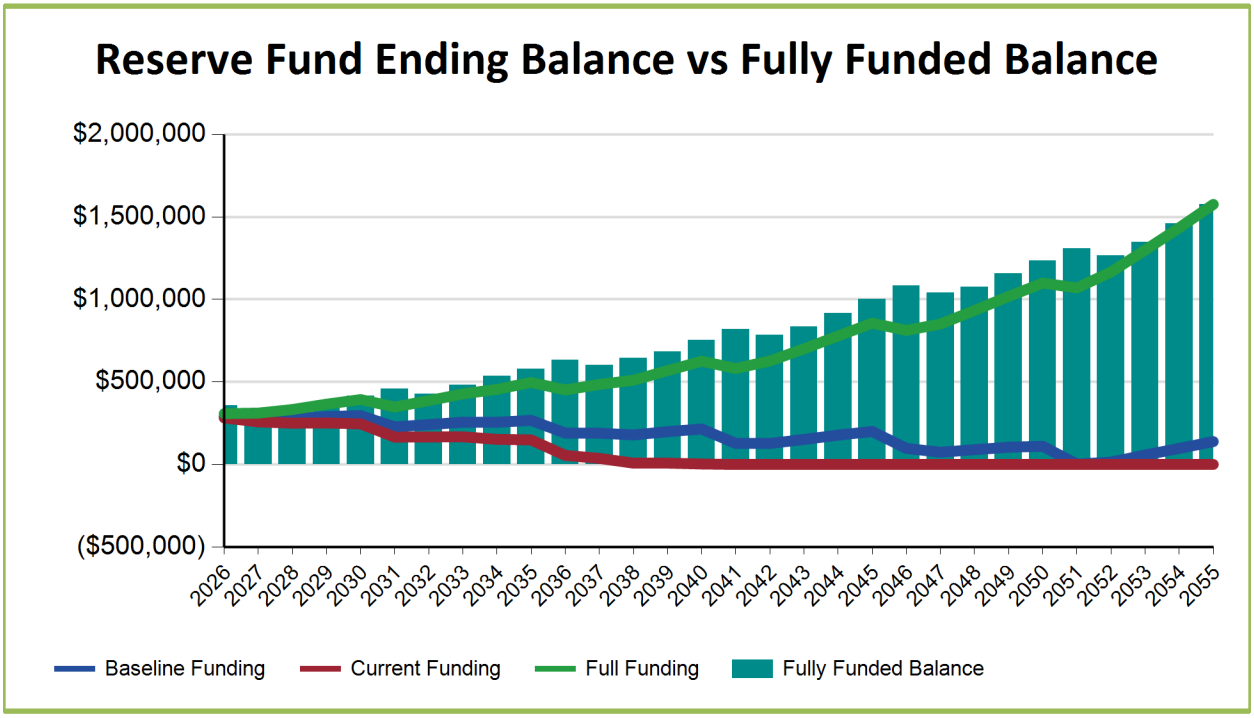
2. Financial Analysis

We have created the financial projections and recommendations based on the component list in Table One and a projected reserve fund balance $362,415. For your Association to be 100% funded there should be $355,544 in your reserve account(s). Therefore, your Association is projected to be 102.00% funded.

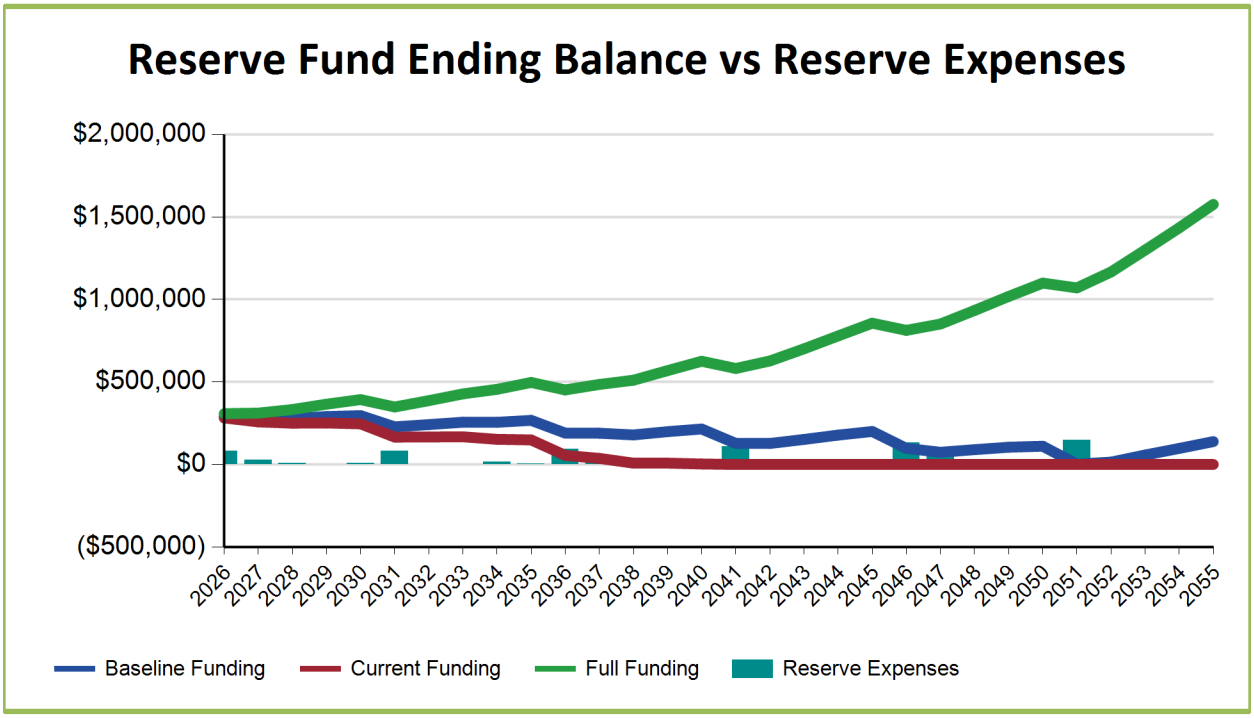
We recommend the Full Funding, which requires a monthly reserve contribution of $2,145 with a 6.07 % increase in contributions each year for the next 30 years.

Currently the Association has monthly reserve contributions of $0 and are Not projected to be sufficient over the next 30 years. The Baseline monthly reserve contribution requires $730, with a 6.07 % increase in contributions each year for the next 30 years. The baseline funding plan is the lowest contribution amount calculated to prevent the Reserve Fund from dropping below a zero balance.

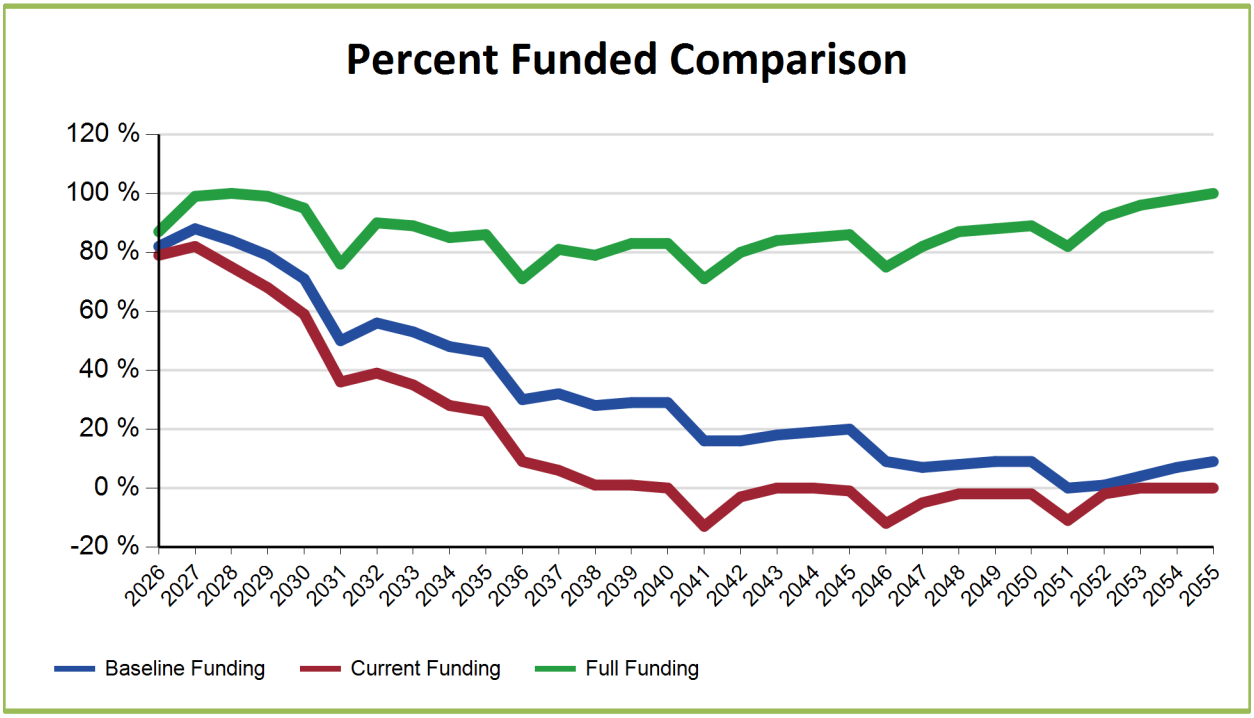
2.1 Figure 1 - Reserve Fund Ending Balance vs Fully Funded Balance



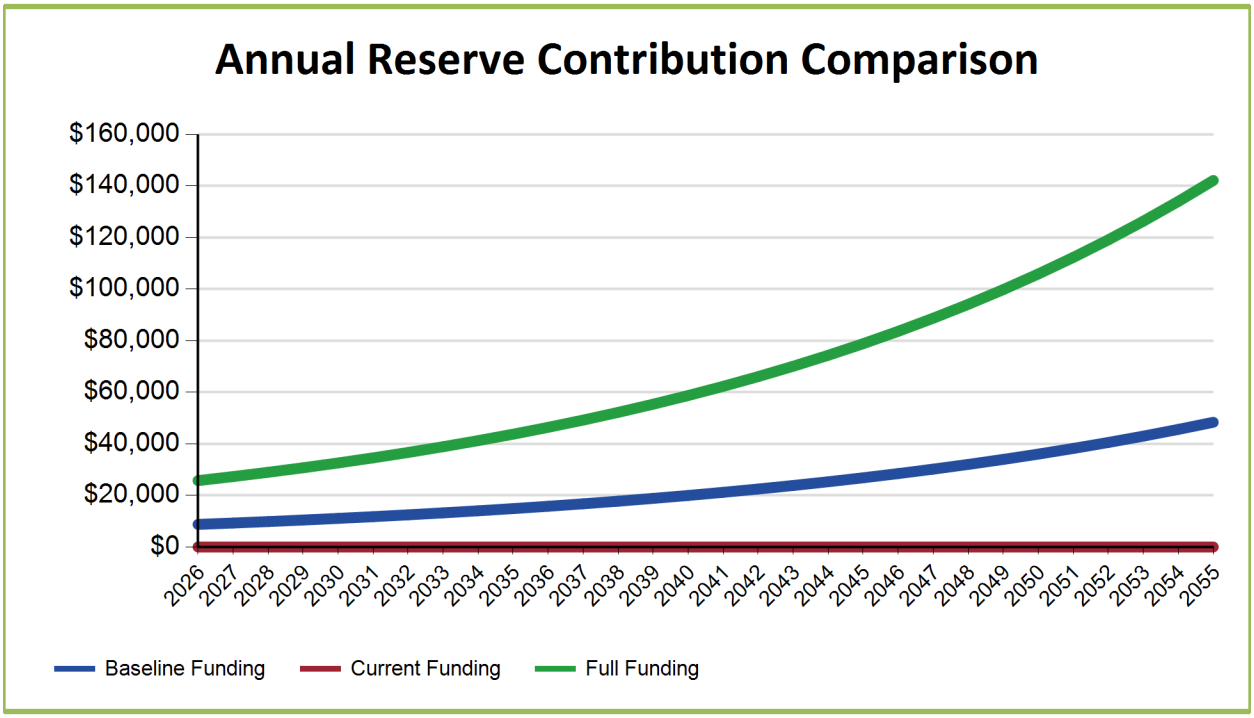
2.2 Figure 2 - Reserve Fund Ending Balance vs Reserve Expenses



2.3 Figure 3 - Percent Funded Comparison



2.4 Figure 4 – Reserve Contribution Comparison



2.5.1 - 30 Year Reserve Fund Projection (Current Funding)

Current Funding Plan									
Year	Start Balance	Annual Reserve Contribution	Special Assessments	Additional Assessments Necessary Per Unit /Per Year	Interest Income	Reserve Expenses	Ending Balance	Fully Funded Balance	Ending Percent Funded
2026	$362,415	$0	$0		$1,441	$81,700	$282,156	$355,544	79.36 %
2027	$282,156	$0	$0		$1,319	$25,338	$258,137	$315,287	81.87 %
2028	$258,137	$0	$0		$1,279	$9,156	$250,260	$332,872	75.18 %
2029	$250,260	$0	$0		$1,285	$0	$251,545	$368,679	68.23 %
2030	$251,545	$0	$0		$1,258	$6,640	$246,163	$416,049	59.17 %
2031	$246,163	$0	$0		$847	$81,149	$165,861	$459,089	36.13 %
2032	$165,861	$0	$0		$852	$0	$166,713	$427,798	38.97 %
2033	$166,713	$0	$0		$856	$0	$167,569	$480,307	34.89 %
2034	$167,569	$0	$0		$779	$15,962	$152,386	$535,582	28.45 %
2035	$152,386	$0	$0		$760	$4,306	$148,840	$577,302	25.78 %
2036	$148,840	$0	$0		$281	$94,074	$55,047	$633,540	8.69 %
2037	$55,047	$0	$0		$189	$18,272	$36,964	$600,306	6.16 %
2038	$36,964	$0	$0		$41	$28,985	$8,020	$645,490	1.24 %
2039	$8,020	$0	$0		$41	$0	$8,061	$682,374	1.18 %
2040	$8,061	$0	$0		$16	$4,992	$3,085	$751,641	0.41 %
2041	$3,085	$0	$0	$2,649	$0	$109,058	$0	$819,309	-12.93 %
2042	$0	$0	$0	$586	$0	$23,428	$0	$783,327	-2.99 %
2043	$0	$0	$0		$0	$0	$0	$836,016	0.00 %
2044	$0	$0	$0		$0	$0	$0	$916,016	0.00 %
2045	$0	$0	$0	$145	$0	$5,787	$0	$1,000,065	-0.58 %
2046	$0	$0	$0	$3,278	$0	$131,124	$0	$1,082,372	-12.11 %
2047	$0	$0	$0	$1,358	$0	$54,320	$0	$1,039,799	-5.22 %
2048	$0	$0	$0	$413	$0	$16,536	$0	$1,076,856	-1.54 %
2049	$0	$0	$0	$493	$0	$19,736	$0	$1,155,797	-1.71 %
2050	$0	$0	$0	$762	$0	$30,491	$0	$1,235,721	-2.47 %
2051	$0	$0	$0	$3,664	$0	$146,564	$0	$1,308,931	-11.20 %
2052	$0	$0	$0	$712	$0	$28,467	$0	$1,266,809	-2.25 %
2053	$0	$0	$0		$0	$0	$0	$1,347,151	0.00 %
2054	$0	$0	$0	$149	$0	$5,949	$0	$1,461,374	-0.41 %
2055	$0	$0	$0	$194	$0	$7,777	$0	$1,575,111	-0.49 %

2.5.2 - 30 Year Reserve Fund Projection (Baseline Funding)

Baseline Funding Plan

Year	Start Balance	Annual Reserve Contribution	Special Assessments	Interest Income	Reserve Expenses	Ending Balance	Fully Funded Balance	Ending Percent Funded
2026	$362,415	$8,757	$0	$1,464	$81,700	$290,936	$355,544	81.83 %
2027	$290,936	$9,289	$0	$1,388	$25,338	$276,275	$315,287	87.63 %
2028	$276,275	$9,852	$0	$1,397	$9,156	$278,368	$332,872	83.63 %
2029	$278,368	$10,450	$0	$1,456	$0	$290,274	$368,679	78.73 %
2030	$290,274	$11,085	$0	$1,485	$6,640	$296,204	$416,049	71.19 %
2031	$296,204	$11,758	$0	$1,135	$81,149	$227,947	$459,089	49.65 %
2032	$227,947	$12,471	$0	$1,203	$0	$241,621	$427,798	56.48 %
2033	$241,621	$13,228	$0	$1,275	$0	$256,124	$480,307	53.33 %
2034	$256,124	$14,031	$0	$1,269	$15,962	$255,462	$535,582	47.70 %
2035	$255,462	$14,883	$0	$1,328	$4,306	$267,367	$577,302	46.31 %
2036	$267,367	$15,786	$0	$930	$94,074	$190,009	$633,540	29.99 %
2037	$190,009	$16,745	$0	$925	$18,272	$189,407	$600,306	31.55 %
2038	$189,407	$17,761	$0	$869	$28,985	$179,052	$645,490	27.74 %
2039	$179,052	$18,839	$0	$968	$0	$198,859	$682,374	29.14 %
2040	$198,859	$19,983	$0	$1,047	$4,992	$214,897	$751,641	28.59 %
2041	$214,897	$21,196	$0	$598	$109,058	$127,633	$819,309	15.58 %
2042	$127,633	$22,482	$0	$593	$23,428	$127,280	$783,327	16.25 %
2043	$127,280	$23,847	$0	$715	$0	$151,842	$836,016	18.16 %
2044	$151,842	$25,294	$0	$845	$0	$177,981	$916,016	19.43 %
2045	$177,981	$26,830	$0	$953	$5,787	$199,977	$1,000,065	20.00 %
2046	$199,977	$28,458	$0	$427	$131,124	$97,738	$1,082,372	9.03 %
2047	$97,738	$30,186	$0	$300	$54,320	$73,904	$1,039,799	7.11 %
2048	$73,904	$32,018	$0	$377	$16,536	$89,763	$1,076,856	8.34 %
2049	$89,763	$33,961	$0	$447	$19,736	$104,435	$1,155,797	9.04 %
2050	$104,435	$36,023	$0	$472	$30,491	$110,439	$1,235,721	8.94 %
2051	$110,439	$38,209	$0	$0	$146,564	$2,084	$1,308,931	0.16 %
2052	$2,084	$40,529	$0	$0	$28,467	$14,146	$1,266,809	1.12 %
2053	$14,146	$42,989	$0	$183	$0	$57,318	$1,347,151	4.25 %
2054	$57,318	$45,598	$0	$381	$5,949	$97,348	$1,461,374	6.66 %
2055	$97,348	$48,366	$0	$584	$7,777	$138,521	$1,575,111	8.79 %

2.5.3 - 30 Year Reserve Fund Projection (Full Funding)

Full Funding Plan

Year	Start Balance	Annual Reserve Contribution	Special Assessments	Interest Income	Reserve Expenses	Ending Balance	Fully Funded Balance	Ending Percent Funded
2026	$362,415	$25,740	$0	$1,508	$81,700	$307,963	$355,544	86.62 %
2027	$307,963	$27,302	$0	$1,521	$25,338	$311,448	$315,287	98.78 %
2028	$311,448	$28,960	$0	$1,627	$9,156	$332,879	$332,872	100.00 %
2029	$332,879	$30,718	$0	$1,788	$0	$365,385	$368,679	99.11 %
2030	$365,385	$32,582	$0	$1,926	$6,640	$393,253	$416,049	94.52 %
2031	$393,253	$34,560	$0	$1,691	$81,149	$348,355	$459,089	75.88 %
2032	$348,355	$36,658	$0	$1,883	$0	$386,896	$427,798	90.44 %
2033	$386,896	$38,883	$0	$2,087	$0	$427,866	$480,307	89.08 %
2034	$427,866	$41,243	$0	$2,221	$15,962	$455,368	$535,582	85.02 %
2035	$455,368	$43,746	$0	$2,429	$4,306	$497,237	$577,302	86.13 %
2036	$497,237	$46,402	$0	$2,189	$94,074	$451,754	$633,540	71.31 %
2037	$451,754	$49,218	$0	$2,352	$18,272	$485,052	$600,306	80.80 %
2038	$485,052	$52,206	$0	$2,476	$28,985	$510,749	$645,490	79.13 %
2039	$510,749	$55,375	$0	$2,765	$0	$568,889	$682,374	83.37 %
2040	$568,889	$58,736	$0	$3,046	$4,992	$625,679	$751,641	83.24 %
2041	$625,679	$62,301	$0	$2,813	$109,058	$581,735	$819,309	71.00 %
2042	$581,735	$66,083	$0	$3,037	$23,428	$627,427	$783,327	80.10 %
2043	$627,427	$70,094	$0	$3,402	$0	$700,923	$836,016	83.84 %
2044	$700,923	$74,349	$0	$3,790	$0	$779,062	$916,016	85.05 %
2045	$779,062	$78,862	$0	$4,173	$5,787	$856,310	$1,000,065	85.63 %
2046	$856,310	$83,649	$0	$3,939	$131,124	$812,774	$1,082,372	75.09 %
2047	$812,774	$88,726	$0	$4,122	$54,320	$851,302	$1,039,799	81.87 %
2048	$851,302	$94,112	$0	$4,528	$16,536	$933,406	$1,076,856	86.68 %
2049	$933,406	$99,825	$0	$4,948	$19,736	$1,018,443	$1,155,797	88.12 %
2050	$1,018,443	$105,884	$0	$5,345	$30,491	$1,099,181	$1,235,721	88.95 %
2051	$1,099,181	$112,311	$0	$5,180	$146,564	$1,070,108	$1,308,931	81.75 %
2052	$1,070,108	$119,128	$0	$5,655	$28,467	$1,166,424	$1,266,809	92.08 %
2053	$1,166,424	$126,360	$0	$6,314	$0	$1,299,098	$1,347,151	96.43 %
2054	$1,299,098	$134,030	$0	$6,984	$5,949	$1,434,163	$1,461,374	98.14 %
2055	$1,434,163	$142,165	$0	$7,690	$7,777	$1,576,241	$1,575,111	100.07 %

2.6 Funding Plan Cash Flow Projections

Full Funding Plan					
Year	2026	2027	2028	2029	2030
Percent Funded	86.62 %	98.78 %	100.00 %	99.11 %	94.52 %
Fully Funded Balance	$355,544	$315,287	$332,872	$368,679	$416,049
Beginning Balance	$362,415	$307,963	$311,448	$332,879	$365,385
Annual Contributions	$25,740	$27,302	$28,960	$30,718	$32,582
Interest Earnings	$1,508	$1,521	$1,627	$1,788	$1,926
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$81,700	$25,338	$9,156	$0	$6,640
Ending Balance	$307,963	$311,448	$332,879	$365,385	$393,253

Expenses by Component & Year					
Components	2026	2027	2028	2029	2030
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	$70,000	$0	$0	$0	$0
Asphalt: Resurface	$0	$0	$0	$0	$0
Bridge Rail: Clean/Repair/Seal	$0	$0	$0	$0	$3,714
Bridge Rail: Repair/Replace	$0	$10,300	$0	$0	$0
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	$9,100	$0	$0	$0	$0
Fencing: Wood Rail, Replace	$0	$0	$0	$0	$0
Irrigation Time Clocks: Repair/Replace	$0	$0	$9,156	$0	$0
Lights, Bridge & Entry: Replace	$0	$0	$0	$0	$0
Mailbox Cluster: Replace	$0	$10,712	$0	$0	$0
Mailbox Structure: Repair & Reroof	$0	$0	$0	$0	$0
Mailbox Structure: Restain	$2,600	$0	$0	$0	$2,926
Masonry Walls: Clean, Repair & Seal	$0	$0	$0	$0	$0
Monuments: Repair/Replace	$0	$4,326	$0	$0	$0

Full Funding Plan					
Year	2031	2032	2033	2034	2035
Percent Funded	75.88 %	90.44 %	89.08 %	85.02 %	86.13 %
Fully Funded Balance	$459,089	$427,798	$480,307	$535,582	$577,302
Beginning Balance	$393,253	$348,355	$386,896	$427,866	$455,368
Annual Contributions	$34,560	$36,658	$38,883	$41,243	$43,746
Interest Earnings	$1,691	$1,883	$2,087	$2,221	$2,429
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$81,149	$0	$0	$15,962	$4,306
Ending Balance	$348,355	$386,896	$427,866	$455,368	$497,237

Expenses by Component & Year					
Components	2031	2032	2033	2034	2035
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	$81,149	$0	$0	$0	$0
Asphalt: Resurface	$0	$0	$0	$0	$0
Bridge Rail: Clean/Repair/Seal	$0	$0	$0	$0	$4,306
Bridge Rail: Repair/Replace	$0	$0	$0	$0	$0
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	$0	$0	$0	$0	$0
Fencing: Wood Rail, Replace	$0	$0	$0	$0	$0
Irrigation Time Clocks: Repair/Replace	$0	$0	$0	$0	$0
Lights, Bridge & Entry: Replace	$0	$0	$0	$0	$0
Mailbox Cluster: Replace	$0	$0	$0	$0	$0
Mailbox Structure: Repair & Reroof	$0	$0	$0	$0	$0
Mailbox Structure: Restain	$0	$0	$0	$3,294	$0
Masonry Walls: Clean, Repair & Seal	$0	$0	$0	$12,668	$0
Monuments: Repair/Replace	$0	$0	$0	$0	$0

Full Funding Plan					
Year	2036	2037	2038	2039	2040
Percent Funded	71.31 %	80.80 %	79.13 %	83.37 %	83.24 %
Fully Funded Balance	$633,540	$600,306	$645,490	$682,374	$751,641
Beginning Balance	$497,237	$451,754	$485,052	$510,749	$568,889
Annual Contributions	$46,402	$49,218	$52,206	$55,375	$58,736
Interest Earnings	$2,189	$2,352	$2,476	$2,765	$3,046
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$94,074	$18,272	$28,985	$0	$4,992
Ending Balance	$451,754	$485,052	$510,749	$568,889	$625,679

Expenses by Component & Year					
Components	2036	2037	2038	2039	2040
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	$94,074	$0	$0	$0	$0
Asphalt: Resurface	$0	$0	$0	$0	$0
Bridge Rail: Clean/Repair/Seal	$0	$0	$0	$0	$4,992
Bridge Rail: Repair/Replace	$0	$0	$0	$0	$0
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	$0	$0	$12,974	$0	$0
Fencing: Wood Rail, Replace	$0	$18,272	$0	$0	$0
Irrigation Time Clocks: Repair/Replace	$0	$0	$12,304	$0	$0
Lights, Bridge & Entry: Replace	$0	$0	$0	$0	$0
Mailbox Cluster: Replace	$0	$0	$0	$0	$0
Mailbox Structure: Repair & Reroof	$0	$0	$0	$0	$0
Mailbox Structure: Restain	$0	$0	$3,707	$0	$0
Masonry Walls: Clean, Repair & Seal	$0	$0	$0	$0	$0
Monuments: Repair/Replace	$0	$0	$0	$0	$0

Full Funding Plan					
Year	2041	2042	2043	2044	2045
Percent Funded	71.00 %	80.10 %	83.84 %	85.05 %	85.63 %
Fully Funded Balance	$819,309	$783,327	$836,016	$916,016	$1,000,065
Beginning Balance	$625,679	$581,735	$627,427	$700,923	$779,062
Annual Contributions	$62,301	$66,083	$70,094	$74,349	$78,862
Interest Earnings	$2,813	$3,037	$3,402	$3,790	$4,173
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$109,058	$23,428	$0	$0	$5,787
Ending Balance	$581,735	$627,427	$700,923	$779,062	$856,310

Expenses by Component & Year					
Components	2041	2042	2043	2044	2045
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	$109,058	$0	$0	$0	$0
Asphalt: Resurface	$0	$0	$0	$0	$0
Bridge Rail: Clean/Repair/Seal	$0	$0	$0	$0	$5,787
Bridge Rail: Repair/Replace	$0	$0	$0	$0	$0
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	$0	$0	$0	$0	$0
Fencing: Wood Rail, Replace	$0	$0	$0	$0	$0
Irrigation Time Clocks: Repair/Replace	$0	$0	$0	$0	$0
Lights, Bridge & Entry: Replace	$0	$0	$0	$0	$0
Mailbox Cluster: Replace	$0	$0	$0	$0	$0
Mailbox Structure: Repair & Reroof	$0	$19,256	$0	$0	$0
Mailbox Structure: Restain	$0	$4,172	$0	$0	$0
Masonry Walls: Clean, Repair & Seal	$0	$0	$0	$0	$0
Monuments: Repair/Replace	$0	$0	$0	$0	$0

Full Funding Plan					
Year	2046	2047	2048	2049	2050
Percent Funded	75.09 %	81.87 %	86.68 %	88.12 %	88.95 %
Fully Funded Balance	$1,082,372	$1,039,799	$1,076,856	$1,155,797	$1,235,721
Beginning Balance	$856,310	$812,774	$851,302	$933,406	$1,018,443
Annual Contributions	$83,649	$88,726	$94,112	$99,825	$105,884
Interest Earnings	$3,939	$4,122	$4,528	$4,948	$5,345
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$131,124	$54,320	$16,536	$19,736	$30,491
Ending Balance	$812,774	$851,302	$933,406	$1,018,443	$1,099,181

Expenses by Component & Year					
Components	2046	2047	2048	2049	2050
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	$126,428	$0	$0	$0	$0
Asphalt: Resurface	$0	$0	$0	$0	$0
Bridge Rail: Clean/Repair/Seal	$0	$0	$0	$0	$6,708
Bridge Rail: Repair/Replace	$0	$18,603	$0	$0	$0
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	$0	$0	$0	$0	$18,498
Fencing: Wood Rail, Replace	$0	$0	$0	$0	$0
Irrigation Time Clocks: Repair/Replace	$0	$0	$16,536	$0	$0
Lights, Bridge & Entry: Replace	$0	$8,557	$0	$0	$0
Mailbox Cluster: Replace	$0	$19,347	$0	$0	$0
Mailbox Structure: Repair & Reroof	$0	$0	$0	$0	$0
Mailbox Structure: Restain	$4,696	$0	$0	$0	$5,285
Masonry Walls: Clean, Repair & Seal	$0	$0	$0	$19,736	$0
Monuments: Repair/Replace	$0	$7,813	$0	$0	$0

Full Funding Plan					
Year	2051	2052	2053	2054	2055
Percent Funded	81.75	92.08	96.43	98.14	100.07
Fully Funded Balance	$1,308,931	$1,266,809	$1,347,151	$1,461,374	$1,575,111
Beginning Balance	$1,099,181	$1,070,108	$1,166,424	$1,299,098	$1,434,163
Annual Contributions	$112,311	$119,128	$126,360	$134,030	$142,165
Interest Earnings	$5,180	$5,655	$6,314	$6,984	$7,690
Special Assessment	$0	$0	$0	$0	$0
Reserve Expenses	$146,564	$28,467	$0	$5,949	$7,777
Ending Balance	$1,070,108	$1,166,424	$1,299,098	$1,434,163	$1,576,241

Expenses by Component & Year					
Components	2051	2052	2053	2054	2055
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	$146,564	$0	$0	$0	$0
Asphalt: Resurface	$0	$0	$0	$0	$0
Bridge Rail: Clean/Repair/Seal	$0	$0	$0	$0	$7,777
Bridge Rail: Repair/Replace	$0	$0	$0	$0	$0
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	$0	$0	$0	$0	$0
Fencing: Wood Rail, Replace	$0	$28,467	$0	$0	$0
Irrigation Time Clocks: Repair/Replace	$0	$0	$0	$0	$0
Lights, Bridge & Entry: Replace	$0	$0	$0	$0	$0
Mailbox Cluster: Replace	$0	$0	$0	$0	$0
Mailbox Structure: Repair & Reroof	$0	$0	$0	$0	$0
Mailbox Structure: Restain	$0	$0	$0	$5,949	$0
Masonry Walls: Clean, Repair & Seal	$0	$0	$0	$0	$0
Monuments: Repair/Replace	$0	$0	$0	$0	$0

3. Physical Analysis

We completed a site visit as part of this reserve study on 11/13/2024. Table 2 below shows all the components considered for funding and explains the basis of the funding decision.

3.1 Table 2: Component Funding Basis

Component	Condition	Funding Basis
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	Assorted Condition	Funded based on the typical life expectancy
Asphalt: Resurface	Good	Funded based on the typical life expectancy
Bridge Rail: Clean/Repair/Seal	Fair	Funded based on the typical life expectancy
Bridge Rail: Repair/Replace	Good	Funded based on the typical life expectancy
Bridge: Repair/Replace	Functional	Unfunded due to unpredictable nature of component
Concrete: Repairs	Good	Unfunded, not Association responsibility
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	Unknown	Funded for repair
Fencing: Wood Rail, Replace	Good	Funded based on the typical life expectancy
Irrigation System: Repair/Replace	Unknown	Unfunded, operating expense
Irrigation Time Clocks: Repair/Replace	Good	Funded based on the typical life expectancy
Landscaping: Refurbish	Good	Unfunded, operating expense
Lights, Bridge & Entry: Replace	Good	Funded based on prior reserve study
Lights: Pole, Replace	Functional	Unfunded, not Association responsibility
Mailbox Cluster: Replace	Good	Funded based on the typical life expectancy
Mailbox Structure: Repair & Reroof	Good	Funded based on the typical life expectancy
Mailbox Structure: Restain	Good	Funded based on the typical life expectancy
Masonry Walls: Clean, Repair & Seal	Good	Funded for repair
Monuments: Repair/Replace	Good	Funded based on the typical life expectancy
Signs: Replace	Good	Unfunded, operating expense
Wetland Sensitivity Area	Unknown	Unfunded, operating expense

3.2 Table 3: Component Metrics

Component	FFB	% FFB	Annual Cost	% Annual Cost
Asphalt: Maintenance (Seal coat, Crack Filling and Patching)	$70,000	19.69%	$14,000	43.40%
Asphalt: Resurface	$228,000	64.13%	$12,000	37.20%
Bridge Rail: Clean/Repair/Seal	$660	0.19%	$660	2.05%
Bridge Rail: Repair/Replace	$9,500	2.67%	$500	1.55%
Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network	$9,100	2.56%	$758	2.35%
Fencing: Wood Rail, Replace	$3,520	0.99%	$880	2.73%
Irrigation Time Clocks: Repair/Replace	$6,904	1.94%	$863	2.68%
Lights, Bridge & Entry: Replace	$209	0.06%	$209	0.65%
Mailbox Cluster: Replace	$9,880	2.78%	$520	1.61%
Mailbox Structure: Repair & Reroof	$6,514	1.83%	$343	1.06%
Mailbox Structure: Restain	$2,600	0.73%	$650	2.01%
Masonry Walls: Clean, Repair & Seal	$4,667	1.31%	$667	2.07%
Monuments: Repair/Replace	$3,990	1.12%	$210	0.65%
Current Fully Funded Balance	$355,544		$32,260	Per Year
Current Reserve Fund Deficit/Surplus	$6,871		$2,688	Per Month

This table shows metric information regarding the influence each component has on the fully funded balance and contribution requirements.

3.3 Component Details

Site/Grounds - Asphalt: Maintenance (Seal coat, Crack Filling and Patching)

Location: Throughout

Quantity: 182000 Square Feet

UL: 5

RUL: 0

Current Cost: $70,000

Condition: Assorted Condition

Funding Basis: Funded based on the typical life expectancy

Generally fair condition of asphalt surface with some localized areas that are dry and faded. We recommend regular seal cycles be completed to maximize the life of asphalt. Seal coat and crack filler protects against damaging elements, such as oil, water, UV, etc. As routine maintenance ensure that oil spills are promptly cleaned and drains and grates are free of debris and properly functioning. Reserve funding recommended for regular cycles of seal coat and local areas of repair every 5 years.

Site/Grounds - Asphalt: Resurface

Location: Throughout

Quantity: 182000 Square Feet

UL: 50

RUL: 31

Current Cost: $600,000

Condition: Good

Funding Basis: Funded based on the typical life expectancy

Good condition of asphalt, with no unusual cracking, waviness or deterioration noted. Most asphalt areas can be expected to last approximately 45 to 50 years before it will become necessary for an overlay to be applied. It will be necessary to adjust manhole and valve covers at the time the overlay is applied. As routine maintenance ensure that drains and grates are free of debris and properly functioning. We recommend regular cycles of seal coat. Reserve funding recommended for eventual overlay of asphalt at the typical life expectancy of 45 - 50 years.

Site/Grounds - Bridge Rail: Clean/Repair/Seal

Location: Grand View Drive

Quantity: 160 Linear Feet

UL: 5

RUL: 4

Current Cost: $3,300

Condition: Fair

Funding Basis: Funded based on the typical life expectancy

Staining last done in 2024/2025

Site/Grounds - Bridge Rail: Repair/Replace

Location: Grand View Drive

Quantity: 160 Linear Feet

UL: 20

RUL: 1

Current Cost: $10,000

Condition: Good

Funding Basis: Funded based on the typical life expectancy

Some repairs done in 2016/2017 and 2018/2019.

Site/Grounds - Bridge: Repair/Replace

Location: Grand Ridge Drive

Current Cost:

Condition: Functional

Funding Basis: Unfunded due to unpredictable nature of component

This concrete bridge has a structural life expectancy beyond the scope of this reserve study. There are no signs of instability or deficiencies noted during our limited scope visual observation.

Site/Grounds - Concrete: Repairs

Location: Tract AAJ

Current Cost:

Condition: Good

Funding Basis: Unfunded, not Association responsibility

Owned by the City of Issaquah.

Site/Grounds - Drainage/Culverts: Clean Catch Basin Sumps & Inspect Pipe Network

Quantity: 1 Allowance

UL: 12

Condition: Unknown

RUL: 0

Funding Basis: Funded for repair

Current Cost: $9,100.00

No reported problems or history of drainage concerns. We suggest regular cleaning and inspection take place to ensure that Association drainage/storm drainage system is functioning properly.

Site/Grounds - Fencing: Wood Rail, Replace

Location: Community Park

Quantity: 387 Linear Feet

UL: 15

RUL: 11

Current Cost: $13,200

Condition: Good

Funding Basis: Funded based on the typical life expectancy

Replaced in 2021/2022. Generally good condition of wood fencing with no unusual deterioration, however, several areas of missing, damaged or removed rails. We suggest inspecting regularly and repairing as needed from the operating budget. Remove any overgrowth to minimize advanced deterioration. Reserve funding is provided for the replacement at approximately 12 to 20 years of age.

Site/Grounds - Irrigation System: Repair/Replace

Location: Various

Current Cost:

Condition: Unknown

Funding Basis: Unfunded, operating expense

Unknown condition with no reported problems at this time. We suggest including irrigation maintenance within the Association's annual landscape budget/contract, such as select sprinkler head replacements. As the community and irrigation lines age, local areas of line replacement may be needed and generally is not covered by the landscape contract.

Site/Grounds - Irrigation Time Clocks: Repair/Replace

Quantity: 2 Each

Condition: Good

Funding Basis: Funded based on the typical life expectancy

UL: 10

RUL: 2

Current Cost: $8,630.00

Last replaced in 2017/2018.

Site/Grounds - Landscaping: Refurbish

Location: Various

Current Cost:

Condition: Good

Funding Basis: Unfunded, operating expense

This component may be used to fund large landscape projects not budgeted within the operating funds. We understand there is no desire to fund this within reserves at this time. Therefore, no reserve funding.

Site/Grounds - Lights, Bridge & Entry: Replace

Location: Bridge and Entry monuments
Quantity: 6 Each
UL: 22
RUL: 21
Current Cost: $4,600
Condition: Good
Funding Basis: Funded based on prior reserve study

Good condition with no unusual deterioration or instability observed. No history of concern. Repair as needed from the operating budget. Best to plan for total replacement for appearance and functionality.

Due to the much lower operating cost of LED light bulbs, we recommend that the Association consider converting all incandescent bulbs to LED. The typical payback period is 7 months, based on a 60 watt bulb operating for 6 hours per day, excluding the labor cost to replace the bulb.

Site/Grounds - Lights: Pole, Replace

Location: Various
Quantity: 11 Each
Current Cost:
Condition: Functional
Funding Basis: Unfunded, not Association responsibility

We understand that the pole lights throughout the Association and adjacent to the streets/sidewalks are the responsibility of the Public, not the Association. Therefore, no reserve funding is required.

Site/Grounds - Mailbox Cluster: Replace

Location: Various
Quantity: 4 Each
UL: 20
RUL: 1
Current Cost: $10,400
Condition: Good
Funding Basis: Funded based on the typical life expectancy

Site/Grounds - Mailbox Structure: Repair & Reroof

Location: Various
Quantity: 4 Each
UL: 35
RUL: 16
Current Cost: $12,000
Condition: Good
Funding Basis: Funded based on the typical life expectancy

Site/Grounds - Mailbox Structure: Restain

Location: Various
Quantity: 4 Each
UL: 4
RUL: 0
Current Cost: $2,600
Condition: Good
Funding Basis: Funded based on the typical life expectancy

Done in 2021/2022.

Site/Grounds - Masonry Walls: Clean, Repair & Seal

Location: Various
Quantity: 1500 Square Feet
UL: 15
RUL: 8
Current Cost: $10,000
Condition: Good
Funding Basis: Funded for repair

Funded for repairs as needed. Last repaired in 2017/2018 and 2018/2019 FY's.

Site/Grounds - Monuments: Repair/Replace

Location: 2 at Entry and 4 at bridge
Quantity: 6 Each
UL: 20
RUL: 1
Current Cost: $4,200
Condition: Good
Funding Basis: Funded based on the typical life expectancy

Good condition with no issues at this time. Sturdy construction and materials. No expectation of large scale expenses at this time.

Site/Grounds - Signs: Replace

Location: Various

Current Cost:

Condition: Good

Funding Basis: Unfunded, operating expense

Good condition with no damage or concerns at this time. We understand there is no expectation to replace at one time, therefore, no reserve funding. Treat as a maintenance item.

Site/Grounds - Wetland Sensitivity Area

Condition: Unknown

Funding Basis: Unfunded, operating expense

We recommend that the community comply with all requirements of these areas. We suggest working with a qualified professional to develop an operations and maintenance plan to minimize future unanticipated expenses. No expectation of expense within the scope of this report. No reserve funding suggested. Update as needed in future reserve study updates.

4. How to Read Your Reserve Study

This reserve study is an important planning tool that contains long-term common area replacement and financial recommendations for your Association. In order to accomplish this, we provide you with critical information that should be considered when evaluating the current health of your reserve fund, future maintenance, repair and replacement expenses and reserve contribution rates to include within the regular unit owner assessments. With the use of this reserve study your Association will be better prepared for present and future expenses.

We have worked to identify your common area assets, called **components**, which have maintenance or replacement expenses that can be anticipated. Our recommendations should help to minimize deferred maintenance and special assessments, as well as maximize your property value.

Having properly funded reserves enables the Association to keep the common area assets in good condition. When potential buyers consider which association to purchase a home in, the overall condition of the association and reserve fund may be considered. Having good financials, maintenance, and curb appeal, all work together to increase your property value.

We know that your needs are different from the needs of others. Therefore, we have created this report specifically for your Association. When possible, we have had discussions with the Association Board of Directors, vendors and professional management to provide recommendations that will help you meet your Association's goals and objectives.

4.1 About Reserve Studies

By definition a reserve study is a budget planning tool. It identifies the current status of the reserve fund with a stable and equitable funding plan, to offset the anticipated future major common area expenditures. Plainly, a reserve study is a long term plan that indicates how much money needs to be set aside to pay for future expenses. The reserve study consists of two parts: the physical analysis and financial analysis.

The **physical analysis** identifies which components are appropriate for reserve funding and the current physical condition assessment of each asset; then indicates the life expectancy or useful life of the component as well as the life remaining or remaining useful life of each component. The physical analysis is concluded with the current cost to replace each component. The physical analysis information is used within the financial analysis. Therefore, it generally contains many recommendations and justifications regarding component repair, maintenance and replacement recommendations as well as cost and life cycles.

The **financial analysis** includes two results. First, it reveals the health of the reserve fund. This is completed by determining the current status of the reserve fund known as percent funded. The second result is the reserve contribution recommendation. Using the information contained within the physical analysis, the future expected expenses are analyzed and reviewed. Then multi-year funding plans are developed to meet various funding goals. The reserve contributions required to meet the funding goal desired is then presented and recommended to the Association.

4.2 Reserve Study Levels

- **Level I:** Full Reserve Study Funding Analysis and Plan. This is the most labor intensive reserve study, as it includes both a physical and financial analysis. The component inventory list and current component condition assessments with life and valuation estimates are determined from an on-site visual inspection. This information is used to conduct the financial analysis, which includes the current fund status and a recommended funding plan. A "Full Reserve Study" is recommended when a previous reserve study is not available, a substantial time has elapsed since the last study (7-10

years), or there are concerns with an existing reserve study's component inventory or measurements.

- **Level II:** Update with Visual Site Inspection. This report updates both the physical analysis and financial analysis of an existing report. An on-site visual inspection is conducted to verify and/or make adjustments to the existing component list, condition assessments, useful life and component valuation estimates. The financial analysis is also updated, including the current fund status and recommended funding plan. A level II report is recommended at least every three years, before and after major projects and as required by state law.
- **Level III:** Update with No Visual Site Inspection. This report updates the financial analysis of an existing reserve study only. No on-site visual inspection is completed. An existing fund status and funding plan is updated using research conducted with board members, vendors, association managers and information contained within a prior reserve study. A level III report is recommended to review, adjust and verify that the existing funding plan is accurate and suitable for current economic conditions. A level III report is recommended at least annually.

4.3 Percent Funded

Percent funded is a way to measure the strength of the reserve fund. The Community Associations Institute (CAI) defines "Percent Funded" as "the ratio, at a particular point of time, of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage." The **fully funded balance** is the total accrued depreciation or deterioration of the component(s). This balance is the cost of how much life has been used up. The fully funded balance is then used as an indicator against which the actual (or projected) reserve fund balance can be compared; known as percent funded.

For example, if an association were to replace interior carpeting in 10 years at an expense of $10,000; then each year the cost of deterioration is 1/10th of the replacement cost. Therefore, each year $1,000 of cost is accrued. In year 2, the fully funded balance would be $2,000. In year 5, the cost of existing deterioration is $5,000, and so on. To determine the percent funded, the FFB is compared to the reserve fund balance. To continue the above example, the association has $2,000 in their reserve fund in year 2. The total accrued deterioration or FFB is $2,000, therefore they are 100% funded. The association has saved 100% of the accrued deterioration or fully funded balance. If they have set aside only $1,000, the association is 50% funded, having saved 50% of the existing deterioration or cost.

Using Percent Funded to Measure Strength

- **0-30% Funded is a "weak" status.** There is a lack of funds reserved toward the amount of accrued deterioration. Whenever an association has a weak status there is an increased possibility of requiring special assessments, loans or deferred maintenance.
- **31-69% Funded is a "fair" status.** There is a decreased chance of requiring special assessments or deferred maintenance, however, cash flow problems may very easily arise.
- **70-100% Funded is a "strong" status.** Associations in this range generally have financial stability. There are generally no cash flow issues, special assessments or deferred maintenance necessary.
- **100% Funded is known as "ideal."** The reserve fund balance equals the fully funded balance. This is "ideal" because funds are reserved as components are used. It is thought to be the most fair for members because they pay as they go, or they pay their share.

Use Caution When Using Percent Funded

Percent funded is a ratio and therefore does not convey the urgency that is often times required. There are two aspects that need to be considered when evaluating the urgency of the current situation, the time remaining before an expense is scheduled to occur, as well as the cost of the expense.

The first aspect that percent funded does not consider is the time remaining before the expense is to occur. Use the same carpet replacement example ($10,000 carpet expense to be saved over 10 years). If, in year 5 they have only saved $2,500 they are 50% funded (remember the total accrued deterioration or FFB would be $5,000). To have the capital required to complete the project as scheduled in year 10 for $10,000, they would need to save $1,500 each year for the next 5 years.

Changing the time frames, if in year 10 they have set aside $5,000, they would still be 50% funded (having saved 50% of the total accrued deterioration of $10,000). However, they now need to attain $5,000 of the required $10,000 expense immediately rather than over a period of time.

These examples show that the percent funded ratio lacks the urgency that each association may have in attaining the rest of the financing.

Percent funded also does not consider the cost of the expense. Using the same 10 year cycle, changing the cost of the required expense from $10,000 to a $30,000 paint project, in year 5 the association is 50% funded by having set aside $15,000. In this case, they must save $3,000 each year, not $1,500. If in year 10, they are 50% funded, they would need to save $15,000 not $5,000. Notice how the percent funded is the same, but the amount needed to meet the financial obligation is very different.

Percent funded is a very useful ratio, however, it must be placed in context. Remember to evaluate not only the percent funded but also the cash balance and size of the upcoming expenditures as well.

4.4 Reserve Funding Plans & Goals

To determine the contribution rate to the reserve fund, the association needs to determine their reserve fund goal. This may be based on a number of objectives and analysis' corresponding to the reserve fund. There are three different funding goals associations may choose based on their risk tolerance:

- **Baseline Funding Goal** – This sets the reserve contribution amount as low as possible without the reserve fund dropping below a zero balance. This is the most risky method with the least contributed to the reserve fund. If an expense arrives early, or unexpected, there is a significant chance of needing a special assessment or loan.
- **Threshold Funding Goal** - The goal of Threshold Funding is to set the reserve contribution amount to meet a specified goal. Common goals to achieve and maintain are 70 Percent Funded, to maintain a cash-balance of 15% of the prior year's expenses, or to maintain a minimum cash-balance of the prior year's reserve contribution amount.
- **Full Funding Goal** – Sets the goal at being fully funded. This plan sets the reserve contribution amount to achieve a fully funded balance. Fully funded is achieved when the percent funded is 100%. It requires the largest contribution to the reserve fund of the three goals, but is also the least risky.

4.5 Reserve Contributions

There are three ways to contribute to your Reserve Account:

- **Regular Contributions:** If adequate regular contributions are not established the reserve fund will eventually be underfunded. An underfunded reserve account leads to deferred maintenance and potentially extensive repair. As already mentioned, the effects of deferred maintenance and extensive repair are significantly more than routine or preventative maintenance. Additionally, it is the most fair and equitable to the association members. If reserve contributions are not set properly, whether too high or low, the individuals who use the asset will not be paying for it. If the contributions are set too high, current owners are paying for what future owners should pay for.

Likewise, when contributions are set too low, future owners will pay for what current owners should have paid for. Having properly set reserve contributions is the most fair for everyone involved.

- **Special Assessments:** If the reserve fund is underfunded at the time an expense is required, the association is forced to hold a special assessment. Most often, this occurs when deferred maintenance catches up and the association is forced to deal with it. It is better to have a small monthly increase now rather than a very large and unexpected increase later.
- **Loans:** If the association members do not have the finances to contribute to a special assessment or the required repairs are too extensive and costly for a special assessment, a loan may be required. This not only requires a monthly increase in dues, but members are then paying for past as well as future expenses, rather than just future expenses. The future still needs to be anticipated and saved for.

4.6 Reserve Components

The components of a reserve study have significant impact on the accuracy of the report. If items are improperly included or excluded from the reserve study, then the projected expenses and subsequent required reserve contributions will likewise be affected. Before a component is included within the reserve study, it is evaluated and qualified using a nationally recognized four-part test:

- **Common Area:** The component must be association responsibility; limited common areas may be included.
- **Limited Useful Life:** The life of the component must be limited.
- **Predictable Life:** The limited life must be predictable.
- **Minimum Threshold Cost:** Generally greater than 1% of the annual operating budget or $1,000 whichever is greater.

Repairs or replacements of components that are predicted to have an estimated remaining useful life exceeding this 30-year report period are generally not included. Items that are below the minimum threshold cost, or reoccur annually are generally included within the annual operating budget. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Maintaining Components

There are three ways to manage capital reserve expenses:

- **Preventative Maintenance:** This is the most effective way to extend the useful life of components and save money in the long run, as it is a proactive maintaining of components. The cost of maintaining the condition and quality of a component is much less than repair or replacing the component to bring it back to a usable condition and may also prolong the life expectancy of an asset.
- **Deferred Maintenance:** This is deferring routine maintenance rather than completing maintenance as recommended. A common household example of this is deferring the oil changes in a vehicle. Deferred maintenance is likely the first indication of, and results in, having inadequate reserve funds. While in the short run the association is contributing less money, the effects of deferring maintenance and the costs associated with it are far greater than the cost of preventative maintenance.
- **Extensive Repair or Replacement:** This is when a component needs to have significant repair(s) completed or even replacement prior than anticipated. While not always, this is generally a result of deferred maintenance. The cost of significant repair or advanced replacement is not only expensive, it also decreases association morale through poor association management, poor curb appeal and out of commission assets.

4.7 Implementing Your Reserve Study

- **Step 1 - Understand:** The board of directors has the responsibility to lead the association, therefore, the first step is for the board to hold a meeting. This meeting should discuss the results of the reserve study in order for the Board to better understand the current position of the association and the upcoming reserve requirements of the association.
- **Step 2 - Plan:** The board should then create a plan to determine how best to manage the association's common area assets and financial position. Using this reserve study as a guide, the board should make the adjustments required to meet the needs of the association and its members. This includes setting the reserve contribution amount.
- **Step 3 - Communicate:** After the board has determined the best course of action, the plan needs to be communicated to the association members. This can be accomplished through the distribution of the results of this reserve study and/or through association meetings. This allows them to ask questions and understand the direction the association will be heading.
- **Step 4 - Update and Adjust:** Reserve studies are a one-year document, and need to be updated and adjusted annually. We recommend additional collaboration with specialized professionals to provide the expertise and adjustments to this reserve study. Additionally, we recommend the board review and make minor adjustments of this plan before and after reserve projects throughout the year.

5. Supplemental Report Information

5.1 Definitions

COMPONENT: The individual line items in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components are defined as being:

1. Association responsibility
2. Having a limited Useful Life expectancy
3. Predictable Remaining Useful Life expectancies
4. Above a minimum threshold cost
5. As required by law

DEFICIT/SURPLUS: The Reserve Balance less the Fully Funded Balance.

FULLY FUNDED BALANCE (FFB): Equivalent to Total Accrued Depreciation. This represents the deteriorated or used portion of the component. This is calculated for each component, then summed together for a total FFB.
FFB = Current Cost X Effective Age / Useful Life

PERCENT FUNDED: The ratio at a particular point of time of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

PROJECTED RESERVE BALANCE: The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

REMAINING USEFUL LIFE (RUL): The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.

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

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

5.2 Table 4 - RCW Required Information & Location

RCW Required Information	Report Location
(a) A reserve component list, including any reserve component that would cost more than one percent of the annual budget of the association, not including the reserve account, for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current major maintenance, repair, or replacement cost for each reserve component;	Table 1 Table 4
(b) The date of the study and a statement that the study meets the requirements of this section;	Disclosure Page
(c) The level of reserve study performed:	Cover Page
(d) The association's reserve account balance;	Executive Summary
(e) The percentage of the fully funded balance that the reserve account is funded;	Executive Summary Financial Summary
(f) Special assessments already implemented or planned;	Executive Summary Financial Summary
(g) Interest and inflation assumptions;	Executive Summary Financial Summary
(h) Current reserve account contribution rate;	Executive Summary Financial Summary
(i) Recommended reserve account contribution rate; a contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study period without special assessments, and a contribution rate recommended by the reserve study professional;	Executive Summary Financial Summary
(j) Projected reserve account balance for thirty years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments;	Spread Sheet of Reserve Expenses
(k) Whether the reserve study was prepared with the assistance of a reserve study professional.	Executive Summary
(3) A reserve study shall include the following disclosure: "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."	Disclosure Page

5.3 Reserve Study Disclosure

This document is the sole opinion of CEDCORE, LLC and has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of CEDCORE. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialists and independent contractors. The site visit is a limited scope visual observation of the surface condition of identified and exposed components. Hidden systems including but not limited to mechanical, electrical, structural, plumbing, storm water, sewer, water supply, foundations, etc. are beyond the scope of a reserve study. No destructive testing was undertaken, nor does this study purport to address any latent and/or patent defects or life expectancies which are abnormally short due to either improper design and/or installation or due to subsequent improper maintenance. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

Various construction pricing and scheduling manuals may be used as well as costs and life expectancies obtained from numerous vendors, vendor catalogues, actual quotations or historical costs, and our own experience in the field of Reserve Study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated Useful Life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your Reserve Study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the useful life and cost of many of the assets under consideration.

This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.
This Reserve Study was prepared by or under the direct supervision of a Reserve Study Professional following National Reserve Study Standards and complies with RCW 64.34.382 and 64.90.550. The Reserve Study Professional is independent from the Association, and has no other involvement with the Association which would result in actual or perceived conflicts of interest. This Reserve Study needs to be updated annually as well as when any new material information is obtained.

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