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Level III No Site Visit Reserve Study Report

For Fiscal Year Beginning January 1, 2026

Yodelin POA - Common Areas

Leavenworth, WA

October 8, 2025

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CAI-RS
355
DESIGNATION
RESERVE SPECIALIST

Reserve Study Summary for Yodelin POA - Common Areas

50 Units
For Fiscal Year Beginning January 1, 2026

Overview	
Starting Reserve Balance	$6,502
Fully Funded Balance	$13,271
Percent Funded	49%
Reserve Fund Strength (Weak, Fair or Strong)	Fair
Total Surplus or (Deficit) of Reserve Funding	$(6,769)
Surplus or (Deficit) on a Per Unit Average Basis***	$(135)
Current Reserve Contribution Based on Last Approved Budget	
Current Reserve Contribution Rate, Annually	$0
Current Special Assessment For Reserves, Annually	n/a
Is the Current Contribution Rate Within Range Provided by Study Below?	No
Reserve Study Funding Plan Options Beginning January 1, 2026	
100% Full Funding Contribution Rate, Annually	$5,800
Baseline Funding Contribution Rate, Annually	$5,515
Recommended Annual Special Assessment	n/a

Study Description & Assumptions

This is a Level III No-Site-Visit reserve study. No site visit was performed as part of this report. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes on interest income and other outside factors are not included.

Property Description

Yodelin POA - Common Areas consists of 50 assessment paying lots located in Leavenworth, WA. It was constructed in or around 1968.

Recommended Funding Plan

We recommend that the association budget for annual reserve contributions of $5,800 per year in 2026.

Recommended Special Assessment(s)

No special assessments are recommended at this time.

Other Notes

None.

***Current surplus or deficit is calculated on an average per unit. If the association calculates its assessments based on a fraction or percentage that varies by unit, it should calculate the current deficit or surplus based on that schedule. To do so, subtract the association's starting reserve balance above from the fully funded balance, and multiply the resulting number by the fraction or percentage allocable to each unit.

Yodelin POA - Common Areas
Component List

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
Grounds					
1015	Roads - Maintain	Unfunded			
1048	Gravel Areas - Replenish	5		3	$500
1135	Landscape - Refurbish Allotment	Unfunded			
Equipment & Mechanical					
5020	Surveillance System - Replace	8		6	$1,030
5055	Skid Steer - Replace	25		22	$103,000
5060	Metal Container - Replace	30		28	$6,800
Professional					
6010	Reserve Study - Annual Update	Unfunded			

An Introduction to Your Reserve Study

The Purpose of Your Reserve Study

The purpose of your reserve study is to develop a budgetary model to assist the association with preparing for the maintenance, repair and replacement of the assets which are under the association's responsibility. The report provides both estimated timeframes in which these projects are expected to occur as well as a cost allowance for the project. A reserve study consists of two parts; the physical analysis and the financial analysis. The physical analysis includes the component inventory and associated information including useful life, remaining useful life and cost allowances. The financial analysis includes the association's current reserve fund status (the percent funded) and funding recommendations.

Reserve Study Standards

This report is prepared in accordance with the National Reserve Study Standards (NRSS) by Community Associations Institute (CAI). First published in 1998, the NRSS provides guidelines related to the preparation of reserve studies including what information is included and how calculations are prepared. The full NRSS can be viewed at National Reserve Study Standards and an explanation of the NRSS is available at NRSS Explanation.

Types of Reserve Studies

There are four types of reserve studies under National Reserve Study Standards:

- ***Level I Full*** – This is the initial report prepared by the association. This report includes a site visit in which a non-intrusive basic visual review is conducted and association assets are counted, measured and/or quantified. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly. A Full study is typically only prepared once as the quantities and other data can be used in future reports.
- ***Level II With-Site-Visit*** – This report includes a site visit in which a non-intrusive basic visual review is conducted. No assets are quantified as this process was previously completed during the Full study process. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated accordingly. After the initial full study, most associations perform a with-site-visit report every third year; this cycle is required for Washington State associations with significant assets.
- ***Level III No-Site-Visit*** – This report does not include a site visit. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated. The No-Site-Visit update is primarily based on the current reserve account balance, projects completed since the last report, current industry costs, and any proposals the association may have received for upcoming projects.
- ***Level IV Preliminary, Community Not Yet Constructed*** – This report is prepared for communities that are in the development phase and have not yet been constructed. The component list is typically developed using building and site plans along with details provided by the developer. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly.

What Components are Included

National Reserve Study Standards provide for a three-part test to determine which items are funded within a reserve study. First, the component needs to be an item that the association is responsible to maintain, repair and replace. It cannot be an item that an owner or other party is responsible for. Next, the item must be "predictable" in that it has a predictable useful life (i.e. we need to be able to determine how long, on average, the item will last), and a remaining useful life (i.e. we need to be able to determine how much longer until that item requires replacement). Lastly, the cost to maintain, repair and replace the component must be above a minimum cost which is typically defined as 1% or more of the annual operating budget, however some associations may opt to define a different funding threshold. Using 1% of the annual operating budget, an association with a $100,000 annual budget would have a $1,000 reserve funding

threshold.

One consideration that is not included within the NRSS three-part test are significant expenses which occur annually. Some associations opt to include annual expenses that exceed the 1% funding threshold in their study, however it is our opinion that these expenses are best handled through the operating budget. From an administrative and practical standpoint it is most advantageous to budget and pay for those expenses through the operating account, particularly in states such as Washington State which feature statutory limitations regarding reserve fund disbursements.

The intent of funding for reserve components is to maintain, repair or replace those exact components in the future. Capital improvements are not included within a reserve study and reserve funds should not be used accordingly. A capital improvement is the addition of an item that does not previously exist, such as installing a swimming pool when one was not previously present. Repurposing an existing item into something new is also considered a capital improvement; an example would be converting a janitorial closet in the clubhouse into an additional restroom. Replacing an existing item with an upgraded but like-kind product is not considered a capital improvement and reserve funds may be used in this instance; an example would be replacement of a wood deck with a composite (Trex®) material.

How Are Costs Determined

The cost allowances within a reserve study are determined in a number of ways. First, the association's prior cost history or recent vendor proposals are generally the best predictor of future costs as they are specific to your community. When a cost history is unavailable, a number of methods to determine costs may be used by the reserve study provider including, but not limited to research with vendors (including the association's vendors) and/or industry average costs. When industry average costs are used, they are adjusted based on the geographical location and current economical market of each client.

Fully Funded Balance Calculation

One of the most common questions related to a reserve study is how the fully funded balance is calculated. Contrary to popular belief, the fully funded balance is *not* the cost to replace all the association's assets today. Rather, it is the total accumulated deterioration of the association's assets. Let's take the example of a roof. If the roof lasts 30 years and costs $30,000 to replace, the association would save $1,000 per year so that it would have the $30,000 it needs to replace the roof by the 30th year. If the roof is two years old, the association would need $2,000 on hand to be 100% funded, meaning that it had the exact amount of cash on hand that the roof had deteriorated to date. If the association only saved $1,000 by the second year, it would then be 50% funded instead. The reserve study calculates the deterioration of each of the association's assets through the date of the study, taking into consideration their age and replacement cost allowances, and the cumulative total of those numbers is the association's fully funded balance.

Reserve Fund Strength, Also Known As Percent Funded

The association's percent funded is calculated by comparing the association's current reserve balance against the fully funded balance, which we defined above. Generally speaking, an association that is less than 30% funded is considered to have a weak reserve account balance and thus a high risk of requiring a special assessment. Associations which are between 30% and 69% funded are considered to have a moderate funding position and therefore a medium risk of a special assessment. Association's which are 70% or more funded have a strong funding position and a low risk of requiring a special assessment. One of the many goals of your reserve study is to help the association achieve, and keep, a strong funding position with a low risk of a special assessment.

How to Pay for Reserve Projects

The question of reserve expenses is not if they will occur, but when they will occur. The best and most cost-effective way to ensure that funds are available for these expenses is to save for future projects through regular contributions to the reserve fund. This not only ensures that funds are available as projects arise, thus reducing the chances of deferred

maintenance, but it is also the most equitable to ownership groups over time. If a person owns a unit for one year, they contribute toward one year of reserves. The same goes for a person who owns their unit for five years, or for 30 years. If the association does not fund the reserve account through regular contributions and instead assesses a special assessment or takes out a loan for the project, the current ownership group is unfairly burdened with paying the full project cost even though previous owners enjoyed the use of those assets.

Properly reserving for anticipated maintenance, repair and replacement projects also results in lower overall costs to the association. Inadequate reserve funds often result in deferred maintenance, which can cause higher project costs and risk potential damage to association assets. For example, deferring an exterior paint project may result in increased future costs due to the additional prep work required to address peeling paint, repairs to exposed wood which has started to decay, etc. There are also administrative expenses associated with levying a special assessment and interest expenses associated with taking out a loan, both of which are avoided when adequate reserve funds are available.

Preventive Maintenance Manual

Preventive maintenance is a critical aspect of properly maintaining association assets and achieving their longest useful life. National Reserve Study Standards (NRSS) recommends that a preventive maintenance manual be prepared by each community and updated regularly. Preparation of such manual is beyond the scope of standard reserve study services and should be prepared independently by the association. Additional resources are available within Community Associations Institute's Best Practices: Community Association Maintenance at www.condosafety.com. The preventive maintenance manual should incorporate maintenance of all common elements, not just those included within the reserve study. Some preventive maintenance projects, such as asphalt sealcoating for example, may be funded within the association's reserve study. Other projects, such as gutter cleaning, are most commonly funded through the annual operating budget. Additional preventive maintenance projects identified by the maintenance manual may be added to the reserve study as needed provided they are significant in cost and do not occur annually, as annual expenditures are generally best handled through the annual operating budget. Any preventive maintenance contracts reported by client are notated on the appropriate components within the component detail inventory toward the rear of this report; common contracts include the maintenance of pool equipment, elevators, fire alarm/sprinkler equipment and HVAC equipment.

Report Sections

This report was designed to provide clear, distinct chapters for the different funding plan options so the association can easily compare and select a funding plan to follow. Your report includes separate sections detailing the Full Funding plan, 70% Funding plan, Baseline Funding plan, as well as data illustrating the reserve funding projections based on the association's current contribution rate. The different funding options are also summarized in the Report Summary at the beginning of this study. In rare instances, associations with unique funding scenarios may not have a 70% Funding option available; in those cases the 70% Funding chapter has been omitted.

Annual Expenditure Charts

The data within this section represents the association's projected expenses over the 30 year scope of this report. These expenses are projected to occur independent of which funding plan the association chooses to follow (Full, 70% or Baseline), and the charts are particularly helpful to the association in planning near term projects (i.e. within the next 1-5 years).

This section also includes a deterioration summary, which shows the total deterioration of the association's assets on an annual basis. It is important that the association consider this data when selecting an annual reserve contribution, as contributing significantly less than the annual deterioration rate means that the association's assets are deteriorating at a faster rate than the association is reserving.

Yodelin POA - Common Areas
Leavenworth, WA
Year By Year Spread Sheet

ID	Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Grounds											
1015	Roads - Maintain	*Unfunded*									
1048	Gravel Areas - Replenish				546					633	
1135	Landscape - Refurbish Allotment	*Unfunded*									
Grounds Total:					**546**					**633**	
Equipment & Mechanical											
5020	Surveillance System - Replace							1,230			
5055	Skid Steer - Replace										
5060	Metal Container - Replace										
Equipment & Mechanical Total:								**1,230**			
Professional											
6010	Reserve Study - Annual Update	*Unfunded*									
Year Total:					**546**			**1,230**		**633**	

Yodelin POA - Common Areas
Leavenworth, WA
Year By Year Spread Sheet

ID	Description	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Grounds											
1015	Roads - Maintain	*Unfunded*									
1048	Gravel Areas - Replenish				734					851	
1135	Landscape - Refurbish Allotment	*Unfunded*									
Grounds Total:					**734**					**851**	
Equipment & Mechanical											
5020	Surveillance System - Replace					1,558					
5055	Skid Steer - Replace										
5060	Metal Container - Replace										
Equipment & Mechanical Total:						**1,558**					
Professional											
6010	Reserve Study - Annual Update	*Unfunded*									
Year Total:					**734**	**1,558**				**851**	

Yodelin POA - Common Areas
Leavenworth, WA
Year By Year Spread Sheet

ID	Description	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Grounds											
1015	Roads - Maintain	*Unfunded*									
1048	Gravel Areas - Replenish				987					1,144	
1135	Landscape - Refurbish Allotment	*Unfunded*									
Grounds Total:					**987**					**1,144**	
Equipment & Mechanical											
5020	Surveillance System - Replace			1,974							
5055	Skid Steer - Replace			197,359							
5060	Metal Container - Replace									15,558	
Equipment & Mechanical Total:				**199,332**						**15,558**	
Professional											
6010	Reserve Study - Annual Update	*Unfunded*									
Year Total:				**199,332**	**987**					**16,702**	

Yodelin POA - Common Areas
Leavenworth, WA
Annual Expenditure Detail

Description	Expenditures
No Replacement in 2026	
No Replacement in 2027	
No Replacement in 2028	
Replacement Year 2029	
Gravel Areas - Replenish	546
Total for 2029	**$546**
No Replacement in 2030	
No Replacement in 2031	
Replacement Year 2032	
Surveillance System - Replace	1,230
Total for 2032	**$1,230**
No Replacement in 2033	
Replacement Year 2034	
Gravel Areas - Replenish	633
Total for 2034	**$633**
No Replacement in 2035	
No Replacement in 2036	
No Replacement in 2037	
No Replacement in 2038	
Replacement Year 2039	
Gravel Areas - Replenish	734
Total for 2039	**$734**
Replacement Year 2040	
Surveillance System - Replace	1,558
Total for 2040	**$1,558**
No Replacement in 2041	

Yodelin POA - Common Areas
Leavenworth, WA
Annual Expenditure Detail

Description	Expenditures
No Replacement in 2042	
No Replacement in 2043	
Replacement Year 2044	
Gravel Areas - Replenish	851
Total for 2044	**$851**
No Replacement in 2045	
No Replacement in 2046	
No Replacement in 2047	
Replacement Year 2048	
Surveillance System - Replace	1,974
Skid Steer - Replace	197,359
Total for 2048	**$199,332**
Replacement Year 2049	
Gravel Areas - Replenish	987
Total for 2049	**$987**
No Replacement in 2050	
No Replacement in 2051	
No Replacement in 2052	
No Replacement in 2053	
Replacement Year 2054	
Gravel Areas - Replenish	1,144
Metal Container - Replace	15,558
Total for 2054	**$16,702**
No Replacement in 2055	

Yodelin POA - Common Areas
Deterioration Summary

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
1015	Roads - Maintain	Unfunded		
1048	Gravel Areas - Replenish	5	$500	$100
1135	Landscape - Refurbish Allotment	Unfunded		
5020	Surveillance System - Replace	8	$1,030	$129
5055	Skid Steer - Replace	25	$103,000	$4,120
5060	Metal Container - Replace	30	$6,800	$227
6010	Reserve Study - Annual Update	Unfunded		
Total Annual Deterioration of Association Assets				$4,575

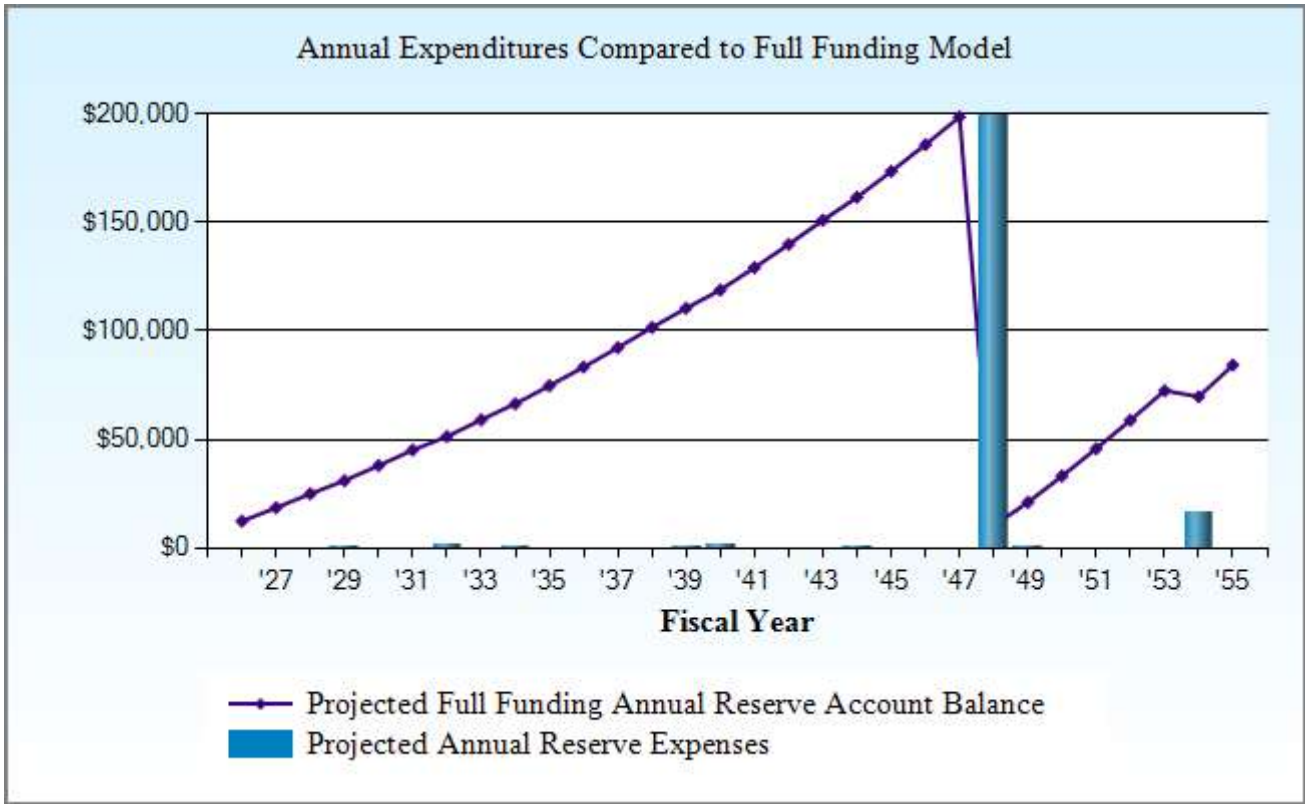
Full Funding Model

The data within this section represents the 100% full funding model. In this model the association works to fund the reserve account to a level in which the reserve account balance equals the fully funded balance, thus achieving 100% funding. This is accomplished over the 30 year scope of the report. Following this funding model is recommended, as it puts the association at the lowest risk of requiring a special assessment should a project occur earlier than projected or cost more than anticipated.

Yodelin POA - Common Areas
Full Funding Model Projection

Beginning Balance: $6,502

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	111,330	5,800	123		12,425	18,382	68%
2027	114,670	5,974	184		18,583	23,787	78%
2028	118,110	6,153	247		24,984	29,500	85%
2029	121,653	6,338	308	546	31,083	34,972	89%
2030	125,303	6,528	376		37,987	41,326	92%
2031	129,062	6,724	447		45,158	48,029	94%
2032	132,934	6,926	509	1,230	51,362	53,830	95%
2033	136,922	7,133	585		59,080	61,241	96%
2034	141,030	7,347	658	633	66,452	68,396	97%
2035	145,260	7,568	740		74,760	76,597	98%
2036	149,618	7,795	826		83,380	85,228	98%
2037	154,107	8,029	914		92,323	94,308	98%
2038	158,730	8,269	1,006		101,598	103,857	98%
2039	163,492	8,517	1,094	734	110,475	113,137	98%
2040	168,397	8,773	1,177	1,558	118,867	122,054	97%
2041	173,449	9,036	1,279		129,182	133,058	97%
2042	178,652	9,307	1,385		139,875	144,612	97%
2043	184,012	9,587	1,495		150,956	156,740	96%
2044	189,532	9,874	1,600	851	161,578	168,589	96%
2045	195,218	10,170	1,717		173,466	181,910	95%
2046	201,074	10,475	1,839		185,781	195,879	95%
2047	207,107	10,790	1,966		198,536	210,522	94%
2048	213,320	11,113	103	199,332	10,421	20,556	51%
2049	219,719	11,447	209	987	21,090	29,457	72%
2050	226,311	11,790	329		33,209	39,920	83%
2051	233,100	12,144	454		45,806	50,985	90%
2052	240,093	12,508	583		58,897	62,678	94%
2053	247,296	12,883	718		72,499	75,027	97%
2054	254,715	13,270	691	16,702	69,757	70,857	98%
2055	262,356	13,668	834		84,260	84,088	100%



This chart compares the projected yearly reserve balance within the full funding plan against the cumulative expenses anticipated within that year.

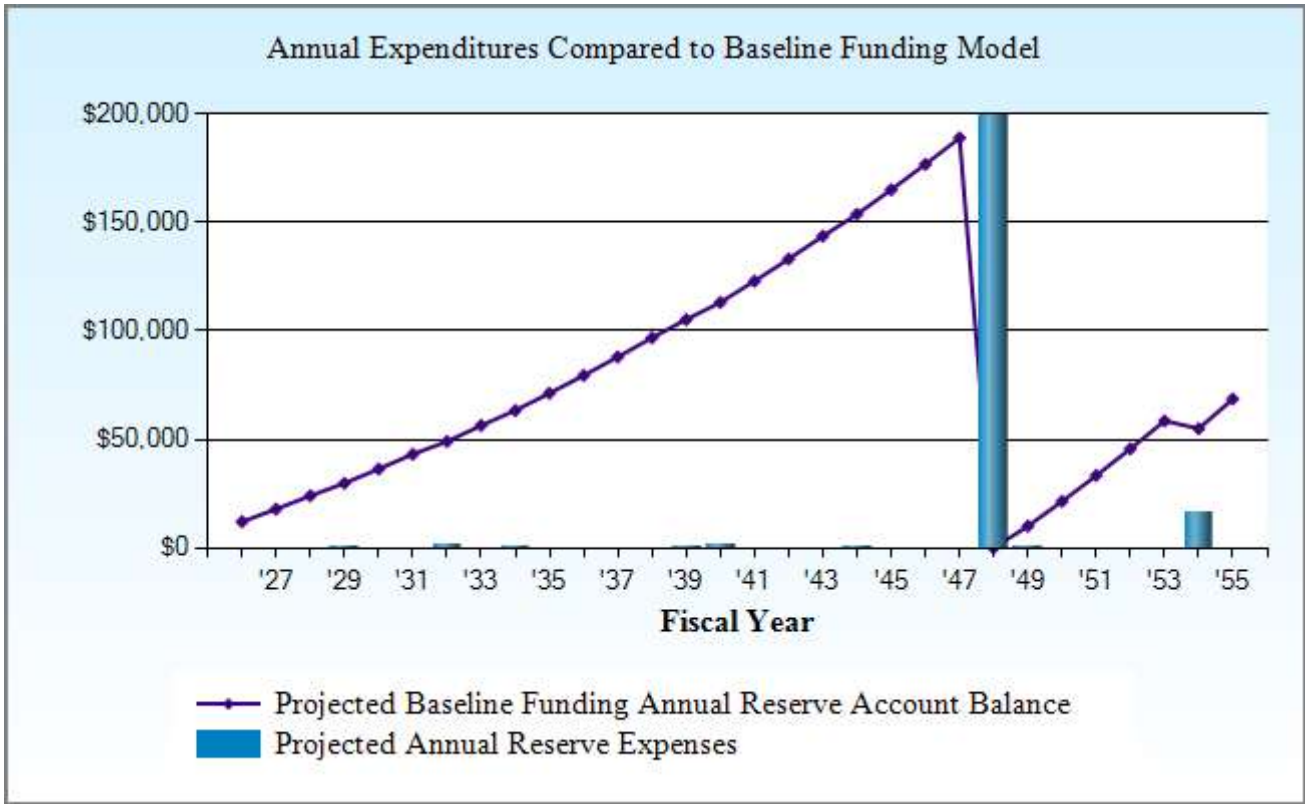
Baseline Funding Model

The data within this section represents the baseline funding model. In this model, the association funds reserves at a level in which the reserve balance is not projected to drop below zero over the 30 year scope of this report. Baseline funding has the highest risk of a special assessment. Under this model, if a project comes in just slightly over budget, or occurs earlier than anticipated, the association has a high risk of requiring a special assessment.

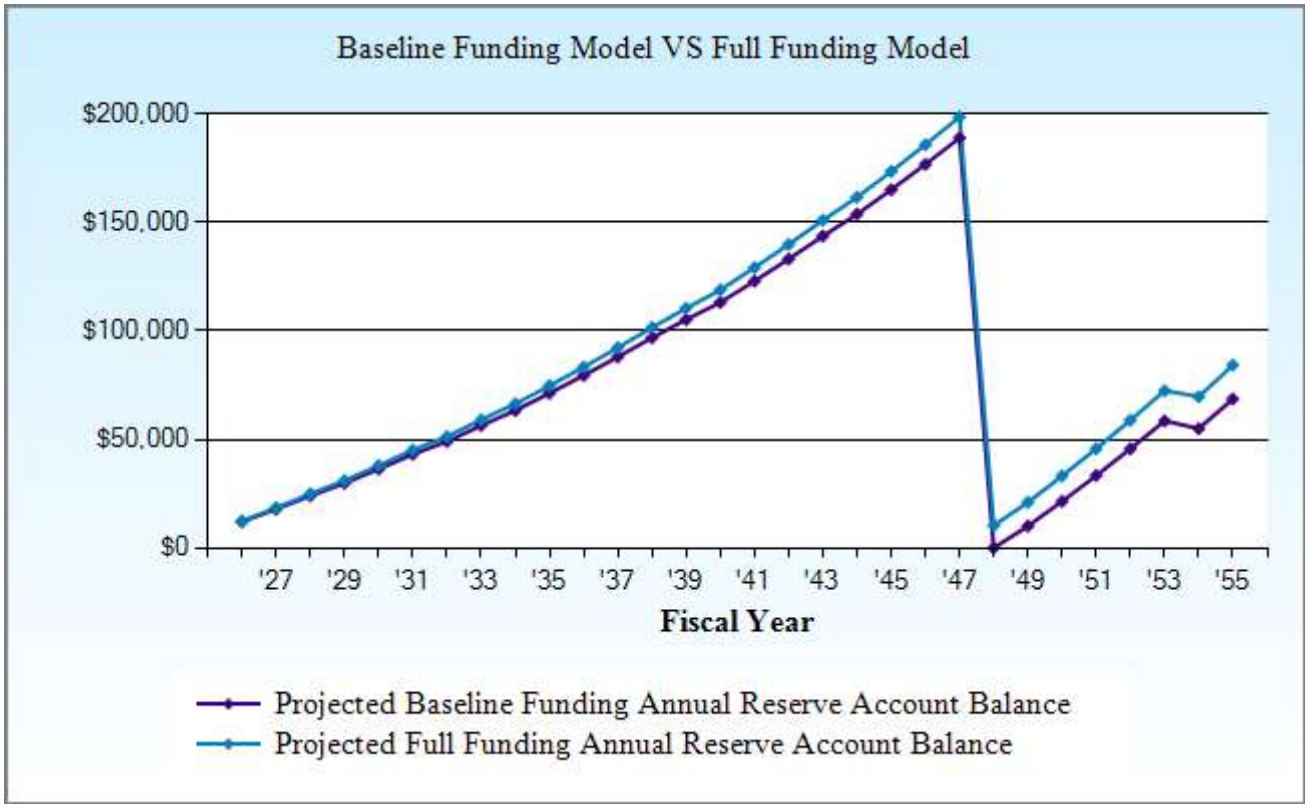
Yodelin POA - Common Areas
Baseline Funding Model Projection

Beginning Balance: $6,502

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	111,330	5,515	120		12,137	18,382	66%
2027	114,670	5,680	178		17,996	23,787	76%
2028	118,110	5,851	238		24,085	29,500	82%
2029	121,653	6,026	296	546	29,861	34,972	85%
2030	125,303	6,207	361		36,429	41,326	88%
2031	129,062	6,393	428		43,250	48,029	90%
2032	132,934	6,585	486	1,230	49,092	53,830	91%
2033	136,922	6,783	559		56,433	61,241	92%
2034	141,030	6,986	628	633	63,414	68,396	93%
2035	145,260	7,196	706		71,316	76,597	93%
2036	149,618	7,412	787		79,515	85,228	93%
2037	154,107	7,634	871		88,020	94,308	93%
2038	158,730	7,863	959		96,842	103,857	93%
2039	163,492	8,099	1,042	734	105,249	113,137	93%
2040	168,397	8,342	1,120	1,558	113,153	122,054	93%
2041	173,449	8,592	1,217		122,963	133,058	92%
2042	178,652	8,850	1,318		133,131	144,612	92%
2043	184,012	9,115	1,422		143,669	156,740	92%
2044	189,532	9,389	1,522	851	153,729	168,589	91%
2045	195,218	9,671	1,634		165,033	181,910	91%
2046	201,074	9,961	1,750		176,744	195,879	90%
2047	207,107	10,260	1,870		188,873	210,522	90%
2048	213,320	10,567	1	199,332	110	20,556	1%
2049	219,719	10,884	100	987	10,107	29,457	34%
2050	226,311	11,211	213		21,531	39,920	54%
2051	233,100	11,547	331		33,409	50,985	66%
2052	240,093	11,894	453		45,756	62,678	73%
2053	247,296	12,250	580		58,586	75,027	78%
2054	254,715	12,618	545	16,702	55,047	70,857	78%
2055	262,356	12,996	680		68,724	84,088	82%



This chart compares the projected yearly reserve balance within the Baseline Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the Baseline Funding model and the Full Funding model.

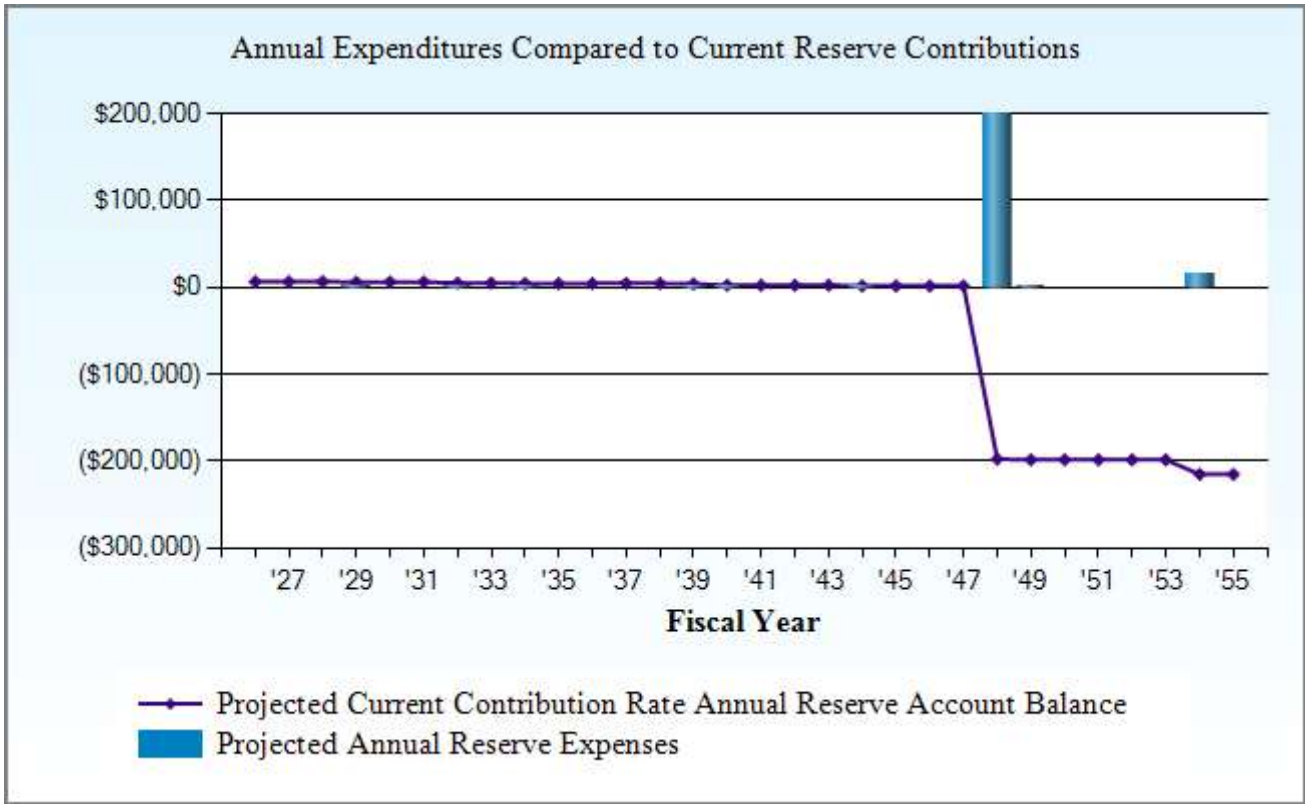
Current Funding Model

The data within this section represents the association's current funding model, based on the most recent annual budget. This data is helpful in determining whether current contribution rates are sufficient to meet the association's funding goals over time.

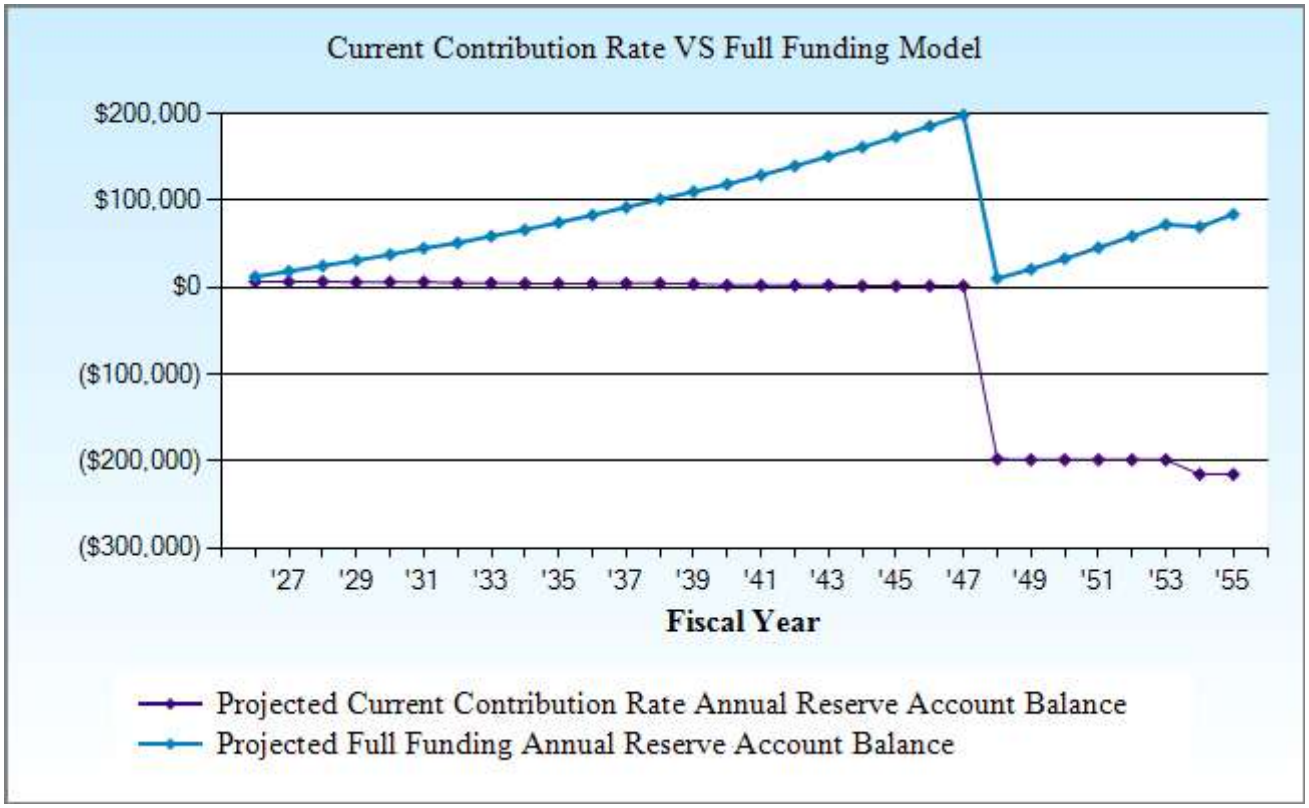
Yodelin POA - Common Areas
Current Funding Model Projection

Beginning Balance: $6,502

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	111,330		65		6,567	18,382	36%
2027	114,670		66		6,633	23,787	28%
2028	118,110		66		6,699	29,500	23%
2029	121,653		62	546	6,214	34,972	18%
2030	125,303		62		6,276	41,326	15%
2031	129,062		63		6,339	48,029	13%
2032	132,934		51	1,230	5,160	53,830	10%
2033	136,922		52		5,212	61,241	9%
2034	141,030		46	633	4,624	68,396	7%
2035	145,260		46		4,671	76,597	6%
2036	149,618		47		4,717	85,228	6%
2037	154,107		47		4,764	94,308	5%
2038	158,730		48		4,812	103,857	5%
2039	163,492		41	734	4,119	113,137	4%
2040	168,397		26	1,558	2,586	122,054	2%
2041	173,449		26		2,612	133,058	2%
2042	178,652		26		2,638	144,612	2%
2043	184,012		26		2,665	156,740	2%
2044	189,532		18	851	1,832	168,589	1%
2045	195,218		18		1,850	181,910	1%
2046	201,074		18		1,868	195,879	1%
2047	207,107		19		1,887	210,522	1%
2048	213,320			199,332	-197,445	20,556	
2049	219,719			987	-198,432	29,457	
2050	226,311				-198,432	39,920	
2051	233,100				-198,432	50,985	
2052	240,093				-198,432	62,678	
2053	247,296				-198,432	75,027	
2054	254,715			16,702	-215,134	70,857	
2055	262,356				-215,134	84,088	



This chart compares the projected yearly reserve balance at the association's current contribution rate against the cumulative expenses anticipated within that year.

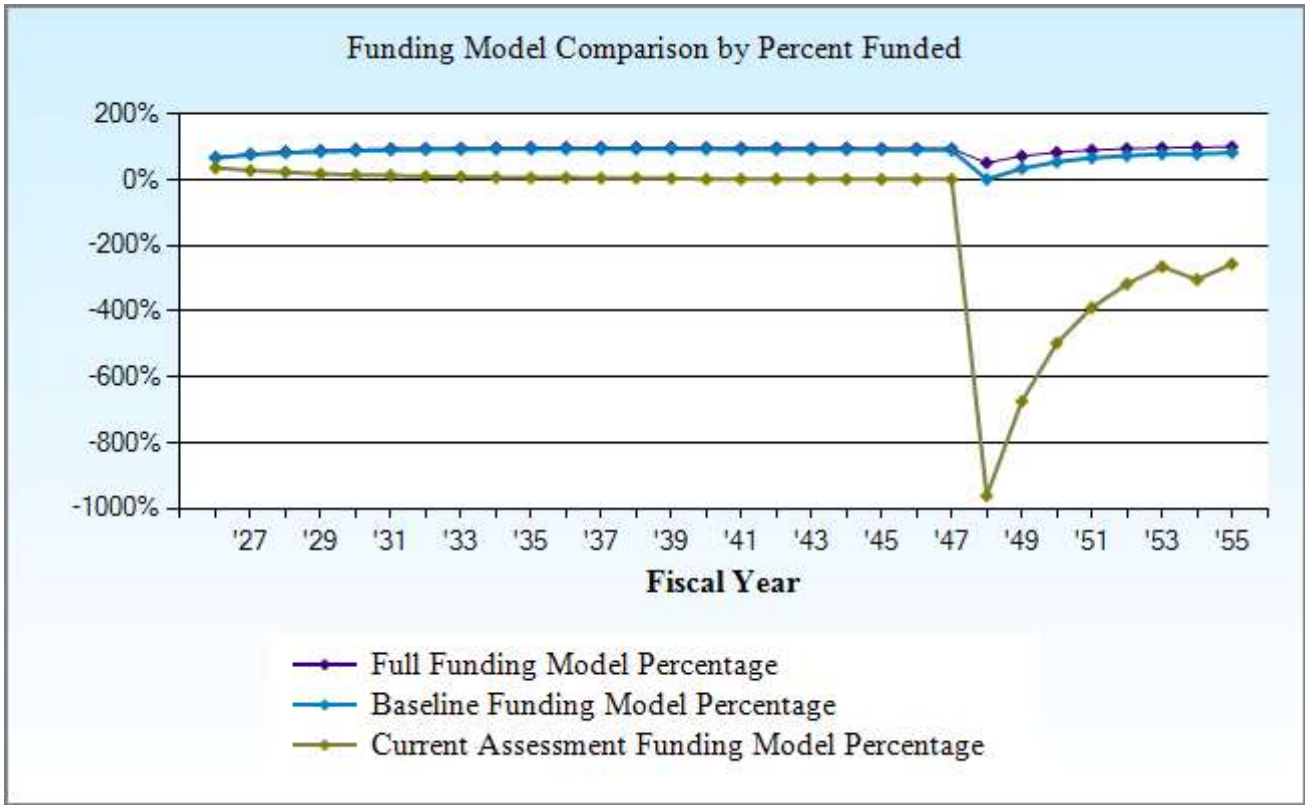


This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.

Comparison Charts

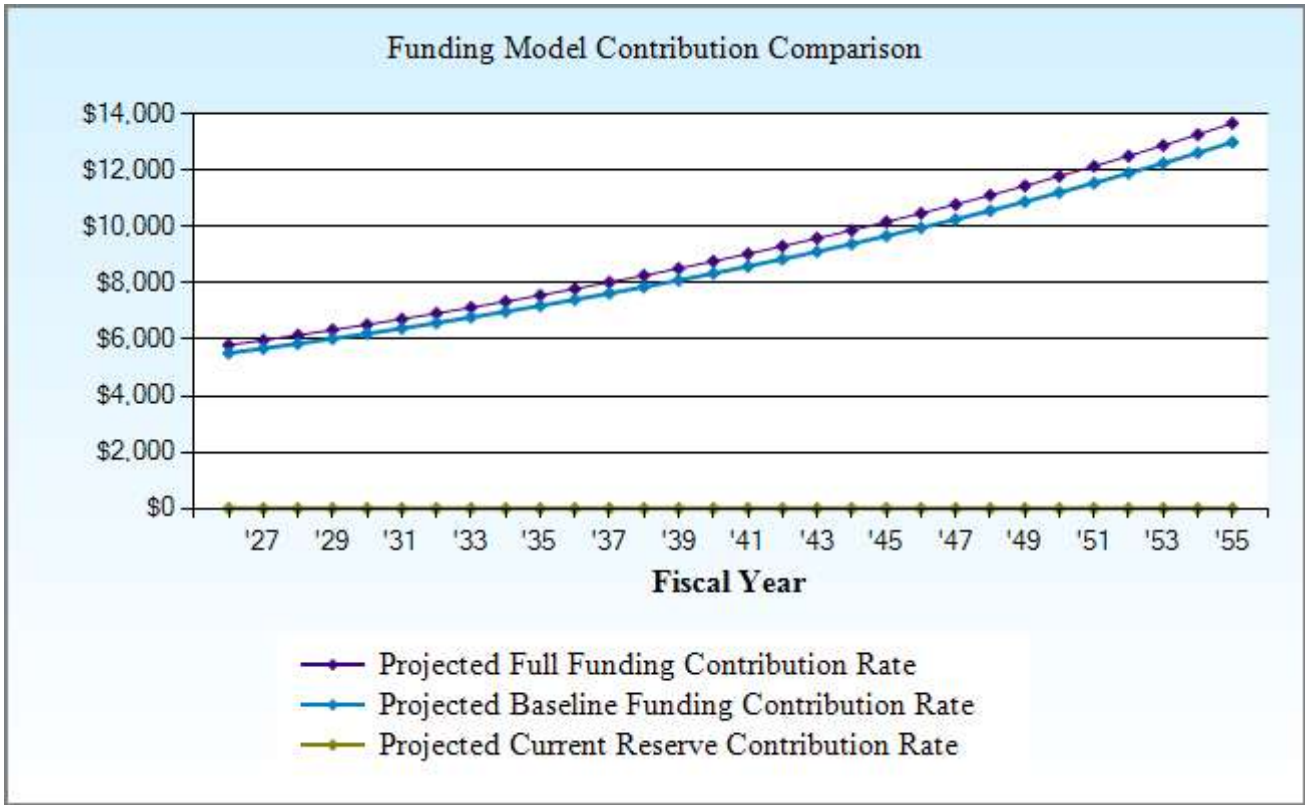
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included within the study.

Yodelin POA - Common Areas
Funding Model Comparison by Percent Funded



This chart compares the association's projected percent funded on an annual basis between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

Yodelin POA - Common Areas
Funding Model Assessment Comparison Chart



This chart compares the projected contribution rate between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

Component Detail Report

The following section features a detailed breakdown of each of the association's reserve components. This section details component history, quantities, useful life, remaining useful life and cost breakdowns, among other important data. For Level I Full and Level II With-Site-Visit reports, this section also features maintenance recommendations and photographs of the components.

Yodelin POA - Common Areas
Index of Funded Components

Total Funded Assets	4
Total Unfunded Assets	3
Total Assets	7

Roads - Maintain

		1 Allowance	
Asset ID	1015	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 1968		
No Useful Life			

Location: Roadway throughout association (partial asphalt and partial gravel)

Component History: No history reported

Client previously reported that all roadways throughout the association are public and thus not the responsibility of the association to maintain, repair or replace. No reserve funding included accordingly.

Note: Photo is from site visit performed for the association's 2025 reserve study and may no longer be representative of current condition.

Gravel Areas - Replenish - 2029

		1 Allowance	@ $500.00
Asset ID	1048	Asset Actual Cost	$500.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$546.36
Placed in Service	January 2024		
Useful Life	5		
Replacement Year	2029		
Remaining Life	3		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work including amount of gravel purchased.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Access road at water system area

Component History: No history reported, an in-service date of 2024 has been used as no current plans to replenish gravel reported

Note: Photo is from site visit performed for the association's 2025 reserve study and may no longer be representative of current condition.

Landscape - Refurbish Allotment

		1 Allowance	
Asset ID	1135	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 1968		
No Useful Life			

Location: Common area open space tracts including Tract A in Phase 1 and Tracts A & B in Phase 3

Component History: No history reported

Landscaping within association is primarily left within its natural state. No expenses expected to affect reserves at this time therefore no reserve funding included. Update future reserve studies should need for funding arise.

Note: Photo is from site visit performed for the association's 2025 reserve study and may no longer be representative of current condition.

Surveillance System - Replace - 2032

		1 Allowance	@ $1,030.00
Asset ID	5020	Asset Actual Cost	$1,030.00
		Percent Replacement	100%
Category	Equipment & Mechanical	Future Cost	$1,229.87
Placed in Service	January 2024		
Useful Life	8		
Replacement Year	2032		
Remaining Life	6		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Inflated Client Cost History

Location: At water system area

Component History: Installed 2024 ~ $1k

Note: Photo is from site visit performed for the association's 2025 reserve study and may no longer be representative of current condition.

Skid Steer - Replace - 2048

		1 Each	@ $103,000.00
Asset ID	5055	Asset Actual Cost	$103,000.00
		Percent Replacement	100%
Category	Equipment & Mechanical	Future Cost	$197,358.65
Placed in Service	January 2023		
Useful Life	25		
Replacement Year	2048		
Remaining Life	22		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on equipment selected and accessories purchased, if any.

Cost Source: Inflated Client Cost History

Location: Stored within garage at community member's home

Component History: Purchased 2023 ~ $100k

Note: Photo is from site visit performed for the association's 2025 reserve study and may no longer be representative of current condition.

Metal Container - Replace - 2054

		1 Each	@ $6,800.00
Asset ID	5060	Asset Actual Cost	$6,800.00
		Percent Replacement	100%
Category	Equipment & Mechanical	Future Cost	$15,557.91
Placed in Service	January 2024		
Useful Life	30		
Replacement Year	2054		
Remaining Life	28		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on container selected and whether purchased new, or used.

Cost Source: Client Cost History

Location: Within common area

Component History: Purchased 2024 $6,788

Reserve Study - Annual Update

		1 Ann Update	
Asset ID	6010	Asset Actual Cost	
		Percent Replacement	100%
Category	Professional	Future Cost	
Placed in Service	January 2026		
No Useful Life			

Component History: 2025 FULL, 2026 NSV

It is recommended that this study is updated annually. Some states, including Washington and Oregon, feature statutes which require that studies be updated on an annual basis for many communities (consult with your legal counsel if you have questions about whether an update is required for your community). Some governing documents may also require that the study be updated annually. Regardless of any state requirements for updates, it is prudent to update your report annually to adjust for constantly changing information including, but not limited to, actual reserve account balance, actual project costs, vendor estimates, economic and market changes, etc. The cost to update your study annually is best treated through the operating budget, therefore no reserve funding included.

Key:
FULL = Level 1 Full Reserve Study
WSV = Level 2 With-Site-Visit Reserve Study
NSV = Level 3 No-Site-Visit Reserve Study
PCNYC = Level 4 Preliminary, Community Not Yet Constructed Reserve Study

Common Terms & Definitions

A portion of this information is from the National Reserve Study Standards (NRSS) published by Community Associations Institute, dated 07/2023. A link to the full National Reserve Study Standards document can be found here: National Reserve Study Standards

ADEQUATE RESERVES — A replacement reserve fund and equitable multi-year funding plan which together provide for the reliable and timely execution of major repair and replacement projects as defined within National Reserve Study Standards without reliance on additional supplemental funding.

ALLOWANCE (QUANTITY) — When used in reference to quantity, the term allowance means that the component could not be reasonably quantified to assign a unit cost and therefore a flat cost allowance has been used.

ALLOWANCE (COST) — When used in reference to cost, the term allowance refers to the cost range assigned to that component. For example, the cost allowance for replacement of a roof may be $4.00 per square foot to $6.00 per square foot.

CAPITAL IMPROVEMENT — Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.

CASH FLOW METHOD — A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

COMMON AREA — Areas identified within the association's governing documents that the association is obligated to maintain, repair or replace.

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. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. predictable in nature, and 3. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.

COMPONENT INVENTORY — The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.

COMPONENT METHOD — A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.

CONDITION ASSESSMENT — The task of evaluating the current condition of the component based on

observed or reported characteristics.

CY Cubic yards.

EFFECTIVE AGE The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULLY FUNDED 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

FULLY FUNDED BALANCE (FFB) An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

FFB = Current Cost X Effective Age/Useful Life

Example: For a component with a $10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be $4,000.

FUND STATUS The status of the reserve fund reported in terms of cash or percent funded.

FUNDING GOALS Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

- **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.

- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "Fully Funded" with respective higher risk or less risk of cash problems.

- **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

FUNDING PLAN An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.

FUNDING PRINCIPLES The reserve study must provide a funding plan addressing these principles:

- Sufficient funds when required.
- Stable contribution rate over the years.
- Equitable contribution rate over the years.
- Fiscally responsible.

GSF Gross square feet.

GSY Gross square yards.

INITIAL YEAR The first fiscal year of the financial analysis or funding plan.

LIFE ESTIMATES The task of estimating the useful life and remaining useful life of the reserve components.

LF Lineal feet.

MAINTENACE Maintenance is the process of maintaining or preserving an item, or the state of being maintained. Maintenance is often defined in three ways, preventive maintenance, corrective maintenance and deferred maintenance.

PERCENT FUNDED The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan in light of the association's risk tolerance.

PERIODIC STRUCTURAL INSPECTION Structural system inspections aimed at identifying issues when they become evident. This inspection is outside of the scope of a reserve study and is to be conducted by client independently, with the results of such inspection incorporated in the reserve study as applicable.

PHYSICAL ANALYSIS The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

REMAINING USEFUL LIFE (RUL) Also referred to as "remaining life" (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.

REPLACEMENT COST The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including

but not limited to shipping, engineering and design, permits, installation, disposal, etc.).

RESERVE BALANCE Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE PROVIDER An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

RESERVE STUDY A budget planning tool which identifies the components that the association is responsible to maintain, repair or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures. The reserve study is conducted for budget and cash flow purposes only and tasks outside the scope of a reserve study include, but are not limited to, construction evaluation, intrusive or destructive testing, preventive maintenance plans and structural or safety evaluations.

SPECIAL ASSESSMENT A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

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.

VALUATION ESTIMATES The task of estimating the current cost for the reserve components.

Disclosures

The report was prepared by, or with the oversight of, Karen McDonald, CMCA, AMS, PCAM, RS, Reserve Study Specialist (RS) # 355 through Community Associations Institute, on behalf of Accurate Reserve Professionals, LLC ("ARP") and is subject to all terms, conditions, limitations and disclaimers of any contracts between client and ARP regarding this report and the services provided by ARP for client in connection with this report.

As of the date of this report, there are no known conflicts of interest involving ARP and the client for which this report was prepared. ARP has no familial or marital relationship with client, no ownership interest in client, and no ongoing business relationship with client.

Any site visit work performed in the process of preparing this report included a limited non-invasive visual walk through of areas identified by client, and reliance by ARP upon client's representations that such areas constituted a representative sampling of the organization's common areas. No destructive testing was performed. Unless otherwise noted, and in addition to any information provided directly by client, the component list and quantities for Level IV Preliminary Community Not Yet Constructed reports are developed using plans and drawings. Level I Full report component lists are developed using field measurements, other technology available (satellite imagery, etc.) and data provided by client. All quantities are an approximate estimate and may not be exact. Any site visit is not considered a site inspection, project audit or quality inspection of any areas or projects. Structural integrity evaluations are beyond the scope of a reserve study and were not performed as part of this report. ARP lacks information to incorporate necessary corrective maintenance costs and timing for structural work, if any, unless provided by client.

If this report is an update of a prior reserve study, it is reliant on the validity of the prior study(s) and ARP cannot guarantee the accuracy of this report.

This report attempts to include all reserve components identified by client, including best efforts to note any unfunded components within the inventory appendix.

Any information provided by client regarding financial information, physical conditions, quantities, historical issues, components, designs, and current and prior reserve projects, is relied upon by ARP as accurate, true and correct, in preparing this report (the "**Provided Information**"). ARP can only be aware of preventive maintenance plans or programs that have been disclosed by the client. This report is for the client's sole use and shall not be used by or relied upon by third parties for any purpose. Use of the Provided Information by ARP is not intended to validate the accuracy of such information and this report is not an audit, quality/forensics analysis or a background check of the client's historical records, preventive maintenance plan(s) or the Provided Information.

The actual or projected starting balance within this Reserve Study is based upon information provided by client and was not audited or verified in any way. To the best of ARP's knowledge and based upon the information provided to ARP by client, at the time of generating this report there are no known material issues excluded from this report which would affect the data provided.

For Level II With-Site-Visit and Level III No-Site-Visit reports, the client is considered to have deemed the previously developed component quantities as accurate and reliable. This data is not audited or verified in any way for these reports.

The report is for client's internal use and based on the Provided information and may not be relied upon by third parties for any reason. Visual inspections are to verify existence and appearance of assets. ARP does not

guarantee the accuracy of the information in the reports, and Client may not fully rely on the final figures in the report, due to a variety of factors outside of ARP's control and knowledge, including but not limited to reliance on information provided by Client and other third parties that may be inaccurate, incomplete, or inadequate, hidden damages, latent defects, economic factors, labor and material costs, environmental factors, deferred maintenance, and other such factors.

Washington State Client Disclosures

This reserve study report meets the requirements of RCW 64.34.382, 64.38.070 and 64.90.550.

Washington State Client Disclosure for Clients Under RCW 64.34.682 and 64.38.070

“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.”

Washington State Client Disclosure for Clients Under RCW 64.90.550

"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."