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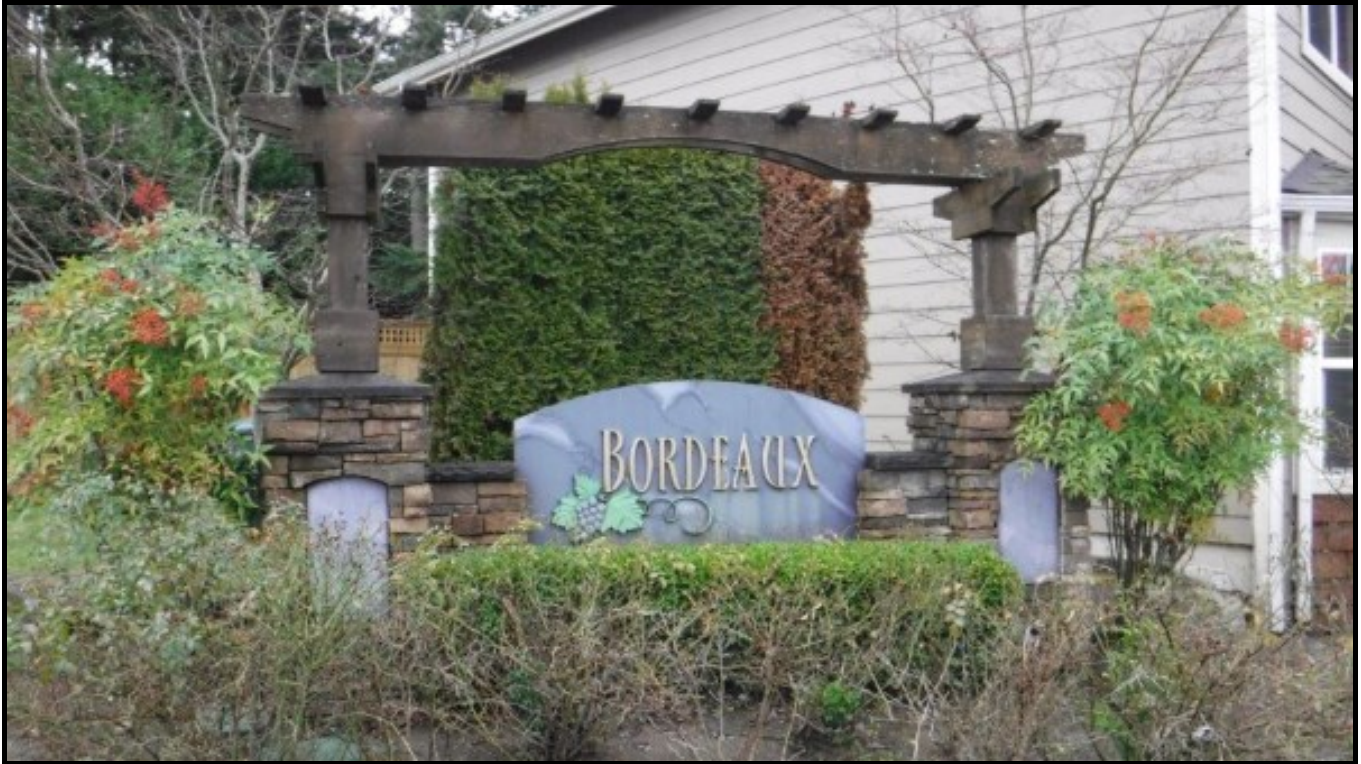


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"Full" Reserve Study



Bordeaux HOA Everett, WA

Report #: 33557-0
For Period Beginning: January 1, 2018
Expires: December 31, 2018

Date Prepared: February 27, 2018



Hello, and welcome to your Reserve Study!

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

With respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

1) A List of What you're Reserving For

2) An Evaluation of your Reserve Fund Size and Strength

3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

253-661-5437

ASSOCIATION
RESERVES
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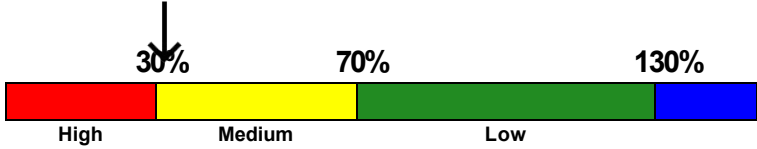
3- Minute Executive Summary

Association: Bordeaux HOA **Assoc. #: 33557-0**
Location: Everett, WA **# of Units:50**
Report Period: January 1, 2018 through December 31, 2018

Findings/Recommendations as-of: January 1, 2018

Starting Reserve Balance	\$29,559
Current Fully Funded Reserve Balance	\$93,385
Percent Funded	31.7 %
Average Reserve Deficit or (Surplus) Per Unit	\$1,277
Recommended 2018 100% Annual "Full Funding" Contributions	\$9,600
Recommended 2018 70% Annual "Threshold Funding" Contributions	\$9,000
2018 "Baseline Funding" minimum contributions to keep Reserves above \$0	\$8,950
Recommended 2018 Special Assessment	\$0
Most Recent Budgeted Contribution Rate	\$0

Reserves % Funded: 31.7%



Special Assessment Risk:

Economic Assumptions:

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

- This is a "Full" Reserve Study, meeting or exceeding all requirements of the RCW. This study was prepared by a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 31.7 % Funded. This means the association’s special assessment & deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to within the 70% to 100% range as noted above. The 100% “Full” and 70% contribution rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Site & Grounds				
120	Asphalt - Repave	30	16	\$20,400
121	Asphalt - Clean/Repr/Sealcoat	5	1	\$1,950
140	Vinyl Fence - Replace	30	17	\$26,250
142	Wood Fence - Repair/Replace	20	7	\$16,900
145	Chain Link Fence - Replace	30	0	\$3,500
172	Trees (Street/NGPA) - Maintain	4	0	\$5,100
182	Drainage, Storm Sys - Maintain	4	0	\$4,500
200	Entry Sign/Monument - Replace	20	7	\$5,000
205	Mailboxes - Replace	20	7	\$9,000
322	Basketball Court - Repave	30	16	\$2,050
330	Basketball Eqp - Replace	25	16	\$3,000
340	Play Equipment - Replace	15	2	\$20,000
342	Swingset - Replace	20	19	\$9,000
346	Site Furniture - Replace	20	7	\$4,500
350	Park Project - 2018 One Time Funds		0	\$15,000
15 Total Funded Components				

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

Introduction



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

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



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

Methodology



For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

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



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 1/30/2018, we visually inspected all visible common area while compiling a photographic inventory, noting: current condition, apparent levels of care and maintenance, exposure to weather elements and other factors that may affect the components useful life. We met with a board member and had contact with management and additional board members regarding past projects, current concerns and future plans.

Projected Expenses

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

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

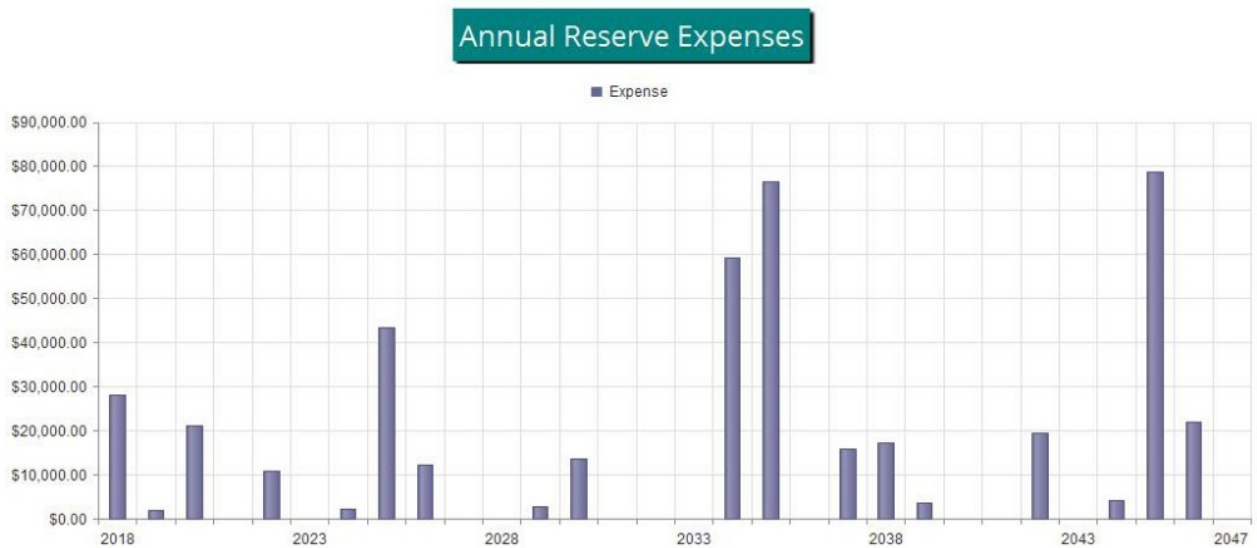


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$29,559 as-of the start of your Fiscal Year on 1/1/2018. As of that date , your Fully Funded Balance is computed to be \$93,385 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$9,600 per year this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

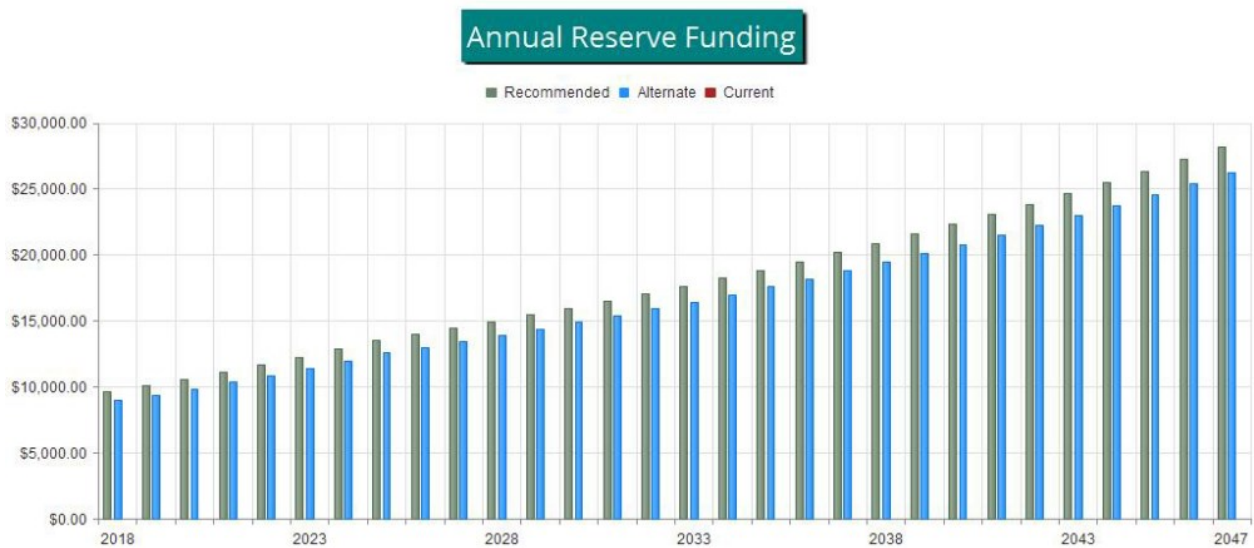


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate (assumes future increases), compared to your always-changing Fully Funded Balance target.

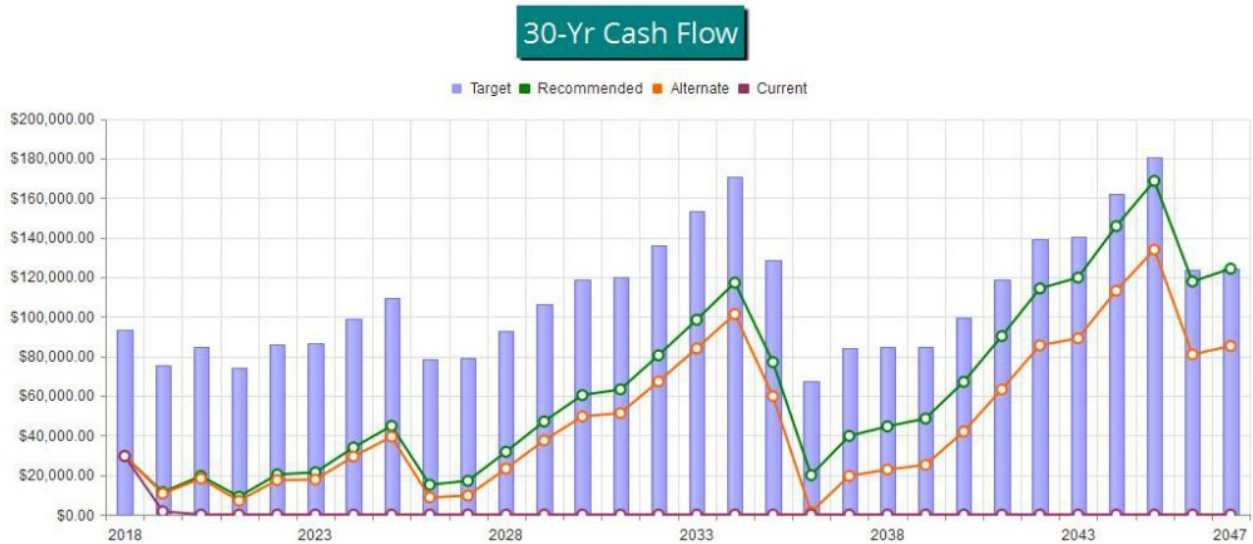


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

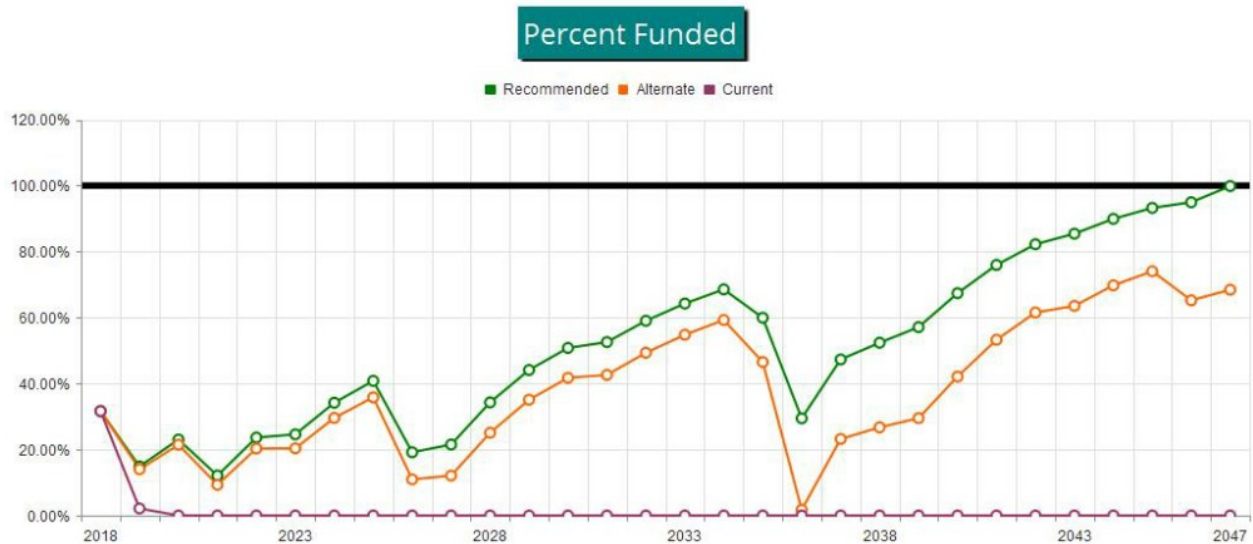


Figure 4

Table Descriptions

The tabular information in this Report is broken down into nine tables, not all which may have been chosen by your Project Manager to appear in your report. Tables are listed in the order in which they appear in your Report.

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Analysis Summary provides a summary of the starting financial information and your Project Manager's Financial Analysis decision points.

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

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

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

Accounting-Tax Summary provides information on each Component's proportionate portion of key totals, valuable to accounting professionals primarily during tax preparation time of year.

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

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

# Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate		
				Best Case	Worst Case	
Site & Grounds						
120	Asphalt - Repave	~6,800 GSF	30	16	\$17,000	\$23,800
121	Asphalt - Clean/Repr/Sealcoat	~6,800 GSF	5	1	\$1,700	\$2,200
140	Vinyl Fence - Replace	~750 LF rail fence	30	17	\$22,500	\$30,000
142	Wood Fence - Repair/Replace	~650 LF, 6' board	20	7	\$14,300	\$19,500
145	Chain Link Fence - Replace	~100 LF chain link	30	0	\$3,000	\$4,000
172	Trees (Street/NGPA) - Maintain	Varies	4	0	\$4,100	\$6,100
182	Drainage, Storm Sys - Maintain	Vault, (12) filters	4	0	\$4,000	\$5,000
200	Entry Sign/Monument - Replace	(1) stone/wood	20	7	\$4,000	\$6,000
205	Mailboxes - Replace	(6) metal cluster stands	20	7	\$7,500	\$10,500
322	Basketball Court - Repave	~720 SF, asphalt	30	16	\$1,800	\$2,300
330	Basketball Eqp - Replace	(1) post/hoop assembly	25	16	\$2,500	\$3,500
340	Play Equipment - Replace	(1) Timber structure	15	2	\$15,000	\$25,000
342	Swingset - Replace	(1) structure	20	19	\$8,000	\$10,000
346	Site Furniture - Replace	~(6) metal	20	7	\$4,000	\$5,000
350	Park Project - 2018 One Time Funds	Swing, drains, chips, etc		0	\$14,000	\$16,000
15 Total Funded Components						

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Site & Grounds								
120	Asphalt - Repave	\$20,400	X	14	/	30	=	\$9,520
121	Asphalt - Clean/Repr/Sealcoat	\$1,950	X	4	/	5	=	\$1,560
140	Vinyl Fence - Replace	\$26,250	X	13	/	30	=	\$11,375
142	Wood Fence - Repair/Replace	\$16,900	X	13	/	20	=	\$10,985
145	Chain Link Fence - Replace	\$3,500	X	30	/	30	=	\$3,500
172	Trees (Street/NGPA) - Maintain	\$5,100	X	4	/	4	=	\$5,100
182	Drainage, Storm Sys - Maintain	\$4,500	X	4	/	4	=	\$4,500
200	Entry Sign/Monument - Replace	\$5,000	X	13	/	20	=	\$3,250
205	Mailboxes - Replace	\$9,000	X	13	/	20	=	\$5,850
322	Basketball Court - Repave	\$2,050	X	14	/	30	=	\$957
330	Basketball Eqp - Replace	\$3,000	X	9	/	25	=	\$1,080
340	Play Equipment - Replace	\$20,000	X	13	/	15	=	\$17,333
342	Swingset - Replace	\$9,000	X	1	/	20	=	\$450
346	Site Furniture - Replace	\$4,500	X	13	/	20	=	\$2,925
350	Park Project - 2018 One Time Funds	\$15,000	X	0	/		=	\$15,000
								\$93,385

Component Significance

33557-0
Full

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Site & Grounds					
120	Asphalt - Repave	30	\$20,400	\$680	8.29 %
121	Asphalt - Clean/Repr/Sealcoat	5	\$1,950	\$390	4.75 %
140	Vinyl Fence - Replace	30	\$26,250	\$875	10.67 %
142	Wood Fence - Repair/Replace	20	\$16,900	\$845	10.30 %
145	Chain Link Fence - Replace	30	\$3,500	\$117	1.42 %
172	Trees (Street/NGPA) - Maintain	4	\$5,100	\$1,275	15.54 %
182	Drainage, Storm Sys - Maintain	4	\$4,500	\$1,125	13.71 %
200	Entry Sign/Monument - Replace	20	\$5,000	\$250	3.05 %
205	Mailboxes - Replace	20	\$9,000	\$450	5.49 %
322	Basketball Court - Repave	30	\$2,050	\$68	0.83 %
330	Basketball Eqp - Replace	25	\$3,000	\$120	1.46 %
340	Play Equipment - Replace	15	\$20,000	\$1,333	16.25 %
342	Swingset - Replace	20	\$9,000	\$450	5.49 %
346	Site Furniture - Replace	20	\$4,500	\$225	2.74 %
350	Park Project - 2018 One Time Funds		\$15,000	\$0	0.00 %
15	Total Funded Components			\$8,203	100.00 %

30-Year Reserve Plan Summary

33557-0
Full

Fiscal Year Start: 2018

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2018	\$29,559	\$93,385	31.7 %	Medium	\$9,600	\$0	\$204	\$28,100
2019	\$11,263	\$75,693	14.9 %	High	\$10,080	\$0	\$154	\$2,009
2020	\$19,488	\$84,598	23.0 %	High	\$10,584	\$0	\$142	\$21,218
2021	\$8,996	\$74,245	12.1 %	High	\$11,113	\$0	\$146	\$0
2022	\$20,256	\$85,706	23.6 %	High	\$11,669	\$0	\$208	\$10,805
2023	\$21,327	\$86,658	24.6 %	High	\$12,252	\$0	\$276	\$0
2024	\$33,855	\$99,053	34.2 %	Medium	\$12,865	\$0	\$393	\$2,328
2025	\$44,785	\$109,715	40.8 %	Medium	\$13,508	\$0	\$299	\$43,538
2026	\$15,055	\$78,555	19.2 %	High	\$13,967	\$0	\$160	\$12,161
2027	\$17,021	\$79,089	21.5 %	High	\$14,442	\$0	\$244	\$0
2028	\$31,707	\$92,486	34.3 %	Medium	\$14,933	\$0	\$394	\$0
2029	\$47,034	\$106,616	44.1 %	Medium	\$15,441	\$0	\$537	\$2,699
2030	\$60,313	\$118,730	50.8 %	Medium	\$15,966	\$0	\$617	\$13,687
2031	\$63,209	\$120,241	52.6 %	Medium	\$16,509	\$0	\$718	\$0
2032	\$80,436	\$136,257	59.0 %	Medium	\$17,070	\$0	\$894	\$0
2033	\$98,400	\$153,125	64.3 %	Medium	\$17,651	\$0	\$1,077	\$0
2034	\$117,127	\$170,883	68.5 %	Medium	\$18,251	\$0	\$970	\$59,374
2035	\$76,974	\$128,412	59.9 %	Medium	\$18,871	\$0	\$484	\$76,444
2036	\$19,885	\$67,493	29.5 %	High	\$19,513	\$0	\$298	\$0
2037	\$39,696	\$83,902	47.3 %	Medium	\$20,176	\$0	\$421	\$15,782
2038	\$44,512	\$84,981	52.4 %	Medium	\$20,862	\$0	\$465	\$17,339
2039	\$48,500	\$84,932	57.1 %	Medium	\$21,572	\$0	\$577	\$3,628
2040	\$67,022	\$99,462	67.4 %	Medium	\$22,305	\$0	\$785	\$0
2041	\$90,112	\$118,636	76.0 %	Low	\$23,063	\$0	\$1,021	\$0
2042	\$114,197	\$138,870	82.2 %	Low	\$23,848	\$0	\$1,169	\$19,515
2043	\$119,699	\$140,112	85.4 %	Low	\$24,658	\$0	\$1,326	\$0
2044	\$145,683	\$162,007	89.9 %	Low	\$25,497	\$0	\$1,570	\$4,205
2045	\$168,545	\$180,757	93.2 %	Low	\$26,364	\$0	\$1,431	\$78,634
2046	\$117,706	\$123,956	95.0 %	Low	\$27,260	\$0	\$1,209	\$21,964
2047	\$124,211	\$124,383	99.9 %	Low	\$28,187	\$0	\$1,389	\$0

30-Year Income/Expense Detail (yrs 0 through 4)

**33557-0
Full**

Fiscal Year	2018	2019	2020	2021	2022
Starting Reserve Balance	\$29,559	\$11,263	\$19,488	\$8,996	\$20,256
Annual Reserve Contribution	\$9,600	\$10,080	\$10,584	\$11,113	\$11,669
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$204	\$154	\$142	\$146	\$208
Total Income	\$39,363	\$21,496	\$30,214	\$20,256	\$32,132
# Component					
Site & Grounds					
120 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Clean/Repr/Sealcoat	\$0	\$2,009	\$0	\$0	\$0
140 Vinyl Fence - Replace	\$0	\$0	\$0	\$0	\$0
142 Wood Fence - Repair/Replace	\$0	\$0	\$0	\$0	\$0
145 Chain Link Fence - Replace	\$3,500	\$0	\$0	\$0	\$0
172 Trees (Street/NGPA) - Maintain	\$5,100	\$0	\$0	\$0	\$5,740
182 Drainage, Storm Sys - Maintain	\$4,500	\$0	\$0	\$0	\$5,065
200 Entry Sign/Monument - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
322 Basketball Court - Repave	\$0	\$0	\$0	\$0	\$0
330 Basketball Eqp - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$21,218	\$0	\$0
342 Swingset - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
350 Park Project - 2018 One Time Funds	\$15,000	\$0	\$0	\$0	\$0
Total Expenses	\$28,100	\$2,009	\$21,218	\$0	\$10,805
Ending Reserve Balance	\$11,263	\$19,488	\$8,996	\$20,256	\$21,327

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$21,327	\$33,855	\$44,785	\$15,055	\$17,021
Annual Reserve Contribution	\$12,252	\$12,865	\$13,508	\$13,967	\$14,442
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$276	\$393	\$299	\$160	\$244
Total Income	\$33,855	\$47,113	\$58,592	\$29,182	\$31,707
# Component					
Site & Grounds					
120 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Clean/Repr/Sealcoat	\$0	\$2,328	\$0	\$0	\$0
140 Vinyl Fence - Replace	\$0	\$0	\$0	\$0	\$0
142 Wood Fence - Repair/Replace	\$0	\$0	\$20,785	\$0	\$0
145 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Trees (Street/NGPA) - Maintain	\$0	\$0	\$0	\$6,461	\$0
182 Drainage, Storm Sys - Maintain	\$0	\$0	\$0	\$5,700	\$0
200 Entry Sign/Monument - Replace	\$0	\$0	\$6,149	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$11,069	\$0	\$0
322 Basketball Court - Repave	\$0	\$0	\$0	\$0	\$0
330 Basketball Eqp - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
342 Swingset - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$5,534	\$0	\$0
350 Park Project - 2018 One Time Funds	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$2,328	\$43,538	\$12,161	\$0
Ending Reserve Balance	\$33,855	\$44,785	\$15,055	\$17,021	\$31,707

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$31,707	\$47,034	\$60,313	\$63,209	\$80,436
Annual Reserve Contribution	\$14,933	\$15,441	\$15,966	\$16,509	\$17,070
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$394	\$537	\$617	\$718	\$894
Total Income	\$47,034	\$63,012	\$76,896	\$80,436	\$98,400
# Component					
Site & Grounds					
120 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Clean/Repr/Sealcoat	\$0	\$2,699	\$0	\$0	\$0
140 Vinyl Fence - Replace	\$0	\$0	\$0	\$0	\$0
142 Wood Fence - Repair/Replace	\$0	\$0	\$0	\$0	\$0
145 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Trees (Street/NGPA) - Maintain	\$0	\$0	\$7,271	\$0	\$0
182 Drainage, Storm Sys - Maintain	\$0	\$0	\$6,416	\$0	\$0
200 Entry Sign/Monument - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
322 Basketball Court - Repave	\$0	\$0	\$0	\$0	\$0
330 Basketball Eqp - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
342 Swingset - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
350 Park Project - 2018 One Time Funds	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$2,699	\$13,687	\$0	\$0
Ending Reserve Balance	\$47,034	\$60,313	\$63,209	\$80,436	\$98,400

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$98,400	\$117,127	\$76,974	\$19,885	\$39,696
Annual Reserve Contribution	\$17,651	\$18,251	\$18,871	\$19,513	\$20,176
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,077	\$970	\$484	\$298	\$421
Total Income	\$117,127	\$136,348	\$96,330	\$39,696	\$60,293
# Component					
Site & Grounds					
120 Asphalt - Repave	\$0	\$32,736	\$0	\$0	\$0
121 Asphalt - Clean/Repr/Sealcoat	\$0	\$3,129	\$0	\$0	\$0
140 Vinyl Fence - Replace	\$0	\$0	\$43,387	\$0	\$0
142 Wood Fence - Repair/Replace	\$0	\$0	\$0	\$0	\$0
145 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Trees (Street/NGPA) - Maintain	\$0	\$8,184	\$0	\$0	\$0
182 Drainage, Storm Sys - Maintain	\$0	\$7,221	\$0	\$0	\$0
200 Entry Sign/Monument - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
322 Basketball Court - Repave	\$0	\$3,290	\$0	\$0	\$0
330 Basketball Eqp - Replace	\$0	\$4,814	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$33,057	\$0	\$0
342 Swingset - Replace	\$0	\$0	\$0	\$0	\$15,782
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
350 Park Project - 2018 One Time Funds	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$59,374	\$76,444	\$0	\$15,782
Ending Reserve Balance	\$117,127	\$76,974	\$19,885	\$39,696	\$44,512

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$44,512	\$48,500	\$67,022	\$90,112	\$114,197
Annual Reserve Contribution	\$20,862	\$21,572	\$22,305	\$23,063	\$23,848
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$465	\$577	\$785	\$1,021	\$1,169
Total Income	\$65,839	\$70,649	\$90,112	\$114,197	\$139,213
# Component					
Site & Grounds					
120 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Clean/Repr/Sealcoat	\$0	\$3,628	\$0	\$0	\$0
140 Vinyl Fence - Replace	\$0	\$0	\$0	\$0	\$0
142 Wood Fence - Repair/Replace	\$0	\$0	\$0	\$0	\$0
145 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Trees (Street/NGPA) - Maintain	\$9,211	\$0	\$0	\$0	\$10,367
182 Drainage, Storm Sys - Maintain	\$8,128	\$0	\$0	\$0	\$9,148
200 Entry Sign/Monument - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
322 Basketball Court - Repave	\$0	\$0	\$0	\$0	\$0
330 Basketball Eqp - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
342 Swingset - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$0	\$0	\$0
350 Park Project - 2018 One Time Funds	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$17,339	\$3,628	\$0	\$0	\$19,515
Ending Reserve Balance	\$48,500	\$67,022	\$90,112	\$114,197	\$119,699

Fiscal Year	2043	2044	2045	2046	2047
Starting Reserve Balance	\$119,699	\$145,683	\$168,545	\$117,706	\$124,211
Annual Reserve Contribution	\$24,658	\$25,497	\$26,364	\$27,260	\$28,187
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,326	\$1,570	\$1,431	\$1,209	\$1,389
Total Income	\$145,683	\$172,751	\$196,340	\$146,175	\$153,788
# Component					
Site & Grounds					
120 Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Clean/Repr/Sealcoat	\$0	\$4,205	\$0	\$0	\$0
140 Vinyl Fence - Replace	\$0	\$0	\$0	\$0	\$0
142 Wood Fence - Repair/Replace	\$0	\$0	\$37,540	\$0	\$0
145 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
172 Trees (Street/NGPA) - Maintain	\$0	\$0	\$0	\$11,668	\$0
182 Drainage, Storm Sys - Maintain	\$0	\$0	\$0	\$10,296	\$0
200 Entry Sign/Monument - Replace	\$0	\$0	\$11,106	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$19,992	\$0	\$0
322 Basketball Court - Repave	\$0	\$0	\$0	\$0	\$0
330 Basketball Eqp - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
342 Swingset - Replace	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace	\$0	\$0	\$9,996	\$0	\$0
350 Park Project - 2018 One Time Funds	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$4,205	\$78,634	\$21,964	\$0
Ending Reserve Balance	\$145,683	\$168,545	\$117,706	\$124,211	\$153,788

Accuracy, Limitations, and Disclosures

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

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James Talaga, company President, is a credentialed Reserve Specialist (#066). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

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

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

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

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

Terms and Definitions

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

Component Details

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

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

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

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

Site & Grounds

Comp #: 100 Concrete - Repair/Replace

Quantity: Sidewalks, mail pads, etc

Location: Areas adjacent to roads

Funded?: No. See comments

History: See comments

Evaluation: Some sidewalk lifting noted which appears to be due to street trees in adjacent planter strips. As discussed with city of Everett, sidewalks adjacent to streets are the adjacent lot owner responsibility for maintenance, repair and replacement. However, according to city, owners can request city do work at sidewalks and owner would only be responsible for cost of materials. However, there is a long list for this work and Everett website indicates it could be as long as 8 years before work gets completed. See <https://everettwa.gov/886/Sidewalks>.

We are aware that the Association is maintaining the planter strips, including street trees, immediately adjacent to the streets. The Association may consider work needed at sidewalks caused by street trees to be Association responsibility as well. Association should discuss this with attorney and make definitive decision and make clear to community. At this point no reserve funding included.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 106 Gravel Path - Refurbish

Quantity: Minimal, crushed rock

Location: Foot path within common park area at central area of property

Funded?: No. Too small for reserve funding, no predictable basis for reserve funding

History: None known

Evaluation: Generally adequate coverage of gravel with no major depressions observed. With small total area, we assume ongoing refurbishing/replenishment should be part of annual maintenance program with no predictable basis for reserve funding.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 120 Asphalt - Repave

Quantity: ~6,800 GSF

Location: Alley roads, accessed at South side of 124th Pl. SE and North side of 125th Pl. SE (Tracts 993 & 994)

Funded?: Yes.

History: No major projects known

Evaluation: No major damage noted, however a couple local cracks; one at corner intersection and another most likely caused by underlying roots. Reportedly a repair in the past due to sink hole and speed bump installed 2010, but no other work to asphalt known since installed.

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

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

Resources:

Pavement Surface Condition Field Rating Manual for Asphalt Pavement.

<http://www.wsdot.wa.gov/NR/rdonlyres/4FE2F96D-BFE0-4484-812E-DD5164EB34F5/0/AsphaltPavementBook.pdf>

Washington Asphalt Pavement Association

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

Useful Life:
30 years

Remaining Life:
16 years



Best Case: \$ 17,000

Worst Case: \$ 23,800

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 121 Asphalt - Clean/Repr/Sealcoat

Quantity: ~6,800 GSF

Location: Alley roads, accessed at South side of 124th Pl. SE and North side of 125th Pl. SE (Tracts 993 & 994)

Funded?: Yes.

History: No major work

Evaluation: Reportedly a repair due to sink hole in the past. No history of sealcoating, so no surface seal. The majority is in stable condition, however a couple spots where cracking has occurred at corner intersection and another where underlying tree roots are causing uplifting/damage.

Regular cycles of seal coating, along with needed repairs is a best practice for the long term care of lower traffic asphalt areas to extend the useful life. We recommend starting routine clean/sealcoat cycles as shown here.

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

Repairing asphalt before seal coating is imperative. Thorough surface preparation and dry weather during and following application, is key to lasting performance. The ideal conditions are when the air and surface temperatures are 50 degrees and rising, with low humidity and calm wind. Seal coating should never be done when showers are threatening. Incorporate any striping and curb repair into this project. Fill cracks with hot rubberized crack fill and clean oil stains promptly in between cycles as routine maintenance.

Resources:

Best Practices Handbook on Asphalt Pavement Maintenance
<http://www.cee.mtu.edu/~balkire/CE5403/AsphaltPaveMaint.pdf>

For a general overview of Asphalt Seal Coat Treatments review this publication:
<http://www.wsdot.wa.gov/NR/rdonlyres/4A21ECE8-114B-434D-B967-0927541CE042/0/AsphaltSealCoats.pdf>

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

Useful Life:
5 years

Remaining Life:
1 years



Best Case: \$ 1,700

Worst Case: \$ 2,200

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 140 Vinyl Fence - Replace

Quantity: ~750 LF rail fence

Location: East boundary of NGPA/wetland area - from park area North to Bothell-Everett Hwy.

Funded?: Yes.

History: None known

Evaluation: Double rail, vinyl fencing has dirt/grime, but no obvious instability observed. Reported to us post caps were vandalized/removed at one point and Association has not replaced.

Plan to replace at roughly the time frame below. As routine maintenance, clean fencing and inspect regularly for any damage and repair as needed. If cleaning is not completed, can accelerate replacement of fencing due to contaminants on surface.

Useful Life:
30 years

Remaining Life:
17 years



Best Case: \$ 22,500

Worst Case: \$ 30,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 142 Wood Fence - Repair/Replace

Quantity: ~650 LF, 6' board

Location: East perimeter of property to the East of Lots 1-11

Funded?: Yes.

History: No major projects known

Evaluation: As discussed with our board contact, possibility that a portion of this fencing was existing prior to development of this site and remaining area built during construction of this community. Appearance of wood is weathered/faded in areas as no routine cleaning/staining as comprehensive project.

Plan to replace at roughly the time frame below. Typical failures occur from deterioration through end grains, contact with ground and surrounding landscape. Although portion of fencing may not be owned by Bordeaux, in the interest of keeping this Association perimeter consistent, funding for replacement of entire fence line included here.

As routine maintenance, inspect regularly for any damage and repair as needed. Avoid unnecessary contact with ground, sprinkler patterns and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance. Painting or staining the fence has a higher overall life cycle cost but may extend life somewhat in addition to aesthetic benefit.

Useful Life:
20 years

Remaining Life:
7 years



Best Case: \$ 14,300

Worst Case: \$ 19,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 145 Chain Link Fence - Replace

Quantity: ~100 LF chain link

Location: About 100LF of North end at West perimeter of Tract 997 NGPA near Bothell-Everett Hwy.

Funded?: Yes.

History: See comments

Evaluation: As discussed with Association, they are planning to install a chain link fenced at this location in 2018 to stop pedestrians using this area as a pass-through.

As routine maintenance, clean fencing and inspect regularly for any damage and repair as needed.

Useful Life:
30 years

Remaining Life:
0 years



Best Case: \$ 3,000

Worst Case: \$ 4,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 160 Street Lights - Replace

Quantity: Poles/fixtures

Location: Adjacent to roads

Funded?: No. Association not responsible for maintenance, repairs, replacement

History: N/A

Evaluation: As confirmed with Snohomish County PUD, these street lights are owned/maintained by PUD, therefore no reserve funding by Association needed.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 170 Landscape - Refurbish

Quantity: Beds, turf, plantings

Location: Common areas, planter strips adjacent to roads

Funded?: No.

History: See comments

Evaluation: Common area landscaping is fairly minimal, lower maintenance plantings. For information on street trees, see next component.

Currently, landscaping maintenance is funded out of the operating budget. As the association ages, many find the need or desire for larger scale refurbish projects not covered within the maintenance contract. These types of projects can include: bed renovations, major replanting, large scale bark or mulch replacements, turf renovations, drainage improvements, etc. At this point, no predictable basis for reserve funding.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 172 Trees (Street/NGPA) - Maintain

Quantity: Varies

Location: Street trees in planter strips adjacent to roads throughout community, trees in common area/NGPA
Funded?: Yes.

History: Work anticipated in 2018

Evaluation: This component includes street trees in planter strips adjacent to roads, all other trees at Association common areas including trees within Landscape Tract at the Eastern perimeter behind Lots 1-11 and South perimeter to the side of Lot 11 and behind Lots 44-49 and trees within the Native Growth Protection Area/Wetlands site.

As discussed with us, plans in 2018 to do some tree work (trimming, removal, etc.) as needed as shown. Reported some periodic work such as this has occurred in the past. We highly recommend if the community has not already done so, consult with a qualified arborist to assess the appropriateness of current plantings and for a long term plan for the care and management of the trees within the community, balancing aesthetic with protection of association assets. Tree roots can be damaging to walkways, irrigation, underground utilities and building structure.

Useful Life:
4 years

Remaining Life:
0 years



Best Case: \$ 4,100

Worst Case: \$ 6,100

Lower allowance

Higher allowance

Cost Source: Estimate by Client

Comp #: 174 NGPA/Wetlands - Maintain

Quantity: Trees, etc.

Location: West areas of site (Tract 997_

Funded?: No. Useful life not predictable

History: See comments

Evaluation: Native growth areas are typically a low maintenance item, as they are designed to be left permanently undisturbed in a substantially natural state. Some work at trees may be needed, however addressed in previous tree component (#172).

No basis for reserve funding at this time, incorporate into future reserve study updates if funding basis emerges.

Comply with any and all governmental regulations regarding these areas. Activities that may be allowed in a native growth area are very limited, but may include maintenance of the drainage basin and removal of trees deemed hazardous by the local jurisdiction.

Washington State's Growth Management Act (GMA) was established by the state legislature in 1990. The GMA requires the State and local governments to identify and protect critical areas and natural resource lands. Native growth areas are typically either recorded as an easement or as a separate tract/parcel of land.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 175 Irrigation Systems - Repair/Replace

Quantity: Pipes, controls, etc.

Location: Common areas Recreation/Open Space at central area of community and small system at entry sign

Funded?: No.

History: None known

Evaluation: Reported to us, two systems maintained by the Association; open space/park area and small system at entry sign. No problems reported to us; we inspected in winter during off-season. There was a temporary system installed initially at Landscape Tract 996 at East area of site but is not used/decommissioned as only installed to establish plantings at beginning of development.

No problems reported to us; system winterized during our January 2018 site visit. No predictable large-scale costs at this time. Have your landscaper or irrigation specialist periodically unearth sections to check lines for any damage or deterioration. PVC can eventually become brittle and leak (typically not before the 40 year mark of life).

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

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 182 Drainage, Storm Sys - Maintain

Quantity: Vault, (12) filters

Location: Vault/filters located under ground below common basketball court at recreation/open space tract (Tract 997)

Funded?: Yes.

History: Last in 2013

Evaluation: As discussed with our board contact, there is a stormwater vault with cartridges (see location above) the Association is responsible to maintain. Reported to us, cartridges were last replaced about 2013. Our board contact reports a couple board members have been given education and inspect these systems periodically.

As discussed with us, plan to replace cartridges (and clean vault) as shown here. Timing can vary, so periodic inspections are imperative. Analysis of the drainage system is beyond the scope of a reserve study as the vast majority of the drainage systems are located below ground. We assume part of this cleaning would include three catchbasins at the private alley roads (#121).

As routine maintenance, inspect regularly and keep drains/grates free of debris to ensure water drains as intended. Maintenance schedules on stormwater systems depend on the condition of the system itself and the amount of sediment and debris moving around on site. Stormwater inspections usually consist of inspecting the catch basins and manholes, ensuring vaults and control structures are properly functioning. Evaluation of drainage can include the visual review of interior drain lines by use of miniature remote camera. Clean out drain lines and basins as often as needed in order to prevent decreased drainage capacity. Repair as needed. The responsibility of keeping the stormwater system in good working order falls on the association.

Useful Life:
4 years

Remaining Life:
0 years



Best Case: \$ 4,000

Worst Case: \$ 5,000

Lower allowance

Higher allowance

Cost Source: Inflated Client Cost History

Comp #: 200 Entry Sign/Monument - Replace

Quantity: (1) stone/wood

Location: Entry area of property at SE corner of 124th St. SE & 21st Ave. SE (easement on Lot 1)

Funded?: Yes.

History: None known

Evaluation: The entry monument here includes stone covered pillars, slab stone sign/marquee lettering and wood trellis above. No major damage noted; weathering of wood trellis noted.

Reserve funding recommended for regular intervals of replacement to maintain a consistent, quality appearance. Inspect periodically, repair, clean, and touch up for appearance as needed using general maintenance funds; we recommend routine staining of wood to prevent premature aging.

Useful Life:
20 years

Remaining Life:
7 years



Best Case: \$ 4,000

Worst Case: \$ 6,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 201 Common Signage - Repair/Replace

Quantity: Varies

Location: Varies

Funded?: No. Too small for reserve funding

History: Unknown

Evaluation: A small amount of signs such as park identifiers, rules, etc. noted at common areas. Most are standard, smaller metal signs attached to wood posts. With small total quantity and lower cost implements, no reserve funding anticipated. If larger, more elaborate signs desired, can adjust in reserve study updates. In reviewing Association expense records, some costs in past but none greater than \$135.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 205 Mailboxes - Replace

Quantity: (6) metal cluster stands

Location: Adjacent to roads throughout the community

Funded?: Yes.

History: None known

Evaluation: While some local dings/deterioration of surfaces, no major or widespread instability noted.

In our experience, it is best to plan for total replacement at roughly the time frame below due to constant usage and wear over time. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges, and repair as needed from operating budget. Note: USPS has a limited budget for replacement and should not be relied upon for purposes of long term financial planning.

Useful Life:
20 years

Remaining Life:
7 years



Best Case: \$ 7,500

Worst Case: \$ 10,500

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 322 Basketball Court - Repave

Quantity: ~720 SF, asphalt

Location: Community park area/open space

Funded?: Yes.

History: None known

Evaluation: No major damage/deterioration observed of asphalt, small basketball court. Surfaces has some striping, but does not appear to have any type of seal/coating.

In addition to periodic local repairs/stripping (we assume out of the operating budget as needed), we recommend planning for large scale repaving/resurface as shown. Although surface coating might help prolong life, since no history of this and assume low usage area without vehicles, no funding for coating in this reserve study. If coating, most likely would be operating budget funding based on size. We have aligned remaining useful life with road project (#120) for cost efficiency/consistency.

Useful Life:
30 years

Remaining Life:
16 years



Best Case: \$ 1,800

Worst Case: \$ 2,300

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 330 Basketball Eqp - Replace

Quantity: (1) post/hoop assembly`

Location: Adjacent to basketball court (#322) at park area

Funded?: Yes.

History: Installed in 2009

Evaluation: No instability or major damage noted of steel post and backboard/hoop assembly. This was not installed initially by developer but was added by the Association at a later date (2009).

Replacement cycles vary depending on the amount of use/abuse, however expect replacement as shown here due to typical damage/deterioration that will result over time in this highly exposed area. Inspect for stability, damage and excessive wear and utilize maintenance funds for any repairs needed between replacement cycles.

Useful Life:
25 years

Remaining Life:
16 years



Best Case: \$ 2,500

Worst Case: \$ 3,500

Lower allowance

Higher allowance

Cost Source: Inflated Client Cost History

Comp #: 340 Play Equipment - Replace

Quantity: (1) Timber structure

Location: Common area park at central area of community

Funded?: Yes.

History: No major projects known

Evaluation: Some wear of wood surfaces, however no obvious major instability observed and no problems reported to us.

Replacement cycles vary depending on the amount of use/abuse, however plan for replacement as shown here. It is imperative routine inspections for stability, damage and excessive wear are completed utilizing maintenance funds for any repairs needed between replacement cycles.

Resource: (although not public, this document is a good guideline)

<http://www.cpsc.gov//PageFiles/122149/325.pdf>

Useful Life:
15 years

Remaining Life:
2 years



Best Case: \$ 15,000

Worst Case: \$ 25,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 342 Swingset - Replace

Quantity: (1) structure

Location: Common area park at central area of community

Funded?: Yes.

History: Anticipated to be replaced in 2018

Evaluation: The photo here shows timber swingset which will be replaced in 2018 with a steel structure. We were provided with an approved bid for work planned for 2018. Reported to us, new swingset will be a metal structure. This new set will have 3 regular and 1 toddler swing.

This component assumes replacement as reported to us in 2018 (see component #345 for the 2018 project). It is imperative routine inspections for stability, damage and excessive wear are completed utilizing maintenance funds for any repairs needed between replacement cycles.

Useful Life:
20 years

Remaining Life:
19 years



Best Case: \$ 8,000

Worst Case: \$ 10,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 346 Site Furniture - Replace

Quantity: ~ (6) metal

Location: Common park area

Funded?: Yes.

History: Dog stations installed 2009-10; rest appear original

Evaluation: Site furniture includes originally installed picnic set, two benches, trash receptacle and two dog stations (these installed by HOA subsequent to development). No specific issues observed of these pieces.

Best to plan for replacement as shown here as will deteriorate over time due to exposure. Inspect regularly and repair as needed. Clean with an appropriate cleaner (refinish if desired) using general maintenance funds.

Useful Life:
20 years

Remaining Life:
7 years



Best Case: \$ 4,000

Worst Case: \$ 5,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 350 Park Project - 2018 One Time Funds

Quantity: Swing, drains, chips, etc

Location: Common area park at central area of property

Funded?: Yes.

History: N/A

Evaluation: This component is for the park project anticipated to occur in 2018 as reported to us. As discussed with board member and outlined in approved bid by Guion Brothers Landscape, LLC, scope of work to include installation of 12x12 catch basin and french drain, haul/spread 20 yards of wood chips at play area, extension of play area to the East by 6' and removal and replacement of swingset. The approved Guion bid is \$9,971.73 however that does not include the actual purchase of the playset with board indicating total project cost about \$14,500. We are reflecting this as a one time cost in 2018 as shown.

Useful Life:

Remaining Life:
0 years



Best Case: \$ 14,000

Worst Case: \$ 16,000

Lower allowance

Higher allowance

Cost Source: Bid/Per Client