Camano Hills HOA

Camano Island, WA

Level II Reserve Study Update (With Site-Visit)

Report Date: May 22, 2023

For Fiscal Year: 2024

Report#: 17390

Version: Final

Reserve Data Analyst, Inc.

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Camano Hills HOA
Introduction

Thank you for utilizing the services of Reserve Data Analyst for your reserve study. We strive to create a comprehensive report that can be utilized for your budgeting needs. If there are any questions, concerns, corrections, or revisions needed please do not hesitate to call or email us. While this study does have some explanations of the methodology used, we have kept it to a minimum for brevity. More detailed explanations of methodology & concepts are explained in our Reserve Study Guidebook available at the following link:

www.reservedataanalyst.com/guidebook

The recommendations for the allocation rates of the different funding models are only for the beginning year of this reserve study; all future years are projections which are educated guesses and have numerous assumptions (e.g., inflation, proper maintenance, proper installation, known reserve account balances, etc.) built into the models. The further out in time a reader of the study goes, the less reliable the projections are likely to be. Note that therefore the recommendations for the first fiscal year in the study are based on current cost and current useful life estimates levels as opposed to future cost and future useful life projections.

From year to year the recommendations of the reserve analyst will typically change (sometimes significantly) based on variables such as what projects have been done, what projects has been deferred, changes to the allocation rate, changes to the starting balance, changes to the component list, actual inflation rate figure (versus projections), maintenance or lack of maintenance of components, etc. Annual updates to the study help to incorporate change to these variables as they occur so changes to the recommendations are less significant than if updates are done infrequently.

There are a couple of tips to consider that will help you both navigate this study and understand the different sections within the study:

- ***Study Navigation*** - To navigate this study more easily, we recommend printing out the Table of Contents page at the beginning of the study and the Component Index pages at the rear of the study. We have found it easiest for most readers to have the PDF of this study open on their computer while referring to the printed-out Table of Contents and Component Index pages.

Within this reserve study you will find:

- A list of common questions that a typical reader of our reserve study will have, as well as links to additional information on the topics: (*Reserve Study Knowledge Base*)
- A list of the site and building components that are reportedly the Client's responsibility along with their respective costs and quantity: (*The Component List*)
- A timeline of the estimated dates that we recommend funds be allocated to the repair/replacement project. (*Projected Expenditures Report*)
- Various funding models with different goals in mind. (*Summary and Projections for each Funding Model*)

Camano Hills HOA
Executive Summary

Name	Camano Hills HOA
Location	Camano Island, WA
Contributing Members	79
Base Year / Age	June 1, 1992
Fiscal Year Ends	December 31, 2024

Level of Service	Level II Reserve Study Update (With Site-Visit)
Prepared for Fiscal Year	2024
Last On-Site Inspection Date	May 22, 2023
Inflation Rate for Projections	3.50%
*Interest Rate for Projections	4.25%
*Tax Rate on Interest Earned	30.0%
Funding Plan Method	Inflation Adjusted Pooled Cash Flow Method

Reserve Account Summary

Current Percent Funded (as of January 1, 2024)		
26.3%	**Fiscal Year Beginning Fully Funded Balance**	$888,227
	***Estimated FY Start Balance**	$233,600
	Total Reserve Account Surplus or (Deficit)	($654,627)
	Avg. Surplus or (Deficit) Per Contributing Member	($8,286)
	***Current Annual Reserve Allocation Rate**	$19,750 per year
	***Approved Special Assessments**	None in fiscal year 2024.
	***Approved Loans**	None in fiscal year 2024.

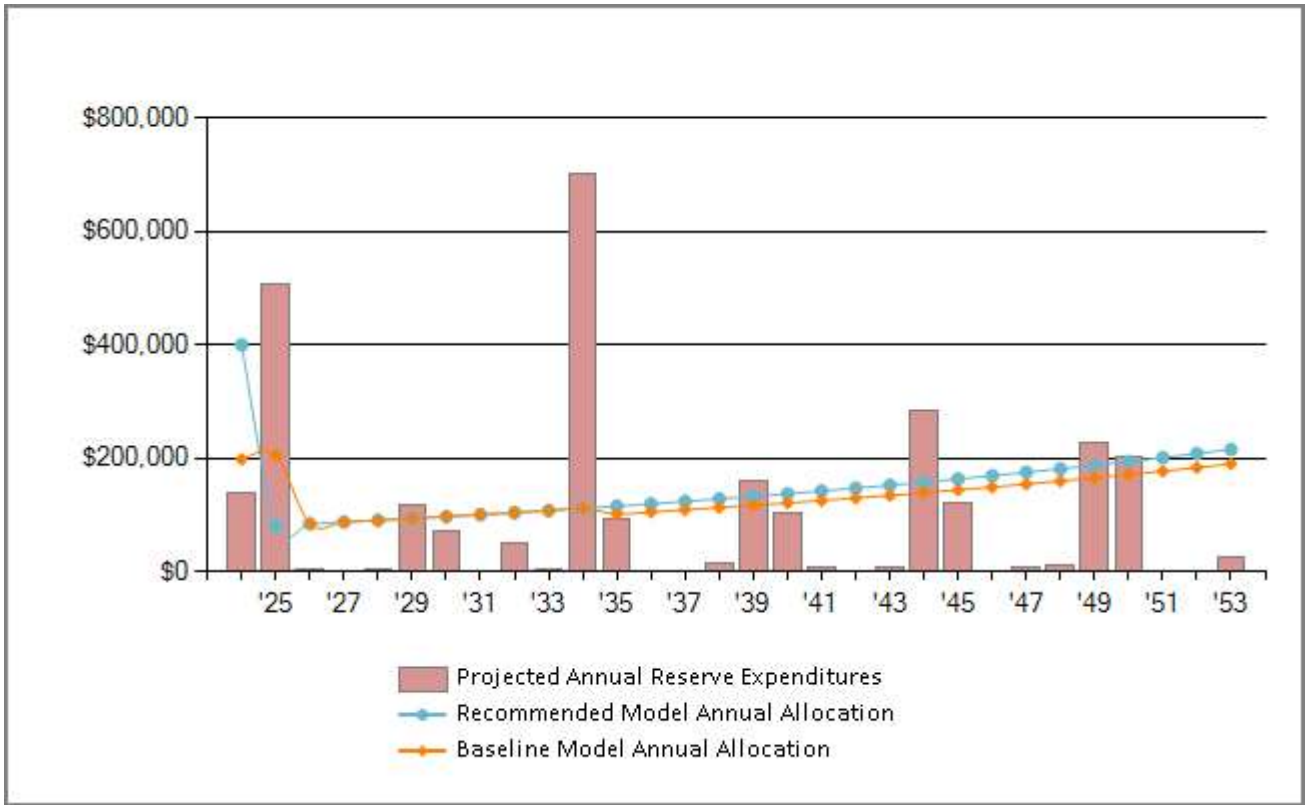
0-30% Low | 30-70% Fair | 70-100% Good

5-Year Summary - Annual Reserve Allocation Rates & Year End % Funded

	100% Funding Model		Recommended Funding Model		Baseline Funding Model		**Current Funding Model		
2024	715,428	100%	400,000	61%	198,803	36%	19,750	14%	***2024***
2025	71,710	100%	82,500	21%	205,762	0%	20,441	-90%	***2025***
2026	74,220	100%	85,388	35%	85,339	17%	21,157	-72%	***2026***
2027	76,818	100%	88,376	46%	88,326	30%	21,897	-57%	***2027***
2028	79,507	100%	91,469	54%	91,417	40%	22,664	-46%	***2028***
	Account is at least 100% funded each year.		*Achieve 100% funded within the timeframe of this study.*		*Reserve account above $0 within timeframe of study.*		*Current allocation rate has been supplied by the Client.*		

** Data supplied by the Client, assumed to be correct and not independently verified.*
***Any negative percent funded shown is for visual representation of deficiency.*

Camano Hills HOA
Projected Annual Expenditures - Chart



The above chart provides a visual of the reserve account projected expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for, as they are often overlooked, or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later.

One of the greatest challenges when planning for reserve budgeting is creating and implementing a funding model that is stable and fair while also adequate to cover reserve project expenditures that are typically infrequent and erratic. This is particularly true for reserve accounts that drop to low levels of funding; there will be a need to catch up the reserve account to a more suitable level while also being as fair and stable as possible as time progresses.

We have created numerous funding models with various goals in mind; the above models (Recommended & Baseline) adhere to the principle of having stability going forward in time while also covering the projected annual reserve expenditures. Their respective annual allocation rates (lines on the chart) are shown compared to the annual reserve expenditures (columns on the chart) within the timeframe of the projections. Note the relative stableness of the annual funding model allocation rates versus the infrequent and erratic nature of the reserve expenditures.

What is a Reserve Study?

A reserve study is a budgeting tool that can be utilized to make more informed budgeting decisions regarding a reserve account, it is an independent assessment of the adequacy of the reserve account balance and allocation rate utilizing a mathematical formula known as the "Percent Funded" calculation.

The Reserve Analyst develops funding models that:

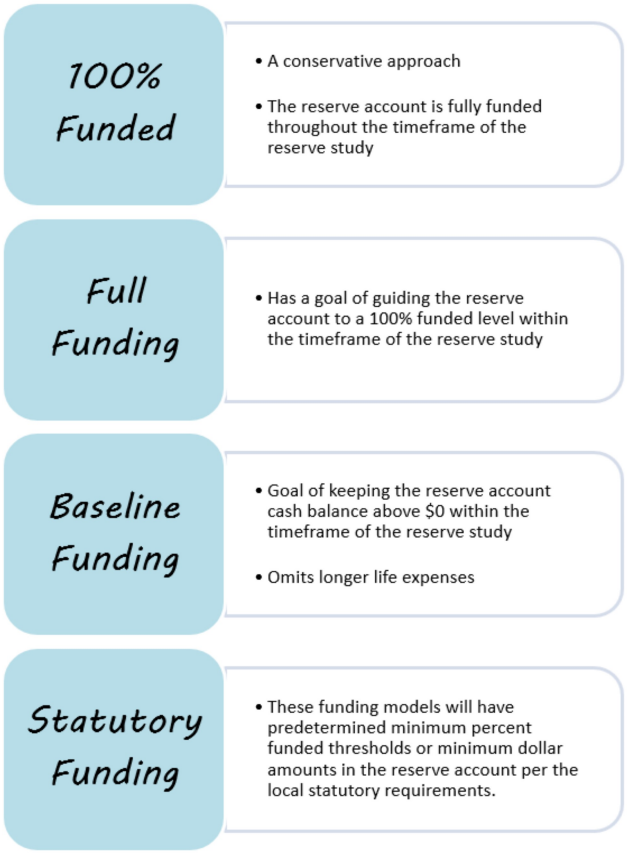
- Distribute the costs as fairly as possible over time
- Have stable budgets over time (i.e., limiting large fluctuations from one year to the next)
- Limit the risk for reliance on emergency financing or having to defer overdue projects

A Reserve Study is an independent assessment of the reserve account and is not the Budget ….

The reserve study is not the budget, and it should not be revised to just reflect the budgeting decisions of the Client. An example of this is to push off overdue projects that the Client may not have the funds to complete. The reserve study should reflect the replacement dates of the components utilizing average useful lives and average costs for these projects; the useful lives can be updated to reflect actual on-site conditions as the components age. Should the Client decide to defer projects that appear to be overdue this is simply a budgeting decision that carries its own risk.

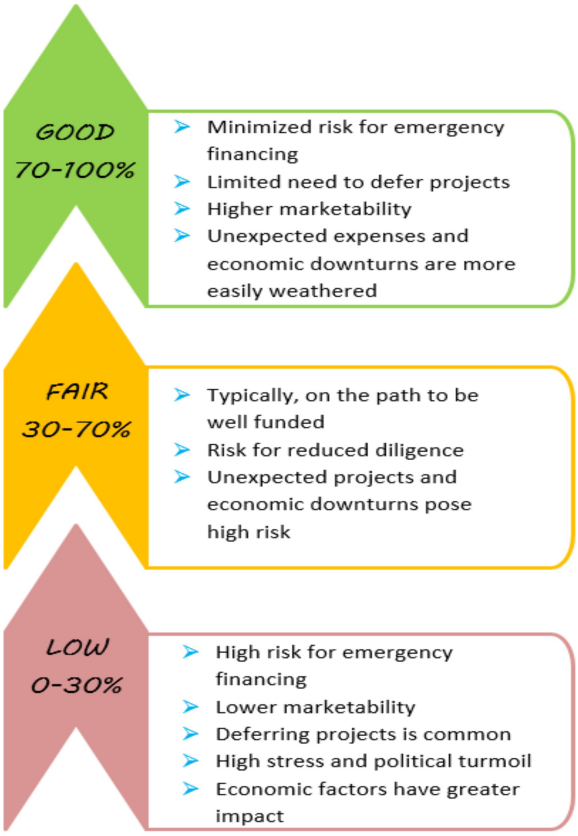
How Much Should We Reserve?

There is no right or wrong answer to the question of "How Much Should We Reserve?" as the reserve contributions in all the funding models in this study are based on different funding goals. It is more appropriate to consider the risk levels associated with different funding models as each Client has different risk tolerances and challenges in enacting whatever funding model is most appropriate to them. In our opinion any funding model that projects the reserve account balance to dip to zero would not be appropriate or fiscally responsible as future emergency financing or deferring projects are typically the outcome. Below are some of the more common funding models utilized:



About Percent Funded

Percent funded is a calculation of how much is in the reserve account versus an ideal amount known as the Fully Funded Balance. The different risk levels associated with the levels of funding are explained in more depth below.



The below video link explains the Percent Funded calculation in more detail:

www.reservedataanalyst.com/pf

About the Fully Funded Balance

The Fully Funded balance is a mathematical calculation that represents the accrued deterioration of a component or a group of components at a specific point in time. It is an answer to the question of "How much should be in a reserve account at a specific point in time?' When the reserve account balance is the same as the Fully Funded Balance the reserve account is considered Fully Funded (100% Funded) at that specific point in time.

The below video link provides a more in-depth explanation of the Fully Funded balance:

www.reservedataanalyst.com/ffb

Calculating Inflation in the Reserve Study

Inflationary factors impact the project costs over time and are the main driving force that must be overcome with diligent and steadfast budgeting towards reserves. Due to the compounding impact of inflation on costs, in a relatively short period of time, a reserve account can be become severely underfunded if it is not considered in the budgeting scenarios. Follow the below link to learn more about how we calculate inflationary factors (escalation of the prices) in the reserve study and some of the tools we use in the process:

www.reservedataanalyst.com/inf

Component Useful Life Estimates

The useful life of components in the reserve study are predominantly based on our experiences with many different types of organizations and their respective repair and replacement cycles with building and site components. In addition to our own experiences working with many organizations over the years there is ample data available online regarding useful life estimates of building and site components. It is important to note that the estimates in the reserve study are based on averages and are not specific to any one property. Follow the below link to view some of the various useful life tables that we utilize:

www.reservedataanalyst.com/ul

Determining Component Project Costs

We utilize many sources for determining what is an appropriate component project cost in the reserve study. These can include:

- Client invoices, bids, estimates
- Our in-house database that is based on the collection of many Client invoices, bids, and estimates
- Cost manuals that, when used correctly, are very accurate for average cost figures

It's important to understand that unless we are provided actual project costs based on a client invoice/bid or estimate we utilize average costs figures that are not specific to any one Client. In the bidding process you will find that there is a ... large difference in price from one vendor to the next for a variety of reasons. We aim to be in the middle of these estimates unless we have Client data to incorporate into the reserve study. Future costs (projections) for the component expenses are simply inflated from current cost based on the inflation assumption in the reserve study. It is important to remember that our current recommendations are based on current project costs and not the inflated number that is utilized in the projections portion of the reserve study. The below link goes into this topic in more detail:

www.reservedataanalyst.com/cost

National Reserve Study Standards

There are two recognized organizations that dictate national reserve study standards in the industry. The Community Association's Institute and the Association of Professional Reserve Analysts award designations to those reserve study professionals that meet education & work experience, adhere to the minimum report requirements, complete ongoing continuing education courses, and abide by ethical considerations in the field. The standards for both organizations can be viewed at the links below:

www.reservedataanalyst.com/CAI

www.reservedataanalyst.com/APRA

What Components to Include in the Study?

Reserve expenses for components are major expenses which must be budgeted for in advance to provide the necessary funds in time for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. They are expenses that when incurred would have a significant impact on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance.

A common concern when beginning this process is what components are to be included and funded for in the Reserve Study. Nationally recognized CAI Reserve Study Standards as well as APRA Standards of Practice dictate that the reserve components need to meet the following criteria:

- It's not already covered in the Operating Budget
- The component has a limited life expectancy
- The component has a reasonably defined remaining useful life
- As required by local statutes

When to Complete Reserve Projects?

Components should be replaced when they are no longer functioning as designed. This is best determined by your component specific Vendor who can inspect and give their best professional advice on the condition assessment and timeframe on when/what needs to be done. Note that this reserve study is ***not*** a "to do list"; it is a budgeting document with recommendations for when we suggest having the funds allocated towards the projects ... If something fails earlier than projected than replace it, if it lasts longer (as determined by your component specific Vendor) then take their advice as they are the professionals in their specific field. Projects should be completed when they need to be completed regardless of our projections in the study. Note that this does not mean it would be appropriate to delay projects simply because funds are not available though as that is a budgeting decision not based on component specific Vendor recommendations. A common issue we see is the delay of projects simply because there is a lack of reserve funds available, only to have a much larger and more expensive project later due to collateral damage (e.g. not replacing a roof in a timely manner, which then leaks and causes siding damage).

Ongoing Component Maintenance

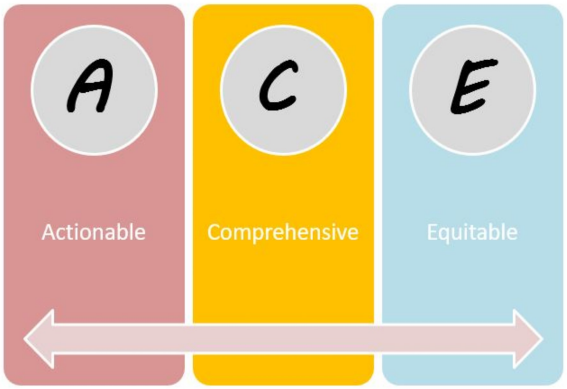
While this reserve study has been developed to disclose and inform the Client of the predictable larger long-term project costs related to site and building components, there is also a need to complete regular inspections and repairs to virtually all components on much shorter cycles. These costs would typically be covered in the annual and ongoing Operating Budget (e.g. roof inspections & repairs, spot painting, sprinkler head replacement, door hardware replacement).

Virtually all the components should receive regular cycles of inspection and repairs by a qualified Vendor. Failure to complete ongoing maintenance typically leads to shorter useful lives and higher costs later. RSMeans provides a free link to common building and site component items to inspect at various corresponding time frames.

www.reservedataanalyst.com/RSmeans

You Have a Reserve Study Now What?… Goal Setting

Adequately budgeting for reserves is often one of the more difficult tasks our clients face. Reserve component projects are infrequent and often years down the line, making it very easy to just "deal with it later". We have found those that are most successful with reserve budgeting goals typically follow some simple rules.



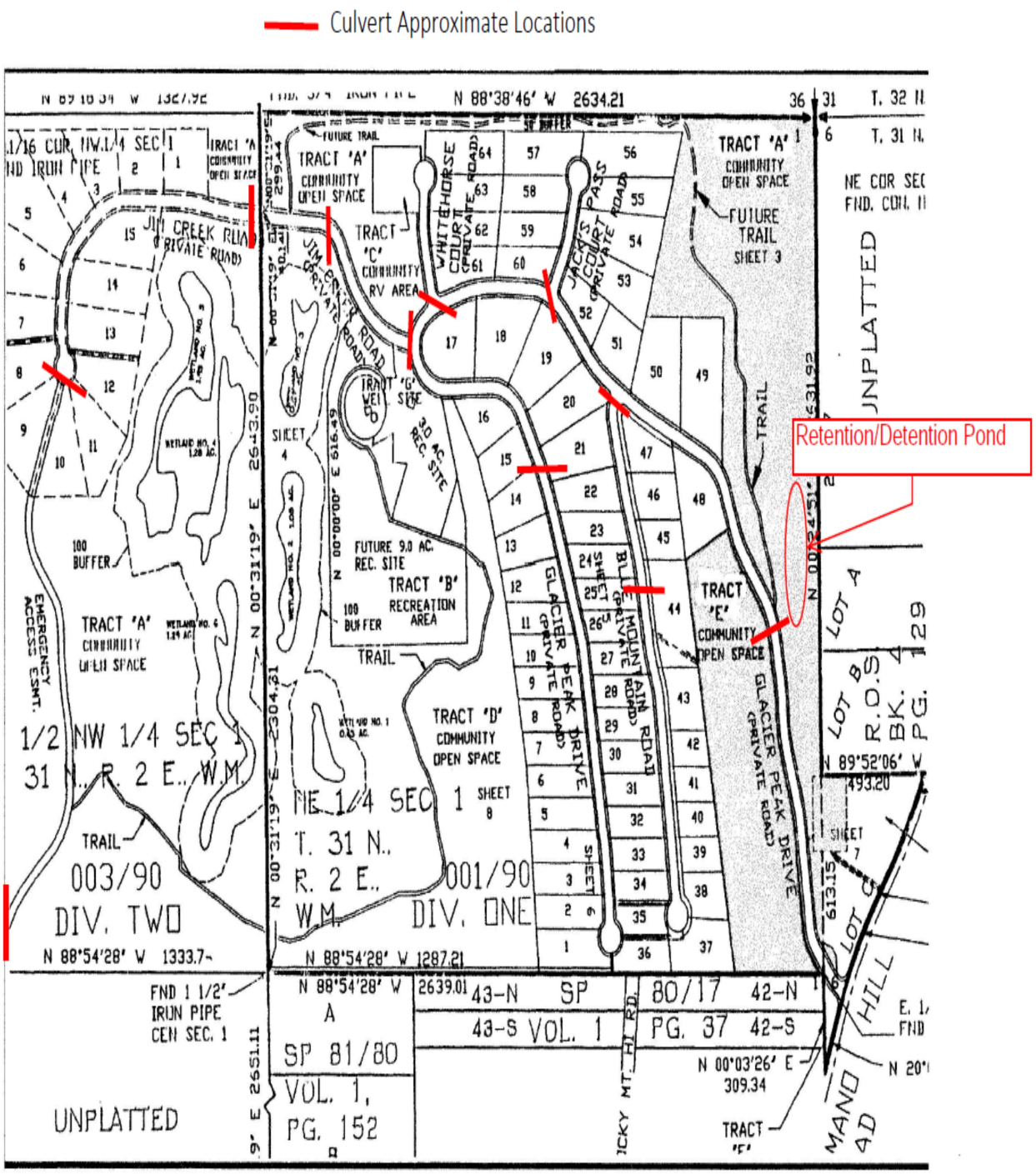
1. *Actionable*
   Is your goal possible within the constraints & limitations of very important but often overlooked factors related to statutory requirements and the governing documents? What may seem very "Reasonable" to the Board may very well be illegal or against the governing documents.

2. *Comprehensive*
   Your goal should be clear and specific, otherwise you won't be able to focus your efforts or feel truly motivated to achieve it. When drafting your goal, try to answer the four "W" questions - *What* do we want to accomplish? *Why* is this goal important? *Who* is involved? *When* is this goal set to occur?

3. *Equitable*
   Your goal should be reasonable and attainable to be successful. In other words, it should stretch your abilities but remain possible. When you set an achievable goal, you may be able to identify previously overlooked opportunities or resources that can bring you closer to it. This often means that transitioning to a more stable financial track will take years of smaller goals being obtained. Severely underfunded reserve accounts typically develop after many years or decades; it's usually not reasonable for the answers to come quick or easily.

Beware setting reserve budgeting goals that someone else has the ultimate control over (e.g., future Boards). For example, "We'll plan to start raising the reserve allocation rate in 3 years". This simply puts the responsibility on someone else and is just another way to "deal with it later". A future Board may have other ideas entirely or could be dealing with an economic downturn during which times raising the allocation rate is extremely difficult.

Camano Hills HOA
Site Map



Comments on the Current Funding Model Annual Allocation Rate

In prior years that we have completed the reserve study the Client has stated that a $250 per lot special assessment (total of $19,750) had been approved through fiscal year 2025 however the most recent information supplied to us for this Fiscal Year 2024 Update is that this is was/is not a special assessment and has no end date. We have incorporated the annual reserve allocation rate supplied to us for the Current Funding Model in this reserve study based on the most recent information supplied to us.

Reserve Analyst Comments on Common Areas

Trails System

It is assumed the trail systems will remain dirt and not be replenished with gravel

Fire Road

It is assumed that the Fire Road will see regular cycles of gravel replenishment to ensure the year road accessibility of this road to the rear of the community.

Water System

None of the potable water systems components in this community have been considered in this reserve study as all are reportedly the responsibility of the local water district (Camano Hills Water District). This includes all equipment, holding tanks/towers, main distribution piping, wells, etc. Should the Association discover that any portion of this systems is determined to be the Association's responsibility then these can be incorporated into future reserve studies. Note than the inclusion of any aspect of this water system will significantly alter the recommendations, funding models and projections in this or future reserve studies. If there is any doubt as to who is responsible for any portion of this system, then we strongly recommend consulting with an attorney familiar in these matters and well before any anticipated expenses that could arise.

Excluded Components

Unless noted otherwise the below components have been excluded from funding in this reserve study. Note that the inclusion of any of these items later via a revision or update to this study will impact the funding strategies developed by the Reserve Analyst.

Long Life Components

If properly constructed the below components are long life components which, currently, have no predictable useful life, predictable remaining useful life or predictable associated replacement costs. As these components age and a history of repair/replacement needs becomes evident or there are failures then we suggest reevaluating these systems and have them inspected by qualified vendors. Future updates to the reserve study should be revised accordingly.

1. Storm Sewer System/Retention Pond Refurbishment - If properly maintained this has not predictable useful life.
2. Electrical Modernization
3. Gazebo Concrete Slab

Not Client's Responsibility

The below components are reportedly not the Client's responsibility per their interpretation of their governing documents. Note that the Reserve Analyst does not interpret governing documents and have excluded items based on the Client' s request and their interpretation of their own governing documents. If there is ambiguity or questions as to

what specific wording means in the governing documents, we recommend consulting with a qualified and experienced attorney.

1. Water System (wells, tower, equipment, meters) – Camano Hills Waster District
2. Main Water Lines – Camano Hills Water District
3. Sewer Systems & Piping - Lot Owner's & Utility Company's Responsibility
4. Pole Lights – Utility Company
5. Retaining Walls at side of streets – Lot Owner's Responsibility
6. Gravel & Landscaping at side of Street - Lot Owner's Responsibility
7. Fire Hydrants – Camano Hills Water District
8. Irrigation System (hose/drip) at Entry – Reportedly a Nearby Lot Owner's Responsibility
9. Culverts at Ditches & Lot Driveways (parallel to roads) – Lot Owner's Responsibility

Operating Account Expense

The below components are reportedly paid from the Operating Account and have not been included in this reserve study.

1. Storm Sewer System Maintenance - We recommend setting up an annual contract with a qualified Vendor, inspection, sediment removal and ditch cleaning.
2. Tree Care – Hazardous Tree Removal/Trimming/Roots – All common areas are within areas designated as Open Space and it is typically against County rules and restrictions to remove trees without appropriate permission.
3. Trail Maintenance – It is assumed the trails are being left as dirt surfaces that can be maintained from the Operating Account on an as needed basis. Should there be a desire to cover these trails with gravel this can be incorporated into future reserve studies.
4. Asphalt Crack Sealing - Complete annually.
5. Asphalt Repairs - Complete as needed.

Comments on Assessment & Disclosure Form

Included in the fee for this reserve study is an Assessment & Disclosure Form which complies with statutory requirements for common interest communities. Please follow the following link to complete the request form on our website: https://www.reservedataanalyst.com/rad/

Note that this form can only be requested after the budget has been voted on and approved by the Board and/or Community Membership. This disclosure is a requirement for Boards to provide to the membership annually.

Comments on Fully Funded Balance Calculations (Fully Funded Balance Calculation Page)

The Fully Funded balance calculations for each component (age & useful life) have been adjusted if a component has been superseded by another component, received a positive or negative life adjustment, or been phased over a period. These adjustments are needed so that the fully funded balance mathematical calculation for each component is accurate and appropriately contributes to the total fully balance calculation (located on the executive summary & projection pages) for all components in this reserve study.

Camano Hills HOA
The Component List

Report Date	May 22, 2023
Beginning Fiscal Year	January 01, 2024
Account Number	17390

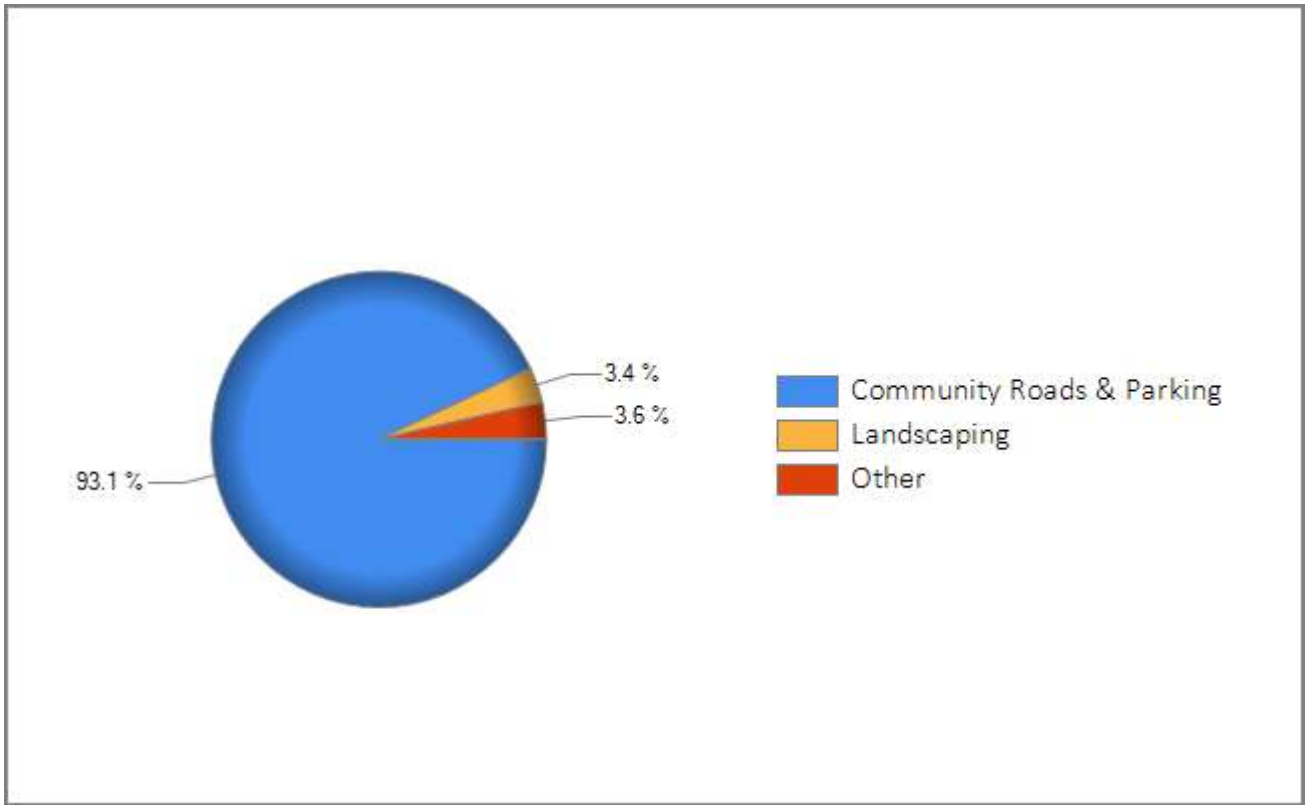
Version Number Final

ID	Description	Aprox. Year In Service	Replacement Year	Useful Life	Adjustment	Remaining Life	Units	Unit Cost & % Replace	Current Cost
1001	Asphalt - Blue Mtn Road - Overlay	1992	2025	30	3	1	49,476 sf	2.90	143,480
1002	Asphalt - Blue Mtn Road - Sealcoat	2008	2025	5	12	1	49,476 sf	0.40	19,790
1003	Asphalt - Entry Gate - Overlay	1992	2025	25	8	1	6,824 sf	2.90	19,790
1004	Asphalt - Entry Gate - Sealcoat	2008	2025	5	12	1	6,824 sf	0.40	2,730
1005	Asphalt - Glacier Peak Drive - Overlay	2008	2034	25	1	10	137,994 sf	2.90	400,183
1006	Asphalt - Glacier Peak Drive - Sealcoat	2008	2024	5	10	0	137,994 sf	0.40	55,198
1007	Asphalt - Jacks Pass Court - Overlay	1992	2025	30	3	1	9,720 sf	2.90	28,188
1008	Asphalt - Jacks Pass Court - Sealcoat	2008	2025	5	12	1	9,720 sf	0.40	3,888
1009	Asphalt - Jim Creek Road - Overlay	1992	2025	30	3	1	60,424 sf	2.90	175,230
1010	Asphalt - Jim Creek Road - Sealcoat	2008	2025	5	12	1	60,424 sf	0.40	24,170
1011	Asphalt - Park Parking - Overlay	1992	2025	30	3	1	10,956 sf	2.90	31,772
1012	Asphalt - Park Parking - Sealcoat	2008	2025	5	12	1	10,956 sf	0.40	4,382
1015	Asphalt - Whitehorse Court - Overlay	1992	2025	30	3	1	11,318 sf	2.90	32,822
1016	Asphalt - Whitehorse Court - Sealcoat	2015	2025	5	5	1	11,318 sf	0.40	4,527
1017	Athletic Stations - 1992 - Replace	Unfunded							
1018	Athletic Stations - 2012 - Replace	Unfunded							
1019	Benches - Replace	Unfunded							
1020	Concrete Curb - Repair - 10% Repair	1992	2024	5	0	0	876 lf	48.49 @10.0%	4,248
1021	Culverts - 10% Replace	2023	2026	3	0	2	418 lf	101.01 @10.0%	4,222
1022	Culverts - Wood (1992) - Replace	Unfunded							
1023	Culverts - Wood (2012) - Replace	Unfunded							
1024	Fence - Park - Replace	Unfunded							
1025	Fence - RV Parking - Replace	1992	2032	40	0	8	574 lf	28.29	16,238
1026	Gate - Access System - Replace	Unfunded							
1027	Gate - Entry - Replace	1992	2032	40	0	8	2 ea	8,500.00	17,000
1028	Gate - Fire Road - Replace	Unfunded							
1029	Gate - Operators - Replace	Unfunded							
1030	Gazebo - Paint/Stain	Unfunded							
1031	Gazebo - Refurbish	Unfunded							
1032	Gazebo Roof - Replace	Unfunded							
1033	Gravel - RV Lot - Replenish	2019	2024	5	0	0	21,598 sf	1.68	36,285
1034	Gravel Road - Fire Road - Replenish/...	1992	2024	20	0	0	24,696 sf	1.75	43,218
1035	Lights - Landscape - Replace	Unfunded							
1036	Lights - Pole - Replace	Unfunded							
1037	Picnic Table - Replace	Unfunded							
1038	Security System - Refurbish	Unfunded							
1039	Signs - Entry Monuments - Refurbish	Unfunded							
1040	Signs - Road - 25% Replace	Unfunded							
1042	Storm Drain System - Local Repairs	2023	2028	5	0	4	1 ls	5,000.00	5,000

Camano Hills HOA
The Component List

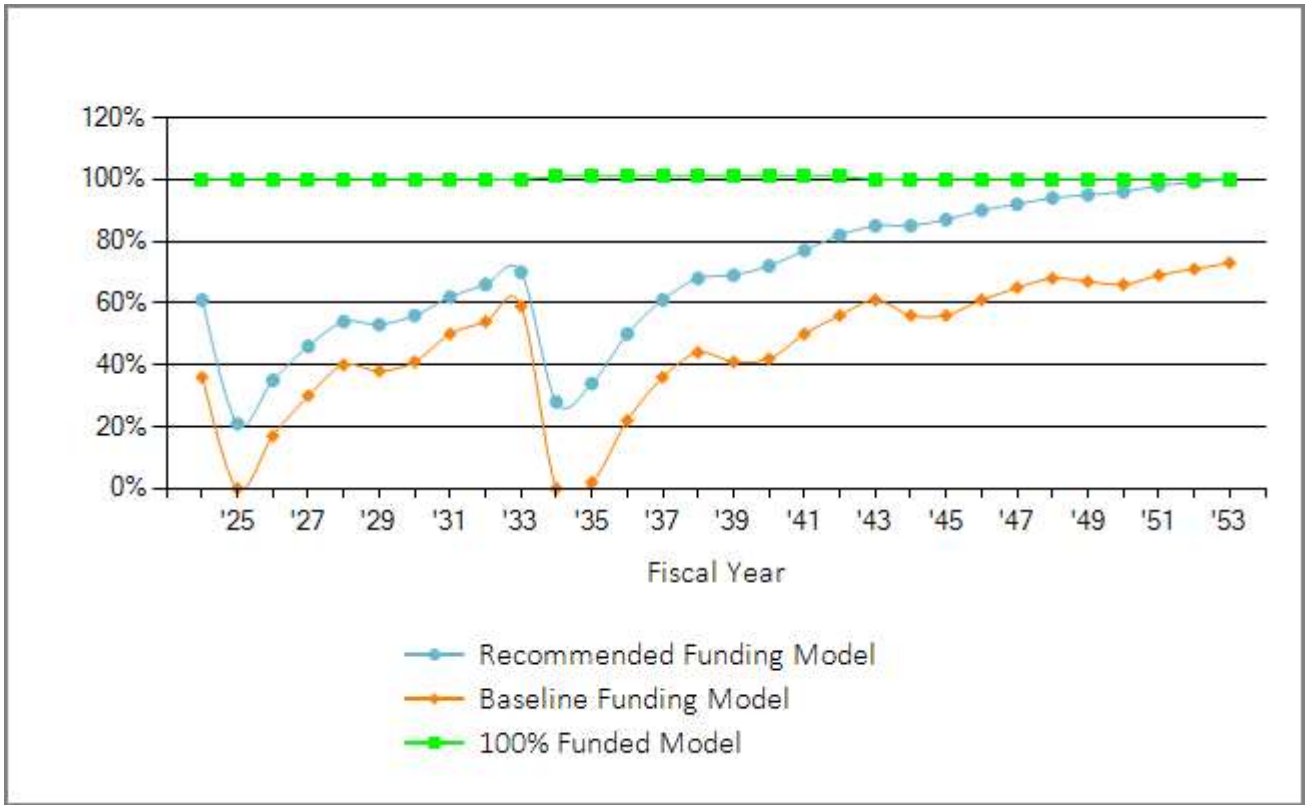
ID	Description	Aprox. Year In Service	Replacement Year	Useful Life	Adjustment	Remaining Life	Units	Unit Cost & % Replace	Current Cost
1041	Trash Receptacles- Replace	Unfunded							
Total Asset Summary:									$1,072,361

Camano Hills HOA
Current Cost by Category Chart



The above chart illustrates the current cost breakdown percentage of the Component Categories (the highest percentage components are listed at the top). Special attention should be given to those component categories which take up a bulk of the % of the current cost as these may require significant planning to adequately budget for their replacement. These large expenses may be well into the future during "Peak Year" cycles. Refer to the Projections and the Projected Annual Expenditure elements of this report for the projected timeline of expected expenditures.

Camano Hills HOA
Projected Percent Funded Chart



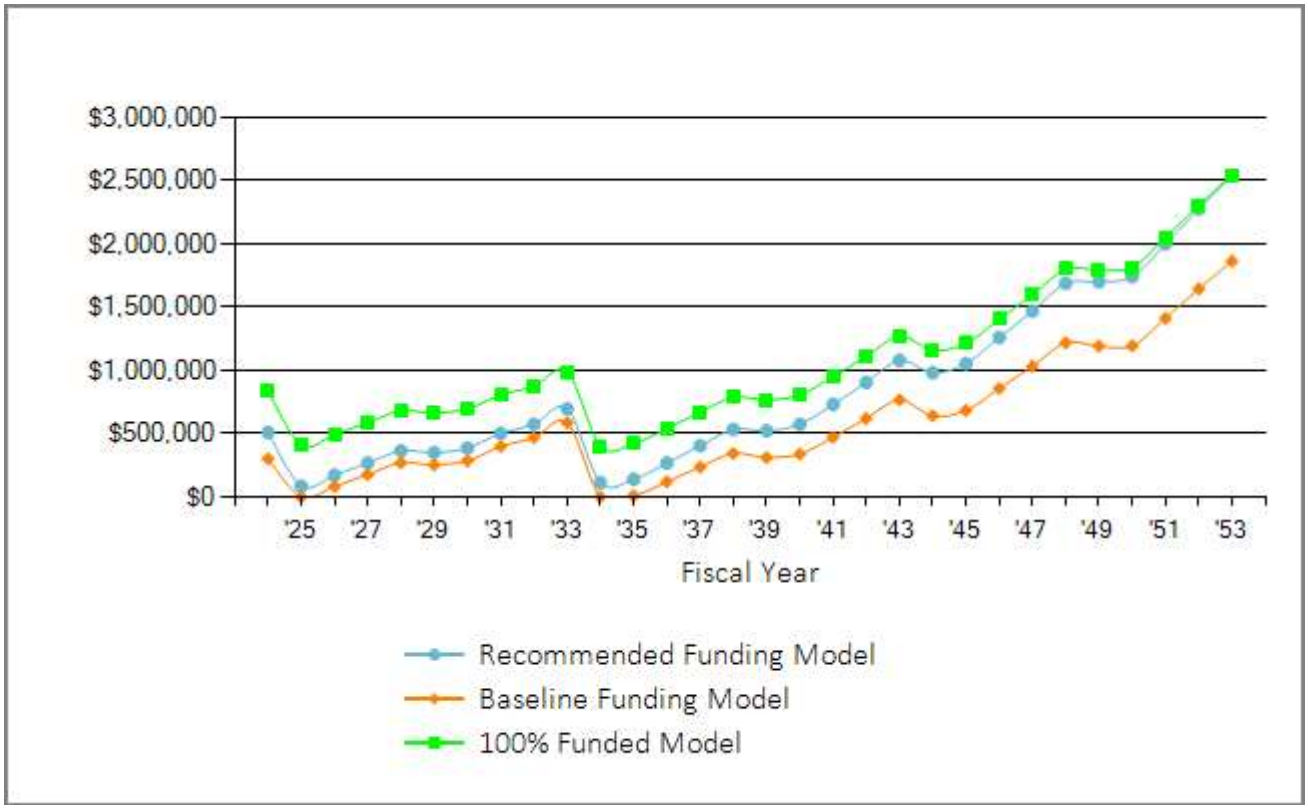
The above chart compares the funding models by the percentage funded levels over the timeframe of the projections, as calculated at the end of each fiscal year.

The *Recommended Funding Model* increases the Client's reserve account Percent Funded Level to 100% funding within the timeframe of the projections in this report. Once this 100% funded level is reached it is a good indicator that the Client is on track to meet its future obligations with minimal risk of reliance on emergency financing or having to defer projects that come due. Note that the Recommended Model is not necessarily a low risk, no risk or ideal model to follow. It simply has a goal of guiding the reserve account to a 100% funded level within the timeframe of projections.

The *Baseline Funding Model* has a goal of only keeping the reserve account cash positive within the timeframe of the projections (i.e., at some point within the timeframe of the projections the reserve account is depleted to near $0). This model carries significant risk for reliance on emergency financing and/or having to defer projects due to the common occurrence of components failing earlier than projected or costs increasing more rapidly than projected.

The *100% Funded Model* has a goal of maintaining the reserve account to a minimum of 100% Funded in each year of the projections. This model minimizes risk for reliance on emergency financing and deferred maintenance and places the reserve account on a low-risk path for budgeting of future reserve expenditures.

Camano Hills HOA
Projected Reserve Account Balance Chart



The chart above compares the annual year-end balance of the reserve account for the respective funding models over the timeframe covered in in the projections. Projected reserve account balances will often have large fluctuations from year to year due to projects occurring in any given year.

There is often an incorrect perception that the reserve account funds grow and just "sit" in the reserve account indefinitely. In actuality the reserve funds should be allowed to accumulate over time so that there are adequate funds when the reserve projects are projected to occur.

Camano Hills HOA
100% Funding - Summary

Report Date	May 22, 2023
Account Number	17390
Version	Final
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	79

Report Parameters

Inflation	3.50%
Annual Contribution Increase	3.50%
Interest Rate on Reserve Deposit	2.97%
Tax Rate Included in Interest Rate	
2024 Beginning Balance	$233,600

This funding model has a goal of being a minimum of 100% funded, annually, over the timeframe of the projections. Allocation rates will fluctuate based on the expenditures projected in any given year. The initial year will have a higher allocation rate than subsequent years if the reserve account is underfunded and requires a cash injection to elevate the reserve account to a 100% funded track. While being at a 100% funded level is considered ideal it has been our experience that it is frequently not realistic due to a lack of funds that would need to be deposited into the reserve account to elevate it to a 100% funded level in the initial year of the projections.

The following page provides the 30-year projections for this funding model.

Full Funding Model 30 Year Summary of Calculations

Required Annual Contribution	$715,427.76
Average Net Annual Interest Earned	$24,099.87
Total Annual Allocation to Reserves	$739,527.63

Camano Hills HOA
100% Funding - Year End Projections

Begining Balance: $233,600

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2024	1,072,361	3.5%	715,428		24,100	138,948	834,180	834,180	100%
2025	1,109,893	3.5%	71,710	-89.97%	11,839	507,946	409,783	408,719	100%
2026	1,148,740	3.5%	74,220	3.50%	14,265	4,523	493,745	491,898	100%
2027	1,188,945	3.5%	76,818	3.50%	16,974		587,537	585,244	100%
2028	1,230,558	3.5%	79,507	3.50%	19,674	5,738	680,980	678,583	100%
2029	1,273,628	3.5%	82,289	3.50%	19,176	118,712	663,733	661,018	100%
2030	1,318,205	3.5%	85,170	3.50%	20,104	73,125	695,882	692,875	100%
2031	1,364,342	3.5%	88,150	3.50%	23,325		807,357	804,486	100%
2032	1,412,094	3.5%	91,236	3.50%	25,266	49,329	874,530	872,006	100%
2033	1,461,517	3.5%	94,429	3.50%	28,624	6,814	990,769	989,056	100%
2034	1,512,671	3.5%	97,734	3.50%	11,572	699,534	400,541	397,412	101%
2035	1,565,614	3.5%	101,155	3.50%	12,158	93,014	420,840	416,230	101%
2036	1,620,411	3.5%	104,695	3.50%	15,635		541,170	535,518	101%
2037	1,677,125	3.5%	108,359	3.50%	19,323		668,853	662,645	101%
2038	1,735,824	3.5%	112,152	3.50%	22,791	14,928	788,868	782,565	101%
2039	1,796,578	3.5%	116,077	3.50%	22,151	160,381	766,715	760,065	101%
2040	1,859,458	3.5%	120,140	3.50%	23,315	103,150	807,020	800,075	101%
2041	1,924,539	3.5%	124,345	3.50%	27,483	7,578	951,270	944,609	101%
2042	1,991,898	3.5%	128,697	3.50%	32,129		1,112,096	1,106,397	101%
2043	2,061,615	3.5%	133,201	3.50%	36,762	9,613	1,272,447	1,268,404	100%
2044	2,133,771	3.5%	137,863	3.50%	33,482	284,878	1,158,913	1,155,844	100%
2045	2,208,453	3.5%	142,689	3.50%	35,078	122,510	1,214,170	1,212,223	100%
2046	2,285,749	3.5%	150,921	5.76%	40,611		1,405,703	1,402,368	100%
2047	2,365,750	3.5%	156,203	3.50%	46,190	9,315	1,598,781	1,594,697	100%
2048	2,448,552	3.5%	161,670	3.50%	52,034	11,417	1,801,068	1,796,934	100%
2049	2,534,251	3.5%	167,329	3.50%	51,829	226,233	1,793,993	1,789,451	100%
2050	2,622,950	3.5%	173,185	3.50%	52,448	204,235	1,815,391	1,810,207	100%
2051	2,714,753	3.5%	179,247	3.50%	59,340		2,053,978	2,049,006	100%
2052	2,809,769	3.5%	185,520	3.50%	66,625		2,306,123	2,302,303	100%
2053	2,908,111	3.5%	192,014	3.50%	73,576	25,010	2,546,703	2,544,936	100%

Camano Hills HOA
Recommended Funding - Summary

Report Date	May 22, 2023
Account Number	17390
Version	Final
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	79

Report Parameters

Inflation	3.50%
Interest Rate on Reserve Deposit	2.97%
Tax Rate Included in Interest Rate	
2024 Beginning Balance	$233,600

We have developed a funding plan which will help steer the reserve account into a high funded range within the 30-year projection timeframe. This Recommended Funding Model requires the Client allocate the recommended allocation amount into the reserve account with annual increases thereafter to offset inflationary factors.

This Recommended Funding Plan Considers 4 Basic Principles:

1. There are adequate reserves when needed.
2. The budget should remain stable but increasing to offset inflationary factors.
3. The costs are fairly distributed over time.
4. The funding plan must allow the Client to be fiscally responsible.

Note that the Recommended Model is not necessarily a low risk, no risk or ideal model to follow (especially if the reserve account is currently significantly underfunded). It simply has a goal of having the reserve account reach 100% funded by the end of a 30-year period. An “ideal” model to follow would be the 100% funded model as this model has the reserve account funded to a minimum 100% funded level each year of the study and there would be low risk for reliance on special assessments and/or loans even if unexpected occurrences came to fruition.

In the initial year of this funding model the reserve contribution rate is higher due to the need to fund projects in the near future. After these projects have been adequately funded for the reserve allocation rate can be lowered (still increases annually to offset inflationary factors) while still reaching the goal of this particular funding model.

Camano Hills HOA
Recommended Funding - Summary

The following page provides the 30-year projections for this funding model.

Recommended Funding Model Summary of Calculations

Required Annual Contribution	$400,000.00
Average Net Annual Interest Earned	$14,715.90
Total Annual Allocation to Reserves	$414,715.90

Camano Hills HOA
Recommended Funding - Year End Projections

Begining Balance: $233,600

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2024	1,072,361	3.5%	400,000		14,716	138,948	509,368	834,180	61%
2025	1,109,893	3.5%	82,500	-79.37%	2,497	507,946	86,418	408,719	21%
2026	1,148,740	3.5%	85,388	3.50%	4,977	4,523	172,259	491,898	35%
2027	1,188,945	3.5%	88,376	3.50%	7,754		268,389	585,244	46%
2028	1,230,558	3.5%	91,469	3.50%	10,535	5,738	364,656	678,583	54%
2029	1,273,628	3.5%	94,671	3.50%	10,133	118,712	350,748	661,018	53%
2030	1,318,205	3.5%	97,984	3.50%	11,174	73,125	386,782	692,875	56%
2031	1,364,342	3.5%	101,414	3.50%	14,524		502,719	804,486	62%
2032	1,412,094	3.5%	104,963	3.50%	16,611	49,329	574,965	872,006	66%
2033	1,461,517	3.5%	108,637	3.50%	20,134	6,814	696,921	989,056	70%
2034	1,512,671	3.5%	112,439	3.50%	3,267	699,534	113,094	397,412	28%
2035	1,565,614	3.5%	116,374	3.50%	4,060	93,014	140,514	416,230	34%
2036	1,620,411	3.5%	120,448	3.50%	7,764		268,725	535,518	50%
2037	1,677,125	3.5%	124,663	3.50%	11,703		405,092	662,645	61%
2038	1,735,824	3.5%	129,026	3.50%	15,446	14,928	534,636	782,565	68%
2039	1,796,578	3.5%	133,542	3.50%	15,107	160,381	522,904	760,065	69%
2040	1,859,458	3.5%	138,216	3.50%	16,600	103,150	574,570	800,075	72%
2041	1,924,539	3.5%	143,054	3.50%	21,124	7,578	731,170	944,609	77%
2042	1,991,898	3.5%	148,061	3.50%	26,157		905,388	1,106,397	82%
2043	2,061,615	3.5%	153,243	3.50%	31,208	9,613	1,080,227	1,268,404	85%
2044	2,133,771	3.5%	158,606	3.50%	28,380	284,878	982,335	1,155,844	85%
2045	2,208,453	3.5%	164,158	3.50%	30,463	122,510	1,054,446	1,212,223	87%
2046	2,285,749	3.5%	169,903	3.50%	36,424		1,260,774	1,402,368	90%
2047	2,365,750	3.5%	175,850	3.50%	42,462	9,315	1,469,771	1,594,697	92%
2048	2,448,552	3.5%	182,004	3.50%	48,801	11,417	1,689,160	1,796,934	94%
2049	2,534,251	3.5%	188,375	3.50%	49,126	226,233	1,700,427	1,789,451	95%
2050	2,622,950	3.5%	194,968	3.50%	50,312	204,235	1,741,472	1,810,207	96%
2051	2,714,753	3.5%	201,792	3.50%	57,812		2,001,075	2,049,006	98%
2052	2,809,769	3.5%	208,854	3.50%	65,745		2,275,675	2,302,303	99%
2053	2,908,111	3.5%	216,164	3.50%	73,388	25,010	2,540,218	2,544,936	100%

Camano Hills HOA
Baseline Funding - Summary

Report Date	May 22, 2023
Account Number	17390
Version	Final
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	79

Report Parameters

Inflation	3.50%
Annual Contribution Increase	3.50%
Interest Rate on Reserve Deposit	2.97%
Tax Rate Included in Interest Rate	
2024 Beginning Balance	$233,600

The Baseline Funding Model is considered a bare minimum approach which has a goal of keeping the reserve account balance above $0 within the 30-year timeframe of the projections and *does not* take into consideration projected expenses that fall outside of the 30-year timeframe of the projections (i.e., longer life components are simply ignored like they do not exist).

This funding model carries a higher risk for reliance on emergency financing specifically in years when large component expenses occur earlier than projected or costs see significant increases. Additionally, in the future when longer life components come into the 30-year timeframe of the projections their projected expenditures will have a significant impact on the allocation requirements to keep the reserve account cash positive going forward.

Should the Client have an interest in not funding for longer life component projects (i.e., projects that are set to occur after the 30-year projections) at this time then we suggest setting a goal of at least funding to the Baseline Funding Model which has the goal of only staying cash positive for the 30-year time-frame of the projections.

In the initial years of this funding model the reserve contribution rate is higher due to the need to fund projects in the near future. After these projects have been adequately funded for the reserve allocation rate can be lowered (still increases annually to offset inflationary factors) while still reaching the goal of this particular funding model.

The following page provides the 30-year projections for this funding model.

Baseline Threshold Funding Model Summary of Calculations

Required Annual Contribution	$198,803.42
Average Net Annual Interest Earned	$8,730.30
Total Annual Allocation to Reserves	$207,533.72

Camano Hills HOA
Baseline Funding - Year End Projections

Begining Balance: $233,600

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2024	1,072,361	3.5%	198,803		8,730	138,948	302,186	834,180	36%
2025	1,109,893	3.5%	205,762	3.50%		507,946	1	408,719	0%
2026	1,148,740	3.5%	85,339	-58.52%	2,404	4,523	83,221	491,898	17%
2027	1,188,945	3.5%	88,326	3.50%	5,104		176,650	585,244	30%
2028	1,230,558	3.5%	91,417	3.50%	7,804	5,738	270,134	678,583	40%
2029	1,273,628	3.5%	94,617	3.50%	7,320	118,712	253,358	661,018	38%
2030	1,318,205	3.5%	97,928	3.50%	8,275	73,125	286,436	692,875	41%
2031	1,364,342	3.5%	101,356	3.50%	11,537		399,329	804,486	50%
2032	1,412,094	3.5%	104,903	3.50%	13,533	49,329	468,437	872,006	54%
2033	1,461,517	3.5%	108,575	3.50%	16,963	6,814	587,160	989,056	59%
2034	1,512,671	3.5%	112,375	3.50%		699,534	1	397,412	0%
2035	1,565,614	3.5%	102,610	-8.68%	286	93,014	9,883	416,230	2%
2036	1,620,411	3.5%	106,202	3.50%	3,454		119,538	535,518	22%
2037	1,677,125	3.5%	109,919	3.50%	6,826		236,284	662,645	36%
2038	1,735,824	3.5%	113,766	3.50%	9,970	14,928	345,092	782,565	44%
2039	1,796,578	3.5%	117,748	3.50%	8,998	160,381	311,456	760,065	41%
2040	1,859,458	3.5%	121,869	3.50%	9,823	103,150	339,998	800,075	42%
2041	1,924,539	3.5%	126,134	3.50%	13,642	7,578	472,197	944,609	50%
2042	1,991,898	3.5%	130,549	3.50%	17,932		620,678	1,106,397	56%
2043	2,061,615	3.5%	135,118	3.50%	22,199	9,613	768,382	1,268,404	61%
2044	2,133,771	3.5%	139,847	3.50%	18,545	284,878	641,896	1,155,844	56%
2045	2,208,453	3.5%	144,742	3.50%	19,758	122,510	683,886	1,212,223	56%
2046	2,285,749	3.5%	149,808	3.50%	24,802		858,496	1,402,368	61%
2047	2,365,750	3.5%	155,051	3.50%	29,876	9,315	1,034,109	1,594,697	65%
2048	2,448,552	3.5%	160,478	3.50%	35,199	11,417	1,218,370	1,796,934	68%
2049	2,534,251	3.5%	166,095	3.50%	34,457	226,233	1,192,689	1,789,451	67%
2050	2,622,950	3.5%	171,908	3.50%	34,521	204,235	1,194,883	1,810,207	66%
2051	2,714,753	3.5%	177,925	3.50%	40,841		1,413,649	2,049,006	69%
2052	2,809,769	3.5%	184,152	3.50%	47,535		1,645,335	2,302,303	71%
2053	2,908,111	3.5%	190,598	3.50%	53,875	25,010	1,864,799	2,544,936	73%

Camano Hills HOA
Current Funding - Summary

Report Date	May 22, 2023
Account Number	17390
Version	Final
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	79

Report Parameters

Inflation	3.50%
Annual Contribution Increase	3.50%
Interest Rate on Reserve Deposit	2.97%
Tax Rate Included in Interest Rate	
2024 Beginning Balance	$233,600

The Current Funding Model is based on the reserve allocation rate supplied by the Client as of the date of this study; it has not been independently verified and is assumed to be correct.

The following page provides the 30-year projections for this funding model. It is assumed the reserve allocation rate will have annual increases to offset inflationary factors.

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	$19,750.00
Average Net Annual Interest Earned	$3,403.46
Total Annual Allocation to Reserves	$23,153.46

Camano Hills HOA
Current Funding - Year End Projections

Begining Balance: $233,600

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2024	1,072,361	3.5%	19,750		3,403	138,948	117,805	834,180	14%
2025	1,109,893	3.5%	20,441	3.50%		507,946	-369,700	408,719	
2026	1,148,740	3.5%	21,157	3.50%		4,523	-353,066	491,898	
2027	1,188,945	3.5%	21,897	3.50%			-331,169	585,244	
2028	1,230,558	3.5%	22,664	3.50%		5,738	-314,243	678,583	
2029	1,273,628	3.5%	23,457	3.50%		118,712	-409,498	661,018	
2030	1,318,205	3.5%	24,278	3.50%		73,125	-458,345	692,875	
2031	1,364,342	3.5%	25,128	3.50%			-433,217	804,486	
2032	1,412,094	3.5%	26,007	3.50%		49,329	-456,539	872,006	
2033	1,461,517	3.5%	26,917	3.50%		6,814	-436,436	989,056	
2034	1,512,671	3.5%	27,859	3.50%		699,534	-1,108,111	397,412	
2035	1,565,614	3.5%	28,834	3.50%		93,014	-1,172,290	416,230	
2036	1,620,411	3.5%	29,844	3.50%			-1,142,446	535,518	
2037	1,677,125	3.5%	30,888	3.50%			-1,111,558	662,645	
2038	1,735,824	3.5%	31,969	3.50%		14,928	-1,094,517	782,565	
2039	1,796,578	3.5%	33,088	3.50%		160,381	-1,221,810	760,065	
2040	1,859,458	3.5%	34,246	3.50%		103,150	-1,290,714	800,075	
2041	1,924,539	3.5%	35,445	3.50%		7,578	-1,262,846	944,609	
2042	1,991,898	3.5%	36,685	3.50%			-1,226,161	1,106,397	
2043	2,061,615	3.5%	37,969	3.50%		9,613	-1,197,804	1,268,404	
2044	2,133,771	3.5%	39,298	3.50%		284,878	-1,443,384	1,155,844	
2045	2,208,453	3.5%	40,674	3.50%		122,510	-1,525,220	1,212,223	
2046	2,285,749	3.5%	42,097	3.50%			-1,483,123	1,402,368	
2047	2,365,750	3.5%	43,571	3.50%		9,315	-1,448,867	1,594,697	
2048	2,448,552	3.5%	45,096	3.50%		11,417	-1,415,188	1,796,934	
2049	2,534,251	3.5%	46,674	3.50%		226,233	-1,594,747	1,789,451	
2050	2,622,950	3.5%	48,308	3.50%		204,235	-1,750,674	1,810,207	
2051	2,714,753	3.5%	49,998	3.50%			-1,700,676	2,049,006	
2052	2,809,769	3.5%	51,748	3.50%			-1,648,927	2,302,303	
2053	2,908,111	3.5%	53,560	3.50%		25,010	-1,620,377	2,544,936	

Camano Hills HOA
Approved Funding - Summary

Report Date	May 22, 2023
Account Number	17390
Version	Final
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	79

Report Parameters

Inflation	3.50%
Annual Contribution Increase	3.50%
Interest Rate on Reserve Deposit	2.97%
Tax Rate Included in Interest Rate	
2024 Beginning Balance	$233,600

The Approved Funding Model reserve allocation rate is based on the Client provided information for the reserve allocation rate approved for the initial year of this study. It is assumed the reserve allocation rate will have annual increases to offset inflationary factors.

The following page provides the 30-year projections for this funding model.

Approved Funding Model Summary of Calculations

Required Annual Contribution	$20,738.00
Average Net Annual Interest Earned	$3,432.85
Total Annual Allocation to Reserves	$24,170.85

Camano Hills HOA
Approved Funding - Year End Projections

Begining Balance: $233,600

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2024	1,072,361	3.5%	20,738		3,433	138,948	118,823	834,180	14%
2025	1,109,893	3.5%	21,464	3.50%		507,946	-367,660	408,719	
2026	1,148,740	3.5%	22,215	3.50%		4,523	-349,967	491,898	
2027	1,188,945	3.5%	22,993	3.50%			-326,975	585,244	
2028	1,230,558	3.5%	23,797	3.50%		5,738	-308,915	678,583	
2029	1,273,628	3.5%	24,630	3.50%		118,712	-402,997	661,018	
2030	1,318,205	3.5%	25,492	3.50%		73,125	-450,629	692,875	
2031	1,364,342	3.5%	26,385	3.50%			-424,245	804,486	
2032	1,412,094	3.5%	27,308	3.50%		49,329	-446,265	872,006	
2033	1,461,517	3.5%	28,264	3.50%		6,814	-424,816	989,056	
2034	1,512,671	3.5%	29,253	3.50%		699,534	-1,095,097	397,412	
2035	1,565,614	3.5%	30,277	3.50%		93,014	-1,157,834	416,230	
2036	1,620,411	3.5%	31,337	3.50%			-1,126,497	535,518	
2037	1,677,125	3.5%	32,433	3.50%			-1,094,064	662,645	
2038	1,735,824	3.5%	33,568	3.50%		14,928	-1,075,423	782,565	
2039	1,796,578	3.5%	34,743	3.50%		160,381	-1,201,061	760,065	
2040	1,859,458	3.5%	35,959	3.50%		103,150	-1,268,252	800,075	
2041	1,924,539	3.5%	37,218	3.50%		7,578	-1,238,611	944,609	
2042	1,991,898	3.5%	38,521	3.50%			-1,200,091	1,106,397	
2043	2,061,615	3.5%	39,869	3.50%		9,613	-1,169,834	1,268,404	
2044	2,133,771	3.5%	41,264	3.50%		284,878	-1,413,448	1,155,844	
2045	2,208,453	3.5%	42,708	3.50%		122,510	-1,493,250	1,212,223	
2046	2,285,749	3.5%	44,203	3.50%			-1,449,047	1,402,368	
2047	2,365,750	3.5%	45,750	3.50%		9,315	-1,412,611	1,594,697	
2048	2,448,552	3.5%	47,352	3.50%		11,417	-1,376,676	1,796,934	
2049	2,534,251	3.5%	49,009	3.50%		226,233	-1,553,900	1,789,451	
2050	2,622,950	3.5%	50,724	3.50%		204,235	-1,707,411	1,810,207	
2051	2,714,753	3.5%	52,500	3.50%			-1,654,911	2,049,006	
2052	2,809,769	3.5%	54,337	3.50%			-1,600,574	2,302,303	
2053	2,908,111	3.5%	56,239	3.50%		25,010	-1,569,345	2,544,936	

Camano Hills HOA
Projected Annual Expenditures - List

	Description	Expenditures
Replacement Year 2024		
1006	Asphalt - Glacier Peak Drive - Sealcoat	55,198
1020	Concrete Curb - Repair - 10% Repair	4,248
1033	Gravel - RV Lot - Replenish	36,285
1034	Gravel Road - Fire Road - Replenish/Grading	43,218
Total for 2024		**$138,948**
Replacement Year 2025		
1001	Asphalt - Blue Mtn Road - Overlay	148,502
1002	Asphalt - Blue Mtn Road - Sealcoat	20,483
1003	Asphalt - Entry Gate - Overlay	20,482
1004	Asphalt - Entry Gate - Sealcoat	2,825
1007	Asphalt - Jacks Pass Court - Overlay	29,175
1008	Asphalt - Jacks Pass Court - Sealcoat	4,024
1009	Asphalt - Jim Creek Road - Overlay	181,363
1010	Asphalt - Jim Creek Road - Sealcoat	25,016
1011	Asphalt - Park Parking - Overlay	32,884
1012	Asphalt - Park Parking - Sealcoat	4,536
1015	Asphalt - Whitehorse Court - Overlay	33,971
1016	Asphalt - Whitehorse Court - Sealcoat	4,686
Total for 2025		**$507,946**
Replacement Year 2026		
1021	Culverts - 10% Replace	4,523
Total for 2026		**$4,523**
No Replacement in 2027		
Replacement Year 2028		
1042	Storm Drain System - Local Repairs	5,738
Total for 2028		**$5,738**
Replacement Year 2029		
1006	Asphalt - Glacier Peak Drive - Sealcoat	65,557
1020	Concrete Curb - Repair - 10% Repair	5,045
1021	Culverts - 10% Replace	5,015

Camano Hills HOA
Projected Annual Expenditures - List

	Description	Expenditures
Replacement Year 2029 continued...		
1033	Gravel - RV Lot - Replenish	43,095
Total for 2029		**$118,712**
Replacement Year 2030		
1002	Asphalt - Blue Mtn Road - Sealcoat	24,327
1004	Asphalt - Entry Gate - Sealcoat	3,355
1008	Asphalt - Jacks Pass Court - Sealcoat	4,779
1010	Asphalt - Jim Creek Road - Sealcoat	29,711
1012	Asphalt - Park Parking - Sealcoat	5,387
1016	Asphalt - Whitehorse Court - Sealcoat	5,565
Total for 2030		**$73,125**
No Replacement in 2031		
Replacement Year 2032		
1021	Culverts - 10% Replace	5,560
1025	Fence - RV Parking - Replace	21,383
1027	Gate - Entry - Replace	22,386
Total for 2032		**$49,329**
Replacement Year 2033		
1042	Storm Drain System - Local Repairs	6,814
Total for 2033		**$6,814**
Replacement Year 2034		
1005	Asphalt - Glacier Peak Drive - Overlay	564,497
1006	Asphalt - Glacier Peak Drive - Sealcoat	77,862
1020	Concrete Curb - Repair - 10% Repair	5,992
1033	Gravel - RV Lot - Replenish	51,183
Total for 2034		**$699,534**
Replacement Year 2035		
1002	Asphalt - Blue Mtn Road - Sealcoat	28,893
1004	Asphalt - Entry Gate - Sealcoat	3,985

Camano Hills HOA
Projected Annual Expenditures - List

Description		Expenditures
Replacement Year 2035 continued...		
1008	Asphalt - Jacks Pass Court - Sealcoat	5,676
1010	Asphalt - Jim Creek Road - Sealcoat	35,287
1012	Asphalt - Park Parking - Sealcoat	6,398
1016	Asphalt - Whitehorse Court - Sealcoat	6,610
1021	Culverts - 10% Replace	6,164
Total for 2035		**$93,014**
No Replacement in 2036		
No Replacement in 2037		
Replacement Year 2038		
1021	Culverts - 10% Replace	6,834
1042	Storm Drain System - Local Repairs	8,093
Total for 2038		**$14,928**
Replacement Year 2039		
1006	Asphalt - Glacier Peak Drive - Sealcoat	92,475
1020	Concrete Curb - Repair - 10% Repair	7,116
1033	Gravel - RV Lot - Replenish	60,789
Total for 2039		**$160,381**
Replacement Year 2040		
1002	Asphalt - Blue Mtn Road - Sealcoat	34,316
1004	Asphalt - Entry Gate - Sealcoat	4,733
1008	Asphalt - Jacks Pass Court - Sealcoat	6,742
1010	Asphalt - Jim Creek Road - Sealcoat	41,910
1012	Asphalt - Park Parking - Sealcoat	7,599
1016	Asphalt - Whitehorse Court - Sealcoat	7,850
Total for 2040		**$103,150**
Replacement Year 2041		
1021	Culverts - 10% Replace	7,578
Total for 2041		**$7,578**

Camano Hills HOA
Projected Annual Expenditures - List

	Description	Expenditures
No Replacement in 2042		
Replacement Year 2043		
1042	Storm Drain System - Local Repairs	9,613
Total for 2043		**$9,613**
Replacement Year 2044		
1006	Asphalt - Glacier Peak Drive - Sealcoat	109,832
1020	Concrete Curb - Repair - 10% Repair	8,452
1021	Culverts - 10% Replace	8,401
1033	Gravel - RV Lot - Replenish	72,199
1034	Gravel Road - Fire Road - Replenish/Grading	85,995
Total for 2044		**$284,878**
Replacement Year 2045		
1002	Asphalt - Blue Mtn Road - Sealcoat	40,757
1004	Asphalt - Entry Gate - Sealcoat	5,621
1008	Asphalt - Jacks Pass Court - Sealcoat	8,007
1010	Asphalt - Jim Creek Road - Sealcoat	49,776
1012	Asphalt - Park Parking - Sealcoat	9,025
1016	Asphalt - Whitehorse Court - Sealcoat	9,323
Total for 2045		**$122,510**
No Replacement in 2046		
Replacement Year 2047		
1021	Culverts - 10% Replace	9,315
Total for 2047		**$9,315**
Replacement Year 2048		
1042	Storm Drain System - Local Repairs	11,417
Total for 2048		**$11,417**
Replacement Year 2049		
1006	Asphalt - Glacier Peak Drive - Sealcoat	130,445

Camano Hills HOA
Projected Annual Expenditures - List

	Description	Expenditures
Replacement Year 2049 continued...		
1020	Concrete Curb - Repair - 10% Repair	10,038
1033	Gravel - RV Lot - Replenish	85,749
Total for 2049		**$226,233**
Replacement Year 2050		
1002	Asphalt - Blue Mtn Road - Sealcoat	48,406
1003	Asphalt - Entry Gate - Overlay	48,405
1004	Asphalt - Entry Gate - Sealcoat	6,676
1008	Asphalt - Jacks Pass Court - Sealcoat	9,510
1010	Asphalt - Jim Creek Road - Sealcoat	59,118
1012	Asphalt - Park Parking - Sealcoat	10,719
1016	Asphalt - Whitehorse Court - Sealcoat	11,073
1021	Culverts - 10% Replace	10,327
Total for 2050		**$204,235**
No Replacement in 2051		
No Replacement in 2052		
Replacement Year 2053		
1021	Culverts - 10% Replace	11,450
1042	Storm Drain System - Local Repairs	13,559
Total for 2053		**$25,010**

Camano Hills HOA
Projected Annual Expenditures - Spreadsheet

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Balance		233,600	509,368	86,418	172,259	268,389	364,656	350,748	386,782	502,719	574,965
Annual Reserve Account Contribution		400,000	82,500	85,387	88,376	91,469	94,671	97,984	101,414	104,963	108,637
Interest Earned		14,716	2,497	4,977	7,754	10,535	10,133	11,174	14,524	16,611	20,134
Expenditures		138,948	507,946	4,523		5,738	118,712	73,125		49,329	6,814
Fully Funded Balance		834,180	408,719	491,898	585,244	678,583	661,018	692,875	804,486	872,006	989,056
Percent Funded		61%	21%	35%	46%	54%	53%	56%	62%	66%	70%
Ending Reserve Account Balance		509,368	86,418	172,259	268,389	364,656	350,748	386,782	502,719	574,965	696,921
ID	**Description**										
1001	Asphalt - Blue Mtn Road - Overlay		148,502								
1002	Asphalt - Blue Mtn Road - Sealcoat		20,483					24,327			
1003	Asphalt - Entry Gate - Overlay		20,482								
1004	Asphalt - Entry Gate - Sealcoat		2,825					3,355			
1005	Asphalt - Glacier Peak Drive - Overlay										
1006	Asphalt - Glacier Peak Drive - Sealcoat	55,198					65,557				
1007	Asphalt - Jacks Pass Court - Overlay		29,175								
1008	Asphalt - Jacks Pass Court - Sealcoat		4,024					4,779			
1009	Asphalt - Jim Creek Road - Overlay		181,363								
1010	Asphalt - Jim Creek Road - Sealcoat		25,016					29,711			
1011	Asphalt - Park Parking - Overlay		32,884								
1012	Asphalt - Park Parking - Sealcoat		4,536					5,387			
1015	Asphalt - Whitehorse Court - Overlay		33,971								
1016	Asphalt - Whitehorse Court - Sealcoat		4,686					5,565			
1017	Athletic Stations - 1992 - Replace	*Unfunded*									
1018	Athletic Stations - 2012 - Replace	*Unfunded*									
1019	Benches - Replace	*Unfunded*									
1020	Concrete Curb - Repair - 10% Repair	4,248					5,045				
1021	Culverts - 10% Replace			4,523			5,015			5,560	
1022	Culverts - Wood (1992) - Replace	*Unfunded*									
1023	Culverts - Wood (2012) - Replace	*Unfunded*									
1024	Fence - Park - Replace	*Unfunded*									
1025	Fence - RV Parking - Replace									21,383	
1026	Gate - Access System - Replace	*Unfunded*									

Camano Hills HOA
Projected Annual Expenditures - Spreadsheet

ID	Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
1027	Gate - Entry - Replace									22,386	
1028	Gate - Fire Road - Replace	*Unfunded*									
1029	Gate - Operators - Replace	*Unfunded*									
1030	Gazebo - Paint/Stain	*Unfunded*									
1031	Gazebo - Refurbish	*Unfunded*									
1032	Gazebo Roof - Replace	*Unfunded*									
1033	Gravel - RV Lot - Replenish	36,285					43,095				
1034	Gravel Road - Fire Road - Replenish/Grading	43,218									
1035	Lights - Landscape - Replace	*Unfunded*									
1036	Lights - Pole - Replace	*Unfunded*									
1037	Picnic Table - Replace	*Unfunded*									
1038	Security System - Refurbish	*Unfunded*									
1039	Signs - Entry Monuments - Refurbish	*Unfunded*									
1040	Signs - Road - 25% Replace	*Unfunded*									
1042	Storm Drain System - Local Repairs					5,738					6,814
1041	Trash Receptacles- Replace	*Unfunded*									
Year Total:		**138,948**	**507,946**	**4,523**		**5,738**	**118,712**	**73,125**		**49,329**	**6,814**

Camano Hills HOA
Projected Annual Expenditures - Spreadsheet

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Beginning Balance	696,921	113,094	140,514	268,725	405,092	534,636	522,904	574,570	731,170	905,388
Annual Reserve Account Contribution	112,439	116,374	120,448	124,663	129,026	133,542	138,216	143,054	148,061	153,243
Interest Earned	3,267	4,060	7,764	11,703	15,446	15,107	16,600	21,124	26,157	31,208
Expenditures	699,534	93,014			14,928	160,381	103,150	7,578		9,613
Fully Funded Balance	397,412	416,230	535,518	662,645	782,565	760,065	800,075	944,609	1,106,397	1,268,404
Percent Funded	28%	34%	50%	61%	68%	69%	72%	77%	82%	85%
Ending Reserve Account Balance	113,094	140,514	268,725	405,092	534,636	522,904	574,570	731,170	905,388	1,080,227
ID Description										
1001 Asphalt - Blue Mtn Road - Overlay										
1002 Asphalt - Blue Mtn Road - Sealcoat		28,893					34,316			
1003 Asphalt - Entry Gate - Overlay										
1004 Asphalt - Entry Gate - Sealcoat		3,985					4,733			
1005 Asphalt - Glacier Peak Drive - Overlay	564,497									
1006 Asphalt - Glacier Peak Drive - Sealcoat	77,862					92,475				
1007 Asphalt - Jacks Pass Court - Overlay										
1008 Asphalt - Jacks Pass Court - Sealcoat		5,676					6,742			
1009 Asphalt - Jim Creek Road - Overlay										
1010 Asphalt - Jim Creek Road - Sealcoat		35,287					41,910			
1011 Asphalt - Park Parking - Overlay										
1012 Asphalt - Park Parking - Sealcoat		6,398					7,599			
1015 Asphalt - Whitehorse Court - Overlay										
1016 Asphalt - Whitehorse Court - Sealcoat		6,610					7,850			
1017 Athletic Stations - 1992 - Replace	*Unfunded*									
1018 Athletic Stations - 2012 - Replace	*Unfunded*									
1019 Benches - Replace	*Unfunded*									
1020 Concrete Curb - Repair - 10% Repair	5,992					7,116				
1021 Culverts - 10% Replace		6,164			6,834			7,578		
1022 Culverts - Wood (1992) - Replace	*Unfunded*									
1023 Culverts - Wood (2012) - Replace	*Unfunded*									
1024 Fence - Park - Replace	*Unfunded*									
1025 Fence - RV Parking - Replace										
1026 Gate - Access System - Replace	*Unfunded*									

Camano Hills HOA
Projected Annual Expenditures - Spreadsheet

ID	Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
1027	Gate - Entry - Replace										
1028	Gate - Fire Road - Replace	*Unfunded*									
1029	Gate - Operators - Replace	*Unfunded*									
1030	Gazebo - Paint/Stain	*Unfunded*									
1031	Gazebo - Refurbish	*Unfunded*									
1032	Gazebo Roof - Replace	*Unfunded*									
1033	Gravel - RV Lot - Replenish	51,183					60,789				
1034	Gravel Road - Fire Road - Replenish/Grading										
1035	Lights - Landscape - Replace	*Unfunded*									
1036	Lights - Pole - Replace	*Unfunded*									
1037	Picnic Table - Replace	*Unfunded*									
1038	Security System - Refurbish	*Unfunded*									
1039	Signs - Entry Monuments - Refurbish	*Unfunded*									
1040	Signs - Road - 25% Replace	*Unfunded*									
1042	Storm Drain System - Local Repairs					8,093					9,613
1041	Trash Receptacles- Replace	*Unfunded*									
Year Total:		**699,534**	**93,014**			**14,928**	**160,381**	**103,150**	**7,578**		**9,613**

Camano Hills HOA
Projected Annual Expenditures - Spreadsheet

	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning Balance	1,080,227	982,335	1,054,446	1,260,774	1,469,771	1,689,160	1,700,427	1,741,472	2,001,075	2,275,675
Annual Reserve Account Contribution	158,606	164,158	169,903	175,850	182,004	188,375	194,968	201,792	208,854	216,164
Interest Earned	28,380	30,463	36,424	42,462	48,801	49,126	50,312	57,812	65,745	73,388
Expenditures	284,878	122,510		9,315	11,417	226,233	204,235			25,010
Fully Funded Balance	1,155,844	1,212,223	1,402,368	1,594,697	1,796,934	1,789,451	1,810,207	2,049,006	2,302,303	2,544,936
Percent Funded	85%	87%	90%	92%	94%	95%	96%	98%	99%	100%
Ending Reserve Account Balance	982,335	1,054,446	1,260,774	1,469,771	1,689,160	1,700,427	1,741,472	2,001,075	2,275,675	2,540,218
ID Description										
1001 Asphalt - Blue Mtn Road - Overlay										
1002 Asphalt - Blue Mtn Road - Sealcoat		40,757					48,406			
1003 Asphalt - Entry Gate - Overlay							48,405			
1004 Asphalt - Entry Gate - Sealcoat		5,621					6,676			
1005 Asphalt - Glacier Peak Drive - Overlay										
1006 Asphalt - Glacier Peak Drive - Sealcoat	109,832					130,445				
1007 Asphalt - Jacks Pass Court - Overlay										
1008 Asphalt - Jacks Pass Court - Sealcoat		8,007					9,510			
1009 Asphalt - Jim Creek Road - Overlay										
1010 Asphalt - Jim Creek Road - Sealcoat		49,776					59,118			
1011 Asphalt - Park Parking - Overlay										
1012 Asphalt - Park Parking - Sealcoat		9,025					10,719			
1015 Asphalt - Whitehorse Court - Overlay										
1016 Asphalt - Whitehorse Court - Sealcoat		9,323					11,073			
1017 Athletic Stations - 1992 - Replace	*Unfunded*									
1018 Athletic Stations - 2012 - Replace	*Unfunded*									
1019 Benches - Replace	*Unfunded*									
1020 Concrete Curb - Repair - 10% Repair	8,452					10,038				
1021 Culverts - 10% Replace	8,401			9,315			10,327			11,450
1022 Culverts - Wood (1992) - Replace	*Unfunded*									
1023 Culverts - Wood (2012) - Replace	*Unfunded*									
1024 Fence - Park - Replace	*Unfunded*									
1025 Fence - RV Parking - Replace										
1026 Gate - Access System - Replace	*Unfunded*									

Camano Hills HOA
Projected Annual Expenditures - Spreadsheet

ID	Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
1027	Gate - Entry - Replace										
1028	Gate - Fire Road - Replace	*Unfunded*									
1029	Gate - Operators - Replace	*Unfunded*									
1030	Gazebo - Paint/Stain	*Unfunded*									
1031	Gazebo - Refurbish	*Unfunded*									
1032	Gazebo Roof - Replace	*Unfunded*									
1033	Gravel - RV Lot - Replenish	72,199					85,749				
1034	Gravel Road - Fire Road - Replenish/Grading	85,995									
1035	Lights - Landscape - Replace	*Unfunded*									
1036	Lights - Pole - Replace	*Unfunded*									
1037	Picnic Table - Replace	*Unfunded*									
1038	Security System - Refurbish	*Unfunded*									
1039	Signs - Entry Monuments - Refurbish	*Unfunded*									
1040	Signs - Road - 25% Replace	*Unfunded*									
1042	Storm Drain System - Local Repairs					11,417					13,559
1041	Trash Receptacles- Replace	*Unfunded*									
Year Total:		**284,878**	**122,510**		**9,315**	**11,417**	**226,233**	**204,235**			**25,010**

Camano Hills HOA
Fully Funded Balance Calculations (Beginning Fiscal Year)

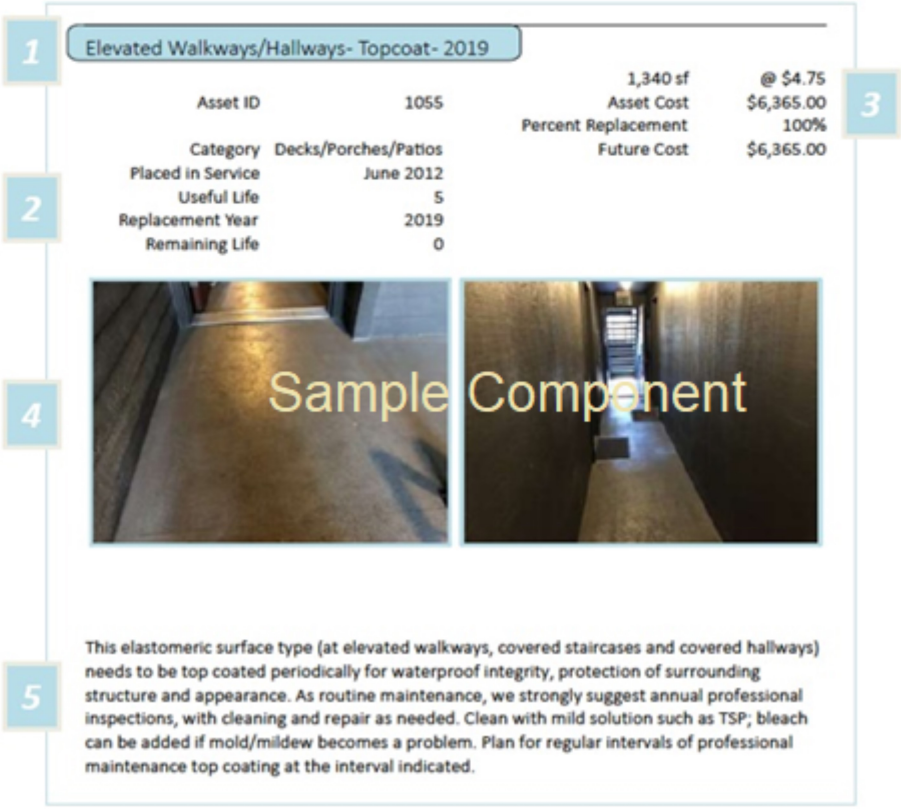
Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
1001	Asphalt - Blue Mtn Road - Ov...	$143,480	x	32	/	33	=	$139,133
1002	Asphalt - Blue Mtn Road - Se...	$19,790	x	16	/	17	=	$18,626
1003	Asphalt - Entry Gate - Overlay	$19,790	x	32	/	33	=	$19,190
1004	Asphalt - Entry Gate - Sealcoat	$2,730	x	16	/	17	=	$2,569
1005	Asphalt - Glacier Peak Drive ...	$400,183	x	16	/	26	=	$246,266
1006	Asphalt - Glacier Peak Drive -...	$55,198	x	15	/	15	=	$55,198
1007	Asphalt - Jacks Pass Court - ...	$28,188	x	32	/	33	=	$27,334
1008	Asphalt - Jacks Pass Court - S...	$3,888	x	16	/	17	=	$3,659
1009	Asphalt - Jim Creek Road - O...	$175,230	x	32	/	33	=	$169,920
1010	Asphalt - Jim Creek Road - Se...	$24,170	x	16	/	17	=	$22,748
1011	Asphalt - Park Parking - Over...	$31,772	x	32	/	33	=	$30,810
1012	Asphalt - Park Parking - Sealc...	$4,382	x	16	/	17	=	$4,125
1015	Asphalt - Whitehorse Court -...	$32,822	x	32	/	33	=	$31,828
1016	Asphalt - Whitehorse Court -...	$4,527	x	9	/	10	=	$4,074
1017	Athletic Stations - 1992 - Rep...		This is Unfunded					
1018	Athletic Stations - 2012 - Rep...		This is Unfunded					
1019	Benches - Replace		This is Unfunded					
1020	Concrete Curb - Repair - 10%...	$4,248	x	5	/	5	=	$4,248
1021	Culverts - 10% Replace	$4,222	x	1	/	3	=	$1,407
1022	Culverts - Wood (1992) - Rep...		This is Unfunded					
1023	Culverts - Wood (2012) - Rep...		This is Unfunded					
1024	Fence - Park - Replace		This is Unfunded					
1025	Fence - RV Parking - Replace	$16,238	x	32	/	40	=	$12,991
1026	Gate - Access System - Replace		This is Unfunded					
1027	Gate - Entry - Replace	$17,000	x	32	/	40	=	$13,600
1028	Gate - Fire Road - Replace		This is Unfunded					
1029	Gate - Operators - Replace		This is Unfunded					
1030	Gazebo - Paint/Stain		This is Unfunded					
1031	Gazebo - Refurbish		This is Unfunded					
1032	Gazebo Roof - Replace		This is Unfunded					
1033	Gravel - RV Lot - Replenish	$36,285	x	5	/	5	=	$36,285
1034	Gravel Road - Fire Road - Re...	$43,218	x	20	/	20	=	$43,218
1035	Lights - Landscape - Replace		This is Unfunded					
1036	Lights - Pole - Replace		This is Unfunded					
1037	Picnic Table - Replace		This is Unfunded					

Camano Hills HOA
Fully Funded Balance Calculations (Beginning Fiscal Year)

Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
1038	Security System - Refurbish		This is Unfunded					
1039	Signs - Entry Monuments - R...		This is Unfunded					
1040	Signs - Road - 25% Replace		This is Unfunded					
1042	Storm Drain System - Local R...	$5,000	x	1	/	5	=	$1,000
1041	Trash Receptacles- Replace		This is Unfunded					
Total Asset Summary:								$888,227

Camano Hills HOA
About the Component Detail Reports Section

In the following Component Details Section of this reserve study you will find each component that has been listed within the Component List. This section has more detailed information for each component and reviewing it will often answer questions that arise regarding specific components within this reserve study. Below you will find an explanation of what and where this information is located.



1. Component Name and next Replacement Year as well as a unique Asset ID to cross reference with other sections within this reserve study.

2. This area has the category of the component, estimated placed in-service date (when last installed), the estimated useful life of the component (estimate of how long the component will last), the next replacement year in this reserve study and the remaining useful life (how many years before replacement is estimated to occur).

3. The area has the total measurement/unit count of the component, the cost per unit, the total asset cost (unit count X unit cost), the percent replacement (amount funded to be replaced in a cycle), and the future cost (estimated cost at the next replacement date).

4. Pictures of the component are included for Level I studies unless the Client has requested fewer pages in the study in which case we will omit them.

5. Specific comments about this component which can include explanations for adjustments to the useful life, phasing, maintenance of the component, Vendor recommendations, etc.

Asphalt - Blue Mtn Road - Overlay - 2025

Asset ID	1001
Category	Community Roads & Parking
Placed in Service	June 1992
Useful Life	30
Adjustment	3
Replacement Year	2025
Remaining Life	1

49,476 sf	@ $2.90
Asset Actual Cost	$143,480.40
Percent Replacement	100%
Future Cost	$148,502.21

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurface (overlay).

Most asphalt areas can be expected to last approximately 25-30 years before it will become necessary for an overlay to be applied or other major rehabilitation to be completed. If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life.

Cost estimate assumes a 2 inch overlay over existing surfaces. Thirty year useful life given due to lower traffic volume. A positive life adjustment given per the Client consultation with their Vendor. It is assumed that any repairs be made to the road are paid from the Operational Account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Blue Mtn Road - Sealcoat - 2025

Asset ID	1002
Category	Community Roads & Parking
Placed in Service	June 2008
Useful Life	5
Adjustment	12
Replacement Year	2025
Remaining Life	1

49,476 sf	@ $0.40
Asset Actual Cost	$19,790.40
Percent Replacement	100%
Future Cost	$20,483.06

The primary reason to seal-coat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal-coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed

Asphalt - Blue Mtn Road - Sealcoat continued...

water, preventing the water to infiltrate the base material.

Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure.

Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling, minor repairs and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoats will typically be applied 6-12 months after the project is completed. We typically recommend funding for this component within the same year as the Overlay/Replacement project for cost efficiency with the Vendor.

Life adjustment given so this cycles with the projected Overlay of the roads.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Entry Gate - Overlay - 2025

Asset ID	1003	6,824 sf	@ $2.90
Category	Community Roads & Parking	Asset Actual Cost	$19,789.60
Placed in Service	June 1992	Percent Replacement	100%
Useful Life	25	Future Cost	$20,482.24
Adjustment	8		
Replacement Year	2025		
Remaining Life	1		

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurface (overlay).

Most asphalt areas can be expected to last approximately 25-30 years before it will become necessary for an overlay to be applied or other major rehabilitation to be completed. If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life.

Asphalt - Entry Gate - Overlay continued...

Cost estimate assumes a 2 inch overlay over existing surfaces. Twenty five year useful life given due to traffic volume. Measurement is from the Public road to the entry gate area where the Overlay in 2008 was initiated. A positive life adjustment given per the Client consultation with their Vendor. It is assumed that any repairs be made to the road are paid from the Operational Account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Entry Gate - Sealcoat - 2025

		6,824 sf	@ $0.40
Asset ID	1004	Asset Actual Cost	$2,729.60
		Percent Replacement	100%
Category	Community Roads & Parking	Future Cost	$2,825.14
Placed in Service	June 2008		
Useful Life	5		
Adjustment	12		
Replacement Year	2025		
Remaining Life	1		

The primary reason to seal-coat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal-coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material.

Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure.

Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling, minor repairs and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoats will typically be applied 6-12 months after the project is completed. We typically recommend funding for this component within the same year as the Overlay/Replacement project for cost efficiency with the Vendor.

Life adjustment given so this cycles with the projected Overlay of the roads.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Glacier Peak Drive - Overlay - 2034

		137,994 sf	@ $2.90
Asset ID	1005	Asset Actual Cost	$400,182.60
		Percent Replacement	100%
Category	Community Roads & Parking	Future Cost	$564,497.08
Placed in Service	June 2008		
Useful Life	25		
Adjustment	1		
Replacement Year	2034		
Remaining Life	10		

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurface (overlay).

Most asphalt areas can be expected to last approximately 25-30 years before it will become necessary for an overlay to be applied or other major rehabilitation to be completed. If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life.

Cost estimate assumes a 2 inch overlay over existing surfaces. Twenty five year useful life given due to lower traffic volume. Life adjustment given so this coincides with the sealcoat component.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Glacier Peak Drive - Sealcoat - 2024

		137,994 sf	@ $0.40
Asset ID	1006	Asset Actual Cost	$55,197.60
		Percent Replacement	100%
Category	Community Roads & Parking	Future Cost	$55,197.60
Placed in Service	June 2008		
Useful Life	5		
Adjustment	10		
Replacement Year	2024		
Remaining Life	0		

The primary reason to seal-coat is to protect the pavement from the deteriorating effects of sun and

Asphalt - Glacier Peak Drive - Sealcoat continued...

water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal-coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material.

Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure.

Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling, minor repairs and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoats will typically be applied 6-12 months after the project is completed. We typically recommend funding for this component within the same year as the Overlay/Replacement project for cost efficiency with the Vendor.

Life adjustment given so this cycles with the projected Overlay of the roads.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Jacks Pass Court - Overlay - 2025

Asset ID	1007	9,720 sf	@ $2.90
Category	Community Roads & Parking	Asset Actual Cost	$28,188.00
Placed in Service	June 1992	Percent Replacement	100%
Useful Life	30	Future Cost	$29,174.58
Adjustment	3		
Replacement Year	2025		
Remaining Life	1		

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurface (overlay).

Most asphalt areas can be expected to last approximately 25-30 years before it will become necessary for an overlay to be applied or other major rehabilitation to be completed. If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's

service life.

Cost estimate assumes a 2 inch overlay over existing surfaces. Thirty year useful life given due to lower traffic volume. A positive life adjustment given per the Client consultation with their Vendor. It is assumed that any repairs be made to the road are paid from the Operational Account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Jacks Pass Court - Sealcoat - 2025

Asset ID	1008	9,720 sf	@ $0.40
Category	Community Roads & Parking	Asset Actual Cost	$3,888.00
Placed in Service	June 2008	Percent Replacement	100%
Useful Life	5	Future Cost	$4,024.08
Adjustment	12		
Replacement Year	2025		
Remaining Life	1		

The primary reason to seal-coat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal-coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material.

Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure.

Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling, minor repairs and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoats will typically be applied 6-12 months after the project is completed. We typically recommend funding for this component within the same year as the Overlay/Replacement project for cost efficiency with the Vendor.

Life adjustment given so this cycles with the projected Overlay of the roads.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Jim Creek Road - Overlay - 2025

Asset ID	1009
Category	Community Roads & Parking
Placed in Service	June 1992
Useful Life	30
Adjustment	3
Replacement Year	2025
Remaining Life	1

60,424 sf	@ $2.90
Asset Actual Cost	$175,229.60
Percent Replacement	100%
Future Cost	$181,362.64

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurface (overlay).

Most asphalt areas can be expected to last approximately 25-30 years before it will become necessary for an overlay to be applied or other major rehabilitation to be completed. If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life.

Cost estimate assumes a 2 inch overlay over existing surfaces. Thirty year useful life given due to lower traffic volume. A positive life adjustment given per the Client consultation with their Vendor. It is assumed that any repairs be made to the road are paid from the Operational Account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Jim Creek Road - Sealcoat - 2025

Asset ID	1010
Category	Community Roads & Parking
Placed in Service	June 2008
Useful Life	5
Adjustment	12
Replacement Year	2025
Remaining Life	1

60,424 sf	@ $0.40
Asset Actual Cost	$24,169.60
Percent Replacement	100%
Future Cost	$25,015.54

The primary reason to seal-coat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal-coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed

Asphalt - Jim Creek Road - Sealcoat continued...

water, preventing the water to infiltrate the base material.

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Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling, minor repairs and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoats will typically be applied 6-12 months after the project is completed. We typically recommend funding for this component within the same year as the Overlay/Replacement project for cost efficiency with the Vendor.

Life adjustment given so this cycles with the projected Overlay of the roads.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Park Parking - Overlay - 2025

Asset ID	1011	10,956 sf	@ $2.90
Category	Community Roads & Parking	Asset Actual Cost	$31,772.40
Placed in Service	June 1992	Percent Replacement	100%
Useful Life	30	Future Cost	$32,884.43
Adjustment	3		
Replacement Year	2025		
Remaining Life	1		

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurface (overlay).

Most asphalt areas can be expected to last approximately 25-30 years before it will become necessary for an overlay to be applied or other major rehabilitation to be completed. If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life.

Asphalt - Park Parking - Overlay continued...

Cost estimate assumes a 2 inch overlay over existing surfaces. Thirty year useful life given due to lower traffic volume. A positive life adjustment given per the Client consultation with their Vendor. It is assumed that any repairs be made to the road are paid from the Operational Account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Park Parking - Sealcoat - 2025

		10,956 sf	@ $0.40
Asset ID	1012	Asset Actual Cost	$4,382.40
		Percent Replacement	100%
Category	Community Roads & Parking	Future Cost	$4,535.78
Placed in Service	June 2008		
Useful Life	5		
Adjustment	12		
Replacement Year	2025		
Remaining Life	1		

The primary reason to seal-coat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal-coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material.

Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure.

Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling, minor repairs and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoats will typically be applied 6-12 months after the project is completed. We typically recommend funding for this component within the same year as the Overlay/Replacement project for cost efficiency with the Vendor.

Life adjustment given so this cycles with the projected Overlay of the roads.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Whitehorse Court - Overlay - 2025

		11,318 sf	@ $2.90
Asset ID	1015	Asset Actual Cost	$32,822.20
		Percent Replacement	100%
Category	Community Roads & Parking	Future Cost	$33,970.98
Placed in Service	June 1992		
Useful Life	30		
Adjustment	3		
Replacement Year	2025		
Remaining Life	1		

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurface (overlay).

Most asphalt areas can be expected to last approximately 25-30 years before it will become necessary for an overlay to be applied or other major rehabilitation to be completed. If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life.

Cost estimate assumes a 2 inch overlay over existing surfaces. Thirty year useful life given due to lower traffic volume. A positive life adjustment given per the Client consultation with their Vendor. It is assumed that any repairs be made to the road are paid from the Operational Account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Whitehorse Court - Sealcoat - 2025

		11,318 sf	@ $0.40
Asset ID	1016	Asset Actual Cost	$4,527.20
		Percent Replacement	100%
Category	Community Roads & Parking	Future Cost	$4,685.65
Placed in Service	June 2015		
Useful Life	5		
Adjustment	5		
Replacement Year	2025		
Remaining Life	1		

The primary reason to seal-coat is to protect the pavement from the deteriorating effects of sun and

Asphalt - Whitehorse Court - Sealcoat continued...

water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal-coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material.

Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure.

Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling, minor repairs and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoats will typically be applied 6-12 months after the project is completed. We typically recommend funding for this component within the same year as the Overlay/Replacement project for cost efficiency with the Vendor.

Life adjustment given so this cycles with the projected Overlay of the roads.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Athletic Stations - 1992 - Replace

		7 ea	@ $740.74
Asset ID	1017	Asset Actual Cost	$5,185.18
		Percent Replacement	100%
Category	Trail System	Future Cost	$5,185.18
Placed in Service	June 1992		
Useful Life	25		
Replacement Year	2024		
Remaining Life	0		

These athletic stations on the trail appear to be original construction. We recommend funding for the replacement of these at the timeframe indicated and *before* failure to reduce liability concerns.

1 Sit Up
1 Balance Beam
1 Push Up
1 Pull Up
1 Parallel Bars
1 Leg Stretch
1 Calf Stretch

Athletic Stations - 1992 - Replace continued...

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Athletic Stations - 2012 - Replace

		1 ea	@ $740.74
Asset ID	1018	Asset Actual Cost	$740.74
		Percent Replacement	100%
Category	Trail System	Future Cost	$1,158.48
Placed in Service	June 2012		
Useful Life	25		
Replacement Year	2037		
Remaining Life	13		

This vertical ladder athletic station does not appear to be of original construction and the install date has been estimated based on current condition levels. We recommend funding for the replacement of these at the timeframe indicated and *before* failure to reduce liability concerns.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Benches - Replace

		9 ea	@ $505.05
Asset ID	1019	Asset Actual Cost	$4,545.45
		Percent Replacement	100%
Category	Trail System	Future Cost	$4,545.45
Placed in Service	June 2002		
Useful Life	20		
Replacement Year	2024		
Remaining Life	0		

We recommend planning for replacement at the time frame indicated due to constant exposure. Clean and inspect annually - paint/stain from paid for from the the Operating budget as necessary.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Concrete Curb - Repair - 10% Repair - 2024

		876 lf	@ $48.49
Asset ID	1020	Asset Actual Cost	$4,247.72
		Percent Replacement	10%
Category	Community Roads & Parking	Future Cost	$4,247.72
Placed in Service	June 1992		
Useful Life	5		
Replacement Year	2024		
Remaining Life	0		

Concrete curbs at the community Entry and Park parking area appear to be deteriorating at a rate typical of their age - root and vehicle damage present in areas. This repair contingency has been included at 10% every 5 years due to the likelihood of additional damage from root and vehicles.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Culverts - 10% Replace - 2026

		418 lf	@ $101.01
Asset ID	1021	Asset Actual Cost	$4,222.22
		Percent Replacement	10%
Category	Community Roads & Parking	Future Cost	$4,522.95
Placed in Service	August 2023		
Useful Life	3		
Replacement Year	2026		
Remaining Life	2		

Culverts are a mix of metal and PVC piping raging between 6" and 12" piping. There are numerous culverts that are damaged and/or blocked and require replacement or repairs to prevent damage to the roads and drainage ditches. Below is a breakdown of the culverts measurements on the date of the site inspection. Please not that the estimated cost is for replacement of the existing culverts with corrugated PVC piping and does not take into account any need for future installation of new culverts as it is assumed the roads/culvert system was designed appropriately and with adequate drainage. Should new culverts be installed at a future date they can then be added to updates to this reserve study. A map of approximate culvert locations has been included in this reserve study under Site Map in the Table of Contents.

30 lf at Glacier Peak - (Catch Basin across street in direction of the Retention/Detention Pond)
48 lf at Glacier Peak & Blue Mountain Intersection
30 lf on Blue Mountain Road (no visible opening other end at lot retaining wall)
39.5 lf on Glacier Peak (at approximately House # 126)
56 lf at Glacier Peak Drive & Jacks Pass Court Intersection
54.5 lf at Glacier Peak Drive & White Horse Court Intersection
50 lf at Glacier Peak Drive & Jim Creek Road Intersection
30 lf on Jim Creek Road (6" white PVC)
40 lf on Jim Creek Road (at yellow Children Playing Sign)
30 lf at Fire Road and Fire Road/Saylor Road Connection
10 lf at Fire Road and Jim Creek Road

This component has been set to cycle at 3 year increments with 10% of the total liner feet replaced each 30 year cycle. A total replacement cycle every 30 years going forward as these culverts will have failures at different time periods and are typically spread out over many years due to various factors including vehicle damage and local geographical issues.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Culverts - Wood (1992) - Replace

		24 lf	@ $40.40
Asset ID	1022	Asset Actual Cost	$969.60
		Percent Replacement	100%
Category	Trail System	Future Cost	$969.60
Placed in Service	June 1992		
Useful Life	25		
Replacement Year	2024		
Remaining Life	0		

Wood culverts/pedestrian bridge on the trail are aging at a rate typical of their age. We recommend

Culverts - Wood (1992) - Replace continued...

budgeting for replacement of these at the timeframe indicated due to constant exposure and moisture with underlying water table/stream.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Culverts - Wood (2012) - Replace

		20 lf	@ $40.40
Asset ID	1023	Asset Actual Cost	$808.00
		Percent Replacement	100%
Category	Trail System	Future Cost	$1,263.68
Placed in Service	June 2012		
Useful Life	25		
Replacement Year	2037		
Remaining Life	13		

Wood culverts/pedestrian bridge on the trail are aging at a rate typical of their age. We recommend budgeting for replacement of these at the timeframe indicated due to constant exposure and moisture with underlying water table/stream.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Fence - Park - Replace

		30 lf	@ $51.18
Asset ID	1024	Asset Actual Cost	$1,535.40
		Percent Replacement	100%
Category	Fencing	Future Cost	$2,021.83
Placed in Service	June 1992		
Useful Life	40		
Replacement Year	2032		
Remaining Life	8		

The 12' high chain link fence at the community Park (baseball back stop) appears to be deteriorating at a rate typical of its age. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Fence - RV Parking - Replace - 2032

		574 lf	@ $28.29
Asset ID	1025	Asset Actual Cost	$16,238.46
		Percent Replacement	100%
Category	Fencing	Future Cost	$21,382.95
Placed in Service	June 1992		
Useful Life	40		
Replacement Year	2032		
Remaining Life	8		

The chain link fence at the RV parking area appears to be deteriorating at a rate typical of its age. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gate - Access System - Replace

		1 ea	@ $4,040.40
Asset ID	1026	Asset Actual Cost	$4,040.40
		Percent Replacement	100%
Category	Gate	Future Cost	$4,040.40
Placed in Service	June 1992		
Useful Life	20		
Replacement Year	2024		
Remaining Life	0		

Reportedly in operational condition nut appears to have areas of repair (duct tape). Wipe down surfaces periodically with an appropriate cleaner, being careful to avoid control buttons. Plan for replacement at the typical life expectancy interval indicated, due to constant usage and exposure to weather elements.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gate - Entry - Replace - 2032

		2 ea	@ $8,500.00
Asset ID	1027	Asset Actual Cost	$17,000.00
		Percent Replacement	100%
Category	Gate	Future Cost	$22,385.75
Placed in Service	June 1992		
Useful Life	40		
Replacement Year	2032		
Remaining Life	8		

Entry Gate and posts appears to be deteriorating at a rate typical of their age. We strongly recommend regular professional inspections, touch up paint, maintenance and repairs (paid from Operating Account) to help extend useful life cycles; this is most easily/economically addressed by setting up annual maintenance contracts with a Gate Vendor. These types of metal gates are typically durable, however, we recommend setting aside funding for regular intervals of replacement due to constant usage, wear and the typical damage not covered by insurance as seen in similar communities.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gate - Fire Road - Replace

		1 ea	@ $2,087.54
Asset ID	1028	Asset Actual Cost	$2,087.54
		Percent Replacement	100%
Category	Gate	Future Cost	$4,605.35
Placed in Service	June 1992		
Useful Life	55		
Replacement Year	2047		
Remaining Life	23		

Swing gate (22' wide) and posts at the Fire Road appears to be deteriorating at a rate typical of their age. These types of metal gates are typically durable, however, we recommend setting aside funding for regular periodic replacement.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gate - Operators - Replace

		2 ea	@ $3,950.00
Asset ID	1029	Asset Actual Cost	$7,900.00
		Percent Replacement	100%
Category	Gate	Future Cost	$7,900.00
Placed in Service	June 2002		
Useful Life	10		
Replacement Year	2024		
Remaining Life	0		

Gate operators are reportedly in operational condition but have repairs (duct tape) and reportedly a history of not functioning at times. On the date of the site inspection the gates were left in an open position. The life of these operators can vary significantly based on usage, nehicle bumps, etc. and that typically the entry/exit operators don't always fail at the same time. A useful life of 10 years is a rough estimate for replacement (entire unit assumed). Regular maintenance should continue through the operating budget which includes annual inspections, service and maintenance which can extend useful life.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

Gate - Operators - Replace continued...

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gazebo - Paint/Stain

		1,618 sf	@ $1.14
Asset ID	1030	Asset Actual Cost	$1,844.52
		Percent Replacement	100%
Category	Structures	Future Cost	$1,844.52
Placed in Service	June 2010		
Useful Life	8		
Replacement Year	2024		
Remaining Life	0		

This component is for the staining /painting and sealing (caulking where needed) of the gazebo which we recommend stain/paint cycles of every 8 years to maintain the aesthetic appeal of the community as well as extend the useful life of this component. Currently it appears the stain/sealing has worn and is in need of a new coat. Measurement includes the ceiling, beams and posts.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gazebo - Refurbish

		1 ls	@ $2,356.90
Asset ID	1031	Asset Actual Cost	$2,356.90
		Percent Replacement	100%
Category	Structures	Future Cost	$2,356.90
Placed in Service	June 1992		
Useful Life	25		
Replacement Year	2024		
Remaining Life	0		

This component is for a refurbishment of the gazebo rock, countertops and BBQ area which, with time, will see significant deterioration due to exposure to the elements. Currently the structure appears to have been well maintained. With continued regular cycles of maintenance/painting/sealing this

Gazebo - Refurbish continued...

component will have a long useful life - we have no recommendations for full replacement of this component if it is properly maintained.

Cost estimate includes replacement of the 4 flood lights, repairs to damaged areas of the stone, motar and wood rot/deterioration which will develop over time.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gazebo Roof - Replace

		12 squares	@ $1,250.00
Asset ID	1032	Asset Actual Cost	$15,000.00
		Percent Replacement	100%
Category	Structures	Future Cost	$15,000.00
Placed in Service	June 1992		
Useful Life	25		
Adjustment	3		
Replacement Year	2024		
Remaining Life	0		

The wood shake roof on the Gazebo appears to be deteriorating at a rate typical of its age based our limited scope visual inspection. As routine maintenance, we recommend professional inspections at least twice annually and after windstorms. Promptly replace any damaged/missing shingles or any other repair needed to ensure waterproof integrity of roof. Keep gutters and downspouts clear and free of debris. Plan for replacement at roughly the time frame indicated. Cost estimates include removal of old roofing materials and replacement of flashing.

*1 square = 100 Square Feet

This component has been Unfunded (removed from the mathematical models) at the request of the Client who has stated that they have planned on replacing the roof in-house by homeowners in the community. It is assumed that all materials costs will be paid from the Operational Account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gravel - RV Lot - Replenish - 2024

		21,598 sf	@ $1.68
Asset ID	1033	Asset Actual Cost	$36,284.64
		Percent Replacement	100%
Category	Landscaping	Future Cost	$36,284.64
Placed in Service	June 2019		
Useful Life	5		
Replacement Year	2024		
Remaining Life	0		

Gravel areas require regular cycles of replenishment. Inspect regularly, maintain any containment borders, control vegetation and fill in any low spots which may develop as needed using operating/maintenance funds. Plan for larger scale refurbish project with gravel at the time frame indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Gravel Road - Fire Road - Replenish/Grading - 2024

		24,696 sf	@ $1.75
Asset ID	1034	Asset Actual Cost	$43,218.00
		Percent Replacement	100%
Category	Community Roads & Parking	Future Cost	$43,218.00
Placed in Service	June 1992		
Useful Life	20		
Replacement Year	2024		
Remaining Life	0		

Gravel pathways and roads require regular cycles of replenishment. No significant depressions or deterioration observed at this time on the Fire Road but gravel has settled into the dirt since original installation date and heavy rain will result in muddy conditions which can limit accessibility. Inspect regularly, maintain any containment borders, control vegetation and fill in any low spots which may develop as needed using operating/maintenance funds. Plan for larger scale refurbish project with gravel and grading and at timeframe indicated.

A historical record of this road has not been provided so and it is not known for sure if the road has been replenished and regraded since original construction. Because of this we have utilized a Date in Service of when the community was constructed. Typically gravel roads needs significant replenishment and grading every +/- 20 years. It is assumed smaller replenishment projects and maintenance costs are paid from the Operating Account as needed.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Lights - Landscape - Replace

		3 ea	@ $101.01
Asset ID	1035	Asset Actual Cost	$303.03
		Percent Replacement	100%
Category	Lighting	Future Cost	$335.97
Placed in Service	June 2012		
Useful Life	15		
Replacement Year	2027		
Remaining Life	3		

Landscape lights (at monuments) appear to be deteriorating at a rate typical of their age. We recommend budgeting for replacement at the timeframe indicated due to constant exposure to the elements and deterioration of the component over time.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Lights - Pole - Replace

		1 ea	@ $1,548.82
Asset ID	1036	Asset Actual Cost	$1,548.82
		Percent Replacement	100%
Category	Lighting	Future Cost	$2,422.29
Placed in Service	June 2012		
Useful Life	25		
Replacement Year	2037		
Remaining Life	13		

The wood pole light at the entry access panel area appear to be deteriorating at a rate typical of its age and is reportedly the only pole light on site that is the Association's responsibility. Observed during daylight hours and assumed to be in functional operating condition. As routine maintenance, inspect, repair/change bulbs as needed. Best to plan for large scale replacement at roughly the time frame below, for cost efficiency and consistent quality/appearance. Cost estimated based on a licensed professional removing and installing new fixtures.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

Lights - Pole - Replace continued...

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Picnic Table - Replace

		2 ea	@ $875.42
Asset ID	1037	Asset Actual Cost	$1,750.84
		Percent Replacement	100%
Category	Recreation	Future Cost	$2,305.52
Placed in Service	June 2012		
Useful Life	20		
Replacement Year	2032		
Remaining Life	8		

Picnic tables appear to be deteriorating at a rate typical of their age. We recommend for eventual replacement at the time frame indicated due to constant exposure. We recommend cleaning and inspecting annually - paint/stain as needed paid for from the Operating account.

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Security System - Refurbish

		1 ls	@ $7,407.40
Asset ID	1038	Asset Actual Cost	$7,407.40
		Percent Replacement	100%
Category	Fire/Security	Future Cost	$7,407.40
Placed in Service	June 1992		
Useful Life	15		
Replacement Year	2024		
Remaining Life	0		

Security system is reportedly no longer functional. The Client has stated that there is no desire to replace/refurbish/modernize this system so this component has been Unfunded in this reserve study and been listed for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Security System - Refurbish continued...

Signs - Entry Monuments - Refurbish

		1 ls	@ $4,713.80
Asset ID	1039	Asset Actual Cost	$4,713.80
		Percent Replacement	100%
Category	Signage	Future Cost	$4,713.80
Placed in Service	June 1992		
Useful Life	20		
Replacement Year	2024		
Remaining Life	0		

Concrete Entry Monument appears to be deteriorating at a rate typical of its age and is typically a long life component with no predictable replacement cycle. As routine maintenance, inspect regularly, clean/touch up for appearance and complete minor repairs, paid from Operating Budget. At this time we have no recommendations for larger scale refurbishment or replacement of these entry monuments.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Signs - Road - 25% Replace

		17 ea	@ $370.37
Asset ID	1040	Asset Actual Cost	$1,574.07
		Percent Replacement	25%
Category	Signage	Future Cost	$1,574.07
Placed in Service	June 1992		
Useful Life	5		
Replacement Year	2024		
Remaining Life	0		

Street name, stop signs and general road signs appears to be deteriorating at a rate typical of their age. As routine maintenance, inspect regularly, clean/touch up for appearance and repair from operating budget. Reserve funding recommended for regular intervals of replacement to maintain a consistent, quality appearance.

This age of the road signs vary on site. We suggest budgeting or replacement of 25% of the signs every five years.

At the request of the Board this component has been Unfunded in this reserve study and removed

Signs - Road - 25% Replace continued...

from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Storm Drain System - Local Repairs - 2028

		1 ls	@ $5,000.00
Asset ID	1042	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Stormwater Facilities	Future Cost	$5,737.61
Placed in Service	August 2023		
Useful Life	5		
Replacement Year	2028		
Remaining Life	4		

This line item is for local repairs to the storm drainage system, not replacement of the piping or catch basins on a large scale. Review contingency annually and adjust as conditions and repair needs dictate.

Repairs are reportedly being completed on Jim Creek Road in 2023.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Trash Receptacles- Replace

		2 ea	@ $101.01
Asset ID	1041	Asset Actual Cost	$202.02
		Percent Replacement	100%
Category	Recreation	Future Cost	$266.02
Placed in Service	June 2012		
Useful Life	20		
Replacement Year	2032		
Remaining Life	8		

Trash receptacles appear to be deteriorating at a a rate typical of their age and do not appear to be original (the green lid does appear original). Inspect and clean annually - paint/stain from the Operating budget as becomes necessary.

Trash Receptacles- Replace continued...

At the request of the Board this component has been Unfunded in this reserve study and removed from all mathematical models as it is reportedly being treated as an Operating Expense and being paid for from the Operating Account. It has been included in the component list for inventory purposes only.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Definitions Index

Abbreviations

ea = each	FY = fiscal year	lf or lin ft = lineal feet	ls = lump sum
RL = remaining life	sf or sq ft = square feet	sy or sq yd= square yard	
UL = useful life	100 sq ft = 1 square)	% = percent	

1. **Allocation %**
   A percentage of the total Reserve Allocation. See - Calculations Appendix
2. **Allocation Increase Rate**
   Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow Analysis.
3. **Base Year**
   The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period) and utilized to determine the approximate complex age. This parameter is provided for information only.
4. **Common Interest Development (CID)**
   Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The following are two typical CID subdivision types:
   - Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit.
   - Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

   **Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.*
5. **Component Inventory**
   The task of selecting and quantifying reserve items. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents, and discussion with appropriate association representatives.
6. **Condition Assessment**
   The task of evaluating the current condition of the component based on observed or reported characteristics and normal documented in the field report for a Level 1 or Level 2 Reserve Study.
7. **Contingency Rate**
   Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.
8. **Current Cost**
   The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See - Calculations Appendix.
9. **Disbursement / Expenditures**
   The funds expected to be paid or expended from the Reserve Balance.
10. **Extended Cost**
    See - Calculations Appendix.
11. **Fiscal Year (FY)**
    A twelve-month period for which an organization plans the use of its funds. There are two distinct types:
    - Calendar Fiscal Year (ends December 31)
    - Non-Calendar Fiscal Year (does not end December 31)
12. **Full Funded Balance (FFB)**
    Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared. The balance that is in direct proportion to the fraction of life "used up" of the cost. See - Calculations Appendix.
13. **Funding Goal**
    Independent of methodology utilized, the following represents the basic categories of funding plan goals:
    - Baseline Funding- Maintaining a Net Reserve Balance above zero for length of the study.
    - Full Funding- Maintaining a Reserve Balance at or near Percent Funded of 100%.
    - Statutory Funding- Maintaining a specified Reserve Balance/Percent Funded per statutes.
    - Threshold Funding- Establishing and maintaining a set predetermined Reserve Balance or Percent Funded.
14. **Funding Method (or Funding Plan)**
    An Association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:
    - Cash Flow Method- A method of developing a reserve funding plan where allocations 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.
    - Component Method- The component method develops a reserve-funding plan where the total contribution is based on the sum of contributions for individual components. The component method is the more conservative (typically higher reserve account balance) of the two funding options and assures that the association will achieve and maintain an ideal level of reserves over time. This method also allows for computations on individual components in the analysis. However, this method has also limitations with respects to variations in actual useful life of components and is much more time intensive to accurately follow this funding strategy.

15. **Funding Plan**
The combined Funding Method & Funding Goal.
16. **FY End Balance (same as next FY Start Balance)**
The balance in reserves at end of applicable fiscal year. See - Calculations Appendix.
17. **FY Start Balance (same as prior year FY End Balance)**
The balance in reserves at start of applicable fiscal year.
18. **Inflation Rate**
Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.
19. **Interest Earned**
The annual earning of reserve funds that have been deposited into certificates of deposit (CDs), money market accounts or other investment vehicles. See - Calculations Appendix.
20. **Interest Rate**
The ratio of the gain received from an investment and the investment over a period (usually one year), prior to any federal or state-imposed taxes.
21. **Interest Rate (net effective)**
The ratio of the gain received from an investment and the investment over a period (usually one year), after any federal or state-imposed taxes.
22. **Levels of Service**

Level 1 Reserve Study (Full or Comprehensive)- A Reserve Study in which the following five Reserve Study tasks are performed:

- Component Inventory
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

Level 2 Reserve Study (Update, With-Site-Visit/On-Site Review)- A Reserve Study update in which the following five tasks are performed:

- Component Inventory (from prior study)
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

*Note- Updates are reliant on the validity of prior Reserve Studies.

Level 3 Reserve Study (Update, No-Site-Visit/Off-Site Review)- A Reserve Study update with no on-site visual observations in which the following three tasks are performed:

- Component Inventory (from prior study)
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

*Note- Updates are reliant on the validity of prior Reserve Studies.

23. **Percent Funded**
A comparison of the Fully Funded Balance (ideal balance) to the Fiscal Year Actual Start Balance expressed as a percentage and used to provide a 'general indication' of reserve strength. See Calculations Appendix.
24. **Quantity**
The number or amount of a reserve component or subcomponent.
25. **Remaining Life (RL)**
The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.
26. **Replacement %**
A percentage of the total replacement for a reserve component or subcomponent. This parameter is normally 100%.
27. **Reserve Allocation**
The amount to be annually budgeted towards reserves based on a Funding Plan.
28. **Reserve Component (or subcomponent)**
The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- an association responsibility,
- with limited useful life expectancies,
- predictable remaining useful life expectancies,
- above a minimum threshold cost,
- and, as required by statutes.

29. **Restoration**
Defined as to bring back to an unimpaired or improved condition. General types follow:

- Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
- Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
- Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.

30. **Risk Factor (Percent Funded)**
The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:

- 70% and above - LOW
- 30% to 70% - MODERATE
- 30% and below - HIGH

*High risk is associated with a higher risk for reliance on special assessments, loans and litigation.

31. **Unit Cost**
The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or subcomponent to its original functional condition.
32. **Unit of Measure**
A system of units used in measuring a reserve component or subcomponent (i.e. each, lineal feet, square feet, etc.).
33. **Useful Life (UL)**
Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

Disclosures Index

The below disclosures are in accordance with reserve study standards developed by CAI, APRA and statutory requirements.

1. **Items Beyond the Scope of this Report**
   This reserve study has been conducted to outline a financial plan for the proper and adequate budgeting of the Association component repair and/or replacement. This report should not be utilized for any other purpose and should not be considered or deemed appropriate or reliable for, but not limited to, any of the following:

   - Building or land appraisals for any purpose
   - State or local zoning ordinance violations
   - Building code violations
   - Soils conditions, soils contamination or geological stability of site
   - Engineering analysis or structural stability of site
   - Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
   - Water quality or other environmental hazards
   - Invasions by termites and any or all other destroying organisms or insects
   - Damage or destruction due to pests, birds, bats or animals to buildings or site
   - Adequacy or efficiency of any system or component on site
   - Specifically excluded reserve items
   - Septic systems and septic tanks
   - Buried or concealed portions of swing pools, pool liners, Jacuzzis/spas or similar items
   - Items concealed by signs, carpets or other things
   - Missing or omitted information supplied by the Association for the purposes of reserve study preparation
   - Hidden improvements such as sewer lines, water lines, or other buried or concealed items

2. **Qualifications**
   We are a professional business in the market to prepare Reserve Studies. Our Reserve Analysts' are either designated with or working towards the RS and/or PRA designations which are given by the two leading industry organizations which require peer review, continuing education and provide resources to stay on top of industry trends.
3. **Invasive Testing**
   Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive/invasive testing during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.
4. **Conflicts of Interests**
   As the preparer of this reserve study; the Reserve Analyst certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.
5. **Representative Sampling**
   This study and report is based on observations of the visible and apparent conditions of a reasonable representative sampling of the property's elements at the time of inspection. Although due diligence was performed during the inspection phase, we make no representations regarding latent or concealed defects that may exist. The inspection did not constitute any invasive investigations and was not intended to determine whether applicable building components, systems, or equipment are adequate or in compliance with any specific or commonly accepted design requirement, building code, or specification. Such tasks as material testing, engineering analysis, destructive testing, or performance testing of building systems, components, or equipment are not considered as part of the scope of work, nor are they considered by the reserve study industry standard.
6. **Reliance on Client & Vendor Data Provided**
   Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will reflect information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited. A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. The results of this study are based on the independent opinion of the preparer and their experience and research during their career in preparing Reserve Studies. In addition, the opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warrantee or guarantee regarding our life and cost estimates/predictions. There is no implied warrantee or guarantee in any of our work product. Our results and findings will vary from another preparer's results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.
7. **Update to Prior Reserve Studies**
   Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies. Level III Studies: In addition to the above we have not visited the property when completing a Level III "No Site Visit" study. Therefore, we have not verified the current condition of the common area components. It is assumed all prior study component information related to quantities, condition assessments, useful life and remaining useful life are accurate.
8. **Assumption Regarding Ongoing Maintenance**
   The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components.

9. Assumptions Regarding Defect in Design or Construction

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives. We have assumed all components have been properly built and will reach normal, typical life expectancies. In general, a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

10. Basis of Cost Estimates

Pricing used for the repair or replacement costs indicated in this report are derived from a variety of sources, e.g., recent contractor bids received by subject property HOA or prior clients, construction product vendor catalogs, internet, or national construction cost estimating publishers (RS Means / Marshall & Swift). The material and labor pricing provided are estimates and have been augmented, as necessary, to account for specific site conditions (i.e. material handling, scaffolding, etc.). The total expenses represent a useful guideline whereby reserve funds can be accumulated for future repairs and replacements. The estimated repair and replacement expenses, unless otherwise noted, do not include allowances for architectural, engineering, or permitting fees.

11. Limitations on Report Use

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require 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.

12. State Specific Disclosures

Washington State

RCW 64.34.382 & WA State RCW 64.38.070

This reserve study includes all aspects required per WA State RCW requirements outlined in the Washington Condominium Act and the Homeowners' Association Act.

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

Disclosures Required by RCW 64.90.550.

This Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act.

a) This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent;
b) This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and
c) 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.

Calculations Index

1. **Allocation % =**

   Reserve Allocation (Component Method) / Total Reserve Allocation (Component Method) x 100

2. **Current Cost =**

   Extended Cost (for a component without subcomponents)

   i. -or-

   Sum of subcomponent Extended Costs (for a component with subcomponents)

3. **Extended Cost =**

   Quantity x Unit Cost x Replacement % x (1+Contingency Rate)

4. **FY End Balance (same as Next FY Start Balance) =**

   Initial or current fiscal year-

   Current Reserve Balance + Interest Earned + Reserve Allocation to Fund + Special Assessment to Fund + Funds Due from Operating - Approved Funds to Disburse - Disbursements

   Subsequent fiscal years-

   FY Start Balance + Interest Earned + (Reserve Allocation (from previous year) x (1 + Reserve Allocation Rate) - Disbursements

5. **Interest Earned=**

   Initial fiscal year-

   Current Reserve Balance x (Interest Rate (net effective)/12 x Number of funding months remaining in current fiscal year)

   Subsequent fiscal years-

   FY Start Balance x Interest Rate (net effective)

   Accumulation Function and Amount Function

   https://www.reservedataanalyst.com/int

6. **Percent Funded =**

   (Reserve Account Balance / Fully Funded Balance) x 100

7. **Reserve Allocation (Component Method) =**

   Current Cost / Useful Life

8. **Fully Funded Balance (FFB) =**

   Basic Fully Funded

   Fully Funded = Age/Useful Life * Cost

   Note that "Age" is adjusted for each year of the study (e.g. one year later also equates to an Age which is one year greater). We do not use the age from the first year of the study for future FFB calculations as this would not appropriately address the deterioration of the component over time (i.e. when providing future projections one can make a valid assumption that a component will deteriorate by one year if providing projections for one year later).

   Cost (component project cost) is inflated for each year based on an annual inflation rate (compounding) given in this reserve study (e.g., a paint project "cost" may be $1,000 in Year 1 of the study but will have a "cost" of $1,030 in Year 2 of the study, and $1,060.90 in Year 3 of the study, when utilizing an annual 3% inflation rate). Note that we do not use the "cost" (current project cost) from the first year of the study for future year's FFB calculations as this approach does not consider the impact of inflation on the project cost and will usually result in a significantly underfunded reserve account over time. This is also known as the Inflation Adjusted Cost Method

   ***Unless specifically noted otherwise we have utilized the above FFB formula and methodology in this reserve study.*

   Community Association Institute FFB Formula

   The Community Association Institute published the below FFB formula to account for inflation and interest earned on deposit ("present value" is based on the current cost only - with no inflation of the project cost) the writers of 'RESERVE FUNDS: How & Why community Associations Invest Assets' published:

$$Basic\_FF = (\ Age/\ Useful\ Life\ ) * Present\ Value$$

$$\begin{aligned} CAI\_FF = {} & Basic\_FF \\ & + Basic\_FF/(1+interest)^{Remaining\ Life} \\ & - Basic\_FF/(1+inflation)^{Remaining\ Life} \end{aligned}$$

   More mathematical information can be found at the following link: www.reservedataanalyst.com/math

Camano Hills HOA
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1004	Asphalt - Entry Gate - Sealcoat	2025	46
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1007	Asphalt - Jacks Pass Court - Overlay	2025	48
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Camano Hills HOA
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Total Funded Assets	21
Total Unfunded Assets	19
Total Assets	40