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Update “With Site-Visit” Reserve Study



South Bay CA Port Ludlow, WA

Report #: 23316-0
For Period Beginning: July 1, 2014
Expires: June 30, 2015
Date Prepared: May 7, 2014



Hello, and welcome to your Reserve Study!

We don't want you to be surprised. This Report is designed to help you anticipate, and prepare for, the major common area expenses your association will face. Inside you will find:

- 1) The Reserve Component List (the “Scope and Schedule” of your Reserve projects) – telling you what your association is Reserving for, what condition they are in now, and what they'll cost to replace.**
- 2) An Evaluation of your current Reserve Fund Size and Strength (Percent Funded). This tells you your financial starting point, revealing your risk of deferred maintenance and special assessments.**
- 3) A Recommended Multi-Year Reserve Funding Plan, answering the question... “What do we do now?”**

More Questions?

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

253/661-5437

Relax, it's from



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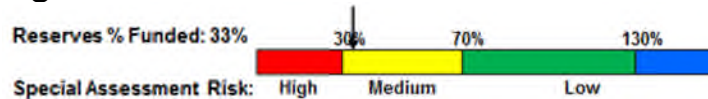
3- Minute Executive Summary

Association: South Bay CA #: 23316-0
Location: Port Ludlow, WA # of Units: 555
Report Period: July 1, 2014 through June 30, 2015

Findings/Recommendations as-of 7/1/2014:

Projected Starting Reserve Balance:	\$310,247
Current Fully Funded Reserve Balance:	\$934,290
Average Reserve Deficit (Surplus) Per Unit:.....	\$1,124
100% 2014/2015 Monthly "Full Funding" Contributions:	\$9,665
70% 2014/2015 Monthly "Threshold Funding" Contributions	\$8,863
Baseline contributions (minimum to keep Reserves above \$0):.....	\$8,692
Recommended 2014/2015 Special Assessment for Reserves:.....	\$0

Most Recent Budgeted Reserve Contribution Rate:\$5,046



Economic Assumptions:

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

- This is an "Update With-Site-Visit" Reserve Study, based on our on-site inspection on April 8, 2014 and meets or exceeds all requirements of the RCW. This study updated a previous report by another provider and was prepared by a credentialed Reserve Specialist (RS 153).
- Your Reserve Fund is 33% Funded. This means the association's risk of special assessment and/or deferred maintenance is currently in the medium range. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of Reserve cash flow problems.
- Based on this starting point, your anticipated future expenses, our recommendation is to substantially increase your Reserve contributions to within the 70% to 100% level as noted above. 100% "Full" and 70% contribution rates are designed to achieve these funding objectives *by the end* of our 30-year report scope. No assets appropriate for Reserve designation were knowingly excluded. See photo appendix for component details; the basis of our assumptions.

Table 1: Executive Summary

23316-0

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
Site/Grounds				
120	Asphalt - Resurface	35	9	\$135,900
121	Asphalt - Seal/Repair	5	0	\$24,600
252	Storage Building Roof - Replace	25	5	\$2,960
270	Pole Lights - Replace	40	15	\$33,000
Recreation				
402	Pool - Resurface	10	9	\$23,000
403	Spa - Resurface	5	4	\$4,000
404	Pool/Spa Tile/Coping - Replace	20	9	\$16,000
410	Pool/Spa Filters - Replace	20	15	\$3,600
412	Pool/Spa Heat Pumps - Replace	15	13	\$16,000
413	Pool/Spa Heaters - Replace	10	9	\$8,000
414	Pool/Spa Pump Controls - Replace	10	8	\$4,000
420	Pool Furniture - Replace	10	5	\$2,500
430	Patio Furniture - Replace	10	7	\$14,000
440	Exercise Equipment-Partial Replace	5	4	\$12,500
450	Tennis Courts - Repair/Top Coat	8	7	\$20,900
452	Tennis Courts - Resurface	40	14	\$76,000
456	Tennis Court Fence - Replace	40	14	\$15,120
462	Gazebo Roof - Replace	25	22	\$2,320
Building Exterior				
504	Bay Club Roof - Replace	40	15	\$197,450
510	Bay Club Gutters/Downspouts-Replace	40	15	\$7,600
515	Skylights - Replace	40	15	\$18,000
540	Exterior Surfaces-Clean/Seal/Paint	6	5	\$36,200
542	Exterior Siding - Repair/Replace	42	17	\$328,500
544	Windows/SGD's - Partial Replace	6	5	\$25,000
Building Interior				
600	Carpet/Vinyl - Replace	12	2	\$98,500
602	Tile Floor - Replace	36	14	\$24,500
604	Wood Floor - Replace	36	14	\$37,400
606	Wood Floor - Refinish	12	2	\$18,700
610	Interior Surfaces - Paint/Refinish	12	2	\$45,240
614	Interior Lights - Replace	24	18	\$72,800
618	Common Areas - Partial Refurbish	3	2	\$12,500
630	Bathrooms/Locker Rooms - Refurbish	36	14	\$45,000
630	Kitchen - Refurbish	12	6	\$50,000

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
Systems/Equipment				
816	Fire Alarm Panel - Replace	20	18	\$3,000
818	ADA Door Operators - Replace	15	11	\$4,500
832	Water Heaters, Commercial - Replace	15	0	\$12,500
840	Duct Furnaces - Replace	20	1	\$90,000
850	Alarm/Surveillance System - Replace	10	5	\$12,000
852	Telephone System - Replace	8	7	\$3,500
39	Total Funded Components			

Note;

Yellow highlighted line items are expected to require attention in the initial year

Green highlighted items are expected to occur within the first five years.

Cross reference component numbers with photographic inventory appendix.

A reserve-funding threshold of \$2,000 is established for your association (expenses below this level expected to be factored within operating budget)

Introduction



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

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



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

Methodology



For this [Update With-Site-Visit](#) Reserve Study, we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and

researched any well-established association precedents. We performed an on-site inspection to evaluate your common areas, *updating and adjusting* your Reserve Component List as appropriate.

Which Physical Assets are Funded by Reserves?

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



RESERVE COMPONENT "FOUR-PART TEST"

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

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

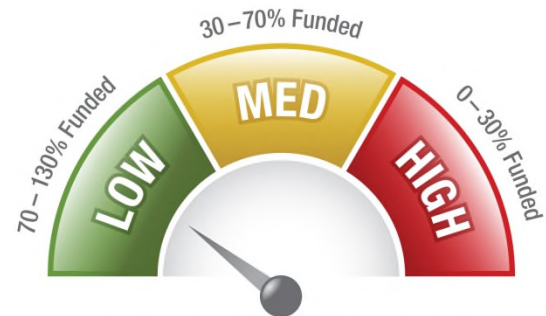
- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



SPECIAL ASSESSMENT RISK

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

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

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

How much should we contribute?



RESERVE FUNDING PRINCIPLES

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

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

What is our Recommended Funding Goal?

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



FUNDING OBJECTIVES

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

Site Inspection Notes

During our site visit on April 8, 2014, we noted: current condition, apparent levels of care and maintenance, exposure to weather elements and other factors that may affect the components useful life. During our site inspection we were informed which components were being handled from the Operational maintenance budget, not Reserves.



Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Your *first five years* of projected Reserve expenses total \$333,965. Adding the next five years, your *first ten years* of projected Reserve expenses are \$856,166. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in Table 5, while details of the projects that make up these expenses are shown in Table 6.

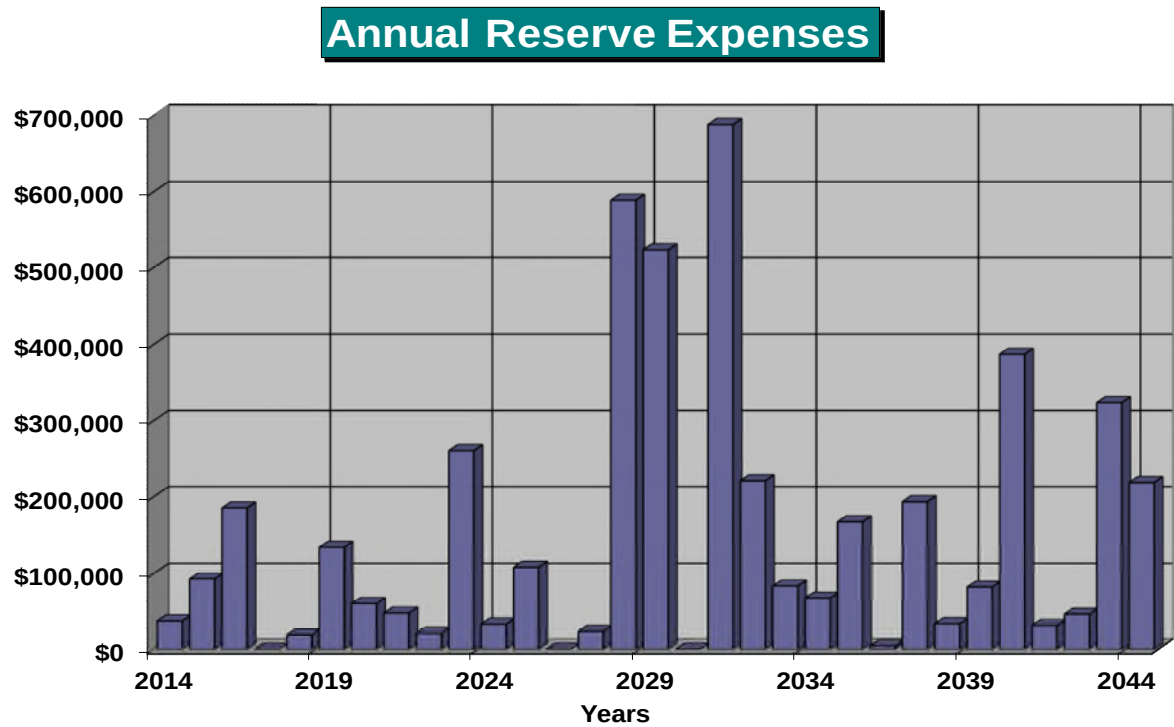


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$310,247 as-of the start of your Fiscal Year on July 1, 2014. As of July 1, 2014, your Fully Funded Balance is computed to be \$934,290 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 33% [Funded](#). Across the country roughly 20% of associations in this range experience special assessments or deferred maintenance.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$9,665/month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both Table 5 and Table 6.

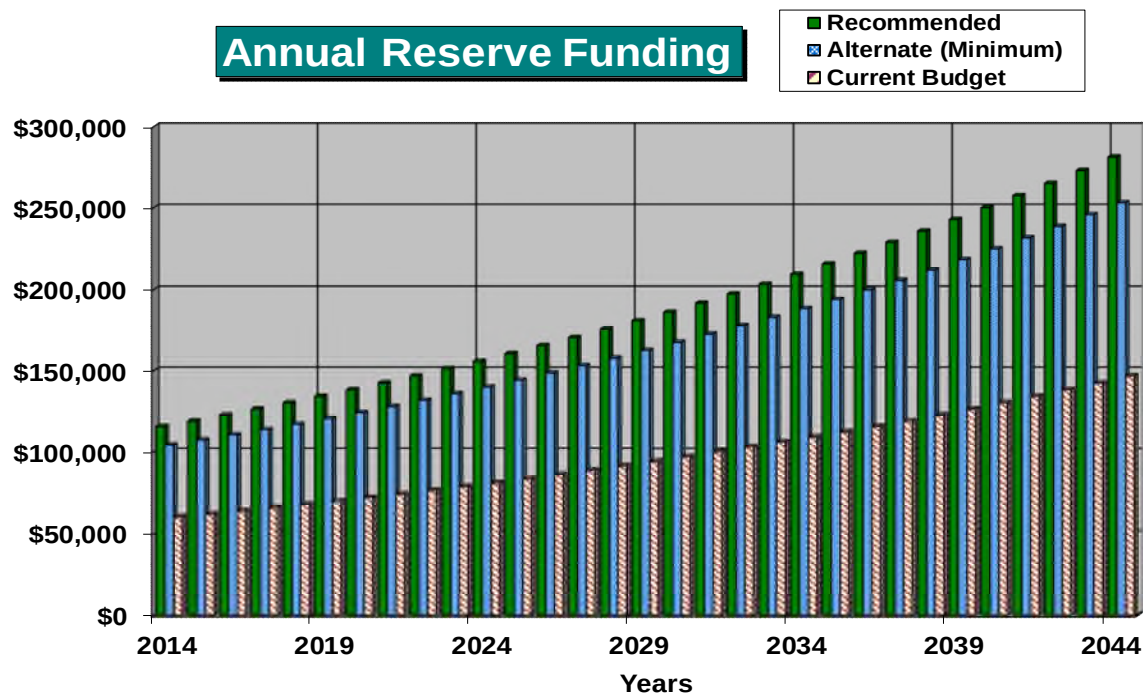


Figure 2

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

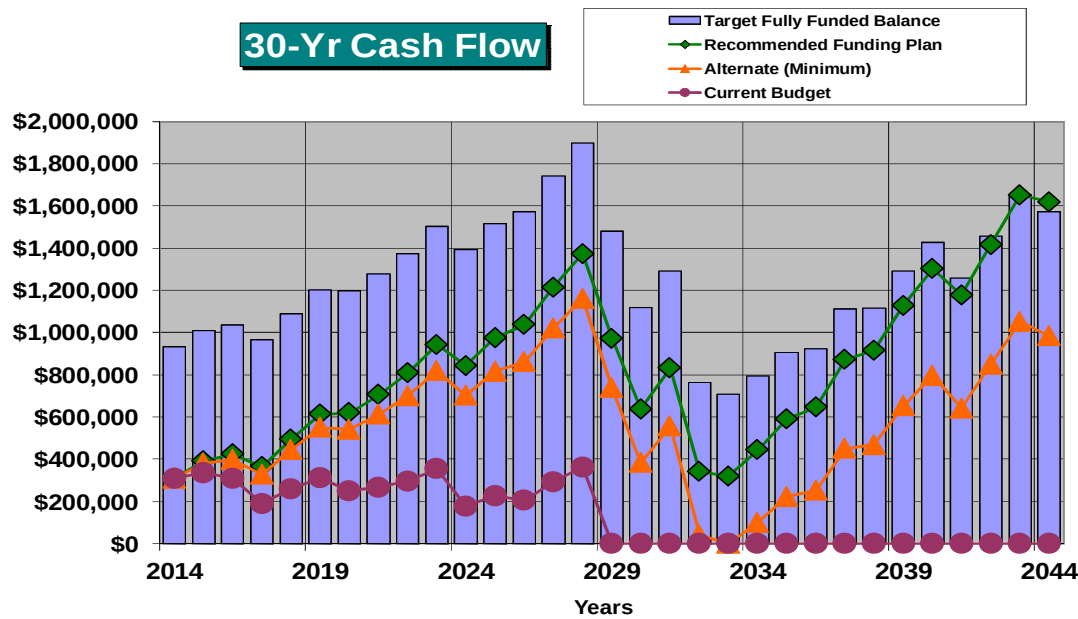


Figure 3

This figure shows this same information, plotted on a [Percent Funded](#) scale.

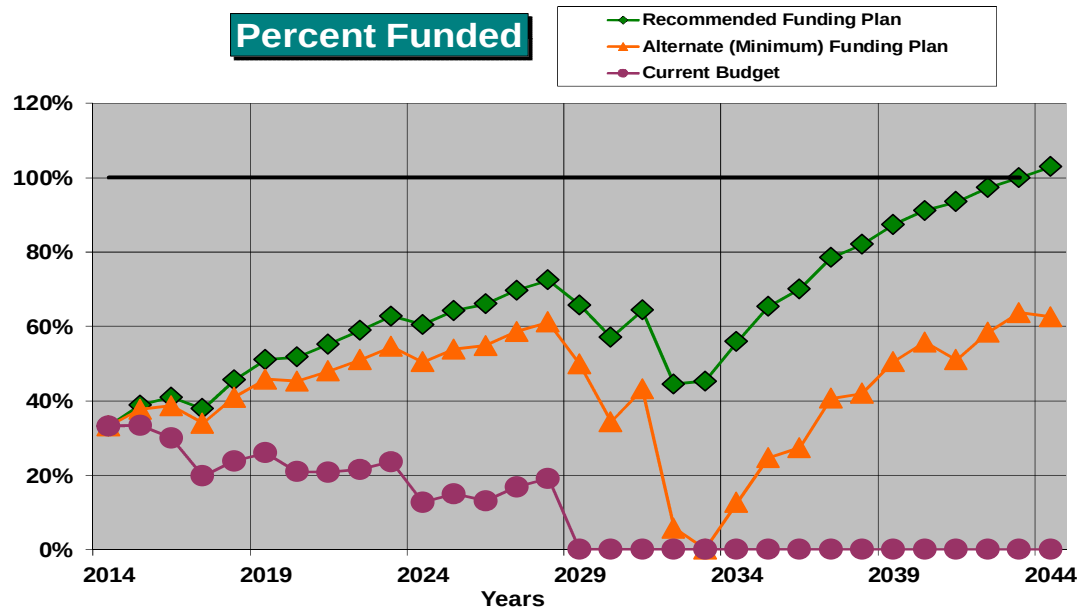


Figure 4

Table Descriptions

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

Table 1 is a summary of your Reserve Components (your Reserve Component List), the information found in Table 2.

Table 2 is your Reserve Component List, which forms the foundation of this Reserve Study. This table represents the information from which all other tables are derived.

Table 3 shows the calculation of your Fully Funded Balance, the measure of your current Reserve component deterioration. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Table 4 shows the significance of each component to Reserve needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by Useful Life, then that component's percentage of the total is displayed.

Table 5: This table provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk for each year.

Table 6: This table shows the cash flow detail for the next 30 years. This table makes it possible to see which components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail
23316-0

#	Component	Quantity	Useful Life	Rem. Useful Life	[--- Current Cost Estimate ---]	
					Best Case	Worst Case
Site/Grounds						
120	Asphalt - Resurface	Approx 60,400 square feet	35	9	\$120,800	\$151,000
121	Asphalt - Seal/Repair	Approx 60,400 square feet	5	0	\$20,900	\$28,300
252	Storage Building Roof - Replace	Approx 615 square feet	25	5	\$2,740	\$3,180
270	Pole Lights - Replace	(11) metal	40	15	\$30,800	\$35,200
Recreation						
402	Pool - Resurface	Approx 800 SF surface	10	9	\$20,000	\$26,000
403	Spa - Resurface	Approx 100 SF surface	5	4	\$3,000	\$5,000
404	Pool/Spa Tile/Coping - Replace	Approx 160 linear feet	20	9	\$12,800	\$19,200
410	Pool/Spa Filters - Replace	(2) assorted, media	20	15	\$3,200	\$4,000
412	Pool/Spa Heat Pumps - Replace	(2) AquaCal SQ 156	15	13	\$14,000	\$18,000
413	Pool/Spa Heaters - Replace	(2) Coates, 24 KW	10	9	\$7,000	\$9,000
414	Pool/Spa Pump Controls - Replace	(4) Emotron PSP20	10	8	\$3,200	\$4,800
420	Pool Furniture - Replace	(10) assorted	10	5	\$2,000	\$3,000
430	Patio Furniture - Replace	(30) assorted	10	7	\$12,000	\$16,000
440	Exercise Equipment-Partial Replace	(4) of (17), assorted	5	4	\$10,000	\$15,000
450	Tennis Courts - Repair/Top Coat	Approx 19,000 square feet	8	7	\$19,000	\$22,800
452	Tennis Courts - Resurface	Approx 19,000 square feet	40	14	\$66,500	\$85,500
456	Tennis Court Fence - Replace	Approx 560 linear feet	40	14	\$13,440	\$16,800
462	Gazebo Roof - Replace	Approx 580 square feet	25	22	\$2,200	\$2,440
Building Exterior						
504	Bay Club Roof - Replace	Approx 21,900 square feet	40	15	\$175,900	\$219,000
510	Bay Club Gutters/Downspouts-Replace	Approx 950 linear feet	40	15	\$6,650	\$8,550
515	Skylights - Replace	(8) large, assorted	40	15	\$16,400	\$19,600
540	Exterior Surfaces-Clean/Seal/Paint	Approx 18,250 GSF	6	5	\$31,550	\$40,850
542	Exterior Siding - Repair/Replace	Approx 18,250 GSF	42	17	\$292,000	\$365,000
544	Windows/SGD's - Partial Replace	Extensive quantity	6	5	\$20,000	\$30,000
Building Interior						
600	Carpet/Vinyl - Replace	Approx 1,970 SY	12	2	\$78,800	\$118,200
602	Tile Floor - Replace	Approx 980 square feet	36	14	\$19,600	\$29,400
604	Wood Floor - Replace	Approx 3,400 square feet	36	14	\$34,000	\$40,800
606	Wood Floor - Refinish	Approx 3,400 square feet	12	2	\$17,000	\$20,400
610	Interior Surfaces - Paint/Refinish	Approx 37,700 GSF	12	2	\$37,700	\$52,780
614	Interior Lights - Replace	(104) assorted	24	18	\$59,800	\$85,800
618	Common Areas - Partial Refurbish	Extensive square feet	3	2	\$10,000	\$15,000
630	Bathrooms/Locker Rooms - Refurbish	(2) each	36	14	\$40,000	\$50,000

Table 2: Reserve Component List Detail**23316-0**

#	Component	Quantity	Useful Life	Rem. Useful Life	[--- Current Cost Estimate ---]	
					Best Case	Worst Case
630	Kitchen - Refurbish	Extensive quantity	12	6	\$45,000	\$55,000
Systems/Equipment						
816	Fire Alarm Panel - Replace	(1) Fire Lite MS-5UD	20	18	\$2,500	\$3,500
818	ADA Door Operators - Replace	(3) operators/controls	15	11	\$3,600	\$5,400
832	Water Heaters, Commercial - Replace	(2) assorted	15	0	\$11,000	\$14,000
840	Duct Furnaces - Replace	(6) assorted	20	1	\$78,000	\$102,000
850	Alarm/Surveillance System - Replace	(6) camera system	10	5	\$10,000	\$14,000
852	Telephone System - Replace	(1) Samsung DS-5021D	8	7	\$3,000	\$4,000
39	Total Funded Components					

Table 3: Fully Funded Balance**23316-0**

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Site/Grounds								
120	Asphalt - Resurface	\$135,900	X	26	/	35	=	\$100,954
121	Asphalt - Seal/Repair	\$24,600	X	5	/	5	=	\$24,600
252	Storage Building Roof - Replace	\$2,960	X	20	/	25	=	\$2,368
270	Pole Lights - Replace	\$33,000	X	25	/	40	=	\$20,625
Recreation								
402	Pool - Resurface	\$23,000	X	1	/	10	=	\$2,300
403	Spa - Resurface	\$4,000	X	1	/	5	=	\$800
404	Pool/Spa Tile/Coping - Replace	\$16,000	X	11	/	20	=	\$8,800
410	Pool/Spa Filters - Replace	\$3,600	X	5	/	20	=	\$900
412	Pool/Spa Heat Pumps - Replace	\$16,000	X	2	/	15	=	\$2,133
413	Pool/Spa Heaters - Replace	\$8,000	X	1	/	10	=	\$800
414	Pool/Spa Pump Controls - Replace	\$4,000	X	2	/	10	=	\$800
420	Pool Furniture - Replace	\$2,500	X	5	/	10	=	\$1,250
430	Patio Furniture - Replace	\$14,000	X	3	/	10	=	\$4,200
440	Exercise Equipment-Partial Replace	\$12,500	X	1	/	5	=	\$2,500
450	Tennis Courts - Repair/Top Coat	\$20,900	X	1	/	8	=	\$2,613
452	Tennis Courts - Resurface	\$76,000	X	26	/	40	=	\$49,400
456	Tennis Court Fence - Replace	\$15,120	X	26	/	40	=	\$9,828
462	Gazebo Roof - Replace	\$2,320	X	3	/	25	=	\$278
Building Exterior								
504	Bay Club Roof - Replace	\$197,450	X	25	/	40	=	\$123,406
510	Bay Club Gutters/Downspouts-Replace	\$7,600	X	25	/	40	=	\$4,750
515	Skylights - Replace	\$18,000	X	25	/	40	=	\$11,250
540	Exterior Surfaces-Clean/Seal/Paint	\$36,200	X	1	/	6	=	\$6,033
542	Exterior Siding - Repair/Replace	\$328,500	X	25	/	42	=	\$195,536
544	Windows/SGD's - Partial Replace	\$25,000	X	1	/	6	=	\$4,167
Building Interior								
600	Carpet/Vinyl - Replace	\$98,500	X	10	/	12	=	\$82,083
602	Tile Floor - Replace	\$24,500	X	22	/	36	=	\$14,972
604	Wood Floor - Replace	\$37,400	X	22	/	36	=	\$22,856
606	Wood Floor - Refinish	\$18,700	X	10	/	12	=	\$15,583
610	Interior Surfaces - Paint/Refinish	\$45,240	X	10	/	12	=	\$37,700
614	Interior Lights - Replace	\$72,800	X	6	/	24	=	\$18,200
618	Common Areas - Partial Refurbish	\$12,500	X	1	/	3	=	\$4,167
630	Bathrooms/Locker Rooms - Refurbish	\$45,000	X	22	/	36	=	\$27,500

Table 3: Fully Funded Balance**23316-0**

#	Component	Current	X	Effective	/	Useful	=	Fully
		Cost Estimate		Age		Life		Funded Balance
630	Kitchen - Refurbish	\$50,000	X	6	/	12	=	\$25,000
Systems/Equipment								
816	Fire Alarm Panel - Replace	\$3,000	X	2	/	20	=	\$300
818	ADA Door Operators - Replace	\$4,500	X	4	/	15	=	\$1,200
832	Water Heaters, Commercial - Replace	\$12,500	X	15	/	15	=	\$12,500
840	Duct Furnaces - Replace	\$90,000	X	19	/	20	=	\$85,500
850	Alarm/Surveillance System - Replace	\$12,000	X	5	/	10	=	\$6,000
852	Telephone System - Replace	\$3,500	X	1	/	8	=	\$438
								\$934,290

Table 4: Component Significance**23316-0**

#	Component	Useful Life	Current Cost Estimate	Deterioration Cost/yr	Deterioration Significance
Site/Grounds					
120	Asphalt - Resurface	35	\$135,900	\$3,883	4.6%
121	Asphalt - Seal/Repair	5	\$24,600	\$4,920	5.8%
252	Storage Building Roof - Replace	25	\$2,960	\$118	0.1%
270	Pole Lights - Replace	40	\$33,000	\$825	1.0%
Recreation					
402	Pool - Resurface	10	\$23,000	\$2,300	2.7%
403	Spa - Resurface	5	\$4,000	\$800	1.0%
404	Pool/Spa Tile/Coping - Replace	20	\$16,000	\$800	1.0%
410	Pool/Spa Filters - Replace	20	\$3,600	\$180	0.2%
412	Pool/Spa Heat Pumps - Replace	15	\$16,000	\$1,067	1.3%
413	Pool/Spa Heaters - Replace	10	\$8,000	\$800	1.0%
414	Pool/Spa Pump Controls - Replace	10	\$4,000	\$400	0.5%
420	Pool Furniture - Replace	10	\$2,500	\$250	0.3%
430	Patio Furniture - Replace	10	\$14,000	\$1,400	1.7%
440	Exercise Equipment-Partial Replace	5	\$12,500	\$2,500	3.0%
450	Tennis Courts - Repair/Top Coat	8	\$20,900	\$2,613	3.1%
452	Tennis Courts - Resurface	40	\$76,000	\$1,900	2.3%
456	Tennis Court Fence - Replace	40	\$15,120	\$378	0.4%
462	Gazebo Roof - Replace	25	\$2,320	\$93	0.1%
Building Exterior					
504	Bay Club Roof - Replace	40	\$197,450	\$4,936	5.9%
510	Bay Club Gutters/Downspouts-Replace	40	\$7,600	\$190	0.2%
515	Skylights - Replace	40	\$18,000	\$450	0.5%
540	Exterior Surfaces-Clean/Seal/Paint	6	\$36,200	\$6,033	7.2%
542	Exterior Siding - Repair/Replace	42	\$328,500	\$7,821	9.3%
544	Windows/SGD's - Partial Replace	6	\$25,000	\$4,167	5.0%
Building Interior					
600	Carpet/Vinyl - Replace	12	\$98,500	\$8,208	9.8%
602	Tile Floor - Replace	36	\$24,500	\$681	0.8%
604	Wood Floor - Replace	36	\$37,400	\$1,039	1.2%
606	Wood Floor - Refinish	12	\$18,700	\$1,558	1.9%
610	Interior Surfaces - Paint/Refinish	12	\$45,240	\$3,770	4.5%
614	Interior Lights - Replace	24	\$72,800	\$3,033	3.6%
618	Common Areas - Partial Refurbish	3	\$12,500	\$4,167	5.0%
630	Bathrooms/Locker Rooms - Refurbish	36	\$45,000	\$1,250	1.5%

Table 4: Component Significance**23316-0**

#	Component	Useful Life	Current	Deterioration Cost/yr	Deterioration Significance
			Cost Estimate		
630	Kitchen - Refurbish	12	\$50,000	\$4,167	5.0%
Systems/Equipment					
816	Fire Alarm Panel - Replace	20	\$3,000	\$150	0.2%
818	ADA Door Operators - Replace	15	\$4,500	\$300	0.4%
832	Water Heaters, Commercial - Replace	15	\$12,500	\$833	1.0%
840	Duct Furnaces - Replace	20	\$90,000	\$4,500	5.3%
850	Alarm/Surveillance System - Replace	10	\$12,000	\$1,200	1.4%
852	Telephone System - Replace	8	\$3,500	\$438	0.5%
39	Total Funded Components			\$84,118	100.0%

Table 5: 30-Year Reserve Plan Summary
23316-0
Fiscal Year Start: 07/01/14
Interest: 1.0%
Inflation: 3.0%
Reserve Fund Strength Calculations
(All values as of Fiscal Year Start Date)
Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2014	\$310,247	\$934,290	33.2%	Med	\$115,980	\$0	\$3,513	\$37,100
2015	\$392,640	\$1,010,747	38.8%	Med	\$119,459	\$0	\$4,079	\$92,700
2016	\$423,478	\$1,034,829	40.9%	Med	\$123,043	\$0	\$3,940	\$185,594
2017	\$364,868	\$966,629	37.7%	Med	\$126,734	\$0	\$4,302	\$0
2018	\$495,904	\$1,090,303	45.5%	Med	\$130,537	\$0	\$5,544	\$18,571
2019	\$613,414	\$1,201,399	51.1%	Med	\$134,453	\$0	\$6,164	\$134,198
2020	\$619,833	\$1,199,659	51.7%	Med	\$138,486	\$0	\$6,623	\$59,703
2021	\$705,239	\$1,277,609	55.2%	Med	\$142,641	\$0	\$7,564	\$47,227
2022	\$808,216	\$1,373,850	58.8%	Med	\$146,920	\$0	\$8,752	\$20,902
2023	\$942,987	\$1,503,291	62.7%	Med	\$151,328	\$0	\$8,926	\$260,172
2024	\$843,069	\$1,393,460	60.5%	Med	\$155,867	\$0	\$9,086	\$33,060
2025	\$974,963	\$1,517,650	64.2%	Med	\$160,543	\$0	\$10,057	\$108,247
2026	\$1,037,316	\$1,571,617	66.0%	Med	\$165,360	\$0	\$11,251	\$0
2027	\$1,213,927	\$1,742,294	69.7%	Med	\$170,321	\$0	\$12,933	\$23,497
2028	\$1,373,684	\$1,897,597	72.4%	Low	\$175,430	\$0	\$11,722	\$589,093
2029	\$971,743	\$1,478,811	65.7%	Med	\$180,693	\$0	\$8,043	\$522,932
2030	\$637,547	\$1,119,540	56.9%	Med	\$186,114	\$0	\$7,340	\$0
2031	\$831,001	\$1,292,160	64.3%	Med	\$191,697	\$0	\$5,856	\$687,915
2032	\$340,639	\$765,576	44.5%	Med	\$197,448	\$0	\$3,304	\$220,976
2033	\$320,415	\$708,439	45.2%	Med	\$203,372	\$0	\$3,822	\$83,292
2034	\$444,317	\$795,827	55.8%	Med	\$209,473	\$0	\$5,179	\$67,007
2035	\$591,962	\$907,169	65.3%	Med	\$215,757	\$0	\$6,190	\$167,427
2036	\$646,482	\$923,112	70.0%	Low	\$222,230	\$0	\$7,588	\$4,445
2037	\$871,855	\$1,112,240	78.4%	Low	\$228,897	\$0	\$8,936	\$193,609
2038	\$916,079	\$1,117,184	82.0%	Low	\$235,763	\$0	\$10,219	\$33,541
2039	\$1,128,520	\$1,292,275	87.3%	Low	\$242,836	\$0	\$12,146	\$81,867
2040	\$1,301,635	\$1,428,128	91.1%	Low	\$250,121	\$0	\$12,389	\$386,979
2041	\$1,177,166	\$1,259,233	93.5%	Low	\$257,625	\$0	\$12,964	\$31,098
2042	\$1,416,657	\$1,457,434	97.2%	Low	\$265,354	\$0	\$15,335	\$45,759
2043	\$1,651,587	\$1,652,254	100.0%	Low	\$273,314	\$0	\$16,341	\$323,321

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)
23316-0

Fiscal Year	2014	2015	2016	2017	2018
Starting Reserve Balance	\$310,247	\$392,640	\$423,478	\$364,868	\$495,904
Annual Reserve Contribution	\$115,980	\$119,459	\$123,043	\$126,734	\$130,537
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,513	\$4,079	\$3,940	\$4,302	\$5,544
Total Income	\$429,740	\$516,178	\$550,461	\$495,904	\$631,985
# Component					
Site/Grounds					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair	\$24,600	\$0	\$0	\$0	\$0
252 Storage Building Roof - Replace	\$0	\$0	\$0	\$0	\$0
270 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
Recreation					
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
403 Spa - Resurface	\$0	\$0	\$0	\$0	\$4,502
404 Pool/Spa Tile/Coping - Replace	\$0	\$0	\$0	\$0	\$0
410 Pool/Spa Filters - Replace	\$0	\$0	\$0	\$0	\$0
412 Pool/Spa Heat Pumps - Replace	\$0	\$0	\$0	\$0	\$0
413 Pool/Spa Heaters - Replace	\$0	\$0	\$0	\$0	\$0
414 Pool/Spa Pump Controls - Replace	\$0	\$0	\$0	\$0	\$0
420 Pool Furniture - Replace	\$0	\$0	\$0	\$0	\$0
430 Patio Furniture - Replace	\$0	\$0	\$0	\$0	\$0
440 Exercise Equipment-Partial Replace	\$0	\$0	\$0	\$0	\$14,069
450 Tennis Courts - Repair/Top Coat	\$0	\$0	\$0	\$0	\$0
452 Tennis Courts - Resurface	\$0	\$0	\$0	\$0	\$0
456 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
462 Gazebo Roof - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
504 Bay Club Roof - Replace	\$0	\$0	\$0	\$0	\$0
510 Bay Club Gutters/Downspouts-Replace	\$0	\$0	\$0	\$0	\$0
515 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$0	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
544 Windows/SGD's - Partial Replace	\$0	\$0	\$0	\$0	\$0
Building Interior					
600 Carpet/Vinyl - Replace	\$0	\$0	\$104,499	\$0	\$0
602 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
604 Wood Floor - Replace	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)**23316-0**

Fiscal Year		2014	2015	2016	2017	2018
606	Wood Floor - Refinish	\$0	\$0	\$19,839	\$0	\$0
610	Interior Surfaces - Paint/Refinish	\$0	\$0	\$47,995	\$0	\$0
614	Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
618	Common Areas - Partial Refurbish	\$0	\$0	\$13,261	\$0	\$0
630	Bathrooms/Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
630	Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
Systems/Equipment						
816	Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
818	ADA Door Operators - Replace	\$0	\$0	\$0	\$0	\$0
832	Water Heaters, Commercial - Replace	\$12,500	\$0	\$0	\$0	\$0
840	Duct Furnaces - Replace	\$0	\$92,700	\$0	\$0	\$0
850	Alarm/Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
852	Telephone System - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$37,100	\$92,700	\$185,594	\$0	\$18,571
Ending Reserve Balance:		\$392,640	\$423,478	\$364,868	\$495,904	\$613,414

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)**23316-0**

Fiscal Year	2019	2020	2021	2022	2023
Starting Reserve Balance	\$613,414	\$619,833	\$705,239	\$808,216	\$942,987
Annual Reserve Contribution	\$134,453	\$138,486	\$142,641	\$146,920	\$151,328
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,164	\$6,623	\$7,564	\$8,752	\$8,926
Total Income	\$754,030	\$764,941	\$855,444	\$963,889	\$1,103,241
# Component					
Site/Grounds					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$177,319
121 Asphalt - Seal/Repair	\$28,518	\$0	\$0	\$0	\$0
252 Storage Building Roof - Replace	\$3,431	\$0	\$0	\$0	\$0
270 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
Recreation					
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$30,010
403 Spa - Resurface	\$0	\$0	\$0	\$0	\$5,219
404 Pool/Spa Tile/Coping - Replace	\$0	\$0	\$0	\$0	\$20,876
410 Pool/Spa Filters - Replace	\$0	\$0	\$0	\$0	\$0
412 Pool/Spa Heat Pumps - Replace	\$0	\$0	\$0	\$0	\$0
413 Pool/Spa Heaters - Replace	\$0	\$0	\$0	\$0	\$10,438
414 Pool/Spa Pump Controls - Replace	\$0	\$0	\$0	\$5,067	\$0
420 Pool Furniture - Replace	\$2,898	\$0	\$0	\$0	\$0
430 Patio Furniture - Replace	\$0	\$0	\$17,218	\$0	\$0
440 Exercise Equipment-Partial Replace	\$0	\$0	\$0	\$0	\$16,310
450 Tennis Courts - Repair/Top Coat	\$0	\$0	\$25,704	\$0	\$0
452 Tennis Courts - Resurface	\$0	\$0	\$0	\$0	\$0
456 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
462 Gazebo Roof - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
504 Bay Club Roof - Replace	\$0	\$0	\$0	\$0	\$0
510 Bay Club Gutters/Downspouts-Replace	\$0	\$0	\$0	\$0	\$0
515 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$41,966	\$0	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
544 Windows/SGD's - Partial Replace	\$28,982	\$0	\$0	\$0	\$0
Building Interior					
600 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
602 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
604 Wood Floor - Replace	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)**23316-0**

Fiscal Year		2019	2020	2021	2022	2023
606	Wood Floor - Refinish	\$0	\$0	\$0	\$0	\$0
610	Interior Surfaces - Paint/Refinish	\$0	\$0	\$0	\$0	\$0
614	Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
618	Common Areas - Partial Refurbish	\$14,491	\$0	\$0	\$15,835	\$0
630	Bathrooms/Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
630	Kitchen - Refurbish	\$0	\$59,703	\$0	\$0	\$0
Systems/Equipment						
816	Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
818	ADA Door Operators - Replace	\$0	\$0	\$0	\$0	\$0
832	Water Heaters, Commercial - Replace	\$0	\$0	\$0	\$0	\$0
840	Duct Furnaces - Replace	\$0	\$0	\$0	\$0	\$0
850	Alarm/Surveillance System - Replace	\$13,911	\$0	\$0	\$0	\$0
852	Telephone System - Replace	\$0	\$0	\$4,305	\$0	\$0
Total Expenses		\$134,198	\$59,703	\$47,227	\$20,902	\$260,172
Ending Reserve Balance:		\$619,833	\$705,239	\$808,216	\$942,987	\$843,069

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)**23316-0**

Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	\$843,069	\$974,963	\$1,037,316	\$1,213,927	\$1,373,684
Annual Reserve Contribution	\$155,867	\$160,543	\$165,360	\$170,321	\$175,430
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$9,086	\$10,057	\$11,251	\$12,933	\$11,722
Total Income	\$1,008,023	\$1,145,563	\$1,213,927	\$1,397,180	\$1,560,836
# Component					
Site/Grounds					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair	\$33,060	\$0	\$0	\$0	\$0
252 Storage Building Roof - Replace	\$0	\$0	\$0	\$0	\$0
270 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
Recreation					
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
403 Spa - Resurface	\$0	\$0	\$0	\$0	\$6,050
404 Pool/Spa Tile/Coping - Replace	\$0	\$0	\$0	\$0	\$0
410 Pool/Spa Filters - Replace	\$0	\$0	\$0	\$0	\$0
412 Pool/Spa Heat Pumps - Replace	\$0	\$0	\$0	\$23,497	\$0
413 Pool/Spa Heaters - Replace	\$0	\$0	\$0	\$0	\$0
414 Pool/Spa Pump Controls - Replace	\$0	\$0	\$0	\$0	\$0
420 Pool Furniture - Replace	\$0	\$0	\$0	\$0	\$0
430 Patio Furniture - Replace	\$0	\$0	\$0	\$0	\$0
440 Exercise Equipment-Partial Replace	\$0	\$0	\$0	\$0	\$18,907
450 Tennis Courts - Repair/Top Coat	\$0	\$0	\$0	\$0	\$0
452 Tennis Courts - Resurface	\$0	\$0	\$0	\$0	\$114,957
456 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$22,870
462 Gazebo Roof - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
504 Bay Club Roof - Replace	\$0	\$0	\$0	\$0	\$0
510 Bay Club Gutters/Downspouts-Replace	\$0	\$0	\$0	\$0	\$0
515 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$50,109	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
544 Windows/SGD's - Partial Replace	\$0	\$34,606	\$0	\$0	\$0
Building Interior					
600 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$148,990
602 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$37,058
604 Wood Floor - Replace	\$0	\$0	\$0	\$0	\$56,571

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)**23316-0**

Fiscal Year	2024	2025	2026	2027	2028
606 Wood Floor - Refinish	\$0	\$0	\$0	\$0	\$28,285
610 Interior Surfaces - Paint/Refinish	\$0	\$0	\$0	\$0	\$68,430
614 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
618 Common Areas - Partial Refurbish	\$0	\$17,303	\$0	\$0	\$18,907
630 Bathrooms/Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$68,067
630 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
Systems/Equipment					
816 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
818 ADA Door Operators - Replace	\$0	\$6,229	\$0	\$0	\$0
832 Water Heaters, Commercial - Replace	\$0	\$0	\$0	\$0	\$0
840 Duct Furnaces - Replace	\$0	\$0	\$0	\$0	\$0
850 Alarm/Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
852 Telephone System - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$33,060	\$108,247	\$0	\$23,497	\$589,093
Ending Reserve Balance:	\$974,963	\$1,037,316	\$1,213,927	\$1,373,684	\$971,743

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)
23316-0

Fiscal Year	2029	2030	2031	2032	2033
Starting Reserve Balance	\$971,743	\$637,547	\$831,001	\$340,639	\$320,415
Annual Reserve Contribution	\$180,693	\$186,114	\$191,697	\$197,448	\$203,372
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,043	\$7,340	\$5,856	\$3,304	\$3,822
Total Income	\$1,160,479	\$831,001	\$1,028,554	\$541,391	\$527,609
# Component					
Site/Grounds					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair	\$38,326	\$0	\$0	\$0	\$0
252 Storage Building Roof - Replace	\$0	\$0	\$0	\$0	\$0
270 Pole Lights - Replace	\$51,413	\$0	\$0	\$0	\$0
Recreation					
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$40,331
403 Spa - Resurface	\$0	\$0	\$0	\$0	\$7,014
404 Pool/Spa Tile/Coping - Replace	\$0	\$0	\$0	\$0	\$0
410 Pool/Spa Filters - Replace	\$5,609	\$0	\$0	\$0	\$0
412 Pool/Spa Heat Pumps - Replace	\$0	\$0	\$0	\$0	\$0
413 Pool/Spa Heaters - Replace	\$0	\$0	\$0	\$0	\$14,028
414 Pool/Spa Pump Controls - Replace	\$0	\$0	\$0	\$6,810	\$0
420 Pool Furniture - Replace	\$3,895	\$0	\$0	\$0	\$0
430 Patio Furniture - Replace	\$0	\$0	\$23,140	\$0	\$0
440 Exercise Equipment-Partial Replace	\$0	\$0	\$0	\$0	\$21,919
450 Tennis Courts - Repair/Top Coat	\$32,562	\$0	\$0	\$0	\$0
452 Tennis Courts - Resurface	\$0	\$0	\$0	\$0	\$0
456 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
462 Gazebo Roof - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
504 Bay Club Roof - Replace	\$307,621	\$0	\$0	\$0	\$0
510 Bay Club Gutters/Downspouts-Replace	\$11,841	\$0	\$0	\$0	\$0
515 Skylights - Replace	\$28,043	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$0	\$59,833	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$542,960	\$0	\$0
544 Windows/SGD's - Partial Replace	\$0	\$0	\$41,321	\$0	\$0
Building Interior					
600 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
602 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
604 Wood Floor - Replace	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)**23316-0**

Fiscal Year		2029	2030	2031	2032	2033
606	Wood Floor - Refinish	\$0	\$0	\$0	\$0	\$0
610	Interior Surfaces - Paint/Refinish	\$0	\$0	\$0	\$0	\$0
614	Interior Lights - Replace	\$0	\$0	\$0	\$123,937	\$0
618	Common Areas - Partial Refurbish	\$0	\$0	\$20,661	\$0	\$0
630	Bathrooms/Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
630	Kitchen - Refurbish	\$0	\$0	\$0	\$85,122	\$0
Systems/Equipment						
816	Fire Alarm Panel - Replace	\$0	\$0	\$0	\$5,107	\$0
818	ADA Door Operators - Replace	\$0	\$0	\$0	\$0	\$0
832	Water Heaters, Commercial - Replace	\$19,475	\$0	\$0	\$0	\$0
840	Duct Furnaces - Replace	\$0	\$0	\$0	\$0	\$0
850	Alarm/Surveillance System - Replace	\$18,696	\$0	\$0	\$0	\$0
852	Telephone System - Replace	\$5,453	\$0	\$0	\$0	\$0
Total Expenses		\$522,932	\$0	\$687,915	\$220,976	\$83,292
Ending Reserve Balance:		\$637,547	\$831,001	\$340,639	\$320,415	\$444,317

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)
23316-0

Fiscal Year	2034	2035	2036	2037	2038
Starting Reserve Balance	\$444,317	\$591,962	\$646,482	\$871,855	\$916,079
Annual Reserve Contribution	\$209,473	\$215,757	\$222,230	\$228,897	\$235,763
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,179	\$6,190	\$7,588	\$8,936	\$10,219
Total Income	\$658,969	\$813,909	\$876,300	\$1,109,687	\$1,162,061
# Component					
Site/Grounds					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair	\$44,430	\$0	\$0	\$0	\$0
252 Storage Building Roof - Replace	\$0	\$0	\$0	\$0	\$0
270 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
Recreation					
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
403 Spa - Resurface	\$0	\$0	\$0	\$0	\$8,131
404 Pool/Spa Tile/Coping - Replace	\$0	\$0	\$0	\$0	\$0
410 Pool/Spa Filters - Replace	\$0	\$0	\$0	\$0	\$0
412 Pool/Spa Heat Pumps - Replace	\$0	\$0	\$0	\$0	\$0
413 Pool/Spa Heaters - Replace	\$0	\$0	\$0	\$0	\$0
414 Pool/Spa Pump Controls - Replace	\$0	\$0	\$0	\$0	\$0
420 Pool Furniture - Replace	\$0	\$0	\$0	\$0	\$0
430 Patio Furniture - Replace	\$0	\$0	\$0	\$0	\$0
440 Exercise Equipment-Partial Replace	\$0	\$0	\$0	\$0	\$25,410
450 Tennis Courts - Repair/Top Coat	\$0	\$0	\$0	\$41,248	\$0
452 Tennis Courts - Resurface	\$0	\$0	\$0	\$0	\$0
456 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
462 Gazebo Roof - Replace	\$0	\$0	\$4,445	\$0	\$0
Building Exterior					
504 Bay Club Roof - Replace	\$0	\$0	\$0	\$0	\$0
510 Bay Club Gutters/Downspouts-Replace	\$0	\$0	\$0	\$0	\$0
515 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$0	\$0	\$71,444	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
544 Windows/SGD's - Partial Replace	\$0	\$0	\$0	\$49,340	\$0
Building Interior					
600 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
602 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
604 Wood Floor - Replace	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)**23316-0**

Fiscal Year	2034	2035	2036	2037	2038
606 Wood Floor - Refinish	\$0	\$0	\$0	\$0	\$0
610 Interior Surfaces - Paint/Refinish	\$0	\$0	\$0	\$0	\$0
614 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
618 Common Areas - Partial Refurbish	\$22,576	\$0	\$0	\$24,670	\$0
630 Bathrooms/Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
630 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
Systems/Equipment					
816 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
818 ADA Door Operators - Replace	\$0	\$0	\$0	\$0	\$0
832 Water Heaters, Commercial - Replace	\$0	\$0	\$0	\$0	\$0
840 Duct Furnaces - Replace	\$0	\$167,427	\$0	\$0	\$0
850 Alarm/Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
852 Telephone System - Replace	\$0	\$0	\$0	\$6,908	\$0
Total Expenses	\$67,007	\$167,427	\$4,445	\$193,609	\$33,541
Ending Reserve Balance:	\$591,962	\$646,482	\$871,855	\$916,079	\$1,128,520

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)**23316-0**

Fiscal Year	2039	2040	2041	2042	2043
Starting Reserve Balance	\$1,128,520	\$1,301,635	\$1,177,166	\$1,416,657	\$1,651,587
Annual Reserve Contribution	\$242,836	\$250,121	\$257,625	\$265,354	\$273,314
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,146	\$12,389	\$12,964	\$15,335	\$16,341
Total Income	\$1,383,502	\$1,564,145	\$1,447,755	\$1,697,346	\$1,941,242
# Component					
Site/Grounds					
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Seal/Repair	\$51,507	\$0	\$0	\$0	\$0
252 Storage Building Roof - Replace	\$0	\$0	\$0	\$0	\$0
270 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
Recreation					
402 Pool - Resurface	\$0	\$0	\$0	\$0	\$54,201
403 Spa - Resurface	\$0	\$0	\$0	\$0	\$9,426
404 Pool/Spa Tile/Coping - Replace	\$0	\$0	\$0	\$0	\$37,705
410 Pool/Spa Filters - Replace	\$0	\$0	\$0	\$0	\$0
412 Pool/Spa Heat Pumps - Replace	\$0	\$0	\$0	\$36,607	\$0
413 Pool/Spa Heaters - Replace	\$0	\$0	\$0	\$0	\$18,853
414 Pool/Spa Pump Controls - Replace	\$0	\$0	\$0	\$9,152	\$0
420 Pool Furniture - Replace	\$5,234	\$0	\$0	\$0	\$0
430 Patio Furniture - Replace	\$0	\$0	\$31,098	\$0	\$0
440 Exercise Equipment-Partial Replace	\$0	\$0	\$0	\$0	\$29,457
450 Tennis Courts - Repair/Top Coat	\$0	\$0	\$0	\$0	\$0
452 Tennis Courts - Resurface	\$0	\$0	\$0	\$0	\$0
456 Tennis Court Fence - Replace	\$0	\$0	\$0	\$0	\$0
462 Gazebo Roof - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
504 Bay Club Roof - Replace	\$0	\$0	\$0	\$0	\$0
510 Bay Club Gutters/Downspouts-Replace	\$0	\$0	\$0	\$0	\$0
515 Skylights - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$0	\$0	\$0	\$85,308
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
544 Windows/SGD's - Partial Replace	\$0	\$0	\$0	\$0	\$58,914
Building Interior					
600 Carpet/Vinyl - Replace	\$0	\$212,424	\$0	\$0	\$0
602 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
604 Wood Floor - Replace	\$0	\$0	\$0	\$0	\$0

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)**23316-0**

Fiscal Year		2039	2040	2041	2042	2043
606	Wood Floor - Refinish	\$0	\$40,328	\$0	\$0	\$0
610	Interior Surfaces - Paint/Refinish	\$0	\$97,564	\$0	\$0	\$0
614	Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
618	Common Areas - Partial Refurbish	\$0	\$26,957	\$0	\$0	\$29,457
630	Bathrooms/Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
630	Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
Systems/Equipment						
816	Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
818	ADA Door Operators - Replace	\$0	\$9,705	\$0	\$0	\$0
832	Water Heaters, Commercial - Replace	\$0	\$0	\$0	\$0	\$0
840	Duct Furnaces - Replace	\$0	\$0	\$0	\$0	\$0
850	Alarm/Surveillance System - Replace	\$25,125	\$0	\$0	\$0	\$0
852	Telephone System - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$81,867	\$386,979	\$31,098	\$45,759	\$323,321
Ending Reserve Balance:		\$1,301,635	\$1,177,166	\$1,416,657	\$1,651,587	\$1,617,921

Accuracy, Limitations, and Disclosures

Washington disclosures, per RCW:

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

Because we have no control over future events, we do not expect that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect Reserve funds to continue to earn interest, so we believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. We can control measurements, which we attempt to establish within 5% accuracy through a combination of on-site measurements, drawings, and satellite imagery. The starting Reserve Balance and interest rate earned on deposited Reserve funds that you provided to us were considered reliable and were not confirmed independently. We have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable. Component Useful Life, Remaining Useful Life, and Current Cost estimates assume a stable economic environment and lack of natural disasters.

Because the physical condition of your components, the association's Reserve balance, the economic environment, and legislative environment change each year, this Reserve Study is by nature a "one-year" document. Because a long-term perspective improves the accuracy of near-term planning, this Report projects expenses for the next 30 years. It is our recommendation and that of the Financial Accounting Standards Board (FASB) that your Reserve Study be updated each year as part of the annual budget process.

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

Component quantities indicated in this Report were found in prior Reserve Studies unless otherwise noted. No destructive or intrusive testing was performed. This Report and this site inspection were accomplished only for Reserve budget purposes (to help identify and address the normal deterioration of properly built and installed components with predictable life expectancies). The Funding Plan in this Report was developed using the cash-flow methodology to achieve the specified Funding Objective.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The value of the deterioration of the Reserve Components. This is the fraction of life “used up” of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.

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

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 6.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.

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

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

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

Component Details

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

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

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed “Best Cost” and “Worst Cost” below the photo. There are many factors that can result in a wide variety of potential costs, we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

Client: 23316A South Bay Community Association

Comp # : 103 Concrete/Curb - Repair/Replace

Quantity: Extensive square feet

Location : Sidewalks, patios, curbing, etc...

Funded? : No Annual cost best handled as operating expense

History : \$2,600 for 2013 sidewalk repair, \$2,400 for curb repair in 2011

Evaluation : Assorted concrete surfaces and curbing are in generally fair condition. Minor areas with local cracking, damage and prior repair were noted. Previous expense history includes at least \$2,600 for 2013 sidewalk repair and another \$2,400 for curb repair in 2011. Also, small recent addition of concrete between the kitchen and storage building was noted (cost unknown). Going forward, repair needs should be evaluated at least annually and provided from general maintenance funds, not as a cyclical reserve component. Ensure that repair of any trip and fall hazards takes place immediately to help provide for safety.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 120 Asphalt - Resurface

Quantity: Approx 60,400 square feet

Location : Asphalt private drive and parking areas

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Functional condition but advancing deterioration. Marginal appearance in some areas. Proactive maintenance, repair and regular cycles of seal coating (see Component #121) will help prolong the need for this more expensive project. Regular maintenance should also include cleaning of debris from vegetation, catch basins and also oil stains from vehicles. Fill cracks promptly to prevent water from penetrating the sub-base. This component factors the eventual need to resurface/overlay with new asphalt at roughly the 30-40 year time frame below.

Useful Life:

35 years

Remaining Life:

9 years



Best Case: \$120,800

Worst Case: \$151,000

Lower estimate to resurface (overlay)

Higher estimate to resurface (overlay)

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 121 Asphalt - Seal/Repair**Quantity:** Approx 60,400 square feet**Location :** Asphalt private drive and parking areas**Funded? :** Yes Meets National Reserve Study Standards criteria for Reserve Funding**History :** 8/2010 patch and repair \$6,120 and 9/2010 stripe \$1,184

Evaluation : General deterioration and fading of asphalt surface was illustrated. Also, areas with loss of asphalt binders, previous patching and needs for local repair were indicated. Research indicated previous \$6,100 asphalt repair project along with \$1,200 to stripe in FY 2010/2011; no further project history was provided. Plans for targeted resurface (~3,300 SF), crack filling, local repair and asphalt seal coating to occur in FY 2014/2015. Regular cycles for timely seal coating (every 4-5 years) of all asphalt surfaces along with any needed repair has proven to be the best program in our opinion for the long term care of asphalt. Seal coating provides limited benefits against damaging weather elements while bridging small surface cracks and providing uniform appearance over the inevitable patching and repairs needed over time. Incorporate any restriping and time curb repair where possible to coincide with this project. Fill cracks and clean oil stains promptly in between cycles.

Useful Life:

5 years

Remaining Life:

0 years

**Best Case:** \$20,900**Worst Case:** \$28,300

Lower estimate to clean, seal and stripe, plus \$10,000 repair allowance

Higher estimate to clean, seal and stripe, plus \$15,000 repair allowance

Cost Source: Estimate Provided by Client/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 170 Landscape - Refurbish

Quantity: Extensive landscaping

Location : Common areas

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Although typically funded as ongoing maintenance item, this component may be used to set aside funds for larger expenses that do not occur on an annual basis, such as large scale plantings, common area landscape improvement projects, extensive bark mulch every two/three years, extensive gravel replenishment, etc...No stated desire to fund at this time, these types of expenses may be incorporated into future reserve study updates as conditions merit. If electing to add supplemental reserve funding in the future, carefully track needs and expense patterns to form basis.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 175 Irrigation System - Repair/Replace

Quantity: Extensive systems

Location : Throughout common area landscaping

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : No widespread problems reported. As routine maintenance, inspect regularly, test system, repair as needed from operating budget. Follow proper winterization and spring start-up procedures. Under normal circumstances, the elements within this component are generally low cost and have a typical failure rate that is difficult to predict and are best suited to be handled thru the operating budget.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 182 Drainage/Storm System - Replace

Quantity: Extensive systems

Location : Throughout community

Funded? : No Useful life not predictable or extended

History :

Evaluation : Systems include those upon asphalt drive, parking and yard areas. Research indicated local improvements in recent years, with another repair in exterior common area near the exercise room likely to occur soon from operating funds. Inspect regularly, keep drains and grates free of debris and free flowing to ensure water evacuating as designed. Pump out sediments if needed utilizing mobile evacuator service; fund from operating budget. No expectation of large scale repairs/replacement for the foreseeable future. We assume any repairs will continue to be appropriately handled as maintenance items and not as cyclical reserve projects. Update in future reserve study updates as conditions merit.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 190 Trees - Remove/Trim

Quantity: Extensive trees

Location : Throughout common areas

Funded? : No Annual cost best handled as operating expense

History : 2013 \$3,300

Evaluation : Large mature trees upon site. Recent historical project expense includes at least ~\$3,300 in 2013 to remove (2) Katsura and (1) Alder trees. Management indicated plans for handling tree related expenses as an operating expense in the future. Consult with local arborist for long term plan for the care and management of the trees within common area, balancing aesthetics with protection of association assets.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 200 Entry Sign - Replace

Quantity: (1) composite

Location : Main entrance to community

Funded? : No Cost projected to be too small

History :

Evaluation : Fair, legible condition. Sign was reportedly refurbished in 2011 at minor expense of only \$800. No plans for any design change or significant upgrade for the foreseeable future. Regularly inspect, clean, paint, and repair as needed. Utilize operating budget to sustain; no reserve funding needed for such small expenses.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 202 Entry Monument - Repair/Replace

Quantity: (1) masonry, 4'x6'

Location : Main entrance to Port Ludlow Villages

Funded? : No Useful life not predictable or extended

History :

Evaluation : One location for Port Ludlow Villages with a brick monument upon SBCA property where some maintenance responsibility may or may not exist. In any event, maintenance and care for masonry is typically limited to only cleaning and perhaps spot replacement of mortar unless damaged by accident or vandalism. No reserve funding suggested.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 212 Garbage Enclosure - Replace

Quantity: (1) cement/metal, ~9'x9'

Location : Adjacent to asphalt private drive and parking areas

Funded? : No Useful life not predictable or extended

History :

Evaluation : No significant damage or deterioration for durable concrete structure with metal gates. Some discussion regarding transition of gates to wood but no firm plans. Needs for routine maintenance, which should include cleaning, treatment for spot corrosion and repainting for metal work. No expectation of large scale expenses assuming ordinary maintenance takes place therefore no reserve funding recommended.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 240 Wood Fence/Screen - Replace

Quantity: Approx 40 linear feet

Location : Near shed and trash enclosure

Funded? : No Cost projected to be too small

History :

Evaluation : Small quantity of mechanical equipment screens and fencing in like new condition. Sections were replaced in 2010 and added in 2013 As routine maintenance, inspect regularly for any damage, repair and replace as needed from operating budget. Too small an expense to merit reserve designation.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 250 Storage Building - Maintain/Repair Quantity: (1) 16'x30'

Location : Common area West of Bay Club

Funded? : No Sustain along with other similar component groupings

History :

Evaluation : Fair, stable condition with installation of this "shed" reportedly occurring in 1994. Inspect regularly, clean, repair and paint along same cycles as the Bay Club exterior and/or from operating budget. No anticipation of separate large scale repair needs with this understanding except regarding roof shingles (see next component).

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 252 Storage Building Roof - Replace Quantity: Approx 615 square feet

Location : Common area West of Bay Club

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Only general deterioration noted; no missing shingles or damage from our grade level observation. No current problems or previous repair history was reported. We recommend professional inspections at least twice annually and after wind storms, promptly replacing damaged/missing shingles or any other repair as may be needed to ensure that the water proof integrity of the building is maintained. Keep gutters and downspouts clear and free of debris to allow water to evacuate from rooftops as designed. Plan for roof replacement intervals at the 20-25 year mark of life as indicated below. Include small quantity of gutter/downspout within this component.

Useful Life:

25 years

Remaining Life:

5 years



Best Case: \$2,740

Worst Case: \$3,180

Lower estimate to replace with similar, includes gutter/downspout

Higher estimate to replace with similar, includes gutter/downspout

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 270 Pole Lights - Replace Quantity: (11) metal

Location : Parking lot locations

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Generally fair condition. As routine maintenance, inspect, repair/change bulbs as needed. Anticipate eventual replacement of assemblies (poles, fixtures, wiring) at roughly the time frame below to ensure uniform functionality and contemporary appearance.

Useful Life:

40 years

Remaining Life:

15 years



Best Case: \$30,800

Worst Case: \$35,200

Lower estimate to replace

Higher estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 400 Pool Deck - Resurface Quantity: Moderate square feet

Location : Perimeter of indoor pool/spa

Funded? : No Useful life not predictable or extended

History :

Evaluation : Pool concrete deck structure appears to be stable without significant cracking or damage. No present type of traffic coating that would require significant maintenance expense intervals; no plans to apply such. Maintain caulking, expansion joints and drainage covers as operating budget items. No reserve funding needs for the foreseeable future.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 402 Pool - Resurface

Quantity: Approx 800 SF surface

Location : Pool /spa area, indoor

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Pool and spa resurfaced in FY 2013/2014 at a combined expense of ~\$27,000

Evaluation : Good appearance and condition for plaster. Pool and spa were just resurfaced in FY 2013/2014 at a combined expense of ~\$27,000. Previous pool resurface project reportedly occurred in 2003. In addition to timely cleaning and maintenance, plan for regular intervals of pool resurfacing to maintain a quality appearance..

Useful Life:
10 years

Remaining Life:
9 years



Best Case: \$20,000

Worst Case: \$26,000

Lower estimate to resurface

Higher estimate to resurface

Cost Source: Client Cost History/Similar Project Cost History

Comp # : 403 Spa - Resurface

Quantity: Approx 100 SF surface

Location : Pool /spa area, indoor

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Pool and spa resurfaced in FY 2013/2014 at a combined expense of ~\$27,000

Evaluation : Likewise good appearance. Best to plan for more frequent resurfacing intervals due to higher temperatures and chemical concentrations. Inspect regularly and ensure compliance with VGBA to provide safety.

Useful Life:
5 years

Remaining Life:
4 years



Best Case: \$3,000

Worst Case: \$5,000

Lower estimate to resurface

Higher estimate to resurface

Cost Source: Client Cost History/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 404 Pool/Spa Tile/Coping - Replace

Quantity: Approx 160 linear feet

Location : Perimeter surfaces of pool/spa

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Some general aging and fading but overall fair condition for pool/spa perimeter coping and fill level tiles with no significant cracking or damage observed. Best to plan for integrated intervals of replacement to maintain a quality appearance. Clean and provide minor repair as part of routine maintenance regimen.

Useful Life:

20 years

Remaining Life:

9 years



Best Case: \$12,800

Worst Case: \$19,200

Lower estimate to replace perimeter tile and coping

Higher estimate to replace perimeter tile and coping

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 410 Pool/Spa Filters - Replace

Quantity: (2) assorted, media

Location : Pool/spa utility room adjacent to pool

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Hayward spa and Purex pool filters are assumed to be functioning and in operating order. Reportedly replaced last in 2009 with no leaks observed or reported problems at this time. Inspect regularly, replace media, backwash and repair as routine maintenance. Anticipate replacement intervals as factored below.

Useful Life:

20 years

Remaining Life:

15 years



Best Case: \$3,200

Worst Case: \$4,000

Lower estimate to replace both

Higher estimate to replace both

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 412 Pool/Spa Heat Pumps - Replace

Quantity: (2) AquaCal SQ 156

Location : Exterior location adjacent to pool/spa room

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Heat pumps installed in 2012

Evaluation : Good condition with no reported problems at present (although thermostats were recently replaced under warranty). Electric heat pumps were installed in 2012 as part of ~\$18,000 efficiency improvement project and now provide primary heating of indoor pool and spa. Regular inspections, maintenance and repairs are assumed. Plan for typical replacement interval at roughly the time frame indicated below.



Useful Life:

15 years

Remaining Life:

13 years

Best Case: \$14,000

Worst Case: \$18,000

Lower estimate to replace both heat pumps

Higher estimate to replace both heat pumps

Cost Source: Client Cost History Adjusted

Comp # : 413 Pool/Spa Heaters - Replace

Quantity: (2) Coates, 24 KW

Location : Pool/spa utility room adjacent to pool

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Replaced last in 2013

Evaluation : These electric heaters were both replaced last in 2013 and are now considered auxiliary heaters. Typically replacement interval of between the 5-10 year mark of life is projected below.



Useful Life:

10 years

Remaining Life:

9 years

Best Case: \$7,000

Worst Case: \$9,000

Lower estimate to replace both

Higher estimate to replace both

Cost Source: Client Cost History/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 414 Pool/Spa Pump Controls - Replace

Quantity: (4) Emotron PSP20

Location : Pool/spa utility room adjacent to pool

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Replacement was included in expense of ~\$6,300 in 2012 project to comply with VGBSA

Evaluation : No reported problems with automatic pump shut-off controls (anti-entrapment). Replacement was included in expense of ~\$6,300 in 2012 project to comply with VGBSA. Anticipate integrated replacement needs to maintain contemporary functionality in the future.

Useful Life:

10 years

Remaining Life:

8 years



Best Case: \$3,200

Worst Case: \$4,800

Lower estimate to replace controls

Higher estimate to replace controls

Cost Source: Research with Local Contractor

Comp # : 416 Pool/Spa Pumps/Valves - Replace

Quantity: (4) pumps, assorted

Location : Pool/spa utility room adjacent to pool

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Varying ages and conditions noted; no leaks or operational problems indicated. Assumed to be functioning and in operating order. Two pumps were apparently replaced in 2013; no cost history was provided. Typical failure rate of these types of components is difficult to predict and the individual repair/replacement costs are too small to merit reserve funding status anyway (pumps are typically \$500-\$1,000 each to replace). No anticipation of all-at-once replacements nor upgrade to much more costly VFD (Variable Frequency Drive) pumps, no reserve funding suggested at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Association Reserves Washington, LLC

Component Details

Client: 23316A South Bay Community Association

Comp # : 418 Pool/Spa Covers/Reel - Replace

Quantity: (2) blankets, assorted

Location : Pool /spa area, indoor

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Not unrolled for close inspection. Assorted ages and condition; polypropylene pool cover and metal reel look older.
No previous cost history provided and in any event, future individual replacement is assumed as operational budget item for these simple covers and non-motorized reel.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 420 Pool Furniture - Replace

Quantity: (10) assorted

Location : Pool /spa area, indoor

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Two groupings noted for limited indoor space. Inspect regularly, clean to maintain appearance and repair promptly as needed from operating budget. Somewhat subjective cost and timing but long term budgeting should include intervals of future replacement as anticipated below.

Useful Life:

10 years

Remaining Life:

5 years



Best Case: \$2,000

Worst Case: \$3,000

Lower allowance to replace

Higher allowance to replace

Cost Source: Client Cost History/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 430 **Patio Furniture - Replace** Quantity: (30) assorted

Location : Patio and storage shed

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Reportedly replaced last in FY 2011/2012 at an expense of ~\$13,500

Evaluation : Outdoor patio furniture was stacked and otherwise stored when we inspected on 4.18.2004. Reportedly replaced last in FY 2011/2012 at an expense of ~\$13,500. Inspect regularly, clean to maintain appearance and repair promptly as needed from operating budget. Wide range of expense is possible; eventual replacement of similar quantity/quality is factored below.

Useful Life:

10 years

Remaining Life:

7 years



Best Case: \$12,000

Worst Case: \$16,000

Lower allowance to replace

Higher allowance to replace

Cost Source: Client Cost History/Similar Project Cost History

Comp # : 440 **Exercise Equipment-Partial Replace** Quantity: (4) of (17), assorted

Location : Exercise room

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : 2010 \$1,025 (1), 2013 \$12,500 (4)

Evaluation : Overall good to fair condition. Varying ages and types of residential or light commercial quality equipment with some also appearing donated. Recent 2013/2014 cardio equipment replacements of \$12,500 included; (2) treadmills, (1) elliptical trainer and (1) recombinant bike. Stair stepper was replaced in 2010 at ~\$1,000. We noted another older treadmill, stair stepper and the assorted strength equipment as well. Inspect all regularly, clean for appearance, maintain and repair promptly as needed from operating budget to ensure safety. Although no anticipation of all-at-once replacement, we recommend setting aside some funding for the appropriate type of commercial quality exercise equipment to maintain this important community asset. Track needs and expense patterns, adjusting in future reserve updates as conditions merit.

Useful Life:

5 years

Remaining Life:

4 years



Best Case: \$10,000

Worst Case: \$15,000

Lower allowance to replace (4) major pieces

Higher allowance to replace (4) major pieces

Cost Source: Client Cost History/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 450 Tennis Courts - Repair/Top Coat

Quantity: Approx 19,000 square feet

Location : Off site; near Port Ludlow Golf Club

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : 2013/2014 for \$21,000

Evaluation : Note; SBCA is not owner of these tennis courts but rather has a long term lease. Your Association is reportedly entirely responsible for amenity maintenance expenses. Generally poor appearance with surface fading and deterioration along with local cracking, damage and recent repair noted. Imminent plans for completion of repair and acrylic surface treatment (top coat) project to occur in FY 2013/2014 at projected expense of \$21,000. Provided information regarding previous projects included; prior RDA reserve study indicated 2009 "resurface" and your FY 2012 depreciation schedule indicates "tennis court improvements" of \$14,500 in 2003. In any event, plan for similar future maintenance projects for repair and top coat roughly every 6-8 years. Keep clean as part of routine maintenance.

Useful Life:

8 years

Remaining Life:

7 years



Best Case: \$19,000

Worst Case: \$22,800

Lower estimate to clean, spot repair and top coat

Higher estimate to clean, spot repair and top coat

Cost Source: Estimate Provided by Client

Comp # : 452 Tennis Courts - Resurface

Quantity: Approx 19,000 square feet

Location : Off site; near Port Ludlow Golf Club

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Note; SBCA is not owner of these tennis courts but rather has a long term lease. Your Association is reportedly entirely responsible for amenity maintenance expenses. In addition to timely intervals of top coating, anticipate significant expense for eventual need to overlay (resurface) asphalt tennis courts.

Useful Life:

40 years

Remaining Life:

14 years



Best Case: \$66,500

Worst Case: \$85,500

Lower estimate to resurface

Higher estimate to resurface

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 456 Tennis Court Fence - Replace Quantity: Approx 560 linear feet

Location :

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : A disjointed connection but otherwise generally fair condition with no significant corrosion or instability noted at this time. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Expectation for long term replacement needs, so reserve funding factored below.

Useful Life:

40 years

Remaining Life:

14 years



Best Case: \$13,440

Worst Case: \$16,800

Lower estimate to replace

Higher estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 460 Gazebo Structure - Maintain/Repair Quantity: (1) wood, large

Location : Common area East of Bay Club

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Fair, stable condition for this substantial construction. Entry stairs were recently replaced (2013) by on-site staff. Research with Management indicated ongoing minor projects to clean, stain, or repair will continue to be treated as operating expense (see next component regarding roof shingles). No anticipation of total replacement needs for the foreseeable future with ordinary care and maintenance.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 462 Gazebo Roof - Replace

Quantity: Approx 580 square feet

Location : Common area East of Bay Club

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Replaced last in 2011 at expense of \$2,000.

Evaluation : Good condition where observed; roof was reportedly replaced last in 2011 at expense of \$2,000. Needs for routine roof cleaning were evident; anticipate frequent maintenance in this heavily treed location to achieve typical useful life of 20-25 years.

Useful Life:
25 years

Remaining Life:
22 years



Best Case: \$2,200

Worst Case: \$2,440

Lower estimate to replace with similar

Higher estimate to replace with similar

Cost Source: Client Cost History/Similar Project Cost History

Comp # : 504 Bay Club Roof - Replace

Quantity: Approx 21,900 square feet

Location : Rooftop of Bay Club

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Durable metal roof without advanced deterioration noted during our limited scope visual inspection. Some local repair was reportedly needed in recent years due to water infiltration (primarily transition flashing issues). As routine maintenance, we recommend professional inspections at least twice annually and after wind storms, promptly repairing as may be needed to ensure that the water proof integrity of the buildings is maintained. Regular cleaning regimen is also important to sustain and provide for quality appearance. Typical useful life of either similar metal roofing (and the underlying water proof membrane) or alternately a quality dimensional shingle in this application is 35-45 years. As project draws near, consider future replacement with a quality dimensional shingle for cost efficiency and ease of maintenance/repair.

Useful Life:
40 years

Remaining Life:
15 years



Best Case: \$175,900

Worst Case: \$219,000

Lower estimate to replace with similar metal roof

Higher estimate to replace with similar metal roof

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 510 Bay Club Gutters/Downspouts-Replace Quantity: Approx 950 linear feet

Location : Perimeter of Bay Club

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Fair condition with no significant damage or instability observed at this time. Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds. Best to plan for eventual replacement at the same interval as roof replacement to ensure best appearance and performance.

Useful Life:

40 years

Remaining Life:

15 years



Best Case: \$6,650

Lower estimate to replace

Worst Case: \$8,550

Higher estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 515 Skylights - Replace Quantity: (8) large, assorted

Location : Rooftop of building

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : No problems nor previous pattern of replacement expense reported for these large skylights. No significant damage or fogging noted from our grade level observations. Inspect regularly, repair promptly as needed to maintain water proof integrity of building. We suggest planning for replacement at least every roof replacement cycle to ensure quality construction, waterproofing and cost efficiency. Track needs, expense patterns and adjust in future reserve study updates as conditions warrant.

Useful Life:

40 years

Remaining Life:

15 years



Best Case: \$16,400

Lower estimate to replace

Worst Case: \$19,600

Higher estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

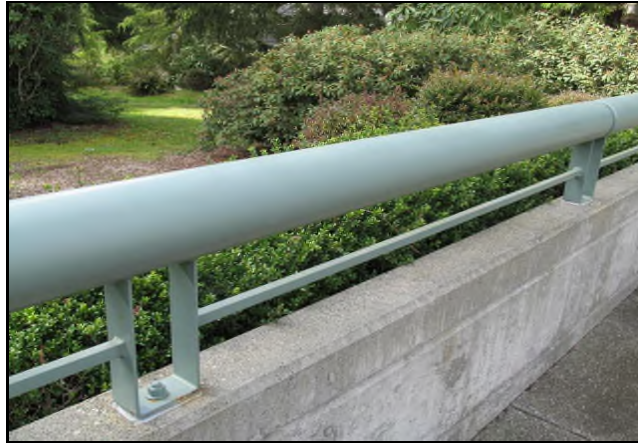
Comp # : 524 Site Metal Rail - Replace
 Location : Rear patio, Southwest
 Funded? : No Useful life not predictable or extended
 History :

Quantity: Approx 160 linear feet

Evaluation : Fair condition without significant corrosion, damage or deterioration observed. Sturdy construction that can last for very extended period with ordinary care and maintenance. Inspect regularly for stability and tighten connections, repair promptly as needed to ensure safety. Clean periodically for appearance and paint along with other exterior building surfaces, no need for separate funding. No expectation of large scale replacement within the scope of this reserve study, therefore no reserve funding recommended.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 530 Exterior Building Lights - Replace
 Location : Exterior building
 Funded? : No Annual cost best handled as operating expense
 History :

Quantity: (15) assorted

Evaluation : Assorted ages, conditions and types of fixtures with varying exposure to weathering elements. Observed during daylight hours; all are assumed to be in functional operating condition. Going forward, evaluate this modest quantity annually and replace individually or in small groupings from operating budget to help ensure a quality appearance.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 540 Exterior Surfaces-Clean/Seal/Paint Quantity: Approx 18,250 GSF

Location : Exterior painted surfaces

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Fair to poor condition with general deterioration and fading of fields along with local areas of dryness and peeling evident at trim when we inspected on 4.8.2014. Previous RDA reserve study indicated painted last in 2009 at an expense of \$17,000, however, our research confirmed only 2006 paint project at expense of \$9,100 "plus supplies"; no further specifications were provided. Preliminary plans to paint only trim in FY2013/2014 at an expense of \$14,000. Going forward, we recommend cleaning and refinishing intervals to include all exterior building painted surfaces as appropriate for purposes of long term planning. This approach will ensure cost efficiency, best appearance and weather proofing performance. We also recommend regular professional inspections with prompt repair and touch- up as needed to ensure that material protection and water proof integrity of the building is maintained. Typical Northwest paint cycles, in a marine environment, are between four to seven years depending upon surface preparation, material quality, application methods, site and weather conditions. Maintenance of caulking with high quality product is important part of surface preparation. Repair any siding/trim necessary prior to painting. Anticipate cleaning, sealing and painting utilizing quality materials and workmanship at level indicated below.

Useful Life:
6 years

Remaining Life:
5 years



Best Case: \$31,550

Worst Case: \$40,850

Lower estimate to clean, seal and repaint exterior, plus
\$6,000 minor siding/trim repair allowance

Higher estimate to clean, seal and repaint exterior,
plus \$8,000 minor siding/trim repair allowance

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 542 Exterior Siding - Repair/Replace

Quantity: Approx 18,250 GSF

Location : Building exterior surfaces

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Exterior cladding (siding) consists primarily of wood shingle and assorted trim. General aging and deterioration as expected but otherwise stable condition noted during our limited scope visual inspection. Forensic building investigation is beyond the scope of a reserve study and we assume proper installation with adequate underlying moisture barrier. Recent history of targeted dry rot and other exterior repairs in FY 2013/2014 (~\$10,000 will be likely total). Other previous repairs may have occurred as well. Replacement needs are typically highest with greatest exposure to weathering and/or when deferred maintenance is a factor. When correctly installed, wood siding is a durable, long lived product assuming proper care and maintenance (timely cleaning, caulking and refinishing). We recommend regular professional inspections with prompt repair as needed to ensure weather tightness is maintained. For purposes of long term planning, we assume eventual replacement with either similar wood or perhaps cement fiber-siding at roughly 40 years as factored below. Eventual project is timed to coincide with future clean/paint/seal interval for cost efficiency and quality weather proofing. Note; cost may vary significantly depending upon any underlying structural repair needs.

Useful Life:

42 years

Remaining Life:

17 years



Best Case: \$292,000

Worst Case: \$365,000

Lower allowance to replace siding, adjust as conditions dictate

Higher allowance to replace siding, adjust as conditions dictate

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 544 Windows/SGD's - Partial Replace Quantity: Extensive quantity

Location : Exterior building elevations

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Majority appear to be older and original to 1989 construction but no widespread damage or fogging was apparent. No reported problems with water infiltration at present. Previous history includes replacement of pool room windows in 2004 (and some of those apparently requiring warranty replacement again in 2012); also refitting some windows at the Bay Club in 2010. No window cost history was provided nor quantity from previous RDA report. If properly installed without defect, most windows and glass doors have a service life of 20 to 30 years or more. We recommend the Board provide for regular professional inspections of windows and glass doors, penetrations, sealants and adjacent structure by a highly qualified contractor or engineer to assess repair needs and timing to help prevent structural damage to building. No anticipation for all-at-once replacement for now but some allowance for future replacement needs would be prudent measure as most glazing is now 25 years old. Going forward, carefully track needs, expense patterns and adjust funding assumptions in future reserve study updates as conditions dictate.

Useful Life:
6 years

Remaining Life:
5 years



Best Case: \$20,000

Worst Case: \$30,000

Lower allowance for local replacement

Higher allowance for local replacement

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 600 Carpet/Vinyl - Replace

Quantity: Approx 1,970 SY

Location : Bay Club interior

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Vast majority of interior flooring is older carpeting with general aging, fading and wear but clean condition and without damage. Research indicated last large scale replacement has not occurred since 2004 or perhaps earlier. A few subsequent and minor local replacements were noted, such as conference room in 2010. As part of ongoing maintenance program, continue to vacuum carpet and clean as needed. Community benefits from proactive care and gentle use. Timing and expense are somewhat subjective by nature but periodic needs for aesthetic updating are not. No specific near term plans were expressed. For purposes of long term planning and to maintain a quality appearance, we recommend planning for replacement at roughly the 10-12 year time frame below.

Useful Life:
12 years

Remaining Life:
2 years



Best Case: \$78,800

Worst Case: \$118,200

Lower allowance for replacement carpet/vinyl, installed

Higher allowance for replacement carpet/vinyl, installed

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 602 Tile Floor - Replace

Quantity: Approx 980 square feet

Location : Bay Club interior, bathrooms and locker rooms

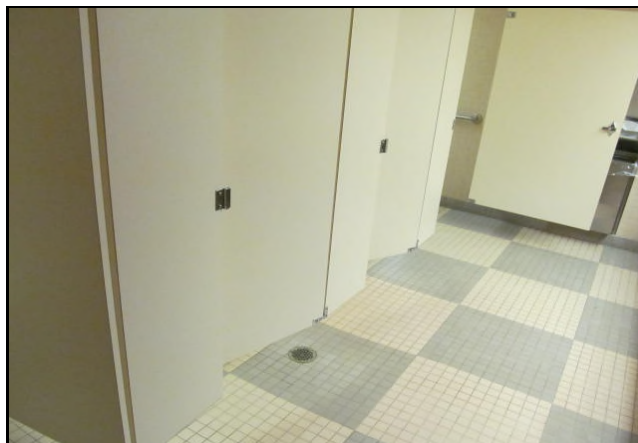
Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Tile flooring is in fair condition without notable damage or wear. Clean, seal grout and provide minor repair as operating expenses. Long term planning assumes replacement interval needs with similar as factored below.

Useful Life:
36 years

Remaining Life:
14 years



Best Case: \$19,600

Worst Case: \$29,400

Lower allowance for replacement tile, installed

Higher allowance for replacement tile, installed

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 604 Wood Floor - Replace

Quantity: Approx 3,400 square feet

Location : Bay Club interior, auditorium

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Appearance is fair without significant deterioration at present. Replacement intervals are factored for this high profile area at roughly the time frame below. See next component regarding intervals of refinishing - add that expense for total project cost.

Useful Life:

36 years

Remaining Life:

14 years



Best Case: \$34,000

Worst Case: \$40,800

Lower allowance for replacement wood flooring, installed (add wood floor refinish expense for total project cost)

Higher allowance for replacement wood flooring, installed (add wood floor refinish expense for total project cost)

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 606 Wood Floor - Refinish

Quantity: Approx 3,400 square feet

Location : Bay Club interior, auditorium

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Reportedly refinished last in 2004 at an expense of ~\$12,000.

Evaluation : Majority with only general deterioration and fading but stage surface finish has areas with significant wear. - tap dancing classes were indicated. Auditorium wood floor was reportedly refinished last in 2004 at an expense of ~\$12,000. Anticipate future intervals of professional resurfacing of wood as factored below. If needed, more frequent refinishing of stage should be provided in between from operating funds.

Useful Life:

12 years

Remaining Life:

2 years



Best Case: \$17,000

Worst Case: \$20,400

Lower estimate to refinish

Higher estimate to refinish

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 610 Interior Surfaces - Paint/Refinish Quantity: Approx 37,700 GSF

Location : Bay Club interior, common painted and finished surfaces

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Condition varies to some degree but overall fair condition at present. Only general deterioration and fading for most areas with large scale painting project perhaps occurring last in 2007; definitive timeline or cost history was not provided. Smaller projects, such as exercise room was painted in FY 2013 and conference room in 2011. Going forward, regular cycles of uniform painting and refinishing of interior wood work are recommended to maintain quality appearance; typical useful life cycles are 8-12 years. Time projects prior to flooring replacement or refinishing for maximum aesthetic impact, logistics and cost efficiencies. Keep touch-up paint on site for in between cycle projects.

Useful Life:

12 years

Remaining Life:

2 years



Best Case: \$37,700

Worst Case: \$52,780

Lower allowance for interior painting/refinishing

Higher allowance for interior painting/refinishing

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 614 Interior Lights - Replace**Quantity: (104) assorted****Location :** Bay Club interior ilocations**Funded? :** Yes Meets National Reserve Study Standards criteria for Reserve Funding**History :** Florescent fixtures and stage lighting in FY 2008/2009 at an expense of ~\$61,000

Evaluation : Vary ages and types noted but overall condition is good to fair. Previous project history reportedly includes replacement of florescent fixtures and stage lighting in FY 2008/2009 at an expense of ~\$61,000. Other smaller projects have likely occurred since 1989 as well. In our experience, a comprehensive lighting retrofit is warranted at roughly 20-25 year intervals for contemporary functionality, energy efficiency and quality appearance. Plan projects to coincide with interior painting for cost efficiency. Clean, change bulbs regularly and anticipate some local repair/replacement needs periodically as general maintenance expense.

Useful Life:

24 years

Remaining Life:

18 years

**Best Case: \$59,800****Worst Case: \$85,800**

Lower allowance to replace

Higher allowance to replace

Cost Source: Client Cost History/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 618 Common Areas - Partial Refurbish Quantity: Extensive square feet

Location : Bay Club interior

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : This component recommends setting aside funding for future periodic remodeling and aesthetic updating. Majority of furnishing's are older but generally fair and functional; community has benefited from gentle use. It is our understanding that in 2010 banquet tables were replaced at an expense of \$11,000 and also conference room furniture (\$7,000). Research for this update confirmed renovations of great room furnishings likely in the near term but no definitive or specific plans have been developed as yet. Extensive redesign (\$100,000 +) is atypical but many communities replace such items as furniture groupings, wall coverings, window treatments, artwork, cabinetry, décor, etc... at regular intervals to maintain these important community areas. Timing and expense by nature are subjective; track desires, needs and expense patterns and adjust in future reserve study updates as conditions warrant.

Useful Life:

3 years

Remaining Life:

2 years



Best Case: \$10,000

Worst Case: \$15,000

Lower allowance for partial refurbish; furniture, décor, artwork, etc...

Higher allowance for partial refurbish; furniture, décor, artwork, etc...

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 630 Bathrooms/Locker Rooms - Refurbish Quantity: (2) each

Location : Bay Club interior

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Generally fair and functional condition with no reported problems. Scope of future renovation projects may include items such as vanities, showers, lockers, lighting, fixtures, stall partitions, wall tile work, etc... Timing and expense are subjective by nature; adjust funding levels in future reserve updates as conditions merit.

Useful Life:

36 years

Remaining Life:

14 years



Best Case: \$40,000

Worst Case: \$50,000

Lower allowance to remodel bathroom and lockers

Higher allowance to remodel bathroom and lockers

Cost Source: ARI Cost Database: Similar Project Cost History

Comp # : 630 Kitchen - Refurbish

Quantity: Extensive quantity

Location : Bay club kitchen

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Adequate performance and no significant problems at present; majority of appliances and equipment appear to have been replaced between 2002-2010. Larger pieces currently includes Thermador double oven (2007), Thermador six burner gas range (2010), Alto Shaam food warmer (2007), Hobart refrigerator (2010) and food prep island (2010). Typical useful life of commercial equipment is 8-12 years; community representative indicated anticipation for significant, integrated replacements and modest design changes next in 2020. Adjust in future reserve study updates as conditions merit.

Useful Life:

12 years

Remaining Life:

6 years



Best Case: \$45,000

Worst Case: \$55,000

Lower allowance to replace appliances, cabinetry, counters

Higher allowance to replace appliances, cabinetry, counters

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 640 Entry/Utility Doors - Replace

Quantity: Moderate quantity

Location : Common areas, exterior and interior

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Assorted age, condition, type and exposure to weathering elements; overall condition is fair. Main entry doors were reportedly replaced in 2012; no cost history was provided. Management indicated plans to replace the kitchen exterior door in 2014 (small expense of ~\$1,000-\$1,500 should be treated as operating budget item). Inspect regularly, repair hardware and replace individual doors as needed from maintenance budget. Clean and refinish if needed along with other building surfaces, no separate funding. No expectation for large scale replacement for the foreseeable future so no reserve funding recommended.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 800 Plumbing - Repair/Replace

Quantity: Extensive systems

Location : Throughout common areas of community

Funded? : No Useful life not predictable or extended

History :

Evaluation : No widespread problems are reported (such as; corrosion, sediment, pressure issues, occlusions, etc...) nor significant previous repair history. Assessing the plumbing systems is beyond the scope of a reserve study. Regular professional inspections should be undertaken to evaluate replacement needs and to minimize the risk of significant water damage incidents and expense to the association. If installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. Treat minor repairs as ongoing maintenance expense. Funding may be incorporated into future reserve study updates when remaining life of plumbing appears to be less than thirty years. No reserve funding suggested at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 802 Electrical - Repair/Replace

Quantity: Extensive systems

Location : Throughout common and limited common areas

Funded? : No Useful life not predictable or extended

History :

Evaluation : Assessing the electrical systems is also beyond the scope of our services. No significant problems reported at this time. If installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. Treat minor repairs as ongoing maintenance expense. We recommend routine inspections (including infrared or thermographic testing) to assess conditions on an ongoing basis, along with regular maintenance of cleaning, tightening connections, etc... Funding may be incorporated into future reserve study updates if conditions change. No reserve funding suggested at this time.



Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp # : 816 Fire Alarm Panel - Replace

Quantity: (1) Fire Lite MS-5UD

Location : Bay Club electric closet

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Replaced in 2012 at an expense of \$3,000.

Evaluation : It is our understanding that system was replaced in 2012 at an expense of \$3,000. Assumed to be operating as designed; professional inspections are recommended and indicated. Prudent planning suggests setting aside funding for periodic panel replacement to maintain functionality and offset parts obsolescence at the roughly the interval indicated below.



Useful Life:

20 years

Remaining Life:

18 years

Best Case: \$2,500

Worst Case: \$3,500

Lower estimate for replacement panel

Higher estimate for replacement panel

Cost Source: Client Cost History/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 818 ADA Door Operators - Replace Quantity: (3) operators/controls

Location : Main entry area and two bathrooms, Bay Club Building Entry areas of buildings

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Installed in FY 2010/2011 at a reported expense of only \$3,400.

Evaluation : ADA door operators were installed in FY 2010/2011 at both bathrooms and the main entry at a reported expense of only \$3,400. No reported problems or performance issues with existing system. Typical useful life is somewhat driven by usage but assume roughly 10-15 years as projected below.

Useful Life:

15 years

Remaining Life:

11 years



Best Case: \$3,600

Worst Case: \$5,400

Lower estimate for replacement controls and operators

Higher estimate for replacement controls and operators

Cost Source: Client Cost History/Similar Project Cost History

Comp # : 832 Water Heaters, Commercial - Replace Quantity: (2) assorted

Location : Storage building, Bay Club attic

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : 75 gallon, 300K BTU (1996), 50 gallon A.O. Smith brand 12 KW (1989)

Evaluation : Age and type vary but both are beyond the typical life expectancy. Current equipment schedule includes American brand, 75 gallon, 300K BTU gas unit providing hot water for commercial kitchen (DOM 1996). Also, an even older 50 gallon A.O. Smith brand 12 KW electric unit in the attic of the Bay Club (DOM 1989). Water heaters (or boilers) are recommended for proactive replacement at the 10-15 year interval. Both these have exceeded this time frame and we recommend replacement soon to help prevent water damage incidents and maintain smooth operations.

Useful Life:

15 years

Remaining Life:

0 years



Best Case: \$11,000

Worst Case: \$14,000

Lower estimate to replace both

Higher estimate to replace both

Cost Source: Research with Local Contractor/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 834 Water Heaters - Replace Quantity: (3) assorted

Location : Storage building, pool/spa equipment room, etc...

Funded? : No Cost projected to be too small

History :

Evaluation : This component represents less costly water heaters. Newer Bradford White 50 gallon electric unit in pool/spa equipment room was replaced in 2013; no cost history was provided. Also, two smaller (6 and 10 gallon) units are apparently deployed. In any event, same recommendations regarding proactive replacements will apply here as well. Provide individual replacements (under \$2,000) as an operating expense.



Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

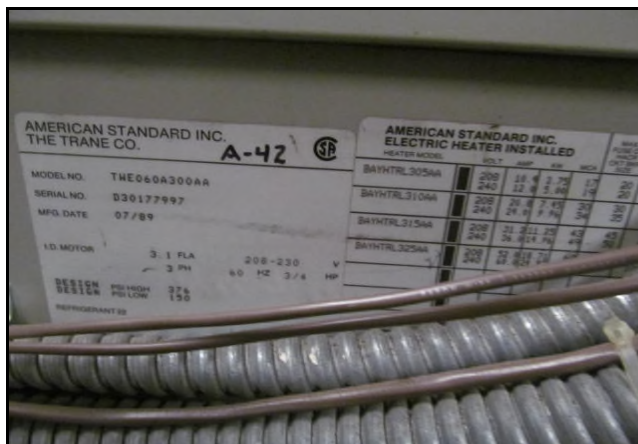
Comp # : 840 Duct Furnaces - Replace Quantity: (6) assorted

Location : Bay Club attics, common areas

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History :

Evaluation : Older units with general deterioration but still functional at the moment. Equipment is already well beyond the typical 15-20 year service life expectation. No preliminary bids or proactive plans for next replacement to occur; anticipate replacement needs at anytime in the near future. We recommend regular professional maintenance and repairs. Plan for regular intervals of replacement at typical life expectancy indicated below. Note; consideration may be given to transition to more efficient heat pumps but we only factored like-kind replacement at this time. If electing upgrade, anticipate total project cost closer to \$150,000. Adjust in future reserve study updates as conditions merit.



Useful Life:

20 years

Remaining Life:

1 years

Best Case: \$78,000

Worst Case: \$102,000

Lower estimate to replace, installed

Higher estimate to replace, installed

Cost Source: Research with Local Contractor/Similar Project Cost History

Client: 23316A South Bay Community Association

Comp # : 847 Dryer/Washer- Replace

Quantity: (2) assorted

Location : Pool/spa equipment room

Funded? : No Cost projected to be too small

History :

Evaluation : Old, mismatched dryer and washer. Provide minor replacement expense (\$1,000-\$2,000 for both) for new equipment (either heavy duty residential or light commercial type) from operating funds when needed.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 849 Exhaust Fans - Replace

Quantity: Small quantity

Location : Pool room, exercise room, etc...

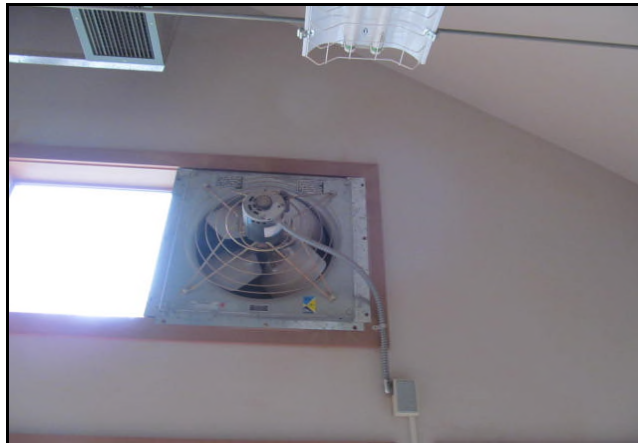
Funded? : No Cost projected to be too small

History :

Evaluation : Assorted exhaust fans are assumed to be operating as designed. Care and maintenance of fans is typically limited to simple maintenance and periodic minor replacement expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 850 Alarm/Surveillance System - Replace Quantity: (6) camera system

Location : Common areas

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Installation last in FY2009/2010 at expense of \$12,000.

Evaluation : Systems include access alarm and six-camera, internet surveillance equipment . No reported problems at present; installation last in June 2010 (FY2009/2010) at a reported expense of \$12,000. Inspect regularly for performance, repair as needed utilizing general operating funds. Equipment schedule with varying individual life cycles but intervals of integrated replacement due to technological upgrades/obsolescence is recommended.

Useful Life:

10 years

Remaining Life:

5 years



Best Case: \$10,000

Worst Case: \$14,000

Lower allowance for integrated replacement

Higher allowance for integrated replacement

Cost Source: Client Cost History/Similar Project Cost History

Comp # : 852 Telephone System - Replace

Quantity: (1) Samsung DS-5021D

Location : Reception, office, kitchen, etc...

Funded? : Yes Meets National Reserve Study Standards criteria for Reserve Funding

History : Replaced last in 2013 at an expense of \$3,500

Evaluation : Newer condition; replaced last in FY 2013/2014 at an expense of ~\$3,500. Assume integrated replacement intervals as factored below.

Useful Life:

8 years

Remaining Life:

7 years



Best Case: \$3,000

Worst Case: \$4,000

Lower estimate to replace with similar

Higher estimate to replace with similar

Cost Source: Client Cost History

Client: 23316A South Bay Community Association

Comp # : 854 Office Equipment - Replace

Quantity: Moderate equipment

Location : Manager's office, reception area, etc...

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Varying ages and condition; most computers have been replaced in the recent past. Equipment schedule currently owned includes at least (4) computers, (5) monitors and (3) small printers/all-in-ones. It is our understanding that the large printer is leased and that equipment inside emergency center may be provided by volunteers. In any event, individual replacements from the operating budget are typically adequate to maintain functionality. No significant replacement needs were indicated.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 860 Wood Shop Equipment - Replace

Quantity: Extensive quantity

Location : Wood Shop

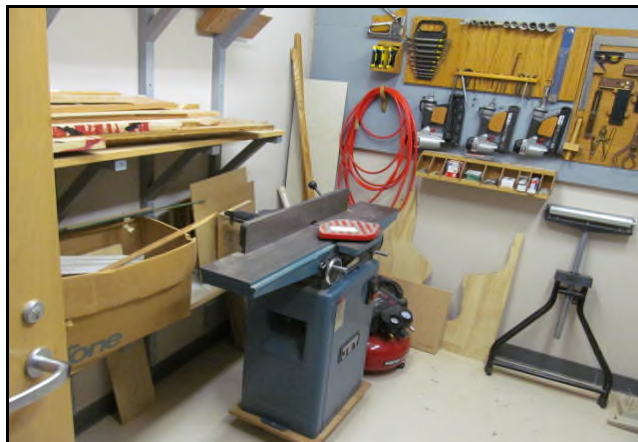
Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Wood shop was clean and well organized when we inspected on 4.8.2014. Equipment schedule of varying ages includes larger pieces such as assorted types of power saws (table, radial arm, band and scroll) as well as lathe, jointer and drill press. Going forward, timely individual replacements from the operating budget are assumed adequate to maintain safe functionality. Also, supplementary community or committee donations are sometimes utilized to maintain at some associations.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 862 Art/Craft Equipment - Replace

Quantity: Moderate quantity

Location : Craft room, storage building

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : We noted a sewing machine and an older kiln among others. Treat small replacement expenses as operating budget items. Often, this type of equipment is donated or provided from volunteer funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 864 Emergency Equipment - Replace

Quantity: Extensive quantity

Location : Emergency control room

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : We noted assorted types of radio equipment of varying ages, computer and monitor among others in the emergency control room. Defibrillator is located in office. Evaluate needs annually and replace as needed from operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 874 Entertainment Equipment - Replace Quantity: Extensive equipment

Location : Conference room, auditorium, class room, exercise room, etc...

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Assorted ages and sizes for the (4) T.V.s were noted. Conference room TV was replaced last in 2010 at an expense of \$1,600. Other individual equipment such as (2) projectors, (2) screens, mixing boards, PA sound system components were replaced last over significant time period. No reported problems or needs for large scale replacement were indicated for the near term. Life cycles and usage patterns vary considerably. Individual replacements are relatively low cost and should simply be provided from annual operating funds when need or desire arises. Track expense history carefully; adjust in future reserve study updates as conditions merit.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 876 Small Equipment/Tools - Replace Quantity: Moderate equipment

Location : Utility closets, Storage Building

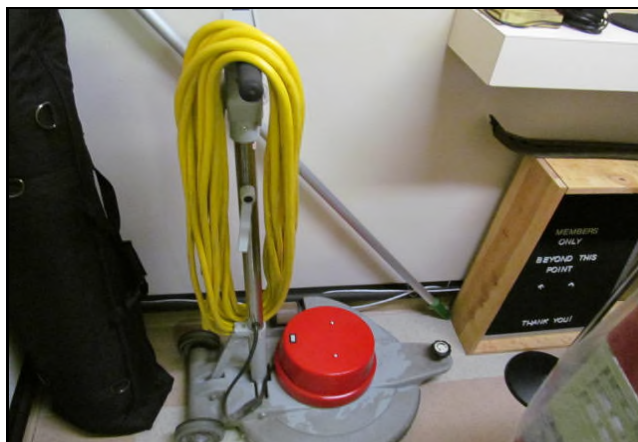
Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Assorted small tools/equipment such as floor buffer, power washer, portable generator and leaf blower don't merit reserve designation. Evaluate such minor replacement needs as ongoing maintenance and provide from annual operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 23316A South Bay Community Association

Comp # : 999 Reserve Study Update

Quantity: Annual update

Location : Common areas

Funded? : No Annual cost best handled as operating expense

History :

Evaluation : Per Washington law (RCW), condominium and HOA reserve studies are to be updated annually, with site inspections by an independent reserve study professional to occur no less than every three years to assess changes in condition (i.e., physical, economic, governmental, etc...) and the resulting effect on the community's long-term reserve plan. Your corporation may be otherwise structured but in any event, reserve study updates would most appropriately be factored within the operating budget, not as reserve component.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:
