RESERVE STUDY – LEVEL 3 UPDATE

Park Place Homes
19726, 19728, 19730, 19732, 50th WA 98119
Lynwood, WA

Number of Units: 16

October 30, 2026



Prepared By
David Bach & Associates, LLC
PO BOX 1014
Bellevue, Washington 98009
Phone: (206) 390-5594 Email: dbach@bachassociates.com

TABLE OF CONTENTS

1.	**Executive Summary**
	Reserves Disclosure
	Recommended Funding Plan
	Fully Funded Plan Summary
	Baseline Funding Plan Summary
2	**Introduction**
	Level of Study Performed
	Date of Study
	General Description of Property
	Reserve Study Goal
	Summary of Financial Assumptions
	Reserve Component List
	Methodology
3	**Annual Expenditures**
	Expenditures Graph
4	**Ideal vs. Cash Flow Balances**
	Starting Balance Funds Distribution
5	**Component Inventory Worksheets**
	Disclosures
	Reserve Study Terms

EXECUTIVE SUMMARY

RESERVES DISCLOSURE

RECOMMENDED FUNDING PLAN

FULLY FUNDED PLAN SUMMARY

BASELINE FUNDING PLAN

Park Place Homes
19726 – 19732 50 the Avenue W
Lynwood, WA

This Level 3 Reserve Study Update completed on *October 30, 2026* meets the **requirements of RCW 64.90.550.**

Number of Buildings	**1**
Number of Reserve Units **Number of Commercial Units**	**16** **0**
Date of Incorporation	
Date of Construction	**1999 - 2000**
Current (2026) Budgeted Annual Contribution to Reserves	**$20,335.32**
***Recommended 2027 Contribution to Reserves**	**$36,000.00 with a 1% annual increase**
Year 2026 Ending Reserve Account Balance	**$64,186.60**
Year 2026 Ending Fully Funded "Ideal" Balance	**$287,556.00**
Percent funded as of 12/31/2026	**22%**
***Average percent allocation for common areas**	**0.0625**
Per unit Deficit in reserve funding as of 12/31/2026	**$13,960.58**

*Annual contribution per unit is average. If the fraction or percentage of the common expenses of the Association allocable vary by unit, the Association must calculate any current deficit or surplus in a manner that reflects the variation.

*Assumes supplemental funding in 2026 for major building envelope repair and restoration, including siding, windows and sliding glass doors, and deck restoration. Exact scope of work, final cost, and funding to be determined.

"This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the Association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement."

Effective July 1, 2018, RCW 64.90.550 requires a Reserve Study include the following funding plans:

FULLY FUNDED CONTRIBUTION RATE – with a 3% annual contribution increase

A contribution rate for a fully funded plan to achieve 100% fully funded reserves by the end of the thirty-year study period.

$187.50	Average Monthly per Unit
$2,250.00	Average Annually per Unit
$3,000.00	Association Monthly
$36,000.00	Association Annual

BASELINE FUNDING PLAN – with a 3% annual contribution increase

A baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study plan without special assessments.

$180.92	Average Monthly per Unit
$2,171.00	Average Annually per Unit
$2,894.67	Association Monthly
$34,736.00	Association Annual

RECOMMENDED CONTRIBUTION RATE – with a 3% annual contribution increase

A contribution rate recommended by an independent reserve study professional.

$187.50	Average Monthly per Unit
$2,250.00	Average Annually per Unit
$3,000.00	Association Monthly
$40,000.00	Association Annual

RECOMMENDATION:

Contribute $36,000.00 to reserves in 2027 and then maintain a 3% annual contribution increase through the remaining study term. ASSUMING the study's thirty-year expenditures materialize as projected, the recommended contribution will provide for a fair and stable contribution, ensure that adequate funds are available as needed, and reduce the risk of supplementing regular scheduled repairs and replacements of common elements through special assessments.

Funding Plan Summary (Cash Flow)

October 30, 2026

Park Place Homes

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2027	22%	287,556	287,556	0.00%	64,187	20,335	34	(10)	(58,675)	(58,675)
2028	10%	244,798	254,590	0.00%	25,871	20,335	-31	9	(50,075)	(48,150)
2029	-2%	213,464	230,883	0.00%	-3,891	20,335	-122	37	(61,797)	(57,135)
2030	-23%	173,457	195,115	0.00%	-45,439	20,335	-93	28	(7,019)	(6,240)
2031	-15%	184,370	215,687	0.00%	-32,188	20,335	-62	19	(6,083)	(5,200)
2032	-8%	196,843	239,490	0.00%	-17,979	20,335	-21	6	(1,518)	(1,248)
2033	0%	213,269	269,853	0.00%	823	20,335	24	(7)	0	0
2034	7%	230,942	303,904	0.00%	21,175	20,335	50	(15)	(8,488)	(6,450)
2035	10%	242,166	331,420	0.00%	33,057	20,335	95	(29)	0	0
2036	14%	259,839	369,832	0.00%	53,459	20,335	7	(2)	(60,246)	(42,328)
2037	4%	236,679	350,343	0.00%	13,553	20,335	52	(16)	0	0
2038	9%	255,848	393,866	0.00%	33,924	20,335	97	(29)	0	0
2039	12%	275,016	440,310	0.00%	54,327	20,335	-400	120	(246,342)	(153,865)
2040	-74%	140,320	233,643	0.00%	-171,960	20,335	-361	108	(2,078)	(1,248)
2041	-56%	158,240	274,021	0.00%	-153,956	20,335	-336	101	(9,005)	(5,200)
2042	-46%	172,209	310,138	0.00%	-142,861	20,335	-352	106	(27,161)	(15,081)
2043	-45%	176,296	330,198	0.00%	-149,933	20,335	-307	92	0	0
2044	-34%	195,464	380,744	0.00%	-129,813	20,335	-296	89	(14,995)	(7,698)
2045	-30%	206,934	419,211	0.00%	-124,680	20,335	-280	84	(12,641)	(6,240)
2046	-25%	219,863	463,218	0.00%	-117,182	20,335	-260	78	(10,956)	(5,200)
2047	-21%	233,831	512,353	0.00%	-107,984	20,335	-215	65	0	0
2048	-15%	253,000	576,527	0.00%	-87,800	20,335	-357	107	(84,606)	(37,128)
2049	-27%	235,040	557,026	0.00%	-152,321	20,335	-593	178	(127,229)	(53,685)
2050	-53%	200,523	494,233	0.00%	-259,630	20,335	-704	211	(70,737)	(28,700)
2051	-63%	190,992	489,570	0.00%	-310,525	20,335	-884	265	(101,302)	(39,520)
2052	-86%	170,640	454,899	0.00%	-392,111	20,335	-1,056	317	(97,858)	(36,708)
2053	-111%	153,101	424,467	0.00%	-470,372	20,335	-1,207	362	(88,220)	(31,820)
2054	-133%	140,449	404,966	0.00%	-539,102	20,335	-1,235	371	(32,625)	(11,315)
2055	-124%	148,302	444,715	0.00%	-552,257	20,335	-1,193	358	0	0
2056	-102%	167,471	522,283	0.00%	-532,757	20,335	-1,297	389	(67,143)	(21,529)
Total						610,050	-11,300	3,390	(1,246,800)	(680,363)
Average					-139,812	20,335	-377	113	(41,560)	(22,679)
Maximum			576,527		64,187		97	(29)	(246,342)	(153,865)
Minimum			195,115		-552,257		-1,297	389	0	0

0.22% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

2027 Contributions	
105.91	Monthly Per Unit
1,270.94	Annually Per Unit
1,694.58	Association Monthly

Funding Plan Summary (Cash Flow)

October 30, 2026

Park Place Homes

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2027	22%	287,556	287,556	3.00%	64,187	36,000	52	(16)	(58,675)	(58,675)
2028	16%	244,798	254,590	3.00%	41,548	37,080	22	(7)	(50,075)	(48,150)
2029	12%	213,464	230,883	3.00%	28,568	38,192	-31	9	(61,797)	(57,135)
2030	3%	173,457	195,115	3.00%	4,942	39,338	39	(12)	(7,019)	(6,240)
2031	17%	184,370	215,687	3.00%	37,288	40,518	113	(34)	(6,083)	(5,200)
2032	30%	196,843	239,490	3.00%	71,802	41,734	201	(60)	(1,518)	(1,248)
2033	42%	213,269	269,853	3.00%	112,158	42,986	294	(88)	0	0
2034	51%	230,942	303,904	3.00%	155,350	44,275	372	(112)	(8,488)	(6,450)
2035	58%	242,166	331,420	3.00%	191,398	45,604	471	(141)	0	0
2036	64%	259,839	369,832	3.00%	237,331	46,972	441	(132)	(60,246)	(42,328)
2037	64%	236,679	350,343	3.00%	224,366	48,381	547	(164)	0	0
2038	69%	255,848	393,866	3.00%	273,130	49,832	656	(197)	0	0
2039	73%	275,016	440,310	3.00%	323,421	51,327	226	(68)	(246,342)	(153,865)
2040	55%	140,320	233,643	3.00%	128,564	52,867	336	(101)	(2,078)	(1,248)
2041	66%	158,240	274,021	3.00%	179,589	54,453	435	(131)	(9,005)	(5,200)
2042	73%	172,209	310,138	3.00%	225,342	56,087	498	(149)	(27,161)	(15,081)
2043	77%	176,296	330,198	3.00%	254,616	57,769	624	(187)	0	0
2044	82%	195,464	380,744	3.00%	312,822	59,503	721	(216)	(14,995)	(7,698)
2045	85%	206,934	419,211	3.00%	357,834	61,288	827	(248)	(12,641)	(6,240)
2046	88%	219,863	463,218	3.00%	407,060	63,126	941	(282)	(10,956)	(5,200)
2047	90%	233,831	512,353	3.00%	459,889	65,020	1,083	(325)	0	0
2048	91%	253,000	576,527	3.00%	525,667	66,971	1,044	(313)	(84,606)	(37,128)
2049	91%	235,040	557,026	3.00%	508,762	68,980	915	(275)	(127,229)	(53,685)
2050	91%	200,523	494,233	3.00%	451,154	71,049	915	(275)	(70,737)	(28,700)
2051	92%	190,992	489,570	3.00%	452,106	73,181	852	(256)	(101,302)	(39,520)
2052	93%	170,640	454,899	3.00%	424,582	75,376	802	(241)	(97,858)	(36,708)
2053	95%	153,101	424,467	3.00%	402,661	77,637	777	(233)	(88,220)	(31,820)
2054	97%	140,449	404,966	3.00%	392,623	79,966	880	(264)	(32,625)	(11,315)
2055	99%	148,302	444,715	3.00%	440,580	82,365	1,060	(318)	0	0
2056	100%	167,471	522,283	3.00%	523,687	84,836	1,098	(329)	(67,143)	(21,529)
Total						1,712,715	17,210	(5,163)	(1,246,800)	(680,363)
Average					273,767	57,090	574	(172)	(41,560)	(22,679)
Maximum			576,527		525,667		1,098	(329)	(246,342)	(153,865)
Minimum			195,115		4,942		-31	9	0	0

0.22% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

2027 Contributions
187.50 Monthly Per Unit
2,250.00 Annually Per Unit
3,000.00 Association Monthly

Funding Plan Summary (Cash Flow)

October 30, 2026

Park Place Homes

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2027	22%	287,556	287,556	3.00%	64,187	34,736	50	(15)	(58,675)	(58,675)
2028	16%	244,798	254,590	3.00%	40,283	35,778	18	(5)	(50,075)	(48,150)
2029	11%	213,464	230,883	3.00%	25,998	36,851	-38	11	(61,797)	(57,135)
2030	1%	173,457	195,115	3.00%	1,026	37,957	29	(9)	(7,019)	(6,240)
2031	15%	184,370	215,687	3.00%	31,984	39,096	100	(30)	(6,083)	(5,200)
2032	27%	196,843	239,490	3.00%	65,066	40,269	184	(55)	(1,518)	(1,248)
2033	39%	213,269	269,853	3.00%	103,945	41,477	274	(82)	0	0
2034	48%	230,942	303,904	3.00%	145,614	42,721	349	(105)	(8,488)	(6,450)
2035	54%	242,166	331,420	3.00%	180,091	44,003	445	(133)	0	0
2036	61%	259,839	369,832	3.00%	224,405	45,323	411	(123)	(60,246)	(42,328)
2037	60%	236,679	350,343	3.00%	209,769	46,682	513	(154)	0	0
2038	65%	255,848	393,866	3.00%	256,810	48,083	618	(185)	0	0
2039	69%	275,016	440,310	3.00%	305,325	49,525	184	(55)	(246,342)	(153,865)
2040	46%	140,320	233,643	3.00%	108,637	51,011	291	(87)	(2,078)	(1,248)
2041	58%	158,240	274,021	3.00%	157,774	52,541	385	(116)	(9,005)	(5,200)
2042	65%	172,209	310,138	3.00%	201,580	54,118	443	(133)	(27,161)	(15,081)
2043	69%	176,296	330,198	3.00%	228,847	55,741	565	(169)	0	0
2044	75%	195,464	380,744	3.00%	284,983	57,413	657	(197)	(14,995)	(7,698)
2045	78%	206,934	419,211	3.00%	327,861	59,136	759	(228)	(12,641)	(6,240)
2046	81%	219,863	463,218	3.00%	374,887	60,910	868	(260)	(10,956)	(5,200)
2047	83%	233,831	512,353	3.00%	425,449	62,737	1,005	(301)	0	0
2048	85%	253,000	576,527	3.00%	488,889	64,619	961	(288)	(84,606)	(37,128)
2049	84%	235,040	557,026	3.00%	469,575	66,558	826	(248)	(127,229)	(53,685)
2050	83%	200,523	494,233	3.00%	409,482	68,555	821	(246)	(70,737)	(28,700)
2051	83%	190,992	489,570	3.00%	407,873	70,611	752	(226)	(101,302)	(39,520)
2052	83%	170,640	454,899	3.00%	377,709	72,729	696	(209)	(97,858)	(36,708)
2053	83%	153,101	424,467	3.00%	353,068	74,911	665	(200)	(88,220)	(31,820)
2054	84%	140,449	404,966	3.00%	340,225	77,159	762	(228)	(32,625)	(11,315)
2055	87%	148,302	444,715	3.00%	385,291	79,473	935	(281)	0	0
2056	89%	167,471	522,283	3.00%	465,419	81,858	966	(290)	(67,143)	(21,529)
Total						1,652,580	15,491	(4,647)	(1,246,800)	(680,363)
Average					248,735	55,086	516	(155)	(41,560)	(22,679)
Maximum			576,527		488,889		1,005	(301)	(246,342)	(153,865)
Minimum			195,115		1,026		-38	11	0	0

0.22% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

2027 Contributions	
180.92	Monthly Per Unit
2,171.00	Annually Per Unit
2,894.67	Association Monthly

Funding Plan Summary (Cash Flow)

October 30, 2026

Park Place Homes

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2027	22%	287,556	287,556	3.00%	64,187	36,000	52	(16)	(58,675)	(58,675)
2028	16%	244,798	254,590	3.00%	41,548	37,080	22	(7)	(50,075)	(48,150)
2029	12%	213,464	230,883	3.00%	28,568	38,192	-31	9	(61,797)	(57,135)
2030	3%	173,457	195,115	3.00%	4,942	39,338	39	(12)	(7,019)	(6,240)
2031	17%	184,370	215,687	3.00%	37,288	40,518	113	(34)	(6,083)	(5,200)
2032	30%	196,843	239,490	3.00%	71,802	41,734	201	(60)	(1,518)	(1,248)
2033	42%	213,269	269,853	3.00%	112,158	42,986	294	(88)	0	0
2034	51%	230,942	303,904	3.00%	155,350	44,275	372	(112)	(8,488)	(6,450)
2035	58%	242,166	331,420	3.00%	191,398	45,604	471	(141)	0	0
2036	64%	259,839	369,832	3.00%	237,331	46,972	441	(132)	(60,246)	(42,328)
2037	64%	236,679	350,343	3.00%	224,366	48,381	547	(164)	0	0
2038	69%	255,848	393,866	3.00%	273,130	49,832	656	(197)	0	0
2039	73%	275,016	440,310	3.00%	323,421	51,327	226	(68)	(246,342)	(153,865)
2040	55%	140,320	233,643	3.00%	128,564	52,867	336	(101)	(2,078)	(1,248)
2041	66%	158,240	274,021	3.00%	179,589	54,453	435	(131)	(9,005)	(5,200)
2042	73%	172,209	310,138	3.00%	225,342	56,087	498	(149)	(27,161)	(15,081)
2043	77%	176,296	330,198	3.00%	254,616	57,769	624	(187)	0	0
2044	82%	195,464	380,744	3.00%	312,822	59,503	721	(216)	(14,995)	(7,698)
2045	85%	206,934	419,211	3.00%	357,834	61,288	827	(248)	(12,641)	(6,240)
2046	88%	219,863	463,218	3.00%	407,060	63,126	941	(282)	(10,956)	(5,200)
2047	90%	233,831	512,353	3.00%	459,889	65,020	1,083	(325)	0	0
2048	91%	253,000	576,527	3.00%	525,667	66,971	1,044	(313)	(84,606)	(37,128)
2049	91%	235,040	557,026	3.00%	508,762	68,980	915	(275)	(127,229)	(53,685)
2050	91%	200,523	494,233	3.00%	451,154	71,049	915	(275)	(70,737)	(28,700)
2051	92%	190,992	489,570	3.00%	452,106	73,181	852	(256)	(101,302)	(39,520)
2052	93%	170,640	454,899	3.00%	424,582	75,376	802	(241)	(97,858)	(36,708)
2053	95%	153,101	424,467	3.00%	402,661	77,637	777	(233)	(88,220)	(31,820)
2054	97%	140,449	404,966	3.00%	392,623	79,966	880	(264)	(32,625)	(11,315)
2055	99%	148,302	444,715	3.00%	440,580	82,365	1,060	(318)	0	0
2056	100%	167,471	522,283	3.00%	523,687	84,836	1,098	(329)	(67,143)	(21,529)
Total						1,712,715	17,210	(5,163)	(1,246,800)	(680,363)
Average					273,767	57,090	574	(172)	(41,560)	(22,679)
Maximum			576,527		525,667		1,098	(329)	(246,342)	(153,865)
Minimum			195,115		4,942		-31	9	0	0

0.22% **Investment Rate**
30.00% **Tax Rate**
4.00% **Inflation Rate**

2027 Contributions	
187.50	Monthly Per Unit
2,250.00	Annually Per Unit
3,000.00	Association Monthly

INTRODUCTION

LEVEL OF STUDY PERFORMED

DATE OF STUDY

GENERAL DESCRIPTION OF PROPERTY

RESERVE STUDY GOAL

SUMMARY OF FINANCIAL ASSUMPTIONS

METHODOLOGY

Introduction

The Community Associations Institute (CAI), a non-profit organization created in 1973 to educate and represent the nation's growing number of community associations, condominium associations, homeowner associations, and cooperatives, defines a reserve study as a combination of:

1) Physical Analysis – Information about the physical status and the repair/replacement cost of the major common area components the association is obligation to maintain; and
2) Financial Analysis – Evaluation and analysis of the association's reserve balance, income, and expenses.

Per RCW 64.90.535 and 64.90.545, all condominium associations in Washington State must prepare and update a reserve study and establish reserve accounts. Specifically, RCW 64.90.535 provides:

> An association required to obtain a reserve study pursuant to RCW 64.90.545 must establish one or more accounts for the deposit of funds, if any, for the replacement costs of reserve components. Any reserve account must be an income-earning account maintained under the direct control of the board, and the board is responsible for administering the reserve account.

And RCW 64.90.545 provides:

(1) Unless exempt under subsection (2) of this section, an association must prepare and update a reserve study in accordance with this chapter. An initial reserve study must be prepared by a reserve study professional and based upon either a reserve study professional's visual site inspection of completed improvements or a review of plans and specifications of or for unbuilt improvements, or both when construction of some but not all of the improvements is complete. An updated reserve study must be prepared annually. An updated reserve study must be prepared at least every thirds year by a reserve study professional and based upon a visual site inspection conducted by the reserve study professional.

(2) Unless the governing documents require otherwise, subsection (1) of this section does not apply (a) to common interest communities containing units that are restricted in the declaration to nonresidential use, (b) to common interest communities that have only nominal reserve costs, or (c) when the cost of the reserve study or update exceeds ten percent of the association's annual budget.

(3) The governing documents may impose greater requirements on the board.

There are three levels of Reserve Studies available:

LEVEL I: Full Reserve Study Analysis and Plan
A Reserve Study in which the following five tasks are performed:

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

Level II: Reserve Study Update with Visual Site Inspection
A Reserve Study update in which the following five tasks are performed:

- Component Inventory (verification only, no quantification)
- Condition Assessment (based on visual site observations)
- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level III: Reserve Study Update with No Visual Site Inspection
A Reserve Study update with no visual site inspection in which the following three tasks are performed:

- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level of Reserve Study Performed

This **LEVEL III: Reserve Study Update with No Visual Site Inspection** was conducted at the request of the Park Place Homes Owners Association and performed per Washington State requirements outlined under RCW 64.90.550.

Date of Study

October 30, 2026

General Description of Property

The following description is general in nature. A detailed description of the property is not included as a part of this report. Park Place Homes is a smaller common interest development that was built around 1999 - 2000. The property is located at 19726, 19728, 19730, and 19732 50th Avenue West, Lynwood, Washington. Four, two-story, fourplex buildings house a total of sixteen residential dwelling units. The Buildings have asphalt composition shingle roofs, vinyl siding, vinyl clad windows, and aluminum gutters and downspouts. Amenities individual balcony decks and carports.

Reserve Study Goal

The Association's Board of Directors has a fiduciary responsibility to maintain the community in a good state of repair and to protect the Association from financial hardship. A long-range plan should be initiated to provide adequate funding for maintenance repairs and/or replacements of common area components. This reserve analysis will help the Association:

- Comply with Washington State requirements.
- Ensure adequate funds are available for future major repair and replacements.
- Maintain the community in a good state of repair.
- Reduce special assessments or borrowing.
- Protect property value and enhance your ability to obtain loans or sell.
- Comply with the American Institute of Certified Public Accountants (AICPA) disclosure requirements for reserves.

Summary of Financial Assumptions

Assumptions were made based on the following information used to develop the parameters for the Reserve Study calculations:

Date Study Begins	*October 30, 2026*
Number of Analysis Years to be Covered in the Study	30 Years
Number of Units	16
Projected Year 2027 Starting Reserve Balance	$64,186.61
Average Current Rate of Investment on Reserve Funds	0.22%
Tax Rate applied to Interest or Dividends earned on the Invested Funds	30%
Current and Projected Inflation Rate for Construction Costs	4%
Contribution increase the Association can reasonably adopt	

Reserve Component List

Per RCW 64.90.550(a), the following worksheet has a list of all components that have been included in this study, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component.

The Association has opted to exclude the following components from the study:

ITEM NAME	BASIS FOR EXCLUSION

There are two main methods used in the preparation of a reserve study, Cash Flow Method and Component Method.

> *Cash Flow Method*: A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.
>
> *Component Method*: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.

David Bach & Associates utilizes the Cash Flow Method in the preparation of our Reserve Studies. This method examines and projects the reserving needs (i.e., contributions and expenditures) over many years, combining funds from all components, in order to establish a stable annual contribution. This type of method allows an Association to customize its funding plan and usually generates a lower starting contribution.

Worksheet

October 30, 2026

Sorted Alphabetically

Park Place Homes

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Aggregate Replacement - Gravel	100	0	1	Total	780.000	100	780	2015	15	0	2030	4	no
Aspahlt - Pavement Marking - Parking Spaces	10	0	1	Total	1,248.000	100	1,248	2014	4	10	2028	2	no
Asphalt - Pavement Repair & Seal	10	0	24,325	Square Yard	0.620	100	15,082	2000	14	14	2028	2	no
Asphalt Pavement - 50th Avenue W) Overlay	10	0	13,825	Square Yard	5.200	100	71,890	1999	40	0	2039	13	no
Asphalt Pavement - Parking Area (Overlay)	10	0	10,500	Square Foot	5.200	100	54,600	1999	40	0	2039	13	no
Concrete - Walkway Repair	10	0	1	Repair Allowance	2,600.000	100	2,600	2019	10	0	2029	3	no
Decks - Rebuild	75	0	1	Total	0.000	100	0	1999	25	2	2026	0	YES
Fencing - Board Fence	40	0	250	Linear Foot	44.200	100	11,050	1999	22	6	2027	1	no
Fencing - Chain-link	40	0	285	Linear Foot	33.280	100	9,485	1999	40	0	2039	13	no
Fencing - Wood, Split Rail	0	0	105	Linear Foot	26.000	100	2,730	1999	25	5	2029	3	no
Fire Control Panels	70	0	4	Each	4,435.000	100	17,740	1999	30	0	2029	3	no
Garbage Enclosure - Restoration	90	0	1	Total	4,680.000	100	4,680	2015	15	0	2030	4	no
Gutters and Downspouts (19726)	75	0	120	Linear Foot	13.000	100	1,560	1999	25	3	2027	1	no
Gutters and Downspouts (19728)	75	0	120	Linear Foot	13.000	100	1,560	1999	25	1	2026	0	no
Gutters and Downspouts (19730)	75	0	120	Linear Foot	13.000	100	1,560	2024	25	0	2049	23	no
Gutters and Downspouts (19732)	75	0	120	Linear Foot	13.000	100	1,560	2000	25	3	2028	2	no
Gutters and Downspouts (Carports)	75	0	120	Linear Foot	13.000	100	1,560	2000	25	3	2028	2	no
Irrigation System - Restoration	100	0	1	Total	8,840.000	100	8,840	2012	12	3	2027	1	no
Lighting - Building Exterior	50	0	1	Allowance	3,325.000	100	3,325	1999	22	5	2026	0	no
Mailboxes - Pedestal	100	0	1	Each	2,135.000	100	2,135	1999	25	5	2029	3	no
Paint - Exterior, Trim, Wood	30	0	1	Total	35,880.000	100	35,880	2012	12	12	2036	10	no
Picnic Table	100	0	1	Each	780.000	100	780	2000	15	15	2030	4	no
Property Sign - Restoration	100	0	1	Total	3,640.000	100	3,640	2000	25	1	2026	0	no
Roofing - Composition Shingle (19726)	0	0	28	(none)	1,025.000	100	28,700	1999	25	3	2027	1	no
Roofing - Composition Shingle (19728)	20	0	28	Square	1,025.000	100	28,700	2025	25	0	2050	24	no
Roofing - Composition Shingle (19730)	20	0	28	Square	1,025.000	100	28,700	2024	25	0	2049	23	no
Roofing - Composition Shingle (19732)	20	0	28	Square	1,025.000	100	28,700	2000	25	3	2028	2	no

Worksheet

October 30, 2026

Sorted Alphabetically

Park Place Homes

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Roofing - Composition Shingle (Carports)	0	0	28	Square	910.000	100	25,480	2000	22	7	2029	3	no
Siding - Vinyl (Clean & Inspect)	75	0	1	Allowance	5,200.000	100	5,200	2021	5	5	2031	5	no
Siding - Vinyl (Replacement)	75	0	17,215	Square Foot	0.000	100	0	1999	35	-8	2026	0	YES
Stair Landings & Decks - Resurface	75	0	1	Total	0.000	100	0	1999	12	15	2026	0	YES
Stormwater - Retention Pond Maintenance	100	0	1	Total	5,200.000	100	5,200	2024	5	0	2029	3	no
Stormwater Drains - Clean / {Power Vac)	10	0	1	Total	1,250.000	100	1,250	2024	5	0	2029	3	no
Windows & Sliding Glass Doors	75	0	1	Total	0.000	100	0	1999	35	-8	2026	0	no

Total *34 items*

Steps for Preparing Reserve Study Funding Plan

This Reserve Study was prepared with the assistance of an independent Reserve Study Professional and can be broken down into three main steps.

1. **Component Analysis**

   All components the Association has an obligation to maintain were identified and inventoried. Per RCW 64.90.550)a)(2), this list includes any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component.

   An onsite visit was scheduled to visually inspect all common area components. The Reserve Analysts inspection was limited to components that are normally visible without destructive or intrusive means of inspection or testing, or concealed mechanical, electrical, structural, or other components.

The Useful Life, Remaining Useful Life, and Current Replacement Cost of each component appropriate for reserve funding were established using information entered into a Commercial Cost & Useful Life Database. The data is based upon industry standards, manufacturer's specifications, and/or the actual repair and replacement costs to similar residential and commercial properties. Costs of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. Wherever possible, actual quotes from local contractors were used as a comparison.

2. **Financial Analysis**

   The following financial information was provided by the Association and was not audited:

   - The Association's current Reserve Balance.
   - Current rate of investment on Reserve Fund.
   - Special Assessments already implemented or planned.
   - Tax rate applied to interest or dividends earned on the invested Reserve Funds.
   - Interest and Inflation assumptions.
   - Current Reserve Account Contribution Rate.
   - Date of Fiscal Year End (FYE).

According to the U.S. Dept. of Labor, Bureau of Labor and Statistics, the average rate of inflation calculated from the Consumer Price Index – All Urban Consumers (CPI-U) for the twenty-year period 2003 to 2022 was 2.47%. In preparing Reserve Funding Plans we are currently using an inflation rate of 4% to calculate inflation adjusted expenditures.

3. Reserve Study

The information obtained during the Component Analysis and Financial Analysis is entered into a Reserve Study Funding Plan computer program. The program calculates the necessary monthly and annual reserve contribution, projected annual expenditures for repair and replacement of identified components, percent funded, and reserve account balances for the analysis period.

Per RCW 64.90.550(i) the following Reserve Study Funding Plans were created:

- A recommended reserve account contribution rate for a full funding plan to achieve 100% fully funded reserves by the end of the 30-year study period.
- A recommended reserve account contribution rate for a baseline funding plan to maintain the reserve balance above 0 throughout the 30- year study period without special assessments.
- A David Bach & Associates recommended reserve account contribution rate.

The computer program provides a projected reserve account balance for 30 years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments.

All applicable spreadsheets, expenditure graph, and funding charts were developed. In addition, Supplementary Information on Future Major Repairs and Replacement (AICPA) accountant's summary report was prepared.

ANNUAL EXPENDITURES

EXPENDITURES GRAPH

Annual Expenditures

October 30, 2026 **Park Place Homes**

Year	Amount	Item Description
2027	0	Decks - Rebuild
	11,050	Fencing - Board Fence
	8,840	Irrigation System - Restoration
	3,325	Lighting - Building Exterior
	0	Siding - Vinyl (Replacement)
	28,700	Roofing - Composition Shingle (19726)
	1,560	Gutters and Downspouts (19726)
	1,560	Gutters and Downspouts (19728)
	3,640	Property Sign - Restoration
	0	Stair Landings & Decks - Resurface
	0	Windows & Sliding Glass Doors
	58,675	
2028	1,298	Aspahlt - Pavement Marking - Parking Spaces
	15,685	Asphalt - Pavement Repair & Seal
	29,848	Roofing - Composition Shingle (19732)
	1,622	Gutters and Downspouts (Carports)
	1,622	Gutters and Downspouts (19732)
	50,075	
2029	2,812	Concrete - Walkway Repair
	19,188	Fire Control Panels
	27,559	Roofing - Composition Shingle (Carports)
	2,309	Mailboxes - Pedestal
	2,953	Fencing - Wood, Split Rail
	5,624	Stormwater - Retention Pond Maintenance
	1,352	Stormwater Drains - Clean / {Power Vac)
	61,797	
2030	877	Aggregate Replacement - Gravel
	877	Picnic Table

Annual Expenditures

October 30, 2026 **Park Place Homes**

Year	Amount	Item Description
	5,264	Garbage Enclosure - Restoration
	7,019	
2031	6,083	Siding - Vinyl (Clean & Inspect)
	6,083	
2032	1,518	Aspahlt - Pavement Marking - Parking Spaces
	1,518	
2034	6,843	Stormwater - Retention Pond Maintenance
	1,645	Stormwater Drains - Clean / {Power Vac)
	8,488	
2036	1,776	Aspahlt - Pavement Marking - Parking Spaces
	51,068	Paint - Exterior, Trim, Wood
	7,401	Siding - Vinyl (Clean & Inspect)
	60,246	
2039	87,416	Asphalt Pavement - Parking Area (Overlay)
	115,098	Asphalt Pavement - 50th Avenue W) Overlay
	4,163	Concrete - Walkway Repair
	15,185	Fencing - Chain-link
	14,153	Irrigation System - Restoration
	8,325	Stormwater - Retention Pond Maintenance
	2,001	Stormwater Drains - Clean / {Power Vac)
	246,342	
2040	2,078	Aspahlt - Pavement Marking - Parking Spaces
	2,078	
2041	9,005	Siding - Vinyl (Clean & Inspect)
	9,005	

Annual Expenditures

October 30, 2026 **Park Place Homes**

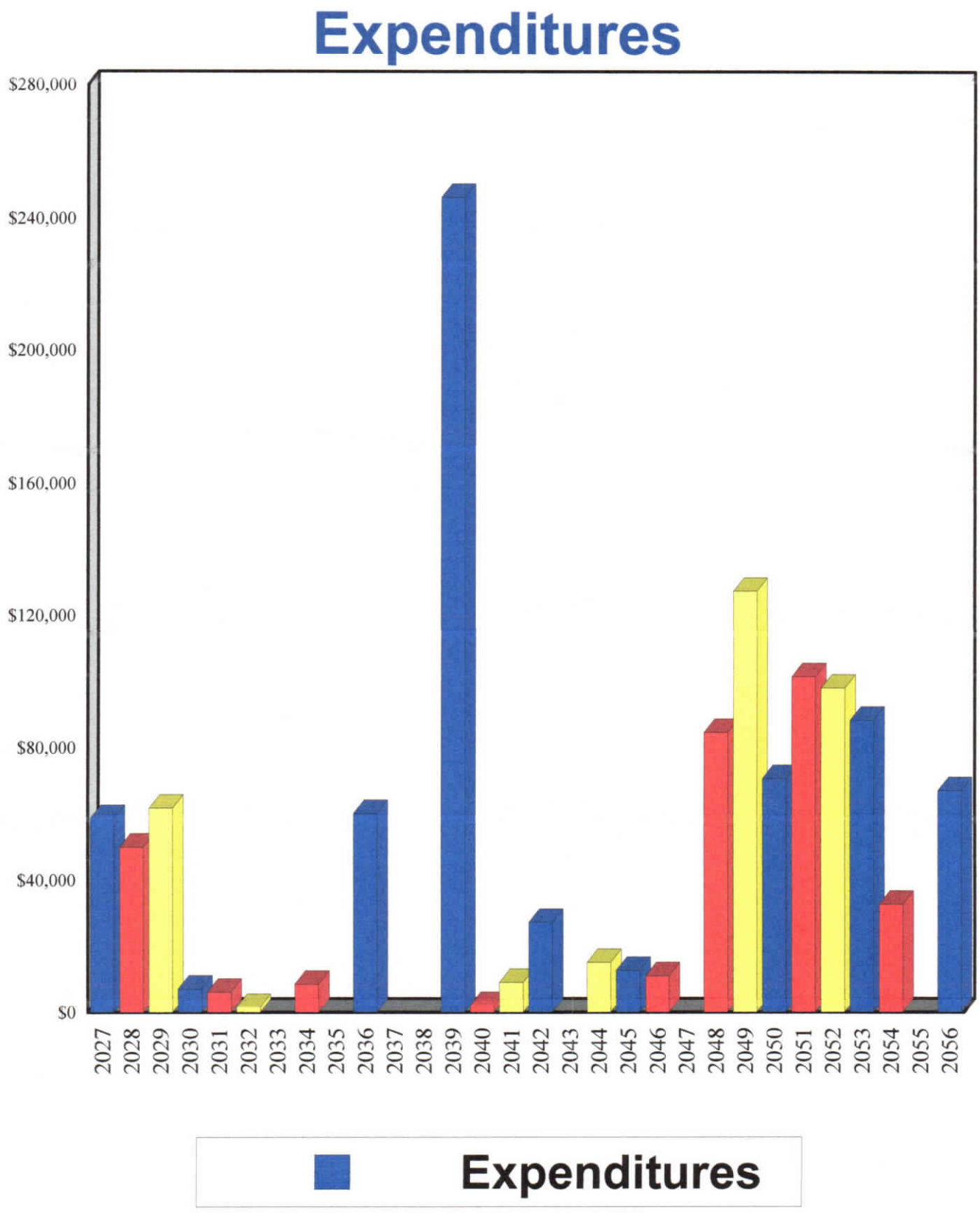
Year	Amount	Item Description
2042	27,161	Asphalt - Pavement Repair & Seal
	27,161	
2044	2,431	Aspahlt - Pavement Marking - Parking Spaces
	10,129	Stormwater - Retention Pond Maintenance
	2,435	Stormwater Drains - Clean / {Power Vac)
	14,995	
2045	1,580	Aggregate Replacement - Gravel
	1,580	Picnic Table
	9,481	Garbage Enclosure - Restoration
	12,641	
2046	10,956	Siding - Vinyl (Clean & Inspect)
	10,956	
2048	2,844	Aspahlt - Pavement Marking - Parking Spaces
	81,762	Paint - Exterior, Trim, Wood
	84,606	
2049	6,162	Concrete - Walkway Repair
	26,188	Fencing - Board Fence
	7,880	Lighting - Building Exterior
	68,017	Roofing - Composition Shingle (19730)
	3,697	Gutters and Downspouts (19730)
	12,324	Stormwater - Retention Pond Maintenance
	2,962	Stormwater Drains - Clean / {Power Vac)
	127,229	
2050	70,737	Roofing - Composition Shingle (19728)
	70,737	

Annual Expenditures

October 30, 2026 **Park Place Homes**

Year	Amount	Item Description
2051	22,660	Irrigation System - Restoration
	65,313	Roofing - Composition Shingle (Carports)
	13,329	Siding - Vinyl (Clean & Inspect)
	101,302	
2052	3,327	Aspahlt - Pavement Marking - Parking Spaces
	76,509	Roofing - Composition Shingle (19726)
	4,159	Gutters and Downspouts (19726)
	4,159	Gutters and Downspouts (19728)
	9,704	Property Sign - Restoration
	97,858	
2053	79,570	Roofing - Composition Shingle (19732)
	4,325	Gutters and Downspouts (Carports)
	4,325	Gutters and Downspouts (19732)
	88,220	
2054	6,156	Mailboxes - Pedestal
	7,872	Fencing - Wood, Split Rail
	14,994	Stormwater - Retention Pond Maintenance
	3,604	Stormwater Drains - Clean / {Power Vac)
	32,625	
2056	3,892	Aspahlt - Pavement Marking - Parking Spaces
	47,034	Asphalt - Pavement Repair & Seal
	16,217	Siding - Vinyl (Clean & Inspect)
	67,143	

Total: **1,246,800**


Expenditures
$280,000
$240,000
$200,000
$160,000
$120,000
$80,000
$40,000
$0
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
2054
2055
2056
Expenditures

IDEAL vs. CASH FLOW BALANCES

STARTING BALANCE FUNDS DISTRIBUTION

The basis to any reserve funding plan first starts with computing the ideal balance. The ideal balance is a benchmark against which the cash flow calculations can be compared. The formula for the ideal balance is:

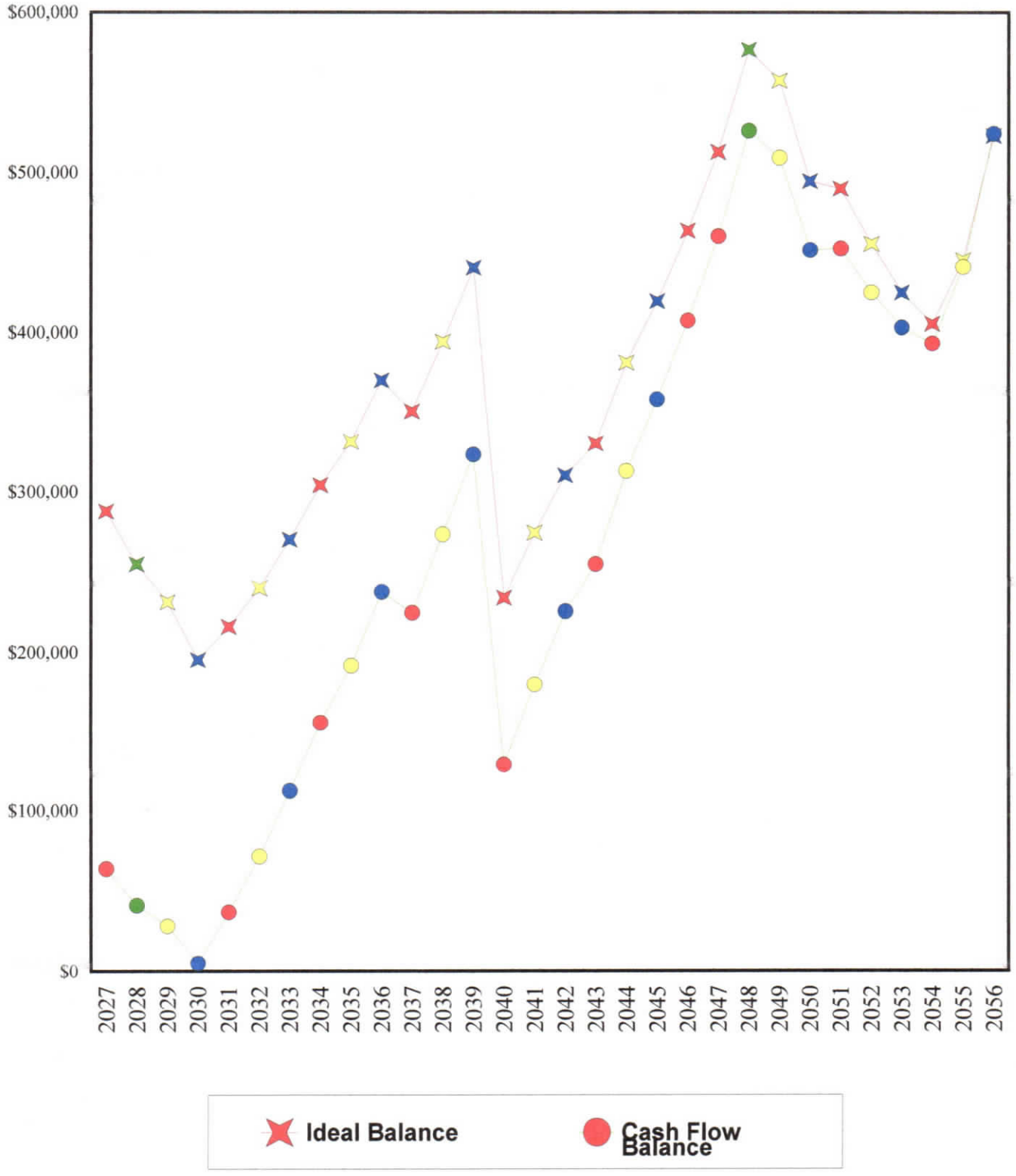
Ideal Balance = (Current Age / Useful Life) x Current Cost

Inflation and interest are also incorporated into this formula.

The Ideal vs. Cash Flow Balances Graph on the next page shows the cash flow balance in relationship to the "Ideal" balance. The spread between the annual cash flow and the "Ideal" is consistent.

This information is also presented in spread sheet form on the Funding Plan Summary page.

Ideal vs. Cash Flow Balances



Starting Balance Funds Distribution (Cash Flow)

Sorted by Remaining Life

October 30, 2026

Park Place Homes

Item Description	Useful Life	Life Left	Year Replace	Total Item Cost	Ideal Balance	Actual Balance	2027 Contribution
Decks - Rebuild	25	1	2027	0	0	0	0
Fencing - Board Fence	22	1	2027	11,050	11,050	11,050	190
Irrigation System - Restoration	12	1	2027	8,840	8,840	8,840	278
Lighting - Building Exterior	22	1	2027	3,325	3,325	3,325	57
Siding - Vinyl (Replacement)	35	1	2027	0	0	0	0
Roofing - Composition Shingle (19726)	25	1	2027	28,700	28,700	28,700	434
Gutters and Downspouts (19726)	25	1	2027	1,560	1,560	1,560	24
Gutters and Downspouts (19728)	25	1	2027	1,560	1,560	1,560	24
Property Sign - Restoration	25	1	2027	3,640	3,640	3,640	55
Stair Landings & Decks - Resurface	12	1	2027	0	0	0	0
Windows & Sliding Glass Doors	35	1	2027	0	0	0	0
Aspahlt - Pavement Marking - Parking Spaces	4	2	2028	1,248	1,159	1,159	34
Asphalt - Pavement Repair & Seal	14	2	2028	15,082	14,543	1,345	5,187
Roofing - Composition Shingle (19732)	25	2	2028	28,700	27,675	0	10,838
Gutters and Downspouts (Carports)	25	2	2028	1,560	1,504	1,504	21
Gutters and Downspouts (19732)	25	2	2028	1,560	1,504	1,504	21
Concrete - Walkway Repair	10	3	2029	2,600	2,080	0	491
Fire Control Panels	30	3	2029	17,740	16,557	0	3,349
Roofing - Composition Shingle (Carports)	22	3	2029	25,480	23,723	0	4,811
Mailboxes - Pedestal	25	3	2029	2,135	1,993	0	403
Fencing - Wood, Split Rail	25	3	2029	2,730	2,548	0	515
Stormwater - Retention Pond Maintenance	5	3	2029	5,200	3,120	0	982
Stormwater Drains - Clean / {Power Vac)	5	3	2029	1,250	750	0	236
Aggregate Replacement - Gravel	15	4	2030	780	624	0	98
Picnic Table	15	4	2030	780	702	0	98
Garbage Enclosure - Restoration	15	4	2030	4,680	3,744	0	589
Siding - Vinyl (Clean & Inspect)	5	5	2031	5,200	3,120	0	491
Paint - Exterior, Trim, Wood	12	10	2036	35,880	22,425	0	1,505
Asphalt Pavement - Parking Area (Overlay)	40	13	2039	54,600	38,220	0	1,718
Asphalt Pavement - 50th Avenue W) Overlay	40	13	2039	71,890	50,323	0	2,262
Fencing - Chain-link	40	13	2039	9,485	6,639	0	298
Roofing - Composition Shingle (19730)	25	23	2049	28,700	3,444	0	493
Gutters and Downspouts (19730)	25	23	2049	1,560	187	0	27
Roofing - Composition Shingle (19728)	25	24	2050	28,700	2,296	0	471
Total *34 items*				406,214	287,556	64,187	36,000

0.22% **Investment Rate**

30.00% **Tax Rate**

4.00% **Inflation Rate**

Ideally Funded - 22%

COMPONENT INVENTORY WORKSHEETS

DISCLOSURES

RESERVE STUDY TERMS

Worksheet

October 30, 2026

Sorted by Group

Park Place Homes

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
0 - (none)													
Roofing - Composition Shingle (19726)	0	0	28	(none)	1,025.000	100	28,700	1999	25	3	2027	1	no
Comments: ** Useful Life Range 20, 22, 25 Tear off and properly dispose of all roofing materials downn to roof sheathing. Inspect and replace damaged sections of roof sheathing. Install new ice and water shield at gutter edge, hybrid underlayment, and architectural grade composition shingle roofing. Includes permit, ventilation, flashings, and edge metal.													
Roofing - Composition Shingle (Carports)	0	0	28	Square	910.000	100	25,480	2000	22	7	2029	3	no
Comments: ** Useful Life Range 20, 22, 25 Tear off and properly dispose of all roofing materials downn to roof sheathing. Inspect and replace damaged sections of roof sheathing. Install new ice and water shield at gutter edge, hybrid underlayment, and architectural grade composition shingle roofing. Includes permit, ventilation, flashings, and edge metal.													
Fencing - Wood, Split Rail	0	0	105	Linear Foot	26.000	100	2,730	1999	25	5	2029	3	no
Comments: Approximately 105 lf of wood split rail fence - 2 rail													
Sub-Total	*3 items*												
10 - Streets													
Asphalt Pavement - Parking Area (Overlay)	10	0	10,500	Square Foot	5.200	100	54,600	1999	40	0	2039	13	no
Comments: ** Useful Life Range 30, 40 Overlaid wear course 1/12" to 2" thick													
Aspahlt - Pavement Marking - Parking Spaces	10	0	1	Total	1,248.000	100	1,248	2014	4	10	2028	2	no
Comments: ** Useful Life Range 2, 4, 6, 8													

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Parking space line and designation marking Schedule with asphalt seal coating.													
Asphalt Pavement - 50th Avenue W) Overlay	10	0	13,825	Square Yard	5.200	100	71,890	1999	40	0	2039	13	no
Comments: ** Useful Life Range 30, 40 Overlaid wear course 1/12" to 2" thick													
Asphalt - Pavement Repair & Seal	10	0	24,325	Square Yard	0.620	100	15,082	2000	14	14	2028	2	no
Comments: ** Useful Life Range 10, 12, 15 Approximately 24,325sq ft of asphalt paved parking and private lane Clean, repair, and application of Armor-Seal A-100 or similar asphalt protective coating over entire asphalt surface area Estimate 5% of replacement over the useful life range & schedule with seal coating Grind out areas of severely damaged asphalt, compact and install new asphalt to grade; correct low drainage areas, clean and fill exposed cracks / seams													
Concrete - Walkway Repair	10	0	1	Repair Allowance	2,600.000	100	2,600	2019	10	0	2029	3	no
Comments: ** Useful Life range 15, 25, 35, 45, 54+ Concrete can last a life time, but much depends on the quality of materials used, workmanship, and weather conditions. Monitor concrete areas for cracking and lifting. Slab jack sunken and grind down raised portions of walkway to eliminate tripping hazards Concrete hole repair with epoxy system Concrete crack repair with caulking gun epoxy injection Repair spalled concrete with concrete resurfacer													

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Stormwater Drains - Clean / {Power Vac}	10	0	1	Total	1,250.000	100	1,250	2024	5	0	2029	3	no
Comments: Jet clean and power vac storm drains at parking lot and lane													
Sub-Total *6 items*													
20 - Roofs													
Roofing - Composition Shingle (19730)	20	0	28	Square	1,025.000	100	28,700	2024	25	0	2049	23	no
Comments: ** Useful Life Range 20, 22, 25 Tear off and properly dispose of all roofing materials downn to roof sheathing. Inspect and replace damaged sections of roof sheathing. Install new ice and water shield at gutter edge, hybrid underlayment, and architectural grade composition shingle roofing. Includes permit, ventilation, flashings, and edge metal.													
Roofing - Composition Shingle (19728)	20	0	28	Square	1,025.000	100	28,700	2025	25	0	2050	24	no
Comments: ** Useful Life Range 20, 22, 25 Tear off and properly dispose of all roofing materials downn to roof sheathing. Inspect and replace damaged sections of roof sheathing. Install new ice and water shield at gutter edge, hybrid underlayment, and architectural grade composition shingle roofing. Includes permit, ventilation, flashings, and edge metal.													
Roofing - Composition Shingle (19732)	20	0	28	Square	1,025.000	100	28,700	2000	25	3	2028	2	no
Comments: ** Useful Life Range 20, 22, 25 Tear off and properly dispose of all roofing materials downn to roof sheathing. Inspect and replace damaged sections of roof sheathing. Install new ice and water shield at gutter edge, hybrid underlayment, and architectural grade composition shingle roofing. Includes permit, ventilation, flashings, and edge metal.													

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Sub-Total *3 items*													
30 - Painting													
Paint - Exterior, Trim, Wood	30	0	1	Total	35,880.000	100	35,880	2012	12	12	2036	10	no
Comments: ** Useful Life Range 8, 10, 12 Surface preparation and two coats of premium grade 100% acrylic latex paint (Sherwin Williams Duration or equal)													
Sub-Total *1 items*													
40 - Fencing													
Fencing - Board Fence	40	0	250	Linear Foot	44.200	100	11,050	1999	22	6	2027	1	no
Comments: ** Useful Life Range 20, 22, 25 Cedar fence with boards installed vertically. Posts are set in concrete and spaced up to 8' on center with an average spacing of 7.2' apart.													
Fencing - Chain-link	40	0	285	Linear Foot	33.280	100	9,485	1999	40	0	2039	13	no
Comments: ** Useful Life Range 20, 25, 30, 35 Stormwater retention enclosure 6' height 9 gauge vinyl coated steel, includes top rail (1-5/8" o.d.), line posts(2" o.d.) @ 10' oc and sleeves.													
Sub-Total *2 items*													
50 - Lights													

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Lighting - Building Exterior	50	0	1	Allowance	3,325.000	100	3,325	1999	22	5	2026	0	no

Comments: ** Useful Life Range 18, 20, 22

Allowance to repair, replace, energy upgrades for exterior building and security lighting

Sub-Total *1 items*

70 - Buildings - Interior

Fire Control Panels	70	0	4	Each	4,435.000	100	17,740	1999	30	0	2029	3	no

Comments: ** Useful Life Range 18, 20, 25, 30

Fire alarm control panels - Fire Lite, MS-4424B 4 zone panels

Sub-Total *1 items*

75 - Buildings - Exterior

Decks - Rebuild	75	0	1	Total	0.000	100	0	1999	25	2	2026	0	YES

Comments: ** Useful Life 15, 18, 20, 25

Decayed / rot deck framing repairs. Schedule with building envelope project

Siding - Vinyl (Replacement)	75	0	17,215	Square Foot	0.000	100	0	1999	35	-8	2026	0	YES

Comments: ** Useful Life Range 25, 30, 40, 50

Aproximately 17,215 sq ft of vinyl, Includes 4% waste.

Siding - Vinyl (Clean & Inspect)	75	0	1	Allowance	5,200.000	100	5,200	2021	5	5	2031	5	no

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Comments: Clean, Inspect, Repair Allowance for vinyl siding													
Gutters and Downspouts (Carports)	75	0	120	Linear Foot	13.000	100	1,560	2000	25	3	2028	2	no
Comments: ** Useful Life Range 20, 25, 30, 35 Approximately 120 lf of aluminum gutters and downspouts, includes 3% waste.													
Gutters and Downspouts (19726)	75	0	120	Linear Foot	13.000	100	1,560	1999	25	3	2027	1	no
Comments: ** Useful Life Range 20, 25, 30, 35 Approximately 120 lf of aluminum gutters and downspouts, includes 3% waste.													
Gutters and Downspouts (19732)	75	0	120	Linear Foot	13.000	100	1,560	2000	25	3	2028	2	no
Comments: ** Useful Life Range 20, 25, 30, 35 Approximately 120 lf of aluminum gutters and downspouts, includes 3% waste.													
Gutters and Downspouts (19728)	75	0	120	Linear Foot	13.000	100	1,560	1999	25	1	2026	0	no
Comments: ** Useful Life Range 20, 25, 30, 35 Approximately 120 lf of aluminum gutters and downspouts, includes 3% waste.													
Gutters and Downspouts (19730)	75	0	120	Linear Foot	13.000	100	1,560	2024	25	0	2049	23	no
Comments: ** Useful Life Range 20, 25, 30, 35 Approximately 120 lf of aluminum gutters and downspouts, includes 3% waste.													
Stair Landings & Decks - Resurface	75	0	1	Total	0.000	100	0	1999	12	15	2026	0	YES
Comments: Celan inspect, repair, and recoat - Sschedule with major building envelope restoration project													
Windows & Sliding Glass Doors	75	0	1	Total	0.000	100	0	1999	35	-8	2026	0	no
Comments: 16 Sliding glass doors and 77 assorted size and configuration windows													

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Sub-Total *10 items*													
90 - Outbuildings													
Garbage Enclosure - Restoration	90	0	1	Total	4,680.000	100	4,680	2015	15	0	2030	4	no
Comments: Allowance for garbage enclosure restoration including fencing and gate													
Sub-Total *1 items*													
100 - Grounds													
Aggregate Replacement - Gravel	100	0	1	Total	780.000	100	780	2015	15	0	2030	4	no
Comments: ** Useful Life Range Replace as needed. Gravel (1.4 tons per CY) 3/4" gravel													
Irrigation System - Restoration	100	0	1	Total	8,840.000	100	8,840	2012	12	3	2027	1	no
Comments: ** Useful Life Range 10, 12, 14, 16 Allowance for irrigation system restoration items not funded thru annual operating maintenenace including timer, controlers, valves, pipe, risers, and sprinkler heads.													
Picnic Table	100	0	1	Each	780.000	100	780	2000	15	15	2030	4	no
Comments: ** Useful Life Range 12, 15, 18, 20, Portable wood picnic table, galvanized steel frame.													
Mailboxes - Pedestal	100	0	1	Each	2,135.000	100	2,135	1999	25	5	2029	3	no
Comments: ** Useful Life Range 10, 15, 17, 20													

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Pedestal type mail box bolted to concrete pad. Meets current postal regulations.													
i Pedestal, set of 16 incoming, 1 outgoing, 2 package boxes													
Stormwater - Retention Pond Maintenance	100	0	1	Total	5,200.000	100	5,200	2024	5	0	2029	3	no
Comments:													
Property Sign - Restoration	100	0	1	Total	3,640.000	100	3,640	2000	25	1	2026	0	no
Comments: Cost to celan and restore community property and adress sign													
Sub-Total *6 items*													
Total *34 items*													

Disclosures

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement. *RCW 64.90.550(3).*

Every reasonable effort has been made to that the data obtained in this report is based on accurate information. The nature of this study requires assumptions be made about future events which may or may not occur as predicted. The study must be viewed in light of circumstances existing at the actual time of the study. In addition, the cost of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. This Reserve Study Funding Plan is a **budgeting tool to be used for general planning purposes only**. As the component nears the end of its useful life, estimates from qualified contractors should be obtained.

In conclusion, this study should be regarded as a guideline for developing sound business decisions to ensure adequate funds will be accumulated in anticipation of major repair and/or replacement projects. It is recommended that you review your reserve plan on an annual basis and make adjustments as necessary.

Conflict of Interest

No relationship exists between David Bach & Associates, LLC and the client which could result in a conflict of interest.

David Bach & Associates, LLC has earned the Community Association Institute's **Reserve Specialist Designation**, the only national credential for community association reserve study providers. The **RS** designation is awarded to experienced, qualified professionals who help condominium, co-operative, and homeowner associations plan for long-term repair and replacement of major components. The Reserve Specialist Designation Review Board recognizes David Bach's professionalism and dedication to the highest standard of reserve study preparation. **RS** designees must adhere to CAI's Professional Reserve Specialist Code of Ethics. David Bach is also an Honored Member in good standing with the Association of Professional Reserve Analysts.

ACCUMULATED RESERVE BALANCE	The anticipated Reserve Balance on the first day of the fiscal year for which the report has been prepared.
ALLOCATION (Net Monthly)	The sum of the monthly contribution and interest contribution figures.
ANNUAL CONTRIBUTION INCREASE	The percentage rate at which the association will increase its contribution to Reserves at the end of each year until the year in which the item is replaced.
BASELINE FUNDING PLAN	Establishing a Reserve Funding goal of maintaining a Reserve Account Balance above zero dollars throughout the thirty-year study period.
CASH FLOW	The collection and expenditure of money over time.
CASH FLOW METHOD	A method of developing a Reserve Funding Plan where contributions to the Reserve Fund are designed to offset the variable annual expenditures from the Reserve Fund.
COMPONENT	The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: (1) Association responsibility, (2) with limited Useful Life expectancies, (3) predictable Remaining Useful Life expectancies, (4) above a minimum threshold cost, and (5) as required by local codes.
COMPONENT INVENTORY	The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s) of the association or cooperative.
COMPONENT METHOD	A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on observed or reported characteristics.

CONTRIBUTION RATE	The amount contributed to the Reserve Account so that the association will have cash Reserves to pay major maintenance, repair, or replacement costs without the need of a special assessment.
CURRENT RESERVE FUNDS	The amount currently held in Reserve for repair and replacement of components, with funds being allocated to projects with the shortest remaining useful life first.
DEFICIT	An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a surplus.
EFFECTIVE AGE	The difference between the estimated useful life and remaining useful life.
EXPECTED LIFE	The estimated time, in years, that a Reserve item can be expected to perform its intended function.
EXPENDITURES	Disbursement of Reserve Funds for repair or replacement of Reserve Study identified components.
FINANCIAL ANALYSIS	The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.
FISCAL YEAR ENDING (FYE)	The budgetary year for which the report is prepared. For association with fiscal years ending December 31st, the monthly contribution figures indicated are for the twelve-month period beginning 01/01/XX and ending 12/31/XX.
FULL FUNDING PLAN	Setting a Reserve Funding goal of achieving 100% fully funded reserves by the end of the thirty-year study period described under RCW 64.90.550, in which the reserve account balance equals the sum of the estimated costs required to maintain, repair, or replace the deteriorated portion of all reserve components.
FULLY FUNDED	100% funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE	The current value of the deteriorated portion, not the total replacement value, of all the reserve components. The Fully Funded Balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all reserve components' Fully Funded Balance is the association's Fully Funded Balance.
FUND STATUS	The status of the Reserve Fund as compared to an established benchmark such as Percent Funding.
FUNDING PLAN	An association's plan to provide income to a Reserve Fund to offset anticipated expenditures from that fund.
IDEAL BALANCE	The basis to any Reserve Funding Plan first starts with computing the Ideal Balance. The Ideal Balance is the benchmark against which the standard cash flow calculations can be compared. The formula for the Ideal Balance is: *Ideal Balance = (Current Age/Useful Life) x Current Cost* Inflation and interest are also calculated into the basic formula.
INFLATION	Cost factors are adjusted for inflation at the rate defined in the Funding Plan Summary, compounded annually.
LIFE & VALUATION ESTIMATES	The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.
MONTHLY CONTRIBUTION	The assessment for Reserves required by the association each month.
PERCENT FUNDED	The ratio, as a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
PHYSICAL ANALYSIS	The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE	The estimated time, in years, before a Reserve component will require major maintenance, repair, or replacement to perform its intended function.
REPLACEMENT COST	The estimated total cost to maintain, repair, or replace a Reserve component to its original functional condition.
RESERVE BALANCE	Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also knows as Reserves, Reserve Accounts, Cash Reserves.
RESERVE COMPONENT	A physical component of the common interest community which the association is obligated to maintain, repair, or replace, which has an estimated useful life of less than thirty years, and for which the cost of such maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget.
RESERVE STUDY PROFESSIONAL	An independent person suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with RCW 64.90.545 and 64.90.550.
RESERVE STUDY	A budget planning tool which identifies the current status of the Reserve Fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.
SIGNIFICANT ASSETS	The current total cost of major maintenance, repair, and replacement of the reserve components is 50% or more of the gross budget of the association, excluding reserve account funds.
SPECIAL ASSESSMENT	An assessment levied on the members of an association in addition to regular assessments.
STARTING BALANCE FUNDS DISTRIBUTION	A listing of how the starting balance is distributed to each reserve item. The first year's contribution for each item is listed.
STRAIGHT LINE CALCULATIONS & FUNDING MODEL	The most conservative method for Reserve Funding. It assures that the association will achieve and maintain an ideal level of reserves for the analysis period.

SURPLUS	An actual (or projected) Reserve Balance greater than the Fully Funded Balance.
TAXES LIABILITY	The estimated percentage of interest income which will be set-aside for taxes.
USEFUL LIFE	The estimated time, between years, that major maintenance, repair, or replacement is estimated to occur.