

Serving the Pacific Northwest
10900 NE 4th St, Suite 2300
Bellevue, WA 98004



ASSOCIATION
RESERVES™

Planning For The Inevitable™

Tel : (253) 661-5437
www.reservestudy.com

Regional Offices

Arizona
California
Colorado
Florida
Hawaii
Nevada
North Carolina
Texas
Washington



The South Bay Community Association
Port Ludlow, WA



Report #: 23316-2
Beginning: July 1, 2024
Expires: June 30, 2025

RESERVE STUDY
Update "With-Site-Visit"

November 29, 2023

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**

Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.

- **Reserve Fund Strength**

A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.

- **Reserve Funding Plan**

A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.



Est. 1986

**ASSOCIATION
RESERVES™**

Planning For The Inevitable™

www.reservestudy.com

Table of Contents

Executive Summary	4
Executive Summary (Component List)	5
Introduction, Objectives, and Methodology	7
Which Physical Assets are Funded by Reserves?	8
How do we establish Useful Life and Remaining Useful Life estimates?	8
How do we establish Current Repair/Replacement Cost Estimates?	8
How much Reserves are enough?	9
How much should we contribute?	10
What is our Recommended Funding Goal?	10
Site Inspection Notes	11
Projected Expenses	12
Annual Reserve Expenses Graph	12
Reserve Fund Status & Recommended Funding Plan	13
Annual Reserve Funding Graph	13
30-Yr Cash Flow Graph	14
Percent Funded Graph	14
Table Descriptions	15
Reserve Component List Detail	16
Fully Funded Balance	18
Component Significance	20
Accounting & Tax Summary	22
30-Year Reserve Plan Summary	24
30-Year Reserve Plan Summary (Alternate Funding Plan)	25
30-Year Income/Expense Detail	26
Accuracy, Limitations, and Disclosures	32
Terms and Definitions	33
Component Details	34
Site & Grounds	35
Pool & Spa	49
Storage Shed	57
Bay Club Exteriors	61
Bay Club Interiors	68
Systems & Evaluations	82



The South Bay Community Association
Port Ludlow, WA
Level of Service: **Update "With-Site-Visit"**

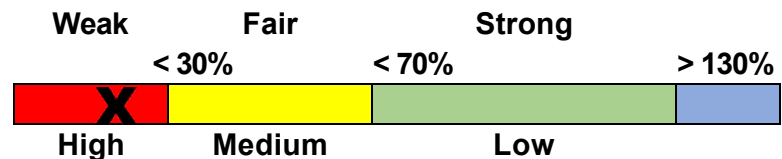
Report #: **23316-2**
of Units: 604
July 1, 2024 through June 30, 2025

Findings & Recommendations

as of July 1, 2024

Starting Reserve Balance	\$144,000
Current Fully Funded Reserve Balance	\$751,759
Percent Funded	19.2 %
Average Reserve Deficit or (Surplus) Per Unit	\$1,006
Recommended 2024 100% Monthly "Full Funding" Contributions	\$12,230
Recommended 2024 70% Monthly "Threshold Funding" Contributions	\$10,205
2024 "Baseline Funding" minimum to keep Reserves above \$0	\$7,015
Most Recent Budgeted Contribution Rate	\$4,750

Reserve Fund Strength: 19.2%



Risk of Special Assessment:

Economic Assumptions:

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

- This is a Update "With-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 19.2 % Funded. This means the association's special assessment & deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems. The current annual deterioration of your reserve components is \$106,183 - see Component Significance table.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Contributions to within the 70% to 100% range as noted above. The 100% "Full" and 70% contribution rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Site & Grounds			
101 Concrete - Repair/Replace	5	4	\$6,500
120 Asphalt - Resurface	50	10	\$211,400
121 Asphalt - Repair & Seal	5	0	\$24,000
150 Gazebo - Maintain/Repair	10	9	\$7,000
160 Pole Lights - Repair/Replace	40	34	\$37,000
171 Trees - Trim/Remove & Replace	4	0	\$8,500
197 Site Furniture - Repair/Replace	20	8	\$18,400
Pool & Spa			
303 Pool - Resurface	10	6	\$26,150
304 Pool - Retile & Recope	30	9	\$16,100
305 Spa - Resurface	5	0	\$7,200
306 Spa - Retile & Recope	30	9	\$5,400
311 Pool & Spa Equipment - Replace	20	5	\$4,600
312 Pool & Spa Pump Controls - Replace	10	5	\$8,600
Storage Shed			
401 Storage Shed Roof - Repair/Replace	25	20	\$6,700
403 Storage Shed Siding-Repair/Replace	50	45	\$17,300
404 Storage Shed Stairs-Repair/Replace	40	35	\$9,200
Bay Club Exteriors			
500 Bay Club Shingle Roof - Replace	35	34	\$452,100
512 Bay Club Skylights - Repair/Replace	40	7	\$24,600
516 Bay Club Gutters & Spouts - Replace	40	32	\$14,300
522 Bay Club Siding-Exterior Renovation	40	32	\$441,650
533 Bay Club Exterior Surfaces - Paint	10	2	\$77,600
535 Bay Club Windows & Slider - Replace	40	32	\$229,300
Bay Club Interiors			
700 Bay Club Carpet - Maintain/Replace	12	6	\$91,200
701 Bay Club Tile Floor - Grout & Seal	2	1	\$6,000
705 Bay Club Wood Floor - Refinish	12	6	\$18,900
710 Bay Club Interiors - Paint	12	6	\$94,250
712 Bay Club Interior Lights - Replace	30	26	\$27,000
723 Bay Club Great Room - Refurbish	20	14	\$40,000
724 Bay Club Conference Room-Refurbish	30	13	\$25,000
725 Bay Club Card & Class Room	15	14	\$7,000
727 Bay Club Craft Room - Refurbish	20	6	\$7,000
731 Bay Club Locker Rooms - Refurbish	35	0	\$30,000
738 Bay Club Gas Oven & Vent - Replace	20	19	\$6,500

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
742 Bay Club Refrigerator - Replace	20	11	\$8,000
753 Bay Club Exercise Equipment-Replace	3	2	\$15,000
Systems & Evaluations			
905 Commercial Water Heaters - Replace	15	5	\$20,000
916 Pool Room Heat Pump-Repair/Replace	20	13	\$24,900
917 Bay Club Heat Pumps-Repair/Replace	20	16	\$191,700
923 Telephone System - Repair/Replace	5	4	\$6,500
945 Surveillance System - Replace	15	3	\$16,600
961 Fire Alarm Panel - Repair/Replace	20	19	\$6,500

41 Total Funded Components

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

Introduction



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

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



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

Methodology



For this [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.



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

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

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

How much should we contribute?



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.*



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 10/13/2023, we visually inspected all visible common areas, while compiling a photographic inventory, noting: general exterior observations, make & model information where appropriate, apparent levels of care and maintenance, exposure to weather elements and other factors that may affect the components useful life.

Projected Expenses

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

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

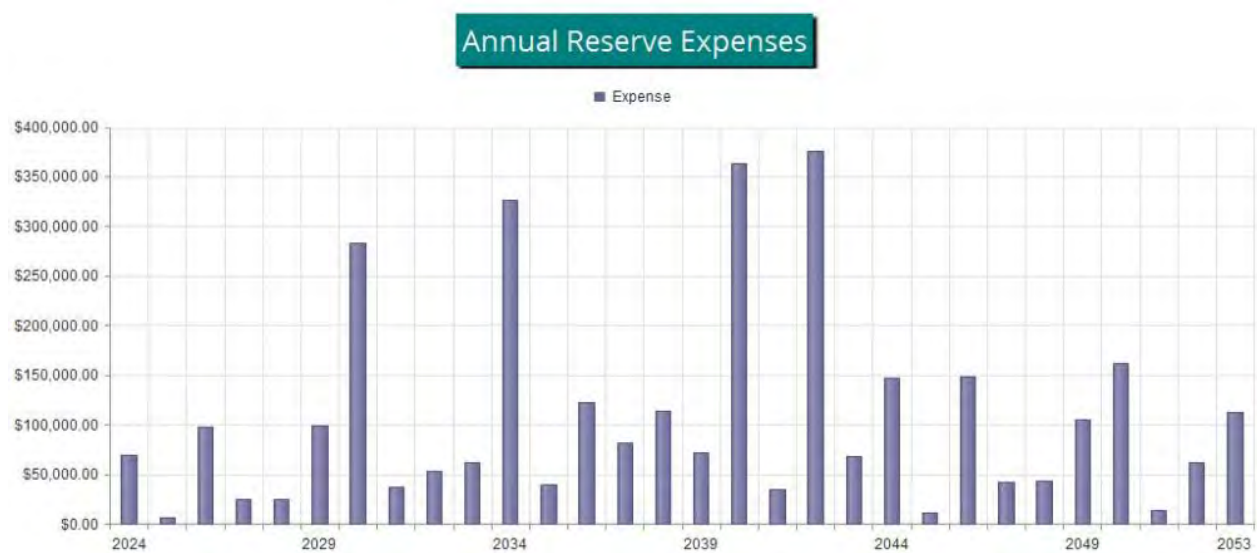


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$144,000 as-of the start of your Fiscal Year on 7/1/2024. As of that date, your Fully Funded Balance is computed to be \$751,759 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$12,230 per month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

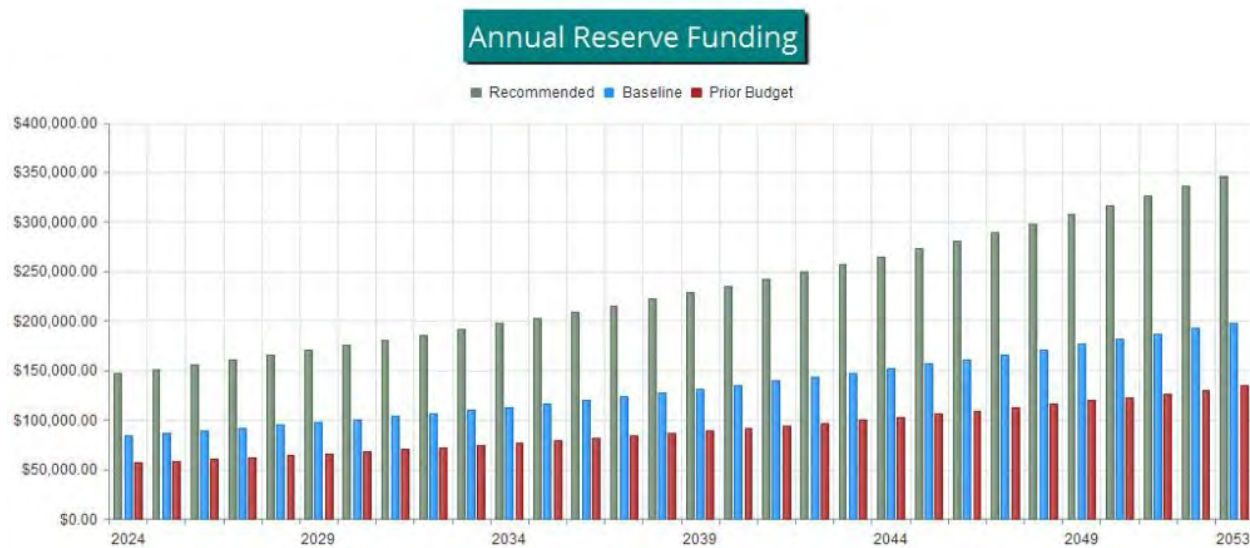


Figure 2

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

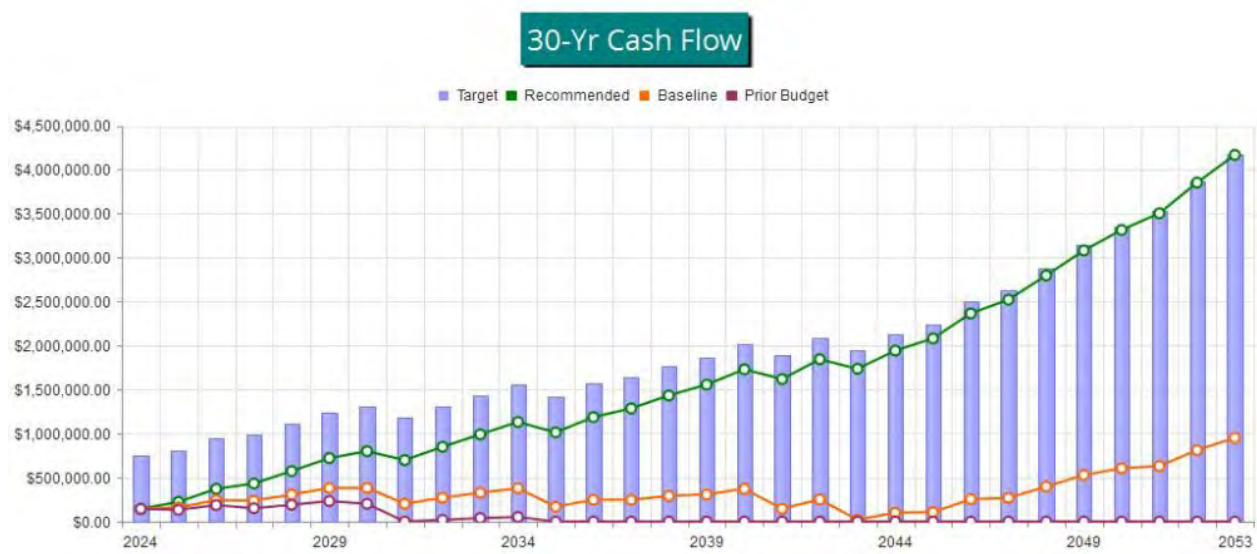


Figure 3

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

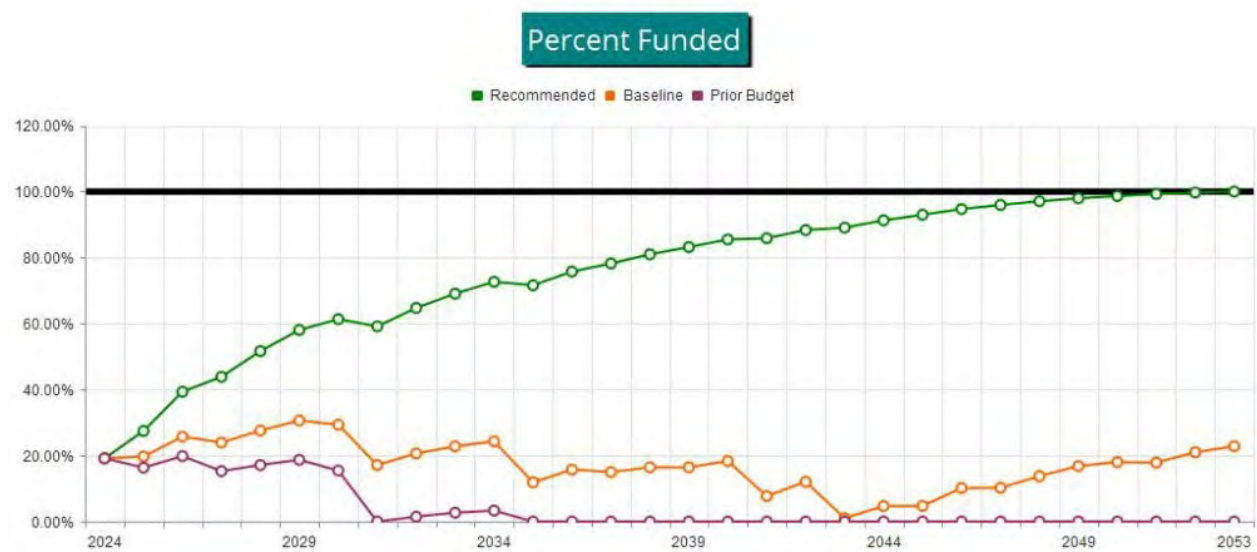


Figure 4



Table Descriptions

Executive Summary is a summary of your Reserve Components

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

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

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

Accounting & Tax Summary provides information on each Component's proportion of key totals. If shown, the Current Fund Balance is a re-distribution of the current Reserve total to near-term (low RUL) projects first. Any Reserve contribution shown is a portion of the total current contribution rate, assigned proportionally on the basis of that component's deterioration cost/yr. As this is a Cash Flow analysis in which no funds are assigned or restricted to particular components, all values shown are only representative and have no merit outside of tax preparation purposes. They are not useful for Reserve funding calculations.

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

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

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
					Best Case	Worst Case
Site & Grounds						
101	Concrete - Repair/Replace	Extensive quantity	5	4	\$5,500	\$7,500
120	Asphalt - Resurface	~60,400 SF	50	10	\$181,200	\$241,600
121	Asphalt - Repair & Seal	~60,400 SF	5	0	\$20,400	\$27,600
150	Gazebo - Maintain/Repair	1 wood	10	9	\$5,900	\$8,100
160	Pole Lights - Repair/Replace	11 assemblies	40	34	\$31,400	\$42,600
171	Trees - Trim/Remove & Replace	Extensive quantity	4	0	\$7,200	\$9,800
197	Site Furniture - Repair/Replace	28 chairs & 7 tables	20	8	\$15,600	\$21,200
Pool & Spa						
303	Pool - Resurface	~800 SF	10	6	\$22,400	\$29,900
304	Pool - Retile & Recope	~120 LF	30	9	\$13,700	\$18,500
305	Spa - Resurface	~100 SF	5	0	\$6,100	\$8,300
306	Spa - Retile & Recope	~40 LF	30	9	\$4,600	\$6,200
311	Pool & Spa Equipment - Replace	Filters, pumps, etc.	20	5	\$3,900	\$5,300
312	Pool & Spa Pump Controls - Replace	4 Emotron PSP20	10	5	\$7,300	\$9,900
Storage Shed						
401	Storage Shed Roof - Repair/Replace	~620 SF	25	20	\$5,700	\$7,700
403	Storage Shed Siding-Repair/Replace	~900 SF	50	45	\$14,700	\$19,900
404	Storage Shed Stairs-Repair/Replace	1 wood set	40	35	\$7,800	\$10,600
Bay Club Exteriors						
500	Bay Club Shingle Roof - Replace	~21,900 SF composite	35	34	\$384,300	\$519,900
512	Bay Club Skylights - Repair/Replace	8 fixtures	40	7	\$20,900	\$28,300
516	Bay Club Gutters & Spouts - Replace	~950 LF	40	32	\$12,400	\$16,200
522	Bay Club Siding-Exterior Renovation	~18,250 SF	40	32	\$341,300	\$542,000
533	Bay Club Exterior Surfaces - Paint	~18,250 SF	10	2	\$63,900	\$91,300
535	Bay Club Windows & Slider - Replace	133 windows & 1 door	40	32	\$167,900	\$290,700
Bay Club Interiors						
700	Bay Club Carpet - Maintain/Replace	~1,200 SY	12	6	\$78,000	\$104,400
701	Bay Club Tile Floor - Grout & Seal	~980 SF	2	1	\$5,100	\$6,900
705	Bay Club Wood Floor - Refinish	~3,400 SF	12	6	\$16,100	\$21,700
710	Bay Club Interiors - Paint	~37,700 SF	12	6	\$75,400	\$113,100
712	Bay Club Interior Lights - Replace	135 fixtures	30	26	\$22,900	\$31,100
723	Bay Club Great Room - Refurbish	Furniture, art, etc.	20	14	\$34,000	\$46,000
724	Bay Club Conference Room-Refurbish	Furniture, art, etc.	30	13	\$21,200	\$28,800
725	Bay Club Card & Class Room	Furniture, art, etc.	15	14	\$5,900	\$8,100
727	Bay Club Craft Room - Refurbish	Furniture, art, etc.	20	6	\$5,900	\$8,100
731	Bay Club Locker Rooms - Refurbish	2 lockers	35	0	\$25,500	\$34,500
738	Bay Club Gas Oven & Vent - Replace	1 Thermador six-burner	20	19	\$5,500	\$7,500
742	Bay Club Refrigerator - Replace	1 commercial Turbo Air	20	11	\$6,800	\$9,200
753	Bay Club Exercise Equipment-Replace	Assorted pieces	3	2	\$12,700	\$17,300
Systems & Evaluations						
905	Commercial Water Heaters - Replace	1/65 gallon & 1/50 gallon	15	5	\$17,000	\$23,000
916	Pool Room Heat Pump-Repair/Replace	1 Trane 10 ton	20	13	\$21,200	\$28,600
917	Bay Club Heat Pumps-Repair/Replace	2 Trane	20	16	\$162,900	\$220,500

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
					Best Case	Worst Case
923	Telephone System - Repair/Replace	1 Yealink system	5	4	\$5,500	\$7,500
945	Surveillance System - Replace	9 cameras	15	3	\$14,100	\$19,100
961	Fire Alarm Panel - Repair/Replace	1 Fire Lite MS-5UD	20	19	\$5,600	\$7,400
41	Total Funded Components					

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Site & Grounds								
101	Concrete - Repair/Replace	\$6,500	X	1	/	5	=	\$1,300
120	Asphalt - Resurface	\$211,400	X	40	/	50	=	\$169,120
121	Asphalt - Repair & Seal	\$24,000	X	5	/	5	=	\$24,000
150	Gazebo - Maintain/Repair	\$7,000	X	1	/	10	=	\$700
160	Pole Lights - Repair/Replace	\$37,000	X	6	/	40	=	\$5,550
171	Trees - Trim/Remove & Replace	\$8,500	X	4	/	4	=	\$8,500
197	Site Furniture - Repair/Replace	\$18,400	X	12	/	20	=	\$11,040
Pool & Spa								
303	Pool - Resurface	\$26,150	X	4	/	10	=	\$10,460
304	Pool - Retile & Recope	\$16,100	X	21	/	30	=	\$11,270
305	Spa - Resurface	\$7,200	X	5	/	5	=	\$7,200
306	Spa - Retile & Recope	\$5,400	X	21	/	30	=	\$3,780
311	Pool & Spa Equipment - Replace	\$4,600	X	15	/	20	=	\$3,450
312	Pool & Spa Pump Controls - Replace	\$8,600	X	5	/	10	=	\$4,300
Storage Shed								
401	Storage Shed Roof - Repair/Replace	\$6,700	X	5	/	25	=	\$1,340
403	Storage Shed Siding-Repair/Replace	\$17,300	X	5	/	50	=	\$1,730
404	Storage Shed Stairs-Repair/Replace	\$9,200	X	5	/	40	=	\$1,150
Bay Club Exteriors								
500	Bay Club Shingle Roof - Replace	\$452,100	X	1	/	35	=	\$12,917
512	Bay Club Skylights - Repair/Replace	\$24,600	X	33	/	40	=	\$20,295
516	Bay Club Gutters & Spouts - Replace	\$14,300	X	8	/	40	=	\$2,860
522	Bay Club Siding-Exterior Renovation	\$441,650	X	8	/	40	=	\$88,330
533	Bay Club Exterior Surfaces - Paint	\$77,600	X	8	/	10	=	\$62,080
535	Bay Club Windows & Slider - Replace	\$229,300	X	8	/	40	=	\$45,860
Bay Club Interiors								
700	Bay Club Carpet - Maintain/Replace	\$91,200	X	6	/	12	=	\$45,600
701	Bay Club Tile Floor - Grout & Seal	\$6,000	X	1	/	2	=	\$3,000
705	Bay Club Wood Floor - Refinish	\$18,900	X	6	/	12	=	\$9,450
710	Bay Club Interiors - Paint	\$94,250	X	6	/	12	=	\$47,125
712	Bay Club Interior Lights - Replace	\$27,000	X	4	/	30	=	\$3,600
723	Bay Club Great Room - Refurbish	\$40,000	X	6	/	20	=	\$12,000
724	Bay Club Conference Room-Refurbish	\$25,000	X	17	/	30	=	\$14,167
725	Bay Club Card & Class Room	\$7,000	X	1	/	15	=	\$467
727	Bay Club Craft Room - Refurbish	\$7,000	X	14	/	20	=	\$4,900
731	Bay Club Locker Rooms - Refurbish	\$30,000	X	35	/	35	=	\$30,000
738	Bay Club Gas Oven & Vent - Replace	\$6,500	X	1	/	20	=	\$325
742	Bay Club Refrigerator - Replace	\$8,000	X	9	/	20	=	\$3,600
753	Bay Club Exercise Equipment-Replace	\$15,000	X	1	/	3	=	\$5,000
Systems & Evaluations								
905	Commercial Water Heaters - Replace	\$20,000	X	10	/	15	=	\$13,333
916	Pool Room Heat Pump-Repair/Replace	\$24,900	X	7	/	20	=	\$8,715
917	Bay Club Heat Pumps-Repair/Replace	\$191,700	X	4	/	20	=	\$38,340
923	Telephone System - Repair/Replace	\$6,500	X	1	/	5	=	\$1,300

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
945	Surveillance System - Replace	\$16,600	X	12	/	15	=	\$13,280
961	Fire Alarm Panel - Repair/Replace	\$6,500	X	1	/	20	=	\$325
								\$751,759



Component Significance

Report # 23316-2
With-Site-Visit

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Site & Grounds					
101	Concrete - Repair/Replace	5	\$6,500	\$1,300	1.22 %
120	Asphalt - Resurface	50	\$211,400	\$4,228	3.98 %
121	Asphalt - Repair & Seal	5	\$24,000	\$4,800	4.52 %
150	Gazebo - Maintain/Repair	10	\$7,000	\$700	0.66 %
160	Pole Lights - Repair/Replace	40	\$37,000	\$925	0.87 %
171	Trees - Trim/Remove & Replace	4	\$8,500	\$2,125	2.00 %
197	Site Furniture - Repair/Replace	20	\$18,400	\$920	0.87 %
Pool & Spa					
303	Pool - Resurface	10	\$26,150	\$2,615	2.46 %
304	Pool - Retile & Recope	30	\$16,100	\$537	0.51 %
305	Spa - Resurface	5	\$7,200	\$1,440	1.36 %
306	Spa - Retile & Recope	30	\$5,400	\$180	0.17 %
311	Pool & Spa Equipment - Replace	20	\$4,600	\$230	0.22 %
312	Pool & Spa Pump Controls - Replace	10	\$8,600	\$860	0.81 %
Storage Shed					
401	Storage Shed Roof - Repair/Replace	25	\$6,700	\$268	0.25 %
403	Storage Shed Siding-Repair/Replace	50	\$17,300	\$346	0.33 %
404	Storage Shed Stairs-Repair/Replace	40	\$9,200	\$230	0.22 %
Bay Club Exteriors					
500	Bay Club Shingle Roof - Replace	35	\$452,100	\$12,917	12.16 %
512	Bay Club Skylights - Repair/Replace	40	\$24,600	\$615	0.58 %
516	Bay Club Gutters & Spouts - Replace	40	\$14,300	\$358	0.34 %
522	Bay Club Siding-Exterior Renovation	40	\$441,650	\$11,041	10.40 %
533	Bay Club Exterior Surfaces - Paint	10	\$77,600	\$7,760	7.31 %
535	Bay Club Windows & Slider - Replace	40	\$229,300	\$5,733	5.40 %
Bay Club Interiors					
700	Bay Club Carpet - Maintain/Replace	12	\$91,200	\$7,600	7.16 %
701	Bay Club Tile Floor - Grout & Seal	2	\$6,000	\$3,000	2.83 %
705	Bay Club Wood Floor - Refinish	12	\$18,900	\$1,575	1.48 %
710	Bay Club Interiors - Paint	12	\$94,250	\$7,854	7.40 %
712	Bay Club Interior Lights - Replace	30	\$27,000	\$900	0.85 %
723	Bay Club Great Room - Refurbish	20	\$40,000	\$2,000	1.88 %
724	Bay Club Conference Room-Refurbish	30	\$25,000	\$833	0.78 %
725	Bay Club Card & Class Room	15	\$7,000	\$467	0.44 %
727	Bay Club Craft Room - Refurbish	20	\$7,000	\$350	0.33 %
731	Bay Club Locker Rooms - Refurbish	35	\$30,000	\$857	0.81 %
738	Bay Club Gas Oven & Vent - Replace	20	\$6,500	\$325	0.31 %
742	Bay Club Refrigerator - Replace	20	\$8,000	\$400	0.38 %
753	Bay Club Exercise Equipment-Replace	3	\$15,000	\$5,000	4.71 %
Systems & Evaluations					
905	Commercial Water Heaters - Replace	15	\$20,000	\$1,333	1.26 %
916	Pool Room Heat Pump-Repair/Replace	20	\$24,900	\$1,245	1.17 %
917	Bay Club Heat Pumps-Repair/Replace	20	\$191,700	\$9,585	9.03 %

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
923	Telephone System - Repair/Replace	5	\$6,500	\$1,300	1.22 %
945	Surveillance System - Replace	15	\$16,600	\$1,107	1.04 %
961	Fire Alarm Panel - Repair/Replace	20	\$6,500	\$325	0.31 %
41	Total Funded Components			\$106,183	100.00 %

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Proportional Reserve Funding
Site & Grounds						
101	Concrete - Repair/Replace	5	4	\$6,500	\$1,300	\$149.73
120	Asphalt - Resurface	50	10	\$211,400	\$169,120	\$486.97
121	Asphalt - Repair & Seal	5	0	\$24,000	\$24,000	\$552.85
150	Gazebo - Maintain/Repair	10	9	\$7,000	\$700	\$80.62
160	Pole Lights - Repair/Replace	40	34	\$37,000	\$5,550	\$106.54
171	Trees - Trim/Remove & Replace	4	0	\$8,500	\$8,500	\$244.75
197	Site Furniture - Repair/Replace	20	8	\$18,400	\$11,040	\$105.96
Pool & Spa						
303	Pool - Resurface	10	6	\$26,150	\$10,460	\$301.19
304	Pool - Retile & Recope	30	9	\$16,100	\$11,270	\$61.81
305	Spa - Resurface	5	0	\$7,200	\$7,200	\$165.86
306	Spa - Retile & Recope	30	9	\$5,400	\$3,780	\$20.73
311	Pool & Spa Equipment - Replace	20	5	\$4,600	\$3,450	\$26.49
312	Pool & Spa Pump Controls - Replace	10	5	\$8,600	\$4,300	\$99.05
Storage Shed						
401	Storage Shed Roof - Repair/Replace	25	20	\$6,700	\$1,340	\$30.87
403	Storage Shed Siding-Repair/Replace	50	45	\$17,300	\$1,730	\$39.85
404	Storage Shed Stairs-Repair/Replace	40	35	\$9,200	\$1,150	\$26.49
Bay Club Exteriors						
500	Bay Club Shingle Roof - Replace	35	34	\$452,100	\$12,917	\$1,487.77
512	Bay Club Skylights - Repair/Replace	40	7	\$24,600	\$20,295	\$70.83
516	Bay Club Gutters & Spouts - Replace	40	32	\$14,300	\$2,860	\$41.18
522	Bay Club Siding-Exterior Renovation	40	32	\$441,650	\$88,330	\$1,271.71
533	Bay Club Exterior Surfaces - Paint	10	2	\$77,600	\$62,080	\$893.78
535	Bay Club Windows & Slider - Replace	40	32	\$229,300	\$45,860	\$660.26
Bay Club Interiors						
700	Bay Club Carpet - Maintain/Replace	12	6	\$91,200	\$45,600	\$875.35
701	Bay Club Tile Floor - Grout & Seal	2	1	\$6,000	\$3,000	\$345.53
705	Bay Club Wood Floor - Refinish	12	6	\$18,900	\$9,450	\$181.41
710	Bay Club Interiors - Paint	12	6	\$94,250	\$47,125	\$904.63
712	Bay Club Interior Lights - Replace	30	26	\$27,000	\$3,600	\$103.66
723	Bay Club Great Room - Refurbish	20	14	\$40,000	\$12,000	\$230.36
724	Bay Club Conference Room-Refurbish	30	13	\$25,000	\$14,167	\$95.98
725	Bay Club Card & Class Room	15	14	\$7,000	\$467	\$53.75
727	Bay Club Craft Room - Refurbish	20	6	\$7,000	\$4,900	\$40.31
731	Bay Club Locker Rooms - Refurbish	35	0	\$30,000	\$30,000	\$98.72
738	Bay Club Gas Oven & Vent - Replace	20	19	\$6,500	\$325	\$37.43
742	Bay Club Refrigerator - Replace	20	11	\$8,000	\$3,600	\$46.07
753	Bay Club Exercise Equipment-Replace	3	2	\$15,000	\$5,000	\$575.89
Systems & Evaluations						
905	Commercial Water Heaters - Replace	15	5	\$20,000	\$13,333	\$153.57
916	Pool Room Heat Pump-Repair/Replace	20	13	\$24,900	\$8,715	\$143.40
917	Bay Club Heat Pumps-Repair/Replace	20	16	\$191,700	\$38,340	\$1,103.98

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Proportional Reserve Funding
923	Telephone System - Repair/Replace	5	4	\$6,500	\$1,300	\$149.73
945	Surveillance System - Replace	15	3	\$16,600	\$13,280	\$127.46
961	Fire Alarm Panel - Repair/Replace	20	19	\$6,500	\$325	\$37.43
41	Total Funded Components				\$751,759	\$12,230



30-Year Reserve Plan Summary

Report # 23316-2
With-Site-Visit

Fiscal Year Start: 2024

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

	% Increase									
	Starting	Fully			Special	In Annual		Loan or		
Year	Reserve	Funded	Percent		Assmt	Reserve	Reserve	Special	Interest	Reserve
	Balance	Balance	Funded		Risk	Funding	Funding	Assmts	Income	Expenses
2024	\$144,000	\$751,759	19.2 %		High	157.47 %	\$146,760	\$0	\$1,834	\$69,700
2025	\$222,894	\$811,889	27.5 %		High	3.00 %	\$151,163	\$0	\$2,967	\$6,180
2026	\$370,844	\$942,531	39.3 %		Medium	3.00 %	\$155,698	\$0	\$4,014	\$98,239
2027	\$432,316	\$985,650	43.9 %		Medium	3.00 %	\$160,369	\$0	\$5,025	\$24,696
2028	\$573,014	\$1,109,293	51.7 %		Medium	3.00 %	\$165,180	\$0	\$6,465	\$24,198
2029	\$720,460	\$1,240,743	58.1 %		Medium	3.00 %	\$170,135	\$0	\$7,595	\$99,002
2030	\$799,188	\$1,302,782	61.3 %		Medium	3.00 %	\$175,239	\$0	\$7,484	\$283,587
2031	\$698,324	\$1,180,362	59.2 %		Medium	3.00 %	\$180,496	\$0	\$7,733	\$37,634
2032	\$848,919	\$1,311,520	64.7 %		Medium	3.00 %	\$185,911	\$0	\$9,195	\$53,078
2033	\$990,948	\$1,434,741	69.1 %		Medium	3.00 %	\$191,489	\$0	\$10,606	\$61,977
2034	\$1,131,065	\$1,556,648	72.7 %		Low	3.00 %	\$197,233	\$0	\$10,716	\$326,034
2035	\$1,012,980	\$1,414,515	71.6 %		Low	3.00 %	\$203,150	\$0	\$10,995	\$40,143
2036	\$1,186,982	\$1,566,996	75.7 %		Low	3.00 %	\$209,245	\$0	\$12,359	\$122,758
2037	\$1,285,828	\$1,643,499	78.2 %		Low	3.00 %	\$215,522	\$0	\$13,588	\$82,091
2038	\$1,432,846	\$1,768,862	81.0 %		Low	3.00 %	\$221,988	\$0	\$14,940	\$113,444
2039	\$1,556,329	\$1,870,510	83.2 %		Low	3.00 %	\$228,647	\$0	\$16,425	\$71,355
2040	\$1,730,047	\$2,023,523	85.5 %		Low	3.00 %	\$235,507	\$0	\$16,738	\$363,225
2041	\$1,619,067	\$1,885,612	85.9 %		Low	3.00 %	\$242,572	\$0	\$17,309	\$34,710
2042	\$1,844,238	\$2,087,199	88.4 %		Low	3.00 %	\$249,849	\$0	\$17,893	\$376,153
2043	\$1,735,827	\$1,948,571	89.1 %		Low	3.00 %	\$257,345	\$0	\$18,387	\$68,387
2044	\$1,943,172	\$2,128,369	91.3 %		Low	3.00 %	\$265,065	\$0	\$20,114	\$147,017
2045	\$2,081,334	\$2,238,324	93.0 %		Low	3.00 %	\$273,017	\$0	\$22,224	\$11,162
2046	\$2,365,413	\$2,497,436	94.7 %		Low	3.00 %	\$281,207	\$0	\$24,428	\$148,690
2047	\$2,522,359	\$2,628,770	96.0 %		Low	3.00 %	\$289,644	\$0	\$26,586	\$41,445
2048	\$2,797,144	\$2,880,794	97.1 %		Low	3.00 %	\$298,333	\$0	\$29,379	\$43,705
2049	\$3,081,150	\$3,144,526	98.0 %		Low	3.00 %	\$307,283	\$0	\$31,967	\$105,526
2050	\$3,314,873	\$3,359,164	98.7 %		Low	3.00 %	\$316,501	\$0	\$34,077	\$162,068
2051	\$3,503,384	\$3,528,872	99.3 %		Low	3.00 %	\$325,996	\$0	\$36,765	\$13,328
2052	\$3,852,818	\$3,863,951	99.7 %		Low	3.00 %	\$335,776	\$0	\$40,083	\$61,545
2053	\$4,167,131	\$4,166,706	100.0 %		Low	3.00 %	\$345,850	\$0	\$43,032	\$113,115



30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 23316-2
With-Site-Visit

Fiscal Year Start: 2024

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	\$144,000	\$751,759	19.2 %		High	47.68 %	\$84,180	\$0	\$1,519	\$69,700
2025	\$159,999	\$811,889	19.7 %		High	3.00 %	\$86,705	\$0	\$2,012	\$6,180
2026	\$242,537	\$942,531	25.7 %		High	3.00 %	\$89,307	\$0	\$2,392	\$98,239
2027	\$235,995	\$985,650	23.9 %		High	3.00 %	\$91,986	\$0	\$2,709	\$24,696
2028	\$305,994	\$1,109,293	27.6 %		High	3.00 %	\$94,745	\$0	\$3,428	\$24,198
2029	\$379,970	\$1,240,743	30.6 %		Medium	3.00 %	\$97,588	\$0	\$3,810	\$99,002
2030	\$382,365	\$1,302,782	29.3 %		High	3.00 %	\$100,515	\$0	\$2,922	\$283,587
2031	\$202,215	\$1,180,362	17.1 %		High	3.00 %	\$103,531	\$0	\$2,362	\$37,634
2032	\$270,474	\$1,311,520	20.6 %		High	3.00 %	\$106,637	\$0	\$2,986	\$53,078
2033	\$327,019	\$1,434,741	22.8 %		High	3.00 %	\$109,836	\$0	\$3,526	\$61,977
2034	\$378,404	\$1,556,648	24.3 %		High	3.00 %	\$113,131	\$0	\$2,732	\$326,034
2035	\$168,233	\$1,414,515	11.9 %		High	3.00 %	\$116,525	\$0	\$2,074	\$40,143
2036	\$246,688	\$1,566,996	15.7 %		High	3.00 %	\$120,021	\$0	\$2,464	\$122,758
2037	\$246,415	\$1,643,499	15.0 %		High	3.00 %	\$123,621	\$0	\$2,684	\$82,091
2038	\$290,630	\$1,768,862	16.4 %		High	3.00 %	\$127,330	\$0	\$2,989	\$113,444
2039	\$307,505	\$1,870,510	16.4 %		High	3.00 %	\$131,150	\$0	\$3,390	\$71,355
2040	\$370,689	\$2,023,523	18.3 %		High	3.00 %	\$135,084	\$0	\$2,578	\$363,225
2041	\$145,126	\$1,885,612	7.7 %		High	3.00 %	\$139,137	\$0	\$1,982	\$34,710
2042	\$251,535	\$2,087,199	12.1 %		High	3.00 %	\$143,311	\$0	\$1,357	\$376,153
2043	\$20,051	\$1,948,571	1.0 %		High	3.00 %	\$147,610	\$0	\$599	\$68,387
2044	\$99,874	\$2,128,369	4.7 %		High	3.00 %	\$152,038	\$0	\$1,029	\$147,017
2045	\$105,923	\$2,238,324	4.7 %		High	3.00 %	\$156,600	\$0	\$1,795	\$11,162
2046	\$253,156	\$2,497,436	10.1 %		High	3.00 %	\$161,298	\$0	\$2,607	\$148,690
2047	\$268,370	\$2,628,770	10.2 %		High	3.00 %	\$166,137	\$0	\$3,322	\$41,445
2048	\$396,384	\$2,880,794	13.8 %		High	3.00 %	\$171,121	\$0	\$4,622	\$43,705
2049	\$528,421	\$3,144,526	16.8 %		High	3.00 %	\$176,254	\$0	\$5,664	\$105,526
2050	\$604,813	\$3,359,164	18.0 %		High	3.00 %	\$181,542	\$0	\$6,174	\$162,068
2051	\$630,461	\$3,528,872	17.9 %		High	3.00 %	\$186,988	\$0	\$7,206	\$13,328
2052	\$811,327	\$3,863,951	21.0 %		High	3.00 %	\$192,598	\$0	\$8,809	\$61,545
2053	\$951,188	\$4,166,706	22.8 %		High	3.00 %	\$198,376	\$0	\$9,984	\$113,115

30-Year Income/Expense Detail

Report # 23316-2
With-Site-Visit

Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	\$144,000	\$222,894	\$370,844	\$432,316	\$573,014
Annual Reserve Funding	\$146,760	\$151,163	\$155,698	\$160,369	\$165,180
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,834	\$2,967	\$4,014	\$5,025	\$6,465
Total Income	\$292,594	\$377,024	\$530,556	\$597,709	\$744,658
# Component					
Site & Grounds					
101 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$7,316
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Repair & Seal	\$24,000	\$0	\$0	\$0	\$0
150 Gazebo - Maintain/Repair	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$8,500	\$0	\$0	\$0	\$9,567
197 Site Furniture - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Pool & Spa					
303 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
304 Pool - Retile & Recope	\$0	\$0	\$0	\$0	\$0
305 Spa - Resurface	\$7,200	\$0	\$0	\$0	\$0
306 Spa - Retile & Recope	\$0	\$0	\$0	\$0	\$0
311 Pool & Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$0
312 Pool & Spa Pump Controls - Replace	\$0	\$0	\$0	\$0	\$0
Storage Shed					
401 Storage Shed Roof - Repair/Replace	\$0	\$0	\$0	\$0	\$0
403 Storage Shed Siding-Repair/Replace	\$0	\$0	\$0	\$0	\$0
404 Storage Shed Stairs-Repair/Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Exteriors					
500 Bay Club Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
512 Bay Club Skylights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
516 Bay Club Gutters & Spouts - Replace	\$0	\$0	\$0	\$0	\$0
522 Bay Club Siding-Exterior Renovation	\$0	\$0	\$0	\$0	\$0
533 Bay Club Exterior Surfaces - Paint	\$0	\$0	\$82,326	\$0	\$0
535 Bay Club Windows & Slider - Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Interiors					
700 Bay Club Carpet - Maintain/Replace	\$0	\$0	\$0	\$0	\$0
701 Bay Club Tile Floor - Grout & Seal	\$0	\$6,180	\$0	\$6,556	\$0
705 Bay Club Wood Floor - Refinish	\$0	\$0	\$0	\$0	\$0
710 Bay Club Interiors - Paint	\$0	\$0	\$0	\$0	\$0
712 Bay Club Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
723 Bay Club Great Room - Refurbish	\$0	\$0	\$0	\$0	\$0
724 Bay Club Conference Room-Refurbish	\$0	\$0	\$0	\$0	\$0
725 Bay Club Card & Class Room	\$0	\$0	\$0	\$0	\$0
727 Bay Club Craft Room - Refurbish	\$0	\$0	\$0	\$0	\$0
731 Bay Club Locker Rooms - Refurbish	\$30,000	\$0	\$0	\$0	\$0
738 Bay Club Gas Oven & Vent - Replace	\$0	\$0	\$0	\$0	\$0
742 Bay Club Refrigerator - Replace	\$0	\$0	\$0	\$0	\$0
753 Bay Club Exercise Equipment-Replace	\$0	\$0	\$15,914	\$0	\$0
Systems & Evaluations					
905 Commercial Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
916 Pool Room Heat Pump-Repair/Replace	\$0	\$0	\$0	\$0	\$0
917 Bay Club Heat Pumps-Repair/Replace	\$0	\$0	\$0	\$0	\$0
923 Telephone System - Repair/Replace	\$0	\$0	\$0	\$0	\$7,316
945 Surveillance System - Replace	\$0	\$0	\$0	\$18,139	\$0
961 Fire Alarm Panel - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$69,700	\$6,180	\$98,239	\$24,696	\$24,198
Ending Reserve Balance	\$222,894	\$370,844	\$432,316	\$573,014	\$720,460

Fiscal Year	2029	2030	2031	2032	2033
Starting Reserve Balance	\$720,460	\$799,188	\$698,324	\$848,919	\$990,948
Annual Reserve Funding	\$170,135	\$175,239	\$180,496	\$185,911	\$191,489
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,595	\$7,484	\$7,733	\$9,195	\$10,606
Total Income	\$898,190	\$981,911	\$886,553	\$1,044,026	\$1,193,042
# Component					
Site & Grounds					
101 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$8,481
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Repair & Seal	\$27,823	\$0	\$0	\$0	\$0
150 Gazebo - Maintain/Repair	\$0	\$0	\$0	\$0	\$9,133
160 Pole Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$0	\$0	\$10,768	\$0
197 Site Furniture - Repair/Replace	\$0	\$0	\$0	\$23,309	\$0
Pool & Spa					
303 Pool - Resurface	\$0	\$31,224	\$0	\$0	\$0
304 Pool - Retile & Recope	\$0	\$0	\$0	\$0	\$21,007
305 Spa - Resurface	\$8,347	\$0	\$0	\$0	\$0
306 Spa - Retile & Recope	\$0	\$0	\$0	\$0	\$7,046
311 Pool & Spa Equipment - Replace	\$5,333	\$0	\$0	\$0	\$0
312 Pool & Spa Pump Controls - Replace	\$9,970	\$0	\$0	\$0	\$0
Storage Shed					
401 Storage Shed Roof - Repair/Replace	\$0	\$0	\$0	\$0	\$0
403 Storage Shed Siding-Repair/Replace	\$0	\$0	\$0	\$0	\$0
404 Storage Shed Stairs-Repair/Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Exteriors					
500 Bay Club Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
512 Bay Club Skylights - Repair/Replace	\$0	\$0	\$30,255	\$0	\$0
516 Bay Club Gutters & Spouts - Replace	\$0	\$0	\$0	\$0	\$0
522 Bay Club Siding-Exterior Renovation	\$0	\$0	\$0	\$0	\$0
533 Bay Club Exterior Surfaces - Paint	\$0	\$0	\$0	\$0	\$0
535 Bay Club Windows & Slider - Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Interiors					
700 Bay Club Carpet - Maintain/Replace	\$0	\$108,898	\$0	\$0	\$0
701 Bay Club Tile Floor - Grout & Seal	\$6,956	\$0	\$7,379	\$0	\$7,829
705 Bay Club Wood Floor - Refinish	\$0	\$22,568	\$0	\$0	\$0
710 Bay Club Interiors - Paint	\$0	\$112,539	\$0	\$0	\$0
712 Bay Club Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
723 Bay Club Great Room - Refurbish	\$0	\$0	\$0	\$0	\$0
724 Bay Club Conference Room-Refurbish	\$0	\$0	\$0	\$0	\$0
725 Bay Club Card & Class Room	\$0	\$0	\$0	\$0	\$0
727 Bay Club Craft Room - Refurbish	\$0	\$8,358	\$0	\$0	\$0
731 Bay Club Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
738 Bay Club Gas Oven & Vent - Replace	\$0	\$0	\$0	\$0	\$0
742 Bay Club Refrigerator - Replace	\$0	\$0	\$0	\$0	\$0
753 Bay Club Exercise Equipment-Replace	\$17,389	\$0	\$0	\$19,002	\$0
Systems & Evaluations					
905 Commercial Water Heaters - Replace	\$23,185	\$0	\$0	\$0	\$0
916 Pool Room Heat Pump-Repair/Replace	\$0	\$0	\$0	\$0	\$0
917 Bay Club Heat Pumps-Repair/Replace	\$0	\$0	\$0	\$0	\$0
923 Telephone System - Repair/Replace	\$0	\$0	\$0	\$0	\$8,481
945 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
961 Fire Alarm Panel - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$99,002	\$283,587	\$37,634	\$53,078	\$61,977
Ending Reserve Balance	\$799,188	\$698,324	\$848,919	\$990,948	\$1,131,065

Fiscal Year	2034	2035	2036	2037	2038
Starting Reserve Balance	\$1,131,065	\$1,012,980	\$1,186,982	\$1,285,828	\$1,432,846
Annual Reserve Funding	\$197,233	\$203,150	\$209,245	\$215,522	\$221,988
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$10,716	\$10,995	\$12,359	\$13,588	\$14,940
Total Income	\$1,339,014	\$1,227,125	\$1,408,586	\$1,514,938	\$1,669,774
# Component					
Site & Grounds					
101 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$9,832
120 Asphalt - Resurface	\$284,104	\$0	\$0	\$0	\$0
121 Asphalt - Repair & Seal	\$32,254	\$0	\$0	\$0	\$0
150 Gazebo - Maintain/Repair	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$0	\$12,119	\$0	\$0
197 Site Furniture - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Pool & Spa					
303 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
304 Pool - Retile & Recope	\$0	\$0	\$0	\$0	\$0
305 Spa - Resurface	\$9,676	\$0	\$0	\$0	\$0
306 Spa - Retile & Recope	\$0	\$0	\$0	\$0	\$0
311 Pool & Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$0
312 Pool & Spa Pump Controls - Replace	\$0	\$0	\$0	\$0	\$0
Storage Shed					
401 Storage Shed Roof - Repair/Replace	\$0	\$0	\$0	\$0	\$0
403 Storage Shed Siding-Repair/Replace	\$0	\$0	\$0	\$0	\$0
404 Storage Shed Stairs-Repair/Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Exteriors					
500 Bay Club Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
512 Bay Club Skylights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
516 Bay Club Gutters & Spouts - Replace	\$0	\$0	\$0	\$0	\$0
522 Bay Club Siding-Exterior Renovation	\$0	\$0	\$0	\$0	\$0
533 Bay Club Exterior Surfaces - Paint	\$0	\$0	\$110,639	\$0	\$0
535 Bay Club Windows & Slider - Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Interiors					
700 Bay Club Carpet - Maintain/Replace	\$0	\$0	\$0	\$0	\$0
701 Bay Club Tile Floor - Grout & Seal	\$0	\$8,305	\$0	\$8,811	\$0
705 Bay Club Wood Floor - Refinish	\$0	\$0	\$0	\$0	\$0
710 Bay Club Interiors - Paint	\$0	\$0	\$0	\$0	\$0
712 Bay Club Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
723 Bay Club Great Room - Refurbish	\$0	\$0	\$0	\$0	\$60,504
724 Bay Club Conference Room-Refurbish	\$0	\$0	\$0	\$36,713	\$0
725 Bay Club Card & Class Room	\$0	\$0	\$0	\$0	\$10,588
727 Bay Club Craft Room - Refurbish	\$0	\$0	\$0	\$0	\$0
731 Bay Club Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
738 Bay Club Gas Oven & Vent - Replace	\$0	\$0	\$0	\$0	\$0
742 Bay Club Refrigerator - Replace	\$0	\$11,074	\$0	\$0	\$0
753 Bay Club Exercise Equipment-Replace	\$0	\$20,764	\$0	\$0	\$22,689
Systems & Evaluations					
905 Commercial Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
916 Pool Room Heat Pump-Repair/Replace	\$0	\$0	\$0	\$36,566	\$0
917 Bay Club Heat Pumps-Repair/Replace	\$0	\$0	\$0	\$0	\$0
923 Telephone System - Repair/Replace	\$0	\$0	\$0	\$0	\$9,832
945 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
961 Fire Alarm Panel - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$326,034	\$40,143	\$122,758	\$82,091	\$113,444
Ending Reserve Balance	\$1,012,980	\$1,186,982	\$1,285,828	\$1,432,846	\$1,556,329

Fiscal Year	2039	2040	2041	2042	2043
Starting Reserve Balance	\$1,556,329	\$1,730,047	\$1,619,067	\$1,844,238	\$1,735,827
Annual Reserve Funding	\$228,647	\$235,507	\$242,572	\$249,849	\$257,345
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$16,425	\$16,738	\$17,309	\$17,893	\$18,387
Total Income	\$1,801,402	\$1,982,292	\$1,878,948	\$2,111,980	\$2,011,559
# Component					
Site & Grounds					
101 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$11,398
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Repair & Seal	\$37,391	\$0	\$0	\$0	\$0
150 Gazebo - Maintain/Repair	\$0	\$0	\$0	\$0	\$12,275
160 Pole Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$13,640	\$0	\$0	\$0
197 Site Furniture - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Pool & Spa					
303 Pool - Resurface	\$0	\$41,963	\$0	\$0	\$0
304 Pool - Retile & Recope	\$0	\$0	\$0	\$0	\$0
305 Spa - Resurface	\$11,217	\$0	\$0	\$0	\$0
306 Spa - Retile & Recope	\$0	\$0	\$0	\$0	\$0
311 Pool & Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$0
312 Pool & Spa Pump Controls - Replace	\$13,399	\$0	\$0	\$0	\$0
Storage Shed					
401 Storage Shed Roof - Repair/Replace	\$0	\$0	\$0	\$0	\$0
403 Storage Shed Siding-Repair/Replace	\$0	\$0	\$0	\$0	\$0
404 Storage Shed Stairs-Repair/Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Exteriors					
500 Bay Club Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
512 Bay Club Skylights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
516 Bay Club Gutters & Spouts - Replace	\$0	\$0	\$0	\$0	\$0
522 Bay Club Siding-Exterior Renovation	\$0	\$0	\$0	\$0	\$0
533 Bay Club Exterior Surfaces - Paint	\$0	\$0	\$0	\$0	\$0
535 Bay Club Windows & Slider - Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Interiors					
700 Bay Club Carpet - Maintain/Replace	\$0	\$0	\$0	\$155,262	\$0
701 Bay Club Tile Floor - Grout & Seal	\$9,348	\$0	\$9,917	\$0	\$10,521
705 Bay Club Wood Floor - Refinish	\$0	\$0	\$0	\$32,176	\$0
710 Bay Club Interiors - Paint	\$0	\$0	\$0	\$160,454	\$0
712 Bay Club Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
723 Bay Club Great Room - Refurbish	\$0	\$0	\$0	\$0	\$0
724 Bay Club Conference Room-Refurbish	\$0	\$0	\$0	\$0	\$0
725 Bay Club Card & Class Room	\$0	\$0	\$0	\$0	\$0
727 Bay Club Craft Room - Refurbish	\$0	\$0	\$0	\$0	\$0
731 Bay Club Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
738 Bay Club Gas Oven & Vent - Replace	\$0	\$0	\$0	\$0	\$11,398
742 Bay Club Refrigerator - Replace	\$0	\$0	\$0	\$0	\$0
753 Bay Club Exercise Equipment-Replace	\$0	\$0	\$24,793	\$0	\$0
Systems & Evaluations					
905 Commercial Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
916 Pool Room Heat Pump-Repair/Replace	\$0	\$0	\$0	\$0	\$0
917 Bay Club Heat Pumps-Repair/Replace	\$0	\$307,622	\$0	\$0	\$0
923 Telephone System - Repair/Replace	\$0	\$0	\$0	\$0	\$11,398
945 Surveillance System - Replace	\$0	\$0	\$0	\$28,260	\$0
961 Fire Alarm Panel - Repair/Replace	\$0	\$0	\$0	\$0	\$11,398
Total Expenses	\$71,355	\$363,225	\$34,710	\$376,153	\$68,387
Ending Reserve Balance	\$1,730,047	\$1,619,067	\$1,844,238	\$1,735,827	\$1,943,172

Fiscal Year	2044	2045	2046	2047	2048
Starting Reserve Balance	\$1,943,172	\$2,081,334	\$2,365,413	\$2,522,359	\$2,797,144
Annual Reserve Funding	\$265,065	\$273,017	\$281,207	\$289,644	\$298,333
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$20,114	\$22,224	\$24,428	\$26,586	\$29,379
Total Income	\$2,228,351	\$2,376,575	\$2,671,049	\$2,838,589	\$3,124,855
# Component					
Site & Grounds					
101 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$13,213
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Repair & Seal	\$43,347	\$0	\$0	\$0	\$0
150 Gazebo - Maintain/Repair	\$0	\$0	\$0	\$0	\$0
160 Pole Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$15,352	\$0	\$0	\$0	\$17,279
197 Site Furniture - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Pool & Spa					
303 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
304 Pool - Retile & Recope	\$0	\$0	\$0	\$0	\$0
305 Spa - Resurface	\$13,004	\$0	\$0	\$0	\$0
306 Spa - Retile & Recope	\$0	\$0	\$0	\$0	\$0
311 Pool & Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$0
312 Pool & Spa Pump Controls - Replace	\$0	\$0	\$0	\$0	\$0
Storage Shed					
401 Storage Shed Roof - Repair/Replace	\$12,101	\$0	\$0	\$0	\$0
403 Storage Shed Siding-Repair/Replace	\$0	\$0	\$0	\$0	\$0
404 Storage Shed Stairs-Repair/Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Exteriors					
500 Bay Club Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
512 Bay Club Skylights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
516 Bay Club Gutters & Spouts - Replace	\$0	\$0	\$0	\$0	\$0
522 Bay Club Siding-Exterior Renovation	\$0	\$0	\$0	\$0	\$0
533 Bay Club Exterior Surfaces - Paint	\$0	\$0	\$148,690	\$0	\$0
535 Bay Club Windows & Slider - Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Interiors					
700 Bay Club Carpet - Maintain/Replace	\$0	\$0	\$0	\$0	\$0
701 Bay Club Tile Floor - Grout & Seal	\$0	\$11,162	\$0	\$11,842	\$0
705 Bay Club Wood Floor - Refinish	\$0	\$0	\$0	\$0	\$0
710 Bay Club Interiors - Paint	\$0	\$0	\$0	\$0	\$0
712 Bay Club Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
723 Bay Club Great Room - Refurbish	\$0	\$0	\$0	\$0	\$0
724 Bay Club Conference Room-Refurbish	\$0	\$0	\$0	\$0	\$0
725 Bay Club Card & Class Room	\$0	\$0	\$0	\$0	\$0
727 Bay Club Craft Room - Refurbish	\$0	\$0	\$0	\$0	\$0
731 Bay Club Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
738 Bay Club Gas Oven & Vent - Replace	\$0	\$0	\$0	\$0	\$0
742 Bay Club Refrigerator - Replace	\$0	\$0	\$0	\$0	\$0
753 Bay Club Exercise Equipment-Replace	\$27,092	\$0	\$0	\$29,604	\$0
Systems & Evaluations					
905 Commercial Water Heaters - Replace	\$36,122	\$0	\$0	\$0	\$0
916 Pool Room Heat Pump-Repair/Replace	\$0	\$0	\$0	\$0	\$0
917 Bay Club Heat Pumps-Repair/Replace	\$0	\$0	\$0	\$0	\$0
923 Telephone System - Repair/Replace	\$0	\$0	\$0	\$0	\$13,213
945 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
961 Fire Alarm Panel - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$147,017	\$11,162	\$148,690	\$41,445	\$43,705
Ending Reserve Balance	\$2,081,334	\$2,365,413	\$2,522,359	\$2,797,144	\$3,081,150

Fiscal Year	2049	2050	2051	2052	2053
Starting Reserve Balance	\$3,081,150	\$3,314,873	\$3,503,384	\$3,852,818	\$4,167,131
Annual Reserve Funding	\$307,283	\$316,501	\$325,996	\$335,776	\$345,850
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$31,967	\$34,077	\$36,765	\$40,083	\$43,032
Total Income	\$3,420,400	\$3,665,451	\$3,866,145	\$4,228,677	\$4,556,013
# Component					
Site & Grounds					
101 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$15,318
120 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
121 Asphalt - Repair & Seal	\$50,251	\$0	\$0	\$0	\$0
150 Gazebo - Maintain/Repair	\$0	\$0	\$0	\$0	\$16,496
160 Pole Lights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$0	\$0	\$19,447	\$0
197 Site Furniture - Repair/Replace	\$0	\$0	\$0	\$42,098	\$0
Pool & Spa					
303 Pool - Resurface	\$0	\$56,395	\$0	\$0	\$0
304 Pool - Retile & Recope	\$0	\$0	\$0	\$0	\$0
305 Spa - Resurface	\$15,075	\$0	\$0	\$0	\$0
306 Spa - Retile & Recope	\$0	\$0	\$0	\$0	\$0
311 Pool & Spa Equipment - Replace	\$9,631	\$0	\$0	\$0	\$0
312 Pool & Spa Pump Controls - Replace	\$18,006	\$0	\$0	\$0	\$0
Storage Shed					
401 Storage Shed Roof - Repair/Replace	\$0	\$0	\$0	\$0	\$0
403 Storage Shed Siding-Repair/Replace	\$0	\$0	\$0	\$0	\$0
404 Storage Shed Stairs-Repair/Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Exteriors					
500 Bay Club Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
512 Bay Club Skylights - Repair/Replace	\$0	\$0	\$0	\$0	\$0
516 Bay Club Gutters & Spouts - Replace	\$0	\$0	\$0	\$0	\$0
522 Bay Club Siding-Exterior Renovation	\$0	\$0	\$0	\$0	\$0
533 Bay Club Exterior Surfaces - Paint	\$0	\$0	\$0	\$0	\$0
535 Bay Club Windows & Slider - Replace	\$0	\$0	\$0	\$0	\$0
Bay Club Interiors					
700 Bay Club Carpet - Maintain/Replace	\$0	\$0	\$0	\$0	\$0
701 Bay Club Tile Floor - Grout & Seal	\$12,563	\$0	\$13,328	\$0	\$14,139
705 Bay Club Wood Floor - Refinish	\$0	\$0	\$0	\$0	\$0
710 Bay Club Interiors - Paint	\$0	\$0	\$0	\$0	\$0
712 Bay Club Interior Lights - Replace	\$0	\$58,228	\$0	\$0	\$0
723 Bay Club Great Room - Refurbish	\$0	\$0	\$0	\$0	\$0
724 Bay Club Conference Room-Refurbish	\$0	\$0	\$0	\$0	\$0
725 Bay Club Card & Class Room	\$0	\$0	\$0	\$0	\$16,496
727 Bay Club Craft Room - Refurbish	\$0	\$15,096	\$0	\$0	\$0
731 Bay Club Locker Rooms - Refurbish	\$0	\$0	\$0	\$0	\$0
738 Bay Club Gas Oven & Vent - Replace	\$0	\$0	\$0	\$0	\$0
742 Bay Club Refrigerator - Replace	\$0	\$0	\$0	\$0	\$0
753 Bay Club Exercise Equipment-Replace	\$0	\$32,349	\$0	\$0	\$35,348
Systems & Evaluations					
905 Commercial Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
916 Pool Room Heat Pump-Repair/Replace	\$0	\$0	\$0	\$0	\$0
917 Bay Club Heat Pumps-Repair/Replace	\$0	\$0	\$0	\$0	\$0
923 Telephone System - Repair/Replace	\$0	\$0	\$0	\$0	\$15,318
945 Surveillance System - Replace	\$0	\$0	\$0	\$0	\$0
961 Fire Alarm Panel - Repair/Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$105,526	\$162,068	\$13,328	\$61,545	\$113,115
Ending Reserve Balance	\$3,314,873	\$3,503,384	\$3,852,818	\$4,167,131	\$4,442,898



Accuracy, Limitations, and Disclosures

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

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Christian Colunga, company President, is a credentialed Reserve Specialist (#208). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

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

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

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

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



Terms and Definitions

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



Component Details

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

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

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

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

Site & Grounds

Comp #: 101 Concrete - Repair/Replace

Quantity: Extensive quantity

Location: The community walkways, patios, and curbs.

Funded?: Yes.

History: ADA improvements 2022 ~\$5,000; curb repairs 2020 ~\$3,500; sidewalk repair 2013 ~\$2,600; curb repair 2011 ~\$2,400.

Comments: No problems with the concrete were observed. The community's manager stated the association has discussed extended the back patio, however, no decisions have been made.

Due to the general age and eventual wear, we suggest a periodic funding allowance to supplement the operating budget for periodic large-scale repair/replacements as reflected below.

As routine maintenance utilizing operating funds, inspect regularly, and pressure wash for appearance. Repair promptly as needed to prevent water penetrating into the base, which can cause further damage. Factors affecting the quality of the concrete include the preparation of the underlying soil and drainage, thickness and strength of the concrete used, steel reinforcement (none likely), and the amount and weight of vehicle traffic.

Resources:

<https://mrsc.org/explore-topics/public-works/streets,-road-and-sidewalks/sidewalk-construction-maintenance-and-repair>

<https://www.sakrete.com/blog/post/5-key-considerations-for-small-concrete-repairs/>

<http://www.concretenetwork.com/cold-weather-concrete/weather.html>

Useful Life:
5 years

Remaining Life:
4 years



Best Case: \$ 5,500

Worst Case: \$ 7,500

Cost Source: Budget Allowance

Comp #: 112 Metal Site Rail - Repair/Replace

Quantity: ~160 LF

Location: The rear patio.
Funded?: No. The useful life cannot be estimated.
History: Painted 2017.
Comments: The metal rails appeared to be stable with no damages.

Routinely inspect for stability, security, and appearance. Repair locally, as needed, with operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 120 Asphalt - Resurface**Quantity: ~60,400 SF**

Location: Spinnaker PI and the parking lot.

Funded?: Yes.

History: Installed 1989.

Comments: The asphalt was noted to have cracks, however, no significant deterioration was observed.

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

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

Resources:

Pavement Surface Condition Field Rating Manual for Asphalt Pavement:

<https://www.wsdot.wa.gov/publications/manuals/fulltext/m0000/AsphaltPavements.pdf>Washington Asphalt Pavement Association: <http://www.asphaltwa.com/>

Useful Life:

50 years

Remaining Life:

10 years



Best Case: \$ 181,200

Worst Case: \$ 241,600

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 121 Asphalt - Repair & Seal**Quantity: ~60,400 SF**

Location: Spinnaker PI and the parking lot.

Funded?: Yes.

History: Sealed 2021; partial seal 2015 ~\$5,900; repairs 2014 ~\$24,600; striped 2011 ~\$1,200; repairs 2010 ~\$6,100.

Comments: The community's manager reported the association anticipates crackfilling, sealing, and striping the parking lot in August 2024. An proposal from Stripe Rite estimates costs of ~\$24,000.

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

Repairing asphalt before seal coating is imperative. Surface preparation and dry weather during and following application is key to lasting performance.

Resources:Asphalt Pavement Maintenance Best Practices Handbook: <http://www.cee.mtu.edu/~balkire/CE5403/AsphaltPaveMaint.pdf>Asphalt Seal Coat Treatments General Overview: <https://www.wsdot.wa.gov/research/reports/fullreports/136.1.pdf>Other: <http://www.pavementinteractive.org/article/bituminous-surface-treatments/>Useful Life:
5 yearsRemaining Life:
0 years

Best Case: \$ 20,400

Worst Case: \$ 27,600

Cost Source: Inflated Estimate Provided by Client: 2023 Stripe Rite ~\$24,000

Comp #: 130 Tennis Court Fence - Repair/Replace

Quantity: ~560 LF chain link

Location: On Highland Dr across from the Port Ludlow Gold Club (accessible on golf cart path).

Funded?: No. Lease reported to have been terminated in 2022.

History: Lease terminated.

Comments: The community's manager reported the association terminated the lease for the tennis courts in 2022. This component will be deleted from future reserve studies.

Useful Life:

Remaining Life:

No Photo Available

Best Case:

Worst Case:

Cost Source:

Comp #: 131 Tennis Court - Resurface

Quantity: ~19,000 SF

Location: On Highland Dr across from the Port Ludlow Gold Club (accessible on golf cart path).

Funded?: No. Lease reported to have been terminated in 2022.

History: Lease terminated 2022.

Comments: The community's manager reported the association terminated the lease for the tennis courts in 2022. This component will be deleted from future reserve studies.

Useful Life:

Remaining Life:

No Photo Available

Best Case:

Worst Case:

Cost Source:

Comp #: 132 Tennis Court - Repair/Seal/Stripe

Quantity: ~19,000 SF

Location: On Highland Dr across from the Port Ludlow Gold Club (accessible on golf cart path).

Funded?: No. Lease reported to have been terminated in 2022.

History: Lease terminated 2022; sealed 2018; sealed 2013 ~\$22,900; improvements 2003 ~\$14,500.

Comments: The community's manager reported the association terminated the lease for the tennis courts in 2022. Funding has been removed from this component, and the component will be deleted from future reserve studies.

Useful Life:

Remaining Life:

No Photo Available

Best Case:

Worst Case:

Cost Source:

Comp #: 140 Wood Fence - Repair/Replace

Quantity: ~40 LF

Location: Between the shed and garbage enclosure.

Funded?: No. Costs are best handled with operating funds.

History: Painted 2017; sections added 2013; sections replaced 2010 ~\$900.

Comments: The fence appeared to be stable.

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

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 149 Garbage Enclosure - Repair/Replace

Quantity: ~9' x 9' cement & metal

Location: The northwest corner of the building.

Funded?: No. The useful life cannot be estimated.

History: None known.

Comments: The garbage enclosure appeared to be functional.

Concrete and metal are sturdy materials that should endure long lives, however, garbage enclosures are subject to abuse. It is reasonable to expect repairs at relatively small intervals due to misuse, although it is difficult to predict the precise scope and timing of such repairs.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 150 Gazebo - Maintain/Repair

Quantity: 1 wood

Location: On the wooded trails east of the Bay Club.

Funded?: Yes.

History: Stairs replaced 2013; deck replaced 2011; roof replaced 2011 ~\$2,000.

Comments: No damages to the wood gazebo were observed.

Inspect regularly, and repair as necessary. Funding is provided below for repairs and partial replacements of the structure.

Useful Life:
10 years

Remaining Life:
9 years



Best Case: \$ 5,900

Worst Case: \$ 8,100

Cost Source: Budget Allowance

Comp #: 160 Pole Lights - Repair/Replace

Quantity: 11 assemblies

Location: The parking lot.

Funded?: Yes.

History: Fixtures replaced 2018 ~\$3,200.

Comments: The pole lights were observed during daylight hours and are assumed to be functional. No problems were reported.

Our recommendation is to plan for a large-scale replacement project at roughly the time frame below, for both cost efficiency and consistent quality/appearance throughout the community. There are a variety of materials and styles available and a general mid-range funding allowance is projected below. Cost can vary significantly depending on the quality of the light pole chosen.

As routine maintenance, inspect, repair, and change bulbs as needed. Where possible, take precautions to limit damage from landscaping equipment.

Useful Life:
40 years

Remaining Life:
34 years



Best Case: \$ 31,400

Worst Case: \$ 42,600

Cost Source: Budget Allowance

Comp #: 170 Landscape - Maintain/Refurbish

Quantity: Turf, shrubs, etc.

Location: Throughout the community.
Funded?: No. Costs are best handled with operating funds.
History: Blackberry work 2020 ~\$1,000; mulched 2019 ~\$3,000; mulched 2016 ~\$2,100.
Comments: The landscape appeared to be generally healthy.

Landscape maintenance is currently funded through the operating budget. As associations age, many find the need or desire for large-scale refurbishment projects not covered within the maintenance contract, and they allocate funds within reserves. These types of projects can include bed renovations, major replanting, large-scale bark or mulch replacements, turf renovations, drainage improvements, irrigation system extensions/replacement, etc.

Walk the landscaped areas each year with the community's landscape contractor, and perhaps a landscape architect, to assess the overall health, function, and future needs of maintenance and refurbish to determine if supplemental reserves funding should be planned.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 171 Trees - Trim/Remove & Replace

Quantity: Extensive quantity

Location: Throughout the community.

Funded?: Yes. Costs are best handled with operating funds.

History: Tree work 2019 ~\$1,400; tree work 2018 ~\$5,900; tree work 2017 ~\$3,200; tree work 2016 ~\$2,700; tree work 2015 ~\$1,500; tree work 2013 ~\$3,300 (all ops).

Comments: There were no specific problems with the trees observed or reported at this time. The community trees are generally mature.

The community's manager reported the club anticipates having an arborist inspect the trees and complete any recommended work. The manager also requested funding be added for cyclical tree work.

This component may be utilized for larger tree removal/trimming projects which do not occur on an annual basis. If the community has not already done so, consult with a qualified arborist to assess the current plantings and to prepare a long term plan for the care and management of the community's trees, balancing aesthetics with the protection of the association's assets. Tree roots can be damaging to walkways, irrigation, underground utilities, and building structures. Track actual expenses, and adjust accordingly in reserve study updates.

Useful Life:
4 years

Remaining Life:
0 years



Best Case: \$ 7,200

Worst Case: \$ 9,800

Cost Source: Inflated Budget Estimate Provided by Client: 2023 ~\$8,500

Comp #: 173 Irrigation System - Repair/Replace

Quantity: Heads, lines, timers, etc

Location: Throughout the community.

Funded?: No. There are no predictable large-scale costs at this time.

History: Repairs 2018 ~\$2,000.

Comments: Our visual observation of the irrigation system was limited, as the majority of the components are below grade. There were no reports of repairs or problems. At the time of this study, no information (plans and/or specifications) was provided to us regarding the extent of the irrigation system.

There are no predictable large-scale costs at this time. Have your landscaper or irrigation specialist periodically unearth sections to check lines for any damage or deterioration. PVC can eventually become brittle and leak (typically not before the 40 year mark of life).

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

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 180 Drainage & Stormwater - Maintain

Quantity: Catchbasins, drains, etc.

Location: Throughout the community.

Funded?: No. There is no predictable large-scale repair/replacement at this time.

History: Tight line cleaning 2019 ~\$2,100; bldg curtain drain improvements 2016 ~\$37,000.

Comments: An analysis of the drainage system is beyond the scope of a reserve study, as the vast majority of the drainage system is located below ground. Our observations were very limited to catch basin areas. No problems were observed or reported to us.

There is no predictable large-scale repair/replacement at this time. Local repairs should be performed as part of general maintenance. If problems become known from a professional evaluation, funding can be included in future reserve studies.

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

Resource:

Jefferson County Stormwater Management: <https://www.co.jefferson.wa.us/465/Stormwater-Management>

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 190 Community Monument - Repair/Replace

Quantity: 1 composite

Location: The community entrance.

Funded?: No. Costs are best handled with operating funds.

History: Painted 2017; refurbished 2011 ~\$800.

Comments: The community monument appeared to be stable and was legible.

Inspect periodically, repair, clean, and touch up for appearance, as needed, using operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 192 South Bay Ln Monument - Maintain

Quantity: Brick

Location: The southeast corner of South Bay Ln and Paradise Bay Rd.

Funded?: No. The useful life cannot be estimated.

History: None known.

Comments: The community's manager reported the association owns tract A of Ludlow Point Village which is where this brick monument is constructed. The association maintains the monument utilizing operating funds.

If replacement becomes necessary, funding can be added to this component in a future study.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 197 Site Furniture - Repair/Replace

Quantity: 28 chairs & 7 tables

Location: The Bay Club patio (during summer - stored during winter).

Funded?: Yes.

History: Replaced 2012 ~\$13,500.

Comments: No damages to the site furniture were observed.

Inspect regularly, and repair as needed with operating funds. Clean with an appropriate cleaner (refinish if desired) using operating funds.

Useful Life:

20 years

Remaining Life:

8 years



Best Case: \$ 15,600

Worst Case: \$ 21,200

Cost Source: Budget Allowance

Pool & Spa

Comp #: 301 Pool Deck - Repair/Replace**Quantity: Concrete**

Location: The pool perimeter.

Funded?: No. The useful life cannot be estimated.

History: Constructed 1989.

Comments: No issues with the pool deck were observed.

Due to the deck being protected from the weather elements, we are unable to estimate a useful. If replacement becomes necessary, funding can be added to this component in a future reserve study.

Inspect periodically, and repair as needed with operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 302 Pool Furniture - Maintain/Replace**Quantity: 8 chairs & 2 tables**

Location: The pool deck.

Funded?: No. The useful life cannot be estimated.

History: None known.

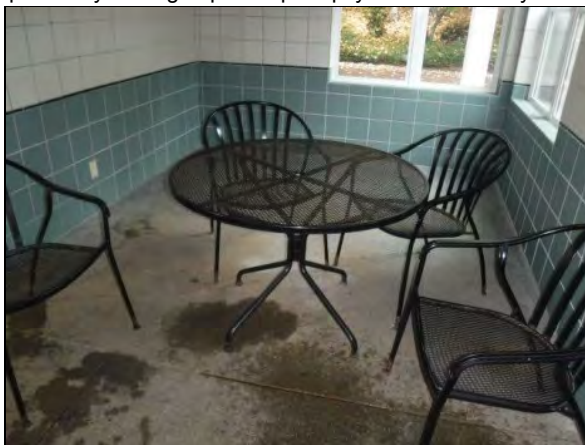
Comments: The pool furniture appeared to be functional.

Funding has been removed from this component. Metal is a durable material that should experience a long useful life.

Inspect regularly, and repair or replace any damaged pieces promptly to ensure safety.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 303 Pool - Resurface

Quantity: ~800 SF

Location: The pool surface.

Funded?: Yes.

History: Resurfaced 2020 ~\$23,200; resurfaced 2013 ~\$26,700 (includes spa); resurfaced 2003.

Comments: No issues such as discoloration, pitting, etc were observed.

Plan to resurface the pool at the time frame below. Incorporate re-tiling every other resurface cycle - see component #304.

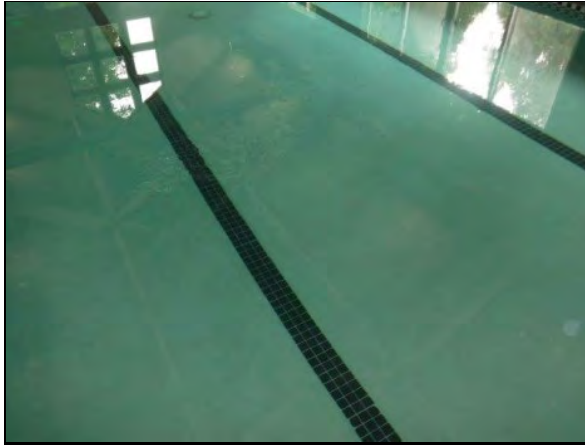
Proactive cleaning, proper chemical balance, and the use of a cover when possible are keys to achieving a maximum service life of the plaster. There are a variety of pool surface types - plan in advance as the cost and life cycle can vary.

Resources:

<https://www.nationalplastererscouncil.com/pool-resurfacing/>

Useful Life:
10 years

Remaining Life:
6 years



Best Case: \$ 22,400

Worst Case: \$ 29,900

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 304 Pool - Retile & Recope

Quantity: ~120 LF

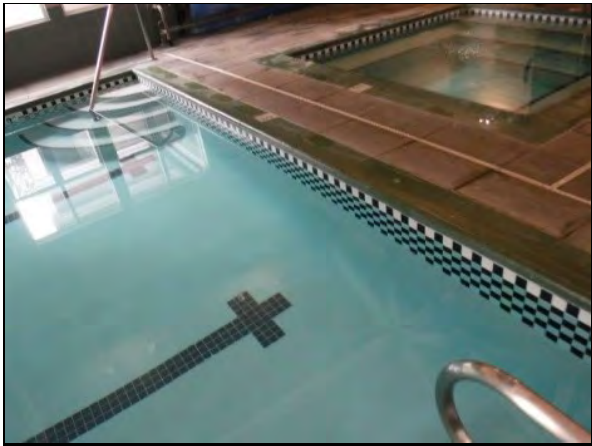
Location: The pool.
Funded?: Yes.
History: Stairs bull nose tile added & racing line tiles replaced 2020.
Comments: No broken or missing tiles were observed.

It is best to plan for regular intervals of tile replacement. We have timed tile work to coincide with every other pool resurface project for cost efficiency and consistency - see component #303.

Inspect regularly, clean, and repair as part of routine maintenance.

Useful Life:
30 years

Remaining Life:
9 years



Best Case: \$ 13,700

Worst Case: \$ 18,500

Cost Source: Budget Allowance

Comp #: 305 Spa - Resurface

Quantity: ~100 SF

Location: The spa surface.

Funded?: Yes.

History: Resurfaced 2018 ~\$5,800; resurfaced 2013 ~\$27,000 (includes pool).

Comments: No issues with the spa surface were observed.

Plan to resurface the spa at the time frame below. Incorporate re-tiling every other resurface cycle - see component #306.

Proactive cleaning, proper chemical balance, and the use of a cover when possible are keys to achieving a maximum service life of the plaster. There are a variety of spa surface types - plan in advance as the cost and life cycle can vary.

Resources:

<https://www.nationalplastererscouncil.com/pool-resurfacing/>

Useful Life:
5 years

Remaining Life:
0 years



Best Case: \$ 6,100

Worst Case: \$ 8,300

Cost Source: Budget Allowance

Comp #: 306 Spa - Retile & Recope**Quantity: ~40 LF**

Location: The spa.

Funded?: Yes.

History: Seat tiles removed 2018.

Comments: No missing or broken tiles were observed.

It is best to plan for regular intervals of tile replacement. We have timed tile work to coincide with every other pool resurface project for cost efficiency and consistency - see component #305.

Inspect regularly, clean, and repair as part of routine maintenance.

Useful Life:
30 years

Remaining Life:
9 years



Best Case: \$ 4,600

Worst Case: \$ 6,200

Cost Source: Budget Allowance

Comp #: 307 Pool & Spa Heat Pumps - Replace**Quantity: 2 AquaCal SQ 156**

Location: The exteriors of Bay Club.

Funded?: No. Reported to be no longer in service.

History: Decommissioned 2022; installed 2012 ~\$18,000 (includes spa pump).

Comments: The community's manager reported the pool and spa heat pumps are no longer in service and are anticipated to be removed.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 308 Pool Heater - Repair/Replace

Quantity: 1 Coates 24 kw

Location: The pool equipment room.

Funded?: No. Costs are best handled with operating funds.

History: Replaced 2016 ~\$2,200; replaced 2013.

Comments: The pool heater is an electric Coates 24kw. No problems were observed or reported to us. The heater is reported to have been installed in 2016.

Funding has been removed from this component, as the anticipated costs do not meet the minimal threshold (1% of the annual operating budget, or ~\$6,555).

Provide regular service, and maintain as recommended by the manufacturer.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 310 Spa Heater - Repair/Replace

Quantity: 1 Coates 24 kw

Location: The pool equipment room.

Funded?: No. Costs are best handled with operating funds.

History: Replaced 2017 ~\$2,000.

Comments: The auxiliary spa heater is an electric Coates. No problems were observed or reported to us. The heater is reported to have been installed in 2017.

Funding has been removed from this component, as the anticipated costs do not meet the minimal threshold (1% of the annual operating budget, or ~\$6,555).

Provide regular service, and maintain as recommended by the manufacturer.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 311 Pool & Spa Equipment - Replace**Quantity: Filters, pumps, etc.**

Location: The pool equipment room.

Funded?: Yes. Costs are best handled with operating funds.

History: Pump room plumbing reconfigured 2018 ~\$3,000; replaced 2009.

Comments: The pool equipment is assumed to be functional. No maintenance was reported to us during our site visit.

The cost of replacing the equipment individually is typically too small for reserves funding. If replaced individually, use operating funds. This component can factor replacement as a group, and may include some plumbing or other repair work as well.

Provide regular service and maintain the equipment as recommended by the manufacturer.

Useful Life:
20 years

Remaining Life:
5 years



Best Case: \$ 3,900

Worst Case: \$ 5,300

Cost Source: Budget Allowance

Comp #: 312 Pool & Spa Pump Controls - Replace**Quantity: 4 Emotron PSP20**

Location: The pool equipment room.

Funded?: Yes.

History: Replaced 2012 ~\$6,300.

Comments: There were no problems with the pool chemical controls system observed or reported.

Inspect regularly, and repair components as needed, using operating funds for a full design life.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: \$ 7,300

Worst Case: \$ 9,900

Cost Source: Budget Allowance

Comp #: 313 Pool & Spa Covers-Maintain/Replace

Quantity: 2 rolled

Location: The pool.

Funded?: No. Costs are best handled with operating funds.

History: None known.

Comments: The pool cover was not in use during out site visit. The community's manager reported the association anticipates removing the pool cover.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Storage Shed

Comp #: 401 Storage Shed Roof - Repair/Replace**Quantity: ~620 SF**

Location: The storage shed roof.

Funded?: Yes.

History: Replaced 2019 ~\$5,800.

Comments: No damages to the storage shed roof were observed.

As routine maintenance, many manufacturers recommend inspections at least twice annually (once in the fall before the rainy season, and again in the spring), and after large storm events. Promptly replace any damaged/missing sections and complete any other repairs needed to ensure the waterproof integrity of the roof. Keep the roof surface, gutters, and downspouts clear and free of moss and/or debris.

At the time of re-roofing, we recommend that you hire a professional consultant to evaluate the existing roof, specify the new roof materials/design, and provide installation oversight. We recommend that all associations hire qualified consultants whenever they are considering having work performed on any building envelope (waterproofing) components including the roof, walls, windows, decks, exterior painting, and caulking/sealant.

Resources:National Roofing Contractors Association (NRCA) <http://www.nrca.net/>Asphalt Roofing Manufacturers Association (ARMA) <http://www.asphaltroofing.org/>International Institute of Building Enclosure Consultants <https://iibec.org/>Western States Roofing Contractors Association (WSRCA) <https://wsrca.com/>

Useful Life:
25 years

Remaining Life:
20 years



Best Case: \$ 5,700

Worst Case: \$ 7,700

Cost Source: Budget Allowance

Comp #: 403 Storage Shed Siding-Repair/Replace

Quantity: ~900 SF

Location: The storage shed exterior walls, underlying waterproofing components, and structural components.

Funded?: Yes.

History: Replaced 2019 ~\$15,000.

Comments: The fiber cement siding is horizontal clapboard and the surface is painted (see component #533 for exterior painting). The actual siding manufacturer was not confirmed. No view of the critical underlying waterproofing was available as part of our limited visual review.

Replacement may ultimately be needed due to the failure of the underlying waterproofing components degrading over the decades, and/or the end of the useful life of the siding materials from general aging. Many factors influence the useful life, including exposure to (or protection from) wind driven rain, and the quality of the waterproofing and flashing beneath the siding. Evaluate the siding and the critical underlying waterproofing (typically building paper or house-wrap) more frequently as the remaining useful life approaches zero years. Adjust the remaining useful life as dictated by the evaluation. When practical, align siding replacement with window replacement for cost efficiencies and building envelope integrity. Inspect annually and repair locally, as needed, using general operating maintenance funds.

The leading manufacturer of fiber-cement siding (James Hardie Siding) currently provides either a 30-year non-prorated or 50-year prorated limited warranty on their products. A local James Hardie representative suggests planning for ~50-year total service life of siding.

Project costs can vary depending upon materials chosen and the condition of the underlying structural framing when exposed. We recommend the Board conduct research well in advance in order to define the scope, timing, and costs; including a plan for some margin of contingency.

Useful Life:
50 years

Remaining Life:
45 years



Best Case: \$ 14,700

Worst Case: \$ 19,900

Cost Source: Budget Allowance

Comp #: 404 Storage Shed Stairs-Repair/Replace**Quantity: 1 wood set**

Location: The storage shed.

Funded?: Yes.

History: Installed ~\$8,000.

Comments: The stair stringers are wood, and the stair treads are wood attached to the stair stringer by steel angle and bolts. The railings are wood. No corrosion was observed on the steel angle attachments and no decay of wood was observed in the few stairs sampled for our visual review.

There are no predictable large-scale repairs or replacements at this time. Repair, as needed, using general maintenance funds. As stairs age, and repair needs become evident, funding can be added to future reserve studies.

As routine maintenance, inspect regularly to ensure safety and stability. Repair promptly, as needed, with operating funds. Paint as a part of an exterior paint project - see component #533. Treat corroded metal with a rusted inhibitor to extend the useful life.

Useful Life:
40 years

Remaining Life:
35 years



Best Case: \$ 7,800

Worst Case: \$ 10,600

Cost Source: Budget Allowance

Comp #: 410 Storage Shed Interiors - Refurbish**Quantity: ~16' x 30'**

Location: The storage shed interiors.

Funded?: No. The useful life cannot be estimated.

History: Attic added & lower level remodeled 2019; bldg installed 1994.

Comments: The storage shed interiors appeared to be functional.

Funding can be added to this component in a future reserve study if the association opts to remodel the storage building interiors. Complete regular painting cycles with operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 413 Storage Shed Ice Machine - Replace

Quantity: 1 Manitowoc

Location: The storage shed.
Funded?: No. The useful life cannot be estimated.
History: Replaced 2022; installed 2005.
Comments: No problems with the ice machine were reported.

We are unable to predict the useful life of the ice machine, thus funding has been removed.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Bay Club Exteriors

Comp #: 500 Bay Club Shingle Roof - Replace

Quantity: ~21,900 SF composite

Location: The Bay Club rooftop.

Funded?: Yes.

History: Installed 2023 Hanley Roofing ~\$438,900; metal roof removed 2023; installed 1989.

Comments: Roof ventilation (the lack of which can greatly reduce the roof's useful life) was observed at the eave and ridge. The eaves have continuous screened venting in the blocking between the rafters. Ridge venting appeared to be provided by continuous ridge vents and gable end louvers. Portions of roof flashing were visible at the rake, headwall, sidewall, and valleys. Diverter (kick-out) flashing was not observed. Gutters blocked the view of the eaves, so eave flashing was not confirmed. Debris and moss were not observed on the roof surface. A reserve study conducts a limited visual review for budget purposes, and many of the critical waterproofing and ventilation items of the roof are not readily viewable. For a full evaluation have a professional roof consultant/contractor perform a thorough up-close survey of your entire roof system, including attic inspection (if any).

The community's manager reported the metal roof was replaced with composite shingle. They further reported the roof is Certified Land Mark with a 35 year warranty with full coverage. Additionally, the plywood above the pool area was fully replaced.

As routine maintenance, many manufacturers recommend inspections at least twice annually (once in the fall before the rainy season, and again in the spring), and after large storm events. Promptly replace any damaged/missing sections and complete any other repairs needed to ensure the waterproof integrity of the roof. Keep the roof surface, gutters, and downspouts clear and free of moss and/or debris.

At the time of re-roofing, we recommend that you hire a professional consultant to evaluate the existing roof, specify the new roof materials/design, and provide installation oversight. We recommend that all associations hire qualified consultants whenever they are considering having work performed on any building envelope (waterproofing) components including the roof, walls, windows, decks, exterior painting, and caulking/sealant.

Resources:

National Roofing Contractors Association (NRCA) <http://www.nrca.net/>

Asphalt Roofing Manufacturers Association (ARMA) <http://www.asphaltroofing.org/>

International Institute of Building Enclosure Consultants <https://iibec.org/>

Western States Roofing Contractors Association (WSRCA) <https://wsrca.com/>

Useful Life:
35 years

Remaining Life:
34 years



Best Case: \$ 384,300

Worst Case: \$ 519,900

Cost Source: Inflated Client Cost History: 2023 Hanley Roofing ~\$438,900

Comp #: 512 Bay Club Skylights - Repair/Replace

Quantity: 8 fixtures

Location: The Bay Club rooftop.

Funded?: Yes.

History: Inspected 2023 Groves Windows: installed 1989.

Comments: Observation of the skylights revealed curb mounted fixtures with visible portions of flashing. No current water leaks or other problems were reported by the association. The community manager's reported the fixtures were inspected by Groves Windows and no problems were discovered.

We have aligned the skylight's useful life with roofing for waterproofing integration and cost efficiency.

Inspect the skylights as part of the ongoing roof inspections, and repair as needed to maintain the waterproof integrity. Review the skylight conditions with a consultant or roof contractor while evaluating the roofing project.

Resource:

<https://www.veluxusa.com/help/installation-help/service-and-maintenance>

Useful Life:
40 years

Remaining Life:
7 years



Best Case: \$ 20,900

Worst Case: \$ 28,300

Cost Source: Budget Allowance

Comp #: 516 Bay Club Gutters & Spouts - Replace

Quantity: ~950 LF

Location: The Bay Club perimeters.

Funded?: Yes.

History: Replaced 2016; installed 1989.

Comments: Based on our limited visual inspection, the metal gutters and downspouts appeared to be functional.

We recommend planning for a total replacement of the gutters and downspouts at the same intervals as the roof replacement for cost efficiency. Evaluate these components at the time of the project to determine if replacement or re-use is the better value.

As routine maintenance, inspect regularly, and keep gutters and downspouts free of debris.

Useful Life:
40 years

Remaining Life:
32 years



Best Case: \$ 12,400

Worst Case: \$ 16,200

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 522 Bay Club Siding-Exterior Renovation**Quantity: ~18,250 SF**

Location: The Bay Club exterior walls, underlying waterproofing components, and structural components.

Funded?: Yes.

History: Pillars repaired 2016 ~\$4,100; Replaced 2016 ~\$787,000 (includes windows); repairs 2013 ~\$9,000; repairs 2011 ~\$18,000.

Comments: The fiber cement siding is horizontal clapboard and the surface is painted (see component #533 for exterior painting). The actual siding manufacturer was not confirmed. No view of the critical underlying waterproofing was available as part of our limited visual review.

Replacement may ultimately be needed due to the failure of the underlying waterproofing components degrading over the decades, and/or the end of the useful life of the siding materials from general aging. Many factors influence the useful life, including exposure to (or protection from) wind driven rain, and the quality of the waterproofing and flashing beneath the siding. Evaluate the siding and the critical underlying waterproofing (typically building paper or house-wrap) more frequently as the remaining useful life approaches zero years. Adjust the remaining useful life as dictated by the evaluation. When practical, align siding replacement with window replacement for cost efficiencies and building envelope integrity. Inspect annually and repair locally, as needed, using general operating maintenance funds.

The leading manufacturer of fiber-cement siding (James Hardie Siding) currently provides either a 30-year non-prorated or 50-year prorated limited warranty on their products. A local James Hardie representative suggests planning for ~50-year total service life of siding.

Note: Rehabilitative construction projects with associated costs are equal to or greater than 5% of the assessed value of the units must comply with the requirements of RCW 64.55 <http://app.leg.wa.gov/rcw/default.aspx?cite=64.55>. These requirements include building enclosure design documents with waterproofing details by an architect or engineer, and independent oversight during construction to verify compliance with those details.

Project costs can vary depending upon materials chosen and the condition of the underlying structural framing when exposed. We recommend the Board conduct research well in advance in order to define the scope, timing, and costs; including a plan for some margin of contingency.

Useful Life:
40 years

Remaining Life:
32 years



Best Case: \$ 341,300

Worst Case: \$ 542,000

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 533 Bay Club Exterior Surfaces - Paint**Quantity: ~18,250 SF**

Location: The Bay Club exterior walls.

Funded?: Yes.

History: Painted 2016 ~\$48,000; trim painted 2014 ~\$14,000; painting 2009 ~\$17,000; painting 2006 ~\$9,100.

Comments: No issues with the exterior paint such as chipping, peeling, etc were observed.

Typical Northwest paint cycles vary greatly depending upon many factors including the type of material painted, surface preparation, quality of the primer/paint/stain, application methods, weather conditions during the application process, moisture beneath the surface, and exposure to weather conditions. Repair areas, as needed, prior to painting/caulking. As routine maintenance, inspect regularly (including sealants), repair locally, and touch-up paint, as needed, using operating funds.

Proper sealant/caulking is critical to keeping water out of the walls, and preventing water damage. Incorrect installation of sealants is very common, and can greatly decrease its useful life. Inspect sealants (more frequently as they age) to determine if failing is occurring. Typical sealant problems include failure of the sealant to adhere to adjacent materials, and tearing/splitting of the sealant itself. As sealants age, and due to exposure to ultraviolet sunlight, they will dry out, harden, and lose their elastic ability. Remove and replace all sealants at the time sealant failure begins to appear. Proper cleaning, prep work, and installation technique (shape, size, tooling of joint) are critical for a long lasting sealant/caulking. Do not install sealant in locations that would block water drainage from behind the siding (e.g. at head flashings).

Resources:

American Coatings Association: <http://www.paint.org/>Master Paint Institute: <http://www.paintinfo.com/>

Useful Life:

10 years

Remaining Life:

2 years



Best Case: \$ 63,900

Worst Case: \$ 91,300

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 535 Bay Club Windows & Slider - Replace**Quantity: 133 windows & 1 door**

Location: The Bay Club exterior walls.

Funded?: Yes.

History: Replaced 2016 ~\$787,000 (includes siding).

Comments: The windows are mostly horizontal sliders and fixed operation. Head flashing was observed. The jambs and sills had sealant joints between the window frame and cladding. The weep holes at exterior lower corners were observed to be clear in the few windows sampled for our study. No observation of the critical underlying waterproofing details and flashing was part of our limited visual review. The underlying details and flashing are critical to maintaining the waterproofing of the building envelope and preventing structural damage as a result of water infiltration. A reserve study is a budget model, limited to visual exterior observation and research. It is outside the scope of our services, and the purpose of a reserve study, to assess the adequacy of the building envelope performance, as many of the key details are hidden from view. Periodic reviews by an architect, building envelope professional, etc. are prudent.

Many factors affect the useful life, including the quality of the window (design pressure rating), waterproofing and flashing details, building movement, and exposure to the elements, including wind driven rain. Those same variables, along with glazing and frame materials, can also greatly affect the appropriate choice and replacement costs. You can learn more about window design here: <http://rci-online.org/wp-content/uploads/2010-04-hinjosa.pdf>

Inspect regularly, including sealant, if any, and repair as needed. Typical sealant failures include a lack of adhesion to adjacent materials, tearing/splitting of the sealant itself, and loss of elastic ability. Loss of elastic ability can be caused by exposure to ultraviolet light, and general aging. Remove and replace all sealants as signs of failure begin to appear. Proper cleaning, prep work, and installation of specified joint design are critical for lasting performance. Keep weep holes free and clear to allow proper drainage of water that gets into the window frame. Do not block (caulk or seal) the gap at the top of head flashing, as this allows water that gets behind the siding to drain out.

We recommend the board conduct research well in advance of this project to help better define timing and costs (scope of work, material specifications, etc.). Further, we recommend that you hire a professional consultant (architect, engineer, building envelope consultant) to evaluate the existing windows, design and specify new installation requirements, assist with the bid process, and observe the construction to increase the likelihood of proper installation. We recommend all associations hire qualified consultants whenever they are considering having work performed on any high-risk building envelope components (roof, walls, windows, decks, exterior painting and caulking/sealant).

Note: Costs below factor for professional architectural details, specifications, and installation oversight. Any needed repair of the underlying structural framing can add significantly to the project cost. No observation of the critical underlying waterproofing details and flashing was part of our limited visual review.

Resource:

Fenestration & Glazing Industry Alliance (formerly AAMA): <https://fgiaonline.org/>

Useful Life:
40 years

Remaining Life:
32 years



Best Case: \$ 167,900

Worst Case: \$ 290,700

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 540 Bay Club Exterior Doors - Replace

Quantity: 30 doors

Location: The Bay Club exterior walls.
Funded?: No. Large-scale repairs or replacements are not predictable.
History: None known.
Comments: No widespread problems with the exterior doors were observed or reported.

There is no predictable large-scale repair or replacement of doors.

Inspect periodically and repair as needed to maintain appearance, security, and operation with operating funds. Touch up paint, as needed, between painting cycles.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Bay Club Interiors

Comp #: 700 Bay Club Carpet - Maintain/Replace**Quantity: ~1,200 SY**

Location: The Bay Club interiors.

Funded?: Yes.

History: Replacements 2019 ~\$30,300; Great Room & hall replaced 2017 ~\$18,300.

Comments: No stains, rips, tears, etc were observed in the carpet.

Actual replacement costs can vary greatly based upon the carpet and pad material chosen. A wide variety of types and quality are available - a funding allowance is factored below for financial planning purposes.

As part of an ongoing maintenance program, vacuum regularly, and professionally clean as needed. Replacement is best timed just after repainting for cost efficiency, and to maintain a quality appearance.

Useful Life:
12 years

Remaining Life:
6 years



Best Case: \$ 78,000

Worst Case: \$ 104,400

Cost Source: Budget Allowance

Comp #: 701 Bay Club Tile Floor - Grout & Seal

Quantity: ~980 SF

Location: The Bay Club restrooms and locker rooms.

Funded?: Yes.

History: Cleaned, grouted, & sealed 2017 ~\$5,700.

Comments: The tile flooring and grout were observed to be generally intact and functional.

It was reported in prior reserve studies by the Club manager the association does not anticipate replacing this tile until necessary, and plans to complete regular cycles of cleaning, grouting, and sealing. Funding is provided below for these projects.

The Ceramic Tile Institute of America (CTIOA) endorses the use of specific product(s) for tile and stone flooring to enhance slip resistance, particularly when wet.

Resource:

CTIOA: www.ctioa.org

Useful Life:

2 years

Remaining Life:

1 years



Best Case: \$ 5,100

Worst Case: \$ 6,900

Cost Source: Inflated Budget Estimate Provided by Client: 2023 ~\$6,000

Comp #: 705 Bay Club Wood Floor - Refinish**Quantity: ~3,400 SF**

Location: The Bay Club auditorium.

Funded?: Yes.

History: Localized area repaired & stained 2019 ~\$4,000; refinished 2018 ~\$14,200; stage refinished 2015; refinished 2004 ~\$12,000; installed 1989.

Comments: No extensive wear of the wood floor was observed.

If wood floors are buffed and recoated periodically, more extensive and costly resurface projects can be forestalled. This project is scheduled every five years below - adjust accordingly, if necessary. Use proper cleaning products and be cautious when moving furniture.

Useful Life:
12 years

Remaining Life:
6 years



Best Case: \$ 16,100

Worst Case: \$ 21,700

Cost Source: Budget Allowance

Comp #: 710 Bay Club Interiors - Paint**Quantity: ~37,700 SF**

Location: The Bay Club interiors.

Funded?: Yes.

History: Fitness room & auditorium painted 2019 ~\$6,300; Great Room & halls painted 2018 ~\$9,400; fitness room painted 2013; conference room painted 2011; painted 2007.

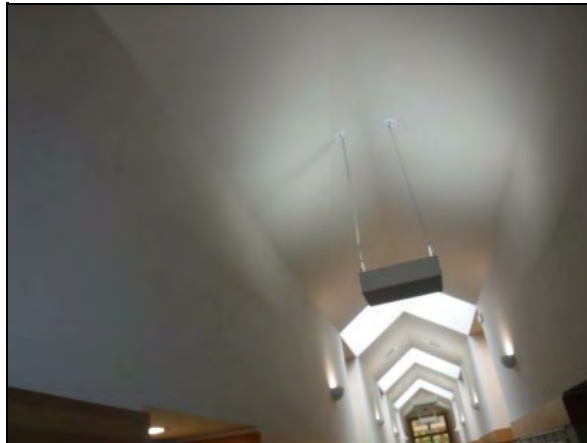
Comments: No issues with the interior paint was observed.

Regular cycles of professional painting are recommended to maintain a pleasant appearance, and are best timed prior to any flooring replacement.

Keep touch-up paint on site for in between cycle paint projects.

Useful Life:
12 years

Remaining Life:
6 years



Best Case: \$ 75,400

Worst Case: \$ 113,100

Cost Source: Budget Allowance

Comp #: 712 Bay Club Interior Lights - Replace**Quantity: 135 fixtures**

Location: The Bay Club interiors.

Funded?: Yes.

History: LED blub upgrades & select fixtures replaced 2020 ~\$18,800 (excludes \$2,200 rebate); stage lighting replaced 2016 ~\$5,300; florescent fixtures & stage lighting replaced 2008 ~\$61,000.

Comments: The interior lights are an assortment of ambient lights, exit lights, and emergency lighting. The lights generally appeared to be functional. The community's manager reported all interior lights were converted to LED in 2020.

As routine maintenance, inspect, and repair/change bulbs as needed. Evaluate the community's needs each year, and replace individual fixtures as needed using operating funds.

Useful Life:
30 yearsRemaining Life:
26 years

Best Case: \$ 22,900

Worst Case: \$ 31,100

Cost Source: Budget Allowance

Comp #: 720 Bay Club Interior Doors - Replace**Quantity: 15 doors**

Location: The entrances to various rooms and closets.

Funded?: No. Large-scale repairs or replacements are not predictable.

History: None known.

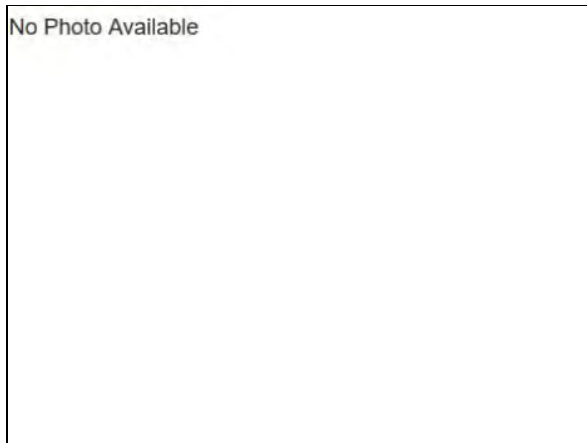
Comments: No widespread damage or wear of the interior doors were observed during our limited visual review. No problems were reported.

With ordinary care, and adequate maintenance, there is no predictable expectation to replace these on a cyclical basis. If the need to repair or replace doors in large-scale fashion becomes known, funding can be added to future reserve studies.

Inspect periodically, and repair hardware/door with operating funds, as needed, to maintain function and security. Clean and paint with other interior building surfaces.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 723 Bay Club Great Room - Refurbish**Quantity: Furniture, art, etc.**

Location: The Great Room.

Funded?: Yes.

History: Refurbished 2018 ~\$33,000.

Comments: The community's manager reported the classroom and craft room banquet tables were replaced in 2023.

Prudent financial planning suggests setting aside funds for periodic large-scale refurbishing to maintain consistent aesthetics and marketability. The costs can vary greatly depending upon the scope of work. Adjust the costs below when a better estimate of replacements becomes known.

As routine maintenance, inspect regularly, and clean/repair promptly utilizing operating funds.

Useful Life:
20 years

Remaining Life:
14 years



Best Case: \$ 34,000

Worst Case: \$ 46,000

Cost Source: Budget Allowance

Comp #: 724 Bay Club Conference Room-Refurbish**Quantity: Furniture, art, etc.**

Location: The conference room.

Funded?: Yes.

History: Refurbished 2007 ~\$17,000.

Comments: This component represents refurbishment of the card room.

Useful Life:
30 years

Remaining Life:
13 years



Best Case: \$ 21,200

Worst Case: \$ 28,800

Cost Source: Budget Allowance

Comp #: 725 Bay Club Card & Class Room

Quantity: Furniture, art, etc.

Location: The meeting and class rooms.

Funded?: Yes.

History: Tables replaced 2023.

Comments: This component represents refurbishment of the meeting and class rooms.

Useful Life:

15 years

Remaining Life:

14 years



Best Case: \$ 5,900

Worst Case: \$ 8,100

Cost Source: Budget Allowance

Comp #: 727 Bay Club Craft Room - Refurbish

Quantity: Furniture, art, etc.

Location: The craft room.

Funded?: Yes.

History: Tables replaced 2023.

Comments: This component represents refurbishment of the craft room.

Useful Life:

20 years

Remaining Life:

6 years

No Photo Available

Best Case: \$ 5,900

Worst Case: \$ 8,100

Cost Source: Budget Allowance

Comp #: 730 Bay Club Bathrooms - Refurbish**Quantity: 2 baths**

Location: The Bay Club.

Funded?: No. The useful life cannot be estimated.

History: Women's toilet replaced 2020 ~\$660.

Comments: The bathrooms appeared to be functional.

Clean and maintain as needed to extend the useful life. Simple, durable materials typically have an extended useful life, however, many communities choose to refurbish restrooms periodically for aesthetic updating and/or function. Doing so may include cabinets (reface or replace), sinks, counter tops, lighting, ventilation, etc.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 731 Bay Club Locker Rooms - Refurbish**Quantity: 2 lockers**

Location: The Bay Club.

Funded?: Yes.

History: Plumbing modification 2019 ~\$1,700; women's H2O heater replaced 2019 ~\$1,100.

Comments: The community's manager reported the association anticipates remodeling the lockers in 2024. No estimates or scope of work were available at the time of this study. The amounts below should be considered as placeholders only. The actual costs may vary significantly dependent upon the final scope of work, materials chosen, contractor selection, and the timing of the project.

Clean and maintain as needed to extend the useful life. Simple, durable materials typically have an extended useful life, however, many communities choose to refurbish restrooms periodically for aesthetic updating and/or function. Doing so may include cabinets (reface or replace), sinks, counter tops, lighting, ventilation, etc.

Useful Life:

35 years

Remaining Life:

0 years



Best Case: \$ 25,500

Worst Case: \$ 34,500

Cost Source: Budget Allowance

Comp #: 734 Bay Club Washer & Dryer - Replace

Quantity: 1 washer & 1 dryer

Location: The pool equipment room.

Funded?: No. Costs are best handled with operating funds.

History: None known.

Comments: The washers and dryers are assumed to be functional.

The costs for replacing the units is estimated to be too low to qualify for reserves funding. Plan to replace the units with operating funds. The timing of the actual replacement is based upon the amount of use the machines receive. Track the history and costs, and adjust this component accordingly in future reserve studies.

Clean, maintain, and provide service as needed to extend the useful life.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 736 Bay Club Kitchen - Refurbish

Quantity: Counters, cabinets, etc.

Location: The Bay Club.

Funded?: No. The useful life cannot be estimated.

History: Constructed 1989.

Comments: No issues with the kitchen were observed.

As requested by the community's manager, funding has been removed from this component.

Clean and maintain as needed to extend the useful life. Simple, durable materials typically have an extended useful life, however, many communities choose to refurbish the kitchen periodically for aesthetic purposes and/or function. Doing so may include the cabinets (reface or replace), sinks, counter tops, lighting, ventilation, etc.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 737 Bay Club Dishwasher-Repair/Replace

Quantity: 1 commercial unit

Location: The Bay Club kitchen.

Funded?: No. The useful life cannot be estimated.

History: Installed 1992.

Comments: The dishwasher was not usable at the time of our visit. The community's manager reported the sanitizer was not functioning properly and the community was waiting for replacement lines to arrive to correct the issue.

The community's manager also requested funding be removed from this component.

Clean, maintain, and provide service as needed to extend the useful life.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 738 Bay Club Gas Oven & Vent - Replace

Quantity: 1 Thermador six-burner

Location: The Bay Club kitchen.

Funded?: Yes.

History: Replaced 2023; installed 2002.

Comments: The gas oven and vent are assumed to function properly. No problems were reported.

Prudent planning suggests setting aside funds for the periodic replacement of the oven at regular intervals to maintain proper function. Actual replacement timing is dependent upon actual use and maintenance.

Clean, maintain, and provide service as needed to extend the useful life.

Useful Life:
20 years

Remaining Life:
19 years



Best Case: \$ 5,500

Worst Case: \$ 7,500

Cost Source: Budget Allowance

Comp #: 739 Bay Club Food Warmer - Replace

Quantity: 1 Alto Shaam

Location: The Bay Club kitchen.

Funded?: No. The useful life cannot be estimated.

History: Installed 2008.

Comments: The food warmer is assumed to function properly. No problems were reported.

As the useful life cannot be estimated, funding has been removed from this component.

Clean, maintain, and provide service as needed to extend the useful life.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 742 Bay Club Refrigerator - Replace

Quantity: 1 commercial Turbo Air

Location: The Bay Club kitchen.

Funded?: Yes.

History: Replaced 2015 ~\$3,700; replaced 2010.

Comments: The commercial refrigerator is assumed to function properly. No problems were reported.

Prudent planning suggests setting aside funds for the periodic replacement of the commercial refrigerator at regular intervals to maintain proper function. Actual replacement timing is dependent upon actual use and maintenance.

Clean, maintain, and provide service as needed to extend the useful life.

Useful Life:
20 years

Remaining Life:
11 years



Best Case: \$ 6,800

Worst Case: \$ 9,200

Cost Source: Budget Allowance

Comp #: 743 Bay Club Double Oven - Replace

Quantity: 1 electric Miele HP398BP2

Location: The Bay Club kitchen.

Funded?: No. The useful life cannot be estimated.

History: Replaced 2015 ~\$3,100; replaced 2007.

Comments: The double oven is assumed to function properly. No problems were reported.

As the useful life cannot be estimated, funding has been removed from this component.

Clean, maintain, and provide service as needed to extend the useful life.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 751 Bay Club Office Equipment - Replace

Quantity: PC, furniture, etc.

Location: The Bay Club offices.

Funded?: No. Costs are best handled with operating funds.

History: One computer replaced 2023 (ops); 3 computers replaced 2019 ~\$2,900; GM desk replaced 2018 ~\$1,400; Dell R530 server replaced 2017 ~\$3,900.

Comments: The office equipment is assumed to function properly. No problems were reported at the time of our site visit.

The community's manager reported a computer is anticipated to be replaced in 2023 with operating funds. The manager also requested funding be removed from this component as equipment is replaced as needed with operating funds.

Expect some local repair/replacement utilizing operating funds in between overhaul cycles. The costs can vary greatly due to the number and quality of the equipment.

Another option is to set up a lease arrangement with a vendor. Typically, the lease covers hardware, maintenance, and operation costs for a given time period (usually 10 years). At the end of the lease, there may be an option of purchasing the existing system for a nominal fee, or installing new hardware with either another lease option or outright purchase.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 753 Bay Club Exercise Equipment-Replace**Quantity: Assorted pieces**

Location: The Bay Club exercise room.

Funded?: Yes.

History: Treadmill replaced 2019 ~\$7,300; cross-trainer replaced 2018 ~\$6,400; treadmill replaced 2013.

Comments: No issues with the exercise equipment were reported. The community's manager reported the association typically replaces one piece every two to three years.

Prudent planning suggests setting aside funds for periodic replacement of the equipment at regular intervals to maintain functionality.

Clean, maintain, and provide service as needed to extend useful life.

Useful Life:
3 years

Remaining Life:
2 years



Best Case: \$ 12,700

Worst Case: \$ 17,300

Cost Source: Budget Allowance

Comp #: 757 Wood Shop Tools - Replace**Quantity: Saws, lathe, etc.**

Location: The storage shed wood shop.

Funded?: No. Costs are best handled with operating funds.

History: Table saw replaced 2018 ~\$2,700 (ops).

Comments: The wood shop was noted to be clean and organized.

It was reported by the community manager in prior reserve studies the association replaces tools, as needed, with operating funds, while others are donated. Track the actual history and expenses, and if warranted, funding can be added to this component in a future reserve study.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 760 Bay Club AV Equipment - Replace**Quantity: TVs, receiver, etc.**

Location: Throughout the Bay Club.

Funded?: No. Costs are best handled with operating funds.

History: None known.

Comments: No problems with the entertainment equipment were reported.

Plan to replace pieces individually, as needed, with operating funds. If a large-scale replacement becomes necessary or desired, funding can be added to this component in a future reserve study.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 761 Bay Club Sound System - Replace**Quantity: Speakers, etc.**

Location: The Bay Club auditorium.

Funded?: No. Reported the system will not be replaced.

History: Replaced 2018 ~\$8,000 (total costs).

Comments: No problems with the auditorium sound system were reported. The community's manager requested funding be removed from this component.

It was reported in prior reserve studies by the community manager sound system expenses are shared equally with PLAP. Track the actual history and expenses, and adjust this component in future reserve study updates.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 770 Bay Club Ceiling Fans - Replace

Quantity: 3 fans

Location: The Bay Club auditorium.
Funded?: No. The useful life cannot be estimated.
History: Installed 2019 ~\$5,400.
Comments: No problems with the auditorium ceiling fans were reported.

We are unable to estimate the useful life of the ceiling fans. Replacement is based on actual use. Track the history and expenses, and adjust this component accordingly in a future study.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Systems & Evaluations

Comp #: 900 Plumbing - Systems Evaluation

Quantity: Supply & drain lines

Location: Throughout the buildings.

Funded?: No. Costs are best handled with operating funds.

History: None known.

Comments: Plumbing systems are generally considered life limited by the engineering community. The costs for replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc.

The vast majority of the plumbing system is hidden, and not visible for review. A reserve study is limited to visual exterior observations and research for budget purposes.

We highly recommend the association engage a qualified firm to conduct a baseline study, evaluating the plumbing systems (supply, waste, any fire system pipe), including forensic wall openings, and test sections of piping. Additional testing may be further recommended. Patterns of significant repair expenses, leaks, poor flow, and sediments in the lines, should accelerate the need to address proactively and seek a detailed analysis to identify hidden conditions, project a remaining useful life, and recommendations for any needed repairs, maintenance, etc. The cost can vary depending on the complexity of systems, the number of wall or ceiling openings, etc. Prior to such an evaluation, there is no predictable basis at this time for large-scale plumbing repair or replacement expenses. Results should be included in the subsequent reserve study update.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 901 Plumbing - Repair/Replace

Quantity: Supply & drain lines

Location: Throughout the buildings.

Funded?: No. Large-scale repairs or replacements are not predictable prior to a systems evaluation.

History: Locker room plumbing modification 2019 ~\$1,700; pool pump room plumbing reconfigured 2018 ~\$3,000

Comments: Plumbing systems are generally considered life limited by the engineering community. The costs for systems replacement can vary widely depending upon the specifications, site conditions, unit repairs after install, hazardous material handling, etc.

See the previous component for a recommended plumbing evaluation. Until a qualified engineering firm has performed an evaluation of your plumbing systems, and provided specific recommendations, there is no predictable basis for system replacement reserves funding at this time.

Manufacturing defects become apparent from time to time, and certain site conditions (e.g. galvanic corrosion, dissimilar metals in contact with piping, chemical reactions, etc.) can contribute to premature deterioration of the plumbing systems.

Treat minor repairs as an ongoing maintenance expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 905 Commercial Water Heaters - Replace

Quantity: 1/65 gallon & 1/50 gallon

Location: The Bay Club attic and the storage shed.

Funded?: Yes.

History: Both replaced 2014 ~\$15,400.

Comments: The propane water heater is manufactured by AO Smith. The serial number date is 2014. No problems were reported at the time of our visit.

Plan to replace the water heater at the approximate time shown below. Due to the many variables that affect the useful life, we have used a relatively conservative projection.

Regular maintenance should include annual flushing and changing the sacrificial anode rod every few years. All water heater tanks fail. Failure is typically a leak in the tank's metal wall caused by corrosion and results in an unchecked constant flow of water onto the floor until the leak is observed, and the water valve is shut off. The association should perform an annualized cost analysis by comparing the upfront installation cost, total useful life of the product, and annual energy savings when making a replacement decision.

Resource:

<https://www.lowes.com/n/how-to/water-heater-maintenance>

Useful Life:
15 years

Remaining Life:
5 years



Best Case: \$ 17,000

Worst Case: \$ 23,000

Cost Source: Budget Allowance

Comp #: 906 Small Water Heaters - Replace

Quantity: 3 assorted

Location: The Club Bay pool equipment room and the storage building attic.

Funded?: No. Costs are best handled with operating funds.

History: Pool equip room heater replaced 2013.

Comments: This component represents repair/replacement of the smaller water heaters.

The costs for replacing the tanks individually, as needed, are estimated to be too low to qualify for reserves funding. Plan to replace the heaters individually with operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 915 Pool Dehumidifier - Repair/Replace

Quantity: 1 unit

Location: The pool room.

Funded?: No. Possible installation.

History: None known.

Comments: The community's manager reported the association has discussed installing a dehumidifier system for the pool room. The manager further reported they plan to meet with an engineer to discuss their options.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 916 Pool Room Heat Pump-Repair/Replace**Quantity: 1 Trane 10 ton**

Location: The Bay Club exteriors.

Funded?: Yes.

History: Replaced 2017 ~\$20,600.

Comments: No problems with the pool room heat pump were reported.

We have factored replacement below at the typical service life expectancy per the American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) standards. With proactive service and maintenance, the useful life can often be extended. Have service vendors evaluate the unit(s) periodically and adjust the useful life/remaining useful life as indicated within reserve study updates. Treat routine maintenance and local repair/replacement needs below the association's reserves funding threshold (~1% of annual operating expenses, not including reserves) as a general operating and maintenance expense. If larger repair needs emerge (e.g. compressor, coil), funding can also be factored in reserves to extend the total life.

Air conditioning manufacturers are required to cease all production utilizing R22 refrigerant (AC Freon) by Jan 1, 2020 in favor of more environmentally friendly products (currently R410A). There are currently no reported service restrictions by the EPA for existing R22 units. New equipment utilizing R410A is readily available. When replacement of your system is necessary, a changeover to R410A may necessitate replacement of the refrigerant lines as they use different lubricants for the compressors (costs of refrigerant lines is not included in our allowances below - discuss this and other potential costs with your service vendor). Evaluate all options for annualized costs and environmental impact as well as comfort.

Resources:

American Society of Heating, Refrigerating and Air-Conditioning Engineers: <https://www.ashrae.org/http://home.howstuffworks.com/ac2.htm>

Useful Life:
20 years

Remaining Life:
13 years



Best Case: \$ 21,200

Worst Case: \$ 28,600

Cost Source: Budget Allowance

Comp #: 917 Bay Club Heat Pumps-Repair/Replace**Quantity: 2 Trane**

Location: The front of the Bay Club.

Funded?: Yes.

History: Replaced 2020 ~\$171,200 (excludes Jefferson County PUD rebate ~\$23,000).

Comments: No problems with the Trane heat pumps were reported during our site visit. No large-scale problems were reported to us at the time of our limited visual review.

The American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE) typically suggest a useful life of about XXX 15 years.XXX Assuming regular maintenance, the life may be able to be extended.

Provide regular service by a qualified technician. Discuss the life and cost of repairing and replacing this equipment with your mechanical vendor. Determine if the mechanical equipment should be repaired or replaced individually, or if large-scale replacements in coordination with other components could reduce costs. The condominium should define their own master plan for mechanical equipment and other related components. Have the mechanical vendor evaluate the equipment as it ages and adjust the remaining useful life accordingly.

Useful Life:
20 years

Remaining Life:
16 years



Best Case: \$ 162,900

Worst Case: \$ 220,500

Cost Source: Inflated Estimate Provided by Client: 2020 ~\$171,200

Comp #: 918 Air Handlers & Controls - Replace**Quantity: 13 units**

Location: Scattered throughout the Bay Club interiors.

Funded?: No. Costs are best handled with operating funds.

History: Installed 2020 Air Flo Heating.

Comments: This component represents repair/replacement of the individual interior air handlers and controls within Bay Club.

Have the units inspected and serviced regularly by your systems specialist. Replace individually, as needed, with operating funds or simultaneously as a larger project with the Trane heat pumps (#917).

Useful Life:

Remaining Life:

No Photo Available

Best Case:

Worst Case:

Cost Source:

Comp #: 920 Electrical System - Maintain/Repair

Quantity: Main & branch systems

Location: Throughout the buildings and grounds.

Funded?: No. Large-scale repairs or replacements are not predictable.

History: None known.

Comments: The majority of the electrical system is not visible for review. Analysis of the electrical system, beyond a limited visual review, is not within the scope of a reserve study. No large issues or problems/defects were reported.

We recommend periodic evaluation by engineer/master electrician to evaluate the system(s) for safety, code-compliance, maintenance, and repair and replacement needs. Any predictable expenses identified that meet the criteria for reserves funding can be included in the reserves plan. Some electrical system components are known to be life limited. Manufacturing defects become known from time to time, and certain site conditions can contribute to premature deterioration of electrical components.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 923 Telephone System - Repair/Replace**Quantity: 1 Yealink system**

Location: Throughout the buildings.

Funded?: Yes.

History: Replaced 2023; replaced 2018 ~\$3,500; replaced 2013 ~\$3,500.

Comments: The telephone system is assumed to function properly. The community's manager reported the system was replaced in 2023.

Although it is difficult to predict the timing, cost, and scope of future replacement, we suggest a general funding allowance for periodic upgrades and significant repair/replacements. Cost and timing can vary greatly depending on the choices made.

Expect some local repair/replacement utilizing operating funds in between overhaul cycles. The costs can vary greatly due to the number and quality of the equipment.

Another option is to set up a lease arrangement with a vendor. Typically, the lease covers hardware, maintenance, and operation costs for a given time period (usually 10 years). At the end of the lease, there may be an option of purchasing the existing system for a nominal fee, or installing new hardware with either another lease option or outright purchase.

Useful Life:
5 years

Remaining Life:
4 years



Best Case: \$ 5,500

Worst Case: \$ 7,500

Cost Source: Budget Allowance

Comp #: 924 Emergency Equipment - Replace**Quantity: Extensive quantity**

Location: The emergency control room.

Funded?: No. Costs are best handled with operating funds.

History: None known.

Comments: The emergency equipment consists of various types of radio equipment of varying ages, a computer, and a monitor, among other items. A defibrillator is located in main office. Evaluate the community needs annually and replace as needed with operating funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 930 Exhaust Fans - Repair/Replace

Quantity: Minimal quantity

Location: The pool and exercise rooms.

Funded?: No. Large-scale repairs or replacements are not predictable.

History: Pool fan motor replaced 2016 ~\$4,000.

Comments: No problems with the exhaust fans were reported.

The cost of replacing the fan may not be insignificant, so we recommend you discuss the costs and the remaining life with a mechanical (HVAC) contractor who can provide a projection of the cost and when it may be reasonable to replace it.

Run the fan as often as needed to ensure it is operational. Provide regular service by a qualified technician. Proper maintenance throughout the fan's life can extend the useful life. Treat smaller cost repairs as a general operating expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 944 ADA Door Operators - Repair/Replace

Quantity: 3 operators & controls

Location: The Bay Club main entrance and the bathrooms.

Funded?: No. The useful life cannot be estimated.

History: Men's bathroom operator repaired 2018 ~\$1,400; installed 2010 ~\$3,400.

Comments: This component represents repair/replacement of the garage ADA door.

No problems were reported. With ordinary care and maintenance, the useful life cannot be estimated. Provide regular maintenance, and repair with operating funds, as needed. Funding can be added to this component if it is determined cyclical replacement is required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 945 Surveillance System - Replace

Quantity: 9 cameras

Location: Throughout the community.

Funded?: Yes.

History: Three cameras added 2018 ~\$4,300; replaced 2010 ~\$11,700.

Comments: The surveillance system appeared operational at time of our site visit. The association reported no problems with the existing setup.

Although it is difficult to predict the timing, cost, and scope of future replacement, we suggest a general funding allowance for periodic upgrades and significant repair/replacements. Costs and timing can vary greatly depending upon the number and quality of the cameras, and other system specifications. Expect some local repair/replacement maintained with operating funds in between overhaul cycles.

Another option is to set up a lease arrangement with the vendor. Typically, the lease covers hardware, maintenance, and operation costs for a given time period (usually 10 years). At the end of the lease, there may be an option of purchasing the existing system for a nominal fee, or installing new hardware with either another lease option or outright purchase.

Useful Life:
15 years

Remaining Life:
3 years



Best Case: \$ 14,100

Worst Case: \$ 19,100

Cost Source: Budget Allowance

Comp #: 961 Fire Alarm Panel - Repair/Replace

Quantity: 1 Fire Lite MS-5UD

Location: The Bay Club fire panel room.

Funded?: Yes.

History: Replaced 2022; replaced 2012 ~\$3,000.

Comments: The fire panel is a Fire Lite model #MS-5UD. Log notes indicated it has been inspected annually. No problems were reported to us at the time of our site visit.

Our experience suggests that an approximate useful life for the panel for budget planning purposes is in the 12-20 year range. Discuss this component with your fire panel vendor or consultant to better determine the timing of the panel's repair or replacement needs, and to assess the overall system in relation to the current codes, and parts and technician availability to determine if upgrades or replacement will be required.

Fire alarm panels are required to be inspected annually, and the company performing the inspection is required to log/note it at the panel so that the fire department can view it. Fire departments can issue a fine if inspections are not performed. Fire panels are a critical life safety item that needs to be well maintained, following all requirements of the National Fire Protection Association (N.F.P.A.) and local codes.

The scope of work at the time of repairs can vary greatly based upon the amount of work needed to bring the existing fire system to the level required by the fire/building codes in place at that time. Evaluating the entire fire prevention system is beyond the scope of a reserve study. Replace the panel proactively, and perform additional upgrades as required by code. The costs below are for the repair and/or replacement of the panel only.

Useful Life:
20 years

Remaining Life:
19 years



Best Case: \$ 5,600

Worst Case: \$ 7,400

Cost Source: Budget Allowance

Comp #: 975 Maintenance Equipment - Replace

Quantity: Mowers, ladders, etc.

Location: The storage building.

Funded?: No. Costs are best handled with operating funds.

History: None known.

Comments: The various pieces of maintenance equipment are assumed to function properly. No problems were reported.

The cost of replacing the equipment individually, as needed, is typically too small for reserves funding. If replaced individually, use operating funds.

Provide regular service and maintain the equipment as recommended by the manufacturer.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 990 Ancillary Evaluations

Quantity: Specialty evaluations

Location: To augment reserve planning.

Funded?: No. Costs are best handled with operating funds.

History: None known.

Comments: A reserve study is a budget model, limited to visual exterior observations and research. As there are some key details and factors of buildings and grounds hidden from view, it is prudent to conduct additional ancillary evaluations from time to time. The purpose of these evaluations is to aid planning and assess for any basis of predictable funding that may be incorporated into the reserve study. We recommend that you periodically engage specialty evaluations in the following areas/fields as applicable to your property:

- Civil Engineering review: Soils & drainage, pavement specifications, below grade waterproofing
- Arborist: Trees & landscape - plan of care and life cycle forecast
- Legal Responsibility Matrix: Governing document review for clear expense delineation between the association and unit owners
- Legal Governing Document review periodically to incorporate changes in law over time and best practices
- Investment consultant: Maximize return and cash flow management while protecting principal
- Insurance policy & coverage review: Understand what is and is not covered and by whom (association vs. owner policies)
- Energy Audit: Typically conducted by a utility company, HVAC vendor or consulting engineer to assess efficiency, and cost benefit to retrofit existing equipment. WA Clean Building Performance Standard is a new law in Washington for residential buildings 20,000 GSF and larger - see the Dept. of Commerce for more information. Rules and compliance are not yet fully formed.
- Surveillance: Have local law enforcement visit the community to assess potential risks and provide suggestions for security and safety. This is typically completed free of charge. This assessment can help guide a service vendor in the bid process.

Note: There are several other important professional evaluations to augment reserves planning that are of heightened importance such as Life-Safety and/or Building Envelope & Structural issues, and Plumbing. Those components are addressed separately within this report.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 999 Reserve Study - Update

Quantity: Annual update

Location: The community common and limited common elements.

Funded?: No. Costs are best handled with operating funds.

History: 2024/2025 WSV; 2020/2021 WSV; 2017/2018 WSV; 2014/2015 Full.

Comments: Per Washington State law (RCW), 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 reserves plan. Reserve Study costs are most appropriately factored within the annual operating budget, not as a reserves component.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:
