



MARTHA'S LANDING

Lynnwood, Washington



STANDARD

LEVEL 3 RESERVE STUDY UPDATE WITHOUT A SITE VISIT

With funding recommendations for the 2019 fiscal year

Issued December, 2018

Next Update: **Level 2** by December, 2019

Prepared by:

Denise Dana, Reserve Specialist

Erie Stone, Reserve Specialist



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RESERVE CONSULTANTS LLC

www.reserveconsultants.net info@reserveconsultants.net 206.523.3248



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EXECUTIVE SUMMARY

Description

Martha's Landing is a 100-unit residential community located at 16817 Larch Way in Lynnwood, Washington. This Reserve Study meets the requirements of the Washington Condominium Act and the Washington Unified Common Interest Owner Act for a Level 3 Reserve Study update without a site visit, and was prepared by an independent Reserve Study Professional.

Background

The community has eight wood framed buildings that are two stories, as well as a Clubhouse with and pool and workout facility. The buildings have engineered wood siding and composition shingle roofs. Construction of the community was completed in about 1989.

The recommended annual contribution to reserves for 2019 is \$120,000.

Financial Information for the Current 2018 Fiscal Year

Reserve Account Balance on September 30, 2018	\$167,806
Annual Operating Budget	\$323,320
Component Inclusion Threshold (1% of the Operating Budget)	\$3,233
Annual Budgeted Contribution to Reserves (2018)	\$119,930
Remaining Contributions to Reserves for the Year	\$29,983
Planned or Implemented Special Assessment	\$50,000 in 2018
Fully Funded Balance	\$1,392,217
Percent Funded at Time of Study	12%
Funding Status at Time of Study	High Risk for a Special Assessment

Recommended Contribution to Reserves Starting in 2019

2019 Annual Contribution to Reserves	\$120,000
Recommended Contribution per Month	\$10,000
Average Contribution per Unit per Year	\$1,200
Average Contribution per Unit Per Month	\$100
Recommended Special Assessment in 2028	\$1,000,000
2019 Baseline Funding Plan Contribution Rate	\$127,100
2019 Full Funding Plan Contribution Rate	\$153,500

The recommended reserve contribution represents a Threshold Funding Plan to prevent special assessments (besides the current \$500,000 over 10 years starting in 2018 and the \$1,000,000 proposed in 2028) over the course of the 30-year study **while maintaining a minimum reserve account balance of at least \$98,000**. The fiscal year for the Reserve Study is a calendar year. Cost projection accuracy decreases into the distant future. Assumptions should be reconsidered and updated with each revision of the study.

There is no legal requirement to fund reserves. There is a requirement to have a current Reserve Study with a current recommended reserve contribution rate. Reserve Studies must be updated annually to reflect recent financial information, repairs or replacements, and to adjust for future repair costs. Every three years, the update must be based on a visual on-site inspection conducted by a Reserve Study Professional.



Five Years At A Glance 2019 Through 2023

The following reserve funded expenses are expected to occur in the next five years at Martha's Landing in constant dollar values.

Year 1 (2019) Anticipated Maintenance	Estimated Cost
5.4.1 Deck Rails - Repair/Replace	\$3,710
6.1.3 Elevated Decks - Repair/Replace 2019	\$7,980
6.1.4 Garbage Enclosures - Replace	\$5,130
6.3.1 Exterior Siding - Repair	\$20,820
6.4.1 Stairs - Repair/Replace	\$9,890
8.2.1 Deck/Patio Storage Door - Repair	\$1,790
10.4.1 Entry Signs - Refurbish	\$3,910
11.1.1 Surveillance Equipment - Refurbish	\$3,910
13.2.1 Sauna Room - Refurbish	\$3,540

Total Estimated Expenses for Year 1 (2019) \$60,680

Year 2 (2020) Anticipated Maintenance	Estimated Cost
6.3.1 Exterior Siding - Repair	\$20,820
13.1.2 Pool - Resurface	\$8,790
13.3.1 Pool Deck - Resurface	\$1,680

Total Estimated Expenses for Year 2 (2020) \$31,290

Year 3 (2021) Anticipated Maintenance	Estimated Cost
2.8.1 Play Equipment-Replace	\$21,860
6.3.1 Exterior Siding - Repair	\$20,820
10.3.1 Chimney Caps/Covers - Replace	\$24,260
12.1.1 Clubhouse Bathrooms - Refurbish	\$7,410
12.1.3 Exercise Equipment - Replace	\$18,540
13.1.1 Pool/Spa Equipment - Contingency	\$7,290

Total Estimated Expenses for Year 3 (2021) \$100,180

Year 4 (2022) Anticipated Maintenance	Estimated Cost
6.1.1 Elevated Deck - Recoat All	\$17,760
6.3.1 Exterior Siding - Repair	\$20,820

Total Estimated Expenses for Year 4 (2022) \$38,580

Year 5 (2023) Anticipated Maintenance	Estimated Cost
2.6.2 Asphalt - Seal Coat & Stripe	\$24,010
2.6.3 Asphalt - Repair	\$16,730
6.3.1 Exterior Siding - Repair	\$20,820
7.4.3 Roof - Inspection & Repair	\$13,720

Total Estimated Expenses for Year 5 (2023) \$75,280



INTRODUCTION

Purpose of a Reserve Study

The purpose of a Reserve Study is to recommend a reasonable annual reserve contribution rate made by an association to its reserve account. Reserve accounts are established to fund major maintenance, repair, and replacement of common elements, including limited common elements, expected within the next thirty years. A Reserve Study is intended to project availability of adequate funds for the replacement or major repair of any significant component of the property as it becomes necessary without relying on special assessments. It is a budget planning tool which identifies the current status of the reserve account and a stable and equitable Funding Plan to offset the

anticipated future major shared expenditures. Each reserve component is evaluated to determine the current condition, the remaining useful life, and the estimated replacement cost. This information is combined into a spreadsheet to determine funding requirements and establish the annual contribution rate needed to minimize the potential for special assessments. All costs and annual reserve fund balances are shown in constant dollars, and with adjustments for annual inflation and interest earned. Ideally, an even level of contributions is established that maintains a positive balance in the reserve account over the timeline the study examines.

A Reserve Study also calculates a theoretical “Fully Funded Balance”. Fully Funded Balance is the sum total of the reserve components’ depreciated value using a straight-line depreciation method. To calculate each component’s depreciated value:

$$\text{Depreciated Value} = \text{Current Replacement Cost} \times \frac{\text{Effective Age}}{\text{Expected Useful Life}}$$

By comparing the actual current reserve fund balance, to the theoretical Fully Funded Balance a Percent Fully Funded is derived.

These expenses could be emergency repairs not covered by insurance, or expenses that differ from the existing Reserve Study in terms of timing or cost. The Fully Funded Balance is neither the present replacement cost of all of the Association’s reserve components, nor does it have a mathematical relationship to the recommended threshold reserve contribution funding plan.

The percent fully funded acts as a measuring tool to assess an association’s ability to absorb unplanned expenses.



Three levels of Reserve Studies:

Level 1: The first level, an initial Reserve Study, must be based upon a visual site inspection conducted by a Reserve Study Professional. This is also known as a full Level 1 Reserve Study with a site visit.

Level 2: Thereafter at least every three years, an updated Reserve Study must be prepared, which again is based upon a visual site inspection conducted by a Reserve Study Professional. This is also known as a Level 2 update with a site visit.

Level 3: As noted earlier, the Association is required to update its Reserve Study every year. However, in two of the three years, the annual updates do not require a site visit. This is also known as a Level 3 update without a site visit.

This study is a Level 3 Reserve Study update without a site visit.

The next required update for Martha's Landing is a **Level 2** study by December, 2019

Our Approach to a Reserve Study

Reserve Consultants LLC employs a "Reasonable Approach" when evaluating reserve components in order to draft a study that is of greatest value to our clients. This means we attempt to predict, based on the costs involved and the client's objectives, what a reasonable person will decide to have done when maintenance, repairs, or replacement become necessary. For example, a reasonable person will not replace a fence when it only needs to be repainted. The benefit of this is that reserve contributions are minimized to allow for what is most likely to occur. Our studies are not based on a worst-case scenario, but rather on what we expect is most likely to occur. Our approach assumes minor problems will be corrected as they occur, before they become major problem.

Several sources were used in drafting this report. These include:

- Review of previous reserve study report(s);
- Input provided by association representatives;
- Review of a list of components the Association is responsible for;
- Generally accepted construction, maintenance, and repair guidelines

Many factors may influence the actual costs that the Association will experience. The quality of replacement materials of items can significantly impact cost, as well as the timing between replacements. The use of Architects or independent construction managers to specify and oversee work may also cause additional expenses. Condominium associations typically experience higher costs than other comparable multifamily projects, in part due to the difficulty contractors have obtaining insurance to work on condominium buildings.



Government Requirements for a Reserve Study

The content of a Reserve Study for a condominium is regulated by the Washington State government (RCW 64.34.382 §2).

- (a) A reserve component list, including roofing, painting, paving, decks, siding, plumbing, windows, and any other reserve component that would cost more than one percent of the annual budget for major maintenance, repair or replacement. If one of these reserve components is not included in the Reserve Study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for useful life of each reserve component, remaining useful life of each reserve component, and current repair and replacement cost for each component;
- (b) The date of the study and a statement that the study meets the requirements of this section;
- (c) The following level of reserve study performed (i) Level I Full reserve study funding analysis and plan; (ii) Level II Update with visual site inspection; or (iii) Level III Update with no visual site inspection;
- (d) The association's reserve account balance;
- (e) The percentage of the fully funded balance that the reserve account is funded;
- (f) Special assessments already implemented or planned;
- (g) Interest and inflation assumptions;
- (h) Current reserve account contribution rate;
- (i) A recommended reserve account contribution rate; a contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a baseline funding plan to maintain the reserve (fund) balance above zero throughout the thirty-year study period without special assessments, and a contribution rate recommended by a reserve study professional;
- (j) A projected reserve account balance for thirty years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments; and
- (k) A statement on whether the reserve study was prepared with the assistance of a reserve study professional.



The Washington State government further requires the following disclosure in every Reserve Study (RCW 64. 34.382§3):

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

The full Washington Condominium Act may be reviewed on the Washington State Legislature's website at: <http://apps.leg.wa.gov/rcw/default.aspx?cite=64.34> and parts of **64.34.380** to **64.34.392** for the Reserve Study Amendment's portions. In April 2011, the Act was amended to change the required content within the Reserve Studies, add reporting of the Reserve Study results as part of the budget summary to owners, and extend the Reserve Study requirement to homeowners' associations with significant assets. For questions regarding the Act, we recommend contacting an attorney familiar with condominiums' legal requirements.

Effective July 1, 2018, the **Washington Unified Common Interest Act (WUCIOA)** has impacted common interest communities. Our reserve studies also comply with WUCIOA.

RCW 64.90.550 §2 states that a reserve study must include:

- (a) A reserve component list, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component. If one of these reserve components is not included in the reserve study, the study must explain the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current major replacement costs for each reserve component;
- (b) The date of the study and a disclosure as to whether the study meets the requirements of this section;
- (c) The following level of reserve study performed:
 - a. Level I: Full reserve study funding analysis and plan;
 - b. Level II: Update with visual site inspection; or
 - c. Level III: Update with no visual site inspection;
- (d) The association's reserve account balance;
- (e) The percentage of the fully funded balance to which the reserve account is funded;
- (f) Special assessments already implemented or planned;
- (g) Interest and inflation assumptions;



- (h) Current reserve account contribution rates for a full funding plan and a baseline funding plan;
- (i) A recommended reserve account contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a recommended reserve account contribution rate for a baseline funding plan to maintain the reserve account balance above zero throughout the thirty-year study period without special assessments, and a reserve account contribution rate recommended by the reserve study professional;
- (j) A projected reserve account balance for thirty years based on each funding plan presented in the reserve study;
- (k) A disclosure on whether the reserve study was prepared with the assistance of a reserve study professional, and whether the reserve study professional was independent; and
- (l) A statement of the amount of any current deficit or surplus in reserve funding expressed on a dollar per unit basis. The amount is calculated by subtracting the association's reserve account balance as of the date of the study from the fully funded balance, and then multiplying the result by the fraction or percentage of the common expenses of the association allocable to each unit; except that if the fraction or percentage of the common expenses of the association allocable vary by unit, the association must calculate any current deficit or surplus in a manner that reflects the variation.

In addition, the WUCIOA requires the following disclosure in every Reserve Study (RCW 64.90.550 § 3):

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

Furthermore, RCW 64.90.550 §2 states that the budget must include:

- (d) the current amount of regular assessments budgeted for contribution to the reserve account;
- (e) A statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 of this act and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and
- (f) The current deficiency or surplus in reserve funding expressed on a per unit basis.

RCW 64.90.550 §2 (d) - (f) requirements are covered by the Supplemental Budget Information disclosure that is prepared with each reserve study when the Association is ready to ratify the budget.



Limitations and Assumptions of a Reserve Study

This Reserve Study is not a report on the condition of the assets maintained by Martha's Landing, or a detailed report of necessary maintenance to the assets. It is also not an investigation into or comment on the quality of construction of the reserve components, or whether the construction complies with the building code or the requirements of the Washington Condominium Act and the Washington Common Interest Ownership Act (WUCIOA).

The component list is based on information provided by Martha's Landing. Reserve Consultants LLC does not provide legal interpretations of governing documents or auditing services on account information provided.

The observations made by Reserve Consultants LLC are limited to a visual inspection of a sample of the reserve components. Unless informed otherwise, our assumption is that the components are constructed in substantial compliance with the building code and to industry standards, and that it will receive ordinary and reasonable maintenance and repair by Martha's Landing. These assumptions include that most reserve components will achieve their normal useful lives for similar components in the Pacific Northwest, and that they will be replaced when necessary to prevent damage to other reserve components.

This Reserve Study assumes that the assets will be maintained to keep a good level of appearance, with a special emphasis on retaining the original appearance of the assets to the greatest possible extent. The analysis also assumes that Martha's Landing will replace materials as they are required with good quality materials, installed by qualified, licensed, contractors. We further assume that the assets will experience the full typical useful life for the new materials installed.

The long-term nature of this study requires that certain assumptions and predictions be made about future events. Since there can be no guarantee that these future events will occur as assumed, this analysis must be viewed in light of the circumstances under which it was conducted. Reasonable effort has been made to ensure that the conclusions of this report are based on reliable information and sound reasoning.

This report should be updated annually with actual repair costs, reserve fund balances, etc. Every three years it should be updated with a site inspection and professional review. Regular updating will allow changes based on actual occurrences and adjustments for the cost of repairs to be incorporated into the annual reserve contributions. This will allow any savings or additional costs to be properly allocated among unit owners.



Inflation and Interest Rate Projections

When making estimates on the future inflation and interest rates, we use a staggered approach to more accurately reflect future economic projections.

For inflation, we use the construction industry inflation rates published by RS Means, which differ from the consumer inflation index. The average annual construction inflation increase since 1966 is 4.16%. We do not apply inflation to the annual reserve contribution in Year 0. Likewise, we do not apply inflation to the recommended reserve contribution in Year 1 since this is the first year at the recommended contribution rate. Inflation applied to the components on the inflated spreadsheet is compounded annually; the values are listed for each year at the bottom of the inflated spreadsheet.

For interest rates, we analyze the historical data provided by the Board of Governors of the Federal Reserve. The average annual interest rate since 1987 is 3.44%. The interest for associations is typically lower than average due to conservative investing options that are usually employed by associations. Interest is applied to Year 0 only in the constant spreadsheet so that the starting reserve fund balance in Year 1 is the same for both the constant and inflated spreadsheets, as illustrated on the following page.

Inflation and Interest Rate Projections for Martha's Landing

Years Applied	Contribution Inflation	Inflation	Interest
Year 0 (2018) through Year 1 (2019)	0%	3%	2%
Year 2 (2020) through Year 10 (2028)	3%	3%	2%
Year 11 (2029) through Year 30 (2048)	4%	4%	3%



Starting Reserve Fund Balance for Year 1 (2019)

The starting reserve fund balance for 2019 has been estimated by combining the following figures that were provided by an association representative:

	\$167,806	reserve fund balance as of September 30, 2018
-	(\$0)	anticipated remaining maintenance expenses in 2018
+	\$50,000	planned special assessment in 2018
+	\$29,983	remaining reserve contributions for 2018
+	\$1,039	projected interest on the 2018 reserve fund balance
	\$248,828	estimated beginning balance for fiscal year 2019

There are no anticipated remaining maintenance expenses for 2018.

The actual or projected total reserve fund balance presented in the Reserve Study is based on information provided to RCL and was not audited.



ASSOCIATION OVERVIEW

Martha's Landing is a 100-unit residential community located in Lynnwood, Washington. The community has eight wood framed buildings that are two stories, as well as a Clubhouse with and pool and workout facility. The buildings have engineered wood siding and composition shingle roofs (the tile roofs were replaced in 2018). Construction of the community was completed in about 1989.

The Association has asphalt roads and parking areas lined by concrete curbs and sidewalks.





COMPONENTS INCLUDED IN THE RESERVE STUDY

Reserve studies for condominiums are required to include roofing, painting, paving, decks, siding, plumbing, windows, and any other reserve component that would cost more than one percent of the annual budget for major maintenance, repair or replacement (RCW 64.34.382). While the law defines the inclusion threshold to be 1% of the operating budget, or \$3,233, components valued less than the legal threshold may be included to better capture reserve funding for Martha's Landing.

Component Funding Excluded from the Reserve Study

Operating Budget

The following components may qualify for inclusion within the Reserve Study, but have been excluded from the budget because they are maintained with funds from the operating budget:

- railroad tie retaining wall
- landscaping
- unit entry doors
- irrigation system

Unit Owner Responsibility

There are items that individual unit owners are responsible to maintain and pay for, including, but not limited to:

- damage by residents or their pets
- interior finishes within the residence

Not all components that are the individual unit owners' responsibility are described in the report. The costs for items maintained by individual unit owners are not included in the budget for the reserve account contribution recommendations. Individual owners are financially responsible for repairs for elements that are not the responsibility of the Association to maintain. We recommend that associations establish policies and processes regarding the maintenance on these "owner responsibility" items.

Adjustments to Component Reserve Recommendations

This reserve study provides updated information on the components from prior reserve studies. All cost estimates were adjusted to reflect the actual inflation rate for construction work in the Pacific Northwest, and costs actually experienced by Martha's Landing or others in the area. To complete the report, we were provided with a record of recent expenditures on reserve components.

We use those figures, where applicable, for updating component cost projections, applying an appropriate inflation factor. Where updated figures from actual work performed are not available, cost projections from the previous reserve study are updated for inflation and rounded to the nearest \$10, using the RS Means 2016 to 2018 inflation figure of 4.10% for construction work.



RESERVE COMPONENT SUMMARY



2.6.1 Asphalt - Overlay

Maintenance Cycle: 25 years	Next Maintenance: Year 25 (2043)
Quantity: 67,000 Square Feet	Unit Cost: \$2.26 / SF
Estimate: 67,000 SF X 100% X \$2.26/SF = \$151,420 + tax = \$167,170	

The Association reported new asphalt overlay in 2018 at a cost of \$209,000 . We have updated the next maintenance and cost accordingly and split the total among this component, 2.6.2 Asphalt - Seal Coat & Stripe and 3.3.1 Concrete Curb - Repair.

2.6.2 Asphalt - Seal Coat & Stripe

Maintenance Cycle: 5 years	Next Maintenance: Year 5 (2023)
Quantity: 67,000 Square Feet	Unit Cost: \$0.32 / SF
Estimate: 67,000 SF X 100% X \$0.32/SF = \$21,748 + tax = \$24,010	

The Association indicated that seal coating and restriping were completed with the previous item, 2.6.1 Asphalt - Overlay in 2018. We have used a portion of the total \$209,000 cost for this component and reset the next maintenance.

2.6.3 Asphalt - Repair

Maintenance Cycle: 5 years	Next Maintenance: Year 5 (2023)
Quantity: 67,000 Square Feet	Unit Cost: \$7.54 / SF
Estimate: 67,000 SF X 3% X \$7.54/SF = \$15,155 + tax = \$16,730	

We budget for future repairs of the asphalt with 3% of the complete replacement cost. The maintenance cycle is aligned with future seal coat and striping, component 2.6.2.

2.7.1 Wood Fence, North - Replace

Maintenance Cycle: 15 years	Next Maintenance: Year 13 (2031)
Quantity: 640 Linear Feet	Unit Cost: \$28.90 / LF
Estimate: 640 LF X 100% X \$28.90/LF = \$18,496 + tax = \$20,420	

A new wood fence was installed on the north side of the property in 2016 for \$16,852. In the last reserve study in 2016 we reset the next maintenance year to a full cycle. We continue to budget with local construction industry cost for future fence replacements.



2.7.2 Wood Fence, North - Repair & Stain

Maintenance Cycle: 8 years**Next Maintenance:** Year 9 (2027)**Quantity:** 640 Linear Feet**Unit Cost:** \$16.52 / LF**Estimate:** 640 LF X 100% X \$16.52/LF = \$10,573 + tax = \$11,670

The Association reported that the fence was stained and replaced (East and South sides) in 2018 for \$50,000. We have distributed the \$50,000 costs among components 2.7.2, 2.7.3 and 2.7.4. We reset the next maintenance accordingly.

2.7.3 Wood Fence, East & South - Replace

Maintenance Cycle: 15 years**Next Maintenance:** Year 15 (2033)**Quantity:** 710 Linear Feet**Unit Cost:** \$32.38 / LF**Estimate:** 710 LF X 100% X \$32.38/LF = \$22,990 + tax = \$25,380

The Association indicated that the East and South fence was stained and replaced in 2018 for \$50,000. We have distributed the \$50,000 costs among components 2.7.2, 2.7.3 and 2.7.4. We reset the next maintenance accordingly.

2.7.4 Wood Fence, East & South - Repair & Stain

Maintenance Cycle: 8 years**Next Maintenance:** Year 9 (2027)**Quantity:** 710 Linear Feet**Unit Cost:** \$16.52 / LF**Estimate:** 710 LF X 100% X \$16.52/LF = \$11,729 + tax = \$12,950

We understand that the Association had the fence stained and replaced (East and South sides) in 2018 for \$50,000. We have distributed the \$50,000 costs among components 2.7.2, 2.7.3 and 2.7.4. We reset the next maintenance accordingly.

2.7.5 Rail Fence-Replace

Maintenance Cycle: 20 years**Next Maintenance:** Year 8 (2026)**Quantity:** 220 Lf**Unit Cost:** \$18.61 / LF**Estimate:** 220 LF X 100% X \$18.61/LF = \$4,094 + tax = \$4,520

The rail fence was painted at the same time as the exterior siding paint project. The fence appeared in good condition in 2016.



2.8.1 Play Equipment-Replace

Maintenance Cycle: 20 years
Quantity: 1 Lump Sum
Estimate: \$21,860

Next Maintenance: Year 3 (2021)
Unit Cost: \$21,860.00 / LS

The play equipment was weathering as expected in 2016, and no issues were reported by the Association. There were no plans to update the playground in 2016.

3.3.1 Concrete Curb - Repair

Maintenance Cycle: 6 years
Quantity: 3,060 Linear Feet
Estimate: 3,060 LF X 20% X \$13.42/LF = \$8,213 + tax = \$9,070

Next Maintenance: Year 6 (2024)
Unit Cost: \$13.42 / LF

Curb repairs are anticipated to have been completed with the Asphalt - Overlay. Our budget provides 20% of the complete replacement funds in conjunction with component 2.6.1. We have updated the next maintenance accordingly.

3.3.2 Concrete Walkways - Repair

Maintenance Cycle: 6 years
Quantity: 1 Lump Sum
Estimate: \$7,910

Next Maintenance: Year 6 (2024)
Unit Cost: \$7,910.00 / LS

The concrete walkways were reported in 2016 to be repaired in conjunction with the asphalt resurfacing and concrete curb repair project, which was complete in 2018 at a total cost of \$250,000. A portion of that cost includes this component. Our budget provides funds to be drawn from as needed for walkway repairs.

5.4.1 Deck Rails - Repair/Replace

Maintenance Cycle: 6 years
Quantity: 520 Linear Feet
Estimate: 520 LF X 25% X \$25.85/LF = \$3,361 + tax = \$3,710

Next Maintenance: Year 1 (2019)
Unit Cost: \$25.85 / LF

Deck rails were reported in 2016 to be in the process of being repaired in conjunction with the deck replacement projects in 2016 and 2017. Our budget provides funds for the repairing the remaining deck rails that were not repaired in 2016, but no repairs were reported by the Association, so we have reset the next maintenance to next year.



6.1.1 Elevated Deck - Recoat All

Maintenance Cycle: 6 years	Next Maintenance: Year 4 (2022)
Quantity: 50 Each	Unit Cost: \$321.74 / EA
Estimate: 50 EA X 100% X \$321.74/EA = \$16,087 + tax = \$17,760	

The deck surfaces were replaced with the complete deck repair projects of 2016 and 2017.

6.1.2 Elevated Decks - Repair/Replace

Maintenance Cycle: 30 years	Next Maintenance: Year 27 (2045)
Quantity: 20 Each	Unit Cost: \$3,613.68 / EA
Estimate: 20 EA X 100% X \$3,613.68/EA = \$72,274 + tax = \$79,790	

Buildings A, B, and G had the elevated decks replaced in 2016. Work was completed on all but two of the remaining decks in 2017. This component budgets for repairing all of the decks at approximately the end of their typical useful life.

6.1.3 Elevated Decks - Repair/Replace 2019

Maintenance Cycle: 30 years	Next Maintenance: Year 1 (2019)
Quantity: 30 Each	Unit Cost: \$3,613.83 / EA
Estimate: 30 EA X 7% X \$3,613.83/EA = \$7,228 + tax = \$7,980	

The Association reports that only two decks are left to be repaired. We have budgeted funds in 2019 to cover the anticipated expenses. Once this work has been completed, this component can be deleted since future repairs are covered in component 6.1.2.

6.1.4 Garbage Enclosures - Replace

Maintenance Cycle: 10 years	Next Maintenance: Year 1 (2019)
Quantity: 3 Each	Unit Cost: \$1,548.91 / EA
Estimate: 3 EA X 100% X \$1,548.91/EA = \$4,647 + tax = \$5,130	

The garbage enclosures were reported in need of repair in 2016. The Association did not report work on the garbage enclosures so we have reset the next maintenance to next year.



6.2.1 Exterior Engineered Wood Siding - Replace

Maintenance Cycle: 35 years	Next Maintenance: Year 10 (2028)
Quantity: 89,450 Square Feet	Unit Cost: \$12.46 / SF
Estimate: 89,450 SF X 100% X \$12.46/SF = \$1,114,547 + tax = \$1,230,460	

In 2016 we reported the exterior siding was an engineered wood siding product that was not weathering well and incurs annual repair costs. We recommended that the siding be replaced with a fiber cement board material, which performs well in the Pacific Northwest. Our budget provides funds to replace the siding and trim for all of the buildings by 2028.

6.3.1 Exterior Siding - Repair

Maintenance Cycle: 1 year	Next Maintenance: Year 1 (2019)
Quantity: 1 Lump Sum	Unit Cost: \$20,820.00 / LS
Estimate: \$20,820	

Siding repairs are frequent which requires that we budget for yearly repair costs until the siding is replaced.

6.4.1 Stairs - Repair/Replace

Maintenance Cycle: 10 years	Next Maintenance: Year 1 (2019)
Quantity: 26 Each	Unit Cost: \$344.55 / EA
Estimate: 26 EA X 100% X \$344.55/EA = \$8,958 + tax = \$9,890	

The exterior stairs are protected from the elements and have been weathering well overall based on our 2016 observations. The stair rails are repaired and replaced ongoing through operating budget.

7.3.1 Gutters/Downspouts - Replace

Maintenance Cycle: 20 years	Next Maintenance: Year 20 (2038)
Quantity: 4,650 Linear Feet	Unit Cost: \$3.56 / LF
Estimate: 4,650 LF X 100% X \$3.56/LF = \$16,568 + tax = \$18,290	

The Association reported the gutters and downspouts were replaced with the new roof this year at a cost of \$18,290. We have updated the next maintenance and cost accordingly.



7.4.1 Carport Roof - Repair/Replace

Maintenance Cycle: 30 years	Next Maintenance: Year 15 (2033)
Quantity: 18 Roofing Squares	Unit Cost: \$732.69 / SQ
Estimate: 18 SQ X 100% X \$732.69/SQ = \$13,188 + tax = \$14,560	

The Association has 12 carport structures with metal roofs. Our budget funds for the repair and replacement of the roofs. The posts supporting the roofs were painted at time of exterior building painting in 2016, and looked to be in good condition. We recommend that repairs to the structure of the carports be paid with funds from the operating budget.

7.4.2 Composition Shingle Roofs - Replace

Maintenance Cycle: 30 years	Next Maintenance: Year 30 (2048)
Quantity: 680 Roofing Squares	Unit Cost: \$546.14 / SQ
Estimate: 680 SQ X 100% X \$546.14/SQ = \$371,375 + tax = \$410,000	

The Association reported that all of the tile roofs were replaced with composition shingles in 2018 for \$410,000. We have updated the next maintenance and cost accordingly.

7.4.3 Roof - Inspection & Repair

Maintenance Cycle: 5 years	Next Maintenance: Year 5 (2023)
Quantity: 680 Roofing Squares	Unit Cost: \$609.19 / SQ
Estimate: 680 SQ X 3% X \$609.19/SQ = \$12,427 + tax = \$13,720	

Regular inspections are budgeted after the roofs are replaced, to ensure proper maintenance and prevention of water intrusion damage.

8.2.1 Deck/Patio Storage Door - Repair

Maintenance Cycle: 5 years	Next Maintenance: Year 1 (2019)
Quantity: 5 Each	Unit Cost: \$324.28 / EA
Estimate: 5 EA X 100% X \$324.28/EA = \$1,621 + tax = \$1,790	

The storage doors located outside were reported at the end of their useful lives in 2016. Some were damaged and need to be replaced. The Association is repairing and replacing the doors as needed at the time of the deck repair and replacement projects. We have reset the next maintenance to next year.



8.5.1 Windows/Glass Doors - Replace

Maintenance Cycle: 35 years	Next Maintenance: Year 10 (2028)
Quantity: 1 Lump Sum	Unit Cost: \$516,340.00 / LS
Estimate: \$516,340	

Windows and glass doors are planned to be replaced at the time of the exterior siding replacement project, component 6.2.1. This will help ensure that proper waterproofing details are implemented. The Association reports planning to complete the siding and window replacement in 2028 - we have budgeted accordingly.

9.6.1 Clubhouse Flooring - Replace

Maintenance Cycle: 10 years	Next Maintenance: Year 8 (2026)
Quantity: 242 Sy	Unit Cost: \$43.08 / SY
Estimate: 242 SY X 100% X \$43.08/SY = \$10,425 + tax = \$11,510	

The flooring in the Clubhouse appeared to be in good condition in 2016.

9.6.2 Clubhouse Interior Surfaces - Refinish

Maintenance Cycle: 10 years	Next Maintenance: Year 8 (2026)
Quantity: 11,490 Square Feet	Unit Cost: \$1.16 / SF
Estimate: 11,490 SF X 100% X \$1.16/SF = \$13,328 + tax = \$14,710	

The interior surfaces of the Clubhouse looked well maintained in 2016 and there were no issues noted. We budget for future refinishing of the surfaces in conjunction with Clubhouse flooring and furniture updates.

9.8.1 Exterior Siding - Paint

Maintenance Cycle: 8 years	Next Maintenance: Year 8 (2026)
Quantity: 1 Lump Sum	Unit Cost: \$62,460.00 / LS
Estimate: \$62,460	

The Association completed siding painting for Buildings A, B, and G in 2016 for \$85,000. The Association reported the remaining buildings were painted in 2017 and 2018. This component will be replaced by component 9.8.2 after the siding has been replaced. We have reset the next maintenance accordingly.



9.8.2 Exterior Siding - Post Replacement Paint

Maintenance Cycle: 8 years	Next Maintenance: Year 18 (2036)
Quantity: 89,450 Square Feet	Unit Cost: \$1.55 / SF
Estimate: 89,450 SF X 100% X \$1.55/SF = \$138,648 + tax = \$153,070	

Once the siding has been replaced, a regular paint cycle will resume with budgeted funds for painting 100% of the buildings.

10.3.1 Chimney Caps/Covers - Replace

Maintenance Cycle: 20 years	Next Maintenance: Year 3 (2021)
Quantity: 152 Each	Unit Cost: \$144.57 / EA
Estimate: 152 EA X 100% X \$144.57/EA = \$21,975 + tax = \$24,260	

Chimney caps and covers are replaced as needed at the time of the roof replacement project, component 7.4.3. No issues noted at the time of our site visit in 2016.

10.4.1 Entry Signs - Refurbish

Maintenance Cycle: 10 years	Next Maintenance: Year 1 (2019)
Quantity: 2 Each	Unit Cost: \$1,770.83 / EA
Estimate: 2 EA X 100% X \$1,770.83/EA = \$3,542 + tax = \$3,910	

Both building entry signs were observed in 2016 to have cosmetic damage. The posts had been painted at the same time as the exterior paint project, but the signs themselves are in need of refurbishment. Our budget funds the replacement of two signs. We have reset the next maintenance to next year since the Association did not report work on the component.

10.5.1 Mailboxes - Replace

Maintenance Cycle: 24 years	Next Maintenance: Year 13 (2031)
Quantity: 8 Each	Unit Cost: \$1,649.68 / EA
Estimate: 8 EA X 100% X \$1,649.68/EA = \$13,197 + tax = \$14,570	

The metal mailbox units were in good condition in 2016. Our budget provides funds for replacement of 8 metal mailbox units, while funds may be drawn from as needed to replace broken units.



11.1.1 Surveillance Equipment - Refurbish

Maintenance Cycle: 10 years	Next Maintenance: Year 1 (2019)
Quantity: 1 Each	Unit Cost: \$3,541.67 / EA
Estimate: 1 EA X 100% X \$3,541.67/EA = \$3,542 + tax = \$3,910	

The Association reported the surveillance equipment was working properly in 2016. Our budget provides funds to repair the equipment as needed. We have reset the next maintenance to next year since the Association did not report work on the component.

12.1.1 Clubhouse Bathrooms - Refurbish

Maintenance Cycle: 10 years	Next Maintenance: Year 3 (2021)
Quantity: 2 Each	Unit Cost: \$3,355.98 / EA
Estimate: 2 EA X 100% X \$3,355.98/EA = \$6,712 + tax = \$7,410	

We budget for updating the two bathrooms located in the Clubhouse, including refurbishing tile, shower stalls, lockers, toilet stalls, and sinks. At the Association's request, we have set the next maintenance to 2021.

12.1.2 Common Rooms - Remodel

Maintenance Cycle: 12 years	Next Maintenance: Year 8 (2026)
Quantity: 2,730 Square Feet	Unit Cost: \$3.02 / SF
Estimate: 2,730 SF X 100% X \$3.02/SF = \$8,245 + tax = \$9,100	

The common rooms located in the Clubhouse appeared clean and in good condition in 2016. Our budget for remodeling the rooms is aligned with flooring, furniture, and interior surface updates.

12.1.3 Exercise Equipment - Replace

Maintenance Cycle: 5 years	Next Maintenance: Year 3 (2021)
Quantity: 6 Each	Unit Cost: \$2,798.91 / EA
Estimate: 6 EA X 100% X \$2,798.91/EA = \$16,793 + tax = \$18,540	

The exercise equipment was reported to be in working condition in 2016, with no issues noted. Our budget is intended to be drawn from as needed to replace broken equipment.



12.1.4 Furniture - Replace

Maintenance Cycle: 10 years**Next Maintenance:** Year 8 (2026)**Quantity:** 12 Each**Unit Cost:** \$491.39 / EA**Estimate:** 12 EA X 100% X \$491.39/EA = \$5,897 + tax = \$6,510

The furniture looked well maintained and no repair needs were noted in 2016. Our budget is set to provide funds at the same time as other remodeling projects are needed for the Clubhouse, such as flooring, interior surfaces and rooms.

13.1.1 Pool/Spa Equipment - Contingency

Maintenance Cycle: 5 years**Next Maintenance:** Year 3 (2021)**Quantity:** 1 Lump Sum**Unit Cost:** \$7,290.00 / LS**Estimate:** \$7,290

The spa and pool filters and heaters were due to be replaced in 2016. Our contingency budget provides funds to be drawn from as needed to replace pool equipment that has reached the end of useful life.

13.1.2 Pool - Resurface

Maintenance Cycle: 14 years**Next Maintenance:** Year 2 (2020)**Quantity:** 480 Square Feet**Unit Cost:** \$16.59 / SF**Estimate:** 480 SF X 100% X \$16.59/SF = \$7,963 + tax = \$8,790

The pool area was closed at the time of our site visit in 2016. We observed through the windows that the pool surface seemed to be in good condition. Our budget allocates funds for resurfacing the pool when needed.

13.2.1 Sauna Room - Refurbish

Maintenance Cycle: 15 years**Next Maintenance:** Year 1 (2019)**Quantity:** 1 Lump Sum**Unit Cost:** \$3,540.00 / LS**Estimate:** \$3,540

At the time of our site visit in 2016, we were not able to visually inspect sauna. The Association representative reported the sauna in working conditions, with no issues noted. The budget funds for refurbishing the sauna room, including replacing sections of wood, lighting, and heater elements.



13.3.1 Pool Deck - Resurface

Maintenance Cycle: 28 years

Next Maintenance: Year 2 (2020)

Quantity: 660 Square Feet

Unit Cost: \$2.31 / SF

Estimate: 660 SF X 100% X \$2.31/SF = \$1,525 + tax = \$1,680

The overall appearance of the pool deck was clean and in good condition in 2016. Some cracks were noted around the pool entry rails at that time. The budgeted funds may be drawn from as needed for repairs and resurfacing of the deck.

13.3.2 Spa - Resurface

Maintenance Cycle: 10 years

Next Maintenance: Year 7 (2025)

Quantity: 1 Lump Sum

Unit Cost: \$5,730.00 / LS

Estimate: \$5,730

The spa was resurfaced in 2015 and looked clean in our 2016 inspection.



FINANCIAL ANALYSIS & RESERVE CONTRIBUTION RECOMMENDATIONS

The contribution as a percentage of average unit value is calculated to provide a way for owners, and prospective owners, to compare the reserve requirements of one association with that of another association or of single-family home ownership.

Using an average unit value of \$120,000, the average contribution per unit per year as a percentage of the average unit value at Martha's Landing is 1.00%. Typically, condominium associations in the Puget Sound area need to set aside from 1/2% to 1% of their average unit value, homeowners' associations need to put aside 1/3% to 1/2% and single-family homeowners should put aside 1% to 2% each year.

Martha's Landing should determine the best reserve funding level for their association based on their maintenance needs and risk aversion.

Recommended 2019 Contribution	\$120,000
Recommended Contribution per Month	\$10,000
Average Contribution per Unit per Year	\$1,200
Average Contribution per Unit Per Month	\$100

For budgeting purposes, we recommend that Martha's Landing set the contribution rate at \$120,000 for reserves beginning in 2019. The annual reserve contribution should increase annually with inflation. This amount is determined using the Cash Flow method with a Threshold Funding plan, to provide adequate reserves each time an expense is anticipated, with a minimum level of reserves (the threshold) equal to at least \$98,000 at all times during the study period, so that no special assessments will be required.

FUNDING PLANS

THRESHOLD FUNDING \$120,000	BASELINE FUNDING \$127,100	FULLY FUNDING \$153,500
A starting annual contribution of \$120,000 fulfills the definition of a Threshold Funding plan which provides funding as expenses are incurred over time, while always maintaining a minimum reserve fund balance of at least \$98,000. This is our recommended funding plan.	An alternative strategy Martha's Landing could employ is Baseline Funding. This provides for necessary expenditures without maintaining a minimum reserve fund balance. To pursue such a strategy, the recommended Baseline Funding contribution rate would be \$127,100.	Martha's Landing could also consider contributions to obtain and maintain the level of reserves to be Fully Funded, so that the Percent Fully Funded is 100% by Year 30. The recommended Full Funding contribution rate would be \$153,500.

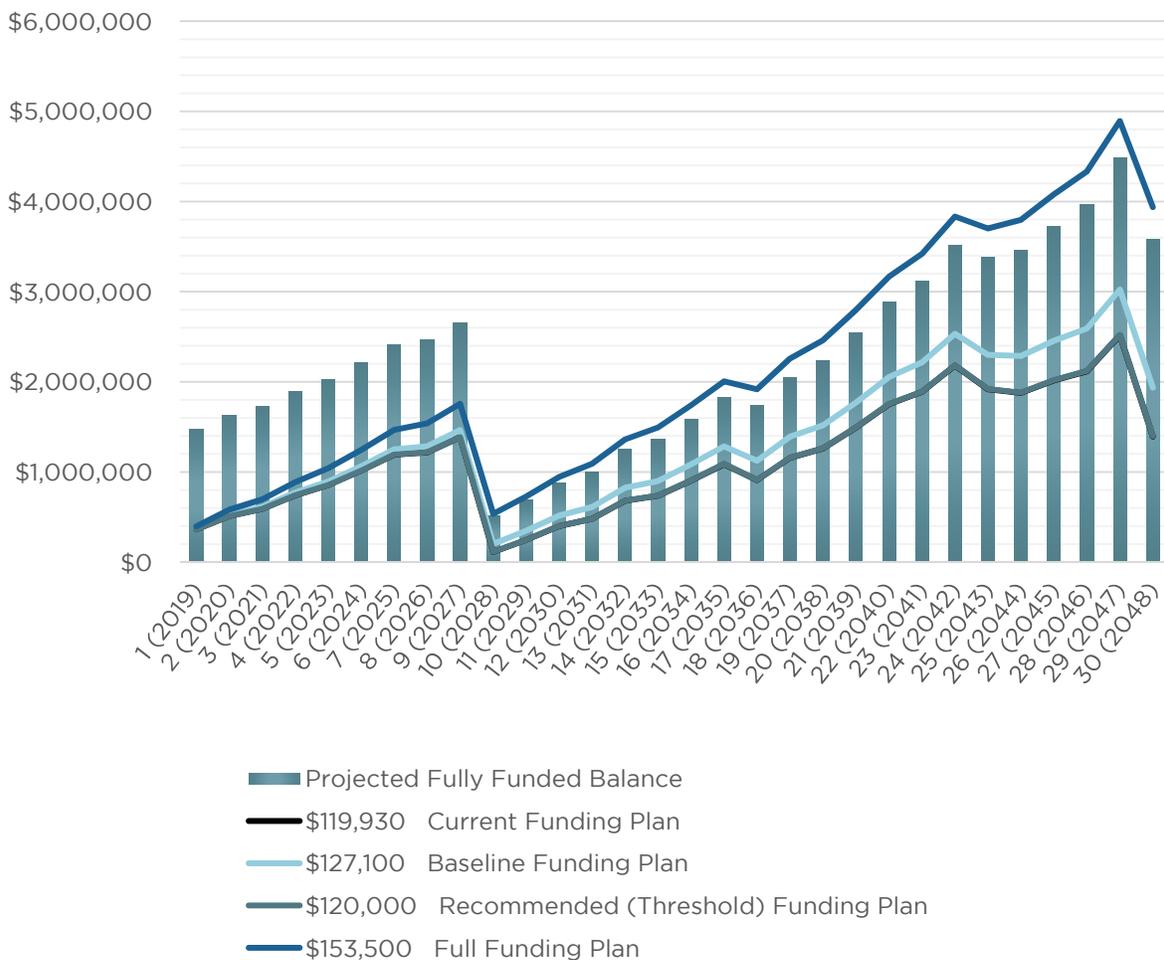


Comparison of Funding Plans and Fully Funded Balance Over 30 Years

Below is a line graph in compliance with RCW 64.90.550 §2(j) which depicts the projected fiscal year end reserve balance for the Current, Baseline, Recommended and Full Funding Plans for Martha's Landing.

The bar graph represents the projected Fully Funded Balance each year for the next 30 years.

**Martha's Landing
Comparison of Fully Funded Balance and Funding Plans**





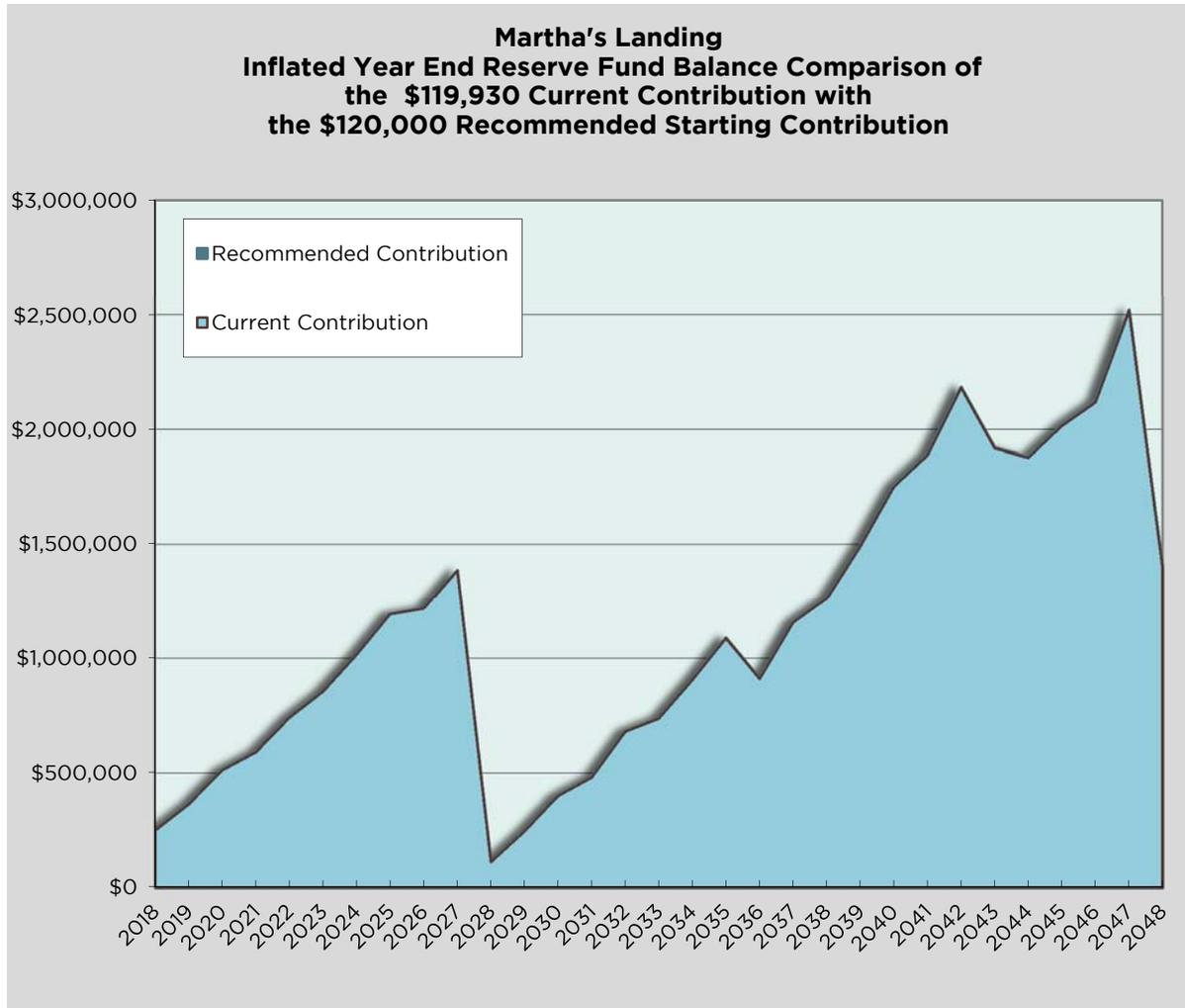
Projected Reserve Account Balance for Funding Plans Over 30 Years

Per RCW 64.90.550 §2 (j) of the Washington Unified Common Interest Owners Act (WUCIOA), the projected reserve account balance for each of the funding plans over the next 30 years is provided, along with the current funding plan projections.

Fiscal Year End	\$119,930 Current Funding Plan	\$120,000 Recommended (Threshold) Funding Plan	\$127,100 Baseline Funding Plan	\$153,500 Full Funding Plan
1 (2019)	\$362,308	\$362,379	\$369,550	\$396,214
2 (2020)	\$511,290	\$511,435	\$526,136	\$580,797
3 (2021)	\$589,958	\$590,181	\$612,783	\$696,825
4 (2022)	\$740,762	\$741,067	\$771,957	\$886,817
5 (2023)	\$854,267	\$854,657	\$894,236	\$1,041,403
6 (2024)	\$1,014,529	\$1,015,009	\$1,063,693	\$1,244,714
7 (2025)	\$1,192,366	\$1,192,940	\$1,251,160	\$1,467,640
8 (2026)	\$1,216,786	\$1,217,458	\$1,285,662	\$1,539,265
9 (2027)	\$1,385,182	\$1,385,958	\$1,464,610	\$1,757,062
10 (2028)	\$111,876	\$112,759	\$202,340	\$535,432
11 (2029)	\$245,473	\$246,479	\$348,527	\$727,972
12 (2030)	\$399,574	\$400,710	\$515,990	\$944,635
13 (2031)	\$479,837	\$481,112	\$610,427	\$1,091,259
14 (2032)	\$680,039	\$681,461	\$825,655	\$1,361,814
15 (2033)	\$737,013	\$738,590	\$898,550	\$1,493,331
16 (2034)	\$905,068	\$906,809	\$1,083,466	\$1,740,329
17 (2035)	\$1,086,748	\$1,088,664	\$1,282,994	\$2,005,572
18 (2036)	\$909,942	\$912,043	\$1,125,071	\$1,917,175
19 (2037)	\$1,156,100	\$1,158,396	\$1,391,198	\$2,256,828
20 (2038)	\$1,260,620	\$1,263,121	\$1,516,826	\$2,460,179
21 (2039)	\$1,491,227	\$1,493,946	\$1,769,737	\$2,795,213
22 (2040)	\$1,751,467	\$1,754,416	\$2,053,535	\$3,165,752
23 (2041)	\$1,888,223	\$1,891,415	\$2,215,164	\$3,418,963
24 (2042)	\$2,179,801	\$2,183,249	\$2,532,993	\$3,833,450
25 (2043)	\$1,917,179	\$1,920,897	\$2,298,068	\$3,700,505
26 (2044)	\$1,876,527	\$1,880,531	\$2,286,628	\$3,796,623
27 (2045)	\$2,014,972	\$2,019,276	\$2,455,872	\$4,079,270
28 (2046)	\$2,117,360	\$2,121,982	\$2,590,724	\$4,333,652
29 (2047)	\$2,515,509	\$2,520,465	\$3,023,079	\$4,891,956
30 (2048)	\$1,392,882	\$1,398,189	\$1,936,485	\$3,938,036



Below is a graph illustrating the projected year end reserve fund balance using both the current (2018) budgeted annual contribution and the recommended starting (2019) contribution. Both projections include the Association's planned special assessment of \$50,000 through 2027 and the recommended special assessment of an additional \$1,000,000 in 2028.



We recommend that Martha's Landing adopt a policy regarding their reserve funding which would address the level of funding that the Association would strive to maintain, as well as methods of investing reserve funds to best match risk with return and investment length with expected.



Five Year Funding Plan Comparison

Below is a comparison of the fully funded balance and year end reserve fund balance using the budgeted reserve funding for the current 2018 fiscal year and the three funding plans presented in the report. The calculations include inflated values, interest and special assessments (if applicable) through Year 5 (2023).

Martha's Landing Five Year Funding Plan Comparison

Including Inflated Values, Interest and Special Assessments

\$119,930 Current Funding Plan

Year	Annual Reserve Contribution	Special Assessment	Year End Reserve Balance	% Funded	Special Assessment Risk Level
1 (2019)	\$119,930	\$50,000	\$362,308	25%	High Risk
2 (2020)	\$123,528	\$50,000	\$511,290	31%	Moderate Risk
3 (2021)	\$127,234	\$50,000	\$589,958	34%	Moderate Risk
4 (2022)	\$131,051	\$50,000	\$740,762	39%	Moderate Risk
5 (2023)	\$134,982	\$50,000	\$854,267	42%	Moderate Risk

\$127,100 Baseline Funding Plan

Year	Annual Reserve Contribution	Special Assessment	Year End Reserve Balance	% Funded	Special Assessment Risk Level
1 (2019)	\$127,100	\$50,000	\$369,550	25%	Moderate Risk
2 (2020)	\$130,913	\$50,000	\$526,136	32%	Moderate Risk
3 (2021)	\$134,840	\$50,000	\$612,783	35%	Moderate Risk
4 (2022)	\$138,886	\$50,000	\$771,957	41%	Moderate Risk
5 (2023)	\$143,052	\$50,000	\$894,236	44%	Moderate Risk

\$120,000 Recommended (Threshold) Funding Plan

Year	Annual Reserve Contribution	Special Assessment	Year End Reserve Balance	% Funded	Special Assessment Risk Level
1 (2019)	\$120,000	\$50,000	\$361,879	25%	High Risk
2 (2020)	\$123,600	\$50,000	\$510,425	31%	Moderate Risk
3 (2021)	\$127,308	\$50,000	\$588,651	34%	Moderate Risk
4 (2022)	\$131,127	\$50,000	\$739,006	39%	Moderate Risk
5 (2023)	\$135,061	\$50,000	\$852,055	42%	Moderate Risk

\$153,500 Full Funding Plan

Year	Annual Reserve Contribution	Special Assessment	Year End Reserve Balance	% Funded	Special Assessment Risk Level
1 (2019)	\$153,500	\$50,000	\$396,214	27%	Moderate Risk
2 (2020)	\$158,105	\$50,000	\$580,797	36%	Moderate Risk
3 (2021)	\$162,848	\$50,000	\$696,825	40%	Moderate Risk
4 (2022)	\$167,734	\$50,000	\$886,817	47%	Moderate Risk
5 (2023)	\$172,766	\$50,000	\$1,041,403	51%	Moderate Risk



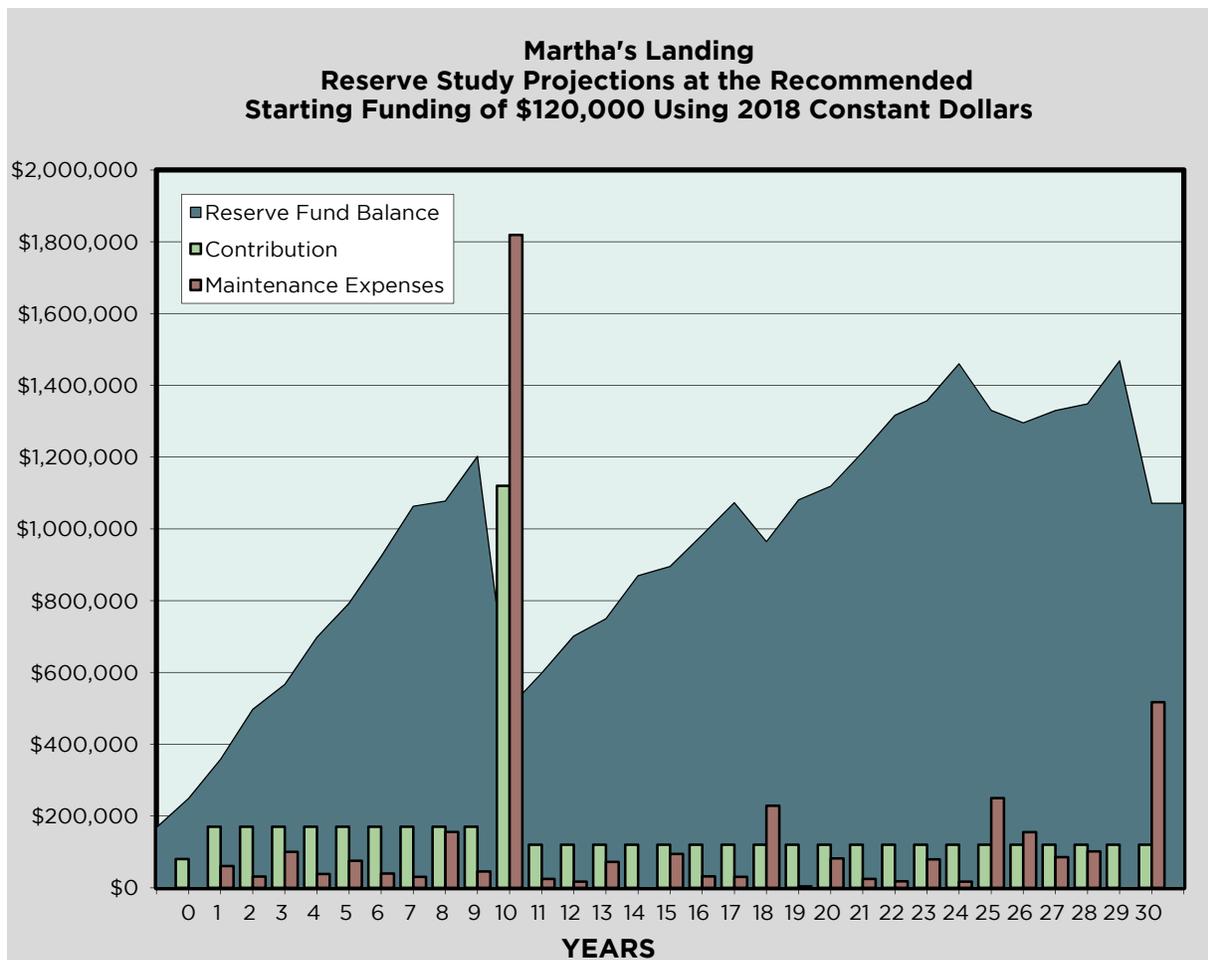
Reserve Study Projections using Constant Dollar Values

Teal Line Graph: The year-end running reserve fund balance is shown as a line graph in teal. Our recommended funding plan is a threshold funding plan which ensures that the reserve account balance does not dip below a designated “threshold”, which is set to at least \$98,000.

Mint Green Bars: The annual reserve fund contributions are shown as mint green bars. This chart depicts the annual contribution in constant dollars, so the contributions are constantly \$120,000 over the 30 year timeline of the study.

Brick Red Bars: The anticipated yearly maintenance expenses are shown as brick red bars, depicting the anticipated expenses over the next 30 years.

Below is a graph depicting the projected fiscal year end running reserve fund balance over 30 years, the annual contribution and the anticipated yearly maintenance expenses using constant dollar values.





**Reserve Study Projections at the Starting Recommended Funding of \$120,000
Using Constant Dollar Values**



Martha's Landing

Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH CONSTANT DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	1 2019	2 2020	3 2021	4 2022	5 2023
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$24,010
2.6.3	Asphalt - Repair	5	5					\$16,730
2.7.1	Wood Fence, North - Replace	15	13					
2.7.2	Wood Fence, North - Repair & Stain	8	9					
2.7.3	Wood Fence, East & South - Replace	15	15					
2.7.4	Wood Fence, East & South - Repair & Stain	8	9					
2.7.5	Rail Fence-Replace	20	8					
2.8.1	Play Equipment-Replace	20	3			\$21,860		
3.3.1	Concrete Curb - Repair	6	6					
3.3.2	Concrete Walkways - Repair	6	6					
5.4.1	Deck Rails - Repair/Replace	6	1	\$3,710				
6.1.1	Elevated Deck - Recoat All	6	4				\$17,760	
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1	\$7,980				
6.1.4	Garbage Enclosures - Replace	10	1	\$5,130				
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1	\$20,820	\$20,820	\$20,820	\$20,820	\$20,820
6.4.1	Stairs - Repair/Replace	10	1	\$9,890				
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$13,720
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$1,790				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8					
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8					
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18					
10.3.1	Chimney Caps/Covers - Replace	20	3			\$24,260		
10.4.1	Entry Signs - Refurbish	10	1	\$3,910				
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1	\$3,910				
12.1.1	Clubhouse Bathrooms - Refurbish	10	3			\$7,410		
12.1.2	Common Rooms - Remodel	12	8					
12.1.3	Exercise Equipment - Replace	5	3			\$18,540		
12.1.4	Furniture - Replace	10	8					
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$7,290		
13.1.2	Pool - Resurface	14	2		\$8,790			
13.2.1	Sauna Room - Refurbish	15	1	\$3,540				
13.3.1	Pool Deck - Resurface	28	2		\$1,680			
13.3.2	Spa - Resurface	10	7					
TOTAL EXPENDED BY YEAR				\$60,680	\$31,290	\$100,180	\$38,580	\$75,280
CARRY OVER RESERVES				\$248,828	\$358,148	\$496,858	\$566,678	\$698,098
ANNUAL RESERVE CONTRIB				\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
RESERVE EXPENDITURES				\$60,680	\$31,290	\$100,180	\$38,580	\$75,280
ACCUMULATED RESERVES				\$308,148	\$446,858	\$516,678	\$648,098	\$742,818
INTEREST EARNED				\$0	\$0	\$0	\$0	\$0
SPECIAL ASSESSMENT				\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
YEAR-END BALANCE				\$358,148	\$496,858	\$566,678	\$698,098	\$792,818
STUDY YEAR				1 (2019)	2 (2020)	3 (2021)	4 (2022)	5 (2023)

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Martha's Landing

Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH CONSTANT DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	6 2024	7 2025	8 2026	9 2027	10 2028
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$24,010
2.6.3	Asphalt - Repair	5	5					\$16,730
2.7.1	Wood Fence, North - Replace	15	13					
2.7.2	Wood Fence, North - Repair & Stain	8	9				\$11,670	
2.7.3	Wood Fence, East & South - Replace	15	15					
2.7.4	Wood Fence, East & South - Repair & Stain	8	9				\$12,950	
2.7.5	Rail Fence-Replace	20	8			\$4,520		
2.8.1	Play Equipment-Replace	20	3					
3.3.1	Concrete Curb - Repair	6	6	\$9,070				
3.3.2	Concrete Walkways - Repair	6	6	\$7,910				
5.4.1	Deck Rails - Repair/Replace	6	1		\$3,710			
6.1.1	Elevated Deck - Recoat All	6	4					\$17,760
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1					
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					\$1,230,460
6.3.1	Exterior Siding - Repair	1	1	\$20,820	\$20,820	\$20,820	\$20,820	
6.4.1	Stairs - Repair/Replace	10	1					
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$13,720
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$1,790				
8.5.1	Windows/Glass Doors - Replace	35	10					\$516,340
9.6.1	Clubhouse Flooring - Replace	10	8			\$11,510		
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8			\$14,710		
9.8.1	Exterior Siding - Paint	8	8			\$62,460		
9.8.2	Exterior Siding - Post Replacement Paint	8	18					
10.3.1	Chimney Caps/Covers - Replace	20	3					
10.4.1	Entry Signs - Refurbish	10	1					
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1					
12.1.1	Clubhouse Bathrooms - Refurbish	10	3					
12.1.2	Common Rooms - Remodel	12	8			\$9,100		
12.1.3	Exercise Equipment - Replace	5	3			\$18,540		
12.1.4	Furniture - Replace	10	8			\$6,510		
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$7,290		
13.1.2	Pool - Resurface	14	2					
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	28	2					
13.3.2	Spa - Resurface	10	7		\$5,730			
TOTAL EXPENDED BY YEAR				\$39,590	\$30,260	\$155,460	\$45,440	\$1,819,020
CARRY OVER RESERVES				\$792,818	\$923,228	\$1,062,968	\$1,077,508	\$1,202,068
ANNUAL RESERVE CONTRIB				\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
RESERVE EXPENDITURES				\$39,590	\$30,260	\$155,460	\$45,440	\$1,819,020
ACCUMULATED RESERVES				\$873,228	\$1,012,968	\$1,027,508	\$1,152,068	(\$496,952)
INTEREST EARNED				\$0	\$0	\$0	\$0	\$0
SPECIAL ASSESSMENT				\$50,000	\$50,000	\$50,000	\$50,000	\$1,000,000
YEAR-END BALANCE				\$923,228	\$1,062,968	\$1,077,508	\$1,202,068	\$503,048
STUDY YEAR				6 (2024)	7 (2025)	8 (2026)	9 (2027)	10 (2028)

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Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH CONSTANT DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	11 2029	12 2030	13 2031	14 2032	15 2033
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$24,010
2.6.3	Asphalt - Repair	5	5					\$16,730
2.7.1	Wood Fence, North - Replace	15	13			\$20,420		
2.7.2	Wood Fence, North - Repair & Stain	8	9					
2.7.3	Wood Fence, East & South - Replace	15	15					\$25,380
2.7.4	Wood Fence, East & South - Repair & Stain	8	9					
2.7.5	Rail Fence-Replace	20	8					
2.8.1	Play Equipment-Replace	20	3					
3.3.1	Concrete Curb - Repair	6	6		\$9,070			
3.3.2	Concrete Walkways - Repair	6	6		\$7,910			
5.4.1	Deck Rails - Repair/Replace	6	1			\$3,710		
6.1.1	Elevated Deck - Recoat All	6	4					
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1	\$5,130				
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1					
6.4.1	Stairs - Repair/Replace	10	1	\$9,890				
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carport Roof - Repair/Replace	30	15					\$14,560
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$13,720
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$1,790				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8					
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8					
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18					
10.3.1	Chimney Caps/Covers - Replace	20	3					
10.4.1	Entry Signs - Refurbish	10	1	\$3,910				
10.5.1	Mailboxes - Replace	24	13			\$14,570		
11.1.1	Surveillance Equipment - Refurbish	10	1	\$3,910				
12.1.1	Clubhouse Bathrooms - Refurbish	10	3			\$7,410		
12.1.2	Common Rooms - Remodel	12	8					
12.1.3	Exercise Equipment - Replace	5	3			\$18,540		
12.1.4	Furniture - Replace	10	8					
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$7,290		
13.1.2	Pool - Resurface	14	2					
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	28	2					
13.3.2	Spa - Resurface	10	7					
TOTAL EXPENDED BY YEAR				\$24,630	\$16,980	\$71,940	\$0	\$94,400
CARRY OVER RESERVES				\$503,048	\$598,418	\$701,438	\$749,498	\$869,498
ANNUAL RESERVE CONTRIB				\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
RESERVE EXPENDITURES				\$24,630	\$16,980	\$71,940	\$0	\$94,400
ACCUMULATED RESERVES				\$598,418	\$701,438	\$749,498	\$869,498	\$895,098
INTEREST EARNED				\$0	\$0	\$0	\$0	\$0
SPECIAL ASSESSMENT								
YEAR-END BALANCE				\$598,418	\$701,438	\$749,498	\$869,498	\$895,098
STUDY YEAR				11 (2029)	12 (2030)	13 (2031)	14 (2032)	15 (2033)

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Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH CONSTANT DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	16 2034	17 2035	18 2036	19 2037	20 2038
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$24,010
2.6.3	Asphalt - Repair	5	5					\$16,730
2.7.1	Wood Fence, North - Replace	15	13					
2.7.2	Wood Fence, North - Repair & Stain	8	9		\$11,670			
2.7.3	Wood Fence, East & South - Replace	15	15					
2.7.4	Wood Fence, East & South - Repair & Stain	8	9		\$12,950			
2.7.5	Rail Fence-Replace	20	8					
2.8.1	Play Equipment-Replace	20	3					
3.3.1	Concrete Curb - Repair	6	6			\$9,070		
3.3.2	Concrete Walkways - Repair	6	6			\$7,910		
5.4.1	Deck Rails - Repair/Replace	6	1				\$3,710	
6.1.1	Elevated Deck - Recoat All	6	4	\$17,760				
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1					
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1					
6.4.1	Stairs - Repair/Replace	10	1					
7.3.1	Gutters/Downspouts - Replace	20	20					\$18,290
7.4.1	Carport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$13,720
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$1,790				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8			\$11,510		
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8			\$14,710		
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18			\$153,070		
10.3.1	Chimney Caps/Covers - Replace	20	3					
10.4.1	Entry Signs - Refurbish	10	1					
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1					
12.1.1	Clubhouse Bathrooms - Refurbish	10	3					
12.1.2	Common Rooms - Remodel	12	8					\$9,100
12.1.3	Exercise Equipment - Replace	5	3			\$18,540		
12.1.4	Furniture - Replace	10	8			\$6,510		
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$7,290		
13.1.2	Pool - Resurface	14	2	\$8,790				
13.2.1	Sauna Room - Refurbish	15	1	\$3,540				
13.3.1	Pool Deck - Resurface	28	2					
13.3.2	Spa - Resurface	10	7		\$5,730			
TOTAL EXPENDED BY YEAR				\$31,880	\$30,350	\$228,610	\$3,710	\$81,850
CARRY OVER RESERVES				\$895,098	\$983,218	\$1,072,868	\$964,258	\$1,080,548
ANNUAL RESERVE CONTRIB				\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
RESERVE EXPENDITURES				\$31,880	\$30,350	\$228,610	\$3,710	\$81,850
ACCUMULATED RESERVES				\$983,218	\$1,072,868	\$964,258	\$1,080,548	\$1,118,698
INTEREST EARNED				\$0	\$0	\$0	\$0	\$0
SPECIAL ASSESSMENT								
YEAR-END BALANCE				\$983,218	\$1,072,868	\$964,258	\$1,080,548	\$1,118,698
STUDY YEAR				16 (2034)	17 (2035)	18 (2036)	19 (2037)	20 (2038)

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Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH CONSTANT DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	21 2039	22 2040	23 2041	24 2042	25 2043
2.6.1	Asphalt - Overlay	25	25					\$167,170
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$24,010
2.6.3	Asphalt - Repair	5	5					\$16,730
2.7.1	Wood Fence, North - Replace	15	13					
2.7.2	Wood Fence, North - Repair & Stain	8	9					\$11,670
2.7.3	Wood Fence, East & South - Replace	15	15					
2.7.4	Wood Fence, East & South - Repair & Stain	8	9					\$12,950
2.7.5	Rail Fence-Replace	20	8					
2.8.1	Play Equipment-Replace	20	3			\$21,860		
3.3.1	Concrete Curb - Repair	6	6				\$9,070	
3.3.2	Concrete Walkways - Repair	6	6				\$7,910	
5.4.1	Deck Rails - Repair/Replace	6	1					\$3,710
6.1.1	Elevated Deck - Recoat All	6	4		\$17,760			
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1	\$5,130				
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1					
6.4.1	Stairs - Repair/Replace	10	1	\$9,890				
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$13,720
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$1,790				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8					
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8					
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18					
10.3.1	Chimney Caps/Covers - Replace	20	3			\$24,260		
10.4.1	Entry Signs - Refurbish	10	1	\$3,910				
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1	\$3,910				
12.1.1	Clubhouse Bathrooms - Refurbish	10	3			\$7,410		
12.1.2	Common Rooms - Remodel	12	8					
12.1.3	Exercise Equipment - Replace	5	3			\$18,540		
12.1.4	Furniture - Replace	10	8					
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$7,290		
13.1.2	Pool - Resurface	14	2					
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	28	2					
13.3.2	Spa - Resurface	10	7					
TOTAL EXPENDED BY YEAR				\$24,630	\$17,760	\$79,360	\$16,980	\$249,960
CARRY OVER RESERVES				\$1,118,698	\$1,214,068	\$1,316,308	\$1,356,948	\$1,459,968
ANNUAL RESERVE CONTRIB				\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
RESERVE EXPENDITURES				\$24,630	\$17,760	\$79,360	\$16,980	\$249,960
ACCUMULATED RESERVES				\$1,214,068	\$1,316,308	\$1,356,948	\$1,459,968	\$1,330,008
INTEREST EARNED				\$0	\$0	\$0	\$0	\$0
SPECIAL ASSESSMENT								
YEAR-END BALANCE				\$1,214,068	\$1,316,308	\$1,356,948	\$1,459,968	\$1,330,008
STUDY YEAR				21 (2039)	22 (2040)	23 (2041)	24 (2042)	25 (2043)

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Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH CONSTANT DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	26 2044	27 2045	28 2046	29 2047	30 2048
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$24,010
2.6.3	Asphalt - Repair	5	5					\$16,730
2.7.1	Wood Fence, North - Replace	15	13			\$20,420		
2.7.2	Wood Fence, North - Repair & Stain	8	9					
2.7.3	Wood Fence, East & South - Replace	15	15					\$25,380
2.7.4	Wood Fence, East & South - Repair & Stain	8	9					
2.7.5	Rail Fence-Replace	20	8			\$4,520		
2.8.1	Play Equipment-Replace	20	3					
3.3.1	Concrete Curb - Repair	6	6					\$9,070
3.3.2	Concrete Walkways - Repair	6	6					\$7,910
5.4.1	Deck Rails - Repair/Replace	6	1					
6.1.1	Elevated Deck - Recoat All	6	4			\$17,760		
6.1.2	Elevated Decks - Repair/Replace	30	27		\$79,790			
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1					
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1					
6.4.1	Stairs - Repair/Replace	10	1					
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					\$410,000
7.4.3	Roof - Inspection & Repair	5	5					\$13,720
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$1,790				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8			\$11,510		
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8			\$14,710		
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18	\$153,070				
10.3.1	Chimney Caps/Covers - Replace	20	3					
10.4.1	Entry Signs - Refurbish	10	1					
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1					
12.1.1	Clubhouse Bathrooms - Refurbish	10	3					
12.1.2	Common Rooms - Remodel	12	8					
12.1.3	Exercise Equipment - Replace	5	3			\$18,540		
12.1.4	Furniture - Replace	10	8			\$6,510		
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$7,290		
13.1.2	Pool - Resurface	14	2					\$8,790
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	28	2					\$1,680
13.3.2	Spa - Resurface	10	7		\$5,730			
TOTAL EXPENDED BY YEAR				\$154,860	\$85,520	\$101,260	\$0	\$517,290
CARRY OVER RESERVES				\$1,330,008	\$1,295,148	\$1,329,628	\$1,348,368	\$1,468,368
ANNUAL RESERVE CONTRIB				\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
RESERVE EXPENDITURES				\$154,860	\$85,520	\$101,260	\$0	\$517,290
ACCUMULATED RESERVES				\$1,295,148	\$1,329,628	\$1,348,368	\$1,468,368	\$1,071,078
INTEREST EARNED				\$0	\$0	\$0	\$0	\$0
SPECIAL ASSESSMENT								
YEAR-END BALANCE				\$1,295,148	\$1,329,628	\$1,348,368	\$1,468,368	\$1,071,078
STUDY YEAR				26 (2044)	27 (2045)	28 (2046)	29 (2047)	30 (2048)

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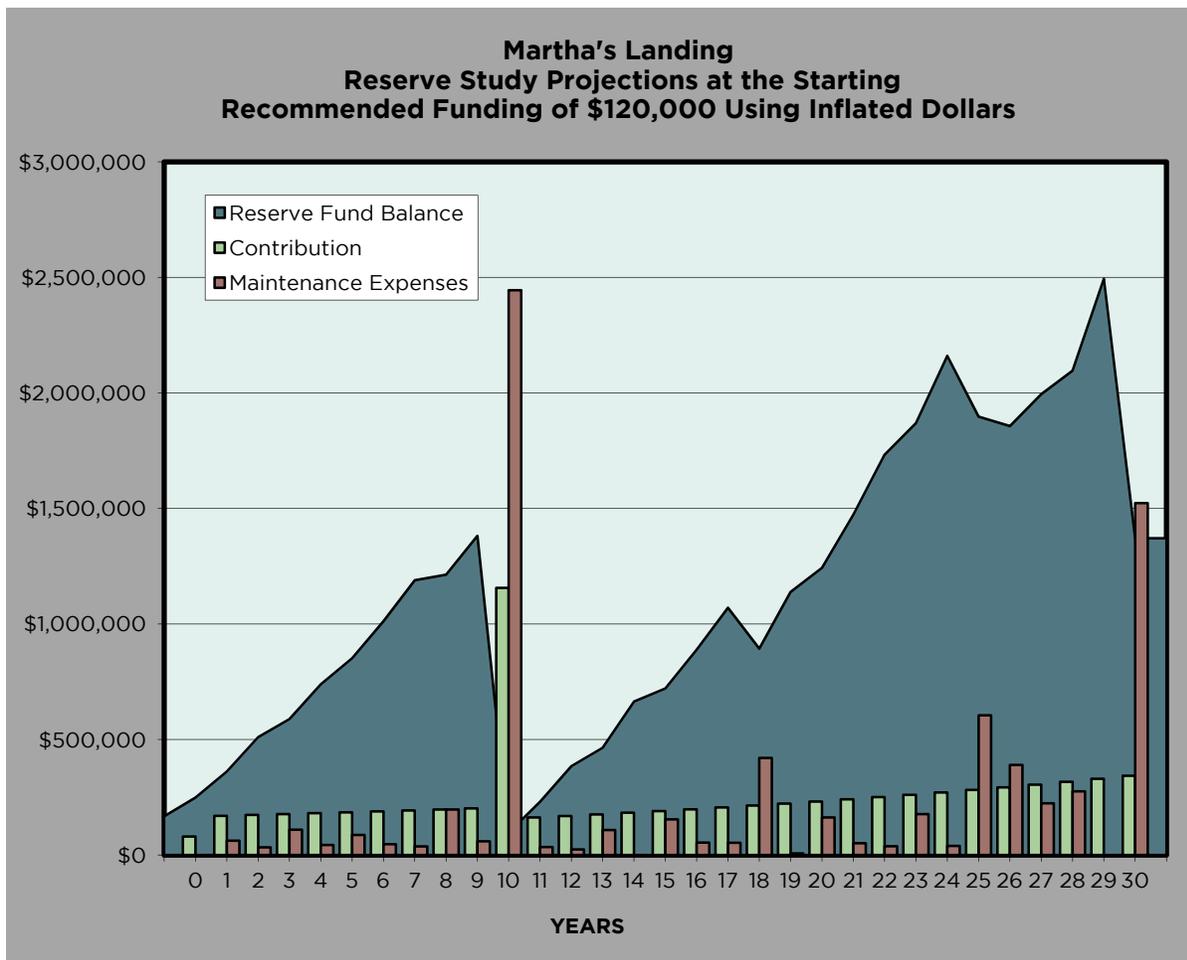
Reserve Study Projections using Inflated Dollar Values

Teal Line Graph: The year-end running reserve fund balance is shown as a line graph in teal and includes compound interest. Our recommended funding plan is a threshold funding plan which ensures that the reserve account balance does not dip below a designated “threshold”, which is set to at least \$98,000.

Mint Green Bars: The annual reserve fund contributions are shown as mint green bars. This chart depicts the annual contribution in inflated dollars, so the contributions are increasing over the 30 year timeline of the study.

Brick Red Bars: The anticipated yearly maintenance expenses are shown as brick red bars, depicting the anticipated inflated expenses over the next 30 years.

Below is a graph depicting the projected fiscal year end running reserve fund balance over 30 years with interest, the annual inflated contribution and the anticipated yearly maintenance expenses using inflated dollar values.





**Reserve Study Projections at the Starting Recommended Funding of \$120,000
Using Inflated Dollar Values**



Martha's Landing

Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH INFLATED DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	1 2019	2 2020	3 2021	4 2022	5 2023
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$27,834
2.6.3	Asphalt - Repair	5	5					\$19,395
2.7.1	Wood Fence, North - Replace	15	13					
2.7.2	Wood Fence, North - Repair & Stain	8	9					
2.7.3	Wood Fence, East & South - Replace	15	15					
2.7.4	Wood Fence, East & South - Repair & Stain	8	9					
2.7.5	Rail Fence-Replace	20	8					
2.8.1	Play Equipment-Replace	20	3			\$23,887		
3.3.1	Concrete Curb - Repair	6	6					
3.3.2	Concrete Walkways - Repair	6	6					
5.4.1	Deck Rails - Repair/Replace	6	1	\$3,821				
6.1.1	Elevated Deck - Recoat All	6	4				\$19,989	
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1	\$8,219				
6.1.4	Garbage Enclosures - Replace	10	1	\$5,284				
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1	\$21,445	\$22,088	\$22,751	\$23,433	\$24,136
6.4.1	Stairs - Repair/Replace	10	1	\$10,187				
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carpport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$15,905
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$1,844				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8					
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8					
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18					
10.3.1	Chimney Caps/Covers - Replace	20	3			\$26,510		
10.4.1	Entry Signs - Refurbish	10	1	\$4,027				
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1	\$4,027				
12.1.1	Clubhouse Bathrooms - Refurbish	10	3			\$8,097		
12.1.2	Common Rooms - Remodel	12	8					
12.1.3	Exercise Equipment - Replace	5	3			\$20,259		
12.1.4	Furniture - Replace	10	8					
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$7,966		
13.1.2	Pool - Resurface	14	2		\$9,325			
13.2.1	Sauna Room - Refurbish	15	1	\$3,646				
13.3.1	Pool Deck - Resurface	28	2		\$1,782			
13.3.2	Spa - Resurface	10	7					
TOTAL EXPENDED BY YEAR				\$62,500	\$33,196	\$109,469	\$43,422	\$87,270
CARRY OVER RESERVES				\$248,828	\$361,879	\$510,425	\$588,651	\$739,006
ANNUAL RESERVE CONTRIB				\$120,000	\$123,600	\$127,308	\$131,127	\$135,061
RESERVE EXPENDITURES				\$62,500	\$33,196	\$109,469	\$43,422	\$87,270
ACCUMULATED RESERVES				\$306,328	\$452,284	\$528,264	\$676,356	\$786,797
INTEREST EARNED				\$5,552	\$8,142	\$10,387	\$12,650	\$15,258
SPECIAL ASSESSMENT				\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
YEAR-END BALANCE				\$361,879	\$510,425	\$588,651	\$739,006	\$852,055
YEARS	0-1	2-10	11-30	1 (2019)	2 (2020)	3 (2021)	4 (2022)	5 (2023)
CONTRIBUTION INFLATION	0%	3%	4%	0%	3%	3%	3%	3%
COMPONENT COMPOUND INFLATION	3%	3%	4%	103%	106%	109%	113%	116%
INTEREST RATE MULTIPLIER	2%	2%	3%	2%	2%	2%	2%	2%

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Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH INFLATED DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	6 2024	7 2025	8 2026	9 2027	10 2028
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$32,267
2.6.3	Asphalt - Repair	5	5					\$22,484
2.7.1	Wood Fence, North - Replace	15	13					
2.7.2	Wood Fence, North - Repair & Stain	8	9				\$15,227	
2.7.3	Wood Fence, East & South - Replace	15	15					
2.7.4	Wood Fence, East & South - Repair & Stain	8	9				\$16,897	
2.7.5	Rail Fence-Replace	20	8			\$5,726		
2.8.1	Play Equipment-Replace	20	3					
3.3.1	Concrete Curb - Repair	6	6	\$10,830				
3.3.2	Concrete Walkways - Repair	6	6	\$9,445				
5.4.1	Deck Rails - Repair/Replace	6	1		\$4,563			
6.1.1	Elevated Deck - Recoat All	6	4					\$23,868
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1					
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					\$1,653,635
6.3.1	Exterior Siding - Repair	1	1	\$24,860	\$25,606	\$26,374	\$27,165	
6.4.1	Stairs - Repair/Replace	10	1					
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carpport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$18,439
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$2,137				
8.5.1	Windows/Glass Doors - Replace	35	10					\$693,918
9.6.1	Clubhouse Flooring - Replace	10	8			\$14,581		
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8			\$18,634		
9.8.1	Exterior Siding - Paint	8	8			\$79,122		
9.8.2	Exterior Siding - Post Replacement Paint	8	18					
10.3.1	Chimney Caps/Covers - Replace	20	3					
10.4.1	Entry Signs - Refurbish	10	1					
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1					
12.1.1	Clubhouse Bathrooms - Refurbish	10	3					
12.1.2	Common Rooms - Remodel	12	8			\$11,528		
12.1.3	Exercise Equipment - Replace	5	3			\$23,486		
12.1.4	Furniture - Replace	10	8			\$8,247		
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$9,235		
13.1.2	Pool - Resurface	14	2					
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	28	2					
13.3.2	Spa - Resurface	10	7		\$7,047			
TOTAL EXPENDED BY YEAR				\$47,273	\$37,216	\$196,932	\$59,289	\$2,444,611
CARRY OVER RESERVES				\$852,055	\$1,011,855	\$1,189,223	\$1,213,167	\$1,381,081
ANNUAL RESERVE CONTRIB				\$139,113	\$143,286	\$147,585	\$152,012	\$156,573
RESERVE EXPENDITURES				\$47,273	\$37,216	\$196,932	\$59,289	\$2,444,611
ACCUMULATED RESERVES				\$943,895	\$1,117,925	\$1,139,876	\$1,305,890	(\$906,957)
INTEREST EARNED				\$17,959	\$21,298	\$23,291	\$25,191	\$4,741
SPECIAL ASSESSMENT				\$50,000	\$50,000	\$50,000	\$50,000	\$1,000,000
YEAR-END BALANCE				\$1,011,855	\$1,189,223	\$1,213,167	\$1,381,081	\$97,784
YEARS	0-1	2-10	11-30	6 (2024)	7 (2025)	8 (2026)	9 (2027)	10 (2028)
CONTRIBUTION INFLATION	0%	3%	4%	3%	3%	3%	3%	3%
COMPONENT COMPOUND INFLATION	3%	3%	4%	119%	123%	127%	130%	134%
INTEREST RATE MULTIPLIER	2%	2%	3%	2%	2%	2%	2%	2%

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Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH INFLATED DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	11 2029	12 2030	13 2031	14 2032	15 2033
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$39,258
2.6.3	Asphalt - Repair	5	5					\$27,355
2.7.1	Wood Fence, North - Replace	15	13			\$30,869		
2.7.2	Wood Fence, North - Repair & Stain	8	9					
2.7.3	Wood Fence, East & South - Replace	15	15					\$41,498
2.7.4	Wood Fence, East & South - Repair & Stain	8	9					
2.7.5	Rail Fence-Replace	20	8					
2.8.1	Play Equipment-Replace	20	3					
3.3.1	Concrete Curb - Repair	6	6		\$13,184			
3.3.2	Concrete Walkways - Repair	6	6		\$11,498			
5.4.1	Deck Rails - Repair/Replace	6	1			\$5,608		
6.1.1	Elevated Deck - Recoat All	6	4					
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1	\$7,170				
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1					
6.4.1	Stairs - Repair/Replace	10	1	\$13,823				
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carpport Roof - Repair/Replace	30	15					\$23,807
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$22,433
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$2,502				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8					
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8					
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18					
10.3.1	Chimney Caps/Covers - Replace	20	3					
10.4.1	Entry Signs - Refurbish	10	1	\$5,465				
10.5.1	Mailboxes - Replace	24	13			\$22,026		
11.1.1	Surveillance Equipment - Refurbish	10	1	\$5,465				
12.1.1	Clubhouse Bathrooms - Refurbish	10	3			\$11,202		
12.1.2	Common Rooms - Remodel	12	8					
12.1.3	Exercise Equipment - Replace	5	3			\$28,027		
12.1.4	Furniture - Replace	10	8					
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$11,020		
13.1.2	Pool - Resurface	14	2					
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	28	2					
13.3.2	Spa - Resurface	10	7					
TOTAL EXPENDED BY YEAR				\$34,425	\$24,682	\$108,753	\$0	\$154,352
CARRY OVER RESERVES				\$97,784	\$231,055	\$384,824	\$464,748	\$664,606
ANNUAL RESERVE CONTRIB				\$162,836	\$169,349	\$176,123	\$183,168	\$190,495
RESERVE EXPENDITURES				\$34,425	\$24,682	\$108,753	\$0	\$154,352
ACCUMULATED RESERVES				\$226,195	\$375,722	\$452,193	\$647,917	\$700,750
INTEREST EARNED				\$4,860	\$9,102	\$12,555	\$16,690	\$20,480
SPECIAL ASSESSMENT								
YEAR-END BALANCE				\$231,055	\$384,824	\$464,748	\$664,606	\$721,230
YEARS	0-1	2-10	11-30	11 (2029)	12 (2030)	13 (2031)	14 (2032)	15 (2033)
CONTRIBUTION INFLATION	0%	3%	4%	4%	4%	4%	4%	4%
COMPONENT COMPOUND INFLATION	3%	3%	4%	140%	145%	151%	157%	164%
INTEREST RATE MULTIPLIER	2%	2%	3%	3%	3%	3%	3%	3%

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Martha's Landing

Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH INFLATED DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	16 2034	17 2035	18 2036	19 2037	20 2038
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$47,764
2.6.3	Asphalt - Repair	5	5					\$33,281
2.7.1	Wood Fence, North - Replace	15	13					
2.7.2	Wood Fence, North - Repair & Stain	8	9		\$20,638			
2.7.3	Wood Fence, East & South - Replace	15	15					
2.7.4	Wood Fence, East & South - Repair & Stain	8	9		\$22,902			
2.7.5	Rail Fence-Replace	20	8					
2.8.1	Play Equipment-Replace	20	3					
3.3.1	Concrete Curb - Repair	6	6			\$16,682		
3.3.2	Concrete Walkways - Repair	6	6			\$14,548		
5.4.1	Deck Rails - Repair/Replace	6	1				\$7,097	
6.1.1	Elevated Deck - Recoat All	6	4	\$30,201				
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1					
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1					
6.4.1	Stairs - Repair/Replace	10	1					
7.3.1	Gutters/Downspouts - Replace	20	20					\$36,385
7.4.1	Carpport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$27,294
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$3,044				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8			\$21,170		
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8			\$27,055		
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18			\$281,533		
10.3.1	Chimney Caps/Covers - Replace	20	3					
10.4.1	Entry Signs - Refurbish	10	1					
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1					
12.1.1	Clubhouse Bathrooms - Refurbish	10	3					
12.1.2	Common Rooms - Remodel	12	8					\$18,103
12.1.3	Exercise Equipment - Replace	5	3			\$34,100		
12.1.4	Furniture - Replace	10	8			\$11,973		
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$13,408		
13.1.2	Pool - Resurface	14	2	\$14,947				
13.2.1	Sauna Room - Refurbish	15	1	\$6,020				
13.3.1	Pool Deck - Resurface	28	2					
13.3.2	Spa - Resurface	10	7		\$10,134			
TOTAL EXPENDED BY YEAR				\$54,211	\$53,674	\$420,469	\$7,097	\$162,826
CARRY OVER RESERVES				\$721,230	\$888,929	\$1,070,247	\$893,073	\$1,138,857
ANNUAL RESERVE CONTRIB				\$198,115	\$206,039	\$214,281	\$222,852	\$231,766
RESERVE EXPENDITURES				\$54,211	\$53,674	\$420,469	\$7,097	\$162,826
ACCUMULATED RESERVES				\$865,133	\$1,041,294	\$864,058	\$1,108,828	\$1,207,797
INTEREST EARNED				\$23,795	\$28,953	\$29,015	\$30,029	\$35,200
SPECIAL ASSESSMENT								
YEAR-END BALANCE				\$888,929	\$1,070,247	\$893,073	\$1,138,857	\$1,242,996
YEARS	0-1	2-10	11-30	16 (2034)	17 (2035)	18 (2036)	19 (2037)	20 (2038)
CONTRIBUTION INFLATION	0%	3%	4%	4%	4%	4%	4%	4%
COMPONENT COMPOUND INFLATION	3%	3%	4%	170%	177%	184%	191%	199%
INTEREST RATE MULTIPLIER	2%	2%	3%	3%	3%	3%	3%	3%

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Martha's Landing

Reserve Study Projections at Recommended Funding of \$120,000

Reserve Consultants LLC

30-YEAR SPREADSHEET WITH INFLATED DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	21 2039	22 2040	23 2041	24 2042	25 2043
2.6.1	Asphalt - Overlay	25	25					\$404,604
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$58,112
2.6.3	Asphalt - Repair	5	5					\$40,492
2.7.1	Wood Fence, North - Replace	15	13					
2.7.2	Wood Fence, North - Repair & Stain	8	9					\$28,245
2.7.3	Wood Fence, East & South - Replace	15	15					
2.7.4	Wood Fence, East & South - Repair & Stain	8	9					\$31,343
2.7.5	Rail Fence-Replace	20	8					
2.8.1	Play Equipment-Replace	20	3			\$48,917		
3.3.1	Concrete Curb - Repair	6	6				\$21,108	
3.3.2	Concrete Walkways - Repair	6	6				\$18,408	
5.4.1	Deck Rails - Repair/Replace	6	1					\$8,979
6.1.1	Elevated Deck - Recoat All	6	4		\$38,213			
6.1.2	Elevated Decks - Repair/Replace	30	27					
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1	\$10,613				
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1					
6.4.1	Stairs - Repair/Replace	10	1	\$20,461				
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carpport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					
7.4.3	Roof - Inspection & Repair	5	5					\$33,207
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$3,703				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8					
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8					
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18					
10.3.1	Chimney Caps/Covers - Replace	20	3			\$54,287		
10.4.1	Entry Signs - Refurbish	10	1	\$8,089				
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1	\$8,089				
12.1.1	Clubhouse Bathrooms - Refurbish	10	3			\$16,582		
12.1.2	Common Rooms - Remodel	12	8					
12.1.3	Exercise Equipment - Replace	5	3			\$41,487		
12.1.4	Furniture - Replace	10	8					
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$16,313		
13.1.2	Pool - Resurface	14	2					
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	28	2					
13.3.2	Spa - Resurface	10	7					
TOTAL EXPENDED BY YEAR				\$50,957	\$38,213	\$177,585	\$39,516	\$604,983
CARRY OVER RESERVES				\$1,242,996	\$1,473,217	\$1,733,065	\$1,869,424	\$2,160,598
ANNUAL RESERVE CONTRIB				\$241,037	\$250,678	\$260,705	\$271,133	\$281,979
RESERVE EXPENDITURES				\$50,957	\$38,213	\$177,585	\$39,516	\$604,983
ACCUMULATED RESERVES				\$1,433,076	\$1,685,682	\$1,816,185	\$2,101,041	\$1,837,594
INTEREST EARNED				\$40,141	\$47,383	\$53,239	\$59,557	\$59,973
SPECIAL ASSESSMENT								
YEAR-END BALANCE				\$1,473,217	\$1,733,065	\$1,869,424	\$2,160,598	\$1,897,567
YEARS	0-1	2-10	11-30	21 (2039)	22 (2040)	23 (2041)	24 (2042)	25 (2043)
CONTRIBUTION INFLATION	0%	3%	4%	4%	4%	4%	4%	4%
COMPONENT COMPOUND INFLATION	3%	3%	4%	207%	215%	224%	233%	242%
INTEREST RATE MULTIPLIER	2%	2%	3%	3%	3%	3%	3%	3%

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Martha's Landing

Reserve Study Projections at Recommended Funding of \$120,000 Reserve Consultants LLC

30-YEAR SPREADSHEET WITH INFLATED DOLLARS
PER YEAR EXPENSES IN 2018 DOLLARS

07-Dec-18

#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	26 2044	27 2045	28 2046	29 2047	30 2048
2.6.1	Asphalt - Overlay	25	25					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$70,702
2.6.3	Asphalt - Repair	5	5					\$49,265
2.7.1	Wood Fence, North - Replace	15	13			\$55,594		
2.7.2	Wood Fence, North - Repair & Stain	8	9					
2.7.3	Wood Fence, East & South - Replace	15	15					\$74,736
2.7.4	Wood Fence, East & South - Repair & Stain	8	9					
2.7.5	Rail Fence-Replace	20	8			\$12,306		
2.8.1	Play Equipment-Replace	20	3					
3.3.1	Concrete Curb - Repair	6	6					\$26,708
3.3.2	Concrete Walkways - Repair	6	6					\$23,292
5.4.1	Deck Rails - Repair/Replace	6	1					
6.1.1	Elevated Deck - Recoat All	6	4			\$48,352		
6.1.2	Elevated Decks - Repair/Replace	30	27		\$208,875			
6.1.3	Elevated Decks - Repair/Replace 2019	30	1					
6.1.4	Garbage Enclosures - Replace	10	1					
6.2.1	Exterior Engineered Wood Siding - Replace	35	10					
6.3.1	Exterior Siding - Repair	1	1					
6.4.1	Stairs - Repair/Replace	10	1					
7.3.1	Gutters/Downspouts - Replace	20	20					
7.4.1	Carpport Roof - Repair/Replace	30	15					
7.4.2	Composition Shingle Roofs - Replace	30	30					\$1,207,321
7.4.3	Roof - Inspection & Repair	5	5					\$40,401
8.2.1	Deck/Patio Storage Door - Repair	5	1	\$4,506				
8.5.1	Windows/Glass Doors - Replace	35	10					
9.6.1	Clubhouse Flooring - Replace	10	8			\$31,336		
9.6.2	Clubhouse Interior Surfaces - Refinish	10	8			\$40,048		
9.8.1	Exterior Siding - Paint	8	8					
9.8.2	Exterior Siding - Post Replacement Paint	8	18	\$385,297				
10.3.1	Chimney Caps/Covers - Replace	20	3					
10.4.1	Entry Signs - Refurbish	10	1					
10.5.1	Mailboxes - Replace	24	13					
11.1.1	Surveillance Equipment - Refurbish	10	1					
12.1.1	Clubhouse Bathrooms - Refurbish	10	3					
12.1.2	Common Rooms - Remodel	12	8					
12.1.3	Exercise Equipment - Replace	5	3			\$50,476		
12.1.4	Furniture - Replace	10	8			\$17,724		
13.1.1	Pool/Spa Equipment - Contingency	5	3			\$19,847		
13.1.2	Pool - Resurface	14	2					\$25,884
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	28	2					\$4,947
13.3.2	Spa - Resurface	10	7		\$15,000			
TOTAL EXPENDED BY YEAR				\$389,803	\$223,876	\$275,683	\$0	\$1,523,257
CARRY OVER RESERVES				\$1,897,567	\$1,856,501	\$1,994,525	\$2,096,488	\$2,494,206
ANNUAL RESERVE CONTRIB				\$293,258	\$304,988	\$317,188	\$329,875	\$343,070
RESERVE EXPENDITURES				\$389,803	\$223,876	\$275,683	\$0	\$1,523,257
ACCUMULATED RESERVES				\$1,801,022	\$1,937,614	\$2,036,030	\$2,426,363	\$1,314,020
INTEREST EARNED				\$55,479	\$56,912	\$60,458	\$67,843	\$57,123
SPECIAL ASSESSMENT								
YEAR-END BALANCE				\$1,856,501	\$1,994,525	\$2,096,488	\$2,494,206	\$1,371,143
YEARS	0-1	2-10	11-30	26 (2044)	27 (2045)	28 (2046)	29 (2047)	30 (2048)
CONTRIBUTION INFLATION	0%	3%	4%	4%	4%	4%	4%	4%
COMPONENT COMPOUND INFLATION	3%	3%	4%	252%	262%	272%	283%	294%
INTEREST RATE MULTIPLIER	2%	2%	3%	3%	3%	3%	3%	3%

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30 Year Summary at the Recommended Starting Funding of \$120,000 Using Inflated Dollar Values

Inflation & Interest Assumptions

	Inflation	Interest
Years 0-1	0%	2%
Years 2-10	3%	2%
Years 11-30	4%	3%

Risk of Special Assessment

Nominal Risk	100% and above
Low Risk	70% 99%
Moderate Risk	25% to 69%
Highest Risk	0% to 24%

Fiscal Year End	Fiscal Year Beginning Reserve Balance	Recommended Annual Reserve Contribution	Average Contribution per Unit per Month	Projected Reserve Expenditures	Projected Interest Earned	Fiscal Year End Reserve Balance	Projected Fully Funded Balance	% Funded
1 (2019)	\$248,828	\$120,000	\$100	(\$62,500)	\$5,552	\$361,879	\$1,472,322	25%
2 (2020)	\$361,879	\$123,600	\$103	(\$33,196)	\$8,142	\$510,425	\$1,632,441	31%
3 (2021)	\$510,425	\$127,308	\$106	(\$109,469)	\$10,387	\$588,651	\$1,727,757	34%
4 (2022)	\$588,651	\$131,127	\$109	(\$43,422)	\$12,650	\$739,006	\$1,894,635	39%
5 (2023)	\$739,006	\$135,061	\$113	(\$87,270)	\$15,258	\$852,055	\$2,028,664	42%
6 (2024)	\$852,055	\$139,113	\$116	(\$47,273)	\$17,959	\$1,011,855	\$2,210,405	46%
7 (2025)	\$1,011,855	\$143,286	\$119	(\$37,216)	\$21,298	\$1,189,223	\$2,412,364	49%
8 (2026)	\$1,189,223	\$147,585	\$123	(\$196,932)	\$23,291	\$1,213,167	\$2,470,472	49%
9 (2027)	\$1,213,167	\$152,012	\$127	(\$59,289)	\$25,191	\$1,381,081	\$2,659,374	52%
10 (2028)	\$1,381,081	\$156,573	\$130	(\$2,444,611)	\$4,741	\$97,784	\$516,102	19%
11 (2029)	\$97,784	\$162,836	\$136	(\$34,425)	\$4,860	\$231,055	\$685,658	34%
12 (2030)	\$231,055	\$169,349	\$141	(\$24,682)	\$9,102	\$384,824	\$878,748	44%
13 (2031)	\$384,824	\$176,123	\$147	(\$108,753)	\$12,555	\$464,748	\$1,005,524	46%
14 (2032)	\$464,748	\$183,168	\$153	(\$0)	\$16,690	\$664,606	\$1,250,846	53%
15 (2033)	\$664,606	\$190,495	\$159	(\$154,352)	\$20,480	\$721,230	\$1,364,328	53%
16 (2034)	\$721,230	\$198,115	\$165	(\$54,211)	\$23,795	\$888,929	\$1,588,105	56%
17 (2035)	\$888,929	\$206,039	\$172	(\$53,674)	\$28,953	\$1,070,247	\$1,830,229	58%
18 (2036)	\$1,070,247	\$214,281	\$179	(\$420,469)	\$29,015	\$893,073	\$1,735,154	51%
19 (2037)	\$893,073	\$222,852	\$186	(\$7,097)	\$30,029	\$1,138,857	\$2,047,207	56%
20 (2038)	\$1,138,857	\$231,766	\$193	(\$162,826)	\$35,200	\$1,242,996	\$2,230,529	56%
21 (2039)	\$1,242,996	\$241,037	\$201	(\$50,957)	\$40,141	\$1,473,217	\$2,540,175	58%
22 (2040)	\$1,473,217	\$250,678	\$209	(\$38,213)	\$47,383	\$1,733,065	\$2,885,376	60%
23 (2041)	\$1,733,065	\$260,705	\$217	(\$177,585)	\$53,239	\$1,869,424	\$3,120,300	60%
24 (2042)	\$1,869,424	\$271,133	\$226	(\$39,516)	\$59,557	\$2,160,598	\$3,510,345	62%
25 (2043)	\$2,160,598	\$281,979	\$235	(\$604,983)	\$59,973	\$1,897,567	\$3,379,140	56%
26 (2044)	\$1,897,567	\$293,258	\$244	(\$389,803)	\$55,479	\$1,856,501	\$3,464,229	54%
27 (2045)	\$1,856,501	\$304,988	\$254	(\$223,876)	\$56,912	\$1,994,525	\$3,726,950	54%
28 (2046)	\$1,994,525	\$317,188	\$264	(\$275,683)	\$60,458	\$2,096,488	\$3,963,542	53%
29 (2047)	\$2,096,488	\$329,875	\$275	(\$0)	\$67,843	\$2,494,206	\$4,491,458	56%
30 (2048)	\$2,494,206	\$343,070	\$286	(\$1,523,257)	\$57,123	\$1,371,143	\$3,576,376	38%

Note: The long term nature of this study requires that certain assumptions and predictions be made about future events. Since there can be no guarantee that these future events will occur as assumed, this analysis must be viewed in light of the circumstances under which it was conducted. Reasonable effort has been made to ensure that the conclusions of this report are based on reliable information and sound reasoning.



FULLY FUNDED BALANCE CALCULATIONS

RCW 64.34.382 (2)(j) states that a reserve study shall include:

“Projected reserve account balance for thirty years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments”. Furthermore, RCW 64.34.382 (2)(e) stipulates that a reserve study shall include “The percentage of the fully funded balance that the reserve account is funded”.

“Fully funded balance” means the current value of the deteriorated portion, not the total replacement value, of all the reserve components. The fully funded balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component’s useful life.

The sum total of all reserve components’ fully funded balances is the association’s fully funded balance, as defined by RCW 64.34.020 (22).

$$FFB = \text{the sum of } \frac{\text{replacement cost} * \text{effective age}}{\text{useful life}} \text{ for all reserve components}$$

The **percent fully funded** relates to how much the building has deteriorated, or been used up, compared to the cost of making it new again. Another way of thinking of this is the percent fully funded illustrates how much you should have saved thus far to pay for the future replacement of a component, based on the replacement cost and how many years you have to save.

Example of how it works: A Roof Replacement

SCENARIO	ANALYSIS
<p>If you have a roof that will last 10 years and cost \$100,000 to replace:</p> <ul style="list-style-type: none"> To pay for the future replacement in 10 years, you should save \$10,000 each year to have enough money to cover the replacement cost. When it is 2 years old, it is 20% used up, and the Fully Funded Balance for its future replacement is \$20,000. If you have saved \$10,000 for the future replacement in 2 years, you are 50% fully funded. If you have saved \$20,000, you are 100% fully funded. When the roof is 8 years old it will be 80% deteriorated, and its Fully Funded Balance would be \$80,000. If you have saved only \$10,000 by Year 8 you are 13% fully funded. If you have saved \$20,000, you are at 25%, and at \$80,000 you are at 100% fully funded. 	<ol style="list-style-type: none"> In effect, the percent fully funded is a measure of how well an association can withstand the risk of unexpected expenses. Such unexpected expenses include: emergency expenses not covered by insurance, expenses that are higher than predicted, and expenses that are required earlier than anticipated. A higher percent funded means more money is in the bank, and that lowers the risk of special assessment when unexpected expenses occur. A poorly funded association would have less money available for unexpected expenses, and a higher risk of a special assessment to generate the needed funds. By looking at cash flow demands we are able to determine how much money is needed to fund anticipated replacement and maintenance of the reserve components and recommend a steady contribution over the 30 year span of the study. Budgeting to maintain a minimum balance, or threshold, helps to ensure that a special assessment will not be required if an unexpected expense arises.



We typically recommend that an association select a minimum reserve account balance (or Threshold) it wants to maintain and select a contribution rate to maintain that minimum rather than try to build their account to 100% fully funded.

We usually recommend that an association consider a threshold equal to the recommended annual reserve contribution because this is the average maintenance expense over the thirty years. However, each association must judge their unique risk tolerance.

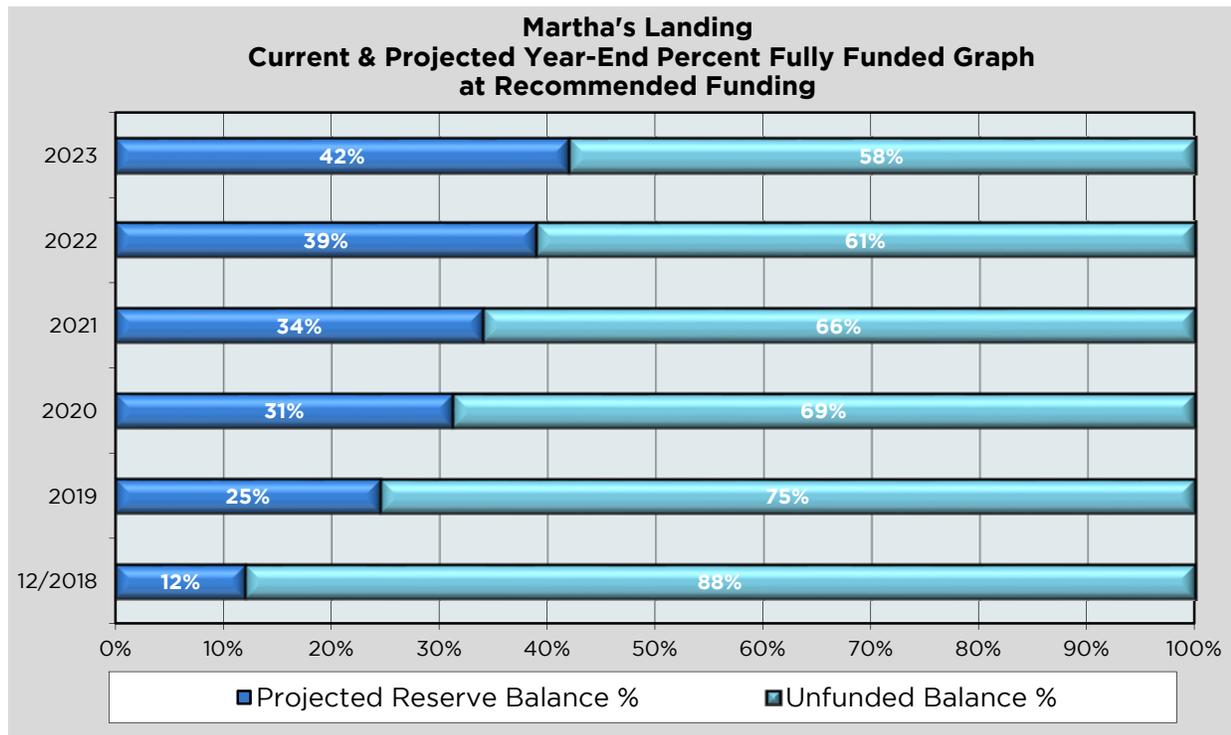
The Fully Funded Balance for Martha's Landing is \$1,392,217. The actual current funding is \$167,806. The Association is approximately 12% funded.

This means that based on a straight line savings for each reserve component, the Association saved 12% of the accumulated depreciation of the reserve components.

At 12%, Martha's Landing is considered to be at **high risk for a special assessment**.

% Funded	Special Assessment Risk Level
100% +	Nominal Risk
70% to 99%	Low Risk
25% to 69%	Moderate Risk
24% or less	High Risk

Below is a graph with the current and projected year-end percent fully funded calculated at the recommended starting annual reserve contribution of \$120,000.





Deficit or Surplus in Reserve Funding

RCW 64.90.550 §2(I) requires that the reserve study include the amount of any current deficit or surplus in reserve funding expressed on a dollars per unit basis. This is calculated by subtracting the association's reserve account balance as of the date of the study from the fully funded balance, and then multiplying the result by the fraction or percentage of the common expenses of the association allocable to each unit.

Reserve Account Balance as of September 30, 2018	\$167,806
Current Fully Funded Balance	\$1,392,217
Reserve Fund (Deficit)	(\$1,224,411)
Number of Units	100
Average (Deficit) per Unit	(\$12,244)

Unit Number	Allocated Interests	(Deficit) per Unit	Unit Number	Allocated Interests	(Deficit) per Unit	Unit Number	Allocated Interests	(Deficit) per Unit
A-101	1.00%	(\$12,244)	B-207	0.75%	(\$9,183)	E-101	1.20%	(\$14,693)
A-102	0.75%	(\$9,183)	B-208	1.00%	(\$12,244)	E-102	1.00%	(\$12,244)
A-103	0.75%	(\$9,183)	C-101	1.00%	(\$12,244)	E-103	1.00%	(\$12,244)
A-104	1.00%	(\$12,244)	C-102	1.00%	(\$12,244)	E-104	1.20%	(\$14,693)
A-105	1.00%	(\$12,244)	C-103	1.00%	(\$12,244)	E-105	1.20%	(\$14,693)
A-106	0.75%	(\$9,183)	C-104	1.00%	(\$12,244)	E-106	1.00%	(\$12,244)
A-107	0.75%	(\$9,183)	C-105	1.00%	(\$12,244)	E-107	1.00%	(\$12,244)
A-108	1.00%	(\$12,244)	C-106	1.00%	(\$12,244)	E-108	1.20%	(\$14,693)
A-201	1.00%	(\$12,244)	C-201	1.00%	(\$12,244)	E-201	1.20%	(\$14,693)
A-202	0.75%	(\$9,183)	C-202	1.00%	(\$12,244)	E-202	1.00%	(\$12,244)
A-203	0.75%	(\$9,183)	C-203	1.00%	(\$12,244)	E-203	1.00%	(\$12,244)
A-204	1.00%	(\$12,244)	C-204	1.00%	(\$12,244)	E-204	1.20%	(\$14,693)
A-205	1.00%	(\$12,244)	C-205	1.00%	(\$12,244)	E-205	1.20%	(\$14,693)
A-206	0.75%	(\$9,183)	C-206	1.00%	(\$12,244)	E-206	1.00%	(\$12,244)
A-207	0.75%	(\$9,183)	D-101	1.20%	(\$14,693)	E-207	1.00%	(\$12,244)
A-208	1.00%	(\$12,244)	D-102	1.00%	(\$12,244)	E-208	1.20%	(\$14,693)
B-101	1.00%	(\$12,244)	D-103	1.00%	(\$12,244)	F-101	1.20%	(\$14,693)
B-102	0.75%	(\$9,183)	D-104	1.20%	(\$14,693)	F-102	1.00%	(\$12,244)
B-103	0.75%	(\$9,183)	D-105	1.20%	(\$14,693)	F-103	1.00%	(\$12,244)
B-104	1.00%	(\$12,244)	D-106	1.00%	(\$12,244)	F-104	1.20%	(\$14,693)
B-105	1.00%	(\$12,244)	D-107	1.00%	(\$12,244)	F-105	1.20%	(\$14,693)
B-106	0.75%	(\$9,183)	D-108	1.20%	(\$14,693)	F-106	1.00%	(\$12,244)
B-107	0.75%	(\$9,183)	D-201	1.20%	(\$14,693)	F-107	1.00%	(\$12,244)
B-108	1.00%	(\$12,244)	D-202	1.00%	(\$12,244)	F-108	1.20%	(\$14,693)
B-201	1.00%	(\$12,244)	D-203	1.00%	(\$12,244)	F-201	1.20%	(\$14,693)
B-202	0.75%	(\$9,183)	D-204	1.20%	(\$14,693)	F-202	1.00%	(\$12,244)
B-203	0.75%	(\$9,183)	D-205	1.20%	(\$14,693)	F-203	1.00%	(\$12,244)
B-204	1.00%	(\$12,244)	D-206	1.00%	(\$12,244)	F-204	1.20%	(\$14,693)
B-205	1.00%	(\$12,244)	D-207	1.00%	(\$12,244)	F-205	1.20%	(\$14,693)
B-206	0.75%	(\$9,183)	D-208	1.20%	(\$14,693)	F-206	1.00%	(\$12,244)
Column Total	26.25%	(\$321,408)	Column Total	31.35%	(\$383,853)	Column Total	33.00%	(\$404,056)

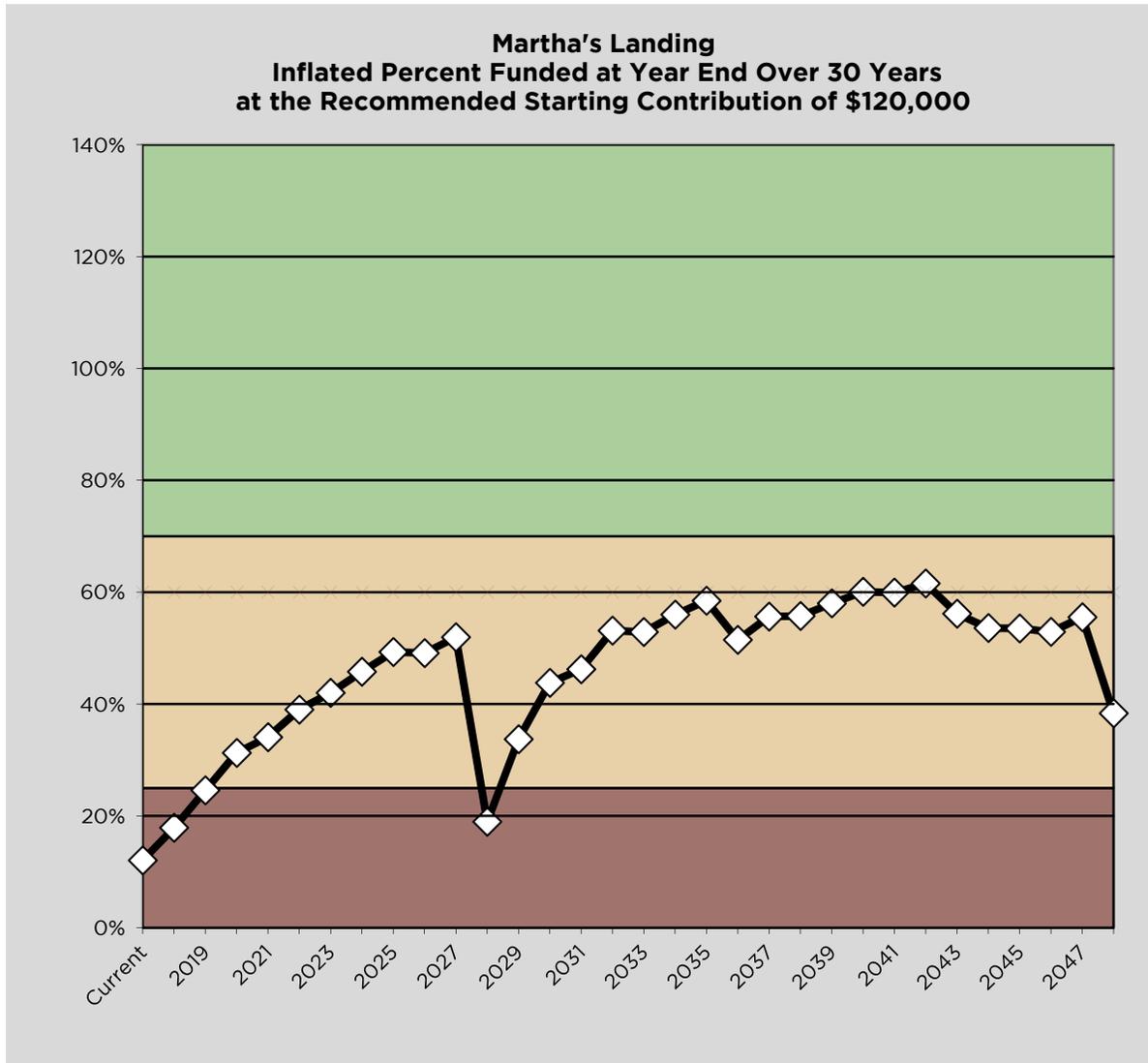


Average (Deficit) per Unit Continued

Unit Number	Allocated Interests	per Unit	Unit Number	Allocated Interests	per Unit	Unit Number	Allocated Interests	per Unit
F-207	1.00%	(\$12,244)	G-103	0.75%	(\$9,183)	G-203	0.75%	(\$9,183)
F-208	1.20%	(\$14,693)	G-104	1.00%	(\$12,244)	G-204	1.10%	(\$13,469)
G-101	1.00%	(\$12,244)	G-201	1.10%	(\$13,469)			
G-102	0.75%	(\$9,183)	G-202	0.75%	(\$9,183)			
Column Total	3.95%	(\$48,364)	Column Total	3.60%	(\$44,079)	Column Total	1.85%	(\$22,652)
			Grand Total	100.00%	(\$1,224,411)	(including columns from previous page)		



The following chart illustrates the projected percent funded at year end over the next 30 years at the recommended starting contribution rate of \$120,000 . The values include interest and inflation rate assumptions, planned and recommended special assessments.





FULLY FUNDED BALANCE CALCULATION TABLE



Fully Funded Balance Calculations

Martha's Landing

$$FFB = \text{the sum of } \frac{\text{replacement cost} * \text{effective age}}{\text{useful life}} \text{ for all reserve components}$$

Component Description	Quantity	Unit	Maintenance Cycle (Useful Life)	Remaining Useful Life	Effective Age	Current Replacement Cost	Fully Funded Balance
2.6.1 Asphalt - Overlay	67000	SF	25	25	-	\$167,170	\$0
2.6.2 Asphalt - Seal Coat & Stripe	67000	SF	5	5	-	\$24,010	\$0
2.6.3 Asphalt - Repair	67000	SF	5	5	-	\$16,730	\$0
2.7.1 Wood Fence, North - Replace	640	LF	15	13	2	\$20,420	\$2,723
2.7.2 Wood Fence, North - Repair & Stain	640	LF	8	9	-	\$11,670	\$0
2.7.3 Wood Fence, East & South - Replace	710	LF	15	15	-	\$25,380	\$0
2.7.4 Wood Fence, East & South - Repair & Stain	710	LF	8	9	-	\$12,950	\$0
2.7.5 Rail Fence-Replace	220	LF	20	8	12	\$4,520	\$2,712
2.8.1 Play Equipment-Replace	1	LS	20	3	17	\$21,860	\$18,581
3.3.1 Concrete Curb - Repair	3060	LF	6	6	-	\$9,070	\$0
3.3.2 Concrete Walkways - Repair	1	LS	6	6	-	\$7,910	\$0
5.4.1 Deck Rails - Repair/Replace	520	LF	6	1	5	\$3,710	\$3,092
6.1.1 Elevated Deck - Recoat All	50	EA	6	4	2	\$17,760	\$5,920
6.1.2 Elevated Decks - Repair/Replace	20	EA	30	27	3	\$79,790	\$7,979
6.1.3 Elevated Decks - Repair/Replace 2019	30	EA	30	1	29	\$7,980	\$7,714
6.1.4 Garbage Enclosures - Replace	3	EA	10	1	9	\$5,130	\$4,617
6.2.1 Exterior Engineered Wood Siding - Replace	89450	SF	35	10	25	\$1,230,460	\$878,900
6.3.1 Exterior Siding - Repair	1	LS	1	1	-	\$20,820	\$0
6.4.1 Stairs - Repair/Replace	26	EA	10	1	9	\$9,890	\$8,901
7.3.1 Gutters/Downspouts - Replace	4650	LF	20	20	-	\$18,290	\$0
7.4.1 Carport Roof - Repair/Replace	18	SQ	30	15	15	\$14,560	\$7,280
7.4.2 Composition Shingle Roofs - Replace	680	SQ	30	30	-	\$410,000	\$0
7.4.3 Roof - Inspection & Repair	680	SQ	5	5	-	\$13,720	\$0
8.2.1 Deck/Patio Storage Door - Repair	5	EA	5	1	4	\$1,790	\$1,432
8.5.1 Windows/Glass Doors - Replace	1	LS	35	10	25	\$516,340	\$368,814
9.6.1 Clubhouse Flooring - Replace	242	SY	10	8	2	\$11,510	\$2,302
9.6.2 Clubhouse Interior Surfaces - Refinish	11490	SF	10	8	2	\$14,710	\$2,942
9.8.1 Exterior Siding - Paint	1	LS	8	8	-	\$62,460	\$0
9.8.2 Exterior Siding - Post Replacement Paint	89450	SF	8	18	-	\$153,070	\$0
10.3.1 Chimney Caps/Covers - Replace	152	EA	20	3	17	\$24,260	\$20,621
10.4.1 Entry Signs - Refurbish	2	EA	10	1	9	\$3,910	\$3,519
10.5.1 Mailboxes - Replace	8	EA	24	13	11	\$14,570	\$6,678
11.1.1 Surveillance Equipment - Refurbish	1	EA	10	1	9	\$3,910	\$3,519
12.1.1 Clubhouse Bathrooms - Refurbish	2	EA	10	3	7	\$7,410	\$5,187
12.1.2 Common Rooms - Remodel	2730	SF	12	8	4	\$9,100	\$3,033
12.1.3 Exercise Equipment - Replace	6	EA	5	3	2	\$18,540	\$7,416
12.1.4 Furniture - Replace	12	EA	10	8	2	\$6,510	\$1,302
13.1.1 Pool/Spa Equipment - Contingency	1	LS	5	3	2	\$7,290	\$2,916
13.1.2 Pool - Resurface	480	SF	14	2	12	\$8,790	\$7,534
13.2.1 Sauna Room - Refurbish	1	LS	15	1	14	\$3,540	\$3,304
13.3.1 Pool Deck - Resurface	660	SF	28	2	26	\$1,680	\$1,560
13.3.2 Spa - Resurface	1	LS	10	7	3	\$5,730	\$1,719
FULLY FUNDED BALANCE						Total	\$1,392,217

CURRENT RESERVE BALANCE = \$167,806

PERCENT FULLY FUNDED = 12%

December 7, 2018

ABBREVIATION KEY

EA each
BLDG building(s)
FIXT fixture(s)

LF linear foot
LS lump sum
SF square feet

SQ roofing square
SY square yard
ZN zone



SUPPLEMENTAL BUDGET INFORMATION (SBI)

RCW 64.34.308 states that within thirty days after adoption of any proposed budget for the condominium, the board of directors shall provide a summary of the budget to all the unit owners and shall set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. As part of the summary of the budget to all owners, the board of directors shall disclose the supplemental budget information as outlined in RCW 64.34.308 §4, which we refer to as the Supplemental Budget Information (SBI). Below is a sample of the SBI we will compile when the association is ready to provide a summary of the budget to the unit owners. Please contact RCL one week before the Association plans on sending the budget summary to unit owners and we will issue a completed SBI at no additional charge within one year of issuing the draft of the reserve study report.

Supplemental Budget Information on Reserves for Sample Association

In Compliance with RCW 64.34.308 & RCW 64.38.025
April 4, 2018

Funding Information	
\$19,000	Proposed annual contribution to reserves for the fiscal year ending in 2019 per the budget.
\$80,000	Projected fiscal year end 2018 reserve balance per the budget.
\$17,800	Budgeted annual contribution to reserves for the current fiscal year ending in 2018.

Information from the Most Recent Reserve Study	
65%	Percent fully funded as of the date of the most recent reserve study.
\$19,700	Recommended annual contribution to reserves for the fiscal year ending in 2019.
Threshold	Type of funding plan used for recommended annual funding per the most recent reserve study.
\$90,563	Projected fiscal year end 2018 reserve balance per the most recent reserve study.
Yes	Based upon the most recent reserve study, will the Association have funds to meet obligations for the next 30 years at the current contribution rate ?

* We assume the current contribution rate will be adjusted annually for inflation. Not doing so may cause a failure to meet obligations

Anticipated Reserve Funding Shortfalls Over the Next 30 Years

\$17,800 Current Fiscal Year Reserve Contribution			\$19,000 Proposed Annual Reserve Contribution		
Fiscal Year End	Projected Funding Shortfall	Average Shortfall Per Unit Per Year	Fiscal Year End	Projected Funding Shortfall	Average Shortfall Per Unit Per Year
None			None		

Proposed Additional Regular or Special Assessment for Fiscal Year End 2019

No	Is additional funding (Regular or Special Assessment) planned in the proposed budget?	
N/A	Amount of additional Regular or Special Assessment.	The purpose for the additional funding:
N/A	Average amount per unit per year.	N/A
N/A	Average amount per unit per month.	
N/A	Date assessment is due.	

Comparison of Fiscal Year End Projections for Next Five Years

\$17,800 Current Reserve Contribution			\$19,700 Recommended Reserve Contribution			\$19,000 Proposed Reserve Contribution		
Fiscal Year End	Reserve Account Balance	Percent Fully Funded	Fiscal Year End	Reserve Account Balance	Percent Fully Funded	Fiscal Year End	Reserve Account Balance	Percent Fully Funded
2019	\$91,070	72%	2019	\$92,970	73%	2019	\$92,270	73%
2020	\$102,582	73%	2020	\$106,458	75%	2020	\$105,030	74%
2021	\$116,924	74%	2021	\$122,854	78%	2021	\$120,669	76%
2022	\$123,895	74%	2022	\$131,961	79%	2022	\$128,990	77%
2023	\$128,184	73%	2023	\$138,469	79%	2023	\$134,680	77%

Contributions and expenses are both inflated for the 5 Year Projection calculations.

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RCW 64.90.525 §2 of the WUCIOA requires that the budget disclosure include:

- (d) The current amount of regular assessments budgeted for contribution to the reserve account;
- (e) A statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 of this act and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and
- (f) The current deficiency or surplus in reserve funding expressed on a per unit basis

The required information will be provided at no additional charge with our standard SBI.

Supplemental Budget Information on Reserves for Sample Association

In Compliance with RCW 64.90.525 (Washington Uniform Common Interest Owners Act - WUCIOA) Sections 2(d) through 2(f)
September 18, 2018

Funding Information

- ✓ Sample Association does have a current reserve study that complies with RCW 64.90.550 (WUCIOA).
- ✓ Sample Association does have a reserve study that complies with RCW 64.34.382 (Condominium Act).
- \$17,800 The current regular reserve assessments budgeted for annual contribution to the reserve account.
- \$19,700 The Recommended annual contribution to reserves for the fiscal year ending in 2019.
- \$19,500 The Proposed annual contribution to reserves for the fiscal year ending in 2019 per the budget.
- ✗ The proposed budget does not meet or exceed the reserve study recommendations.**
- (\$200) Difference between the Proposed and Recommended annual contribution to reserves.

Current (Deficiency) In Reserve Funds Compared to the Fully Funded Balance on a per Unit Basis

- \$102,000 The projected fiscal year end 2018 reserve balance per the budget.
- \$117,106 The projected fiscal year end 2018 Fully Funded Balance per the reserve study.
- (\$15,106) The total (deficiency) in reserves, compared to the Fully Funded Balance.

Unit Number	Allocated Interest	(Deficiency) per Unit	Unit Number	Allocated Interest	(Deficiency) per Unit	Unit Number	Allocated Interest	(Deficiency) per Unit
101	6.00%	(\$906.35)	201	6.00%	(\$906.35)	301	6.00%	(\$906.35)
102	7.00%	(\$1,057.40)	202	7.00%	(\$1,057.40)	302	7.00%	(\$1,057.40)
103	9.00%	(\$1,359.52)	203	9.00%	(\$1,359.52)	303	9.00%	(\$1,359.52)
104	11.30%	(\$1,706.95)	204	11.30%	(\$1,706.95)	304	11.40%	(\$1,722.06)
Column Total	33.30%	(\$5,030.22)	Column Total	33.30%	(\$5,030.22)	Column Total	33.40%	(\$5,045.33)



DISCLOSURES

1. Reserve Consultants LLC also provides construction inspection services for condominiums and does design and construction oversight for major repair projects, including roofing, decks and building envelope replacement.
2. No shareholder or employee of Reserve Consultants LLC has any interest in, or obligation to, any construction company, management company, or development entity that creates condominiums.
3. Reserve Consultants LLC has been a member of the Community Associations Institute since about 1993, and has worked with a variety of management companies, associations and other types of clients in Washington State.
4. This report and analysis is based upon observations of the visible and apparent condition of the building and its major components on the date of the inspection. Although care has been taken in the performance of this inspection, Reserve Consultants LLC (and/or its representatives) make no representations regarding latent or concealed defects which may exist and no warranty or guarantee is expressed or implied. This report is made only in the best exercise of our ability and judgment. Conclusions in this report are based on estimates of the age and normal working life of various items of equipment and appliances. Predictions of life expectancy and the balance of useful life are necessarily based on industry and/or statistical comparisons. It is essential to understand that actual conditions can alter the useful life of any item. The previous use or misuse, irregularity of servicing, faulty manufacture, unfavorable conditions, acts of god, and unforeseen circumstances make it impossible to state precisely when each item would require replacement. The client herein should be aware that certain components within the above referenced property may function consistent with their purpose at the time of inspection, but due to their nature, are subject to deterioration without notice.
5. Unless otherwise noted, all reserve components are assumed to meet the building code requirements in force at the time of construction. Any on-site inspection should not be considered a project audit or quality inspection.
6. Conclusions reached in this report assume responsible ownership and competent management of the property. Information provided by others is believed to be reliable. Information provided by others was not audited; we assume no responsibility for accuracy thereof.
7. The reserve study is a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses or background checks of historical record.



APPENDIX - GLOSSARY OF TERMS

Allocated Interests - the following interests allocated to each unit: (a) In a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (b) In a cooperative, the common expense liability, the ownership interest, and votes in the association; and (c) In a plat community and miscellaneous community, the common expense liability and the votes in the association, and also the undivided interest in the common elements if owned in common by the unit owners rather than an association. RCW 64.90.010 §2.

Assessment - all sums chargeable by the association against a unit, including any assessments levied pursuant to RCW 64.90.480, fines or fees levied or imposed by the association pursuant to this chapter or the governing documents, interest and late charges on any delinquent account, and all costs of collection incurred by the association in connection with the collection of a delinquent owner's account, including reasonable attorneys' fees. RCW 64.90.010 §3.

Association or Unit Owners Association - the unit owners association organized under RCW 64.90.400 of WUCIOA and, to the extent necessary to construe sections of this chapter made applicable to common interest communities pursuant to RCW 64.90.085, 64.90.095, or 64.90.100 of WUCIOA, the association organized or created to administer such common interest communities. RCW §64.90.010 §4)

Baseline Funding Plan - A reserve contribution rate that is constant, increasing with inflation, to provide funds for all anticipated reserve expenses so that no special assessments are required for 30 years, but with no excess funds some years.

Board - the body, regardless of name, designated in the declaration, map, or organizational documents, with primary authority to manage the affairs of the association. RCW §64.90.010 §6.

Building Codes - Nationally recognized standards used to gauge the acceptability of a particular material or building procedure. Typically, if something is built to "code," it is acceptable to all concerned. Some often used codes are International Building Code (IBC) (applicable to most multifamily housing), International Residential Code (IRC) (applicable to one and two family structures),

Washington Energy Code, National Electric Code (NEC), Uniform Plumbing Code (UPC), and the National Fire Protection Association Standards (NFPA). These are usually amended slightly by each city or county.

Building Component - see "Reserve Component".

Component Number - A number assigned to each building component that allows grouping of like components. The numbers are based roughly on the Construction Specification Institute system.

Common Elements - (a) In a condominium or cooperative, all portions of the common interest community other than the units; (b) In a plat community or miscellaneous community, any real estate other than a unit within a plat community or miscellaneous community that is owned or leased either by the association or in common by the unit owners rather than an association; and (c) In all common interest communities, any other interests in real estate for the benefit of any unit owners that are subject to the declaration. RCW §64.90.010 §7.

Common Expense - any expense of the association, including allocations to reserves, allocated to all of the unit owners in accordance with common expense liability. RCW §64.90.010 §8.

Common Expense Liability - the liability for common expenses allocated to each unit pursuant to RCW 64.90.040 of RCW. RCW §64.90.010 §9.

Common Interest Community - real estate described in a declaration with respect to which a person, by virtue of the person's ownership of a unit, is obligated to pay for a share of real estate taxes, insurance premiums, maintenance, or improvement of, or services or other expenses related to, common elements, other units, or other real estate described in the declaration. "Common interest community" does not include an arrangement described in RCW 64.90.110 or RCW 64.90.115. A common interest community may be a part of another common interest community. RCW §64.90.010 §10.

Contribution Rate - in a Reserve Study as described in RCW 64.34, the amount contributed to the reserve account so that the association will have cash reserves to pay major maintenance, repair, or replacement



costs without the need of a special assessment. RCW 64.34.020 (10)

Constant Dollars - costs and contributions are provided in today's dollars, no matter how far in the future they occur. Inflation and interest are not factored in.

Effective Age - the difference between the useful life and the remaining useful life. RCW 64.34.020 §19 & RCW §64.90.010 §21.

Full Funding Plan - a reserve funding goal of achieving one hundred percent fully funded reserves by the end of the thirty-year study period described under RCW64.90.550 of WUCIOA, in which the reserve account balance equals the sum of the estimated costs required to maintain, repair, or replace the deteriorated portions of all reserve components. RCW §64.90.010 §25.

Fully Funded Balance - the current value of the deteriorated portion, not the total replacement value, of all the reserve components. The fully funded balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all reserve components' fully funded balances is the association's fully funded balance. RCW 64.34.020 §22 & RCW §64.90.010 §26.

Inflated Dollars - as opposed to constant dollars, inflated dollars recognize that costs in the future will probably be higher than today because each dollar will buy fewer goods and services. A rate of inflation must be assumed and applied to all future costs. Also referred to as future cost.

Inflation Multiplier - 100% plus the assumed rate of inflation. Thus, for an assumed yearly inflation rate of 5%, the "multiplier" would be 105% or 1.05 if expressed as a decimal number rather than as a percentage. Each successive year the previous year's "multiplier" is multiplied by this number to arrive at the next year's "multiplier."

Interest Rate Multiplier - The assumed rate of interest earned on the average annual reserve bank account balance. Thus, 4% interest would be 0.04 expressed as a decimal number. A rate of interest earned must be assumed for all future years. Typically this is lower than the rate of inflation.

Limited Common Element - a portion of the common elements allocated by the declaration or by operation of RCW 64.90.210 §1(b) or §2

for the exclusive use of one or more, but fewer than all, of the unit owners. RCW §64.90.010 §30.

Unit owners may be responsible for the cost to repair and maintain limited common elements, so those costs may not appear in a Reserve Study.

Maintenance Cycle - the frequency of maintenance on a component to reach or extend its Useful Life. Often shorter than the full "Useful Life" for repairs that occur in lieu of complete replacement.

Next Repair - the next time the "Repair Cycle" starts with work on a component.

Nominal Reserve Costs - the current estimated total replacement costs of the reserve components are less than fifty percent of the annual budgeted expense of the association, excluding contributions to the reserve funds, for a condominium or cooperative containing horizontal unit boundaries and less than seventy five percent of the annual budgeted expenses of the association, excluding contributions to the reserve fund for all other common interest communities. RCW §64.90.010 §34.

Percent Fully Funded - The percentage of the "Fully Funded Balance" which the current condominium Reserve Account actually has in it.

RCW - the Revised Code of Washington. RCW 64.34 is the **Washington Condominium Act**, the statute that governs 'New Act' condominiums formed between July 1, 1990 and June 30, 2018.

RCW 64.90 is the Uniform Common Interest Ownership Act (**WUCIOA**) and governs common interest properties formed after July 1, 2018 and requires all common interest properties in Washington State to comply with RCW 64.90.525.

Remaining useful life - the estimated time, in years, that a reserve component can be expected to continue to serve its intended function. RCW 64.34.020 §31.

Or the estimated time before a reserve component will require major maintenance, repair or replacement to perform its intended function. RCW §64.90.010 §44.

Replacement Cost - the current cost of replacing, repairing, or restoring a reserve component to its original functional condition. RCW 64.34.020 §32.



Or the estimated total cost to maintain, repair, or replace a reserve component to its original functional condition. RCW §64.90.010 §45.

Reserve Account - Money set aside for future repair and replacement projects. For condominiums, the RCW requires a separate Reserve Account be maintained to hold reserves to fund repair or replacement of Reserve Components.

Reserve Component - common elements whose cost of maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget. RCW 64.34.020 §34.

Or a physical component of the common interest community which the association is obligated to maintain, repair, or replace, which has an estimated useful life of less than thirty years, and for which the cost of such maintenance, repair or replacement is infrequent, significant, and impractical to include in an annual budget. RCW §64.90.010 §46.

Reserve Contribution Rate - The amount of money saved to fund replacement costs for maintenance and repairs of common elements. See "Contribution Rate". Current contributions and Recommended contributions may be different.

Reserve Specialist - A designation for those professionals who have met the standards established by Community Associations Institute (www.caionline.org) for Reserve Study providers.

Reserve Study - A physical assessment of a building and a subsequent report which estimates the anticipated major maintenance, repair, and replacement costs, whose infrequent and significant nature make them impractical to be included in an annual budget, which will need to be repaired or replaced over the next 30 years. It provides estimates of these replacement costs and details expected annual expenditures. It is used to calculate the Reserve Contribution Rate required to maintain a facility in good condition both functionally and cosmetically. The Washington Condominium Act sets out requirements for annual reserve studies.

Reserve Study Professional means an independent person suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with RCW 64.34, RCW 64.34.020 §35, RCW 64.90.545 and RCW 64.90.550. For

the purposes of WUCIOA, "independent" means a person who is not an employee, officer, or director, and has no pecuniary interest in the declarant, association, or any other party for whom the reserve study is prepared. RCW §64.90.010 §47.

Special Assessment - A levy against all unit owners that is necessary when a needed repair/replacement/upgrade has not been planned for, and for which insufficient money has been saved.

Threshold Funding (contribution rate) - A Reserve Contribution Rate that is constant, increasing with inflation, to provide funds for all anticipated Reserve Expenses for the life of the study, but leaving a minimum level of Reserves (the "threshold") at all times. Our default minimum threshold is one year's contribution.

Typ. - Abbreviation for 'typical'; used on photographs and in text to refer to a problem that is shown or described once, but applies to many locations.

Typical Life - An average expected life for an average building component. As in any statistical average, there is a range of years over which each individual item might fall. This is the same as "Useful life".

Useful life means the estimated time, in years, that a reserve component can be expected to serve its intended function. RCW 64.34.020 §40 or the estimated time during which a reserve component is expected to perform its intended function without major maintenance, repair or replacement. RCW §64.90.010 §59.

Year End Reserve Balance or Reserve Fund Balance - What is projected to be left in the reserve account after the expected yearly expenses and contributions are added to the prior year's carryover balance. Assumes that the reserve contributions and expenses occur as predicted.

Yearly Expenses - The total labor and material costs associated with all of the repairs/maintenance that are scheduled in that particular year.

30 Year Spreadsheet - A summary listing each building component and its yearly cost to maintain/repair over the next 30 years. It also lists the annual reserve fund balance, reserve contributions, reserve expenses and bank interest earned on any reserve fund balance.



APPENDIX - EVALUATORS' CREDENTIALS

Denise Dana

Principal

Reserve Consultants LLC

B.S. Education,
M. Architecture

Washington Registered
Architect, #8702

LEED Accredited Professional

Reserve Specialist, #291

Denise Dana first obtained licensure as an Architect and became a LEED accredited professional in 2003. She is currently a licensed Architect in the State of Washington and is certified by the National Council of Architectural Registration Boards. With over fifteen years of experience in architecture, her resume includes a variety of project types ranging from residential to corporate. She has worked through all phases of construction including design development, construction documentation and construction administration with project budgets varying from a few thousand dollars to over sixty million dollars. Denise has been conducting reserve studies since joining Reserve Consultants in 2008; in 2011 she was recognized as a "Reserve Specialist" by the Community Associations Institute.

Erie Stone

Associate

Reserve Consultants LLC

B.S. Architecture

Washington Registered
Architect

LEED Accredited Professional

Reserve Specialist, #321

Erie Stone obtained licensure as an Architect over 30 years ago and became a LEED accredited professional in 2007. He is currently a licensed Architect in Washington and is certified by the National Council of Architectural Registration Boards. Erie holds a Bachelor of Architecture degree from Washington State University. An experienced Architect, his resume includes a variety of projects ranging from residential to corporate, with emphasis on remodels. His projects include post offices, VA domiciliary housing, hospital administration buildings, emergency rooms, a courthouse remodel, numerous department stores, specialty retail stores and shopping malls. He has worked in depth through all phases of construction, including design, design development, construction documents, bidding and construction administration. The projects vary from small remodels of a few thousand dollars to a hundred million dollars. In 2016 Erie was recognized as a "Reserve Specialist" by the Community Associations Institute.