



MARTHA'S LANDING

Lynnwood, Washington

Standard Level 3 Reserve Study update without a site visit

2022 FUNDING RECOMMENDATIONS

Issued October, 2021

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Next Update: **Level 3** study by **September, 2022**

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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



EXECUTIVE SUMMARY

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.

Martha's Landing is a 100-unit residential community located along Larch Way 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.

MARTHA'S LANDING RESERVE FUND STATUS	
MARTHA'S LANDING'S FISCAL YEAR	a calendar year
RESERVE ACCOUNT BALANCE ON SEPTEMBER 30, 2021	\$146,526 ¹
FULLY FUNDED BALANCE YEAR 2021	\$1,872,035 ²
PERCENT FUNDED AT TIME OF STUDY	8% ³
FUNDING STATUS - RISK OF SPECIAL ASSESSMENT	High Risk
2021 PLANNED OR IMPLEMENTED SPECIAL ASSESSMENT	\$53,808
COMPONENT INCLUSION THRESHOLD VALUE	\$3,381

MARTHA'S LANDING CURRENT AND RECOMMENDED RESERVE CONTRIBUTIONS	
CURRENT BUDGETED ANNUAL CONTRIBUTION TO RESERVES	\$128,086
2022 RECOMMENDED ANNUAL CONTRIBUTION RATE	\$128,000
2022 RECOMMENDED CONTRIBUTION PER MONTH	\$10,667
2022 AVERAGE CONTRIBUTION PER UNIT PER YEAR	\$1,280
2022 AVERAGE CONTRIBUTION PER UNIT PER MONTH	\$107
2022 BASELINE FUNDING PLAN CONTRIBUTION RATE	\$120,400
2022 FULL FUNDING PLAN CONTRIBUTION RATE	\$162,200

¹ The actual or projected total reserve fund balance presented in the Reserve Study is based on information provided by the Association representative and was not audited by RCL.

² 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 in RCW 64.34.020 §24 & RCW §64.90.010 §26. The fully funded balance changes from year to year.

³ The percent fully funded acts as a measuring tool to assess an association's ability to absorb unplanned expenses. 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.



FINANCIAL OVERVIEW FOR 2022

\$192,846

2022 Estimated Starting Balance

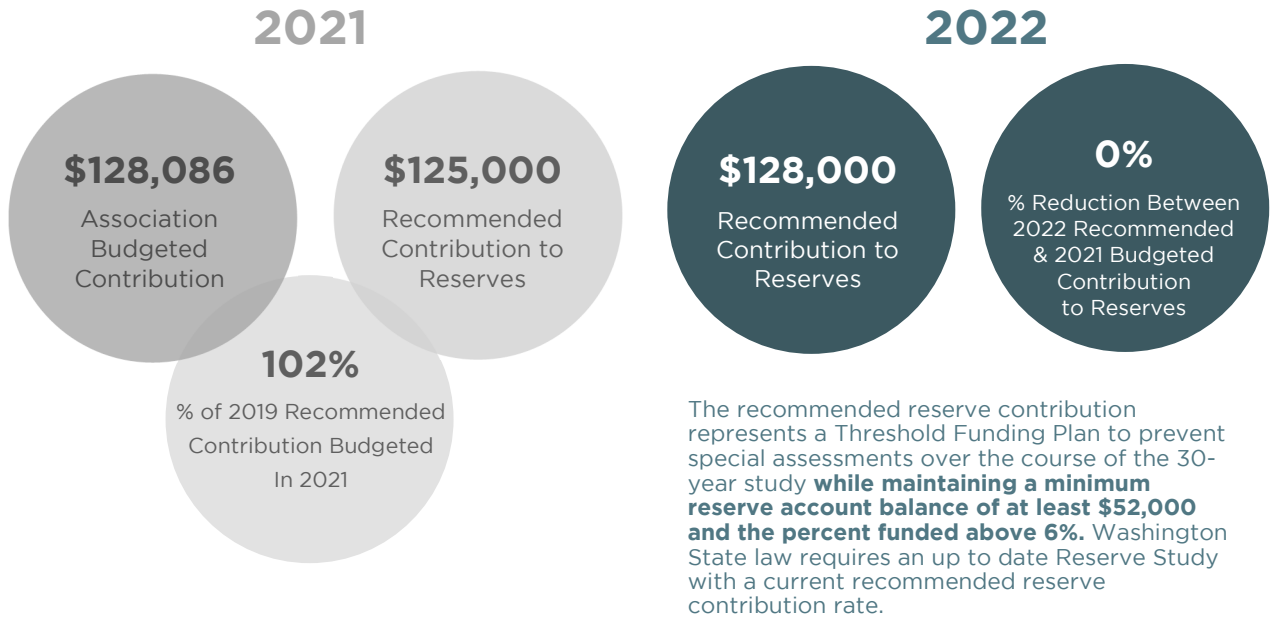
6%

2022 Estimated Percent Funded w/the Recommended Funding Plan

\$212,733

2022 Estimated Reserve Expenditures

RESERVE CONTRIBUTION COMPARISON 2021 VS 2022



ESTIMATED STARTING RESERVE FUND BALANCE FOR 2022

BALANCE CALCULATIONS

The fiscal year for Martha's Landing is a calendar year.

\$146,526	Reserve Fund Balance as of September 30, 2021
(\$0)	Anticipated Remaining Reserve Expenses In 2021
\$53,808	Planned Special Assessment In 2021
\$32,022	Remaining Reserve Contributions For 2021
\$846	Projected Interest on the 2021 Reserve Fund Balance
\$192,846	ESTIMATED STARTING BALANCE FOR FISCAL YEAR 2022

THERE ARE NO ANTICIPATED REMAINING MAINTENANCE EXPENSES FOR 2021.



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.

Common components maintained with funds from reserves include asphalt roads and parking areas lined by concrete curbs and sidewalks, and exterior decks or patios. A Clubhouse includes an indoor pool and spa, exercise room and community gathering space. Major landscaping projects and common area infrastructure for plumbing, drainage and electrical systems are also maintained with funds from reserves.

Images are from file photos taken at the last site visit.

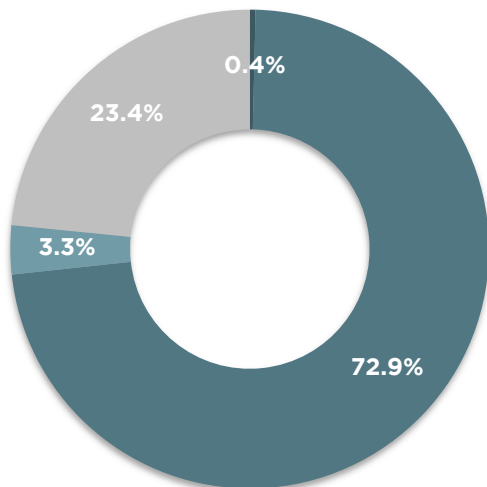


COMPONENT SUMMARY

Each reserve component is evaluated to determine the current condition, the remaining useful life, and the estimated replacement cost. 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 \$3,381, components valued less than the legal threshold may be included to better capture reserve funding for Martha's Landing.

ANTICIPATED EXPENSES¹ ALLOCATED OVER 30 YEARS FOR MARTHA'S LANDING

The components listed below provide examples for each category and may or may not pertain specifically to components that Martha's Landing is responsible for maintaining.



PRIMARY EXPENSES

0.4% LIFE SAFETY: plumbing, drainage, HVAC, electrical, lighting, & fire suppression

72.9% EXTERIOR ENVELOPE: structural components, guardrails, decks, siding, chimney chases, roofing, gutters & downspouts, doors, windows, skylights, caulking, & exterior finishes

3.3% POOL/SPA: resurfacing, water treatment & dedicated equipment for the pool & spa

SECONDARY EXPENSES - Discretionary

23.4% SECONDARY including paving, docks, fencing, walkways, signage, mailboxes, kitchen & laundry equipment, interior flooring & paint, furniture, intercom, security systems, reserve studies²

The total anticipated Primary and Secondary expenses over the next 30 years are illustrated to help the community understand the ratio of obligatory and elective maintenance. The ratio for the first five years is provided later in the report to assist with budgeting refinements.

Primary Expenses are maintenance expenses that should not be deferred due to the potential consequences of postponing upkeep of these components.

Secondary Expenses are maintenance expenses that could potentially be deferred since the timing of maintenance is typically discretionary.


¹ Not all components that are the individual unit owners' responsibility are described in the report. Items maintained with funds from the annual operating and/or individual unit owners are not included in the reserve fund analysis.

² While reserve study annual updates are required by law, there is no penalty for not completing an annual update and the lack of an annual update does not necessarily pose a risk to public safety.



COMPONENT LIST

The component list is based on information provided by Martha's Landing. Reserve Consultants LLC does not provide legal interpretations of governing documents. It is the responsibility of Martha's Landing to ensure that the component list is complete and complies with their governing documents. 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.

 Primary Expenses  Secondary (Discretionary) Expenses

COMPONENT DESCRIPTION		MAINT. CYCLE	REMAINING USEFUL LIFE	NEXT MAINT. YEAR	CURRENT REPLACEMENT COST
2.6.1 Asphalt - Overlay	Site	25	22	2043	\$177,680
2.6.2 Asphalt - Seal Coat & Stripe	Site	5	5	2026	\$18,360
2.6.3 Asphalt - Repair	Site	5	4	2025	\$17,720
2.7.1 Wood Fence, North - Replace	Site	15	9	2030	\$21,640
2.7.2 Wood Fence, North - Repair & Stain	Site	8	5	2026	\$12,370
2.7.3 Wood Fence, East & South - Replace	Site	15	11	2032	\$26,890
2.7.4 Wood Fence, East & South - Repair & Stain	Site	8	5	2026	\$13,720
2.7.5 Rail Fence - Replace	Site	20	4	2025	\$4,790
2.8.1 Play Equipment - Replace	Site	20	2	2023	\$22,430
3.3.1 Concrete Curb - Repair	Concrete	5	4	2025	\$9,610
3.3.2 Concrete Walkways - Repair	Concrete	6	2	2023	\$8,380
5.4.1 Deck Rails - Repair/Replace	Ext Envelope	6	12	2033	\$3,930
6.1.1 Elevated Deck - Recoat All	Ext Envelope	6	1	2022	\$18,820
6.1.2 Elevated Decks - Repair/Replace	Ext Envelope	30	23	2044	\$84,550
6.1.3 Garbage Enclosures - Replace	Ext Envelope	30	27	2048	\$7,430
6.2.1 Exterior Engineered Wood Siding - Replace	Ext Envelope	35	6	2027	\$1,303,730
6.3.1 Exterior Siding - Repair	Ext Envelope	1	1	2022	\$100,000
6.3.2 Exterior Siding - Repair	Ext Envelope	1	2	2023	\$10,190
6.4.1 Stairs - Repair/Replace	Ext Envelope	10	1	2022	\$5,000
7.3.1 Gutters/Downspouts - Replace	Ext Envelope	20	16	2037	\$19,370
7.4.1 Carport Roof - Repair/Replace	Ext Envelope	30	11	2032	\$15,430
7.4.2 Composition Shingle Roofs - Replace	Ext Envelope	30	26	2047	\$434,460
7.4.3 Roof - Inspection & Repair	Ext Envelope	5	1	2022	\$14,540
8.5.1 Windows/Glass Doors - Replace	Ext Envelope	35	6	2027	\$547,140
9.6.1 Clubhouse Flooring - Replace	Ext Envelope	10	4	2025	\$12,190
9.6.2 Clubhouse Interior Surfaces - Refinish	Ext Envelope	10	4	2025	\$15,490
9.8.1 Exterior Siding - Paint	Ext Envelope	8	4	2025	\$66,190
9.8.2 Exterior Siding - Post Replacement Paint	Ext Envelope	10	14	2035	\$162,100
10.3.1 Chimney Caps/Covers - Replace	Specialties	20	1	2022	\$25,710
10.4.1 Entry Signs - Refurbish	Specialties	10	1	2022	\$5,100



COMPONENT LIST CONTINUED

 Primary Expenses

 Secondary (Discretionary) Expenses

COMPONENT DESCRIPTION		MAINT. CYCLE	REMAINING USEFUL LIFE	NEXT MAINT. YEAR	CURRENT REPLACEMENT COST
10.5.1 Mailboxes - Replace	Specialties	24	9	2030	\$15,440
12.1.1 Clubhouse Bathrooms - Refurbish	Finishes/Furnishings	10	1	2022	\$7,850
12.1.2 Common Rooms - Remodel	Finishes/Furnishings	12	4	2025	\$9,650
12.1.3 Exercise Equipment - Replace	Finishes/Furnishings	5	1	2022	\$19,640
12.1.4 Furniture - Replace	Finishes/Furnishings	10	4	2025	\$6,900
13.1.1 Pool/Spa Equipment - Contingency	Pool/Spa	5	5	2026	\$7,730
13.1.2 Pool & Spa - Resurface	Pool/Spa	14	14	2035	\$34,000
13.2.1 Sauna Room - Refurbish	Pool/Spa	15	1	2022	\$3,750
13.3.1 Pool Deck - Resurface	Pool/Spa	10	10	2031	\$1,780
13.3.2 Spa - Resurface	Pool/Spa	10	4	2025	\$6,080
18.1.1 Surveillance Equipment - Refurbish	Security	10	1	2022	\$4,140



COMPONENTS EXCLUDED FROM THIS STUDY

Components that individual unit owners are responsible to maintain, repair, and/or replace are not included in the study or funding projections. We recommend the Association establish a clear definition of these components, as well as policies and processes regarding maintenance of these "owner responsibility" items.

OPERATING BUDGET

The following components may qualify for inclusion in the Reserve Study, but are excluded because the Association elects to maintain them 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

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 Washington State, 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 2019 to 2021 inflation figure of 1.94% for construction work.



FIVE YEARS AT A GLANCE (2022 - 2026)

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

2022 (YEAR 1) ANTICIPATED MAINTENANCE		ESTIMATED COST
6.1.1 Elevated Deck - Recoat All		\$19,573
6.3.1 Exterior Siding - Repair		\$104,000
6.4.1 Stairs - Repair/Replace		\$5,200
7.4.3 Roof - Inspection & Repair		\$15,122
10.3.1 Chimney Caps/Covers - Replace		\$26,738
10.4.1 Entry Signs - Refurbish		\$5,304
12.1.1 Clubhouse Bathrooms - Refurbish		\$8,164
12.1.3 Exercise Equipment - Replace		\$20,426
13.2.1 Sauna Room - Refurbish		\$3,900
18.1.1 Surveillance Equipment - Refurbish		\$4,306
Total Estimated Expenses for 2022 (YEAR 1)		\$212,733
Primary Expenses	\$147,795	69%
Secondary Expenses	\$64,938	31%

2023 (YEAR 2) ANTICIPATED MAINTENANCE		ESTIMATED COST
2.8.1 Play Equipment - Replace		\$24,027
3.3.2 Concrete Walkways - Repair		\$8,977
6.3.2 Exterior Siding - Repair		\$10,916
Total Estimated Expenses for 2023 (YEAR 2)		\$43,920
Primary Expenses	\$10,916	25%
Secondary Expenses	\$33,004	75%

2024 (YEAR 3) ANTICIPATED MAINTENANCE		ESTIMATED COST
6.3.2 Exterior Siding - Repair		\$11,243
Total Estimated Expenses for 2024 (YEAR 3)		\$11,243
Primary Expenses	\$11,243	100%
Secondary Expenses	\$0	0%



FIVE YEARS AT A GLANCE CONTINUED

2025 (YEAR 4) ANTICIPATED MAINTENANCE

ESTIMATED COST

2.6.3 Asphalt - Repair	\$20,138
2.7.5 Rail Fence - Replace	\$5,444
3.3.1 Concrete Curb - Repair	\$10,921
6.3.2 Exterior Siding - Repair	\$11,580
9.6.1 Clubhouse Flooring - Replace	\$13,853
9.6.2 Clubhouse Interior Surfaces - Refinish	\$17,603
9.8.1 Exterior Siding - Paint	\$75,221
12.1.2 Common Rooms - Remodel	\$10,967
12.1.4 Furniture - Replace	\$7,841
13.3.2 Spa - Resurface	\$6,910

Total Estimated Expenses for 2025 (YEAR 4) \$180,478

Primary Expenses	\$125,167	69%
Secondary Expenses	\$55,311	31%

2026 (YEAR 5) ANTICIPATED MAINTENANCE

ESTIMATED COST

2.6.2 Asphalt - Seal Coat & Stripe	\$21,491
2.7.2 Wood Fence, North - Repair & Stain	\$14,479
2.7.4 Wood Fence, East & South - Repair & Stain	\$16,060
6.3.2 Exterior Siding - Repair	\$11,928
13.1.1 Pool/Spa Equipment - Contingency	\$9,048

Total Estimated Expenses for 2026 (YEAR 5) \$73,006

Primary Expenses	\$20,976	29%
Secondary Expenses	\$52,030	71%



PROJECTED RESERVE ACCOUNT BALANCE

FOR EACH FUNDING PLAN OVER NEXT 5 YEARS

\$128,000 RECOMMENDED (THRESHOLD) FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2022)	\$128,000	\$0	\$108,865	6%	Highest Risk
2 (2023)	\$131,840	\$0	\$199,842	9%	Highest Risk
3 (2024)	\$135,795	\$0	\$329,636	14%	Highest Risk
4 (2025)	\$139,869	\$0	\$295,214	12%	Highest Risk
5 (2026)	\$144,065	\$0	\$372,888	15%	Highest Risk

\$128,086 CURRENT FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2022)	\$128,086	\$0	\$108,952	6%	Highest Risk
2 (2023)	\$131,929	\$0	\$200,021	9%	Highest Risk
3 (2024)	\$135,886	\$0	\$329,911	14%	Highest Risk
4 (2025)	\$139,963	\$0	\$295,590	12%	Highest Risk
5 (2026)	\$144,162	\$0	\$373,369	15%	Highest Risk

\$120,400 BASELINE FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2022)	\$120,400	\$0	\$100,609	5%	Highest Risk
2 (2023)	\$124,012	\$0	\$183,515	9%	Highest Risk
3 (2024)	\$127,732	\$0	\$304,840	13%	Highest Risk
4 (2025)	\$131,564	\$0	\$261,534	11%	Highest Risk
5 (2026)	\$135,511	\$0	\$329,895	13%	Highest Risk

\$162,200 FULL FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2022)	\$162,200	\$0	\$142,514	7%	Highest Risk
2 (2023)	\$167,066	\$0	\$269,742	13%	Highest Risk
3 (2024)	\$172,078	\$0	\$437,581	19%	Highest Risk
4 (2025)	\$177,240	\$0	\$443,063	19%	Highest Risk
5 (2026)	\$182,558	\$0	\$562,571	22%	Highest Risk

PERCENT FUNDED

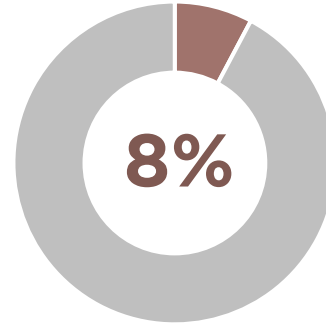
The "percent funded" is a measure of how much the Association should have saved in their reserve account compared to the projected cost for all the components the Association is responsible for, and relates to the level of deterioration compared to the cost to repair or replace the component.

We typically recommend a contribution rate to meet a minimum reserve account balance (threshold) goal instead of a 100% funded rate.

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 \$1,872,035. The actual current funding is \$146,526. The Association is approximately 8% funded.

This means that based on a straight-line savings for each reserve component, the Association saved 8% of the accumulated depreciation of the reserve components.



At 8%, Martha's Landing is considered to be at **high risk for a special assessment.**

EXAMPLE OF PERCENT FUNDED FOR ROOF REPLACEMENT

SCENARIO	ANALYSIS
<p>For a roof that lasts 10 years and costs \$100,000 to replace:</p> <ul style="list-style-type: none"> • Save \$10,000 each year, for 10 years • Year 2, the roof has deteriorated 20%. <ul style="list-style-type: none"> ○ If you have \$20,000 saved it is fully funded. ○ If you have \$10,000 saved it is 50% funded. • Year 8, the roof has deteriorated 80%. <ul style="list-style-type: none"> ○ If you have \$80,000 saved it is fully funded. ○ If you have \$20,000 saved it is 25% funded. If you have \$10,000 saved it is 13% funded. 	<ul style="list-style-type: none"> A. In effect, the percent 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. B. A higher percent funded means more money is in the bank which lowers the risk of special assessment if something unexpected occurs. A poorly funded Association has less cash on hand, therefore much higher risk of special assessment for unplanned expenses. C. By analyzing deterioration cycles and cash flow needs, we determine how much money should be steadily contributed, over a 30 year period, to fund the repair and replacement needs of the components included in 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.



FULLY FUNDED BALANCE CALCULATIONS



FULLY FUNDED BALANCE = THE SUM OF $\frac{\text{REPLACEMENT COST} \times \text{EFFECTIVE AGE}}{\text{USEFUL LIFE}}$ FOR ALL RESERVE COMPONENTS

COMPONENT DESCRIPTION		QTY	UNIT	MAINT. CYCLE (USEFUL LIFE)	REMAINING USEFUL LIFE	EFFECTIVE AGE	CURRENT REPLACEMENT COST	FULLY FUNDED BALANCE
100%	2.6.1 Asphalt - Overlay	67000	SF	25	22	3	\$177,680	\$21,322
100%	2.6.2 Asphalt - Seal Coat & Stripe	67000	SF	5	5	-	\$18,360	\$0
3%	2.6.3 Asphalt - Repair	67000	SF	5	4	1	\$17,720	\$3,544
100%	2.7.1 Wood Fence, North - Replace	640	LF	15	9	6	\$21,640	\$8,656
100%	2.7.2 Wood Fence, North - Repair & Stain	640	LF	8	5	3	\$12,370	\$4,639
100%	2.7.3 Wood Fence, East & South - Replace	710	LF	15	11	4	\$26,890	\$7,171
100%	2.7.4 Wood Fence, East & South - Repair & Stain	710	LF	8	5	3	\$13,720	\$5,145
100%	2.7.5 Rail Fence - Replace	220	LF	20	4	16	\$4,790	\$3,832
100%	2.8.1 Play Equipment - Replace	1	LS	20	2	18	\$22,430	\$20,187
20%	3.3.1 Concrete Curb - Repair	3060	LF	5	4	1	\$9,610	\$1,922
100%	3.3.2 Concrete Walkways - Repair	1	LS	6	2	4	\$8,380	\$5,587
25%	5.4.1 Deck Rails - Repair/Replace	520	LF	6	12	-	\$3,930	\$0
100%	6.1.1 Elevated Deck - Recoat All	50	EA	6	1	5	\$18,820	\$15,683
100%	6.1.2 Elevated Decks - Repair/Replace	20	EA	30	23	7	\$84,550	\$19,728
100%	6.1.3 Garbage Enclosures - Replace	3	EA	30	27	3	\$7,430	\$743
100%	6.2.1 Exterior Engineered Wood Siding - Replace	89450	SF	35	6	29	\$1,303,730	\$1,080,233
100%	6.3.1 Exterior Siding - Repair	1	LS	1	1	-	\$100,000	\$0
100%	6.3.2 Exterior Siding - Repair	1	LS	1	2	-	\$10,190	\$0
100%	6.4.1 Stairs - Repair/Replace	26	EA	10	1	9	\$5,000	\$4,500
100%	7.3.1 Gutters/Downspouts - Replace	4650	LF	20	16	4	\$19,370	\$3,874
100%	7.4.1 Carport Roof - Repair/Replace	18	SQ	30	11	19	\$15,430	\$9,772
100%	7.4.2 Composition Shingle Roofs - Replace	680	SQ	30	26	4	\$434,460	\$57,928
3%	7.4.3 Roof - Inspection & Repair	680	SQ	5	1	4	\$14,540	\$11,632
100%	8.5.1 Windows/Glass Doors - Replace	1	LS	35	6	29	\$547,140	\$453,345
100%	9.6.1 Clubhouse Flooring - Replace	242	SY	10	4	6	\$12,190	\$7,314
100%	9.6.2 Clubhouse Interior Surfaces - Refinish	11490	SF	10	4	6	\$15,490	\$9,294
100%	9.8.1 Exterior Siding - Paint	1	LS	8	4	4	\$66,190	\$33,095
100%	9.8.2 Exterior Siding - Post Replacement Paint	89450	SF	10	14	-	\$162,100	\$0
100%	10.3.1 Chimney Caps/Covers - Replace	152	EA	20	1	19	\$25,710	\$24,425
100%	10.4.1 Entry Signs - Refurbish	2	EA	10	1	9	\$5,100	\$4,590



FULLY FUNDED BALANCE CALCULATIONS CONTINUED



FULLY FUNDED BALANCE = THE SUM OF $\frac{\text{REPLACEMENT COST} \times \text{EFFECTIVE AGE}}{\text{USEFUL LIFE}}$ FOR ALL RESERVE COMPONENTS

COMPONENT DESCRIPTION			QTY	UNIT	MAINT. CYCLE (USEFUL LIFE)	REMAINING USEFUL LIFE	EFFECTIVE AGE	CURRENT REPLACEMENT COST	FULLY FUNDED BALANCE
100%	10.5.1	Mailboxes - Replace	8	EA	24	9	15	\$15,440	\$9,650
100%	12.1.1	Clubhouse Bathrooms - Refurbish	2	EA	10	1	9	\$7,850	\$7,065
100%	12.1.2	Common Rooms - Remodel	2730	SF	12	4	8	\$9,650	\$6,433
100%	12.1.3	Exercise Equipment - Replace	6	EA	5	1	4	\$19,640	\$15,712
100%	12.1.4	Furniture - Replace	12	EA	10	4	6	\$6,900	\$4,140
100%	13.1.1	Pool/Spa Equipment - Contingency	1	LS	5	5	-	\$7,730	\$0
100%	13.1.2	Pool & Spa - Resurface	480	SF	14	14	-	\$34,000	\$0
100%	13.2.1	Sauna Room - Refurbish	1	LS	15	1	14	\$3,750	\$3,500
100%	13.3.1	Pool Deck - Resurface	660	SF	10	10	-	\$1,780	\$0
100%	13.3.2	Spa - Resurface	1	LS	10	4	6	\$6,080	\$3,648
100%	18.1.1	Surveillance Equipment - Refurbish	1	EA	10	1	9	\$4,140	\$3,726
FULLY FUNDED BALANCE								Total	\$1,872,035

CURRENT RESERVE BALANCE = \$146,526

PERCENT FULLY FUNDED = 8%



DEFICIT OR SURPLUS IN RESERVE FUNDING

RCW 64.90.550 §2(l) 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 community'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 community allocable to each unit.

The fully funded balance calculates how much money should be saved for future maintenance based on the age of each component and the cost for future maintenance. In other words, the fully funded balance assumes that money will be saved every year for the next maintenance of a component to ensure special assessments are not required to fund future maintenance. The intent of RCW 64.90.550 §2 (l) is to show each unit's "share" of the surplus or deficit in reserve funding.

If the reserve account balance is:

- **equal to** the fully funded balance, Martha's Landing would be considered as 100% fully funded. There would be neither a surplus nor deficit.
- **less than** the fully funded balance, there is a deficit meaning Martha's Landing would be thought behind on saving for future maintenance.
- **more than** the fully funded balance, there is a surplus meaning Martha's Landing would be deemed ahead on saving for future maintenance.

The Recommended Funding Plan is based on Threshold Funding, a reserve contribution rate that is constant (increasing annually 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. The threshold provides a monetary cushion in the reserve account to help ensure that a special assessment is not required for the duration of the study, even in years when there are significant withdrawals from the reserve account. Primary consideration is given to cash needed to cover expenses and the threshold; the percent funded is typically targeted to be 80%.

SUMMARY

RESERVE ACCOUNT BALANCE AS OF SEPTEMBER 30, 2021	\$146,526
CURRENT FULLY FUNDED BALANCE	\$1,872,035
RESERVE FUND DEFICIT	(\$1,725,509)
NUMBER OF UNITS	100
AVERAGE DEFICIT PER UNIT	(\$17,255)



RESERVE FUND (DEFICIT) PER UNIT

UNIT NUMBER	ALLOCATED INTEREST	(DEFICIT) PER UNIT	UNIT NUMBER	ALLOCATED INTEREST	(DEFICIT) PER UNIT	UNIT NUMBER	ALLOCATED INTEREST	(DEFICIT) PER UNIT
A-101	1.0000%	(\$17,255)	C-103	1.0000%	(\$17,255)	E-201	1.2000%	(\$20,706)
A-102	0.7500%	(\$12,941)	C-104	1.0000%	(\$17,255)	E-202	1.0000%	(\$17,255)
A-103	0.7500%	(\$12,941)	C-105	1.0000%	(\$17,255)	E-203	1.0000%	(\$17,255)
A-104	1.0000%	(\$17,255)	C-106	1.0000%	(\$17,255)	E-204	1.2000%	(\$20,706)
A-105	1.0000%	(\$17,255)	C-201	1.0000%	(\$17,255)	E-205	1.2000%	(\$20,706)
A-106	0.7500%	(\$12,941)	C-202	1.0000%	(\$17,255)	E-206	1.0000%	(\$17,255)
A-107	0.7500%	(\$12,941)	C-203	1.0000%	(\$17,255)	E-207	1.0000%	(\$17,255)
A-108	1.0000%	(\$17,255)	C-204	1.0000%	(\$17,255)	E-208	1.2000%	(\$20,706)
A-201	1.0000%	(\$17,255)	C-205	1.0000%	(\$17,255)	F-101	1.2000%	(\$20,706)
A-202	0.7500%	(\$12,941)	C-206	1.0000%	(\$17,255)	F-102	1.0000%	(\$17,255)
A-203	0.7500%	(\$12,941)	D-101	1.2000%	(\$20,706)	F-103	1.0000%	(\$17,255)
A-204	1.0000%	(\$17,255)	D-102	1.0000%	(\$17,255)	F-104	1.2000%	(\$20,706)
A-205	1.0000%	(\$17,255)	D-103	1.0000%	(\$17,255)	F-105	1.2000%	(\$20,706)
A-206	0.7500%	(\$12,941)	D-104	1.2000%	(\$20,706)	F-106	1.0000%	(\$17,255)
A-207	0.7500%	(\$12,941)	D-105	1.2000%	(\$20,706)	F-107	1.0000%	(\$17,255)
A-208	1.0000%	(\$17,255)	D-106	1.0000%	(\$17,255)	F-108	1.2000%	(\$20,706)
B-101	1.0000%	(\$17,255)	D-107	1.0000%	(\$17,255)	F-201	1.2000%	(\$20,706)
B-102	0.7500%	(\$12,941)	D-108	1.2000%	(\$20,706)	F-202	1.0000%	(\$17,255)
B-103	0.7500%	(\$12,941)	D-201	1.2000%	(\$20,706)	F-203	1.0000%	(\$17,255)
B-104	1.0000%	(\$17,255)	D-202	1.0000%	(\$17,255)	F-204	1.2000%	(\$20,706)
B-105	1.0000%	(\$17,255)	D-203	1.0000%	(\$17,255)	F-205	1.2000%	(\$20,706)
B-106	0.7500%	(\$12,941)	D-204	1.2000%	(\$20,706)	F-206	1.0000%	(\$17,255)
B-107	0.7500%	(\$12,941)	D-205	1.2000%	(\$20,706)	F-207	1.0000%	(\$17,255)
B-108	1.0000%	(\$17,255)	D-206	1.0000%	(\$17,255)	F-208	1.2000%	(\$20,706)
B-201	1.0000%	(\$17,255)	D-207	1.0000%	(\$17,255)	G-101	1.0000%	(\$17,255)
B-202	0.7500%	(\$12,941)	D-208	1.2000%	(\$20,706)	G-102	0.7500%	(\$12,941)
B-203	0.7500%	(\$12,941)	E-101	1.2000%	(\$20,706)	G-103	0.7500%	(\$12,941)
B-204	1.0000%	(\$17,255)	E-102	1.0000%	(\$17,255)	G-104	1.0000%	(\$17,255)
B-205	1.0000%	(\$17,255)	E-103	1.0000%	(\$17,255)	G-201	1.1000%	(\$18,981)
B-206	0.7500%	(\$12,941)	E-104	1.2000%	(\$20,706)	G-202	0.7500%	(\$12,941)
B-207	0.7500%	(\$12,941)	E-105	1.2000%	(\$20,706)	G-203	0.7500%	(\$12,941)
B-208	1.0000%	(\$17,255)	E-106	1.0000%	(\$17,255)	G-204	1.1000%	(\$18,981)
C-101	1.0000%	(\$17,255)	E-107	1.0000%	(\$17,255)			
C-102	1.0000%	(\$17,255)	E-108	1.2000%	(\$20,706)			
COLUMN TOTAL	30.00%	(\$517,653)	COLUMN TOTAL	36.40%	(\$628,085)	COLUMN TOTAL	33.60%	(\$579,771)
GRAND TOTAL			100.00%			(\$1,725,509)		



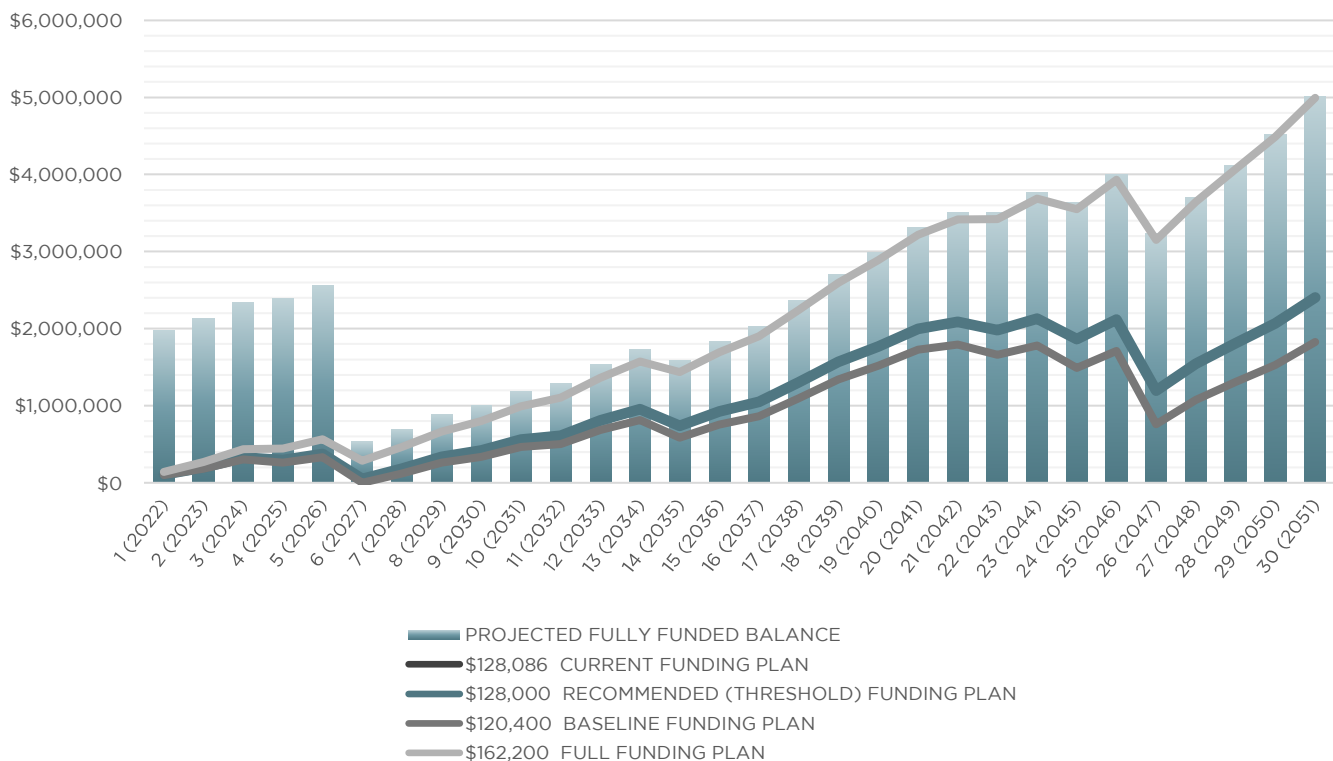
FUNDING PLANS

THRESHOLD FUNDING PLAN \$128,000	BASELINE FUNDING PLAN \$120,400	FULL FUNDING PLAN \$162,200
RECOMMENDED	OPTIONAL STRATEGY	100% FUNDED BY YEAR 30
initial annual contribution of \$128,000	initial annual contribution of \$120,400	initial annual contribution of \$162,200
meets yearly projected reserve expenses	meets annual reserve expenses with no minimum balance requirement	most flexibility for cost variables and unplanned expenses
maintains minimum reserve balance equal to annual contribution amount	less flexibility with cost variables and unplanned expenses	lowest risk for special assessment

The Threshold Funding Plan is the **RECOMMENDED FUNDING PLAN** for Martha's Landing, balancing cashflow and anticipated expenses over 30 years while maintaining a minimum reserve account balance of at least \$52,000 and the percent funded above 6%. Cost projection accuracy decreases into the distant future. Assumptions should be reconsidered and updated with each revision of the study.

COMPARISON OF FULLY FUNDED BALANCE AND FUNDING PLANS

Since the Current and Recommended Funding Plans are similar, only one line is visible on some parts of the chart.



**PROJECTED RESERVE ACCOUNT BALANCES**

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	\$128,000 RECOMMENDED (THRESHOLD) FUNDING PLAN	\$128,086 CURRENT FUNDING PLAN	\$120,400 BASELINE FUNDING PLAN	\$162,200 FULL FUNDING PLAN
1 (2022)	\$108,865	\$108,952	\$100,609	\$142,514
2 (2023)	\$199,842	\$200,021	\$183,515	\$269,742
3 (2024)	\$329,636	\$329,911	\$304,840	\$437,581
4 (2025)	\$295,214	\$295,590	\$261,534	\$443,063
5 (2026)	\$372,888	\$373,369	\$329,895	\$562,571
6 (2027)	\$52,302	\$53,380	\$38	\$286,309
7 (2028)	\$184,110	\$185,314	\$121,635	\$464,042
8 (2029)	\$335,964	\$337,299	\$262,800	\$663,978
9 (2030)	\$420,747	\$422,218	\$336,395	\$799,077
10 (2031)	\$559,647	\$561,260	\$463,592	\$990,613
11 (2032)	\$611,513	\$613,292	\$502,107	\$1,102,511
12 (2033)	\$807,353	\$809,308	\$683,778	\$1,362,069
13 (2034)	\$952,677	\$954,819	\$814,074	\$1,574,982
14 (2035)	\$740,544	\$742,885	\$586,009	\$1,434,505
15 (2036)	\$925,282	\$927,833	\$753,866	\$1,695,169
16 (2037)	\$1,050,856	\$1,053,627	\$861,562	\$1,901,148
17 (2038)	\$1,305,453	\$1,308,457	\$1,097,235	\$2,240,857
18 (2039)	\$1,569,203	\$1,572,453	\$1,340,965	\$2,594,655
19 (2040)	\$1,767,083	\$1,770,593	\$1,517,672	\$2,887,764
20 (2041)	\$1,997,115	\$2,000,899	\$1,725,323	\$3,218,461
21 (2042)	\$2,088,847	\$2,092,921	\$1,793,408	\$3,416,560
22 (2043)	\$1,981,645	\$1,986,023	\$1,661,227	\$3,421,704
23 (2044)	\$2,129,449	\$2,134,149	\$1,782,661	\$3,688,126
24 (2045)	\$1,865,688	\$1,870,726	\$1,491,067	\$3,549,557
25 (2046)	\$2,115,549	\$2,120,944	\$1,711,563	\$3,931,504
26 (2047)	\$1,196,584	\$1,202,353	\$761,626	\$3,151,849
27 (2048)	\$1,542,749	\$1,548,913	\$1,075,136	\$3,644,897
28 (2049)	\$1,810,648	\$1,817,227	\$1,308,617	\$4,067,615
29 (2050)	\$2,067,099	\$2,074,115	\$1,528,801	\$4,487,199
30 (2051)	\$2,404,575	\$2,412,050	\$1,828,073	\$4,996,519

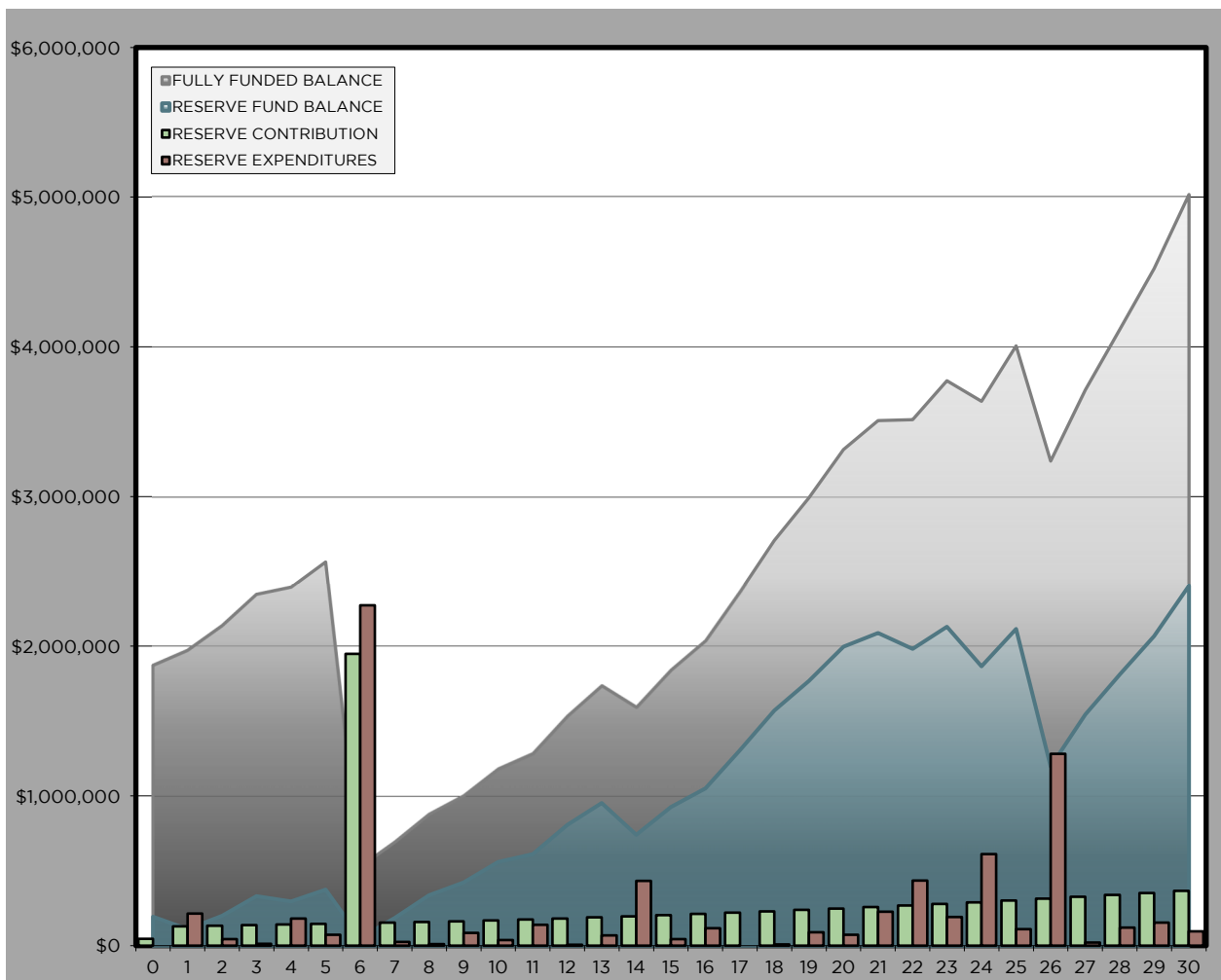


RESERVE STUDY PROJECTIONS USING INFLATED DOLLAR VALUES

The recommended contribution to reserves is primarily based on cashflow over thirty years to ensure a that there will be enough funds in reserves to cover anticipated expenses without the need of a special assessment. Monitoring the Fully Funded Balance helps anticipate future financial liabilities and the community's potential risk for a special assessment. The inflated scenario includes annual increases in the reserve contribution to keep up with inflation.

- **Teal Area Graph:** The fiscal year-end running reserve fund balance is shown as a line graph in teal.
- **Grey Area Graph:** The anticipated fully funded balance is shown as a line graph in grey.
- **Mint Green Bars:** The annual reserve fund contributions are shown as mint green bars.
- **Brick Red Bars:** The anticipated yearly reserve expenditures are shown as brick red bars, depicting the anticipated expenses over the next 30 years.

RECOMMENDED FUNDING PLAN STARTING AT \$128,000





RESERVE 30 YEAR SUMMARY AT THE RECOMMENDED FUNDING PLAN STARTING AT \$128,000

INFLATION & INTEREST ASSUMPTIONS¹

	CONTRIBUTION INFLATION	COMPONENT INFLATION	INTEREST
Years 0-1	0%	4%	0.5%
Years 2-10	3%	3%	2%
Years 11-30	4%	4%	3%

SPECIAL ASSESSMENT RISK

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

FISCAL YEAR END	FISCAL YEAR BEGINNING RESERVE BALANCE	RECOMMENDED ANNUAL RESERVE CONTRIBUTION ²	AVERAGE CONTRIBUTION PER UNIT PER MONTH ³	PROJECTED RESERVE EXPENDITURES	SPECIAL ASSESSMENT	PROJECTED INTEREST EARNED	FISCAL YEAR END RESERVE BALANCE	PROJECTED FULLY FUNDED BALANCE	PERCENT FUNDED
1 (2022)	\$192,846	\$128,000	\$107	(\$212,733)	\$0	\$752	\$108,865	\$1,972,416	6%
2 (2023)	\$108,865	\$131,840	\$110	(\$43,920)	\$0	\$3,057	\$199,842	\$2,136,844	9%
3 (2024)	\$199,842	\$135,795	\$113	(\$11,243)	\$0	\$5,242	\$329,636	\$2,343,356	14%
4 (2025)	\$329,636	\$139,869	\$117	(\$180,478)	\$0	\$6,187	\$295,214	\$2,391,438	12%
5 (2026)	\$295,214	\$144,065	\$120	(\$73,006)	\$0	\$6,615	\$372,888	\$2,562,472	15%
6 (2027)	\$372,888	\$148,387	\$124	(\$2,272,702)	\$1,800,000	\$3,729	\$52,302	\$531,825	10%
7 (2028)	\$52,302	\$152,839	\$127	(\$23,371)	\$0	\$2,341	\$184,110	\$695,358	26%
8 (2029)	\$184,110	\$157,424	\$131	(\$10,719)	\$0	\$5,149	\$335,964	\$881,577	38%
9 (2030)	\$335,964	\$162,147	\$135	(\$84,856)	\$0	\$7,492	\$420,747	\$1,004,528	42%
10 (2031)	\$420,747	\$167,011	\$139	(\$37,818)	\$0	\$9,707	\$559,647	\$1,183,646	47%
11 (2032)	\$559,647	\$173,691	\$145	(\$139,133)	\$0	\$17,308	\$611,513	\$1,286,129	48%
12 (2033)	\$611,513	\$180,639	\$151	(\$5,768)	\$0	\$20,968	\$807,353	\$1,533,850	53%
13 (2034)	\$807,353	\$187,865	\$157	(\$68,551)	\$0	\$26,010	\$952,677	\$1,736,778	55%
14 (2035)	\$952,677	\$195,379	\$163	(\$432,535)	\$0	\$25,023	\$740,544	\$1,592,245	47%
15 (2036)	\$740,544	\$203,194	\$169	(\$43,074)	\$0	\$24,618	\$925,282	\$1,840,133	50%
16 (2037)	\$925,282	\$211,322	\$176	(\$114,953)	\$0	\$29,204	\$1,050,856	\$2,035,148	52%
17 (2038)	\$1,050,856	\$219,775	\$183	(\$0)	\$0	\$34,822	\$1,305,453	\$2,362,370	55%
18 (2039)	\$1,305,453	\$228,566	\$190	(\$7,298)	\$0	\$42,483	\$1,569,203	\$2,705,216	58%
19 (2040)	\$1,569,203	\$237,709	\$198	(\$89,134)	\$0	\$49,305	\$1,767,083	\$2,990,166	59%
20 (2041)	\$1,767,083	\$247,217	\$206	(\$72,813)	\$0	\$55,629	\$1,997,115	\$3,313,470	60%
21 (2042)	\$1,997,115	\$257,106	\$214	(\$225,758)	\$0	\$60,384	\$2,088,847	\$3,507,823	60%
22 (2043)	\$2,088,847	\$267,390	\$223	(\$434,747)	\$0	\$60,155	\$1,981,645	\$3,512,461	56%
23 (2044)	\$1,981,645	\$278,086	\$232	(\$191,036)	\$0	\$60,755	\$2,129,449	\$3,772,960	56%
24 (2045)	\$2,129,449	\$289,209	\$241	(\$612,012)	\$0	\$59,041	\$1,865,688	\$3,635,345	51%
25 (2046)	\$1,865,688	\$300,777	\$251	(\$109,752)	\$0	\$58,836	\$2,115,549	\$4,007,424	53%
26 (2047)	\$2,115,549	\$312,808	\$261	(\$1,280,721)	\$0	\$48,948	\$1,196,584	\$3,236,873	37%
27 (2048)	\$1,196,584	\$325,321	\$271	(\$19,639)	\$0	\$40,483	\$1,542,749	\$3,710,577	42%
28 (2049)	\$1,542,749	\$338,334	\$282	(\$119,992)	\$0	\$49,558	\$1,810,648	\$4,117,432	44%
29 (2050)	\$1,810,648	\$351,867	\$293	(\$152,723)	\$0	\$57,307	\$2,067,099	\$4,522,966	46%
30 (2051)	\$2,067,099	\$365,942	\$305	(\$94,549)	\$0	\$66,084	\$2,404,575	\$5,018,637	48%

¹ 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.

² The Recommended Annual Reserve Contribution includes inflation and any applicable recommended adjustments.

³ The Average Contribution Per Unit Per Month reflects the Recommended Annual Reserve Contribution divided by the total number of units in the community.



PURPOSE OF A RESERVE STUDY

The purpose of a Reserve Study is to recommend a reasonable annual reserve contribution rate made by a common interest community 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 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. Annual updates are key to keeping up with current trends in component pricing, inflation and interest rates, actual timing of maintenance experienced and the community's risk tolerance.

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.

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.



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.

Level 4: The Community Associations Institute defines a Level 4 reserve study for communities under construction as a Preliminary, Community Not Yet Constructed reserve study.

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

The next required update
for Martha's Landing is a
**Level 3 study by
September, 2022.**

SOURCES USED IN COMPILING THIS REPORT

Reserve Consultants LLC has provided reserve studies and construction services since 1992 and base component repair and replacement costs on this extensive experience and information provided by the Association. Sources used include:

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

The current replacement cost is an estimate and actual costs may vary. Material selection, timing of the work, and requirements for Architectural services or construction management can impact cost projections. Expenses related to common interest communities are typically higher than other multi-family construction types, often due to the elevated insurance requirements contractors must carry. All estimates assume that a licensed and bonded contractor will be utilized to complete the work due to liability issues. Regional cost factors are applied as appropriate.



GOVERNMENT REQUIREMENTS FOR A RESERVE STUDY

- (a) The content of a Reserve Study for a condominium is regulated by the Washington State government (RCW 64.34.382 §2).
- (b) 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;
- (c) The date of the study and a statement that the study meets the requirements of this section;
- (d) 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;
- (e) The association's reserve account balance;
- (f) The percentage of the fully funded balance that the reserve account is funded;
- (g) Special assessments already implemented or planned;
- (h) Interest and inflation assumptions;
- (i) Current reserve account contribution rate;
- (j) 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;
- (k) 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
- (l) 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; extent to which the budget meets or deviates from the recommendations of that reserve study; and
- (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
- (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 reserve 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 1990 is 3.07%. 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 1990 is 2.82%. The interest for associations is typically lower than average due to conservative investing options that are usually employed by associations.

CONTRIBUTION & EXPENSE INFLATION AND INTEREST PROJECTIONS

YEARS APPLIED	RESERVE CONTRIBUTION INFLATION	RESERVE EXPENSE INFLATION	INTEREST RATE
Year 0 (2021)	0%	0%	0.5%
Year 1 (2022)	0%	4%	0.5%
Year 2 (2023) through Year 10 (2031)	0%	3%	2%
Year 11 (2032) through Year 30 (2051)	4%	4%	3%



RESERVE DISCLOSURE

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 reserve disclosure as outlined in RCW 64.34.308 §4,

which we refer to as the Reserve Disclosure. Below is a sample of the Reserve Disclosure 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 Reserve Disclosure at no additional charge within one year of issuing the draft of the reserve study report.

FUNDING INFORMATION	
\$104,000	Proposed annual contribution to reserves for the fiscal year ending in 2022 per the budget.
\$610,000	Projected fiscal year end 2021 reserve balance per the budget.
\$128,000	Budgeted annual contribution to reserves for the current fiscal year ending in 2021.

INFORMATION FROM THE MOST RECENT RESERVE STUDY	
62%	Percent fully funded as of the date of the most recent reserve study (2021).
\$104,000	Recommended annual contribution to reserves for the fiscal year ending in 2022.
Threshold	Type of funding plan used for recommended annual funding per the most recent reserve study.
\$609,414	Projected fiscal year end 2021 reserve balance per the most recent reserve study.
Yes	Based upon the most recent reserve study (2021), 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

\$128,000 CURRENT FISCAL YEAR RESERVE CONTRIBUTION			\$104,000 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 2022

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	Average amount per unit per month.	
N/A	Date assessment is due.	

COMPARISON OF FISCAL YEAR END PROJECTIONS FOR NEXT FIVE YEARS

\$128,000 CURRENT RESERVE CONTRIBUTION			\$104,000 RECOMMENDED RESERVE CONTRIBUTION			\$104,000 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
2022	\$717,247	70%	2022	\$693,007	68%	2022	\$693,007	68%
2023	\$864,751	79%	2023	\$815,059	74%	2023	\$815,059	74%
2024	\$1,017,160	86%	2024	\$940,758	80%	2024	\$940,758	80%
2025	\$1,178,771	93%	2025	\$1,074,353	85%	2025	\$1,074,353	85%
2026	\$553,627	98%	2026	\$419,838	74%	2026	\$419,838	74%

CONTRIBUTIONS AND EXPENSES ARE BOTH INFLATED FOR THE 5 YEAR PROJECTION CALCULATIONS.



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

Below is a sample of the Reserve Disclosure 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 WUCIOA Reserve Disclosure at no additional charge within one year of issuing the draft of the reserve study report.

FUNDING INFORMATION

- ✓ Sample does have a current reserve study that complies with RCW 64.90.550 (WUCIOA).
- ✓ Sample does have a current reserve study that complies with RCW 64.34.382 (Condominium Act).
- \$128,000 The current regular reserve assessments budgeted for annual contribution to the reserve account.
- \$104,000 The Recommended annual contribution to reserves for the fiscal year ending in 2022.*
- \$104,000 The Proposed annual contribution to reserves for the fiscal year ending in 2022 per the budget.
- ✓ **The proposed budget does meet or exceed the reserve study recommendations.**
- \$0 Difference between the Proposed and Recommended annual contribution to reserves.

***The Recommended annual contribution represents Threshold Funding, which ensures there is enough cash over 30 years to cover anticipated reserve expenses, but does not necessarily represent a plan that achieves 100% Fully Funded.**

At the time of the most recent reserve study Sample was 62% fully funded. For comparison, the average percent funded for Reserve Consultants LLC clients since 2014 is 60%.

CURRENT (DEFICIENCY) IN RESERVE FUNDS COMPARED TO THE FULLY FUNDED BALANCE ON A PER UNIT BASIS

- \$610,000 The projected fiscal year end 2021 reserve balance per the budget.
- \$971,499 The projected fiscal year end 2021 Fully Funded Balance per the reserve study.
- (\$361,499) 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
A101	8.0787%	(\$29,205)	208	4.8397%	(\$17,496)	308	4.9295%	(\$17,820)
A102	7.5583%	(\$27,323)	209	4.8397%	(\$17,496)	309	4.9295%	(\$17,820)
A103	9.0827%	(\$32,834)	300	1.9574%	(\$7,076)	400	2.0472%	(\$7,401)
A201	7.7574%	(\$28,044)	301	2.1370%	(\$7,725)	401	2.2268%	(\$8,050)
A202	7.4746%	(\$27,097)	302	2.1968%	(\$7,952)	402	2.2806%	(\$8,277)
A203	8.7815%	(\$31,745)	303	2.2886%	(\$8,277)	403	2.3794%	(\$8,602)
A301	8.0787%	(\$29,205)	304	3.0798%	(\$11,153)	404	3.1696%	(\$11,458)
A302	7.5583%	(\$27,323)	305	3.2594%	(\$11,783)	405	3.3491%	(\$12,107)
A303	9.1764%	(\$33,172)	306	3.1067%	(\$11,231)	406	3.1985%	(\$11,585)
A401	8.4585%	(\$30,578)	307	3.1426%	(\$11,360)	407	2.3707%	(\$8,568)
COLUMN TOTAL	100.00%	(\$361,499)	COLUMN TOTAL	30.88%	(\$11,628)	COLUMN TOTAL	41.79%	(\$17,064)
			GRAND TOTAL	172.64%	(\$624,091)			

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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; nor is there any involvement with Martha's Landing which could result in a conflict of interest.
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. Any on-site inspection should not be considered a project audit or quality inspection.
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.



EVALUATOR'S 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 twenty 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.



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 RCW 64.90.550 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.

Roofing Square - A roofing industry term meaning 100 square feet.

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 the calculated reserve fund balance.



APPENDIX A

MARTHA'S LANDING

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF \$128,000
AND COMPOUND INFLATION

			12-Oct-21								
			STARTING RESERVE BALANCE	\$192,846	\$108,865	\$199,842	\$329,636	\$295,214			
			ANNUAL RESERVE CONTRIBUTION	\$128,000	\$131,840	\$135,795	\$139,869	\$144,065			
			ESTIMATED INTEREST EARNED	\$752	\$3,057	\$5,242	\$6,187	\$6,615			
			SPECIAL ASSESSMENT	\$0	\$0	\$0	\$0	\$0			
			ACCUMULATED CREDITS	\$321,598	\$243,762	\$340,879	\$475,692	\$445,894			
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	1 2022	2 2023	3 2024	4 2025	5 2026			
2.6.1	Asphalt - Overlay	25	22								
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$21,491			
2.6.3	Asphalt - Repair	5	4				\$20,138				
2.7.1	Wood Fence, North - Replace	15	9								
2.7.2	Wood Fence, North - Repair & Stain	8	5					\$14,479			
2.7.3	Wood Fence, East & South - Replace	15	11								
2.7.4	Wood Fence, East & South - Repair & Stain	8	5					\$16,060			
2.7.5	Rail Fence - Replace	20	4				\$5,444				
2.8.1	Play Equipment - Replace	20	2		\$24,027						
3.3.1	Concrete Curb - Repair	5	4				\$10,921				
3.3.2	Concrete Walkways - Repair	6	2		\$8,977						
5.4.1	Deck Rails - Repair/Replace	6	12								
6.1.1	Elevated Deck - Recoat All	6	1	\$19,573							
6.1.2	Elevated Decks - Repair/Replace	30	23								
6.1.3	Garbage Enclosures - Replace	30	27								
6.2.1	Exterior Engineered Wood Siding - Replace	35	6								
6.3.1	Exterior Siding - Repair	1	1	\$104,000							
6.3.2	Exterior Siding - Repair	1	2		\$10,916	\$11,243	\$11,580	\$11,928			
6.4.1	Stairs - Repair/Replace	10	1	\$5,200							
7.3.1	Gutters/Downspouts - Replace	20	16								
7.4.1	Carport Roof - Repair/Replace	30	11								
7.4.2	Composition Shingle Roofs - Replace	30	26								
7.4.3	Roof - Inspection & Repair	5	1	\$15,122							
8.5.1	Windows/Glass Doors - Replace	35	6								
9.6.1	Clubhouse Flooring - Replace	10	4				\$13,853				
9.6.2	Clubhouse Interior Surfaces - Refinish	10	4				\$17,603				
9.8.1	Exterior Siding - Paint	8	4				\$75,221				
9.8.2	Exterior Siding - Post Replacement Paint	10	14								
10.3.1	Chimney Caps/Covers - Replace	20	1	\$26,738							
10.4.1	Entry Signs - Refurbish	10	1	\$5,304							
10.5.1	Mailboxes - Replace	24	9								
12.1.1	Clubhouse Bathrooms - Refurbish	10	1	\$8,164							
12.1.2	Common Rooms - Remodel	12	4				\$10,967				
12.1.3	Exercise Equipment - Replace	5	1	\$20,426							
12.1.4	Furniture - Replace	10	4				\$7,841				
13.1.1	Pool/Spa Equipment - Contingency	5	5					\$9,048			
13.1.2	Pool & Spa - Resurface	14	14								
13.2.1	Sauna Room - Refurbish	15	1	\$3,900							
13.3.1	Pool Deck - Resurface	10	10								
13.3.2	Spa - Resurface	10	4				\$6,910				
18.1.1	Surveillance Equipment - Refurbish	10	1	\$4,306							
TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES				\$212,733	\$43,920	\$11,243	\$180,478	\$73,006			
ACCUMULATED CREDITS				\$321,598	\$243,762	\$340,879	\$475,692	\$445,894			
ACCUMULATED DEBITS				\$212,733	\$43,920	\$11,243	\$180,478	\$73,006			
YEAR-END BALANCE				\$108,865	\$199,842	\$329,636	\$295,214	\$372,888			
YEARS				1	2-10	11-30	1 (2022)	2 (2023)	3 (2024)	4 (2025)	5 (2026)
CONTRIBUTION INFLATION				0%	3%	4%	0%	3%	3%	3%	3%
COMPONENT COMPOUND INFLATION				4%	3%	4%	104%	107%	110%	114%	117%
INTEREST RATE MULTIPLIER				0.5%	2%	3%	1%	2%	2%	2%	2%

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APPENDIX A

MARTHA'S LANDING

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF \$128,000
AND COMPOUND INFLATION

			12-Oct-21					
			STARTING RESERVE BALANCE	\$372,888	\$52,302	\$184,110	\$335,964	\$420,747
			ANNUAL RESERVE CONTRIBUTION	\$148,387	\$152,839	\$157,424	\$162,147	\$167,011
			ESTIMATED INTEREST EARNED	\$3,729	\$2,341	\$5,149	\$7,492	\$9,707
			SPECIAL ASSESSMENT	\$1,800,000	\$0	\$0	\$0	\$0
			ACCUMULATED CREDITS	\$2,325,004	\$207,481	\$346,683	\$505,603	\$597,465
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	6 2027	7 2028	8 2029	9 2030	10 2031
2.6.1	Asphalt - Overlay	25	22					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$24,914
2.6.3	Asphalt - Repair	5	4				\$23,345	
2.7.1	Wood Fence, North - Replace	15	9				\$28,509	
2.7.2	Wood Fence, North - Repair & Stain	8	5					
2.7.3	Wood Fence, East & South - Replace	15	11					
2.7.4	Wood Fence, East & South - Repair & Stain	8	5					
2.7.5	Rail Fence - Replace	20	4					
2.8.1	Play Equipment - Replace	20	2					
3.3.1	Concrete Curb - Repair	5	4				\$12,661	
3.3.2	Concrete Walkways - Repair	6	2			\$10,719		
5.4.1	Deck Rails - Repair/Replace	6	12					
6.1.1	Elevated Deck - Recoat All	6	1		\$23,371			
6.1.2	Elevated Decks - Repair/Replace	30	23					
6.1.3	Garbage Enclosures - Replace	30	27					
6.2.1	Exterior Engineered Wood Siding - Replace	35	6	\$1,571,836				
6.3.1	Exterior Siding - Repair	1	1					
6.3.2	Exterior Siding - Repair	1	2					
6.4.1	Stairs - Repair/Replace	10	1					
7.3.1	Gutters/Downspouts - Replace	20	16					
7.4.1	Carport Roof - Repair/Replace	30	11					
7.4.2	Composition Shingle Roofs - Replace	30	26					
7.4.3	Roof - Inspection & Repair	5	1	\$17,530				
8.5.1	Windows/Glass Doors - Replace	35	6	\$659,657				
9.6.1	Clubhouse Flooring - Replace	10	4					
9.6.2	Clubhouse Interior Surfaces - Refinish	10	4					
9.8.1	Exterior Siding - Paint	8	4					
9.8.2	Exterior Siding - Post Replacement Paint	10	14					
10.3.1	Chimney Caps/Covers - Replace	20	1					
10.4.1	Entry Signs - Refurbish	10	1					
10.5.1	Mailboxes - Replace	24	9				\$20,341	
12.1.1	Clubhouse Bathrooms - Refurbish	10	1					
12.1.2	Common Rooms - Remodel	12	4					
12.1.3	Exercise Equipment - Replace	5	1	\$23,679				
12.1.4	Furniture - Replace	10	4					
13.1.1	Pool/Spa Equipment - Contingency	5	5					\$10,489
13.1.2	Pool & Spa - Resurface	14	14					
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	10	10					\$2,415
13.3.2	Spa - Resurface	10	4					
18.1.1	Surveillance Equipment - Refurbish	10	1					
TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES				\$2,272,702	\$23,371	\$10,719	\$84,856	\$37,818
ACCUMULATED CREDITS				\$2,325,004	\$207,481	\$346,683	\$505,603	\$597,465
ACCUMULATED DEBITS				\$2,272,702	\$23,371	\$10,719	\$84,856	\$37,818
YEAR-END BALANCE				\$52,302	\$184,110	\$335,964	\$420,747	\$559,647
YEARS	1	2-10	11-30	6 (2027)	7 (2028)	8 (2029)	9 (2030)	10 (2031)
CONTRIBUTION INFLATION	0%	3%	4%	3%	3%	3%	3%	3%
COMPONENT COMPOUND INFLATION	4%	3%	4%	121%	124%	128%	132%	136%
INTEREST RATE MULTIPLIER	0.5%	2%	3%	2%	2%	2%	2%	2%

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APPENDIX A

MARTHA'S LANDING

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF \$128,000
AND COMPOUND INFLATION

			12-Oct-21							
STARTING RESERVE BALANCE			\$559,647	\$611,513	\$807,353	\$952,677	\$740,544			
ANNUAL RESERVE CONTRIBUTION			\$173,691	\$180,639	\$187,865	\$195,379	\$203,194			
ESTIMATED INTEREST EARNED			\$17,308	\$20,968	\$26,010	\$25,023	\$24,618			
SPECIAL ASSESSMENT			\$0	\$0	\$0	\$0	\$0			
ACCUMULATED CREDITS			\$750,646	\$813,121	\$1,021,228	\$1,173,079	\$968,356			
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	11 2032	12 2033	13 2034	14 2035	15 2036		
2.6.1	Asphalt - Overlay	25	22							
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$30,312		
2.6.3	Asphalt - Repair	5	4				\$28,130			
2.7.1	Wood Fence, North - Replace	15	9							
2.7.2	Wood Fence, North - Repair & Stain	8	5			\$18,882				
2.7.3	Wood Fence, East & South - Replace	15	11	\$37,948						
2.7.4	Wood Fence, East & South - Repair & Stain	8	5		\$20,942					
2.7.5	Rail Fence - Replace	20	4							
2.8.1	Play Equipment - Replace	20	2							
3.3.1	Concrete Curb - Repair	5	4				\$15,255			
3.3.2	Concrete Walkways - Repair	6	2				\$13,303			
5.4.1	Deck Rails - Repair/Replace	6	12		\$5,768					
6.1.1	Elevated Deck - Recoat All	6	1			\$28,727				
6.1.2	Elevated Decks - Repair/Replace	30	23							
6.1.3	Garbage Enclosures - Replace	30	27							
6.2.1	Exterior Engineered Wood Siding - Replace	35	6							
6.3.1	Exterior Siding - Repair	1	1							
6.3.2	Exterior Siding - Repair	1	2							
6.4.1	Stairs - Repair/Replace	10	1	\$7,056						
7.3.1	Gutters/Downspouts - Replace	20	16							
7.4.1	Carport Roof - Repair/Replace	30	11	\$21,775						
7.4.2	Composition Shingle Roofs - Replace	30	26							
7.4.3	Roof - Inspection & Repair	5	1	\$20,519						
8.5.1	Windows/Glass Doors - Replace	35	6							
9.6.1	Clubhouse Flooring - Replace	10	4				\$19,351			
9.6.2	Clubhouse Interior Surfaces - Refinish	10	4				\$24,590			
9.8.1	Exterior Siding - Paint	8	4							
9.8.2	Exterior Siding - Post Replacement Paint	10	14				\$257,327			
10.3.1	Chimney Caps/Covers - Replace	20	1							
10.4.1	Entry Signs - Refurbish	10	1	\$7,197						
10.5.1	Mailboxes - Replace	24	9							
12.1.1	Clubhouse Bathrooms - Refurbish	10	1	\$11,078						
12.1.2	Common Rooms - Remodel	12	4							
12.1.3	Exercise Equipment - Replace	5	1	\$27,717						
12.1.4	Furniture - Replace	10	4				\$10,953			
13.1.1	Pool/Spa Equipment - Contingency	5	5					\$12,762		
13.1.2	Pool & Spa - Resurface	14	14				\$53,974			
13.2.1	Sauna Room - Refurbish	15	1							
13.3.1	Pool Deck - Resurface	10	10							
13.3.2	Spa - Resurface	10	4				\$9,652			
18.1.1	Surveillance Equipment - Refurbish	10	1	\$5,843						
TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			\$139,133	\$5,768	\$68,551	\$432,535	\$43,074			
ACCUMULATED CREDITS			\$750,646	\$813,121	\$1,021,228	\$1,173,079	\$968,356			
ACCUMULATED DEBITS			\$139,133	\$5,768	\$68,551	\$432,535	\$43,074			
YEAR-END BALANCE			\$611,513	\$807,353	\$952,677	\$740,544	\$925,282			
YEARS			1	2-10	11-30	11 (2032)	12 (2033)	13 (2034)	14 (2035)	15 (2036)
CONTRIBUTION INFLATION			0%	3%	4%	4%	4%	4%	4%	4%
COMPONENT COMPOUND INFLATION			4%	3%	4%	141%	147%	153%	159%	165%
INTEREST RATE MULTIPLIER			0.5%	2%	3%	3%	3%	3%	3%	3%



APPENDIX A

MARTHA'S LANDING

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF \$128,000
AND COMPOUND INFLATION

			12-Oct-21								
			STARTING RESERVE BALANCE	\$925,282	\$1,050,856	\$1,305,453	\$1,569,203	\$1,767,083			
			ANNUAL RESERVE CONTRIBUTION	\$211,322	\$219,775	\$228,566	\$237,709	\$247,217			
			ESTIMATED INTEREST EARNED	\$29,204	\$34,822	\$42,483	\$49,305	\$55,629			
			SPECIAL ASSESSMENT	\$0	\$0	\$0	\$0	\$0			
			ACCUMULATED CREDITS	\$1,165,809	\$1,305,453	\$1,576,501	\$1,856,217	\$2,069,928			
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	16 2037	17 2038	18 2039	19 2040	20 2041			
2.6.1	Asphalt - Overlay	25	22								
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$36,879			
2.6.3	Asphalt - Repair	5	4				\$34,224				
2.7.1	Wood Fence, North - Replace	15	9								
2.7.2	Wood Fence, North - Repair & Stain	8	5								
2.7.3	Wood Fence, East & South - Replace	15	11								
2.7.4	Wood Fence, East & South - Repair & Stain	8	5								
2.7.5	Rail Fence - Replace	20	4								
2.8.1	Play Equipment - Replace	20	2								
3.3.1	Concrete Curb - Repair	5	4				\$18,561				
3.3.2	Concrete Walkways - Repair	6	2					\$16,832			
5.4.1	Deck Rails - Repair/Replace	6	12			\$7,298					
6.1.1	Elevated Deck - Recoat All	6	1				\$36,349				
6.1.2	Elevated Decks - Repair/Replace	30	23								
6.1.3	Garbage Enclosures - Replace	30	27								
6.2.1	Exterior Engineered Wood Siding - Replace	35	6								
6.3.1	Exterior Siding - Repair	1	1								
6.3.2	Exterior Siding - Repair	1	2								
6.4.1	Stairs - Repair/Replace	10	1								
7.3.1	Gutters/Downspouts - Replace	20	16	\$33,258							
7.4.1	Carport Roof - Repair/Replace	30	11								
7.4.2	Composition Shingle Roofs - Replace	30	26								
7.4.3	Roof - Inspection & Repair	5	1	\$24,965							
8.5.1	Windows/Glass Doors - Replace	35	6								
9.6.1	Clubhouse Flooring - Replace	10	4								
9.6.2	Clubhouse Interior Surfaces - Refinish	10	4								
9.8.1	Exterior Siding - Paint	8	4								
9.8.2	Exterior Siding - Post Replacement Paint	10	14								
10.3.1	Chimney Caps/Covers - Replace	20	1								
10.4.1	Entry Signs - Refurbish	10	1								
10.5.1	Mailboxes - Replace	24	9								
12.1.1	Clubhouse Bathrooms - Refurbish	10	1								
12.1.2	Common Rooms - Remodel	12	4	\$16,569							
12.1.3	Exercise Equipment - Replace	5	1	\$33,722							
12.1.4	Furniture - Replace	10	4								
13.1.1	Pool/Spa Equipment - Contingency	5	5					\$15,527			
13.1.2	Pool & Spa - Resurface	14	14								
13.2.1	Sauna Room - Refurbish	15	1	\$6,439							
13.3.1	Pool Deck - Resurface	10	10					\$3,575			
13.3.2	Spa - Resurface	10	4								
18.1.1	Surveillance Equipment - Refurbish	10	1								
TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES				\$114,953	\$0	\$7,298	\$89,134	\$72,813			
ACCUMULATED CREDITS				\$1,165,809	\$1,305,453	\$1,576,501	\$1,856,217	\$2,069,928			
ACCUMULATED DEBITS				\$114,953	\$0	\$7,298	\$89,134	\$72,813			
YEAR-END BALANCE				\$1,050,856	\$1,305,453	\$1,569,203	\$1,767,083	\$1,997,115			
YEARS				1	2-10	11-30	16 (2037)	17 (2038)	18 (2039)	19 (2040)	20 (2041)
CONTRIBUTION INFLATION				0%	3%	4%	4%	4%	4%	4%	4%
COMPONENT COMPOUND INFLATION				4%	3%	4%	172%	179%	186%	193%	201%
INTEREST RATE MULTIPLIER				0.5%	2%	3%	3%	3%	3%	3%	3%



APPENDIX A

MARTHA'S LANDING

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF \$128,000
AND COMPOUND INFLATION

			12-Oct-21							
STARTING RESERVE BALANCE			\$1,997,115	\$2,088,847	\$1,981,645	\$2,129,449	\$1,865,688			
ANNUAL RESERVE CONTRIBUTION			\$257,106	\$267,390	\$278,086	\$289,209	\$300,777			
ESTIMATED INTEREST EARNED			\$60,384	\$60,155	\$60,755	\$59,041	\$58,836			
SPECIAL ASSESSMENT			\$0	\$0	\$0	\$0	\$0			
ACCUMULATED CREDITS			\$2,314,605	\$2,416,392	\$2,320,485	\$2,477,700	\$2,225,301			
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	21 2042	22 2043	23 2044	24 2045	25 2046		
2.6.1	Asphalt - Overlay	25	22		\$386,017					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$44,868		
2.6.3	Asphalt - Repair	5	4				\$41,639			
2.7.1	Wood Fence, North - Replace	15	9				\$50,850			
2.7.2	Wood Fence, North - Repair & Stain	8	5	\$25,841						
2.7.3	Wood Fence, East & South - Replace	15	11							
2.7.4	Wood Fence, East & South - Repair & Stain	8	5	\$28,661						
2.7.5	Rail Fence - Replace	20	4				\$11,256			
2.8.1	Play Equipment - Replace	20	2		\$48,730					
3.3.1	Concrete Curb - Repair	5	4				\$22,582			
3.3.2	Concrete Walkways - Repair	6	2							
5.4.1	Deck Rails - Repair/Replace	6	12				\$9,235			
6.1.1	Elevated Deck - Recoat All	6	1					\$45,993		
6.1.2	Elevated Decks - Repair/Replace	30	23			\$191,036				
6.1.3	Garbage Enclosures - Replace	30	27							
6.2.1	Exterior Engineered Wood Siding - Replace	35	6							
6.3.1	Exterior Siding - Repair	1	1							
6.3.2	Exterior Siding - Repair	1	2							
6.4.1	Stairs - Repair/Replace	10	1	\$10,445						
7.3.1	Gutters/Downspouts - Replace	20	16							
7.4.1	Carport Roof - Repair/Replace	30	11							
7.4.2	Composition Shingle Roofs - Replace	30	26							
7.4.3	Roof - Inspection & Repair	5	1	\$30,374						
8.5.1	Windows/Glass Doors - Replace	35	6							
9.6.1	Clubhouse Flooring - Replace	10	4				\$28,644			
9.6.2	Clubhouse Interior Surfaces - Refinish	10	4				\$36,399			
9.8.1	Exterior Siding - Paint	8	4							
9.8.2	Exterior Siding - Post Replacement Paint	10	14				\$380,906			
10.3.1	Chimney Caps/Covers - Replace	20	1	\$53,708						
10.4.1	Entry Signs - Refurbish	10	1	\$10,654						
10.5.1	Mailboxes - Replace	24	9							
12.1.1	Clubhouse Bathrooms - Refurbish	10	1	\$16,399						
12.1.2	Common Rooms - Remodel	12	4							
12.1.3	Exercise Equipment - Replace	5	1	\$41,028						
12.1.4	Furniture - Replace	10	4				\$16,214			
13.1.1	Pool/Spa Equipment - Contingency	5	5					\$18,891		
13.1.2	Pool & Spa - Resurface	14	14							
13.2.1	Sauna Room - Refurbish	15	1							
13.3.1	Pool Deck - Resurface	10	10							
13.3.2	Spa - Resurface	10	4				\$14,287			
18.1.1	Surveillance Equipment - Refurbish	10	1	\$8,648						
TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			\$225,758	\$434,747	\$191,036	\$612,012	\$109,752			
ACCUMULATED CREDITS			\$2,314,605	\$2,416,392	\$2,320,485	\$2,477,700	\$2,225,301			
ACCUMULATED DEBITS			\$225,758	\$434,747	\$191,036	\$612,012	\$109,752			
YEAR-END BALANCE			\$2,088,847	\$1,981,645	\$2,129,449	\$1,865,688	\$2,115,549			
YEARS			1	2-10	11-30	21 (2042)	22 (2043)	23 (2044)	24 (2045)	25 (2046)
CONTRIBUTION INFLATION			0%	3%	4%	4%	4%	4%	4%	4%
COMPONENT COMPOUND INFLATION			4%	3%	4%	209%	217%	226%	235%	244%
INTEREST RATE MULTIPLIER			0.5%	2%	3%	3%	3%	3%	3%	3%



APPENDIX A

MARTHA'S LANDING

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF \$128,000
AND COMPOUND INFLATION

			12-Oct-21					
			26	27	28	29	30	
			2047	2048	2049	2050	2051	
	STARTING RESERVE BALANCE		\$2,115,549	\$1,196,584	\$1,542,749	\$1,810,648	\$2,067,099	
	ANNUAL RESERVE CONTRIBUTION		\$312,808	\$325,321	\$338,334	\$351,867	\$365,942	
	ESTIMATED INTEREST EARNED		\$48,948	\$40,483	\$49,558	\$57,307	\$66,084	
	SPECIAL ASSESSMENT		\$0	\$0	\$0	\$0	\$0	
	ACCUMULATED CREDITS		\$2,477,305	\$1,562,388	\$1,930,640	\$2,219,822	\$2,499,124	
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	26	27	28	29	30
2.6.1	Asphalt - Overlay	25	22					
2.6.2	Asphalt - Seal Coat & Stripe	5	5					\$54,589
2.6.3	Asphalt - Repair	5	4				\$50,660	
2.7.1	Wood Fence, North - Replace	15	9					
2.7.2	Wood Fence, North - Repair & Stain	8	5				\$35,365	
2.7.3	Wood Fence, East & South - Replace	15	11	\$68,343				
2.7.4	Wood Fence, East & South - Repair & Stain	8	5				\$39,224	
2.7.5	Rail Fence - Replace	20	4					
2.8.1	Play Equipment - Replace	20	2					
3.3.1	Concrete Curb - Repair	5	4				\$27,474	
3.3.2	Concrete Walkways - Repair	6	2	\$21,298				
5.4.1	Deck Rails - Repair/Replace	6	12					\$11,685
6.1.1	Elevated Deck - Recoat All	6	1					
6.1.2	Elevated Decks - Repair/Replace	30	23					
6.1.3	Garbage Enclosures - Replace	30	27		\$19,639			
6.2.1	Exterior Engineered Wood Siding - Replace	35	6					
6.3.1	Exterior Siding - Repair	1	1					
6.3.2	Exterior Siding - Repair	1	2					
6.4.1	Stairs - Repair/Replace	10	1					
7.3.1	Gutters/Downspouts - Replace	20	16					
7.4.1	Carport Roof - Repair/Replace	30	11					
7.4.2	Composition Shingle Roofs - Replace	30	26	\$1,104,210				
7.4.3	Roof - Inspection & Repair	5	1	\$36,954				
8.5.1	Windows/Glass Doors - Replace	35	6					
9.6.1	Clubhouse Flooring - Replace	10	4					
9.6.2	Clubhouse Interior Surfaces - Refinish	10	4					
9.8.1	Exterior Siding - Paint	8	4					
9.8.2	Exterior Siding - Post Replacement Paint	10	14					
10.3.1	Chimney Caps/Covers - Replace	20	1					
10.4.1	Entry Signs - Refurbish	10	1					
10.5.1	Mailboxes - Replace	24	9					
12.1.1	Clubhouse Bathrooms - Refurbish	10	1					
12.1.2	Common Rooms - Remodel	12	4			\$26,527		
12.1.3	Exercise Equipment - Replace	5	1	\$49,916				
12.1.4	Furniture - Replace	10	4					
13.1.1	Pool/Spa Equipment - Contingency	5	5					\$22,983
13.1.2	Pool & Spa - Resurface	14	14			\$93,465		
13.2.1	Sauna Room - Refurbish	15	1					
13.3.1	Pool Deck - Resurface	10	10					\$5,292
13.3.2	Spa - Resurface	10	4					
18.1.1	Surveillance Equipment - Refurbish	10	1					
TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			\$1,280,721	\$19,639	\$119,992	\$152,723	\$94,549	
ACCUMULATED CREDITS			\$2,477,305	\$1,562,388	\$1,930,640	\$2,219,822	\$2,499,124	
ACCUMULATED DEBITS			\$1,280,721	\$19,639	\$119,992	\$152,723	\$94,549	
YEAR-END BALANCE			\$1,196,584	\$1,542,749	\$1,810,648	\$2,067,099	\$2,404,575	
YEARS	1	2-10	11-30	26 (2047)	27 (2048)	28 (2049)	29 (2050)	30 (2051)
CONTRIBUTION INFLATION	0%	3%	4%	4%	4%	4%	4%	4%
COMPONENT COMPOUND INFLATION	4%	3%	4%	254%	264%	275%	286%	297%
INTEREST RATE MULTIPLIER	0.5%	2%	3%	3%	3%	3%	3%	3%



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FUTURE MAINTENANCE WITH INFLATED ESTIMATES

12-Oct-21

2.6.1 Asphalt - Overlay

Site

Maintenance Cycle: 25 years

Next Maintenance: Year 22 (2043)

Quantity: 67,000 Square Feet

Unit Cost: \$2.40 / SF

Estimate: 67,000 SF X 100% X \$2.40/SF = \$160,800 + tax = \$177,680

2021 Notes: No new updates were reported.

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

FUTURE MAINTENANCE	
YEAR	COST
22 (2043)	\$386,017

2.6.2 Asphalt - Seal Coat & Stripe

Site

Maintenance Cycle: 5 years

Next Maintenance: Year 5 (2026)

Quantity: 67,000 Square Feet

Unit Cost: \$0.25 / SF

Estimate: 67,000 SF X 100% X \$0.25/SF = \$16,612 + tax = \$18,360

2021 Notes: The Association reported that seal coating was completed in 2021 at a cost of approximately \$18,356. The budget has been adjusted to match the experienced cost and the next maintenance has been reset.

Previous Notes: The Association indicated that seal coating and restriping did not occur in 2019 but plans to complete the work in 2020. We have updated the next maintenance accordingly. The striping was reported to be in good condition, but a seal coat is needed.

FUTURE MAINTENANCE	
YEAR	COST
5 (2026)	\$21,491
10 (2031)	\$24,914
15 (2036)	\$30,312
20 (2041)	\$36,879
25 (2046)	\$44,868
Repeat Every 5 Years	

2.6.3 Asphalt - Repair

Site

Maintenance Cycle: 5 years

Next Maintenance: Year 4 (2025)

Quantity: 67,000 Square Feet

Unit Cost: \$7.98 / SF

Estimate: 67,000 SF X 3% X \$7.98/SF = \$16,040 + tax = \$17,720

2021 Notes: No new updates were reported.

Previous Notes: 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; with the next repair set out one maintenance cycle since the asphalt recently received an overlay.

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$20,138
9 (2030)	\$23,345
14 (2035)	\$28,130
19 (2040)	\$34,224
24 (2045)	\$41,639
Repeat Every Years	

2.7.1 Wood Fence, North - Replace

Site

Maintenance Cycle: 15 years

Next Maintenance: Year 9 (2030)

Quantity: 640 Linear Feet

Unit Cost: \$30.60 / LF

Estimate: 640 LF X 100% X \$30.60/LF = \$19,584 + tax = \$21,640

2021 Notes: No new updates were reported.

Previous Notes: A new wood fence was installed on the north side of the property in 2016 for \$16,852. The fence appeared to be in good condition and the pressure treated posts should allow the fence to meet or exceed its normal expected life.

FUTURE MAINTENANCE	
YEAR	COST
9 (2030)	\$28,509
24 (2045)	\$50,850



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FUTURE MAINTENANCE WITH INFLATED ESTIMATES

12-Oct-21

2.7.2 Wood Fence, North - Repair & Stain

Site

Maintenance Cycle: 8 years

Next Maintenance: Year 5 (2026)

Quantity: 640 Linear Feet

Unit Cost: \$17.49 / LF

Estimate: 640 LF X 100% X \$17.49/LF = \$11,194 + tax = \$12,370

2021 Notes: No new updates were reported.

Previous Notes: 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 in the last reserve study. The fence appeared to be in good condition and weathering as expected. Funds should be drawn from this component as needed for repairs.

FUTURE MAINTENANCE	
YEAR	COST
5 (2026)	\$14,479
13 (2034)	\$18,882
21 (2042)	\$25,841
29 (2050)	\$35,365

2.7.3 Wood Fence, East & South - Replace

Site

Maintenance Cycle: 15 years

Next Maintenance: Year 11 (2032)

Quantity: 710 Linear Feet

Unit Cost: \$34.27 / LF

Estimate: 710 LF X 100% X \$34.27/LF = \$24,332 + tax = \$26,890

2021 Notes: No new updates were reported.

Previous Notes: 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. The fence appeared to be in good condition and the pressure treated posts should allow the fence to meet or exceed its normal expected life.

FUTURE MAINTENANCE	
YEAR	COST
11 (2032)	\$37,948
26 (2047)	\$68,343

2.7.4 Wood Fence, East & South - Repair & Stain

Site

Maintenance Cycle: 8 years

Next Maintenance: Year 5 (2026)

Quantity: 710 Linear Feet

Unit Cost: \$17.49 / LF

Estimate: 710 LF X 100% X \$17.49/LF = \$12,418 + tax = \$13,720

2021 Notes: No new updates were reported.

Previous Notes: 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. Funds should be drawn from this component as needed for repairs.

FUTURE MAINTENANCE	
YEAR	COST
5 (2026)	\$16,060
13 (2034)	\$20,942
21 (2042)	\$28,661
29 (2050)	\$39,224

2.7.5 Rail Fence - Replace

Site

Maintenance Cycle: 20 years

Next Maintenance: Year 4 (2025)

Quantity: 220 Lf

Unit Cost: \$19.70 / LF

Estimate: 220 LF X 100% X \$19.70/LF = \$4,334 + tax = \$4,790

2021 Notes: No new updates were reported.

Previous Notes: The rail fence was painted at the same time as the exterior siding paint project. The fence appeared in fair to good condition. Funds should be drawn from this component as needed for repairs.

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$5,444
24 (2045)	\$11,256



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FUTURE MAINTENANCE WITH INFLATED ESTIMATES

12-Oct-21

2.8.1 Play Equipment - Replace

Site

Maintenance Cycle: 20 years

Quantity: 1 Lump Sum

Estimate: \$22,430

Next Maintenance: Year 2 (2023)

Unit Cost: \$22,430.00 / LS

2021 Notes: The Association requested that the next budget be set in 2023 for play equipment replacement.

Previous Notes: The play equipment is showing it's age and the Association reported plans to have replaced in 2020.

FUTURE MAINTENANCE	
YEAR	COST
2 (2023)	\$24,027
22 (2043)	\$48,730

3.3.1 Concrete Curb - Repair

Concrete

Maintenance Cycle: 5 years

Quantity: 3,060 Linear Feet

Estimate: 3,060 LF X 20% X \$14.21/LF = \$8,697 + tax = \$9,610

Next Maintenance: Year 4 (2025)

Unit Cost: \$14.21 / LF

2021 Notes: No new updates were reported.

Previous Notes: Curb repairs are typically completed with seal coating and the repair cycle has been coordinated accordingly. We understand that the curbs were repaired in 2018 with the asphalt overlay project, so the next maintenance is set with the following repair cycle. The budget funds to repair up to 20% of the curbs each repair cycle.

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$10,921
9 (2030)	\$12,661
14 (2035)	\$15,255
19 (2040)	\$18,561
24 (2045)	\$22,582
Repeat Every 5 Years	

3.3.2 Concrete Walkways - Repair

Concrete

Maintenance Cycle: 6 years

Quantity: 1 Lump Sum

Estimate: \$8,380

Next Maintenance: Year 2 (2023)

Unit Cost: \$8,380.00 / LS

2021 Notes: No new updates were reported.

Previous Notes: Records indicate that the concrete walkways were repaired in conjunction with the asphalt resurfacing and concrete curb repair project in 2018 at a total cost of \$250,000. The walkways observed appeared to be in good condition and functional. We recommend grinding or cutting the concrete to resolve trip hazards where possible. Cracks, spalling and/or damaged areas that cannot be corrected by grinding are intended to be covered by this budget.

FUTURE MAINTENANCE	
YEAR	COST
2 (2023)	\$8,977
8 (2029)	\$10,719
14 (2035)	\$13,303
20 (2041)	\$16,832
26 (2047)	\$21,298

5.4.1 Deck Rails - Repair/Replace

Ext Envelope

Maintenance Cycle: 6 years

Quantity: 520 Linear Feet

Estimate: 520 LF X 25% X \$27.36/LF = \$3,557 + tax = \$3,930

Next Maintenance: Year 12 (2033)

Unit Cost: \$27.36 / LF

2021 Notes: No new updates were reported.

Previous Notes: The Association reported the deck rail repair work was completed in 2018 and the next replacement would likely occur when the siding is replaced. The rails appeared to be in fair to good condition. We have reset the next maintenance one cycle after their replacement. Funds should be drawn from this component as needed for repairs.

FUTURE MAINTENANCE	
YEAR	COST
12 (2033)	\$5,768
18 (2039)	\$7,298
24 (2045)	\$9,235
30 (2051)	\$11,685



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12-Oct-21

6.1.1 Elevated Deck - Recoat All

Ext Envelope

Maintenance Cycle: 6 years

Quantity: 50 Each

Estimate: 50 EA X 100% X \$340.63/EA = \$17,032 + tax = \$18,820

Next Maintenance: Year 1 (2022)

Unit Cost: \$340.63 / EA

2021 Notes: The Association did not report that the elevated decks would be recoated in 2021; the next maintenance has been moved to 2022.

Previous Notes: The deck surfaces were replaced with the complete deck repair projects of 2016 and 2017. We recommend maintaining the coating on the surface of the decks to protect the deck structure and adjacent surfaces from moisture intrusion. No issues were reported with the deck surfaces.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$19,573
7 (2028)	\$23,371
13 (2034)	\$28,727
19 (2040)	\$36,349
25 (2046)	\$45,993

6.1.2 Elevated Decks - Repair/Replace

Ext Envelope

Maintenance Cycle: 30 years

Quantity: 20 Each

Estimate: 20 EA X 100% X \$3,825.79/EA = \$76,516 + tax = \$84,550

Next Maintenance: Year 23 (2044)

Unit Cost: \$3,825.79 / EA

2021 Notes: No new updates were reported.

Previous Notes: 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. The Association reported that all of the decks have been repaired as of December 2018.

FUTURE MAINTENANCE	
YEAR	COST
23 (2044)	\$191,036

6.1.3 Garbage Enclosures - Replace

Ext Envelope

Maintenance Cycle: 30 years

Quantity: 3 Each

Estimate: 3 EA X 100% X \$2,241.33/EA = \$6,724 + tax = \$7,430

Next Maintenance: Year 27 (2048)

Unit Cost: \$2,241.33 / EA

2021 Notes: No new updates were reported.

Previous Notes: The garbage enclosures were replaced in 2018 with chainlink enclosures and appeared to be in very good condition. Since the chainlink is a durable material and there are no gates, the next maintenance cycle has been extended.

FUTURE MAINTENANCE	
YEAR	COST
27 (2048)	\$19,639

6.2.1 Exterior Engineered Wood Siding - Replace

Ext Envelope

Maintenance Cycle: 35 years

Quantity: 89,450 Square Feet

Estimate: 89,450 SF X 100% X \$13.19/SF = \$1,179,846 + tax = \$1,303,730

Next Maintenance: Year 6 (2027)

Unit Cost: \$13.19 / SF

2021 Notes: No new updates were reported.

Previous Notes: In 2016 we reported the exterior siding was an engineered wood siding product (LP siding) 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 in 2027. The Association confirmed the planned replacement.

FUTURE MAINTENANCE	
YEAR	COST
6 (2027)	\$1,571,836



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6.3.1 Exterior Siding - Repair

Ext Envelope

Maintenance Cycle: 1 year

Quantity: 1 Lump Sum

Estimate: \$100,000

Next Maintenance: Year 1 (2022)

Unit Cost: \$100,000.00 / LS

2021 Notes: The Association reported spending approximately \$101,790 on siding repairs in 2021. It was requested that the budget for 2022 be set at \$100,000.

Previous Notes: The Association reported spending approximately \$110,000 on replacing engineered wood siding in 2019. Siding repairs have been frequent but the Association anticipates additional significant efforts in 2020 should allow the existing siding to last until it is replaced with a greatly reduced repair budget. The Association anticipates spending about \$100,000 in 2020. We have adjusted the next maintenance accordingly. Funds should be drawn from this component as needed for repairs.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$104,000

6.3.2 Exterior Siding - Repair

Ext Envelope

Maintenance Cycle: 1 year

Quantity: 1 Lump Sum

Estimate: \$10,190

Next Maintenance: Year 2 (2023)

Unit Cost: \$10,190.00 / LS

2021 Notes: No new updates were reported.

Previous Notes: The Association anticipates the major repairs will be complete after 2020 and that minor repairs will be needed until siding replacement. This component covers the minor repairs and funds should be drawn from this component as needed for those repairs.

FUTURE MAINTENANCE	
YEAR	COST
2 (2023)	\$10,916
3 (2024)	\$11,243
4 (2025)	\$11,580
5 (2026)	\$11,928

6.4.1 Stairs - Repair/Replace

Ext Envelope

Maintenance Cycle: 10 years

Quantity: 26 Lump Sum

Estimate: \$5,000

Next Maintenance: Year 1 (2022)

Unit Cost: \$5,000.00 / LS

2021 Notes: The Association anticipates that \$5,000 will be required for stair repairs in 2022. The budget has been updated accordingly.

Previous Notes: The exterior stairs are protected from the elements and have been weathering well overall based on our 2019 observations. The stair rails are repaired and replaced ongoing through funds from the operating budget. The Association reported that the next repair in 2020 is appropriate.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$5,200
11 (2032)	\$7,056
21 (2042)	\$10,445

7.3.1 Gutters/Downspouts - Replace

Ext Envelope

Maintenance Cycle: 20 years

Quantity: 4,650 Linear Feet

Estimate: 4,650 LF X 100% X \$3.77/LF = \$17,531 + tax = \$19,370

Next Maintenance: Year 16 (2037)

Unit Cost: \$3.77 / LF

2021 Notes: No new updates were reported.

Previous Notes: The Association reported the gutters and downspouts were replaced with the new roof in 2018 at a cost of \$18,290. We updated the next maintenance and cost accordingly in the last reserve study. The gutters and downspouts appeared to be in good condition.

FUTURE MAINTENANCE	
YEAR	COST
16 (2037)	\$33,258



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7.4.1 Carport Roof - Repair/Replace

Ext Envelope

Maintenance Cycle: 30 years

Next Maintenance: Year 11 (2032)

Quantity: 18 Roofing Squares

Unit Cost: \$775.77 / SQ

Estimate: 18 SQ X 100% X \$775.77/SQ = \$13,964 + tax = \$15,430

2021 Notes: No new updates were reported.

Previous Notes: 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 in 2019. We recommend that repairs to the structure of the carports be paid with funds from the operating budget.

FUTURE MAINTENANCE	
YEAR	COST
11 (2032)	\$21,775

7.4.2 Composition Shingle Roofs - Replace

Ext Envelope

Maintenance Cycle: 30 years

Next Maintenance: Year 26 (2047)

Quantity: 680 Roofing Squares

Unit Cost: \$578.20 / SQ

Estimate: 680 SQ X 100% X \$578.20/SQ = \$393,176 + tax = \$434,460

2021 Notes: No new updates were reported.

Previous Notes: The Association reported that all of the tile roofs were replaced with composition shingles in 2018 for \$410,000. We updated the next maintenance and cost accordingly. The little composition shingle roof we observed (most was snow covered) appeared to be in very good condition.

FUTURE MAINTENANCE	
YEAR	COST
26 (2047)	\$1,104,210

7.4.3 Roof - Inspection & Repair

Ext Envelope

Maintenance Cycle: 5 years

Next Maintenance: Year 1 (2022)

Quantity: 680 Roofing Squares

Unit Cost: \$645.02 / SQ

Estimate: 680 SQ X 3% X \$645.02/SQ = \$13,158 + tax = \$14,540

2021 Notes: No new updates were reported.

Previous Notes: Regular inspections are budgeted to ensure proper maintenance and prevention of water intrusion damage. The budget reflects funds equal to 3% of the total replacement cost.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$15,122
6 (2027)	\$17,530
11 (2032)	\$20,519
16 (2037)	\$24,965
21 (2042)	\$30,374
Repeat Every 5 Years	

8.5.1 Windows/Glass Doors - Replace

Ext Envelope

Maintenance Cycle: 35 years

Next Maintenance: Year 6 (2027)

Quantity: 1 Lump Sum

Unit Cost: \$547,140.00 / LS

Estimate: \$547,140

2021 Notes: No new updates were reported.

Previous Notes: 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.

FUTURE MAINTENANCE	
YEAR	COST
6 (2027)	\$659,657



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9.6.1 Clubhouse Flooring - Replace

Ext Envelope

Maintenance Cycle: 10 years

Next Maintenance: Year 4 (2025)

Quantity: 242 Sy

Unit Cost: \$45.59 / SY

Estimate: 242 SY X 100% X \$45.59/SY = \$11,033 + tax = \$12,190

2021 Notes: No new updates were reported.

Previous Notes: The flooring in the Clubhouse appeared to be in good condition. Replacement of the flooring is primarily and aesthetic consideration based on the Association's tolerance for wear and tear. Funds should be drawn from this component as needed for repairs.

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$13,853
14 (2035)	\$19,351
24 (2045)	\$28,644

9.6.2 Clubhouse Interior Surfaces - Refinish

Ext Envelope

Maintenance Cycle: 10 years

Next Maintenance: Year 4 (2025)

Quantity: 11,490 Square Feet

Unit Cost: \$1.22 / SF

Estimate: 11,490 SF X 100% X \$1.22/SF = \$14,018 + tax = \$15,490

2021 Notes: No new updates were reported.

Previous Notes: The interior surfaces of the Clubhouse appeared to be well maintained and there were no issues noted. We budget for future refinishing of the surfaces in conjunction with Clubhouse flooring and furniture updates. Funds should be drawn from this component as needed for repairs or painting.

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$17,603
14 (2035)	\$24,590
24 (2045)	\$36,399

9.8.1 Exterior Siding - Paint

Ext Envelope

Maintenance Cycle: 8 years

Next Maintenance: Year 4 (2025)

Quantity: 1 Lump Sum

Unit Cost: \$66,190.00 / LS

Estimate: \$66,190

2021 Notes: No new updates were reported.

Previous Notes: 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 set the next maintenance accordingly.

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$75,221

9.8.2 Exterior Siding - Post Replacement Paint

Ext Envelope

Maintenance Cycle: 10 years

Next Maintenance: Year 14 (2035)

Quantity: 89,450 Square Feet

Unit Cost: \$1.64 / SF

Estimate: 89,450 SF X 100% X \$1.64/SF = \$146,698 + tax = \$162,100

2021 Notes: No new updates were reported.

Previous Notes: Once the siding has been replaced, a regular paint cycle will resume with budgeted funds for painting 100% of the buildings. If the buildings are clad with fiber cement board as anticipated, a longer paint cycle may be appropriate. If wood trim is installed, a touch up cycle may be prudent since paint typically needs to be painted more often than fiber cement board. Fiber cement board or PVC trim is available and weathers well in the Pacific Northwest.

FUTURE MAINTENANCE	
YEAR	COST
14 (2035)	\$257,327
24 (2045)	\$380,906



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10.3.1 Chimney Caps/Covers - Replace

Specialties

Maintenance Cycle: 20 years

Next Maintenance: Year 1 (2022)

Quantity: 152 Each

Unit Cost: \$153.07 / EA

Estimate: 152 EA X 100% X \$153.07/EA = \$23,267 + tax = \$25,710

2021 Notes: The Association plans to address chimney caps/cover maintenance in conjunction with roof inspections and repairs budgeted in 2022. The next maintenance has been adjusted accordingly.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$26,738
21 (2042)	\$53,708

Previous Notes: Chimney caps and covers were not replaced with the recent reroofing project. The Association plans to have them repaired/replaced as needed by 2020.

10.4.1 Entry Signs - Refurbish

Specialties

Maintenance Cycle: 10 years

Next Maintenance: Year 1 (2022)

Quantity: 2 Lump Sum

Unit Cost: \$5,100.00 / LS

Estimate: \$5,100

2021 Notes: The Association does not have plans to replace the signs in 2021 and requested that the next maintenance be budgeted in 2022.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$5,304
11 (2032)	\$7,197
21 (2042)	\$10,654

Previous Notes: Both building entry signs were showing their age. The posts were painted at the same time as the exterior paint project, but the signs themselves were in need of refurbishment. Our budget funds the replacement of two signs which the Association plans to do in the next couple years.

10.5.1 Mailboxes - Replace

Specialties

Maintenance Cycle: 24 years

Next Maintenance: Year 9 (2030)

Quantity: 8 Each

Unit Cost: \$1,746.61 / EA

Estimate: 8 EA X 100% X \$1,746.61/EA = \$13,973 + tax = \$15,440

2021 Notes: No new updates were reported.

FUTURE MAINTENANCE	
YEAR	COST
9 (2030)	\$20,341

Previous Notes: The metal mailbox units appeared to be in good condition. Our budget provides funds for replacement of 8 metal mailbox units. Funds should be drawn from this component as needed for repairs or replacement.

12.1.1 Clubhouse Bathrooms - Refurbish

Finishes/Furnishings

Maintenance Cycle: 10 years

Next Maintenance: Year 1 (2022)

Quantity: 2 Each

Unit Cost: \$3,552.04 / EA

Estimate: 2 EA X 100% X \$3,552.04/EA = \$7,104 + tax = \$7,850

2021 Notes: It was requested that the refurbishment of the Clubhouse bathrooms be budgeted in 2022.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$8,164
11 (2032)	\$11,078
21 (2042)	\$16,399

Previous Notes: The budget allocates funds 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. The bathrooms appeared to be in fair to good condition and their life could be extended some years if the Association is needing budget reduction options.

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12.1.2 Common Rooms - Remodel

Finishes/Furnishings

Maintenance Cycle: 12 years

Next Maintenance: Year 4 (2025)

Quantity: 2,730 Square Feet

Unit Cost: \$3.20 / SF

Estimate: 2,730 SF X 100% X \$3.20/SF = \$8,736 + tax = \$9,650

2021 Notes: No new updates were reported.

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

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$10,967
16 (2037)	\$16,569
28 (2049)	\$26,527

12.1.3 Exercise Equipment - Replace

Finishes/Furnishings

Maintenance Cycle: 5 years

Next Maintenance: Year 1 (2022)

Quantity: 6 Each

Unit Cost: \$2,962.29 / EA

Estimate: 6 EA X 100% X \$2,962.29/EA = \$17,774 + tax = \$19,640

2021 Notes: The Association reported plans to address exercise equipment replacement in 2022; the next budget has been adjusted accordingly.

Previous Notes: The exercise equipment was reported to be in working condition with no issues noted. Our budget is intended to be updated to meet the needs of the Association in terms of timing and budget.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$20,426
6 (2027)	\$23,679
11 (2032)	\$27,717
16 (2037)	\$33,722
21 (2042)	\$41,028
Repeat Every 5 Years	

12.1.4 Furniture - Replace

Finishes/Furnishings

Maintenance Cycle: 10 years

Next Maintenance: Year 4 (2025)

Quantity: 12 Each

Unit Cost: \$520.36 / EA

Estimate: 12 EA X 100% X \$520.36/EA = \$6,244 + tax = \$6,900

2021 Notes: No new updates were reported.

Previous Notes: The furniture appeared to be in good condition and well maintained. 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. This is a discretionary component that should be adjusted to meet the aesthetic needs of the Association.

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$7,841
14 (2035)	\$10,953
24 (2045)	\$16,214

13.1.1 Pool/Spa Equipment - Contingency

Pool/Spa

Maintenance Cycle: 5 years

Next Maintenance: Year 5 (2026)

Quantity: 1 Lump Sum

Unit Cost: \$7,730.00 / LS

Estimate: \$7,730

2021 Notes: The Association indicated that no major repairs or replacement of pool/spa equipment were required in 2021. The contingency has been reset.

Previous Notes: The Association reported the pool and spa filters are regularly maintained; the heaters are due for replacement. Our contingency budget provides funds to be drawn from as needed to replace pool equipment that has reached the end of useful life as required to keep the pool functioning properly.

FUTURE MAINTENANCE	
YEAR	COST
5 (2026)	\$9,048
10 (2031)	\$10,489
15 (2036)	\$12,762
20 (2041)	\$15,527
25 (2046)	\$18,891
Repeat Every 5 Years	



APPENDIX B

MARTHA'S LANDING

COMPONENT SUMMARY

FUTURE MAINTENANCE WITH INFLATED ESTIMATES

12-Oct-21

13.1.2 Pool & Spa - Resurface

Pool/Spa

Maintenance Cycle: 14 years

Next Maintenance: Year 14 (2035)

Quantity: 480 Square Feet

Unit Cost: \$64.10 / SF

Estimate: 480 SF X 100% X \$64.10/SF = \$30,769 + tax = \$34,000

2021 Notes: The pool and spa were resurfaced in 2021 at a reported cost of approximately \$34,000. The next budget has been reset to match the experienced cost and the maintenance cycle reset.

Previous Notes: The pool surface appeared to be in functional condition, but is due for resurfacing soon. The Association reported plans to resurface the pool in 2020. We have reset the next maintenance accordingly.

FUTURE MAINTENANCE	
YEAR	COST
14 (2035)	\$53,974
28 (2049)	\$93,465

13.2.1 Sauna Room - Refurbish

Pool/Spa

Maintenance Cycle: 15 years

Next Maintenance: Year 1 (2022)

Quantity: 1 Lump Sum

Unit Cost: \$3,750.00 / LS

Estimate: \$3,750

2021 Notes: No new updates were reported.

Previous Notes: The budget funds for refurbishing the sauna room, including replacing sections of wood, lighting, and heater elements. The sauna showed some weathering but appeared to be in fair condition and functional. The Association reported plans to refurbish the sauna in about three years.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$3,900
16 (2037)	\$6,439

13.3.1 Pool Deck - Resurface

Pool/Spa

Maintenance Cycle: 10 years

Next Maintenance: Year 10 (2031)

Quantity: 660 Square Feet

Unit Cost: \$2.44 / SF

Estimate: 660 SF X 100% X \$2.44/SF = \$1,610 + tax = \$1,780

2021 Notes: No outstanding issues were reported with the pool deck. The next budget has been reset a full maintenance cycle.

Previous Notes: The overall appearance of the pool deck was clean and in good with the exception of some cracks and spalling around the pool entry rail. The damage should be able to be patched as the surface is exposed aggregate and very durable.

FUTURE MAINTENANCE	
YEAR	COST
10 (2031)	\$2,415
20 (2041)	\$3,575
30 (2051)	\$5,292

13.3.2 Spa - Resurface

Pool/Spa

Maintenance Cycle: 10 years

Next Maintenance: Year 4 (2025)

Quantity: 1 Lump Sum

Unit Cost: \$6,080.00 / LS

Estimate: \$6,080

2021 Notes: No new updates were reported.

Previous Notes: The spa was resurfaced in 2016 at a cost of approximately \$4,000. The spa was covered at the time of our visit but the Association reported there are no issues with the surfacing.

FUTURE MAINTENANCE	
YEAR	COST
4 (2025)	\$6,910
14 (2035)	\$9,652
24 (2045)	\$14,287



APPENDIX B

MARTHA'S LANDING

COMPONENT SUMMARY

FUTURE MAINTENANCE WITH INFLATED ESTIMATES

12-Oct-21

18.1.1 Surveillance Equipment - Refurbish

Security

Maintenance Cycle: 10 years

Next Maintenance: Year 1 (2022)

Quantity: 1 Each

Unit Cost: \$3,746.61 / EA

Estimate: 1 EA X 100% X \$3,746.61/EA = \$3,747 + tax = \$4,140

2021 Notes: We understand that no updates will be completed on the surveillance system in 2021; it has been requested that the budget be moved to 2022. The component number has been updated from 11.1.1 to 18.1.1 to better conform to our new numbering system.

Previous Notes: The Association reported the surveillance equipment was working adequately during our site visit. Our budget provides funds to repair the equipment as needed. The Association reported plans to upgrade the surveillance equipment in the next couple years.

FUTURE MAINTENANCE	
YEAR	COST
1 (2022)	\$4,306
11 (2032)	\$5,843
21 (2042)	\$8,648