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Shadow Run at Canyon Lakes Common Areas Kennewick, WA



Report #: 33951-4

Beginning: January 1, 2026

Expires: December 31, 2026

RESERVE STUDY Update "No-Site-Visit"

November 13, 2025

Welcome to your Reserve Study!

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

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

In this Report, you will find three key results:

- **Component List**

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

- **Reserve Fund Strength**

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

- **Reserve Funding Plan**

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

Questions?

Please contact your Project Manager directly.



Planning For The Inevitable

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Shadow Run at Canyon Lakes - Common Areas

Kennewick, WA

Level of Service: Update "No-Site-Visit"

Report #: 33951-4

of Units: 197

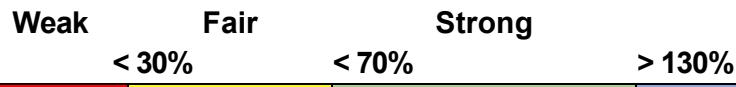
January 1, 2026 through December 31, 2026

Findings & Recommendations

as of January 1, 2026

Starting Reserve Balance	\$121,831
Current Fully Funded Reserve Balance	\$321,236
Percent Funded	37.9 %
Average Reserve (Deficit) or Surplus Per Unit	(\$1,012)
Recommended 2026 100% Annual "Full Funding" Reserve Transfers	\$32,100
Recommended 2026 70% Annual "Threshold Funding" Reserve Transfers	\$30,800
2026 "Baseline Funding" minimum to keep Reserves above \$0	\$29,000
Recommended 2026 Special Assessment for Reserves	\$156,560***
Most Recent Budgeted Reserve Transfer Rate	\$29,000

Reserve Fund Strength: 37.9%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

- This is a Update "No-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 37.9 % Funded. This means the association's special assessment & deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems. The current annual deterioration of your reserve components is \$30,263 - see Component Significance table.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Transfers to within the 70% to 100% range and levy a Special Assessment in the amount of \$156,560 as noted above. The 100% "Full" and 70% transfer rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.***
- Baseline funding cannot be achieved without a special assessment within the 30-year scope of this Report.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan transfer rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

*** This Special Assessment recommendation is preliminary in nature and designed to be adjusted once bids have been gathered and accepted. This Special Assessment recommendation will bolster reserves for various projects outlined for 2026.

building must meet RCW 64.55 requirements, including building enclosure design & waterproofing details by a licensed architect/engineer and independent construction oversight. The RCW does not preclude Reserve Study contents including components with > 30 years Useful Life that otherwise meet CAI's National Reserve Study Standards.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Inventory Appendix			
100 Concrete - Repair/Replace	10	2	\$3,080
140 Wood Fence - Replace	20	8	\$217,750
141 Wood Fence - Stain	5	0	\$30,900
170 Landscape - Refurbish	5	0	\$4,120
171 Trees - Trim/Remove & Replace	3	0	\$14,400
175 Irrigation System - Repair/Replace	5	0	\$3,080
200 Monument Signage - Replace	25	3	\$5,460
205 Mailboxes - Replace	25	0	\$43,260
340 Play Equipment - Replace (a)	25	13	\$53,000
340 Play Equipment - Replace (b)	25	0	\$53,000
346 Site Furniture - Replace (a)	25	16	\$3,660
346 Site Furniture - Replace (b)	25	0	\$7,800

12 Total Funded Components

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

Introduction



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

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



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

Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard three-part test to determine which projects should appear in a Reserve Component List. First, it must be a common area maintenance obligation. Second, both the need and schedule of a component's project can be reasonably anticipated. Third, the project's total cost is material to the client, can be reasonably anticipated, and includes all direct and related costs. A project cost is commonly considered *material* if it is more than 0.5% to 1% of the total annual budget. This limits Reserve components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to natural disasters and/or insurable events), and expenses more appropriately handled from the Operational budget.



RESERVE COMPONENT "THREE-PART TEST"

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

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

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

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

How much Reserves are enough?

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

Adequacy is measured in a two-step process:

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



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

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

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

How much should we transfer to Reserves?



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

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

What is our Recommended Funding Goal?

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



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

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in the 30-yr Summary Table, while details of the projects that make up these expenses are shown in the Cash Flow Detail Table.

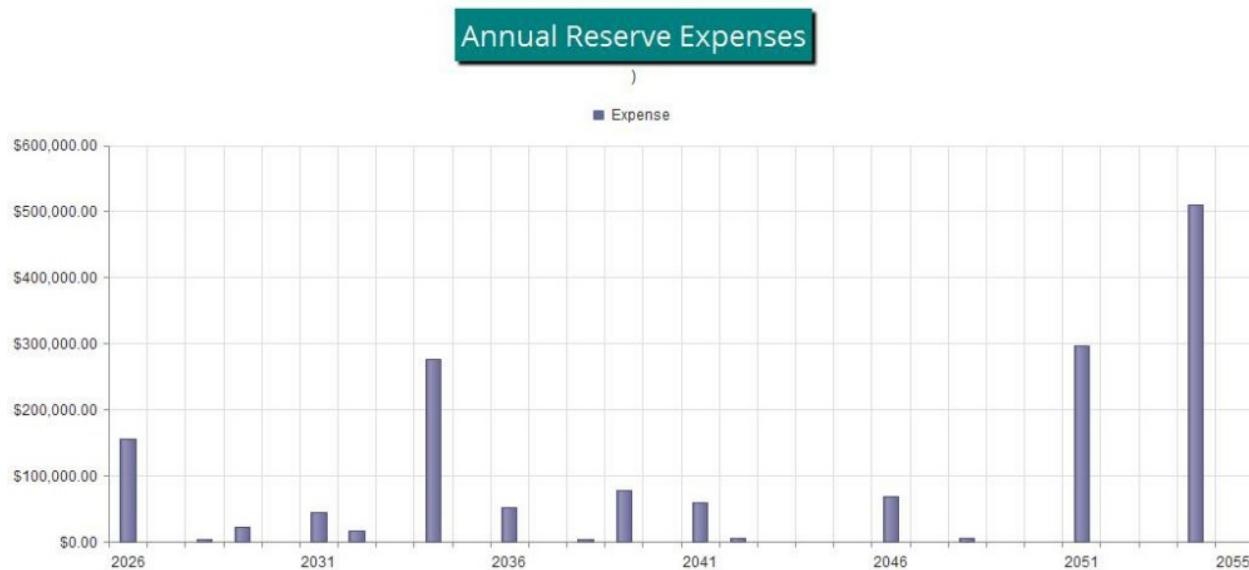


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$121,831 as-of the start of your Fiscal Year on 1/1/2026. As of that date, your Fully Funded Balance is computed to be \$321,236 (see Fully Funded Balance Table). This figure represents the deteriorated value of your common area components.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted transfers of \$32,100 Annual in addition to a Special Assessment in the amount of \$156,560 this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary Table and the Cash Flow Detail Table.

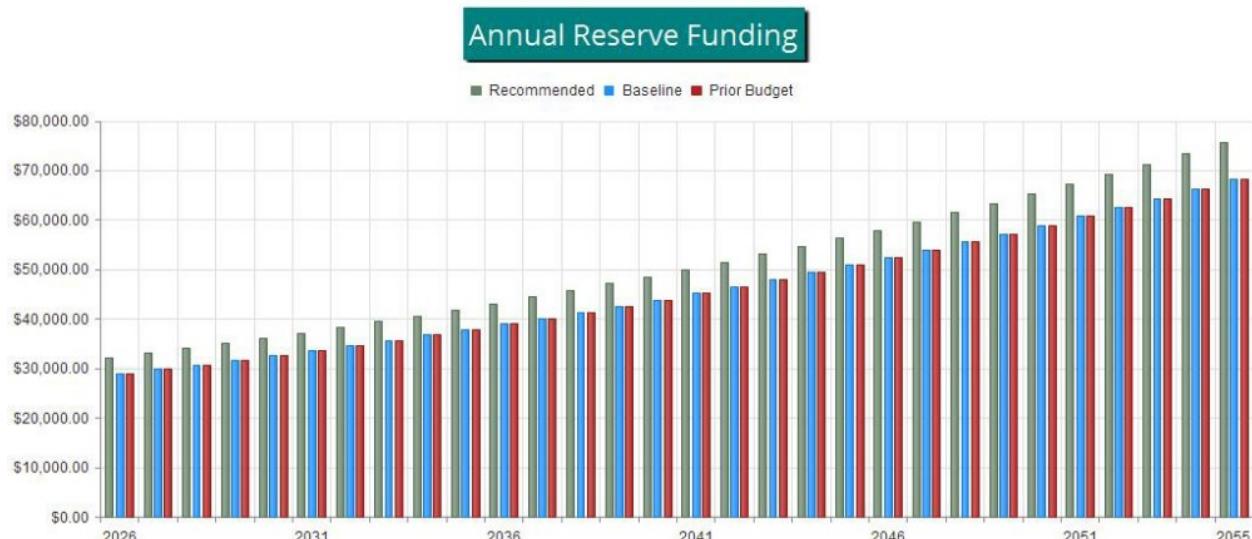


Figure 2

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

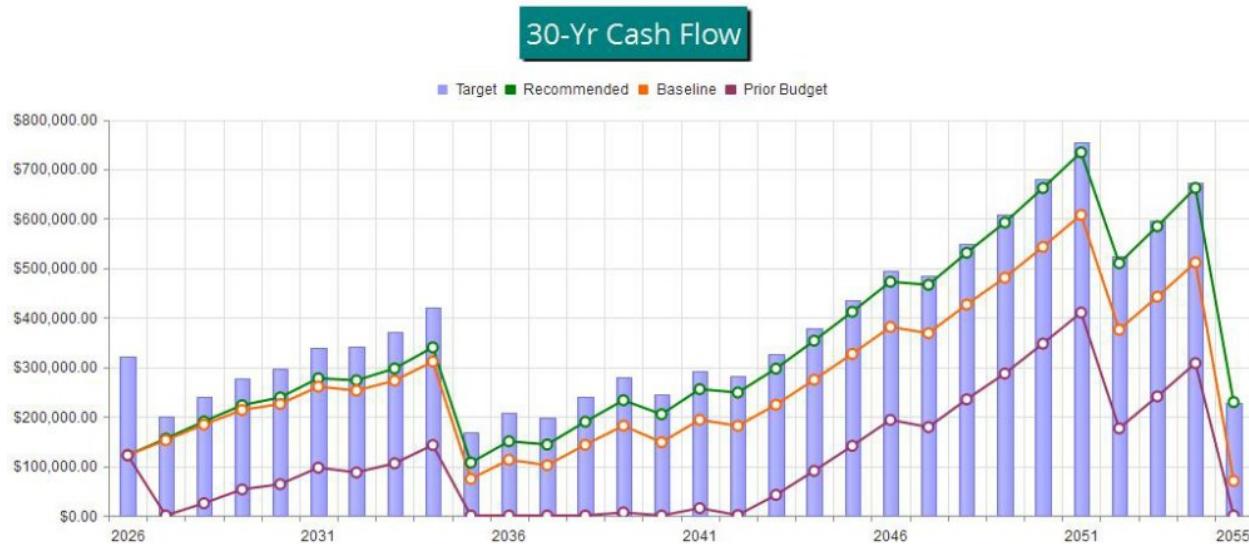


Figure 3

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

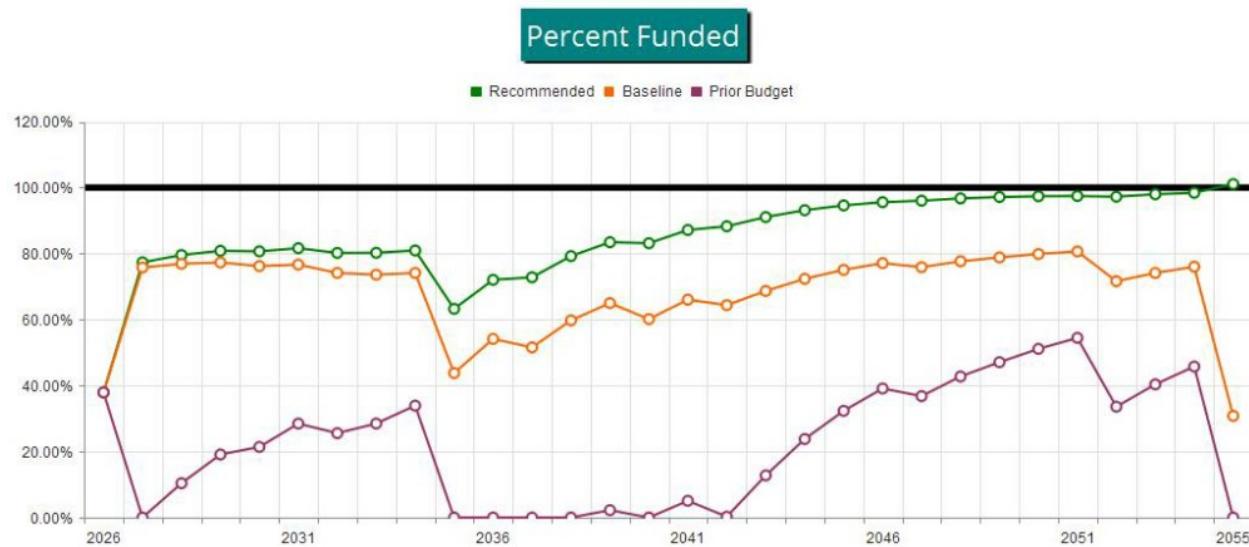


Figure 4

Executive Summary is a summary of your Reserve Components

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

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

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

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

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

# Component	Approx Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
				Lower Estimate	Higher Estimate
Inventory Appendix					
100 Concrete - Repair/Replace	1 Sidewalks, etc.	10	2	\$2,770	\$3,390
140 Wood Fence - Replace	3,250 LF 6 tall wood	20	8	\$196,000	\$240,000
141 Wood Fence - Stain	3,250 LF 6 tall wood	5	0	\$27,800	\$34,000
170 Landscape - Refurbish	1 Trees, shrubs, turf	5	0	\$3,710	\$4,530
171 Trees - Trim/Remove & Replace	1 Landscape trees	3	0	\$13,000	\$15,800
175 Irrigation System - Repair/Replace	1 Extensive system	5	0	\$2,770	\$3,390
200 Monument Signage - Replace	1 masonry (1) rock	25	3	\$4,910	\$6,010
205 Mailboxes - Replace	14 (14) mail, (1) parcel	25	0	\$38,900	\$47,600
340 Play Equipment - Replace (a)	1 metal (1) tireswing	25	13	\$47,700	\$58,300
340 Play Equipment - Replace (b)	1 metal (1) swing	25	0	\$47,700	\$58,300
346 Site Furniture - Replace (a)	3 picnic tables	25	16	\$3,290	\$4,030
346 Site Furniture - Replace (b)	9 assorted	25	0	\$7,020	\$8,580
12 Total Funded Components					

# Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Inventory Appendix							
100 Concrete - Repair/Replace	\$3,080	X	8	/	10	=	\$2,464
140 Wood Fence - Replace	\$217,750	X	12	/	20	=	\$130,650
141 Wood Fence - Stain	\$30,900	X	5	/	5	=	\$30,900
170 Landscape - Refurbish	\$4,120	X	5	/	5	=	\$4,120
171 Trees - Trim/Remove & Replace	\$14,400	X	3	/	3	=	\$14,400
175 Irrigation System - Repair/Replace	\$3,080	X	5	/	5	=	\$3,080
200 Monument Signage - Replace	\$5,460	X	22	/	25	=	\$4,805
205 Mailboxes - Replace	\$43,260	X	25	/	25	=	\$43,260
340 Play Equipment - Replace (a)	\$53,000	X	12	/	25	=	\$25,440
340 Play Equipment - Replace (b)	\$53,000	X	25	/	25	=	\$53,000
346 Site Furniture - Replace (a)	\$3,660	X	9	/	25	=	\$1,318
346 Site Furniture - Replace (b)	\$7,800	X	25	/	25	=	\$7,800
							\$321,236

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Inventory Appendix				
100 Concrete - Repair/Replace	10	\$3,080	\$308	1.02 %
140 Wood Fence - Replace	20	\$217,750	\$10,888	35.98 %
141 Wood Fence - Stain	5	\$30,900	\$6,180	20.42 %
170 Landscape - Refurbish	5	\$4,120	\$824	2.72 %
171 Trees - Trim/Remove & Replace	3	\$14,400	\$4,800	15.86 %
175 Irrigation System - Repair/Replace	5	\$3,080	\$616	2.04 %
200 Monument Signage - Replace	25	\$5,460	\$218	0.72 %
205 Mailboxes - Replace	25	\$43,260	\$1,730	5.72 %
340 Play Equipment - Replace (a)	25	\$53,000	\$2,120	7.01 %
340 Play Equipment - Replace (b)	25	\$53,000	\$2,120	7.01 %
346 Site Furniture - Replace (a)	25	\$3,660	\$146	0.48 %
346 Site Furniture - Replace (b)	25	\$7,800	\$312	1.03 %
12 Total Funded Components		\$30,263		100.00 %

Fiscal Year Start: 2026			Net After Tax Interest: 1.00 %		Avg 30-Yr Inflation: 3.00 %				
Reserve Fund Strength (as-of Fiscal Year Start)			Projected Reserve Balance Changes						
Year	Starting Reserve	Fully Funded	Percent Funded	Special Assmt	In Annual Reserve	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
	2026 \$121,831	\$321,236	37.9 %	Medium	10.69 %	\$32,100	\$156,560	\$1,385	\$156,560
2027	\$155,316	\$200,787	77.4 %	Low	3.00 %	\$33,063	\$0	\$1,726	\$0
2028	\$190,106	\$238,917	79.6 %	Low	3.00 %	\$34,055	\$0	\$2,064	\$3,268
2029	\$222,957	\$275,787	80.8 %	Low	3.00 %	\$35,077	\$0	\$2,307	\$21,702
2030	\$238,639	\$295,769	80.7 %	Low	3.00 %	\$36,129	\$0	\$2,579	\$0
2031	\$277,347	\$339,725	81.6 %	Low	3.00 %	\$37,213	\$0	\$2,751	\$44,168
2032	\$273,143	\$340,559	80.2 %	Low	3.00 %	\$38,329	\$0	\$2,850	\$17,194
2033	\$297,127	\$370,285	80.2 %	Low	3.00 %	\$39,479	\$0	\$3,183	\$0
2034	\$339,790	\$419,729	81.0 %	Low	3.00 %	\$40,663	\$0	\$2,232	\$275,839
2035	\$106,846	\$168,904	63.3 %	Medium	3.00 %	\$41,883	\$0	\$1,284	\$0
2036	\$150,013	\$208,191	72.1 %	Low	3.00 %	\$43,140	\$0	\$1,467	\$51,203
2037	\$143,416	\$196,943	72.8 %	Low	3.00 %	\$44,434	\$0	\$1,664	\$0
2038	\$189,514	\$239,155	79.2 %	Low	3.00 %	\$45,767	\$0	\$2,112	\$4,391
2039	\$233,001	\$279,200	83.5 %	Low	3.00 %	\$47,140	\$0	\$2,187	\$77,832
2040	\$204,495	\$245,923	83.2 %	Low	3.00 %	\$48,554	\$0	\$2,298	\$0
2041	\$255,348	\$292,971	87.2 %	Low	3.00 %	\$50,011	\$0	\$2,518	\$59,359
2042	\$248,518	\$281,481	88.3 %	Low	3.00 %	\$51,511	\$0	\$2,726	\$5,873
2043	\$296,882	\$325,962	91.1 %	Low	3.00 %	\$53,056	\$0	\$3,249	\$0
2044	\$353,187	\$379,089	93.2 %	Low	3.00 %	\$54,648	\$0	\$3,823	\$0
2045	\$411,658	\$435,111	94.6 %	Low	3.00 %	\$56,288	\$0	\$4,418	\$0
2046	\$472,364	\$494,153	95.6 %	Low	3.00 %	\$57,976	\$0	\$4,691	\$68,813
2047	\$466,218	\$485,468	96.0 %	Low	3.00 %	\$59,715	\$0	\$4,984	\$0
2048	\$530,917	\$548,821	96.7 %	Low	3.00 %	\$61,507	\$0	\$5,613	\$5,902
2049	\$592,135	\$609,460	97.2 %	Low	3.00 %	\$63,352	\$0	\$6,267	\$0
2050	\$661,754	\$679,505	97.4 %	Low	3.00 %	\$65,253	\$0	\$6,976	\$0
2051	\$733,982	\$753,203	97.4 %	Low	3.00 %	\$67,210	\$0	\$6,216	\$297,651
2052	\$509,757	\$524,131	97.3 %	Low	3.00 %	\$69,227	\$0	\$5,469	\$0
2053	\$584,453	\$596,415	98.0 %	Low	3.00 %	\$71,303	\$0	\$6,230	\$0
2054	\$661,986	\$672,564	98.4 %	Low	3.00 %	\$73,442	\$0	\$4,454	\$510,688
2055	\$229,194	\$226,736	101.1 %	Low	3.00 %	\$75,646	\$0	\$2,682	\$0

Fiscal Year Start: 2026			Net After Tax Interest:		1.00 %	Avg 30-Yr Inflation: 3.00 %			
Reserve Fund Strength (as-of Fiscal Year Start)			Projected Reserve Balance Changes						
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
	2026 \$121,831	\$321,236	37.9 %	Medium	0.00 %	\$29,000	\$156,560	\$1,370	\$156,560
2027	\$152,201	\$200,787	75.8 %	Low	3.00 %	\$29,870	\$0	\$1,679	\$0
2028	\$183,750	\$238,917	76.9 %	Low	3.00 %	\$30,766	\$0	\$1,984	\$3,268
2029	\$213,232	\$275,787	77.3 %	Low	3.00 %	\$31,689	\$0	\$2,192	\$21,702
2030	\$225,412	\$295,769	76.2 %	Low	3.00 %	\$32,640	\$0	\$2,428	\$0
2031	\$260,480	\$339,725	76.7 %	Low	3.00 %	\$33,619	\$0	\$2,564	\$44,168
2032	\$252,495	\$340,559	74.1 %	Low	3.00 %	\$34,628	\$0	\$2,624	\$17,194
2033	\$272,552	\$370,285	73.6 %	Low	3.00 %	\$35,666	\$0	\$2,917	\$0
2034	\$311,135	\$419,729	74.1 %	Low	3.00 %	\$36,736	\$0	\$1,925	\$275,839
2035	\$73,957	\$168,904	43.8 %	Medium	3.00 %	\$37,838	\$0	\$933	\$0
2036	\$112,729	\$208,191	54.1 %	Medium	3.00 %	\$38,974	\$0	\$1,071	\$51,203
2037	\$101,570	\$196,943	51.6 %	Medium	3.00 %	\$40,143	\$0	\$1,222	\$0
2038	\$142,935	\$239,155	59.8 %	Medium	3.00 %	\$41,347	\$0	\$1,622	\$4,391
2039	\$181,512	\$279,200	65.0 %	Medium	3.00 %	\$42,587	\$0	\$1,646	\$77,832
2040	\$147,914	\$245,923	60.1 %	Medium	3.00 %	\$43,865	\$0	\$1,706	\$0
2041	\$193,485	\$292,971	66.0 %	Medium	3.00 %	\$45,181	\$0	\$1,873	\$59,359
2042	\$181,180	\$281,481	64.4 %	Medium	3.00 %	\$46,536	\$0	\$2,024	\$5,873
2043	\$223,868	\$325,962	68.7 %	Medium	3.00 %	\$47,933	\$0	\$2,490	\$0
2044	\$274,290	\$379,089	72.4 %	Low	3.00 %	\$49,371	\$0	\$3,003	\$0
2045	\$326,664	\$435,111	75.1 %	Low	3.00 %	\$50,852	\$0	\$3,537	\$0
2046	\$381,053	\$494,153	77.1 %	Low	3.00 %	\$52,377	\$0	\$3,745	\$68,813
2047	\$368,363	\$485,468	75.9 %	Low	3.00 %	\$53,949	\$0	\$3,972	\$0
2048	\$426,283	\$548,821	77.7 %	Low	3.00 %	\$55,567	\$0	\$4,532	\$5,902
2049	\$480,480	\$609,460	78.8 %	Low	3.00 %	\$57,234	\$0	\$5,114	\$0
2050	\$542,829	\$679,505	79.9 %	Low	3.00 %	\$58,951	\$0	\$5,749	\$0
2051	\$607,529	\$753,203	80.7 %	Low	3.00 %	\$60,720	\$0	\$4,913	\$297,651
2052	\$375,510	\$524,131	71.6 %	Low	3.00 %	\$62,541	\$0	\$4,087	\$0
2053	\$442,138	\$596,415	74.1 %	Low	3.00 %	\$64,417	\$0	\$4,765	\$0
2054	\$511,320	\$672,564	76.0 %	Low	3.00 %	\$66,350	\$0	\$2,905	\$510,688
2055	\$69,887	\$226,736	30.8 %	Medium	3.00 %	\$68,340	\$0	\$1,045	\$0



30-Year Income/Expense Detail

Report # 33951-4
No-Site-Visit

Fiscal Year	2026	2027	2028	2029	2030
Starting Reserve Balance	\$121,831	\$155,316	\$190,106	\$222,957	\$238,639
Annual Reserve Funding	\$32,100	\$33,063	\$34,055	\$35,077	\$36,129
Recommended Special Assessments	\$156,560	\$0	\$0	\$0	\$0
Interest Earnings	\$1,385	\$1,726	\$2,064	\$2,307	\$2,579
Total Income	\$311,876	\$190,106	\$226,225	\$260,341	\$277,347
# Component					
Inventory Appendix					
100 Concrete - Repair/Replace	\$0	\$0	\$3,268	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$30,900	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$4,120	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$14,400	\$0	\$0	\$15,735	\$0
175 Irrigation System - Repair/Replace	\$3,080	\$0	\$0	\$0	\$0
200 Monument Signage - Replace	\$0	\$0	\$0	\$5,966	\$0
205 Mailboxes - Replace	\$43,260	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$53,000	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$7,800	\$0	\$0	\$0	\$0
Total Expenses	\$156,560	\$0	\$3,268	\$21,702	\$0
Ending Reserve Balance	\$155,316	\$190,106	\$222,957	\$238,639	\$277,347

Fiscal Year	2031	2032	2033	2034	2035
Starting Reserve Balance	\$277,347	\$273,143	\$297,127	\$339,790	\$106,846
Annual Reserve Funding	\$37,213	\$38,329	\$39,479	\$40,663	\$41,883
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,751	\$2,850	\$3,183	\$2,232	\$1,284
Total Income	\$317,311	\$314,322	\$339,790	\$382,685	\$150,013
# Component					
Inventory Appendix					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$275,839	\$0
141 Wood Fence - Stain	\$35,822	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$4,776	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$17,194	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$3,571	\$0	\$0	\$0	\$0
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$44,168	\$17,194	\$0	\$275,839	\$0
Ending Reserve Balance	\$273,143	\$297,127	\$339,790	\$106,846	\$150,013

Fiscal Year	2036	2037	2038	2039	2040
Starting Reserve Balance	\$150,013	\$143,416	\$189,514	\$233,001	\$204,495
Annual Reserve Funding	\$43,140	\$44,434	\$45,767	\$47,140	\$48,554
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,467	\$1,664	\$2,112	\$2,187	\$2,298
Total Income	\$194,619	\$189,514	\$237,392	\$282,328	\$255,348
# Component					
Inventory Appendix					
100 Concrete - Repair/Replace	\$0	\$0	\$4,391	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$41,527	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$5,537	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$4,139	\$0	\$0	\$0	\$0
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$77,832	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$51,203	\$0	\$4,391	\$77,832	\$0
Ending Reserve Balance	\$143,416	\$189,514	\$233,001	\$204,495	\$255,348

Fiscal Year	2041	2042	2043	2044	2045
Starting Reserve Balance	\$255,348	\$248,518	\$296,882	\$353,187	\$411,658
Annual Reserve Funding	\$50,011	\$51,511	\$53,056	\$54,648	\$56,288
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,518	\$2,726	\$3,249	\$3,823	\$4,418
Total Income	\$307,877	\$302,755	\$353,187	\$411,658	\$472,364
# Component					
Inventory Appendix					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$48,141	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$6,419	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$4,799	\$0	\$0	\$0	\$0
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$5,873	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$59,359	\$5,873	\$0	\$0	\$0
Ending Reserve Balance	\$248,518	\$296,882	\$353,187	\$411,658	\$472,364

Fiscal Year	2046	2047	2048	2049	2050
Starting Reserve Balance	\$472,364	\$466,218	\$530,917	\$592,135	\$661,754
Annual Reserve Funding	\$57,976	\$59,715	\$61,507	\$63,352	\$65,253
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,691	\$4,984	\$5,613	\$6,267	\$6,976
Total Income	\$535,031	\$530,917	\$598,037	\$661,754	\$733,982
# Component					
Inventory Appendix					
100 Concrete - Repair/Replace	\$0	\$0	\$5,902	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
141 Wood Fence - Stain	\$55,809	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$7,441	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$5,563	\$0	\$0	\$0	\$0
200 Monument Signage - Replace	\$0	\$0	\$0	\$0	\$0
205 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$68,813	\$0	\$5,902	\$0	\$0
Ending Reserve Balance	\$466,218	\$530,917	\$592,135	\$661,754	\$733,982

Fiscal Year	2051	2052	2053	2054	2055
Starting Reserve Balance	\$733,982	\$509,757	\$584,453	\$661,986	\$229,194
Annual Reserve Funding	\$67,210	\$69,227	\$71,303	\$73,442	\$75,646
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,216	\$5,469	\$6,230	\$4,454	\$2,682
Total Income	\$807,409	\$584,453	\$661,986	\$739,882	\$307,522
# Component					
Inventory Appendix					
100 Concrete - Repair/Replace	\$0	\$0	\$0	\$0	\$0
140 Wood Fence - Replace	\$0	\$0	\$0	\$498,196	\$0
141 Wood Fence - Stain	\$64,698	\$0	\$0	\$0	\$0
170 Landscape - Refurbish	\$8,626	\$0	\$0	\$0	\$0
171 Trees - Trim/Remove & Replace	\$0	\$0	\$0	\$0	\$0
175 Irrigation System - Repair/Replace	\$6,449	\$0	\$0	\$0	\$0
200 Monument Signage - Replace	\$0	\$0	\$0	\$12,492	\$0
205 Mailboxes - Replace	\$90,577	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (a)	\$0	\$0	\$0	\$0	\$0
340 Play Equipment - Replace (b)	\$110,970	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (a)	\$0	\$0	\$0	\$0	\$0
346 Site Furniture - Replace (b)	\$16,331	\$0	\$0	\$0	\$0
Total Expenses	\$297,651	\$0	\$0	\$510,688	\$0
Ending Reserve Balance	\$509,757	\$584,453	\$661,986	\$229,194	\$307,522

"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." Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Jim Talaga, company President, is a credentialed Reserve Specialist (#66). All work done by Association Reserves WA, LLC is performed under his responsible charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation. Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified. Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to: project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to, plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing. Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses. In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.



Terms and Definitions

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



Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our research and analysis. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding: 1) The project is the Association's present obligation. 2) The need and schedule of a project can be reasonably anticipated. 3) The total cost of the project is material, can be estimated and includes all direct & related costs. Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above three criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed "Best Cost" and "Worst Cost". There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur. Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

Inventory Appendix

Comp #: 100 Concrete - Repair/Replace**Approx Quantity: 1 Sidewalks, etc.****Location:** Sidewalks adjacent to common areas, pads under picnic tables, mail box pads, play area curbing, etc.**Funded?:** Yes.**History:** None known**Comments:** Remaining useful life adjusted down and cost inflated from prior reserve study.**Useful Life:** 10 years**Remaining Life:**

2 years

Lower Estimate: \$ 2,770**Higher Estimate:**

\$3,390

Cost Source: ARI Cost Database: Similar Project**Cost History:****Comp #: 120 Asphalt - Resurface****Approx Quantity: 1 Roadways, etc.****Location:** Roadways throughout association**Funded?:** No. Roads are reportedly public, therefore municipality responsibility to maintain, repair and replace**History:** None known**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:****Comp #: 140 Wood Fence - Replace****Approx Quantity: 3,250 LF 6 tall wood****Location:** Partial perimeter along association at W 36th Ave & S Ely Street, going all the way to W 27th Ave**Funded?:** Yes.**History:** 2024-Repairs \$1,820; Replaced 2013**Comments:** Remaining useful life adjusted down, and cost inflated from the prior reserve study.**NOTE:** This component has been significantly affected by inflation.**Useful Life:** 20 years**Remaining Life:**

8 years

Lower Estimate: \$ 196,000**Higher Estimate:**

\$240,000

Cost Source: ARI Cost Database: Similar Project**Cost History:****Comp #: 141 Wood Fence - Stain****Approx Quantity: 3,250 LF 6 tall wood****Location:** Partial perimeter along association at W 36th Ave & S Ely Street, going all the way to W 27th Ave**Funded?:** Yes.**History:** 2019 \$8,405.64**Comments:** Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.**Useful Life:** 5 years**Remaining Life:**

0 years

Lower Estimate: \$ 27,800**Higher Estimate:**

\$34,000

Cost Source: Client Cost History**Comp #: 145 Brick Columns - Replace****Approx Quantity: 10 (10) brick****Location:** Adjacent to perimeter fencing**Funded?:** No. Useful life not predictable**History:** Added at time of 2013 fence replacement**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:****Comp #: 160 Pole Lights - Replace****Approx Quantity: 1 Public street lighting****Location:** Adjacent to public streets**Funded?:** No. Reportedly local municipality/utility responsibility to maintain, repair and replace**History:** None known**Comments:** Not funded – no changes from previous reserve study.**Useful Life:****Remaining Life:****Lower Estimate:****Higher Estimate:****Cost Source:**

Comp #: 170 Landscape - Refurbish **Approx Quantity: 1** Trees, shrubs, turf
Location: Common area landscaping
Funded?: Yes.
History: Trees planted 2019 \$4k
Comments: Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study. Some tree work being discussed for 2023 subsequent to our report completion. No specific details provided.
Useful Life: 5 years **Remaining Life:** 0 years
Lower Estimate: \$ 3,710 **Higher Estimate:** \$4,530
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 171 Trees - Trim/Remove & Replace **Approx Quantity: 1** Landscape trees
Location: Throughout the community.
Funded?: Yes.
History: 2024-Anticipated expense of \$14K
Comments: Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.
Useful Life: 3 years **Remaining Life:** 0 years
Lower Estimate: \$ 13,000 **Higher Estimate:** \$15,800
Cost Source: Budget Allowance

Comp #: 175 Irrigation System - Repair/Replace **Approx Quantity: 1** Extensive system
Location: Common area landscaping
Funded?: Yes.
History: None known
Comments: Remaining useful life remains at zero, as work was not completed or planned for; cost inflated from the prior study.
Useful Life: 5 years **Remaining Life:** 0 years
Lower Estimate: \$ 2,770 **Higher Estimate:** \$3,390
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 200 Monument Signage - Replace **Approx Quantity: 1** masonry (1) rock
Location: Entry/exits to association along S Ely Street & W 36th Ave
Funded?: Yes.
History: None known
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Useful Life: 25 years **Remaining Life:** 3 years
Lower Estimate: \$ 4,910 **Higher Estimate:** \$6,010
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 205 Mailboxes - Replace **Approx Quantity: 14 (14) mail, (1) parcel**
Location: Adjacent to streets throughout association
Funded?: Yes.
History: Manufacture dates 1998-2000
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.

NOTE: This component has been significantly affected by inflation.
Useful Life: 25 years **Remaining Life:** 0 years
Lower Estimate: \$ 38,900 **Higher Estimate:** \$47,600
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 340 Play Equipment - Replace (a) **Approx Quantity: 1** metal (1) tireswing
Location: Main park along S Conway Drive
Funded?: Yes.
History: Replaced 2014
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Useful Life: 25 years **Remaining Life:** 13 years
Lower Estimate: \$ 47,700 **Higher Estimate:** \$58,300
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 340 Play Equipment - Replace (b) **Approx Quantity: 1** **metal (1) swing**
Location: Parks on S Dennis Ct & W 32nd Court; and S Buntin and W 34th Place
Funded?: Yes.
History: Original to 2001 construction
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Useful Life: 25 years **Remaining Life:** 0 years
Lower Estimate: \$ 47,700 **Higher Estimate:** \$58,300
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 346 Site Furniture - Replace (a) **Approx Quantity: 3** **picnic tables**
Location: Main park on S Conway Drive and park on S Dennis Ct
Funded?: Yes.
History: Installed 2017 \$1,521.89
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Useful Life: 25 years **Remaining Life:** 16 years
Lower Estimate: \$ 3,290 **Higher Estimate:** \$4,030
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 346 Site Furniture - Replace (b) **Approx Quantity: 9** **assorted**
Location: Throughout common area parks
Funded?: Yes.
History: None known
Comments: Remaining useful life adjusted down, and cost inflated from the prior reserve study.
Useful Life: 25 years **Remaining Life:** 0 years
Lower Estimate: \$ 7,020 **Higher Estimate:** \$8,580
Cost Source: ARI Cost Database: Similar Project
Cost History

Comp #: 350 Pet Stations - Replace **Approx Quantity: 3** **pet stations**
Location: One at each common area park
Funded?: No. Cost projected to be too small to qualify for reserve funding
History: Installed 2017
Comments: Not funded – no changes from previous reserve study.
Useful Life: **Remaining Life:**
Lower Estimate: **Higher Estimate:**
Cost Source:

Comp #: 999 Reserve Study - Update **Approx Quantity: 1** **Annual update**
Location: The community common and limited common elements.
Funded?: No. Costs are best handled with operating funds.
History: 2014 FULL; 2019. 2025 WSV; 2021,2024 NSV,2026 NSV
Comments: Not funded – no changes from previous reserve study

Thank you for choosing Association Reserves!
Useful Life: **Remaining Life:**
Lower Estimate: **Higher Estimate:**
Cost Source:

Shadow Run at Canyon Lakes - Common Areas

Kennewick, WA

Level of Service: Update "No-Site-Visit"

Report #: 33951-4

of Units: 197

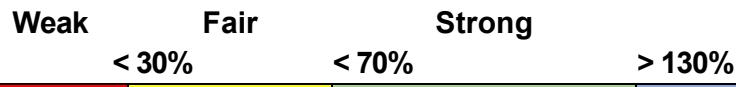
January 1, 2026 through December 31, 2026

Findings & Recommendations

as of January 1, 2026

Starting Reserve Balance	\$121,831
Current Fully Funded Reserve Balance	\$321,236
Percent Funded	37.9 %
Average Reserve (Deficit) or Surplus Per Unit	(\$1,012)
Recommended 2026 100% Annual "Full Funding" Reserve Transfers	\$32,100
Recommended 2026 70% Annual "Threshold Funding" Reserve Transfers	\$30,800
2026 "Baseline Funding" minimum to keep Reserves above \$0	\$29,000
Recommended 2026 Special Assessment for Reserves	\$156,560***
Most Recent Budgeted Reserve Transfer Rate	\$29,000

Reserve Fund Strength: 37.9%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

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

- This is a Update "No-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).
- Your Reserve Fund is currently 37.9 % Funded. This means the association's special assessment & deferred maintenance risk is currently Medium. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems. The current annual deterioration of your reserve components is \$30,263 - see Component Significance table.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget Reserve Transfers to within the 70% to 100% range and levy a Special Assessment in the amount of \$156,560 as noted above. The 100% "Full" and 70% transfer rates are designed to gradually achieve these funding objectives by the end of our 30-year report scope.***
- Baseline funding cannot be achieved without a special assessment within the 30-year scope of this Report.
- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan transfer rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

*** This Special Assessment recommendation is preliminary in nature and designed to be adjusted once bids have been gathered and accepted. This Special Assessment recommendation will bolster reserves for various projects outlined for 2026.

building must meet RCW 64.55 requirements, including building enclosure design & waterproofing details by a licensed architect/engineer and independent construction oversight. The RCW does not preclude Reserve Study contents including components with > 30 years Useful Life that otherwise meet CAI's National Reserve Study Standards.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Inventory Appendix			
100 Concrete - Repair/Replace	10	2	\$3,080
140 Wood Fence - Replace	20	8	\$217,750
141 Wood Fence - Stain	5	0	\$30,900
170 Landscape - Refurbish	5	0	\$4,120
171 Trees - Trim/Remove & Replace	3	0	\$14,400
175 Irrigation System - Repair/Replace	5	0	\$3,080
200 Monument Signage - Replace	25	3	\$5,460
205 Mailboxes - Replace	25	0	\$43,260
340 Play Equipment - Replace (a)	25	13	\$53,000
340 Play Equipment - Replace (b)	25	0	\$53,000
346 Site Furniture - Replace (a)	25	16	\$3,660
346 Site Furniture - Replace (b)	25	0	\$7,800

12 Total Funded Components

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