

Full Reserve Study

The Ridge at Rock Creek

Marysville, WA
11/13/2012

Report # 1100



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The Ridge at Rock Creek

Client Info:

REPORT #:	1100
STUDY TYPE:	Full Reserve Study
INSPECTION DATE:	10/14/2012
REPORT PERIOD:	1/1/2013-12/31/2013
NUMBER OF UNITS:	102

Parameters:

ANNUAL INFLATION RATE:	3%
ANNUAL CONTRIBUTION INCREASE:	3%
NET ANNUAL INVESTMENT RATE:	0%

Results:

PROJECTED STARTING RESERVE BALANCE:	\$25,000
THEORETICALLY IDEAL RESERVE BALANCE:	\$17,868
PERCENT FUNDED:	140%
MOST RECENT ANNUAL RESERVE CONTRIBUTION:	\$0
RECOMMENDED 2013 ANNUAL CONTRIBUTION:	\$4,520
BASELINE ANNUAL CONTRIBUTION AMOUNT:	\$4,000
RECOMMENDED SPECIAL ASSESSMENT:	\$0

- This document is a Full Reserve Study that meets all requirements of chapter 64.34 RCW Article 3, Section 2. Information was gathered for this Reserve Study during our site inspection on 10/14/2012. A Reserve Study Professional performed this Reserve Study.
- The Association currently contributes \$0 annually to the reserve account. Based on the findings of our report, we suggest increasing the annual reserve contribution to \$4,520 in fiscal year 2013.
- Please refer to the Photo Component Section for detailed component information regarding our funding decisions.

Funded Component Chart

Component	Quantity	Useful Life	Remaining Useful Life	Replacement Cost	
				Low	High
Mailbox Clusters - Replace	(8) Clusters	25	19	\$9,600	\$12,800
Wood Fence - Replace	Approx 540 linear feet	12	8	\$13,500	\$16,200
Wood Fence - Stain	Approx 540 linear feet	4	0	\$5,400	\$7,560
Landscaping - Refurbish	Extensive square feet	10	5	\$5,000	\$10,000

Site Inspection:

Our site inspection was conducted on 10/14/2012. We compiled a photographic record and visually inspected all of the common and limited common elements. We noted current condition, materials, and exposure to weather elements. The Association contact informed us of any items that are being handled from the Operational budget, not Reserves.

Reserve Funds Analysis:

The Reserve Fund balance is projected to be \$25,000 as-of the start of your fiscal year on 1/1/2013. This is based on your actual balance provided to us by the Association contact. As of 1/1/2013, your Ideal Reserve Balance is figured to be \$17,868 making your reserves 140% funded.

Recommendations:

The Association currently contributes \$0 annually to the reserve account. Based on the findings of our report, we suggest increasing the annual reserve contribution to \$4,520 in fiscal year 2013.

PHOTO COMPONENT SECTION

Component: Concrete – Repair/Replace



Comments: Fair condition with no damage or unexpected deterioration observed. We suggest regularly inspections of concrete, with repair as needed to prevent water penetration and damage. Periodically pressure wash for appearance and repair any trip hazards immediately to ensure safety. We do not expect large-scale or total replacement within the scope of this study. No reserve funding suggested.

Quantity: Extensive Square Feet

Useful Life:

Remaining Useful Life:

Low Cost:

High Cost:

Low Project Cost:

High Project Cost:

Component: Asphalt – Maintain/Repair/Replace



Comments: The asphalt is reportedly public streets – therefore the association is not responsible to maintain/repair/replace the asphalt. No reserve funding required.

Quantity: Extensive Square Feet

Useful Life:

Remaining Useful Life:

Low Cost:

High Cost:

Low Project Cost:

High Project Cost:

Component: Pole Lights – Replace



Comments: The pole lights appear to be responsibility of the city to maintain/repair/replace. No reserve funding required.

Quantity: Extensive Quantity

Useful Life:

Remaining Useful Life:

Low Cost:

High Cost:

Low Project Cost:

High Project Cost:

Component: Mailbox Clusters – Replace



Comments: Fair condition observed. Inspect regularly, clean and repair as needed from general maintenance budget. Best to plan for total replacement at roughly the time frame below due to constant usage and wear over time.

Quantity: (8) clusters

Useful Life: 25 Years

Remaining Useful Life: 19 Years

Low Cost: \$1,200/each

High Cost: \$1,600/each

Low Project Cost: \$9,600

High Project Cost: \$12,800

Component: Wood Fence – Replace



Comments: Fair condition with no significant instability or damage noted. Inspect regularly for any damage or deterioration and repair as needed. Try to avoid contact with the ground and surrounding vegetation. We suggest planning to replace the wood fence at roughly the time frame below.

Quantity: Approximately 540 linear feet

Useful Life: 12 Years

Remaining Useful Life: 8 Years

Low Cost: \$25/Linear Foot

High Cost: \$30/Linear Foot

Low Project Cost: \$13,500

High Project Cost: \$16,200

Component: Wood Fence – Stain



Comments: Fair condition observed. We suggest regular stain/paint for appearance and protection of wood. Plan to stain/paint both sides of the fence at the interval indicated below.

Quantity: Approximately 540 linear feet

Useful Life: 4 Years

Remaining Useful Life: 0 Years

Low Cost: \$10/Linear Foot

High Cost: \$14/Linear Foot

Low Project Cost: \$5,400

High Project Cost: \$7,560

Component: Rockeries/Retaining Walls – Replace



Comments: Rockeries appear to be in stable condition with no significant erosion noted. We assume that the rockeries were properly installed with adequate base and surrounding drainage. If areas of deterioration emerge, consult with civil or geotechnical engineer for repair scope. No basis for reserve funding at this time.

Quantity: Extensive amount

Useful Life:

Remaining Useful Life:

Low Cost:

High Cost:

Low Project Cost:

High Project Cost:

Component: Entry Monument – Replace



Comments: Fair condition of entry monument observed during our site inspection. No damage or unusual wear. Sturdy component that can last for extended period of time if not damaged or abused. Clean and apply touch up paint for appearance as needed from operating funds. No predictable expectation for replacement within the scope of this report, no reserve funding suggested.

Quantity: (1) Entry Monument

Useful Life:

Remaining Useful Life:

Low Cost:

High Cost:

Low Project Cost:

High Project Cost:

Component: Irrigation System – Refurbish



Comments: No reported problems at this time. Regularly test system and repair as needed from maintenance budget. Follow proper winterization and spring start up procedures. If the system was properly installed the elements within this component are generally low cost and have a failure rate that is difficult to predict. Best suited to be handled thru the operating budget. No basis for reserve funding at this time.

Quantity: Extensive System

Useful Life:

Remaining Useful Life:

Low Cost:

High Cost:

Low Project Cost:

High Project Cost:

Component: Landscaping - Refurbish



Comments: This component may be utilized for setting aside funds for larger expenses that do not occur on an annual basis, such as: large-scale plantings, bark mulch or landscape improvement projects. Best to plan for an allowance for large-scale landscape improvement projects.

Quantity: Extensive Square Feet

Useful Life: 10 Years

Remaining Useful Life: 5 Years

Low Cost: \$5,000 allowance

High Cost: \$10,000 allowance

Low Project Cost: \$5,000

High Project Cost: \$10,000

Component: Drainage System – Repair/Refurbish



Comments: Fair condition with no reported problems at this time. We assumed the community was properly designed with adequate provisions for drainage. As routine maintenance, inspect regularly and keep drains and grates free of debris to ensure water is evacuating as designed. Pump out sediments if needed utilizing mobile evacuator service fund from the maintenance budget. We do not expect any large-scale expenses within the scope of this study. No reserve funding suggested.

Quantity: Extensive System

Useful Life:

Remaining Useful Life:

Low Cost:

High Cost:

Low Project Cost:

High Project Cost:

Component: Reserve Study – With Site Visit



Comments: Per Washington law, chapter 64.34 RCW Article 3, Section 1 reserve study updates with site inspections are to occur every three years to assess changes in condition and the resulting effect on the community's long-term reserve plan. This expense should be factored within the operating budget, not reserves.

Quantity: Every Three Years

Useful Life:

Remaining Useful Life:

Low Cost:

High Cost:

Low Project Cost:

High Project Cost:

Year-By-Year Summary Chart

Year	Starting Reserve Balance	Ideal Reserve Balance	Percent Funded	Rating	Annual Reserve Contributions	Special Assessments	Interest Income	Projected Reserve Expenses
2013	\$25,000	\$17,868	139.9%	Surplus	\$4,520	\$0	\$0	\$6,480
2014	\$23,040	\$15,907	144.8%	Surplus	\$4,656	\$0	\$0	\$0
2015	\$27,696	\$20,686	133.9%	Surplus	\$4,795	\$0	\$0	\$0
2016	\$32,491	\$25,739	126.2%	Strong	\$4,939	\$0	\$0	\$0
2017	\$37,430	\$31,075	120.4%	Strong	\$5,087	\$0	\$0	\$7,293
2018	\$35,224	\$29,197	120.6%	Strong	\$5,240	\$0	\$0	\$8,695
2019	\$31,769	\$25,960	122.4%	Strong	\$5,397	\$0	\$0	\$0
2020	\$37,166	\$31,726	117.1%	Strong	\$5,559	\$0	\$0	\$0
2021	\$42,726	\$37,816	113.0%	Strong	\$5,726	\$0	\$0	\$27,020
2022	\$21,431	\$16,411	130.6%	Surplus	\$5,898	\$0	\$0	\$0
2023	\$27,329	\$22,353	122.3%	Strong	\$6,075	\$0	\$0	\$0
2024	\$33,403	\$28,638	116.6%	Strong	\$6,257	\$0	\$0	\$0
2025	\$39,660	\$35,279	112.4%	Strong	\$6,444	\$0	\$0	\$9,239
2026	\$36,865	\$32,777	112.5%	Strong	\$6,638	\$0	\$0	\$0
2027	\$43,503	\$39,895	109.0%	Strong	\$6,837	\$0	\$0	\$0
2028	\$50,340	\$47,410	106.2%	Strong	\$7,042	\$0	\$0	\$11,685
2029	\$45,697	\$43,305	105.5%	Strong	\$7,253	\$0	\$0	\$10,398
2030	\$42,552	\$40,596	104.8%	Strong	\$7,471	\$0	\$0	\$0
2031	\$50,023	\$48,719	102.7%	Strong	\$7,695	\$0	\$0	\$0
2032	\$57,718	\$57,291	100.7%	Strong	\$7,926	\$0	\$0	\$19,639
2033	\$46,005	\$46,106	99.8%	Strong	\$8,164	\$0	\$0	\$38,524
2034	\$15,644	\$15,354	101.9%	Strong	\$8,409	\$0	\$0	\$0
2035	\$24,052	\$23,585	102.0%	Strong	\$8,661	\$0	\$0	\$0
2036	\$32,713	\$32,297	101.3%	Strong	\$8,921	\$0	\$0	\$0
2037	\$41,634	\$41,510	100.3%	Strong	\$9,188	\$0	\$0	\$13,173
2038	\$37,650	\$37,679	99.9%	Strong	\$9,464	\$0	\$0	\$15,703
2039	\$31,410	\$31,381	100.1%	Strong	\$9,748	\$0	\$0	\$0
2040	\$41,158	\$41,330	99.6%	Strong	\$10,040	\$0	\$0	\$0
2041	\$51,198	\$51,849	98.7%	Strong	\$10,341	\$0	\$0	\$14,826
2042	\$46,714	\$47,691	98.0%	Strong	\$10,652	\$0	\$0	\$0

Disclosures

Washington State disclosure, per Senate Bill 6215:

“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.”

This Reserve Study is based on observations and data obtained from the on-site visit, field measurements, general age of the property and its components, information provided by the association on recent repairs, replacements and maintenance of the common and limited common areas of the site.

Reserve Solutions relied upon the Association contact to provide the current reserve balance and the rate of interest earnings. In addition, we have considered the Association and the Association vendor's representation of current and historical reserve projects reliable.

No destructive or intrusive inspections of any of the common or limited common area elements were performed. The estimated replacement and maintenance values in the reserve study are derived from appropriate local industry sources (such as contractors, service providers, etc.), the association historic records, and/or professional experience. The anticipated useful life of each component is based on industry standards, manufacturer warranties or recommended maintenance and/or replacement.



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