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Level II With Site Visit Reserve Study Report

For Fiscal Year Beginning January 1, 2027

The Mediterranean Villas

Pasco, WA

July 13, 2026

Reserve Study Summary for The Mediterranean Villas

228 Units
For Fiscal Year Beginning January 1, 2027

Overview	
Starting Reserve Balance	$1,500,088
Fully Funded Balance	$2,048,323
Percent Funded	73%
Reserve Fund Strength (Weak, Fair or Strong)	Strong
Total Surplus or (Deficit) of Reserve Funding	$(548,235)
Surplus or (Deficit) on a Per Unit Average Basis***	$(2,405)
Current Reserve Contribution Based on Last Approved Budget	
Current Reserve Contribution Rate, Annually	$100,000
Current Special Assessment For Reserves, Annually	n/a
Is the Current Contribution Rate Within Range Provided by Study Below?	No
Reserve Study Funding Plan Options Beginning January 1, 2027	
100% Full Funding Contribution Rate, Annually	$136,800
70% Threshold Funding Contribution Rate, Annually	$127,500
Baseline Funding Contribution Rate, Annually	$110,100
Recommended Annual Special Assessment	n/a

Study Description & Assumptions
This is a Level II With-Site-Visit reserve study. As part of this report, a site visit was performed on June 17, 2026. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes on interest income and other outside factors are not included.

Property Description
The Mediterranean Villas consists of 228 units located in Pasco, WA. It was constructed in or around 2010.

Recommended Funding Plan
We recommend that the association budget for annual reserve contributions of $127,500 to $136,800 per year in 2027.

Recommended Special Assessment(s)
No special assessments are recommended at this time.

Other Notes
None.

***Current surplus or deficit is calculated on an average per unit. If the association calculates its assessments based on a fraction or percentage that varies by unit, it should calculate the current deficit or surplus based on that schedule. To do so, subtract the association's starting reserve balance above from the fully funded balance, and multiply the resulting number by the fraction or percentage allocable to each unit.

The Mediterranean Villas
Component List

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
Grounds					
1000	Concrete - Repair Allotment	5		4	$2,600
1005	Stamped Concrete - Repair Allotment	10		6	$3,000
1010	Pavers - Repair	Unfunded			
1015	Asphalt - Repair & Sealcoat	5		2	$11,600
1020	Asphalt - Grind & Overlay	35	1	12	$104,400
1025	Metal Signs - Replace	Unfunded			
1030	Monument Signage - Refurb/Replace	30		6	$14,000
1035	Monument Lighting - Replace	30		6	$4,000
1040	Mailboxes - Replace (Older)	30		8	$30,000
1041	Mailboxes - Replace (Newer)	30		11	$15,000
1050	RV Lot Gravel - Replenish	Unfunded			
1070	RV Lot Wood Fence - Replace	20	2	5	$45,315
1071	RV Lot Wood Fence - Repair & Stain	5		0	$9,938
1075	RV Lot Gates - Replace	40		23	$6,400
1080	CMU Wall - Repair Allotment	10		6	$5,000
1081	Vinyl Fence - Replace	40		35	$2,880
1085	Privacy Fence - Replace	Unfunded			
1135	Landscape - Refurbish Allotment	Unfunded			
1155	Irrigation System - Repair Allotment	5		4	$3,500
1160	Drainage System - Maintain	Unfunded			
1175	Pole Lights - Replace	Unfunded			
1205	Retaining Walls - Repair	Unfunded			
Recreation					
2005	Pavilion - Refurbish	30		6	$8,750
2010	Outdoor Furniture - Replace	Unfunded			
2015	Pet Stations - Replace	Unfunded			
2185	Palazzo Interior - Renovate	25		3	$16,000
2190	Palazzo Furniture - Replace	Unfunded			
2195	Palazzo Windows/Doors - Replace	30		8	$8,400
2200	Palazzo/Pavilion Roof - Replace	30		8	$15,300
2205	Palazzo Exterior Lighting - Replace	Unfunded			

The Mediterranean Villas
Component List

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
Building Exterior					
4000	Unit Roofs - Replace	Unfunded			
4005	Stucco Siding - Replace	Unfunded			
4010	Stucco Siding - Repair/Recoat Phase 1	20	8	5	$407,453
4015	Stucco Siding - Repair/Recoat Phase 2	20	7	5	$450,345
4020	Stucco Siding - Repair/Recoat Phase 3 (a)	20		12	$396,778
4021	Stucco Siding - Repair/Recoat Phase 3 (b)	20	3	4	$396,778
4025	Stucco Siding - Repair/Recoat Phase 4	20	3	7	$439,688
4030	Stucco Siding - Repair/Recoat Phase 5	20		8	$353,885
4035	Stucco Siding - Repair/Recoat Palazzo/Pavilion	20	8	5	$6,055
4065	Trim - Repair & Paint Phase 1	10		5	$49,500
4070	Trim - Repair & Paint Phase 2	10		5	$50,600
4075	Trim - Repair & Paint Phase 3 (a)	10		2	$35,200
4076	Trim - Repair & Paint Phase 3 (b)	10		4	$35,200
4080	Trim - Repair & Paint Phase 4	10		7	$45,600
4085	Trim - Repair & Paint Phase 5	10		8	$43,200
4090	Trim - Repair & Paint Palazzo/Pavilion	Unfunded			
4100	Windows/Doors/Garage Doors - Replace	Unfunded			
4105	Unit Exterior Lighting - Replace	Unfunded			
Equipment & Mechanical					
5000	Electrical System - Repair/Replace	Unfunded			
5005	Plumbing System - Repair/Replace	Unfunded			
5010	HVAC Equip - Repair/Replace	Unfunded			
Professional					
6000	Building Envelope Investigation	10		6	$5,000
6005	Preventive Maintenance Plan	Unfunded			
6010	Reserve Study - Annual Update	Unfunded			

An Introduction to Your Reserve Study

The Purpose of Your Reserve Study

The purpose of your reserve study is to develop a budgetary model to assist the association with preparing for the maintenance, repair and replacement of the assets which are under the association's responsibility. The report provides both estimated timeframes in which these projects are expected to occur as well as a cost allowance for the project. A reserve study consists of two parts; the physical analysis and the financial analysis. The physical analysis includes the component inventory and associated information including useful life, remaining useful life and cost allowances. The financial analysis includes the association's current reserve fund status (the percent funded) and funding recommendations.

Reserve Study Standards

This report is prepared in accordance with the National Reserve Study Standards (NRSS) by Community Associations Institute (CAI). First published in 1998, the NRSS provides guidelines related to the preparation of reserve studies including what information is included and how calculations are prepared. The full NRSS can be viewed at National Reserve Study Standards and an explanation of the NRSS is available at NRSS Explanation.

Types of Reserve Studies

There are four types of reserve studies under National Reserve Study Standards:

- ***Level I Full*** – This is the initial report prepared by the association. This report includes a site visit in which a non-intrusive basic visual review is conducted and association assets are counted, measured and/or quantified. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly. A Full study is typically only prepared once as the quantities and other data can be used in future reports.
- ***Level II With-Site-Visit*** – This report includes a site visit in which a non-intrusive basic visual review is conducted. No assets are quantified as this process was previously completed during the Full study process. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated accordingly. After the initial full study, most associations perform a with-site-visit report every third year; this cycle is required for Washington State associations with significant assets.
- ***Level III No-Site-Visit*** – This report does not include a site visit. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated. The No-Site-Visit update is primarily based on the current reserve account balance, projects completed since the last report, current industry costs, and any proposals the association may have received for upcoming projects.
- ***Level IV Preliminary, Community Not Yet Constructed*** – This report is prepared for communities that are in the development phase and have not yet been constructed. The component list is typically developed using building and site plans along with details provided by the developer. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly.

What Components are Included

National Reserve Study Standards provide for a three-part test to determine which items are funded within a reserve study. First, the component needs to be an item that the association is responsible to maintain, repair and replace. It cannot be an item that an owner or other party is responsible for. Next, the item must be "predictable" in that it has a predictable useful life (i.e. we need to be able to determine how long, on average, the item will last), and a remaining useful life (i.e. we need to be able to determine how much longer until that item requires replacement). Lastly, the cost to maintain, repair and replace the component must be above a minimum cost which is typically defined as 1% or more of the annual operating budget, however some associations may opt to define a different funding threshold. Using 1% of the annual operating budget, an association with a $100,000 annual budget would have a $1,000 reserve funding threshold.

One consideration that is not included within the NRSS three-part test are significant expenses which occur annually. Some associations opt to include annual expenses that exceed the 1% funding threshold in their study, however it is our opinion that these expenses are best handled through the operating budget. From an administrative and practical standpoint it is most advantageous to budget and pay for those expenses through the operating account, particularly in states such as Washington State which feature statutory limitations regarding reserve fund disbursements.

The intent of funding for reserve components is to maintain, repair or replace those exact components in the future. Capital improvements are not included within a reserve study and reserve funds should not be used accordingly. A capital improvement is the addition of an item that does not previously exist, such as installing a swimming pool when one was not previously present. Repurposing an existing item into something new is also considered a capital improvement; an example would be converting a janitorial closet in the clubhouse into an additional restroom. Replacing an existing item with an upgraded but like-kind product is not considered a capital improvement and reserve funds may be used in this instance; an example would be replacement of a wood deck with a composite (Trex®) material.

How Are Costs Determined

The cost allowances within a reserve study are determined in a number of ways. First, the association's prior cost history or recent vendor proposals are generally the best predictor of future costs as they are specific to your community. When a cost history is unavailable, a number of methods to determine costs may be used by the reserve study provider including, but not limited to research with vendors (including the association's vendors) and/or industry average costs. When industry average costs are used, they are adjusted based on the geographical location and current economical market of each client.

Fully Funded Balance Calculation

One of the most common questions related to a reserve study is how the fully funded balance is calculated. Contrary to popular belief, the fully funded balance is *not* the cost to replace all the association's assets today. Rather, it is the total accumulated deterioration of the association's assets. Let's take the example of a roof. If the roof lasts 30 years and costs $30,000 to replace, the association would save $1,000 per year so that it would have the $30,000 it needs to replace the roof by the 30th year. If the roof is two years old, the association would need $2,000 on hand to be 100% funded, meaning that it had the exact amount of cash on hand that the roof had deteriorated to date. If the association only saved $1,000 by the second year, it would then be 50% funded instead. The reserve study calculates the deterioration of each of the association's assets through the date of the study, taking into consideration their age and replacement cost allowances, and the cumulative total of those numbers is the association's fully funded balance.

Reserve Fund Strength, Also Known As Percent Funded

The association's percent funded is calculated by comparing the association's current reserve balance against the fully funded balance, which we defined above. Generally speaking, an association that is less than 30% funded is considered to have a weak reserve account balance and thus a high risk of requiring a special assessment. Associations which are between 30% and 69% funded are considered to have a moderate funding position and therefore a medium risk of a special assessment. Association's which are 70% or more funded have a strong funding position and a low risk of requiring a special assessment. One of the many goals of your reserve study is to help the association achieve, and keep, a strong funding position with a low risk of a special assessment.

How to Pay for Reserve Projects

The question of reserve expenses is not if they will occur, but when they will occur. The best and most cost-effective way to ensure that funds are available for these expenses is to save for future projects through regular contributions to the reserve fund. This not only ensures that funds are available as projects arise, thus reducing the chances of deferred maintenance, but it is also the most equitable to ownership groups over time. If a person owns a unit for one year, they contribute toward one year of reserves. The same goes for a person who owns their unit for five years, or for 30 years. If the association does not fund the reserve account through regular contributions and instead assesses a special assessment or takes out a loan for the project, the current ownership group is unfairly burdened with paying the full project cost even though previous owners enjoyed the use of those assets.

Properly reserving for anticipated maintenance, repair and replacement projects also results in lower overall costs to the association. Inadequate reserve funds often result in deferred maintenance, which can cause higher project costs and risk potential damage to association assets. For example, deferring an exterior paint project may result in increased future costs due to the additional prep work required to address peeling paint, repairs to exposed wood which has started to decay, etc. There are also administrative expenses associated with levying a special assessment and interest expenses associated with taking out a loan, both of which are avoided when adequate reserve funds are available.

Preventive Maintenance Manual

Preventive maintenance is a critical aspect of properly maintaining association assets and achieving their longest useful life. National Reserve Study Standards (NRSS) recommends that a preventive maintenance manual be prepared by each community and updated regularly. Preparation of such manual is beyond the scope of standard reserve study services and should be prepared independently by the association. Additional resources are available within Community Associations Institute's Best Practices: Community Association Maintenance at www.condosafety.com. The preventive maintenance manual should incorporate maintenance of all common elements, not just those included within the reserve study. Some preventive maintenance projects, such as asphalt sealcoating for example, may be funded within the association's reserve study. Other projects, such as gutter cleaning, are most commonly funded through the annual operating budget. Additional preventive maintenance projects identified by the maintenance manual may be added to the reserve study as needed provided they are significant in cost and do not occur annually, as annual expenditures are generally best handled through the annual operating budget. Any preventive maintenance contracts reported by client are notated on the appropriate components within the component detail inventory toward the rear of this report; common contracts include the maintenance of pool equipment, elevators, fire alarm/sprinkler equipment and HVAC equipment.

Report Sections

This report was designed to provide clear, distinct chapters for the different funding plan options so the association can easily compare and select a funding plan to follow. Your report includes separate sections detailing the Full Funding plan, 70% Funding plan, Baseline Funding plan, as well as data illustrating the reserve funding projections based on the association's current contribution rate. The different funding options are also summarized in the Report Summary at the beginning of this study. In rare instances, associations with unique funding scenarios may not have a 70% Funding option available; in those cases the 70% Funding chapter has been omitted.

Annual Expenditure Charts

The data within this section represents the association's projected expenses over the 30 year scope of this report. These expenses are projected to occur independent of which funding plan the association chooses to follow (Full, 70% or Baseline), and the charts are particularly helpful to the association in planning near term projects (i.e. within the next 1-5 years).

This section also includes a deterioration summary, which shows the total deterioration of the association's assets on an annual basis. It is important that the association consider this data when selecting an annual reserve contribution, as contributing significantly less than the annual deterioration rate means that the association's assets are deteriorating at a faster rate than the association is reserving.

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID	Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Grounds											
1000	Concrete - Repair Allotment					2,926					3,392
1005	Stamped Concrete - Repair Allotment							3,582			
1010	Pavers - Repair	*Unfunded*									
1015	Asphalt - Repair & Sealcoat			12,306					14,267		
1020	Asphalt - Grind & Overlay										
1025	Metal Signs - Replace	*Unfunded*									
1030	Monument Signage - Refurb/Replace							16,717			
1035	Monument Lighting - Replace							4,776			
1040	Mailboxes - Replace (Older)									38,003	
1041	Mailboxes - Replace (Newer)										
1050	RV Lot Gravel - Replenish	*Unfunded*									
1070	RV Lot Wood Fence - Replace						52,533				
1071	RV Lot Wood Fence - Repair & Stain	9,937					11,520				
1075	RV Lot Gates - Replace										
1080	CMU Wall - Repair Allotment							5,970			
1081	Vinyl Fence - Replace										
1085	Privacy Fence - Replace	*Unfunded*									
1135	Landscape - Refurbish Allotment	*Unfunded*									
1155	Irrigation System - Repair Allotment					3,939					4,567
1160	Drainage System - Maintain	*Unfunded*									
1175	Pole Lights - Replace	*Unfunded*									
1205	Retaining Walls - Repair	*Unfunded*									
Grounds Total:		**9,937**		**12,306**		**6,866**	**64,053**	**31,045**	**14,267**	**38,003**	**7,959**
Recreation											
2005	Pavilion - Refurbish							10,448			
2010	Outdoor Furniture - Replace	*Unfunded*									
2015	Pet Stations - Replace	*Unfunded*									
2185	Palazzo Interior - Renovate				17,484						
2190	Palazzo Furniture - Replace	*Unfunded*									
2195	Palazzo Windows/Doors - Replace									10,641	

ID Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Recreation continued...										
2200 Palazzo/Pavilion Roof - Replace									19,382	
2205 Palazzo Exterior Lighting - Replace	*Unfunded*									
Recreation Total:				**17,484**			**10,448**		**30,022**	
Building Exterior										
4000 Unit Roofs - Replace	*Unfunded*									
4005 Stucco Siding - Replace	*Unfunded*									
4010 Stucco Siding - Repair/Recoat Phase 1						472,349				
4015 Stucco Siding - Repair/Recoat Phase 2						522,073				
4020 Stucco Siding - Repair/Recoat Phase 3 (a)										
4021 Stucco Siding - Repair/Recoat Phase 3 (b)					446,577					
4025 Stucco Siding - Repair/Recoat Phase 4								540,760		
4030 Stucco Siding - Repair/Recoat Phase 5									448,291	
4035 Stucco Siding - Repair/Recoat Palazzo/Pavilion						7,019				
4065 Trim - Repair & Paint Phase 1						57,384				
4070 Trim - Repair & Paint Phase 2						58,659				
4075 Trim - Repair & Paint Phase 3 (a)			37,344							
4076 Trim - Repair & Paint Phase 3 (b)					39,618					
4080 Trim - Repair & Paint Phase 4								56,082		
4085 Trim - Repair & Paint Phase 5									54,724	
4090 Trim - Repair & Paint Palazzo/Pavilion	*Unfunded*									
4100 Windows/Doors/Garage Doors - Replace	*Unfunded*									
4105 Unit Exterior Lighting - Replace	*Unfunded*									
Building Exterior Total:			**37,344**		**486,194**	**1,117,485**		**596,842**	**503,015**	
Equipment & Mechanical										
5000 Electrical System - Repair/Replace	*Unfunded*									
5005 Plumbing System - Repair/Replace	*Unfunded*									
5010 HVAC Equip - Repair/Replace	*Unfunded*									

The Mediterranean Villas

Pasco, WA

Year By Year Spread Sheet

ID Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Professional										
6000 Building Envelope Investigation							5,970			
6005 Preventive Maintenance Plan	*Unfunded*									
6010 Reserve Study - Annual Update	*Unfunded*									
Professional Total:							**5,970**			
Year Total:	**9,937**		**49,650**	**17,484**	**493,060**	**1,181,538**	**47,464**	**611,109**	**571,041**	**7,959**

The Mediterranean Villas

Pasco, WA

Year By Year Spread Sheet

ID	Description	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
	Grounds										
1000	Concrete - Repair Allotment					3,933					4,559
1005	Stamped Concrete - Repair Allotment							4,814			
1010	Pavers - Repair	*Unfunded*									
1015	Asphalt - Repair & Sealcoat			16,539					19,173		
1020	Asphalt - Grind & Overlay			148,849							
1025	Metal Signs - Replace	*Unfunded*									
1030	Monument Signage - Refurb/Replace										
1035	Monument Lighting - Replace										
1040	Mailboxes - Replace (Older)										
1041	Mailboxes - Replace (Newer)		20,764								
1050	RV Lot Gravel - Replenish	*Unfunded*									
1070	RV Lot Wood Fence - Replace										
1071	RV Lot Wood Fence - Repair & Stain	13,355					15,482				
1075	RV Lot Gates - Replace										
1080	CMU Wall - Repair Allotment							8,024			
1081	Vinyl Fence - Replace										
1085	Privacy Fence - Replace	*Unfunded*									
1135	Landscape - Refurbish Allotment	*Unfunded*									
1155	Irrigation System - Repair Allotment					5,294					6,137
1160	Drainage System - Maintain	*Unfunded*									
1175	Pole Lights - Replace	*Unfunded*									
1205	Retaining Walls - Repair	*Unfunded*									
Grounds Total:		**13,355**	**20,764**	**165,388**		**9,227**	**15,482**	**12,838**	**19,173**		**10,696**
	Recreation										
2005	Pavilion - Refurbish										
2010	Outdoor Furniture - Replace	*Unfunded*									
2015	Pet Stations - Replace	*Unfunded*									
2185	Palazzo Interior - Renovate										
2190	Palazzo Furniture - Replace	*Unfunded*									
2195	Palazzo Windows/Doors - Replace										

ID	Description	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
	Recreation continued...										
2200	Palazzo/Pavilion Roof - Replace										
2205	Palazzo Exterior Lighting - Replace	*Unfunded*									
	Recreation Total:										
	Building Exterior										
4000	Unit Roofs - Replace	*Unfunded*									
4005	Stucco Siding - Replace	*Unfunded*									
4010	Stucco Siding - Repair/Recoat Phase 1										
4015	Stucco Siding - Repair/Recoat Phase 2										
4020	Stucco Siding - Repair/Recoat Phase 3 (a)			565,710							
4021	Stucco Siding - Repair/Recoat Phase 3 (b)										
4025	Stucco Siding - Repair/Recoat Phase 4										
4030	Stucco Siding - Repair/Recoat Phase 5										
4035	Stucco Siding - Repair/Recoat Palazzo/Pavilion										
4065	Trim - Repair & Paint Phase 1						77,119				
4070	Trim - Repair & Paint Phase 2						78,833				
4075	Trim - Repair & Paint Phase 3 (a)			50,187							
4076	Trim - Repair & Paint Phase 3 (b)					53,243					
4080	Trim - Repair & Paint Phase 4								75,370		
4085	Trim - Repair & Paint Phase 5									73,545	
4090	Trim - Repair & Paint Palazzo/Pavilion	*Unfunded*									
4100	Windows/Doors/Garage Doors - Replace	*Unfunded*									
4105	Unit Exterior Lighting - Replace	*Unfunded*									
	Building Exterior Total:			**615,897**		**53,243**	**155,953**		**75,370**	**73,545**	
	Equipment & Mechanical										
5000	Electrical System - Repair/Replace	*Unfunded*									
5005	Plumbing System - Repair/Replace	*Unfunded*									
5010	HVAC Equip - Repair/Replace	*Unfunded*									

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Professional										
6000 Building Envelope Investigation							8,024			
6005 Preventive Maintenance Plan	*Unfunded*									
6010 Reserve Study - Annual Update	*Unfunded*									
Professional Total:							**8,024**			
Year Total:	**13,355**	**20,764**	**781,285**		**62,470**	**171,435**	**20,861**	**94,543**	**73,545**	**10,696**

The Mediterranean Villas

Pasco, WA

Year By Year Spread Sheet

ID	Description	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
	Grounds										
1000	Concrete - Repair Allotment					5,285					6,127
1005	Stamped Concrete - Repair Allotment							6,470			
1010	Pavers - Repair	*Unfunded*									
1015	Asphalt - Repair & Sealcoat			22,227					25,767		
1020	Asphalt - Grind & Overlay										
1025	Metal Signs - Replace	*Unfunded*									
1030	Monument Signage - Refurb/Replace										
1035	Monument Lighting - Replace										
1040	Mailboxes - Replace (Older)										
1041	Mailboxes - Replace (Newer)										
1050	RV Lot Gravel - Replenish	*Unfunded*									
1070	RV Lot Wood Fence - Replace						94,880				
1071	RV Lot Wood Fence - Repair & Stain	17,948					20,807				
1075	RV Lot Gates - Replace				12,631						
1080	CMU Wall - Repair Allotment							10,783			
1081	Vinyl Fence - Replace										
1085	Privacy Fence - Replace	*Unfunded*									
1135	Landscape - Refurbish Allotment	*Unfunded*									
1155	Irrigation System - Repair Allotment					7,115					8,248
1160	Drainage System - Maintain	*Unfunded*									
1175	Pole Lights - Replace	*Unfunded*									
1205	Retaining Walls - Repair	*Unfunded*									
	Grounds Total:	**17,948**		**22,227**	**12,631**	**12,400**	**115,686**	**17,253**	**25,767**		**14,375**
	Recreation										
2005	Pavilion - Refurbish										
2010	Outdoor Furniture - Replace	*Unfunded*									
2015	Pet Stations - Replace	*Unfunded*									
2185	Palazzo Interior - Renovate									36,607	
2190	Palazzo Furniture - Replace	*Unfunded*									
2195	Palazzo Windows/Doors - Replace										

The Mediterranean Villas

Pasco, WA

Year By Year Spread Sheet

ID	Description	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
Recreation continued...											
2200	Palazzo/Pavilion Roof - Replace										
2205	Palazzo Exterior Lighting - Replace	*Unfunded*									
Recreation Total:										**36,607**	
Building Exterior											
4000	Unit Roofs - Replace	*Unfunded*									
4005	Stucco Siding - Replace	*Unfunded*									
4010	Stucco Siding - Repair/Recoat Phase 1						853,115				
4015	Stucco Siding - Repair/Recoat Phase 2						942,922				
4020	Stucco Siding - Repair/Recoat Phase 3 (a)										
4021	Stucco Siding - Repair/Recoat Phase 3 (b)					806,567					
4025	Stucco Siding - Repair/Recoat Phase 4								976,673		
4030	Stucco Siding - Repair/Recoat Phase 5									809,663	
4035	Stucco Siding - Repair/Recoat Palazzo/Pavilion						12,678				
4065	Trim - Repair & Paint Phase 1						103,642				
4070	Trim - Repair & Paint Phase 2						105,945				
4075	Trim - Repair & Paint Phase 3 (a)			67,447							
4076	Trim - Repair & Paint Phase 3 (b)					71,554					
4080	Trim - Repair & Paint Phase 4								101,291		
4085	Trim - Repair & Paint Phase 5									98,838	
4090	Trim - Repair & Paint Palazzo/Pavilion	*Unfunded*									
4100	Windows/Doors/Garage Doors - Replace	*Unfunded*									
4105	Unit Exterior Lighting - Replace	*Unfunded*									
Building Exterior Total:				**67,447**		**878,121**	**2,018,302**		**1,077,964**	**908,502**	
Equipment & Mechanical											
5000	Electrical System - Repair/Replace	*Unfunded*									
5005	Plumbing System - Repair/Replace	*Unfunded*									
5010	HVAC Equip - Repair/Replace	*Unfunded*									

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
Professional										
6000 Building Envelope Investigation							10,783			
6005 Preventive Maintenance Plan	*Unfunded*									
6010 Reserve Study - Annual Update	*Unfunded*									
Professional Total:							**10,783**			
Year Total:	**17,948**		**89,674**	**12,631**	**890,521**	**2,133,989**	**28,036**	**1,103,731**	**945,109**	**14,375**

Description	Expenditures
Replacement Year 2027	
RV Lot Wood Fence - Repair & Stain	9,937
Total for 2027	**$9,937**
No Replacement in 2028	
Replacement Year 2029	
Asphalt - Repair & Sealcoat	12,306
Trim - Repair & Paint Phase 3 (a)	37,344
Total for 2029	**$49,650**
Replacement Year 2030	
Palazzo Interior - Renovate	17,484
Total for 2030	**$17,484**
Replacement Year 2031	
Concrete - Repair Allotment	2,926
Irrigation System - Repair Allotment	3,939
Trim - Repair & Paint Phase 3 (b)	39,618
Stucco Siding - Repair/Recoat Phase 3 (b)	446,577
Total for 2031	**$493,060**
Replacement Year 2032	
RV Lot Wood Fence - Repair & Stain	11,520
Trim - Repair & Paint Phase 1	57,384
Trim - Repair & Paint Phase 2	58,659
RV Lot Wood Fence - Replace	52,533
Stucco Siding - Repair/Recoat Palazzo/Pavilion	7,019
Stucco Siding - Repair/Recoat Phase 1	472,349
Stucco Siding - Repair/Recoat Phase 2	522,073
Total for 2032	**$1,181,538**
Replacement Year 2033	
Building Envelope Investigation	5,970
CMU Wall - Repair Allotment	5,970

Description	Expenditures
Replacement Year 2033 continued...	
Stamped Concrete - Repair Allotment	3,582
Monument Lighting - Replace	4,776
Monument Signage - Refurb/Replace	16,717
Pavilion - Refurbish	10,448
Total for 2033	**$47,464**
Replacement Year 2034	
Asphalt - Repair & Sealcoat	14,267
Trim - Repair & Paint Phase 4	56,082
Stucco Siding - Repair/Recoat Phase 4	540,760
Total for 2034	**$611,109**
Replacement Year 2035	
Trim - Repair & Paint Phase 5	54,724
Stucco Siding - Repair/Recoat Phase 5	448,291
Mailboxes - Replace (Older)	38,003
Palazzo Windows/Doors - Replace	10,641
Palazzo/Pavilion Roof - Replace	19,382
Total for 2035	**$571,041**
Replacement Year 2036	
Concrete - Repair Allotment	3,392
Irrigation System - Repair Allotment	4,567
Total for 2036	**$7,959**
Replacement Year 2037	
RV Lot Wood Fence - Repair & Stain	13,355
Total for 2037	**$13,355**
Replacement Year 2038	
Mailboxes - Replace (Newer)	20,764
Total for 2038	**$20,764**
Replacement Year 2039	
Asphalt - Repair & Sealcoat	16,539

The Mediterranean Villas
Pasco, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2039 continued...	
Trim - Repair & Paint Phase 3 (a)	50,187
Stucco Siding - Repair/Recoat Phase 3 (a)	565,710
Asphalt - Grind & Overlay	148,849
Total for 2039	**$781,285**
No Replacement in 2040	
Replacement Year 2041	
Concrete - Repair Allotment	3,933
Irrigation System - Repair Allotment	5,294
Trim - Repair & Paint Phase 3 (b)	53,243
Total for 2041	**$62,470**
Replacement Year 2042	
RV Lot Wood Fence - Repair & Stain	15,482
Trim - Repair & Paint Phase 1	77,119
Trim - Repair & Paint Phase 2	78,833
Total for 2042	**$171,435**
Replacement Year 2043	
Building Envelope Investigation	8,024
CMU Wall - Repair Allotment	8,024
Stamped Concrete - Repair Allotment	4,814
Total for 2043	**$20,861**
Replacement Year 2044	
Asphalt - Repair & Sealcoat	19,173
Trim - Repair & Paint Phase 4	75,370
Total for 2044	**$94,543**
Replacement Year 2045	
Trim - Repair & Paint Phase 5	73,545
Total for 2045	**$73,545**

The Mediterranean Villas
Pasco, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2046	
Concrete - Repair Allotment	4,559
Irrigation System - Repair Allotment	6,137
Total for 2046	**$10,696**
Replacement Year 2047	
RV Lot Wood Fence - Repair & Stain	17,948
Total for 2047	**$17,948**
No Replacement in 2048	
Replacement Year 2049	
Asphalt - Repair & Sealcoat	22,227
Trim - Repair & Paint Phase 3 (a)	67,447
Total for 2049	**$89,674**
Replacement Year 2050	
RV Lot Gates - Replace	12,631
Total for 2050	**$12,631**
Replacement Year 2051	
Concrete - Repair Allotment	5,285
Irrigation System - Repair Allotment	7,115
Trim - Repair & Paint Phase 3 (b)	71,554
Stucco Siding - Repair/Recoat Phase 3 (b)	806,567
Total for 2051	**$890,521**
Replacement Year 2052	
RV Lot Wood Fence - Repair & Stain	20,807
Trim - Repair & Paint Phase 1	103,642
Trim - Repair & Paint Phase 2	105,945
RV Lot Wood Fence - Replace	94,880
Stucco Siding - Repair/Recoat Palazzo/Pavilion	12,678
Stucco Siding - Repair/Recoat Phase 1	853,115
Stucco Siding - Repair/Recoat Phase 2	942,922
Total for 2052	**$2,133,989**

The Mediterranean Villas

Pasco, WA

Annual Expenditure Detail

Description	Expenditures
Replacement Year 2053	
Building Envelope Investigation	10,783
CMU Wall - Repair Allotment	10,783
Stamped Concrete - Repair Allotment	6,470
Total for 2053	**$28,036**
Replacement Year 2054	
Asphalt - Repair & Sealcoat	25,767
Trim - Repair & Paint Phase 4	101,291
Stucco Siding - Repair/Recoat Phase 4	976,673
Total for 2054	**$1,103,731**
Replacement Year 2055	
Trim - Repair & Paint Phase 5	98,838
Stucco Siding - Repair/Recoat Phase 5	809,663
Palazzo Interior - Renovate	36,607
Total for 2055	**$945,109**
Replacement Year 2056	
Concrete - Repair Allotment	6,127
Irrigation System - Repair Allotment	8,248
Total for 2056	**$14,375**

The Mediterranean Villas
Deterioration Summary

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
1000	Concrete - Repair Allotment	5	$2,600	$520
1005	Stamped Concrete - Repair Allotment	10	$3,000	$300
1010	Pavers - Repair	Unfunded		
1015	Asphalt - Repair & Sealcoat	5	$11,600	$2,320
1020	Asphalt - Grind & Overlay	35	$104,400	$2,983
1025	Metal Signs - Replace	Unfunded		
1030	Monument Signage - Refurb/Replace	30	$14,000	$467
1035	Monument Lighting - Replace	30	$4,000	$133
1040	Mailboxes - Replace (Older)	30	$30,000	$1,000
1041	Mailboxes - Replace (Newer)	30	$15,000	$500
1050	RV Lot Gravel - Replenish	Unfunded		
1070	RV Lot Wood Fence - Replace	20	$45,315	$2,266
1071	RV Lot Wood Fence - Repair & Stain	5	$9,938	$1,988
1075	RV Lot Gates - Replace	40	$6,400	$160
1080	CMU Wall - Repair Allotment	10	$5,000	$500
1081	Vinyl Fence - Replace	40	$2,880	$72
1085	Privacy Fence - Replace	Unfunded		
1135	Landscape - Refurbish Allotment	Unfunded		
1155	Irrigation System - Repair Allotment	5	$3,500	$700
1160	Drainage System - Maintain	Unfunded		
1175	Pole Lights - Replace	Unfunded		
1205	Retaining Walls - Repair	Unfunded		
2005	Pavilion - Refurbish	30	$8,750	$292
2010	Outdoor Furniture - Replace	Unfunded		
2015	Pet Stations - Replace	Unfunded		
2185	Palazzo Interior - Renovate	25	$16,000	$640
2190	Palazzo Furniture - Replace	Unfunded		
2195	Palazzo Windows/Doors - Replace	30	$8,400	$280
2200	Palazzo/Pavilion Roof - Replace	30	$15,300	$510
2205	Palazzo Exterior Lighting - Replace	Unfunded		
4000	Unit Roofs - Replace	Unfunded		
4005	Stucco Siding - Replace	Unfunded		
4010	Stucco Siding - Repair/Recoat Phase 1	20	$407,453	$20,373
4015	Stucco Siding - Repair/Recoat Phase 2	20	$450,345	$22,517
4020	Stucco Siding - Repair/Recoat Phase 3 (a)	20	$396,778	$19,839
4021	Stucco Siding - Repair/Recoat Phase 3 (b)	20	$396,778	$19,839

The Mediterranean Villas
Deterioration Summary

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
4025	Stucco Siding - Repair/Recoat Phase 4	20	$439,688	$21,984
4030	Stucco Siding - Repair/Recoat Phase 5	20	$353,885	$17,694
4035	Stucco Siding - Repair/Recoat Palazzo/Pavilion	20	$6,055	$303
4065	Trim - Repair & Paint Phase 1	10	$49,500	$4,950
4070	Trim - Repair & Paint Phase 2	10	$50,600	$5,060
4075	Trim - Repair & Paint Phase 3 (a)	10	$35,200	$3,520
4076	Trim - Repair & Paint Phase 3 (b)	10	$35,200	$3,520
4080	Trim - Repair & Paint Phase 4	10	$45,600	$4,560
4085	Trim - Repair & Paint Phase 5	10	$43,200	$4,320
4090	Trim - Repair & Paint Palazzo/Pavilion	Unfunded		
4100	Windows/Doors/Garage Doors - Replace	Unfunded		
4105	Unit Exterior Lighting - Replace	Unfunded		
5000	Electrical System - Repair/Replace	Unfunded		
5005	Plumbing System - Repair/Replace	Unfunded		
5010	HVAC Equip - Repair/Replace	Unfunded		
6000	Building Envelope Investigation	10	$5,000	$500
6005	Preventive Maintenance Plan	Unfunded		
6010	Reserve Study - Annual Update	Unfunded		
Total Annual Deterioration of Association Assets				$164,609

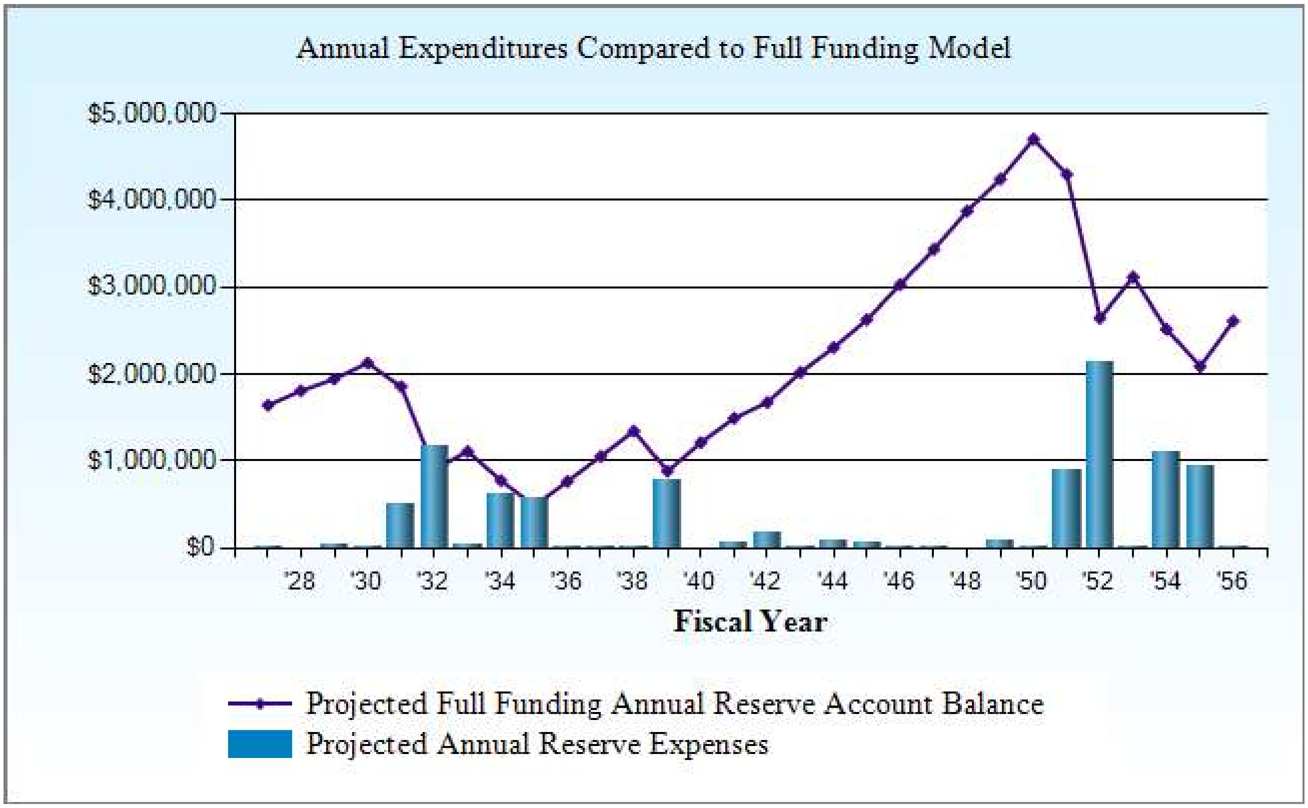
Full Funding Model

The data within this section represents the 100% full funding model. In this model the association works to fund the reserve account to a level in which the reserve account balance equals the fully funded balance, thus achieving 100% funding. This is accomplished over the 30 year scope of the report. Following this funding model is recommended, as it puts the association at the lowest risk of requiring a special assessment should a project occur earlier than projected or cost more than anticipated.

The Mediterranean Villas
Full Funding Model Projection

Beginning Balance: $1,500,088

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2027	3,021,362	136,800	16,270	9,937	1,643,220	2,251,070	73%
2028	3,112,003	150,480	17,937		1,811,637	2,474,681	73%
2029	3,205,363	165,528	19,275	49,650	1,946,790	2,658,544	73%
2030	3,301,524	182,081	21,114	17,484	2,132,501	2,885,876	74%
2031	3,400,570	200,289	18,397	493,060	1,858,127	2,638,153	70%
2032	3,502,587	220,318	8,969	1,181,538	905,876	1,693,342	53%
2033	3,607,665	242,350	11,008	47,464	1,111,770	1,894,074	59%
2034	3,715,895	266,584	7,672	611,109	774,918	1,529,870	51%
2035	3,827,372	274,582	4,785	571,041	483,243	1,202,263	40%
2036	3,942,193	282,819	7,581	7,959	765,685	1,451,242	53%
2037	4,060,459	291,304	10,436	13,355	1,054,070	1,708,766	62%
2038	4,182,272	300,043	13,333	20,764	1,346,683	1,973,217	68%
2039	4,307,740	309,044	8,744	781,285	883,187	1,469,424	60%
2040	4,436,973	318,316	12,015		1,213,518	1,762,492	69%
2041	4,570,082	327,865	14,789	62,470	1,493,703	2,007,478	74%
2042	4,707,184	337,701	16,600	171,435	1,676,569	2,155,273	78%
2043	4,848,400	347,832	20,035	20,861	2,023,575	2,470,518	82%
2044	4,993,852	358,267	22,873	94,543	2,310,173	2,727,490	85%
2045	5,143,667	369,015	26,056	73,545	2,631,699	3,022,205	87%
2046	5,297,977	380,086	30,011	10,696	3,031,099	3,399,156	89%
2047	5,456,917	391,488	34,046	17,948	3,438,686	3,788,865	91%
2048	5,620,624	403,233	38,419		3,880,338	4,217,938	92%
2049	5,789,243	415,330	42,060	89,674	4,248,054	4,576,982	93%
2050	5,962,920	427,790	46,632	12,631	4,709,845	5,035,897	94%
2051	6,141,808	440,624	42,599	890,521	4,302,547	4,614,391	93%
2052	6,326,062	453,842	26,224	2,133,989	2,648,624	2,909,808	91%
2053	6,515,844	467,458	30,880	28,036	3,118,927	3,333,870	94%
2054	6,711,319	481,481	24,967	1,103,731	2,521,644	2,673,656	94%
2055	6,912,659	495,926	20,725	945,109	2,093,186	2,168,315	97%
2056	7,120,039	510,803	25,896	14,375	2,615,510	2,618,107	100%



This chart compares the projected yearly reserve balance within the full funding plan against the cumulative expenses anticipated within that year.

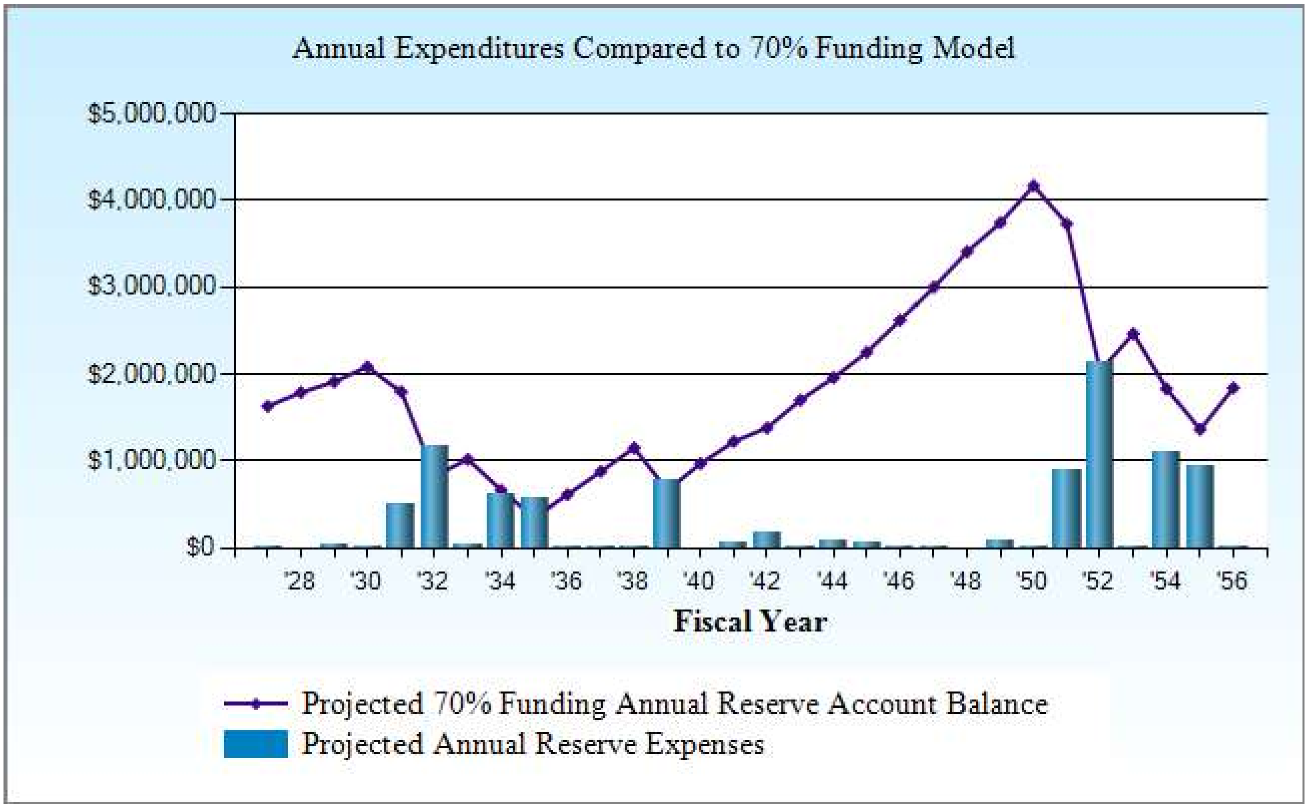
70% Threshold Funding Model

The data within this section represents the 70% threshold funding model. In this model the association aims to become 70% funded over the 30 year scope of the report. While the 100% full funding model in the prior section features the lowest risk of a special assessment, this 70% model provides an alternate option for associations that do not wish to fund reserves to 100% but wish to actively mitigate the risk of a special assessment by funding reserves to a level in which the risk of a special assessment is still relatively low.

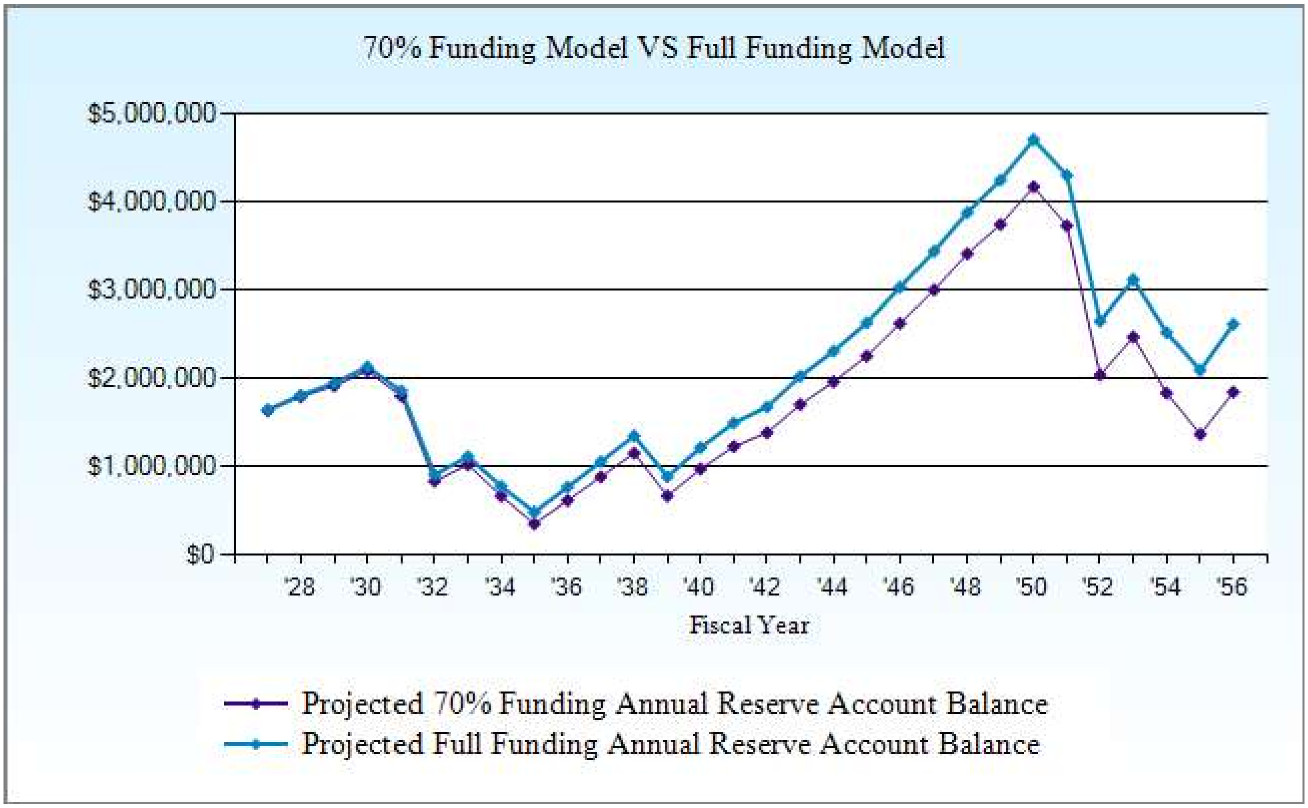
The Mediterranean Villas
70% Threshold Funding Model Projection

Beginning Balance: $1,500,088

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2027	3,021,362	127,500	16,177	9,937	1,633,827	2,251,070	73%
2028	3,112,003	140,250	17,741		1,791,818	2,474,681	72%
2029	3,205,363	154,275	18,964	49,650	1,915,407	2,658,544	72%
2030	3,301,524	169,702	20,676	17,484	2,088,302	2,885,876	72%
2031	3,400,570	186,673	17,819	493,060	1,799,734	2,638,153	68%
2032	3,502,587	205,340	8,235	1,181,538	831,771	1,693,342	49%
2033	3,607,665	225,874	10,102	47,464	1,020,284	1,894,074	54%
2034	3,715,895	248,461	6,576	611,109	664,213	1,529,870	43%
2035	3,827,372	255,915	3,491	571,041	352,578	1,202,263	29%
2036	3,942,193	263,593	6,082	7,959	614,294	1,451,242	42%
2037	4,060,459	271,501	8,724	13,355	881,163	1,708,766	52%
2038	4,182,272	279,646	11,400	20,764	1,151,446	1,973,217	58%
2039	4,307,740	288,035	6,582	781,285	664,778	1,469,424	45%
2040	4,436,973	296,676	9,615		971,068	1,762,492	55%
2041	4,570,082	305,576	12,142	62,470	1,226,316	2,007,478	61%
2042	4,707,184	314,744	13,696	171,435	1,383,321	2,155,273	64%
2043	4,848,400	324,186	16,866	20,861	1,703,512	2,470,518	69%
2044	4,993,852	333,911	19,429	94,543	1,962,309	2,727,490	72%
2045	5,143,667	343,929	22,327	73,545	2,255,020	3,022,205	75%
2046	5,297,977	354,247	25,986	10,696	2,624,556	3,399,156	77%
2047	5,456,917	364,874	29,715	17,948	3,001,197	3,788,865	79%
2048	5,620,624	375,820	33,770		3,410,787	4,217,938	81%
2049	5,789,243	387,095	37,082	89,674	3,745,290	4,576,982	82%
2050	5,962,920	398,708	41,314	12,631	4,172,681	5,035,897	83%
2051	6,141,808	410,669	36,928	890,521	3,729,756	4,614,391	81%
2052	6,326,062	422,989	20,188	2,133,989	2,038,944	2,909,808	70%
2053	6,515,844	435,679	24,466	28,036	2,471,053	3,333,870	74%
2054	6,711,319	448,749	18,161	1,103,731	1,834,232	2,673,656	69%
2055	6,912,659	462,211	13,513	945,109	1,364,848	2,168,315	63%
2056	7,120,039	476,078	18,266	14,375	1,844,816	2,618,107	70%



This chart compares the projected yearly reserve balance within the 70% Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the 70% Funding model and the Full Funding model.

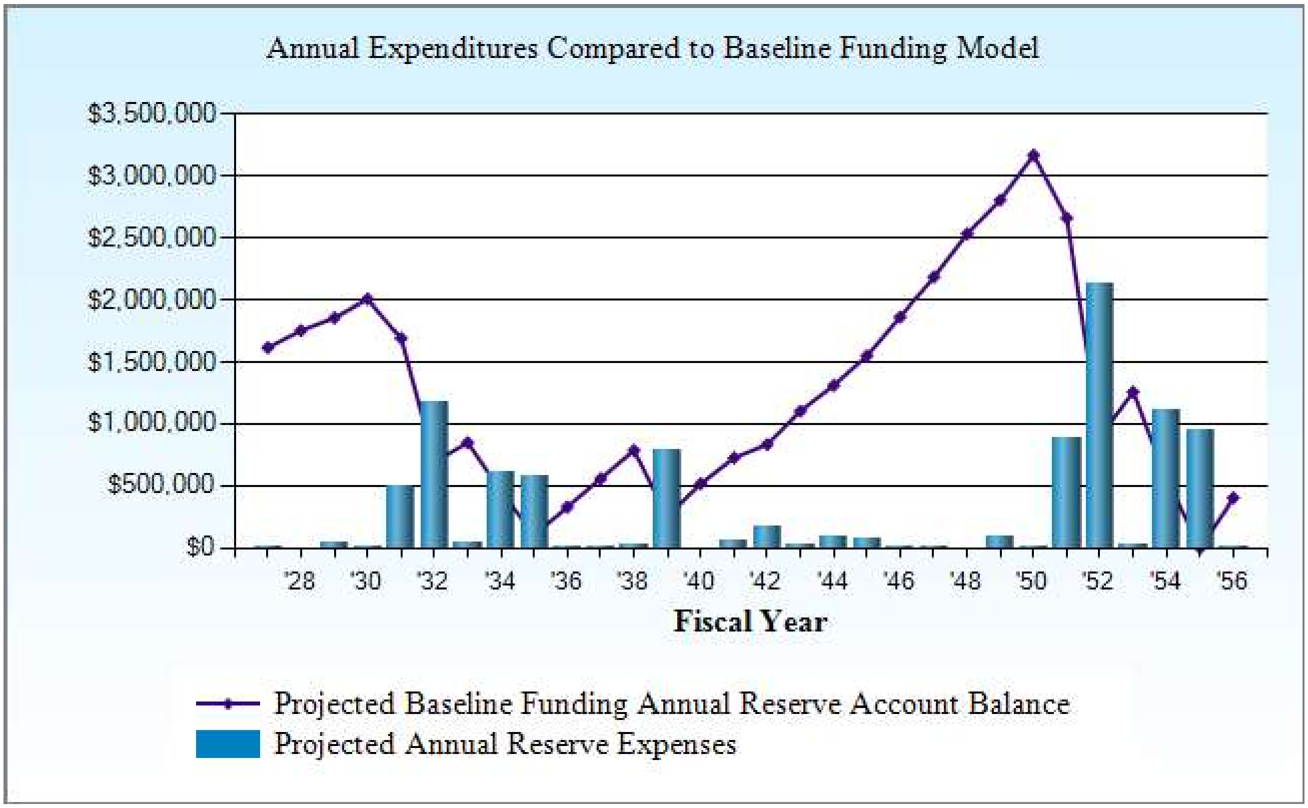
Baseline Funding Model

The data within this section represents the baseline funding model. In this model, the association funds reserves at a level in which the reserve balance is not projected to drop below zero over the 30 year scope of this report. Baseline funding has the highest risk of a special assessment. Under this model, if a project comes in just slightly over budget, or occurs earlier than anticipated, the association has a high risk of requiring a special assessment.

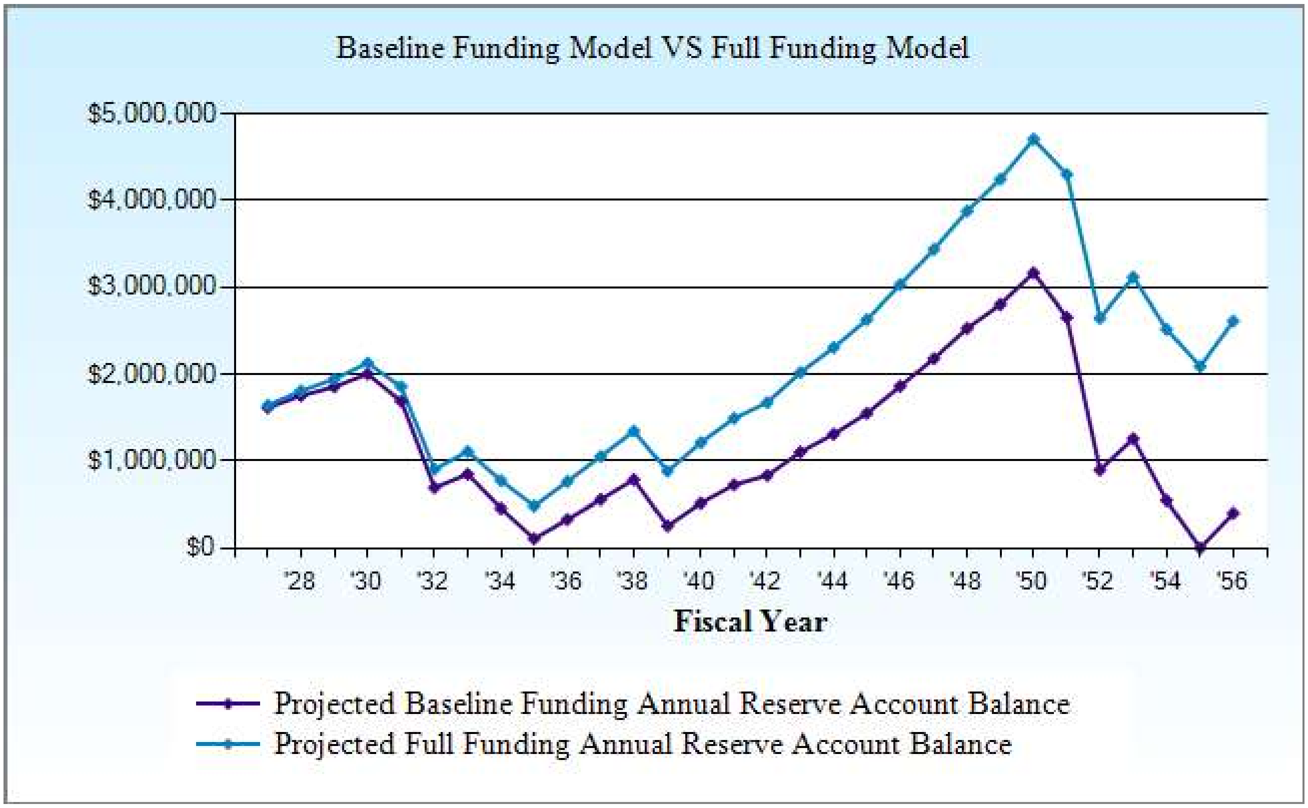
The Mediterranean Villas
Baseline Funding Model Projection

Beginning Balance: $1,500,088

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2027	3,021,362	110,100	16,003	9,937	1,616,253	2,251,070	72%
2028	3,112,003	121,110	17,374		1,754,737	2,474,681	71%
2029	3,205,363	133,221	18,383	49,650	1,856,691	2,658,544	70%
2030	3,301,524	146,543	19,858	17,484	2,005,608	2,885,876	69%
2031	3,400,570	161,197	16,737	493,060	1,690,482	2,638,153	64%
2032	3,502,587	177,317	6,863	1,181,538	693,124	1,693,342	41%
2033	3,607,665	195,049	8,407	47,464	849,117	1,894,074	45%
2034	3,715,895	214,554	4,526	611,109	457,087	1,529,870	30%
2035	3,827,372	220,990	1,070	571,041	108,107	1,202,263	9%
2036	3,942,193	227,620	3,278	7,959	331,045	1,451,242	23%
2037	4,060,459	234,449	5,521	13,355	557,660	1,708,766	33%
2038	4,182,272	241,482	7,784	20,764	786,163	1,973,217	40%
2039	4,307,740	248,727	2,536	781,285	256,140	1,469,424	17%
2040	4,436,973	256,188	5,123		517,452	1,762,492	29%
2041	4,570,082	263,874	7,189	62,470	726,045	2,007,478	36%
2042	4,707,184	271,790	8,264	171,435	834,664	2,155,273	39%
2043	4,848,400	279,944	10,937	20,861	1,104,685	2,470,518	45%
2044	4,993,852	288,342	12,985	94,543	1,311,469	2,727,490	48%
2045	5,143,667	296,993	15,349	73,545	1,550,265	3,022,205	51%
2046	5,297,977	305,902	18,455	10,696	1,863,926	3,399,156	55%
2047	5,456,917	315,079	21,611	17,948	2,182,668	3,788,865	58%
2048	5,620,624	324,532	25,072		2,532,272	4,217,938	60%
2049	5,789,243	334,268	27,769	89,674	2,804,634	4,576,982	61%
2050	5,962,920	344,296	31,363	12,631	3,167,662	5,035,897	63%
2051	6,141,808	354,625	26,318	890,521	2,658,083	4,614,391	58%
2052	6,326,062	365,263	8,894	2,133,989	898,251	2,909,808	31%
2053	6,515,844	376,221	12,464	28,036	1,258,901	3,333,870	38%
2054	6,711,319	387,508	5,427	1,103,731	548,105	2,673,656	21%
2055	6,912,659	399,133	21	945,109	2,151	2,168,315	0%
2056	7,120,039	411,107	3,989	14,375	402,872	2,618,107	15%



This chart compares the projected yearly reserve balance within the Baseline Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the Baseline Funding model and the Full Funding model.

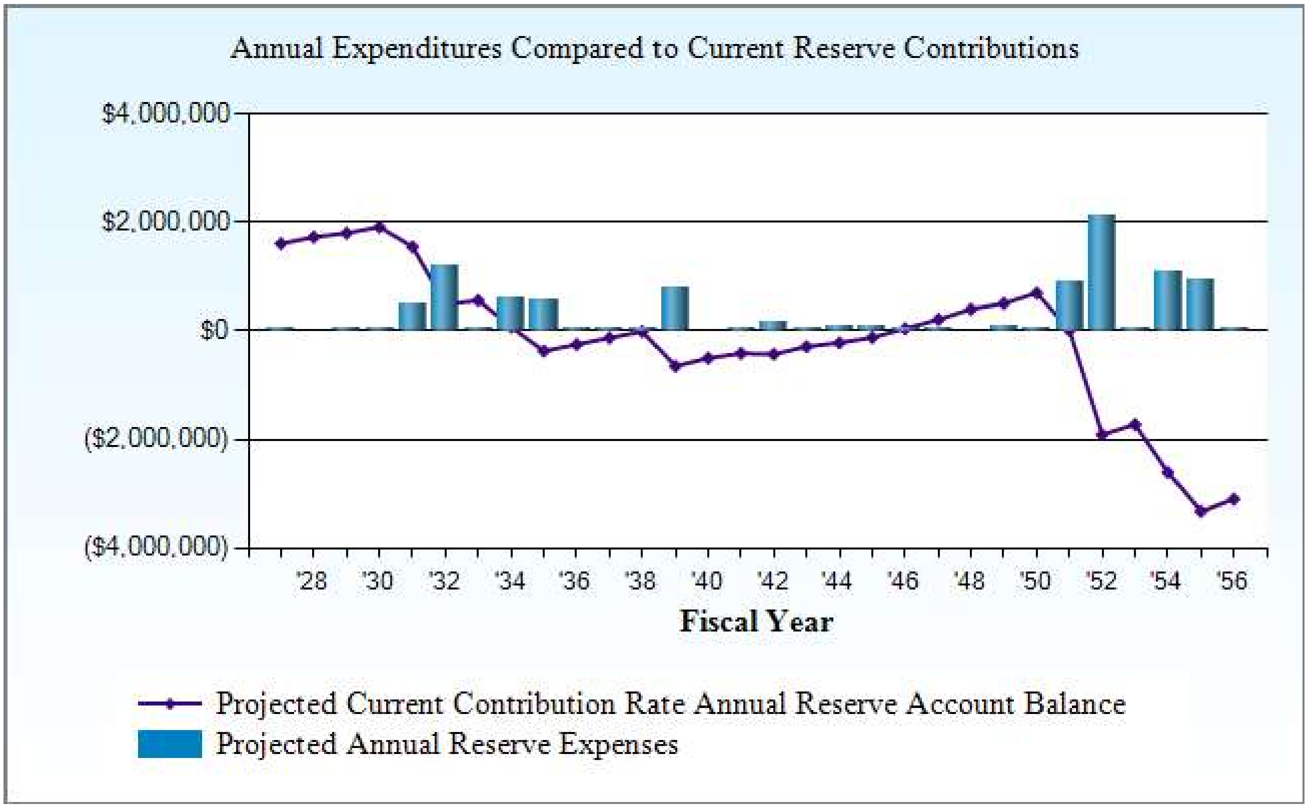
Current Funding Model

The data within this section represents the association’s current funding model, based on the most recent annual budget. This data is helpful in determining whether current contribution rates are sufficient to meet the association’s funding goals over time.

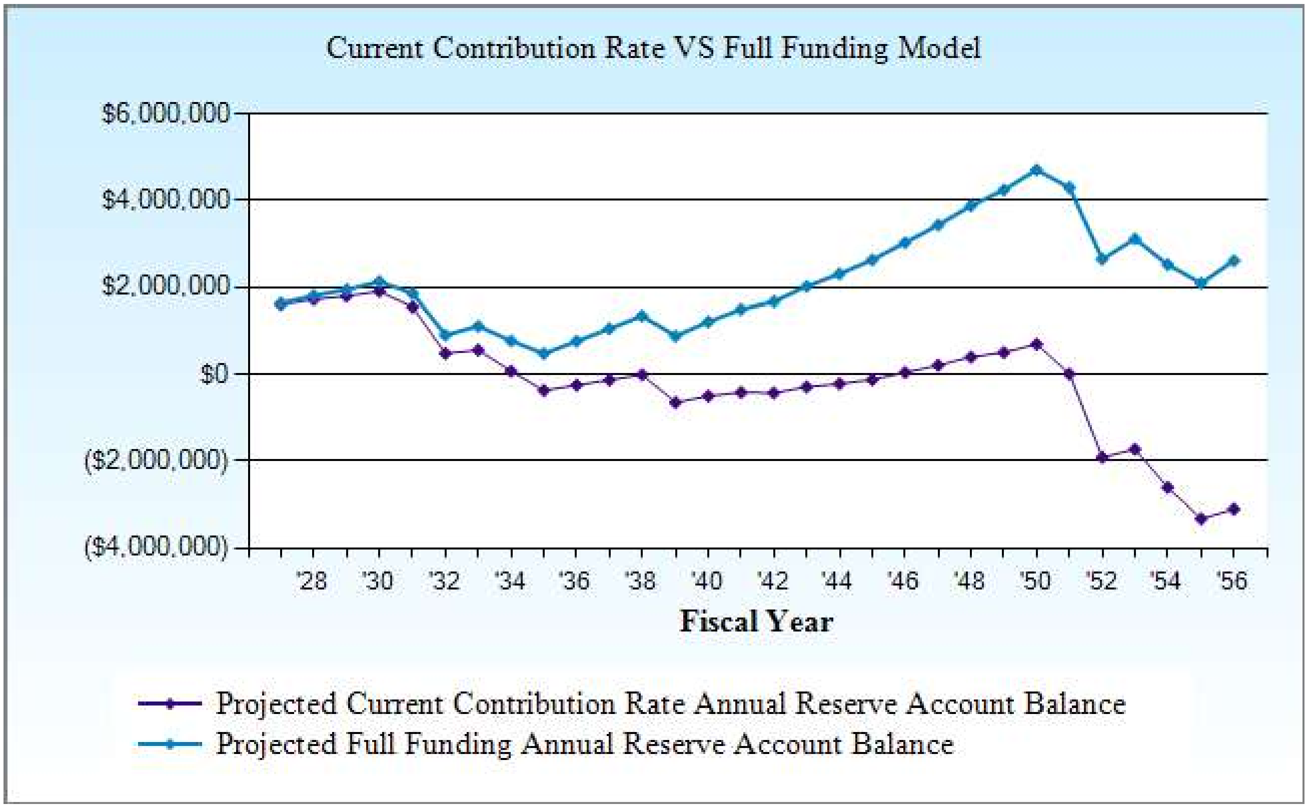
The Mediterranean Villas
Current Funding Model Projection

Beginning Balance: $1,500,088

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2027	3,021,362	100,000	15,902	9,937	1,606,052	2,251,070	71%
2028	3,112,003	103,000	17,091		1,726,143	2,474,681	70%
2029	3,205,363	106,090	17,826	49,650	1,800,408	2,658,544	68%
2030	3,301,524	109,273	18,922	17,484	1,911,119	2,885,876	66%
2031	3,400,570	112,551	15,306	493,060	1,545,916	2,638,153	59%
2032	3,502,587	115,927	4,803	1,181,538	485,109	1,693,342	29%
2033	3,607,665	119,405	5,571	47,464	562,621	1,894,074	30%
2034	3,715,895	122,987	745	611,109	75,244	1,529,870	5%
2035	3,827,372	126,677		571,041	-369,120	1,202,263	
2036	3,942,193	130,477		7,959	-246,601	1,451,242	
2037	4,060,459	134,392		13,355	-125,565	1,708,766	
2038	4,182,272	138,423		20,764	-7,905	1,973,217	
2039	4,307,740	142,576		781,285	-646,614	1,469,424	
2040	4,436,973	146,853			-499,761	1,762,492	
2041	4,570,082	151,259		62,470	-410,972	2,007,478	
2042	4,707,184	155,797		171,435	-426,610	2,155,273	
2043	4,848,400	160,471		20,861	-287,000	2,470,518	
2044	4,993,852	165,285		94,543	-216,258	2,727,490	
2045	5,143,667	170,243		73,545	-119,560	3,022,205	
2046	5,297,977	175,351	451	10,696	45,545	3,399,156	1%
2047	5,456,917	180,611	2,082	17,948	210,290	3,788,865	6%
2048	5,620,624	186,029	3,963		400,283	4,217,938	9%
2049	5,789,243	191,610	5,022	89,674	507,242	4,576,982	11%
2050	5,962,920	197,359	6,920	12,631	698,889	5,035,897	14%
2051	6,141,808	203,279	116	890,521	11,764	4,614,391	0%
2052	6,326,062	209,378		2,133,989	-1,912,848	2,909,808	
2053	6,515,844	215,659		28,036	-1,725,224	3,333,870	
2054	6,711,319	222,129		1,103,731	-2,606,826	2,673,656	
2055	6,912,659	228,793		945,109	-3,323,142	2,168,315	
2056	7,120,039	235,657		14,375	-3,101,860	2,618,107	



This chart compares the projected yearly reserve balance at the association's current contribution rate against the cumulative expenses anticipated within that year.

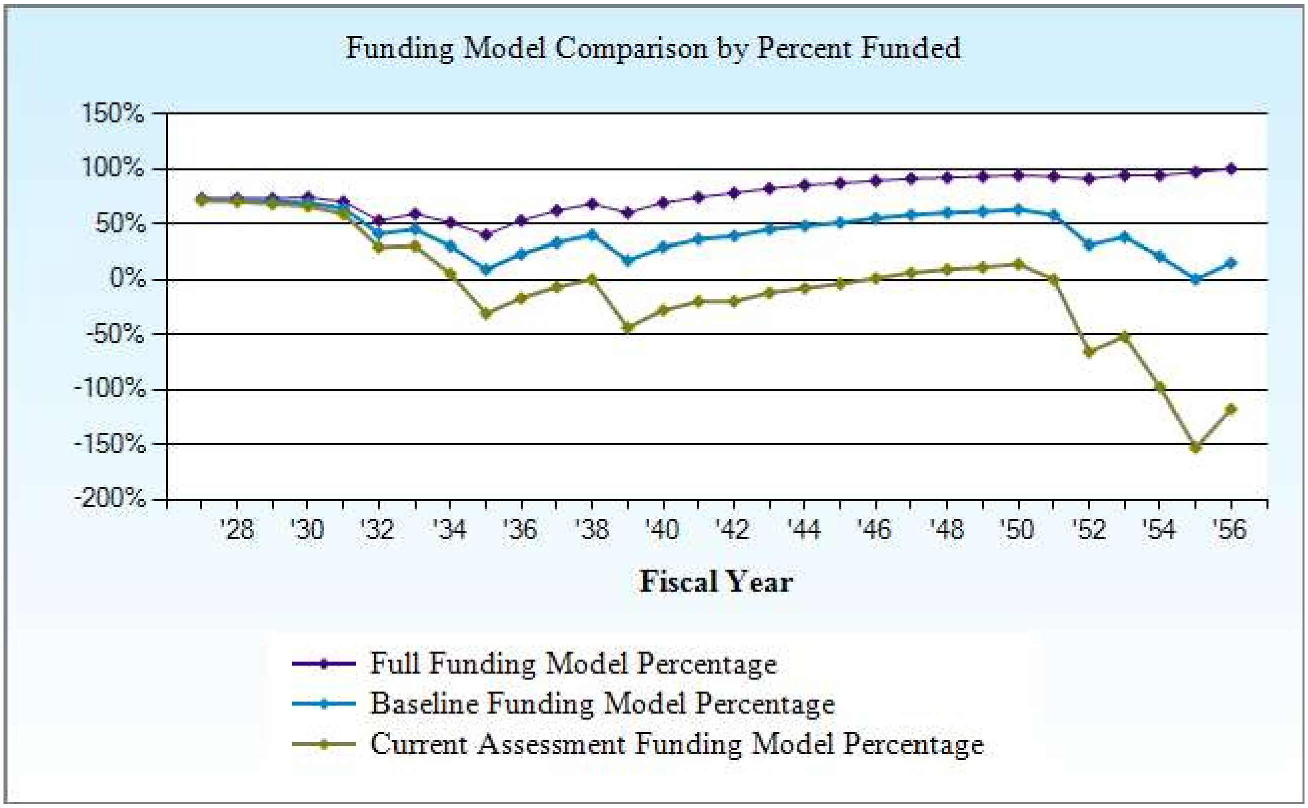


This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.

Comparison Charts

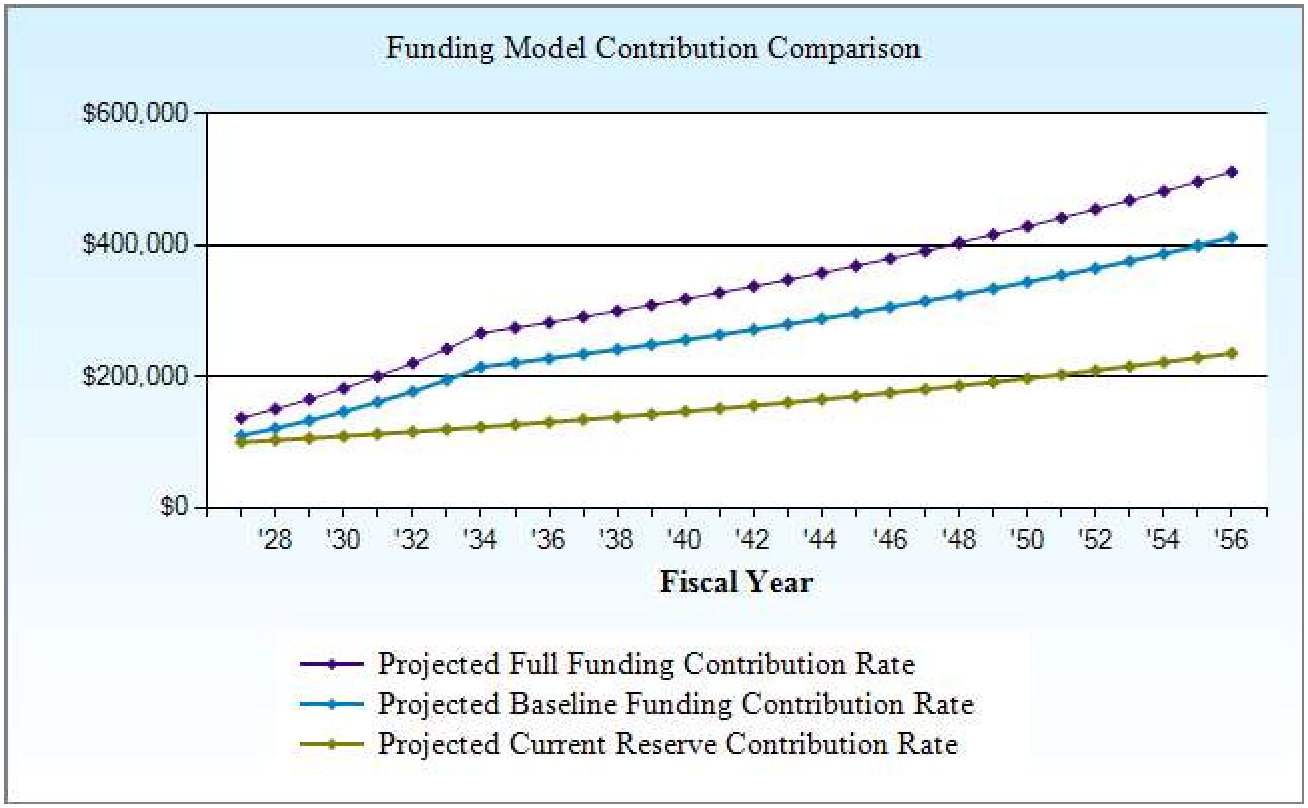
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included within the study.

The Mediterranean Villas
Funding Model Comparison by Percent Funded



This chart compares the association's projected percent funded on an annual basis between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

The Mediterranean Villas
Funding Model Assessment Comparison Chart



This chart compares the projected contribution rate between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

Component Detail Report

The following section features a detailed breakdown of each of the association's reserve components. This section details component history, quantities, useful life, remaining useful life and cost breakdowns, among other important data. For Level I Full and Level II With-Site-Visit reports, this section also features maintenance recommendations and photographs of the components.

The Mediterranean Villas
Index of Funded Components

The Mediterranean Villas
Index of Funded Components

Total Funded Assets	32
Total Unfunded Assets	22
Total Assets	54

Concrete - Repair Allotment - 2031

		1 Allowance	@ $2,600.00
Asset ID	1000	Asset Actual Cost	$2,600.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$2,926.32
Placed in Service	January 2026		
Useful Life	5		
Replacement Year	2031		
Remaining Life	4		


Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Common area curbs, walkways, pad at pavilion, etc. (unit patios, driveways, walkways, etc. are reportedly owner responsibility)

Component History: No history reported, an estimated in-service date of 2026 has been used as no current repair needs reported

Typically, concrete surfaces have a predictable useful life which exceeds the scope of this report however we have included a rotating funding allowance for periodic repairs and spot replacements.

Inspect and repair concrete as needed through annual operating budget. Clean periodically to remove stains and organic debris and repair any trip hazards (defined as ¼” or more of vertical change at any joint or crack by the 1990 Americans with Disabilities Act) immediately.

Some jurisdictions make sidewalks along public roads the responsibility of the adjacent property owner to maintain, repair and replace. We recommend consulting with your local municipality to confirm responsibility if your governing documents are not clear on this matter.

Stamped Concrete - Repair Allotment - 2033

		1 Allowance	@ $3,000.00
Asset ID	1005	Asset Actual Cost	$3,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$3,582.16
Placed in Service	January 2023		
Useful Life	10		
Replacement Year	2033		
Remaining Life	6		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Pedestrian paths at 2 of the 3 parking lots and at park off Majestia Lane

Component History: Installed between 2006 & 2009 per satellite imagery, reportedly repaired ~ 2023

Typically, concrete surfaces have a predictable useful life which exceeds the scope of this report however we have included a rotating funding allowance for periodic repairs and spot replacements. Inspect and repair concrete as needed through annual operating budget. Clean periodically to remove stains and organic debris, and repair any trip hazards (defined as ¼” or more of vertical change at any joint or crack by the 1990 Americans with Disabilities Act) immediately.

Pavers - Repair

		1 Allowance	
Asset ID	1010	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Adjacent to parking areas within Community

Component History: Assumed installed ~ 2003 with Phase 1 construction

Uneven areas and trip hazards were observed at paver walkway. There is no predictable basis to expect complete replacement of paver areas, therefore no reserve funding included. Typically, uneven areas can be repaired by removing pavers, repairing the base and reinstalling pavers. Inspect, clean and repair any trip hazards (defined as ¼" or more of vertical change at any joint or crack by the 1990 Americans with Disabilities Act) through the annual operating budget.

Asphalt - Repair & Sealcoat - 2029

Asset ID	1015	29,000 GSF	@ $0.40
		Asset Actual Cost	$11,600.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$12,306.44
Placed in Service	January 2024		
Useful Life	5		
Replacement Year	2029		
Remaining Life	2		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history

Location: Parking areas within association

Component History: 2014 per prior study, 2024 $11,186.67 as operating expense

Regular cycles of seal coating are recommended to prevent water from penetrating the asphalt surface. Asphalt seal coat is typically applied at 5 year intervals, however areas of high traffic or water movement (such as on a slope) may require more frequent applications. Failure to regularly apply asphalt seal coat is likely to reduce the overall useful life of asphalt. Repairing asphalt and sealing cracks prior to seal coat application is imperative and an allowance for repairs is included within the funding in this report. Repair costs can vary significantly based on scope, therefore costs may vary from the allowances included herein. Costs also factor re-striping asphalt following seal coat application, if applicable.

The Washington State Department of Transportation has published a report detailing asphalt seal coats and techniques for application, which can be found here: https://www.wsdot.wa.gov/research/reports/fullreports/136.1.pdf

Asphalt - Grind & Overlay - 2039

Asset ID	1020	29,000 GSF	@ $3.60
		Asset Actual Cost	$104,400.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$148,849.44
Placed in Service	January 2003		
Useful Life	35		
Adjustment	1		
Replacement Year	2039		
Remaining Life	12		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Parking areas within association

Component History: Installed ~ 2003

The average useful life of asphalt can range significantly based on several factors including, but not limited to, quality of initial installation, traffic levels and type, proximity of tree roots, frequency of proactive repairs and frequency of seal coat or chip seal application. Typically, asphalt is initially installed 2 to 4 inches in depth and resurfacing involves grinding down the top 1 to 2 inches and overlaying a new layer of asphalt. This is typically performed at 20 to 40 year intervals depending on the unique site conditions of the property and levels of proactive maintenance. Asphalt resurfacing is often one of the larger expenses experienced by an association, especially if the association is responsible for private roads, therefore proactive maintenance and sealing to prolong the useful life of the asphalt is a best practice.

Metal Signs - Replace

		1 Allowance	
Asset ID	1025	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Scattered common area locations

Component History: No history reported

There is no predictable basis to anticipate wide scale replacement of signage at this time and cost of individual replacement is projected to be too small for reserve funding, therefore maintain, repair and replace individual signs on an as-needed basis through the annual operating budget.

Monument Signage - Refurb/Replace - 2033

		4 Each	@ $3,500.00
Asset ID	1030	Asset Actual Cost	$14,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$16,716.73
Placed in Service	January 2003		
Useful Life	30		
Replacement Year	2033		
Remaining Life	6		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to entrances to community

Component History: Lettering at 3 signs replaced 2024 $851 as operating expense

Regular cycles of replacement and/or refurbishing are recommended for monuments due to their high visibility within the community. Maintain, repair and replace as needed in between larger refurbishing cycles utilizing general maintenance operating funds. Funding allowances assume that sign face will be replaced as part of refurbishing cycles but main masonry/stucco structure will be retained as masonry/stucco has an extended useful life beyond the scope of this report. Minor masonry/stucco repairs are included within funding allowance.

Monument Lighting - Replace - 2033

		1 Allowance	@ $4,000.00
Asset ID	1035	Asset Actual Cost	$4,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$4,776.21
Placed in Service	January 2003		
Useful Life	30		
Replacement Year	2033		
Remaining Life	6		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to entry monuments

Component History: No history reported

No problems reported of monument lights at the time of this report. Testing of lighting to verify operational condition is beyond the scope of a reserve study therefore no testing was performed. Funding is included for renovation of lighting in conjunction with monument signage refurbishing. Replace individual fixtures as needed through annual operating budget. At time of replacement, many associations are opting to transition to solar lighting.

Mailboxes - Replace (Older) - 2035

		10 Each	@ $3,000.00
Asset ID	1040	Asset Actual Cost	$30,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$38,003.10
Placed in Service	January 2005		
Useful Life	30		
Replacement Year	2035		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to roadways throughout community

Component History: ~ 2005 manufacture date

Plan to replace mailboxes at roughly 25 to 30 year cycles. Inspect, clean and repair as needed utilizing operating funds. The most common causes for premature replacement are damage caused by a vehicle and/or vandalism. Contact your local post office prior to replacement of mailboxes to ensure new boxes are installed according to post office guidelines and to coordinate installation of the master lock.

Mailboxes - Replace (Newer) - 2038

		5 Each	@ $3,000.00
Asset ID	1041	Asset Actual Cost	$15,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$20,763.51
Placed in Service	January 2008		
Useful Life	30		
Replacement Year	2038		
Remaining Life	11		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to roadways throughout community

Component History: ~ 2008 & 2009 manufacture date

Plan to replace mailboxes at roughly 25 to 30 year cycles. Inspect, clean and repair as needed utilizing operating funds. The most common causes for premature replacement are damage caused by a vehicle and/or vandalism. Contact your local post office prior to replacement of mailboxes to ensure new boxes are installed according to post office guidelines and to coordinate installation of the master lock.

RV Lot Gravel - Replenish

		1 Allowance	
Asset ID	1050	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2010		
No Useful Life			

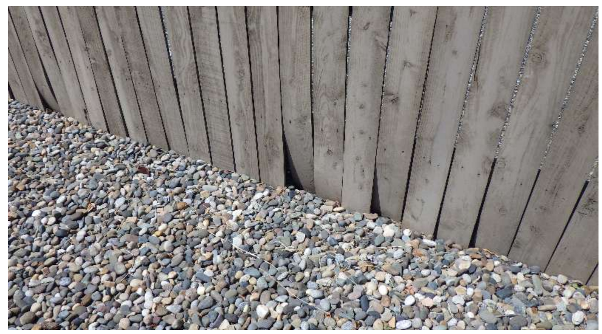
Location: Within RV parking area at southeast corner of property

Component History: No history reported

Cost to replenish RV parking area gravel is projected to be too small to qualify for reserve funding therefore replenish as needed through annual operating budget.

RV Lot Wood Fence - Replace - 2032

		795 LF	@ $57.00
Asset ID	1070	Asset Actual Cost	$45,315.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$52,532.50
Placed in Service	January 2010		
Useful Life	20		
Adjustment	2		
Replacement Year	2032		
Remaining Life	5		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of RV parking lot, located at southeast corner of property

Component History: Installed between 2009 & 2011 per satellite imagery

The typical useful life of a wood fence ranges from 15 to 25 years depending on multiple factors including, but not limited to, the thickness and quality of wood at the time of installation, exposure to the elements and regular cycles of paint/stain. According to the American Fence Association, cedar posts should be inserted directly into the ground and not mounted in concrete to avoid premature decay. Pressure treated pine posts may be set in concrete as the chemical treatment will help prevent decay. Ensure that vegetation is trimmed back from fencing and that soil does not touch the bottom of the fence to prevent accelerated decay. Adjust irrigation systems as needed to limit contact with fence.

Inspect and repair fence through the annual operating budget in between larger replacement cycles. It is strongly recommended that wood fences are regularly stained to prolong the useful life of fencing, and for the aesthetic benefits that stain affords.

RV Lot Wood Fence - Repair & Stain - 2027

Asset ID	1071	795 LF	@ $12.50
		Asset Actual Cost	$9,937.50
		Percent Replacement	100%
Category	Grounds	Future Cost	$9,937.50
Placed in Service	January 2020		
Useful Life	5		
Replacement Year	2027		
Remaining Life	0		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of RV parking lot, located at southeast corner of property

Component History: Partial staining 2020

At the time of the visit the fence was warping and splitting in areas. Regular cycles of staining of wood fencing are recommended, typically at 5 year intervals. A semi-transparent or solid bodied stain typically yields the best results aesthetically as paint is prone to peel over time and may require additional prep work prior to each paint cycle, resulting in increased costs. In addition to the aesthetic benefit of staining the fence, stain also provides water repellency and may help extend the useful life of the fence. Ensure that fence is adequately cleaned prior to stain application and adjust irrigation systems as needed to limit contact with fence, as direct contact will result in deterioration/discoloration of stain in those areas.

RV Lot Gates - Replace - 2050

		2 Each	@ $3,200.00
Asset ID	1075	Asset Actual Cost	$6,400.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$12,630.95
Placed in Service	January 2010		
Useful Life	40		
Replacement Year	2050		
Remaining Life	23		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of RV parking lot, located at southeast corner of property

Component History: Installed between 2009 & 2011 per satellite imagery

No problems reported of chain link gates at the time of our site visit. Chain link fencing tends to have a useful life which is longer than that of wood, therefore plan to replace RV gates with every other fence replacement cycle.
As routine maintenance, inspect regularly, lubricate and repair as needed through annual operating budget.

CMU Wall - Repair Allotment - 2033

		1 Allowance	@ $5,000.00
Asset ID	1080	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$5,970.26
Placed in Service	January 2023		
Useful Life	10		
Replacement Year	2033		
Remaining Life	6		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of property

Component History: Original wood fencing replaced with CMU wall in phases with last phase completed in 2023 for $188,124

Sample sections of concrete masonry unit (CMU) wall viewed appeared generally intact. There is no basis to expect complete replacement of wall within the scope of this report therefore a rotating allowance has been included for periodic repair needs which may arise only. Cost of repairs can vary significantly based on scope of work therefore a middle range allowance has been included for the purposes of this report.

Vinyl Fence - Replace - 2062

		40 LF	@ $72.00
Asset ID	1081	Asset Actual Cost	$2,880.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$8,103.92
Placed in Service	January 2022		
Useful Life	40		
Replacement Year	2062		
Remaining Life	35		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Utility Easement Road

Component History: Installed ~ 2022 per satellite imagery

Vinyl fencing is typically a low maintenance item. Plan to replace at roughly 30 to 40 years of life. As fencing ages, it can become brittle and more susceptible to damage particularly in areas with high UV exposure. Additionally, it can be difficult to match older fencing when repairs are needed.

Inspect fencing regularly and clean periodically. Use caution with landscape equipment to prevent damage. If organic growth becomes an problem there are products available on the market to help limit growth; consult with your fence maintenance contractor for recommendations.

Privacy Fence - Replace

		1 Allowance	
Asset ID	1085	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Privacy fencing at individual units

Component History: No history reported

Documentation previously provided by client indicates that privacy fencing at individual units is the responsibility of the unit owner therefore no reserve funding included.

Landscape - Refurbish Allotment

Asset ID	1135	1 Allowance	
		Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Common area landscaping

Component History: No history reported

Client previously reported that all landscape work is handled through the annual operating budget. There is no predictable basis to expect wide scale expenses affecting reserves at this time, therefore no funding included.

Irrigation System - Repair Allotment - 2031

		1 Allowance	@ $3,500.00
Asset ID	1155	Asset Actual Cost	$3,500.00
		Percent Replacement	100%
Category	Grounds	Future Cost	$3,939.28
Placed in Service	January 2026		
Useful Life	5		
Replacement Year	2031		
Remaining Life	4		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within common area landscaping

Component History: No history reported, an estimated in-service date of 2026 has been used as no current repair needs reported

It is beyond the scope of a reserve study to assess the design, quality and/or function of an irrigation system however no problems related to irrigation system reported by client. Irrigation systems typically consist of three main components; timer(s), underground water distribution lines (generally constructed of PVC) and spray heads.

Regularly inspect your system and consult with your landscape vendor to determine the condition of your specific system. There is no information available to indicate that full replacement of system is required within this report, therefore a rotating allowance has been included for periodic repairs only. Cost may vary widely from the allowances within this report based on scope of work. Proper winterization is key to prevent damage from frozen lines. Handle smaller repairs such as head replacement (typically done in the spring upon system start-up) through the annual operating budget.

Drainage System - Maintain

		1 Allowance	
Asset ID	1160	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Common area drainage

Component History: No history reported

Common stormwater system components include gutters, ditches, catch basins and control facilities. Catch basins are the drains commonly found in asphalt or concrete surfaces and consist of a metal grate with a compartment below ground. Water gathers inside the compartment and is then drained through an outlet pipe. Often, sediment removal is required within the compartment structure. This is typically done using a vactor truck. The frequency at which sediment removal is required varies by location and is dependent on numerous factors. We recommend assessing the sediment levels in your catch basins every 1-2 years and cleaning as needed through the annual operating budget.

When properly installed with no known defects or deficiencies, there is no predictable basis to expect maintenance, repair or replacement of the drainage system within the scope of this report, therefore no reserve funding included.

The Washington State Department of Ecology has extensive resources available pertaining to stormwater systems and stormwater management, including manuals specific to both Western Washington and Eastern Washington: https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Stormwater-permittee-guidance-resources/Stormwater-manuals

Pole Lights - Replace

		1 Allowance	
Asset ID	1175	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Adjacent to roadways throughout community

Component History: No history reported

Pole lights are labeled by utility provider therefore it is presumed that the association is not responsible for the maintenance, repair or replacement of lighting.

Retaining Walls - Repair

		1 Allowance	
Asset ID	1205	Asset Actual Cost	
		Percent Replacement	100%
Category	Grounds	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Scattered common area locations

Component History: No history reported

It is beyond the scope of a reserve study to assess the design, quality and/or structural stability of a retention wall. If deficiencies such as cracking, leaning or instability are suspected, consult with architect or engineer for a complete assessment of wall.

The proper installation of drainage is imperative for retention walls. The lack of adequate drainage can result in bulging and/or cracking of wall and may eventually result in failure. There are a number of methods for drainage installation at retaining walls; if you suspect that your wall features insufficient drainage, consult with a landscape architect or engineer for evaluation and recommendations.

When properly constructed there is no predictable basis to expect complete replacement of retention wall within the scope of this report, therefore no reserve funding included.

Pavilion - Refurbish - 2033

Asset ID	2005	1 Allowance	@ $8,750.00
		Asset Actual Cost	$8,750.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$10,447.96
Placed in Service	January 2003		
Useful Life	30		
Replacement Year	2033		
Remaining Life	6		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Central common area at intersection of Mia Lane and Vincenzo Drive

Component History: No history reported

Pavilion appeared to be constructed of wood framing with stucco accents and a composition shingle roof. Portions of structure were painted and deterioration of sealants was observed. While there is no predictable basis to expect complete replacement of Pavilion within the scope of this report, regular cycles of refurbishing are to be expected. Cost can vary widely based on scope of work therefore a middle range allowance has been used for the purposes of this report. See separate component for roof replacement in conjunction with the Palazzo roof and paint as needed in conjunction with building exteriors, no separate funding necessary.

Outdoor Furniture - Replace

		1 Allowance	
Asset ID	2010	Asset Actual Cost	
		Percent Replacement	100%
Category	Recreation	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Scattered throughout common areas, primarily at Pavilion and community park at corner of Majestia Lane

Component History: No history reported

Concrete products tend to have an extended useful life which exceeds the scope of this report therefore no reserve funding included. Replace individually as needed through annual operating budget.

Pet Stations - Replace

		5 Each	
Asset ID	2015	Asset Actual Cost	
		Percent Replacement	100%
Category	Recreation	Future Cost	
Placed in Service	January 2003		
No Useful Life			

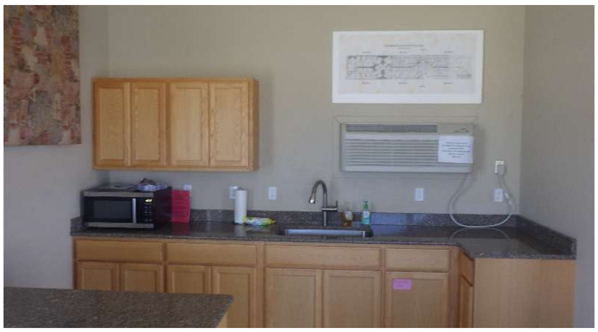
Location: Scattered common area locations

Component History: No history reported

Common causes for pet station replacement include vandalism and deterioration/fading due to exposure to the elements. Inspect regularly, repair, replace and refill bags through the annual operating budget. Most communities replace pet stations on an as-needed basis and individually stations fall below the reserve funding threshold therefore no reserve funding included.

Palazzo Interior - Renovate - 2030

Asset ID	2185	1 Allowance	@ $16,000.00
		Asset Actual Cost	$16,000.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$17,483.63
Placed in Service	January 2005		
Useful Life	25		
Replacement Year	2030		
Remaining Life	3		



Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Central common area at intersection of Mia Lane and Vincenzo Drive

Component History: No history reported

Palazzo consisted of one main room with a small kitchenette and basic restroom. Regular cycles of interior renovation are recommended due to the high visibility of this common element. Projects may include kitchen renovation, appliances, restroom renovation, plumbing fixtures, flooring, interior paint, interior lighting, hot water heater replacement, HVAC equipment replacement, etc. Cost can vary widely based on scope of work therefore a middle range allowance has been included for the purposes of this report. Handle smaller projects through operating budget on an as-needed basis in between larger refurbishing cycles.

Palazzo Furniture - Replace

		1 Allowance	
Asset ID	2190	Asset Actual Cost	
		Percent Replacement	100%
Category	Recreation	Future Cost	
Placed in Service	January 2005		
No Useful Life			

Location: Furniture within interior of Palazzo

Component History: No history reported

Cost to replace Palazzo furniture is projected to be too small to qualify for reserves therefore replace as needed through annual operating budget.

Palazzo Windows/Doors - Replace - 2035

		6 Each	@ $1,400.00
Asset ID	2195	Asset Actual Cost	$8,400.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$10,640.87
Placed in Service	January 2005		
Useful Life	30		
Replacement Year	2035		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at Palazzo

Component History: No history reported

The average useful life of vinyl windows and doors is approximately 25 to 30 years although a high quality window may last longer. Signs of vinyl window failure include fogging of the glass, cracks/separation of the miter joints at the window frame and water intrusion. Vinyl windows, particularly those in areas of high UV exposure, expand and contract which can aid in failure of the window. Proper installation of windows using correct flashings and sealants is critical to window performance and preventing damage and/or decay of the siding and framing around the window. In order to achieve proper weatherproofing techniques the siding must be removed around the window for replacement; exercise caution if a vendor advises that a window can be replaced without removal of the siding. Do not caulk flashing above window and/or window weep holes.

Choosing a high quality window at the time of replacement has several benefits including, but not limited to, improved energy efficiency, noise reduction, an improved warranty and potentially a longer useful life of the window. Failed (fogged) insulated glass units (IGU's) may be an owner responsibility to address; we recommend consulting with your governing documents for confirmation.

The cost allowances within this component factor architectural details and professional project management for the window replacement project. It is imperative that these professionals are engaged for the duration of this project to ensure that proper flashings and weatherproofing techniques are utilized. When possible, it is best to combine window and slider replacement with siding projects for best weatherproofing practices. Cost allowances assume replacement of windows/sliders only; hidden damages and structural repairs are not predictable and may substantially increase the cost of the project.

Palazzo/Pavilion Roof - Replace - 2035

		1,700 Allowance	@ $9.00
Asset ID	2200	Asset Actual Cost	$15,300.00
		Percent Replacement	100%
Category	Recreation	Future Cost	$19,381.58
Placed in Service	January 2005		
Useful Life	30		
Replacement Year	2035		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Rooftop of Palazzo and Pavilion

Component History: No history reported

The average useful life of a composition shingle roof can vary based on the quality of installation, quality of shingle product, underlayment, flashings and general site conditions (exposure to high winds, etc.). The useful life above is for financial planning purposes; have your roof evaluated by your roofing vendor or an independent roofing consultant as the roof nears the end of its useful life to narrow down an exact time frame for replacement.

As routine maintenance, have your roof inspected regularly by a qualified roofing contractor. Inspection schedules typically include the spring, fall, and following significant wind events. Signs of roof failure include loss of granulation (typically identified by granule build up in gutters), curling and/or buckling of shingles, and loss of shingles during weather events. Clean roof regularly to remove any tree debris and treat for moss as needed. Keep gutters

Palazzo/Pavilion Roof - Replace continued...

clean to ensure proper drainage and install heat tape in colder climates to prevent ice damming. Crickets installed at any chimney to roof interfaces help to divert water and prevent water damage.

Palazzo Exterior Lighting - Replace

		4 Each	
Asset ID	2205	Asset Actual Cost	
		Percent Replacement	100%
Category	Recreation	Future Cost	
Placed in Service	January 2005		
No Useful Life			

Location: Exterior walls at Palazzo

Component History: No history reported

Cost to replace this small quantity of lighting is projected to be too inexpensive to qualify for reserve funding therefore replace as needed through annual operating budget.

Unit Roofs - Replace

		1 Allowance	
Asset ID	4000	Asset Actual Cost	
		Percent Replacement	100%
Category	Building Exterior	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Rooftop of residential units

Component History: Presumed original to 2003-2016

Documentation provided by client indicates that roof maintenance, repair and replacement is the responsibility of the unit owner therefore no reserve funding included.

Stucco Siding - Replace

		698,575 GSF	
Asset ID	4005	Asset Actual Cost	
		Percent Replacement	100%
Category	Building Exterior	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Exterior building walls

Component History: Presumed original to 2003-2016 construction

When properly installed, well maintained stucco has a useful life which exceeds the scope of this report therefore there is no predictable basis to expect wide scale replacement of stucco siding and no reserve funding is included.

Stucco Siding - Repair/Recoat Phase 1 - 2032

		116,415 GSF	@ $3.50
Asset ID	4010	Asset Actual Cost	$407,452.50
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$472,349.12
Placed in Service	January 2004		
Useful Life	20		
Adjustment	8		
Replacement Year	2032		
Remaining Life	5		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 1

Component History: Presumed original to construction which was completed around 2004 per satellite imagery

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 10-15 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur.

There are two common paint products used on stucco walls. The most popular and least expensive is acrylic paint. For buildings experiencing water intrusion issues, the use of an elastomeric paint may add some weatherproofing benefit however this product typically is at

Stucco Siding - Repair/Recoat Phase 1 continued...

an increased cost over acrylic paint. The funding within this component assumes acrylic paint will be used unless otherwise noted.

If your building is experiencing water intrusion issues, we strongly recommend performing a building envelope investigation (see separate component) prior to recoating stucco to ensure that the coating product used is most appropriate for your building.

Note: Photo is intended to be representative and may not be of exact phasing.

Stucco Siding - Repair/Recoat Phase 2 - 2032

		128,670 GSF	@ $3.50
Asset ID	4015	Asset Actual Cost	$450,345.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$522,073.28
Placed in Service	January 2005		
Useful Life	20		
Adjustment	7		
Replacement Year	2032		
Remaining Life	5		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 2

Component History: Presumed original to construction which was completed around 2005 per satellite imagery

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 10-15 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur.

There are two common paint products used on stucco walls. The most popular and least expensive is acrylic paint. For buildings experiencing water intrusion issues, the use of an elastomeric paint may add some weatherproofing benefit however this product typically is at

an increased cost over acrylic paint. The funding within this component assumes acrylic paint will be used unless otherwise noted.

If your building is experiencing water intrusion issues, we strongly recommend performing a building envelope investigation (see separate component) prior to recoating stucco to ensure that the coating product used is most appropriate for your building.

Note: Photo is intended to be representative and may not be of exact phasing.

Stucco Siding - Repair/Recoat Phase 3 (a) - 2039

		113,365 GSF	@ $3.50
Asset ID	4020	Asset Actual Cost	$396,777.50
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$565,709.84
Placed in Service	January 2019		
Useful Life	20		
Replacement Year	2039		
Remaining Life	12		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 3 (Northern half)

Component History: Painted 2019 $39,622.71

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 10-15 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur.

There are two common paint products used on stucco walls. The most popular and least expensive is acrylic paint. For buildings experiencing water intrusion issues, the use of an elastomeric paint may add some weatherproofing benefit however this product typically is at an increased cost over acrylic paint. The funding within this component assumes acrylic paint will be used unless otherwise noted.

If your building is experiencing water intrusion issues, we strongly recommend performing a building envelope investigation (see separate component) prior to recoating stucco to ensure that the coating product used is most appropriate for your building.

Note: Photo is intended to be representative and may not be of exact phasing.

Stucco Siding - Repair/Recoat Phase 3 (b) - 2031

		113,365 GSF	@ $3.50
Asset ID	4021	Asset Actual Cost	$396,777.50
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$446,576.57
Placed in Service	January 2008		
Useful Life	20		
Adjustment	3		
Replacement Year	2031		
Remaining Life	4		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 3 (Southern half)

Component History: Presumed original to construction which was completed around 2008 per satellite imagery

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 10-15 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur.

There are two common paint products used on stucco walls. The most popular and least expensive is acrylic paint. For buildings experiencing water intrusion issues, the use of an elastomeric paint may add some weatherproofing benefit however this product typically is at

an increased cost over acrylic paint. The funding within this component assumes acrylic paint will be used unless otherwise noted.

If your building is experiencing water intrusion issues, we strongly recommend performing a building envelope investigation (see separate component) prior to recoating stucco to ensure that the coating product used is most appropriate for your building.

Note: Photo is intended to be representative and may not be of exact phasing.

Stucco Siding - Repair/Recoat Phase 4 - 2034

		125,625 GSF	@ $3.50
Asset ID	4025	Asset Actual Cost	$439,687.50
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$540,760.16
Placed in Service	January 2011		
Useful Life	20		
Adjustment	3		
Replacement Year	2034		
Remaining Life	7		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 4

Component History: Presumed original to construction which was completed around 2011 per satellite imagery

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 10-15 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur.

There are two common paint products used on stucco walls. The most popular and least expensive is acrylic paint. For buildings experiencing water intrusion issues, the use of an elastomeric paint may add some weatherproofing benefit however this product typically is at

an increased cost over acrylic paint. The funding within this component assumes acrylic paint will be used unless otherwise noted.

If your building is experiencing water intrusion issues, we strongly recommend performing a building envelope investigation (see separate component) prior to recoating stucco to ensure that the coating product used is most appropriate for your building.

Note: Photo is intended to be representative and may not be of exact phasing.

Stucco Siding - Repair/Recoat Phase 5 - 2035

		101,110 GSF	@ $3.50
Asset ID	4030	Asset Actual Cost	$353,885.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$448,290.93
Placed in Service	January 2015		
Useful Life	20		
Replacement Year	2035		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 5

Component History: Presumed original to construction which was completed around 2015 per satellite imagery

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 10-15 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur.

There are two common paint products used on stucco walls. The most popular and least expensive is acrylic paint. For buildings experiencing water intrusion issues, the use of an elastomeric paint may add some weatherproofing benefit however this product typically is at an increased cost over acrylic paint. The funding within this component assumes acrylic paint will be used unless otherwise noted.

If your building is experiencing water intrusion issues, we strongly recommend performing a building envelope investigation (see separate component) prior to recoating stucco to ensure that the coating product used is most appropriate for your building.

Note: Photo is intended to be representative and may not be of exact phasing.

Stucco Siding - Repair/Recoat Palazzo/Pavilion - 2032

		1,730 GSF	@ $3.50
Asset ID	4035	Asset Actual Cost	$6,055.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$7,019.40
Placed in Service	January 2004		
Useful Life	20		
Adjustment	8		
Replacement Year	2032		
Remaining Life	5		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at Palazzo and Pavilion

Component History: Presumed original to construction which was completed around 2004 per satellite imagery

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 10-15 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur.

There are two common paint products used on stucco walls. The most popular and least expensive is acrylic paint. For buildings experiencing water intrusion issues, the use of an elastomeric paint may add some weatherproofing benefit however this product typically is at an increased cost over acrylic paint. The funding within this component assumes acrylic paint will be used unless otherwise noted.

If your building is experiencing water intrusion issues, we strongly recommend performing a building envelope investigation (see separate component) prior to recoating stucco to ensure that the coating product used is most appropriate for your building.

Note: Photo is intended to be representative and may not be of exact phasing.

Trim - Repair & Paint Phase 1 - 2032

Asset ID	4065	45 Units	@ $1,100.00
		Asset Actual Cost	$49,500.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$57,384.07
Placed in Service	January 2022		
Useful Life	10		
Replacement Year	2032		
Remaining Life	5		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history

Location: Exterior trim at Phase 1 units

Component History: Phases 1 & 2 painted 2022 $72,494.29 (80 units total)

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8 to 10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure. Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

Note: Photo is intended to be representative and may not be of exact phasing.

Trim - Repair & Paint Phase 2 - 2032

		46 Units	@ $1,100.00
Asset ID	4070	Asset Actual Cost	$50,600.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$58,659.27
Placed in Service	January 2022		
Useful Life	10		
Replacement Year	2032		
Remaining Life	5		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history

Location: Exterior trim at Phase 2 units

Component History: Phases 1 & 2 painted 2022 $72,494.29 (80 units total)

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8 to 10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure. Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

Properties built before 1978 may contain lead based paint. Additional resources regarding

Trim - Repair & Paint Phase 2 continued...

lead based paint can be found on the Department of Housing and Urban Development's Website through the following link:
https://www.hud.gov/program_offices/healthy_homes/healthyhomes/lead

Note: Photo is intended to be representative and may not be of exact phasing.

Trim - Repair & Paint Phase 3 (a) - 2029

Asset ID	4075	32 Each	@ $1,100.00
		Asset Actual Cost	$35,200.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$37,343.68
Placed in Service	January 2019		
Useful Life	10		
Replacement Year	2029		
Remaining Life	2		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history, extrapolated from Phase 1 & 2 costs

Location: Exterior trim at Phase 3 units (Northern half)

Component History: Northern half of Phase 3 painted 2019 $39,622.71 (including building bodies)

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8 to 10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure. Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

Trim - Repair & Paint Phase 3 (a) continued...

Properties built before 1978 may contain lead based paint. Additional resources regarding lead based paint can be found on the Department of Housing and Urban Development's Website through the following link:
https://www.hud.gov/program_offices/healthy_homes/healthyhomes/lead

Note: Photo is intended to be representative and may not be of exact phasing.

Trim - Repair & Paint Phase 3 (b) - 2031

		32 Each	@ $1,100.00
Asset ID	4076	Asset Actual Cost	$35,200.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$39,617.91
Placed in Service	January 2021		
Useful Life	10		
Replacement Year	2031		
Remaining Life	4		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history, extrapolated from Phase 1 & 2 costs

Location: Exterior trim at Phase 3 units (Southern half)

Component History: Southern half of Phase 3 painted 2021 $26,464.96

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8 to 10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure. Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

Properties built before 1978 may contain lead based paint. Additional resources regarding

Trim - Repair & Paint Phase 3 (b) continued...

lead based paint can be found on the Department of Housing and Urban Development's Website through the following link:
https://www.hud.gov/program_offices/healthy_homes/healthyhomes/lead

Note: Photo is intended to be representative and may not be of exact phasing.

Trim - Repair & Paint Phase 4 - 2034

		48 Units	@ $950.00
Asset ID	4080	Asset Actual Cost	$45,600.00
	(null)	Percent Replacement	100%
Category	Building Exterior	Future Cost	$56,082.25
Placed in Service	January 2024		
Useful Life	10		
Replacement Year	2034		
Remaining Life	7		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history

Location: Exterior trim at Phase 4 units

Component History: Presumed original to ~ 2011 construction, painted 2024 $42,108.03 as operating expense

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8 to 10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure. Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

Trim - Repair & Paint Phase 4 continued...

Properties built before 1978 may contain lead based paint. Additional resources regarding lead based paint can be found on the Department of Housing and Urban Development's Website through the following link:
https://www.hud.gov/program_offices/healthy_homes/healthyhomes/lead

Note: Photo is intended to be representative and may not be of exact phasing.

Trim - Repair & Paint Phase 5 - 2035

		27 Units	@ $1,600.00
Asset ID	4085	Asset Actual Cost	$43,200.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	$54,724.47
Placed in Service	January 2025		
Useful Life	10		
Replacement Year	2035		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history

Location: Exterior trim at Phase 5 units

Component History: Presumed original to ~ 2015 construction, painted 2025 $42k as operating expense

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8 to 10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure. Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

Trim - Repair & Paint Phase 5 continued...

Properties built before 1978 may contain lead based paint. Additional resources regarding lead based paint can be found on the Department of Housing and Urban Development's Website through the following link:
https://www.hud.gov/program_offices/healthy_homes/healthyhomes/lead

Note: Photo is intended to be representative and may not be of exact phasing.

Trim - Repair & Paint Palazzo/Pavilion

		2 Each	
Asset ID	4090	Asset Actual Cost	
		Percent Replacement	100%
Category	Building Exterior	Future Cost	
Placed in Service	January 2005		
No Useful Life			

Location: Trim at Palazzo and Pavilion

Component History: Painted 2022 in conjunction with Phase 1 & 2 trim paint project

Cost to paint the limited amount of trim at the Palazzo and Pavilion are projected to be too small to qualify for reserve funding therefore paint as needed through annual operating budget or combine with larger building trim painting projects.

Windows/Doors/Garage Doors - Replace

		1 Allowance	
Asset ID	4100	Asset Actual Cost	
		Percent Replacement	100%
Category	Building Exterior	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Windows, doors and garage doors at individual units

Component History: Presumed majority original to ~ 2003-2016 construction

Windows/sliders are reportedly an owner responsibility to replace therefore no reserve funding included. It would be in the best interest of the association to draft architectural specs for owners to follow during window replacement projects to ensure that windows are uniformly and properly installed and damage does not result to the structure due to incorrect installation.

Unit Exterior Lighting - Replace

		1 Allowance	
Asset ID	4105	Asset Actual Cost	
		Percent Replacement	100%
Category	Building Exterior	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Exterior lighting at individual units

Component History: Presumed majority original to ~ 2003-2016 construction

Documentation previously provided by client indicates that exterior lighting is the responsibility of the unit owner therefore no reserve funding included.

Electrical System - Repair/Replace

		1 Allowance	
Asset ID	5000	Asset Actual Cost	
		Percent Replacement	100%
Category	Equipment & Mechanical	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Common area electrical (individual unit electrical is reportedly owner responsibility)

Component History: No history reported

No problems reported of electrical system at the time of this report. Evaluation of electrical components is beyond the scope of a reserve study; if problems are suspected, consult with a qualified electrician immediately. Regularly inspect common area electrical panels and equipment. Contact a qualified electrician if breakers routinely trip or fuses regularly blow, or if you notice a sizzling sound or a burning odor. Ensure that electrical plugs near wet locations (restrooms, exterior building walls, outdoor parking garages, etc.) are Ground-Fault Circuit Interrupters (GFCI).

Individual unit electrical systems may be the responsibility of the unit owner; consult your governing documents accordingly.

Generally, if installed without defect, there is no predictable basis to expect complete replacement of electrical system within the scope of this report therefore no reserve funding included.

Plumbing System - Repair/Replace

Asset ID	5005	1 Allowance	
		Asset Actual Cost	
		Percent Replacement	100%
Category	Equipment & Mechanical	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: Common area plumbing (plumbing at individual units is reportedly owner responsibility)

Component History: No history reported

No problems reported of plumbing system at the time of this report. Evaluation of plumbing systems is beyond the scope of a reserve study; if problems are suspected, consult with a qualified plumber. Regularly inspect common area plumbing and equipment. Contact a qualified plumber if you are experiencing low water pressure, discoloration and/or leaks. Protect exposed lines from freezing temperatures.

Some plumbing systems are known to have deficiencies which may become more prevalent over time. These systems may include galvanized plumbing installed in older buildings and CPVC lines installed in newer buildings. If you have not done so already, consult with a plumber to inspect and evaluate the plumbing system at your association to determine whether the system will require eventual replacement. Plumbing system renovations can be very costly, therefore it is best to determine this information early for financial planning purposes. Incorporate the results of any inspections in future reserve studies.

Annual testing of any backflow devices installed on your system is typically required by local municipalities. These devices are generally installed on water supply lines at irrigation systems, fire sprinkler systems, etc. The American Backflow Prevention Association has resources available on their website including information about backflow testing and a list of certified testers through the following link: https://www.abpa.org/page/FAQ

Some governing documents may make plumbing which serves an individual unit that unit's responsibility to maintain, repair and replace. Consult your governing documents accordingly.

Generally, if installed without defect, there is no predictable basis to expect complete replacement of plumbing system within the scope of this report, therefore no reserve funding included.

HVAC Equip - Repair/Replace

		1 Allowance	
Asset ID	5010	Asset Actual Cost	
		Percent Replacement	100%
Category	Equipment & Mechanical	Future Cost	
Placed in Service	January 2003		
No Useful Life			

Location: HVAC equipment at individual units

Component History: No history reported

Documentation previously provided by client indicates that unit HVAC equipment is the responsibility of the unit owner therefore no reserve funding included.

Building Envelope Investigation - 2033

		1 Allowance	@ $5,000.00
Asset ID	6000	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Professional	Future Cost	$5,970.26
Placed in Service	January 2023		
Useful Life	10		
Replacement Year	2033		
Remaining Life	6		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior building envelope (stucco siding)

Component History: No history reported

A reserve study site visit conducts a limited visual review for budgetary purposes only and does not include any invasive testing or structural evaluation. As a result, periodic professional investigations are strongly recommended to ensure that common area systems are functioning as designed. Common inspections include, but are not limited to, building envelope investigations, structural inspections/evaluations, plumbing system inspection and evaluation, electrical system inspection and evaluation, elevator assessments, etc. Community Associations Institute, which publishes National Reserve Study Standards, recommends periodic structural investigations in their Condominium Safety Public Policy Report and additional details regarding this recommendation can be found at www.condosafety.com. The need and frequency of these inspections varies greatly by community therefore monitor community needs and perform investigations as needed, incorporating the results within future reserve study updates.

Periodic building envelope investigations are recommended to ensure that building envelope components are performing as designed and to help identify the potential for hidden damages early, thus reducing the risk of unanticipated repair costs. When performed prior to exterior work such as siding and window replacement, a building envelope investigation also helps determine the extent of hidden damages, if any, so the association is not surprised by a significant increase in costs after the project starts. These investigations are also helpful in determining the estimated remaining useful life of a building envelope component. Building envelope investigations should be performed at regular intervals and prior to performing large exterior envelope projects. Some governing documents may require annual envelope investigations; we recommend reviewing your association's governing documents for any requirements unique to your association.

A building envelope investigation typically involves two professional parties, an architect or an engineer and a general contractor. The architect or engineer identifies areas of concern/high risk at the building and the general contractor removes portions of the building exterior to assist the architect or engineer in evaluating the area to determine whether it was constructed properly and identify whether hidden damages exist. Moisture readings are also commonly performed during this process. Following the physical site visit, the architect or engineer will provide the association with a report detailing the results of their findings including photographs. Some reports may also include a summary of recommendations for repairs. If significant repair needs are identified at your building, the architect or engineer can usually be engaged to assist with drafting the official scope of work and bidding out the project to ensure that vendors correctly bid the project based on the scope of work. We strongly recommend that the architect or engineer's services be engaged for professional project management during any repairs done as the result of the envelope investigation to ensure that proper weatherproofing techniques are used to reduce the risk of future water intrusion.

The cost of inspections and evaluations can vary significantly based on the scope of work and the type of investigation being performed. We have used a mid-range funding allowance for financial planning purposes; update costs and frequency as needed in future reserve study updates.

A direct link to the CAI Condominium Safety Public Policy can be found here:
https://www.caionline.org/Advocacy/Priorities/condolegislation/Documents/CondoSafetyPublicPolicyReportJune2023.pdf

A link to CAI's Best Practices: Community Association Maintenance, which contains additional details pertaining to recommended inspections can be found here:
https://foundation.caionline.org/wp-content/uploads/2023/06/BestPracticesCAMaintenance.final2_.pdf

Preventive Maintenance Plan

		1 Allowance	
Asset ID	6005	Asset Actual Cost	
		Percent Replacement	100%
Category	Professional	Future Cost	
Placed in Service	January 2010		
No Useful Life			

Preventive maintenance is a critical aspect of properly maintaining association assets and achieving their longest useful life. National Reserve Study Standards (NRSS) recommends a preventive maintenance manual be prepared by each community and updated regularly. Preparation of such manual is beyond the scope of standard reserve study services and should be prepared independently by the association.

As of this report, client reports the following preventive maintenance contracts are in place:
Landscaping

Additional resources are available within Community Associations Institute's Best Practices: Community Association Maintenance at www.condosafety.com.

The Mediterranean Villas
Detail Report by Category

Reserve Study - Annual Update

		1 Ann Update	
Asset ID	6010	Asset Actual Cost	
		Percent Replacement	100%
Category	Professional	Future Cost	
Placed in Service	January 2027		
No Useful Life			

Time for your annual update, contact us today!

Component History: 2014 NSV, 2017 Unknown Report Type, 2018 Unknown Report Type, 2019 Unknown Report Type, 2024 WSV, 2025 NSV, 2026 NSV, 2027 WSV

It is recommended that this study is updated annually. Some states, including Washington and Oregon, feature statutes which require that studies be updated on an annual basis for many communities (consult with your legal counsel if you have questions about whether an update is required for your community). Some governing documents may also require that the study be updated annually. Regardless of any state requirements for updates, it is prudent to update your report annually to adjust for constantly changing information including, but not limited to, actual reserve account balance, actual project costs, vendor estimates, economic and market changes, etc. The cost to update your study annually is best treated through the operating budget, therefore no reserve funding included.

Key:
FULL = Level 1 Full Reserve Study
WSV = Level 2 With-Site-Visit Reserve Study
NSV = Level 3 No-Site-Visit Reserve Study
PCNYC = Level 4 Preliminary, Community Not Yet Constructed Reserve Study

Common Terms & Definitions

A portion of this information is from the National Reserve Study Standards (NRSS) published by Community Associations Institute, dated 07/2023. A link to the full National Reserve Study Standards document can be found here: National Reserve Study Standards

ADEQUATE RESERVES	A replacement reserve fund and equitable multi-year funding plan which together provide for the reliable and timely execution of major repair and replacement projects as defined within National Reserve Study Standards without reliance on additional supplemental funding.
ALLOWANCE (QUANTITY)	When used in reference to quantity, the term allowance means that the component could not be reasonably quantified to assign a unit cost and therefore a flat cost allowance has been used.
ALLOWANCE (COST)	When used in reference to cost, the term allowance refers to the cost range assigned to that component. For example, the cost allowance for replacement of a roof may be $4.00 per square foot to $6.00 per square foot.
CAPITAL IMPROVEMENT	Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.
CASH FLOW METHOD	A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.
COMMON AREA	Areas identified within the association's governing documents that the association is obligated to maintain, repair or replace.
COMPONENT	The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. predictable in nature, and 3. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.
COMPONENT INVENTORY	The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.
COMPONENT METHOD	A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on

observed or reported characteristics.

CY Cubic yards.

EFFECTIVE AGE The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULLY FUNDED 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

FULLY FUNDED BALANCE (FFB) An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

FFB = Current Cost X Effective Age/Useful Life

Example: For a component with a $10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be $4,000.

FUND STATUS The status of the reserve fund reported in terms of cash or percent funded.

FUNDING GOALS Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

- **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.

- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "Fully Funded" with respective higher risk or less risk of cash problems.

- **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

FUNDING PLAN An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.

FUNDING PRINCIPLES The reserve study must provide a funding plan addressing these principles:

- Sufficient funds when required.
- Stable contribution rate over the years.
- Equitable contribution rate over the years.
- Fiscally responsible.

GSF Gross square feet.

GSY Gross square yards.

INITIAL YEAR The first fiscal year of the financial analysis or funding plan.

LIFE ESTIMATES The task of estimating the useful life and remaining useful life of the reserve components.

LF Lineal feet.

MAINTENACE Maintenance is the process of maintaining or preserving an item, or the state of being maintained. Maintenance is often defined in three ways, preventive maintenance, corrective maintenance and deferred maintenance.

PERCENT FUNDED The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan in light of the association's risk tolerance.

PERIODIC STRUCTURAL INSPECTION Structural system inspections aimed at identifying issues when they become evident. This inspection is outside of the scope of a reserve study and is to be conducted by client independently, with the results of such inspection incorporated in the reserve study as applicable.

PHYSICAL ANALYSIS The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

REMAINING USEFUL LIFE (RUL) Also referred to as "remaining life" (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.

REPLACEMENT COST The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering and design, permits, installation, disposal, etc.).

RESERVE BALANCE Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE PROVIDER An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

RESERVE STUDY A budget planning tool which identifies the components that the association is responsible to maintain, repair or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major common area expenditures. The reserve study is conducted for budget and cash flow purposes only and tasks outside the scope of a reserve study include, but are not limited to, construction evaluation, intrusive or destructive testing, preventive maintenance plans and structural or safety evaluations.

SPECIAL ASSESSMENT A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

USEFUL LIFE (UL) The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

VALUATION ESTIMATES The task of estimating the current cost for the reserve components.

Disclosures

The report was prepared by, or with the oversight of, Karen McDonald, CMCA, AMS, PCAM, RS, Reserve Study Specialist (RS) # 355 through Community Associations Institute, on behalf of Accurate Reserve Professionals, LLC ("ARP") and is subject to all terms, conditions, limitations and disclaimers of any contracts between client and ARP regarding this report and the services provided by ARP for client in connection with this report.

As of the date of this report, there are no known conflicts of interest involving ARP and the client for which this report was prepared. ARP has no familial or marital relationship with client, no ownership interest in client, and no ongoing business relationship with client.

Any site visit work performed in the process of preparing this report included a limited non-invasive visual walk through of areas identified by client, and reliance by ARP upon client's representations that such areas constituted a representative sampling of the organization's common areas. No destructive testing was performed. Unless otherwise noted, and in addition to any information provided directly by client, the component list and quantities for Level IV Preliminary Community Not Yet Constructed reports are developed using plans and drawings. Level I Full report component lists are developed using field measurements, other technology available (satellite imagery, etc.) and data provided by client. All quantities are an approximate estimate and may not be exact. Any site visit is not considered a site inspection, project audit or quality inspection of any areas or projects. Structural integrity evaluations are beyond the scope of a reserve study and were not performed as part of this report. ARP lacks information to incorporate necessary corrective maintenance costs and timing for structural work, if any, unless provided by client.

If this report is an update of a prior reserve study, it is reliant on the validity of the prior study(s) and ARP cannot guarantee the accuracy of this report.

This report attempts to include all reserve components identified by client, including best efforts to note any unfunded components within the inventory appendix.

Any information provided by client regarding financial information, physical conditions, quantities, historical issues, components, designs, and current and prior reserve projects, is relied upon by ARP as accurate, true and correct, in preparing this report (the "**Provided Information**"). ARP can only be aware of preventive maintenance plans or programs that have been disclosed by the client. This report is for the client's sole use and shall not be used by or relied upon by third parties for any purpose. Use of the Provided Information by ARP is not intended to validate the accuracy of such information and this report is not an audit, quality/forensics analysis or a background check of the client's historical records, preventive maintenance plan(s) or the Provided Information.

The actual or projected starting balance within this Reserve Study is based upon information provided by client and was not audited or verified in any way. To the best of ARP's knowledge and based upon the information provided to ARP by client, at the time of generating this report there are no known material issues excluded from this report which would affect the data provided.

For Level II With-Site-Visit and Level III No-Site-Visit reports, the client is considered to have deemed the previously developed component quantities as accurate and reliable. This data is not audited or verified in any way for these reports.

The report is for client's internal use and based on the Provided information and may not be relied upon by third parties for any reason. Visual inspections are to verify existence and appearance of assets. ARP does not guarantee the accuracy of the information in the reports, and Client may not fully rely on the final figures in the report, due to a variety of factors outside of ARP's control and knowledge, including but not limited to reliance on information provided by Client and other third parties that may be inaccurate, incomplete, or inadequate, hidden damages, latent defects, economic factors, labor and material costs, environmental factors, deferred maintenance, and other such factors.

Washington State Client Disclosures

This reserve study report meets the requirements of RCW 64.34.382, 64.38.070 and 64.90.550.

Washington State Client Disclosure for Clients Under RCW 64.34.682 and 64.38.070
"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."

Washington State Client Disclosure for Clients Under RCW 64.90.550
"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."