

THE VILLAGE AT LAKE CHELAN

Chelan County Unincorp. Areas, Washington

Level 2 Reserve Study Update with a Site Visit

2027 FUNDING RECOMMENDATIONS

Issued August, 2026

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Next Update: **Level 3** study by August 2027

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ABBREVIATION KEY

EA each
BLDG building(s)
FIXT fixture(s)
LF linear foot
LS lump sum
SF square feet
SQ roofing square
SY square yard
ZN zone

EXECUTIVE SUMMARY

This Reserve Study meets the requirements of the Washington Homeowners' Association Act and the Washington Uniform Common Interest Owner Act for a Level 2 Reserve Study Update with a Site Visit, and was prepared by an independent Reserve Study Professional.

The Village at Lake Chelan is a 107-unit residential community located along East Wapato Way (SR 150) in Chelan County Unincorp. Areas, Washington. The property was developed in about 2005. Association-maintained amenities include a gated, ornamental steel entry with automated vehicle access, a community pool, pool house, and pool deck, a sport court, a dog park, mailbox clusters, and the community's internal streets, landscaping, and drainage infrastructure.

THE VILLAGE AT LAKE CHELAN RESERVE FUND STATUS	
THE VILLAGE AT LAKE CHELAN'S FISCAL YEAR	a calendar year
PROJECTED RESERVE ACCOUNT BALANCE ON **DECEMBER 31, 2026**	$232,000 [1]
FULLY FUNDED BALANCE @ FISCAL YEAR-END 2026	$282,708 [2]
PERCENT FUNDED @ FISCAL YEAR-END 2026	82% [3]
FUNDING STATUS – RISK OF SPECIAL ASSESSMENT @ FISCAL YEAR-END	Low Risk
2026 PLANNED OR IMPLEMENTED SPECIAL ASSESSMENT	None
COMPONENT INCLUSION THRESHOLD VALUE	$1,720

THE VILLAGE AT LAKE CHELAN CURRENT AND RECOMMENDED RESERVE CONTRIBUTIONS	
CURRENT BUDGETED ANNUAL CONTRIBUTION TO RESERVES	$51,750
2027 RECOMMENDED ANNUAL CONTRIBUTION RATE	**$62,000** [4]
2027 AVERAGE CONTRIBUTION PER UNIT PER YEAR	$579
2027 AVERAGE CONTRIBUTION PER UNIT PER MONTH	$48
2027 BASELINE FUNDING PLAN CONTRIBUTION RATE	$51,400
2027 FULL FUNDING PLAN CONTRIBUTION RATE	$67,700

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

[2] The fully funded balance is calculated for each component based on its current replacement cost, effective age, and useful life, and then totaled to determine the Association's fully funded balance in accordance with Washington State law. This balance changes annually—see the calculation on page 5 for details.

[3] The percent fully funded acts as a measuring tool to assess an association's ability to absorb unplanned expenses. These expenses could be emergency repairs not covered by insurance, or expenses that differ from the existing Reserve Study in terms of timing or cost.

[4] To help ensure there are sufficient funds for the anticipated expenses over the next 30 years, the recommended funding plans include a constant contribution to reserves that increase annually for inflation.

FUNDING PLANS

RECOMMENDED THRESHOLD FUNDING PLAN $62,000	BASELINE FUNDING PLAN $51,400	FULL FUNDING PLAN $67,700
RECOMMENDED	**OPTIONAL STRATEGY**	**100% FUNDED BY YEAR 30**
initial annual contribution of $62,000	initial annual contribution of $51,400	initial annual contribution of $67,700
meets yearly projected reserve expenses	meets annual reserve expenses with no minimum balance requirement	most flexibility for cost variables and unplanned expenses
maintains minimum reserve balance equal to annual contribution amount	less flexibility with cost variables and unplanned expenses	lowest risk for special assessment

The **RECOMMENDED (THRESHOLD) FUNDING PLAN** for The Village at Lake Chelan, balances cashflow and anticipated expenses over 30 years while maintaining a minimum reserve account balance of one year's contribution to reserves and the percent funded above 61%.

Cost projection accuracy decreases into the distant future. Assumptions should be reconsidered and updated with each revision of the study.

ALTERNATIVE FUNDING STRATEGIES

In addition to an annual contribution to reserves that increases every year to keep up with inflation, a variety of funding strategies are available to meet Association funding goals, or bridge identified funding gaps. These strategies are not typically employed but are options that provide additional flexibility in developing a custom funding plan to fit the unique needs of a community.

Additional one-time contributions – additional one-time contributions to either bridge a funding gap for near-term projects that cannot be fully closed through reserve contribution increases alone, or to help increase the reserve account balance.

- Recommended additional one-time contribution: None

Contribution accelerators – an additional increase to the annual reserve contribution above the applied inflation rate. Our system can accommodate up to two rates. The ranges are grouped with the same percentage increase in Years 2 - 10 and in Years 11 – 30.

- Budgeted accelerator in Years 2 -10 : 0.0%
- Budgeted accelerator in Years 11 – 30 : 0.0%

Contribution adjustments – stepped increase or decrease in the reserve contribution to provide appropriate funding over the 30-year span of the report.

- Allocated contribution adjustments: None

FULLY FUNDED BALANCE CALCULATION @ FISCAL YEAR END 2026

$282,708
Current Fully Funded Balance

$232,000
Current Reserve Fund Balance

82%
Current Percent Fully Funded

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

FINANCIAL OVERVIEW FOR 2027

$232,000
2027 Estimated Starting Balance

82%
2027 Estimated Percent Funded w/the Recommended Funding Plan

$43,573
2027 Estimated Reserve Expenditures

RECOMMENDED RESERVE CONTRIBUTION FOR 2027

2026

$51,750
Association Budgeted Contribution

$62,500
Recommended Contribution to Reserves

83%
% of 2026 Recommended Contribution Budgeted In 2026

2027

$62,000
Recommended Contribution to Reserves

20%
% Increase Between 2027 Recommended & 2026 Budgeted Contribution to Reserves

The recommended reserve contribution follows a Threshold Funding Plan model to prevent special assessments over the course of the 30-year study period. The plan maintains **a minimum reserve account balance of one year's contribution to reserves and the percent funded above 61%** every year of the study period. Washington State law requires an up-to-date Reserve Study with a current recommended reserve contribution rate.

COMPARISON OF FULLY FUNDED BALANCE AND FUNDING PLANS

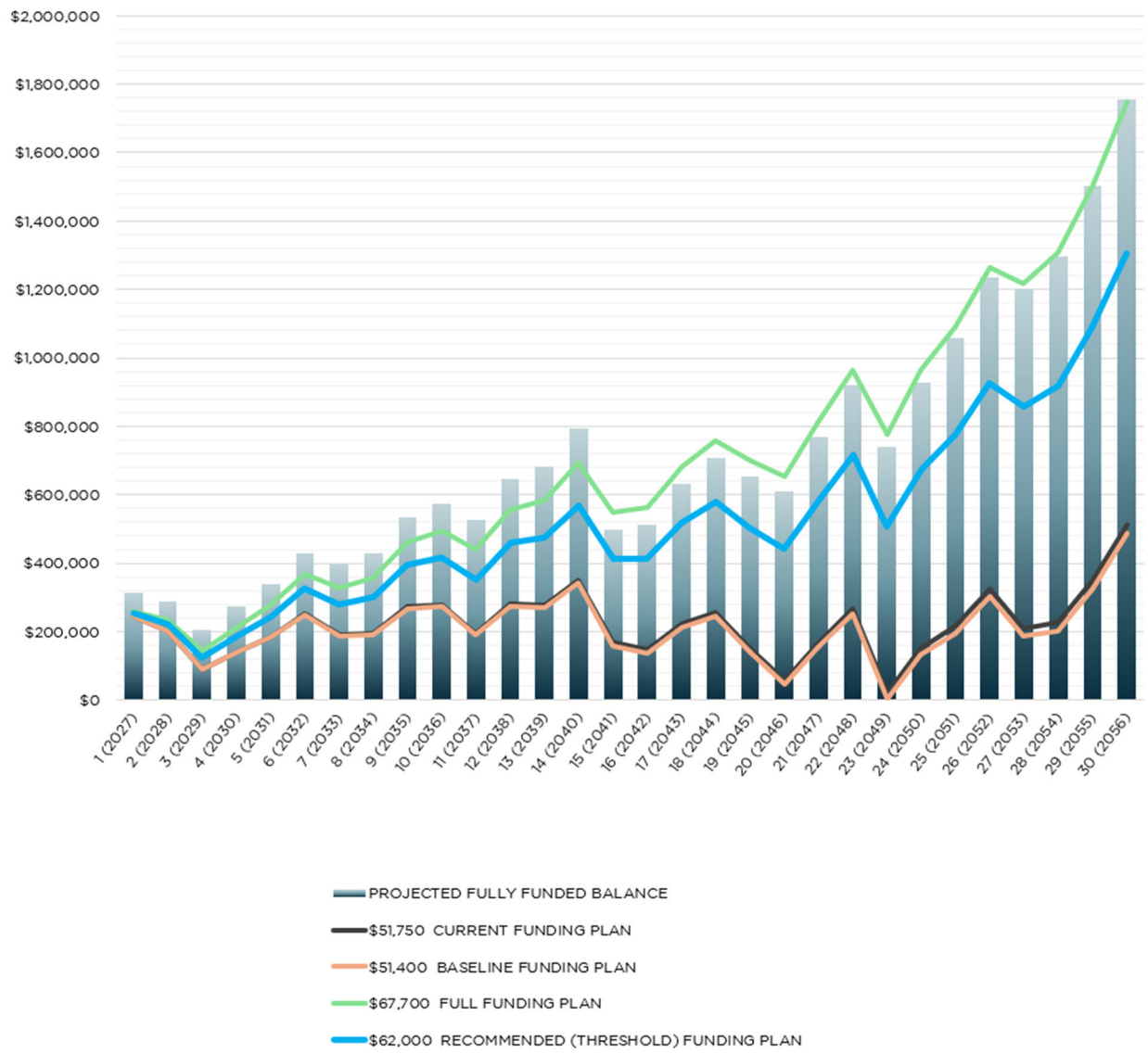
The following graph illustrates the projected Fully Funded Balance, along with the

- Current Budgeted Contribution to reserves (Current Funding Plan)
- Recommended Funding Plan (Threshold Funding Plan)
- Baseline Funding Plan
- Full Funding Plan

If any of the following special funding strategies are employed:

- **Additional one-time contributions** are calculated in all the funding plans.
- **Contribution accelerators** are only applied to the Recommended (Threshold) Funding Plan.
- **Contribution adjustments** are only applied to the Recommended (Threshold) Funding Plan.

Note: If the funding plans are similar or identical, only one line will be visible on some parts of the graph where the lines intersect.



PROJECTED RESERVE ACCOUNT BALANCES

FOR FUNDING PLANS OVER 30 YEARS

Per RCW 64.90.550 §2 (j) of the Washington Uniform Common Interest Ownership Act (WUCIOA), the projected reserve account balance for each of the funding plans over the next 30 years is provided, along with the current funding plan projections. The values in the Recommended Funding Plan include the previously mentioned recommended adjustment(s) in the annual reserve contribution, if applicable.

FISCAL YEAR END	$62,000 RECOMMENDED (THRESHOLD) FUNDING PLAN	$51,750 CURRENT FUNDING PLAN	$51,400 BASELINE FUNDING PLAN	$67,700 FULL FUNDING PLAN
1 (2027)	$255,251	$244,898	$244,545	$261,008
2 (2028)	$222,140	$200,735	$200,004	$234,042
3 (2029)	$124,202	$91,037	$89,904	$142,644
4 (2030)	$186,133	$140,464	$138,905	$211,528
5 (2031)	$243,198	$184,248	$182,235	$275,980
6 (2032)	$325,654	$252,603	$250,108	$366,277
7 (2033)	$278,149	$190,140	$187,134	$327,090
8 (2034)	$299,807	$195,941	$192,395	$357,566
9 (2035)	$393,214	$272,548	$268,428	$460,316
10 (2036)	$417,413	$278,959	$274,232	$494,407
11 (2037)	$353,349	$196,072	$190,702	$440,811
12 (2038)	$458,822	$281,637	$275,586	$557,355
13 (2039)	$475,415	$277,185	$270,416	$585,651
14 (2040)	$569,194	$348,728	$341,200	$691,796
15 (2041)	$412,123	$168,174	$159,844	$547,784
16 (2042)	$414,674	$145,937	$136,761	$564,122
17 (2043)	$517,160	$222,267	$212,198	$681,154
18 (2044)	$578,333	$255,851	$244,839	$757,667
19 (2045)	$503,699	$152,131	$140,126	$699,208
20 (2046)	$440,393	$58,170	$45,119	$652,949
21 (2047)	$581,855	$167,338	$153,183	$812,371
22 (2048)	$715,571	$267,041	$251,725	$965,001
23 (2049)	$505,505	$21,167	$4,629	$774,849
24 (2050)	$672,865	$150,840	$133,015	$963,167
25 (2051)	$776,459	$214,781	$195,602	$1,088,813
26 (2052)	$926,985	$323,599	$302,996	$1,262,533
27 (2053)	$857,285	$210,041	$187,940	$1,217,222
28 (2054)	$919,913	$226,563	$202,887	$1,305,487
29 (2055)	$1,090,397	$348,592	$323,262	$1,502,917
30 (2056)	$1,306,600	$513,884	$486,815	$1,747,431

DEFICIT OR SURPLUS IN RESERVE FUNDING

RCW 64.90.550 §2(l) requires the reserve study to disclose any current surplus or deficit in reserve funding on a dollars-per-unit basis. This disclosure is determined by comparing the association's reserve account balance as of the study date to the fully funded balance and allocating the difference among units based on each unit's share of common expenses.

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

The Village at Lake Chelan Reserve Funding Position

If the reserve account balance is:

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

The Recommended Funding Plan follows a Threshold Funding approach, under which reserve contributions are established at a level that remains generally consistent over time (and increases annually for inflation) while maintaining a minimum reserve balance (the "threshold") throughout the study period. This approach prioritizes maintaining sufficient cash flow to meet anticipated reserve expenses and preserve a defined minimum reserve balance, rather than achieving a specific percent funded level in every year. While percent funded is commonly used as a benchmarking metric and is often cited at approximately 80% for comparative purposes, funding decisions under this approach are driven primarily by projected cash flow and risk management considerations.

SUMMARY	
PROJECTED RESERVE ACCOUNT BALANCE AS OF DECEMBER 31, 2026	$232,000
CURRENT FULLY FUNDED BALANCE	$282,708
RESERVE FUND (DEFICIT)	($50,708)
NUMBER OF UNITS	107
AVERAGE (DEFICIT) PER UNIT	($474)
ALL UNITS PAY EQUALLY INTO RESERVES	

COMPONENT LIST

Each reserve component is evaluated to determine the current condition, the remaining useful life, and the estimated replacement cost. Reserve studies for homeowners' associations are required to include any reserve component that would cost more than one percent of the annual budget of the association, not including the reserve account, for major maintenance, repair, or replacement (RCW 64.38.070). While the law defines the inclusion threshold to be 1% of the operating budget, or $1,720 (1% of $172,010), components valued less than the legal threshold may be included to better capture reserve funding for The Village at Lake Chelan. The current replacement cost represents the total component cost in today's dollar value.

The component list is based on information provided by The Village at Lake Chelan. Reserve Consultants LLC does not provide legal interpretations of governing documents. It is the responsibility of The Village at Lake Chelan to ensure that the component list is complete and complies with their governing documents. Many factors may influence the actual costs that an association will experience. The quality of replacement materials of items can significantly impact cost, as well as the timing between replacements. The use of consultants to specify and oversee work may also cause additional expenses. Remaining balances due for Year 0 (2026) appear in the Component List, but do not impact the fully funded balance.

COMPONENT DESCRIPTION	MAINT. CYCLE	REMAINING USEFUL LIFE	NEXT MAINT. YEAR	CURRENT REPLACEMENT COST
2.2.1 Irrigation System - Contingency	3	2	2028	$12,970
2.2.2 Drainage System - Contingency	5	3	2029	$3,480
2.6.1 Asphalt Pavement - Repair	4	3	2029	$15,540
2.6.2 Asphalt Pavement - Seal Coat & Restriping	4	3	2029	$76,330
2.6.3 Asphalt Pavement - Overlay	16	15	2041	$141,690
2.7.1 Wood Fence, West - Replace w/ Vinyl	10	3	2029	$12,490
2.7.2 Pool Enclosure Fence - Replace	40	20	2046	$47,880
2.7.3 Pool Fence & Gate - Paint	15	1	2027	$4,010
2.7.4 Vinyl Fence - Replace	40	33	2059	$153,150
2.7.5 Chain Link Fence - Repair	30	10	2036	$3,680
2.7.6 North Perimeter Vinyl Fence - Install	40	2	2028	$83,170
2.9.1 Landscaping - Contingency	5	3	2029	$6,480
3.3.0 Concrete Curbs & Walkways - Repair	3	1	2027	$10,000
3.3.1 Pool Deck - Selective Replacement	10	3	2029	$26,790
3.3.2 Pool Deck - Repair & Seal	5	3	2029	$10,100
3.3.3 Pool Deck - Resurface & Seal	20	0	2026	$0
6.2.1 Pool/Restroom/Equip Room - Contingency	10	8	2034	$6,480
7.4.1 Covered Patio Roofs - Replace	35	15	2041	$8,430
10.4.1 Entry Sign - Replace	10	5	2031	$2,090
10.5.1 Mailbox Clusters - Replace	25	10	2036	$21,080
12.1.1 Patio Furniture - Contingency	5	5	2031	$2,090

COMPONENT LIST CONTINUED

COMPONENT DESCRIPTION	MAINT. CYCLE	REMAINING USEFUL LIFE	NEXT MAINT. YEAR	CURRENT REPLACEMENT COST
13.2.1 Pool - Resurface & Tile Replacement	15	16	2042	$50,000
13.2.2 Pool Remediation: Inspect & Apron Repair	20	1	2027	$25,000
13.3.1 Pool Equipment - Contingency	10	8	2034	$9,730
18.3.1 Entry Gate & Fencing - Replace	40	20	2046	$31,340
18.3.2 Gate Operators - Replace	15	10	2036	$13,420
18.5.1 Security System - Install/Upgrade	10	1	2027	$3,090
13.2.1a Pool - Resurface & Tile Replacement Project	15	0	2026	$50,000

COMPONENTS EXCLUDED FROM THIS STUDY

Unless specifically noted, the components included within this study have an anticipated remaining useful life within 30 years from the time the field observations used in preparing the study was performed. Components that individual unit owners are responsible to maintain, repair, and/or replace are not included in the study or funding projections. We recommend that common interest properties establish a clear definition of these components, as well as policies and processes regarding maintenance of these "owner responsibility" items.

OPERATING BUDGET

The following components may qualify for inclusion in the Reserve Study, but are excluded because the Association elects to maintain them with funds from the operating budget:

- concrete walkways & curbs
- pool house restrooms motion-sensor lighting
- reserve study updates
- sport court maintenance

UNIT OWNER RESPONSIBILITY

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

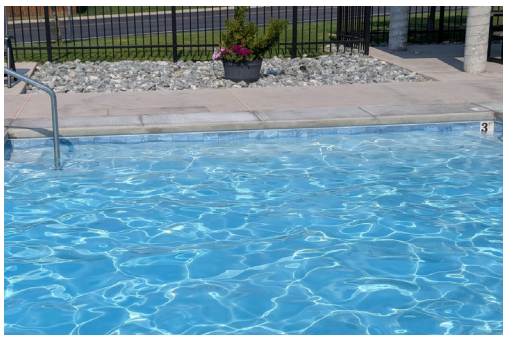
- damage caused by unit owners and pets
- individual residences

ADJUSTMENTS TO COMPONENT RESERVE RECOMMENDATIONS

This reserve study provides updated information on reserve components from prior studies. Where available, the Association's records of recent reserve expenditures were used to update component cost projections and reflect current pricing experience. For unit-cost components in the constant-cost analysis, total costs are recalculated using the applicable component quantities and unit costs, with sales tax applied based on prevailing regional tax rates, while lump-sum (LS) components are carried as total costs Where updated cost information was not available, cost projections from the prior reserve study were adjusted to the current study year using a compounded construction cost escalation multiplier derived from published Design Cost Data (DCD) indices. Costs were updated by a multiplier of 1.045 (representing an increase of approximately 4.5%) from the last reserve study year to the current study year and rounded to the nearest $10

ASSOCIATION OVERVIEW







The Village at Lake Chelan is a 107-unit residential community located along East Wapato Way (SR 150) in Chelan County Unincorp. Areas, Washington. The property was developed in about 2005. Association-maintained amenities include a gated, ornamental steel entry with automated vehicle access, a community pool, pool house, and pool deck, a sport court, a dog park, mailbox clusters, and the community's internal streets, landscaping, and drainage infrastructure.

Danielly Davidson, the Board Treasurer, served as the representative providing key information used to complete the reserve study analysis. This process aligns with the Community Associations Institute's reserve study standards to ensure transparency and foster community involvement in the study's development. A site visit was completed on July 30, 2026. Photos included in the report were taken during this year's site visit.

COMMUNITY MAINTENANCE

It was reported that The Village at Lake Chelan does not have a formal preventative maintenance manual. In accordance with Community Associations Institute (CAI) Reserve Study Standards, associations are encouraged to maintain a documented preventive maintenance program to support systematic upkeep of common components, extend useful life, and help ensure that reserve funding projections remain aligned with actual maintenance practices.

The majority of the Association's reserve components were found to be in good condition and performing within their anticipated useful lives. The community's asphalt streets and parking areas were fully repaved in 2024 and remain in good condition, with only routine crack-sealing anticipated in the near term; perimeter fencing is a mix of vinyl, steel, and chain-link construction in generally good condition, with a small remaining section of wood fencing on the south side budgeted for future conversion to vinyl.

The community pool underwent a significant resurfacing, retiling, and replastering project in 2026, along with related concrete apron repairs; pool equipment, pool house fixtures, and pool enclosure fencing are new or recently updated and in good to excellent condition. The 2026 update also surfaced emerging security priorities, including a planned upgrade to the community's camera system and installation of a new secure perimeter fence along the north side of the property to replace existing chicken-wire fencing.

Please refer to Appendix B for a detailed description of each component and its associated maintenance assumptions.

PROFESSIONAL INSPECTIONS

Danielly Davidson confirmed that no professional inspections have been recently conducted at The Village at Lake Chelan.

SIX YEARS AT A GLANCE (2026 - 2031)

Below is a comprehensive list of reserve funded expenses that are accounted for this fiscal year and anticipated to occur the following five years at The Village at Lake Chelan.

2026 (YEAR 0) COMPLETED / ANTICIPATED MAINTENANCE	ESTIMATED COST
13.2.1a Pool - Resurface & Tile Replacement Project	$50,000
Total Estimated Expenses for 2026	**$50,000**

2027 (YEAR 1) ANTICIPATED MAINTENANCE	ESTIMATED COST
2.7.3 Pool Fence & Gate - Paint	$4,150
3.3.0 Concrete Curbs & Walkways - Repair	$10,350
13.2.2 Pool Remediation: Inspect & Apron Repair	$25,875
18.5.1 Security System - Install/Upgrade	$3,198
Total Estimated Expenses for 2027	**$43,573**

2028 (YEAR 2) ANTICIPATED MAINTENANCE	ESTIMATED COST
2.2.1 Irrigation System - Contingency	$13,961
2.7.6 North Perimeter Vinyl Fence - Install	$89,524
Total Estimated Expenses for 2028	**$103,485**

2029 (YEAR 3) ANTICIPATED MAINTENANCE	ESTIMATED COST
2.2.2 Drainage System - Contingency	$3,896
2.6.1 Asphalt Pavement - Repair	$17,396
2.6.2 Asphalt Pavement - Seal Coat & Restriping	$85,448
2.7.1 Wood Fence, West - Replace w/ Vinyl	$13,982
2.9.1 Landscaping - Contingency	$7,254
3.3.1 Pool Deck - Selective Replacement	$29,990
3.3.2 Pool Deck - Repair & Seal	$11,307
Total Estimated Expenses for 2029	**$169,273**

2030 (YEAR 4) ANTICIPATED MAINTENANCE	ESTIMATED COST
3.3.0 Concrete Curbs & Walkways - Repair	$11,642
Total Estimated Expenses for 2030	**$11,642**

2031 (YEAR 5) ANTICIPATED MAINTENANCE	ESTIMATED COST
2.2.1 Irrigation System - Contingency	$15,704
10.4.1 Entry Sign - Replace	$2,531
12.1.1 Patio Furniture - Contingency	$2,531
Total Estimated Expenses for 2031	**$20,766**

PROJECTED RESERVE ACCOUNT BALANCE

FOR EACH FUNDING PLAN OVER NEXT 5 YEARS

$62,000 RECOMMENDED (THRESHOLD) FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2027)	$62,000	$0	$255,251	82%	Low Risk
2 (2028)	$64,480	$0	$222,140	77%	Low Risk
3 (2029)	$67,059	$0	$124,202	61%	Moderate Risk
4 (2030)	$69,742	$0	$186,133	68%	Moderate Risk
5 (2031)	$72,531	$0	$243,198	72%	Low Risk

$51,750 CURRENT FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2027)	$51,750	$0	$244,898	78%	Low Risk
2 (2028)	$53,820	$0	$200,735	69%	Moderate Risk
3 (2029)	$55,973	$0	$91,037	45%	Moderate Risk
4 (2030)	$58,212	$0	$140,464	52%	Moderate Risk
5 (2031)	$60,540	$0	$184,248	54%	Moderate Risk

$51,400 BASELINE FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2027)	$51,400	$0	$244,545	78%	Low Risk
2 (2028)	$53,456	$0	$200,004	69%	Moderate Risk
3 (2029)	$55,594	$0	$89,904	44%	Moderate Risk
4 (2030)	$57,818	$0	$138,905	51%	Moderate Risk
5 (2031)	$60,131	$0	$182,235	54%	Moderate Risk

$67,700 FULL FUNDING PLAN

YEAR	ANNUAL RESERVE CONTRIBUTION	SPECIAL ASSESSMENT	YEAR END RESERVE BALANCE	PERCENT FUNDED	SPECIAL ASSESSMENT RISK LEVEL
1 (2027)	$67,700	$0	$261,008	83%	Low Risk
2 (2028)	$70,408	$0	$234,042	81%	Low Risk
3 (2029)	$73,224	$0	$142,644	70%	Low Risk
4 (2030)	$76,153	$0	$211,528	78%	Low Risk
5 (2031)	$79,199	$0	$275,980	82%	Low Risk

PERCENT FUNDED

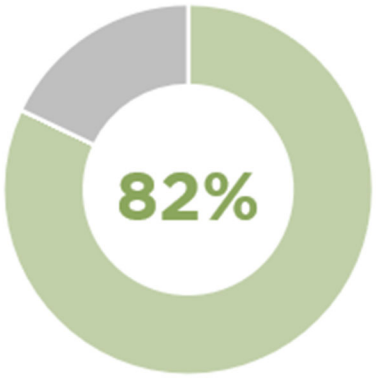
The "percent funded" is a measure of how much the Association should have saved in their reserve account compared to the projected cost for all the components the Association is responsible for and relates to the level of deterioration compared to the cost to repair or replace the component.

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

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

The Fully Funded Balance for The Village at Lake Chelan is $282,708 . The actual current funding is $232,000 . The Association is approximately 82% funded.

This means that based on a straight-line savings for each reserve component, the Association saved 82% of the accumulated depreciation of the reserve components.



At 82% percent funded, The Village at Lake Chelan
is considered to be at
Low Risk for a special assessment.

EXAMPLE OF PERCENT FUNDED FOR ROOF REPLACEMENT

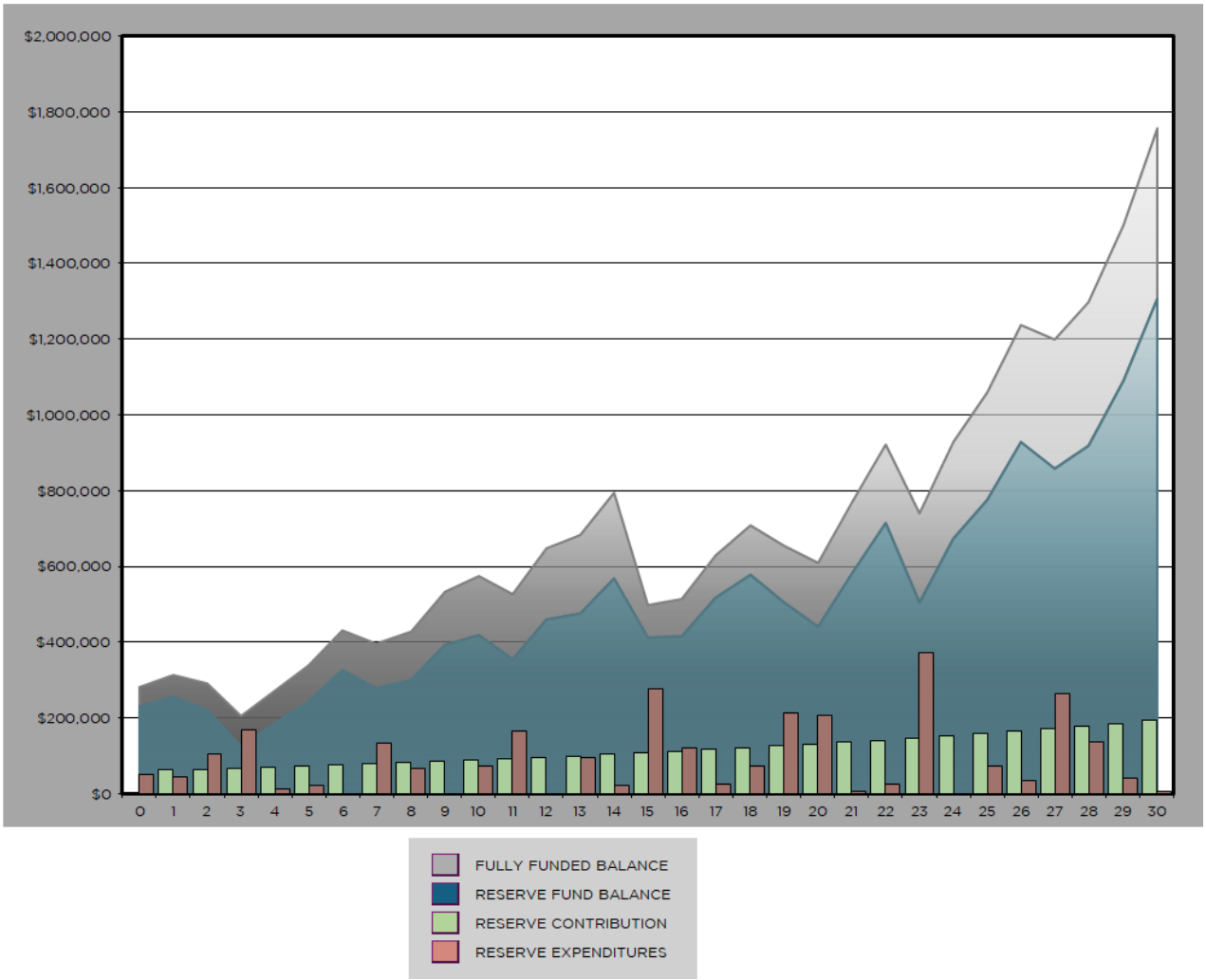
SCENARIO	ANALYSIS
For a deck membrane that lasts 10 years and costs $100,000 to replace: • Save $10,000 each year, for 10 years • Year 2, the membrane has deteriorated 20%. o If you have $20,000 saved it is fully funded. o If you have $10,000 saved it is 50% funded. • Year 8, the membrane has deteriorated 80%. o If you have $80,000 saved it is fully funded. o If you have $20,000 saved it is 25% funded. If you have $10,000 saved it is 13% funded.	A. In effect, the percent funded is a measure of how well an association can withstand the risk of unexpected expenses. Such unexpected expenses include: emergency expenses not covered by insurance, expenses that are higher than predicted, and expenses that are required earlier than anticipated. B. A higher percent funded means more money is in the bank which lowers the risk of special assessment if something unexpected occurs. A poorly funded Association has less cash on hand, therefore much higher risk of special assessment for unplanned expenses. C. By analyzing deterioration cycles and cash flow needs, we determine how much money should be steadily contributed, over a 30 year period, to fund the repair and replacement needs of the components included in the study. Budgeting to maintain a minimum balance, or threshold, helps to ensure that a special assessment will not be required if an unexpected expense arises.

RESERVE STUDY PROJECTIONS USING INFLATED DOLLAR VALUES

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

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

RECOMMENDED FUNDING PLAN STARTING AT $62,000



RESERVE 30 YEAR SUMMARY AT THE RECOMMENDED FUNDING PLAN STARTING AT $62,000

INFLATION & INTEREST ASSUMPTIONS[1]

	CONTRIBUTION INFLATION	COMPONENT INFLATION	INTEREST
Year 1	0.0%	3.5%	2.0%
Years 2-10	4.0%	4.0%	2.5%
Years 11-30	4.0%	4.0%	2.5%

SPECIAL ASSESSMENT RISK

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

FISCAL YEAR END	FISCAL YEAR BEGINNING RESERVE BALANCE	RECOMMMENDED ANNUAL RESERVE CONTRIBUTION[2]	AVERAGE CONTRIBUTION PER UNIT PER MONTH[3]	PROJECTED RESERVE EXPENDITURES	SPECIAL ASSESSMENT	PROJECTED INTEREST EARNED	FISCAL YEAR END RESERVE BALANCE	PROJECTED FULLY FUNDED BALANCE	PERCENT FUNDED
1 (2027)	$232,000	$62,000	$48	($43,573)	$0	$4,824	$255,251	$312,666	82%
2 (2028)	$255,251	$64,480	$50	($103,485)	$0	$5,894	$222,140	$290,111	77%
3 (2029)	$222,140	$67,059	$52	($169,273)	$0	$4,276	$124,202	$203,603	61%
4 (2030)	$124,202	$69,742	$54	($11,642)	$0	$3,831	$186,133	$272,658	68%
5 (2031)	$186,133	$72,531	$56	($20,766)	$0	$5,300	$243,198	$338,255	72%
6 (2032)	$243,198	$75,432	$59	($0)	$0	$7,023	$325,654	$430,258	76%
7 (2033)	$325,654	$78,450	$61	($133,409)	$0	$7,454	$278,149	$395,672	70%
8 (2034)	$278,149	$81,588	$64	($67,065)	$0	$7,135	$299,807	$429,311	70%
9 (2035)	$299,807	$84,851	$66	($0)	$0	$8,556	$393,214	$534,756	74%
10 (2036)	$393,214	$88,245	$69	($74,054)	$0	$10,008	$417,413	$573,894	73%
11 (2037)	$417,413	$91,775	$71	($165,355)	$0	$9,516	$353,349	$526,971	67%
12 (2038)	$353,349	$95,446	$74	($0)	$0	$10,027	$458,822	$647,344	71%
13 (2039)	$458,822	$99,264	$77	($94,205)	$0	$11,534	$475,415	$682,299	70%
14 (2040)	$475,415	$103,235	$80	($22,352)	$0	$12,896	$569,194	$794,635	72%
15 (2041)	$569,194	$107,364	$84	($276,550)	$0	$12,115	$412,123	$496,906	83%
16 (2042)	$412,123	$111,658	$87	($119,314)	$0	$10,207	$414,674	$513,629	81%
17 (2043)	$414,674	$116,125	$90	($25,143)	$0	$11,504	$517,160	$629,838	82%
18 (2044)	$517,160	$120,770	$94	($73,122)	$0	$13,525	$578,333	$707,547	82%
19 (2045)	$578,333	$125,601	$98	($213,593)	$0	$13,358	$503,699	$652,920	77%
20 (2046)	$503,699	$130,625	$102	($205,586)	$0	$11,655	$440,393	$609,342	72%
21 (2047)	$440,393	$135,850	$106	($7,008)	$0	$12,620	$581,855	$768,034	76%
22 (2048)	$581,855	$141,284	$110	($23,585)	$0	$16,018	$715,571	$922,150	78%
23 (2049)	$715,571	$146,935	$114	($372,076)	$0	$15,075	$505,505	$739,819	68%
24 (2050)	$505,505	$152,812	$119	($0)	$0	$14,548	$672,865	$928,384	72%
25 (2051)	$672,865	$158,925	$124	($73,224)	$0	$17,893	$776,459	$1,057,628	73%
26 (2052)	$776,459	$165,282	$129	($35,786)	$0	$21,030	$926,985	$1,236,092	75%
27 (2053)	$926,985	$171,893	$134	($263,621)	$0	$22,028	$857,285	$1,200,738	71%
28 (2054)	$857,285	$178,769	$139	($138,082)	$0	$21,941	$919,913	$1,296,660	71%
29 (2055)	$919,913	$185,920	$145	($40,254)	$0	$24,819	$1,090,397	$1,501,687	73%
30 (2056)	$1,090,397	$193,356	$151	($6,746)	$0	$29,593	$1,306,600	$1,756,159	74%

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

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

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

PURPOSE OF A RESERVE STUDY

The purpose of a Reserve Study is to recommend a reasonable annual reserve contribution rate made by a common interest community to its reserve account. Reserve accounts are established to fund major maintenance, repair, and replacement of common elements, including limited common elements, expected within the next thirty years. A Reserve Study is intended to project availability of adequate funds for the replacement or major repair of any significant component of the property as it becomes necessary without relying on special assessments. It is a budget planning tool which identifies the current status of the reserve account and a stable and equitable Funding Plan to offset the anticipated future major shared expenditures. Each reserve component is evaluated to determine the current condition, the remaining useful life, and the estimated replacement cost. This information is combined into a spreadsheet to determine funding requirements and establish the annual contribution rate needed to minimize the potential for special assessments. All costs and annual reserve fund balances are shown with adjustments for annual inflation and interest earned. Ideally, an even level of contributions is established that maintains a positive balance in the reserve account over the timeline the study examines. Annual updates are key to keeping up with current trends in component pricing, inflation and interest rates, actual timing of maintenance experienced and the community's risk tolerance.

A Reserve Study also calculates a theoretical "Fully Funded Balance". Fully Funded Balance is the sum total of the reserve components' depreciated value using a straight-line depreciation method.

To calculate each component's depreciated value:

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

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

OUR APPROACH TO A RESERVE STUDY

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

LEVELS OF RESERVE STUDIES

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

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

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

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

This study is a Level 2 Reserve Study Update with a Site Visit

The next required update for The Village at Lake Chelan is a **Level 3 study by August, 2027.**

SOURCES USED IN COMPILING THIS REPORT

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

- Site visit and visual inspection of a sampling of the components
- Input provided by Danielly Davidson
- Review of a list of components the community is responsible to maintain
- Generally accepted construction, maintenance, and repair guidelines

Measurements and take-offs used in the report are collected using a variety of methods. Our preference is to collect information from as-built drawings. If drawings are not available, measurements are taken from Google Earth and on-site; quantities of components are confirmed on-site. For updates, The Village at Lake Chelan is considered to have deemed previously developed component quantities as accurate and reliable.

Information provided by The Village at Lake Chelan regarding ongoing maintenance or repair being performed is included in the component summary notes. This information impacts estimated costs, maintenance cycles and useful life for the components.

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

GOVERNMENT REQUIREMENTS FOR A RESERVE STUDY

The Washington State government requires that the following disclosure be included in every Reserve Study (RCW 64.34.382§3 & RCW 64.38.070§3):

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

The requirements of RCW 64.34 (Condo Act) and RCW 64.38 (Homeowners' Association Act) can be found on the Washington State Legislature's website. Effective July 1, 2018, the Washington Uniform Common Interest Ownership Act (WUCIOA) has impacted all common interest communities. Our reserve studies also comply with WUCIOA. WUCIOA requires the following disclosure in every Reserve Study (RCW 64.90.550 § 3):

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

We understand that common interest properties are to follow the budget ratification process outlined in RCW 64.90.525. Specifically,

> "Within thirty days after adoption of any proposed budget for the common interest community, the board must provide a copy of the budget to all the unit owners and set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than fifty days after providing the budget. Unless at that meeting the unit owners of units to which a majority of the votes in the association are allocated or any larger percentage specified in the declaration reject the budget, the budget and the assessments against the units included in the budget are ratified, whether or not a quorum is present."

RCW 64.90.525 §2 states that the copy of the budget must include:

(d) the current amount of regular assessments budgeted for contribution to the reserve account;

(e) A statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 of this act and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and

(f) The current deficiency or surplus in reserve funding expressed on a per unit basis.

Reserve Consultants will prepare a Reserve Disclosure that covers the requirements of RCW 64.90.525 §2 (d) – (f) **if requested within one year of when the draft report of the Reserve Study was issued**. Once The Village at Lake Chelan has **provided the required information in RCL's format**, the Reserve Disclosure will be compiled at no additional charge for inclusion with the budget ratification package.

LIMITATIONS AND ASSUMPTIONS OF A RESERVE STUDY

This Reserve Study is not a report on the condition of the assets maintained by The Village at Lake Chelan, or a detailed report of necessary maintenance to the assets. It is also not an investigation into or comment on the quality of construction of the reserve components, or whether the construction complies with the building code or the requirements of Washington State requirements common interest properties, including the Washington Uniform Common Interest Ownership Act (WUCIOA).

The component list is based on information provided by The Village at Lake Chelan. Reserve Consultants LLC does not provide legal interpretations of governing documents or auditing services on account information provided.

Material issues that are not disclosed to Reserve Consultants LLC could cause a distortion of The Village at Lake Chelan's reserve fund standing. Furthermore, Reserve Consultants LLC can only be aware of preventative maintenance plans or programs that have been disclosed by The Village at Lake Chelan. An audit or evaluation of any maintenance plan or maintenance contract is outside the scope of services performed by a Reserve Specialist.

Necessary corrective maintenance costs and timing will be incorporated into the report if the most recent structural or other professional inspection reports are provided.

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

Conditions may exist that are outside the scope of work for a Reserve Specialist. When conditions outside the reserve study scope of work are noted, Reserve Consultants LLC will make a recommendation regarding further investigations by another professional in the Association Overview and/or Component Summary.

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

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

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

INFLATION AND INTEREST RATE PROJECTIONS

When making estimates on the future inflation and interest rates, we use a staggered approach for more flexibility in reflecting future economic projections. Inflation and interest rate projections are updated annually.

For inflation We have historically followed construction industry inflation trends using cost indices published by RSMeans and Design Cost Data (DCD), which reflect construction-specific escalation and differ from consumer price inflation measures. RCL also monitors regional inflation trends in the Pacific Northwest based on recent construction bids and information published by local contractors. Based on these data sources, the long-term average annual construction inflation rate applied in this analysis is approximately 4.00%..

Inflation is not applied to the recommended reserve contribution in Year 1 because the first-year contribution is expressed in current dollars at the recommended funding level. Inflation applied to projected component costs in the reserve model is compounded annually; the resulting escalated values are presented for each year in the 30-year funding schedule shown in Appendix A.

For interest rates, For interest-rate assumptions, historical data published by the Federal Reserve are reviewed to evaluate long-term market conditions. Depending on the specific rate series analyzed (e.g., federal funds rate, Treasury yields, or insured deposit rates), long-term averages since the mid-1990s generally fall within the low-single-digit range. Reserve fund earnings for common-interest communities are typically lower than broad market averages because associations are required to use conservative, low-risk investment vehicles designed to preserve principal rather than maximize yield.

CONTRIBUTION & EXPENSE INFLATION AND INTEREST PROJECTIONS

YEARS APPLIED	CONTRIBUTION ACCELERATOR	RESERVE CONTRIBUTION INFLATION	RESERVE EXPENSE INFLATION	INTEREST RATE
Year 0 (2026)	0%	0%	0%	2.0%
Year 1 (2027)	0%	0%	3.5%	2.0%
Year 2 (2028) through Year 10 (2036)	0%	4.0%	4.0%	2.5%
Year 11 (2037) through Year 30 (2055)	0%	4.0%	4.0%	2.5%

A contribution accelerator applies an additional annual increase to the reserve contribution above the inflation rate assumption to help increase the reserve fund balance without the need for a special assessment. This is not a strategy that is typically employed.

DISCLOSURES

1. Reserve Consultants LLC also provides construction inspection services for common interest properties and does design and construction oversight for major repair projects, including roofing, decks and building envelope replacement.
2. No shareholder or employee of Reserve Consultants LLC has any interest in, or obligation to, any construction company, management company, or development entity that creates common interest properties; nor is there any involvement with The Village at Lake Chelan which could result in a conflict of interest.
3. Reserve Consultants LLC has been a member of the Community Associations Institute since about 1993, and has worked with a variety of management companies, common interest properties, and other types of clients in Washington State.
4. This report and analysis are based upon observations of the visible and apparent condition of the building and its major components on the date of the inspection. Although care has been taken in the performance of this inspection, Reserve Consultants LLC (and/or its representatives) make no representations regarding latent or concealed defects which may exist, and no warranty or guarantee is expressed or implied. This report is made only in the best exercise of our ability and judgment. Conclusions in this report are based on estimates of the age and normal working life of various items of equipment and appliances. Predictions of life expectancy and the balance of useful life are necessarily based on industry and/or statistical comparisons. It is essential to understand that actual conditions can alter the useful life of any item. The previous use or misuse, irregularity of servicing, faulty manufacture, unfavorable conditions, acts of God, and unforeseen circumstances make it impossible to state precisely when each item would require replacement. The client herein should be aware that certain components within the above referenced property may function consistent with their purpose at the time of inspection, but due to their nature, are subject to deterioration without notice.
5. Unless otherwise noted, all reserve components are assumed to meet the building code requirements in force at the time of construction. Any on-site inspection should not be considered a project audit or quality inspection.
6. Conclusions reached in this report assume responsible ownership and competent management of the property. Information provided by others is believed to be reliable. Information provided by others was not audited; we assume no responsibility for accuracy thereof.
7. The reserve study reflects information provided to the consultant and assembled for The Village at Lake Chelan's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical record.
8. Reserve study updates are based on information collected for the previous reserve study analysis. It is assumed that quantities remain the same. Estimated costs and timing for maintenance are adjusted from the previous report according to inflation factors indicated and information provided by Danielly Davidson.
9. Reserve Consultants LLC shall incur no civil liability for performing the physical or financial portions of a reserve study.
10. Structural integrity evaluations are not included in the reserve study unless otherwise noted.
11. The Community Associations Institute (CAI) encourages every common interest community to have a preventative maintenance plan prepared in conjunction with the reserve study to positively impact life cycle costs and structural safety. The plan should include all applicable common elements, not just those components included in the reserve study.

GLOSSARY OF TERMS

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

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

Association or **Unit Owners Association** - the unit owners association organized under RCW 64.90.400 of WUCIOA and, to the extent necessary to construe sections of this chapter made applicable to common interest communities pursuant to RCW 64.90.080, 64.90.090, or 64.90.095 of WUCIOA, the association organized or created to administer such common interest communities. RCW §64.90.010 §4.

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

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

Building Codes - Nationally recognized standards used to gauge the acceptability of a particular material or building procedure. Typically, if something is built to "code," it is acceptable to all concerned. Some often-used codes are International Building Code (IBC) (applicable to most multifamily housing), International Residential Code (IRC) (applicable to one- and two-family structures), Washington Energy Code, National Electric Code (NEC), Uniform Plumbing Code (UPC), and the National Fire Protection Association Standards (NFPA). These are usually amended slightly by each city or county.

Building Component – see "Reserve Component".

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

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

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

Common Expense Liability - the liability for common expenses allocated to each unit pursuant to RCW 64.90.235. RCW §64.90.010 §9.

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

Condition Assessment of Components - a visual, non-invasive evaluation of a sampling of the components, completed by a reserve professional during the site visit. The evaluation may also take into consideration information provided by the community representative. The last observed or reported condition will be used until another site visit is conducted.

Excellent – very close to new condition, recently installed, and/or no maintenance required prior to the end of typical maintenance cycle; the component should achieve a full useful life cycle.

Good – fit for the intended purpose, no visible damage, and/or meets expected performance standards within the maintenance cycle; the component is expected to attain a full useful life cycle.

Good/Fair – in working condition, minor damage visible, and/or minor maintenance anticipated within typical maintenance cycle; without maintenance the component may not achieve a full useful life cycle.

Fair – has been modified or repaired, and/ or effects of age/utilization requires shorter than typically specified maintenance cycle; without maintenance the component will not achieve a full useful life cycle.

Fair/Poor – requires general repairs and/or some replacement of minor elements at a shortened maintenance cycle; the component is close to the end of its useful life cycle.

Poor – visible damage, current condition does not meet expectations, and/or extensive repairs and replacement required; the component is at the end of its useful life cycle.

Not Observed – access was not available for a visible inspection, e.g. an exterior deck or pitched roof.

Serviceable – the component is not obsolete and can reasonably be repaired or maintained to achieve a full useful life cycle.

Reported Good – the representative reported the component to be in good/working condition; the reserve professional did not directly observe the component at the time of the site visit.

N/A – not applicable, e.g. an inspection or a component that is no longer budgeted in the report.

Contribution Accelerator – an additional increase to the annual reserve contribution above the applied inflation rate.

Contribution Rate - the amount contributed to the reserve account so that the association will have cash reserves to pay major maintenance, repair, or replacement costs without the need for a special assessment. RCW 64.34.020 (10), RCW 64.38.010 (6)

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

Effective Age - the difference between the useful life and the remaining useful life. RCW 64.34.020 §19, RCW 64.38.010 §7 & RCW §64.90.010 §21.

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

Fully Funded Balance - the current value of the deteriorated portion, not the total replacement value, of all the reserve components. The fully funded balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum of all reserve components' fully funded balances is the community's fully funded balance. RCW 64.34.020 §22, RCW 64.38.010 §10 & RCW §64.90.010 §26.

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

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

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

Limited Common Element - a portion of the common elements allocated by the declaration or by operation of RCW 64.90.210 §1(b) or §2 for the exclusive use of one or more, but fewer than all, of the unit owners. RCW §64.90.010 §30.

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

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

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

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

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

RCL Database – A database of maintenance cycles and unit costs compiled and constantly updated by RCL, based on information gathered since 1992 from our reserve study and construction service clients.

RCW – the Revised Code of Washington.

RCW 64.34 is the Washington Condominium Act, the statute that governs 'New Act' common interest properties formed between July 1, 1990 and June 30, 2018.

RCW 64.38 is the Washington Homeowners' Act, the statute that governs homeowners' common interest properties formed prior to June 30, 2018.

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

Remaining useful life - the estimated time, in years, that a reserve component can be expected to continue to serve its intended function. RCW 64.34.020 §31, RCW 64.38.010 §15. Or the estimated time before a reserve component will require major maintenance, repair or replacement to perform its intended function. RCW §64.90.010 §44.

Replacement Cost - the current cost of replacing, repairing, or restoring a reserve component to its original functional condition. RCW 64.34.020 §32, RCW 64.38.010 §16.

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

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

Reserve Component - common elements whose cost of maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget. RCW 64.34.020 §34, RCW 64.38.010 §18.

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

Reserve Contribution Inflation – the annual compounded inflation percentage applied to the annual reserve contribution.

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

Reserve Expense Inflation - the annual compounded inflation percentage applied to each of the anticipated reserve expenses.

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

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

Reserve Study Professional - means an independent person suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with RCW 64.34.020 §35, RCW 64.38.010 §17, RCW 64.90.545 and RCW 64.90.550. For the purposes of WUCIOA," independent" means a person who is not an employee, officer, or director, and has no pecuniary interest in the declarant, association, or any other party for whom the reserve study is prepared. RCW §64.90.010 §47.

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

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

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

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

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

Useful life - the estimated time, in years, that a reserve component can be expected to serve its intended function. RCW 64.34.020 §40 & RCW 64.38.010 §20 or the estimated time during which a reserve component is expected to perform its intended function without major maintenance, repair or replacement. RCW §64.90.010 §59.

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

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

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

EVALUATORS' CREDENTIALS

Mahria Sooter

Principal
Reserve Consultants LLC

B.A. Springfield College, MA
Reserve Specialist, #380

Mahria joined Reserve Consultants in 2016 and holds a Bachelor's degree from Springfield College, MA. In 2019, she became a partner at the firm and earned her Reserve Specialist (RS) designation from the Community Associations Institute. Over the past nine years Mahria has completed and overseen numerous reserve studies each year, covering a wide range of property types and sizes. Her experience includes everything from small communities to large-scale developments, each requiring tailored analysis and strategic planning. In this role, she has developed a strong track record of delivering clear, actionable recommendations about the long-term financial health of their community.

APPENDIX A

THE VILLAGE AT LAKE CHELAN

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF $62,000
AND COMPOUND INFLATION

14-Aug-26

			STARTING RESERVE BALANCE	$232,000	$255,251	$222,140	$124,202	$186,133
			ANNUAL RESERVE CONTRIBUTION	$62,000	$64,480	$67,059	$69,742	$72,531
			ESTIMATED INTEREST EARNED	$4,824	$5,894	$4,276	$3,831	$5,300
			SPECIAL ASSESSMENT	$0	$0	$0	$0	$0
			ACCUMULATED CREDITS	**$298,824**	**$325,625**	**$293,475**	**$197,775**	**$263,964**
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	1 **2027**	2 **2028**	3 **2029**	4 **2030**	5 **2031**
2.2.1	**Irrigation System - Contingency**	3	2		$13,961			$15,704
2.2.2	**Drainage System - Contingency**	5	3			$3,896		
2.6.1	**Asphalt Pavement - Repair**	4	3			$17,396		
2.6.2	**Asphalt Pavement - Seal Coat & Restriping**	4	3			$85,448		
2.6.3	**Asphalt Pavement - Overlay**	16	15					
2.7.1	**Wood Fence, West - Replace w/ Vinyl**	10	3			$13,982		
2.7.2	**Pool Enclosure Fence - Replace**	40	20					
2.7.3	**Pool Fence & Gate - Paint**	15	1	$4,150				
2.7.4	**Vinyl Fence - Replace**	40	33					
2.7.5	**Chain Link Fence - Repair**	30	10					
2.7.6	**North Perimeter Vinyl Fence - Install**	40	2		$89,524			
2.9.1	**Landscaping - Contingency**	5	3			$7,254		
3.3.0	**Concrete Curbs & Walkways - Repair**	3	1	$10,350			$11,642	
3.3.1	**Pool Deck - Selective Replacement**	10	3			$29,990		
3.3.2	**Pool Deck - Repair & Seal**	5	3			$11,307		
3.3.3	**Pool Deck - Resurface & Seal**	20	0					
6.2.1	**Pool/Restroom/Equip Room - Contingency**	10	8					
7.4.1	**Covered Patio Roofs - Replace**	35	15					
10.4.1	**Entry Sign - Replace**	10	5					$2,531
10.5.1	**Mailbox Clusters - Replace**	25	10					
12.1.1	**Patio Furniture - Contingency**	5	5					$2,531
13.2.1	**Pool - Resurface & Tile Replacement**	15	16					
13.2.2	**Pool Remediation: Inspect & Apron Repair**	20	1	$25,875				
13.3.1	**Pool Equipment - Contingency**	10	8					
18.3.1	**Entry Gate & Fencing - Replace**	40	20					
18.3.2	**Gate Operators - Replace**	15	10					
18.5.1	**Security System - Install/Upgrade**	10	1	$3,198				
13.2.1a	**Pool - Resurface & Tile Replacement Project**	15	0					
	TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			**$43,573**	**$103,485**	**$169,273**	**$11,642**	**$20,766**
	ACCUMULATED CREDITS			$298,824	$325,625	$293,475	$197,775	$263,964
	ACCUMULATED DEBITS			$43,573	$103,485	$169,273	$11,642	$20,766
	YEAR-END BALANCE			**$255,251**	**$222,140**	**$124,202**	**$186,133**	**$243,198**

YEARS	**1**	**2-10**	**11-30**	1 (2027)	2 (2028)	3 (2029)	4 (2030)	5 (2031)
CONTRIBUTION INFLATION	0.0%	4.0%	4.0%	0.0%	4.0%	4.0%	4.0%	4.0%
COMPONENT COMPOUND INFLATION	3.5%	4.0%	4.0%	103.5%	107.6%	111.9%	116.4%	121.1%
INTEREST RATE MULTIPLIER	2.0%	2.5%	2.5%	2.0%	2.5%	2.5%	2.5%	2.5%

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APPENDIX A

THE VILLAGE AT LAKE CHELAN

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF $62,000
AND COMPOUND INFLATION

							14-Aug-26
			STARTING RESERVE BALANCE	$243,198	$325,654	$278,149	$299,807	$393,214
			ANNUAL RESERVE CONTRIBUTION	$75,432	$78,450	$81,588	$84,851	$88,245
			ESTIMATED INTEREST EARNED	$7,023	$7,454	$7,135	$8,556	$10,008
			SPECIAL ASSESSMENT	$0	$0	$0	$0	$0
			ACCUMULATED CREDITS	**$325,654**	**$411,558**	**$366,872**	**$393,214**	**$491,467**
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	6 **2032**	7 **2033**	8 **2034**	9 **2035**	10 **2036**
2.2.1	**Irrigation System - Contingency**	3	2			$17,665		
2.2.2	**Drainage System - Contingency**	5	3			$4,740		
2.6.1	**Asphalt Pavement - Repair**	4	3		$20,351			
2.6.2	**Asphalt Pavement - Seal Coat & Restriping**	4	3		$99,962			
2.6.3	**Asphalt Pavement - Overlay**	16	15					
2.7.1	**Wood Fence, West - Replace w/ Vinyl**	10	3					
2.7.2	**Pool Enclosure Fence - Replace**	40	20					
2.7.3	**Pool Fence & Gate - Paint**	15	1					
2.7.4	**Vinyl Fence - Replace**	40	33					
2.7.5	**Chain Link Fence - Repair**	30	10					$5,421
2.7.6	**North Perimeter Vinyl Fence - Install**	40	2					
2.9.1	**Landscaping - Contingency**	5	3			$8,826		
3.3.0	**Concrete Curbs & Walkways - Repair**	3	1		$13,096			$14,731
3.3.1	**Pool Deck - Selective Replacement**	10	3					
3.3.2	**Pool Deck - Repair & Seal**	5	3			$13,756		
3.3.3	**Pool Deck - Resurface & Seal**	20	0					
6.2.1	**Pool/Restroom/Equip Room - Contingency**	10	8			$8,826		
7.4.1	**Covered Patio Roofs - Replace**	35	15					
10.4.1	**Entry Sign - Replace**	10	5					
10.5.1	**Mailbox Clusters - Replace**	25	10					$31,054
12.1.1	**Patio Furniture - Contingency**	5	5					$3,079
13.2.1	**Pool - Resurface & Tile Replacement**	15	16					
13.2.2	**Pool Remediation: Inspect & Apron Repair**	20	1					
13.3.1	**Pool Equipment - Contingency**	10	8			$13,252		
18.3.1	**Entry Gate & Fencing - Replace**	40	20					
18.3.2	**Gate Operators - Replace**	15	10					$19,769
18.5.1	**Security System - Install/Upgrade**	10	1					
13.2.1a	**Pool - Resurface & Tile Replacement Project**	15	0					
	TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			**$0**	**$133,409**	**$67,065**	**$0**	**$74,054**
	ACCUMULATED CREDITS			$325,654	$411,558	$366,872	$393,214	$491,467
	ACCUMULATED DEBITS			$0	$133,409	$67,065	$0	$74,054
	YEAR-END BALANCE			**$325,654**	**$278,149**	**$299,807**	**$393,214**	**$417,413**

YEARS	1	2-10	11-30	6 (2032)	7 (2033)	8 (2034)	9 (2035)	10 (2036)
CONTRIBUTION INFLATION	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
COMPONENT COMPOUND INFLATION	3.5%	4.0%	4.0%	125.9%	131.0%	136.2%	141.6%	147.3%
INTEREST RATE MULTIPLIER	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

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APPENDIX A

THE VILLAGE AT LAKE CHELAN

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF $62,000
AND COMPOUND INFLATION

							14-Aug-26
			STARTING RESERVE BALANCE	$417,413	$353,349	$458,822	$475,415	$569,194
			ANNUAL RESERVE CONTRIBUTION	$91,775	$95,446	$99,264	$103,235	$107,364
			ESTIMATED INTEREST EARNED	$9,516	$10,027	$11,534	$12,896	$12,115
			SPECIAL ASSESSMENT	$0	$0	$0	$0	$0
			ACCUMULATED CREDITS	**$518,704**	**$458,822**	**$569,620**	**$591,546**	**$688,673**
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	11 **2037**	12 **2038**	13 **2039**	14 **2040**	15 **2041**
2.2.1	**Irrigation System - Contingency**	3	2	$19,871			$22,352	
2.2.2	**Drainage System - Contingency**	5	3			$5,767		
2.6.1	**Asphalt Pavement - Repair**	4	3	$23,808				
2.6.2	**Asphalt Pavement - Seal Coat & Restriping**	4	3	$116,942				
2.6.3	**Asphalt Pavement - Overlay**	16	15					$253,949
2.7.1	**Wood Fence, West - Replace w/ Vinyl**	10	3					
2.7.2	**Pool Enclosure Fence - Replace**	40	20					
2.7.3	**Pool Fence & Gate - Paint**	15	1					
2.7.4	**Vinyl Fence - Replace**	40	33					
2.7.5	**Chain Link Fence - Repair**	30	10					
2.7.6	**North Perimeter Vinyl Fence - Install**	40	2					
2.9.1	**Landscaping - Contingency**	5	3			$10,738		
3.3.0	**Concrete Curbs & Walkways - Repair**	3	1			$16,571		
3.3.1	**Pool Deck - Selective Replacement**	10	3			$44,393		
3.3.2	**Pool Deck - Repair & Seal**	5	3			$16,736		
3.3.3	**Pool Deck - Resurface & Seal**	20	0					
6.2.1	**Pool/Restroom/Equip Room - Contingency**	10	8					
7.4.1	**Covered Patio Roofs - Replace**	35	15					$15,109
10.4.1	**Entry Sign - Replace**	10	5					$3,746
10.5.1	**Mailbox Clusters - Replace**	25	10					
12.1.1	**Patio Furniture - Contingency**	5	5					$3,746
13.2.1	**Pool - Resurface & Tile Replacement**	15	16					
13.2.2	**Pool Remediation: Inspect & Apron Repair**	20	1					
13.3.1	**Pool Equipment - Contingency**	10	8					
18.3.1	**Entry Gate & Fencing - Replace**	40	20					
18.3.2	**Gate Operators - Replace**	15	10					
18.5.1	**Security System - Install/Upgrade**	10	1	$4,734				
13.2.1a	**Pool - Resurface & Tile Replacement Project**	15	0					
	TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			**$165,355**	**$0**	**$94,205**	**$22,352**	**$276,550**
	ACCUMULATED CREDITS			$518,704	$458,822	$569,620	$591,546	$688,673
	ACCUMULATED DEBITS			$165,355	$0	$94,205	$22,352	$276,550
	YEAR-END BALANCE			**$353,349**	**$458,822**	**$475,415**	**$569,194**	**$412,123**

YEARS	**1**	**2-10**	**11-30**	11 (2037)	12 (2038)	13 (2039)	14 (2040)	15 (2041)
CONTRIBUTION INFLATION	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
COMPONENT COMPOUND INFLATION	3.5%	4.0%	4.0%	153.2%	159.3%	165.7%	172.3%	179.2%
INTEREST RATE MULTIPLIER	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

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APPENDIX A

THE VILLAGE AT LAKE CHELAN

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF $62,000
AND COMPOUND INFLATION

							14-Aug-26
			STARTING RESERVE BALANCE	$412,123	$414,674	$517,160	$578,333	$503,699
			ANNUAL RESERVE CONTRIBUTION	$111,658	$116,125	$120,770	$125,601	$130,625
			ESTIMATED INTEREST EARNED	$10,207	$11,504	$13,525	$13,358	$11,655
			SPECIAL ASSESSMENT	$0	$0	$0	$0	$0
			ACCUMULATED CREDITS	**$533,988**	**$542,303**	**$651,455**	**$717,292**	**$645,979**
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	16 **2042**	17 **2043**	18 **2044**	19 **2045**	20 **2046**
2.2.1	**Irrigation System - Contingency**	3	2		$25,143			$28,282
2.2.2	**Drainage System - Contingency**	5	3			$7,016		
2.6.1	**Asphalt Pavement - Repair**	4	3				$32,583	
2.6.2	**Asphalt Pavement - Seal Coat & Restriping**	4	3				$160,043	
2.6.3	**Asphalt Pavement - Overlay**	16	15					
2.7.1	**Wood Fence, West - Replace w/ Vinyl**	10	3					
2.7.2	**Pool Enclosure Fence - Replace**	40	20					$104,407
2.7.3	**Pool Fence & Gate - Paint**	15	1	$7,475				
2.7.4	**Vinyl Fence - Replace**	40	33					
2.7.5	**Chain Link Fence - Repair**	30	10					
2.7.6	**North Perimeter Vinyl Fence - Install**	40	2					
2.9.1	**Landscaping - Contingency**	5	3			$13,064		
3.3.0	**Concrete Curbs & Walkways - Repair**	3	1	$18,640			$20,967	
3.3.1	**Pool Deck - Selective Replacement**	10	3					
3.3.2	**Pool Deck - Repair & Seal**	5	3			$20,362		
3.3.3	**Pool Deck - Resurface & Seal**	20	0					
6.2.1	**Pool/Restroom/Equip Room - Contingency**	10	8			$13,064		
7.4.1	**Covered Patio Roofs - Replace**	35	15					
10.4.1	**Entry Sign - Replace**	10	5					
10.5.1	**Mailbox Clusters - Replace**	25	10					
12.1.1	**Patio Furniture - Contingency**	5	5					$4,557
13.2.1	**Pool - Resurface & Tile Replacement**	15	16	$93,199				
13.2.2	**Pool Remediation: Inspect & Apron Repair**	20	1					
13.3.1	**Pool Equipment - Contingency**	10	8			$19,616		
18.3.1	**Entry Gate & Fencing - Replace**	40	20					$68,340
18.3.2	**Gate Operators - Replace**	15	10					
18.5.1	**Security System - Install/Upgrade**	10	1					
13.2.1a	**Pool - Resurface & Tile Replacement Project**	15	0					
	TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			**$119,314**	**$25,143**	**$73,122**	**$213,593**	**$205,586**
	ACCUMULATED CREDITS			$533,988	$542,303	$651,455	$717,292	$645,979
	ACCUMULATED DEBITS			$119,314	$25,143	$73,122	$213,593	$205,586
	YEAR-END BALANCE			**$414,674**	**$517,160**	**$578,333**	**$503,699**	**$440,393**

YEARS	**1**	**2-10**	**11-30**	16 (2042)	17 (2043)	18 (2044)	19 (2045)	20 (2046)
CONTRIBUTION INFLATION	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
COMPONENT COMPOUND INFLATION	3.5%	4.0%	4.0%	186.4%	193.9%	201.6%	209.7%	218.1%
INTEREST RATE MULTIPLIER	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

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APPENDIX A

THE VILLAGE AT LAKE CHELAN

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF $62,000
AND COMPOUND INFLATION

							14-Aug-26
			STARTING RESERVE BALANCE	$440,393	$581,855	$715,571	$505,505	$672,865
			ANNUAL RESERVE CONTRIBUTION	$135,850	$141,284	$146,935	$152,812	$158,925
			ESTIMATED INTEREST EARNED	$12,620	$16,018	$15,075	$14,548	$17,893
			SPECIAL ASSESSMENT	$0	$0	$0	$0	$0
			ACCUMULATED CREDITS	**$588,863**	**$739,156**	**$877,581**	**$672,865**	**$849,683**
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	21 **2047**	22 **2048**	23 **2049**	24 **2050**	25 **2051**
2.2.1	**Irrigation System - Contingency**	3	2			$31,814		
2.2.2	**Drainage System - Contingency**	5	3			$8,536		
2.6.1	**Asphalt Pavement - Repair**	4	3			$38,118		
2.6.2	**Asphalt Pavement - Seal Coat & Restriping**	4	3			$187,227		
2.6.3	**Asphalt Pavement - Overlay**	16	15					
2.7.1	**Wood Fence, West - Replace w/ Vinyl**	10	3					
2.7.2	**Pool Enclosure Fence - Replace**	40	20					
2.7.3	**Pool Fence & Gate - Paint**	15	1					
2.7.4	**Vinyl Fence - Replace**	40	33					
2.7.5	**Chain Link Fence - Repair**	30	10					
2.7.6	**North Perimeter Vinyl Fence - Install**	40	2					
2.9.1	**Landscaping - Contingency**	5	3			$15,895		
3.3.0	**Concrete Curbs & Walkways - Repair**	3	1		$23,585			$26,530
3.3.1	**Pool Deck - Selective Replacement**	10	3			$65,712		
3.3.2	**Pool Deck - Repair & Seal**	5	3			$24,774		
3.3.3	**Pool Deck - Resurface & Seal**	20	0					
6.2.1	**Pool/Restroom/Equip Room - Contingency**	10	8					
7.4.1	**Covered Patio Roofs - Replace**	35	15					
10.4.1	**Entry Sign - Replace**	10	5					$5,545
10.5.1	**Mailbox Clusters - Replace**	25	10					
12.1.1	**Patio Furniture - Contingency**	5	5					$5,545
13.2.1	**Pool - Resurface & Tile Replacement**	15	16					
13.2.2	**Pool Remediation: Inspect & Apron Repair**	20	1					
13.3.1	**Pool Equipment - Contingency**	10	8					
18.3.1	**Entry Gate & Fencing - Replace**	40	20					
18.3.2	**Gate Operators - Replace**	15	10					$35,604
18.5.1	**Security System - Install/Upgrade**	10	1	$7,008				
13.2.1a	**Pool - Resurface & Tile Replacement Project**	15	0					
	TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			**$7,008**	**$23,585**	**$372,076**	**$0**	**$73,224**
	ACCUMULATED CREDITS			$588,863	$739,156	$877,581	$672,865	$849,683
	ACCUMULATED DEBITS			$7,008	$23,585	$372,076	$0	$73,224
	YEAR-END BALANCE			**$581,855**	**$715,571**	**$505,505**	**$672,865**	**$776,459**

YEARS	**1**	**2-10**	**11-30**	21 (2047)	22 (2048)	23 (2049)	24 (2050)	25 (2051)
CONTRIBUTION INFLATION	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
COMPONENT COMPOUND INFLATION	3.5%	4.0%	4.0%	226.8%	235.9%	245.3%	255.1%	265.3%
INTEREST RATE MULTIPLIER	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

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APPENDIX A

THE VILLAGE AT LAKE CHELAN

30-YEAR RESERVE STUDY PROJECTIONS
WITH STARTING RECOMMENDED FUNDING OF $62,000
AND COMPOUND INFLATION

14-Aug-26

			STARTING RESERVE BALANCE	$776,459	$926,985	$857,285	$919,913	$1,090,397
			ANNUAL RESERVE CONTRIBUTION	$165,282	$171,893	$178,769	$185,920	$193,356
			ESTIMATED INTEREST EARNED	$21,030	$22,028	$21,941	$24,819	$29,593
			SPECIAL ASSESSMENT	$0	$0	$0	$0	$0
			ACCUMULATED CREDITS	**$962,771**	**$1,120,906**	**$1,057,995**	**$1,130,651**	**$1,313,346**
#	COMPONENT NAME	MAINT. CYCLE	NEXT MAINT.	26 **2052**	27 **2053**	28 **2054**	29 **2055**	30 **2056**
2.2.1	**Irrigation System - Contingency**	3	2	$35,786			$40,254	
2.2.2	**Drainage System - Contingency**	5	3			$10,385		
2.6.1	**Asphalt Pavement - Repair**	4	3		$44,592			
2.6.2	**Asphalt Pavement - Seal Coat & Restriping**	4	3		$219,029			
2.6.3	**Asphalt Pavement - Overlay**	16	15					
2.7.1	**Wood Fence, West - Replace w/ Vinyl**	10	3					
2.7.2	**Pool Enclosure Fence - Replace**	40	20					
2.7.3	**Pool Fence & Gate - Paint**	15	1					
2.7.4	**Vinyl Fence - Replace**	40	33					
2.7.5	**Chain Link Fence - Repair**	30	10					
2.7.6	**North Perimeter Vinyl Fence - Install**	40	2					
2.9.1	**Landscaping - Contingency**	5	3			$19,338		
3.3.0	**Concrete Curbs & Walkways - Repair**	3	1			$29,843		
3.3.1	**Pool Deck - Selective Replacement**	10	3					
3.3.2	**Pool Deck - Repair & Seal**	5	3			$30,141		
3.3.3	**Pool Deck - Resurface & Seal**	20	0					
6.2.1	**Pool/Restroom/Equip Room - Contingency**	10	8			$19,338		
7.4.1	**Covered Patio Roofs - Replace**	35	15					
10.4.1	**Entry Sign - Replace**	10	5					
10.5.1	**Mailbox Clusters - Replace**	25	10					
12.1.1	**Patio Furniture - Contingency**	5	5					$6,746
13.2.1	**Pool - Resurface & Tile Replacement**	15	16					
13.2.2	**Pool Remediation: Inspect & Apron Repair**	20	1					
13.3.1	**Pool Equipment - Contingency**	10	8			$29,037		
18.3.1	**Entry Gate & Fencing - Replace**	40	20					
18.3.2	**Gate Operators - Replace**	15	10					
18.5.1	**Security System - Install/Upgrade**	10	1					
13.2.1a	**Pool - Resurface & Tile Replacement Project**	15	0					
	TOTAL ANTICIPATED ANNUAL RESERVE EXPENSES			**$35,786**	**$263,621**	**$138,082**	**$40,254**	**$6,746**
	ACCUMULATED CREDITS			$962,771	$1,120,906	$1,057,995	$1,130,651	$1,313,346
	ACCUMULATED DEBITS			$35,786	$263,621	$138,082	$40,254	$6,746
	YEAR-END BALANCE			**$926,985**	**$857,285**	**$919,913**	**$1,090,397**	**$1,306,600**

YEARS	**1**	**2-10**	**11-30**	26 (2052)	27 (2053)	28 (2054)	29 (2055)	30 (2056)
CONTRIBUTION INFLATION	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
COMPONENT COMPOUND INFLATION	3.5%	4.0%	4.0%	275.9%	287.0%	298.4%	310.4%	322.8%
INTEREST RATE MULTIPLIER	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

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APPENDIX B

THE VILLAGE AT LAKE CHELAN

COMPONENT SUMMARY
FUTURE MAINTENANCE WITH INFLATED ESTIMATES

14-Aug-26

2.2.1 Irrigation System - Contingency — Site

Maintenance Cycle: 3 years
Quantity: 1 Lump Sum
Estimate: $12,970
Cost Source: RCL Database

Next Maintenance: Year 2 (2028)
Unit Cost: $12,970.00 / LS
General Condition: Reported Good

The irrigation system serves the community's landscaped common areas across approximately 35 zones and was installed by the original developer using schedule 20 PVC piping instead of schedule 40 standard. No issues were reported with the irrigation system during the 2026 site visit; drip irrigation lines were visible and operating within the community's rock and gravel planting beds. Irrigation failures have occurred in the past, and board members noted the underground piping as a long-term concern, noting that the landscaping contractor performs an estimated $1,000 in minor repairs annually, funded through an operating budget allocation of approximately $5,000 per year. The board confirmed its intent to retain this component as a cushion against a larger-scale irrigation failure, given that the subsurface piping condition cannot be directly assessed short of excavation or failure, and elected to leave the component on its 3-year cycle with the next maintenance year unchanged at 2028. This component budgets contingency funds to repair sections of the irrigation system as needed to keep it operational.

FUTURE MAINTENANCE	
YEAR	COST
2 (2028)	$13,961
5 (2031)	$15,704
8 (2034)	$17,665
11 (2037)	$19,871
14 (2040)	$22,352
Repeat Every 3 Years	

2.2.2 Drainage System - Contingency — Site

Maintenance Cycle: 5 years
Quantity: 1 Lump Sum
Estimate: $3,480
Cost Source: RCL Database

Next Maintenance: Year 3 (2029)
Unit Cost: $3,480.00 / LS
General Condition: Reported Good

The drainage system consists of underground piping and catch basins that route stormwater off-site, across the street, into the Chelan Market drainage system. No standing water or ponding was observed during the 2026 site visit, and the catch basins and storm drain grates observed on site were clear and unobstructed. The storm drains require periodic cleaning by an outside contractor roughly every four to eight years, historically costing $1,500–$2,000 per cleaning; it has been approximately eight years since the drains were last serviced. The board confirmed the budgeted amount of approximately $3,480 and the 5-year cycle

funds to be drawn as needed to address stormwater drainage deficiencies across the property.

FUTURE MAINTENANCE	
YEAR	COST
3 (2029)	$3,896
8 (2034)	$4,740
13 (2039)	$5,767
18 (2044)	$7,016
23 (2049)	$8,536
Repeat Every 5 Years	

2.6.1 Asphalt Pavement - Repair — Site

Maintenance Cycle: 4 years
Quantity: 146,700 Square Feet
Estimate: 146,700 SF X 1% X $9.77/SF = $14,333 + tax = $15,540
Cost Source: RCL Database

Next Maintenance: Year 3 (2029)
Unit Cost: $9.77 / SF
General Condition: Good

This component budgets funds to repair the community's asphalt streets and parking areas, calculated at approximately 1% of total pavement replacement cost per maintenance cycle, and is aligned with the seal coat and restriping cycle addressed under component 2.6.2, since repairs are performed prior to seal coating. The streets were fully repaved in 2024 and, during the 2026 site visit, appeared to be in good condition, with only minor hairline and joint cracking observed, which the board intends to address through routine crack-sealing funded via the operating budget rather than reserves. A couple of areas of minor pavement settlement were observed within the parking lots; these did not appear to present a structural concern at this time but should be monitored at the next visit. The 4-year repair cycle is retained, with the next maintenance year unchanged at 2029.

FUTURE MAINTENANCE	
YEAR	COST
3 (2029)	$17,396
7 (2033)	$20,351
11 (2037)	$23,808
19 (2045)	$32,583

2.6.2 Asphalt Pavement - Seal Coat & Restriping — Site

Maintenance Cycle: 4 years
Next Maintenance: Year 3 (2029)
Quantity: 146,700 Square Feet
Unit Cost: $0.48 / SF
Estimate: 146,700 SF X 100% X $0.48/SF = $70,416 + tax = $76,330
Cost Source: RCL Database
General Condition: Good

The asphalt pavement was last seal coated and restriped in conjunction with the 2024 street repaving described under component 2.6.1. The pavement and striping appeared to be in good condition, and no additional seal coating or restriping needs were identified. The component remains aligned with the 4-year repair cycle, with the next maintenance year unchanged at 2029. This component budgets funds to seal coat and restripe the asphalt pavement across the community each maintenance cycle.

FUTURE MAINTENANCE	
YEAR	COST
3 (2029)	$85,448
7 (2033)	$99,962
11 (2037)	$116,942
19 (2045)	$160,043

2.6.3 Asphalt Pavement - Overlay — Site

Maintenance Cycle: 16 years
Next Maintenance: Year 15 (2041)
Quantity: 146,700 Square Feet
Unit Cost: $2.70 / SF
Estimate: 146,700 SF X 33% X $2.70/SF = $130,710 + tax = $141,690
Cost Source: RCL Database
General Condition: Good

This component budgets funds for a partial overlay, covering approximately one-third of the community's asphalt pavement, once seal coating and repair performed under components 2.6.1 and 2.6.2 are no longer sufficient to maintain an adequate driving surface. The pavement appeared to be in good condition. Based on this observed condition and the accelerated four-year seal coat and repair cycle now in place, the overlay cycle has been extended from 15 to 16 years, with approximately 15 years of remaining useful life estimated as of the 2026 site visit; the need for an overlay remains effectively deferred so long as the interim repair and seal coat cycle under components 2.6.1 and 2.6.2 continues to perform as expected. This component budgets funds for a future asphalt overlay when the pavement has reached the end of its useful life as a seal-coated and repaired surface. Funding for components 2.6.1 and 2.6.2 is suspended in the year of the overlay project.

FUTURE MAINTENANCE	
YEAR	COST
15 (2041)	$253,949

2.7.1 Wood Fence, West - Replace w/ Vinyl — Site

Maintenance Cycle: 10 years
Next Maintenance: Year 3 (2029)
Quantity: 400 Linear Feet
Unit Cost: $28.81 / LF
Estimate: 400 LF X 100% X $28.81/LF = $11,524 + tax = $12,490
Cost Source: RCL Database
General Condition: Good

This component historically budgeted for replacement of the community's wood perimeter fencing with vinyl fencing as sections reached the end of their useful life; the west fence addressed by this component's original scope has since been fully converted to vinyl. The only remaining wood fencing on the property was a small section on the south side, sited behind and protected by mature cypress trees, which appeared to be in good condition, stable, and weathering as expected, consistent with site-visit photographs of the section. The Association intends to retain this component on its current schedule, budgeted for replacement in year 3 (2029) rather than extending the cycle, since the remaining wood section will need replacement by then. Once this final section is converted to vinyl, no wood fencing will remain on site and this component will be closed out and removed from future studies.

FUTURE MAINTENANCE	
YEAR	COST
3 (2029)	$13,982

2.7.2 Pool Enclosure Fence - Replace — Site

Maintenance Cycle: 40 years
Next Maintenance: Year 20 (2046)
Quantity: 380 Linear Feet
Unit Cost: $116.24 / LF
Estimate: 380 LF X 100% X $116.24/LF = $44,171 + tax = $47,880
Cost Source: RCL Database
General Condition: Good

The pool enclosure fence is the black metal fence surrounding the pool area, distinct from the painting and coating addressed separately under component 2.7.3. The fence appeared to be in good condition, benefiting visually from the 2026 repainting completed under component 2.7.3, and no new issues were identified. The fence remains a long-term component with no change to its useful life or budget this cycle. This component budgets funds to replace the pool enclosure fence when it reaches the end of its anticipated useful life.

FUTURE MAINTENANCE	
YEAR	COST
20 (2046)	$104,407

2.7.3 Pool Fence & Gate - Paint — Site

Maintenance Cycle: 15 years
Next Maintenance: Year 1 (2027)
Quantity: 650 Linear Feet
Unit Cost: $5.69 / LF
Estimate: 650 LF X 100% X $5.69/LF = $3,699 + tax = $4,010
Cost Source: Experienced Cost
General Condition: Excellent

The metal fence and gate enclosing the pool are painted in lieu of powder coating, since the Association's insurance carrier does not permit removal of the pool fence for powder coating. The painting project was completed in 2026 for $4,170, consistent with the $4,010 estimate carried in the prior study, though no invoice was uploaded to the Input Form to support the expenditure. The fence and gate appeared to be in excellent condition, freshly painted black with no chipping or fading observed; the section of fence attached to the front gate, replaced in 2024 due to deer damage, did not require painting as part of this project. This component budgets funds to periodically repaint the pool fence and gate to protect the material from the elements.

FUTURE MAINTENANCE	
YEAR	COST
1 (2027)	$4,150
16 (2042)	$7,475

2.7.4 Vinyl Fence - Replace — Site

Maintenance Cycle: 40 years
Next Maintenance: Year 33 (2059)
Quantity: 2,716 Linear Feet
Unit Cost: $52.02 / LF
Estimate: 2,716 LF X 100% X $52.02/LF = $141,286 + tax = $153,150
Cost Source: RCL Database
General Condition: Good

The vinyl fence runs along the south, east, and west perimeters of the property, having replaced sections of the community's original wood and chain-link fencing over time. During the 2026 site visit, the vinyl fence appeared to be in good condition. The Association reported replacing a section of chain-link fence on the northeast portion of the property in November 2025, at a cost of $11,752; the component quantity has been updated to reflect the additional footage. This component budgets funds to replace the vinyl fence around the community when it reaches the end of its anticipated useful life, and linear footage will continue to be updated as additional wood or chain-link fence sections are converted to vinyl.

FUTURE MAINTENANCE	
YEAR	COST

2.7.5 Chain Link Fence - Repair — Site

Maintenance Cycle: 30 years
Next Maintenance: Year 10 (2036)
Quantity: 1,400 Linear Feet
Unit Cost: $24.25 / LF
Estimate: 1,400 LF X 10% X $24.25/LF = $3,395 + tax = $3,680
Cost Source: RCL Database
General Condition: Good

Chain-link fencing encloses the dog park and back gate area and bordering an open, undeveloped hillside. The fence appeared to be in good condition, and no repair changes were identified for this component. this component will continue to budget for routine repair of any remaining chain-link sections. The back gate itself was reported replaced in 2019. This component budgets funds to repair the chain-link fence as it is damaged.

FUTURE MAINTENANCE	
YEAR	COST
10 (2036)	$5,421

2.7.6 North Perimeter Vinyl Fence - Install — Site

Maintenance Cycle: 40 years
Next Maintenance: Year 2 (2028)
Quantity: 1,475 Linear Feet
Unit Cost: $52.02 / LF
Estimate: 1,475 LF X 100% X $52.02/LF = $76,730 + tax = $83,170
Cost Source: RCL Database
General Condition: N/A

This new component budgets for installation of a secure vinyl perimeter fence along the north side of the property, replacing the existing approximately 4-foot chicken-wire fencing that lacks a top or bottom rail and does not provide the level of security expected by residents. The Association reported that a bid of approximately $50,000 has been obtained for the project, and the board identified this as the community's top current security priority following resident concerns. The project has been extended to 2028. This component is budgeted as a one-time project; once installed, it will be incorporated into component 2.7.4 (Vinyl Fence – Replace) for future replacement, and this component will close out and be removed from future studies.

FUTURE MAINTENANCE	
YEAR	COST
2 (2028)	$89,524

2.9.1 Landscaping - Contingency — Site

Maintenance Cycle: 5 years
Quantity: 1 Lump Sum
Estimate: $6,480
Cost Source: RCL Database

Next Maintenance: Year 3 (2029)
Unit Cost: $6,480.00 / LS
General Condition: Good

This component budgets contingency funds to sister the operating budget for larger landscaping projects and concerns beyond routine maintenance. The Association reported no landscaping projects planned for the near term during the 2026 site visit, and continues to apply landscaping fabric and gravel in select areas — observed throughout the community's planting beds and slopes during the site visit — to reduce weeds, erosion, and ongoing maintenance needs. No changes were identified to the budgeted amount or maintenance cycle this cycle.

FUTURE MAINTENANCE	
YEAR	COST
3 (2029)	$7,254
8 (2034)	$8,826
13 (2039)	$10,738
18 (2044)	$13,064
23 (2049)	$15,895
Repeat Every 5 Years	

3.3.0 Concrete Curbs & Walkways - Repair — Concrete

Maintenance Cycle: 3 years
Quantity: 1 Lump Sum
Estimate: $10,000
Cost Source: Community Representative

Next Maintenance: Year 1 (2027)
Unit Cost: $10,000.00 / LS
General Condition: Fair

This component was added in 2026 to budgets contingency funds, at approximately $10,000 every three years, to address larger-scale damage to the community's concrete curbs caused by snowplow operations. Unlike the annual routine curb repairs funded through the operating budget, this component addresses more significant repair needs that could otherwise create an unplanned burden on the operating budget. Curb sections in multiple locations throughout the property showed cracking and spalling consistent with snowplow damage. The Association reported that the board is documenting damaged curb sections with the intent of holding the snowplow contractor liable for repair costs going forward. This component sisters the operating budget's routine, annual curb repair allocation and budgets contingency funds for larger-scale curb and walkway remediation as needed.

FUTURE MAINTENANCE	
YEAR	COST
1 (2027)	$10,350
4 (2030)	$11,642
7 (2033)	$13,096
10 (2036)	$14,731
13 (2039)	$16,571
Repeat Every 3 Years	

3.3.1 Pool Deck - Selective Replacement — Concrete

Maintenance Cycle: 10 years
Quantity: 3,800 Square Feet
Estimate: 3,800 SF X 25% X $26.01/SF = $24,710 + tax = $26,790
Cost Source: RCL Database

Next Maintenance: Year 3 (2029)
Unit Cost: $26.01 / SF
General Condition: Good

This component budgets funds to selectively replace approximately 25% of the concrete pool deck each maintenance cycle. The concrete deck, now approximately 15 to 16 years old, appeared to be in good condition with no visible cracking. At the board's request, the next maintenance year has been shifted to align with the pool deck repair-and-seal cycle addressed under component 3.3.2, given the deck's age, so that a selective replacement need does not surface unexpectedly between cycles. This component budgets funds to replace or repair approximately 25% of the total concrete pool deck at each maintenance cycle.

FUTURE MAINTENANCE	
YEAR	COST
3 (2029)	$29,990
13 (2039)	$44,393
23 (2049)	$65,712

3.3.2 Pool Deck - Repair & Seal — Concrete

Maintenance Cycle: 5 years
Quantity: 1 Lump Sum
Estimate: $10,100
Cost Source: RCL Database

Next Maintenance: Year 3 (2029)
Unit Cost: $10,100.00 / LS
General Condition: Good

Periodic maintenance is funded to clean, grind, and reseal the concrete pool deck with a non-slip sealant, distinct from the selective concrete replacement addressed under component 3.3.1. The pool deck was resealed in 2024 for $10,000 using a five-year, rather than two-year, non-slip sealant; the Association confirmed the deck will not require resealing again until 2029. The maintenance cycle has accordingly been extended from two years to five years to reflect the sealant's actual performance, with the next maintenance year updated to 2029. The deck appeared to be in good condition, with no major cracks or tripping hazards observed. This component budgets funds to reseal the pool deck as needed to keep it safe and free of trip hazards.

FUTURE MAINTENANCE	
YEAR	COST
3 (2029)	$11,307
8 (2034)	$13,756
13 (2039)	$16,736
18 (2044)	$20,362
23 (2049)	$24,774
Repeat Every 5 Years	

3.3.3 Pool Deck - Resurface & Seal — Concrete

Maintenance Cycle: 20 years
Quantity: 1 Lump Sum
Estimate: $0
Cost Source: RCL Database
Next Maintenance: Year 0 (2026)
Unit Cost: $0.00 / LS
General Condition: Good

In 2026, the Association confirmed that this component is redundant with the pool deck repair-and-seal work addressed under component 3.3.2, representing the same five-year grind-and-reseal process rather than a separate, less-frequent resurfacing event previously modeled on a 20-year interval. This component has been zeroed out and will be removed from future reserve studies, retained here only as a historical reference; ongoing pool deck resealing needs are addressed under component 3.3.2.

FUTURE MAINTENANCE

YEAR	COST

6.2.1 Pool/Restroom/Equip Room - Contingency — Ext Envelope

Maintenance Cycle: 10 years
Quantity: 1 Lump Sum
Estimate: $6,480
Cost Source: RCL Database
Next Maintenance: Year 8 (2034)
Unit Cost: $6,480.00 / LS
General Condition: Good

This component budgets contingency funds to maintain the pool house, restroom, and pool equipment room, including fixtures such as sinks, toilets, and related equipment. During the 2026 site visit, all sinks, toilets, and shower stalls were confirmed to be in good condition, following copper piping replacement completed in 2023 for approximately $5,700; no near-term maintenance need is anticipated. The Association confirmed the existing contingency budget level remains fair given the current condition of the space. This component budgets contingency funds to be drawn as needed to maintain the pool house, restroom, and equipment room.

FUTURE MAINTENANCE

YEAR	COST
8 (2034)	$8,826
18 (2044)	$13,064
28 (2054)	$19,338

7.4.1 Covered Patio Roofs - Replace — Ext Envelope

Maintenance Cycle: 35 years
Quantity: 9 Roofing Squares
Estimate: 9 SQ X 100% X $864.08/SQ = $7,777 + tax = $8,430
Cost Source: RCL Database
Next Maintenance: Year 15 (2041)
Unit Cost: $864.08 / SQ
General Condition: Good

The covered patio roofs consist of asphalt shingle roofing over the community's shared patio structures, including the pavilion adjoining the pool deck. The roofs appeared to be weathering as expected, with no issues reported by the Association. No changes were identified to the useful life or budget this cycle, and the component remains on schedule for replacement in approximately 2041. This component budgets funds to replace the asphalt roofs over the covered patios when they reach the end of their anticipated useful life.

FUTURE MAINTENANCE

YEAR	COST
15 (2041)	$15,109

10.4.1 Entry Sign - Replace — Specialties

Maintenance Cycle: 10 years
Quantity: 1 Lump Sum
Estimate: $2,090
Cost Source: RCL Database
Next Maintenance: Year 5 (2031)
Unit Cost: $2,090.00 / LS
General Condition: Good

The monument entry sign identifies the community at its main entrance. The sign remained legible and appeared to be in good condition, and no changes were identified this cycle. This component budgets a nominal amount to refresh or replace the entry sign lettering, primarily an aesthetic consideration should the Association wish to update its street appearance.

FUTURE MAINTENANCE

YEAR	COST
5 (2031)	$2,531
15 (2041)	$3,746
25 (2051)	$5,545

10.5.1 Mailbox Clusters - Replace — Specialties

Maintenance Cycle: 25 years
Quantity: 7 Each
Estimate: 7 EA X 100% X $2,778.07/EA = $19,446 + tax = $21,080
Cost Source: RCL Database

Next Maintenance: Year 10 (2036)
Unit Cost: $2,778.07 / EA
General Condition: Good

The community's seven exterior mailbox clusters, located near the pool entrance, serve residents throughout the property. All clusters appeared stable and in good condition, with no issues reported by the Association. No changes were identified to the useful life, budget, or 2036 next maintenance year this cycle. This component budgets funds to replace the seven mailbox clusters when they reach the end of their anticipated useful life.

FUTURE MAINTENANCE	
YEAR	COST
10 (2036)	$31,054

12.1.1 Patio Furniture - Contingency — Finishes/Furnishings

Maintenance Cycle: 5 years
Quantity: 1 Lump Sum
Estimate: $2,090
Cost Source: RCL Database

Next Maintenance: Year 5 (2031)
Unit Cost: $2,090.00 / LS
General Condition: Excellent

This component budgets contingency funds to maintain the community's shared patio furniture, including tables and benches. The furniture was replaced approximately two years prior to the 2026 site visit and appeared to be in excellent condition. This component budgets contingency funds to be drawn as needed to keep the patio furniture usable and in good condition. The next maintenance year was reset one full cycle based on observed conditions.

FUTURE MAINTENANCE	
YEAR	COST
5 (2031)	$2,531
10 (2036)	$3,079
15 (2041)	$3,746
20 (2046)	$4,557
25 (2051)	$5,545
Repeat Every 5 Years	

13.2.1 Pool - Resurface & Tile Replacement — Pool/Spa

Maintenance Cycle: 15 years
Quantity: 1,030 Square Feet
Estimate: 1,030 SF X 100% X $44.78/SF = $46,123 + tax = $50,000
Cost Source: Experienced Cost

Next Maintenance: Year 16 (2042)
Unit Cost: $44.78 / SF
General Condition: Excellent

This component budgets funds for the recurring, future-cycle resurfacing and retiling of the pool, distinct from the one-time 2026 project addressed under component 13.2.1a. Following completion of the 2026 project, the Association confirmed the total actual project cost came to $50,000; the cost reflects additional invoiced repair work beyond the base resurfacing scope. The future maintenance figure for this recurring component has accordingly been updated to $50,000, with the next maintenance year set approximately 16 years out, at 2042, reflecting the freeze-thaw conditions affecting pool surfaces in the Chelan climate.

FUTURE MAINTENANCE	
YEAR	COST
16 (2042)	$93,199

13.2.2 Pool Remediation: Inspect & Apron Repair — Pool/Spa

Maintenance Cycle: 20 years
Quantity: 1 Lump Sum
Estimate: $25,000
Cost Source: RCL Database

Next Maintenance: Year 1 (2027)
Unit Cost: $25,000.00 / LS
General Condition: N/A

This component was added in the prior cycle to budget for an engineering inspection of the pool following reports of tile detachment and settling of the pool structure. The inspection portion was completed in 2026; during the course of the associated pool resurfacing and retiling project, the original contractor's substandard concrete work on the approximately 21-inch concrete apron surrounding the pool was discovered, and $20,596 was spent on emergency repair after the contractor was released from the project. The Association reported the pool was reopened for the 2026 season in its current condition, with a professional concrete contractor scheduled to properly redo the apron in March 2027 at an anticipated additional cost of $21,000–$25,000. The $20,596 already spent in 2026 is captured as historical activity, and this component budgets an additional $25,000 for the anticipated 2027 apron remediation; the component is expected to close out and be removed from future reserve studies following completion of that work.

FUTURE MAINTENANCE	
YEAR	COST
1 (2027)	$25,875

13.3.1 Pool Equipment - Contingency — Pool/Spa

Maintenance Cycle: 10 years
Quantity: 1 Lump Sum
Estimate: $9,730
Cost Source: RCL Database
Next Maintenance: Year 8 (2034)
Unit Cost: $9,730.00 / LS
General Condition: Reported Good

The contingency is intended fund for maintenance and repairs of pool equipment as needed to keep the pool operational. All pool equipment was replaced in 2024 for $17,200, following a 2022 pool pump replacement ($7,000) and a 2021 heat pump replacement ($15,000). The equipment was observed to be functioning properly, with no concerns identified. No changes were identified to the budget or maintenance cycle this cycle.

FUTURE MAINTENANCE	
YEAR	COST
8 (2034)	$13,252
18 (2044)	$19,616
28 (2054)	$29,037

18.3.1 Entry Gate & Fencing - Replace — Security

Maintenance Cycle: 40 years
Quantity: 170 Linear Feet
Estimate: 170 LF X 100% X $170.07/LF = $28,912 + tax = $31,340
Cost Source: RCL Database
Next Maintenance: Year 20 (2046)
Unit Cost: $170.07 / LF
General Condition: Excellent

The entry gate and adjoining fencing control vehicular access at the community's main entrance. The ornamental gate and fencing appeared to be in excellent condition, consistent with the Association report that the entry gate was repainted in 2026. The Association confirmed the fencing itself is steel, having survived a deer collision without damage, and is expected to remain serviceable for approximately another 40 years. No changes were identified to the useful life or budget this cycle. This component budgets funds to replace the entry gate and fencing at the end of their anticipated useful life.

FUTURE MAINTENANCE	
YEAR	COST
20 (2046)	$68,340

18.3.2 Gate Operators - Replace — Security

Maintenance Cycle: 15 years
Quantity: 2 Each
Estimate: 2 EA X 100% X $6,190.04/EA = $12,380 + tax = $13,420
Cost Source: RCL Database
Next Maintenance: Year 10 (2036)
Unit Cost: $6,190.04 / EA
General Condition: Good

This component budgets funds to replace the two automated operators for the entry gate, both of which were replaced in 2020 for $10,350, a cost reflecting travel expenses for the installing contractor, based in Tacoma, Washington. During the 2026 site visit, the LiftMaster-brand operators were confirmed on site and functioning as expected. The Association raised ongoing concern that the operators, installed by a Seattle-based vendor, have been a recurring maintenance issue, and indicated plans to research whether the correct system was originally installed. Pending that research, the board agreed to shorten the timeline to the next replacement from 20 years to 15 years, while leaving the budgeted cost unchanged for now.

FUTURE MAINTENANCE	
YEAR	COST
10 (2036)	$19,769
25 (2051)	$35,604

18.5.1 Security System - Install/Upgrade — Security

Maintenance Cycle: 10 years
Quantity: 1 Lump Sum
Estimate: $3,090
Cost Source: Community Representative
Next Maintenance: Year 1 (2027)
Unit Cost: $3,090.00 / LS
General Condition: Good

This component budgets funds to install and upgrade the security camera system covering the community's entry gate and pool area, as well as maintaining the FOB entry system installed at the pool gate. The current cameras lack night vision and motion-sensing capability, a deficiency the board identified as more pressing following an after-hours pool incident in which unauthorized individuals accessed the pool at night and could not be clearly identified on camera. The board agreed to budget approximately $3,000 for 2027 to upgrade the existing cameras with night vision and motion sensing, using wiring already in place, and to add a new camera behind the pool house to address reported tampering with heat pump controls and irrigation equipment in that area. Motion-sensor lighting for the pool house restrooms are to be funded through the pool operating budget rather than the reserve study.

FUTURE MAINTENANCE	
YEAR	COST
1 (2027)	$3,198
11 (2037)	$4,734
21 (2047)	$7,008

13.2.1a Pool - Resurface & Tile Replacement Project — Pool/Spa

Maintenance Cycle: 15 years
Quantity: 1 Lump Sum
Estimate: $50,000
Cost Source: Experienced Cost

Next Maintenance: Year 0 (2026)
Unit Cost: $50,000.00 / LS
General Condition: Excellent

This one-time component budgeted the Association's 2026 pool resurfacing, retiling, and replastering project, undertaken after tiles were reported detaching and the pool structure was reported to be settling. The project was completed in 2026 for a total of $50,000, (including $2,000 for removal of excess plaster layers), and a $4,800 deposit paid from the 2025 operating budget rather than from reserves; this total is separate from the $20,596 in apron remediation costs captured under component 13.2.2. Now that the project is complete, this component is closed out and removed from future reserve studies, retained here only as a historical reference. Ongoing pool resurfacing and retiling needs are addressed under the recurring component 13.2.1.

FUTURE MAINTENANCE	
YEAR	COST
0 (2026)	$50,000