5116 Heather Drive
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Funding Reserve Analysis

for

The Meadows - Ferndale

Level 3 Study 2026

October 30, 2025

Prepared by:
Charlie Barefield
Charlie Barefield
Reserve Analyst

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5116 Heather Drive
Anacortes, WA 98221
Phone: 360-588-9956

October 30, 2025

2699 Thornton Road
Ferndale, WA 98248

Introduction

First, we would like to thank you for utilizing our services. Our approach is to provide the members, the board and management with understandable information to make informed decisions needed to best manage your reserve fund and annual contributions. We strive to understand the association's needs and design a funding strategy for meeting those needs based on a realistic approach to finances available and real-world workings of most associations. We live and work in the local area and work hard to keep up to date with costs in your association's neighborhood.

Included within the following pages you will find:

- Three funding models which detail how your association finances will look during the 30-year forecast window
  - Current Level of Contributions
  - Baseline Funded
  - Fully Funded (per the State of Washington RCW 64.90)
- A list of the community components that the association is responsible for maintaining
  - Estimated current cost of replacement of each component
  - Timeline of estimated remaining life and estimated cost at replacement date per component
- Annual expenditure detail
- Expenses by item and by calendar year
- Average deficit or surplus from a Fully Funded Balance for the association and per member in dollar amount and percentage (based on equal percentage ownership for all units). This amount is calculated by subtracting the association's reserve account balance as of the date of the study (January 01, 2026) from the Fully Funded Balance. Also included is the same calculated amounts as projected at the end of the each study year (December 31, 2026).

What is our Recommended Funding Goal?
Maintaining the Reserve Fund at a level equal to the value of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. This is simple, responsible, and our recommendation.

Evidence shows that associations in the:

- 0 - 30% range are considered in **Poor** condition and at a high risk of special assessments or deferred maintenance
- 30 - 80% range are considered in **Good** condition and should strive to gradually increase reserves
- over 80% range are considered in **Excellent** condition and enjoy a low risk of special assessments or deferred maintenance.

The attached funding study is limited in scope to those expense items listed in the attached Expense Detail Report. Expense items which have an expected life of more than 30 Years are not included in this reserve study unless payment for these long-lived items overlaps the 30 Years reserve study envelope.

Executive Summary

Name	The Meadows - Ferndale
Location	2699 Thornton Road Ferndale, WA 98248
Contributing Members (units)	157
Fiscal Year Start	January 01, 2026
Fiscal Year End	December 31, 2026
Depth of Study	Level III Report: Reserve Study Update without Site Inspection
Date of Study	October 30, 2025
Last On-Site Inspection Date	November 09, 2023
Inflation Rate for Projections	5.00 % (Years 2026-2056)

Reserve Fund Status and Funding Plan Recommendation

Based on our findings, the reserves are insufficient to fund capital projects through the 30 year scope of the study. The board should look at increasing funding. We recommend the association gradually adopt a reserve funding plan based on the Fully Funding Model in order to ensure that adequate funding is available throughout the 30-year study period.

Reported Current Annual Reserve Contribution	$6,984 per year
Estimated Fiscal Year Starting Balance	$72,051
Fiscal Year Beginning Balance if Fully Funded	$430,536 *(ideal amount in reserves)*
Average Deficit/Surplus per Member (as of January 01, 2026)	-$2,283

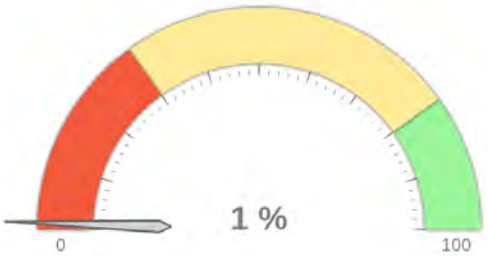


Figure 1: Reserve Account Percentage Funded Over 30 Year Study Window (Average Value)

Table 1: 5 Year Summary: Current vs. Baseline vs. Fully Funded Models

	Current		Baseline		Fully Funded Recommended	
2026	$70,029	17%	$160,435	17%	$173,586	17%
2027	$57,041	14%	$237,005	32%	$264,364	35%
2028	$6,866	10%	$276,759	43%	$319,454	48%
2029	$13,939	1%	$375,447	48%	$434,675	56%
2030	-$158,683	2%	$296,103	57%	$373,142	66%
	Contribution amount supplied by Client		*Reserve account above $0 within the study timeline*		*Achieve 100% funded within the study timeframe*	

The percentage figures above represent the percentage each model is above or below fully funded for the noted time period.

Project Description
The Meadows is a 157 residential lot community located in Ferndale Washington. The first homes were built in 2016 and construction continues as the community grows. Assets include wooden foot bridges along the extensive gravel pathways, asphalt paved areas, wetlands, split rail fencing, signage and residence mailboxes.

Depth of Study
This year's report is a *Level 3* Reserve financial update and does not include a site inspection or revision to the community's assets. For this report we have relied on current information provided by management, previous reserve studies and field notes from our last site visit. RCW requirements are two years of Level 3 updates followed by a full Level 2 report that includes a site visit and in-depth review of community assets, current status of the various reserve study components and financial information.

Report Notes:
In this Reserve Study the following components are excluded:
Power Lines – Generally utility companies.
Utility Main Lines – Generally utility companies or City.

Material and labor costs appear to be continuing to increase in all construction categories. Many associations have reported dramatic cost differences in recent contractor bids on the same projects. We highly recommend associations request contractor bids on upcoming projects early in the process. Until such time as cost increases moderate an inflation factor of 5.00 % will be used in all funding models).

Current Assessment Projection – The initial reserve assessment is the association's reported current fiscal year funding level and projected out 30 years to illustrate the adequacy of the current funding over time.

Current Total Reported Annual Reserve Contribution – $6,984

Baseline Funded Model – The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. A facility using this funding method must understand that even a minor reduction in a component's remaining useful life or **unplanned expenses** can result in a deficit in the reserve cash balance and **may require additional funding**.

Recommended Total Annual Reserve Contribution – $55,351

Fully Funded Model – This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments. This is the most conservative funding model. It leads to or maintains a fully funded reserve position. (Please note that the Fully Funded Model incorporates funding parameters that seek to reach 100% funded at year 30 reserve study limit. The recommended contribution amount may be unusually high or low for the first few years depending on the current reserve account balance and upcoming expenses).

Recommended Total Annual Reserve Contribution – $68,409

Initial Reserves
Initial reserves for this reserve study are estimated to be $72,051 as of December 31, 2025. We have relied upon the client to provide the current (or projected) reserve balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the reserve fund.

Keeping Your Reserve Study Current
We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the facilities site and computations made subsequently in preparing this reserve analysis study are retained in our computer files.

Conflict of Interest
As the preparer of this reserve study, Pacific Crest Reserves certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Date of Physical Inspection

The property was physically inspected by Pacific Crest Reserves on November 09, 2023.

Pacific Crest Reserves would like to thank the members and management for the opportunity to be of service in the preparation of the attached funding study. Again, please feel free to contact us if you have any questions.

Prepared by:
Charlie Barefield
Charlie Barefield, Reserve Analyst

Current Assessment Projection Summary

Report Date	October 30, 2025
Budget Year Beginning	January 01, 2026
Budget Year Ending	December 31, 2026
Total Units	157

Report Parameters	
Inflation	5.00 %
Interest Rate on Reserve Balance	2.00 %
Tax Rate on Interest	30.00 %
2026 Beginning Balance	$72,051

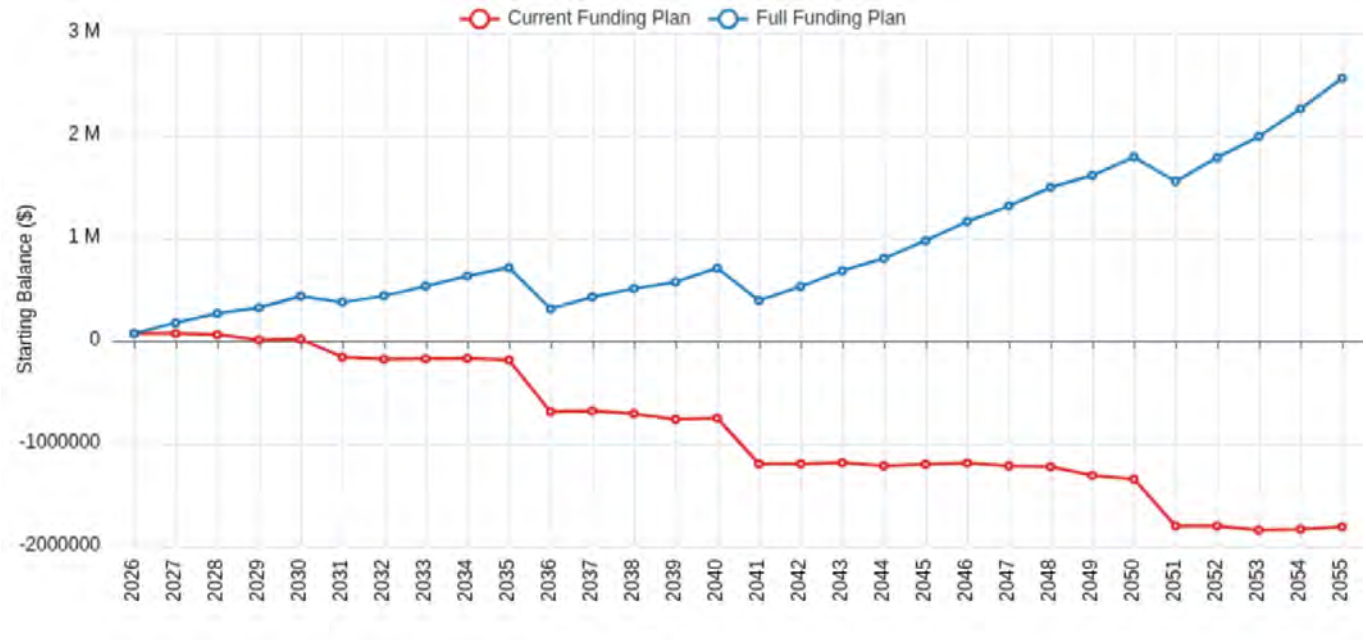


Figure 2: Current Assessment Funding Model vs Fully Funded Model

The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Current Assessment Funding Model Summary of Calculations	
Required Annual Contribution	$6,984
Average $44.48 per unit annually	
Average Net Annual Interest Earned	$994
Total Annual Allocation to Reserves	$7,978
$50.82 per unit annually	

Current Assessment Projection

Table 2: Current Funding Plan

Year	Starting Balance	Reserve Contribution	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2026	$72,051	$6,984	$0	$994	$10,000	$70,029	$430,536	16.74%
2027	$70,029	$7,333	$0	$889	$21,210	$57,041	$498,058	14.06%
2028	$57,041	$7,700	$0	$447	$58,322	$6,866	$553,396	10.31%
2029	$6,866	$8,085	$0	$146	$1,158	$13,939	$575,168	1.19%
2030	$13,939	$8,489	$0	$0	$181,110	-$158,683	$660,819	2.11%
2031	-$158,683	$8,914	$0	$0	$30,535	-$180,304	$564,707	0.00%
2032	-$180,304	$9,359	$0	$0	$4,342	-$175,287	$624,944	0.00%
2033	-$175,287	$9,827	$0	$0	$6,332	-$171,792	$718,899	0.00%
2034	-$171,792	$10,319	$0	$0	$26,446	-$187,920	$818,825	0.00%
2035	-$187,920	$10,834	$0	$0	$514,498	-$691,583	$906,160	0.00%
2036	-$691,583	$11,376	$0	$0	$1,629	-$681,836	$489,115	0.00%
2037	-$681,836	$11,945	$0	$0	$42,930	-$712,821	$593,623	0.00%
2038	-$712,821	$12,542	$0	$0	$64,651	-$764,929	$664,080	0.00%
2039	-$764,929	$13,169	$0	$0	$1,886	-$753,645	$719,545	0.00%
2040	-$753,645	$13,828	$0	$0	$459,146	-$1,198,964	$848,193	0.00%
2041	-$1,198,964	$14,519	$0	$0	$14,604	-$1,199,049	$507,883	0.00%
2042	-$1,199,049	$15,245	$0	$0	$2,183	-$1,185,987	$622,295	0.00%
2043	-$1,185,987	$16,007	$0	$0	$49,049	-$1,219,028	$760,689	0.00%
2044	-$1,219,028	$16,808	$0	$0	$2,407	-$1,204,627	$862,271	0.00%
2045	-$1,204,627	$17,648	$0	$0	$2,527	-$1,189,506	$1,023,659	0.00%
2046	-$1,189,506	$18,531	$0	$0	$47,494	-$1,218,469	$1,199,030	0.00%
2047	-$1,218,469	$19,457	$0	$0	$29,085	-$1,228,098	$1,342,297	0.00%
2048	-$1,228,098	$20,430	$0	$0	$105,309	-$1,312,977	$1,518,715	0.00%
2049	-$1,312,977	$21,452	$0	$0	$54,980	-$1,346,506	$1,630,911	0.00%
2050	-$1,346,506	$22,524	$0	$0	$480,540	-$1,804,522	$1,808,904	0.00%
2051	-$1,804,522	$23,650	$0	$0	$23,789	-$1,804,661	$1,556,668	0.00%
2052	-$1,804,661	$24,833	$0	$0	$63,647	-$1,843,474	$1,779,503	0.00%
2053	-$1,843,474	$26,074	$0	$0	$16,801	-$1,834,201	$1,980,128	0.00%
2054	-$1,834,201	$27,378	$0	$0	$3,920	-$1,810,743	$2,248,897	0.00%
2055	-$1,810,743	$28,747	$0	$0	$1,432,004	-$3,213,999	$2,553,999	0.00%

Fully Funded Balance $= \sum$ *Current Cost* $\times$ *Effective Age / Useful Life*
Percent Funded = Fully Funded Balance / Starting Balance

Key indicators: **Poor** - 0-30% **Good** - 30-80% **Excellent** - over 80%

Baseline Funding Model Summary

Report Date	October 30, 2025
Budget Year Beginning	January 01, 2026
Budget Year Ending	December 31, 2026
Total Units	157

Report Parameters	
Inflation	5.00 %
Interest Rate on Reserve Balance	2.00 %
Tax Rate on Interest	30.00 %
2026 Beginning Balance	$72,051

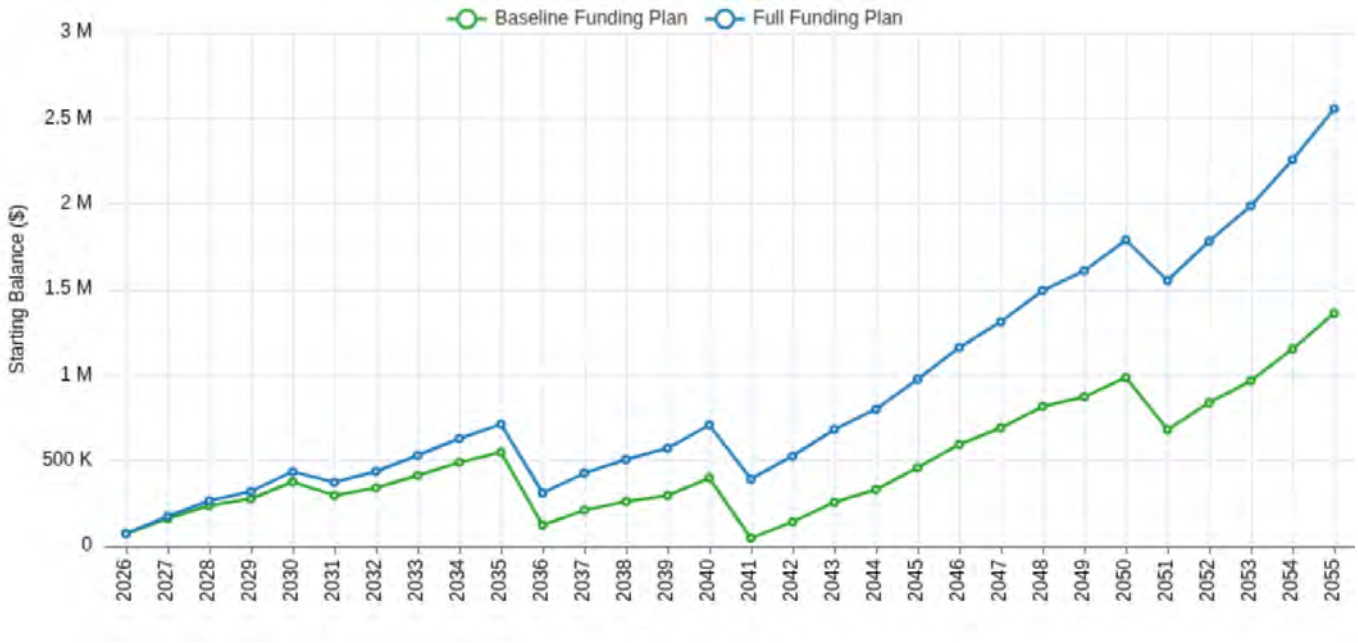


Figure 3: Baseline Funding vs Fully Funded Model

The Baseline Funding Model calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below $0 or other predetermined baseline, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Baseline Funding Model** allows the client to choose the level of conservative funding they desire by choosing the baseline dollar amount.

Baseline Funding Model Summary of Calculations	
Required Annual Contribution	$55,351
Average $353 per unit annually	
Average Net Annual Interest Earned	$1,335
Total Annual Allocation to Reserves	$56,685
$361 per unit annually	

Baseline Funding Model Projection

Table 3: Baseline Funding Plan

Year	Starting Balance	Reserve Contribution	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2026	$72,051	$55,351	$41,699	$1,335	$10,000	$160,435	$430,536	16.74%
2027	$160,435	$57,904	$37,356	$2,519	$21,210	$237,005	$498,058	32.21%
2028	$237,005	$60,576	$34,145	$3,355	$58,322	$276,759	$553,396	42.83%
2029	$276,759	$63,371	$32,136	$4,338	$1,158	$375,447	$575,168	48.12%
2030	$375,447	$66,295	$30,991	$4,481	$181,110	$296,103	$660,819	56.82%
2031	$296,103	$69,354	$0	$4,446	$30,535	$339,368	$564,707	52.43%
2032	$339,368	$72,554	$0	$5,262	$4,342	$412,842	$624,944	54.30%
2033	$412,842	$75,902	$0	$6,307	$6,332	$488,719	$718,899	57.43%
2034	$488,719	$79,404	$0	$7,259	$26,446	$548,936	$818,825	59.69%
2035	$548,936	$83,068	$0	$4,695	$514,498	$122,200	$906,160	60.58%
2036	$122,200	$86,900	$0	$2,323	$1,629	$209,794	$489,115	24.98%
2037	$209,794	$90,910	$0	$3,294	$42,930	$261,069	$593,623	35.34%
2038	$261,069	$95,105	$0	$3,893	$64,651	$295,416	$664,080	39.31%
2039	$295,416	$99,493	$0	$4,850	$1,886	$397,873	$719,545	41.06%
2040	$397,873	$104,083	$0	$3,105	$459,146	$45,915	$848,193	46.91%
2041	$45,915	$108,886	$0	$1,311	$14,604	$141,507	$507,883	9.04%
2042	$141,507	$113,910	$0	$2,781	$2,183	$256,015	$622,295	22.74%
2043	$256,015	$119,166	$0	$4,101	$49,049	$330,233	$760,689	33.66%
2044	$330,233	$124,664	$0	$5,514	$2,407	$458,005	$862,271	38.30%
2045	$458,005	$130,416	$0	$7,354	$2,527	$593,248	$1,023,659	44.74%
2046	$593,248	$136,434	$0	$8,986	$47,494	$691,173	$1,199,030	49.48%
2047	$691,173	$142,729	$0	$10,539	$29,085	$815,356	$1,342,297	51.49%
2048	$815,356	$149,314	$0	$11,799	$105,309	$871,159	$1,518,715	53.69%
2049	$871,159	$156,204	$0	$12,988	$54,980	$985,371	$1,630,911	53.42%
2050	$985,371	$163,411	$0	$11,650	$480,540	$679,892	$1,808,904	54.47%
2051	$679,892	$170,951	$0	$10,617	$23,789	$837,670	$1,556,668	43.68%
2052	$837,670	$178,839	$0	$12,614	$63,647	$965,476	$1,779,503	47.07%
2053	$965,476	$187,090	$0	$14,803	$16,801	$1,150,569	$1,980,128	48.76%
2054	$1,150,569	$195,723	$0	$17,563	$3,920	$1,359,935	$2,248,897	51.16%
2055	$1,359,935	$204,753	$0	$10,516	$1,432,004	$143,200	$2,553,999	53.25%

Fully Funded Balance $= \sum$ *Current Cost* $\times$ *Effective Age / Useful Life*
Percent Funded = Fully Funded Balance / Starting Balance

Key indicators: **Poor** - 0-30% **Good** - 30-80% **Excellent** - over 80%

Fully Funded Model Summary

Report Date	October 30, 2025
Budget Year Beginning	January 01, 2026
Budget Year Ending	December 31, 2026
Total Units	157

Report Parameters	
Inflation	5.00 %
Interest Rate on Reserve Balance	2.00 %
Tax Rate on Interest	30.00 %
2026 Beginning Balance	$72,051

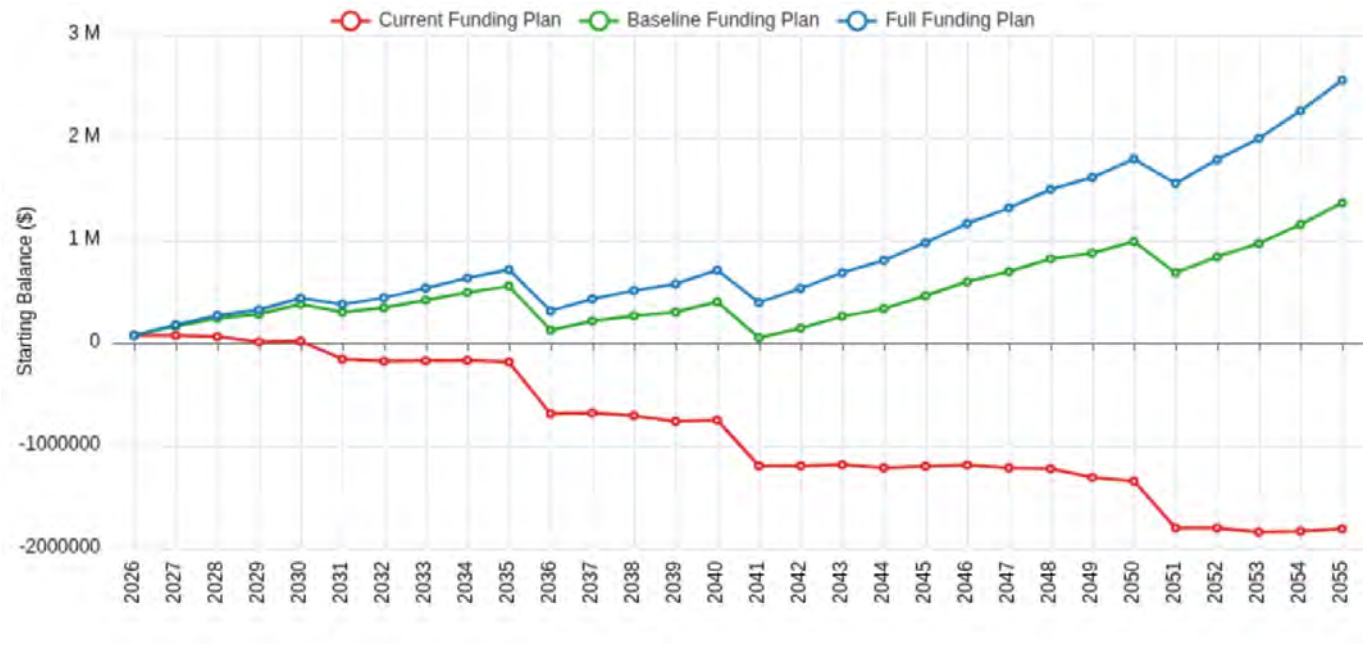


Figure 4: Funding Model Comparison Cash Projections

The Fully Funded Model's long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model.

Fully Funded Model Summary of Calculations	
Required Annual Contribution	$68,409
Average $436 per unit annually	
Average Net Annual Interest Earned	$1,427
Total Annual Allocation to Reserves	$69,836
$445 per unit annually	

Fully Funded Model Projection

Table 4: Full Funding Plan

Year	Starting Balance	Reserve Contribution	Special Assessments	Interest Earned	Expenditures	Ending Balance	Fully Funded Balance	Percent Funded
2026	$72,051	$68,409	$41,699	$1,427	$10,000	$173,586	$430,536	16.74%
2027	$173,586	$71,830	$37,356	$2,802	$21,210	$264,364	$498,058	34.85%
2028	$264,364	$75,421	$34,145	$3,845	$58,322	$319,454	$553,396	47.77%
2029	$319,454	$79,192	$32,136	$5,051	$1,158	$434,675	$575,168	55.54%
2030	$434,675	$83,152	$30,991	$5,435	$181,110	$373,142	$660,819	65.78%
2031	$373,142	$87,310	$0	$5,658	$30,535	$435,574	$564,707	66.08%
2032	$435,574	$91,675	$0	$6,753	$4,342	$529,660	$624,944	69.70%
2033	$529,660	$96,259	$0	$8,097	$6,332	$627,683	$718,899	73.68%
2034	$627,683	$101,072	$0	$9,370	$26,446	$711,679	$818,825	76.66%
2035	$711,679	$106,125	$0	$7,151	$514,498	$310,456	$906,160	78.54%
2036	$310,456	$111,432	$0	$5,148	$1,629	$425,407	$489,115	63.47%
2037	$425,407	$117,003	$0	$6,516	$42,930	$505,997	$593,623	71.66%
2038	$505,997	$122,853	$0	$7,540	$64,651	$571,739	$664,080	76.20%
2039	$571,739	$128,996	$0	$8,951	$1,886	$707,800	$719,545	79.46%
2040	$707,800	$135,446	$0	$7,693	$459,146	$391,793	$848,193	83.45%
2041	$391,793	$142,218	$0	$6,419	$14,604	$525,826	$507,883	77.14%
2042	$525,826	$149,329	$0	$8,446	$2,183	$681,417	$622,295	84.50%
2043	$681,417	$156,795	$0	$10,360	$49,049	$799,524	$760,689	89.58%
2044	$799,524	$164,635	$0	$12,408	$2,407	$974,161	$862,271	92.72%
2045	$974,161	$172,867	$0	$14,926	$2,527	$1,159,427	$1,023,659	95.16%
2046	$1,159,427	$181,510	$0	$17,281	$47,494	$1,310,724	$1,199,030	96.70%
2047	$1,310,724	$190,586	$0	$19,606	$29,085	$1,491,830	$1,342,297	97.65%
2048	$1,491,830	$200,115	$0	$21,688	$105,309	$1,608,324	$1,518,715	98.23%
2049	$1,608,324	$210,121	$0	$23,755	$54,980	$1,787,219	$1,630,911	98.62%
2050	$1,787,219	$220,627	$0	$23,351	$480,540	$1,550,657	$1,808,904	98.80%
2051	$1,550,657	$231,658	$0	$23,314	$23,789	$1,781,840	$1,556,668	99.61%
2052	$1,781,840	$243,241	$0	$26,372	$63,647	$1,987,806	$1,779,503	100.13%
2053	$1,987,806	$255,403	$0	$29,690	$16,801	$2,256,098	$1,980,128	100.39%
2054	$2,256,098	$268,173	$0	$33,651	$3,920	$2,554,002	$2,248,897	100.32%
2055	$2,554,002	$281,582	$0	$27,882	$1,432,004	$1,431,462	$2,553,999	100.00%

Fully Funded Balance $= \sum$ *Current Cost* $\times$ *Effective Age / Useful Life*
Percent Funded = Fully Funded Balance / Starting Balance

Key indicators: **Poor** - 0-30% **Good** - 30-80% **Excellent** - over 80%

Funding Model Comparison by Percent Funded

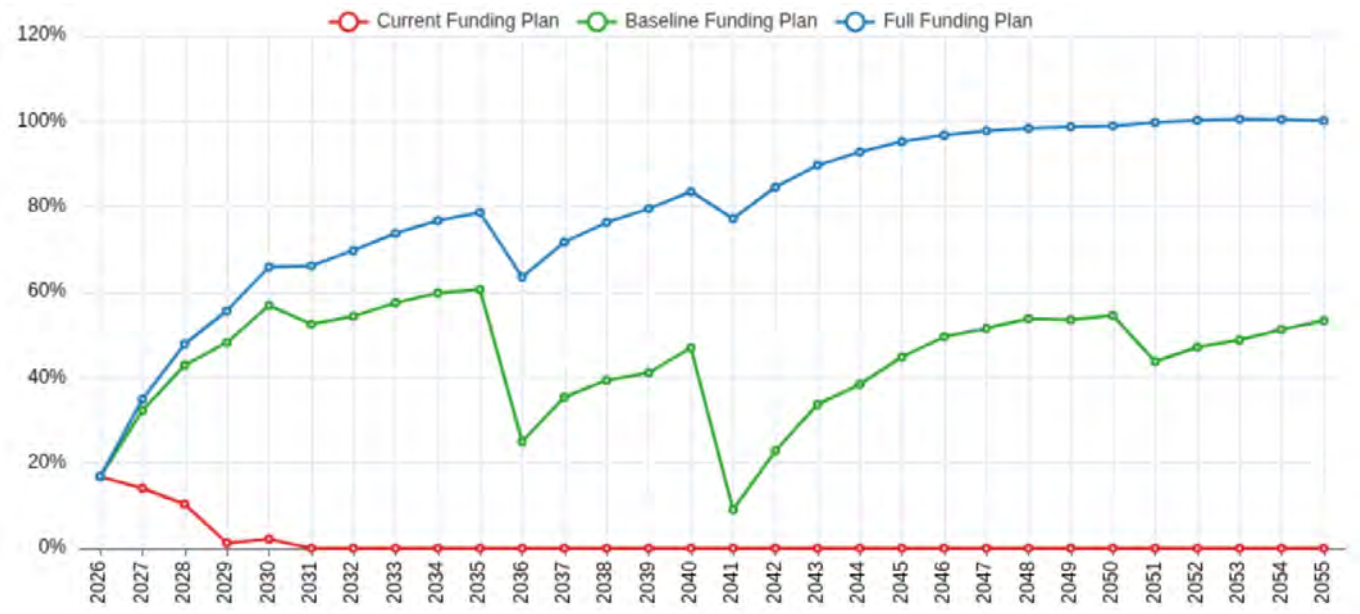


Figure 5: Funding Model Comparison by Percent Funded (%)

The chart above compares the projected Reserve Percentage Funded of the three funding models (Current Assessment Funding Model, Baseline Funding Model, and Fully Funded Model) over 30 years.

Annual Expenditure Detail

Replacement Year 2026	
Landscape - Tree Maintenance - 2026	$8,000
Landscape Refurbish/Maintenance - 2026	$2,000
Total	**$10,000**

Replacement Year 2027	
Document Revisions - Legal Fees	$10,500
Split Rail Fence Repair - 2025	$2,100
Foot Bridge Repair Fund	$1,050
Gravel Pathway Refurbish	$7,560
Total	**$21,210**

Replacement Year 2028	
Split Rail Fence Maintenance/Repair	$7,607
Foot Bridge Repair Fund	$1,102
Landscape Refurbish/Maintenace	$38,588
Major Tree Trimming	$11,025
Total	**$58,322**

Replacement Year 2029	
Foot Bridge Repair Fund	$1,158
Total	**$1,158**

Replacement Year 2030	
Foot Bridge Repair Fund	$1,216
Wetlands Pond Management - Phase 1 Ponds C2 & C3	$179,895
Total	**$181,110**

Replacement Year 2031	
Split Rail Fence Maintenance/Repair	$8,806
Foot Bridge Repair Fund	$1,276
Asphalt Paved Areas	$7,690
Major Tree Trimming	$12,763
Total	**$30,535**

Replacement Year 2032	
Foot Bridge Repair Fund	$1,340
Signage	$3,002
Total	**$4,342**

Replacement Year 2033	
Foot Bridge Repair Fund	$1,407
Storage Shed Repair/Replacement	$4,925
Total	**$6,332**

Replacement Year 2034	
Split Rail Fence Maintenance/Repair	$10,194
Foot Bridge Repair Fund	$1,477

Major Tree Trimming	$14,775
Total	**$26,446**

Replacement Year 2035

Foot Bridge Repair Fund	$1,551
Mail Box Major Repair/Replacement	$78,575
Wetlands Pond Management - Phase 2 Ponds A & B2	$434,372
Total	**$514,498**

Replacement Year 2036

Foot Bridge Repair Fund	$1,629
Total	**$1,629**

Replacement Year 2037

Split Rail Fence Maintenance/Repair	$11,801
Foot Bridge Repair Fund	$1,710
Gravel Pathway Refurbish	$12,314
Major Tree Trimming	$17,103
Total	**$42,930**

Replacement Year 2038

Foot Bridge Repair Fund	$1,796
Landscape Refurbish/Maintenace	$62,855
Total	**$64,651**

Replacement Year 2039

Foot Bridge Repair Fund	$1,886
Total	**$1,886**

Replacement Year 2040

Split Rail Fence Maintenance/Repair	$13,662
Foot Bridge Repair Fund	$1,980
Major Tree Trimming	$19,799
Wetlands Pond Management - Phase 3 Ponds B1 & C1	$423,705
Total	**$459,146**

Replacement Year 2041

Foot Bridge Repair Fund	$2,079
Asphalt Paved Areas	$12,526
Total	**$14,604**

Replacement Year 2042

Foot Bridge Repair Fund	$2,183
Total	**$2,183**

Replacement Year 2043

Split Rail Fence Maintenance/Repair	$15,815
Foot Bridge Repair Fund	$2,292
Storage Shed Repair/Replacement	$8,022
Major Tree Trimming	$22,920
Total	**$49,049**

Replacement Year 2044	
Foot Bridge Repair Fund	$2,407
Total	**$2,407**

Replacement Year 2045	
Foot Bridge Repair Fund	$2,527
Total	**$2,527**

Replacement Year 2046	
Split Rail Fence Maintenance/Repair	$18,308
Foot Bridge Repair Fund	$2,653
Major Tree Trimming	$26,533
Total	**$47,494**

Replacement Year 2047	
Foot Bridge Repair Fund	$2,786
Gravel Pathway Refurbish	$20,059
Signage	$6,241
Total	**$29,085**

Replacement Year 2048	
Foot Bridge Repair Fund	$2,925
Landscape Refurbish/Maintenace	$102,384
Total	**$105,309**

Replacement Year 2049	
Split Rail Fence Maintenance/Repair	$21,194
Foot Bridge Repair Fund	$3,072
Major Tree Trimming	$30,715
Total	**$54,980**

Replacement Year 2050	
Foot Bridge Repair Fund	$3,225
Wetlands Pond Management - Phase 1 Ponds C2 & C3	$477,315
Total	**$480,540**

Replacement Year 2051	
Foot Bridge Repair Fund	$3,386
Asphalt Paved Areas	$20,403
Total	**$23,789**

Replacement Year 2052	
Split Rail Fence Maintenance/Repair	$24,534
Foot Bridge Repair Fund	$3,556
Major Tree Trimming	$35,557
Total	**$63,647**

Replacement Year 2053	
Foot Bridge Repair Fund	$3,733
Storage Shed Repair/Replacement	$13,067

Total	**$16,801**

Replacement Year 2054

Foot Bridge Repair Fund	$3,920
Total	**$3,920**

Replacement Year 2055

Storm Water Gates & Structure Repair	$205,807
Split Rail Fence Maintenance/Repair	$28,401
Foot Bridge Repair Fund	$4,116
Major Tree Trimming	$41,161
Wetlands Pond Management - Phase 2 Ponds A & B2	$1,152,518
Total	**$1,432,004**

Detail Report by Component

Foot Bridge Repair Fund

ID	1001	Replacement Year	2027
Category	Foot Bridge	*Replacement Cost*	$1,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	1	*Assessment*	Fixed
Remaining Life	1	*Fund Component*	Funded

Notes No update for 2026, cycle revised. It was reported there are five wooden foot bridges. Our understanding is decking repairs are planned for the coming year. Funds are included for annual maintenance and repair of these structures.

Split Rail Fence Maintenance/Repair

ID	1002	Replacement Year	2028
Category	Fencing	*Replacement Cost*	$6,900
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	3	*Assessment*	Fixed
Remaining Life	2	*Fund Component*	Funded

Notes No update for 2026. Our understanding is the board plans on upgrading the split rail fence as replacement or significant repair is required. There is extensive use of split rail type fencing around the wetland areas plus additional areas since the previous report. Most split rail construction uses holes in the posts where the rails are placed through these holes and therefore supported. The rails on this fence are connected to the posts with large fasteners (photo #3) which will require much additional maintenance. Additionally the posts were installed directly into the soil rather than longer lasting concrete.

Split Rail Fence Repair - 2025

ID	1003	Replacement Year	2027
Category	Fencing	*Replacement Cost*	$2,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	0	*Assessment*	Fixed
Remaining Life	1	*Fund Component*	Funded

Notes No update for 2026, cycle revised. It was reported $2,000 will be spent in 2025 on fencing repair or replacement.

Landscape Refurbish/Maintenace

ID	1004A	Replacement Year	2028
Category	Landscape	*Replacement Cost*	$35,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	10	*Assessment*	Fixed
Remaining Life	2	*Fund Component*	Funded

Notes It was reported this item has been scaled back for 2026 and a one time cost of $2,000 will be included for 2026, cycle revised. The board has requested a substantial budget increase for refurbish and maintenance of the Thornton and other common areas.

Landscape - Tree Maintenance - 2026

ID	1004B	Replacement Year	2026
Category	Landscape	*Replacement Cost*	$8,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	0	*Assessment*	Fixed
Remaining Life	0	*Fund Component*	Funded

Landscape Refurbish/Maintenance - 2026

ID	1005	Replacement Year	2026
Category	Landscape	*Replacement Cost*	$2,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	0	*Assessment*	Fixed
Remaining Life	0	*Fund Component*	Funded

Notes It was reported a onetime cost for landscape work is planned for 2026 at a cost of $2,000.

Major Tree Trimming

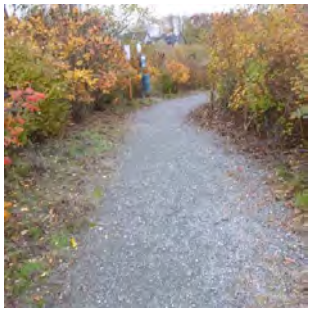
ID	1006	Replacement Year	2028
Category	Tree Maintenance	*Replacement Cost*	$10,000
Placed in Service	01/01/2023	*Quantity*	1 (Allowance)
Useful Life	3	*Assessment*	Fixed
Remaining Life	2	*Fund Component*	Funded

Notes Per management minor tree trimming will be handled by the landscaping company and paid for out of operations. Our understanding is there are a total of 242 trees that will require ongoing trimming. It was reported 160 trees were trimmed in 2023 at a cost of $10,400. Funds are not included for tree replacement. Recommend professional evaluation of tree root management and mitigation.

Gravel Pathway Refurbish

ID	1007	Replacement Year	2027
Category	Pathways	*Replacement Cost*	$7,200
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	10	*Assessment*	Fixed
Remaining Life	1	*Fund Component*	Funded

Notes No update for 2026, cycle revised. The community includes an extensive gravel walking pathway as well as some rip-rap surfaced access roads. Funding is included for pathway gravel refurbing in 10 year cycles. Only occasional use of the rip-rap surfaced areas is anticipated and therefore not funded.



Wetlands Pond Management - Phase 1 Ponds C2 & C3

ID	1008	Replacement Year	2030
Category	Wetlands	*Replacement Cost*	$148,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	20	*Assessment*	Fixed
Remaining Life	4	*Fund Component*	Funded

Notes The community includes several large wetland/storm water areas that require scheduled maintenance in the future.

Wetlands Pond Management - Phase 2 Ponds A & B2

ID	1009	Replacement Year	2035
Category	Wetlands	*Replacement Cost*	$280,000
Placed in Service	01/01/2016	*Quantity*	1
Useful Life	20	*Assessment*	Fixed
Remaining Life	9	*Fund Component*	Funded

Wetlands Pond Management - Phase 3 Ponds B1 & C1

ID	1010	Replacement Year	2040
Category	Wetlands	*Replacement Cost*	$214,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	20	*Assessment*	Fixed
Remaining Life	14	*Fund Component*	Funded

Storm Water Gates & Structure Repair

ID	1011	Replacement Year	2055
Category	Wetlands	*Replacement Cost*	$50,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	20	*Assessment*	Fixed
Remaining Life	29	*Fund Component*	Funded

Mail Box Major Repair/Replacement

ID	1012	Replacement Year	2035
Category	Mailboxes	*Replacement Cost*	$50,650
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	25	*Assessment*	Fixed
Remaining Life	9	*Fund Component*	Funded

Notes No update for 2026. Commercial mailboxes should provide a useful life of 25 years or more with proper maintenance. Annual inspection, repair and lubrication can greatly lengthen the longevity of this equipment.

Asphalt Paved Areas

ID	1013	Replacement Year	2031
Category	Streets/Asphalt	*Replacement Cost*	$6,025
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	10	*Assessment*	Fixed
Remaining Life	5	*Fund Component*	Funded

Notes It was reported there are four driveway accesses, no other update for 2026. Most of the streets within the plat are city maintained, however there are two private lanes plus three driveway accesses that are the association's responsibility. The budget includes funds for minor repairs and seal coat application in 10-year cycles.

Storage Shed Repair/Replacement

ID	1014	Replacement Year	2033
Category	Shed	*Replacement Cost*	$3,500
Placed in Service	01/01/2022	*Quantity*	1 (Allowance)
Useful Life	10	*Assessment*	Fixed
Remaining Life	7	*Fund Component*	Funded

Signage

ID	1015	Replacement Year	2032
Category	Signs	*Replacement Cost*	$2,240
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	15	*Assessment*	Fixed
Remaining Life	6	*Fund Component*	Funded

Notes No update for 2026. Funding for maintenance and replacement of the community signs is included.

Document Revisions - Legal Fees

ID	1016	Replacement Year	2027
Category	CC&R Revision	*Replacement Cost*	$10,000
Placed in Service	01/01/2016	*Quantity*	1 (Allowance)
Useful Life	0	*Assessment*	Fixed
Remaining Life	1	*Fund Component*	Funded

Notes It was reported the association's CC&R documents will require revisions in anticipation of the State of Washington law changes coming in 2028. As place holder has been added for attorney and other legal costs.

Expenses by Item and by Calendar Year

Table 5: Anticipated Expenditures: years 2026 - 2035

	Component	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
CC&R Revision											
2	Document Revisions - Legal Fees	$0	$10,500	$0	$0	$0	$0	$0	$0	$0	$0
Fencing											
3	Split Rail Fence Maintenance/Repair	$0	$0	$7,607	$0	$0	$8,806	$0	$0	$10,194	$0
4	Split Rail Fence Repair - 2025	$0	$2,100	$0	$0	$0	$0	$0	$0	$0	$0
Foot Bridge											
5	Foot Bridge Repair Fund	$0	$1,050	$1,102	$1,158	$1,216	$1,276	$1,340	$1,407	$1,477	$1,551
Landscape											
6	Landscape - Tree Maintenance - 2026	$8,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	Landscape Refurbish/Maintenace	$0	$0	$38,588	$0	$0	$0	$0	$0	$0	$0
8	Landscape Refurbish/Maintenance - 2026	$2,000	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mailboxes											
9	Mail Box Major Repair/Replacement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$78,575
Pathways											
10	Gravel Pathway Refurbish	$0	$7,560	$0	$0	$0	$0	$0	$0	$0	$0
Shed											
11	Storage Shed Repair/Replacement	$0	$0	$0	$0	$0	$0	$0	$4,925	$0	$0
Signs											
12	Signage	$0	$0	$0	$0	$0	$0	$3,002	$0	$0	$0
Streets/Asphalt											
13	Asphalt Paved Areas	$0	$0	$0	$0	$0	$7,690	$0	$0	$0	$0
Tree Maintenance											
14	Major Tree Trimming	$0	$0	$11,025	$0	$0	$12,763	$0	$0	$14,775	$0
Wetlands											
1	Storm Water Gates & Structure Repair	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
17	Wetlands Pond Management - Phase 1 Ponds C2 & C3	$0	$0	$0	$0	$179,895	$0	$0	$0	$0	$0

Table 5: Anticipated Expenditures: years 2026 - 2035 (continued)

	Component	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
15	Wetlands Pond Management - Phase 2 Ponds A & B2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$434,372
16	Wetlands Pond Management - Phase 3 Ponds B1 & C1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Expenses	**$10,000**	**$21,210**	**$58,322**	**$1,158**	**$181,111**	**$30,535**	**$4,342**	**$6,332**	**$26,446**	**$514,498**

Table 6: Anticipated Expenditures: years 2036 - 2045

	Component	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
CC&R Revision											
2	Document Revisions - Legal Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fencing											
3	Split Rail Fence Maintenance/Repair	$0	$11,801	$0	$0	$13,662	$0	$0	$15,815	$0	$0
4	Split Rail Fence Repair - 2025	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Foot Bridge											
5	Foot Bridge Repair Fund	$1,629	$1,710	$1,796	$1,886	$1,980	$2,079	$2,183	$2,292	$2,407	$2,527
Landscape											
6	Landscape - Tree Maintenance - 2026	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	Landscape Refurbish/Maintenace	$0	$0	$62,855	$0	$0	$0	$0	$0	$0	$0
8	Landscape Refurbish/Maintenance - 2026	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mailboxes											
9	Mail Box Major Repair/Replacement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Pathways											
10	Gravel Pathway Refurbish	$0	$12,314	$0	$0	$0	$0	$0	$0	$0	$0
Shed											
11	Storage Shed Repair/Replacement	$0	$0	$0	$0	$0	$0	$0	$8,022	$0	$0
Signs											
12	Signage	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Streets/Asphalt											
13	Asphalt Paved Areas	$0	$0	$0	$0	$0	$12,526	$0	$0	$0	$0
Tree Maintenance											
14	Major Tree Trimming	$0	$17,103	$0	$0	$19,799	$0	$0	$22,920	$0	$0
Wetlands											
1	Storm Water Gates & Structure Repair	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
17	Wetlands Pond Management - Phase 1 Ponds C2 & C3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	Wetlands Pond Management - Phase 2 Ponds A & B2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Table 6: Anticipated Expenditures: years 2036 - 2045 (continued)

	Component	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
16	Wetlands Pond Management - Phase 3 Ponds B1 & C1	$0	$0	$0	$0	$423,705	$0	$0	$0	$0	$0
	Total Expenses	**$1,629**	**$42,928**	**$64,651**	**$1,886**	**$459,146**	**$14,605**	**$2,183**	**$49,049**	**$2,407**	**$2,527**

Table 7: Anticipated Expenditures: years 2046 - 2055

	Component	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
CC&R Revision											
2	Document Revisions - Legal Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fencing											
3	Split Rail Fence Maintenance/Repair	$18,308	$0	$0	$21,194	$0	$0	$24,534	$0	$0	$28,401
4	Split Rail Fence Repair - 2025	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Foot Bridge											
5	Foot Bridge Repair Fund	$2,653	$2,786	$2,925	$3,072	$3,225	$3,386	$3,556	$3,733	$3,920	$4,116
Landscape											
6	Landscape - Tree Maintenance - 2026	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	Landscape Refurbish/Maintenace	$0	$0	$102,384	$0	$0	$0	$0	$0	$0	$0
8	Landscape Refurbish/Maintenance - 2026	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Mailboxes											
9	Mail Box Major Repair/Replacement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Pathways											
10	Gravel Pathway Refurbish	$0	$20,059	$0	$0	$0	$0	$0	$0	$0	$0
Shed											
11	Storage Shed Repair/Replacement	$0	$0	$0	$0	$0	$0	$0	$13,067	$0	$0
Signs											
12	Signage	$0	$6,241	$0	$0	$0	$0	$0	$0	$0	$0
Streets/Asphalt											
13	Asphalt Paved Areas	$0	$0	$0	$0	$0	$20,403	$0	$0	$0	$0
Tree Maintenance											
14	Major Tree Trimming	$26,533	$0	$0	$30,715	$0	$0	$35,557	$0	$0	$41,161
Wetlands											
1	Storm Water Gates & Structure Repair	$0	$0	$0	$0	$0	$0	$0	$0	$0	$205,807
17	Wetlands Pond Management - Phase 1 Ponds C2 & C3	$0	$0	$0	$0	$477,315	$0	$0	$0	$0	$0
15	Wetlands Pond Management - Phase 2 Ponds A & B2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,152,518

Table 7: Anticipated Expenditures: years 2046 - 2055 (continued)

	Component	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
16	Wetlands Pond Management - Phase 3 Ponds B1 & C1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Total Expenses	**$47,494**	**$29,086**	**$105,309**	**$54,981**	**$480,540**	**$23,789**	**$63,647**	**$16,800**	**$3,920**	**$1,432,003**