



Reserve Study Update.com, LLC

Chelan at Cascade Summit
Chelan Drive & Chaparrel Loop
West Linn, Oregon 97068
Account 928 - Version L

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RESERVE STUDY & MAINTENANCE PLAN

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Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

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 association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

ReserveStudyUpdate.com, LLC would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Conditions reported by the reserve study are applicable to the immediate time frame of the report and these conditions, over time, may change. Is impossible to envisage thirty years into the future to establish the cost of repair or replacement of any of the components, let alone the value of money, fluctuation in the cost of fuel, delivery/installation costs, changing building code requirements and other potential unknowns. The probability that it may project in its reserve study, or that the Board could project in its disclosures, future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning a national sweepstake; while it may happen in atypical instances by chance, one may not reasonably expect it to happen. The reserve study shall not be used as health and safety concerns, evidence of construction defects, damage, potential damage, water intrusion inspection, or as a construction-quality inspection. This reserve study specifically exclude issues having to do with unpredictable natural events and environmental hazards; including but not limited to lead paint, asbestos, mold, mildew, radon, etc.

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Part I

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

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Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association’s major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

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Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of *operational expenses* include:

Utilities:	Bank Service Charges	Accounting
Electricity	Dues & Publications	Reserve Study
Gas	Licenses, Permits & Fees	Repair Expenses:
Water	Insurance(s)	Tile Roof Repairs
Telephone	Services:	Equipment Repairs
Cable TV	Landscaping	Minor Concrete Repairs
Administrative:	Pool Maintenance	Operating Contingency
Supplies	Street Sweeping	

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

Roof Replacements	Park/Play Equipment
Painting	Pool/Spa Re-plastering
Deck Resurfacing	Pool Equipment Replacement
Fencing Replacement	Pool Furniture Replacement
Asphalt Seal Coating	Tennis Court Resurfacing
Asphalt Repairs	Lighting Replacement
Asphalt Overlays	Insurance(s)
Equipment Replacement	Reserve Study
Interior Furnishings	

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

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Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The ReserveStudyUpdate.com, LLC Threshold and the ReserveStudyUpdate.com, LLC Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The ReserveStudyUpdate.com, LLC Component Funding model is based upon the component methodology.

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Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age divided by Useful Life the results multiplied by Current Replacement Cost**

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The ReserveStudyUpdate.com, LLC **Baseline Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This method describes the objective to have sufficient reserves on hand to never completely run out of money. 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. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance. This is sometimes described as a "cash-positive" plan. With less cash in reserves on-deposit, associations with a baseline funding objective have higher instances of special assessments and/or deferred maintenance. This funding approach is the most riskiest out of all of the funding models and is never recommended.

The ReserveStudyUpdate.com, LLC **Threshold Funding Model**. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0). Threshold funding describes an objective chosen by the board other than the 100% (full funding) level or just staying cash-positive (baseline funding). This may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen in between full funding and baseline funding. ReserveStudyUpdate.com, LLC recommends the Threshold Funding Model.

The ReserveStudyUpdate.com, LLC **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time. The "Current Funding Model" is often used as a user defined model. This model allows the Board of Directors to experiment and contemplate alternative funding approaches and scrutinize and consider the ramifications of these funding approaches.

The ReserveStudyUpdate.com, LLC **Percentage Distribution Funding Model**. This funding method is based loosely upon the PRA System™ software objectives of reserve funding. Some property management firms which have legacy accounting software systems continue to utilize this funding approach. One of the key reasons why this funding approach has been since superseded by more modern funding approaches is due to the GAAP and ECHO reporting requirements in most states.

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The ReserveStudyUpdate.com, LLC **Component Funding 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, hence the name “Component Funding Model”. This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

The “Distribution of Accumulated Reserves Report” is a “Component Funding Model” calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can “fix” the accumulated reserve balance within the program on the individual asset’s detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component’s age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

$$\text{Fully Funded Reserves} = (\text{Age/Useful Life}) \times \text{Current Replacement Cost}$$

The  Reserve Analyst® software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report. If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to “replenish” the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

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If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment Required”, the “Average Net Monthly Interest Earned” contribution and the “Total Monthly Allocation to Reserves.” The association should allocate the “Monthly Reserve Assessment Required” amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the “Total Monthly Allocation” to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association’s operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users’ Guide to your Reserve Analysis Study

Part II of your ReserveStudyUpdate.com, LLC Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the “Component Funding Model” calculation.

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The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The ReserveStudyUpdate.com, LLC Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.

Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

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Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

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Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

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A Multi-Purpose Tool

- Your ReserveStudyUpdate.com, LLC Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".
- In addition, your ReserveStudyUpdate.com, LLC reserve study serves a variety of useful purposes:
- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The ReserveStudyUpdate.com, LLC reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your ReserveStudyUpdate.com, LLC Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your ReserveStudyUpdate.com, LLC Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the ReserveStudyUpdate.com, LLC reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The ReserveStudyUpdate.com, LLC reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The ReserveStudyUpdate.com, LLC Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your ReserveStudyUpdate.com, LLC Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

Sincerely,

Brian A. Owens

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ReserveStudyUpdate.com, LLC Annual Expenditure Detail

Report Date December 27, 2016
Beginning Fiscal Year October 01, 2017
Account Number 928

Version Number L

Description	Expenditures
Replacement Year 17-18	
Concrete: Flatwork - Repairs	396
Total for 2017 - 2018	\$396
Replacement Year 18-19	
Arborist: Tree Trimming	1,272
Total for 2018 - 2019	\$1,272
Replacement Year 19-20	
Irrigation: Controllors & Valves	414
Paint: Exterior - Unit #2	4,609
Roof: Asphalt Composition - Maintenance & Repairs	4,143
Siding: Caulking / Dry-Rot Repairs - Unit #2	2,071
Total for 2019 - 2020	\$11,237
Replacement Year 20-21	
Paint: Exterior - Unit #3	4,691
Siding: Caulking / Dry-Rot Repairs - Unit #3	2,108
Total for 2020 - 2021	\$6,799
Replacement Year 21-22	
Asphalt: Seal Coat	3,218
Paint: Exterior - Unit #4	6,704
Siding: Caulking / Dry-Rot Repairs - Unit #4	2,145
Total for 2021 - 2022	\$12,068
Replacement Year 22-23	
Columns: Front Entry - Repair / Replace	1,048
Concrete: Curbing - Repairs	449
Decks: Elevated - Rebuild - 3488 Chaparrel Loop	10,917
Decks: Elevated - Rebuild - 3490 Chaparrel Loop	10,917
Decks: Elevated - Rebuild - 3492 Chaparrel Loop	10,917

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 22-23 continued...</i>	
Paint: Exterior - Unit #1	6,605
Siding: Caulking / Dry-Rot Repairs - Unit #1	2,183
Total for 2022 - 2023	<u>\$43,036</u>
 <i>No Replacement in 23-24</i>	
Replacement Year 24-25	
Stonework: Masonry Repairs / Maintenance	848
Total for 2024 - 2025	<u>\$848</u>
 Replacement Year 25-26	
Arborist: Tree Trimming	1,438
Roof: Asphalt Composition - Maintenance & Repairs	4,603
Total for 2025 - 2026	<u>\$6,041</u>
 <i>No Replacement in 26-27</i>	
Replacement Year 27-28	
Asphalt: Seal Coat	3,575
Concrete: Flatwork - Repairs	472
Decks: Lower Patio - Rebuild - 3485 Chelan Drive	5,959
Decks: Lower Patio - Rebuild - 3486 Chaparrel Loop	5,959
Decks: Lower Patio - Rebuild - 3488 Chaparrel Loop	5,959
Decks: Lower Patio - Rebuild - 3490 Chaparrel Loop	5,959
Decks: Lower Patio - Rebuild - 3492 Chaparrel Loop	5,959
Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop	5,959
Decks: Lower Patio - Rebuild - 3496 Chaparrel Loop	5,959
Decks: Lower Patio - Rebuild - 3498 Chaparrel Loop	5,959
Utilities: Underground - Contingency	1,192
Total for 2027 - 2028	<u>\$52,911</u>
 Replacement Year 28-29	
Gutters & Downspouts: 40% Replacement	3,403
Lights: Exterior - Replacement	1,819
Roof: Asphalt Composition - Replace - Unit #1	42,815
Total for 2028 - 2029	<u>\$48,037</u>

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Annual Expenditure Detail

Description	Expenditures
Replacement Year 29-30	
Irrigation: Controllers & Valves	494
Paint: Exterior - Unit #2	5,493
Roof: Asphalt Composition - Replace - Unit #2	43,573
Siding: Caulking / Dry-Rot Repairs - Unit #2	2,469
Total for 2029 - 2030	\$52,028
Replacement Year 30-31	
Paint: Exterior - Unit #3	5,590
Roof: Asphalt Composition - Replace - Unit #3	44,344
Siding: Caulking / Dry-Rot Repairs - Unit #3	2,512
Total for 2030 - 2031	\$52,446
Replacement Year 31-32	
Paint: Exterior - Unit #4	7,990
Roof: Asphalt Composition - Replace - Unit #4	45,129
Siding: Caulking / Dry-Rot Repairs - Unit #4	2,557
Total for 2031 - 2032	\$55,676
Replacement Year 32-33	
Arborist: Tree Trimming	1,626
Columns: Front Entry - Repair / Replace	1,249
Concrete: Curbing - Repairs	535
Paint: Exterior - Unit #1	7,871
Siding: Caulking / Dry-Rot Repairs - Unit #1	2,602
Total for 2032 - 2033	\$13,884
Replacement Year 33-34	
Asphalt: Overlay	16,882
Asphalt: Seal Coat	3,972
Total for 2033 - 2034	\$20,854
<i>No Replacement in 34-35</i>	
<i>No Replacement in 35-36</i>	
Replacement Year 36-37	
Decks: Elevated - Rebuild - 3486 Chaparrel Loop	13,956

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 36-37 continued...</i>	
Stonework: Masonry Repairs / Maintenance	1,047
Total for 2036 - 2037	<u>\$15,003</u>
Replacement Year 37-38	
Concrete: Flatwork - Repairs	563
Roof: Asphalt Composition - Maintenance & Repairs	5,681
Total for 2037 - 2038	<u>\$6,244</u>
Replacement Year 38-39	
Gutters & Downspouts: 10% Replacement	4,055
Total for 2038 - 2039	<u>\$4,055</u>
Replacement Year 39-40	
Arborist: Tree Trimming	1,839
Asphalt: Seal Coat	4,413
Irrigation: Controllors & Valves	588
Paint: Exterior - Unit #2	6,546
Siding: Caulking / Dry-Rot Repairs - Unit #2	2,942
Total for 2039 - 2040	<u>\$16,329</u>
Replacement Year 40-41	
Paint: Exterior - Unit #3	6,662
Siding: Caulking / Dry-Rot Repairs - Unit #3	2,994
Total for 2040 - 2041	<u>\$9,656</u>
Replacement Year 41-42	
Paint: Exterior - Unit #4	9,523
Siding: Caulking / Dry-Rot Repairs - Unit #4	3,047
Total for 2041 - 2042	<u>\$12,570</u>
Replacement Year 42-43	
Columns: Front Entry - Repair / Replace	1,489
Concrete: Curbing - Repairs	638
Decks: Elevated - Rebuild - 3488 Chaparrel Loop	15,506
Decks: Elevated - Rebuild - 3490 Chaparrel Loop	15,506

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 42-43 continued...</i>	
Decks: Elevated - Rebuild - 3492 Chaparrel Loop	15,506
Paint: Exterior - Unit #1	9,381
Siding: Caulking / Dry-Rot Repairs - Unit #1	3,101
Total for 2042 - 2043	<u>\$61,126</u>
 Replacement Year 43-44	
Roof: Asphalt Composition - Maintenance & Repairs	6,312
Total for 2043 - 2044	<u>\$6,312</u>
 <i>No Replacement in 44-45</i>	
 Replacement Year 45-46	
Asphalt: Seal Coat	4,903
Total for 2045 - 2046	<u>\$4,903</u>
 Replacement Year 46-47	
Arborist: Tree Trimming	2,079
Total for 2046 - 2047	<u>\$2,079</u>

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Current Assessment Funding Model: Projection

Report Date December 27, 2016
 Beginning Fiscal Year October 01, 2017
 Account Number 928

Version Number L

Beginning Balance: \$17,478

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
17-18	282,430	3,500	6	396	20,587	189,304	11%
18-19	287,429	3,500	6	1,272	22,822	204,369	11%
19-20	292,516	3,500	4	11,237	15,088	209,789	7%
20-21	297,694	3,500	3	6,799	11,793	220,057	5%
21-22	302,963	3,500		12,068	3,225	225,382	1%
22-23	308,325	3,500		43,036	-36,311	199,954	-18%
23-24	313,783	3,500			-32,811	218,127	-15%
24-25	319,337	3,500		848	-30,159	236,057	-13%
25-26	324,989	3,500		6,041	-32,700	249,285	-13%
26-27	330,741	3,500			-29,200	268,369	-11%
27-28	336,595	3,500		52,911	-78,611	234,930	-33%
28-29	342,553	3,500		48,037	-123,148	206,138	-60%
29-30	345,153	3,500		52,028	-171,676	172,868	-99%
30-31	351,262	3,500		52,446	-220,622	139,082	-159%
31-32	357,480	3,500		55,676	-272,798	101,842	-268%
32-33	363,807	3,500		13,884	-283,182	106,776	-265%
33-34	370,246	3,500		20,854	-300,536	105,090	-286%
34-35	376,800	3,500			-297,036	124,910	-238%
35-36	383,469	3,500			-293,536	145,399	-202%
36-37	390,256	3,500		15,003	-305,039	151,305	-202%
37-38	397,164	3,500		6,244	-307,784	167,040	-184%
38-39	404,194	3,500		4,055	-308,339	185,935	-166%
39-40	411,348	3,500		16,329	-321,168	193,029	-166%
40-41	418,629	3,500		9,656	-327,324	207,401	-158%
41-42	426,039	3,500		12,570	-336,394	219,429	-153%
42-43	433,579	3,500		61,126	-394,020	182,630	-216%
43-44	441,254	3,500		6,312	-396,832	201,344	-197%
44-45	449,064	3,500			-393,332	227,201	-173%
45-46	457,012	3,500		4,903	-394,735	248,920	-159%
46-47	465,102	3,500		2,079	-393,314	274,299	-143%

EXECUTIVE SUMMARY - THRESHOLD FUNDING MODEL

THRESHOLD FUNDING MODEL OVERVIEW

The "Threshold Funding Model" method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0). Threshold funding describes an objective chosen by the board other than the 100% (full funding) level or just staying cash-positive (baseline funding). This may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen in between full funding and baseline funding.

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year October 1, 2017 and ending September 30, 2018. Unless otherwise indicated, we have used May 26, 1998 to begin aging the original components in this reserve study.

NUMBER OF UNITS/LOTS & LOCATION: This reserve study is a total of 8 units located in West Linn, Oregon.

DATE OF LAST RESERVE STUDY: (if applicable) The last on-site physical analysis done was completed on November 25, 2016.

NOTE: All interest accrued from reserve savings account(s) must remain in the reserve savings account(s) and not used as an off-set for operating expenses. Income tax factors were not considered due to variables affecting net taxable income and the election of tax form to be filed.

RESERVE FUNDS ON HAND: For the purpose of this reserve study, it is anticipated that the association will have a projected beginning reserve balance of \$17,478 as of October, 1 2017. The actual or projected (estimated) total presented in this reserve study is based upon information provided to ReserveStudyUpdate.com, LLC and was not audited.

FUNDING REQUIRED: A minimum balance threshold of \$8,000 has been used over the thirty years of this reserve study. The reserve study has an annual contribution increase of 3.00% per year.

INFLATION RATE: An inflation rate of 1.77% was used for all thirty years of the reserve study report. This is based on an equally weighted ten-year historical inflation rate average.

THE NATIONAL PERCENT FUNDED RATING IN THE RESERVE STUDY INDUSTRY IS:

0% to 29.99% - Poor

30% to 69.99% - Fair

70% to 100% - Good

This association is 18.49% funded the end of the first fiscal year contingent that the funding model described in this section is implemented.

**Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model: Executive Summary**

DISCLOSURES

GENERAL: Chelan at Cascade Summit and ReserveStudyUpdate.com, LLC have no professional or personal involvements with each other, other than the scope of work identified in the reserve study contract. This relationship cannot be perceived as a conflict of interest.

This reserve study is for budget and planning purposes and identifies the status of the reserve fund and schedules the anticipated major commonly owned item replacements in accordance with Oregon State Law(s). This reserve study will estimate the expected useful life and remaining useful life of the building and site components or systems, and will provide an estimate replacement or refurbishment cost for those components or systems.

PHYSICAL ANALYSIS: If an on-site reserve study was performed observations were limited to visual observations only. Destructive testing (invasive testing) was not performed. Any items that were not clearly visible at the time of the site observation were not viewed, and therefore were not included in the drafting of this reserve study.

A grand total of 40 assets were included in this reserve study report; of these considered, 37 were funded and 3 components were unfunded. Often times components not funded are estimated to be outside the scope of the thirty year scope of the reserve study; while other components are sometimes omitted by property management, Association Representative, and/or Declarant.

MEASUREMENTS: Measuring and inventory (+/- 10%) were identified via a combination of onsite physical measurements, previous reserve study and/or drawing take-offs. Drawing sets (if used) were provided by the property manager, Board of Directors or Declarant for our use relating only to the reserve study scope of work.

RELIANCE ON CLIENT DATA: Data received from property management, Association Representatives and/or Declarant is deemed reliable by ReserveStudyUpdate.com, LLC. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues. Financial information received from property management, association representative, Declarant was not audited for accuracy.

The Association needs to carefully review each line item in the reports to be certain corrections are made from information you may possess that we are not aware of. It is assumed in our reserve study, no work, or expenditures from the reserve funds will occurred for the balance of the fiscal year. If this is not correct, you need to let ReserveStudyUpdate.com, LLC know what extra work was done and how much money will be spent.

SCOPE OF RESERVE STUDY: The Reserve Study is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.

Report Version L.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model: Summary

Report Date	December 27, 2016
Account Number	928
Version	L
Budget Year Beginning	October 01, 2017
Budget Year Ending	September 30, 2018
Total Units	8
Phase Development	1 of 1

<i>Report Parameters</i>	
Inflation	1.77%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.03%
2017 Beginning Balance	\$17,478

<i>Threshold Funding Model Summary of Calculations</i>	
Required Month Contribution	\$1,492.15
<i>\$186.52 per unit monthly</i>	
Average Net Month Interest Earned	<u>\$0.67</u>
Total Month Allocation to Reserves	\$1,492.82
<i>\$186.60 per unit monthly</i>	

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model: Projection

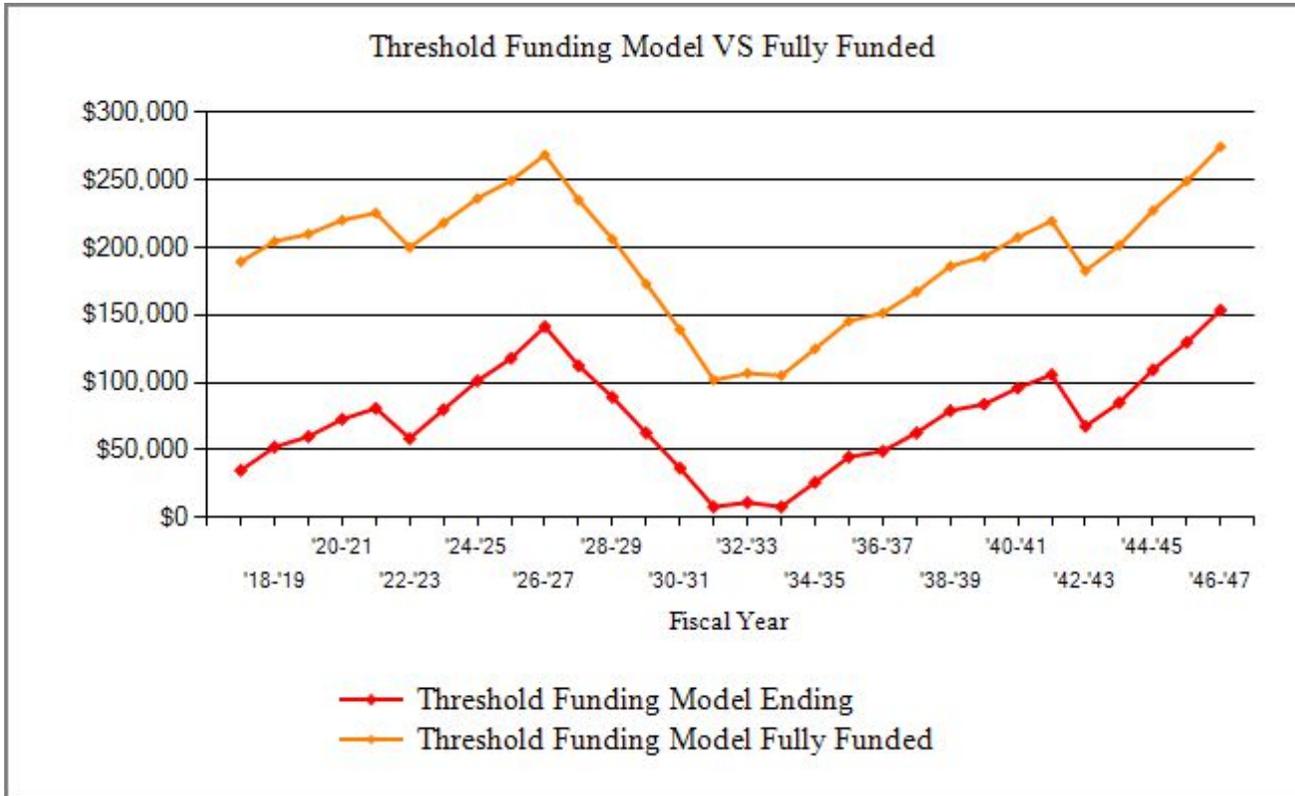
Report Date December 27, 2016
 Beginning Fiscal Year October 01, 2017
 Account Number 928

Version Number L

Beginning Balance: \$17,478

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
17-18	282,430	17,906	8	396	34,996	189,304	18%
18-19	287,429	18,443	13	1,272	52,180	204,369	26%
19-20	292,516	18,996	15	11,237	59,954	209,789	29%
20-21	297,694	19,566	19	6,799	72,740	220,057	33%
21-22	302,963	20,153	21	12,068	80,847	225,382	36%
22-23	308,325	20,758	15	43,036	58,584	199,954	29%
23-24	313,783	21,381	21		79,986	218,127	37%
24-25	319,337	22,022	27	848	101,187	236,057	43%
25-26	324,989	22,683	32	6,041	117,861	249,285	47%
26-27	330,741	23,363	39		141,263	268,369	53%
27-28	336,595	24,064	30	52,911	112,446	234,930	48%
28-29	342,553	24,786	23	48,037	89,219	206,138	43%
29-30	345,153	25,529	15	52,028	62,735	172,868	36%
30-31	351,262	26,295	7	52,446	36,592	139,082	26%
31-32	357,480	27,084		55,676	8,000	101,842	8%
32-33	363,807	17,112	1	13,884	11,229	106,776	11%
33-34	370,246	17,625		20,854	8,000	105,090	8%
34-35	376,800	18,154	5		26,159	124,910	21%
35-36	383,469	18,699	11		44,869	145,399	31%
36-37	390,256	19,260	12	15,003	49,137	151,305	32%
37-38	397,164	19,837	16	6,244	62,747	167,040	38%
38-39	404,194	20,433	21	4,055	79,145	185,935	43%
39-40	411,348	21,046	22	16,329	83,883	193,029	43%
40-41	418,629	21,677	26	9,656	95,930	207,401	46%
41-42	426,039	22,327	29	12,570	105,716	219,429	48%
42-43	433,579	22,997	17	61,126	67,604	182,630	37%
43-44	441,254	23,687	22	6,312	85,001	201,344	42%
44-45	449,064	24,398	29		109,428	227,201	48%
45-46	457,012	25,129	35	4,903	129,690	248,920	52%
46-47	465,102	25,883	42	2,079	153,536	274,299	56%

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model vs Fully Funded Chart



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

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model: Component Summary by Category

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Streets/Asphalt							
Asphalt: Overlay	16,882	30	16	5	0	50.42	6,921
Asphalt: Seal Coat	<u>3,218</u>	6	4		<u>1,000</u>	<u>26.53</u>	<u>1,000</u>
Streets/Asphalt - Total	\$20,100				\$1,000	\$77	\$7,921
Roofing							
Roof: Asphalt Composition - Maintenance & Repairs	4,143	6	2		2,667	35.31	2,667
Roof: Asphalt Composition - Replace - Unit #1	42,815	30	11		0	186.14	22,357
Roof: Asphalt Composition - Replace - Unit #2	43,573	30	12	1	0	173.62	21,636
Roof: Asphalt Composition - Replace - Unit #3	44,344	30	13	2	0	163.08	20,959
Roof: Asphalt Composition - Replace - Unit #4	<u>45,129</u>	30	14	3	<u>0</u>	<u>154.09</u>	<u>20,324</u>
Roofing - Total	\$180,003				\$2,667	\$712	\$87,943
Painting							
Paint: Exterior - Unit #1	6,605	10	5		0	63.23	3,025
Paint: Exterior - Unit #2	4,609	10	2		3,560	25.06	3,560
Paint: Exterior - Unit #3	4,691	10	3		3,115	25.10	3,115
Paint: Exterior - Unit #4	<u>6,704</u>	10	4		<u>3,750</u>	<u>35.31</u>	<u>3,750</u>
Painting - Total	\$22,609				\$10,425	\$149	\$13,450
Lighting							
Lights: Exterior - Replacement	<u>1,819</u>	30	11		0	<u>7.91</u>	<u>950</u>
Lighting - Total	\$1,819					\$8	\$950
Building Components							
Columns: Front Entry - Repair / Replace	1,048	10	5	15	<u>768</u>	<u>2.67</u>	<u>768</u>
Building Components - Total	\$1,048				\$768	\$3	\$768
Gutters and Downspouts							
Gutters & Downspouts: 10% Replacement	4,055	10	21	30	0	9.22	1,333
Gutters & Downspouts: 40% Replacement	<u>3,403</u>	30	11		0	<u>14.79</u>	<u>1,777</u>
Gutters and Downspouts - Total	\$7,458					\$24	\$3,110

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model: Component Summary by Category

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Tree Trimming							
Arborist: Tree Trimming	<u>1,272</u>	7	1		<u>1,071</u>	<u>9.60</u>	<u>1,071</u>
Tree Trimming - Total	<u>\$1,272</u>				<u>\$1,071</u>	<u>\$10</u>	<u>\$1,071</u>
Underground Utilities							
Utilities: Underground - Contingency	<u>1,192</u>	30	10		0	<u>5.70</u>	<u>667</u>
Underground Utilities - Total	<u>\$1,192</u>					<u>\$6</u>	<u>\$667</u>
Landscaping							
Bark Dust: Replenish (Unfunded)	<i>unfunded</i>						
Irrigation: Controllers & Valves	<u>414</u>	10	2		<u>320</u>	<u>2.25</u>	<u>320</u>
Landscaping - Total	<u>\$414</u>				<u>\$320</u>	<u>\$2</u>	<u>\$320</u>
Masonry							
Stonework: Masonry Repairs / Maintenance							
	<u>848</u>	12	7	15	0	<u>5.80</u>	<u>556</u>
Masonry - Total	<u>\$848</u>					<u>\$6</u>	<u>\$556</u>
Siding							
Siding: Caulking / Dry-Rot Repairs - Unit #1	2,183	10	5		0	20.90	1,000
Siding: Caulking / Dry-Rot Repairs - Unit #2	2,071	10	2		1,600	11.26	1,600
Siding: Caulking / Dry-Rot Repairs - Unit #3	2,108	10	3		1,400	11.28	1,400
Siding: Caulking / Dry-Rot Repairs - Unit #4	2,145	10	4		1,200	11.30	1,200
Siding: Exterior - Wood - Global Replacement (Unfunded)	<i>unfunded</i>						
Siding - Total	<u>\$8,508</u>				<u>\$4,200</u>	<u>\$55</u>	<u>\$5,200</u>
Concrete							
Concrete: Curbing - Repairs	449	10	5	15	329	1.14	329
Concrete: Flatwork - Repairs	<u>396</u>	10	0	10	<u>396</u>	—	<u>396</u>
Concrete - Total	<u>\$845</u>				<u>\$725</u>	<u>\$1</u>	<u>\$725</u>
Decks							
Decks: Elevated - Rebuild - 3486 Chaparrel Loop	13,956	20	19		0	35.09	500
Decks: Elevated - Rebuild - 3488 Chaparrel Loop	10,917	20	5	5	8,000	27.81	8,000

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model: Component Summary by Category

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Decks continued...</i>							
Decks: Elevated - Rebuild - 3490 Chaparral Loop	10,917	20	5	5	6,207	45.00	8,000
Decks: Elevated - Rebuild - 3492 Chaparral Loop	10,917	20	5	5	0	104.51	8,000
Decks: Lower Patio - Rebuild - 3485 Chelan Drive	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3486 Chaparral Loop	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3488 Chaparral Loop	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3490 Chaparral Loop	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3492 Chaparral Loop	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3494 Chaparral Loop	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3496 Chaparral Loop	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3498 Chaparral Loop	5,959	25	10	5	0	28.50	3,333
Decks - Total	<u>\$94,379</u>				<u>\$14,207</u>	<u>\$440</u>	<u>\$51,167</u>

Vents

Roof Jack Vents: Replace (Unfunded) *unfunded*

Grand Total:	<u>\$340,496</u>	<u>\$35,384</u>	<u>\$1,492</u>	<u>\$173,848</u>
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Percent Fully Funded	20%
Current Average Liability per Unit (Total Units: 8)	-\$17,308

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model: Capital vs Non-Capital Summary

Report Date December 27, 2016
 Beginning Fiscal Year October 01, 2017
 Account Number 928

Version Number L

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Capital							
Asphalt: Overlay	16,882	30	16	5	0	50.42	6,921
Columns: Front Entry - Repair / Replace							
	1,048	10	5	15	768	2.67	768
Concrete: Curbing - Repairs	449	10	5	15	329	1.14	329
Concrete: Flatwork - Repairs	396	10	0	10	396		396
Decks: Elevated - Rebuild - 3486 Chaparrel Loop							
	13,956	20	19		0	35.09	500
Decks: Elevated - Rebuild - 3488 Chaparrel Loop							
	10,917	20	5	5	8,000	27.81	8,000
Decks: Elevated - Rebuild - 3490 Chaparrel Loop							
	10,917	20	5	5	6,207	45.00	8,000
Decks: Elevated - Rebuild - 3492 Chaparrel Loop							
	10,917	20	5	5	0	104.51	8,000
Decks: Lower Patio - Rebuild - 3485 Chelan Drive							
	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3486 Chaparrel Loop							
	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3488 Chaparrel Loop							
	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3490 Chaparrel Loop							
	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3492 Chaparrel Loop							
	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop							
	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3496 Chaparrel Loop							
	5,959	25	10	5	0	28.50	3,333
Decks: Lower Patio - Rebuild - 3498 Chaparrel Loop							
	5,959	25	10	5	0	28.50	3,333
Gutters & Downspouts: 10% Replacement							
	4,055	10	21	30	0	9.22	1,333
Gutters & Downspouts: 40% Replacement							
	3,403	30	11		0	14.79	1,777
Irrigation: Controllers & Valves	414	10	2		320	2.25	320
Lights: Exterior - Replacement	1,819	30	11		0	7.91	950
Roof Jack Vents: Replace (Unfunded)	<i>unfunded</i>						

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Threshold Funding Model: Capital vs Non-Capital Summary

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Capital continued...</i>							
Roof: Asphalt Composition - Replace - Unit #1	42,815	30	11		0	186.14	22,357
Roof: Asphalt Composition - Replace - Unit #2	43,573	30	12	1	0	173.62	21,636
Roof: Asphalt Composition - Replace - Unit #3	44,344	30	13	2	0	163.08	20,959
Roof: Asphalt Composition - Replace - Unit #4	45,129	30	14	3	0	154.09	20,324
Siding: Caulking / Dry-Rot Repairs - Unit #1	2,183	10	5		0	20.90	1,000
Siding: Caulking / Dry-Rot Repairs - Unit #2	2,071	10	2		1,600	11.26	1,600
Siding: Caulking / Dry-Rot Repairs - Unit #3	2,108	10	3		1,400	11.28	1,400
Siding: Caulking / Dry-Rot Repairs - Unit #4	2,145	10	4		1,200	11.30	1,200
Siding: Exterior - Wood - Global Replacement (Unfunded)	<i>unfunded</i>						
Utilities: Underground - Contingency	1,192	30	10		0	5.70	667
Capital - Total	\$308,406				\$20,221	\$1,266	\$155,104
Non Capital							
Arborist: Tree Trimming	1,272	7	1		1,071	9.60	1,071
Asphalt: Seal Coat	3,218	6	4		1,000	26.53	1,000
Bark Dust: Replenish (Unfunded)	<i>unfunded</i>						
Paint: Exterior - Unit #1	6,605	10	5		0	63.23	3,025
Paint: Exterior - Unit #2	4,609	10	2		3,560	25.06	3,560
Paint: Exterior - Unit #3	4,691	10	3		3,115	25.10	3,115
Paint: Exterior - Unit #4	6,704	10	4		3,750	35.31	3,750
Roof: Asphalt Composition - Maintenance & Repairs	4,143	6	2		2,667	35.31	2,667
Stonework: Masonry Repairs / Maintenance	848	12	7	15	0	5.80	556
Non Capital - Total	\$32,090				\$15,163	\$226	\$18,744
Grand Total:	\$340,496				\$35,384	\$1,492	\$173,848

Percent Fully Funded	20%
Current Average Liability per Unit (Total Units: 8)	-\$17,308

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Report Date December 27, 2016
 Beginning Fiscal Year October 01, 2017
 Account Number 928

Version Number L

Asphalt: Overlay

		7,500 Square Feet	@ \$1.70
Asset ID	1004	Asset Cost	\$12,750.00
	Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$16,882.10
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	30		
Adjustment	5	Monthly Assessment	\$50.42
Replacement Year	33-34	Interest Contribution	
Remaining Life	16	Reserve Allocation	<u>\$50.43</u>



This line item is for the 1.5 inch to 2 inch overlay surface including re-setting of the manhole/valve covers and allowance for the butt-joints and grinding of edges. Re-sealing of the asphalt surface every 3 to 5 years will prolong the asphalt surface. Asphalt observed appeared to be in good overall condition with minor cracks in some very limited areas.

Note: This line item is a provision for an anticipated future expense. Should the Association find that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Asphalt: Seal Coat		7,500 Square Feet	@ \$0.40
Asset ID	1006	Asset Cost	\$3,000.00
	Non Capital	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$3,218.11
Placed in Service	October 2015	Assigned Reserves	\$1,000.00
Useful Life	6		
Replacement Year	21-22	Monthly Assessment	\$26.53
Remaining Life	4	Interest Contribution	<u>\$0.03</u>
		Reserve Allocation	\$26.56



This line item is for the seal coat for the asphalt surface every 5 years. Application of seal coat every 3 to 5 years will maximize the life expectancy of the asphalt overlay. Cost does not include re-striping, curb painting, and ADA stencils with DOT paint as needed. This line item should coincide with "Asphalt Repair" cycle.

Note: This line item is a provision for an anticipated future expense. Should the Association find that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Streets/Asphalt - Total Current Cost	\$15,750
Assigned Reserves	\$1,000
Fully Funded Reserves	\$7,921

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Maintenance & Repairs

		1 Project	@ \$4,000.00
Asset ID	1012	Asset Cost	\$4,000.00
	Non Capital	Percent Replacement	100%
	Roofing	Future Cost	\$4,142.85
Placed in Service	October 2013	Assigned Reserves	\$2,666.67
Useful Life	6		
Replacement Year	19-20	Monthly Assessment	\$35.31
Remaining Life	2	Interest Contribution	<u>\$0.07</u>
		Reserve Allocation	\$35.38



This line item is for the roof maintenance of all roofs located in the community which is above and beyond the bi-annual cleaning. The roof is an asphalt composition. ReserveStudyUpdate.com, LLC recommends roof maintenance every 5-6 years as this measure will likely extend the life of the roof up to 20% or more; depending on the frequency and level of care. Roof maintenance includes but it not limited to moss removal and algae treatment and detecting and addressing dry-rot repair as needed.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Replace - Unit #1

		52 Squares	@ \$678.85
Asset ID	1001	Asset Cost	\$35,300.20
	Capital	Percent Replacement	100%
	Roofing	Future Cost	\$42,814.87
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	28-29	Monthly Assessment	\$186.14
Remaining Life	11	Interest Contribution	<u>\$0.03</u>
		Reserve Allocation	\$186.17



Revised 2017 Reserve Study Notes:

According to Roy Parker at Fisher Roofing, each duplex at the property measures 5,200 square feet (or 52 squares). Additionally, the Board obtained a quote in February 2017 for \$35,300 to replace the roofs on each building. Scope of work is as follows: (verbatim)

- Tear off existing roof and reroof with Lifetime Presidential Roofing*
- High Profile Hip and Ridge*
- Pres Starter*
- 30# ASTM Felt Underlayment*
- Vents AF50 Dark Bronze*
- 8X8 26GA Prepainted Sidewall Metal Dark Bronze*
- 3X5 26GA Prepainted Endwall Metal Dark Bronze*
- W-Valley Metal 26GA Prepainted Rake Flashing Dark Bronze*
- 1X3 Baked Enamel Drip Metal*
- Pan Flashing 26GA Prepainted*
- Plumbing Jacks*
- Install necessary safety equipment*
- Labor & Nails.*

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Replace - Unit #1 continued...

According to the Board, the buildings will be re-roofed over the course of 4 years; priority given to the heavily treed units.

2017 Reserve Study Notes:

According to the Board of Directors, a semi-annual maintenance contractor has reported that the existing roofs will likely be good for at least 10+ years. This line item may be broken out into separate projects (per building) as the work may be spread out over a number of years with the units directly under trees given a higher priority. This is due in part to the fact that tree deposits may contain sap, pitch, and resin which causes the roofs to deteriorate faster regardless of how aggressive a cleaning approach is implemented.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Replace - Unit #2

		52 Squares	@ \$678.85
Asset ID	1038	Asset Cost	\$35,300.20
	Capital	Percent Replacement	100%
	Roofing	Future Cost	\$43,572.70
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	30		
Adjustment	1	Monthly Assessment	\$173.62
Replacement Year	29-30	Interest Contribution	<u>\$0.03</u>
Remaining Life	12	Reserve Allocation	\$173.65



Revised 2017 Reserve Study Notes:

According to Roy Parker at Fisher Roofing, each duplex at the property measures 5,200 square feet (or 52 squares). Additionally, the Board obtained a quote in February 2017 for \$35,300 to replace the roofs on each building. Scope of work is as follows: (verbatim)

- Tear off existing roof and reroof with Lifetime Presidential Roofing*
- High Profile Hip and Ridge*
- Pres Starter*
- 30# ASTM Felt Underlayment*
- Vents AF50 Dark Bronze*
- 8X8 26GA Prepainted Sidewall Metal Dark Bronze*
- 3X5 26GA Prepainted Endwall Metal Dark Bronze*
- W-Valley Metal 26GA Prepainted Rake Flashing Dark Bronze*
- 1X3 Baked Enamel Drip Metal*
- Pan Flashing 26GA Prepainted*
- Plumbing Jacks*
- Install necessary safety equipment*
- Labor & Nails.*

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Replace - Unit #2 continued...

According to the Board, the buildings will be re-roofed over the course of 4 years; priority given to the heavily treed units.

2017 Reserve Study Notes:

According to the Board of Directors, a semi-annual maintenance contractor has reported that the existing roofs will likely be good for at least 10+ years. This line item may be broken out into separate projects (per building) as the work may be spread out over a number of years with the units directly under trees given a higher priority. This is due in part to the fact that tree deposits may contain sap, pitch, and resin which causes the roofs to deteriorate faster regardless of how aggressive a cleaning approach is implemented.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Replace - Unit #3

		52 Squares	@ \$678.85
Asset ID	1039	Asset Cost	\$35,300.20
	Capital	Percent Replacement	100%
	Roofing	Future Cost	\$44,343.93
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	30		
Adjustment	2	Monthly Assessment	\$163.08
Replacement Year	30-31	Interest Contribution	<u>\$0.03</u>
Remaining Life	13	Reserve Allocation	\$163.11



Revised 2017 Reserve Study Notes:

According to Roy Parker at Fisher Roofing, each duplex at the property measures 5,200 square feet (or 52 squares). Additionally, the Board obtained a quote in February 2017 for \$35,300 to replace the roofs on each building. Scope of work is as follows: (verbatim)

- Tear off existing roof and reroof with Lifetime Presidential Roofing*
- High Profile Hip and Ridge*
- Pres Starter*
- 30# ASTM Felt Underlayment*
- Vents AF50 Dark Bronze*
- 8X8 26GA Prepainted Sidewall Metal Dark Bronze*
- 3X5 26GA Prepainted Endwall Metal Dark Bronze*
- W-Valley Metal 26GA Prepainted Rake Flashing Dark Bronze*
- 1X3 Baked Enamel Drip Metal*
- Pan Flashing 26GA Prepainted*
- Plumbing Jacks*
- Install necessary safety equipment*
- Labor & Nails.*

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Replace - Unit #3 continued...

According to the Board, the buildings will be re-roofed over the course of 4 years; priority given to the heavily treed units.

2017 Reserve Study Notes:

According to the Board of Directors, a semi-annual maintenance contractor has reported that the existing roofs will likely be good for at least 10+ years. This line item may be broken out into separate projects (per building) as the work may be spread out over a number of years with the units directly under trees given a higher priority. This is due in part to the fact that tree deposits may contain sap, pitch, and resin which causes the roofs to deteriorate faster regardless of how aggressive a cleaning approach is implemented.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Replace - Unit #4

		52 Squares	@ \$678.85
Asset ID	1040	Asset Cost	\$35,300.20
	Capital	Percent Replacement	100%
	Roofing	Future Cost	\$45,128.82
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	30		
Adjustment	3	Monthly Assessment	\$154.09
Replacement Year	31-32	Interest Contribution	<u>\$0.02</u>
Remaining Life	14	Reserve Allocation	\$154.11



Revised 2017 Reserve Study Notes:

According to Roy Parker at Fisher Roofing, each duplex at the property measures 5,200 square feet (or 52 squares). Additionally, the Board obtained a quote in February 2017 for \$35,300 to replace the roofs on each building. Scope of work is as follows: (verbatim)

- Tear off existing roof and reroof with Lifetime Presidential Roofing*
- High Profile Hip and Ridge*
- Pres Starter*
- 30# ASTM Felt Underlayment*
- Vents AF50 Dark Bronze*
- 8X8 26GA Prepainted Sidewall Metal Dark Bronze*
- 3X5 26GA Prepainted Endwall Metal Dark Bronze*
- W-Valley Metal 26GA Prepainted Rake Flashing Dark Bronze*
- 1X3 Baked Enamel Drip Metal*
- Pan Flashing 26GA Prepainted*
- Plumbing Jacks*
- Install necessary safety equipment*
- Labor & Nails.*

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof: Asphalt Composition - Replace - Unit #4 continued...

According to the Board, the buildings will be re-roofed over the course of 4 years; priority given to the heavily treed units.

2017 Reserve Study Notes:

According to the Board of Directors, a semi-annual maintenance contractor has reported that the existing roofs will likely be good for at least 10+ years. This line item may be broken out into separate projects (per building) as the work may be spread out over a number of years with the units directly under trees given a higher priority. This is due in part to the fact that tree deposits may contain sap, pitch, and resin which causes the roofs to deteriorate faster regardless of how aggressive a cleaning approach is implemented.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roofing - Total Current Cost	\$145,201
Assigned Reserves	\$2,667
Fully Funded Reserves	\$87,943

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Paint: Exterior - Unit #1

		1 Project	@ \$6,050.00
Asset ID	1008	Asset Cost	\$6,050.00
	Non Capital	Percent Replacement	100%
	Painting	Future Cost	\$6,604.72
Placed in Service	May 2013	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	22-23	Monthly Assessment	\$63.23
Remaining Life	5	Interest Contribution	<u>\$0.01</u>
		Reserve Allocation	\$63.24



This line item is for the painting of the exterior on building unit #1. Cost and timing by the Board. Paint presently appears to be in fair condition. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Paint: Exterior - Unit #2

		1 Project	@ \$4,450.00
Asset ID	1011	Asset Cost	\$4,450.00
	Non Capital	Percent Replacement	100%
	Painting	Future Cost	\$4,608.92
Placed in Service	May 2010	Assigned Reserves	\$3,560.00
Useful Life	10		
Replacement Year	19-20	Monthly Assessment	\$25.06
Remaining Life	2	Interest Contribution	<u>\$0.09</u>
		Reserve Allocation	\$25.16



This line item is for the painting of the exterior on building unit #2. Cost and timing by the Board. Paint presently appears to be in fair condition. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Paint: Exterior - Unit #3

		1 Project	@ \$4,450.00
Asset ID	1010	Asset Cost	\$4,450.00
	Non Capital	Percent Replacement	100%
	Painting	Future Cost	\$4,690.50
Placed in Service	May 2011	Assigned Reserves	\$3,115.00
Useful Life	10		
Replacement Year	20-21	Monthly Assessment	\$25.10
Remaining Life	3	Interest Contribution	<u>\$0.08</u>
		Reserve Allocation	\$25.18



This line item is for the painting of the exterior on building unit #3. Cost and timing by the Board. Paint presently is in fair condition. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Paint: Exterior - Unit #4

		1 Project	@ \$6,250.00
Asset ID	1009	Asset Cost	\$6,250.00
	Non Capital	Percent Replacement	100%
	Painting	Future Cost	\$6,704.39
Placed in Service	May 2012	Assigned Reserves	\$3,750.00
Useful Life	10		
Replacement Year	21-22	Monthly Assessment	\$35.31
Remaining Life	4	Interest Contribution	<u>\$0.10</u>
		Reserve Allocation	\$35.40



This line item is for the painting of the exterior on building unit #4. Cost and timing by the Board. Paint presently is in fair condition. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Painting - Total Current Cost	\$21,200
 Assigned Reserves	\$10,425
 Fully Funded Reserves	\$13,450

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Lights: Exterior - Replacement

Asset ID	1033	1 Lump Sum	@ \$1,500.00
Capital	Lighting	Asset Cost	\$1,500.00
Placed in Service	October 1998	Percent Replacement	100%
Useful Life	30	Future Cost	\$1,819.32
Replacement Year	28-29	Assigned Reserves	<i>none</i>
Remaining Life	11	Monthly Assessment	\$7.91
		Interest Contribution	
		Reserve Allocation	\$7.91



This line item is a provision for the replacement of the various exterior light fixtures every 30 years. The analyst estimates that the total value of the existing fixtures is \$1500.

There is a wide variety of fixtures in the common area which are available at Lowes or Home Depot for between \$45 and \$145. Cost factor assumes that multiple fixtures will be replaced at one time in order to avoid an overlap in mobilization charges for installation by an electrician. The Board of Directors have studied the cost of the lighting replacements and affirm these figures and timetable for replacements. Existing fixtures appear to be in good condition.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Lighting - Total Current Cost	\$1,500
Assigned Reserves	\$0
Fully Funded Reserves	\$950

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Columns: Front Entry - Repair / Replace

		32 Each	@ \$600.00
Asset ID	1014	Asset Cost	\$960.00
	Capital	Percent Replacement	5%
	Building Components	Future Cost	\$1,048.02
Placed in Service	May 1998	Assigned Reserves	\$768.00
Useful Life	10		
Adjustment	15	Monthly Assessment	\$2.67
Replacement Year	22-23	Interest Contribution	<u>\$0.02</u>
Remaining Life	5	Reserve Allocation	\$2.69



This line item is for any rebuild needed for the wood columns on the porches on an 10-year cycle. Assets should be evaluated by a licensed professional and addressed every 10 years, or during the building envelope inspection, whichever is sooner. These components should ideally be addressed within the scope of the paint cycle in order to properly match color and avoid overlap in mobilization charges.

Expenditure History: Unknown

Date in Service may be an approximation or based upon a visual survey of components observed. In many instances phased replacements occur on an as-needed basis and may often not reflect a global replacement of similar components in other areas in the community. Any major deviation observed by Management and / or the Board of Directors should be brought to our attention in order to reconcile the component inventory and facilitate the proper assimilation of components presented in this report. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Columns: Front Entry - Repair / Replace continued...

Note: This line item is a provision for an anticipated future expense. Should the Association find that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Building Components - Total Current Cost	\$960
Assigned Reserves	\$768
Fully Funded Reserves	\$768

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Gutters & Downspouts: 10% Replacement

		1,050 Linear Feet	@ \$6.68
Asset ID	1025	Asset Cost	\$2,805.60
	Capital	Percent Replacement	40%
	Gutters and Downspouts	Future Cost	\$4,055.47
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	10		
Adjustment	30	Monthly Assessment	\$9.22
Replacement Year	38-39	Interest Contribution	_____
Remaining Life	21	Reserve Allocation	\$9.22



This line item replaces approximately 10% of the gutters on the 40th anniversary of the initial installation with an additional 10% of the gutters being replaced every ten years thereafter for the 30-year horizon of the reserve study from a 2017 vantage point. This activity is in conjunction with a 40% line item which addresses the gutters on the 30th anniversary of the installation. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Gutters & Downspouts: 40% Replacement

		1,050 Linear Feet	@ \$6.68
Asset ID	1003	Asset Cost	\$2,805.60
	Capital	Percent Replacement	40%
	Gutters and Downspouts	Future Cost	\$3,402.85
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	28-29	Monthly Assessment	\$14.79
Remaining Life	11	Interest Contribution	_____
		Reserve Allocation	\$14.80



This line item replaces approximately 40% of the gutters on the 30th anniversary of the initial installation with an additional 10% of the gutters being replaced every ten years thereafter. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

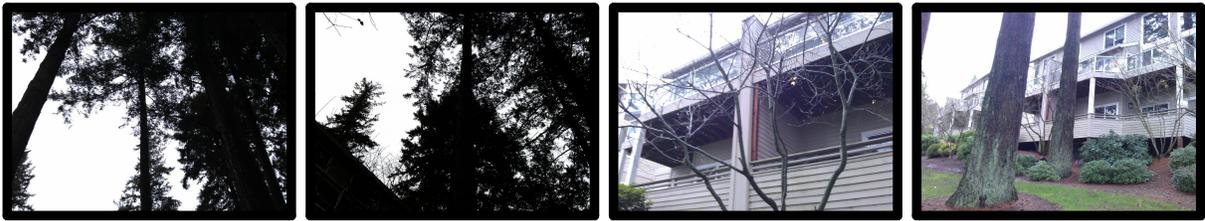
Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Gutters and Downspouts - Total Current Cost	\$5,611
Assigned Reserves	\$0
Fully Funded Reserves	\$3,110

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Arborist: Tree Trimming

		1 Project	@ \$1,250.00
Asset ID	1020	Asset Cost	\$1,250.00
	Non Capital	Percent Replacement	100%
	Tree Trimming	Future Cost	\$1,272.12
Placed in Service	May 2012	Assigned Reserves	\$1,071.43
Useful Life	7		
Replacement Year	18-19	Monthly Assessment	\$9.60
Remaining Life	1	Interest Contribution	<u>\$0.03</u>
		Reserve Allocation	\$9.63



This line item is for the possible costs associated with the removal and replacement of diseased and/or falling trees which may require the services of a certified arborist and necessary permits & approval by the City of West Linn. There is a handful of trees which surround the property which the association is responsible to maintain which is outside the scope of the routine landscaping contract. This should not be confused with the trees which the master association is responsible to maintain which have not been budgeted for in this reserve study..

Date in Service may be an approximation or based upon a visual survey of components observed. Any major deviation observed by Management and / or the Board of Directors should be brought to our attention in order to reconcile the component inventory and facilitate the proper assimilation of components presented in this report. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated future expense. Should the Association find that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Tree Trimming - Total Current Cost	\$1,250
Assigned Reserves	\$1,071
Fully Funded Reserves	\$1,071

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Utilities: Underground - Contingency

		1 Provision	@ \$1,000.00
Asset ID	1017	Asset Cost	\$1,000.00
	Capital	Percent Replacement	100%
	Underground Utilities	Future Cost	\$1,191.78
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	27-28	Monthly Assessment	\$5.70
Remaining Life	10	Interest Contribution	_____
		Reserve Allocation	\$5.70



This line item is for any necessary underground utility work needed for any utilities not maintained by the utility company. Also included is a provision for any major storm drain work beyond routine cleaning. A condition assessment is not possible as the underground components fail sporadically and are not visible without specialized equipment.

Analyst presents that it is impossible to precisely pinpoint the timing and price point of these expenditures as these components are buried deep underground. Costs are frequently only predictable and obtainable when a repair is imminent. However, a failure in one section of the complex does not mean that another section will or won't fail in the immediate future. Predicting these costs is a constantly moving target and a majority of the time impossible to predict with any measure of confidence. Costs are predicated on assumption that maintenance is performed on a periodic basis. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

Note: As this information is not in keeping with our experience, we cannot accept responsibility for its accuracy. For the purposes of this report, we are providing the calculations necessary for funding only. No other warranty is intended, expressed or implied. Cost would vary according to scope involved which will vary over the years contingent on degree and frequency of annual maintenance.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Underground Utilities - Total Current Cost	\$1,000
Assigned Reserves	\$0
Fully Funded Reserves	\$667

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Bark Dust: Replenish (Unfunded)

		6 Units	@ \$385.00
Asset ID	1019	Asset Cost	\$2,310.00
	Non Capital	Percent Replacement	100%
	Landscaping	Future Cost	\$2,310.00
Placed in Service	May 2015	Assigned Reserves	<i>none</i>
Useful Life	3		
Replacement Year	17-18	Monthly Assessment	No Assessment
Remaining Life	0	Interest Contribution	
		Reserve Allocation	



According to information provided by the Board of Directors, the bark dust is funded in the operating budget and is not a part of the reserve study.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Irrigation: Controllers & Valves

		1 Provision	@ \$400.00
Asset ID	1018	Asset Cost	\$400.00
	Capital	Percent Replacement	100%
	Landscaping	Future Cost	\$414.29
Placed in Service	May 2010	Assigned Reserves	\$320.00
Useful Life	10		
Replacement Year	19-20	Monthly Assessment	\$2.25
Remaining Life	2	Interest Contribution	_____
		Reserve Allocation	\$2.26



This line item is an allowance to replace the irrigation controllers and associated water valves in the front yards on a 10 year cycle. Date in service is an approximation.

Expenditure History: Unknown

Date in Service may be an approximation or based upon a visual survey of components observed. In many instances phased replacements occur on an as-needed basis and may often not reflect a global replacement of similar components in other areas in the community. Any major deviation observed by Management and / or the Board of Directors should be brought to our attention in order to reconcile the component inventory and facilitate the proper assimilation of components presented in this report.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

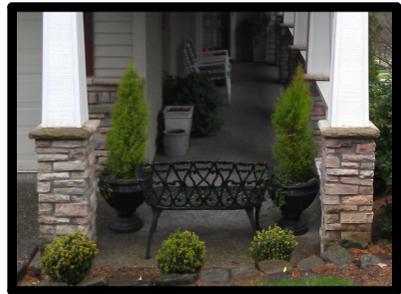
Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Landscaping - Total Current Cost	\$400
Assigned Reserves	\$320
Fully Funded Reserves	\$320

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Stonework: Masonry Repairs / Maintenance

		1 Provision	@ \$750.00
Asset ID	1021	Asset Cost	\$750.00
	Non Capital	Percent Replacement	100%
	Masonry	Future Cost	\$848.01
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	12		
Adjustment	15	Monthly Assessment	\$5.80
Replacement Year	24-25	Interest Contribution	<u> </u>
Remaining Life	7	Reserve Allocation	<u>\$5.80</u>



This line item is for the future possible replacement of the stone and mortar located at various locations in the community. Stone has a life expectancy exceeding thirty years, however may require re-sealing and tuck-pointing from time-to-time. This line item currently exceeds the 30-year scope of the reserve study report. A line item has been included in the report for various maintenance events anticipated during the product life cycle.

Note: The Association should obtain a bid from a local certified, licensed, and bonded contractor in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Masonry - Total Current Cost	\$750
Assigned Reserves	\$0
Fully Funded Reserves	\$556

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Caulking / Dry-Rot Repairs - Unit #1

		1 Project	@ \$2,000.00
Asset ID	1013	Asset Cost	\$2,000.00
	Capital	Percent Replacement	100%
	Siding	Future Cost	\$2,183.38
Placed in Service	May 2013	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	22-23	Monthly Assessment	\$20.90
Remaining Life	5	Interest Contribution	
		Reserve Allocation	\$20.91



Revised 2017 Reserve Study Notes:

This line item has been adjusted to align to facilitate this activity in conjunction with each paint cycle on each building. According to the Board, approximately \$800 was spent on dry-rot repairs several years ago on one building. Additionally, repairs of \$2500 (or less) were reported involving a separate incident. Analyst submits that as the siding ages (overall) the cost and scope of needed repairs will likely increase in the later horizon of the 30-year reserve study since in these time periods the chronological age of these components will be greater. Future costs are also often predicated on the skill of the craftsman, quality of materials used, but also the ability of these experts to properly identify areas of concern in the siding.

Based on the information above and discussions with the Board, analyst submits a \$2000 per building allowance with the admonition that the annual reserve study is a constantly moving target and funding course corrections may be required as the cost and scope of the repairs are brought into focus with the passage of time and experience with the idiosyncrasies of these buildings. The Board is encouraged to seek competitive bids for this asset and report any findings to our office for prompt assimilation into this study.

2017 Reserve Study Notes:

This line item is for any dry-rot and recaulking as needed on a 6-year cycle. Analyst presents that this is a "best guess" and an approximation based on expenditures from similar projects. Condition of these assets cannot be fully explored without a building envelope inspection, however, some repairs are expected during every paint cycle.

We will update this estimate in the event that the client submits a bid to our office during the first fiscal

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Caulking / Dry-Rot Repairs - Unit #1 continued...

year of the reserve study (2017). The exact date of the last caulking / dry-rot repair cycle is unknown.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Caulking / Dry-Rot Repairs - Unit #2

		1 Project	@ \$2,000.00
Asset ID	1035	Asset Cost	\$2,000.00
	Capital	Percent Replacement	100%
	Siding	Future Cost	\$2,071.43
Placed in Service	May 2010	Assigned Reserves	\$1,600.00
Useful Life	10		
Replacement Year	19-20	Monthly Assessment	\$11.26
Remaining Life	2	Interest Contribution	<u>\$0.04</u>
		Reserve Allocation	\$11.31



Revised 2017 Reserve Study Notes:

This line item has been adjusted to align to facilitate this activity in conjunction with each paint cycle on each building. According to the Board, approximately \$800 was spent on dry-rot repairs several years ago on one building. Additionally, repairs of \$2500 (or less) were reported involving a separate incident. Analyst submits that as the siding ages (overall) the cost and scope of needed repairs will likely increase in the later horizon of the 30-year reserve study since in these time periods the chronological age of these components will be greater. Future costs are also often predicated on the skill of the craftsman, quality of materials used, but also the ability of these experts to properly identify areas of concern in the siding.

Based on the information above and discussions with the Board, analyst submits a \$2000 per building allowance with the admonition that the annual reserve study is a constantly moving target and funding course corrections may be required as the cost and scope of the repairs are brought into focus with the passage of time and experience with the idiosyncrasies of these buildings. The Board is encouraged to seek competitive bids for this asset and report any findings to our office for prompt assimilation into this study.

2017 Reserve Study Notes:

This line item is for any dry-rot and recaulking as needed on a 6-year cycle. Analyst presents that this is a "best guess" and an approximation based on expenditures from similar projects. Condition of these assets cannot be fully explored without a building envelope inspection, however, some repairs are expected during every paint cycle.

We will update this estimate in the event that the client submits a bid to our office during the first fiscal

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Caulking / Dry-Rot Repairs - Unit #2 continued...

year of the reserve study (2017). The exact date of the last caulking / dry-rot repair cycle is unknown.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Caulking / Dry-Rot Repairs - Unit #3

		1 Project	@ \$2,000.00
Asset ID	1036	Asset Cost	\$2,000.00
	Capital	Percent Replacement	100%
	Siding	Future Cost	\$2,108.09
Placed in Service	May 2011	Assigned Reserves	\$1,400.00
Useful Life	10		
Replacement Year	20-21	Monthly Assessment	\$11.28
Remaining Life	3	Interest Contribution	<u>\$0.04</u>
		Reserve Allocation	\$11.32



Revised 2017 Reserve Study Notes:

This line item has been adjusted to align to facilitate this activity in conjunction with each paint cycle on each building. According to the Board, approximately \$800 was spent on dry-rot repairs several years ago on one building. Additionally, repairs of \$2500 (or less) were reported involving a separate incident. Analyst submits that as the siding ages (overall) the cost and scope of needed repairs will likely increase in the later horizon of the 30-year reserve study since in these time periods the chronological age of these components will be greater. Future costs are also often predicated on the skill of the craftsman, quality of materials used, but also the ability of these experts to properly identify areas of concern in the siding.

Based on the information above and discussions with the Board, analyst submits a \$2000 per building allowance with the admonition that the annual reserve study is a constantly moving target and funding course corrections may be required as the cost and scope of the repairs are brought into focus with the passage of time and experience with the idiosyncrasies of these buildings. The Board is encouraged to seek competitive bids for this asset and report any findings to our office for prompt assimilation into this study.

2017 Reserve Study Notes:

This line item is for any dry-rot and recaulking as needed on a 6-year cycle. Analyst presents that this is a "best guess" and an approximation based on expenditures from similar projects. Condition of these assets cannot be fully explored without a building envelope inspection, however, some repairs are expected during every paint cycle.

We will update this estimate in the event that the client submits a bid to our office during the first fiscal

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Caulking / Dry-Rot Repairs - Unit #3 continued...

year of the reserve study (2017). The exact date of the last caulking / dry-rot repair cycle is unknown.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

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Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Caulking / Dry-Rot Repairs - Unit #4

		1 Project	@ \$2,000.00
Asset ID	1037	Asset Cost	\$2,000.00
	Capital	Percent Replacement	100%
	Siding	Future Cost	\$2,145.40
Placed in Service	May 2012	Assigned Reserves	\$1,200.00
Useful Life	10		
Replacement Year	21-22	Monthly Assessment	\$11.30
Remaining Life	4	Interest Contribution	<u>\$0.03</u>
		Reserve Allocation	\$11.33



Revised 2017 Reserve Study Notes:

This line item has been adjusted to align to facilitate this activity in conjunction with each paint cycle on each building. According to the Board, approximately \$800 was spent on dry-rot repairs several years ago on one building. Additionally, repairs of \$2500 (or less) were reported involving a separate incident. Analyst submits that as the siding ages (overall) the cost and scope of needed repairs will likely increase in the later horizon of the 30-year reserve study since in these time periods the chronological age of these components will be greater. Future costs are also often predicated on the skill of the craftsman, quality of materials used, but also the ability of these experts to properly identify areas of concern in the siding.

Based on the information above and discussions with the Board, analyst submits a \$2000 per building allowance with the admonition that the annual reserve study is a constantly moving target and funding course corrections may be required as the cost and scope of the repairs are brought into focus with the passage of time and experience with the idiosyncrasies of these buildings. The Board is encouraged to seek competitive bids for this asset and report any findings to our office for prompt assimilation into this study.

2017 Reserve Study Notes:

This line item is for any dry-rot and recaulking as needed on a 6-year cycle. Analyst presents that this is a "best guess" and an approximation based on expenditures from similar projects. Condition of these assets cannot be fully explored without a building envelope inspection, however, some repairs are expected during every paint cycle.

We will update this estimate in the event that the client submits a bid to our office during the first fiscal

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Caulking / Dry-Rot Repairs - Unit #4 continued...

year of the reserve study (2017). The exact date of the last caulking / dry-rot repair cycle is unknown.

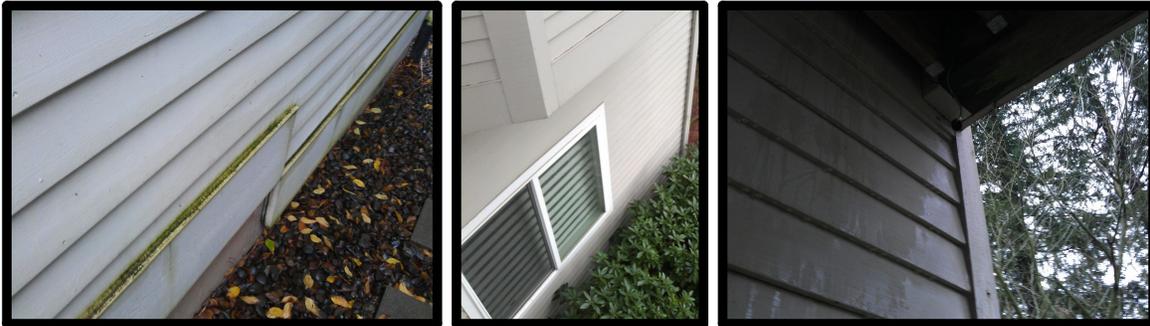
ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Exterior - Wood - Global Replacement (Unfunded)

		46,400 Square Feet	@ \$8.57
Asset ID	1002	Asset Cost	\$397,648.00
	Capital	Percent Replacement	100%
	Siding	Future Cost	\$685,033.50
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	50	Monthly Assessment	No Assessment
Replacement Year	48-49	Interest Contribution	
Remaining Life	31	Reserve Allocation	



4/6/2017 Revised 2017 Reserve Study Notes:

This line item has been provided a 50 year total lifespan which puts the siding just outside the horizon of the 30-year reserve study report. Over the next 2-3 years, the Board will interview vendors and contractors to pinpoint a likely replacement date. The Board understands that the reserve study is updated every year and this is a living / breathing document. The reserve study is a constantly moving target and the report will be updated when facts are known.

2/19/2017 Revised 2017 Reserve Study Notes:

This line item has been extended to the year 2043 with the methodology that the Board will be rejuvenating the siding during the paint process; but despite these efforts, the product has a lifespan that will be no longer cost effective to do patch repairs and eventual full replacement will be inevitable. The Board anticipates a full replacement at the 40-45 year mark is anticipated, but with the caveat that is a constantly moving target, but this is likely obtainable if a schedule of proper and timely repairs are performed and the reserve study is updated from year-to-year.

2017 Reserve Study Notes:

This line item funds the phased replacement of the cedar wood siding on a 25-year cycle. Analyst submits that the frequency of wood siding will likely exponentially increase as the overall component ages which is expected to occur when the overall age is 35-40 years or greater. The Board of Directors is strongly encouraged to monitor this line item carefully and adjust the reserve study report accordingly.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding: Exterior - Wood - Global Replacement (Unfunded) continued...

estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

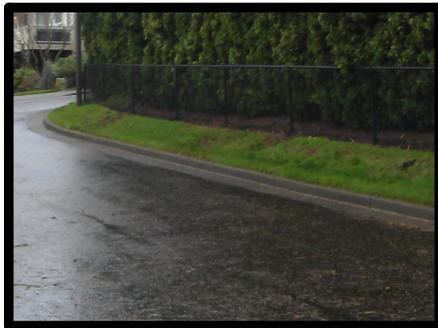
Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Siding - Total Current Cost	\$8,000
Assigned Reserves	\$4,200
Fully Funded Reserves	\$5,200

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Concrete: Curbing - Repairs

		400 Linear Feet	@ \$10.28
Asset ID	1005	Asset Cost	\$411.20
	Capital	Percent Replacement	10%
	Concrete	Future Cost	\$448.90
Placed in Service	May 1998	Assigned Reserves	\$328.96
Useful Life	10		
Adjustment	15	Monthly Assessment	\$1.14
Replacement Year	22-23	Interest Contribution	_____
Remaining Life	5	Reserve Allocation	\$1.15



This line item is for the phased replacement or maintenance of concrete along the roadway in the community. Analyst submits that concrete typically has a life expectancy exceeding thirty years and a phased approach addresses the 'here and there' repairs that are likely to be required to prevent possible slip-and-fall hazards.

Note: This line item is a provision for an anticipated future expense. Should the Association find that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Concrete: Flatwork - Repairs

		237 Square Feet	@ \$11.15
Asset ID	1007	Asset Cost	\$396.38
	Capital	Percent Replacement	15%
	Concrete	Future Cost	\$396.38
Placed in Service	May 1998	Assigned Reserves	\$396.38
Useful Life	10		
Adjustment	10	Monthly Assessment	No Assessment
Replacement Year	17-18	Interest Contribution	
Remaining Life	0	Reserve Allocation	



This line item is for the phased replacement or maintenance of concrete along the roadway, sidewalks, patios and other walking surfaces in the community. Analyst submits that concrete typically has a life expectancy exceeding thirty years and a phased approach addresses the 'here and there' repairs that are likely to be required to prevent possible slip-and-fall hazards.

Analyst noted that there is some sections with minimal damage which should be addressed (see leftmost photo). Cost submitted reflects a hypothetical minimal charge for services provided by a local handyman or local cement contractor.

Note: This line item is a provision for an anticipated future expense. Should the Association find that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Concrete - Total Current Cost	\$808
 Assigned Reserves	\$725
 Fully Funded Reserves	\$725

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Elevated - Rebuild - 3486 Chaparrel Loop

		1 Each	@ \$10,000.00
Asset ID	1015	Asset Cost	\$10,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$13,956.47
Placed in Service	May 2017	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	36-37	Monthly Assessment	\$35.09
Remaining Life	19	Interest Contribution	
		Reserve Allocation	\$35.09



Revised 2017 Reserve Study Notes:

According to Paul Blankenmeister, this deck will be rebuilt in 2017 prior to the commencement of this reserve study at an estimated cost of \$10,000.

2017 Reserve Study Notes:

According to the Board of Directors, one deck (this deck) will be addressed in 2017, while the other 3 elevated decks are scheduled for 2022. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$4500 for repair of a known beam issue, and \$5000 for re-decking the surface and re-flashing the header board. The re-decking cost would be the same for the lower deck.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF)

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Elevated - Rebuild - 3486 Chaparrel Loop continued...

and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Elevated - Rebuild - 3488 Chaparrel Loop

		1 Each	@ \$10,000.00
Asset ID	1022	Asset Cost	\$10,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$10,916.89
Placed in Service	May 1998	Assigned Reserves	\$8,000.00
Useful Life	20		
Adjustment	5	Monthly Assessment	\$27.81
Replacement Year	22-23	Interest Contribution	<u>\$0.20</u>
Remaining Life	5	Reserve Allocation	\$28.01



According to the Board of Directors, one deck will be addressed in 2017, while the other 3 elevated decks are scheduled for 2022. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$4500 for repair of a known beam issue, and \$5000 for re-decking the surface and re-flashing the header board. The re-decking cost would be the same for the lower deck.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

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Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Elevated - Rebuild - 3490 Chaparrel Loop

		1 Each	@ \$10,000.00
Asset ID	1023	Asset Cost	\$10,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$10,916.89
Placed in Service	May 1998	Assigned Reserves	\$6,207.42
Useful Life	20		
Adjustment	5	Monthly Assessment	\$45.00
Replacement Year	22-23	Interest Contribution	<u>\$0.16</u>
Remaining Life	5	Reserve Allocation	\$45.16



According to the Board of Directors, one deck will be addressed in 2017, while the other 3 elevated decks are scheduled for 2022. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$4500 for repair of a known beam issue, and \$5000 for re-decking the surface and re-flashing the header board. The re-decking cost would be the same for the lower deck.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

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Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Elevated - Rebuild - 3492 Chaparrel Loop

		1 Each	@ \$10,000.00
Asset ID	1024	Asset Cost	\$10,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$10,916.89
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	20		
Adjustment	5	Monthly Assessment	\$104.51
Replacement Year	22-23	Interest Contribution	<u>\$0.02</u>
Remaining Life	5	Reserve Allocation	\$104.53



According to the Board of Directors, one deck will be addressed in 2017, while the other 3 elevated decks are scheduled for 2022. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$4500 for repair of a known beam issue, and \$5000 for re-decking the surface and re-flashing the header board. The re-decking cost would be the same for the lower deck.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

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Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3485 Chelan Drive

		1 Each	@ \$5,000.00
Asset ID	1032	Asset Cost	\$5,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$5,958.92
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Monthly Assessment	\$28.50
Replacement Year	27-28	Interest Contribution	
Remaining Life	10	Reserve Allocation	\$28.51



This line item is for the major rebuild or refurbishment of this deck. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$5000 for re-decking the surface and re-flashing the header board.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

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Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3485 Chelan Drive continued...

should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3486 Chaparrel Loop

		1 Each	@ \$5,000.00
Asset ID	1016	Asset Cost	\$5,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$5,958.92
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Monthly Assessment	\$28.50
Replacement Year	27-28	Interest Contribution	<hr/>
Remaining Life	10	Reserve Allocation	\$28.51



This line item is for the major rebuild or refurbishment of this deck. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$5000 for re-decking the surface and re-flashing the header board.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

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Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3488 Chaparrel Loop

		1 Each	@ \$5,000.00
Asset ID	1026	Asset Cost	\$5,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$5,958.92
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Monthly Assessment	\$28.50
Replacement Year	27-28	Interest Contribution	<u> </u>
Remaining Life	10	Reserve Allocation	\$28.51



This line item is for the major rebuild or refurbishment of this deck. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$5000 for re-decking the surface and re-flashing the header board.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3490 Chaparrel Loop

		1 Each	@ \$5,000.00
Asset ID	1027	Asset Cost	\$5,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$5,958.92
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Monthly Assessment	\$28.50
Replacement Year	27-28	Interest Contribution	
Remaining Life	10	Reserve Allocation	\$28.51



This line item is for the major rebuild or refurbishment of this deck. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$5000 for re-decking the surface and re-flashing the header board.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

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Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3492 Chaparrel Loop

		1 Each	@ \$5,000.00
Asset ID	1028	Asset Cost	\$5,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$5,958.92
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Monthly Assessment	\$28.50
Replacement Year	27-28	Interest Contribution	_____
Remaining Life	10	Reserve Allocation	\$28.51



This line item is for the major rebuild or refurbishment of this deck. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$5000 for re-decking the surface and re-flashing the header board.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop

		1 Each	@ \$5,000.00
Asset ID	1029	Asset Cost	\$5,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$5,958.92
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Monthly Assessment	\$28.50
Replacement Year	27-28	Interest Contribution	<hr/>
Remaining Life	10	Reserve Allocation	\$28.51



This line item is for the major rebuild or refurbishment of this deck. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$5000 for re-decking the surface and re-flashing the header board.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop continued...

should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3496 Chaparrel Loop

		1 Each	@ \$5,000.00
Asset ID	1030	Asset Cost	\$5,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$5,958.92
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Monthly Assessment	\$28.50
Replacement Year	27-28	Interest Contribution	_____
Remaining Life	10	Reserve Allocation	\$28.51



This line item is for the major rebuild or refurbishment of this deck. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$5000 for re-decking the surface and re-flashing the header board.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks: Lower Patio - Rebuild - 3498 Chaparral Loop

		1 Each	@ \$5,000.00
Asset ID	1031	Asset Cost	\$5,000.00
	Capital	Percent Replacement	100%
	Decks	Future Cost	\$5,958.92
Placed in Service	May 1998	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Monthly Assessment	\$28.50
Replacement Year	27-28	Interest Contribution	<u> </u>
Remaining Life	10	Reserve Allocation	\$28.51



This line item is for the major rebuild or refurbishment of this deck. This will be reevaluated each year and the future reserve studies will be adjusted in order to compensate. The reserve study report is a constantly moving target and the report will be updated as the facts about the condition are better known. Photos presented above represents photographs from all units, not profiling one specific unit or design.

Cost and timing provided by the Board of Directors. Scope of work includes \$5000 for re-decking the surface and re-flashing the header board.

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Decks - Total Current Cost	\$80,000
 Assigned Reserves	\$14,207
 Fully Funded Reserves	\$51,167

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Roof Jack Vents: Replace (Unfunded)		8 Vents	@ \$214.00
Asset ID	1034	Asset Cost	\$1,712.00
	Capital	Percent Replacement	100%
	Vents	Future Cost	\$2,076.45
Placed in Service	October 1998	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	28-29	Monthly Assessment	No Assessment
Remaining Life	11	Interest Contribution	
		Reserve Allocation	



Revised 2017 Reserve Study Notes:

According to a quote from Fisher Roofing obtained by the Board, this cost is already included into the roof replacement proposal which was utilized for pinpointing the roof replacement cost. Therefore, this line item is not funded in order to prevent funding overlap.

2017 Reserve Study Notes:

This line item is for the replacement of the roof jack vents on all units in conjunction with the roof cycle. Existing vents appear to be in fair condition. Pricing based on a similar project in Gresham, Oregon of similar scope performed by A-1 Remodeling. The Board should firm this cost up with a bid from a local contractor.

Expenditure History: Unknown

The useful life of this component is predicated on the assumption the component was properly installed or applied. Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: The Association should obtain a bid from a local certified, licensed, and bonded contractor in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Vents - Total Current Cost	\$0
Assigned Reserves	\$0
Fully Funded Reserves	\$0

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Detail Report by Category (Threshold Funding Model)

Detail Report Summary

Grand Total

Assigned Reserves	\$35,383.86
Monthly Contribution	\$1,492.15
Monthly Interest	\$1.12
Monthly Allocation	\$1,493.27

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Category Detail Index

Asset ID	Description	Replacement	Page
1020	Arborist: Tree Trimming	18-19	2-43
1004	Asphalt: Overlay	33-34	2-17
1006	Asphalt: Seal Coat	21-22	2-18
1019	Bark Dust: Replenish (Unfunded)	Unfunded	2-47
1014	Columns: Front Entry - Repair / Replace	22-23	2-37
1005	Concrete: Curbing - Repairs	22-23	2-63
1007	Concrete: Flatwork - Repairs	17-18	2-64
1015	Decks: Elevated - Rebuild - 3486 Chaparrel Loop	36-37	2-66
1022	Decks: Elevated - Rebuild - 3488 Chaparrel Loop	22-23	2-68
1023	Decks: Elevated - Rebuild - 3490 Chaparrel Loop	22-23	2-69
1024	Decks: Elevated - Rebuild - 3492 Chaparrel Loop	22-23	2-70
1032	Decks: Lower Patio - Rebuild - 3485 Chelan Drive	27-28	2-71
1016	Decks: Lower Patio - Rebuild - 3486 Chaparrel Loop	27-28	2-73
1026	Decks: Lower Patio - Rebuild - 3488 Chaparrel Loop	27-28	2-74
1027	Decks: Lower Patio - Rebuild - 3490 Chaparrel Loop	27-28	2-75
1028	Decks: Lower Patio - Rebuild - 3492 Chaparrel Loop	27-28	2-76
1029	Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop	27-28	2-77
1030	Decks: Lower Patio - Rebuild - 3496 Chaparrel Loop	27-28	2-79
1031	Decks: Lower Patio - Rebuild - 3498 Chaparrel Loop	27-28	2-80
1025	Gutters & Downspouts: 10% Replacement	38-39	2-40
1003	Gutters & Downspouts: 40% Replacement	28-29	2-41
1018	Irrigation: Controllors & Valves	19-20	2-48
1033	Lights: Exterior - Replacement	28-29	2-35
1008	Paint: Exterior - Unit #1	22-23	2-30
1011	Paint: Exterior - Unit #2	19-20	2-31

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Category Detail Index

Asset ID	Description	Replacement	Page
1010	Paint: Exterior - Unit #3	20-21	2-32
1009	Paint: Exterior - Unit #4	21-22	2-33
1034	Roof Jack Vents: Replace (Unfunded)	Unfunded	2-82
1012	Roof: Asphalt Composition - Maintenance & Repairs	19-20	2-20
1001	Roof: Asphalt Composition - Replace - Unit #1	28-29	2-21
1038	Roof: Asphalt Composition - Replace - Unit #2	29-30	2-23
1039	Roof: Asphalt Composition - Replace - Unit #3	30-31	2-25
1040	Roof: Asphalt Composition - Replace - Unit #4	31-32	2-27
1013	Siding: Caulking / Dry-Rot Repairs - Unit #1	22-23	2-52
1035	Siding: Caulking / Dry-Rot Repairs - Unit #2	19-20	2-54
1036	Siding: Caulking / Dry-Rot Repairs - Unit #3	20-21	2-56
1037	Siding: Caulking / Dry-Rot Repairs - Unit #4	21-22	2-58
1002	Siding: Exterior - Wood - Global Replacement (Unfunded)	Unfunded	2-60
1021	Stonework: Masonry Repairs / Maintenance	24-25	2-50
1017	Utilities: Underground - Contingency	27-28	2-45
	Total Funded Assets	37	
	Total Unfunded Assets	<u>3</u>	
	Total Assets	40	

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Spread Sheet

	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Beginning Balance	17,478	34,996	52,180	59,954	72,740	80,847	58,584	79,986	101,187
Annual Assessment	17,906	18,443	18,996	19,566	20,153	20,758	21,381	22,022	22,683
Interest Earned	8	13	15	19	21	15	21	27	32
Expenditures	396	1,272	11,237	6,799	12,068	43,036		848	6,041
Fully Funded Reserves	189,304	204,369	209,789	220,057	225,382	199,954	218,127	236,057	249,285
Percent Fully Funded	18%	26%	29%	33%	36%	29%	37%	43%	47%
Ending Balance	34,996	52,180	59,954	72,740	80,847	58,584	79,986	101,187	117,861

Description									
Arborist: Tree Trimming		1,272							1,438
Asphalt: Overlay									
Asphalt: Seal Coat					3,218				
Bark Dust: Replenish (Unfunded)	<i>Unfunded</i>								
Columns: Front Entry - Repair / Replace						1,048			
Concrete: Curbing - Repairs						449			
Concrete: Flatwork - Repairs	396								
Decks: Elevated - Rebuild - 3486 Chaparrel Loop							10,917		
Decks: Elevated - Rebuild - 3488 Chaparrel Loop							10,917		
Decks: Elevated - Rebuild - 3490 Chaparrel Loop							10,917		
Decks: Elevated - Rebuild - 3492 Chaparrel Loop							10,917		
Decks: Lower Patio - Rebuild - 3485 Chelan Drive									
Decks: Lower Patio - Rebuild - 3486 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3488 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3490 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3492 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3496 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3498 Chaparrel Loop									
Gutters & Downspouts: 10% Replacement									
Gutters & Downspouts: 40% Replacement									
Irrigation: Controllers & Valves			414						
Lights: Exterior - Replacement									
Paint: Exterior - Unit #1						6,605			
Paint: Exterior - Unit #2			4,609						
Paint: Exterior - Unit #3				4,691					

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Spread Sheet

Description	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Paint: Exterior - Unit #4					6,704				
Roof Jack Vents: Replace (Unfunded)		<i>Unfunded</i>							
Roof: Asphalt Composition - Maintenance & Repairs			4,143						4,603
Roof: Asphalt Composition - Replace - Unit #1									
Roof: Asphalt Composition - Replace - Unit #2									
Roof: Asphalt Composition - Replace - Unit #3									
Roof: Asphalt Composition - Replace - Unit #4									
Siding: Caulking / Dry-Rot Repairs - Unit #1						2,183			
Siding: Caulking / Dry-Rot Repairs - Unit #2			2,071						
Siding: Caulking / Dry-Rot Repairs - Unit #3				2,108					
Siding: Caulking / Dry-Rot Repairs - Unit #4					2,145				
Siding: Exterior - Wood - Global Replacement (Unfunded)		<i>Unfunded</i>							
Stonework: Masonry Repairs / Maintenance								848	
Utilities: Underground - Contingency									
Year Total:	396	1,272	11,237	6,799	12,068	43,036		848	6,041

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Spread Sheet

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
Beginning Balance	117,861	141,263	112,446	89,219	62,735	36,592	8,000	11,229	8,000
Annual Assessment	23,363	24,064	24,786	25,529	26,295	27,084	17,112	17,625	18,154
Interest Earned	39	30	23	15	7		1		5
Expenditures		52,911	48,037	52,028	52,446	55,676	13,884	20,854	
Fully Funded Reserves	268,369	234,930	206,138	172,868	139,082	101,842	106,776	105,090	124,910
Percent Fully Funded	53%	48%	43%	36%	26%	8%	11%	8%	21%
Ending Balance	141,263	112,446	89,219	62,735	36,592	8,000	11,229	8,000	26,159

Description

Arborist: Tree Trimming							1,626		
Asphalt: Overlay								16,882	
Asphalt: Seal Coat		3,575						3,972	
Bark Dust: Replenish (Unfunded)	<i>Unfunded</i>								
Columns: Front Entry - Repair / Replace							1,249		
Concrete: Curbing - Repairs							535		
Concrete: Flatwork - Repairs		472							
Decks: Elevated - Rebuild - 3486 Chaparrel Loop									
Decks: Elevated - Rebuild - 3488 Chaparrel Loop									
Decks: Elevated - Rebuild - 3490 Chaparrel Loop									
Decks: Elevated - Rebuild - 3492 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3485 Chelan Drive		5,959							
Decks: Lower Patio - Rebuild - 3486 Chaparrel Loop		5,959							
Decks: Lower Patio - Rebuild - 3488 Chaparrel Loop		5,959							
Decks: Lower Patio - Rebuild - 3490 Chaparrel Loop		5,959							
Decks: Lower Patio - Rebuild - 3492 Chaparrel Loop		5,959							
Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop		5,959							
Decks: Lower Patio - Rebuild - 3496 Chaparrel Loop		5,959							
Decks: Lower Patio - Rebuild - 3498 Chaparrel Loop		5,959							
Gutters & Downspouts: 10% Replacement									
Gutters & Downspouts: 40% Replacement			3,403						
Irrigation: Controllers & Valves				494					
Lights: Exterior - Replacement			1,819						
Paint: Exterior - Unit #1							7,871		
Paint: Exterior - Unit #2				5,493					
Paint: Exterior - Unit #3					5,590				

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Spread Sheet

Description	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
Paint: Exterior - Unit #4						7,990			
Roof Jack Vents: Replace (Unfunded)									
Roof: Asphalt Composition - Maintenance & Repairs									
Roof: Asphalt Composition - Replace - Unit #1			42,815						
Roof: Asphalt Composition - Replace - Unit #2				43,573					
Roof: Asphalt Composition - Replace - Unit #3					44,344				
Roof: Asphalt Composition - Replace - Unit #4						45,129			
Siding: Caulking / Dry-Rot Repairs - Unit #1							2,602		
Siding: Caulking / Dry-Rot Repairs - Unit #2				2,469					
Siding: Caulking / Dry-Rot Repairs - Unit #3					2,512				
Siding: Caulking / Dry-Rot Repairs - Unit #4						2,557			
Siding: Exterior - Wood - Global Replacement (Unfunded)									
Stonework: Masonry Repairs / Maintenance									
Utilities: Underground - Contingency		1,192							
Year Total:		52,911	48,037	52,028	52,446	55,676	13,884	20,854	

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Spread Sheet

	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44
Beginning Balance	26,159	44,869	49,137	62,747	79,145	83,883	95,930	105,716	67,604
Annual Assessment	18,699	19,260	19,837	20,433	21,046	21,677	22,327	22,997	23,687
Interest Earned	11	12	16	21	22	26	29	17	22
Expenditures		15,003	6,244	4,055	16,329	9,656	12,570	61,126	6,312
Fully Funded Reserves	145,399	151,305	167,040	185,935	193,029	207,401	219,429	182,630	201,344
Percent Fully Funded	31%	32%	38%	43%	43%	46%	48%	37%	42%
Ending Balance	44,869	49,137	62,747	79,145	83,883	95,930	105,716	67,604	85,001

Description

Arborist: Tree Trimming					1,839				
Asphalt: Overlay									
Asphalt: Seal Coat					4,413				
Bark Dust: Replenish (Unfunded)	<i>Unfunded</i>								
Columns: Front Entry - Repair / Replace								1,489	
Concrete: Curbing - Repairs								638	
Concrete: Flatwork - Repairs			563						
Decks: Elevated - Rebuild - 3486 Chaparrel Loop		13,956							
Decks: Elevated - Rebuild - 3488 Chaparrel Loop								15,506	
Decks: Elevated - Rebuild - 3490 Chaparrel Loop								15,506	
Decks: Elevated - Rebuild - 3492 Chaparrel Loop								15,506	
Decks: Lower Patio - Rebuild - 3485 Chelan Drive									
Decks: Lower Patio - Rebuild - 3486 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3488 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3490 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3492 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3496 Chaparrel Loop									
Decks: Lower Patio - Rebuild - 3498 Chaparrel Loop									
Gutters & Downspouts: 10% Replacement				4,055					
Gutters & Downspouts: 40% Replacement									
Irrigation: Controllers & Valves						588			
Lights: Exterior - Replacement									
Paint: Exterior - Unit #1								9,381	
Paint: Exterior - Unit #2					6,546				
Paint: Exterior - Unit #3						6,662			

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Spread Sheet

Description	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44
Paint: Exterior - Unit #4							9,523		
Roof Jack Vents: Replace (Unfunded)		<i>Unfunded</i>							
Roof: Asphalt Composition - Maintenance & Repairs			5,681						6,312
Roof: Asphalt Composition - Replace - Unit #1									
Roof: Asphalt Composition - Replace - Unit #2									
Roof: Asphalt Composition - Replace - Unit #3									
Roof: Asphalt Composition - Replace - Unit #4									
Siding: Caulking / Dry-Rot Repairs - Unit #1								3,101	
Siding: Caulking / Dry-Rot Repairs - Unit #2					2,942				
Siding: Caulking / Dry-Rot Repairs - Unit #3						2,994			
Siding: Caulking / Dry-Rot Repairs - Unit #4							3,047		
Siding: Exterior - Wood - Global Replacement (Unfunded)		<i>Unfunded</i>							
Stonework: Masonry Repairs / Maintenance		1,047							
Utilities: Underground - Contingency									
Year Total:		15,003	6,244	4,055	16,329	9,656	12,570	61,126	6,312

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Spread Sheet

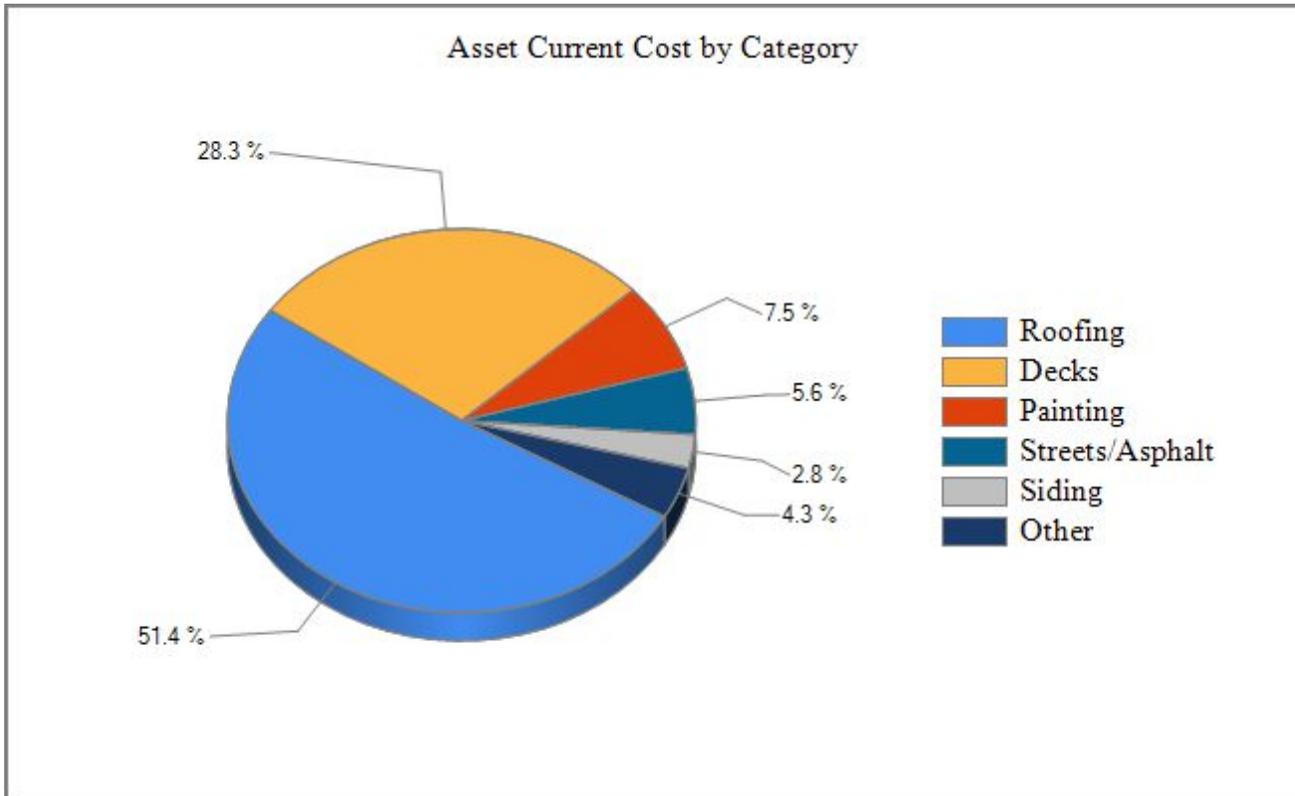
	44-45	45-46	46-47
Beginning Balance	85,001	109,428	129,690
Annual Assessment	24,398	25,129	25,883
Interest Earned	29	35	42
Expenditures		4,903	2,079
Fully Funded Reserves	227,201	248,920	274,299
Percent Fully Funded	48%	52%	56%
Ending Balance	109,428	129,690	153,536

Description			
Arborist: Tree Trimming			2,079
Asphalt: Overlay			
Asphalt: Seal Coat		4,903	
Bark Dust: Replenish (Unfunded)	<i>Unfunded</i>		
Columns: Front Entry - Repair / Replace			
Concrete: Curbing - Repairs			
Concrete: Flatwork - Repairs			
Decks: Elevated - Rebuild - 3486 Chaparrel Loop			
Decks: Elevated - Rebuild - 3488 Chaparrel Loop			
Decks: Elevated - Rebuild - 3490 Chaparrel Loop			
Decks: Elevated - Rebuild - 3492 Chaparrel Loop			
Decks: Lower Patio - Rebuild - 3485 Chelan Drive			
Decks: Lower Patio - Rebuild - 3486 Chaparrel Loop			
Decks: Lower Patio - Rebuild - 3488 Chaparrel Loop			
Decks: Lower Patio - Rebuild - 3490 Chaparrel Loop			
Decks: Lower Patio - Rebuild - 3492 Chaparrel Loop			
Decks: Lower Patio - Rebuild - 3494 Chaparrel Loop			
Decks: Lower Patio - Rebuild - 3496 Chaparrel Loop			
Decks: Lower Patio - Rebuild - 3498 Chaparrel Loop			
Gutters & Downspouts: 10% Replacement			
Gutters & Downspouts: 40% Replacement			
Irrigation: Controllers & Valves			
Lights: Exterior - Replacement			
Paint: Exterior - Unit #1			
Paint: Exterior - Unit #2			
Paint: Exterior - Unit #3			

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Spread Sheet

Description	44-45	45-46	46-47
Paint: Exterior - Unit #4			
Roof Jack Vents: Replace (Unfunded)		<i>Unfunded</i>	
Roof: Asphalt Composition - Maintenance & Repairs			
Roof: Asphalt Composition - Replace - Unit #1			
Roof: Asphalt Composition - Replace - Unit #2			
Roof: Asphalt Composition - Replace - Unit #3			
Roof: Asphalt Composition - Replace - Unit #4			
Siding: Caulking / Dry-Rot Repairs - Unit #1			
Siding: Caulking / Dry-Rot Repairs - Unit #2			
Siding: Caulking / Dry-Rot Repairs - Unit #3			
Siding: Caulking / Dry-Rot Repairs - Unit #4			
Siding: Exterior - Wood - Global Replacement (Unfunded)			
		<i>Unfunded</i>	
Stonework: Masonry Repairs / Maintenance			
Utilities: Underground - Contingency			
Year Total:		4,903	2,079

**Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC Asset Current Cost by Category**



This is the distribution of reserves by category

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC IRS Revenue Ruling 70-604 for Community Associations

IRS Revenue Ruling 70-604 Revenue Ruling is often considered one of the most powerful tax planning tools available to an association. The objective of the IRS Revenue Ruling 70-604 is to allow condominium/homeowner associations to avoid taxation on excess membership income by either carrying over the excess income to the following tax year or refunding the excess income back to association members. IRS Revenue Ruling 70-604 Revenue Ruling is applicable only to those associations that file as a regular corporation (Form 1120).

IRS guidelines allow condominium/homeowner associations the option to elect filing taxes as a regular corporation (Form 1120) or as a homeowners association (Form 1120-H). The most significant difference between these two forms is that Form 1120 taxes the association on all excess income at a graduated rate starting at 15%. Form 1120-H taxes the association on all non-exempt income at a fixed rate of 30%. Exempt income on an 1120-H would include revenue generated to maintain the common property and pay for the general operations of the association. Non-exempt income includes revenue such as interest generated from investment accounts, special user fees, and laundry/vending machine income.

ReserveStudyUpdate.com, LLC does not offer legal or tax advice. However, it is generally recommended by virtually all CPAs that most associations should make a 70-604 election every year even if they later determine they will not elect to be taxed as a regular corporation. If circumstances dictate that this election would not apply in a given year, the resolution is simply ignored.

An association must strictly comply with the requirements of the IRS Revenue Ruling 70-604 to make this election. These requirements are as follows:

1. It must be adopted by vote from the association's membership prior to the filing of the tax return.
2. Election must be noted in writing as part of the board meeting minutes.

In addition, the attached resolution indicates that any excess membership income will be applied to next year's dues, which is in lieu of returning the excess money to the individual association members.

(continued on next page)

Chelan at Cascade Summit
ReserveStudyUpdate.com, LLC IRS Revenue Ruling 70-604 for Community Associations

**ASSOCIATION RESOLUTION FOR REVENUE RULING 70-604 ELECTION EXCESS INCOME
APPLIED TO THE FOLLOWING YEAR'S ASSESSMENTS**

**RESOLUTION MUST BE VOTED ON BY THE MEMBERSHIP AT THE ANNUAL MEETING
ANNUAL RESOLUTION OF THE Chelan at Cascade Summit ASSOCIATION**

ANNUAL RESOLUTION OF THE (Association) Chelan at Cascade Summit .

**RE: EXCESS INCOME APPLIED TO THE FOLLOWING YEAR'S
ASSESSMENTS REVENUE RULING 70-604**

**WHEREAS, The (Association) Chelan at Cascade Summit is a (State) Oregon corporation duly
organized and existing under the laws of the State of (State) Oregon ;**

and

**WHEREAS, The members desire that the corporation shall act in full accordance with the rulings and
regulations of the Internal Revenue Service;**

and

**NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the
(Association) Chelan at Cascade Summit :**

**RESOLVED, that any excess of membership income over membership expenses for the year ending
_____ 20__ shall be applied against the subsequent tax year member assessment as
provided by IRS Revenue Ruling 70-604.**

**This resolution was voted on and made a part of the minutes of the annual meeting of (Association) Chelan at
Cascade Summit .**

**BY: _____
(President)**

**ATTESTED: _____
(Secretary)**

Form compliant with IRS Ruling 70-604

Part III - Maintenance Plan Item Inventory - Chelan at Cascade Summit

#1 - Asphalt - Overlay

Frequency: 35-45 Years

Upon replacing the asphalt surface, the surface preparation, materials, and thickness of the overlay should be designed for the climate and traffic anticipated. The surface preparation should be dictated by the distresses that are prevalent in the existing pavement, the degree of roughness, or considerations for curb reveal or surface drainage. A tack coat should always be applied in preparation of a thin overlay on an un-milled surface, although it may not be essential on a milled surface. It may be either modified or unmodified, and the rate of application will be dictated by existing surface requirements. Materials for the overlay should be selected carefully the mixture should be dictated by the planned thickness. Planned seal coat per the manufactures specification may result in an overlay which is viable for thirty years or longer.



#2 - Asphalt Seal Coat & Repairs

Frequency: 5 Years

Maintenance of asphalt paving includes the periodic application of an asphalt emulsion sealer or seal coat. Seal coating typically maximizes the life expectancy of the underlying overlay. This process is characteristically performed every 4 to 7 years depending on a variety of factors that can affect the useful life of the sealer. Vehicle traffic is one such variable that carries considerable vehicle traffic should consider a maintenance program that calls for seal coating of asphalt driving surfaces as frequently as every 4 years. This maintenance procedure involves thoroughly cleaning all pavements, filling of any surface cracks, and patching of any locally damaged pavement surfaces. The emulsion sealer is then applied. Parking area demarcation lines will need to be renewed each time a seal coat is applied. The component expense includes the cost of this work as well as the seal coating cost. This work should be performed by a licensed and bonded paving contractor.



#3 - Backflow Device - Testing

Frequency: 12 Months

The law requires that the community association notify the local water provider before removing a backflow assembly. A water provider inspector will need to inspect the plumbing to verify the cross connection has been eliminated. A plumbing permit may be required to perform this type of work. All backflow assembly testing should be performed annually and by a certified contractor.



#4 - Bark Dust

Frequency: TBD Years

For weed control and aesthetic purposes, it is recommended to refresh the bark dust beds in the common areas every 2 years or so. Immediately adjacent homeowners should be notified in advance because some people may have an adverse reaction to any bark particles which may fly in the air.



#5 - Brick Masonry – Clean & Tuck Repoint

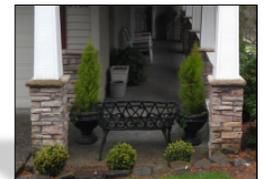
Frequency: 8-10 Years

Repointing is the process of removing deteriorated mortar from the joints of a masonry wall and replacing it with new mortar. Repointing restores the visual and physical integrity of the masonry. Disintegrating mortar, cracks in mortar joints, loose bricks or stones, damp walls, and/or damaged plasterwork may prompt the decision to repoint. Facing these obvious signs of deterioration it is important not to assume that repointing alone will solve. The source cause of the deterioration such as leaking roofs or gutters, differential settlement of the building, capillary action causing rising damp, or extreme weather exposure should always be dealt with prior to the commencement work.

It is essential to ensure that the proposed repointing work is both physically and visually appropriate to the building. Analysis of un-weathered sections of the historic mortar to which the new mortar will be matched can suggest appropriate mixes for the repointing mortar. This measure is critical as to avoid damage to the building because it is excessively strong or vapor impermeable.

The relationship of repointing to other labors proposed on the building must be recognized. For example, if paint removal or cleaning is anticipated, and if the mortar joints are basically sound and need only selective repointing, it is generally better to postpone repointing until after completion of these projects. However, if the mortar has eroded significantly, allowing moisture to penetrate deeply into the wall, repointing should be accomplished before cleaning. Anticipated work, such as roof repairs or structural, should be scheduled so that they do not interfere with repointing. It is important to optimize projects planning in order take maximum advantage of erected scaffolding.

All brickwork and other repairs and maintenance to the brick surface should be performed by a licensed and certified professional.



#6 - Catch Basin / Storm Drain Cleaning

Frequency: 12 Months

It is important to maintain catch basins to prevent storm sewer blockages and minimize the amount of pollutants entering storm sewers which may eventually discharge into local streams and waterways. Clogged catch basins can result in the ponding of water along streets and parking lots causing a nuisance to motorists, pedestrians and businesses. Improper maintenance of catch basins can lead to mosquito infestations. Clean catch basins on a periodic basis and at least annually. Work should be performed by a properly qualified vendor.



#7 - Column - Maintenance

Frequency: 18-24 Years

Poor weather and extreme temperatures can take a serious toll on exterior wood porch columns, especially during the frigid winter months. When moisture gets into the miniature cracks in the wood and then freezes, it can cause wood columns to expand which can split and crack the most rugged wood. Inspect the columns regularly and paint surfaces and/or treat as needed. Replace columns as needed.



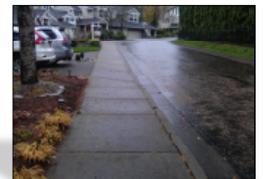
#8 - Concrete Maintenance

Frequency: TBD Years

Concrete is used as a building material in several areas throughout the association including but not limited to; driveway aprons, sidewalks, entry walks, and trash enclosures. Concrete is very durable and is usually very low maintenance as long as it is protected from misuse including but not limited to repeated hosing, radiator overflow, fertilizers or pesticides, and ice-melting agents.

Only use products designed to be used with concrete to melt snow and ice. Avoid using salt or other chemicals not approved for this purpose to melt ice on concrete surfaces. Salt or other chemicals may damage the concrete and shorten its useful life. If the association elects to use such products, the association needs to plan accordingly for possible earlier repairs or replacement.

Schedule and perform concrete surface inspections every season to determine if cracking, fissures, or settlement have occurred. Check for lifting and tripping hazards. Cordon off safety hazards until appropriate repairs have been made. Correct sources of cracking problems such as tree roots and drainage situations. A certified contractor should grind down and replace sections as needed.



#9 - Gutter Cleaning

Frequency: 8-12 Months

Depending on adjacent tree cover, gutters may require gutter cleaning at varying intervals; some require cleaning as much as three times during the fall, others may not require cleaning for several years. For landscape areas such as gazebos, gutters can be cleaned easily by a landscaper or volunteer. Gutters on structures greater than 12 feet should be cleaned by a licensed and certified contractor. If the gutters are covered, clean off debris on top and then carefully lift the screens or guard to remove debris in the gutters. Some screens are built into the gutters and cannot be removed.



Once the gutters are clean, use a garden hose to run water down them. Check that the water flows in the right direction and free of sags or blockages, check for leaks and check that all downspouts are draining properly.

#10 - Gutters and Downspouts-Replace

Frequency: 24-30 Years

Most gutters should be cleaned twice a year; however frequency will vary depending on the environment and amount of debris accumulating in gutters. This project should be completed in early spring to clear out any left over ice and debris that has accumulated during the winter. It is advised to also go through cleaning your gutters in late fall. This is perhaps the most important time of year to clean the gutters because it is necessary to clear out all the falling leaves and things that gather in the gutter system during fall before the melting snows of winter begin to tax the gutters and downspouts.



Gutter professionals will also make sure your gutters are attached firmly to the building so there is no separation. Gutters are typically attached to the home with special hangers and the gutter cleaning service will replace them if necessary. They will also level the gutter system so that they are at the proper angles to maximize efficiency. It is recommended to completely replace the gutter system during the roofing cycle.



#11 - Irrigation Controllers & Valves

Frequency: 5-10 Years

When an electrical impulse is transmitted to the solenoid, an electromagnetic field causes a small metal plunger in the solenoid to move upward. When the plunger moves upward, a small hole in the valve is uncovered which allows the water in the chamber above the closing mechanism to flow through the port and out of the valve, relieving water pressure needed to hold the valve closed. The pressure of the incoming flow of water is greater than the pressure in the chamber above the piston, and the force of the water pushing up underneath the piston opens the valve. When the solenoid is de-energized, the plunger moves down, closing the small port. Water flowing through a small hole in the closing mechanism refills the chamber above the piston and builds up pressure. The increased pressure forces the piston downward, thus closing the valve. All valves have a range of pressure and water flow that must be maintained in order to work properly.



#12 - Irrigation System Startup & Testing

Frequency: 12 Months

It is always best to hire a qualified professional contractor when performing tasks like spring start-up. Irrigation contractors are experts in hydraulics, proper sprinkler system layout, plant watering requirements and soil types. Their skills will ensure a water-efficient system and years of trouble-free operation. During spring startup cycle the batteries should be replaced in battery operated controllers.



#13 - Lighting - Exterior

Frequency: 20-25 Years

Lighting is an essential element in the provision of safety and security. All lighting systems should be inspected often and care must be taken to identify and resolve deficiencies. Various light fixture types may be used according to area needs. Lighting systems should be designed to provide maximum, appropriate illumination at minimal energy expenditures. Lighting maintenance processes should include a universal awareness of factors that cause malfunctions in lighting systems, such as dirt accumulation and lumen depreciation. It is important to completely wash, rather than dry-wipe, exterior surfaces to reclaim light and prevent further deterioration. Deficiencies, required maintenance, and required repairs after completion of review should be noted by maintenance contractors or association representatives. Repairs and inspections should be made by a qualified professional.



#14 - Mailbox - Maintenance

Frequency: 3-5 Months

Assess overall condition and function of locks, proper lubrication of moving components, cleanliness and appearance of face plates, security of housing, in compliance with current postal regulations, accuracy and visibility of signage/accessibility of lettering, where required, and condition and proper function of slots and depositories for outgoing mail and packages. Evaluate paint on the gang-style cluster mailbox along with the supporting pedestal. Many times the paint is removed on one quadrant of cluster style mailbox pedestals because of dogs urinating on these specific sections.

If replacement is necessary, check with postmaster for proper placement as many times older mailboxes are grandfathered in terms of sidewalk placement but may have stipulations which require movement upon mailbox replacement. All replacements should be coordinated with residents and the postmaster.



#15 - Mailboxes-Metal

Frequency: 30-50 Years

Properly maintained mailboxes typically have a life expectancy exceeding thirty years, however if replacement is necessary check with postmaster for proper placement as many times older mailboxes may be grandfathered. Replacements should be coordinated with residents and the postmaster. A clear plan should be in place for key replacement and/or locksmith services in the event that keys are not interchangeable with the new mailbox units. Homeowners should be notified in writing far in advance in order to avoid any confusion.



#16 - Paint - Exterior

Frequency: 6-10 Years

Before painting begins, the landscaper should be notified and surrounding vegetation should be trimmed and pruned back in order to minimize overspray. Plants that cannot be pruned should be reasonably covered. Hinges and other components that should not be painted should be taped or temporarily removed. Homeowners should be contacted several days in advance so owners can move the vehicles out of the path of any possible overspray.

Maintenance of the exterior painted surfaces includes regularly scheduled cleaning and inspection of the surface areas for cracks, peeling paint or other sealants, deterioration of the base material, and failure of caulking or other sealant materials which serve a waterproofing function. The surfaces should be cleaned, repaired as required, and primed and painted with premium quality exterior house paint in accordance with the builder's specifications.



#17 - Roof Jacks & Chimney - Maintenance

Frequency: 24-30 Years

Chimneys typically are capped with a mortar crown to prevent water from getting behind the bricks and alongside the flue, and into the house. Over time, normal expansion and contraction cycles can cause cracks to form. Sealing the chimney crown with crown sealer, a flexible Elastomeric coating, is the best way to stop existing cracks from spreading and prevent new ones.



#18 - Roof-Asphalt Composition

Frequency: 24-30 Years

An asphalt shingle is a type of roof shingle. They are one of the most widely used roofing covers because they are relatively inexpensive and fairly simple to install.

Granules are applied to the weather face/exterior portion of the shingle to provide resistance to ultraviolet light. Granules have a particle size distribution which permits them to be applied directly to the asphalt coating in a manner so as to minimize exposed coating. In addition to this technical function, granules provide weight to the shingle and allow the product to be blended in a wide variety of colors.

Roofs should ideally be inspected every 3-5 years or during the biannual building envelope inspection (water intrusion inspection) where applicable.

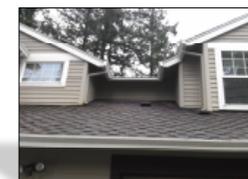


#19 - Roof-Repairs

Frequency: 5-6 Years

Many times roofs develop leaks several years before the entire roof needs replacing. Usually leaks are caused by localized damage, such as cracked or missing shingles or shakes, or on a flat roof, a blistered or cracked area. The hardest part to repairing this type of damage is locating it. Delay in repairing leaks in a timely manner often results in serious damage such as dry rot. Dry rot describes wood and timber that has been eaten away by fungi. The fungi feed on the wood particles eventually breaking it down and making it either brittle or soft. There are two forms of fungi that are responsible for dry rot. Both forms of fungi require a certain level of water or moisture to grow and survive. Dry rot is the product of elevated levels of moisture trapped on or around the surface of wood.

Roofs should ideally be inspected every 3-5 years or during the biannual building envelope inspection (water intrusion inspection) where applicable. All work performed should be by a certified professional.



#20 - Siding - Replacement

Frequency: 30-45 Years

Wood should be properly finished with a paint, stain, or clear sealer. When left unprotected, it's susceptible to decay and rot caused by moisture. Wood expands and contracts with normal changes in humidity and temperature. These fluctuations may cause paint finishes to chip and crack, and over time puts unnecessary stress on caulked seams around doors, windows, and at corners. If the caulk separates and fails to keep out moisture, wood rot will likely develop. Even species of wood that have a natural resistance to rot, such as cypress, redwood, and cedar, may decay if not properly protected from the elements.

Wood siding naturally expands and contracts throughout the year, homeowners with wood siding often need to redo the caulking around exterior window and door trim. However as a building ages and there are periods of time when the siding is not adequately maintained there will be areas of water intrusion and seal (caulk) failures.

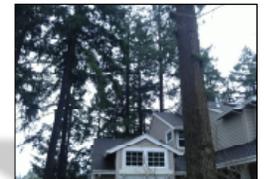
It has been our experience that most buildings will require at least a partial siding repair/replacement project around the 30-year milestone due to some areas of the siding failing. These projects are not typically surprises as siding will often show its failure points in the way of rotted areas, warping, cracking, peeling paint and fungus/mold/mildew growth.



#21 - Tree-Maintenance

Frequency: 5-7 Years

The first pruning of young trees and shrubs always consists of removing broken, crossing, and weak-structured branches. The recommendation to remove one-third of the top to compensate for root loss of balled and bur lapped material at transplanting has been revised. Prune these plants for structural integrity and cosmetic reasons only. Plenty of water during establishment will take care of the root loss problem. Trees with a central leader, such as cedar, sweet gum, or pin oak, may need little or no pruning except to eliminate branches competing with the central leader; these should be shortened. Some pruning may be necessary to maintain desired shape and shorten extra-vigorous shoots on trees that spread. Depending on the species and the desired impact, the height of the lowest branch can be a few inches above the ground.



#22 - Utilities - Underground

Frequency: TBD Years

This line item is for any ongoing maintenance and/or repairs needed for the various catch basins in the community, private utility lines, catch basins, and other related components.



#23 - Water Intrusion / Building Envelope Inspection

Frequency: 3-5 Years

A water intrusion inspection (also known as a building envelope inspection) will identify water intrusions and moisture due to pipe leak, roof leaks, wind, rain, foundation cracks and / or excess humidity. Any structure will suffer from water damage and rotted wood. Even undiscovered leaks can cause damage to support wood that can cost thousands of dollars to repair. A moisture inspection can identify potential problems before they become costly fixes. A fresh coat of paint may hide the problem on the surface but won't remove the underlying problems of water damage, mold, and rotted wood. A water intrusion inspection should be performed by a certified professional every 2 to 3 years.



#24 - Winterize Irrigation System

Frequency: 12 Months

As winter approaches it is important to take care to prepare your irrigation system for the coming of cold weather. Water left in an irrigation system can freeze and damage pipes. Compressed air to remove all water from the irrigation system will eliminate risk of damaged pipes. Leave backflow valve in place for the upcoming year.

