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Level II With Site Visit Reserve Study Report For Fiscal Year Beginning January 1, 2024



The Mediterranean Villas

Pasco, WA
April 24, 2023





Reserve Study Summary for The Mediterranean Villas

228 Units

For Fiscal Year Beginning January 1, 2024

Overview	
Starting Reserve Balance	\$927,294
Fully Funded Balance	\$1,523,917
Percent Funded	61%
Reserve Fund Strength (Weak, Fair or Strong)	Fair
Total Surplus or (Deficit) of Reserve Funding	\$(596,623)
Surplus or (Deficit) on a Per Unit Average Basis***	\$(2,617)
Current Reserve Contribution Based on Last Approved Budget	
Current Reserve Contribution Rate, Annually	\$60,000
Current Special Assessment For Reserves, Annually	n/a
Is the Current Contribution Rate Within Range Provided by Study Below?	No
Reserve Study Funding Plan Options Beginning January 1, 2024	
100% Full Funding Contribution Rate, Annually	\$104,500
Baseline Funding Contribution Rate, Annually	\$94,750
Recommended Annual Special Assessment	n/a

Study Description & Assumptions

This is a Level II With-Site-Visit reserve study. As part of this report, a site visit was performed on March 24, 2023. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes on interest income and other outside factors are not included.

Property Description

The Mediterranean Villas consists of 228 units located in Pasco, WA. It was constructed in or around 2003-2016.

Recommended Funding Plan

We recommend that the association budget for annual reserve contributions of \$104,500 per year in 2024.

Recommended Special Assessment(s)

No special assessments are recommended at this time.

Other Notes

None.

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

**The Mediterranean Villas
Component List**

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
Grounds					
1000	Concrete - Repair Allotment	5		4	\$2,500
1005	Stamped Concrete - Repair Allotment	10		0	\$3,000
1010	Pavers - Repair	Unfunded			
1015	Asphalt - Repair & Sealcoat	5		0	\$10,150
1020	Asphalt - Grind & Overlay	25	1	5	\$108,750
1025	Metal Signs - Replace	Unfunded			
1030	Monument Signage - Refurb/Replace	30		9	\$14,000
1035	Monument Lighting - Replace	30		9	\$4,000
1040	Mailboxes - Replace (Older)	25		6	\$29,000
1041	Mailboxes - Replace (Newer)	25		6	\$14,500
1050	RV Lot Gravel - Replenish	Unfunded			
1070	RV Lot Wood Fence - Replace	20		6	\$43,725
1071	RV Lot Wood Fence - Repair & Stain	5		1	\$9,540
1075	RV Lot Gates - Replace	40		26	\$6,000
1080	CMU Wall - Repair Allotment	10		9	\$5,000
1085	Privacy Fence - Replace	Unfunded			
1135	Landscape - Refurbish Allotment	Unfunded			
1155	Irrigation System - Repair Allotment	5		4	\$3,500
1160	Drainage System - Maintain	Unfunded			
1175	Pole Lights - Replace	Unfunded			
1205	Retaining Walls - Repair	Unfunded			
Recreation					
2005	Pavilion - Refurbish	30		9	\$8,000
2010	Outdoor Furniture - Replace	Unfunded			
2015	Pet Stations - Replace	Unfunded			
2185	Palazzo Interior - Renovate	25		6	\$15,000
2190	Palazzo Furniture - Replace	Unfunded			
2195	Palazzo Windows/Doors - Replace	25		6	\$7,500
2200	Palazzo/Pavilion Roof - Replace	Unfunded			
2205	Palazzo Exterior Lighting - Replace	Unfunded			
Building Exterior					
4000	Unit Roofs - Replace	Unfunded			

**The Mediterranean Villas
Component List**

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
<i>Building Exterior continued...</i>					
4005	Stucco Siding - Replace	Unfunded			
4010	Stucco Siding - Repair/Recoat Phase 1	20	8	8	\$349,245
4015	Stucco Siding - Repair/Recoat Phase 2	20	7	8	\$386,010
4020	Stucco Siding - Repair/Recoat Phase 3 (a)	20		15	\$340,095
4021	Stucco Siding - Repair/Recoat Phase 3 (b)	20	3	7	\$340,095
4025	Stucco Siding - Repair/Recoat Phase 4	20	3	10	\$376,875
4030	Stucco Siding - Repair/Recoat Phase 5	20		11	\$303,330
4035	Stucco Siding - Repair/Recoat Palazzo/Pavilion	20	8	8	\$5,190
4065	Trim - Repair & Paint Phase 1	10		8	\$45,000
4070	Trim - Repair & Paint Phase 2	10		8	\$46,000
4075	Trim - Repair & Paint Phase 3 (a)	10		5	\$32,000
4076	Trim - Repair & Paint Phase 3 (b)	10		7	\$32,000
4080	Trim - Repair & Paint Phase 4	10		0	\$48,000
4085	Trim - Repair & Paint Phase 5	10		1	\$27,000
4090	Trim - Repair & Paint Palazzo/Pavilion	Unfunded			
4100	Windows/Doors/Garage Doors - Replace	Unfunded			
4105	Unit Exterior Lighting - Replace	Unfunded			
Equipment & Mechanical					
5000	Electrical System - Repair/Replace	Unfunded			
5005	Plumbing System - Repair/Replace	Unfunded			
5010	HVAC Equip - Repair/Replace	Unfunded			
Professional					
6000	Building Envelope Investigation	10		9	\$5,000
6010	Reserve Study - Annual Update	Unfunded			

An Introduction to Your Reserve Study

The Purpose of Your Reserve Study

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

Reserve Study Standards

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

Types of Reserve Studies

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

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

What Components are Included

National Reserve Study Standards provide for a four-part test to determine which items are funded within a reserve study. First, the component needs to be an item that the association is responsible to maintain, repair and replace. The second and third parts of the test go hand in hand; the item must have a predictable useful life (i.e. we need to be able to determine how long, on average, the item will last), and it must have a predictable remaining useful life (i.e. we need to be able to determine how much longer until that item requires replacement). Lastly, the cost to maintain, repair and replace the component must be above a minimum cost which is typically defined as 1% or more of the annual operating budget, however some associations may opt to define a different funding threshold. Using 1% of the annual operating budget, an association with a \$100,000 annual budget would have a \$1,000 reserve funding threshold.

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

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

How Are Costs Determined

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

Fully Funded Balance Calculation

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

Reserve Fund Strength, Also Known As Percent Funded

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

How to Pay for Reserve Projects

The question of reserve expenses is not if they will occur, but when they will occur. The best and most cost-effective way to ensure that funds are available for these expenses is to save for future projects through regular contributions to the reserve fund. This not only ensures that funds are available as projects arise, thus reducing the chances of deferred maintenance, but it is also the most equitable to ownership groups over time. If a person owns a unit for one year, they

contribute toward one year of reserves. The same goes for a person who owns their unit for five years, or for 30 years. If the association does not fund the reserve account through regular contributions and instead assesses a special assessment or takes out a loan for the project, the current ownership group is unfairly burdened with paying the full project cost even though previous owners enjoyed the use of those assets.

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

Report Sections

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



Annual Expenditure Charts

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

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

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Grounds										
1000 Concrete - Repair Allotment					2,814					3,262
1005 Stamped Concrete - Repair Allotment	3,000									
1010 Pavers - Repair	<i>Unfunded</i>									
1015 Asphalt - Repair & Sealcoat	10,150					11,767				
1020 Asphalt - Grind & Overlay						126,071				
1025 Metal Signs - Replace	<i>Unfunded</i>									
1030 Monument Signage - Refurb/Replace										18,267
1035 Monument Lighting - Replace										5,219
1040 Mailboxes - Replace (Older)							34,628			
1041 Mailboxes - Replace (Newer)							17,314			
1050 RV Lot Gravel - Replenish	<i>Unfunded</i>									
1070 RV Lot Wood Fence - Replace							52,210			
1071 RV Lot Wood Fence - Repair & Stain		9,826					11,391			
1075 RV Lot Gates - Replace										
1080 CMU Wall - Repair Allotment										6,524
1085 Privacy Fence - Replace	<i>Unfunded</i>									
1135 Landscape - Refurbish Allotment	<i>Unfunded</i>									
1155 Irrigation System - Repair Allotment					3,939					4,567
1160 Drainage System - Maintain	<i>Unfunded</i>									
1175 Pole Lights - Replace	<i>Unfunded</i>									
1205 Retaining Walls - Repair	<i>Unfunded</i>									
Grounds Total:	13,150	9,826			6,753	137,838	115,542			37,838
Recreation										
2005 Pavilion - Refurbish										10,438
2010 Outdoor Furniture - Replace	<i>Unfunded</i>									
2015 Pet Stations - Replace	<i>Unfunded</i>									
2185 Palazzo Interior - Renovate							17,911			
2190 Palazzo Furniture - Replace	<i>Unfunded</i>									
2195 Palazzo Windows/Doors - Replace							8,955			
2200 Palazzo/Pavilion Roof - Replace	<i>Unfunded</i>									

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<i>Recreation continued...</i>										
2205 Palazzo Exterior Lighting - Replace	<i>Unfunded</i>									
Recreation Total:							26,866			10,438
Building Exterior										
4000 Unit Roofs - Replace	<i>Unfunded</i>									
4005 Stucco Siding - Replace	<i>Unfunded</i>									
4010 Stucco Siding - Repair/Recoat Phase 1									442,413	
4015 Stucco Siding - Repair/Recoat Phase 2									488,986	
4020 Stucco Siding - Repair/Recoat Phase 3 (a)										
4021 Stucco Siding - Repair/Recoat Phase 3 (b)								418,274		
4025 Stucco Siding - Repair/Recoat Phase 4										
4030 Stucco Siding - Repair/Recoat Phase 5										
4035 Stucco Siding - Repair/Recoat Palazzo/Pavilion									6,575	
4065 Trim - Repair & Paint Phase 1									57,005	
4070 Trim - Repair & Paint Phase 2									58,271	
4075 Trim - Repair & Paint Phase 3 (a)						37,097				
4076 Trim - Repair & Paint Phase 3 (b)								39,356		
4080 Trim - Repair & Paint Phase 4	48,000									
4085 Trim - Repair & Paint Phase 5		27,810								
4090 Trim - Repair & Paint Palazzo/Pavilion	<i>Unfunded</i>									
4100 Windows/Doors/Garage Doors - Replace	<i>Unfunded</i>									
4105 Unit Exterior Lighting - Replace	<i>Unfunded</i>									
Building Exterior Total:	48,000	27,810				37,097		457,630	1,053,250	
Equipment & Mechanical										
5000 Electrical System - Repair/Replace	<i>Unfunded</i>									
5005 Plumbing System - Repair/Replace	<i>Unfunded</i>									
5010 HVAC Equip - Repair/Replace	<i>Unfunded</i>									
Professional										
6000 Building Envelope Investigation										6,524
6010 Reserve Study - Annual Update	<i>Unfunded</i>									
Professional Total:										6,524

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Year Total:	61,150	37,636			6,753	174,934	142,409	457,630	1,053,250	54,800

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Grounds										
1000 Concrete - Repair Allotment					3,781					4,384
1005 Stamped Concrete - Repair Allotment	4,032									
1010 Pavers - Repair	<i>Unfunded</i>									
1015 Asphalt - Repair & Sealcoat	13,641					15,813				
1020 Asphalt - Grind & Overlay										
1025 Metal Signs - Replace	<i>Unfunded</i>									
1030 Monument Signage - Refurb/Replace										
1035 Monument Lighting - Replace										
1040 Mailboxes - Replace (Older)										
1041 Mailboxes - Replace (Newer)										
1050 RV Lot Gravel - Replenish	<i>Unfunded</i>									
1070 RV Lot Wood Fence - Replace										
1071 RV Lot Wood Fence - Repair & Stain		13,206					15,309			
1075 RV Lot Gates - Replace										
1080 CMU Wall - Repair Allotment										8,768
1085 Privacy Fence - Replace	<i>Unfunded</i>									
1135 Landscape - Refurbish Allotment	<i>Unfunded</i>									
1155 Irrigation System - Repair Allotment					5,294					6,137
1160 Drainage System - Maintain	<i>Unfunded</i>									
1175 Pole Lights - Replace	<i>Unfunded</i>									
1205 Retaining Walls - Repair	<i>Unfunded</i>									
Grounds Total:	17,672	13,206			9,076	15,813	15,309			19,289
Recreation										
2005 Pavilion - Refurbish										
2010 Outdoor Furniture - Replace	<i>Unfunded</i>									
2015 Pet Stations - Replace	<i>Unfunded</i>									
2185 Palazzo Interior - Renovate										
2190 Palazzo Furniture - Replace	<i>Unfunded</i>									
2195 Palazzo Windows/Doors - Replace										
2200 Palazzo/Pavilion Roof - Replace	<i>Unfunded</i>									

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
<i>Recreation continued...</i>										
2205 Palazzo Exterior Lighting - Replace	<i>Unfunded</i>									
Recreation Total:										
Building Exterior										
4000 Unit Roofs - Replace	<i>Unfunded</i>									
4005 Stucco Siding - Replace	<i>Unfunded</i>									
4010 Stucco Siding - Repair/Recoat Phase 1										
4015 Stucco Siding - Repair/Recoat Phase 2										
4020 Stucco Siding - Repair/Recoat Phase 3 (a)						529,857				
4021 Stucco Siding - Repair/Recoat Phase 3 (b)										
4025 Stucco Siding - Repair/Recoat Phase 4	506,488									
4030 Stucco Siding - Repair/Recoat Phase 5		419,880								
4035 Stucco Siding - Repair/Recoat Palazzo/Pavilion										
4065 Trim - Repair & Paint Phase 1									76,609	
4070 Trim - Repair & Paint Phase 2									78,312	
4075 Trim - Repair & Paint Phase 3 (a)						49,855				
4076 Trim - Repair & Paint Phase 3 (b)								52,891		
4080 Trim - Repair & Paint Phase 4	64,508									
4085 Trim - Repair & Paint Phase 5		37,374								
4090 Trim - Repair & Paint Palazzo/Pavilion	<i>Unfunded</i>									
4100 Windows/Doors/Garage Doors - Replace	<i>Unfunded</i>									
4105 Unit Exterior Lighting - Replace	<i>Unfunded</i>									
Building Exterior Total:	570,996	457,254				579,712		52,891	154,921	
Equipment & Mechanical										
5000 Electrical System - Repair/Replace	<i>Unfunded</i>									
5005 Plumbing System - Repair/Replace	<i>Unfunded</i>									
5010 HVAC Equip - Repair/Replace	<i>Unfunded</i>									
Professional										
6000 Building Envelope Investigation										8,768
6010 Reserve Study - Annual Update	<i>Unfunded</i>									
Professional Total:										8,768

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Year Total:	588,669	470,460			9,076	595,525	15,309	52,891	154,921	28,056

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Grounds										
1000 Concrete - Repair Allotment					5,082					5,891
1005 Stamped Concrete - Repair Allotment	5,418									
1010 Pavers - Repair	<i>Unfunded</i>									
1015 Asphalt - Repair & Sealcoat	18,332					21,252				
1020 Asphalt - Grind & Overlay										
1025 Metal Signs - Replace	<i>Unfunded</i>									
1030 Monument Signage - Refurb/Replace										
1035 Monument Lighting - Replace										
1040 Mailboxes - Replace (Older)										
1041 Mailboxes - Replace (Newer)										
1050 RV Lot Gravel - Replenish	<i>Unfunded</i>									
1070 RV Lot Wood Fence - Replace							94,297			
1071 RV Lot Wood Fence - Repair & Stain		17,747					20,574			
1075 RV Lot Gates - Replace							12,940			
1080 CMU Wall - Repair Allotment										11,783
1085 Privacy Fence - Replace	<i>Unfunded</i>									
1135 Landscape - Refurbish Allotment	<i>Unfunded</i>									
1155 Irrigation System - Repair Allotment					7,115					8,248
1160 Drainage System - Maintain	<i>Unfunded</i>									
1175 Pole Lights - Replace	<i>Unfunded</i>									
1205 Retaining Walls - Repair	<i>Unfunded</i>									
Grounds Total:	23,750	17,747			12,197	21,252	127,810			25,922
Recreation										
2005 Pavilion - Refurbish										
2010 Outdoor Furniture - Replace	<i>Unfunded</i>									
2015 Pet Stations - Replace	<i>Unfunded</i>									
2185 Palazzo Interior - Renovate										
2190 Palazzo Furniture - Replace	<i>Unfunded</i>									
2195 Palazzo Windows/Doors - Replace										
2200 Palazzo/Pavilion Roof - Replace	<i>Unfunded</i>									

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
<i>Recreation continued...</i>										
2205 Palazzo Exterior Lighting - Replace	<i>Unfunded</i>									
Recreation Total:										
Building Exterior										
4000 Unit Roofs - Replace	<i>Unfunded</i>									
4005 Stucco Siding - Replace	<i>Unfunded</i>									
4010 Stucco Siding - Repair/Recoat Phase 1									799,047	
4015 Stucco Siding - Repair/Recoat Phase 2									883,163	
4020 Stucco Siding - Repair/Recoat Phase 3 (a)										
4021 Stucco Siding - Repair/Recoat Phase 3 (b)								755,449		
4025 Stucco Siding - Repair/Recoat Phase 4										
4030 Stucco Siding - Repair/Recoat Phase 5										
4035 Stucco Siding - Repair/Recoat Palazzo/Pavilion									11,874	
4065 Trim - Repair & Paint Phase 1									102,957	
4070 Trim - Repair & Paint Phase 2									105,245	
4075 Trim - Repair & Paint Phase 3 (a)						67,001				
4076 Trim - Repair & Paint Phase 3 (b)								71,081		
4080 Trim - Repair & Paint Phase 4	86,693									
4085 Trim - Repair & Paint Phase 5		50,228								
4090 Trim - Repair & Paint Palazzo/Pavilion	<i>Unfunded</i>									
4100 Windows/Doors/Garage Doors - Replace	<i>Unfunded</i>									
4105 Unit Exterior Lighting - Replace	<i>Unfunded</i>									
Building Exterior Total:	86,693	50,228				67,001		826,531	1,902,286	
Equipment & Mechanical										
5000 Electrical System - Repair/Replace	<i>Unfunded</i>									
5005 Plumbing System - Repair/Replace	<i>Unfunded</i>									
5010 HVAC Equip - Repair/Replace	<i>Unfunded</i>									
Professional										
6000 Building Envelope Investigation										11,783
6010 Reserve Study - Annual Update	<i>Unfunded</i>									
Professional Total:										11,783

The Mediterranean Villas
Pasco, WA
Year By Year Spread Sheet

ID Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Year Total:	110,444	67,975			12,197	88,253	127,810	826,531	1,902,286	37,705

The Mediterranean Villas
Pasco, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2024	
Asphalt - Repair & Sealcoat	10,150
Stamped Concrete - Repair Allotment	3,000
Trim - Repair & Paint Phase 4	48,000
Total for 2024	\$61,150
Replacement Year 2025	
RV Lot Wood Fence - Repair & Stain	9,826
Trim - Repair & Paint Phase 5	27,810
Total for 2025	\$37,636
<i>No Replacement in 2026</i>	
<i>No Replacement in 2027</i>	
Replacement Year 2028	
Concrete - Repair Allotment	2,814
Irrigation System - Repair Allotment	3,939
Total for 2028	\$6,753
Replacement Year 2029	
Asphalt - Repair & Sealcoat	11,767
Trim - Repair & Paint Phase 3 (a)	37,097
Asphalt - Grind & Overlay	126,071
Total for 2029	\$174,934
Replacement Year 2030	
RV Lot Wood Fence - Repair & Stain	11,391
RV Lot Wood Fence - Replace	52,210
Mailboxes - Replace (Newer)	17,314
Mailboxes - Replace (Older)	34,628
Palazzo Interior - Renovate	17,911
Palazzo Windows/Doors - Replace	8,955
Total for 2030	\$142,409
Replacement Year 2031	
Trim - Repair & Paint Phase 3 (b)	39,356

The Mediterranean Villas
Pasco, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2031 continued...	
Stucco Siding - Repair/Recoat Phase 3 (b)	418,274
Total for 2031	\$457,630
Replacement Year 2032	
Trim - Repair & Paint Phase 1	57,005
Trim - Repair & Paint Phase 2	58,271
Stucco Siding - Repair/Recoat Palazzo/Pavilion	6,575
Stucco Siding - Repair/Recoat Phase 1	442,413
Stucco Siding - Repair/Recoat Phase 2	488,986
Total for 2032	\$1,053,250
Replacement Year 2033	
Concrete - Repair Allotment	3,262
Irrigation System - Repair Allotment	4,567
Building Envelope Investigation	6,524
CMU Wall - Repair Allotment	6,524
Monument Lighting - Replace	5,219
Monument Signage - Refurb/Replace	18,267
Pavilion - Refurbish	10,438
Total for 2033	\$54,800
Replacement Year 2034	
Asphalt - Repair & Sealcoat	13,641
Stamped Concrete - Repair Allotment	4,032
Trim - Repair & Paint Phase 4	64,508
Stucco Siding - Repair/Recoat Phase 4	506,488
Total for 2034	\$588,669
Replacement Year 2035	
RV Lot Wood Fence - Repair & Stain	13,206
Trim - Repair & Paint Phase 5	37,374
Stucco Siding - Repair/Recoat Phase 5	419,880
Total for 2035	\$470,460

The Mediterranean Villas
Pasco, WA
Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2036</i>	
<i>No Replacement in 2037</i>	
Replacement Year 2038	
Concrete - Repair Allotment	3,781
Irrigation System - Repair Allotment	5,294
Total for 2038	<u>\$9,076</u>
Replacement Year 2039	
Asphalt - Repair & Sealcoat	15,813
Trim - Repair & Paint Phase 3 (a)	49,855
Stucco Siding - Repair/Recoat Phase 3 (a)	529,857
Total for 2039	<u>\$595,525</u>
Replacement Year 2040	
RV Lot Wood Fence - Repair & Stain	15,309
Total for 2040	<u>\$15,309</u>
Replacement Year 2041	
Trim - Repair & Paint Phase 3 (b)	52,891
Total for 2041	<u>\$52,891</u>
Replacement Year 2042	
Trim - Repair & Paint Phase 1	76,609
Trim - Repair & Paint Phase 2	78,312
Total for 2042	<u>\$154,921</u>
Replacement Year 2043	
Concrete - Repair Allotment	4,384
Irrigation System - Repair Allotment	6,137
Building Envelope Investigation	8,768
CMU Wall - Repair Allotment	8,768
Total for 2043	<u>\$28,056</u>
Replacement Year 2044	
Asphalt - Repair & Sealcoat	18,332

The Mediterranean Villas
Pasco, WA
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2044 continued...</i>	
Stamped Concrete - Repair Allotment	5,418
Trim - Repair & Paint Phase 4	86,693
Total for 2044	<u>\$110,444</u>
Replacement Year 2045	
RV Lot Wood Fence - Repair & Stain	17,747
Trim - Repair & Paint Phase 5	50,228
Total for 2045	<u>\$67,975</u>
<i>No Replacement in 2046</i>	
<i>No Replacement in 2047</i>	
Replacement Year 2048	
Concrete - Repair Allotment	5,082
Irrigation System - Repair Allotment	7,115
Total for 2048	<u>\$12,197</u>
Replacement Year 2049	
Asphalt - Repair & Sealcoat	21,252
Trim - Repair & Paint Phase 3 (a)	67,001
Total for 2049	<u>\$88,253</u>
Replacement Year 2050	
RV Lot Wood Fence - Repair & Stain	20,574
RV Lot Wood Fence - Replace	94,297
RV Lot Gates - Replace	12,940
Total for 2050	<u>\$127,810</u>
Replacement Year 2051	
Trim - Repair & Paint Phase 3 (b)	71,081
Stucco Siding - Repair/Recoat Phase 3 (b)	755,449
Total for 2051	<u>\$826,531</u>
Replacement Year 2052	
Trim - Repair & Paint Phase 1	102,957

The Mediterranean Villas
Pasco, WA
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2052 continued...</i>	
Trim - Repair & Paint Phase 2	105,245
Stucco Siding - Repair/Recoat Palazzo/Pavilion	11,874
Stucco Siding - Repair/Recoat Phase 1	799,047
Stucco Siding - Repair/Recoat Phase 2	883,163
Total for 2052	\$1,902,286
Replacement Year 2053	
Concrete - Repair Allotment	5,891
Irrigation System - Repair Allotment	8,248
Building Envelope Investigation	11,783
CMU Wall - Repair Allotment	11,783
Total for 2053	\$37,705

**The Mediterranean Villas
Deterioration Summary**

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
1000	Concrete - Repair Allotment	5	\$2,500	\$500
1005	Stamped Concrete - Repair Allotment	10	\$3,000	\$300
1010	Pavers - Repair	Unfunded		
1015	Asphalt - Repair & Sealcoat	5	\$10,150	\$2,030
1020	Asphalt - Grind & Overlay	25	\$108,750	\$4,350
1025	Metal Signs - Replace	Unfunded		
1030	Monument Signage - Refurb/Replace	30	\$14,000	\$467
1035	Monument Lighting - Replace	30	\$4,000	\$133
1040	Mailboxes - Replace (Older)	25	\$29,000	\$1,160
1041	Mailboxes - Replace (Newer)	25	\$14,500	\$580
1050	RV Lot Gravel - Replenish	Unfunded		
1070	RV Lot Wood Fence - Replace	20	\$43,725	\$2,186
1071	RV Lot Wood Fence - Repair & Stain	5	\$9,540	\$1,908
1075	RV Lot Gates - Replace	40	\$6,000	\$150
1080	CMU Wall - Repair Allotment	10	\$5,000	\$500
1085	Privacy Fence - Replace	Unfunded		
1135	Landscape - Refurbish Allotment	Unfunded		
1155	Irrigation System - Repair Allotment	5	\$3,500	\$700
1160	Drainage System - Maintain	Unfunded		
1175	Pole Lights - Replace	Unfunded		
1205	Retaining Walls - Repair	Unfunded		
2005	Pavilion - Refurbish	30	\$8,000	\$267
2010	Outdoor Furniture - Replace	Unfunded		
2015	Pet Stations - Replace	Unfunded		
2185	Palazzo Interior - Renovate	25	\$15,000	\$600
2190	Palazzo Furniture - Replace	Unfunded		
2195	Palazzo Windows/Doors - Replace	25	\$7,500	\$300
2200	Palazzo/Pavilion Roof - Replace	Unfunded		
2205	Palazzo Exterior Lighting - Replace	Unfunded		
4000	Unit Roofs - Replace	Unfunded		
4005	Stucco Siding - Replace	Unfunded		
4010	Stucco Siding - Repair/Recoat Phase 1	20	\$349,245	\$17,462
4015	Stucco Siding - Repair/Recoat Phase 2	20	\$386,010	\$19,301
4020	Stucco Siding - Repair/Recoat Phase 3 (a)	20	\$340,095	\$17,005
4021	Stucco Siding - Repair/Recoat Phase 3 (b)	20	\$340,095	\$17,005
4025	Stucco Siding - Repair/Recoat Phase 4	20	\$376,875	\$18,844

**The Mediterranean Villas
Deterioration Summary**

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
4030	Stucco Siding - Repair/Recoat Phase 5	20	\$303,330	\$15,167
4035	Stucco Siding - Repair/Recoat Palazzo/Pavilion	20	\$5,190	\$260
4065	Trim - Repair & Paint Phase 1	10	\$45,000	\$4,500
4070	Trim - Repair & Paint Phase 2	10	\$46,000	\$4,600
4075	Trim - Repair & Paint Phase 3 (a)	10	\$32,000	\$3,200
4076	Trim - Repair & Paint Phase 3 (b)	10	\$32,000	\$3,200
4080	Trim - Repair & Paint Phase 4	10	\$48,000	\$4,800
4085	Trim - Repair & Paint Phase 5	10	\$27,000	\$2,700
4090	Trim - Repair & Paint Palazzo/Pavilion	Unfunded		
4100	Windows/Doors/Garage Doors - Replace	Unfunded		
4105	Unit Exterior Lighting - Replace	Unfunded		
5000	Electrical System - Repair/Replace	Unfunded		
5005	Plumbing System - Repair/Replace	Unfunded		
5010	HVAC Equip - Repair/Replace	Unfunded		
6000	Building Envelope Investigation	10	\$5,000	\$500
6010	Reserve Study - Annual Update	Unfunded		
Total Annual Deterioration of Association Assets				\$144,673



Full Funding Model

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

The Mediterranean Villas
 Pasco, WA
Full Funding Model Summary

Report Date	January 1, 2024
Account Number	0352
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	228

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2024 Beginning Balance	\$927,294

Full Funding Model

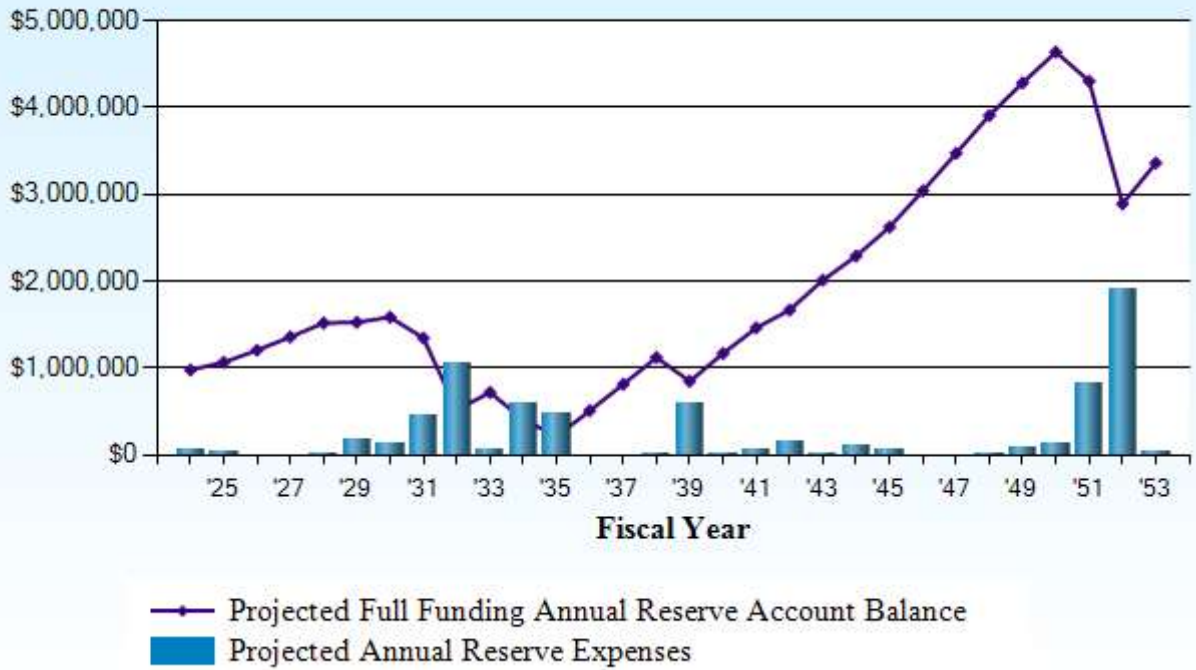
Full Funding Model Summary of Calculations	
Required Annual Contribution	\$104,500.00
<i>\$458.33 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$9,706.44</u>
Total Annual Allocation to Reserves	\$114,206.44
<i>\$500.91 per unit annually</i>	

**The Mediterranean Villas
Full Funding Model Projection**

Beginning Balance: \$927,294

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	2,620,005	104,500	9,706	61,150	980,350	1,640,305	60%
2025	2,698,605	114,950	10,577	37,636	1,068,241	1,788,414	60%
2026	2,779,563	126,445	11,947		1,206,633	1,983,862	61%
2027	2,862,950	139,089	13,457		1,359,179	2,189,426	62%
2028	2,948,839	152,998	15,054	6,753	1,520,479	2,398,584	63%
2029	3,037,304	168,298	15,138	174,934	1,528,981	2,445,502	63%
2030	3,128,423	185,128	15,717	142,409	1,587,418	2,531,983	63%
2031	3,222,276	203,641	13,334	457,630	1,346,763	2,303,985	58%
2032	3,318,944	224,005	5,175	1,053,250	522,694	1,473,816	35%
2033	3,418,512	246,406	7,143	54,800	721,442	1,652,711	44%
2034	3,521,068	271,046	4,038	588,669	407,857	1,296,224	31%
2035	3,626,700	279,177	2,166	470,460	218,741	1,056,807	21%
2036	3,735,501	287,553	5,063		511,356	1,300,968	39%
2037	3,847,566	296,179	8,075		815,611	1,558,828	52%
2038	3,962,993	305,065	11,116	9,076	1,122,716	1,821,641	62%
2039	4,081,882	314,217	8,414	595,525	849,822	1,495,056	57%
2040	4,204,339	323,643	11,582	15,309	1,169,738	1,763,262	66%
2041	4,330,469	333,352	14,502	52,891	1,464,701	2,007,978	73%
2042	4,460,383	343,353	16,531	154,921	1,669,664	2,162,333	77%
2043	4,594,195	353,654	19,953	28,056	2,015,214	2,459,601	82%
2044	4,732,020	364,263	22,690	110,444	2,291,724	2,688,766	85%
2045	4,873,981	375,191	25,989	67,975	2,624,930	2,976,623	88%
2046	5,020,200	386,447	30,114		3,041,490	3,351,446	91%
2047	5,170,806	398,040	34,395		3,473,926	3,746,080	93%
2048	5,325,931	409,982	38,717	12,197	3,910,428	4,148,812	94%
2049	5,485,709	422,281	42,445	88,253	4,286,901	4,494,377	95%
2050	5,650,280	434,949	45,940	127,810	4,639,980	4,818,924	96%
2051	5,819,788	447,998	42,614	826,531	4,304,062	4,443,166	97%
2052	5,994,382	461,438	28,632	1,902,286	2,891,846	2,958,038	98%
2053	6,174,213	475,281	33,294	37,705	3,362,716	3,359,102	100%

Annual Expenditures Compared to Full Funding Model



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



Baseline Funding Model

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

The Mediterranean Villas
 Pasco, WA
Baseline Funding Model Summary

Report Date	January 1, 2024
Account Number	0352
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	228

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2024 Beginning Balance	\$927,294

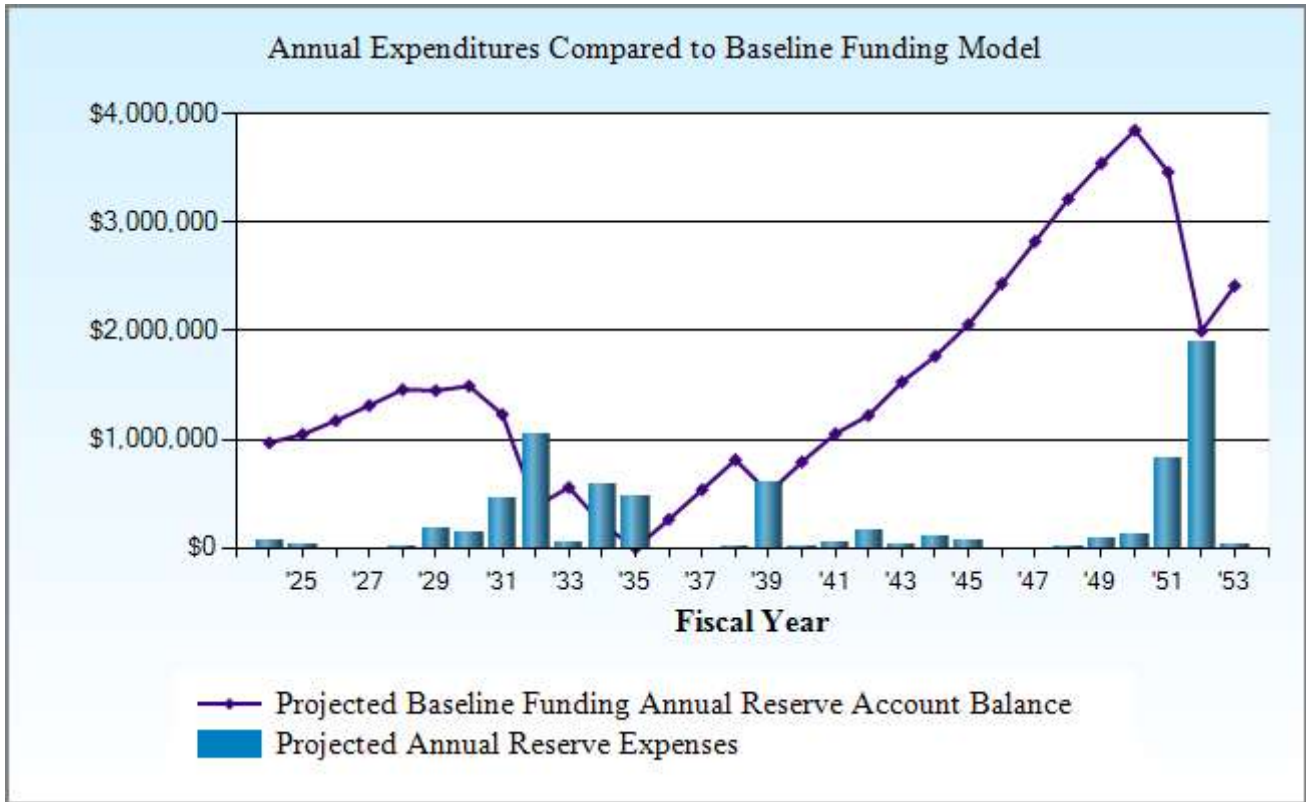
Baseline Funding Model

Baseline Funding Model Summary of Calculations	
Required Annual Contribution	\$94,750.00
<i>\$415.57 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$9,608.94</u>
Total Annual Allocation to Reserves	\$104,358.94
<i>\$457.71 per unit annually</i>	

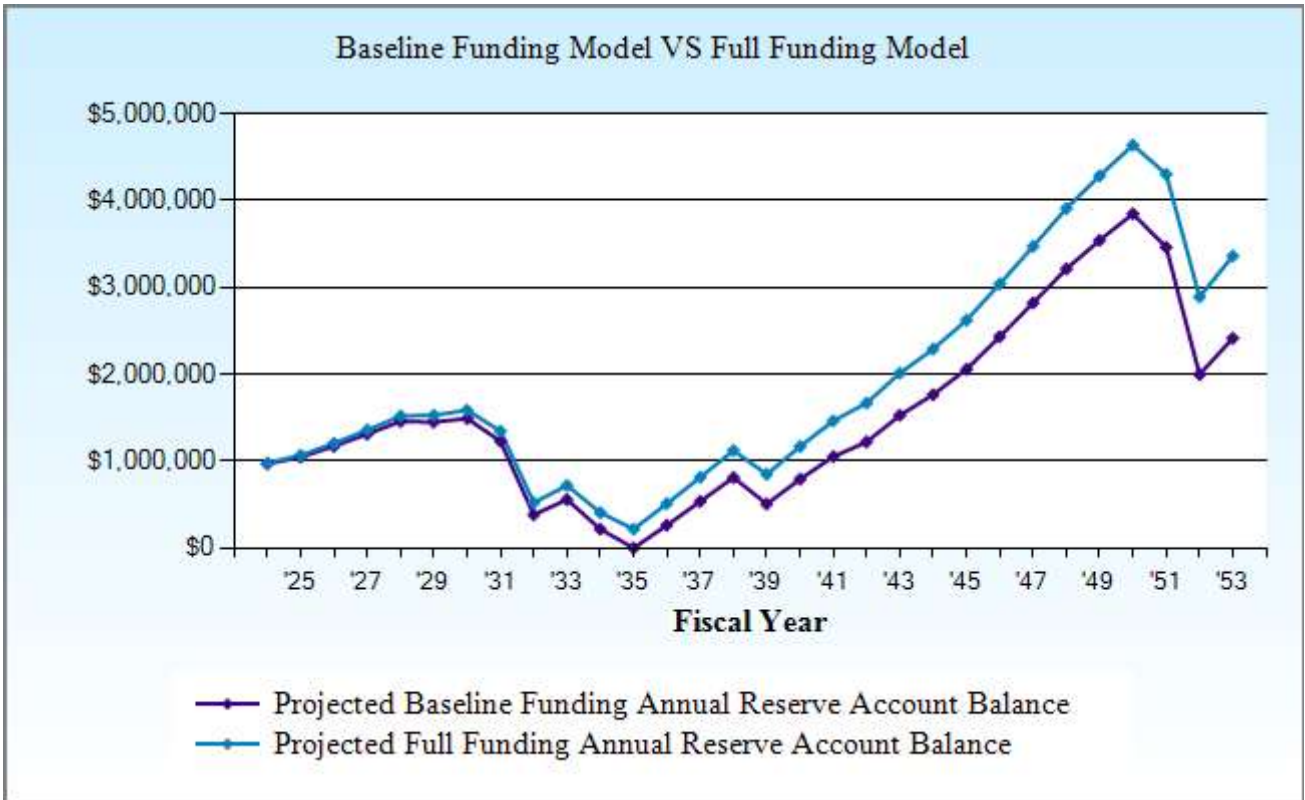
**The Mediterranean Villas
Baseline Funding Model Projection**

Beginning Balance: \$927,294

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	2,620,005	94,750	9,609	61,150	970,503	1,640,305	59%
2025	2,698,605	104,225	10,371	37,636	1,047,463	1,788,414	59%
2026	2,779,563	114,647	11,621		1,173,731	1,983,862	59%
2027	2,862,950	126,112	12,998		1,312,842	2,189,426	60%
2028	2,948,839	138,723	14,448	6,753	1,459,260	2,398,584	61%
2029	3,037,304	152,596	14,369	174,934	1,451,291	2,445,502	59%
2030	3,128,423	167,855	14,767	142,409	1,491,505	2,531,983	59%
2031	3,222,276	184,641	12,185	457,630	1,230,701	2,303,985	53%
2032	3,318,944	203,105	3,806	1,053,250	384,362	1,473,816	26%
2033	3,418,512	223,416	5,530	54,800	558,507	1,652,711	34%
2034	3,521,068	245,757	2,156	588,669	217,751	1,296,224	17%
2035	3,626,700	253,130	4	470,460	426	1,056,807	0%
2036	3,735,501	260,724	2,611		263,761	1,300,968	20%
2037	3,847,566	268,545	5,323		537,629	1,558,828	34%
2038	3,962,993	276,602	8,052	9,076	813,207	1,821,641	45%
2039	4,081,882	284,900	5,026	595,525	507,608	1,495,056	34%
2040	4,204,339	293,447	7,857	15,309	793,603	1,763,262	45%
2041	4,330,469	302,250	10,430	52,891	1,053,392	2,007,978	52%
2042	4,460,383	311,318	12,098	154,921	1,221,886	2,162,333	57%
2043	4,594,195	320,657	15,145	28,056	1,529,632	2,459,601	62%
2044	4,732,020	330,277	17,495	110,444	1,766,960	2,688,766	66%
2045	4,873,981	340,185	20,392	67,975	2,059,562	2,976,623	69%
2046	5,020,200	350,391	24,100		2,434,052	3,351,446	73%
2047	5,170,806	360,903	27,950		2,822,904	3,746,080	75%
2048	5,325,931	371,730	31,824	12,197	3,214,262	4,148,812	77%
2049	5,485,709	382,882	35,089	88,253	3,543,979	4,494,377	79%
2050	5,650,280	394,368	38,105	127,810	3,848,642	4,818,924	80%
2051	5,819,788	406,199	34,283	826,531	3,462,594	4,443,166	78%
2052	5,994,382	418,385	19,787	1,902,286	1,998,480	2,958,038	68%
2053	6,174,213	430,937	23,917	37,705	2,415,628	3,359,102	72%



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



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



Current Funding Model

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

The Mediterranean Villas
 Pasco, WA
Current Assessment Funding Model Summary

Report Date	January 1, 2024
Account Number	0352
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	228

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	1.00%
2024 Beginning Balance	\$927,294

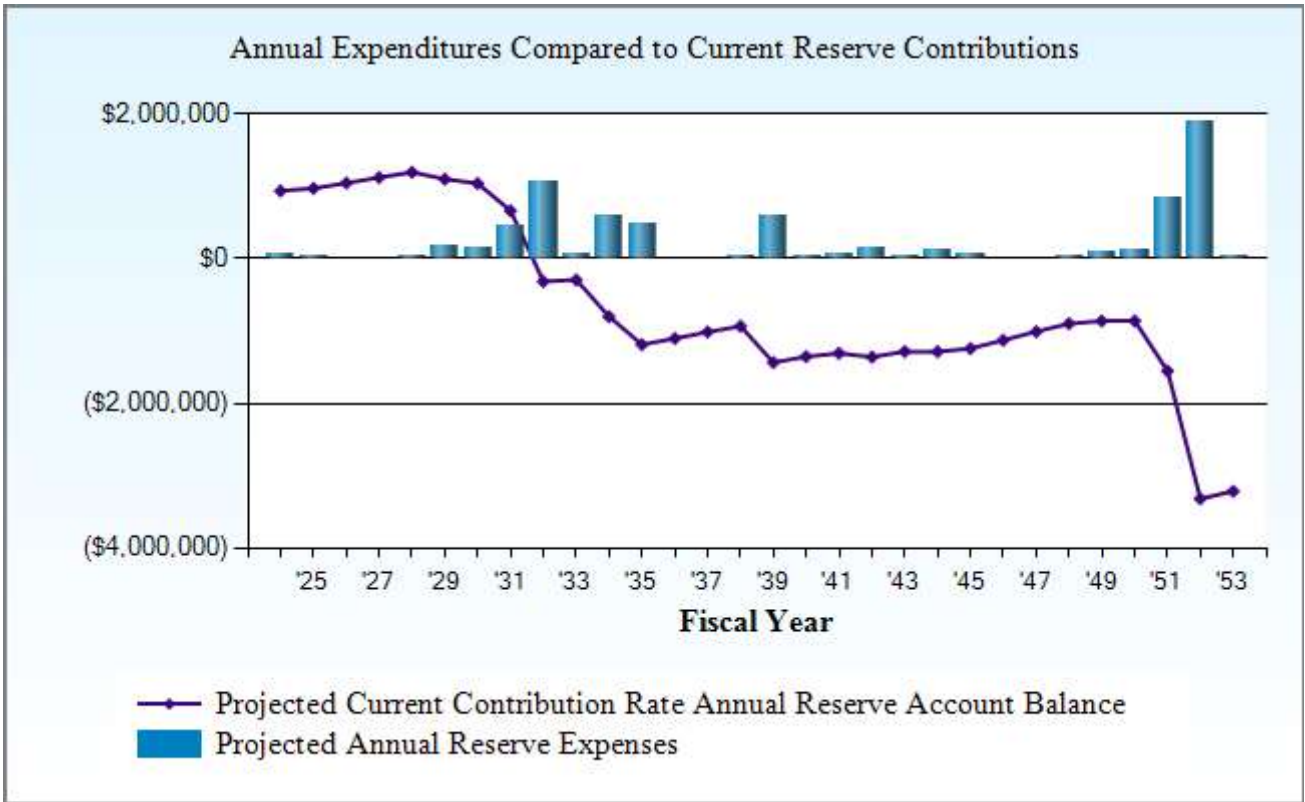
Current Assessment Funding Model

Current Assessment Funding Model Summary of Calculations	
Required Annual Contribution	\$60,000.00
<i>\$263.16 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$9,261.44</u>
Total Annual Allocation to Reserves	\$69,261.44
<i>\$303.78 per unit annually</i>	

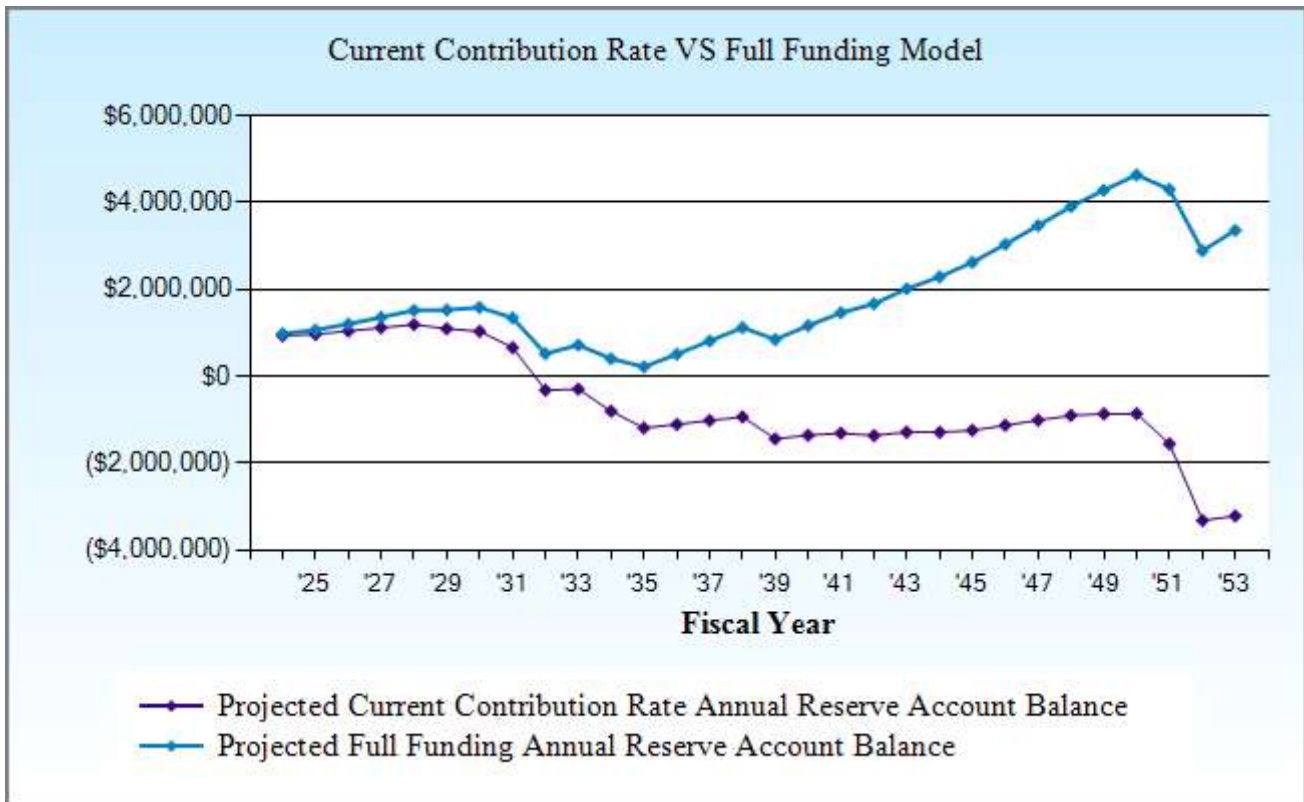
The Mediterranean Villas
Current Assessment Funding Model Projection

Beginning Balance: \$927,294

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	2,620,005	60,000	9,261	61,150	935,405	1,640,305	57%
2025	2,698,605	61,800	9,596	37,636	969,165	1,788,414	54%
2026	2,779,563	63,654	10,328		1,043,147	1,983,862	53%
2027	2,862,950	65,564	11,087		1,119,798	2,189,426	51%
2028	2,948,839	67,531	11,806	6,753	1,192,381	2,398,584	50%
2029	3,037,304	69,556	10,870	174,934	1,097,873	2,445,502	45%
2030	3,128,423	71,643	10,271	142,409	1,037,379	2,531,983	41%
2031	3,222,276	73,792	6,535	457,630	660,077	2,303,985	29%
2032	3,318,944	76,006		1,053,250	-317,167	1,473,816	
2033	3,418,512	78,286		54,800	-293,681	1,652,711	
2034	3,521,068	80,635		588,669	-801,715	1,296,224	
2035	3,626,700	83,054		470,460	-1,189,120	1,056,807	
2036	3,735,501	85,546			-1,103,575	1,300,968	
2037	3,847,566	88,112			-1,015,463	1,558,828	
2038	3,962,993	90,755		9,076	-933,783	1,821,641	
2039	4,081,882	93,478		595,525	-1,435,830	1,495,056	
2040	4,204,339	96,282		15,309	-1,354,857	1,763,262	
2041	4,330,469	99,171		52,891	-1,308,577	2,007,978	
2042	4,460,383	102,146		154,921	-1,361,352	2,162,333	
2043	4,594,195	105,210		28,056	-1,284,198	2,459,601	
2044	4,732,020	108,367		110,444	-1,286,275	2,688,766	
2045	4,873,981	111,618		67,975	-1,242,633	2,976,623	
2046	5,020,200	114,966			-1,127,666	3,351,446	
2047	5,170,806	118,415			-1,009,251	3,746,080	
2048	5,325,931	121,968		12,197	-899,480	4,148,812	
2049	5,485,709	125,627		88,253	-862,106	4,494,377	
2050	5,650,280	129,395		127,810	-860,521	4,818,924	
2051	5,819,788	133,277		826,531	-1,553,774	4,443,166	
2052	5,994,382	137,276		1,902,286	-3,318,785	2,958,038	
2053	6,174,213	141,394		37,705	-3,215,096	3,359,102	



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



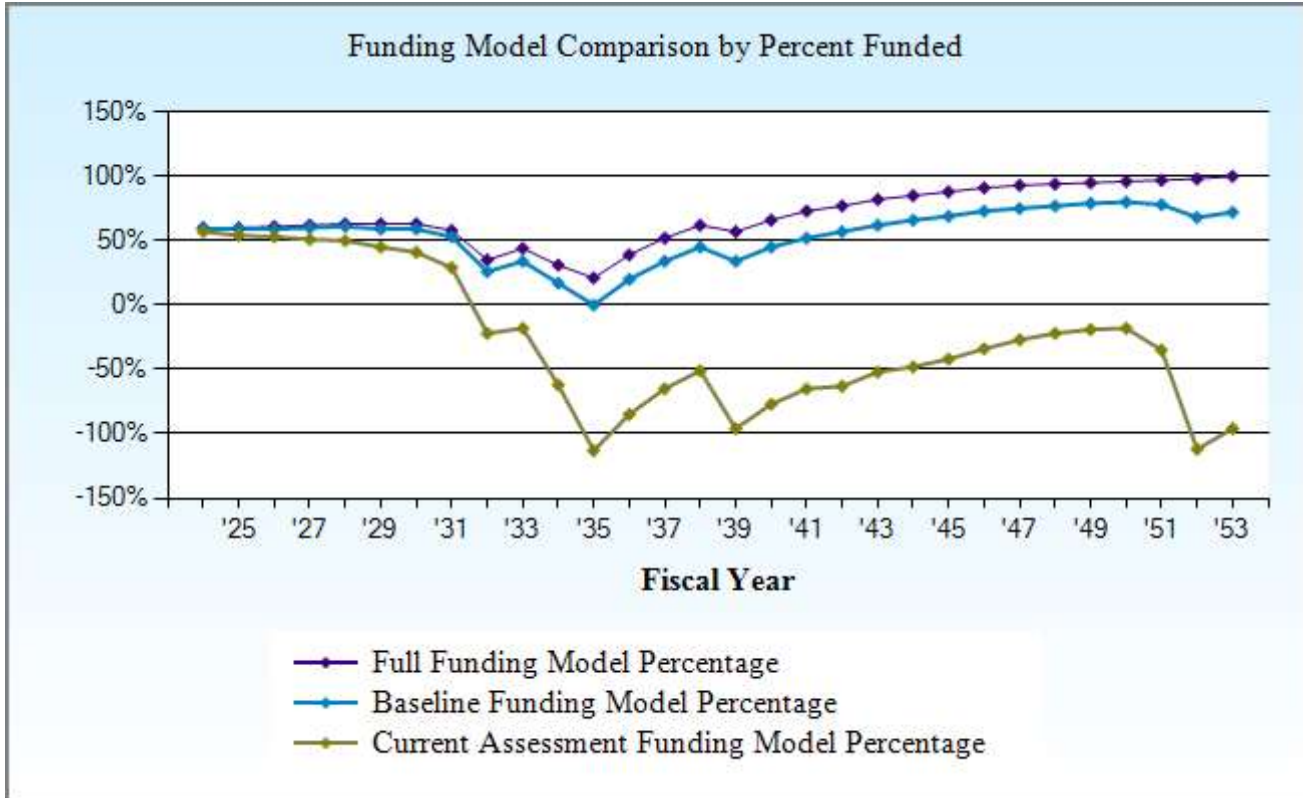
This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.



Comparison Charts

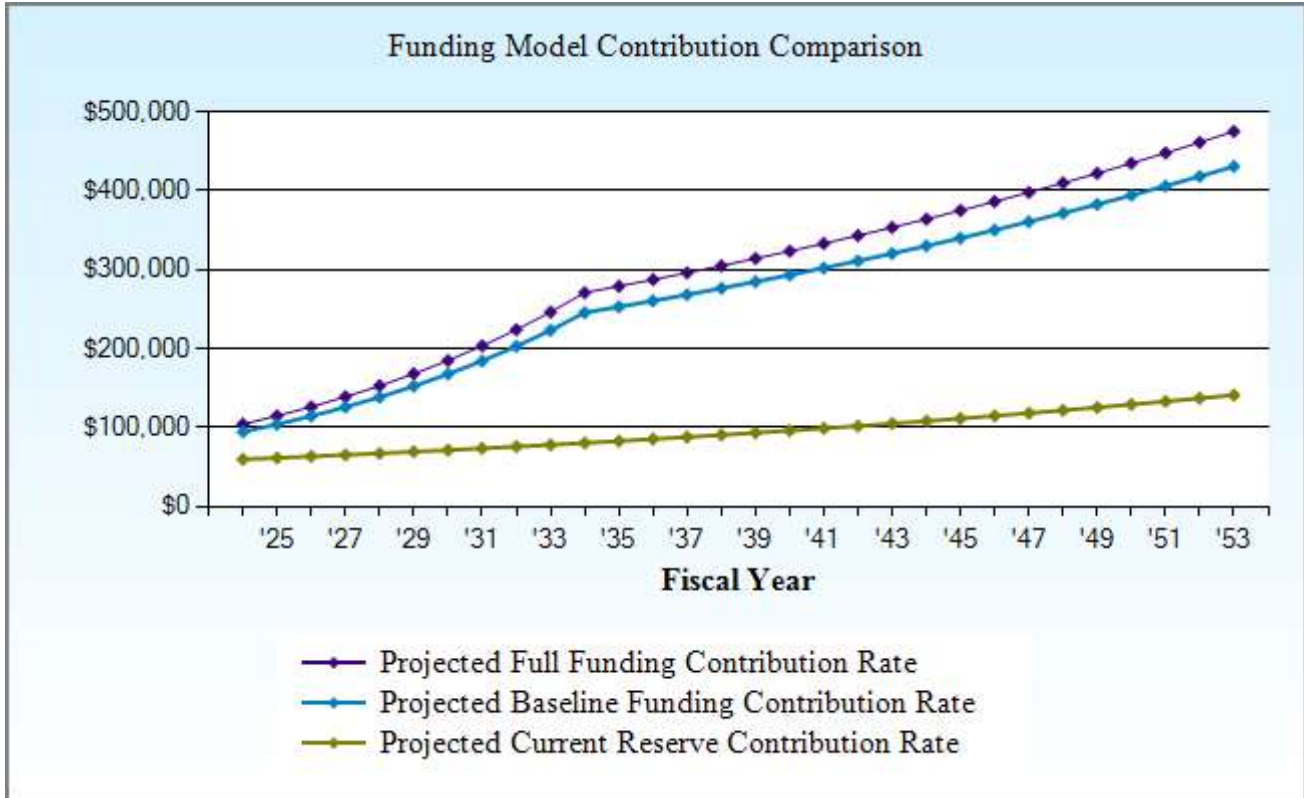
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included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

**The Mediterranean Villas
Funding Model Comparison by Percent Funded**



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

**The Mediterranean Villas
Funding Model Assessment Comparison Chart**



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



Component Detail Report

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

**The Mediterranean Villas
Index of Funded Components**

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1015	Asphalt - Repair & Sealcoat	2024	48
1020	Asphalt - Grind & Overlay	2029	49
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1041	Mailboxes - Replace (Newer)	2030	54
1050	RV Lot Gravel - Replenish	2024	55
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1071	RV Lot Wood Fence - Repair & Stain	2025	57
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4015	Stucco Siding - Repair/Recoat Phase 2	2032	79
4020	Stucco Siding - Repair/Recoat Phase 3 (a)	2039	81
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**The Mediterranean Villas
Index of Funded Components**

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4080	Trim - Repair & Paint Phase 4	2024	95
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4090	Trim - Repair & Paint Palazzo/Pavilion	2024	97
4100	Windows/Doors/Garage Doors - Replace	2024	98
4105	Unit Exterior Lighting - Replace	2024	99
5000	Electrical System - Repair/Replace	2024	100
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5010	HVAC Equip - Repair/Replace	2024	102
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6010	Reserve Study - Annual Update	2024	105
	Total Funded Assets	30	
	Total Unfunded Assets	<u>22</u>	
	Total Assets	52	

**The Mediterranean Villas
Detail Report by Category**

Concrete - Repair Allotment - 2028

Asset ID	1000	1 Allowance	@ \$2,500.00
Category	Grounds	Asset Actual Cost	\$2,500.00
Placed in Service	January 2023	Percent Replacement	100%
Useful Life	5	Future Cost	\$2,813.77
Replacement Year	2028		
Remaining Life	4		



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: No history reported, an estimated in-service date of 2023 has been used as no repair needs reported

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

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

Some jurisdictions make sidewalks along public roads the responsibility of the adjacent property owner to maintain, repair and replace. We recommend consulting with your local

**The Mediterranean Villas
Detail Report by Category**

Concrete - Repair Allotment continued...

municipality to confirm responsibility if your governing documents are not clear on this matter.

The Portland Cement Association has extensive resources available regarding concrete and cement products on its website: [Portland Cement](#)

**The Mediterranean Villas
Detail Report by Category**

Stamped Concrete - Repair Allotment - 2024

			1 Allowance	@ \$3,000.00
Asset ID	1005		Asset Actual Cost	\$3,000.00
			Percent Replacement	100%
Category	Grounds		Future Cost	\$3,000.00
Placed in Service	January 2008			
Useful Life	10			
Replacement Year	2024			
Remaining Life	0			



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: Installed between 2006 & 2009 per satellite imagery

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

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

The Portland Cement Association has extensive resources available regarding concrete and cement products on its website: [Portland Cement](http://www.portlandcement.org)

**The Mediterranean Villas
Detail Report by Category**

Pavers - Repair

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



Location: Adjacent to parking area within Phase 1

Component History: Assumed installed ~ 2003 with Phase 1 construction

Uneven areas and trip hazards were observed at paver walkway. There is no predictable basis to expect complete replacement of paver areas, therefore no reserve funding included. Typically, uneven areas can be repaired by removing pavers, repairing the base and reinstalling pavers. Inspect, clean and repair as needed utilizing general maintenance operating funds.

**The Mediterranean Villas
Detail Report by Category**

Asphalt - Repair & Sealcoat - 2024

		29,000 GSF	@ \$0.35
Asset ID	1015	Asset Actual Cost	\$10,150.00
		Percent Replacement	100%
Category	Grounds	Future Cost	\$10,150.00
Placed in Service	January 2017		
Useful Life	5		
Replacement Year	2024		
Remaining Life	0		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Parking areas within association

Component History: 2014 per prior study

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

The Washington State Department of Transportation has published a report detailing asphalt seal coats and techniques for application, which can be found here: [Washington DOT Recommendations](#)

**The Mediterranean Villas
Detail Report by Category**

Asphalt - Grind & Overlay - 2029

		29,000 GSF	@ \$3.75
Asset ID	1020	Asset Actual Cost	\$108,750.00
		Percent Replacement	100%
Category	Grounds	Future Cost	\$126,071.06
Placed in Service	January 2003		
Useful Life	25		
Adjustment	1		
Replacement Year	2029		
Remaining Life	5		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Parking areas within association

Component History: Installed ~ 2003

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

**The Mediterranean Villas
Detail Report by Category**

Metal Signs - Replace

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



Location: Scattered common area locations

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Monument Signage - Refurb/Replace - 2033

		4 Each	@ \$3,500.00
Asset ID	1030	Asset Actual Cost	\$14,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	\$18,266.82
Placed in Service	January 2003		
Useful Life	30		
Replacement Year	2033		
Remaining Life	9		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to entrances to community

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Monument Lighting - Replace - 2033

			1 Allowance	@ \$4,000.00
Asset ID	1035		Asset Actual Cost	\$4,000.00
			Percent Replacement	100%
Category	Grounds		Future Cost	\$5,219.09
Placed in Service	January 2003			
Useful Life	30			
Replacement Year	2033			
Remaining Life	9			



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to entry monuments

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Mailboxes - Replace (Older) - 2030

		10 Each	@ \$2,900.00
Asset ID	1040	Asset Actual Cost	\$29,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	\$34,627.52
Placed in Service	January 2005		
Useful Life	25		
Replacement Year	2030		
Remaining Life	6		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to roadways throughout community

Component History: ~ 2005 manufacture date

Plan to replace mailboxes at roughly 20-25 year cycles. Inspect, clean and repair as needed utilizing operating funds. The most common causes for premature replacement are damage caused by a vehicle and/or vandalism. Contact your local post office prior to replacement of mailboxes to ensure new boxes are installed according to post office guidelines and to coordinate installation of the master lock.

**The Mediterranean Villas
Detail Report by Category**

Mailboxes - Replace (Newer) - 2030

		5 Each	@ \$2,900.00
Asset ID	1041	Asset Actual Cost	\$14,500.00
		Percent Replacement	100%
Category	Grounds	Future Cost	\$17,313.76
Placed in Service	January 2005		
Useful Life	25		
Replacement Year	2030		
Remaining Life	6		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Adjacent to roadways throughout community

Component History: ~ 2008 & 2009 manufacture date

Plan to replace mailboxes at roughly 20-25 year cycles. Inspect, clean and repair as needed utilizing operating funds. The most common causes for premature replacement are damage caused by a vehicle and/or vandalism. Contact your local post office prior to replacement of mailboxes to ensure new boxes are installed according to post office guidelines and to coordinate installation of the master lock.

**The Mediterranean Villas
Detail Report by Category**

RV Lot Gravel - Replenish

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



Location: Within RV parking area at southeast corner of property

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

RV Lot Wood Fence - Replace - 2030

		795 LF	@ \$55.00
Asset ID	1070	Asset Actual Cost	\$43,725.00
		Percent Replacement	100%
Category	Grounds	Future Cost	\$52,209.94
Placed in Service	January 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	6		



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: Installed between 2009 & 2011 per satellite imagery

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

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

The American Fence Association has an excellent fencing resource available through its website: [American Fence Association](http://www.americanfenceassociation.com)

**The Mediterranean Villas
Detail Report by Category**

RV Lot Wood Fence - Repair & Stain - 2025

		795 LF	@ \$12.00
Asset ID	1071	Asset Actual Cost	\$9,540.00
		Percent Replacement	100%
Category	Grounds	Future Cost	\$9,826.20
Placed in Service	January 2020		
Useful Life	5		
Replacement Year	2025		
Remaining Life	1		



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: Partial staining 2020

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

**The Mediterranean Villas
Detail Report by Category**

RV Lot Gates - Replace - 2050

		2 Each	@ \$3,000.00
Asset ID	1075	Asset Actual Cost	\$6,000.00
		Percent Replacement	100%
Category	Grounds	Future Cost	\$12,939.55
Placed in Service	January 2010		
Useful Life	40		
Replacement Year	2050		
Remaining Life	26		



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: Installed between 2009 & 2011 per satellite imagery

No problems reported of chain link gates at the time of our site visit. Chain link fencing tends to have a useful life which is longer than that of wood, therefore plan to replace RV gates with every other fence replacement cycle.

As routine maintenance, inspect regularly, lubricate and repair as needed through annual operating budget.

**The Mediterranean Villas
Detail Report by Category**

CMU Wall - Repair Allotment - 2033

			1 Allowance	@ \$5,000.00
Asset ID	1080		Asset Actual Cost	\$5,000.00
			Percent Replacement	100%
Category	Grounds		Future Cost	\$6,523.87
Placed in Service	January 2023			
Useful Life	10			
Replacement Year	2033			
Remaining Life	9			



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Perimeter of property

Component History: Original wood fencing replaced with CMU wall in phases with last phase planned for completion in 2023 \$150,826.50

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

**The Mediterranean Villas
Detail Report by Category**

Privacy Fence - Replace

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



Location: Privacy fencing at individual units

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Landscape - Refurbish Allotment

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



Location: Common area landscaping

Component History: No history reported

Client reports that all landscape work is handled through the annual operating budget. There is no predictable basis to expect wide scale expenses affecting reserves at this time, therefore no funding included. Update future reserve studies as needed should expense history arise.

**The Mediterranean Villas
Detail Report by Category**

Irrigation System - Repair Allotment - 2028

			1 Allowance	@ \$3,500.00
Asset ID	1155		Asset Actual Cost	\$3,500.00
			Percent Replacement	100%
Category	Grounds		Future Cost	\$3,939.28
Placed in Service	January 2023			
Useful Life	5			
Replacement Year	2028			
Remaining Life	4			



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within common area landscaping

Component History: No history reported, an estimated in-service date of 2023 has been used as no current repair needs reported

It is beyond the scope of a reserve study to assess the design, quality and/or function of an irrigation system, however no problems related to irrigation system reported at the time of this report. Irrigation systems typically consist of three main components; timer(s), underground water distribution lines (generally constructed of PVC) and spray heads. The United States Golf Association suggests complete replacement of irrigation systems at 25-30 years of age, as lines can become brittle over time and parts obsolete.

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

**The Mediterranean Villas
Detail Report by Category**

Drainage System - Maintain

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



Location: Common area drainage

Component History: No history reported

It is beyond the scope of a reserve study to assess the design, quality and/or function of the stormwater drainage system, however no problems reported by client as of this report. When properly installed with no known defects or deficiencies, there is no predictable basis to expect maintenance, repair or replacement of the drainage system within the scope of this report, therefore no reserve funding included.

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

The Washington State Department of Ecology has extensive resources available pertaining to stormwater systems and stormwater management, including manuals specific to both Western Washington and Eastern Washington: [Washington Department of Ecology Stormwater Manuals](#)

**The Mediterranean Villas
Detail Report by Category**

Pole Lights - Replace

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



Location: Adjacent to roadways throughout community

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Retaining Walls - Repair

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



Location: Scattered common area locations

Component History: No history reported

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

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

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

**The Mediterranean Villas
Detail Report by Category**

Pavilion - Refurbish - 2033

Asset ID	2005	1 Allowance	@ \$8,000.00
Category	Recreation	Asset Actual Cost	\$8,000.00
Placed in Service	January 2003	Percent Replacement	100%
Useful Life	30	Future Cost	\$10,438.19
Replacement Year	2033		
Remaining Life	9		



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Outdoor Furniture - Replace

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



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

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Pet Stations - Replace

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



Location: Scattered common area locations

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Palazzo Interior - Renovate - 2030

			1 Allowance	@ \$15,000.00
Asset ID	2185		Asset Actual Cost	\$15,000.00
			Percent Replacement	100%
Category	Recreation		Future Cost	\$17,910.78
Placed in Service	January 2005			
Useful Life	25			
Replacement Year	2030			
Remaining Life	6			



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Palazzo Furniture - Replace

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



Location: Furniture within interior of Palazzo

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Palazzo Windows/Doors - Replace - 2030

		6 Each	@ \$1,250.00
Asset ID	2195	Asset Actual Cost	\$7,500.00
		Percent Replacement	100%
Category	Recreation	Future Cost	\$8,955.39
Placed in Service	January 2005		
Useful Life	25		
Replacement Year	2030		
Remaining Life	6		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at Palazzo

Component History: No history reported

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

Choosing a high quality window at the time of replacement has several benefits including, but not limited to, improved energy efficiency, noise reduction, an improved warranty and potentially a longer useful life of the window.

Cost allowances assume replacement of windows/sliders only; hidden damages and structural repairs are not predictable and may substantially increase the cost of the project.

**The Mediterranean Villas
Detail Report by Category**

Palazzo/Pavilion Roof - Replace

Asset ID	2200	1,700 Allowance	@ \$6.00
Category	Recreation	Asset Actual Cost	\$10,200.00
Placed in Service	January 2005	Percent Replacement	100%
No Useful Life		Future Cost	\$10,200.00



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Rooftop of Palazzo and Pavilion

Component History: No history reported

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

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

The National Roofing Contractors Association has resources available on its website,

**The Mediterranean Villas
Detail Report by Category**

Palazzo/Pavilion Roof - Replace continued...

including videos pertaining to roof maintenance, through the following link: [National Roofing Contractors Association](#)

Additional resources are available on the Western States Roofing Contractors Association through the following link: [Western States Roofing Contractors Association](#)

**The Mediterranean Villas
Detail Report by Category**

Palazzo Exterior Lighting - Replace

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



Location: Exterior walls at Palazzo

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Unit Roofs - Replace

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



Location: Rooftop of residential units

Component History: Presumed original to 2003-2016

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

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Replace

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



Location: Exterior building walls

Component History: Presumed original to 2003-2016 construction

When properly installed, well maintained stucco has a useful life which exceeds the scope of this report therefore there is no predictable basis to expect wide scale replacement of stucco siding and no reserve funding is included. See separate component for periodic cycles of repair and recoating of stucco (client reports that minor repairs are handled through annual operating budget).

Stucco siding is typically constructed of a mixture of Portland cement, sand, lime and water. It is known for being naturally fire resistant, able to withstand strong winds, generally durable and long lasting. Some buildings featuring stucco siding which are located in areas where higher moisture is present have experienced issues related to such. Signs of failure include cracking, flaking and water intrusion. Stucco can be prone to cracking and it is imperative that cracks are repaired to prevent further deterioration of the stucco surface. Sealants at window, door, vent and other penetrations are also important to preventing water intrusion into the structure of the building.

Inspect stucco regularly and perform routine building envelope investigations (see separate component) to ensure that stucco is functioning as designed. The Portland Cement Association has educational resources related to stucco siding available through this [link](#).

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Phase 1 - 2032

		116,415 GSF	@ \$3.00
Asset ID	4010	Asset Actual Cost	\$349,245.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$442,413.12
Placed in Service	January 2004		
Useful Life	20		
Adjustment	8		
Replacement Year	2032		
Remaining Life	8		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 1

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

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 15-20 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur at stucco.

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

**The Mediterranean Villas
Detail Report by Category**

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

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

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

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

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Phase 2 - 2032

		128,670 GSF	@ \$3.00
Asset ID	4015	Asset Actual Cost	\$386,010.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$488,985.92
Placed in Service	January 2005		
Useful Life	20		
Adjustment	7		
Replacement Year	2032		
Remaining Life	8		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 2

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

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 15-20 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur at stucco.

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

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Phase 2 continued...

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

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

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

**The Mediterranean Villas
Detail Report by Category**

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

Asset ID	4020	113,365 GSF	@ \$3.00
		Asset Actual Cost	\$340,095.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$529,856.93
Placed in Service	January 2019		
Useful Life	20		
Replacement Year	2039		
Remaining Life	15		



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

Component History: Painted 2019 \$39,622.71

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 15-20 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur at stucco.

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

The Mediterranean Villas
Detail Report by Category

Stucco Siding - Repair/Recoat Phase 3 (a) continued...

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

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

**The Mediterranean Villas
Detail Report by Category**

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

		113,365 GSF	@ \$3.00
Asset ID	4021	Asset Actual Cost	\$340,095.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$418,273.95
Placed in Service	January 2008		
Useful Life	20		
Adjustment	3		
Replacement Year	2031		
Remaining Life	7		



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

Cost Source: Accurate Reserve Professionals, LLC Database

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

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

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 15-20 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur at stucco.

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

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Phase 3 (b) continued...

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

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

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**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Phase 4 - 2034

		125,625 GSF	@ \$3.00
Asset ID	4025	Asset Actual Cost	\$376,875.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$506,488.48
Placed in Service	January 2011		
Useful Life	20		
Adjustment	3		
Replacement Year	2034		
Remaining Life	10		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 4

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

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 15-20 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur at stucco.

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

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Phase 4 continued...

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

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

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

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Phase 5 - 2035

Asset ID	4030	101,110 GSF	@ \$3.00
		Asset Actual Cost	\$303,330.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$419,879.66
Placed in Service	January 2015		
Useful Life	20		
Replacement Year	2035		
Remaining Life	11		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at units within Phase 5

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

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 15-20 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur at stucco.

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

The Mediterranean Villas
Detail Report by Category

Stucco Siding - Repair/Recoat Phase 5 continued...

paint will be used unless otherwise noted.

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

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

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Palazzo/Pavilion - 2032

		1,730 GSF	@ \$3.00
Asset ID	4035	Asset Actual Cost	\$5,190.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$6,574.54
Placed in Service	January 2004		
Useful Life	20		
Adjustment	8		
Replacement Year	2032		
Remaining Life	8		



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior walls at Palazzo and Pavilion

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

While stucco is a naturally waterproof product, it is recommended to plan for periodic cycles of cleaning, repairing and recoating stucco at 15-20 year intervals. In addition to the aesthetic benefit of a fresh coat of paint, recoating stucco helps disguise areas of repair which will inevitably occur at stucco.

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

**The Mediterranean Villas
Detail Report by Category**

Stucco Siding - Repair/Recoat Palazzo/Pavilion continued...

paint will be used unless otherwise noted.

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

**The Mediterranean Villas
Detail Report by Category**

Trim - Repair & Paint Phase 1 - 2032

		45 Units	@ \$1,000.00
Asset ID	4065	Asset Actual Cost	\$45,000.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$57,004.65
Placed in Service	January 2022		
Useful Life	10		
Replacement Year	2032		
Remaining Life	8		



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

Cost Source: Inflated client cost history

Location: Exterior trim at Phase 1 units

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

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8-10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure.

Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

The Master Painters Association has extensive resources related to paint on their website at [Master Painters Association](https://www.masterpainters.org/)

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

**The Mediterranean Villas
Detail Report by Category**

Trim - Repair & Paint Phase 2 - 2032

		46 Units	@ \$1,000.00
Asset ID	4070	Asset Actual Cost	\$46,000.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$58,271.42
Placed in Service	January 2022		
Useful Life	10		
Replacement Year	2032		
Remaining Life	8		



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

Cost Source: Inflated client cost history

Location: Exterior trim at Phase 2 units

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

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8-10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure.

Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

The Master Painters Association has extensive resources related to paint on their website at [Master Painters Association](https://www.masterpainters.org/)

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**The Mediterranean Villas
Detail Report by Category**

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

		32 Each	@ \$1,000.00
Asset ID	4075	Asset Actual Cost	\$32,000.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$37,096.77
Placed in Service	January 2019		
Useful Life	10		
Replacement Year	2029		
Remaining Life	5		



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

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

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

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

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8-10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure.

Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

The Master Painters Association has extensive resources related to paint on their website at [Master Painters Association](http://www.masterpainters.org)

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**The Mediterranean Villas
Detail Report by Category**

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

		32 Each	@ \$1,000.00
Asset ID	4076	Asset Actual Cost	\$32,000.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$39,355.96
Placed in Service	January 2021		
Useful Life	10		
Replacement Year	2031		
Remaining Life	7		



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

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

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

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

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8-10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure.

Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

The Master Painters Association has extensive resources related to paint on their website at [Master Painters Association](https://www.masterpainters.org/)

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

**The Mediterranean Villas
Detail Report by Category**

Trim - Repair & Paint Phase 4 - 2024

		48 Units	@ \$1,000.00
Asset ID	4080	Asset Actual Cost	\$48,000.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$48,000.00
Placed in Service	January 2011		
Useful Life	10		
Replacement Year	2024		
Remaining Life	0		



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

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

Location: Exterior trim at Phase 4 units

Component History: Presumed original to ~ 2011 construction

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8-10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure.

Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

The Master Painters Association has extensive resources related to paint on their website at [Master Painters Association](http://www.masterpainters.org)

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**The Mediterranean Villas
Detail Report by Category**

Trim - Repair & Paint Phase 5 - 2025

		27 Units	@ \$1,000.00
Asset ID	4085	Asset Actual Cost	\$27,000.00
		Percent Replacement	100%
Category	Building Exterior	Future Cost	\$27,810.00
Placed in Service	January 2015		
Useful Life	10		
Replacement Year	2025		
Remaining Life	1		



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

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

Location: Exterior trim at Phase 5 units

Component History: Presumed original to ~ 2015 construction

Regular cycles of paint are imperative to obtaining the longest useful life of exterior surfaces. Typically, paint is required at 8-10 year cycles depending on a number of factors including, but not limited to, quality of paint product, prep work and weather exposure.

Proper prep work prior to painting is imperative for project success. Clean surfaces prior to painting either by pressure washing or another method recommended by your painting contractor. Repair areas of damage/decay and replace sealants prior to paint application. Choose a high quality paint product, two coats are best particularly in areas of high weather/UV exposure and on wood trim. Dark paint colors may fade with high UV exposure, necessitating painting earlier than needed for cosmetic reasons.

The Master Painters Association has extensive resources related to paint on their website at [Master Painters Association](http://www.masterpainters.org)

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**The Mediterranean Villas
Detail Report by Category**

Trim - Repair & Paint Palazzo/Pavilion

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



Location: Trim at Palazzo and Pavilion

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

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

**The Mediterranean Villas
Detail Report by Category**

Windows/Doors/Garage Doors - Replace

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



Location: Windows, doors and garage doors at individual units

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

Documentation provided by client indicates that windows, doors and garage doors are the responsibility of the unit owner therefore no reserve funding included.

**The Mediterranean Villas
Detail Report by Category**

Unit Exterior Lighting - Replace

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



Location: Exterior lighting at individual units

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

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

**The Mediterranean Villas
Detail Report by Category**

Electrical System - Repair/Replace

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



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

Component History: No history reported

No problems reported of electrical system at the time of this report. Evaluation of electrical components is beyond the scope of a reserve study; if problems are suspected, consult with a qualified electrician immediately. Generally, if installed without defect, there is no predictable basis to expect complete replacement of electrical system within the scope of this report therefore no reserve funding included. No known defects reported by client.

Regularly inspect common area electrical panels and equipment. Contact a qualified electrician if breakers routinely trip or fuses regularly blow, or if you notice a sizzling sound or a burning odor. Ensure that electrical plugs near wet locations (restrooms, exterior building walls, outdoor parking garages, etc.) are Ground-Fault Circuit Interrupters (GFCI).

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

**The Mediterranean Villas
Detail Report by Category**

Plumbing System - Repair/Replace

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



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

Component History: No history reported

No problems reported of plumbing system at the time of this report. Evaluation of plumbing systems is beyond the scope of a reserve study; if problems are suspected, consult with a qualified plumber. Generally, if installed without defect, there is no predictable basis to expect complete replacement of plumbing system within the scope of this report, therefore no reserve funding included. No known defects reported by client.

Regularly inspect common area plumbing and equipment. Contact a qualified plumber if you are experiencing low water pressure, discoloration and/or leaks. Protect exposed lines from freezing temperatures.

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

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

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

**The Mediterranean Villas
Detail Report by Category**

HVAC Equip - Repair/Replace

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



Location: HVAC equipment at individual units

Component History: No history reported

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

**The Mediterranean Villas
Detail Report by Category**

Building Envelope Investigation - 2033

			1 Allowance	@ \$5,000.00
Asset ID	6000		Asset Actual Cost	\$5,000.00
			Percent Replacement	100%
Category	Professional		Future Cost	\$6,523.87
Placed in Service	January 2023			
Useful Life	10			
Replacement Year	2033			
Remaining Life	9			



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

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Exterior building envelope (stucco siding)

Component History: No history reported

A reserve study site visit conducts a limited visual review for budgetary purposes only and does not include any invasive testing or structural evaluation. As a result, periodic building envelope investigations are strongly recommended to ensure that building envelope components are performing as designed and to help identify the potential for hidden damages early, thus reducing the risk of unanticipated repair costs. When performed prior to exterior work such as siding and window replacement, a building envelope investigation also helps determine the extent of hidden damages, if any, so the association is not surprised by a significant increase in costs after the project starts. Building envelope investigations should be performed after being turned over from the developer (or prior to expiration of the builder’s warranty, whichever is first), at 5-10 year intervals thereafter based on building age and individual needs, and prior to performing large exterior envelope projects. Some governing documents may require annual envelope investigations; we recommend reviewing your association’s governing documents for any requirements unique to your association.

A building envelope investigation typically involves two professional parties, an architect or an engineer and a general contractor. The architect or engineer identifies areas of concerns at the

The Mediterranean Villas Detail Report by Category

Building Envelope Investigation continued...

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

The cost of a building envelope investigation can vary significantly based on the scope of work, including the number of openings done at the building and the extent of the invasive testing. We have used a mid-range funding allowance for financial planning purposes.

**The Mediterranean Villas
Detail Report by Category**

Reserve Study - Annual Update

Asset ID	6010	1 Ann Update	
Category	Professional	Asset Actual Cost	
Placed in Service	January 2024	Percent Replacement	100%
No Useful Life		Future Cost	



**Time for your annual
update, contact us today!**

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

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

Key:

FULL = Level 1 Full Reserve Study

WSV = Level 2 With-Site-Visit Reserve Study

NSV = Level 3 No-Site-Visit Reserve Study

PCNYC = Level 4 Preliminary, Community Not Yet Constructed Reserve Study

Common Terms & Definitions

A portion of this information is from the National Reserve Study Standards published by Community Associations Institute, dated 03/2018. A link to the full National Reserve Study Standards document can be found here: [National Reserve Study Standards](#)

ALLOWANCE (QUANTITY)	When used in reference to quantity, the term allowance means that the component could not be reasonably quantified to assign a unit cost and therefore a flat cost allowance has been used.
ALLOWANCE (COST)	When used in reference to cost, the term allowance refers to the cost range assigned to that component. For example, the cost allowance for replacement of a roof may be \$4.00 per square foot to \$6.00 per square foot.
CAPITAL IMPROVEMENTS	Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.
CASH FLOW METHOD	A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.
COMPONENT	The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. with limited useful life expectancies, 3. predictable remaining useful life expectancies, and 4. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.
COMPONENT INVENTORY	The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.
COMPONENT METHOD	A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on observed or reported characteristics.
CY	Cubic yards.
EFFECTIVE AGE	The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS

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

FULLY FUNDED

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

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

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

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

FUND STATUS

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

FUNDING GOALS

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

- **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.
- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “Fully Funded” with respective higher risk or less risk of cash problems.
- **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

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

FUNDING PLAN

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

FUNDING PRINCIPLES	<p>The reserve study must provide a funding plan addressing these principles:</p> <ul style="list-style-type: none"> • Sufficient funds when required. • Stable contribution rate over the years. • Equitable contribution rate over the years. • Fiscally responsible.
GSF	Gross square feet.
GSY	Gross square yards.
LIFE & VALUATION ESTIMATES	The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.
LF	Lineal feet.
PERCENT FUNDED	The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association’s reserve fund size, it should be viewed in the context of how it is changing due to the association’s reserve funding plan in light of the association’s risk tolerance.
PHYSICAL ANALYSIS	The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.
REMAINING USEFUL LIFE (RUL)	Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.
REPLACEMENT COST	The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering and design, permits, installation, disposal, etc.).
RESERVE BALANCE	Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.
RESERVE PROVIDER	An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.
RESERVE STUDY	A budget planning tool which identifies the components that the association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major

common area expenditures. The reserve study consists of two parts: the physical analysis and the financial analysis.

SPECIAL ASSESSMENT

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

USEFUL LIFE (UL)

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

Disclosures

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

As of the date of this report, there are no known conflicts of interest involving ARP and the client for which this report was prepared.

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

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

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

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

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

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

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

Washington State Client Disclosures

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

Washington State Client Disclosure for Clients Under RCW 64.34.682 and 64.38.070

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

Washington State Client Disclosure for Clients Under RCW 64.90.550

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