



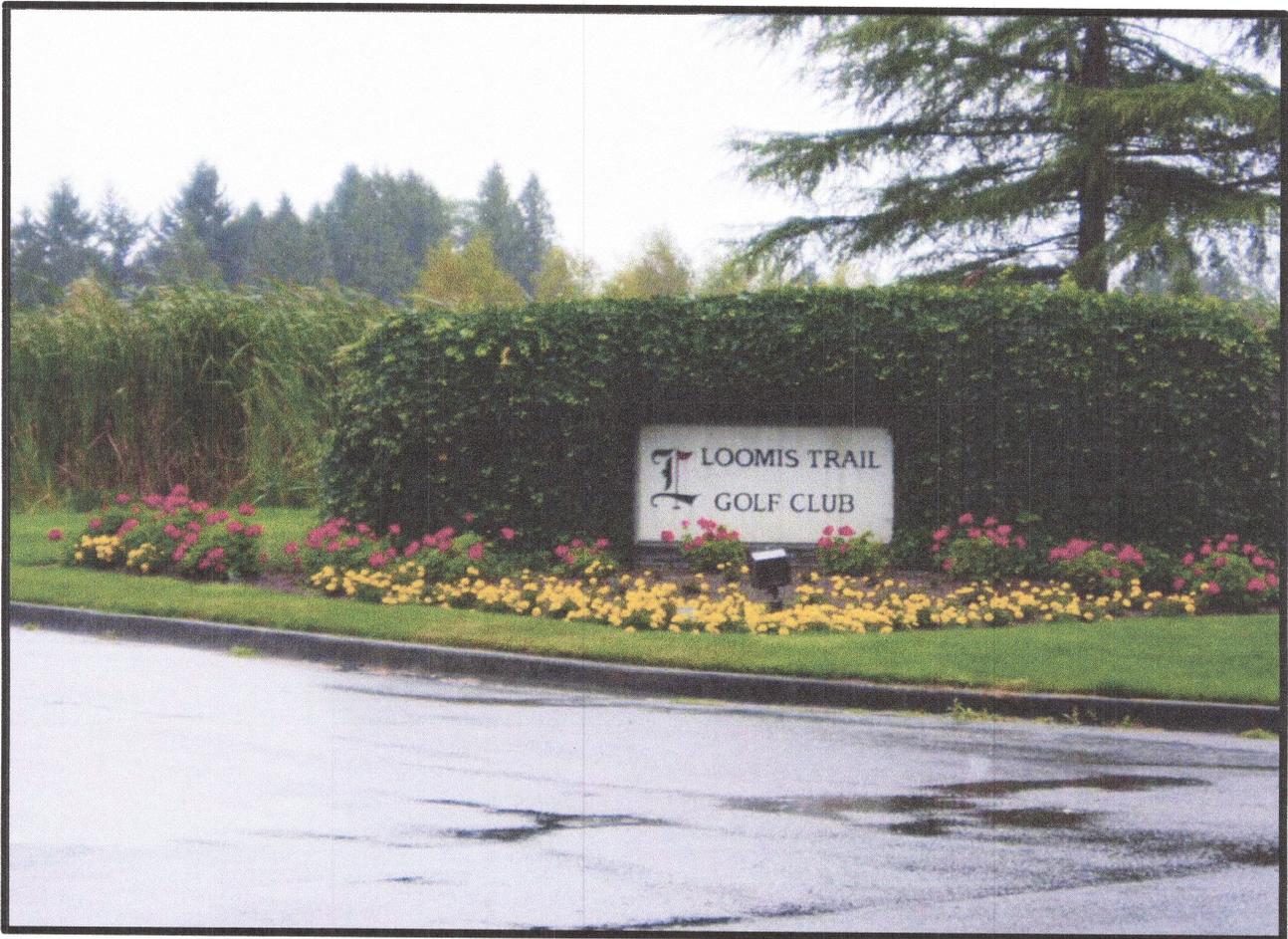
5116 Heather Drive
Anacortes, WA 98221
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Funding Reserve Analysis

for

Loomis Trails HOA

November 3, 2011



Loomis Trails HOA

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Table of Contents

Pages	Subject
1	Report Cover Sheet
2	Table of Contents
3 to 15	Reserve Study Summary
16	Reserve Item Summary
17	Reserve Item Listing
18	Present Cost Report
19 to 20	Cash Flow
21	Dues Summary
22 to 24	Revenue Report
25	Expense Report
26	Expense Summary



5116 Heather Drive
Anacortes, WA 98221
360.588.9956

November 3, 2011

Mrs Judy Hamner
Loomis Trail HOA
c/o Best Real Estate Management 1006 Harris Ave. Suite 220, Bellingham, WA 98225

Dear Mrs Hamner,

Pacific Crest Reserves, LLC is pleased to present to The Loomis Trails HOA the requested Reserve Funding Study. We believe that you will find the attached study to be detailed, complete and an extremely useful tool for the associations future planning. Once you have had an opportunity to review the report you may have questions. Please do not hesitate to write or call - we would be pleased to answer any questions that you may have.

Project Description

Loomis Trails is co-located with Loomis Trails Golf Course in Blaine Washington. The development consists of 95 single family residential home sites. The Homeowners Association is responsible for the roadways within the development, mail boxes, street lights and gates at the entrances of the property.

Summary of Findings

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

Based on a purely external visual review, we found the entire development to be in good condition and should not require any expenditures in the near future. As noted in the photo section of the report, the asphalt paving should have a slurry sealant applied within the next four years to help maintain the maximum useful life. We have included a general fund for future crack or other repair work that may be required on either the asphalt or concrete paving areas.

As with any asset, proper maintenance will greatly increase the useful life. All of the assets of the Association need regular inspection, cleaning and immediate repair should damage occur.

In the Dues Summary portion of the report, our recommendation for monthly contributions to the reserve account is \$8.87 per owner. Dues will adjust to \$13.08 per owner per month in 2016. We have set dues to hold constant for a 3 year period. Our understanding is that the current association dues contribution to the reserve account is \$6.44/owner/month or \$7,336 total annual contribution.

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

Loomis Trails HOA Funding Study Summary - Continued

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.

Some reserve items in the "Revenue Summary Table" may not contain payments. In this analysis the initial reserves were used to make annual payments for expense items in their order of occurrence until the initial reserve was exhausted. As a result, reserve items without payments may be expected, particularly in the first few years of the funding study. Reserve items that have been paid with initial reserve funds are identified with a [FP] in the Expense Items Sheets. An item marked [PR] is partially paid with initial reserve funds.

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.

Reserve Study Assumptions

The below listed assumptions are implicit in this reserve study:

- Cost estimates and financial information are accurate and current.
- No unforeseen circumstances will cause a significant reduction of reserves.
- Sufficient comprehensive property insurance exists to protect from insurable risks.
- The association plans to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur at the end of the expense year.

Summary of Financial Assumptions

The table below contains a partial summary of information provided by Mrs Judy Hamner for the Loomis Trails HOA funding study:

<i>Reserve Study by Calendar Year Starting</i>	<i>January 1, 2012</i>
<i>Funding Study Length</i>	<i>30 Years</i>
<i>Number of Dues Paying Members</i>	<i>95</i>
<i>Initial Reserves¹</i>	<i>\$46,807</i>
<i>Annual Inflation Rate</i>	<i>3.00%</i>
<i>Tax Rate on Reserve Interest ²</i>	<i>30.00%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$0</i>
<i>Dues Change Period</i>	<i>3 Years</i>
<i>Annual Operating Budget</i>	<i>\$0</i>

¹ See Appendix A

² Taxed as an IRS exempt association

Recommended Payment Schedule

The following table depicts the recommended annual schedule of payments to be deposited into the reserve account over the next five years, should the board determine to use monthly contributions in lieu of Special Assessments. Associations choose a variety of options to meet the future expenses of the community, including special assessments, however in order to assure adequate funds to meet future costs it is recommended that monthly reserve contributions are used.

Proposed Payment Schedule

Calendar Year	Member Monthly Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment	Proposed Reserve Balance
2012	\$8.88	\$843	\$10,118	\$51,006
2013	\$8.88	\$843	\$10,118	\$61,182
2014	\$8.88	\$843	\$10,118	\$71,369
2015	\$8.88	\$843	\$10,118	\$81,566
2016	\$13.08	\$1,243	\$14,916	\$46,393
2017	\$13.08	\$1,243	\$14,916	\$61,364

Depth of Study

We have completed a Full Service Level I Reserve Study for your association. A field inspection was made to verify the current status of the various reserve study components, their physical condition, and to verify component quantities. In place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

Reserve Funding Goal

The reserve fund goal is a minimum account balance consistent with the cash demands of maintenance and replacement of reserve items. (Baseline Funding)

Initial Reserves

Initial reserves for this Reserve Study were known to be \$46,792 on October 17, 2011.

Financial Condition of Association

Based on the recommended level of reserve funding and foreseeable expenses, the Association should be able to avoid special assessments. With no major expense items in the near future evident, the steady accumulation of reserve funds should be adequate for projected upcoming expenses, see reserve summary comments above.

Inflation Estimate

Inflation for the last year has been reviewed and a best fit regression analysis of the last 12 months has been used to determine future expense estimates. Based on the current economic conditions, the inflation rate will need to be closely monitored as this is a critical factor in reserve planning for future fund needs.

Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the components' useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the association. Failure to perform such maintenance can shorten the remaining useful lives of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the association.

Study Method

We have used the "Component" method because it is the only method which allows scrutiny of the funding details. The method is pragmatic, and allows human judgement and experience to enter into the equation.

Unless noted otherwise, the present cost of every reserve item in this report has been estimated using the "National Construction Estimator", a nationally recognized standard, and modified by an area cost adjustment factor. Where possible, known costs have been used. In addition, every reserve item has been given an estimated remaining useful life, an estimated useful life when new, and has been cast into the future to determine the inflated cost. Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end of period payment method. Interest earned on accumulated reserve funds and taxes on the reserve interest are also calculated. Initial reserve funds are consumed as expenses occur until fully depleted, reducing annual reserve payments to a minimum. As you review this report, we are certain that you will appreciate the thoroughness of the information provided, allowing you to review each reserve item in detail.

Keeping Your Reserve Study Current

Pacific Crest Reserves,LLC believes that funding studies are an essential part of property management. Prudent property managers know that people and property are constantly changing and evolving. As a result, the useful life of a funding study is at best a few years, and certainly not more than five years. With the enactment of State Bill 64.34.382 the law stipulates a 4 year cycle of creating and updating reserve studies. Our studies are designed to meet the State RCW 382 requirements and provide a useful, understandable report for the Association Membership.

Items Beyond the Scope of this Report

Building or land appraisals for any purpose.

State or local zoning ordinance violations.

Building code violations.

Soils conditions, soils contamination or geological stability of site.

Engineering analysis or structural stability of site.

Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, radon, water quality or other environmental hazards.

Invasions by pests, termites and any or all other destroying organisms, insects, birds, bats or animals to buildings or site. This study is not a pest inspection.

Adequacy or efficiency of any system or component on site.

Specifically excluded reserve items:

Septic systems and septic tanks.

Buried or concealed portions of swimming pools, pool liners.

Jacuzzis and spas or similar items.

Items concealed by signs.

Missing or omitted information supplied by the Loomis Trail HOA for the purposes of reserve study preparation.

Hidden improvements such as sewer lines, water lines, irrigation lines or other buried or concealed items.

Conflict of Interest

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

Percent Funded

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". The question of substance is simply: How much is enough? To answer the question, some understanding of Percent Funded is required. Percent Funded is the ratio of current cash reserves divided by the Fully Funded value at any instant in time. Fully Funded is defined as the present value of the sum of all Reserve Items divided by the expected life of each item. In essence, Fully Funded is simply the total of the average net present value of the association improvements. Reserve Items with a remaining life greater than the study life are not included in the calculation. For example; building framing, foundations, water lines, and other long-lived items that fall outside the envelope of the reserve study are excluded from the calculation. Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage). The concept of percent funded is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be used with caution.

Date of Physical Inspection

The was physically inspected by Pacific Crest Reserves, LLC on September 26, 2011.

Pacific Crest Reserves, LLC would like to thank Loomis Trail HOA for the opportunity to be of service in the preparation of the attached Funding Study. Again, please feel free to call or write if you have any questions.

Prepared by:

Charlie Barefield
Charlie Barefield
Reserve Analyst

Enclosures:

- APPENDIX "A" - Summary of Reserve Accounts
- Category Photograph of Street Lights
- Category Photograph of Mail Boxes
- Category Photograph of Mechanical Gates
- Category Photograph of Roadway / Concrete Repair & Maintenance
- Glossary of Terms
- Internal Revenue Service Tax Rules

APPENDIX "A"
Summary of Reserve Accounts

Account Description	Amount	Interest Rate	Statement Date
Reserve CD	\$9,469.00	.75%	October 17, 2011
Reserve Account	\$37,323.00	.00%	October 17, 2011
<i>Reserve Values Used :</i>	<i>\$46,806.80</i>	<i>.15%</i>	<i>January 1, 2012</i>

Initial reserve balances have been provided by client and have not been audited for use in this report.

Evaluation of Initial Reserve Account:

Based on the recommended level of reserve funding and foreseeable expenses, the Association should be able to avoid special assessments. With no major expense items in the near future evident, the steady accumulation of reserve funds should be adequate for projected upcoming expenses, see reserve summary comments above.

Initial reserve funds are contained in 2 separate funding accounts. The future value of each account was calculated based upon the account interest rate and the number of elapsed days until the study start date (January 1, 2012). The future value of the accounts was totaled and the interest rates were blended to yield a weighted average interest rate of 0.15%. The implicit assumption has been made that the reserve accounts were not drawn down between the date of the known reserve balance and the study start date.

Reserve Category - Street Lights



Development Street Lights

Industry standards assume a 20 year useful life for commercial grade street lights. Given the age of the development we have budgeted for replacement or major repair in 2027.

Category Photograph with Reserve Items in the Category: Street Lights

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Street Lighting	\$18,500.00	14 Yrs	20 Yrs	2026	\$28,997.49	Yes

Reserve Category - Mail Boxes



Commercial Mail Box Structures

Most commercial grade mail boxes are manufactured from high quality aluminum alloy. These boxes often can be serviceable for 20 or more years with regular maintenance and cleaning.

Category Photograph with Reserve Items in the Category: Mail Boxes

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Mail Box Housing	\$6,300.00	15 Yrs	20 Yrs	2027	\$10,175.17	Yes

Reserve Category - Mechanical Gates



Mechanical Gates

The mechanical operating system for gates is composed of the gates themselves, operating machinery, keypad and the electronic components. We have included funding for complete installation of new equipment when the time comes. These funds can be used for major repair as well.

Category Photograph with Reserve Items in the Category: Mechanical Gates

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Gate Motor and Equipment	\$12,720.00	6 Yrs	15 Yrs	2018	\$15,688.27	Yes
Gate Key Pad	\$5,796.00	0 Yrs	12 Yrs	2012	\$5,972.29	Yes
Present Cost = \$18,516.00						

Reserve Category - Roadway / Concrete Repair & Maintenance



Roadway Repair & Maintenance

Asphalt paving requires periodic application of a high quality seal coat to maximize the useful life. Any repair work should be under taken immediately if cracks or other deformities begin to appear. We have included a fund for the eventual repair work.

Category Photograph with Reserve Items in the Category: Roadway / Concrete Repair & Maintenance

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Paving & Concrete Repair Fund	\$20,000.00	10 Yrs	20 Yrs	2022	\$27,807.91	Yes
Paving Oil Seal	\$43,195.68	4 Yrs	7 Yrs	2016	\$50,176.83	Yes
Present Cost = \$63,195.68						

IRS Tax Rules

Unlike most things with the IRS, association tax rates are really not very complicated.

Tax rates on the first \$50,000 in association taxable income can be either 15% or 30%. To qualify for the lower tax rate, the association must file with the IRS as a non exempt membership association.

When an association pays taxes as a non exempt membership association, the tax rate for the first \$50,000 of taxable income is 15%. The tax rate increases to 30% for taxable income beyond the first \$50,000. Non exempt membership organizations are treated the same as a time-share associations. Taxes are filed with form 1120.

When an association pays taxes under form 1120H, the tax rate for all taxable income is 30% and the IRS considers it a homeowners association. Taxes are filed with form 1120.H

Tax Rate Comparison		
Taxable Income	Form 1120	Form 1120H
First \$50,000	\$7,500	\$15,000
Remaining \$30,000	\$9,000	\$9,000
Income Tax	\$16,500	\$24,000

Associations benefit from filing Form 1120 rather than Form 1120H because the tax rate for form 1120 is 15% for the first \$50,000 of taxable income compared to a flat rate of 30% for Form 1120H. Associations may elect on an annual basis to file either Form 1120H or Form 1120. However, filing Form 1120 puts associations at risk if they do not comply with all IRS procedures.

In summary, there are two ways to report financial activities to the IRS:

a. Form 1120H

Form 1120H is the tax form specifically made for homeowner associations and is likened to the 1040EZ for its relative simplicity. The tax rate for 1120H filers is 30%.

b. Form 1120

Form 1120 is an option for all incorporated HOA's (and all HOA's should be incorporated.). While it is more complex, it carries a tax rate of 15%. Since healthy reserve funds can often rise to hundreds of thousands and even millions of dollars, it is usually prudent to use the Form 1120 and cut the tax rate in half. Check with a knowledgeable CPA.

It is important to note that small associations with reserve balances of less than \$50,000 can benefit greatly by changing tax forms. This will result in lower dues to the membership.

Check with your CPA for compliance of IRS rules and regulations.

For more information click on the US Treasury link: <http://www.irs.ustreas.gov/formspubs/index.html>

Glossary of Terms Used in this Reserve Study

CATEGORY: A group of associated reserve items.

CASH FLOW: The collection and expenditure of money over time.

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.

DEPRECIATION AFI uses straight line depreciation. Defined as the Present Cost divided by the Expected Life and multiplied by the sum of the Expected Life less the Remaining Life. Depreciation for a new reserve item begins at zero and ends with the replacement cost of the component.
(Present Cost - Net Present Value = Depreciated value of the component)

EFFECTIVE AGE: The difference between Expected Life and the Remaining Life. Not usually the same as the chronological age.

EXPECTED LIFE : The estimated time, in years, that a reserve item can be expected to perform its intended function.

FINANCIAL ANALYSIS: That portion of a Reserve Study which evaluates both the present and the future association reserve fund. Recommended Reserve contributions are calculated, and the projected Reserve income and expense over time is presented.

FULLY FUNDED: 100% Funded. When the actual or projected Reserve balance is equal to the Fully Funded Balance. Occurs when the funds in the reserve account are equal to the Depreciated Value of the assets.

FULLY FUNDED BALANCE (FFB): An indicator against which the Reserve balance can be compared. This number is calculated for each reserve item by year, then totaled.

NUMBER OF UNITS A measurement used with the Unit Cost to calculate the Present Cost. Square feet, cubic yards, lineal feet are examples.

PERCENT FUNDED: The ratio of the actual Reserve Balance to the Fully Funded Reserve Balance expressed as a percentage. The value of the Percent Funded changes with time.

PHYSICAL INSPECTION: The portion of the Reserve Study that generates the reserve item inventory and the condition of the reserve items.

PRESENT COST The cost of a component today. Consists of the Unit Cost times the Number of Units of that component.

REMAINING LIFE: The estimated number of years that an existing reserve item will serve its intended function.

REPLACEMENT COST: The cost of replacing a reserve item to a new condition. The Current Replacement Cost is the cost to replace a reserve item today.

RESERVE BALANCE: Actual or projected funds at year end that the association has available to defray future expenses. Also known as Reserves, Reserve Accounts, or Cash Reserves.

RESERVE ITEM: An element of a reserve category. Reserve Items consist of association facilities, which must be maintained or replaced by the association. Also known as a "Component".

RESERVE STUDY: A budget planning tool which analyses the current reserve fund and expected

future expenses. A Reserve Study consists of a Physical Inspection of the facilities and a Financial Analysis of the reserve fund.

RESERVE STUDY ANALYST: A qualified individual that prepares Reserve Studies.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by Governing Documents or local statutes.

UNIT COST The present cost of a reserve item on a unit basis. Dollars per foot of fence is an example.

NET PRESENT VALUE The current value of the component less the depreciated value of that component.

Loomis Trails HOA Reserve Study Expense Item Summary

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Raw Annual Payment	Repeating Item?
Street Lights						
Street Lighting	\$18,500	14 Years	20 Years	\$28,997	\$1,912	Yes
Mail Boxes						
Mail Box Housing	\$6,300	15 Years	20 Years	\$10,175	\$628	Yes
Mechanical Gates						
Gate Motor and Equipment	\$12,720	6 Years	15 Years	\$15,688	\$2,230	Yes
Gate Key Pad	\$5,796	0 Years	12 Years	\$5,972	\$5,968	Yes
Roadway / Concrete Repair & Maintenance						
Paving & Concrete Repair Fund	\$20,000	10 Years	20 Years	\$27,808	\$2,507	Yes
Paving Oil Seal	\$43,196	4 Years	7 Years	\$50,177	\$9,999	Yes
Community Sign						
Signage	\$2,620	7 Years	15 Years	\$3,330	\$414	Yes

Raw Annual Payments do not include earned interest, tax adjustments or salvage.

Months Remaining in Calendar Year 2012: 12

Expected annual inflation: 3.00%

Interest earned on reserve funds: 0.15%

Initial Reserve: \$46,807

Loomis Trails HOA Reserve Study Expense Item Listing

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Calendar Year	Estimated Future Cost	Raw Annual Payment
Street Lights								
Street Lighting	\$1,850 ea	10	\$18,500	14 Years 20 Years	20 Years	2026 2046	\$28,997 \$52,797	\$1,911.62 \$2,600.63
Mail Boxes								
Mail Box Housing	\$1,575 ea	4	\$6,300	15 Years 20 Years	20 Years	2027 2047	\$10,175 \$18,526	\$628.39 \$912.56
Mechanical Gates								
Gate Motor and Equipment	\$3,180 ea	4	\$12,720	6 Years 15 Years	15 Years	2018 2033 2048	\$15,688 \$24,590 \$38,544	\$2,229.58 \$1,621.08 \$2,540.94
Gate Key Pad	\$2,898 ea	2	\$5,796	0 Years 12 Years	12 Years	2012 2024 2036 2048	\$5,972 \$8,556 \$12,259 \$17,563	\$5,968.19 \$706.68 \$1,012.45 \$1,450.53
Roadway / Concrete Repair & Maintenance								
Paving & Concrete Repair Fund	\$20,000 ea	1	\$20,000	10 Years 20 Years	20 Years	2022 2042	\$27,808 \$50,631	\$2,507.35 \$2,493.94
Paving Oil Seal	\$0.24 / ft	180000 ft	\$43,200	4 Years 7 Years	7 Years	2016 2023 2030 2037 2044	\$50,182 \$61,892 \$76,335 \$94,148 \$116,118	\$9,999.41 \$8,795.93 \$10,848.51 \$13,380.06 \$16,502.36
Community Sign								
Signage	\$2,620 ea	1	\$2,620	7 Years 15 Years	15 Years	2019 2034 2049	\$3,330 \$5,219 \$8,180	\$413.74 \$344.06 \$539.29

Raw Annual Payments do not include earned interest, tax adjustments or payments made with initial reserves.

Months Remaining in Calendar Year 2012: 12

Expected annual inflation: 3.00% Interest earned on reserve funds: 0.15% Initial Reserve: \$46,807

Present Costs

Category	Item Name	No Units	Unit Cost	Present Cost	Net Present Value	Depreciation
Street Lights	Street Lighting	10	\$1,850.00 ea	\$18,500.00	\$12,950.00	\$5,550.00
Mail Boxes	Mail Box Housing	4	\$1,575.00 ea	\$6,300.00	\$4,725.00	\$1,575.00
Mechanical Gates	Gate Motor and Equipment	4	\$3,180.00 ea	\$12,720.00	\$5,088.00	\$7,632.00
	Gate Key Pad	2	\$2,898.00 ea	\$5,796.00	\$0.00	\$5,796.00
Mechanical Gates Sub Total =				\$18,516.00	\$5,088.00	\$13,428.00
Roadway / Concrete Repair & Maintenance	Paving & Concrete Repair Fund	1	\$20,000.00 ea	\$20,000.00	\$10,000.00	\$10,000.00
	Paving Oil Seal	180000 ft	\$0.24 / ft	\$43,195.68	\$24,681.39	\$18,514.29
Roadway / Concrete Repair & Maintenance Sub Total =				\$63,195.68	\$34,683.25	\$28,512.44
Community Sign	Signage	1	\$2,620.00 ea	\$2,620.00	\$1,222.67	\$1,397.33
Totals =				\$109,131.68	\$58,667.06	\$50,464.62

Loomis Trails HOA Funding Study Cash Flow Analysis

Calendar Year	Annual Payment	Annual Interest	Annual Expenses	Annual Income Tax	Net Reserve Funds	% Funded
2012	\$10,118	\$77	\$5,972	\$23	\$51,006	73.4 %
2013	\$10,118	\$83		\$25	\$61,182	81.7 %
2014	\$10,118	\$99		\$30	\$71,369	82.7 %
2015	\$10,118	\$114		\$34	\$81,566	83.5 %
2016	\$14,916	\$133	\$50,182	\$40	\$46,393	42.5 %
2017	\$14,916	\$80		\$24	\$61,364	84.3 %
2018	\$14,916	\$102	\$15,688	\$31	\$60,664	69.9 %
2019	\$16,579	\$102	\$3,330	\$31	\$73,984	86.4 %
2020	\$16,579	\$122		\$37	\$90,649	93.4 %
2021	\$16,579	\$147		\$44	\$107,331	96.0 %
2022	\$17,229	\$173	\$27,808	\$52	\$96,874	76.5 %
2023	\$17,229	\$157	\$61,892	\$47	\$52,321	45.6 %
2024	\$17,229	\$90	\$8,556	\$27	\$61,058	86.2 %
2025	\$19,128	\$105		\$31	\$80,259	99.7 %
2026	\$19,128	\$134	\$28,997	\$40	\$70,483	71.3 %
2027	\$19,128	\$119	\$10,175	\$36	\$79,520	89.0 %
2028	\$19,872	\$133		\$40	\$99,484	100.4 %
2029	\$19,872	\$163		\$49	\$119,470	100.3 %
2030	\$19,872	\$193	\$76,335	\$58	\$63,142	45.4 %
2031	\$22,401	\$110		\$33	\$85,620	100.4 %
2032	\$22,401	\$144		\$43	\$108,122	100.3 %
2033	\$22,401	\$178	\$24,590	\$53	\$106,057	81.4 %
2034	\$23,451	\$175	\$5,219	\$53	\$124,412	96.3 %
2035	\$23,451	\$203		\$61	\$148,004	100.2 %
2036	\$23,451	\$238	\$12,259	\$71	\$159,363	93.0 %
2037	\$26,032	\$257	\$94,148	\$77	\$91,427	49.9 %
2038	\$26,032	\$155		\$47	\$117,567	101.1 %
2039	\$26,032	\$194		\$58	\$143,735	100.1 %
2040	\$27,074	\$234		\$70	\$170,973	100.1 %
2041	\$27,074	\$275		\$83	\$198,239	100.0 %
2042	\$27,074	\$316	\$50,631	\$95	\$174,902	77.6 %
Totals :	\$600,515	\$4,806	\$475,783	\$1,442		

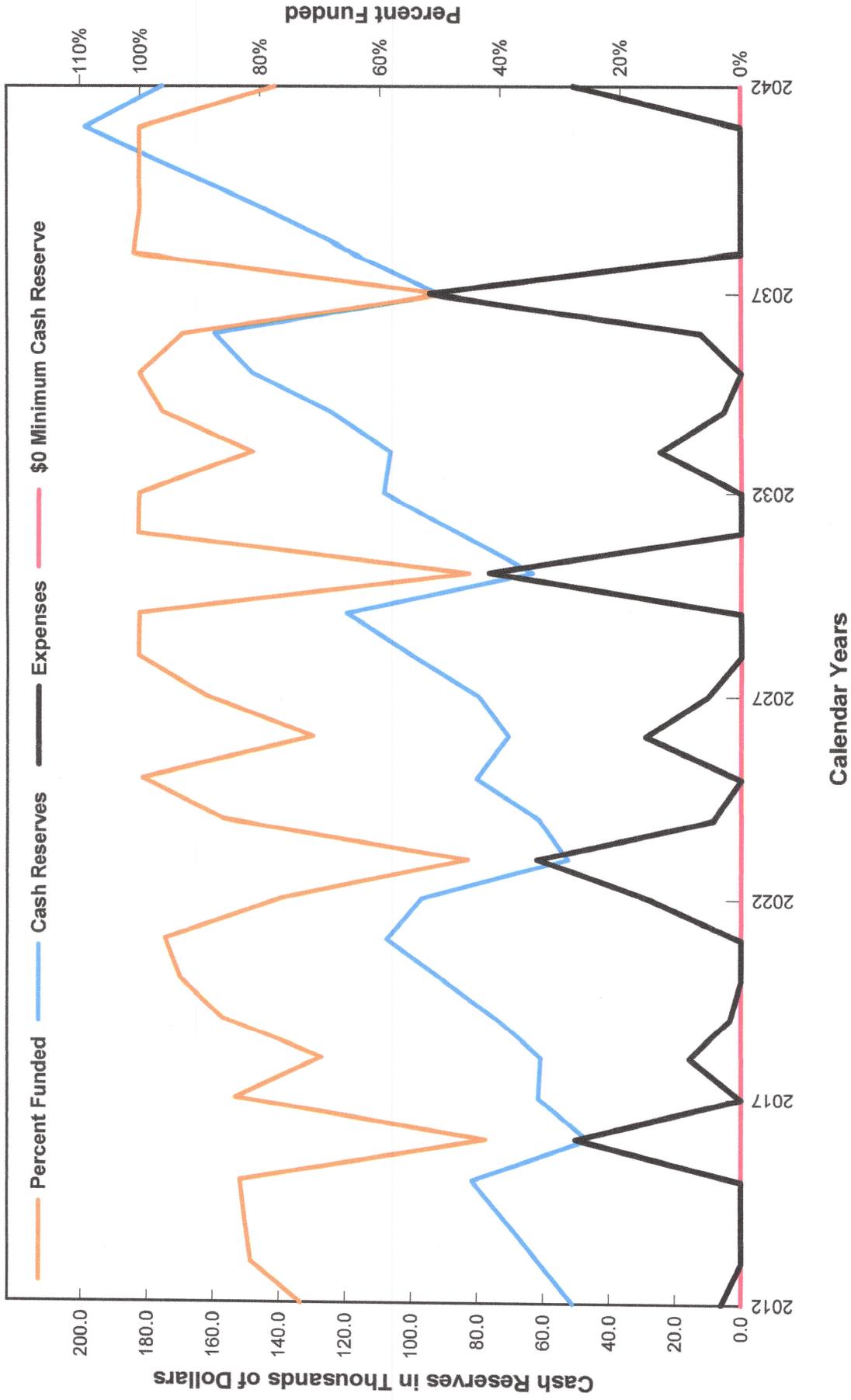
The cash distribution shown in this table applies to repair and replacment cash reserves only.

Basis of Funding Study

Cash reserves have been set to a minimum of \$0

Months Remaining in Calendar Year 2012: 12 Inflation = 3.00 % Interest = 0.15 %
 Study Life = 30 years Initial Reserve Funds = \$46,806.80 Final Reserve Value = \$174,902.28
 Annual Payments Held Constant for 3 years

Loomis Trails HOA Funding Study Cash Flow by Calendar Year - Continued



Loomis Trails HOA Reserve Dues Summary
Projected Dues by Month and by Calendar Year

Calendar Year	Member Monthly Operations Payment	Member Monthly Reserve Payment	Member Total Monthly Payment	Member Total Annual Payment	Monthly Reserve Payment	Annual Reserve Payment
2012	NA	\$8.88	\$8.88	\$106.50	\$843	\$10,118
2013	NA	\$8.88	\$8.88	\$106.50	\$843	\$10,118
2014	NA	\$8.88	\$8.88	\$106.50	\$843	\$10,118
2015	NA	\$8.88	\$8.88	\$106.50	\$843	\$10,118
2016	NA	\$13.08	\$13.08	\$157.01	\$1,243	\$14,916
2017	NA	\$13.08	\$13.08	\$157.01	\$1,243	\$14,916
2018	NA	\$13.08	\$13.08	\$157.01	\$1,243	\$14,916
2019	NA	\$14.54	\$14.54	\$174.52	\$1,382	\$16,579
2020	NA	\$14.54	\$14.54	\$174.52	\$1,382	\$16,579
2021	NA	\$14.54	\$14.54	\$174.52	\$1,382	\$16,579
2022	NA	\$15.11	\$15.11	\$181.36	\$1,436	\$17,229
2023	NA	\$15.11	\$15.11	\$181.36	\$1,436	\$17,229
2024	NA	\$15.11	\$15.11	\$181.36	\$1,436	\$17,229
2025	NA	\$16.78	\$16.78	\$201.35	\$1,594	\$19,128
2026	NA	\$16.78	\$16.78	\$201.35	\$1,594	\$19,128
2027	NA	\$16.78	\$16.78	\$201.35	\$1,594	\$19,128
2028	NA	\$17.43	\$17.43	\$209.17	\$1,656	\$19,872
2029	NA	\$17.43	\$17.43	\$209.17	\$1,656	\$19,872
2030	NA	\$17.43	\$17.43	\$209.17	\$1,656	\$19,872
2031	NA	\$19.65	\$19.65	\$235.80	\$1,867	\$22,401
2032	NA	\$19.65	\$19.65	\$235.80	\$1,867	\$22,401
2033	NA	\$19.65	\$19.65	\$235.80	\$1,867	\$22,401
2034	NA	\$20.57	\$20.57	\$246.85	\$1,954	\$23,451
2035	NA	\$20.57	\$20.57	\$246.85	\$1,954	\$23,451
2036	NA	\$20.57	\$20.57	\$246.85	\$1,954	\$23,451
2037	NA	\$22.84	\$22.84	\$274.02	\$2,169	\$26,032
2038	NA	\$22.84	\$22.84	\$274.02	\$2,169	\$26,032
2039	NA	\$22.84	\$22.84	\$274.02	\$2,169	\$26,032
2040	NA	\$23.75	\$23.75	\$284.99	\$2,256	\$27,074
2041	NA	\$23.75	\$23.75	\$284.99	\$2,256	\$27,074
2042	NA	\$23.75	\$23.75	\$284.99	\$2,256	\$27,074

In the context of the Reserve Payment Summary, the "Annual Reserve Payment" corresponds with the "Annual Revenue" in the Cash Flow report.

Number of Payment Months in Calendar Year 2012: 12

Number of Years of Constant Payments: 3

No of Dues Paying Members: 95

Loomis Trails HOA Funding Unadjusted Revenue by Calendar Year

Item Name	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reserve Category : Street Lights														
Street Lighting	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912	\$1,912
Reserve Category : Mail Boxes														
Mail Box Housing	\$628	\$628	\$628	\$628	\$628	\$628	\$628	\$628	\$628	\$628	\$628	\$628	\$628	\$628
Reserve Category : Mechanical Gates														
Gate Motor and Equipment	\$2,230	\$2,230	\$2,230	\$2,230	\$2,230	\$2,230	\$2,230	\$1,621	\$1,621	\$1,621	\$1,621	\$1,621	\$1,621	\$1,621
Gate Key Pad	\$5,968	\$707	\$707	\$707	\$707	\$707	\$707	\$707	\$707	\$707	\$707	\$707	\$707	\$1,012
Mechanical Gates Subtotal :	\$8,198	\$2,937	\$2,937	\$2,937	\$2,937	\$2,937	\$2,937	\$2,328	\$2,328	\$2,328	\$2,328	\$2,328	\$2,328	\$2,633
Reserve Category : Roadway / Concrete Repair & Maintenance														
Paving & Concrete Repair Fund	\$2,507	\$2,507	\$2,507	\$2,507	\$2,507	\$2,507	\$2,507	\$2,507	\$2,507	\$2,507	\$2,507	\$2,494	\$2,494	\$2,494
Paving Oil Seal	\$9,999	\$9,999	\$9,999	\$9,999	\$9,999	\$8,796	\$8,796	\$8,796	\$8,796	\$8,796	\$8,796	\$8,796	\$10,849	\$10,849
Roadway / Concrete Repair & Maintenance Subtotal :	\$12,506	\$12,506	\$12,506	\$12,506	\$12,506	\$11,303	\$11,303	\$11,303	\$11,303	\$11,303	\$11,303	\$11,290	\$13,343	\$13,343
Reserve Category : Community Sign														
Signage	\$414	\$414	\$414	\$414	\$414	\$414	\$414	\$414	\$344	\$344	\$344	\$344	\$344	\$344
Total Revenue :	\$23,658	\$18,397	\$18,397	\$18,397	\$18,397	\$17,193	\$17,193	\$16,585	\$16,515	\$16,515	\$16,515	\$16,502	\$18,554	\$18,860

Payments made with Initial Reserves

Unadjusted Revenue does not include earned interest, tax adjustments, or salvage.

Loomis Trails HOA Funding Unadjusted Revenue by Calendar Year - Continued

Item Name	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserve Category : Street Lights														
Street Lighting	\$1,912	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601	\$2,601
Reserve Category : Mail Boxes														
Mail Box Housing	\$628	\$628	\$913	\$913	\$913	\$913	\$913	\$913	\$913	\$913	\$913	\$913	\$913	\$913
Reserve Category : Mechanical Gates														
Gate Motor and Equipment	\$1,621	\$1,621	\$1,621	\$1,621	\$1,621	\$1,621	\$1,621	\$1,621	\$2,541	\$2,541	\$2,541	\$2,541	\$2,541	\$2,541
Gate Key Pad	\$1,012	\$1,012	\$1,012	\$1,012	\$1,012	\$1,012	\$1,012	\$1,012	\$1,012	\$1,012	\$1,012	\$1,451	\$1,451	\$1,451
Mechanical Gates Subtotal :	\$2,633	\$3,553	\$3,553	\$3,553	\$3,992	\$3,992	\$3,992							
Reserve Category : Roadway / Concrete Repair & Maintenance														
Paving & Concrete Repair Fund	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494	\$2,494
Paving Oil Seal	\$10,849	\$10,849	\$10,849	\$10,849	\$10,849	\$13,380	\$13,380	\$13,380	\$13,380	\$13,380	\$13,380	\$13,380	\$16,502	\$16,502
Roadway / Concrete Repair & Maintenance Subtotal :	\$13,343	\$13,343	\$13,343	\$13,343	\$13,343	\$15,874	\$18,996	\$18,996						
Reserve Category : Community Sign														
Signage	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$539	\$539	\$539	\$539	\$539
Total Revenue :	\$18,860	\$19,549	\$19,833	\$19,833	\$19,833	\$22,365	\$22,365	\$22,365	\$23,285	\$23,480	\$23,480	\$23,918	\$27,040	\$27,040

Loomis Trails HOA Funding Unadjusted Revenue by Calendar Year - Continued

Item Name	2040	2041	2042
Reserve Category : Street Lights			
Street Lighting	\$2,601	\$2,601	\$2,601
Reserve Category : Mail Boxes			
Mail Box Housing	\$913	\$913	\$913
Reserve Category : Mechanical Gates			
Gate Motor and Equipment	\$2,541	\$2,541	\$2,541
Gate Key Pad	\$1,451	\$1,451	\$1,451
Mechanical Gates Subtotal :	\$3,992	\$3,992	\$3,992
Reserve Category : Roadway / Concrete Repair & Maintenance			
Paving & Concrete Repair Fund	\$2,494	\$2,494	\$2,494
Paving Oil Seal	\$16,502	\$16,502	\$16,502
Roadway / Concrete Repair & Maintenance Subtotal :	\$18,996	\$18,996	\$18,996
Reserve Category : Community Sign			
Signage	\$539	\$539	\$539
Total Revenue :	\$27,040	\$27,040	\$27,040

Loomis Trails HOA Funding Study - Expenses by Item and by Calendar Year

Item Description	2012	2016	2018	2019	2022	2023	2024	2026	2027	2030	2033	2034	2036	2037	2042
Reserve Category : Street Lights															
Street Lighting								\$28,997							
Reserve Category : Mail Boxes															
Mail Box Housing									\$10,175						
Reserve Category : Mechanical Gates															
Gate Motor and Equipment			\$15,688								\$24,590				
Gate Key Pad	\$5,972						\$8,556						\$12,259		
Category Subtotal :	\$5,972		\$15,688				\$8,556				\$24,590		\$12,259		
Reserve Category : Roadway / Concrete Repair & Maintenance															
Paving & Concrete Repair Fund					\$27,808										\$50,631
Paving Oil Seal		\$50,182				\$61,892							\$76,335	\$94,148	
Category Subtotal :		\$50,182			\$27,808	\$61,892							\$76,335	\$94,148	\$50,631
Reserve Category : Community Sign															
Signage				\$3,330									\$5,219		
Expense Totals :	\$5,972	\$50,182	\$15,688	\$3,330	\$27,808	\$61,892	\$8,556	\$28,997	\$10,175	\$76,335	\$24,590	\$5,219	\$12,259	\$94,148	\$50,631

Payments made with Initial Reserves

Thursday, November 3, 2011

Year	Category	Item Name	Expense
2012	Mechanical Gates	Gate Key Pad	\$5,972
2012 Annual Expense Total = \$5,972			

November 3, 2011

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