



CAPITAL NEEDS ASSESSMENT



Mount Baker Lodge

Heather Meadows, Mount Baker Highway, Deming, WA 98244

For:

The Mountaineers
c/o Carry Porter
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1.0 EXECUTIVE SUMMARY

1.1 GENERAL DESCRIPTION OF PROPERTY

The subject property is located on U.S. Forest Service land adjacent the Heather Meadows Base Area at Mount Baker Ski Area. There is one 3-story building containing a group sleeping area, a community kitchen and dining room, sitting areas, common bathrooms, a teaching area, a gear storage area, along with mechanical rooms. We understand that the building was originally constructed in 1959, though there have been several subsequent renovations.

The building is located on a ridge that slopes down at the front and rear of the building. We understand that none of the land surrounding the building is owned by The Mountaineers; however, they do maintain an access road and a trail leading to the building.

The roof of this building is low-sloped and is surfaced with a TPO single-ply roof surface. The exterior of this building is primarily clad with wood lap siding and wood board and batten siding, and wood trim; though there is a small amount of fiber-cement panel siding that has recently been installed. The windows of this building are a combination of wood-frame, aluminum-frame, and vinyl-frame, double-pane windows.

Like all properties, this property will require capital maintenance. We have itemized areas of capital maintenance that we anticipate over the next twenty (20) years along with estimated costs and estimated schedule of repair/replacement.

1.2 IMMEDIATE NECESSARY CAPITAL EXPENDITURES

Table 1.3 below shows the items that are in need of action immediately or within the near future. This is a summary; all tasks are explained in greater detail in Section 3.0 Physical Analysis.

Table 1.2: Summary of Immediate Necessary Capital Expenditures

Component	Cost	Urgency	Section
Install a guard rail along NW side of access road and trail	\$10,000	Within the next year	3.2
Spot siding and trim replacement prior to each painting cycle	\$5,000	Within the next year	3.5
Paint/caulk exterior of building	\$27,018	Within the next year	3.5
Current renovation consisting of adding teaching area, expanding two bathrooms, etc.	\$240,000	Within the next year	3.11
Replace 7 mattresses per year	\$4,900	Annually	3.11

2.0 INTRODUCTION AND STANDARD DISCLAIMERS

2.1 PURPOSE OF INSPECTION AND REPORT

The primary purpose of this Capital Needs Assessment is to provide our client with a planning and budgeting tool to adequately maintain the property 20 years into the future and to minimize unexpected major costs. This study is intended to provide our client with an understanding of their property and to bring to light necessary immediate expenditures and reasonably anticipated future capital expenses that should be addressed.

Owners will benefit from adequately maintain their properties and our Capital Needs Assessments provide our clients with the tools to implement capital maintenance. When small issues and maintenance items are addressed prior to becoming larger problems, there is typically a significant overall savings for a property owner. Properly maintained properties maintain higher property values than those with an abundance of deferred maintenance.

2.2 SCOPE OF INSPECTION AND REPORT

This inspection is a standard visual inspection of the property. This visual inspection focuses on the typical features of a building and surrounding property such as structure, drainage, roof, exterior, electrical, plumbing, heating, air conditioning, and interior finishes. This inspection is limited to accessible and visible areas.

All inspections are performed in accordance with the National Academy of Building Inspection Engineers (NABIE) Standards of Practice, which can be viewed at www.nabie.org.

2.3 SCOPE AND METHODOLOGY

This Capital Needs Assessment has been prepared based on our proposal to the Client dated November 11, 2021, which was based on our correspondence with Carry Porter.

Information Gathering

Our initial task was to gather information regarding the property such as drawings, maintenance records, and historical background. This Capital Needs Assessment is a reflection of the information provided to us.

Physical Analysis

Following the initial correspondence regarding the property, we performed an inspection of the property on December 29, 2021 so that we may provide an opinion of the current condition of the common building components. This is also the basis for our opinion of the anticipated capital needs that the Owner will be responsible for over the next 20 years. This was a visual inspection, and no invasive or destructive testing was performed. This visual inspection focused on the typical features of a building and surrounding property such as structure, drainage, roof, exterior, electrical, plumbing, HVAC systems, and interior finishes. This inspection was limited to accessible and visible areas.

The physical analysis included the following tasks:

1. Identification of Anticipated Capital Expenses: We consider anticipated capital expenses to be major expenses that can be reasonably predicted. Anticipated capital expenses are not considered routine maintenance such as routine landscaping or touch-up paint; routine maintenance should be taken care of through an operating budget. Nor do we consider anticipated capital needs to be expenditures that result from an accident or an unpredictable event, such as flood damage or earthquake damage; these items should be paid for by insurance.

The general criteria that we used to define an anticipated capital expense that warranted inclusion on our Itemized capital expenses is the following:

- Repair or replacement of the component is significant and not budgeted for in the operating budget.
- The component repair or replacement occurs within the period of this study.

2. Estimated Replacement Schedule: Our opinions of the various life expectancy estimates that we prepared are based on a combination of the following:

- National Association of Home Builders (NAHB) averages

- Building Owners and Managers (BOMA) averages
- Product vendors and suppliers
- Our company database

3. Estimated Replacement Cost: Our opinions of the various costs for repair or replacement are based on a combination of the following:

- Marshall & Swift
- R.S. Means
- Product vendors and suppliers
- Our company database

2.4 SOURCES OF INFORMATION

The following people provided us information for this study:

- Carry Porter, Vice President - Outdoor Centers
- Michael Wynne-Jones, Co-chair of Baker Lodge Committee
- Thomas Jolley, Baker Lodge Committee Member

The following documents were viewed as part of this study:

- *No documents were provided for this study*

The physical inspection of the property occurred on the following date:

- December 29, 2021

3.0 PHYSICAL ANALYSIS

3.1 COMPONENT ASSESSMENT AND VALUATION

The component assessment and valuation of the itemized capital expenses on this property was done by providing our opinion of Useful Life, Remaining Useful Life, and Repair or Replacement Costs for each of the components. Table 3.1A lists this component inventory and is based on the information that we were provided and on onsite visual observations.

The remainder of “Section 3.0 Physical Analysis” details each of the items in Table 3.1A using narratives and photos. They are meant to be read together.

Table 3.1B is a summary of expenses, grouped according to their expense category. Chart 3.1B is a pie chart illustrating the same.

Table 3.1A Key:

Quantity - The total quantity of each component.

Units - SF = Square Feet SY = Square Yards LF = Lineal Feet
 EA = Each LS = Lump Sum SQ = Roofing Square (10 ft X 10 ft)

Cost/Unit - The cost of a component. The unit cost is multiplied by the component’s quantity to obtain the total estimated replacement cost for the component.

Remaining Life – An opinion of the probable remaining life, in years that a component can be expected to continue to serve its intended function. Replacements anticipated to occur in the initial or base year have “zero” Remaining Life.

Useful Life - Total Useful Life or Depreciable Life. An opinion of the total probable life, in years, that a component can be expected to serve its intended function in its present condition.

Table 3.1A: Component Assessment and Valuation

Note: All numbers provided are the engineer's opinion of probable life and cost in 2022 dollars. Exact numbers may vary.

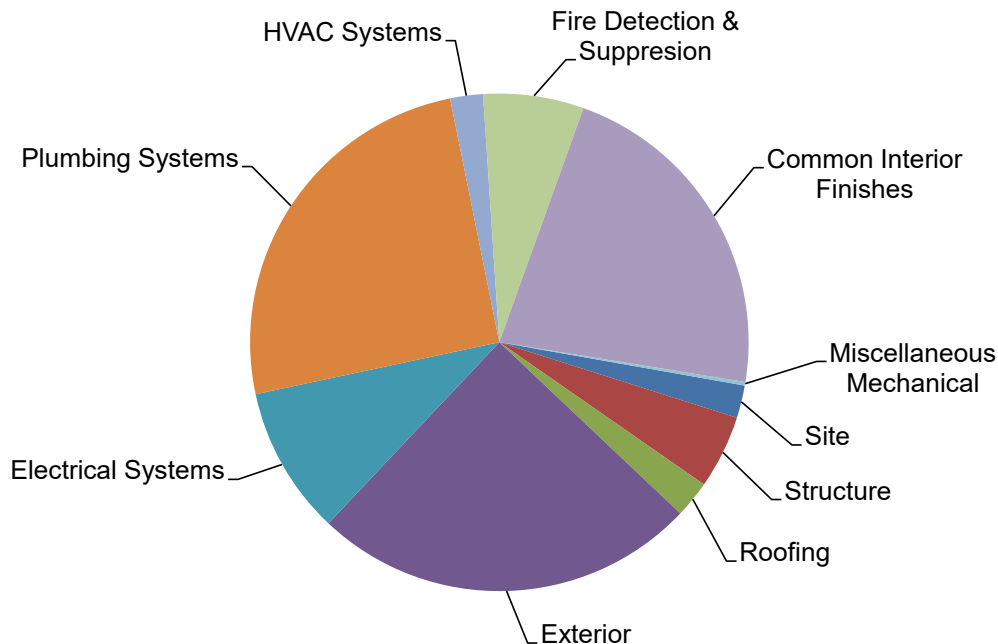
	Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost
3.2	SITE						
	Grade the access road and lay down 3 inches of gravel	1	LS	\$2,500	1	2	\$2,500
	Install a guard rail along NW side of access road and trail	1	LS	\$10,000	0	N/A	\$10,000
3.3	STRUCTURE						
	Periodic structural repairs	1	LS	\$10,000	3	3	\$10,000
	Structural improvements to the snow tunnel including Diamond Pier hand driven piles beneath all pier blocks	1	LS	\$15,000	3	N/A	\$15,000
3.4	ROOFING						
	Resurface roof with TPO single-ply roof surfacing	22	SQ	\$1,450	15	25	\$31,900
3.5	EXTERIOR						
	Complete exterior re-cladding of all siding, trim, and windows	6,840	SF	\$32.50	10	50	\$222,300
	Spot siding and trim replacement prior to each painting cycle	1	LS	\$5,000	0	5	\$5,000
	Paint/caulk exterior of building	6,840	SF	\$3.95	0	5	\$27,018
3.6	ELECTRICAL SYSTEMS						
	Replace the 9 kVA generator	1	EA	\$11,500	19	30	\$11,500
	Replace the 12 kVA generator	1	EA	\$16,000	14	30	\$16,000
	Replace the 1,000 gallon propane tank	1	EA	\$4,500	20	40	\$4,500
	Replace all older ungrounded wiring with modern wiring installed in conduit throughout the building	1	LS	\$10,000	3	N/A	\$10,000
	Lighting upgrades	1	LS	\$5,000	1	20	\$5,000
	Low-voltage lighting system replacement	1	LS	\$12,000	15	25	\$12,000
	Solar power system installation and future replacement	1	LS	\$100,000	4	20	\$100,000

Component	Quantity	Units	Cost/Unit	Remaining Life (Years)	Useful Life (Years)	Total Cost
3.7 PLUMBING SYSTEMS						
Replace main water supply line	2,640	LF	\$80	20	50	\$211,200
Replace water supply lines and waste lines in building, including interior repairs	1	LS	\$75,000	20	50	\$75,000
Replace one of two water heaters	1	EA	\$1,500	2	15	\$1,500
Replace two of two water heaters	1	EA	\$1,500	10	15	\$1,500
<i>Septic system generally maintained via the annual operating budget</i>						
3.8 HVAC SYSTEMS						
Installation of ductwork for two forced air furnaces	1	LS	\$25,000	5	N/A	\$25,000
Install/replace properly sized forced-air gas furnaces	2	EA	\$6,500	5	25	\$13,000
3.9 ELEVATORS						
<i>There are no elevators in this building</i>						
3.10 FIRE DETECTION & SUPPRESSION						
Replace the fire alarm control panel and component upgrades	1	EA	\$4,200	2	20	\$4,200
Install a comprehensive fire suppression system in this building	1	LS	\$120,000	3	N/A	\$120,000
3.11 INTERIOR FINISHES						
Current renovation consisting of adding teaching area, expanding two bathrooms, etc.	1	LS	\$240,000	0	N/A	\$240,000
Replace the kitchen range	1	EA	\$12,000	1	20	\$12,000
Replace the kitchen range hood	1	EA	\$15,000	1	20	\$15,000
Replace one of two propane refrigerators	1	EA	\$2,700	15	20	\$2,700
Replace two of two propane refrigerators	1	EA	\$2,700	19	20	\$2,700
Replace kitchen countertops and sinks	1	LS	\$14,000	5	30	\$14,000
General bathroom renovation of all 3 bathrooms and both showers	1	LS	\$8,000	10	10	\$8,000
Replace 7 mattresses per year	7	EA	\$700	1	1	\$4,900
3.12 MISCELLANEOUS MECHANICAL						
Replace the built-in vacuum system power units	2	EA	\$1,700	10	15	\$3,400
3.13 AMENITIES						
<i>No amenities not mentioned in other areas of this table</i>						

Table 3.1B: Table of Categorized Expenses over the Duration of the Study

Category	Total Expenditure Over the Next 12 Years	Percentage
Site	\$44,084	2.1%
Structure	\$99,168	4.8%
Roofing	\$49,699	2.4%
Exterior	\$518,629	25.0%
Electrical Systems	\$199,818	9.6%
Plumbing Systems	\$522,996	25.2%
HVAC Systems	\$44,052	2.1%
Elevators	\$0	0.0%
Fire Detection & Suppresion	\$135,583	6.5%
Common Interior Finishes	\$458,696	22.1%
Miscellaneous Mechanical	\$4,569	0.2%
Amenities	\$0	0.0%
TOTAL	\$2,077,294	

Figure 3.1B: Pie Chart of Categorized Expenses over the Duration of the Study



3.2 SITE

The address of this property is unspecific but is listed as Heather Meadows, Mt. Baker Highway (SR542), Deming, WA 98244.



Aerial image of property (courtesy of Google Earth)

General Description of Site

The subject property is located on U.S. Forest Service land adjacent the Heather Meadows Base Area at Mount Baker Ski Area. The building is located on a ridge that slopes down at the front and rear of the building. We understand that none of the land surrounding the building is owned by The Mountaineers; however, they do maintain an access road and a trail leading to the building.

Road and Trail

There is a small access road and a trail leading to the lodge from the Mount Baker Highway. We understand that the road is periodically graded, and gravel is laid down on this road. We have budgeted for this task every other year.

We understand that there is a desire to install a guard rail along the northwest side of the access road and trail, as there is a steep drop-off that is currently a safety hazard. We have budgeted for this guard rail installation in 2022 as a one-time expense.



Trail Leading to Lodge

3.3 STRUCTURE

Foundation

The foundation was only partially visible. Therefore, we look for indirect evidence of distress to ascertain the condition of the foundation. It is possible that even with little or no evidence; there is a problem that is undetectable during a visual inspection.

The foundation of this building consists of concrete foundation walls around the perimeter of the building. Presumably, there are interior concrete piers and/or concrete ribbon footings on the interior of this building beneath the basement floor; however, this was not visible.

No evidence of settlement was detected, and no defects were visible in the foundation of this building.

Framing

The majority of the framing in this building was not visible for inspection. Therefore, we based much of our opinion on the superstructure of this building on indirect observations such as uneven areas, bulges, and other evidence of distress. Much like the foundation, it is possible that there are structural deficiencies that were not visible.

The superstructure of this building is constructed in a timber-frame method with both wood and steel cross bracing.

We understand that there has been a significant amount of wood rot on the perimeter of this building. This is undoubtedly due to snow piling up against the building, leading to high moisture levels in the wood siding and ultimately the framing. We spoke with Thomas Jolley and Michael Wynne-Jones regarding the level of these repairs and determined that budgeting approximately \$10,000 every 3 years for structural repairs is appropriate based on the level and frequency of historical expenditures.

Snow Tunnel

There is a snow tunnel at the main entrance to this building on the southeast side of the building. This snow tunnel is supported by pier blocks. We understand that there is a plan to install Diamond Pier hand driven piles beneath these pier blocks with in the next few years. For budgeting purposes, we have assumed that structural improvements to the snow tunnel will occur in 2025 at a budgetary cost of \$15,000.



Timber Framing Supporting Roof



Steel Lateral Cross Bracing



Steel Bracket Connecting Wood Column and Wood Beam



Steel Bracket Connecting Wood Column and Wood Beam

3.4 ROOFING

The roof of this building is low-sloped and is surfaced with a TPO single-ply roof surface. We understand that this TPO roof surface was installed around 2012. This type of roof surface has a typical lifespan of 25 years old. Due to the difficult access to this roof, we were not able to view this roof directly and were not able to make a judgement regarding the condition of this TPO roof surface. Therefore, we have assumed that this roof was installed properly and will obtain a typical lifespan. For the purpose of this study, we have assumed that a similar roof surface will be installed at the next roof resurfacing.

3.5 EXTERIOR

The exterior of this building is primarily clad with wood lap siding and wood board and batten siding, and wood trim; though there is a small amount of fiber-cement panel siding that has recently been installed. The windows of this building are a combination of wood-frame, aluminum-frame, and vinyl-frame, double-pane windows.

Complete Siding and Trim Replacement

We understand from the co-chairs of the committee that there is some desire to completely re-clad this building with metal siding and new windows. At some point, the exterior siding should be replaced. It is beneficial to replace all siding and windows at the same time so all building envelope elements can function properly as a modern building envelope system. Therefore, we have budgeted for the exterior of this building to be completely re-clad in 2032.

Spot Siding and Trim Replacement

There is currently some rot damage of the siding near the bottom of the building as well as various areas of other damage likely caused by flickers (often mistaken for woodpeckers). In addition to total replacement of this siding and trim, we have included a spot siding and trim replacement line item on the same schedule as caulking and painting. Clearly, the siding and trim replacement should occur prior to re-caulking and re-painting.

Exterior Re-Painting and Re-Caulking

This building should be repainted and re-caulked in 2022. Typically, a property should clean, caulk, and repaint this type of exterior siding and trim every 5 years. Often, the painting schedule is dictated by the south and west sides of the buildings, as that is typically hit by weather hardest in our area. Prior to repainting, the exteriors should be properly prepared for painting by scraping all loose paint off and spot replacing areas of siding and trim where necessary.

Windows

Until the windows are completely replaced with a complete building envelope re-clad, we recommend merely spot replacing cracked windows as necessary via the general operating budget.



Southwest Side of the Building



Southeast Side of the Building



Northeast Side of the Building



Northwest Side of the Building



Close-up of Wood Lap Siding and Vinyl Windows



Close-up of Wood Lap Siding and Aluminum Windows



Area of New Fiber-Cement Siding



Exterior of Snow Tunnel



Typical Aluminum-Frame Window Viewed from the Interior



Typical Wood-Frame Window Viewed from the Interior

3.6 ELECTRICAL SYSTEMS

Our investigation of the electrical system is limited to the visible components, entrance cable, meter, service panel, outlets, and the visible portions of the wiring. A large portion of the electrical system is hidden.

Electrical power is provided to this building via two propane-fueled generators that are supplied with fuel via a 1,000-gallon propane tank. We understand from the committee members that one generator is 9 kVA and was installed around 2011, while the other generator is 12 kVA and was installed around 2006. We were only able to directly view one of these generators and were not able to view the propane tank that we understand is approximately 20 years old. We have budgeted for replacement of the generators every 30 years and the propane tank every 40 years.

The electrical wiring in this building is a mix of modern Romex wiring and older 1950s vintage asphalt impregnated cloth wrapped wire, which we assume is original and is ungrounded. We recommend that all older wiring be replaced with modern wiring in conduit within the near future. While we have budgeted for this electrical upgrade in 2025, in reality it will be project based as each individual area of this lodge is renovated.

A spot check of electrical outlets revealed no problems. The electrical systems on this property appeared adequate and this system should provide many more years of relatively low maintenance service.

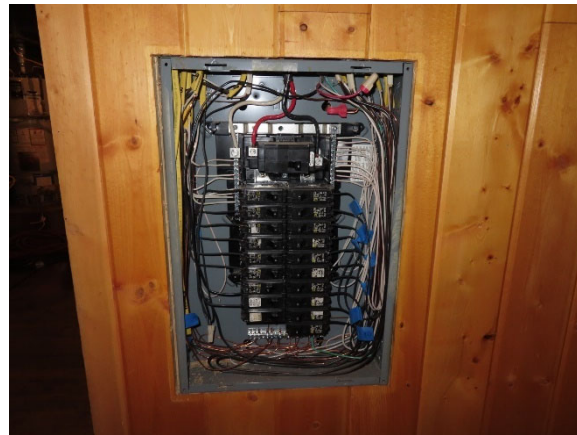
The interior lighting consists of a combination of hanging gas powered lights incandescent lights, hanging fluorescent lights, and emergency lights. We understand that the committee plans on replacing the gas lights in 2023 at a budgetary cost of \$5,000.

There is a low voltage lighting system in this building. We have budgeted for replacement of this low-voltage lighting system every 25 years.

We understand from the committee that there is a general desire to install a solar power system at this building to supplement the use of propane at this building within the next 5 years. For the purpose of this study, we have budgeted for a solar power system to be installed in 2026 at a budgetary cost of \$100,000; however, the cost of a solar system can vary widely depending on what type and capacity of system is installed. We have assumed a 20-year lifespan for this system.



Electrical Service Panel



Electrical Service Panel with Cover Removed



One of Two Generators



Older Wiring Visible in the Building



Typical Electrical Outlet and Switch



Typical Hanging Incandescent Light



Typical Hanging Fluorescent Light



Typical Emergency Light



Low-Voltage Lighting System Control Panel



Low-Voltage Lighting System Switch Panel

3.7 PLUMBING SYSTEMS

We understand that this building is served by a water supply pipe coming from Mount Baker Ski resort. This supply pipe is approximately ½ mile long and is assumed to be galvanized iron. We do not know what the diameter of this supply pipe is; however, it is likely 2-inch OD. This pipe is still effectively providing water to the building; however, we assume that this supply line will be replaced at the end of this study in 2042. We assume that this water supply pipe will be replaced with a 1-inch PVC or PEX water supply line.

The supply piping on this property is primarily galvanized iron. The waste piping in this building is also primarily galvanized iron; however, there are areas of ABS plastic as well.

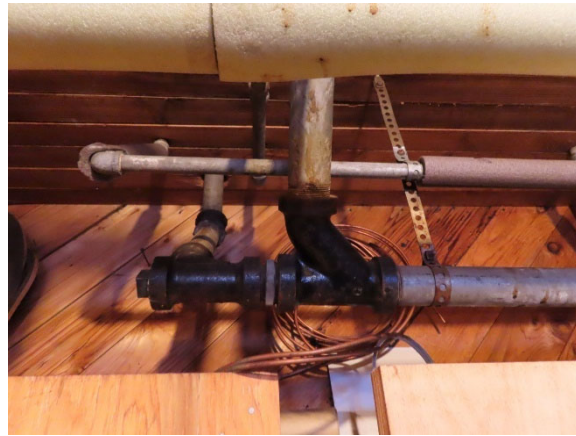
We tested the majority of the plumbing fixtures on this property, and we believe that generally the supply piping and waste piping in these buildings is adequate at this time; however, the supply piping and waste piping will need to be replaced with modern piping at some point when corrosion limits the effectiveness of this piping. Therefore, we have simply budgeted for the supply piping and waste piping to be replaced at the end of this study in 2042. Typical plumbing maintenance and minor leak repair are anticipated with any property.

The domestic water in this building is heated by two 50-gallon water heaters that were manufactured in 2009 and 2017. Modern water heaters have a typical lifespan of 15 years. We understand that there is some desire to replace these water heaters with a combination of a tankless water heater and storage tank(s); however, this has yet to be determined, so we have merely budgeted for replacement of the current water heaters with like kind.

There is a septic tank and two drain fields in the vicinity of the lodge. We understand that the septic tank is pumped annually and generally maintained by the operating budget. We understand from the committee that the baffles were replaced approximately 5 years ago, which was also an operational expense. Since this septic system is consistently maintained annually via the general operating budget, we have not budgeted for any capital expenditures in the future, which assumes that this system will remain operational for at least the next 20 years, with maintenance.



Two Gas Water Heaters



Typical Galvanized Iron Supply Piping and Waste Piping

3.8 HVAC SYSTEMS

The building is currently heated by a wood stove, a hanging Reznor furnace at the NE side of the second floor and a furnace on the first floor of the building.

The wood stove should have a long remaining life and should not need to be replaced within the next 20 years; therefore, we have not budgeted for replacement of this wood stove in this study.

The Reznor furnace is very old and will likely need to be replaced within the near future. We understand from the committee that they would like to install two whole house type furnaces (one on each side of the building), rather than replace the current Reznor furnace and the first-floor furnace. We have budgeted for a one-time cost of ductwork and infrastructure for these new furnaces and for the installation of gas furnaces in 2027. The typical life of a gas furnace is 25 years.



Hanging Reznor Furnace



Wood Stove



First Floor Furnace Discharge

3.9 ELEVATORS

There are no elevators in this building.

3.10 FIRE DETECTION AND SUPPRESSION

This building has a central fire alarm system. The fire alarm system includes smoke detectors, pull stations, and audio-video annunciators (combination strobe and speaker). Manual pull stations are located at the exits, stairwell doors, and critical points within the building. Annunciator units are located in the occupied spaces, rooms, and the corridors. We have assumed that this system will be updated every 20 years.

There is not a fire suppression system in this building. Such a system would significantly improve the safety of this building. Due to the remote location of this lodge, there is a desire on the committee to install such a fire suppression system, which we believe is prudent. For the purpose of this study, we have budgeted for \$120,000 to the installation of this system in 2025.



Fire Alarm Control Panel



Typical Smoke Alarm



Typical Audio/Visual Alarm



Typical Pull Station

3.11 INTERIOR FINISHES

In any property, there are interior defects that are technically insignificant. We believe that the owners are the best judge of their threshold for technically insignificant interior defects. Therefore, we do not comment regarding minor, technically insignificant interior defects.

There are 3 floors in this lodge. The third floor is primarily for sleeping as well as a third-floor lounge area. The second floor has a common kitchen, a dining room, two bathrooms, and a second-floor lounge area. The first floor has a large gear storage area, a newly constructed teaching room, a bathroom, two showers, and mechanical rooms. There are two stairwells located at the rear/northwest side of the building.

The majority of the lodge has hardwood floors, wood paneling on the majority of the walls and ceilings, as well as a small amount of painted drywall on the walls and ceilings. For the purpose of this study, we have assumed that the hardwood floors will generally be maintained by routine maintenance. Additionally, we have assumed that all interior painting that is necessary will be performed as part of general maintenance and is not considered a capital expense.

There is a currently a \$240,000 renovation that is in process that is adding a teaching room to the first level and expanding the area behind the two stairwells, expanding two bathrooms, and adding additional storage.

The common kitchen will require the following periodic capital expenditures:

- Replacement of the commercial range every 20 years
- Replacement of the range hood with a properly sized commercial range hood (that includes fire suppression) every 20 years
- Replacement of both propane refrigerators every 20 years
- Replacement of countertops and sinks every 30 years

The cabinets are simple plywood constructed assemblies. We have assumed that periodic cabinet repairs will be done by volunteers and paid for via the general operating budget.

The bathrooms in this building are relatively simple. Therefore, we have budgeted for general bathroom renovations every 10 years for all 3 bathrooms and the shower area, following the 2021/2022 comprehensive project.

We understand that there are 66 beds in this lodge. At the request of the committee, we have budgeted for replacement of 7 mattresses annually, so all mattresses will ultimately be replaced every 9 to 10 years.



Kitchen



Kitchen Range



Kitchen Range Hood



Kitchen Hardwood Floor



Coffee Area



Dining Room



Dining Room Hardwood Floor



Second Floor Lounge Area



Storage Room



Storage Room Refrigerator



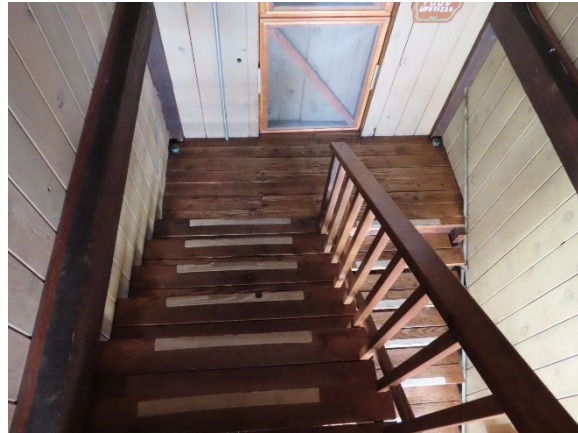
Second Floor Women's Bathroom



Second Floor Men's Bathroom



Southwest Stairway



Northeast Stairway



Third Floor Bunk Room



Third Floor Bunk Room



Third Floor Sleeping Area



Wood Clad Ceiling and Walls on Third Floor



Third Floor Hardwood Floor



Third Floor Lounge Area



First Floor Gear Storage Area



First Floor Bathroom



Two Showers



New Teaching Room



First Floor Storage Room



Interior of Snow Tunnel

3.12 MISCELLANEOUS

Built-In Vacuum System

There is a built-in vacuum system in this building. We have budgeted for replacement of the vacuum system power units every 12 years. We assume that all other elements of this vacuum system will be generally maintained by the operating budget.



Built-in Vacuum Hose



Two Vacuum Units

3.13 AMENITIES

There are no amenities on this property that are not accounted for in other sections of this report.

3.20 SUMMARY OF ANNUAL ANTICIPATED EXPENSES

Using the conclusions described throughout “Section 3.0 Physical Analysis”, the following Table 3.20 lists the annual anticipated capital expenses for each capital needs item in the year that we believe is most probable. All of these anticipated expenses already have inflation factored into them at the assumed level that is listed in “Section 4.3 Assumptions for Future Interest Rate and Inflation”.

CAPITAL NEEDS ASSESSMENT FOR MOUNT BAKER LODGE

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
3.2	SITE													
	Grade the access road and lay down 3 inches of gravel		\$2,575		\$2,732		\$2,898		\$3,075		\$3,262		\$3,461	
	Install a guard rail along NW side of access road and trail	\$10,000												
3.3	STRUCTURE													
	Periodic structural repairs				\$10,927			\$11,941			\$13,048			\$14,258
	Structural improvements to the snow tunnel including Diamond Pier hand driven piles beneath all pier blocks				\$16,391									
3.4	ROOFING													
	Resurface roof with TPO single-ply roof surfacing													
3.5	EXTERIOR													
	Complete exterior re-cladding of all siding, trim, and windows											\$298,753		
	Spot siding and trim replacement prior to each painting cycle	\$5,000					\$5,796					\$6,720		
	Paint/caulk exterior of building	\$27,018					\$31,321					\$36,310		
3.6	ELECTRICAL SYSTEMS													
	Replace the 9 kVA generator													
	Replace the 12 kVA generator													
	Replace the 1,000 gallon propane tank													
	Replace all older ungrounded wiring with modern wiring installed in conduit throughout the building				\$10,927									
	Lighting upgrades		\$5,150											
	Low-voltage lighting system replacement													
	Solar power system installation and future replacement					\$112,551								
3.7	PLUMBING SYSTEMS													
	Replace main water supply line													
	Replace water supply lines and waste lines in building, including interior repairs													
	Replace one of two water heaters			\$1,591										
	Replace two of two water heaters											\$2,016		

CAPITAL NEEDS ASSESSMENT FOR MOUNT BAKER LODGE

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
3.8	HVAC SYSTEMS													
	Installation of ductwork for two forced air furnaces						\$28,982							
	Install/replace properly sized forced-air gas furnaces						\$15,071							
3.9	ELEVATORS													
	<i>There are no elevators in this building</i>													
3.10	FIRE DETECTION & SUPPRESSION													
	Replace the fire alarm control panel and component upgrades			\$4,456										
	Install a comprehensive fire suppression system in this building				\$131,127									
3.11	INTERIOR FINISHES													
	Current renovation consisting of adding teaching area, expanding two bathrooms, etc.	\$240,000												
	Replace the kitchen range		\$12,360											
	Replace the kitchen range hood		\$15,450											
	Replace one of two propane refrigerators													
	Replace two of two propane refrigerators													
	Replace kitchen countertops and sinks						\$16,230							
	General bathroom renovation of all 3 bathrooms and both showers											\$10,751		
	Replace 7 mattresses per year	\$4,900	\$5,047	\$5,198	\$5,354	\$5,515	\$5,680	\$5,851	\$6,026	\$6,207	\$6,393	\$6,585	\$6,783	\$6,986
3.12	MISCELLANEOUS MECHANICAL													
	Replace the built-in vacuum system power units											\$4,569		
3.13	AMENITIES													
	<i>No amenities not mentioned in other areas of this table</i>													
ANNUAL EXPENSES BY YEAR		\$286,918	\$40,582	\$11,246	\$177,459	\$118,066	\$105,979	\$17,791	\$9,101	\$6,207	\$22,703	\$365,704	\$10,243	\$21,244

CAPITAL NEEDS ASSESSMENT FOR MOUNT BAKER LODGE

TABLE 3.20: ANNUAL CAPITAL EXPENSES

Action Required		2035	2036	2037	2038	2039	2040	2041	2042
3.8	HVAC SYSTEMS								
	Installation of ductwork for two forced air furnaces								
	Install/replace properly sized forced-air gas furnaces								
3.9	ELEVATORS								
	<i>There are no elevators in this building</i>								
3.10	FIRE DETECTION & SUPPRESSION								
	Replace the fire alarm control panel and component upgrades								
	Install a comprehensive fire suppression system in this building								
3.11	INTERIOR FINISHES								
	Current renovation consisting of adding teaching area, expanding two bathrooms, etc.								
	Replace the kitchen range								
	Replace the kitchen range hood								
	Replace one of two propane refrigerators			\$4,207					
	Replace two of two propane refrigerators						\$4,734		
	Replace kitchen countertops and sinks								
	General bathroom renovation of all 3 bathrooms and both showers								\$14,449
	Replace 7 mattresses per year	\$7,196	\$7,412	\$7,634	\$7,863	\$8,099	\$8,342	\$8,592	\$8,850
3.12	MISCELLANEOUS MECHANICAL								
	Replace the built-in vacuum system power units								
3.13	AMENITIES								
	<i>No amenities not mentioned in other areas of this table</i>								
ANNUAL EXPENSES BY YEAR		\$10,867	\$31,613	\$149,593	\$7,863	\$14,710	\$25,366	\$37,876	\$606,163

4.0 LIMITATIONS

This report has been prepared for the exclusive use of The Mountaineers. We do not intend for any other party to rely on this report without our expressed written consent. If another individual or party relies on this study, they shall indemnify and hold Jeff Samdal & Associates harmless for any damages, losses, or expenses they incur as a result of its use.

This Capital Needs Assessment is a reflection of the information provided to us. This report has been prepared for The Mountaineers' use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records. Our inspection report is not an exhaustive technical inspection of the property. During a typical inspection, no invasive inspection is performed, no furnishings are moved, and no finishes are removed.

This report is a snap shot in time of the condition of the property at the time of inspection. The remaining life values that we list are based on our opinion of the remaining useful life and are by no means a guarantee. Our opinions are based on what we believe one could reasonably expect and are not based on worst case scenarios. These opinions are based upon our experience with other buildings of similar age and construction type. Opinions will vary and you may encounter contractors and/or consultants with differing opinions from ours. Ratings of various building components are most often determined by comparison to other buildings of similar age and construction type. The quality of materials originally impacts our judgment of their current state.

The life expectancy estimates that we prepare are based on National Association of Home Builders (NAHB) averages, Building Owners and Managers (BOMA) averages, product defined expected life averages, and our own assessment of typical life expectancy based on our experience with similar components in our area.

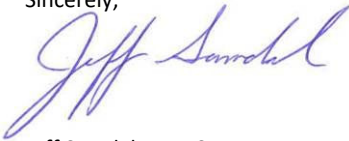
This report will tell you a great deal about the overall condition of this property. However, this report does not constitute a warranty, an insurance policy, or a guarantee of any kind. Owning any property involves some risk and while we can give an excellent overview of the property, we cannot inspect what we cannot see. Our inspection and report do not include building code compliance or municipal regulatory compliance. Nor do they include mold investigations, hazardous materials investigations, or indoor air quality analysis. The purpose of this report is not intended to be a statement of insurability of this property as insurance companies have particular standards for insurability of certain building types and certain building materials.

While we may comment that certain components have been recalled that we are aware of, we are not aware of all recalls. It is beyond the scope of this inspection to determine all systems or components that are currently or will be part of any recall in the future. You may wish to subscribe or contact the CPSC (Consumer Product Safety Commission) web site for recall information regarding any system or component. If a problem is encountered on your property, we cannot be responsible for any corrective action that you take, unless we have the opportunity to review the conditions before repairs are made.

Please ensure that you have read and understand our proposal to perform this Capital Needs Assessment that was signed prior to our inspection. If you have any questions regarding this document, please contact us. We appreciate the opportunity to be of assistance and we hope that we have provided you a clear understanding of your financial situation and given you a better overall understanding of the property. This report supersedes any opinion or discussion that occurred during the inspection and should be considered our complete opinion of the condition of this property.

Please contact us if you have any questions regarding this report. We will be happy to be of assistance.

Sincerely,



Jeff Samdal, PE, RS, PRA

APPENDIX

Resume of Engineer Performing Study

Jeff Samdal, P.E., Principal

Professional Qualifications and Experience

Areas of Expertise

Mr. Samdal is the owner of Samdal & Associates, Inc., a corporation that specializes in building inspections, engineering, project management, and related services. He is a double-licensed Professional Engineer (Mechanical and Civil) in Washington State. He is also an accredited Building Inspection Engineer (BIE) and Reserve Specialist (RS), and Professional Reserve Analyst (PRA). He has performed thousands of building inspections as well as numerous additional services such as building envelope investigations, construction management, and general consulting for property owners pertaining to building maintenance and long-term budgeting. Mr. Samdal consistently earns repeat and referral business because of his attention to detail, practical approach, knowledge of the industry, and genuine appreciation for clients' concerns for their real estate investments.

Capabilities

Mr. Samdal is experienced at performing residential (single- and multi-family), commercial, and industrial inspections in Washington State and beyond. Mr. Samdal's experience includes the following:

- Property Condition Assessments (PCAs)
- Capital Needs Assessments (CNAs)
- Reserve Studies for Condominiums and Homeowner's Association
- Building Envelope Studies

Relevant Work History

Mr. Samdal has been owner and operator of Samdal & Associates since 2005, performing or managing all aspects of this business. Additionally, Mr. Samdal has been the co-owner and president of True North Construction Management since 2017, which is informative in obtaining current construction costs and keeping up to date with modern construction methods and construction products.

Prior to concentrating on building inspections, Mr. Samdal worked for Washington Group International's (WGI) Hydropower and Water Resources Group. While working for WGI, Mr. Samdal was involved in rebuilding and rehabilitating hydro facilities. He served as the on-site powerhouse and switchyard inspector during construction. His duties included design, drawing and specification preparation, cost estimating, scheduling, and construction management. Prior to working for WGI, Mr. Samdal worked for Duke Energy in a similar role.

Education

BS in Mechanical Engineering, University of Washington

Licenses and Certifications

- *Licensed Professional Engineer (PE)*, Mechanical Engineering, State of Washington, #40985
- *Licensed Professional Engineer (PE)*, Civil Engineering, State of Washington, #40985
- *Reserve Specialist (RS)*, Community Associations Institute (CAI), #173
- *Professional Reserve Analyst (PRA)*, Association of Professional Reserve Analysts
- *Building Inspection Engineer (BIE)*, National Association of Building Inspection Engineers
- *Structural Pest Inspector*, State of Washington, #70763

Professional Affiliation

American Society of Mechanical Engineers, 2002 – present

Community Involvement

Mr. Samdal lives in Woodinville with his wife and 2 children and has been involved with many of their activities as a Little League coach, a scout leader, a personal fitness coach, among other activities.