

RESERVE STUDY – LEVEL 2 UPDATE

Village at Cordata, Northside
1201 Northwind Circle
Bellingham, WA 98226

Number of Units: 60

July 17, 2024



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EXECUTIVE SUMMARY

RESERVES DISCLOSURE

RECOMMENDED FUNDING PLAN

FULLY FUNDED PLAN SUMMARY

BASELINE FUNDING PLAN

The Village at Cordata, Northside
Condominium Association
1201 Northwind Circle
Bellingham, Washington 98226

This Level 2 Reserve Study Update with a site visit completed on July 17, 2024 meets the **requirements of RCW 64.90.550.**

Number of Buildings	1 Clubhouse
Number of Reserve Units	60 detached homes
Number of Commercial Units	0
Date of Incorporation	November 15, 1990
Date of Construction	1990
Current (2024) Budgeted Annual Contribution to Reserves	\$91,400.00
Recommended 2025 Contribution to Reserves	\$85,000.00
Projected Year 2024 Ending Reserve Account Balance	\$234,511.00
Projected Year 2024 Ending Fully Funded "Ideal" Balance	\$299,623.00
Percent funded as of 12/31/2024	78%
*Average percent allocation for common areas	0.0166
Per unit Deficit in reserve funding as of 12/31/2024	\$1,085.20

*Annual contribution per unit is average. If the fraction or percentage of the common expenses of the Association allocable vary by unit, the Association must calculate any current deficit or surplus in a manner that reflects the variation.

"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."

Effective July 1, 2018, RCW 64.90.550 requires a Reserve Study include the following funding plans:

FULLY FUNDED CONTRIBUTION RATE

A contribution rate for a fully funded plan to achieve 100% fully funded reserves by the end of the thirty-year study period.

\$126.94	Average Monthly per Unit
\$1,523.33	Average Annually per Unit
\$7,616.67	Association Monthly
\$91,400.00	Association Annual

BASELINE FUNDING PLAN

A baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study plan without special assessments.

\$96.64	Average Monthly per Unit
\$1159.72	Average Annually per Unit
\$5,798.58	Association Monthly
\$69,583.00	Association Annual

RECOMMENDED CONTRIBUTION RATE

A contribution rate recommended by an independent reserve study professional.

\$118.06	Average Monthly per Unit
\$1,416.67	Average Annually per Unit
\$7,083.33	Association Monthly
\$85,000.00	Association Annual

RECOMMENDATION:

Contribute \$85,000.00 to reserves through the study term. ASSUMING the study's thirty-year expenditures materialize as projected, the recommended contribution will provide for a fair and stable contribution, ensure that adequate funds are available as needed, and reduce the risk of supplementing regular scheduled repairs and replacements of common elements through special assessments.

Current Funding Plan / \$91,400.00 Annual Contribution

Funding Plan Summary (Cash Flow)

July 17, 2024

Village at Cordata, Northside

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2025	78%	299,623	299,623	0.00%	234,511	91,400	5,321	(798)	(14,185)	(14,185)
2026	92%	329,297	342,469	0.00%	316,248	91,400	5,965	(895)	(63,695)	(61,245)
2027	103%	311,924	337,376	0.00%	349,024	91,400	7,284	(1,093)	(30,521)	(28,218)
2028	113%	327,577	368,479	0.00%	416,095	91,400	8,637	(1,296)	(29,921)	(26,600)
2029	120%	344,848	403,424	0.00%	484,915	91,400	10,064	(1,510)	(27,427)	(23,445)
2030	125%	365,275	444,413	0.00%	557,442	91,400	9,847	(1,477)	(110,807)	(91,075)
2031	136%	318,071	402,461	0.00%	546,405	91,400	11,842	(1,776)	0	0
2032	136%	361,943	476,292	0.00%	647,871	91,400	12,027	(1,804)	(92,230)	(70,087)
2033	143%	335,727	459,465	0.00%	657,264	91,400	13,485	(2,023)	(28,692)	(20,965)
2034	143%	358,633	510,447	0.00%	731,435	91,400	14,894	(2,234)	(32,452)	(22,800)
2035	143%	379,705	562,056	0.00%	803,043	91,400	14,932	(2,240)	(102,122)	(68,990)
2036	147%	354,586	545,869	0.00%	805,013	91,400	14,773	(2,216)	(112,072)	(72,800)
2037	153%	325,658	521,388	0.00%	796,898	91,400	16,817	(2,523)	(1,732)	(1,082)
2038	147%	368,447	613,491	0.00%	900,860	91,400	16,876	(2,531)	(102,752)	(61,710)
2039	149%	350,608	607,140	0.00%	903,853	91,400	16,288	(2,443)	(135,168)	(78,056)
2040	153%	316,424	569,861	0.00%	873,930	91,400	14,237	(2,136)	(207,793)	(115,380)
2041	168%	244,915	458,721	0.00%	769,639	91,400	12,542	(1,881)	(188,216)	(100,490)
2042	186%	188,297	366,783	0.00%	683,484	91,400	13,127	(1,969)	(72,855)	(37,402)
2043	181%	194,766	394,560	0.00%	713,186	91,400	13,444	(2,017)	(86,705)	(42,800)
2044	177%	195,837	412,600	0.00%	729,308	91,400	13,434	(2,015)	(103,309)	(49,035)
2045	174%	190,674	417,790	0.00%	728,818	91,400	14,869	(2,230)	(31,081)	(14,185)
2046	160%	220,360	502,150	0.00%	801,775	91,400	15,865	(2,380)	(54,235)	(23,800)
2047	150%	240,432	569,803	0.00%	852,425	91,400	16,712	(2,507)	(62,535)	(26,387)
2048	141%	257,916	635,689	0.00%	895,495	91,400	17,068	(2,560)	(87,781)	(35,615)
2049	134%	266,172	682,281	0.00%	913,623	91,400	18,791	(2,819)	(19,776)	(7,715)
2050	124%	302,329	805,959	0.00%	1,001,219	91,400	16,771	(2,516)	(208,388)	(78,170)
2051	121%	268,030	743,106	0.00%	898,486	91,400	16,982	(2,547)	(95,098)	(34,301)
2052	114%	277,701	800,713	0.00%	909,222	91,400	16,942	(2,541)	(107,844)	(37,402)
2053	106%	284,270	852,441	0.00%	907,178	91,400	15,700	(2,355)	(167,867)	(55,980)
2054	99%	272,261	849,088	0.00%	844,056	91,400	15,873	(2,381)	(96,101)	(30,815)
Total						2,742,000	411,407	(61,711)	(2,473,360)	(1,330,735)
Average					722,424	91,400	13,714	(2,057)	(82,445)	(44,358)
Maximum			852,441		1,001,219		18,791	(2,819)	(208,388)	(115,380)
Minimum			299,623		234,511		5,321	(798)	0	0

2.00% Investment Rate
15.00% Tax Rate
4.00% Inflation Rate

2025 Contributions
126.94 Monthly Per Unit
1,523.33 Annually Per Unit
7,616.67 Association Monthly

Fully Funded at End of 30 Year Term

Funding Plan Summary (Cash Flow)

July 17, 2024

Village at Cordata, Northside

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2025	78%	299,623	299,623	0.00%	234,511	91,400	5,321	(798)	(14,185)	(14,185)
2026	92%	329,297	342,469	0.00%	316,248	91,400	5,965	(895)	(63,695)	(61,245)
2027	103%	311,924	337,376	0.00%	349,024	91,400	7,284	(1,093)	(30,521)	(28,218)
2028	113%	327,577	368,479	0.00%	416,095	91,400	8,637	(1,296)	(29,921)	(26,600)
2029	120%	344,848	403,424	0.00%	484,915	91,400	10,064	(1,510)	(27,427)	(23,445)
2030	125%	365,275	444,413	0.00%	557,442	91,400	9,847	(1,477)	(110,807)	(91,075)
2031	136%	318,071	402,461	0.00%	546,405	91,400	11,842	(1,776)	0	0
2032	136%	361,943	476,292	0.00%	647,871	91,400	12,027	(1,804)	(92,230)	(70,087)
2033	143%	335,727	459,465	0.00%	657,264	91,400	13,485	(2,023)	(28,692)	(20,965)
2034	143%	358,633	510,447	0.00%	731,435	91,400	14,894	(2,234)	(32,452)	(22,800)
2035	143%	379,705	562,056	0.00%	803,043	91,400	14,932	(2,240)	(102,122)	(68,990)
2036	147%	354,586	545,869	0.00%	805,013	91,400	14,773	(2,216)	(112,072)	(72,800)
2037	153%	325,658	521,388	0.00%	796,898	91,400	16,817	(2,523)	(1,732)	(1,082)
2038	147%	368,447	613,491	0.00%	900,860	91,400	16,876	(2,531)	(102,752)	(61,710)
2039	149%	350,608	607,140	0.00%	903,853	91,400	16,288	(2,443)	(135,168)	(78,056)
2040	153%	316,424	569,861	0.00%	873,930	91,400	14,237	(2,136)	(207,793)	(115,380)
2041	168%	244,915	458,721	0.00%	769,639	91,400	12,542	(1,881)	(188,216)	(100,490)
2042	186%	188,297	366,783	0.00%	683,484	91,400	13,127	(1,969)	(72,855)	(37,402)
2043	181%	194,766	394,560	0.00%	713,186	91,400	13,444	(2,017)	(86,705)	(42,800)
2044	177%	195,837	412,600	0.00%	729,308	91,400	13,434	(2,015)	(103,309)	(49,035)
2045	174%	190,674	417,790	0.00%	728,818	91,400	14,869	(2,230)	(31,081)	(14,185)
2046	160%	220,360	502,150	0.00%	801,775	91,400	15,865	(2,380)	(54,235)	(23,800)
2047	150%	240,432	569,803	0.00%	852,425	91,400	16,712	(2,507)	(62,535)	(26,387)
2048	141%	257,916	635,689	0.00%	895,495	91,400	17,068	(2,560)	(87,781)	(35,615)
2049	134%	266,172	682,281	0.00%	913,623	91,400	18,791	(2,819)	(19,776)	(7,715)
2050	124%	302,329	805,959	0.00%	1,001,219	91,400	16,771	(2,516)	(208,388)	(78,170)
2051	121%	268,030	743,106	0.00%	898,486	91,400	16,982	(2,547)	(95,098)	(34,301)
2052	114%	277,701	800,713	0.00%	909,222	91,400	16,942	(2,541)	(107,844)	(37,402)
2053	106%	284,270	852,441	0.00%	907,178	91,400	15,700	(2,355)	(167,867)	(55,980)
2054	99%	272,261	849,088	0.00%	844,056	91,400	15,873	(2,381)	(96,101)	(30,815)
Total						2,742,000	411,407	(61,711)	(2,473,360)	(1,330,735)
Average					722,424	91,400	13,714	(2,057)	(82,445)	(44,358)
Maximum			852,441		1,001,219		18,791	(2,819)	(208,388)	(115,380)
Minimum			299,623		234,511		5,321	(798)	0	0

2.00% Investment Rate
15.00% Tax Rate
4.00% Inflation Rate

2025 Contributions
126.94 Monthly Per Unit
1,523.33 Annually Per Unit
7,616.67 Association Monthly

Baseline Funding Plan

Funding Plan Summary (Cash Flow)

July 17, 2024

Village at Cordata, Northside

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2025	78%	299,623	299,623	0.00%	234,511	69,583	5,102	(765)	(14,185)	(14,185)
2026	86%	329,297	342,469	0.00%	294,246	69,583	5,307	(796)	(63,695)	(61,245)
2027	90%	311,924	337,376	0.00%	304,645	69,583	6,178	(927)	(30,521)	(28,218)
2028	95%	327,577	368,479	0.00%	348,959	69,583	7,077	(1,061)	(29,921)	(26,600)
2029	98%	344,848	403,424	0.00%	394,636	69,583	8,040	(1,206)	(27,427)	(23,445)
2030	100%	365,275	444,413	0.00%	443,625	69,583	7,352	(1,103)	(110,807)	(91,075)
2031	102%	318,071	402,461	0.00%	408,651	69,583	8,869	(1,330)	0	0
2032	102%	361,943	476,292	0.00%	485,773	69,583	8,567	(1,285)	(92,230)	(70,087)
2033	102%	335,727	459,465	0.00%	470,408	69,583	9,530	(1,430)	(28,692)	(20,965)
2034	102%	358,633	510,447	0.00%	519,399	69,583	10,435	(1,565)	(32,452)	(22,800)
2035	101%	379,705	562,056	0.00%	565,400	69,583	9,961	(1,494)	(102,122)	(68,990)
2036	99%	354,586	545,869	0.00%	541,328	69,583	9,281	(1,392)	(112,072)	(72,800)
2037	97%	325,658	521,388	0.00%	506,728	69,583	10,796	(1,619)	(1,732)	(1,082)
2038	95%	368,447	613,491	0.00%	583,755	69,583	10,316	(1,547)	(102,752)	(61,710)
2039	92%	350,608	607,140	0.00%	559,355	69,583	9,180	(1,377)	(135,168)	(78,056)
2040	88%	316,424	569,861	0.00%	501,573	69,583	6,571	(986)	(207,793)	(115,380)
2041	80%	244,915	458,721	0.00%	368,949	69,583	4,310	(647)	(188,216)	(100,490)
2042	69%	188,297	366,783	0.00%	253,980	69,583	4,318	(648)	(72,855)	(37,402)
2043	64%	194,766	394,560	0.00%	254,378	69,583	4,049	(607)	(86,705)	(42,800)
2044	58%	195,837	412,600	0.00%	240,698	69,583	3,444	(517)	(103,309)	(49,035)
2045	50%	190,674	417,790	0.00%	209,899	69,583	4,272	(641)	(31,081)	(14,185)
2046	50%	220,360	502,150	0.00%	252,032	69,583	4,652	(698)	(54,235)	(23,800)
2047	48%	240,432	569,803	0.00%	271,334	69,583	4,872	(731)	(62,535)	(26,387)
2048	44%	257,916	635,689	0.00%	282,523	69,583	4,591	(689)	(87,781)	(35,615)
2049	39%	266,172	682,281	0.00%	268,227	69,583	5,665	(850)	(19,776)	(7,715)
2050	40%	302,329	805,959	0.00%	322,850	69,583	2,985	(448)	(208,388)	(78,170)
2051	25%	268,030	743,106	0.00%	186,581	69,583	2,525	(379)	(95,098)	(34,301)
2052	20%	277,701	800,713	0.00%	163,213	69,583	1,803	(270)	(107,844)	(37,402)
2053	15%	284,270	852,441	0.00%	126,485	69,583	-132	20	(167,867)	(55,980)
2054	3%	272,261	849,088	0.00%	28,088	69,583	-664	100	(96,101)	(30,815)
Total						2,087,490	179,252	(26,888)	(2,473,360)	(1,330,735)
Average					346,408	69,583	5,975	(896)	(82,445)	(44,358)
Maximum			852,441		583,755		10,796	(1,619)	(208,388)	(115,380)
Minimum			299,623		28,088		-664	100	0	0

2.00% Investment Rate
15.00% Tax Rate
4.00% Inflation Rate

2025 Contributions
96.64 Monthly Per Unit
1,159.72 Annually Per Unit
5,798.58 Association Monthly

Recommended Funding Plan

Funding Plan Summary (Cash Flow)

July 17, 2024

Village at Cordata, Northside

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2025	78%	299,623	299,623	0.00%	234,511	85,000	5,257	(788)	(14,185)	(14,185)
2026	90%	329,297	342,469	0.00%	309,794	85,000	5,772	(866)	(63,695)	(61,245)
2027	100%	311,924	337,376	0.00%	336,005	85,000	6,960	(1,044)	(30,521)	(28,218)
2028	108%	327,577	368,479	0.00%	396,401	85,000	8,180	(1,227)	(29,921)	(26,600)
2029	114%	344,848	403,424	0.00%	458,432	85,000	9,470	(1,421)	(27,427)	(23,445)
2030	118%	365,275	444,413	0.00%	524,054	85,000	9,115	(1,367)	(110,807)	(91,075)
2031	126%	318,071	402,461	0.00%	505,995	85,000	10,970	(1,645)	0	0
2032	126%	361,943	476,292	0.00%	600,320	85,000	11,012	(1,652)	(92,230)	(70,087)
2033	131%	335,727	459,465	0.00%	602,450	85,000	12,325	(1,849)	(28,692)	(20,965)
2034	131%	358,633	510,447	0.00%	669,234	85,000	13,586	(2,038)	(32,452)	(22,800)
2035	130%	379,705	562,056	0.00%	733,330	85,000	13,474	(2,021)	(102,122)	(68,990)
2036	133%	354,586	545,869	0.00%	727,661	85,000	13,162	(1,974)	(112,072)	(72,800)
2037	137%	325,658	521,388	0.00%	711,777	85,000	15,051	(2,258)	(1,732)	(1,082)
2038	132%	368,447	613,491	0.00%	807,838	85,000	14,952	(2,243)	(102,752)	(61,710)
2039	132%	350,608	607,140	0.00%	802,795	85,000	14,203	(2,130)	(135,168)	(78,056)
2040	134%	316,424	569,861	0.00%	764,699	85,000	11,988	(1,798)	(207,793)	(115,380)
2041	142%	244,915	458,721	0.00%	652,096	85,000	10,128	(1,519)	(188,216)	(100,490)
2042	152%	188,297	366,783	0.00%	557,489	85,000	10,543	(1,581)	(72,855)	(37,402)
2043	147%	194,766	394,560	0.00%	578,595	85,000	10,688	(1,603)	(86,705)	(42,800)
2044	142%	195,837	412,600	0.00%	585,975	85,000	10,503	(1,575)	(103,309)	(49,035)
2045	138%	190,674	417,790	0.00%	576,593	85,000	11,760	(1,764)	(31,081)	(14,185)
2046	128%	220,360	502,150	0.00%	640,508	85,000	12,575	(1,886)	(54,235)	(23,800)
2047	120%	240,432	569,803	0.00%	681,963	85,000	13,239	(1,986)	(62,535)	(26,387)
2048	113%	257,916	635,689	0.00%	715,680	85,000	13,408	(2,011)	(87,781)	(35,615)
2049	106%	266,172	682,281	0.00%	724,296	85,000	14,940	(2,241)	(19,776)	(7,715)
2050	100%	302,329	805,959	0.00%	802,220	85,000	12,727	(1,909)	(208,388)	(78,170)
2051	93%	268,030	743,106	0.00%	689,649	85,000	12,741	(1,911)	(95,098)	(34,301)
2052	86%	277,701	800,713	0.00%	690,381	85,000	12,501	(1,875)	(107,844)	(37,402)
2053	80%	284,270	852,441	0.00%	678,162	85,000	11,056	(1,658)	(167,867)	(55,980)
2054	71%	272,261	849,088	0.00%	604,693	85,000	11,022	(1,653)	(96,101)	(30,815)
Total						2,550,000	343,305	(51,496)	(2,473,360)	(1,330,735)
Average					612,120	85,000	11,443	(1,717)	(82,445)	(44,358)
Maximum			852,441		807,838		15,051	(2,258)	(208,388)	(115,380)
Minimum			299,623		234,511		5,257	(788)	0	0

2.00% Investment Rate
15.00% Tax Rate
4.00% Inflation Rate

2025 Contributions
118.06 Monthly Per Unit
1,416.67 Annually Per Unit
7,083.33 Association Monthly

INTRODUCTION

LEVEL OF STUDY PERFORMED

DATE OF STUDY

GENERAL DESCRIPTION OF PROPERTY

RESERVE STUDY GOAL

SUMMARY OF FINANCIAL ASSUMPTIONS

METHODOLOGY

Introduction

The Community Associations Institute (CAI), a non-profit organization created in 1973 to educate and represent the nation's growing number of community associations, condominium associations, homeowner associations, and cooperatives, defines a reserve study as a combination of:

- 1) Physical Analysis – Information about the physical status and the repair/replacement cost of the major common area components the association is obligated to maintain; and
- 2) Financial Analysis – Evaluation and analysis of the association's reserve balance, income, and expenses.

Per RCW 64.90.535 and 64.90.545, all condominium associations in Washington State must prepare and update a reserve study and establish reserve accounts. Specifically, RCW 64.90.535 provides:

An association required to obtain a reserve study pursuant to RCW 64.90.545 must establish one or more accounts for the deposit of funds, if any, for the replacement costs of reserve components. Any reserve account must be an income-earning account maintained under the direct control of the board, and the board is responsible for administering the reserve account.

And RCW 64.90.545 provides:

- (1) Unless exempt under subsection (2) of this section, an association must prepare and update a reserve study in accordance with this chapter. An initial reserve study must be prepared by a reserve study professional and based upon either a reserve study professional's visual site inspection of completed improvements or a review of plans and specifications of or for unbuilt improvements, or both when construction of some but not all of the improvements is complete. An updated reserve study must be prepared annually. An updated reserve study must be prepared at least every third year by a reserve study professional and based upon a visual site inspection conducted by the reserve study professional.
- (2) Unless the governing documents require otherwise, subsection (1) of this section does not apply (a) to common interest communities containing units that are restricted in the declaration to nonresidential use, (b) to common interest communities that have only nominal reserve costs, or (c) when the cost of the reserve study or update exceeds ten percent of the association's annual budget.
- (3) The governing documents may impose greater requirements on the board.

There are three levels of Reserve Studies available:

LEVEL I: Full Reserve Study Analysis and Plan

A Reserve Study in which the following five tasks are performed:

- Component Inventory
- Condition Assessment (based on visual site observations)
- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level II: Reserve Study Update with Visual Site Inspection

A Reserve Study update in which the following five tasks are performed:

- Component Inventory (verification only, no quantification)
- Condition Assessment (based on visual site observations)
- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level III: Reserve Study Update with No Visual Site Inspection

A Reserve Study update with no visual site inspection in which the following three tasks are performed:

- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level of Reserve Study Performed

This **Level 2 Reserve Study Update with No Visual Site Inspection** was conducted at the request of the Village at Cordata Northside Owners' Association's Board of Directors and performed per Washington State requirements outlined under RCW 64.90.550.

Date of Study

July 17, 2024

General Description of Property

The following description is general in nature. A detailed description of the property is not included as a part of this report. Village at Cordata Northside is a mid-size common interest development that was built in 1990. The property is located at 1201 Northwind Circle, Bellingham, Washington. The Association consists of sixty detached homes and a clubhouse. Exterior finishes include wood siding and trim, wood cased windows, asphalt composition roofs, and aluminum gutters and downspouts. Amenities include garages, clubhouse, and landscaped grounds with walking trails.

Reserve Study Goal

The Association's Board of Directors has a fiduciary responsibility to maintain the community in a good state of repair and to protect the Association from financial hardship. A long-range plan should be initiated to provide adequate funding for maintenance repairs and/or replacements of common area components. This reserve analysis will help the Association:

- Comply with Washington State requirements.
- Ensure adequate funds are available for future major repair and replacements.
- Maintain the community in a good state of repair.
- Reduce special assessments or borrowing.
- Protect property value and enhance your ability to obtain loans or sell.
- Comply with the American Institute of Certified Public Accountants (AICPA) disclosure requirements for reserves.

Summary of Financial Assumptions

Assumptions were made based on the following information used to develop the parameters for the Reserve Study calculations:

<i>Date Study Begins</i>	<i>July 17, 2024</i>
<i>Number of Analysis Years to be Covered in the Study</i>	30 Years
<i>Number of Units</i>	60
<i>Projected Year 2025 Starting Reserve Balance</i>	\$234,511.00
<i>Average Current Rate of Investment on Reserve Funds</i>	2.0%
<i>Tax Rate applied to Interest or Dividends earned on the Invested Funds</i>	15%
<i>Current and Projected Inflation Rate for Construction Costs</i>	4%
<i>Contribution increase the Association can reasonably adopt</i>	

Reserve Component List

Per RCW 64.90.550(a), the following worksheet has a list of all components that have been included in this study, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component.

The Association has opted to exclude the following components from the study:

ITEM NAME	BASIS FOR EXCLUSION
BBQ Grill	Donated

There are two main methods used in the preparation of a reserve study, Cash Flow Method and Component Method.

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 Method: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.

David Bach & Associates utilizes the Cash Flow Method in the preparation of our Reserve Studies. This method examines and projects the reserving needs (i.e., contributions and expenditures) over many years, combining funds from all components, in order to establish a stable annual contribution. This type of method allows an Association to customize its funding plan and usually generates a lower starting contribution.

Worksheet

July 17, 2024

Sorted Alphabetically
Village at Cordata, Northside

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Life	One Replace Left	Time?
Asphalt - Pavement Repairs / Crack Seal	10	0	1 Total	1,350,000	100	1,350	2024	8	0	2032	8	no
Asphalt - Seal Coating	10	0	1 Total	26,000,000	100	26,000	2019	8	0	2027	3	no
Club House - Refrigerator	70	0	1 Each	1,685,000	100	1,685	2003	25	0	2028	4	no
Club House - Bathroom Fixtures	70	0	1 Total	1,875,000	100	1,875	1990	40	0	2030	6	no
Club House - Carpet Replacement	70	0	75 Square Yard	68,000	100	5,100	2016	16	0	2032	8	no
Club House - Electric Range	70	0	1 Each	1,450,000	100	1,450	1990	40	0	2030	6	no
Club House - Furniture Repair/Replace Allowance	70	0	1 Allowance	3,000,000	100	3,000	2021	15	15	2051	27	no
Club House - Interior Repaint	30	0	1 Total	1,860,000	100	1,860	2023	12	0	2035	11	no
Club House - Microwave Oven	70	0	1 Each	300,000	100	300	2018	20	0	2038	14	no
Club House - Tile Floor Repair Allowance	70	0	1 Repair Allowance	1,000,000	100	1,000	2010	18	0	2028	4	no
Concrete - Curb Repair	10	0	1 Total	14,050,000	100	14,050	2023	15	0	2038	14	no
Crawl Space Inspection & Repair Allowance	70	0	1 Allowance	14,185,000	100	14,185	2020	5	0	2025	1	no
Entrance Sign - Restore	100	0	1 Total	1,115,000	100	1,115	2018	10	0	2028	4	no
Exterior Building Lighting	50	0	1 Total	50,000,000	100	50,000	2011	25	0	2036	12	no
Exterior Painting - Buildings	30	0	1 Total	22,800,000	100	22,800	2024	2	0	2026	2	no
Garage Door & Operators Replacement Allowance	75	0	1 Allowance	4,500,000	100	4,500	2023	10	0	2033	9	no
Garage Doors - Repair / Replace	0	0	1 Total	5,250,000	100	5,250	2018	30	0	2048	24	no
Gutters and Downspouts- Phase I	75	0	1 Total	7,715,000	100	7,715	2019	30	0	2049	25	no
Gutters and Downspouts- Phase II	75	0	1 Total	17,740,000	100	17,740	2020	30	0	2050	26	no
Gutters and Downspouts- Phase III	75	0	1 Total	8,015,000	100	8,015	2022	32	0	2054	30	no
Gutters and Downspouts- Phase IV	75	0	1 Total	15,000,000	100	15,000	1990	35	1	2026	2	no
Gutters and Downspouts- Phase V	75	0	1 Total	5,000,000	100	5,000	2024	34	0	2058	34	no
HVAC - Clubhouse A/C Unit	80	0	1 Total	3,500,000	100	3,500	2015	20	0	2035	11	no
HVAC - Furnace, Forced-Air, Gas - Replacement	80	0	1 Each	4,165,000	100	4,165	2015	18	0	2033	9	no
Irrigation System - Restoration Allowance	100	0	1 Allowance	2,790,000	100	2,790	2020	12	0	2032	8	no
Landscape Walking Paths	100	0	1 Total	12,300,000	100	12,300	2023	10	0	2033	9	no
Major Landscape Restoration	100	0	1 Total	1,082,000	100	1,082	2022	5	0	2027	3	no

Worksheet

July 17, 2024

Sorted Alphabetically
Village at Cordata, Northside

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Replace	Life Left	One Time?
Metal Chimney Caps	20	0	1	Total	13,115,000	100	13,115	1990	40	0	2030	6	no
Plumbing - Water Main Repair / Replace Allowance	87	0	1	Allowance	37,650,000	100	37,650	1990	40	0	2030	6	no
Roofing - Phase I	20	0	1	Total	76,920,000	100	76,920	2009	30	0	2039	15	no
Roofing - Phase II	20	0	1	(none)	77,045,000	100	77,045	2009	31	0	2040	16	no
Roofing - Phase III	20	0	1	(none)	77,045,000	100	77,045	2009	32	0	2041	17	no
Water Heater - Replacement	80	0	1	Each	1,136,000	100	1,136	2015	12	0	2027	3	no
Window Repair / Replacement Allowance	75	0	1	Allowance	23,445,000	100	23,445	2023	3	0	2026	2	no
Wood Siding & Trim Repair	75	0	1	Total	13,520,000	100	13,520	2022	10	0	2032	8	no

Total 35 items

Steps for Preparing Reserve Study Funding Plan

This Reserve Study was prepared with the assistance of an independent Reserve Study Professional and can be broken down into three main steps.

1. Component Analysis

All components the Association has an obligation to maintain were identified and inventoried. Per RCW 64.90.550)a)(2), this list includes any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component.

An onsite visit was scheduled to visually inspect all common area components. The Reserve Analysts inspection was limited to components that are normally visible without destructive or intrusive means of inspection or testing, or concealed mechanical, electrical, structural, or other components.

The Useful Life, Remaining Useful Life, and Current Replacement Cost of each component appropriate for reserve funding were established using information entered into a Commercial Cost & Useful Life Database. The data is based upon industry standards, manufacturer's specifications, and/or the actual repair and replacement costs to similar residential and commercial properties. Costs of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. Wherever possible, actual quotes from local contractors were used as a comparison.

2. Financial Analysis

The following financial information was provided by the Association and was not audited:

- The Association's current Reserve Balance.
- Current rate of investment on Reserve Fund.
- Special Assessments already implemented or planned.
- Tax rate applied to interest or dividends earned on the invested Reserve Funds.
- Interest and Inflation assumptions.
- Current Reserve Account Contribution Rate.
- Date of Fiscal Year End (FYE).

According to the U.S. Dept. of Labor, Bureau of Labor and Statistics, the average rate of inflation calculated from the Consumer Price Index – All Urban Consumers (CPI-U) for the period 2000 to 2021 was 2.37%. In preparing Reserve Funding Plans we use an inflation rate of 3% to calculate inflation adjusted expenditures.

3. Reserve Study

The information obtained during the Component Analysis and Financial Analysis is entered into a Reserve Study Funding Plan computer program. The program calculates the necessary monthly and annual reserve contribution, projected annual expenditures for repair and replacement of identified components, percent funded, and reserve account balances for the analysis period.

Per RCW 64.90.550(i) the following Reserve Study Funding Plans were created:

- A recommended reserve account contribution rate for a full funding plan to achieve 100% fully funded reserves by the end of the 30-year study period.
- A recommended reserve account contribution rate for a baseline funding plan to maintain the reserve balance above 0 throughout the 30- year study period without special assessments.
- A David Bach & Associates recommended reserve account contribution rate.

The computer program provides a projected reserve account balance for 30 years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments.

All applicable spreadsheets, expenditure graph, and funding charts were developed. In addition, Supplementary Information on Future Major Repairs and Replacement (AICPA) accountant's summary report was prepared.

ANNUAL EXPENDITURES

EXPENDITURES GRAPH

Annual Expenditures

July 17, 2024

Village at Cordata, Northside

Year	Amount	Item Description
2025	14,185	Crawl Space Inspection & Repair Allowance
	<u>14,185</u>	
2026	23,712	Exterior Painting - Buildings
	24,383	Window Repair / Replacment Allowance
	15,600	Gutters and Downspouts- Phase IV
	<u>63,695</u>	
2027	28,122	Asphalt - Seal Coating
	1,229	Water Heater - Replacement
	1,170	Major Landscape Restoration
	<u>30,521</u>	
2028	1,895	Club House - Refrigerator
	1,125	Club House - Tile Floor Repair Allowance
	25,647	Exterior Painting - Buildings
	1,254	Entrance Sign - Restore
	<u>29,921</u>	
2029	27,427	Window Repair / Replacment Allowance
	<u>27,427</u>	
2030	1,764	Club House - Electric Range
	2,281	Club House - Bathroom Fixtures
	27,740	Exterior Painting - Buildings
	15,956	Metal Chimney Caps
	45,807	Plumbing - Water Main Repair / Replace Allowance
	17,258	Crawl Space Inspection & Repair Allowance
	<u>110,807</u>	
2032	1,777	Asphalt - Pavement Repairs / Crack Seal

Annual Expenditures

July 17, 2024

Village at Cordata, Northside

Year	Amount	Item Description
	6,711	Club House - Carpet Replacement
	3,671	Irrigation System - Restoration Allowance
	30,003	Exterior Painting - Buildings
	1,424	Major Landscape Restoration
	17,791	Wood Siding & Trim Repair
	30,852	Window Repair / Replacment Allowance
	<u>92,230</u>	
2033	5,700	HVAC - Furnace, Forced-Air, Gas - Replacement
	16,833	Landscape Walking Paths
	6,159	Garage Door & Operators Replacement Allowance
	<u>28,692</u>	
2034	32,452	Exterior Painting - Buildings
	<u>32,452</u>	
2035	38,486	Asphalt - Seal Coating
	2,753	Club House - Interior Repaint
	34,704	Window Repair / Replacment Allowance
	5,181	HVAC - Clubhouse A/C Unit
	20,997	Crawl Space Inspection & Repair Allowance
	<u>102,122</u>	
2036	35,100	Exterior Painting - Buildings
	76,973	Exterior Building Lighting
	<u>112,072</u>	
2037	1,732	Major Landscape Restoration
	<u>1,732</u>	
2038	500	Club House - Microwave Oven
	23,394	Concrete - Curb Repair

Annual Expenditures

July 17, 2024

Village at Cordata, Northside

Year	Amount	Item Description
	37,964	Exterior Painting - Buildings
	1,857	Entrance Sign - Restore
	39,038	Window Repair / Replacment Allowance
	<u>102,752</u>	
2039	1,967	Water Heater - Replacement
	133,201	Roofing - Phase I
	<u>135,168</u>	
2040	2,431	Asphalt - Pavement Repairs / Crack Seal
	41,062	Exterior Painting - Buildings
	138,754	Roofing - Phase II
	25,546	Crawl Space Inspection & Repair Allowance
	<u>207,793</u>	
2041	43,912	Window Repair / Replacment Allowance
	144,304	Roofing - Phase III
	<u>188,216</u>	
2042	44,412	Exterior Painting - Buildings
	2,108	Major Landscape Restoration
	26,336	Wood Siding & Trim Repair
	<u>72,855</u>	
2043	52,671	Asphalt - Seal Coating
	24,918	Landscape Walking Paths
	9,116	Garage Door & Operators Replacement Allowance
	<u>86,705</u>	
2044	5,878	Irrigation System - Restoration Allowance
	48,036	Exterior Painting - Buildings
	49,395	Window Repair / Replacment Allowance

Annual Expenditures

July 17, 2024

Village at Cordata, Northside

Year	Amount	Item Description
	<u>103,309</u>	
2045	31,081	Crawl Space Inspection & Repair Allowance
	<u>31,081</u>	
2046	2,279	Club House - Tile Floor Repair Allowance
	51,956	Exterior Painting - Buildings
	<u>54,235</u>	
2047	4,408	Club House - Interior Repaint
	2,564	Major Landscape Restoration
	55,563	Window Repair / Replacment Allowance
	<u>62,535</u>	
2048	3,327	Asphalt - Pavement Repairs / Crack Seal
	12,570	Club House - Carpet Replacement
	56,196	Exterior Painting - Buildings
	2,748	Entrance Sign - Restore
	12,940	Garage Doors - Repair / Replace
	<u>87,781</u>	
2049	19,776	Gutters and Downspouts- Phase I
	<u>19,776</u>	
2050	60,781	Exterior Painting - Buildings
	62,501	Window Repair / Replacment Allowance
	47,292	Gutters and Downspouts- Phase II
	37,815	Crawl Space Inspection & Repair Allowance
	<u>208,388</u>	
2051	72,084	Asphalt - Seal Coating
	8,317	Club House - Furniture Repair/Replace Allowance

Annual Expenditures

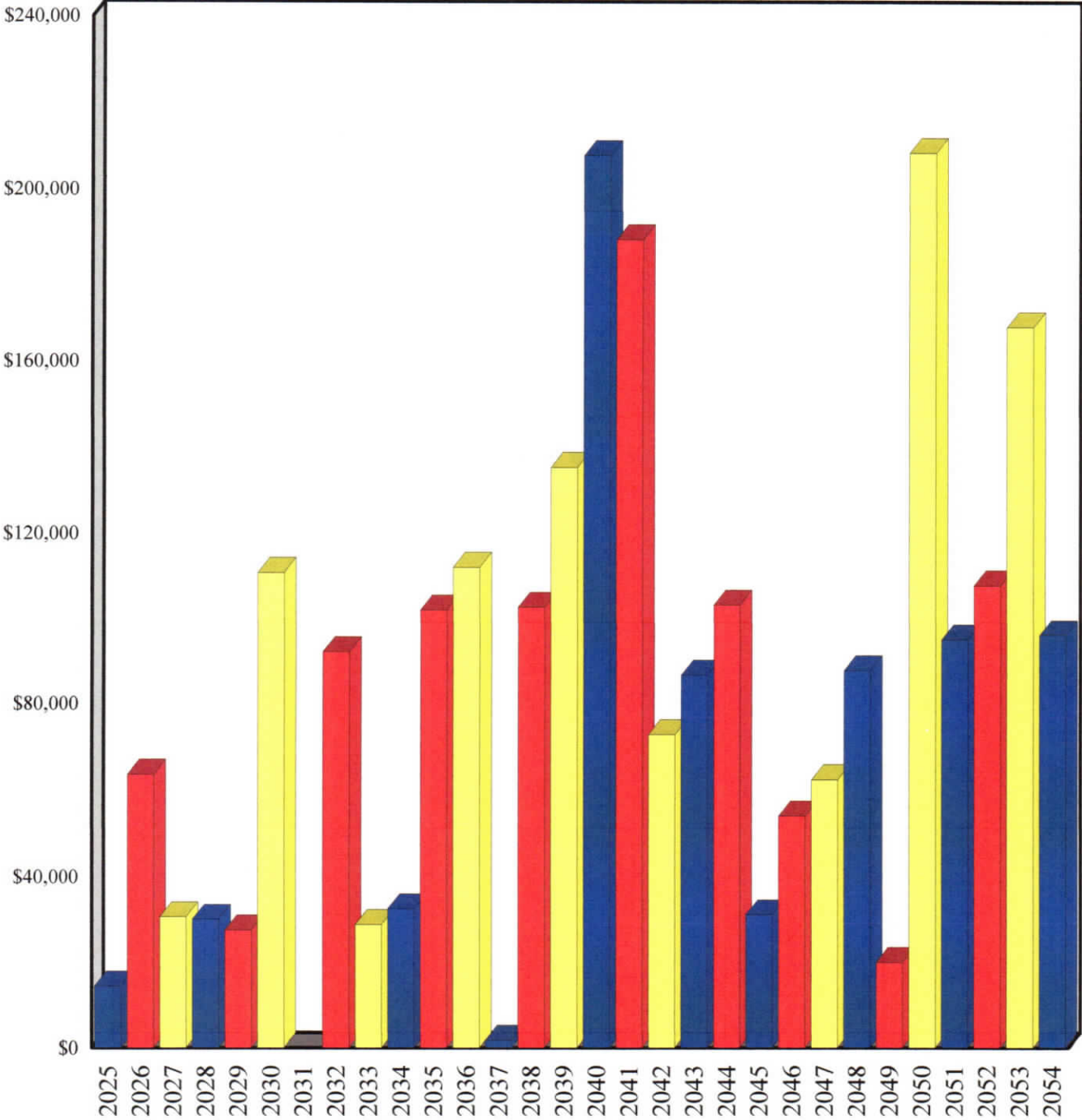
July 17, 2024

Village at Cordata, Northside

Year	Amount	Item Description
	11,547	HVAC - Furnace, Forced-Air, Gas - Replacement
	3,150	Water Heater - Replacement
	<u>95,098</u>	
2052	65,741	Exterior Painting - Buildings
	3,120	Major Landscape Restoration
	38,983	Wood Siding & Trim Repair
	<u>107,844</u>	
2053	5,053	Club House - Refrigerator
	42,132	Concrete - Curb Repair
	36,884	Landscape Walking Paths
	70,305	Window Repair / Replacment Allowance
	13,494	Garage Door & Operators Replacement Allowance
	<u>167,867</u>	
2054	71,105	Exterior Painting - Buildings
	24,996	Gutters and Downspouts- Phase III
	<u>96,101</u>	

Total: **2,473,360**

Expenditures



 Expenditures

IDEAL vs. CASH FLOW BALANCES

STARTING BALANCE FUNDS DISTRIBUTION

The basis to any reserve funding plan first starts with computing the ideal balance. The ideal balance is a benchmark against which the cash flow calculations can be compared. The formula for the ideal balance is:

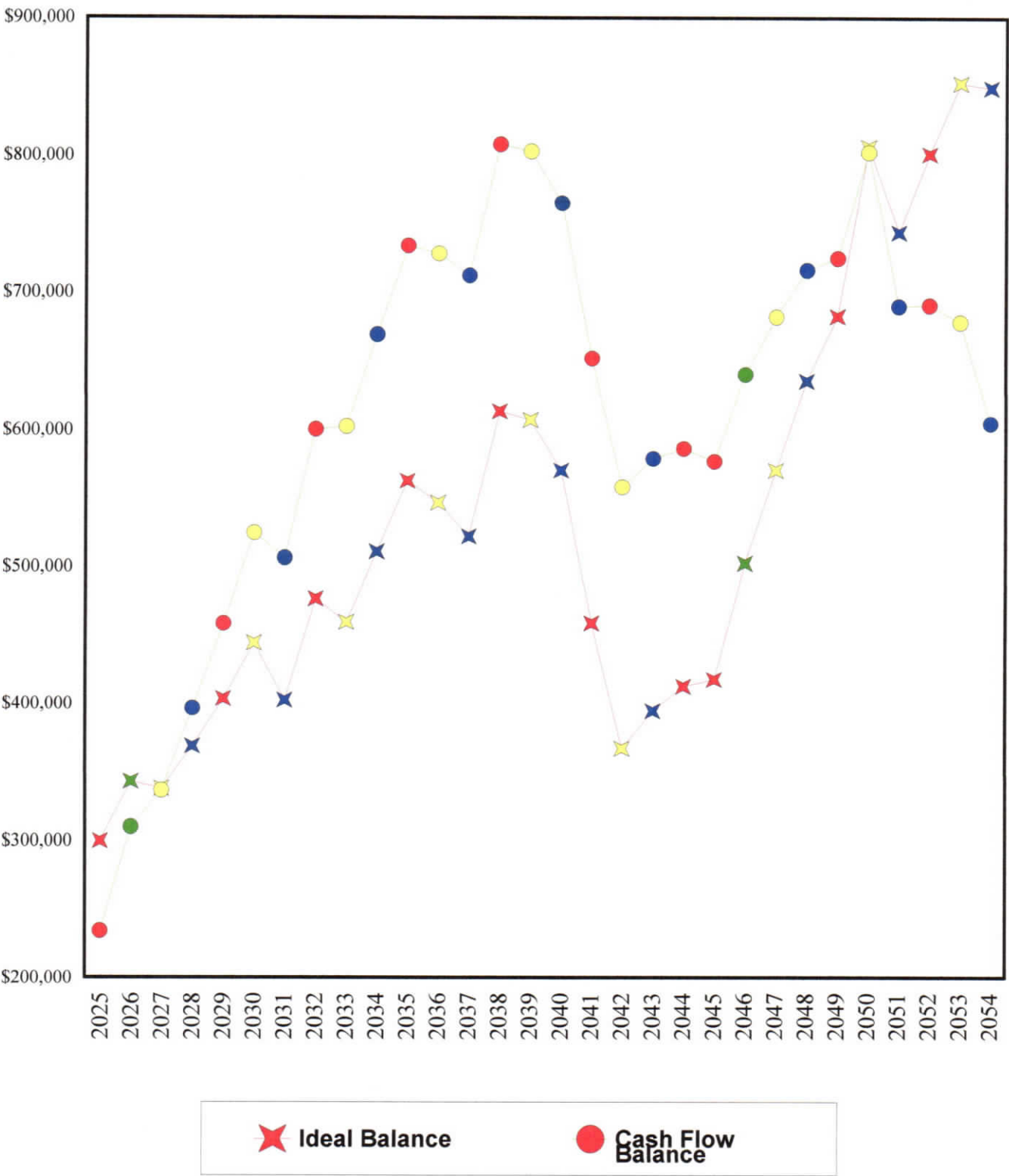
$$\text{Ideal Balance} = (\text{Current Age} / \text{Useful Life}) \times \text{Current Cost}$$

Inflation and interest are also incorporated into this formula.

The Ideal vs. Cash Flow Balances Graph on the next page shows the cash flow balance in relationship to the "Ideal" balance. The spread between the annual cash flow and the "Ideal" is consistent.

This information is also presented in spread sheet form on the Funding Plan Summary page.

Ideal vs. Cash Flow Balances



Starting Balance Funds Distribution (Cash Flow)

Sorted by Group

July 17, 2024

Village at Cordata, Northside

Item Description	Useful Life	Life Left	Year Replace	Total Item Cost	Ideal Balance	Actual Balance	2025 Contribution
<u>0 - (none)</u>							
Garage Doors - Repair / Replace	30	24	2048	5,250	1,225	0	405
SubTotal	1 items			5,250	1,225	0	405
<u>10 - Streets</u>							
Asphalt - Pavement Repairs / Crack Seal	8	8	2032	1,350	169	169	300
Asphalt - Seal Coating	8	3	2027	26,000	19,500	19,500	5,773
Concrete - Curb Repair	15	14	2038	14,050	1,873	1,873	1,664
SubTotal	3 items			41,400	21,542	21,542	7,736
<u>20 - Roofs</u>							
Roofing - Phase I	30	15	2039	76,920	41,024	41,024	4,554
Metal Chimney Caps	40	6	2030	13,115	11,476	11,476	582
Roofing - Phase II	31	16	2040	77,045	39,765	20,199	6,732
Roofing - Phase III	32	17	2041	77,045	38,523	0	8,553
SubTotal	4 items			244,125	130,787	72,699	20,422
<u>30 - Painting</u>							
Exterior Painting - Buildings	2	2	2026	22,800	11,400	11,400	20,249
Club House - Interior Repaint	12	11	2035	1,860	310	310	275
SubTotal	2 items			24,660	11,710	11,710	20,525
<u>50 - Lights</u>							
Exterior Building Lighting	25	12	2036	50,000	28,000	28,000	3,553
SubTotal	1 items			50,000	28,000	28,000	3,553
<u>70 - Buildings - Interior</u>							
Club House - Electric Range	40	6	2030	1,450	1,269	1,269	64
Club House - Microwave Oven	20	14	2038	300	105	105	27
Club House - Refrigerator	25	4	2028	1,685	1,483	1,483	120
Club House - Bathroom Fixtures	40	6	2030	1,875	1,641	1,641	83
Club House - Carpet Replacement	16	8	2032	5,100	2,869	2,869	566
Club House - Tile Floor Repair Allowance	18	4	2028	1,000	833	833	99
Club House - Furniture Repair/Replace Allowance	15	27	2051	3,000	400	0	205
Crawl Space Inspection & Repair Allowance	5	1	2025	14,185	14,185	14,185	5,039
SubTotal	8 items			28,595	22,784	22,384	6,203

Starting Balance Funds Distribution (Cash Flow)

Sorted by Group

July 17, 2024

Village at Cordata, Northside

Item Description	Useful Life	Life Left	Year Replace	Total Item Cost	Ideal Balance	Actual Balance	2025 Contribution
<u>75 - Buildings - Exterior</u>							
Gutters and Downspouts- Phase I	30	25	2049	7,715	1,543	0	571
Wood Siding & Trim Repair	10	8	2032	13,520	4,056	4,056	2,402
Window Repair / Replacment Allowance	3	2	2026	23,445	15,630	15,630	13,882
Gutters and Downspouts- Phase II	30	26	2050	17,740	2,957	0	1,260
Gutters and Downspouts- Phase III	32	30	2054	8,015	751	0	491
Gutters and Downspouts- Phase IV	35	2	2026	15,000	14,583	14,583	740
Gutters and Downspouts- Phase V	34	34	2058	5,000	147	0	269
Garage Door & Operators Replacement Allowance	10	9	2033	4,500	900	900	799
SubTotal	8 items			94,935	40,567	35,169	20,414
<u>80 - Equipment</u>							
HVAC - Furnace, Forced-Air, Gas - Replacement	18	9	2033	4,165	2,314	2,314	411
Water Heater - Replacement	12	3	2027	1,136	947	947	168
HVAC - Clubhouse A/C Unit	20	11	2035	3,500	1,750	1,750	311
SubTotal	3 items			8,801	5,011	5,011	890
<u>87 - Plumbing</u>							
Plumbing - Water Main Repair / Replace Allowance	40	6	2030	37,650	32,944	32,944	1,672
SubTotal	1 items			37,650	32,944	32,944	1,672
<u>100 - Grounds</u>							
Irrigation System - Restoration Allowance	12	8	2032	2,790	1,163	1,163	413
Entrance Sign - Restore	10	4	2028	1,115	781	781	198
Landscape Walking Paths	10	9	2033	12,300	2,460	2,460	2,185
Major Landscape Restoration	5	3	2027	1,082	649	649	384
SubTotal	4 items			17,287	5,052	5,052	3,180
Total	35 items			552,703	299,623	234,511	85,000

2.00% Investment Rate

15.00% Tax Rate

4.00% Inflation Rate

Ideally Funded - 78%

COMPONENT INVENTORY WORKSHEETS

DISCLOSURES

RESERVE STUDY TERMS

Worksheet

July 17, 2024

Sorted by Group

Village at Cordata, Northside

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Adj	Year Life	One Replace Left	Time?
0 - (none)												
Garage Doors - Repair / Replace	0	0	1 Total	5,250.000	100	5,250	2018	30	0	2048	24	no
Comments: Allowance for garage door repair / replacement												

Sub-Total

1 items

10 - Streets

Asphalt - Pavement Repairs / Crack Seal	10	0	1 Total	1,350.000	100	8	0	2032	8	no
Comments: ** Useful Life Range 8, 10, 12										
Approximately 11,190 sq yd of asphalt paved lane and parking										
Estimate 5% to 8% replacement over the useful life range & schedule with seal coating										
Includes: Grind out areas of severely damaged asphalt, compact and install new asphalt to grade; correct low drainage areas, clean and fill exposed cracks / seams										

Asphalt - Seal Coating

Comments: ** Useful Life Range 4, 6, 8

	10	0	1 Total	26,000.000	100	8	0	2027	3	no
Approximately 100,712 sq ft of asphalt paved lane & parking										
Clean and application of Armor-Seal A-100 asphalt protective coating over entire asphalt surface area										
Schedule with asphalt pavement repair and pavement marking										
Last seal coating was completed in 2002.										

Concrete - Curb Repair

Comments: CONCRETE CURB REPAIR

	10	0	1 Total	14,050.000	100	15	0	2038	14	no
** Useful Life range 25, 30, 35, 50+										

Worksheet

July 17, 2024

Sorted by Group
Village at Cordata, Northside

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life Adj	Year Replace	One Left Time?
Removal and replace deteriorated/damaged concrete curbing. Schedule with asphalt seal coat.											
6334 linear feet of curb											
Assume 10% replacement											
Sub-Total 3 items											
20 - Roofs											
Roofing - Phase I	20	0	1	Total	76,920.000	100	76,920	2009	30	0	2039 15 no
Comments: ROOFING - ASPHALT COMPOSITION SHINGLE											
** Useful Life Range 25, 30, 40											
Phase I Roofing											
Metal Chimney Caps											
Comments: METAL CHIMNEY CAP - REPLACEMENT											
Roofing - Phase II	20	0	1	(none)	77,045.000	100	77,045	2009	31	0	2040 16 no
Comments: ROOFING - ASPHALT COMPOSITION SHINGLE											
** Useful Life Range 25, 30, 40											
Thirty nine homes have been re-roofed with 30 year asphalt composition shingle. The remaining 22 homes in 2009.											
Composition shingle, 240#, asphalt or fiberglass.											
Roofing - Phase III	20	0	1	(none)	77,045.000	100	77,045	2009	32	0	2041 17 no

Worksheet

July 17, 2024

Sorted by Group
Village at Cordata, Northside

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Year Useful Life	Year Life	One
Comments: ROOFING - ASPHALT COMPOSITION SHINGLE								
** Useful Life Range 25, 30, 40								
Phase III roofing.								

Sub-Total 4 items

30 - Painting

Exterior Painting - Buildings

Comments: EXTERIOR PAINTING								
30	0	1	Total	22,800.000	100	22,800	2024	2026
** Useful Life Range 8, 10								
Allowance to repaint six buildings annually.								

Repaint residential unit and clubhouse exteriors. Includes surface preparation, pressure washing, application of two coats of premium grade exterior latex paint. Currently painted with Sherwin Williams.

Club House - Interior Repaint

Comments: CLUB HOUSE - INTERIOR REPAINT								
30	0	1	Total	1,860.000	100	1,860	2023	2035
** Useful Life Range 5, 6, 8,								
Scedule with carpet replacement. Includes two coats of premium grade interior latex paint.								

Sub-Total 2 items

50 - Lights

Exterior Building Lighting

50	0	1	Total	50,000.000	100	50,000	2011	2036
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Worksheet

July 17, 2024

Sorted by Group
Village at Cordata, Northside

Item Description	Sub-Group	Number Of Items	Item Type	Total Item Cost	Year Built	Useful Life Adj	Year Replace	One Life Left Time?
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Comments: EXTERIOR BUILDING LIGHTING - REPLACEMENT

Allowance for repair/replacement and upgrades to exterior building lighting.

Sub-Total 1 items

70 - Buildings - Interior

Club House - Electric Range

Comments: ELECTRIC RANGE - REPLACE

* Useful Life Range 13, 15, 17, 19

Located in club house, useful life adjusted for light use.

Club House - Microwave Oven

Comments: MICROWAVE OVEN - REPLACEMENT

** Useful Life Range 9, 11, 13, 15

Located in clubhouse. Useful life adjusted for moderate use.

under cabinet microwave 804.02

Club House - Refrigerator

Comments: REFRIGERATOR - REPLACEMENT

** Useful Life Range 13, 15, 17, 19

Located in club house. Over/Under, 13-16 cf.

Club House - Bathroom Fixtures

Worksheet

July 17, 2024

Sorted by Group
Village at Cordata, Northside

<u>Item Description</u>	<u>Sub-Group</u>	<u>Number Of Items</u>	<u>Item Type</u>	<u>Item Cost</u>	<u>%</u>	<u>Total Year Useful Life</u>	<u>Year Life</u>	<u>One</u>
Comments: CLUB HOUSE - BATHROOM FIXTURES						<u>Life</u>	<u>Adj</u>	<u>Replace Left Time?</u>
** Useful Life Range	20, 25, 30							
Bathroom fixtures including toilet, sink, and faucet								
Club House - Carpet Replacement	70	0	75 Square Yard	68,000	100	5,100	2016	16 0 2032 8 no
Comments: CLUB HOUSE _ CARPET REPLACEMENT								
** Useful Life Range	9, 12, 14							
Approximately 75 sq yds. Includes 12% waste.								
Club House - Tile Floor Repair Allowance	70	0	1 Repair Allowance	1,000,000	100	1,000	2010	18 0 2028 4 no
Comments: CLUB HOUSE - TILE FLOOR REPAIR ALLOWANCE								
** Useful Life Range	20, 30, 40+		Can last a lifetime, but tile pieces may become loose or cracked and need replacing.					
Allowance is for repair/replacement of damaged tile and regrouting as needed.								
Club House - Furniture Repair/Replace Allowance	70	0	1 Allowance	3,000,000	100	3,000	2021	15 15 2051 27 no
Comments: CLUB HOUSE FURNITURE REPAIR / REPLACE ALLOWANCE								
** Useful Life Range	6, 8, 9, 12							
Allowance for repairs and replacement of clubhouse furniture. Tables, chairs,								
Crawl Space Inspection & Repair Allowance	70	0	1 Allowance	14,185,000	100	14,185	2020	5 0 2025 1 no
Comments: Allowance for ongoing inspection and repair of crawl spaces including cleaeing of debris and new vapor barrier.								

Worksheet

July 17, 2024

Sorted by Group
Village at Cordata, Northside

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Year Useful Life	Year Life	One
						Life Adj	Replace Left	Time?

Sub-Total 8 items

75 - Buildings - Exterior

Gutters and Downspouts- Phase I

Comments: GUTTERS & DOWNSPOUTS

** Useful Life Range 20, 25, 30, 35

Gutters, includes 3% waste.
replace, aluminum \$5.87

Downspouts, includes 3% waste.
replace, aluminum \$6.62

Wood Siding & Trim Repair

Comments: WOOD SIDING & TRIM REPAIRS

Schedule in advance of exterior painting

Window Repair / Replacement Allowance

Comments: Window replacement - 18 windows

WINDOW REPAIR / REPLACEMENT

\$39,000 was spent on window repair / replacement in 2010

45 windows were replaced in 2012.

14 windows were replaced in 2018 for \$11,561

2024 window estimate \$23,443.72, includes window caulking.

Gutters and Downspouts- Phase II

Worksheet

July 17, 2024

Sorted by Group
Village at Cordata, Northside

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Year Useful Life	Year Life	One
							Life Adj	Replace	Left Time?
Comments: GUTTERS & DOWNSPOUTS									
** Useful Life Range	20, 25, 30, 35								
Gutters, includes 3% waste. replace, aluminum		\$5.87							
Downspouts, includes 3% waste. replace, aluminum		\$6.62							
Gutters and Downspouts- Phase III									
	75	0	1	Total	8,015.000	100	32	0	2054 30 no
Comments: GUTTERS & DOWNSPOUTS									
** Useful Life Range	20, 25, 30, 35								
Gutters, includes 3% waste. replace, aluminum		\$5.87							
Downspouts, includes 3% waste. replace, aluminum		\$6.62							
Gutters and Downspouts- Phase IV									
	75	0	1	Total	15,000.000	100	35	1	2026 2 no
Comments: GUTTERS & DOWNSPOUTS									
** Useful Life Range	20, 25, 30, 35								
Gutters, includes 3% waste. replace, aluminum		\$5.87							
Downspouts, includes 3% waste. replace, aluminum		\$6.62							
Gutters and Downspouts- Phase V									
	75	0	1	Total	5,000.000	100	34	0	2058 34 no
Comments: GUTTERS & DOWNSPOUTS									
** Useful Life Range	20, 25, 30, 35								

Worksheet

July 17, 2024

Sorted by Group
Village at Cordata, Northside

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Year Replace	One Life Left	Time?
Gutters, includes 3% waste. replace, aluminum		\$5.87										
Downspouts, includes 3% waste. replace, aluminum		\$6.62										
Garage Door & Operators Replacement Allowance	75	0	1	Allowance	4,500.000	100	4,500	2023	10	0	2033	9 no
Comments:												
Sub-Total	8 items											
80 - Equipment												
HVAC - Furnace, Forced-Air, Gas - Replacement	80	0	1	Each	4,165.000	100	4,165	2015	18	0	2033	9 no
Comments: HVAC - GAS FURNACE REPLACEMENT												
** Useful Life Range 15, 18												
Lennox, forced air, upflow gas furnaces with electronic ignition.												
Located in the clubhouse.												
Water Heater - Replacement	80	0	1	Each	1,136.000	100	1,136	2015	12	0	2027	3 no
Comments: WATER HEATER - REPLACEMENT												
** Useful Life Range 10, 12, 14												
Bradford/White, 35 gallon, gas hot water heater, located in the clubhouse.												
replace, 30 gallon		\$535.44										
replace, 40 gallon		\$651.34										
replace, 50 gallon		\$709.64										

Worksheet

July 17, 2024

Sorted by Group
Village at Cordata, Northside

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Year Built	Useful Life	Life Adj	Year Replace	One Life Time?	
HVAC - Clubhouse A/C Unit	80	0	1	Total	3,500.000	100	3,500	2015	20	0	2035	11 no

Comments: Air conditioning unit was installed at clubhouse in 2015.

Comments: Air conditioning unit was installed at clubhouse in 2015.

Sub-Total 3 items

87 - Plumbing

Plumbing - Water Main Repair / Replace Allowance	87	0	1	Allowance	37,650.000	100	37,650	1990	40	0	2030	6	no
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Comments: Allowance for future repair / replacement of building water mains.

Sub-Total 1 items

100 - Grounds

Irrigation System - Restoration Allowance	100	0	1	Allowance	2,790.000	100	2,790	2020	12	0	2032	8	no
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Comments: IRRIGATION SYSTEM - RESTORATION ALLOWANCE

** Useful Life Range 10, 12, 14, 16

Allowance for repair, replacement, and upgrades to landscape irrigation system including new timer, controllers, piping, and sprinkler heads, on a two year cycle.

Entrance Sign - Restore	100	0	1	Total	1,115.000	100	1,115	2018	10	0	2028	4	no
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Comments: REFURBISH ENTRANCE SIGN

Landscape Walking Paths	100	0	1	Total	12,300.000	100	12,300	2023	10	0	2033	9	no
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Comments: WALKWAY PATH RESTORATION

Restoration of approximately 1,925 lf of walking path. Includes 2" layer of new gravel (approximately 37 cubic yards) and repairs to wood edging.

Worksheet

July 17, 2024

Sorted by Group

Village at Cordata, Northside

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Year Life	One Replace Left	Time?
Major Landscape Restoration	100	0	1 Total	1,082,000	100	1,082	2022	5	0	2027	3 no

Comments: MAJOR LANDSCAPE

Allowance for clearing and replacement of overgrown plants, shrubs and trees. Removal of trees causing root damage at asphalt driveways and road areas, on a three year cycle.

Sub-Total 4 items

Total 35 items

Disclosures

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. RCW 64.90.550(3).

Every reasonable effort has been made to that the data obtained in this report is based on accurate information. The nature of this study requires assumptions be made about future events which may or may not occur as predicted. The study must be viewed in light of circumstances existing at the actual time of the study. In addition, the cost of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. This Reserve Study Funding Plan is a **budgeting tool to be used for general planning purposes only**. As the component nears the end of its useful life, estimates from qualified contractors should be obtained.

In conclusion, this study should be regarded as a guideline for developing sound business decisions to ensure adequate funds will be accumulated in anticipation of major repair and/or replacement projects. It is recommended that you review your reserve plan on an annual basis and make adjustments as necessary.

Conflict of Interest

No relationship exists between David Bach & Associates, LLC and the client which could result in a conflict of interest.

David Bach & Associates, LLC has earned the Community Association Institute's **Reserve Specialist Designation**, the only national credential for community association reserve study providers. The **RS** designation is awarded to experienced, qualified professionals who help condominium, co-operative, and homeowner associations plan for long-term repair and replacement of major components. The Reserve Specialist Designation Review Board recognizes David Bach's professionalism and dedication to the highest standard of reserve study preparation. **RS** designees must adhere to CAI's Professional Reserve Specialist Code of Ethics. David Bach is also an Honored Member in good standing with the Association of Professional Reserve Analysts.

ACCUMULATED RESERVE BALANCE	The anticipated Reserve Balance on the first day of the fiscal year for which the report has been prepared.
ALLOCATION (Net Monthly)	The sum of the monthly contribution and interest contribution figures.
ANNUAL CONTRIBUTION INCREASE	The percentage rate at which the association will increase its contribution to Reserves at the end of each year until the year in which the item is replaced.
BASELINE FUNDING PLAN	Establishing a Reserve Funding goal of maintaining a Reserve Account Balance above zero dollars throughout the thirty-year study period.
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.
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. Components typically are: (1) Association responsibility, (2) with limited Useful Life expectancies, (3) predictable Remaining Useful Life expectancies, (4) above a minimum threshold cost, and (5) as required by local codes.
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, a review of established association precedents, and discussion with appropriate association representative(s) of the association or cooperative.
COMPONENT METHOD	A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on observed or reported characteristics.

CONTRIBUTION RATE	The amount contributed to the Reserve Account so that the association will have cash Reserves to pay major maintenance, repair, or replacement costs without the need of a special assessment.
CURRENT RESERVE FUNDS	The amount currently held in Reserve for repair and replacement of components, with funds being allocated to projects with the shortest remaining useful life first.
DEFICIT	An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a surplus.
EFFECTIVE AGE	The difference between the estimated useful life and remaining useful life.
EXPECTED LIFE	The estimated time, in years, that a Reserve item can be expected to perform its intended function.
EXPENDITURES	Disbursement of Reserve Funds for repair or replacement of Reserve Study identified components.
FINANCIAL ANALYSIS	The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.
FISCAL YEAR ENDING (FYE)	The budgetary year for which the report is prepared. For association with fiscal years ending December 31 st , the monthly contribution figures indicated are for the twelve-month period beginning 01/01/XX and ending 12/31/XX.
FULL FUNDING PLAN	Setting a Reserve Funding goal of achieving 100% fully funded reserves by the end of the thirty-year study period described under RCW 64.90.550, in which the reserve account balance equals the sum of the estimated costs required to maintain, repair, or replace the deteriorated portion of all reserve components.
FULLY FUNDED	100% funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE	The current value of the deteriorated portion, not the total replacement value, of all the reserve components. The Fully Funded Balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all reserve components' Fully Funded Balance is the association's Fully Funded Balance.
FUND STATUS	The status of the Reserve Fund as compared to an established benchmark such as Percent Funding.
FUNDING PLAN	An association's plan to provide income to a Reserve Fund to offset anticipated expenditures from that fund.
IDEAL BALANCE	<p>The basis to any Reserve Funding Plan first starts with computing the Ideal Balance. The Ideal Balance is the benchmark against which the standard cash flow calculations can be compared. The formula for the Ideal Balance is:</p> <p><i>Ideal Balance = (Current Age/Useful Life) x Current Cost</i></p> <p>Inflation and interest are also calculated into the basic formula.</p>
INFLATION	Cost factors are adjusted for inflation at the rate defined in the Funding Plan Summary, compounded annually.
LIFE & VALUATION ESTIMATES	The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.
MONTHLY CONTRIBUTION	The assessment for Reserves required by the association each month.
PERCENT FUNDED	The ratio, as a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
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	The estimated time, in years, before a Reserve component will require major maintenance, repair, or replacement to perform its intended function.
REPLACEMENT COST	The estimated total cost to maintain, repair, or replace a Reserve component to its original functional condition.
RESERVE BALANCE	Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves.
RESERVE COMPONENT	A physical component of the common interest community which the association is obligated to maintain, repair, or replace, which has an estimated useful life of less than thirty years, and for which the cost of such maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget.
RESERVE STUDY PROFESSIONAL	An independent person suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with RCW 64.90.545 and 64.90.550.
RESERVE STUDY	A budget planning tool which identifies the current status of the Reserve Fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.
SIGNIFICANT ASSETS	The current total cost of major maintenance, repair, and replacement of the reserve components is 50% or more of the gross budget of the association, excluding reserve account funds.
SPECIAL ASSESSMENT	An assessment levied on the members of an association in addition to regular assessments.
STARTING BALANCE FUNDS DISTRIBUTION	A listing of how the starting balance is distributed to each reserve item. The first year's contribution for each item is listed.
STRAIGHT LINE CALCULATIONS & FUNDING MODEL	The most conservative method for Reserve Funding. It assures that the association will achieve and maintain an ideal level of reserves for the analysis period.

SURPLUS	An actual (or projected) Reserve Balance greater than the Fully Funded Balance.
TAXES LIABILITY	The estimated percentage of interest income which will be set-aside for taxes.
USEFUL LIFE	The estimated time, between years, that major maintenance, repair, or replacement is estimated to occur.