



5116 Heather Drive
Anacortes, WA 98221
360.588.9956

Funding Reserve Analysis *for* Bakerview Townhome COA Level 2 Study 2020

February 17, 2020

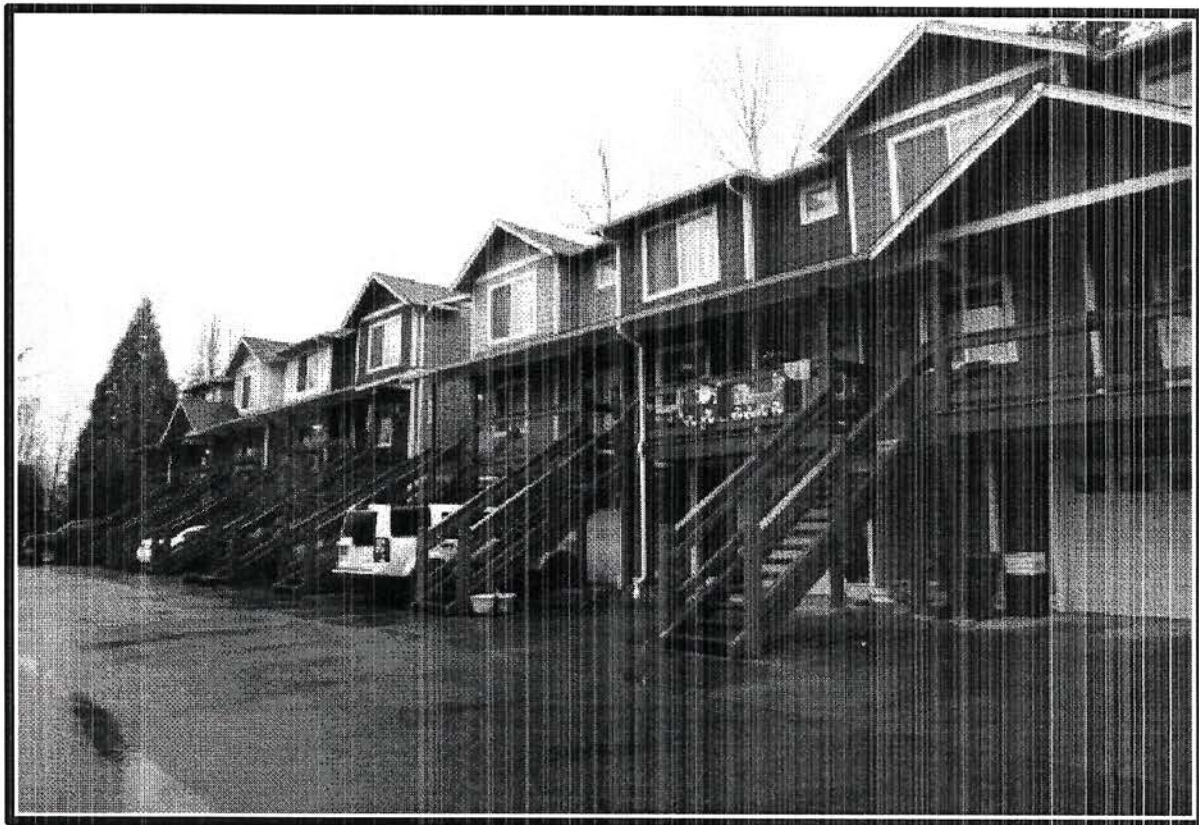


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5116 Heather Drive
Anacortes, WA 9822
360.588.9956

February 17, 2020

Ms. Judy Hamner
Elite Association Management
2200 Rimland Dr, Ste 115
Bellingham WA 98226

Dear Ms. Judy Hamner,

First we would like to thank you for using our services. Our approach is to provide the members, the board and management with understandable information to make informed decisions needed to best manage your reserve fund and annual contributions. We strive to understand the association's needs and design a funding strategy for meeting those needs based on a realistic approach to finances available and real world workings of most associations. We live and work in the local area and work hard to keep up to date with costs in your association's neighborhood.

Included you will find three funding models, all of which detail how your association finances will look during the 30 year forecast window. The first model is based on your Current Level of Contributions to your reserve fund. The second model is called Baseline Funded and is designed to show the reserve funding with little or no margin for unexpected expenses. The third model is named Fully Funded and we are required to provide it per the State of Washington RCW 64.34.380."

Executive Summary

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

This year's report is a Level 2 Reserve Study which includes a field evaluation of the association's physical assets, a review of current financial, other information provided by the client and prior reserve reports.

In the years since the last Level 2 study management reported rot repair was completed, stain was applied to all wood elements and the exteriors were painted on all buildings. The asphalt road and parking areas were inspected and cracks were filled and the 10 year fire system sprinkler head test was completed. Please refer to the detailed report pages in the following sections of the report.

(Report Note - material and labor costs appear to be continuing to increase in all construction categories. Many associations have reported dramatic cost differences in recent contractor bids on the same projects. We highly recommend associations request contractor bids on upcoming projects early in the process. Until such time as cost increases moderate an inflation factor of 3% will be used in all funding models.

What is our Recommended Funding Goal? Maintaining the Reserve Fund at a level equal to the value of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up", the Reserve Fund grows proportionally. This is simple, responsible, and our recommendation. Evidence shows that associations in the 70-130% range enjoy a low risk of special assessments or deferred maintenance.

Reserve Fund Status and Funding Plan Recommendation - Based on our findings, the current level of funding of the reserve account is not adequate to fund projected expenses for the long term. We recommend the association gradually adopt a reserve funding plan based on the Fully Funding Model in order to ensure that adequate funding is available throughout the 30

year study period.

Current Assessment Projection - The initial reserve assessment is set at the association's reported current fiscal year funding level and projected out 30 years to illustrate the adequacy of the current funding over time.

Current Total Reported Annual Reserve Contribution - \$15,000

Baseline Funded Model - The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. A facility using this funding method must understand that even a minor reduction in a component's remaining useful life **or unplanned expenses** can result in a deficit in the reserve cash balance **and may require additional funding.**

Recommended Total Annual Reserve Contribution - \$17,433

Fully Funded Model - This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments. This is the most conservative funding model. It leads to or maintains a fully funded reserve position. (Please note that the Fully Funded Model incorporates minimum funding parameters and seeks to reach this minimum reserve level and may show high initial contributions).

Recommended Total Annual Reserve Contribution - \$17,961

Depth of Study

We have completed a full service Level 2 Reserve Study for your association. A field inspection was made to verify the current status of the various reserve study components, their physical condition, and to verify component quantities. In place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

Initial Reserves

Initial reserves for this reserve study were reported to be \$50,548 as of January 31, 2020. We have relied upon the client to provide the current (or projected) reserve balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the reserve fund.

Keeping Your Reserve Study Current

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the facilities site and computations made subsequently in preparing this reserve analysis study are retained in our computer files.

Conflict of Interest

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

Date of Physical Inspection

The property was physically inspected by Pacific Crest Reserves on December 15, 2016.

Pacific Crest Reserves would like to thank the members and management for the opportunity to be of service in the preparation of the attached funding study. Again, please feel free to contact us if you have any questions.

Prepared by:

Charlie Barefield

Charlie Barefield
Reserve Analyst Principal

Introduction

Project Description

Bakerview Townhomes are located in north Bellingham just off I-5. The property consists of six wood framed, three story buildings arranged around a private T shaped roadway. Each building contains four units, designed with a large single car garage on the ground level and two living levels above. Of the twenty four units, one unit has a ground entry level.

Percent Funded

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

Washington State Homeowners and Condominium Act Compliance (RCW 64.38 and RCW 64.34)

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component. A reserve component list, including roofing, painting, paving, decks, siding, plumbing, windows, and any other reserve component that would cost more than one percent of the annual budget for major maintenance, repair, or replacement. If one of these reserve components is not included in the reserve study, the study should provide commentary explaining the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, remaining useful life of each reserve component, and current repair and replacement cost for each component; In this Reserve Study the following components are excluded:

Windows - the remaining useful life of the windows exceeds the 30 year scope of the study
Plumbing - the remaining useful life of the plumbing exceeds the 30 year scope of the study.
Siding - the siding material's remaining useful life exceeds the 30 year scope of the study

Reserve Study Assumptions

The below listed assumptions are implicit in this reserve study:

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

Inflation Estimate

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

Impact of Component Life

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

Study Method

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

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

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Items Beyond the Scope of this Report

Building or land appraisals for any purpose.

State or local zoning ordinance violations.

Building code violations.

Soils conditions, soils contamination or geological stability of site.

Engineering analysis or structural stability of site.

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

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

Adequacy or efficiency of any system or component on site.

Specifically excluded reserve items:

Septic systems and septic tanks.

Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items.

Items concealed by signs.

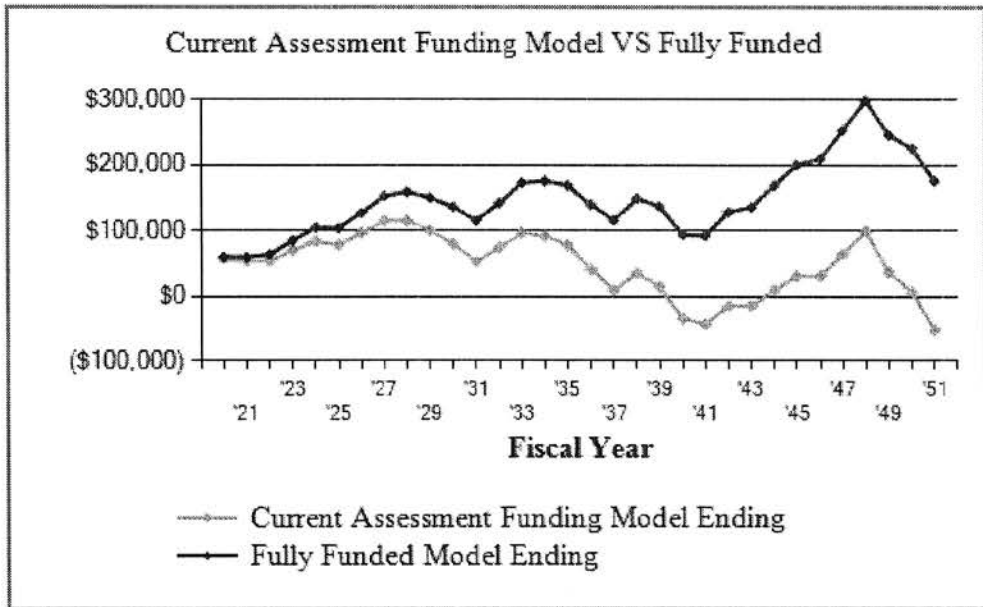
Missing or omitted information supplied by the Client for the purposes of reserve study preparation.

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

Bakerview Townhome COA Level 2 Study 2020
Bellingham, WA
Current Assessment Projection Summary

Report Date	February 17, 2020
Budget Year Beginning	January 1, 2020
Budget Year Ending	December 31, 2020
Total Units	24

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2020 Beginning Balance	\$50,548



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Current Assessment Funding Model Summary of Calculations	
Required Annual Contribution	\$15,000.00
<i>\$625.00 per unit annually</i>	
Average Net Annual Interest Earned	\$100.71
Total Annual Allocation to Reserves	\$15,100.71
<i>\$629.20 per unit annually</i>	

**Bakerview Townhome COA Level 2 Study 2020
Current Assessment Projection**

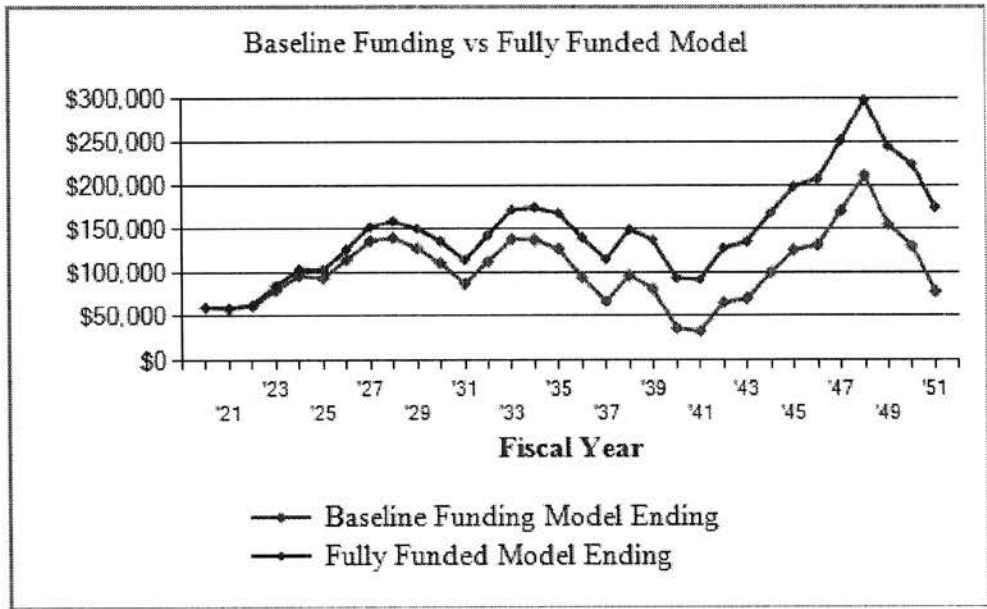
Beginning Balance: \$50,548

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	15,000	101	8,000	57,649	79,784	72%
2021	15,450	94	19,518	53,674	77,403	69%
2022	15,913	94	15,913	53,768	80,684	67%
2023	16,391	123		70,282	100,975	70%
2024	16,883	147	3,377	83,934	118,933	71%
2025	17,389	137	23,185	78,275	117,579	67%
2026	17,911	168		96,354	140,634	69%
2027	18,448	201		115,003	164,967	70%
2028	19,002	201	19,002	115,204	171,061	67%
2029	19,572	176	34,466	100,486	162,032	62%
2030	20,159	140	40,916	79,868	146,974	54%
2031	20,764	93	47,756	52,968	125,548	42%
2032	21,386	130		74,485	153,369	49%
2033	22,028	169		96,682	182,747	53%
2034	22,689	161	27,227	92,305	185,705	50%
2035	23,370	137	37,672	78,140	178,760	44%
2036	24,071	72	61,187	41,095	148,207	28%
2037	24,793	16	56,494	9,409	122,454	8%
2038	25,536	61		35,007	154,956	23%
2039	26,303	26	46,319	15,017	141,590	11%
2040	27,092		76,760	-34,651	97,359	
2041	27,904		36,276	-43,022	94,418	
2042	28,742			-14,281	129,698	
2043	29,604		29,604	-14,281	136,517	
2044	30,492	18	6,098	10,130	168,754	6%
2045	31,407	54	10,469	31,123	198,490	16%
2046	32,349	54	32,349	31,177	207,644	15%
2047	33,319	113		64,609	251,489	26%
2048	34,319	173		99,101	297,777	33%
2049	35,348	64	97,597	36,917	246,091	15%
2050	36,409	12	66,750	6,588	225,824	3%
2051	37,501		96,128	-52,039	175,923	

Bakerview Townhome COA Level 2 Study 2020
 Bellingham, WA
Baseline Funding Model Summary

Report Date	February 17, 2020
Budget Year Beginning	January 1, 2020
Budget Year Ending	December 31, 2020
Total Units	24

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2020 Beginning Balance	\$50,548



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

Bakerview Townhome COA Level 2 Study 2020
Bellingham, WA
Baseline Funding Model Summary

funding they desire by choosing the threshold dollar amount.

Baseline Funding Model Summary of Calculations

Required Annual Contribution <i>\$726.36 per unit annually</i>	\$17,432.76
Average Net Annual Interest Earned	<u>\$104.97</u>
Total Annual Allocation to Reserves <i>\$730.74 per unit annually</i>	\$17,537.73

**Bakerview Townhome COA Level 2 Study 2020
Baseline Funding Model Projection**

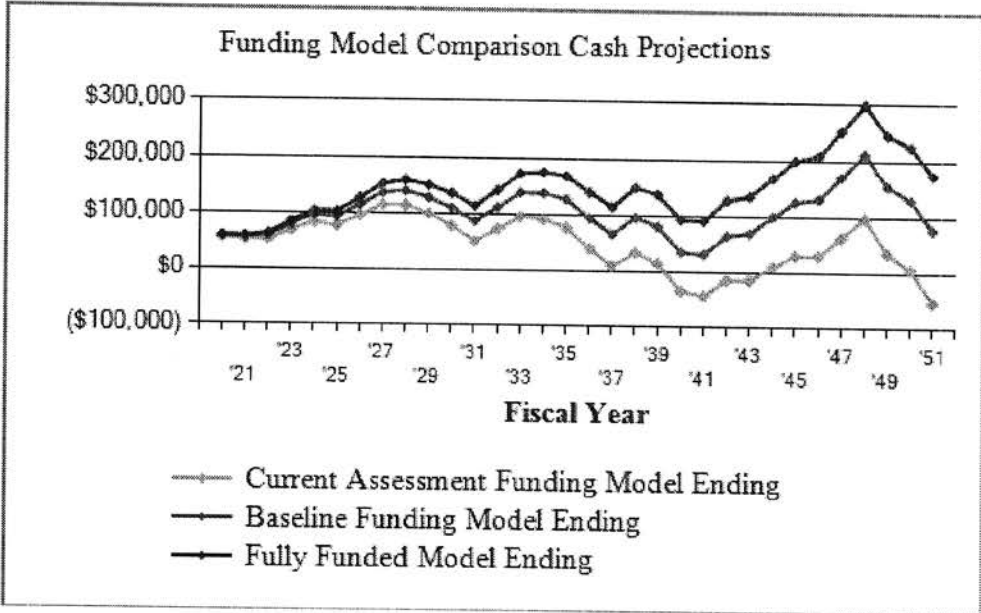
Beginning Balance: \$50,548

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	17,433	105	8,000	60,086	79,784	75%
2021	17,956	102	19,518	58,625	77,403	76%
2022	18,494	107	15,913	61,313	80,684	76%
2023	19,049	141		80,503	100,975	80%
2024	19,621	169	3,377	96,917	118,933	81%
2025	20,209	164	23,185	94,105	117,579	80%
2026	20,816	201		115,122	140,634	82%
2027	21,440	239		136,801	164,967	83%
2028	22,083	245	19,002	140,127	171,061	82%
2029	22,746	225	34,466	128,632	162,032	79%
2030	23,428	195	40,916	111,340	146,974	76%
2031	24,131	154	47,756	87,868	125,548	70%
2032	24,855	197		112,920	153,369	74%
2033	25,601	242		138,763	182,747	76%
2034	26,369	241	27,227	138,147	185,705	74%
2035	27,160	223	37,672	127,858	178,760	72%
2036	27,974	166	61,187	94,811	148,207	64%
2037	28,814	117	56,494	67,247	122,454	55%
2038	29,678	170		97,095	154,956	63%
2039	30,568	142	46,319	81,487	141,590	58%
2040	31,486	63	76,760	36,276	97,359	37%
2041	32,430	57	36,276	32,487	94,418	34%
2042	33,403	115		66,006	129,698	51%
2043	34,405	124	29,604	70,931	136,517	52%
2044	35,437	175	6,098	100,445	168,754	60%
2045	36,500	221	10,469	126,698	198,490	64%
2046	37,595	231	32,349	132,175	207,644	64%
2047	38,723	299		171,197	251,489	68%
2048	39,885	369		211,452	297,777	71%
2049	41,081	271	97,597	155,207	246,091	63%
2050	42,314	229	66,750	131,000	225,824	58%
2051	43,583	137	96,128	78,593	175,923	45%

Bakerview Townhome COA Level 2 Study 2020
 Bellingham, WA
Fully Funded Model Summary

Report Date	February 17, 2020
Budget Year Beginning	January 1, 2020
Budget Year Ending	December 31, 2020
Total Units	24

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.17%
Tax Rate Included in Interest Rate	
2020 Beginning Balance	\$50,548



The **Fully Funded Model's** long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model.

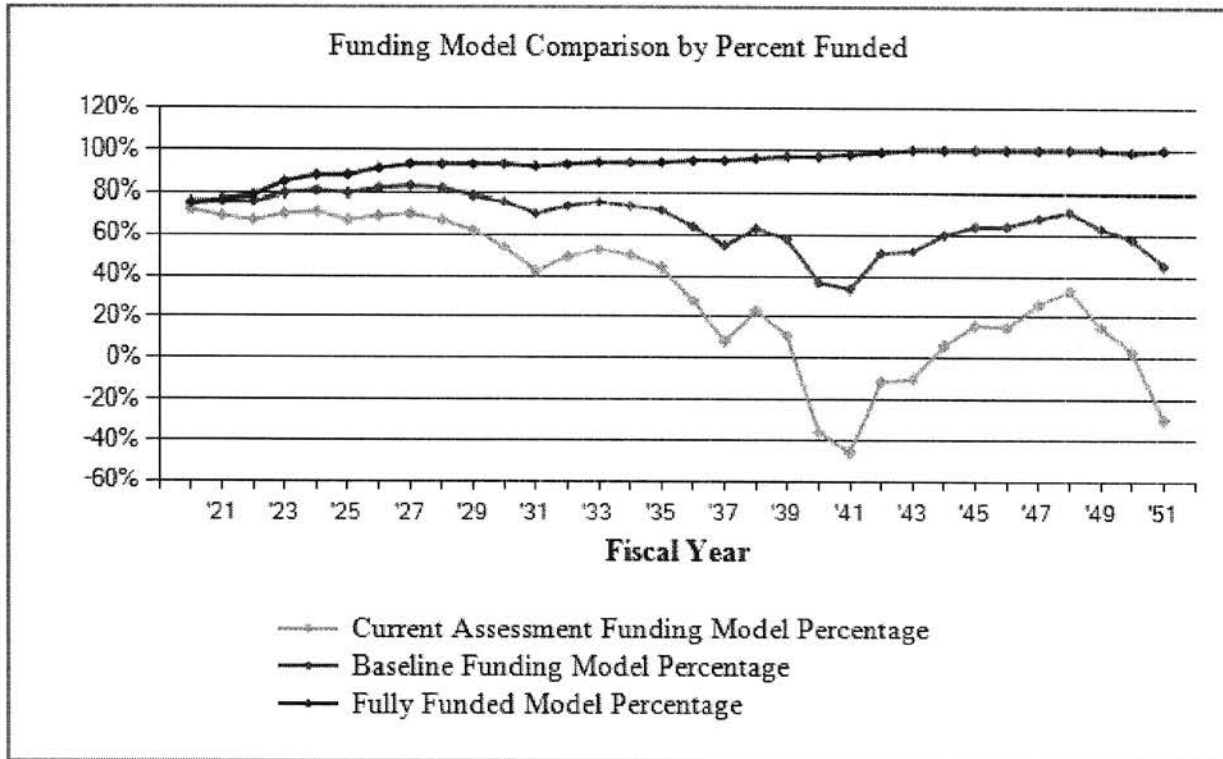
Fully Funded Model Summary of Calculations	
Required Annual Contribution	\$17,961.12
<i>\$748.38 per unit annually</i>	
Average Net Annual Interest Earned	\$105.89
Total Annual Allocation to Reserves	\$18,067.01
<i>\$752.79 per unit annually</i>	

**Bakerview Townhome COA Level 2 Study 2020
Fully Funded Model Projection**

Beginning Balance: \$50,548

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	17,961	106	8,000	60,615	79,784	76%
2021	18,711	105	19,518	59,912	77,403	77%
2022	19,941	112	15,913	64,051	80,684	79%
2023	21,207	149		85,407	100,975	85%
2024	22,429	183	3,377	104,642	118,933	88%
2025	22,099	181	23,185	103,737	117,579	88%
2026	23,533	223		127,492	140,634	91%
2027	25,019	267		152,778	164,967	93%
2028	25,038	278	19,002	159,092	171,061	93%
2029	25,853	263	34,466	150,743	162,032	93%
2030	26,519	239	40,916	136,585	146,974	93%
2031	25,918	201	47,756	114,947	125,548	92%
2032	27,619	249		142,816	153,369	93%
2033	29,440	301		172,557	182,747	94%
2034	29,395	306	27,227	175,032	185,705	94%
2035	31,092	295	37,672	168,747	178,760	94%
2036	32,563	245	61,187	140,368	148,207	95%
2037	31,655	202	56,494	115,731	122,454	95%
2038	33,462	261		149,454	154,956	96%
2039	34,409	241	46,319	137,784	141,590	97%
2040	32,950	164	76,760	94,139	97,359	97%
2041	34,237	161	36,276	92,261	94,418	98%
2042	36,467	225		128,954	129,698	99%
2043	36,421	238	29,604	136,008	136,517	100%
2044	38,665	295	6,098	168,870	168,754	100%
2045	40,529	348	10,469	199,278	198,490	100%
2046	40,409	363	32,349	207,701	207,644	100%
2047	43,269	439		251,410	251,489	100%
2048	46,056	521		297,986	297,777	100%
2049	44,388	428	97,597	245,205	246,091	100%
2050	45,606	392	66,750	224,454	225,824	99%
2051	46,715	306	96,128	175,347	175,923	100%

**Bakerview Townhome COA Level 2 Study 2020
Funding Model Comparison by Percent Funded**



The chart above compares the projected Reserve Percentage Funded of the three funding models (Current Assessment Funding Model, Baseline Funding Model and Fully Funded Model) over 30 years.

**Bakerview Townhome COA Level 2 Study 2020
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2020	
Asphalt Paving Sealcoat Application	3,000
Tree Trimming/Landscape Update	5,000
Total for 2020	<u>\$8,000</u>
Replacement Year 2021	
Fence Major Repair & Replacement	19,518
Total for 2021	<u>\$19,518</u>
Replacement Year 2022	
Entry & Rear Deck Necessary Rot Repair	7,957
Retention Pond Annual Maintenance	7,957
Total for 2022	<u>\$15,913</u>
<i>No Replacement in 2023</i>	
Replacement Year 2024	
Fire Monitoring System Update to AES	3,377
Total for 2024	<u>\$3,377</u>
Replacement Year 2025	
Entry & Rear Deck Necessary Rot Repair	8,695
Retention Pond Annual Maintenance	8,695
Tree Trimming/Landscape Update	5,796
Total for 2025	<u>\$23,185</u>
<i>No Replacement in 2026</i>	
<i>No Replacement in 2027</i>	
Replacement Year 2028	
Entry & Rear Deck Necessary Rot Repair	9,501
Retention Pond Annual Maintenance	9,501
Total for 2028	<u>\$19,002</u>
Replacement Year 2029	
Exterior Paint Buildings & Decks - Bldgs 1 & 2	25,443
Fire Dry Head Inspection and Replacement	9,023
Total for 2029	<u>\$34,466</u>

**Bakerview Townhome COA Level 2 Study 2020
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2030	
Asphalt Paving Sealcoat Application	4,032
Exterior Paint Buildings & Decks - Bldgs 3 & 4	26,206
Mailbox Replacement	3,958
Tree Trimming/Landscape Update	6,720
Total for 2030	\$40,916
Replacement Year 2031	
Entry & Rear Deck Necessary Rot Repair	10,382
Exterior Paint Buildings & Decks - Bldgs 5 & 6	26,993
Retention Pond Annual Maintenance	10,382
Total for 2031	\$47,756
<i>No Replacement in 2032</i>	
<i>No Replacement in 2033</i>	
Replacement Year 2034	
Entry & Rear Deck Necessary Rot Repair	11,344
Fire Monitoring System Update to AES	4,538
Retention Pond Annual Maintenance	11,344
Total for 2034	\$27,227
Replacement Year 2035	
Roof Replacement - Bldgs 1 & 2	29,882
Tree Trimming/Landscape Update	7,790
Total for 2035	\$37,672
Replacement Year 2036	
Fence Major Repair & Replacement	30,409
Roof Replacement - Bldgs 3 & 4	30,778
Total for 2036	\$61,187
Replacement Year 2037	
Entry & Rear Deck Necessary Rot Repair	12,396
Retention Pond Annual Maintenance	12,396
Roof Replacement - Bldgs 5 & 6	31,702
Total for 2037	\$56,494

**Bakerview Townhome COA Level 2 Study 2020
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2038</i>	
Replacement Year 2039	
Exterior Paint Buildings & Decks - Bldgs 1 & 2	34,193
Fire Dry Head Inspection and Replacement	12,125
Total for 2039	\$46,319
Replacement Year 2040	
Asphalt Paving Sealcoat Application	5,418
Entry & Rear Deck Necessary Rot Repair	13,546
Exterior Paint Buildings & Decks - Bldgs 3 & 4	35,219
Retention Pond Annual Maintenance	13,546
Tree Trimming/Landscape Update	9,031
Total for 2040	\$76,760
Replacement Year 2041	
Exterior Paint Buildings & Decks - Bldgs 5 & 6	36,276
Total for 2041	\$36,276
<i>No Replacement in 2042</i>	
Replacement Year 2043	
Entry & Rear Deck Necessary Rot Repair	14,802
Retention Pond Annual Maintenance	14,802
Total for 2043	\$29,604
Replacement Year 2044	
Fire Monitoring System Update to AES	6,098
Total for 2044	\$6,098
Replacement Year 2045	
Tree Trimming/Landscape Update	10,469
Total for 2045	\$10,469
Replacement Year 2046	
Entry & Rear Deck Necessary Rot Repair	16,174
Retention Pond Annual Maintenance	16,174
Total for 2046	\$32,349

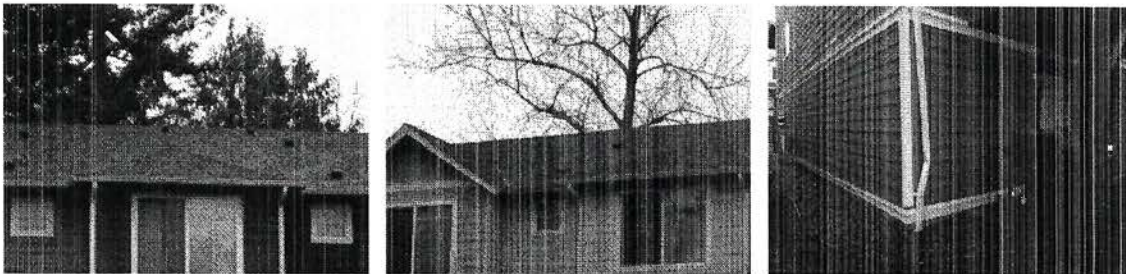
**Bakerview Townhome COA Level 2 Study 2020
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2047</i>	
<i>No Replacement in 2048</i>	
Replacement Year 2049	
Entry & Rear Deck Necessary Rot Repair	17,674
Exterior Paint Buildings & Decks - Bldgs 1 & 2	45,953
Fire Dry Head Inspection and Replacement	16,296
Retention Pond Annual Maintenance	17,674
Total for 2049	\$97,597
Replacement Year 2050	
Asphalt Paving Sealcoat Application	7,282
Exterior Paint Buildings & Decks - Bldgs 3 & 4	47,332
Tree Trimming/Landscape Update	12,136
Total for 2050	\$66,750
Replacement Year 2051	
Exterior Paint Buildings & Decks - Bldgs 5 & 6	48,752
Fence Major Repair & Replacement	47,377
Total for 2051	\$96,128

**Bakerview Townhome COA Level 2 Study 2020
Detail Report by Category**

Roof Replacement - Bldgs 1 & 2 - 2035

Asset ID	1001	2 Allowance	@ \$9,590.00
		Asset Cost	\$19,180.00
		Percent Replacement	100%
		Future Cost	\$29,881.81
	Roofing		
Placed in Service	January 2005		
Useful Life	30		
Replacement Year	2035		
Remaining Life	15		



All of the roof sections appear to be in good condition and in line with the age of the roofing material. To maximize the useful life, it is recommended that annual inspections be conducted and any damage found be corrected immediately. As a general rule moss, other organic material and debris should be periodically removed from the roofing surface. These materials can significantly reduce the life of the roofing product if unattended. As part of ongoing maintenance all vents and other thru-roof penetrations should be inspected annually.

The gutters appear to be in good condition with the exception of the downspout in the above photo. This damaged section will cause reduced flow and lead to blockage. Recommend replacement and any other repairs as needed.

Roof Replacement - Bldgs 3 & 4 - 2036

Asset ID	1002	2 Allowance	@ \$9,590.00
		Asset Cost	\$19,180.00
		Percent Replacement	100%
		Future Cost	\$30,778.27
	Roofing		
Placed in Service	January 2005		
Useful Life	30		
Adjustment	1		
Replacement Year	2036		
Remaining Life	16		

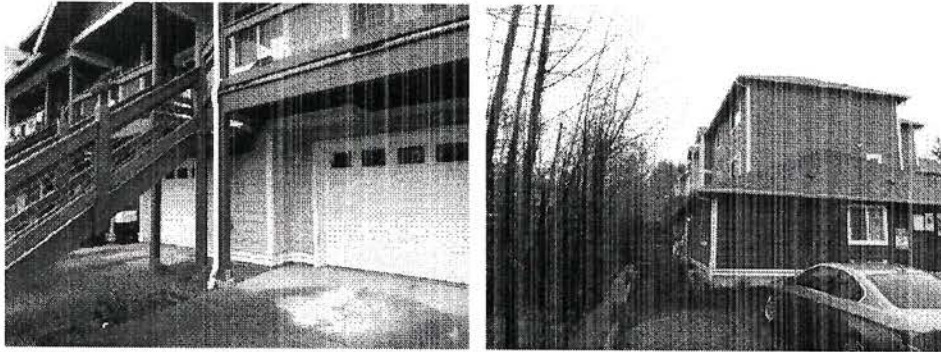
**Bakerview Townhome COA Level 2 Study 2020
Detail Report by Category**

Roof Replacement - Bldgs 5 & 6 - 2037

Asset ID	1003	2 Allowance	@ \$9,590.00
		Asset Cost	\$19,180.00
		Percent Replacement	100%
		Future Cost	\$31,701.62
	Roofing		
Placed in Service	January 2005		
Useful Life	30		
Adjustment	2		
Replacement Year	2037		
Remaining Life	17		

Exterior Paint Buildings & Decks - Bldgs 1 & 2 - 2029

Asset ID	1004	1 Allowance	@ \$19,500.00
		Asset Cost	\$19,500.00
		Percent Replacement	100%
		Future Cost	\$25,443.08
	Painting		
Placed in Service	June 2019		
Useful Life	10		
Replacement Year	2029		
Remaining Life	9		



It was reported the exteriors of all buildings were painted in 2019. This appears to be in line with the current condition of the surfaces. The budget funds the next paint cycle for buildings 1 & 2 in 2029. Biennial paint inspection and touchup can increase the paint life span considerably and reduce overall maintenance costs.

**Bakerview Townhome COA Level 2 Study 2020
Detail Report by Category**

Exterior Paint Buildings & Decks - Bldgs 3 & 4 - 2030

Asset ID	1005	1 Allowance	@ \$19,500.00
		Asset Cost	\$19,500.00
		Percent Replacement	100%
		Future Cost	\$26,206.37
Placed in Service	Painting June 2019		
Useful Life	10		
Adjustment	1		
Replacement Year	2030		
Remaining Life	10		

Exterior Paint Buildings & Decks - Bldgs 5 & 6 - 2031

Asset ID	1006	Asset Cost	\$19,500.00
		Percent Replacement	100%
		Future Cost	\$26,992.56
Placed in Service	Painting June 2019		
Useful Life	10		
Adjustment	2		
Replacement Year	2031		
Remaining Life	11		

It was reported that only the weather side of buildings 3 & 4 were painted in 2016. The budget includes funds for full painting in 2022.

Entry & Rear Deck Necessary Rot Repair - 2022

Asset ID	1007	1 Allowance	@ \$7,500.00
		Asset Cost	\$7,500.00
		Percent Replacement	100%
		Future Cost	\$7,956.75
Placed in Service	Building Components January 2019		
Useful Life	3		
Replacement Year	2022		
Remaining Life	2		

**Bakerview Townhome COA Level 2 Study 2020
Detail Report by Category**

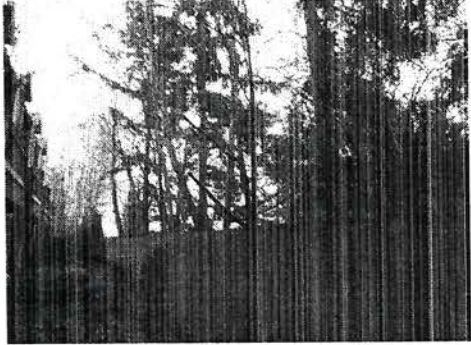
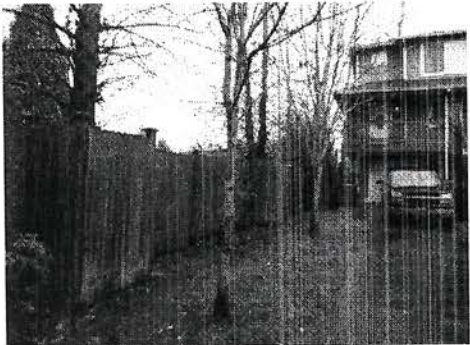
Entry & Rear Deck Necessary Rot Repair continued...



It was reported rot repair was done on various areas on the front handrails. We encourage careful monitoring and continued application of a quality stain product to maximize the life span.

Fence Major Repair & Replacement - 2021

Asset ID	1008	1 Allowance @	\$18,950.00
		Asset Cost	\$18,950.00
		Percent Replacement	100%
		Future Cost	\$19,518.50
	Fencing/Security		
Placed in Service	January 2005		
Useful Life	15		
Adjustment	1		
Replacement Year	2021		
Remaining Life	1		

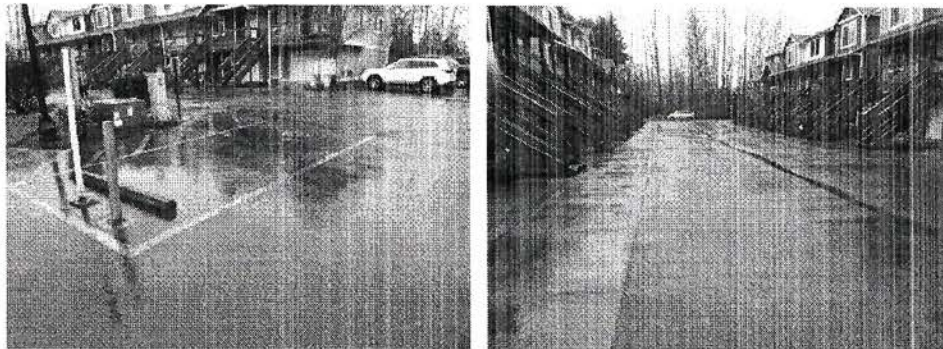


We found the fences are showing their age and general lack of maintenance. Making certain that dirt and debris are kept away from the fence structure along with annual cleaning and preservative application will greatly lengthen the life span of all wood elements.

**Bakerview Townhome COA Level 2 Study 2020
Detail Report by Category**

Asphalt Paving Sealcoat Application - 2020

Asset ID	1009	1 Allowance	@ \$3,000.00
		Asset Cost	\$3,000.00
		Percent Replacement	100%
		Future Cost	\$3,000.00
Placed in Service	Streets/Asphalt June 2012		
Useful Life	10		
Adjustment	-2		
Replacement Year	2020		
Remaining Life	0		



Our understanding is asphalt cracks were filled in the past year and a full seal coat application is planned for the coming year.

Retention Pond Annual Maintenance - 2022

Asset ID	1010	1 Allowance	@ \$7,500.00
		Asset Cost	\$7,500.00
		Percent Replacement	100%
		Future Cost	\$7,956.75
Placed in Service	Grounds Components January 2015		
Useful Life	3		
Adjustment	4		
Replacement Year	2022		
Remaining Life	2		

**Bakerview Townhome COA Level 2 Study 2020
Detail Report by Category**

Retention Pond Annual Maintenance continued...



Our understanding is that the retention pond requires periodic inspection, weed removal and maintenance. The budget includes an allowance for this ongoing expense.

Mailbox Replacement - 2030

Asset ID	1011	1 Allowance	@ \$2,945.00
		Asset Cost	\$2,945.00
		Percent Replacement	100%
		Future Cost	\$3,957.83
	Mailboxes		
Placed in Service	January 2005		
Useful Life	25		
Replacement Year	2030		
Remaining Life	10		



Mailboxes appear to be in good condition. Commercial mailboxes should provide a useful life of 25 years or more with proper maintenance. Annual inspection, repair and lubrication can greatly lengthen the longevity of this equipment.

**Bakerview Townhome COA Level 2 Study 2020
Detail Report by Category**

Fire Monitoring System Update to AES - 2024

Asset ID	1012	1 Allowance	@ \$3,000.00
		Asset Cost	\$3,000.00
		Percent Replacement	100%
		Future Cost	\$3,376.53
Placed in Service	Fire Extinguishers		
Useful Life	January 2014		
Replacement Year	10		
Remaining Life	2024		
	4		

No update on the scheduled monitoring system revision to AES.

Fire Dry Head Inspection and Replacement - 2029

Asset ID	1013	1 Allowance	@ \$6,915.00
		Asset Cost	\$6,915.00
		Percent Replacement	100%
		Future Cost	\$9,022.51
Placed in Service	Fire Extinguishers		
Useful Life	January 2019		
Replacement Year	10		
Remaining Life	2029		
	9		

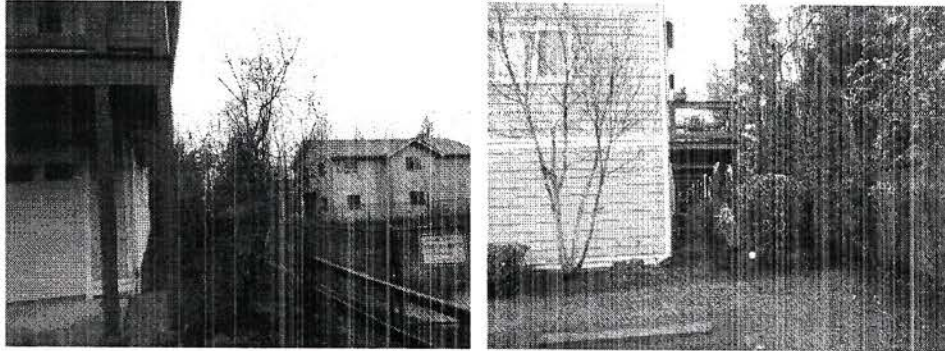
In the past year the fire system dry sprinkler heads were tested and replaced as needed. The cycles are based on a 10 year inspection program.

Tree Trimming/Landscape Update - 2020

Asset ID	1014	1 Allowance	@ \$5,000.00
		Asset Cost	\$5,000.00
		Percent Replacement	100%
		Future Cost	\$5,000.00
Placed in Service	Grounds Components		
Useful Life	January 2005		
Adjustment	5		
Replacement Year	10		
Remaining Life	2020		
	0		

**Bakerview Townhome COA Level 2 Study 2020
Detail Report by Category**

Tree Trimming/Landscape Update continued...



The budget includes funds for tree trimming scheduled for the coming year and future landscape projects.

**Bakerview Townhome COA Level 2 Study 2020
Expenses by Item and by Calendar Year**

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Asphalt Paving Sealcoat Application	3,000									
Entry & Rear Deck Necessary Rot Repair			7,957			8,695			9,501	25,443
Exterior Paint Buildings & Decks - Bldgs 1 ..										
Exterior Paint Buildings & Decks - Bldgs 3 ..										
Exterior Paint Buildings & Decks - Bldgs 5 ..		19,518								
Fence Major Repair & Replacement										9,023
Fire Dry Head Inspection and Replacement										
Fire Monitoring System Update to AES				3,377						
Mailbox Replacement										
Retention Pond Annual Maintenance			7,957			8,695			9,501	
Roof Replacement - Bldgs 1 & 2										
Roof Replacement - Bldgs 3 & 4										
Roof Replacement - Bldgs 5 & 6	5,000					5,796				
Tree Trimming/Landscape Update										
Year Total:	8,000	19,518	15,913	3,377	3,377	23,185			19,002	34,466

**Bakerview Townhome COA Level 2 Study 2020
Expenses by Item and by Calendar Year**

Description	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Asphalt Paving Sealcoat Application	4,032									
Entry & Rear Deck Necessary Rot Repair		10,382		11,344				12,396		34,193
Exterior Paint Buildings & Decks - Bldgs 1 ..	26,206									
Exterior Paint Buildings & Decks - Bldgs 3 ..		26,993								
Exterior Paint Buildings & Decks - Bldgs 5 ..							30,409			
Fence Major Repair & Replacement										12,125
Fire Dry Head Inspection and Replacement										
Fire Monitoring System Update to AES										
Mailbox Replacement	3,958			4,538						
Retention Pond Annual Maintenance		10,382		11,344		29,882		12,396		
Roof Replacement - Bldgs 1 & 2							30,778			
Roof Replacement - Bldgs 3 & 4								31,702		
Roof Replacement - Bldgs 5 & 6						7,790				
Tree Trimming/Landscape Update	6,720									
Year Total:	40,916	47,756		27,227		37,672	61,187	56,494		46,319

**Bakerview Townhome COA Level 2 Study 2020
Expenses by Item and by Calendar Year**

Description	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Asphalt Paving Sealcoat Application	5,418									
Entry & Rear Deck Necessary Rot Repair	13,546			14,802			16,174			17,674
Exterior Paint Buildings & Decks - Bldgs 1 ..	35,219									45,953
Exterior Paint Buildings & Decks - Bldgs 3 ..										
Exterior Paint Buildings & Decks - Bldgs 5 ..		36,276								
Fence Major Repair & Replacement										16,296
Fire Dry Head Inspection and Replacement					6,098					
Fire Monitoring System Update to AES										
Mailbox Replacement										
Retention Pond Annual Maintenance	13,546			14,802			16,174			17,674
Roof Replacement - Bldgs 1 & 2										
Roof Replacement - Bldgs 3 & 4										
Roof Replacement - Bldgs 5 & 6						10,469				
Tree Trimming/Landscape Update	9,031									
Year Total:	76,760	36,276		29,604	6,098	10,469	32,349			97,597

**Bakerview Townhome COA Level 2 Study 2020
Expenses by Item and by Calendar Year**

Description	2050	2051
Asphalt Paving Sealcoat Application	7,282	
Entry & Rear Deck Necessary Rot Repair		
Exterior Paint Buildings & Decks - Bldgs 1 ..	47,332	48,752
Exterior Paint Buildings & Decks - Bldgs 3 ..		47,377
Exterior Paint Buildings & Decks - Bldgs 5 ..		
Fence Major Repair & Replacement		
Fire Dry Head Inspection and Replacement		
Fire Monitoring System Update to AES		
Mailbox Replacement		
Retention Pond Annual Maintenance		
Roof Replacement - Bldgs 1 & 2		
Roof Replacement - Bldgs 3 & 4		
Roof Replacement - Bldgs 5 & 6		
Tree Trimming/Landscape Update	12,136	
Year Total:	66,750	96,128



Reserve Study Disclosure Form

In Compliance with RCW 64.34.308 and RCW 64.38.025 (2016)

Name of Association: Bakerview Townhome COA

Current Year Reported Budget Contribution to Reserves: \$15,000

Recommended 2020 Contribution to Reserves, per study: \$17,961

Funding Plan Used for Recommendations: Full Funding

Projected Year End Reserve Balance at Current Funding Level: \$57,649

[Percentages below indicate the projected year end percentage level of the Reserve Fund vs Fully Funded at the Current Contribution Amount]

Projected Year End Balance If the account was Fully Funded: \$79,784

5 Year Balances

Estimates Per Study:	2020	2021	2022	2023	2024
Projected Year End Reserve Balances at Current Contribution Level*	\$57,649	\$53,674	\$53,768	\$70,282	\$83,934
Projected Year End Reserve Balances at Recommended Funding Contribution Level:	\$60,615	\$59,912	\$64,051	\$85,407	\$104,642
Projected Year End Fully Funded Reserves If Fully Funded:	\$79,784	\$77,403	\$80,684	\$100,975	\$118,933
Percent Reserve is Fully Funded at Current Funding Level: *	72%	69%	67%	70%	71%

Based upon the most recent reserve study, will the association have funds to meet obligations for the next 30 years at the current contribution rate? No

To be Completed by Management

Proposed 2020 Budget's Contribution to Reserves: _____

Is Additional Funding (Regular or Special Assessment) Planned? Yes/No

When is it due? (Month/Year) _____

What is the Purpose? Description of Project(s):

Duration of Assessment: Start Date _____ End Date _____

Assessment Amount per Unit on Average: Per Month _____ Per Year _____

Author Name _____ Source Key: Budget/Reserve Study

Date of Completion _____

* Projection includes a 3% Increase Per Year