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“Full” Reserve Study



Parc on Summit Seattle, WA

Report #: 17969-0
For Period Beginning: December 1, 2012
Expires: June 30, 2013

Date Prepared: December 1, 2012



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you “where you are”, and “where to go from here”.

In this Report, you will find...

- 1) A List of What you’re Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

253.661.5437

The logo for Association Reserves features the word "ASSOCIATION" in a serif font above a large, stylized "AR" monogram. The "A" and "R" are connected, with the "R" having a long, sweeping tail that extends to the right. The word "RESERVES" is written in a smaller serif font to the right of the "AR" monogram. The entire logo is set against a background of three curved, overlapping lines in shades of green and yellow.

Est. 1986

Reserve Studies for Community Associations

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3- Minute Executive Summary

Association: Parc on Summit **Assoc. #: 17969-0**
Location: Seattle, WA
of Units: 76
Report Period: December 1, 2012 through June 30, 2013

Results as-of 12/1/2012:

Projected Starting Reserve Balance:	\$31,000
Fully Funded Reserve Balance:	\$1,532,993
Average Reserve Deficit (Surplus) Per Unit:	\$19,763
Percent Funded:	2.0%
100% Full Funding 2012/2013 Monthly Reserve Contribution	\$6,850
70% Threshold Monthly Reserve Contribution	\$5,640
Baseline Contribution (min to maintain reserves above \$0)	\$3,156
Recommended 2013/2014 Special Assessment for Reserves: ..	\$1,520,000*
Most Recent Reserve Contribution Rate:	\$8,750

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves..... **0.45%**
Annual Inflation Rate

- **The information in this Reserve Study is based on our site inspection on October 9, 2012, meets or exceeds all requirements of the RCW and was prepared by a credentialed Reserve Specialist (RS 153).**
- **Your Reserve Fund is currently 2.0% Funded. Comparatively, the 70-130% level is where associations statistically enjoy fiscal stability with low risk of special assessment and/or deferred maintenance.**
- **Based on this starting point and your anticipated future expenses, we are forced to recommend a 2013/2014 Special Assessment* of \$1,520,000 (\$20,000 average each Unit). Further, our recommendation is to decrease your Reserve contributions to within the 70% to Full Funding level as noted above (Tables and charts herein reflect Full Funding as ideal contribution).**

- **Special assessment amount is preliminary. Prior to the implementation of any Special Assessment*, specifications, scope, timing and actual competitive bids for planned exterior building repairs/renovations should be undertaken.**
- **Full and 70% contribution rates are designed to achieve the stated funding objective at the end of our 30-year report scope.**
- **See photo pages for detailed component information and the basis of our assumptions**

Table 1: Executive Summary

17969-0

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
Site/Grounds				
210 Common Area Patio - Seal/Repair	5	4	\$62,100	\$69,894
310 Landscape - Refurbish	10	1	\$10,000	\$10,300
312 Irrigation System - Repair/Replace	10	1	\$5,000	\$5,150
360 Chain Link Fence - Replace	30	1	\$6,875	\$7,081
Building Exterior				
500 Elevated Deck - Repair/Replace	N/A	1	\$88,000	\$90,640
504 Elevated Deck Rail - Replace	30	1	\$27,000	\$27,810
534 Metal Fence/Rail - Replace	30	1	\$23,800	\$24,514
536 Awnings - Replace	12	7	\$7,800	\$9,593
540 Exterior Surfaces-Clean/Seal/Paint	10	1	\$106,400	\$109,592
542 Exterior Siding - Repair/Replace	50	1	\$607,250	\$625,468
547 Windows/Glass Doors - Replace	30	1	\$266,000	\$273,980
602 Low Slope Roof - Replace	20	1	\$49,350	\$50,831
604 Pitched Roof - Replace	30	1	\$49,560	\$51,047
610 Gutters/Downspouts - Repair/Replace	30	1	\$15,840	\$16,315
620 Roof Deck - Replace	20	1	\$51,250	\$52,788
Building Interior				
700 Flooring, Hallways - Replace	12	2	\$28,600	\$30,342
701 Flooring, Stairs/Storage - Replace	20	2	\$23,400	\$24,825
710 Interior, Halls/Lobby - Refinish	12	2	\$24,000	\$25,462
712 Interior, Stairwells - Repaint	20	2	\$13,050	\$13,845
720 Interior Lights - Replace	24	2	\$37,440	\$39,720
732 Mailboxes - Replace	30	8	\$6,240	\$7,905
Systems/Equipment				
900 Plumbing - Repair/Replace	0	0	\$0	\$0
902 Electrical - Repair/Replace	0	0	\$0	\$0
910 Elevators/Cabs - Modernize	30	8	\$125,000	\$158,346
920 Fire Alarm Panel - Replace	25	3	\$8,750	\$9,561
928 Garage Door - Replace	35	13	\$14,000	\$20,559
930 Entry Panels - Replace	25	3	\$6,000	\$6,556
940 Surveillance System - Refurbish	10	8	\$7,000	\$8,867
28 Total Funded Components				

Notes:

A Useful Life of “N/A” means a one-time expense, not expected to repeat.

Cross reference component numbers with photographic inventory appendix.

Highlighting denotes projects either anticipated to occur in the initial year or unfunded. Components with 0 UL / 0 RUL and no costs were considered per RCW 64.34.382 but did not meet NRSS criteria (see page 2) for reserve funding in the judgment of the Reserve Specialist.

A reserve-funding threshold of \$3,000 is established for your association (expenses below this level expected to be factored within operating budget).

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

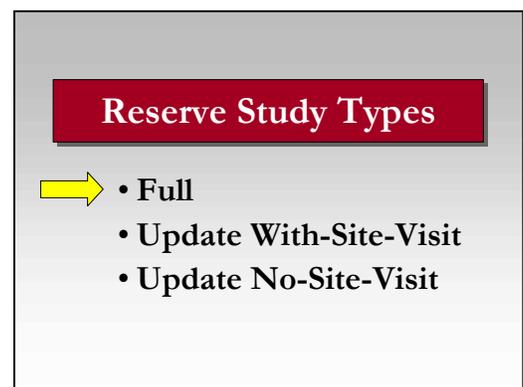
In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.



As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing common area deterioration.

Methodology

First we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan. For this "Full" Reserve Study, we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List "from scratch".



Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve

Reserve Components

- Common Area
- Limited Useful Life
- Predictable Life Limit
- Cost must be Significant

Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

In this order...

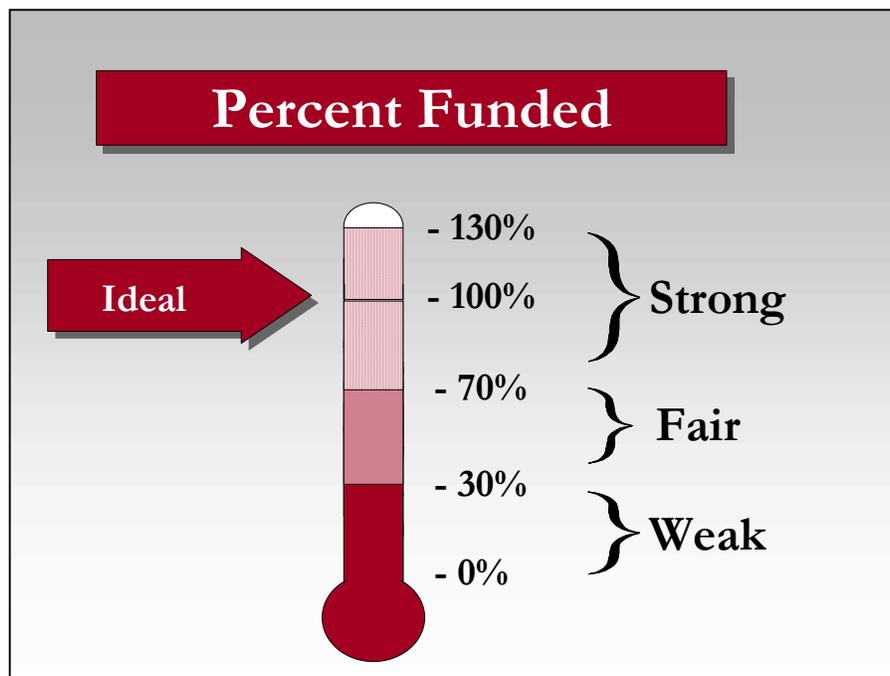
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the association's Fully Funded Balance (FFB).
- 2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered “strong” because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the association’s Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board members to recommend to their association.

Funding Principles

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

Funding Goals

- Full Funding
- Threshold Funding
- Baseline Funding

Site Inspection Notes

During our site visit on October 9, 2012, we had a brief meeting with Board Vice President, Steve Wilson and continued the site inspection, beginning with the low slope roofs. We noted current conditions, materials, apparent levels of care and maintenance as well as exposure to weather elements.

During our site inspection and subsequent research we were informed which components were being handled from the operational maintenance budget, not reserves.

Parc on Summit is a condominium community of two wood-framed residential buildings containing 76 units, built in 1990 is now approaching 22 years old.

Design specification, general aging and deterioration is largely consistent with 1990 construction. It is our understanding that discussion has been ongoing for a number of years regarding integrated building exterior renovations. Our research with BOD contacts and Architect indicated scope presently includes replacement of major components like existing older vinyl siding, underlying WRB (weather resistive barrier), non-thermally broken windows, low slope and pitched roofs and deck repairs/resurfacing. No definitive specifications, preliminary or competitive bids were available at this time, nor forensic building envelope report available for our review. Working assumption is that expense range of \$1,500,000-\$1,750,000 should suffice and timing for completion in FY 2013/2014 was indicated. Urgency of select deck repairs was evident along with apparent requirement by insurance underwriters loss control recommendations that roof replacements (low slope and pitched) are completed by October 2013. No comprehensive building envelope inspection/report to confirm current performance of weatherproofing or structural components is known to have been performed or was provided to this writer. Expert independent third party oversight is always recommended for all large-scale projects to help ensure satisfactory outcome.

Please refer to the detailed photographic inventory appendix (photo pages) to gain a comprehensive understanding for component information and the basis of our assumptions.

Projected Expenses

The figure below shows the array of the projected future expenses at your association. This figure clearly shows the near term and future expenses that your association will face.

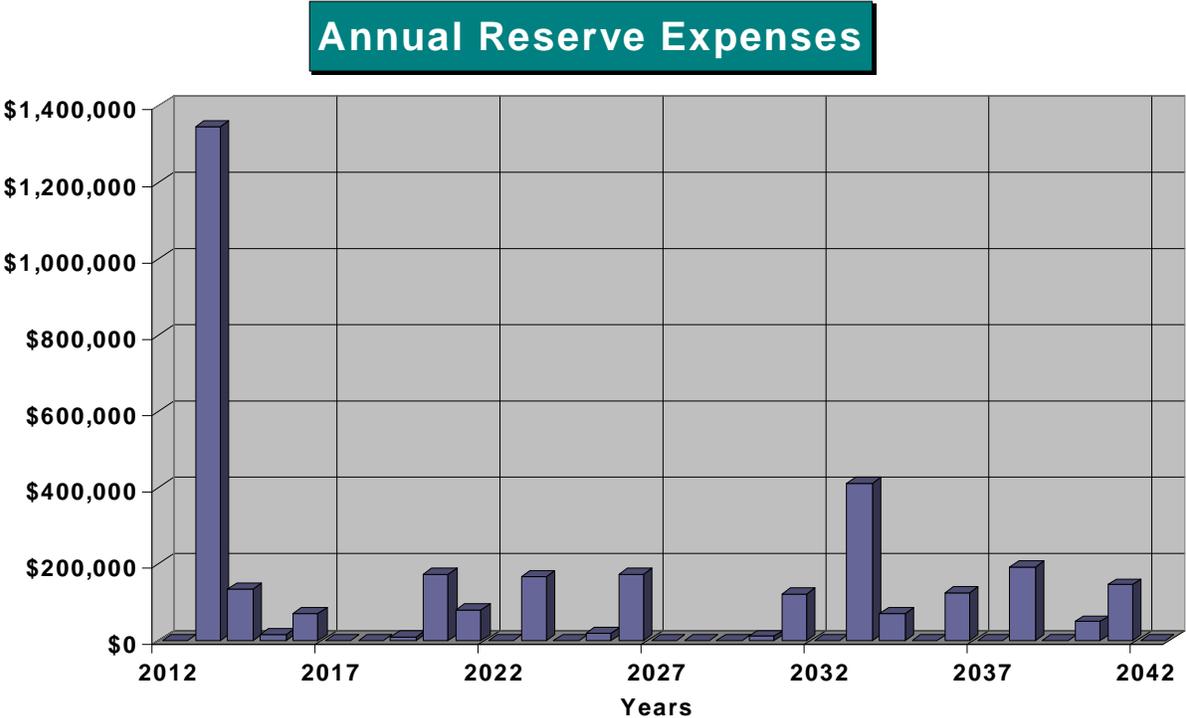


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$31,000 as-of the start of your Report Period on December 1, 2012. As of December 1, 2012, your Fully Funded Balance is computed to be \$1,532,993 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 2% Funded. This currently represents a very weak status well below the 70%-130% funding level where associations typically enjoy little risk of deferred maintenance and/or special assessments.

Recommended Funding Plan

Based on your current Percent Funded and your projected expenses, we recommend a preliminary (pending final scope, and estimates) Special Assessment of \$1,520,000 in 2013/2014. Additionally we are recommending Reserve contributions of \$6,850/month this Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

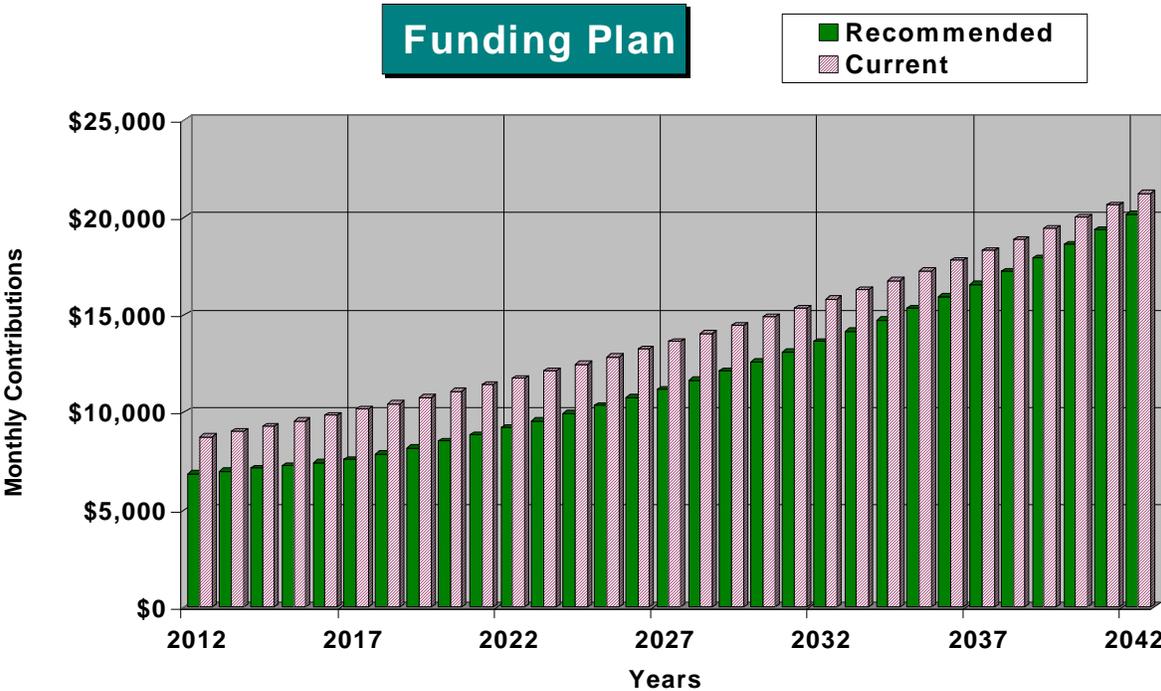


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

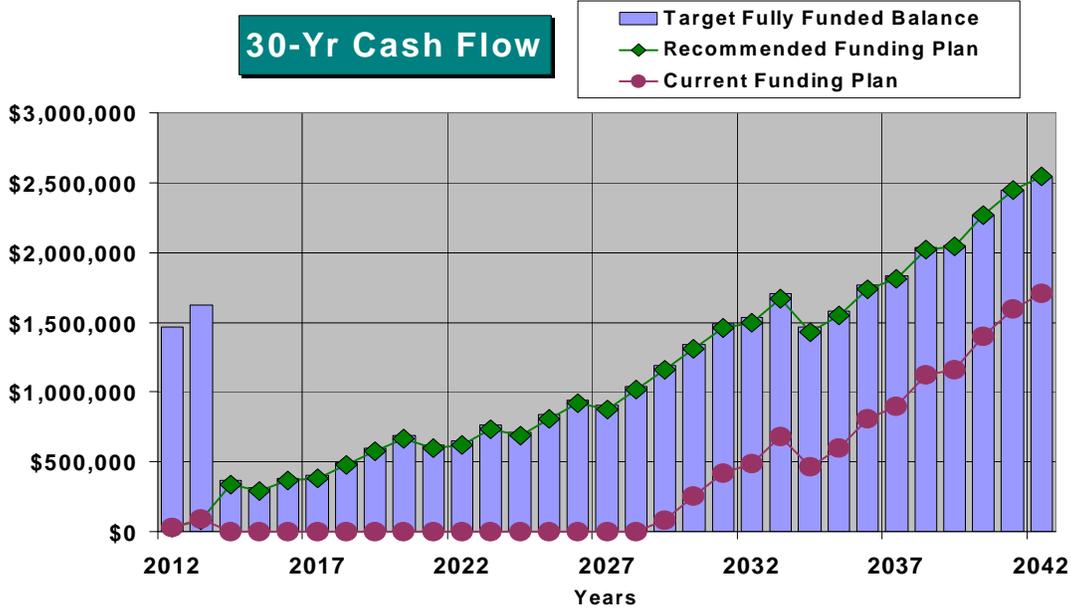


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

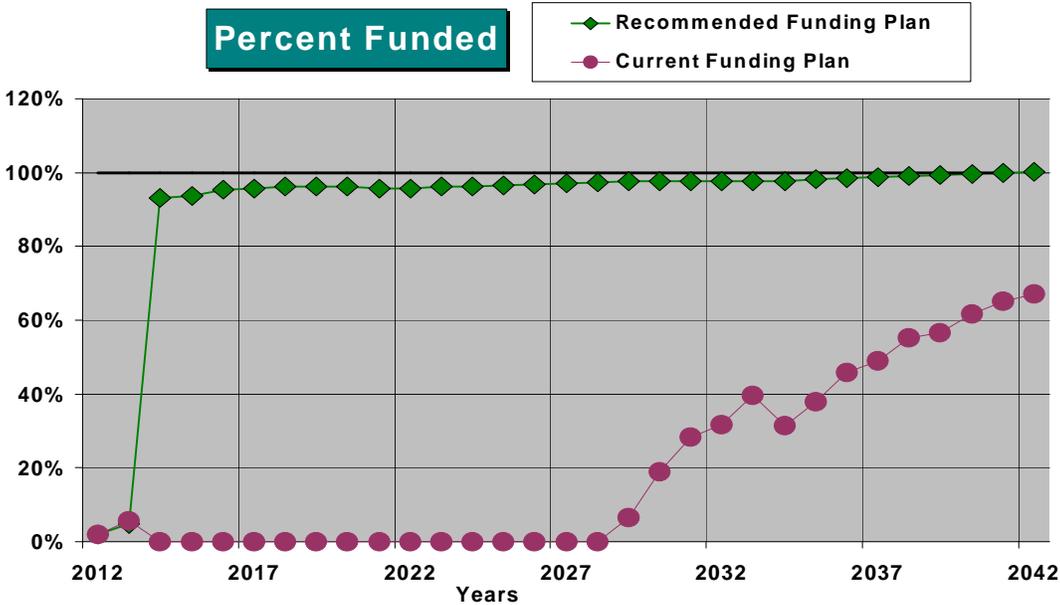


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is under funded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds; it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail
17969-0

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
Site/Grounds					
210 Common Area Patio - Seal/Repair	Approx 6,900 square feet	5	4	\$55,200	\$69,000
310 Landscape - Refurbish	Moderate landscaping	10	1	\$8,000	\$12,000
312 Irrigation System - Repair/Replace	Moderate systems	10	1	\$4,000	\$6,000
360 Chain Link Fence - Replace	Approx 275 linear feet	30	1	\$6,050	\$7,700
Building Exterior					
500 Elevated Deck - Repair/Replace	Approx 770 square feet	N/A	1	\$64,000	\$112,000
504 Elevated Deck Rail - Replace	Approx 360 linear feet	30	1	\$25,200	\$28,800
534 Metal Fence/Rail - Replace	Approx 340 linear feet	30	1	\$20,400	\$27,200
536 Awnings - Replace	(6) assorted sizes	12	7	\$7,000	\$8,600
540 Exterior Surfaces-Clean/Seal/Paint	Approx 34,700 GSF	10	1	\$91,200	\$121,600
542 Exterior Siding - Repair/Replace	Approx 34,700 GSF	50	1	\$520,500	\$694,000
547 Windows/Glass Doors - Replace	(276) assorted	30	1	\$228,000	\$304,000
602 Low Slope Roof - Replace	Approx 2,820 square feet	20	1	\$42,300	\$56,400
604 Pitched Roof - Replace	Approx 8,260 square feet	30	1	\$41,300	\$57,820
610 Gutters/Downspouts - Repair/Replace	Approx 1,760 linear feet	30	1	\$14,080	\$17,600
620 Roof Deck - Replace	Approx 2,050 square feet	20	1	\$41,000	\$61,500
Building Interior					
700 Flooring, Hallways - Replace	Approx 520 square yards	12	2	\$26,000	\$31,200
701 Flooring, Stairs/Storage - Replace	Approx 520 square yards	20	2	\$20,800	\$26,000
710 Interior, Halls/Lobby - Refinish	Approx 21,000 square feet	12	2	\$21,000	\$27,000
712 Interior, Stairwells - Repaint	Approx 14,500 square feet	20	2	\$11,600	\$14,500
720 Interior Lights - Replace	(312) assorted	24	2	\$31,200	\$43,680
732 Mailboxes - Replace	(78) metal	30	8	\$5,460	\$7,020
Systems/Equipment					
900 Plumbing - Repair/Replace	Extensive systems	N/A	0	\$0	\$0
902 Electrical - Repair/Replace	Extensive systems	N/A	0	\$0	\$0
910 Elevators/Cabs - Modernize	(2) hydraulic, six-stop	30	8	\$110,000	\$140,000
920 Fire Alarm Panel - Replace	(1) Edwards GS 5753B	25	3	\$7,500	\$10,000
928 Garage Door - Replace	(1) metal, 9'x19'	35	13	\$12,000	\$16,000
930 Entry Panels - Replace	(2) telephone	25	3	\$5,000	\$7,000
940 Surveillance System - Refurbish	Moderate system	10	8	\$6,000	\$8,000
28 Total Funded Components					

Table 3: Contribution and Fund Breakdown**17969-0**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
Site/Grounds						
210 Common Area Patio - Seal/Repair	5	4	\$62,100	\$17,906	\$0.00	\$751.67
310 Landscape - Refurbish	10	1	\$10,000	\$9,542	\$9,541.67	\$60.52
312 Irrigation System - Repair/Replace	10	1	\$5,000	\$4,771	\$4,770.83	\$30.26
360 Chain Link Fence - Replace	30	1	\$6,875	\$6,827	\$0.00	\$13.87
Building Exterior						
500 Elevated Deck - Repair/Replace	N/A	1	\$88,000	\$63,433	\$0.00	\$2,662.90
504 Elevated Deck Rail - Replace	30	1	\$27,000	\$26,813	\$0.00	\$54.47
534 Metal Fence/Rail - Replace	30	1	\$23,800	\$23,635	\$0.00	\$48.01
536 Awnings - Replace	12	7	\$7,800	\$3,570	\$0.00	\$39.34
540 Exterior Surfaces-Clean/Seal/Paint	10	1	\$106,400	\$101,523	\$16,687.50	\$643.94
542 Exterior Siding - Repair/Replace	50	1	\$607,250	\$607,756	\$0.00	\$735.02
547 Windows/Glass Doors - Replace	30	1	\$266,000	\$264,153	\$0.00	\$536.62
602 Low Slope Roof - Replace	20	1	\$49,350	\$48,528	\$0.00	\$149.33
604 Pitched Roof - Replace	30	1	\$49,560	\$49,216	\$0.00	\$99.98
610 Gutters/Downspouts - Repair/Replace	30	1	\$15,840	\$15,730	\$0.00	\$31.95
620 Roof Deck - Replace	20	1	\$51,250	\$50,396	\$0.00	\$155.08
Building Interior						
700 Flooring, Hallways - Replace	12	2	\$28,600	\$25,154	\$0.00	\$144.24
701 Flooring, Stairs/Storage - Replace	20	2	\$23,400	\$21,825	\$0.00	\$70.81
710 Interior, Halls/Lobby - Refinish	12	2	\$24,000	\$21,108	\$0.00	\$121.04
712 Interior, Stairwells - Repaint	20	2	\$13,050	\$12,172	\$0.00	\$39.49
720 Interior Lights - Replace	24	2	\$37,440	\$35,419	\$0.00	\$94.41
732 Mailboxes - Replace	30	8	\$6,240	\$4,722	\$0.00	\$12.59
Systems/Equipment						
900 Plumbing - Repair/Replace	0	0	\$0	\$0	\$0.00	\$0.00
902 Electrical - Repair/Replace	0	0	\$0	\$0	\$0.00	\$0.00
910 Elevators/Cabs - Modernize	30	8	\$125,000	\$94,601	\$0.00	\$252.17
920 Fire Alarm Panel - Replace	25	3	\$8,750	\$7,946	\$0.00	\$21.18
928 Garage Door - Replace	35	13	\$14,000	\$9,082	\$0.00	\$24.21
930 Entry Panels - Replace	25	3	\$6,000	\$5,449	\$0.00	\$14.52
940 Surveillance System - Refurbish	10	8	\$7,000	\$1,718	\$0.00	\$42.36
28 Total Funded Components				\$1,532,993	\$31,000	\$6,850

Table 4: 30-Year Reserve Plan Summary

17969-0

Fiscal Year Beginning: 12/01/12

Interest: 0.5%

Inflation: 3.0%

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2012	\$31,000	\$1,532,993	2.0%	Weak	\$47,950	\$0	\$248	\$0
2013	\$79,198	\$1,626,655	4.9%	Weak	\$83,844	\$1,520,000	\$940	\$1,345,515
2014	\$338,467	\$362,972	93.2%	Strong	\$85,521	\$0	\$1,417	\$134,193
2015	\$291,211	\$311,242	93.6%	Strong	\$87,231	\$0	\$1,473	\$16,118
2016	\$363,798	\$381,846	95.3%	Strong	\$88,976	\$0	\$1,683	\$69,894
2017	\$384,563	\$401,515	95.8%	Strong	\$90,755	\$0	\$1,939	\$0
2018	\$477,257	\$496,170	96.2%	Strong	\$94,386	\$0	\$2,365	\$0
2019	\$574,008	\$596,144	96.3%	Strong	\$98,161	\$0	\$2,788	\$9,593
2020	\$665,364	\$691,788	96.2%	Strong	\$102,088	\$0	\$2,836	\$175,118
2021	\$595,169	\$622,441	95.6%	Strong	\$106,171	\$0	\$2,740	\$81,026
2022	\$623,054	\$650,635	95.8%	Strong	\$110,418	\$0	\$3,058	\$0
2023	\$736,530	\$765,922	96.2%	Strong	\$114,835	\$0	\$3,201	\$168,046
2024	\$686,520	\$714,453	96.1%	Strong	\$119,428	\$0	\$3,365	\$0
2025	\$809,313	\$837,486	96.6%	Strong	\$124,205	\$0	\$3,883	\$20,559
2026	\$916,842	\$946,083	96.9%	Strong	\$129,173	\$0	\$4,034	\$173,494
2027	\$876,556	\$903,554	97.0%	Strong	\$134,340	\$0	\$4,256	\$0
2028	\$1,015,151	\$1,041,682	97.5%	Strong	\$139,714	\$0	\$4,893	\$0
2029	\$1,159,758	\$1,187,284	97.7%	Strong	\$145,302	\$0	\$5,557	\$0
2030	\$1,310,618	\$1,340,684	97.8%	Strong	\$151,114	\$0	\$6,224	\$11,917
2031	\$1,456,039	\$1,489,946	97.7%	Strong	\$157,159	\$0	\$6,644	\$122,570
2032	\$1,497,271	\$1,533,353	97.6%	Strong	\$163,445	\$0	\$7,120	\$0
2033	\$1,667,837	\$1,708,057	97.6%	Strong	\$169,983	\$0	\$6,973	\$412,985
2034	\$1,431,808	\$1,466,489	97.6%	Strong	\$176,783	\$0	\$6,698	\$69,842
2035	\$1,545,446	\$1,575,088	98.1%	Strong	\$183,854	\$0	\$7,383	\$0
2036	\$1,736,683	\$1,762,979	98.5%	Strong	\$191,208	\$0	\$7,978	\$126,237
2037	\$1,809,632	\$1,830,702	98.8%	Strong	\$198,856	\$0	\$8,609	\$0
2038	\$2,017,097	\$2,034,826	99.1%	Strong	\$206,811	\$0	\$9,124	\$194,179
2039	\$2,038,853	\$2,049,545	99.5%	Strong	\$215,083	\$0	\$9,679	\$0
2040	\$2,263,614	\$2,269,321	99.7%	Strong	\$223,686	\$0	\$10,599	\$49,762
2041	\$2,448,138	\$2,449,184	100.0%	Strong	\$232,634	\$0	\$11,234	\$146,343

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**17969-0**

Fiscal Year	2012	2013	2014	2015	2016
Starting Reserve Balance	\$31,000	\$79,198	\$338,467	\$291,211	\$363,798
Annual Reserve Contribution	\$47,950	\$83,844	\$85,521	\$87,231	\$88,976
Planned Special Assessments	\$0	\$1,520,000	\$0	\$0	\$0
Interest Earnings	\$248	\$940	\$1,417	\$1,473	\$1,683
Total Income	\$79,198	\$1,683,981	\$425,404	\$379,916	\$454,457
# Component					
Site/Grounds					
210 Common Area Patio - Seal/Repair	\$0	\$0	\$0	\$0	\$69,894
310 Landscape - Refurbish	\$0	\$10,300	\$0	\$0	\$0
312 Irrigation System - Repair/Replace	\$0	\$5,150	\$0	\$0	\$0
360 Chain Link Fence - Replace	\$0	\$7,081	\$0	\$0	\$0
Building Exterior					
500 Elevated Deck - Repair/Replace	\$0	\$90,640	\$0	\$0	\$0
504 Elevated Deck Rail - Replace	\$0	\$27,810	\$0	\$0	\$0
534 Metal Fence/Rail - Replace	\$0	\$24,514	\$0	\$0	\$0
536 Awnings - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$109,592	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$625,468	\$0	\$0	\$0
547 Windows/Glass Doors - Replace	\$0	\$273,980	\$0	\$0	\$0
602 Low Slope Roof - Replace	\$0	\$50,831	\$0	\$0	\$0
604 Pitched Roof - Replace	\$0	\$51,047	\$0	\$0	\$0
610 Gutters/Downspouts - Repair/Replace	\$0	\$16,315	\$0	\$0	\$0
620 Roof Deck - Replace	\$0	\$52,788	\$0	\$0	\$0
Building Interior					
700 Flooring, Hallways - Replace	\$0	\$0	\$30,342	\$0	\$0
701 Flooring, Stairs/Storage - Replace	\$0	\$0	\$24,825	\$0	\$0
710 Interior, Halls/Lobby - Refinish	\$0	\$0	\$25,462	\$0	\$0
712 Interior, Stairwells - Repaint	\$0	\$0	\$13,845	\$0	\$0
720 Interior Lights - Replace	\$0	\$0	\$39,720	\$0	\$0
732 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Systems/Equipment					
900 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
910 Elevators/Cabs - Modernize	\$0	\$0	\$0	\$0	\$0
920 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$9,561	\$0
928 Garage Door - Replace	\$0	\$0	\$0	\$0	\$0
930 Entry Panels - Replace	\$0	\$0	\$0	\$6,556	\$0
940 Surveillance System - Refurbish	\$0	\$0	\$0	\$0	\$0

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**17969-0**

Fiscal Year	2012	2013	2014	2015	2016
Total Expenses	\$0	\$1,345,515	\$134,193	\$16,118	\$69,894
Ending Reserve Balance:	\$79,198	\$338,467	\$291,211	\$363,798	\$384,563

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)**17969-0**

Fiscal Year	2017	2018	2019	2020	2021
Starting Reserve Balance	\$384,563	\$477,257	\$574,008	\$665,364	\$595,169
Annual Reserve Contribution	\$90,755	\$94,386	\$98,161	\$102,088	\$106,171
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,939	\$2,365	\$2,788	\$2,836	\$2,740
Total Income	\$477,257	\$574,008	\$674,957	\$770,287	\$704,081
# Component					
Site/Grounds					
210 Common Area Patio - Seal/Repair	\$0	\$0	\$0	\$0	\$81,026
310 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$0
312 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
360 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
500 Elevated Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
504 Elevated Deck Rail - Replace	\$0	\$0	\$0	\$0	\$0
534 Metal Fence/Rail - Replace	\$0	\$0	\$0	\$0	\$0
536 Awnings - Replace	\$0	\$0	\$9,593	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$0	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
547 Windows/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
602 Low Slope Roof - Replace	\$0	\$0	\$0	\$0	\$0
604 Pitched Roof - Replace	\$0	\$0	\$0	\$0	\$0
610 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
620 Roof Deck - Replace	\$0	\$0	\$0	\$0	\$0
Building Interior					
700 Flooring, Hallways - Replace	\$0	\$0	\$0	\$0	\$0
701 Flooring, Stairs/Storage - Replace	\$0	\$0	\$0	\$0	\$0
710 Interior, Halls/Lobby - Refinish	\$0	\$0	\$0	\$0	\$0
712 Interior, Stairwells - Repaint	\$0	\$0	\$0	\$0	\$0
720 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
732 Mailboxes - Replace	\$0	\$0	\$0	\$7,905	\$0
Systems/Equipment					
900 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
910 Elevators/Cabs - Modernize	\$0	\$0	\$0	\$158,346	\$0
920 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
928 Garage Door - Replace	\$0	\$0	\$0	\$0	\$0
930 Entry Panels - Replace	\$0	\$0	\$0	\$0	\$0
940 Surveillance System - Refurbish	\$0	\$0	\$0	\$8,867	\$0

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)					17969-0
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Fiscal Year	2017	2018	2019	2020	2021
Total Expenses	\$0	\$0	\$9,593	\$175,118	\$81,026
Ending Reserve Balance:	\$477,257	\$574,008	\$665,364	\$595,169	\$623,054

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)**17969-0**

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$623,054	\$736,530	\$686,520	\$809,313	\$916,842
Annual Reserve Contribution	\$110,418	\$114,835	\$119,428	\$124,205	\$129,173
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,058	\$3,201	\$3,365	\$3,883	\$4,034
Total Income	\$736,530	\$854,566	\$809,313	\$937,401	\$1,050,050
# Component					
Site/Grounds					
210 Common Area Patio - Seal/Repair	\$0	\$0	\$0	\$0	\$93,932
310 Landscape - Refurbish	\$0	\$13,842	\$0	\$0	\$0
312 Irrigation System - Repair/Replace	\$0	\$6,921	\$0	\$0	\$0
360 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
500 Elevated Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
504 Elevated Deck Rail - Replace	\$0	\$0	\$0	\$0	\$0
534 Metal Fence/Rail - Replace	\$0	\$0	\$0	\$0	\$0
536 Awnings - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$147,282	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
547 Windows/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
602 Low Slope Roof - Replace	\$0	\$0	\$0	\$0	\$0
604 Pitched Roof - Replace	\$0	\$0	\$0	\$0	\$0
610 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
620 Roof Deck - Replace	\$0	\$0	\$0	\$0	\$0
Building Interior					
700 Flooring, Hallways - Replace	\$0	\$0	\$0	\$0	\$43,260
701 Flooring, Stairs/Storage - Replace	\$0	\$0	\$0	\$0	\$0
710 Interior, Halls/Lobby - Refinish	\$0	\$0	\$0	\$0	\$36,302
712 Interior, Stairwells - Repaint	\$0	\$0	\$0	\$0	\$0
720 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
732 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Systems/Equipment					
900 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
910 Elevators/Cabs - Modernize	\$0	\$0	\$0	\$0	\$0
920 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
928 Garage Door - Replace	\$0	\$0	\$0	\$20,559	\$0
930 Entry Panels - Replace	\$0	\$0	\$0	\$0	\$0
940 Surveillance System - Refurbish	\$0	\$0	\$0	\$0	\$0

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)					17969-0
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Fiscal Year	2022	2023	2024	2025	2026
Total Expenses	\$0	\$168,046	\$0	\$20,559	\$173,494
Ending Reserve Balance:	\$736,530	\$686,520	\$809,313	\$916,842	\$876,556

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)

17969-0

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$876,556	\$1,015,151	\$1,159,758	\$1,310,618	\$1,456,039
Annual Reserve Contribution	\$134,340	\$139,714	\$145,302	\$151,114	\$157,159
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,256	\$4,893	\$5,557	\$6,224	\$6,644
Total Income	\$1,015,151	\$1,159,758	\$1,310,618	\$1,467,956	\$1,619,842
# Component					
Site/Grounds					
210 Common Area Patio - Seal/Repair	\$0	\$0	\$0	\$0	\$108,893
310 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$0
312 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
360 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
500 Elevated Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
504 Elevated Deck Rail - Replace	\$0	\$0	\$0	\$0	\$0
534 Metal Fence/Rail - Replace	\$0	\$0	\$0	\$0	\$0
536 Awnings - Replace	\$0	\$0	\$0	\$0	\$13,677
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$0	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
547 Windows/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
602 Low Slope Roof - Replace	\$0	\$0	\$0	\$0	\$0
604 Pitched Roof - Replace	\$0	\$0	\$0	\$0	\$0
610 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
620 Roof Deck - Replace	\$0	\$0	\$0	\$0	\$0
Building Interior					
700 Flooring, Hallways - Replace	\$0	\$0	\$0	\$0	\$0
701 Flooring, Stairs/Storage - Replace	\$0	\$0	\$0	\$0	\$0
710 Interior, Halls/Lobby - Refinish	\$0	\$0	\$0	\$0	\$0
712 Interior, Stairwells - Repaint	\$0	\$0	\$0	\$0	\$0
720 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
732 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Systems/Equipment					
900 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
910 Elevators/Cabs - Modernize	\$0	\$0	\$0	\$0	\$0
920 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
928 Garage Door - Replace	\$0	\$0	\$0	\$0	\$0
930 Entry Panels - Replace	\$0	\$0	\$0	\$0	\$0
940 Surveillance System - Refurbish	\$0	\$0	\$0	\$11,917	\$0

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)					17969-0
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Fiscal Year	2027	2028	2029	2030	2031
Total Expenses	\$0	\$0	\$0	\$11,917	\$122,570
Ending Reserve Balance:	\$1,015,151	\$1,159,758	\$1,310,618	\$1,456,039	\$1,497,271

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)**17969-0**

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$1,497,271	\$1,667,837	\$1,431,808	\$1,545,446	\$1,736,683
Annual Reserve Contribution	\$163,445	\$169,983	\$176,783	\$183,854	\$191,208
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,120	\$6,973	\$6,698	\$7,383	\$7,978
Total Income	\$1,667,837	\$1,844,793	\$1,615,288	\$1,736,683	\$1,935,869
# Component					
Site/Grounds					
210 Common Area Patio - Seal/Repair	\$0	\$0	\$0	\$0	\$126,237
310 Landscape - Refurbish	\$0	\$18,603	\$0	\$0	\$0
312 Irrigation System - Repair/Replace	\$0	\$9,301	\$0	\$0	\$0
360 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
500 Elevated Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
504 Elevated Deck Rail - Replace	\$0	\$0	\$0	\$0	\$0
534 Metal Fence/Rail - Replace	\$0	\$0	\$0	\$0	\$0
536 Awnings - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$197,935	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
547 Windows/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
602 Low Slope Roof - Replace	\$0	\$91,806	\$0	\$0	\$0
604 Pitched Roof - Replace	\$0	\$0	\$0	\$0	\$0
610 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
620 Roof Deck - Replace	\$0	\$95,340	\$0	\$0	\$0
Building Interior					
700 Flooring, Hallways - Replace	\$0	\$0	\$0	\$0	\$0
701 Flooring, Stairs/Storage - Replace	\$0	\$0	\$44,837	\$0	\$0
710 Interior, Halls/Lobby - Refinish	\$0	\$0	\$0	\$0	\$0
712 Interior, Stairwells - Repaint	\$0	\$0	\$25,005	\$0	\$0
720 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
732 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Systems/Equipment					
900 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
910 Elevators/Cabs - Modernize	\$0	\$0	\$0	\$0	\$0
920 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$0	\$0
928 Garage Door - Replace	\$0	\$0	\$0	\$0	\$0
930 Entry Panels - Replace	\$0	\$0	\$0	\$0	\$0
940 Surveillance System - Refurbish	\$0	\$0	\$0	\$0	\$0

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24) 17969-0

Fiscal Year	2032	2033	2034	2035	2036
Total Expenses	\$0	\$412,985	\$69,842	\$0	\$126,237
Ending Reserve Balance:	\$1,667,837	\$1,431,808	\$1,545,446	\$1,736,683	\$1,809,632

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

17969-0

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$1,809,632	\$2,017,097	\$2,038,853	\$2,263,614	\$2,448,138
Annual Reserve Contribution	\$198,856	\$206,811	\$215,083	\$223,686	\$232,634
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,609	\$9,124	\$9,679	\$10,599	\$11,234
Total Income	\$2,017,097	\$2,233,032	\$2,263,614	\$2,497,900	\$2,692,005
# Component					
Site/Grounds					
210 Common Area Patio - Seal/Repair	\$0	\$0	\$0	\$0	\$146,343
310 Landscape - Refurbish	\$0	\$0	\$0	\$0	\$0
312 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
360 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Building Exterior					
500 Elevated Deck - Repair/Replace	\$0	\$0	\$0	\$0	\$0
504 Elevated Deck Rail - Replace	\$0	\$0	\$0	\$0	\$0
534 Metal Fence/Rail - Replace	\$0	\$0	\$0	\$0	\$0
536 Awnings - Replace	\$0	\$0	\$0	\$0	\$0
540 Exterior Surfaces-Clean/Seal/Paint	\$0	\$0	\$0	\$0	\$0
542 Exterior Siding - Repair/Replace	\$0	\$0	\$0	\$0	\$0
547 Windows/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
602 Low Slope Roof - Replace	\$0	\$0	\$0	\$0	\$0
604 Pitched Roof - Replace	\$0	\$0	\$0	\$0	\$0
610 Gutters/Downspouts - Repair/Replace	\$0	\$0	\$0	\$0	\$0
620 Roof Deck - Replace	\$0	\$0	\$0	\$0	\$0
Building Interior					
700 Flooring, Hallways - Replace	\$0	\$61,679	\$0	\$0	\$0
701 Flooring, Stairs/Storage - Replace	\$0	\$0	\$0	\$0	\$0
710 Interior, Halls/Lobby - Refinish	\$0	\$51,758	\$0	\$0	\$0
712 Interior, Stairwells - Repaint	\$0	\$0	\$0	\$0	\$0
720 Interior Lights - Replace	\$0	\$80,743	\$0	\$0	\$0
732 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
Systems/Equipment					
900 Plumbing - Repair/Replace	\$0	\$0	\$0	\$0	\$0
902 Electrical - Repair/Replace	\$0	\$0	\$0	\$0	\$0
910 Elevators/Cabs - Modernize	\$0	\$0	\$0	\$0	\$0
920 Fire Alarm Panel - Replace	\$0	\$0	\$0	\$20,019	\$0
928 Garage Door - Replace	\$0	\$0	\$0	\$0	\$0
930 Entry Panels - Replace	\$0	\$0	\$0	\$13,728	\$0
940 Surveillance System - Refurbish	\$0	\$0	\$0	\$16,015	\$0

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29) 17969-0

Fiscal Year	2037	2038	2039	2040	2041
Total Expenses	\$0	\$194,179	\$0	\$49,762	\$146,343
Ending Reserve Balance:	\$2,017,097	\$2,038,853	\$2,263,614	\$2,448,138	\$2,545,663

Accuracy, Limitations, and Disclosures

Washington disclosure, per RCW 64.34.382:

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.

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves, Inc., and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. James D. Talaga R.S., company president, is a credentialed Reserve Specialist (#66). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association’s situation.

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. In addition, we have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Association Reserves developed component quantities indicated in this Report unless otherwise noted in our "Site Inspection Notes" comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

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

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a common area component can be expected to serve its intended function.

Photographic Inventory Appendix

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

- 1) Common area maintenance, repair & replacement responsibility
- 2) Components must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of annual operating expenses).

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed “Best Cost” and “Worst Cost” below the photo. There are many factors that can result in a wide variety of potential costs; we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

Client: 17969A Parc on Summit

Comp #: 100 Building Repair/Renovation-Project

Quantity: Extensive GSF

Location: Buildings exteriors

Evaluation: Buildings are now 22 years old with design specification, general aging and deterioration largely consistent with 1990 construction. It is our understanding that discussion has been ongoing for a number of years regarding integrated building exterior renovations. Our research with BOD contacts and Architect indicated scope presently includes replacement of major components like existing older vinyl siding, underlying WRB (weather resistive barrier), non-thermally broken windows, low slope and pitched roofs and deck repairs/resurfacing. No definitive specifications, preliminary or competitive bids were available at this time. Working assumption is that expense range of \$1,500,000-\$1,750,000 should suffice and timing for completion in FY 2013/2014 was indicated. Urgency of select deck repairs was evident along with apparent requirement by insurance underwriters loss control recommendations that roof replacements (low slope and pitched) are completed by October 2013. No comprehensive building envelope inspection/report to confirm current performance of weatherproofing or structural components is known to have been performed or was provided to this writer. Expert independent third party oversight is always recommended for all large scale projects to ensure satisfactory outcome. Refer to remainder of this report for further detailed information.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 103 Concrete - Repair/Replace

Quantity: Extensive square feet

Location: Driveway, garage floor, sidewalks, etc...

Evaluation: Typical minor surface cracking upon garage floor (as seen at similar buildings) but otherwise assorted surfaces are stable without significant damage. Cleaning and repair needs should be evaluated at least annually and provided from general maintenance funds, not as a cyclical reserve component. If any trip and fall hazards repair immediately. It should be noted that the adjacent property owner is responsible to maintain, repair and replace concrete within the public right of way in The City of Seattle.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 210 **Common Area Patio - Seal/Repair**

Quantity: Approx 6,900 square feet

Location: First Floor, atop garage

Evaluation: Extensive renovations/redesign (~\$350,000+) occurred between 2009-2012 with definitive repair of previous water infiltration into structure and subterranean garage now assumed. New vertical membranes at East and South walls were installed and these are not likely to require replacement again within the scope of our 30 year reporting period. Systemic improvements for drainage were also indicated. Finally, new elastomeric waterproofing/traffic coating (with stamped finish) was applied in 2012. This surface type needs to be renewed periodically for maintenance of warranty, waterproof integrity and appearance. Clean with mild solution such as TSP; bleach can be added if mold/mildew become a problem. Plan for regular intervals of professional maintenance top coating at the interval indicated below.

Useful Life:
5 years

Remaining Life:
4 years



Best Case: \$55,200.00

\$8/Sq Ft; lower estimate to clean, prime and topcoat

Worst Case: \$69,000.00

\$10/Sq Ft; higher estimate to clean, prime and topcoat

Cost Source: Research with Local Contractor/Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 310 Landscape - Refurbish

Quantity: Moderate landscaping

Location: Common areas

Evaluation: Previous problematic planter boxes were removed at first floor exterior locations in recent years. Plans to restore some landscaping to rear patio area (pots/trees) in the near future were indicated. Also, a few other areas where plantings presently exist. Although typically funded as ongoing maintenance item, this component may be utilized for setting aside funds for larger expenses that do not occur on an annual basis, such as the aforementioned pots and tree replacements. Other types of expenses for consideration could include soil amendments every two or three years and large scale plantings. Research confirmed expense projection below; update in future reserve study updates as conditions warrant.

Useful Life:

10 years

Remaining Life:

1 years



Best Case: \$8,000.00

Lower allowance to supplement the operating budget

Worst Case: \$12,000.00

Higher allowance to supplement the operating budget

Cost Source: Estimate Provided by Client/Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 312 Irrigation System - Repair/Replace

Quantity: Moderate systems

Location: Throughout common area landscaping

Evaluation: Plans to add irrigation to North landscaping and also rear patio were expressed. No preliminary bids were available. As routine maintenance, inspect regularly, test system, repair as needed from operating budget. Follow proper winterization and spring start up procedures. Plan for larger local replacements at roughly the interval below.

Useful Life:
10 years

Remaining Life:
1 years



Best Case: \$4,000.00

Lower allowance to supplement the operating budget

Worst Case: \$6,000.00

Higher allowance to supplement the operating budget

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 360 Chain Link Fence - Replace

Quantity: Approx 275 linear feet

Location: East perimeter of property

Evaluation: Installation of new chain link fencing is anticipated. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds.

Useful Life:
30 years

Remaining Life:
1 years



Best Case: \$6,050.00

\$22/LF, lower estimate to replace

Worst Case: \$7,700.00

\$28/LF, higher estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 404 **Patio Assets - Replace**

Quantity: Moderate quantity

Location: Common area rooftop decks and patio

Evaluation: Small BBQ grill is newer and the few inexpensive picnic tables appear aged. Not suitable for reserve designation anyway since expense is too small (less than \$3,000). If desire to increase quantity/quality is projected, funding may be incorporated into future reserve updates as appropriate.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 500 Elevated Deck - Repair/Replace

Quantity: Approx 770 square feet

Location: Elevated balconies, decks adjacent to individual units

Evaluation: Repair needs are apparent at the (8) decks that are directly supported on corner columns (emergency shoring in place). Architect reports that method of attaching the corner column to the deck structure is inadequate to keep water out of the deck corner framing. Further, that the other (16) cantilevered decks are not likely to require major structural repair but expectation for uniform specifications of resurfacing, integrated transition flashing improvements and minor repair are planned along with siding replacement project. Also, we noted enclosed soffits with potential for hidden damage. ROM (rough order of magnitude) budget placeholder is factored below; adjust when specifications, true scope of replacement needs and competitive bid process is completed. Once repaired, we assume all to have been correctly installed with proper flashings, adequate slope and drainage provisions. It is very important that balconies and decks be regularly inspected with timely maintenance (see component #502, Elevated Deck - Clean/Seal). If not maintained properly, potential for significant repair/replacement expenses exist in future years.

Useful Life:

Remaining Life:
1 years



Best Case: \$64,000.00

\$4,000/each (x8) and \$2,000/each (x16) , lower allowance to repair/resurface

Worst Case: \$112,000.00

\$6,000/each (x8) and \$4,000/each (x16) , higher allowance to repair/resurface

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 502 Elevated Deck - Clean/Seal

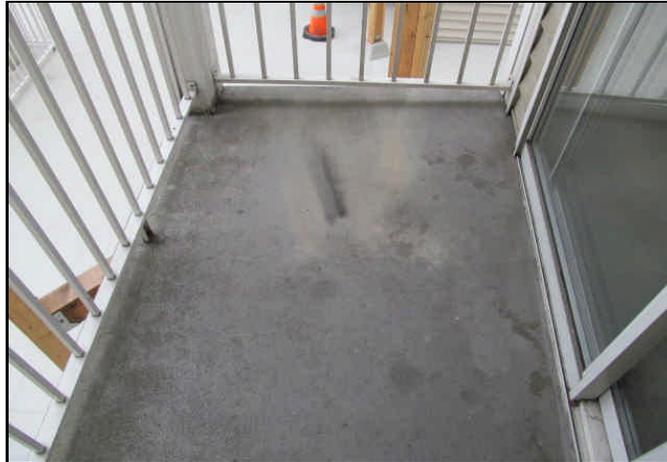
Quantity: Approx 770 square feet

Location: Elevated balconies, decks adjacent to individual units

Evaluation: Majority of surfaces exhibit poor appearance, general deterioration, grime and staining; deferred maintenance is evident. These types of surfaces require cleaning and top coating at regular intervals (typically 4-5 years). Research indicated that no such projects have occurred for at least 10 years. Further, it is our understanding that the COA is responsible to provide maintenance but that individual Unit owners that enjoy these amenities are to pay for maintenance as a special charge. In any event, regardless of responsibility for expense, we recommend including regular professional inspections of all of these elevated decks and adjacent structure with regular seal coating and repair when needed to ensure structural integrity, safety, quality appearance and to minimize any potential expense to Association. With the preceding understanding, no reserve funding for any future maintenance expense is factored within this reserve study.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 504 **Elevated Deck Rail - Replace**

Quantity: Approx 360 linear feet

Location: Elevated balconies, decks adjacent to individual units

Evaluation: Replacements along with deck repairs and resurfacing are likely. Installation of fascia mounted design to reduce deck surface penetrations are often selected when major deck renovations occur. We recommend regular professional inspections to ensure safety and stability with prompt repair as needed from operating budget. Pay particular attention to attachment points to also maintain waterproofing. No anticipation of needs for refinishing aluminum rail; but clean and seal along with other exterior building components.



Useful Life:
30 years

Remaining Life:
1 years

Best Case: \$25,200.00
\$60/LF, lower estimate to replace

Worst Case: \$28,800.00
\$80/LF, higher estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 510 Exterior Lights - Partial Replace

Quantity: (46) assorted

Location: Exterior common area locations

Evaluation: Assorted ages, conditions and types of fixtures with varying exposures to weathering. Some newer replacements noted at select balconies; some other locations with poor, deteriorated condition. Observed during daylight hours; all are assumed to be functional. Evaluate annually and adequate quantity of partial replacements in groupings should be accomplished from general operating funds to maintain a uniform, quality appearance and functionality.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 520 Vents - Clean/Repair

Quantity: Extensive quantity

Location: Exterior building elevations

Evaluation: We recommend regular professional inspections and cleaning, funded from the operating budget, to ensure vents are performing properly and to mitigate any potential structural damage or fire hazard.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 534 **Metal Fence/Rail - Replace**

Quantity: Approx 340 linear feet

Location: Scattered exterior common and limited common area locations, grade and first floor

Evaluation: Majority are original to construction but without advanced deterioration or instability apparent; a few runs have already been replaced. We recommend setting aside funding for eventual replacement due to typical deterioration and the potential for future unavailability of replacement components. We anticipate likely course of action is replacement along with major building repairs planned for FY 2013/2014 to achieve uniform quality, aesthetics and cost efficiencies. Adjust in future reserve updates as condition merit.

Useful Life:
30 years

Remaining Life:
1 years



Best Case: \$20,400.00

\$60/LF, lower average estimate to replace

Worst Case: \$27,200.00

\$80/LF, higher average estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 536 Awnings - Replace

Quantity: (6) assorted sizes

Location: Building main entries (2) and rooftop doghouses (4)

Evaluation: General fading of material but no significant damage. Main entry canopies were reportedly replaced in 2007. Assuming ordinary care, no anticipation to replace metal framework. Replacement intervals to replace material will require reserve funding.

Useful Life:
12 years

Remaining Life:
7 years



Best Case: \$7,000.00

\$2,900 (x2) and \$300 (x4), lower allowance to replace material

Worst Case: \$8,600.00

\$3,600 (x2) and \$350 (x4), higher allowance to replace material

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 540 Exterior Surfaces-Clean/Seal/Paint

Quantity: Approx 34,700 GSF

Location: Exterior building surfaces

Evaluation: Present exterior cladding (siding) is primarily vinyl along with a few small areas of newer cement fiber and older wood trim/elements. Buildings exhibit grime and majority of painted surfaces have general deterioration, fading and areas of staining. As already mentioned, plans for replacement of vinyl siding with installation of new cement fiber cladding system, painting in FY 2013/2014 were indicated. Typical urban Northwest clean/ seal/ paint cycles are between five and ten years depending upon surface preparation, material quality, application methods, site and weather conditions. Removal and replacement of caulking with high quality product is important part of surface preparation. Repair any siding or trim necessary prior to painting. Maintenance regimen should include regular professional inspections, with prompt touch-up and repair as needed. We recommend comprehensive projects to clean buildings exteriors, paint all finished surfaces, and maintain caulking for best appearance, quality water proofing and protection of assorted system components.

Useful Life:
10 years

Remaining Life:
1 years



Best Case: \$91,200.00

\$1,200/unit (x76), lower estimate to clean, caulk and paint

Worst Case: \$121,600.00

\$1,600/unit (x76), higher estimate to clean, caulk and paint

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 542 Exterior Siding - Repair/Replace

Quantity: Approx 34,700 GSF

Location: Building exterior surfaces

Evaluation: Forensic building evaluation is beyond the scope of our services. Vinyl siding appeared to have general deterioration and fading as expected along with a few areas of minor damage, instability and waviness noted. A few areas of local repair including some minor quantity already replaced with cement fiber at select locations. No comprehensive building envelope inspection to confirm weatherproofing performance was provided to this writer; no areas of significant water intrusion through siding were reported or is known to this writer at this time. As a general rule, vinyl is a durable, low maintenance product, but replacement will eventually be needed as material will become brittle, faded and worn over time (typically 25-35 year time frame). Replacement of underlying WRB (weather resistive barrier) is also assumed since it is life limited.

Our research with BOD contacts and Architect confirmed plans for integrated building repairs and improvements will include transition of all to cement fiber siding, rain screen system in FY 2013/2014 to ensure contemporary, quality weatherproofing and aesthetics. No further specifications or preliminary bids were available at this time. Cost and typical useful life projection below assumes cement fiber siding (50 UL), not vinyl siding (30 UL). Note that currently the leading manufacture of cement fiber siding (Hardie) carries either a 30-year non-prorated or 50-year prorated limited warranty on their products. Local James Hardie representative suggests planning for 50-year total service life of siding. Also, project cost may vary significantly dependant upon any underlying structural repair needs.

Useful Life:
50 years

Remaining Life:
1 years



Best Case: \$520,500.00

\$15/GSF, lower estimate to replace vinyl siding, with cement fiber, includes WRB

Worst Case: \$694,000.00

\$20/GSF, higher estimate to replace vinyl siding, with cement fiber, includes WRB

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 547 **Windows/Glass Doors - Replace**

Quantity: (276) assorted

Location: Exterior building elevations

Evaluation: General aging as expected along with some problems related to condensation and broken window handles were reported. Otherwise, these appear to be older dual-pane, non-thermally broken assemblies with condition consistent with original 1990 construction. It is our understanding that Unit owners are responsible to maintain, repair and replace glass/seals in window but COA is considered responsible for any eventual replacement of window assemblies (including frames, flashings, penetrations). If properly installed without defect, windows and glass doors are typically durable and have a useful life of 20-30 years or more. As already mentioned, we recommend regular professional inspections (including component #1000, Association Annual Inspection) and prompt repair as needed to ensure building waterproofing and help prevent structural damage. Research for this report confirmed plans for integrated replacement of all included in FY 2013/2014 to ensure quality construction, weatherproofing and cost efficiencies. Additional potential benefits include energy cost savings, greater resale value, increased interior comfort and noise suppression. No further specifications or preliminary bids were available at this time. Note: there are a wide range of frame types and glazing options; a mid-range funding allowance is projected below.

Useful Life:
30 years

Remaining Life:
1 years



Best Case: \$228,000.00
\$3,000/unit (x76), lower estimate to replace

Worst Case: \$304,000.00
\$4,000/unit (x76), higher estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 602 Low Slope Roof - Replace

Quantity: Approx 2,820 square feet

Location: Rooftop of buildings

Evaluation: Only very limited visual observations were made since vast majority of fields are covered by rooftop decks. General deterioration as expected but no significant damage, lifting or seam separation noted at those exposed locations. Some local replacement indicated at South Building in 1998 after fire damage and more recently one of the doghouse roofs was replaced (transition to metal roofing). In any event, it is our understanding that roof is largely original to 1990 construction and already beyond the typical life expectancy of between 15-20 years. Further, recent water infiltration repairs and ongoing concerns with insurance underwriters loss control recommendations apparently requiring replacement by October 2013. As regular maintenance, annual professional inspections and prompt repairs as needed are highly recommended to ensure waterproof integrity and adequacy of drainage (including portions under rooftop decks). Many types of roof systems at wide range of expense are available in today's market, no preliminary bids or specifications were available at this time. Similar system is factored below (tear-off and replacement); adjust in future reserve updates as appropriate. As with all significant projects (particularly components that impact waterproofing and structural integrity), specification and oversight by a highly qualified, independent expert is recommended to ensure satisfactory outcome.

Useful Life:
20 years

Remaining Life:
1 years



Best Case: \$42,300.00

\$15.00/Sq Ft; lower estimate to roof, includes any metal work

Worst Case: \$56,400.00

\$20.00/Sq Ft; higher estimate to roof, includes any metal work

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 604 **Pitched Roof - Replace**

Quantity: Approx 8,260 square feet

Location: Rooftop of buildings

Evaluation: Varying degrees of general deterioration and wear (granular loss, etc...) but no widespread edge lifting, missing shingles observed. No reported concerns with water infiltration. Research indicated several elevations of pitched roof were replaced due to fire damage in 1998 but otherwise roof is 22 years old (existing quality typical useful life 15-25 years). Research with BOD contacts and Architect confirmed plans for replacement of all in FY 2013/2014 per insurance underwriters loss control recommendations; no preliminary bids or specifications were available at the time of this report's writing. Adjust expense and future replacement assumptions based upon selection criteria and update in future reserve updates as conditions merit. As routine maintenance, we recommend professional inspections at least twice annually and after wind storms, promptly replacing damaged/missing shingles or any other repair as may be needed to ensure that the waterproof integrity of the buildings is maintained. Keep gutters and downspouts clear and free of debris to allow water to evacuate from rooftops as designed. Note that replacement with higher quality, dimensional composition shingle is assumed to achieve longer future life cycles.

Useful Life:
30 years

Remaining Life:
1 years



Best Case: \$41,300.00

\$5.00/Sq Ft; lower estimate to roof, includes any metal work

Worst Case: \$57,820.00

\$7.00/Sq Ft; higher estimate to roof, includes any metal work

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 610 Gutters/Downspouts - Repair/Replace

Quantity: Approx 1,760 linear feet

Location: Perimeter of buildings

Evaluation: Majority appears older. Replacement at the same intervals as pitched roof replacement is recommended to ensure best performance and cost efficiency. Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds.



Useful Life:
30 years

Remaining Life:
1 years

Best Case: \$14,080.00

\$8.00/LF, lower estimate to replace

Worst Case: \$17,600.00

\$10.00/LF, higher estimate to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 620 **Roof Deck - Replace**

Quantity: Approx 2,050 square feet

Location: Rooftop of buildings

Evaluation: Composite decking with general deterioration, areas with warping, height differential and concerns for safe pedestrian traffic. Replacement is recommended, timed to coincide with low slope roof replacement project for purposes of cost efficiency and long term planning. No specification or preliminary bids were available; similar (but improved) type of composite decking or wood is factored below at this time. Also, consideration should be given to durable concrete paver system (upon pedestals) as seen at many other rooftop decks. Further, some discussion is ongoing regarding a large scale redesign project whereby the roof decks would be completely enclosed as interior space but no consensus or firm plans at this time. That type of capital improvement endeavor would be funded outside of maintenance reserves in any event. Future reserve updates will factor any significant changes to building construction/amenities as a matter of course.



Useful Life:
20 years

Remaining Life:
1 years

Best Case: \$41,000.00
\$20.00/Sq Ft; lower estimate to replace with similar

Worst Case: \$61,500.00
\$30.00/Sq Ft; higher estimate to replace with similar

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 700 Flooring, Hallways - Replace

Quantity: Approx 520 square yards

Location: Hallways, lobby, etc...

Evaluation: General aging, deterioration and wear although carpeting appears to have been well maintained. As part of ongoing maintenance program, continue to vacuum regularly and professionally clean as needed. Timing and expense for replacement projects is somewhat subjective by nature but needs for periodic aesthetic updating are not. Although carpeting is old, no imminent plans or preliminary bids for replacement were expressed as the COA continues to focus on higher priority items. Reserve funding for such is factored below for general planning purposes.

Useful Life:
12 years

Remaining Life:
2 years



Best Case: \$26,000.00

\$50/Sq Yd, lower allowance replacement flooring,
installed

Worst Case: \$31,200.00

\$60/Sq Yd, higher estimate replacement flooring,
installed

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 701 **Flooring, Stairs/Storage - Replace**

Quantity: Approx 520 square yards

Location: Stairwells and storage/utility rooms

Evaluation: Similar condition, care and maintenance recommendations will also apply for stairwell and storage area carpeting and sheet flooring. These less visible and utilized areas typically have extended life as compared to hallways. Time project to coincide with paint projects for cost efficiency.

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$20,800.00

\$40/Sq Yd, lower estimate replacement flooring installed

Worst Case: \$26,000.00

\$50/Sq Yd, higher estimate replacement flooring, installed

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 710 **Interior, Halls/Lobby - Refinish**

Quantity: Approx 21,000 square feet

Location: Hallways, lobby

Evaluation: Minor targeted painting took place recently but vast majority of finishes (mostly paint but some wallpaper as well) are older surfaces with general fading along with some local staining, damage. For purposes of long term planning, regular cycles of professional painting are recommended to maintain appearance; best timed prior to carpet replacement (component #701). Keep touch-up paint on site for in between cycle projects.

Useful Life:
12 years

Remaining Life:
2 years



Best Case: \$21,000.00

Lower allowance to refinish, similar scheme

Worst Case: \$27,000.00

Higher allowance to paint, similar scheme

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 712 Interior, Stairwells - Repaint

Quantity: Approx 14,500 square feet

Location: Stairwells and storage/utility rooms

Evaluation: Similar condition was illustrated. These utility areas will require less frequent refinishing than higher profile areas such as hallways.

Useful Life:
20 years

Remaining Life:
2 years



Best Case: \$11,600.00

Lower estimate to paint, similar scheme

Worst Case: \$14,500.00

Higher estimate to paint, similar scheme

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 720 Interior Lights - Replace

Quantity: (312) assorted

Location: Interior common areas such as hallways, stairwells, lobbies, garage, etc...

Evaluation: Assorted types (ceiling, emergency, exit, etc...) appear to be largely original to 1990 construction with general aging. In our experience, a comprehensive lighting retrofit is warranted at roughly the 20-25 mark of life for continued functionality, cost and energy efficiency, aesthetic updating, etc... Clean, change bulbs regularly and anticipate some local repair/replacement needs periodically as general maintenance expense.

Useful Life:
24 years

Remaining Life:
2 years



Best Case: \$31,200.00

\$100/each (x312), lower allowance to replace

Worst Case: \$43,680.00

\$140/each (x312), higher allowance to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 730 **Common Areas - Refurbish**

Quantity: Extensive square feet

Location: Lobby, hallways, etc...

Evaluation: Minimal artwork, décor and furnishings at present so any replacement expenses are likely to be handled as an operating item. If substantially increasing quantity/quality funding may be incorporated into future reserve updates as appropriate.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 731 **Rental Unit - Refurbish**

Quantity: Approx 560 square feet

Location: Unit 301, South Building (2)

Evaluation: No direct observation made since unable to access on date of scheduled site inspection. Research with Resident Manager informed us that unit was painted and new flooring installed in 2012. We assume that such partial refurbishing from operating funds will suffice to maintain marketability of rental unit going forward. If considering inclusion for future reserve funding, track project/expense history carefully to form basis for accurate forecasting.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 732 Mailboxes - Replace

Quantity: (78) metal

Location: Attached to lobby walls

Evaluation: Fair condition without noteworthy deterioration. Inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Protected interior location provides for extended life so plan for eventual replacement at roughly the time frame below.

Useful Life:
30 years

Remaining Life:
8 years



Best Case: \$5,460.00

Lower estimate, includes installation

Worst Case: \$7,020.00

Higher estimate, includes installation

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 760 Entry/Utility Doors - Replace

Quantity: (242) assorted

Location: Entry to each unit, common area utility, etc...

Evaluation: Assorted types with varying usage and exposure to weathering elements. Replacements of majority of exterior doors in recent years. Inspect regularly, repair hardware, replace doors individually or in small groupings as needed from maintenance budget. Clean and refinish if needed along with other building surfaces, no need for separate funding

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 900 Plumbing - Repair/Replace

Quantity: Extensive systems

Location: Throughout common and limited common areas of building

Evaluation: It is our understanding that domestic supply is primarily copper and drainage consists of ABS and cast iron. Recent years have seen COA maintenance expenses for jet cleaning of drainage lines, a few local repairs and improvements to add shut-off valves for individual stacks. Additionally, BOD facilitated large scale replacement of more efficient toilets within Units (at unit owner expense) in 2011. No widespread problems were reported, such as; corrosion, sediment, pressure issues or occlusions at this time. Assessing the plumbing systems is beyond the scope of a reserve study in any event. Prudent measure would include inspections and effecting timely replacements of "high risk" components such as water heaters, hose connections, drains, etc... inside Units regardless of responsibility for expense. If installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. Continue to treat minor repairs as an ongoing maintenance expense. Funding may be incorporated into future reserve study updates when remaining life of existing plumbing systems appears to be less than thirty years. No reserve funding suggested at this time.

Useful Life:

Remaining Life:
0 years



Best Case:

Worst Case:

Cost Source: Does not meet NRSS Criteria for Reserve Funding

Client: 17969A Parc on Summit

Comp #: 902 Electrical - Repair/Replace

Quantity: Extensive systems

Location: Throughout common and limited common areas of building

Evaluation: No reported problems at this time. Assessing the electrical systems is also beyond the scope of our services. If installed per architectural specifications and local building codes, there is no predictable time frame for large scale repair/replacement expenses within the scope of our report. Treat minor repairs as ongoing maintenance expense. We recommend routine inspections (including infrared or thermographic testing) to assess conditions on an ongoing basis, along with regular maintenance of cleaning, tightening connections, etc... Funding may be incorporated into future reserve study updates if conditions change. No reserve funding suggested at this time.

Useful Life:

Remaining Life:
0 years



Best Case:

Worst Case:

Cost Source: Does not meet NRSS Criteria for Reserve Funding

Comp #: 904 Exhaust Fan - Replace

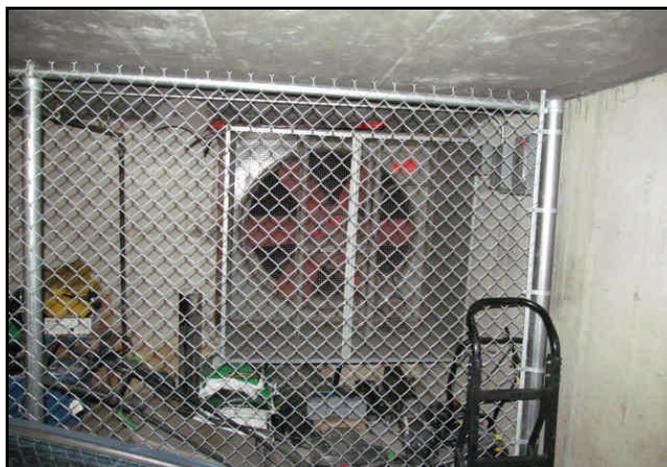
Quantity: Moderate system

Location: Parking garage

Evaluation: Fair operating condition assumed. Care and maintenance of fans is typically limited to simple maintenance and periodic minor replacement parts.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 907 Trash Chutes - Replace

Quantity: (2) systems

Location: Center of buildings

Evaluation: No reported problems. Inspect regularly, clean and repair as needed from operating budget. Enforce policy of bagging rubbish. No expectation of large scale repair/replacement, no reserve funding recommended.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp #: 909 Pumps & Valves - Replace

Quantity: Extensive systems

Location: Mechanical room, stairwells, etc...

Evaluation: No significant leakage or corrosion observed during our limited scope visual inspection. Regular maintenance and testing was indicated. No predictable large scale expenses suitable for reserve designation. Treat repairs as maintenance/operating issue.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 910 Elevators/Cabs - Modernize

Quantity: (2) hydraulic, six-stop

Location: Center of buildings

Evaluation: Jack replacement needs indicated for North Building in 2012 at an expense of ~\$50,000 with monies already earmarked. History of previous replacement of the South Building jack occurring in FY 2009/2010. These are atypical events in our experience for buildings constructed in 1990. Research with servicing contractor confirmed previous jack bottoms were double-walled (as expected) but that lack of proper liner and subsequent electrolysis contributed to failure. In any event, future jack replacement intervals are not anticipated for a period well outside our 30 year reporting period. Otherwise, the reader should note that the typical service life expectations for elevators is 20-30 years in most instances. Best to plan for eventual large scale modernization which may include electrical updates, controllers, mechanical door components, pump replacement, cab remodel, etc...

Useful Life:
30 years

Remaining Life:
8 years



Best Case: \$110,000.00

\$55,000 each (x2), lower estimate to modernize elevator and cabs

Worst Case: \$140,000.00

\$70,000 each (x2), higher estimate to modernize elevator and cabs

Cost Source: Research with Local Contractor/Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 920 Fire Alarm Panel - Replace

Quantity: (1) Edwards GS 5753B

Location: Utility room, South Building

Evaluation: Older, obsolete panel appears to be original to 1990 construction but is reported to be in working order and operating as designed. Professional inspections are recommended and indicated. Prudent long term planning recommends setting aside funding for periodic replacement due to parts obsolescence and technological upgrades at the roughly the interval indicated below.

Useful Life:
25 years

Remaining Life:
3 years



Best Case: \$7,500.00

Worst Case: \$10,000.00

Lower estimate for replacement, conventional

Higher estimate for replacement, addressable

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 924 Garage Operator - Replace

Quantity: (1) 1/2 H.P

Location: Garages entry/exit

Evaluation: No image available at this time. Heavy duty cycles are assumed since there is only one way in/out of the garage for car traffic. In any event, fund replacement as a maintenance item, since small expenses (\$3,000 or less) don't merit reserve designation.

Useful Life:

Remaining Life:

Photo Not Available

Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 928 Garage Door - Replace

Quantity: (1) metal, 9'x19'

Location: Garages entry/exits

Evaluation: Fair and functional condition without advanced deterioration or significant damage. Provided expense report indicates minor repair events in recent years. Continuing regular professional inspections, maintenance and repairs will help extend useful life cycles. Metal doors are typically durable if not damaged but setting aside funding for eventual replacement of vertical lift door due to constant usage, wear and weathering is prudent measure.

Useful Life:
35 years

Remaining Life:
13 years



Best Case: \$12,000.00

Lower estimate to replace door with similar

Worst Case: \$16,000.00

Higher estimate to replace door with similar

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 929 Trash Room Doors - Replace

Quantity: (2) metal, 6'x7'

Location: Trash rooms

Evaluation: Not tested. Working assumption is minimal usage with individual repairs or any eventual replacements when needed from general funds.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 930 Entry Panels - Replace

Quantity: (2) telephone

Location: Main entries of buildings

Evaluation: Panels are older with only general deterioration as expected. Functional when we inspected on 10.9.2012 with no reported problems. Proactive maintenance and minor repairs have helped to extend useful life. Plan for eventual replacement intervals due to constant usage, technological upgrades and potential parts obsolescence.



Useful Life:
25 years

Remaining Life:
3 years

Best Case: \$5,000.00

Lower estimate to replace entry panels

Worst Case: \$7,000.00

Higher estimate to replace entry panels

Cost Source: ARI Cost Database: Similar Project Cost History

Comp #: 940 Surveillance System - Refurbish

Quantity: Moderate system

Location: Access/ entry and other common areas

Evaluation: It is our understanding that the four camera, DVR system was installed in 2011 at an expense of ~\$6,000. Failure rate is difficult to predict, but typically replacement is needed in the 10 year range; we have factored funds for integrated replacement equipment at this interval. Inspect and service periodically as needed.



Useful Life:
10 years

Remaining Life:
8 years

Best Case: \$6,000.00

Lower funding allowance for replacement

Worst Case: \$8,000.00

Higher funding allowance for replacement

Cost Source: Client Cost History/Similar Project Cost History

Client: 17969A Parc on Summit

Comp #: 1000 Association Annual Inspection

Quantity: Every year

Location: Common and limited common areas

Evaluation: Forensic building inspection is beyond the scope of a Reserve Study. Many Associations are required to have the Condominium inspected annually by a qualified engineer or architect in order to ascertain the physical condition of the improvements in the Condominium and to determine whether maintenance, repairs or replacements of any improvements are indicated. The inspection typically covers, at a minimum, the building envelopes, including the roofs, siding, caulking, flashings, windows, decks and doors. Although your Associations governing documents do not appear to require such, we recommend the Board provide for regular comprehensive building inspections, funded from the maintenance/operating budget, to ensure the weatherproofing and structural integrity of the buildings is maintained.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 17969A Parc on Summit

Comp #: 1002 Reserve Study WSV

Quantity: Every three years

Location: Common and limited common areas

Evaluation: Per Washington law, chapter 64.34 RCW reserve study updates with site inspections are required every three years to assess changes in condition (i.e., physical, economic, governmental, etc...) and the resulting effect on the community's long-term reserve plan. Most appropriately factored through operating budget, not as reserve component.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:
