

**Washington Office**  
505 South 336<sup>th</sup> St., Ste 620  
Federal Way, WA 98003

TEL 253/661-5437  
FAX 253/661-5430  
arwa@reservestudy.com  
www.reservestudy.com



*Reserve Studies for Community Associations*

**Corporate Office**  
Calabasas, CA

**Regional Offices**  
Phoenix, AZ  
San Francisco, CA  
Denver, CO  
Honolulu, HI  
Las Vegas, NV

## Update “With-Site-Visit” Reserve Study



### Meridian Firs II Kent, WA

**Report #: 15449-1**  
**For Period Beginning: January 1, 2013**  
**Expires: December 31, 2013**

**Date Prepared: February 18, 2013**



---

## **Hello, and welcome to your Reserve Study!**

**T**his 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.

**W**ith 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](http://www.ReserveStudy.com) or call us at:

253.661.5437



# Table of Contents

<b>Executive Summary .....</b>	<b>i</b>
Reserve Study Summary .....	i
Reserve Component List – Table 1 .....	ii
<b>Introduction, Objectives, and Methodology .....</b>	<b>1</b>
Which Physical Assets are Covered by Reserves? .....	2
How are Useful Life and Remaining Useful Life established? .....	2
How are Cost Estimates Established? .....	2
How much Reserves are enough? .....	3
How much should we contribute? .....	3
What is our Funding Goal? .....	4
<b>Site Inspection.....</b>	<b>5</b>
<b>Projected Expenses .....</b>	<b>6</b>
Expense Graph – Figure 1 .....	6
<b>Reserve Fund Status &amp; Recommended Funding Plan .....</b>	<b>7</b>
Funding Plan Graph – Figure 2.....	7
Cash Flow Graph – Figure 3 .....	8
% Funded Graph – Figure 4.....	8
<b>Table Descriptions .....</b>	<b>9</b>
Reserve Component List Detail – Table 2.....	10
Contribution & Fund Breakdown – Table 3 .....	11
30 Year Reserve Plan Summary – Table 4.....	12
30 Year Reserve Plan Year by Year Detail – Table 5 .....	13
<b>Accuracy, Limitations, and Disclosures.....</b>	<b>19</b>
<b>Terms and Definitions.....</b>	<b>21</b>
<b>Photographic Inventory .....</b>	<b>Appendix</b>

### 3- Minute Executive Summary

Association: Meridian Firs II Assoc. #: 15449-1  
Location: Kent, WA  
# of Units: 76  
Report Period: January 1, 2013 through December 31, 2013

#### *Results as-of 1/1/2013:*

Projected Starting Reserve Balance: .....	\$239,278
Fully Funded Reserve Balance: .....	\$250,737
Average Reserve Deficit (Surplus) Per Unit:.....	\$151
Percent Funded: .....	95.4%
100% Full Funding 2013 Monthly Reserve Contribution:.....	\$1,900
Baseline Contribution (min to maintain reserves above \$0) .....	\$1,850
Recommended 2013 Special Assessment for Reserves: .....	\$0
Most Recent Reserve Contribution Rate:.....	\$1,583

#### *Economic Assumptions:*

Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 0.50%  
Annual Inflation Rate ..... 3.00%

- This is an "Update With-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves. The information in this Reserve Study is based on our site inspection on September 19, 2012 and meets or exceeds all requirements of the RCW. This Reserve Study was prepared by a credentialed Reserve Specialist (RS).
- Your Reserve Fund is 95.4% Funded. Comparatively, the 70% to 100% level is where associations statistically enjoy fiscal stability with low risk of special assessment.
- Based on this starting point and your anticipated future expenses, our recommendation is to increase your Reserve contributions to \$1,900 with annual increases thereafter as noted in Tables 4 & 5 herein. The 100% Full contribution rate is designed to maintain a strong reserve status throughout the 30-year report scope. See photo pages for detailed component information and the basis of our assumptions.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
201 Asphalt - Resurface	25	15	\$224,750	\$350,153
202 Asphalt - Seal/Repair	5	0	\$26,750	\$31,011
320 Pole Lights - Replace	20	15	\$33,800	\$52,659
399 Generator - Replace	20	18	\$5,000	\$8,512
403 Mailboxes - Replace	20	16	\$8,750	\$14,041
405 Play Equipment - Replace	20	18	\$12,500	\$21,280
904 Kitchen - Refurbish	20	8	\$3,500	\$4,434
909 Bathrooms - Refurbish	20	8	\$5,000	\$6,334
910 Rooms - Remodel	20	8	\$2,500	\$3,167
911 Carpet/Vinyl - Replace	10	4	\$5,850	\$6,584
912 Interior Surfaces - Repaint	10	4	\$4,000	\$4,502
1116 Exterior Surfaces - Paint	1	0	\$12,500	\$12,875
1121 Exterior Siding - Replace (part)	1	0	\$2,500	\$2,575
1303 Asphalt Shingle Roof - Replace	25	18	\$284,250	\$483,917
1310 Gutters/Downspouts - Replace	25	18	\$48,000	\$81,717
1402 Entry Signs - Refurbish	10	8	\$5,000	\$6,334
1922 Reserve Study WSV	3	2	\$1,790	\$1,899
17 Total Funded Components				

**Note:** 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 \$1,500 is suggested 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.

### Reserve Study

- Component List
- Reserve Fund Strength
- Recommended Contribs

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 "Update With-Site-Visit" Reserve Study, we started with a review of your prior Reserve Study, 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 evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

### Reserve Study Types

- Full
- • Update With-Site-Visit
- Update No-Site-Visit



### *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 since last report)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

### *How are Cost Estimates Established?*

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

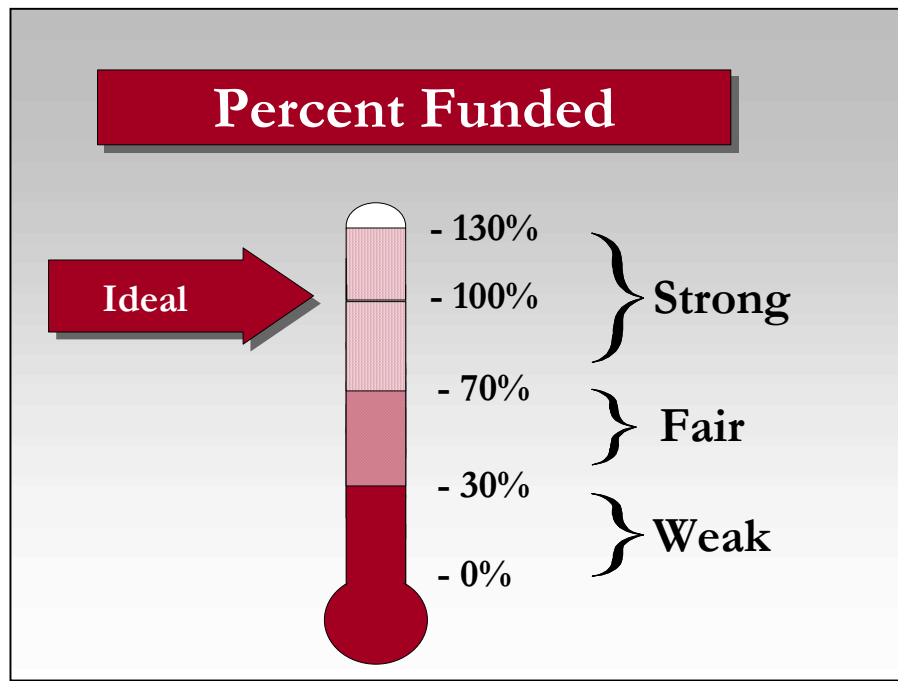
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

### *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 Boardmembers 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 September 19, 2012, we started the site inspection beginning with the general common areas. We visually inspected all the visible common elements while compiling a photographic inventory, noting: current condition, apparent levels of care and maintenance, exposure to weather elements, etc...

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.

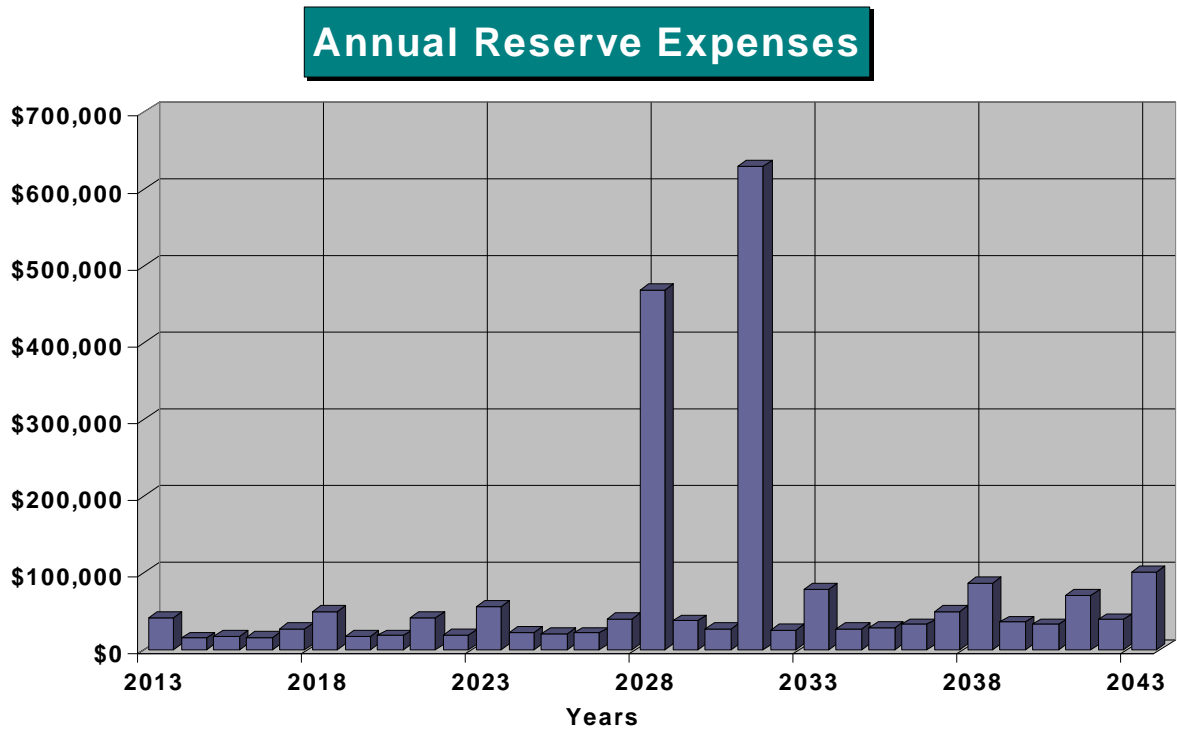


Figure 1

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 \$239,278 as-of the start of your Fiscal Year on January 1, 2013. As of January 1, 2013, your Fully Funded Balance is computed to be \$250,737 (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 95% Funded.

## Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$1,900/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.

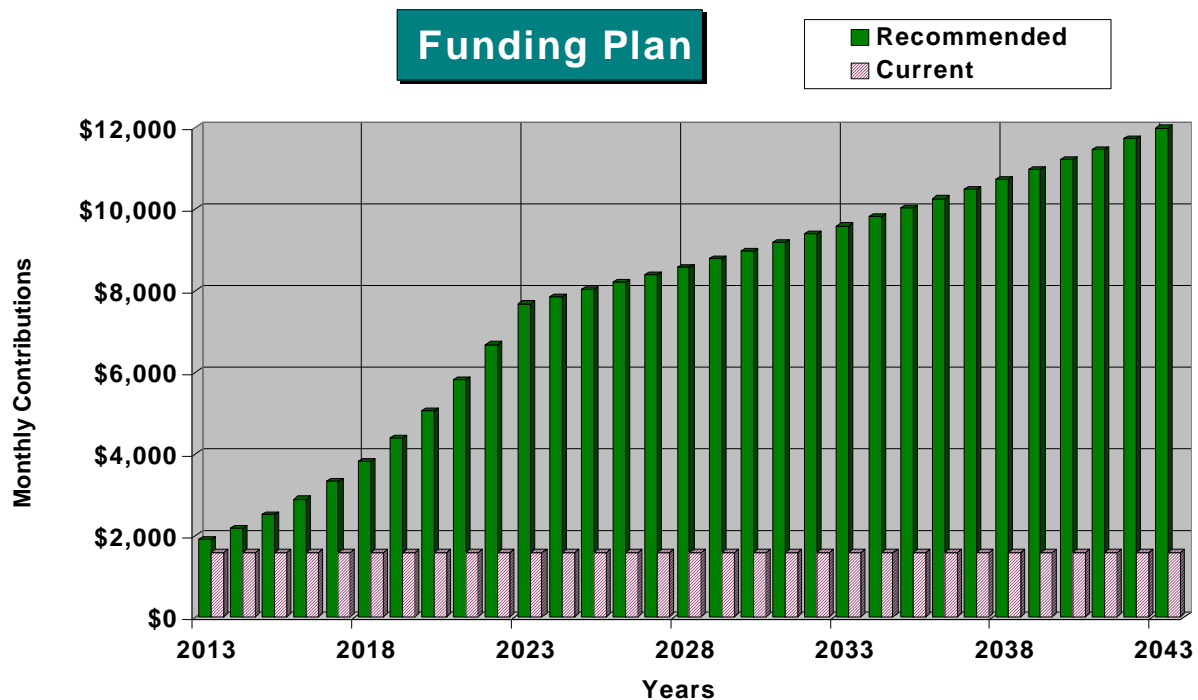


Figure 2

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.

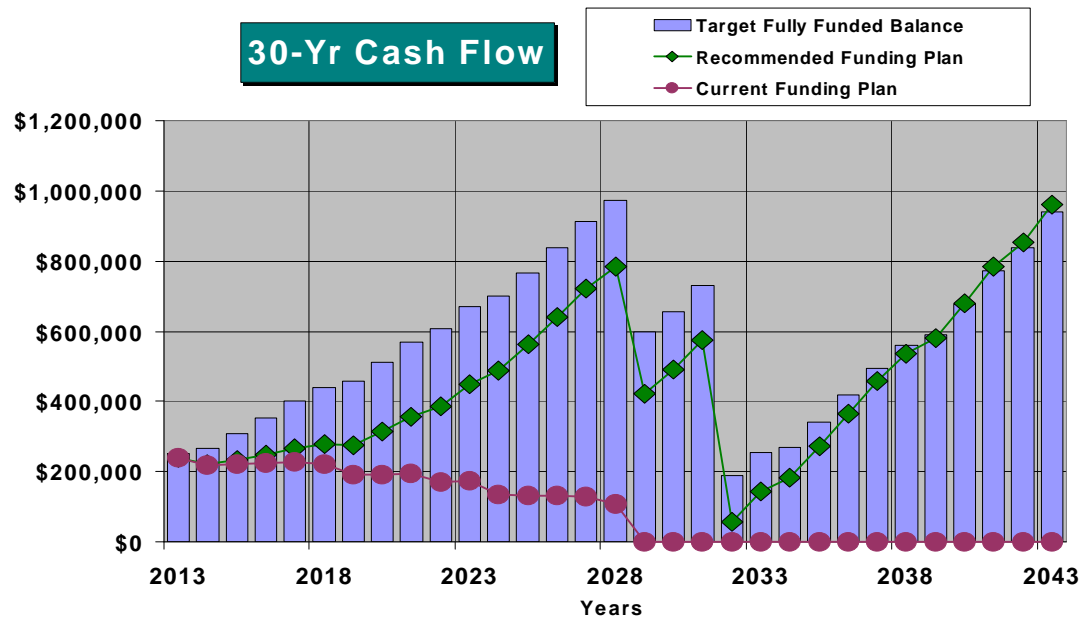


Figure 3

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

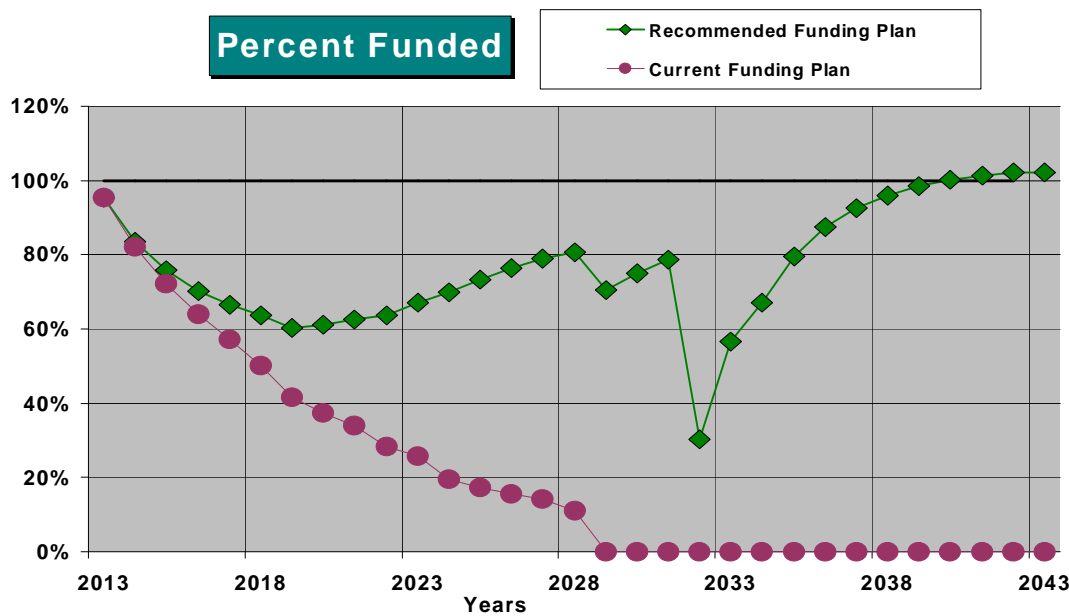


Figure 4

## 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 underfunded, 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****15449-1**

# Component	Quantity	Useful	Rem.	Best	Current
		Life	Useful		
			Life	Cost	Worst Cost
201 Asphalt - Resurface	Approx 107,000 GSF	25	15	\$208,700	\$240,800
202 Asphalt - Seal/Repair	Approx 107,000 GSF	5	0	\$21,400	\$32,100
320 Pole Lights - Replace	(104) Posts and Globes	20	15	\$31,200	\$36,400
399 Generator - Replace	(1) Generator	20	18	\$4,000	\$6,000
403 Mailboxes - Replace	(5) Cluster Units	20	16	\$8,500	\$9,000
405 Play Equipment - Replace	(1) Play Gym, (1) Swing	20	18	\$10,000	\$15,000
904 Kitchen - Refurbish	(1) Small Kitchen	20	8	\$3,000	\$4,000
909 Bathrooms - Refurbish	(2) Bathrooms	20	8	\$4,000	\$6,000
910 Rooms - Remodel	Extensive Square Feet	20	8	\$2,000	\$3,000
911 Carpet/Vinyl - Replace	Approx 180 GSY	10	4	\$5,400	\$6,300
912 Interior Surfaces - Repaint	Approx 4,000 GSF	10	4	\$3,600	\$4,400
1116 Exterior Surfaces - Paint	(13) Buildings + Clubhouse	1	0	\$11,000	\$14,000
1121 Exterior Siding - Replace (part)	Approx 82,500 GSF	1	0	\$2,000	\$3,000
1303 Asphalt Shingle Roof - Replace	Approx 103,360 GSF	25	18	\$258,400	\$310,100
1310 Gutters/Downspouts - Replace	Approx 8,000 LF	25	18	\$40,000	\$56,000
1402 Entry Signs - Refurbish	(2) Wood Signs	10	8	\$4,000	\$6,000
1922 Reserve Study WSV	Every Three Years	3	2	\$1,690	\$1,890
17 Total Funded Components					



**Table 3: Contribution and Fund Breakdown****15449-1**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
201 Asphalt - Resurface	25	15	\$224,750	\$89,900	\$89,900.00	\$353.91
202 Asphalt - Seal/Repair	5	0	\$26,750	\$26,750	\$26,750.00	\$210.61
320 Pole Lights - Replace	20	15	\$33,800	\$8,450	\$8,450.00	\$66.53
399 Generator - Replace	20	18	\$5,000	\$500	\$500.00	\$9.84
403 Mailboxes - Replace	20	16	\$8,750	\$1,750	\$1,750.00	\$17.22
405 Play Equipment - Replace	20	18	\$12,500	\$1,250	\$1,250.00	\$24.60
904 Kitchen - Refurbish	20	8	\$3,500	\$2,100	\$2,100.00	\$6.89
909 Bathrooms - Refurbish	20	8	\$5,000	\$3,000	\$3,000.00	\$9.84
910 Rooms - Remodel	20	8	\$2,500	\$1,500	\$1,500.00	\$4.92
911 Carpet/Vinyl - Replace	10	4	\$5,850	\$3,510	\$3,510.00	\$23.03
912 Interior Surfaces - Repaint	10	4	\$4,000	\$2,400	\$2,400.00	\$15.75
1116 Exterior Surfaces - Paint	1	0	\$12,500	\$12,500	\$12,500.00	\$492.08
1121 Exterior Siding - Replace (part)	1	0	\$2,500	\$2,500	\$2,500.00	\$98.42
1303 Asphalt Shingle Roof - Replace	25	18	\$284,250	\$79,590	\$79,590.00	\$447.60
1310 Gutters/Downspouts - Replace	25	18	\$48,000	\$13,440	\$1,981.33	\$75.58
1402 Entry Signs - Refurbish	10	8	\$5,000	\$1,000	\$1,000.00	\$19.68
1922 Reserve Study WSV	3	2	\$1,790	\$597	\$596.67	\$23.49
17 Total Funded Components				\$250,737	\$239,278	\$1,900

**Table 4: 30-Year Reserve Plan Summary****15449-1****Fiscal Year Beginning: 01/01/13****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
2013	\$239,278	\$250,737	95.4%		Strong	\$22,800	\$0	\$1,152	\$41,750
2014	\$221,480	\$264,968	83.6%		Strong	\$26,220	\$0	\$1,137	\$15,450
2015	\$233,387	\$308,207	75.7%		Strong	\$30,153	\$0	\$1,201	\$17,813
2016	\$246,928	\$351,846	70.2%		Strong	\$34,676	\$0	\$1,283	\$16,391
2017	\$266,496	\$399,841	66.7%		Fair	\$39,877	\$0	\$1,365	\$27,969
2018	\$279,770	\$438,979	63.7%		Fair	\$45,859	\$0	\$1,390	\$50,475
2019	\$276,544	\$457,790	60.4%		Fair	\$52,738	\$0	\$1,473	\$17,911
2020	\$312,845	\$512,434	61.1%		Fair	\$60,648	\$0	\$1,674	\$18,448
2021	\$356,718	\$569,945	62.6%		Fair	\$69,746	\$0	\$1,858	\$41,537
2022	\$386,785	\$607,234	63.7%		Fair	\$80,208	\$0	\$2,090	\$19,572
2023	\$449,511	\$670,155	67.1%		Fair	\$92,239	\$0	\$2,343	\$56,109
2024	\$487,985	\$699,277	69.8%		Fair	\$94,314	\$0	\$2,624	\$23,241
2025	\$561,681	\$765,130	73.4%		Strong	\$96,436	\$0	\$3,003	\$21,386
2026	\$639,734	\$836,933	76.4%		Strong	\$98,606	\$0	\$3,398	\$22,028
2027	\$719,710	\$912,356	78.9%		Strong	\$100,825	\$0	\$3,758	\$40,295
2028	\$783,998	\$973,417	80.5%		Strong	\$103,093	\$0	\$3,015	\$467,858
2029	\$422,248	\$598,176	70.6%		Strong	\$105,413	\$0	\$2,285	\$38,112
2030	\$491,834	\$656,639	74.9%		Strong	\$107,785	\$0	\$2,665	\$27,751
2031	\$574,532	\$729,921	78.7%		Strong	\$110,210	\$0	\$1,578	\$629,475
2032	\$56,845	\$188,091	30.2%		Fair	\$112,689	\$0	\$501	\$26,303
2033	\$143,734	\$253,813	56.6%		Fair	\$115,225	\$0	\$812	\$78,638
2034	\$181,132	\$270,216	67.0%		Fair	\$117,817	\$0	\$1,133	\$27,904
2035	\$272,179	\$342,060	79.6%		Strong	\$120,468	\$0	\$1,594	\$28,742
2036	\$365,499	\$417,971	87.4%		Strong	\$123,179	\$0	\$2,057	\$33,137
2037	\$457,599	\$494,491	92.5%		Strong	\$125,950	\$0	\$2,482	\$50,515
2038	\$535,517	\$558,350	95.9%		Strong	\$128,784	\$0	\$2,787	\$87,415
2039	\$579,673	\$589,148	98.4%		Strong	\$131,682	\$0	\$3,144	\$36,209
2040	\$678,290	\$676,736	100.2%		Strong	\$134,645	\$0	\$3,653	\$33,319
2041	\$783,269	\$773,144	101.3%		Strong	\$137,674	\$0	\$4,093	\$70,926
2042	\$854,110	\$837,023	102.0%		Strong	\$140,772	\$0	\$4,534	\$39,567

**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)****15449-1**

Fiscal Year	2013	2014	2015	2016	2017
Starting Reserve Balance	\$239,278	\$221,480	\$233,387	\$246,928	\$266,496
Annual Reserve Contribution	\$22,800	\$26,220	\$30,153	\$34,676	\$39,877
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,152	\$1,137	\$1,201	\$1,283	\$1,365
Total Income	\$263,230	\$248,837	\$264,740	\$282,887	\$307,739
# Component					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$26,750	\$0	\$0	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
399 Generator - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
904 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Rooms - Remodel	\$0	\$0	\$0	\$0	\$0
911 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$6,584
912 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$4,502
1116 Exterior Surfaces - Paint	\$12,500	\$12,875	\$13,261	\$13,659	\$14,069
1121 Exterior Siding - Replace (part)	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
1303 Asphalt Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
1922 Reserve Study WSV	\$0	\$0	\$1,899	\$0	\$0
Total Expenses	\$41,750	\$15,450	\$17,813	\$16,391	\$27,969
Ending Reserve Balance:	\$221,480	\$233,387	\$246,928	\$266,496	\$279,770

**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)****15449-1**

Fiscal Year	2018	2019	2020	2021	2022
Starting Reserve Balance	\$279,770	\$276,544	\$312,845	\$356,718	\$386,785
Annual Reserve Contribution	\$45,859	\$52,738	\$60,648	\$69,746	\$80,208
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,390	\$1,473	\$1,674	\$1,858	\$2,090
Total Income	\$327,019	\$330,755	\$375,167	\$428,323	\$469,083
# Component					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$31,011	\$0	\$0	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
399 Generator - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
904 Kitchen - Refurbish	\$0	\$0	\$0	\$4,434	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$6,334	\$0
910 Rooms - Remodel	\$0	\$0	\$0	\$3,167	\$0
911 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
912 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Exterior Surfaces - Paint	\$14,491	\$14,926	\$15,373	\$15,835	\$16,310
1121 Exterior Siding - Replace (part)	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262
1303 Asphalt Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Signs - Refurbish	\$0	\$0	\$0	\$6,334	\$0
1922 Reserve Study WSV	\$2,075	\$0	\$0	\$2,268	\$0
Total Expenses	\$50,475	\$17,911	\$18,448	\$41,537	\$19,572
Ending Reserve Balance:	\$276,544	\$312,845	\$356,718	\$386,785	\$449,511

**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)****15449-1**

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$449,511	\$487,985	\$561,681	\$639,734	\$719,710
Annual Reserve Contribution	\$92,239	\$94,314	\$96,436	\$98,606	\$100,825
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,343	\$2,624	\$3,003	\$3,398	\$3,758
Total Income	\$544,093	\$584,923	\$661,120	\$741,738	\$824,293
# Component					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$35,950	\$0	\$0	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
399 Generator - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
904 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Rooms - Remodel	\$0	\$0	\$0	\$0	\$0
911 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$8,849
912 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$6,050
1116 Exterior Surfaces - Paint	\$16,799	\$17,303	\$17,822	\$18,357	\$18,907
1121 Exterior Siding - Replace (part)	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781
1303 Asphalt Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
1922 Reserve Study WSV	\$0	\$2,478	\$0	\$0	\$2,708
Total Expenses	\$56,109	\$23,241	\$21,386	\$22,028	\$40,295
Ending Reserve Balance:	\$487,985	\$561,681	\$639,734	\$719,710	\$783,998

**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)****15449-1**

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$783,998	\$422,248	\$491,834	\$574,532	\$56,845
Annual Reserve Contribution	\$103,093	\$105,413	\$107,785	\$110,210	\$112,689
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,015	\$2,285	\$2,665	\$1,578	\$501
Total Income	\$890,106	\$529,946	\$602,284	\$686,320	\$170,036
# Component					
201 Asphalt - Resurface	\$350,153	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$41,676	\$0	\$0	\$0	\$0
320 Pole Lights - Replace	\$52,659	\$0	\$0	\$0	\$0
399 Generator - Replace	\$0	\$0	\$0	\$8,512	\$0
403 Mailboxes - Replace	\$0	\$14,041	\$0	\$0	\$0
405 Play Equipment - Replace	\$0	\$0	\$0	\$21,280	\$0
904 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Rooms - Remodel	\$0	\$0	\$0	\$0	\$0
911 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
912 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Exterior Surfaces - Paint	\$19,475	\$20,059	\$20,661	\$21,280	\$21,919
1121 Exterior Siding - Replace (part)	\$3,895	\$4,012	\$4,132	\$4,256	\$4,384
1303 Asphalt Shingle Roof - Replace	\$0	\$0	\$0	\$483,917	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$81,717	\$0
1402 Entry Signs - Refurbish	\$0	\$0	\$0	\$8,512	\$0
1922 Reserve Study WSV	\$0	\$0	\$2,959	\$0	\$0
Total Expenses	\$467,858	\$38,112	\$27,751	\$629,475	\$26,303
Ending Reserve Balance:	\$422,248	\$491,834	\$574,532	\$56,845	\$143,734

**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)****15449-1**

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$143,734	\$181,132	\$272,179	\$365,499	\$457,599
Annual Reserve Contribution	\$115,225	\$117,817	\$120,468	\$123,179	\$125,950
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$812	\$1,133	\$1,594	\$2,057	\$2,482
Total Income	\$259,771	\$300,083	\$394,241	\$490,735	\$586,032
# Component					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$48,313	\$0	\$0	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
399 Generator - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
904 Kitchen - Refurbish	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Rooms - Remodel	\$0	\$0	\$0	\$0	\$0
911 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$11,892
912 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$8,131
1116 Exterior Surfaces - Paint	\$22,576	\$23,254	\$23,951	\$24,670	\$25,410
1121 Exterior Siding - Replace (part)	\$4,515	\$4,651	\$4,790	\$4,934	\$5,082
1303 Asphalt Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Signs - Refurbish	\$0	\$0	\$0	\$0	\$0
1922 Reserve Study WSV	\$3,233	\$0	\$0	\$3,533	\$0
Total Expenses	\$78,638	\$27,904	\$28,742	\$33,137	\$50,515
Ending Reserve Balance:	\$181,132	\$272,179	\$365,499	\$457,599	\$535,517



**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)****15449-1**

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$535,517	\$579,673	\$678,290	\$783,269	\$854,110
Annual Reserve Contribution	\$128,784	\$131,682	\$134,645	\$137,674	\$140,772
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,787	\$3,144	\$3,653	\$4,093	\$4,534
Total Income	\$667,088	\$714,499	\$816,588	\$925,036	\$999,416
# Component					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$56,009	\$0	\$0	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
399 Generator - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
904 Kitchen - Refurbish	\$0	\$0	\$0	\$8,008	\$0
909 Bathrooms - Refurbish	\$0	\$0	\$0	\$11,440	\$0
910 Rooms - Remodel	\$0	\$0	\$0	\$5,720	\$0
911 Carpet/Vinyl - Replace	\$0	\$0	\$0	\$0	\$0
912 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Exterior Surfaces - Paint	\$26,172	\$26,957	\$27,766	\$28,599	\$29,457
1121 Exterior Siding - Replace (part)	\$5,234	\$5,391	\$5,553	\$5,720	\$5,891
1303 Asphalt Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1402 Entry Signs - Refurbish	\$0	\$0	\$0	\$11,440	\$0
1922 Reserve Study WSV	\$0	\$3,860	\$0	\$0	\$4,218
Total Expenses	\$87,415	\$36,209	\$33,319	\$70,926	\$39,567
Ending Reserve Balance:	\$579,673	\$678,290	\$783,269	\$854,110	\$959,849

## 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.

Component quantities indicated in this Report were developed by Association Reserves 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

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area)
<b>GSY</b>	Gross Square Yards (area)
<b>HP</b>	Horsepower
<b>LF</b>	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: 15449A Meridian Firs 2

**Comp #:** 103 **Concrete/Curb - Repair/Replace**

Quantity: Extensive Square Feet

Location: Common area walkways, pads, curb, etc...

Evaluation: Concrete is in overall fair condition with some cracking and damage noted near the play area. As routine maintenance, inspect regularly, pressure wash for appearance and repair/replace as needed using general operating funds. Continue to monitor as association ages and if regular patterns of deterioration emerge, funding may be incorporated into future reserve study updates. No basis for reserve funding at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #:** 106 **Gravel Areas - Refurbish**

Quantity: Approx 9,730 GSF

Location: Recreation building access, R.V. parking and play areas

Evaluation: Gravel parking and storage areas are in overall fair condition, with some areas of light gravel coverage. Inspect regularly, control vegetation and fill in any low spots which may develop as needed using operating/maintenance funds. No predictable expectation of significant expense, so no reserve funding suggested. Treat as maintenance item.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 15449A Meridian Firs 2

**Comp #: 109 Wood Deck/Rail - Replace**

Quantity: Extensive Square Feet

Location: Wood decks adjacent to individual units

Evaluation: Wood Decks and privacy fences are in varying condition and appearance, and assorted constructions. It is our understanding that all decks and fences are the responsibility of individual unit owners to maintain, repair and replace, therefore no reserve funding suggested at this time. We strongly recommend oversight by the Board to ensure a consistent, quality appearance is maintained.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #: 201 Asphalt - Resurface**

Quantity: Approx 107,000 GSF

Location: Asphalt private drive, parking areas and path within property perimeter

Evaluation: Asphalt is in overall good condition with some noted areas of damage. Recommend yearly inspections to ensure surface integrity and crack/fill developing cracks. Also, shoulder design and maintenance are critical in maintaining the integrity of the asphalt. We recommend following WSDOT road design (cross section) recommendations, or engage an engineer to recommend specific design criteria for this community.

Useful Life:

25 years

Remaining Life:

15 years



Best Case: \$208,700.00

Worst Case: \$240,800.00

\$1.95/GSF - Lower allowance to resurface

\$2.25/GSY - Higher allowance to resurface

Cost Source: ARI Cost Database



Client: 15449A Meridian Firs 2

**Comp #: 202 Asphalt - Seal/Repair**

Quantity: Approx 107,000 GSF

Location: Asphalt private drive, parking areas and path within property perimeter

Evaluation: Asphalt surface is in fair condition with several areas marked for repair. Seal coating does not add any structural integrity to the asphalt. However, seal coating protects the asphalt from UV deterioration and fills cracks typically no larger than 1/16". Recommend yearly inspections and crack/fill work to mitigate any subsurface moisture.



Useful Life:  
5 years

Remaining Life:  
0 years

Best Case: \$21,400.00

\$.20/GSF - Lower allowance to seal and repair

Worst Case: \$32,100.00

\$.30/GSF - Higher allowance to seal and repair

Cost Source: ARI Cost Database

**Comp #: 320 Pole Lights - Replace**

Quantity: (104) Posts and Globes

Location: Adjacent to roadway

Evaluation: Pole lights and poles are in overall fair condition with some significant paint fade and chipping. Lighting was observed during daylight hours, but is presumed to be in functional operating condition. As routine maintenance, inspect, change bulbs and repair as needed from general operating budget, paint poled as needed to protect the metal from the elements. Funding is to replace fixtures due to age and damage.



Useful Life:  
20 years

Remaining Life:  
15 years

Best Case: \$31,200.00

\$300/each - Lower allowance to replace

Worst Case: \$36,400.00

\$350ch - Higher allowance to replace

Cost Source: Research with Vendor - Lighting Universe

Client: 15449A Meridian Firs 2

**Comp #: 324 Exterior Lights - Replace**

Quantity: Extensive Quantity

Location: Building exteriors

Evaluation: Residential building fixtures appear to be in fair, but dated condition. Inspect exterior lights at Clubhouse regularly and replace as needed from operating budget. It is reported that exterior building lights are the responsibility of individual unit owners to maintain, repair and replace, therefore, no reserve funding suggested at this time.



Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 399 Generator - Replace**

Quantity: (1) Generator

Location: Clubhouse

Evaluation: The Generac, 20KW generator, is new and in overall good condition. The generator is utilized to provide power to the clubhouse, so that residents have a livable environment during severe storms and power loss. Anticipate replacing generator due to age and use. Regular maintenance should be performed in accordance with manufacturer's guidelines and funded through the operating budget.



Useful Life:  
20 years

Remaining Life:  
18 years

Best Case: \$4,000.00

Lower allowance to replace

Worst Case: \$6,000.00

Higher allowance to replace

Cost Source: Research with Vendor - Generac, Inc.

Client: 15449A Meridian Firs 2

**Comp #: 403 Mailboxes - Replace**

Quantity: (5) Cluster Units

Location: Adjacent to asphalt private drive

Evaluation: The 16-A cluster box units appear in overall good condition. Inspect regularly, clean by wiping down for appearance, lubricate hinges and repair as needed from operating budget. Funding anticipates replacement due to age, wear, vandalism and exposure to the elements.

Useful Life:  
20 years

Remaining Life:  
16 years



Best Case: \$8,500.00

\$1,700/each - Lower allowance to replace

Worst Case: \$9,000.00

\$1,800/each - Higher allowance to replace

Cost Source: Research with Vendor - Mailboxes.com

**Comp #: 405 Play Equipment - Replace**

Quantity: (1) Play Gym, (1) Swing

Location: Play area

Evaluation: The wood play structure is in overall fair condition with some drying and cracking of the wood noted. Inspect regularly, tighten connections and repair as needed promptly from operating budget as needed. Periodically stain the wood surfaced to protect from the elements, sand as necessary. Replenish wood chips in fall zones and replace wood borders as needed.

Useful Life:  
20 years

Remaining Life:  
18 years



Best Case: \$10,000.00

Lower allowance to replace both

Worst Case: \$15,000.00

Higher allowance to replace both

Cost Source: Research with Vendor - Superior Play Systems



Client: 15449A Meridian Firs 2

**Comp #:** 421 Clubhouse Exterior - Repair

Quantity: Extensive Square Feet

Location: Northwest quadrant of community

Evaluation: The clubhouse unit is in overall good condition with no noted significant damage. Recommend regular inspections, repair promptly as needed from operating budget. Clean, paint and roof along same cycles as other building structures, no need for separate funding. No anticipation of separate cyclical large scale repair needs, therefore no reserve funding recommended.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #:** 422 R.V. Parking - Refurbish

Quantity: Approx 6,620 GSF

Location: Near entrance to community

Evaluation: Simple gravel parking areas only, with no future plans to add improvements such as fencing or asphalt paving as of the time of this reports writing. As routine maintenance, inspect regularly and fill in any low spots which may develop and control vegetation as needed using operating/maintenance funds. No reserve funding suggested at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 15449A Meridian Firs 2

---

**Comp #:** 505 Chain Link Fence - Replace

Quantity: Extensive Linear Feet

Location: Partial perimeters of property

Evaluation: Reportedly the responsibility of the adjacent property owner to maintain, repair and replace, therefore, no reserve funding required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

**Comp #:** 505 Wood Fence - Replace

Quantity: Extensive Linear Feet

Location: Perimeters of property

Evaluation: As with chain link fencing, the majority is reportedly the responsibility of adjacent property owners to maintain, repair and replace. There is a small portion located at the entrance to the community and the clubhouse. Provide maintenance and replacement of small quantity of wood fencing in common area from general operating funds, too small an expense to merit separate reserve designation.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

Client: 15449A Meridian Firs 2

---

**Comp #: 506 Privacy Fence - Replace**

Quantity: Extensive Linear Feet

Location: Adjacent to individual buildings

Evaluation: Reportedly the responsibility of individual Unit owners to maintain, repair and replace, therefore, no reserve funding required at this time. We strongly recommend oversight by the Board to ensure that a uniform, quality appearance is maintained.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

**Comp #: 701 Entry/Garage Doors - Replace**

Quantity: Extensive Quantity

Location: At each entry and garage

Evaluation: Unit garage doors are the responsibility of individual Unit owners to maintain, repair and replace, therefore no reserve funding required.

Useful Life:

Remaining Life:

Photo Not Available

Best Case:

Worst Case:

Cost Source:

---

Client: 15449A Meridian Firs 2

**Comp #: 803 Water Heater/Tank - Replace**

Quantity: (1) Water Heater

Location: Utility closet within Clubhouse

Evaluation: The Reliance brand, 50 gallon water heater, appears in overall good condition. We recommend regular professional inspections, maintenance, repair and replacement funded from operating budget, planning for proactive replacement at the typical life expectancy of ten years. Too small an expense to merit separate reserve funding status; treat as maintenance item.



Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 904 Kitchen - Refurbish**

Quantity: (1) Small Kitchen

Location: Recreation building

Evaluation: The small kitchen area consists of (1) refrigerator, (1) electric stove, (1) hood and approximately 15 LF of upper and lower cabinets. Area appears in overall good condition, but dated, with no significant damage or deterioration observed at this time. Anticipate refurbishment due to age and to maintain the appearance of the community.



Useful Life:  
20 years

Remaining Life:  
8 years

Best Case: \$3,000.00

Worst Case: \$4,000.00

Lower allowance to refurbish

Higher allowance to refurbish

Cost Source: ARI Cost Database: Similar Project Cost History



Client: 15449A Meridian Firs 2

**Comp #: 909 Bathrooms - Refurbish**

Quantity: (2) Bathrooms

Location: Recreation building

Evaluation: The men's and women's bathrooms are utilitarian in design and in overall good condition. Inspect regularly, perform any needed repairs promptly utilizing operating budget. Funding anticipated refurbishment along with other clubhouse improvements to maintain appearance of the community.

Useful Life:  
20 years

Remaining Life:  
8 years



Best Case: \$4,000.00

\$2,000/each - Lower allowance to refurbish

Worst Case: \$6,000.00

\$3,000/each - Higher allowance to refurbish

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 910 Rooms - Remodel**

Quantity: Extensive Square Feet

Location: Recreation rooms

Evaluation: This component suggests setting aside funding for periodic remodeling and aesthetic updating. Many communities replace such items as furniture, wall coverings, lighting, window treatments, artwork, décor, etc... at regular intervals to maintain this important community asset.

Useful Life:  
20 years

Remaining Life:  
8 years



Best Case: \$2,000.00

Lower allowance for partial refinish and refurbish

Worst Case: \$3,000.00

Higher allowance for partial refinish and refurbish

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 15449A Meridian Firs 2

**Comp #: 911 Carpet/Vinyl - Replace**

Quantity: Approx 180 GSY

Location: Recreation building local floor areas

Evaluation: Generally fair condition with no unusual staining or wear evident. Recommend regular cleaning and professional shampooing to maintain appearance. Plan for regular intervals of replacement of all flooring, in conjunction with other clubhouse improvement projects to maintain a quality appearance.

Useful Life:  
10 years

Remaining Life:  
4 years



Best Case: \$5,400.00

\$30/GSY - Lower allowance for replacement flooring

Worst Case: \$6,300.00

\$35/GSY - Higher allowance for replacement flooring

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 912 Interior Surfaces - Repaint**

Quantity: Approx 4,000 GSF

Location: Interior painted surfaces within recreation building

Evaluation: The clubhouse room are in overall good to fair condition, with no significant deterioration or fading apparent. Regular cycles of paint are recommended to maintain appearance, in conjunction with other clubhouse improvement projects.

Useful Life:  
10 years

Remaining Life:  
4 years



Best Case: \$3,600.00

\$0.90/GSF - Lower allowance to paint

Worst Case: \$4,400.00

\$1.10/GSF - Higher allowance to paint

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 15449A Meridian Firs 2

**Comp #: 1002 Irrigation System - Repair/Replace**

Quantity: Extensive Systems

Location: None within common area landscaping

Evaluation: No irrigation identified as Association responsibility. With this understanding, no reserve funding required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #: 1100 Windows - Replace (a)**

Quantity: Extensive Quantity

Location: Exterior residential building elevations

Evaluation: Residential building windows are the responsibility of individual Unit owners to maintain, repair and replace. We recommend the Board provide for inspections and replacement oversight to ensure that the weather proof envelope of the buildings are maintained and a consistent, and the uniform appearance of the buildings is ensured.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 15449A Meridian Firs 2

---

**Comp #:** 1100 Windows - Replace (b)

**Quantity:** (14) Assorted Sizes

**Location:** Exterior recreation building elevations only

**Evaluation:** The recreation building windows are in overall fair condition, with no unusual deterioration observed. We recommend regular professional inspections and prompt repair/replacement as needed to ensure building waterproofing and help prevent moisture damage. If properly installed without defect, windows are typically durable and have an extended useful life. No reserve funding recommended, treat as maintenance item at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

Client: 15449A Meridian Firs 2

**Comp #: 1116 Exterior Surfaces - Paint**

Quantity: (13) Buildings +Clubhouse

Location: Building exterior surfaces, includes clubhouse

Evaluation: Paint ranges from good to poor condition with some noted areas showing signs of fading, peeling paint and mildew near the roof line. Funding anticipates continuation of reported (1) building cycle, so that all buildings are painted every 8 years. Touch up paint and apply caulk as necessary between cycles, funding through the operating budget.

Useful Life:

1 years

Remaining Life:

0 years



Best Case: \$11,000.00

\$11,000/building - Lower allowance to paint

Worst Case: \$14,000.00

\$14,000/building - Higher allowance to paint

Cost Source: Client Cost History

**Comp #: 1121 Exterior Siding - Replace (part)**

Quantity: Approx 82,500 GSF

Location: Building exterior surfaces

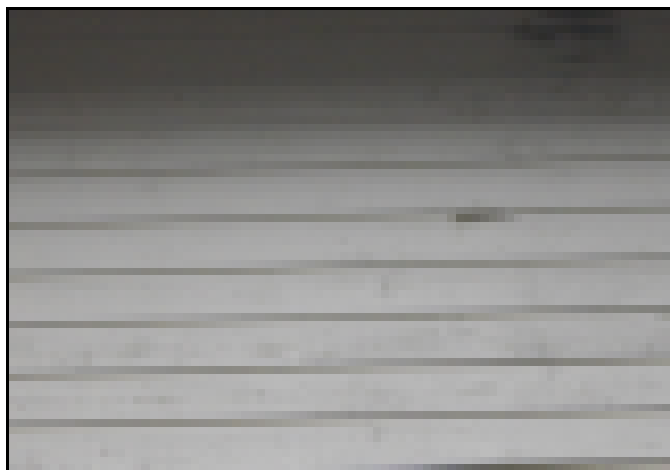
Evaluation: Siding appears in overall good to fair condition with limited areas of deterioration observed. Recommend regular professional inspections with prompt repair as needed to ensure weather tightness of buildings is maintained. Anticipate repairs or replacement to sections of siding on an as-needed basis, in conjunction with exterior paint projects.

Useful Life:

1 years

Remaining Life:

0 years



Best Case: \$2,000.00

Lower allowance to replace a portion

Worst Case: \$3,000.00

Higher allowance to replace a portion

Cost Source: ARI Cost Database: Similar Project Cost History



Client: 15449A Meridian Firs 2

**Comp #: 1303 Asphalt Shingle Roof - Replace**

Quantity: Approx 103,360 GSF

Location: Rooftop of buildings

Evaluation: Asphalt shingle appears in overall good to fair condition with isolated areas of what appears to be lifting. Recommend yearly inspections by qualified roofer to ensure proper maintenance, repair any damage, and verify if deterioration is consistent with expectations.

Useful Life:  
25 years

Remaining Life:  
18 years



Best Case: \$258,400.00

\$2.50/GSF - Lower allowance to replace

Worst Case: \$310,100.00

\$3.00/GSF - Higher allowance to replace

Cost Source: Research with Local Contractor - McMains Roofing

**Comp #: 1310 Gutters/Downspouts - Replace**

Quantity: Approx 8,000 LF

Location: Perimeter of buildings

Evaluation: Gutters and downspouts are in overall good condition. Recommend yearly inspections to ensure gutters and downspouts are clean, and repair any leaks or damaged areas. Proper water flow is important to mitigating any fascia damage and ensuring water is directed away from foundations.

Useful Life:  
25 years

Remaining Life:  
18 years



Best Case: \$40,000.00

\$5/LF - Lower allowance to replace

Worst Case: \$56,000.00

\$7/LF - Higher allowance to replace

Cost Source: ARI Cost Database: Similar Project Cost History

Client: 15449A Meridian Firs 2

**Comp #: 1402 Entry Signs - Refurbish**

Quantity: (2) Wood Signs

Location: Entrances to community

Evaluation: Wood monument signs are in overall good condition and appear to have been recently refurbished. Inspect regularly, clean for appearance, paint and repair from operating budget. Recommend regular intervals of replacement to maintain a quality appearance of the community. Refurbishment includes replacement of posts, paint and graphics panel if needed.

Useful Life:

10 years

Remaining Life:

8 years



Best Case: \$4,000.00

Worst Case: \$6,000.00

\$2,000/each - Lower allowance to refurbish

\$3,000/each - Higher allowance to refurbish

Cost Source: ARI Cost Database: Similar Project Cost History

**Comp #: 1415 Signage - Replace**

Quantity: (20) Assorted Signs

Location: Adjacent to asphalt private drive and parking areas

Evaluation: Information signage is located throughout the community and appears in overall fair condition. Inspect regularly, clean for appearance, repair and replace from operating budget. Too small an expense for reserve designation, treat as maintenance item.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 15449A Meridian Firs 2

---

**Comp #:** 1608 **Basketball Equipment - Replace**

Quantity: (3) Courts

Location: Sport Court

Evaluation: The sports courts have been removed and open space created. No funding anticipated.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

**Comp #:** 1609 **Tennis Court - Repair/Resurface**

Quantity: Approx 7,500 square feet

Location: Tract A

Evaluation: The sports courts have been removed and open space created. No funding anticipated.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---



Client: 15449A Meridian Firs 2

**Comp #: 1610 Tennis Court Fencing - Replace**

Quantity: Approx 370 linear feet

Location: Perimeter of Tennis Court

Evaluation: The sports courts have been removed and open space created. No funding anticipated.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #: 1807 Drainage/Storm System - Replace**

Quantity: Extensive System

Location: Throughout community

Evaluation: There are no drainage problems reported within common areas at this time. System had been assumed to have been designed with adequate provisions for community drainage needs. Inspect regularly, keep drains and grates free of debris and free flowing to ensure water evacuating as designed. Pump out sediments when needed utilizing mobile evacuator service; fund from operating budget. No expectation of large scale cyclical repairs/replacement at this time. No reserve funding recommended.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 15449A Meridian Firs 2

---

**Comp #:** 1808 Trees - Remove/Trim

**Quantity:** Extensive Quantity

**Location:** Throughout common areas

**Evaluation:** This component may be utilized for larger tree removal/trimming projects which do not occur on an annual basis. If the community has not already done so, consult with a qualified arborist for a long term plan for the care and management of the trees within the community, balancing aesthetics with protection of association assets. Tree removal/trimming expenses currently handled thru the operating budget, incorporate into future reserve study updates if conditions merit.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

Client: 15449A Meridian Firs 2

---

**Comp #:** 1811 Plumbing - Repair/Replace

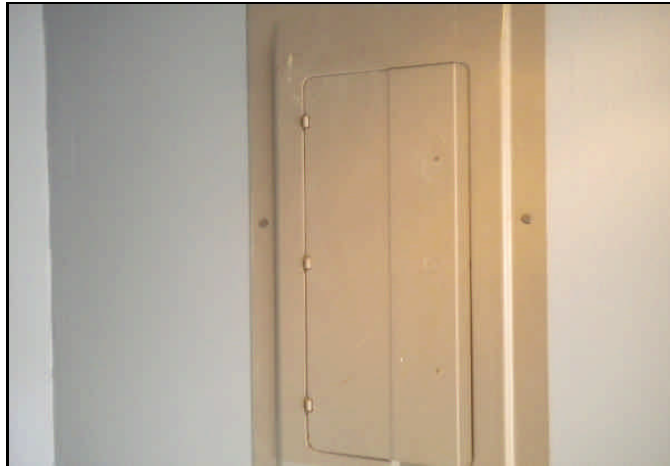
**Quantity:** Extensive Systems

**Location:** Throughout community

**Evaluation:** It is our understanding that residential building plumbing is the responsibility of individual unit owners to maintain, repair and replace, so no reserve funding suggested for such at this time. No reported problems with common area plumbing (including recreation building). Assessing the plumbing systems is beyond the scope of a reserve study. 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. Funding may be incorporated into future reserve study updates if conditions change.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

Client: 15449A Meridian Firs 2

---

**Comp #:** 1812 Electrical - Repair/Replace

**Quantity:** Extensive Systems

**Location:** Throughout community

**Evaluation:** Assessing the electrical systems is beyond the scope of our services. Board contact reports that residential building electrical systems are the responsibility of individual unit owners to maintain, repair and replace, therefore, no impact on reserves factored for these systems at this time. No reported problems with common area electrical systems and if installed per architectural specifications/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. Funding may be incorporated into future reserve study updates if conditions change. No reserve funding suggested at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

Client: 15449A Meridian Firs 2

---

**Comp #:** 1901 **Landscape - Refurbish**

**Quantity:** Native & Improved Lndscpe

**Location:** Common area (~>50% of 9.8 acres)

**Evaluation:** The association reportedly has 9.8 acres of land, with over 50% landscaped. Majority is native - improved areas relatively minor at common areas. Although refurbishment is typically funded as an 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 large scale plantings, extensive bark mulch every two/three years, resodding lawn areas, landscape improvement projects, etc... No stated desire to fund at this time, these types of expenses may be incorporated into future reserve study updates.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

Client: 15449A Meridian Firs 2

---

**Comp #:** 1922 Reserve Study WSV

Quantity: Every Three Years

Location: Common elements throughout association

Evaluation: Per the direction of the Board, we have factored the estimated cost for reserve study update with site inspection, to occur every three years to assess current physical and economic conditions impacting the long term reserve plan.

Useful Life:

3 years

Remaining Life:

2 years

Photo Not Available

Best Case: \$1,690.00

Lower allowance to update reserve study, with site inspection

Worst Case: \$1,890.00

Higher allowance to update reserve study, with site inspection.

Cost Source: Client Cost History

---