



2025 Annual Meeting



Meeting Agenda

- Check in 6:45 p.m.
- Call to Order 7:00 p.m.
- Roll Call
- Proof of Notice of Meeting
- Trestle Community Management Introduction
- HOA Update
 - Recent work completed
 - Expected projects & expenses
 - Proposed funding strategy (special assessment)
 - 2025 Budget and Reserve
 - House Rules Update in-progress
- Election of Board Members
- Adjournment



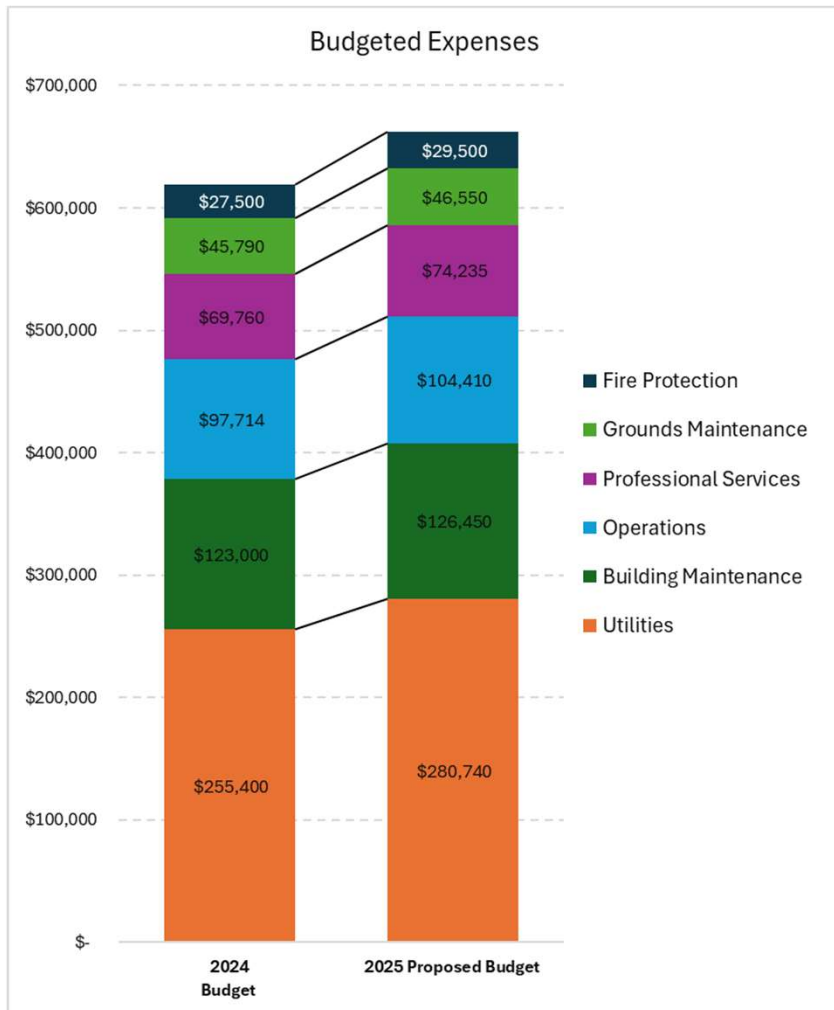
Summary of Work Completed

PROJECT	NOTES	COST
Decks - Repairs & Replacements	51 Decks (all decks with med-high priority issues as of 2022 inspection)	\$724,599 + tax
Trash enclosure rebuilds & Touch up painting of decks and curbs	Steadfast given NTE \$30k for enclosures and curb painting	Final Invoicing Still Pending
Remediation & rebuild of Jan flooding damage		Final Cost: \$498,726.47 Owner's Responsibility: \$24,756.11 HOA Self Insure Cost: \$473,970.36
Remediation & repair of unit damaged by external drain backup		~\$88k



HOA Future Expenses

Rising Maintenance Costs



- 7% Increase in budgeted operating expenses

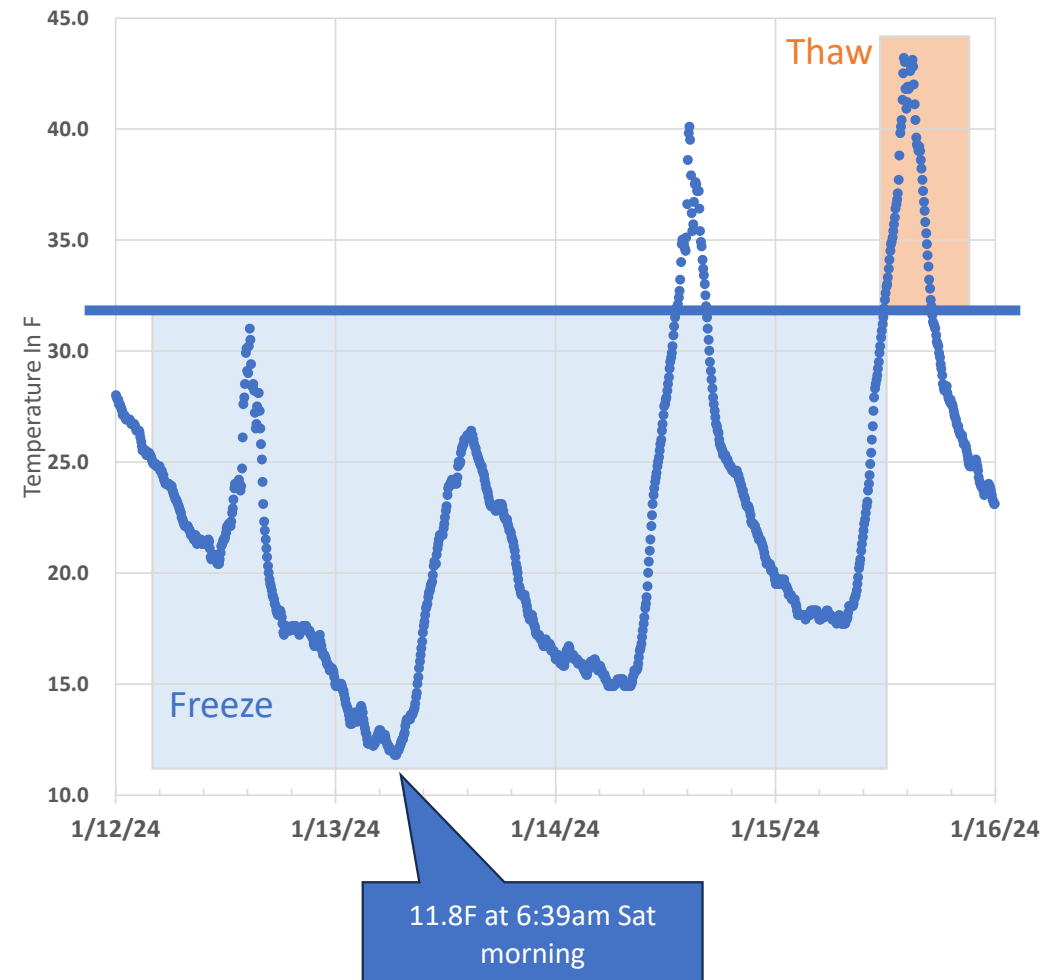
Operating Expenses	% Change
Utilities	10%
Building Maintenance	3%
Operations	7%
Professional Services	6%
Grounds Maintenance	2%
Fire Protection	7%
Administrative	0%
Site & Amenities Maintenance	0%

- Does not include reserve or damage projects like:
 - Deck replacements
 - Water damage work
 - Garbage enclosure work
 - Management expenses billed by trestle related to this work

Jan Pipe Freeze Event

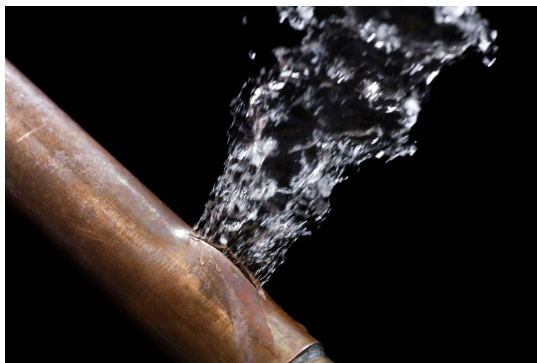


- Jan 12-14 temperatures were cold enough for long enough to freeze multiple pipes
 - Some residents reported water wasn't working as of Sat
 - Six pipes burst but remained frozen through weekend
- Mon 1/15 temperatures finally warm enough for long enough to thaw
 - Broken pipes begin gushing water
 - Some residents managed to shut off water supply to some buildings themselves. Several others called 911.
- Trestle coordinated with handyman/plumbing contractors for emergency repairs



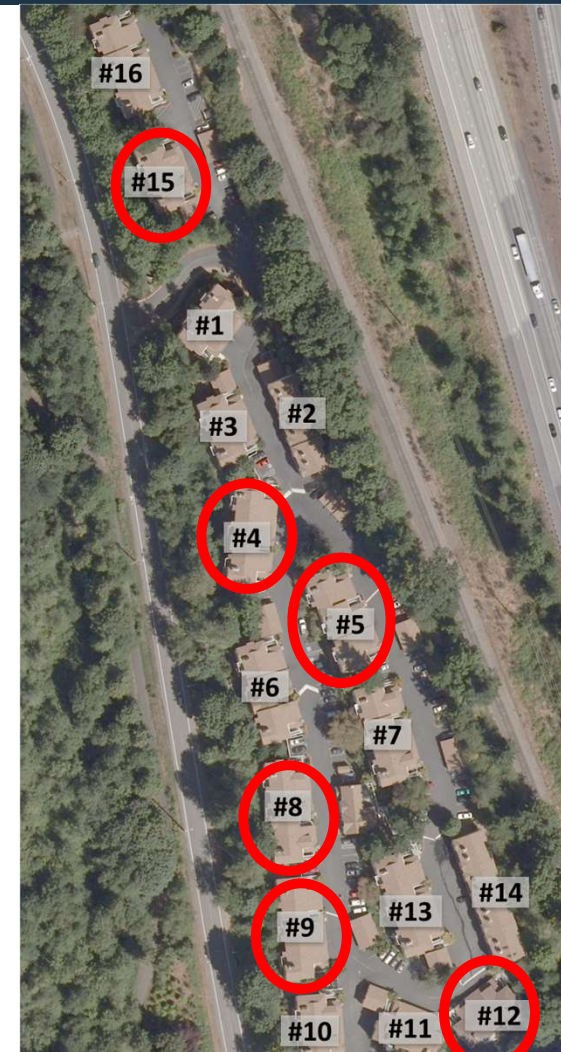
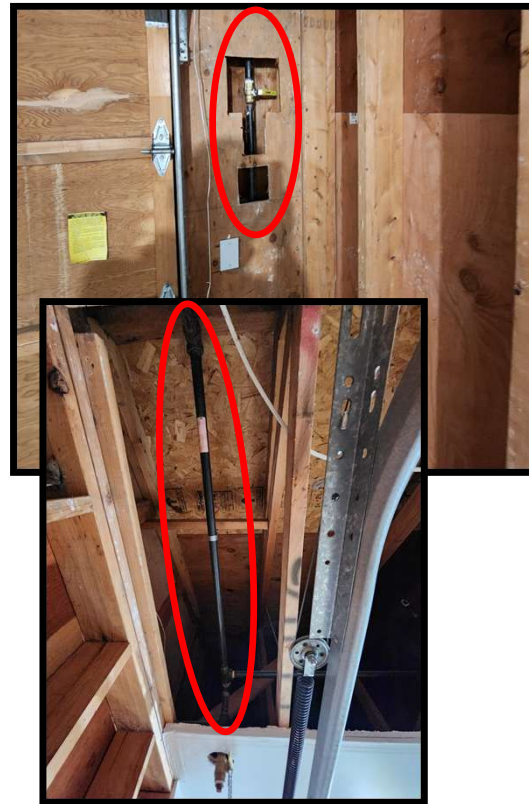
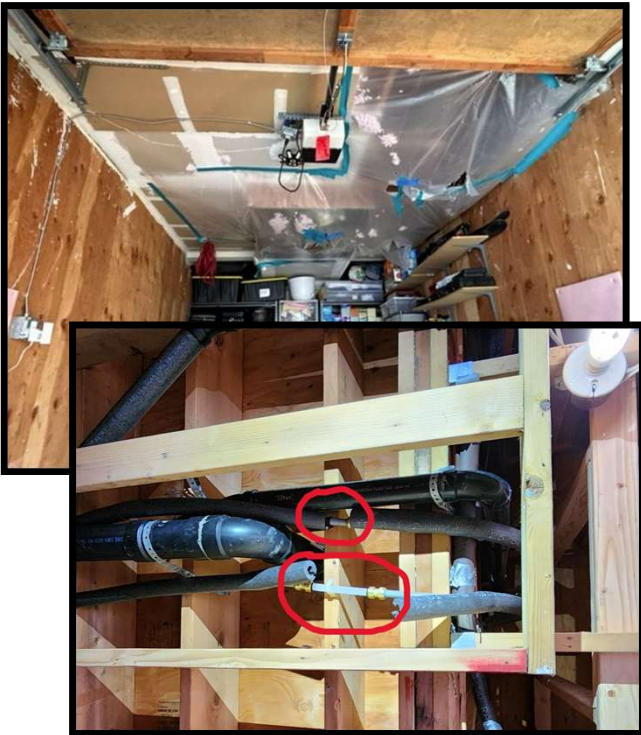
Jan Freeze - Which pipes were the issue?

- Water supply pipes to 3rd story bathrooms run through the unheated/uninsulated attic space above certain garages
- Fire sprinkler pipes also froze & burst
- Several owners said this isn't the first time these same pipes have frozen and burst in previous years
- There was insulation wrapped around the pipes but insufficient for long cold periods



Jan Freeze - Units Affected

- 12 Units affected in 2024
- Total: \$527,020.87 (as of 10/11/2024)



Polybutylene piping issue



- Plastic piping material used throughout Mercer Park which degrades from the inside from water exposure and eventually fails
- Recall & class action payouts ended decades ago

Association responsibility plumbing affected:



- Supply lines and fittings found inside walls
- Two failures so far – both building 1 hot water lines at copper line connections
- Replacement will eventually require drywall removal in potentially hundreds of units
- \$700,000 reserve budget line item?



Homeowner responsibility plumbing affected:



- Includes angle stop valves, toilet/sink fittings, and water supply hoses found outside walls
- Several failures already reported
- Letter sent in prior years explaining homeowner responsibility to replace



Exterior Drain Issues



Recent Stormwater flooding issue:

- Multiple 100 lvl units are dependent on a single drain by the entrance to prevent flooding during heavy rains
- A recent flood in building 4 resulted in \$88,000 in remediation & repair expenses
 - Because it is rainwater from outside the unit there is generally no insurance coverage (falls under flood)
 - Unclear if it is even possible for homeowners to obtain insurance coverage to protect themselves

Potential solutions tbd:

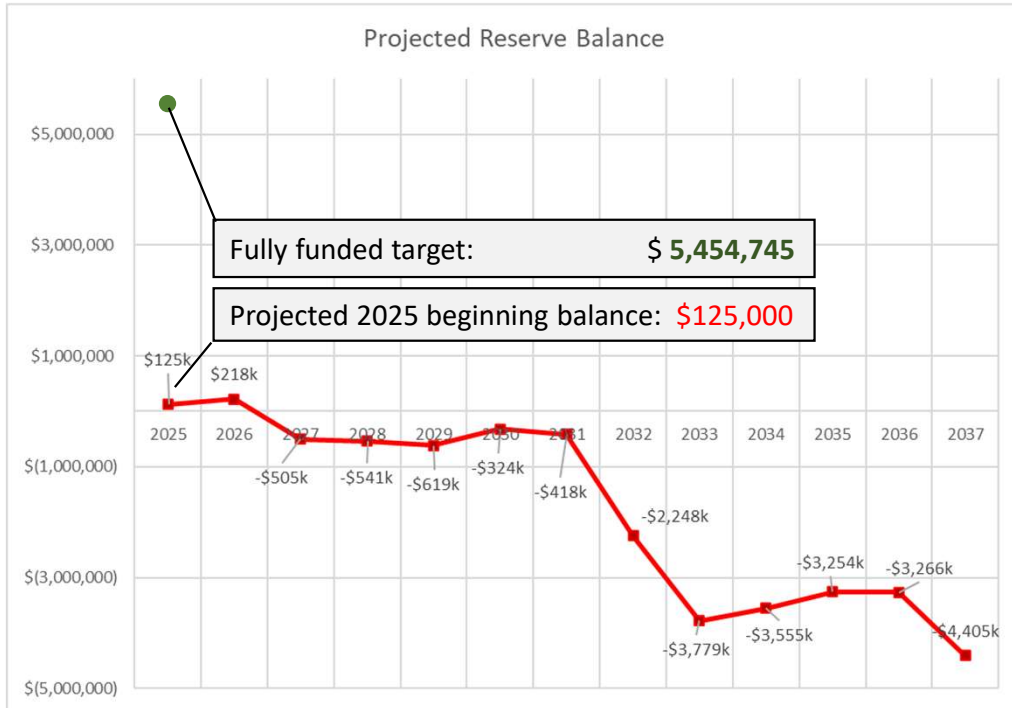
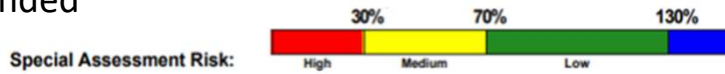
- Additional investigation further down lines?
- Grating changes?
- Disconnection of roof downspouts from stormwater line
 - Raingardens?
- New expanded drain lines?
- HOA flood insurance?

Reserve Fund Projections



We estimated going into 2025:

- Starting reserve balance: \$ 125,000
- Fully funded balance: \$5,454,745
- **2%** funded



Upcoming reserve expenses over \$16,000

Replacement year	Item	Current cost	Future Cost
2025	3 yr sprinkler testing	\$24,000	\$26,225
	5 yr sprinkler testing	\$20,000	\$21,855
	Asphalt - Seal Coat	\$41,000	\$44,802
2026	Exterior Surfaces - replace caulk/weatherproofing	\$67,000	\$73,213
	Fire alarm panel - replace	\$30,000	\$33,765
	Unit entrance drain replacements	\$250,000	\$281,377
2027	Vinyl Siding - Replacement (group 1 buildings)	\$691,339	\$778,108
	Decks/patios - replace 23 decks (group 3)	\$299,000	\$346,623
2028	3 yr sprinkler testing	\$24,000	\$28,657
	Chimney Covers & Flue Caps	\$93,000	\$111,047
	Stairwells - replace 9 stairs (group 3)	\$212,400	\$253,617
2030	5 yr sprinkler testing	\$20,000	\$25,335
	Asphalt - Resurface/Repair	\$266,500	\$337,594
	Asphalt - Seal Coat	\$41,000	\$51,938
2031	3 yr sprinkler testing	\$24,000	\$31,315
	Gutters & downspouts	\$76,272	\$99,518
	Roof: Asphalt Shingle	\$915,750	\$1,194,846
2032	Vinyl Siding - Replacement (group 2 buildings)	\$691,339	\$902,041
	Plumbing replacement	\$1,342,000	\$1,803,536
2033	Exterior Surfaces - replace caulk/weatherproofing	\$67,000	\$92,744
2034	3 yr sprinkler testing	\$24,000	\$34,218
2035	5 yr sprinkler testing	\$20,000	\$29,371
	Asphalt - Seal Coat	\$41,000	\$60,210
	Clubhouse Ramp/Deck replacement	\$45,000	\$66,084
2036	Decks/patios - replace 22 decks (group 4)	\$132,000	\$193,846
	Vinyl Siding - Replacement (group 3 buildings)	\$691,339	\$1,045,712
2036	Wood rails: Stairs/common areas - replacement	\$289,153	\$437,370



Funding Proposal

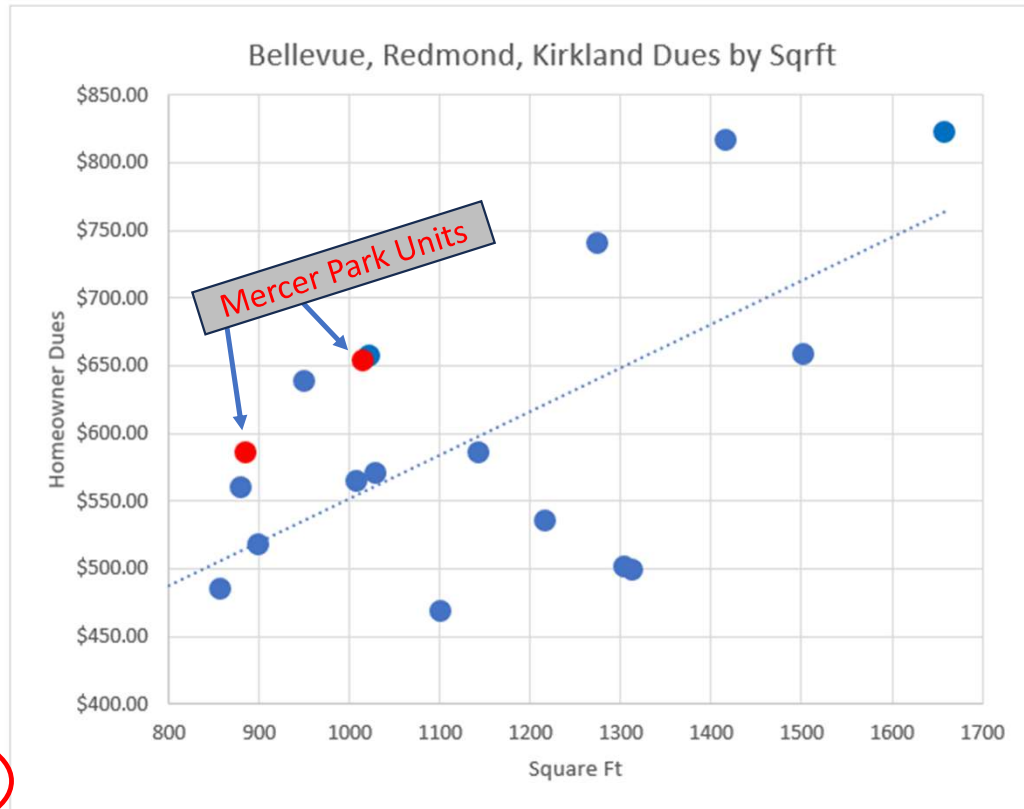
Homeowner dues comparison



Mercer Park already has nearly the highest dues in the area based on a 2024-11 comparison

Name	Ask Price	sqft	dues	dues/sqft
4106 Factoria Blvd SE Unit #116, Bellevue, WA 98006	\$429,000.00	898	\$518.00	\$ 0.58
4202 Factoria Blvd SE Unit #D5, Bellevue, WA 98006	\$650,000.00	1304	\$502.00	\$ 0.38
4106 Factoria Blvd SE Unit #114, Bellevue, WA 98006	\$340,000.00	690	\$408.00	\$ 0.59
430 Bellevue Wy SE Unit #101, Bellevue, WA 98004	\$589,999.00	857	\$485.00	\$ 0.57
12219 NE Bel-Red Rd Unit #D101, Bellevue, WA 98005	\$429,000.00	662	\$395.00	\$ 0.60
12701 NE 9th Place Unit #D110, Bellevue, WA 98005	\$388,000.00	680	\$408.00	\$ 0.60
12302 SE 41st Lane Unit #23, Bellevue, WA 98006	\$568,000.00	1008	\$565.00	\$ 0.56
821 142nd Place SE Unit #C, Bellevue, WA 98007	\$675,000.00	1313	\$500.00	\$ 0.38
123 141st Place NE, Bellevue, WA 98007	\$875,000.00	1502	\$659.00	\$ 0.44
2680 139th Ave SE Unit #83, Bellevue, WA 98005	\$779,950.00	1101	\$469.00	\$ 0.43
6711 110th Avenue NE UNIT B3, Kirkland, WA 98033	\$695,000.00	1216	\$536.00	\$ 0.44
408 2nd Avenue S UNIT 103, Kirkland, WA 98033	\$750,000.00	1416	\$817.00	\$ 0.58
404 10th Street UNIT D101, Kirkland, WA 98033	\$529,800.00	950	\$639.00	\$ 0.67
615 6th Street UNIT 103, Kirkland, WA 98033	\$859,900.00	1273	\$741.00	\$ 0.58
7439 Old Redmond Road UNIT 318, Redmond, WA 98052	\$399,900.00	880	\$560.00	\$ 0.64
14605 NE 81st Street UNIT D-19, Redmond, WA 98052	\$620,000.00	1143	\$586.00	\$ 0.51
13820 NE 65th Street UNIT B, Redmond, WA 98052	\$745,000.00	1659	\$822.00	\$ 0.50
13620 NE 7th Street UNIT B, Bellevue, WA 98005	\$549,000.00	1022	\$657.00	\$ 0.64
13209 Newcastle Wy UNIT 103, Newcastle, WA 98059	\$545,000.00	1029	\$571.00	\$ 0.55
2610 118th Avenue SE UNIT 5-303, Bellevue, WA 98005	\$499,900.00	1015	\$653.00	\$ 0.64
2660 118th Ave SE UNIT 8-101, Bellevue, WA 98005	\$450,000.00	885	\$585.00	\$ 0.66

Mercer Park Units



Special Assessment (tentative plan)

- *Maximum upcoming shortfall (2029): \$-619k*
- *Minimum safe balance: \$500k*
- *\$1,510,104 special assessment (assuming people pay monthly)*
- *\$1,300,000 raised if everyone pays in full*

Considerations:

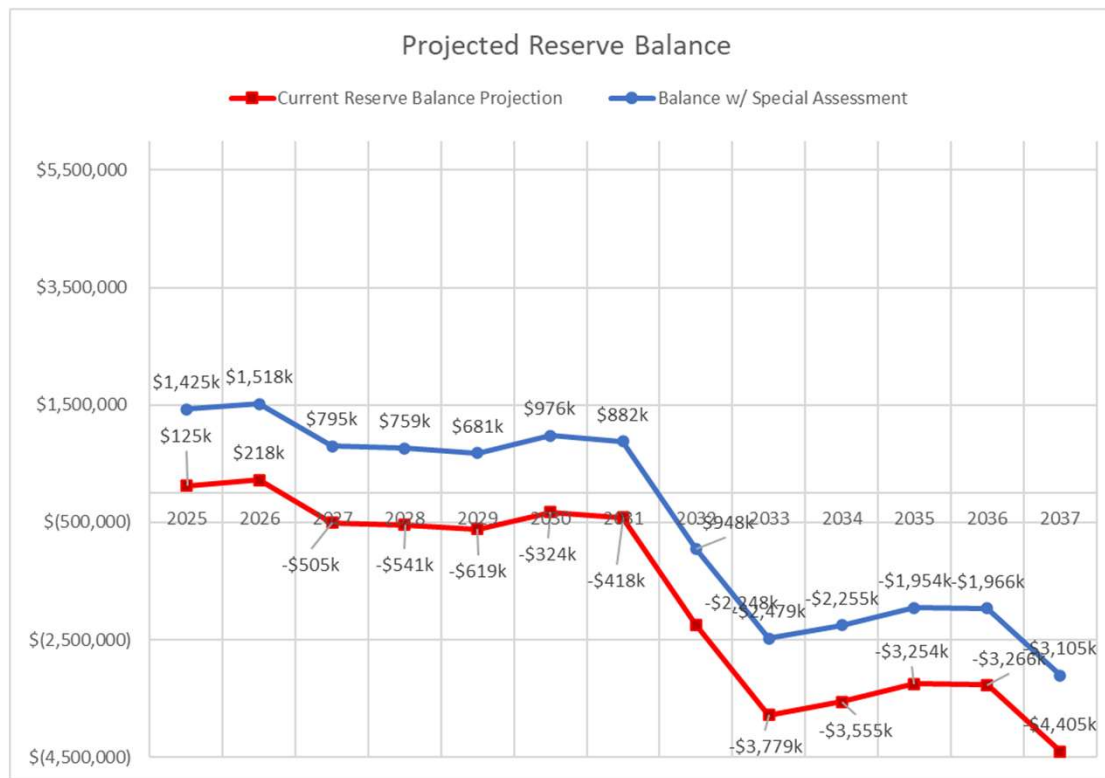
- Owners needing to pay over time can do so similar to if we had passed a dues increase
- 10% interest savings encourages those with means to pay immediately
- Avoids potential drop in resale values caused by excessive HOA fees
- Late charges billed at 25% (per section 12.2 of our covenants)

Monthly assessment options

Total assessment amount	\$ 1,510,104
Small unit pay in full amount	\$ 9,750.00
Small unit monthly amount (3y)	\$ 314.61

Represents a savings of 10% APY

<i>Total raised if everyone pays in full</i>	<i>\$ 1,300,000</i>
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Final Notes

HO-6 Insurance



What Is HO-6 Insurance?

HO-6 insurance, commonly referred to as condo or unit owner's insurance, is designed for individuals who own a unit within a shared community, such as a condominium, townhouse, or similar property governed by an HOA. This type of policy provides coverage tailored to the unique needs of unit owners.

As you know, Mercer Park has experienced a number of water loss events in recent years. These can be caused by pipe failures (polybutylene), frozen, backed up or root intrusion issues to our community pipes. The Board recommends all owners carry HO-6 Insurance for their units to cover gaps between the HOA Master Insurance Policy and Owner's responsibility. This brochure provides an overview of HO-6 insurance and how it complements our HOA's master policy.

Key Coverages of an HO-6 Policy

- **Dwelling Coverage** - Protects the interior structure of your unit, including walls, ceilings, floors, and fixtures. This is especially important if the HOA's master policy is a "bare walls" policy that doesn't cover interior elements.
- **Personal Property Coverage** - Covers your belongings, such as furniture, electronics, and clothing, against risks like fire, theft, or water damage.
- **Liability Protection** - Offers financial protection if someone is injured in your unit or if you unintentionally damage someone else's property.
- **Loss of Use** - Provides funds for temporary living expenses if your unit becomes uninhabitable due to a covered loss.
- **Loss Assessment Coverage** - Helps pay for your share of costs if the HOA levies an assessment to cover a loss that exceeds the master policy limits (e.g., damage to common areas or liability claims against the HOA).
- **Sewer Backup and Sump Pump Coverage** - Provides protection against damage caused by sewer backups or sump pump failures. The Board recommends adding this elective coverage.

Frequently Asked Questions

Q: Is HO-6 insurance mandatory?

A: While HO-6 insurance is not currently mandatory. New rules are being proposed by the board to mandate HO-6 insurance and compliance. The Board suggests owners get ahead of this change by purchasing HO-6 Insurance.

Q: How much loss assessment coverage do I need?

A: The HOA Master Policy has a deductible of \$50,000. Per Section 13.5 of the HOA Declaration Owner's Responsibility for uninsured losses can be up to \$50,000. All Owners should make sure their Loss Assessment Coverage is set at \$50,000.

Q: Does HO-6 insurance cover natural disasters?

A: Standard policies may not cover events like floods or earthquakes. Ask your insurer about additional endorsements for these risks. Additionally, the Master Policy does not cover flooding.

House Rules Updates



Get Involved & Stay Up-to-Date



- Many opportunities to volunteer with board and help solve HOA challenges (as either voting member or otherwise)

- Email management@mercerpark.org to join one of our community groups:
 - Beautification Committee (landscaping)
 - Parking Enforcement

- Follow us on Facebook: www.facebook.com/MercerParkCondos/
- Read the Minutes from our website: www.mercerpark.org





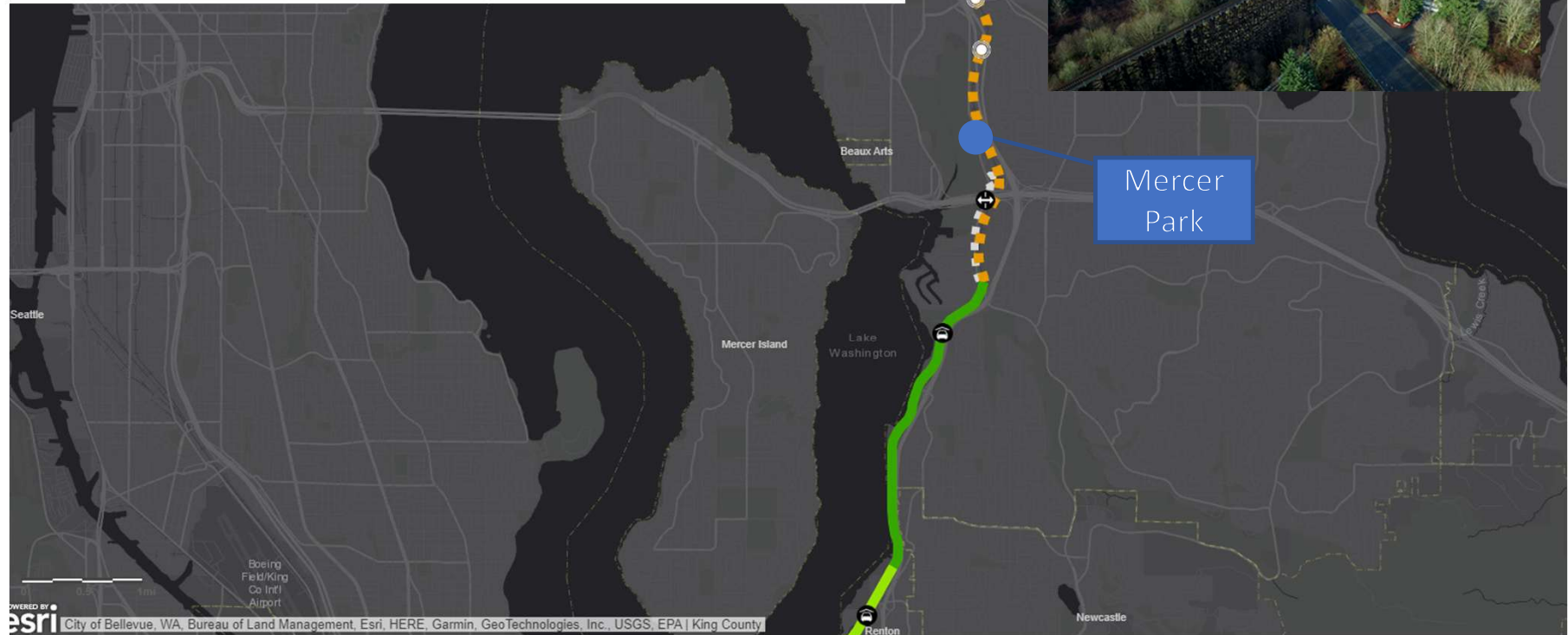
Appendix

Background: Eastrail overview



Future Construction: Starting at Coal Creek Parkway, King County will construct the trail through Bellevue, eventually connecting to the Cross Kirkland Corridor. This section will require several major infrastructure projects, including:

- I-90 Steel Bridge retrofit (currently unfunded)
- New trail bridge over I-405 (construction 2021-2024)
- Wilburton Trestle rehabilitation (construction 2022 - 2024)
- NE 8th Street bridge (construction 2022- 2023)
- Northup Way Connector (construction starting 2022)



Eastrail – Expected design



Common Trail Features & Amenities

Throughout the Wilburton segment, the design will include:

- 12-14 foot wide paved trail
- 6 gravel shoulder when possible
- Parking at strategic access gateways
- Open space and seating areas
- Wayfinding maps and signage

Example of typical trail section width



Connector Trail

