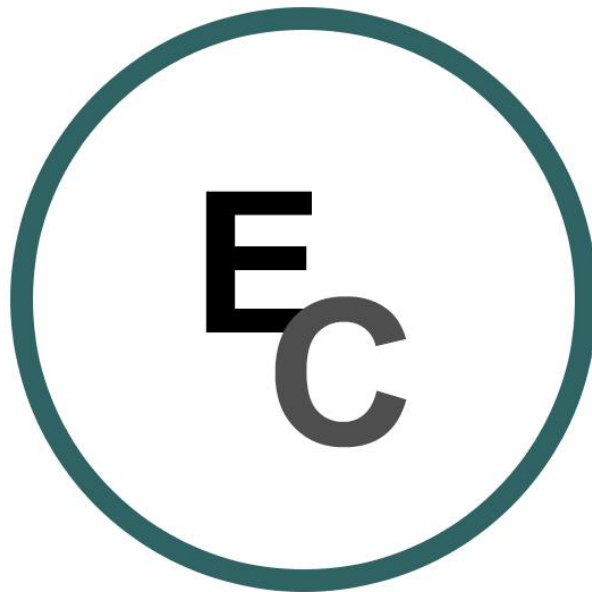


**ARBOR TERRACE COMMUNITY
2020/2021 RESERVE STUDY**



COMPLETED BY: EQUIP CONSULTING, LLC

APRIL 30, 2020

TABLE OF CONTENTS

	Page
1. SCOPE OF SERVICES & BACKGROUND DOCUMENTATION.....	3
2. EC PROJECT TEAM	4
3. RESERVE STUDY ANALYTICAL METHODOLOGIES	5
4. ALL LOTS – APPROVED FUNDING PLAN	8
APPENDIX A: TABLE 3: SHARED COMMON ELEMENTS LIST	14
APPENDIX B: TABLE 4: DETAILED CASH FLOW	22
APPENDIX C: FIVE YEAR EXPENDITURE OUTLOOK	27
5. ROWHOMES - FUNDING SCENARIOS	30
APPENDIX D: TABLE 3: SHARED COMMON ELEMENTS LIST	36
APPENDIX E: TABLE 4: DETAILED CASH FLOW	41
APPENDIX F: FIVE YEAR EXPENDITURE OUTLOOK	44
6. TAMARACK SFH - APPROVED FUNDING PLAN.....	46
APPENDIX G: TABLE 3: SHARED COMMON ELEMENTS LIST	52
APPENDIX H: TABLE 4: DETAILED CASH FLOW	55
APPENDIX I: FIVE YEAR EXPENDITURE OUTLOOK	58
7. SUMMARY	60
APPENDIX J: LIMITATIONS.....	61

1. SCOPE OF SERVICES AND BACKGROUND DOCUMENTATION

Equip Consulting (EC) was retained to conduct a reserve study of the shared common elements owned by the Arbor Terrace Homeowners Association, (ATHOA) for their 2020/2021 fiscal year. The work undertaken by EC was in general conformance with our proposal dated January 23, 2020, issued to and signed by Ms. Amy Boyle, Arbor Terrace Homeowners Association Board President and Treasurer. As per the direction of the agreement EC did “NOT” perform a physical analysis of the shared common elements for this year’s update.

The objective of this RS is to provide a realistic assessment of the monetary reserves required to undertake the necessary repairs or replacements of the shared common element as dictated by their estimated life spans. This RS is designed to be in conformance with “Oregon Revised Statute 100.175” and the ATHOA’s governing documents.

The following information, documentation and communication were used to assist in completing this year’s RS update:

- General & Financial Information, As Provided By:
 - Ms. Amy Boyle, Board President & Treasurer
- Previous Years’ Reserve Studies:
 - Fiscal Year 2019/2020 – Completed by Equip Consulting

2. EC PROJECT TEAM

Equip Consulting has nearly 15 years of experience working with multi-family communities by assisting them to be better prepared for the renewal and major repairs of their shared common elements. We have an extensive background in assessing the existing conditions of the various components and assemblies commonly found in multi-family and single-family communities and can provide realistic timelines for the scheduled replacement dates. The budgetary renewal costs used to develop each of our clients's funding analysis plans will be based on regional rates as opposed to national.

The following personnel were assigned to complete your RS:

- **Caleb VanderMolen – Reserve Study & Maintenance Plan Professional –**
 - **Client References:**
 - Quayside Condominium – Sellwood, OR
 - The VAUX Condominium – Portland, OR
 - Macleay Park Condominium – Portland, OR
 - Oneonta Townhomes – Gresham, OR
 - **Memberships and Licenses:**
 - Community Association Institute, (CAI – Portland)
 - Reserve Specialist, (CAI) – Pending
 - Portland Building Enclosure Council (Portland BEC)

3. RESERVE STUDY ANALYTICAL METHODOLOGIES

The financial data provided within this year's RS will enable the Association to plan long term, (30 years) when budgeting for the replacement of their shared common elements, as opposed to the higher risk year-to-year, short term approach. There are several different funding methods typically used by HOA's when planning their reserves. Below is a list and descriptions of the more commonly used strategies:

- **Full Funding** – The goal of this funding strategy is to attain and maintain the reserves at or near 100 percent. For example, if the association has a component with a ten-year life and a \$5,000 replacement cost, it should have \$1,500 set aside for its replacement after three years, ($\$5,000 \div 10 \text{ years} = \$500 \text{ per year} \times 3 \text{ years} = \$1,500$). In this example, \$1,500 equals full funding.
- **Baseline Funding** – The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance does not drop below zero during the projected period. An association using this funding method should understand that any reduction in a component's remaining useful life can result in a deficit in the reserve's cash balance.
- **Threshold Funding** – This method is based on the baseline-funding concept. However, the minimum reserve cash balance in threshold funding is set at a predetermined dollar amount and is to remain at or above this amount for the entire 30 years.

For this year's study a "Baseline Funding" method was used so sufficient reserves are maintained within each reserve account, and to ensure an annual closing balance at or above \$0 for the 30-year duration of this study.

The following information was provided by the Association:

- **Fiscal Year Duration:**
 - July 1, 2020 to June 30, 2021
- **Estimated Reserve's Account Balances as of July 1, 2020:**
 - All Lots = \$231,000
 - Rowhomes = \$251,688
 - Tamarack SFH = (\$6,195)
- **Estimated Annual Contributions to the Reserves for 2020/2021:**
 - All Lots = \$28,800
 - Rowhomes = \$63,960
 - Tamarack SFH = \$18,900

- **Annual “Earned Interest Rate”, (EIR):** Per the direction of the Association the assumed annual EIR that will be applied to the reserve’s account balance will be set at 1.0% (percent). The interest earned on the reserves for each year is based on a Mid-Year Interest Calculation. With the Mid-Year Interest Calculation, the interest earned is calculated at the middle of the fiscal year assuming that half the expenses have been taken out and half the annual contributions have been deposited into the reserves’ account.
- **Assumed “Average Inflation Rate”, (AIR):** An annual increase of 2.0% (percent) will be applied to account for the estimated annual rate increases to the shared common elements’ renewal costs. The increase will cover the assumed “Inflation Rate” of 2.0% (percent) used over the 30-year period of this study. The inflation rate in the United States at the end of the month of March 2020 was recorded at 1.5% (percent) as per the Consumer Price Index published monthly by the U.S. Labor Department.

The two tables listed below can be found in each of Chapters 4, 5 and 6. These tables will summarize each of the funding paths this study has prepared for each of three entities within the Arbor Terrace Community:

- **Table 1: Cash Flow Table:** Information found here provides a snapshot of the key financial data for each year. Yearly information includes, total contributions and expenditures, annual rate increases, as well as the beginning and closing balances within the reserve accounts. In short, Table 1 is a simple, easy to use tool that summarizes how much money is estimated to be within the reserves during the 30-year scope of this study.
- **Table 2: Cash Flow Chart:** Table 2 provides a visual representation of the annual reserve balance, expenses and contributions for each scenario throughout the 30-year life of this study.

Opinions of probable cost are provided only as an indication of possible cost for remedial work. The repair or replacement costs are based on published construction cost data, recent bid prices on similar work, and information provided by the owner or their representatives. The opinions of probable cost we have presented can vary due to a number of reasons including changing market conditions, availability of newer materials and systems, and increased or decreased scope of work than we had identified. More precise estimations of probable cost would require a more detailed investigation to define the scope of work.

The repairs and replacements we have forecasted do not represent a fixed schedule for any given element or component reviewed. Such repairs or replacements may be required sooner or later than have anticipated. It should also be noted that these repairs and replacements may not all take place within one year’s time and may not be required at all. However, it is prudent to budget for such repairs since failure of some components is somewhat unpredictable. The estimated service life assigned to each item assumes proper maintenance is conducted. Lack of maintenance will result in a decreased service life of various components.

It is recommended that the Association utilize the services of a 3rd party consultant when faced with the renewal of components that are categorized as complex or have a significant cost associated with their replacement. These design or engineering professionals will identify irregularities typically before any work begins, minimizing their client's exposure to unnecessary risks and ultimately saving them time and money. They should be actively involved in all phase of the rehabilitation process, (Design, Bidding, and Construction Administration). EC cautions the Association from taking on these responsibilities themselves.

4. ALL LOTS - APPROVED FUNDING PLAN

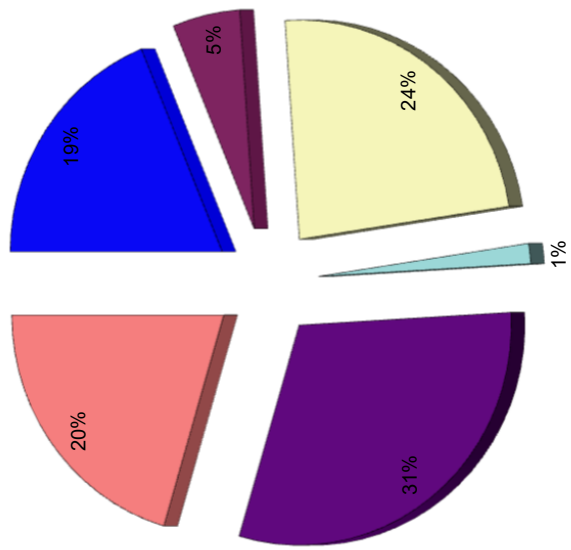
Summary of Data & Results

Community Name	Arbor Terrace Community - All Lots
Registered Name, (Legal Name)	Arbor Terrace HOA
Date Completed:	April 30, 2020
Year Built:	2007
Fiscal Year:	2020
Dollar Year, (The Year The RS Was Completed):	2020
Fiscal Year Start Date:	July 1, 2020
Fiscal Year End Date:	June 30, 2021
Assumed Rate Of Inflation, (IR):	2.00%
Earned Interest Rate, (EIR):	1.00%
Approximate Starting Balance:	\$231,000
Number of Units:	160
Approved Funding Plan	
Estimated Yearly Contribution, (Year One):	\$28,800
Monthly Contribution, (Per Unit "Average" For Year One):	\$15.00
Lowest Annual Closing Balance:	\$48,798
Largest Annual Closing Balance:	\$398,669
Closing Balance @ Year 30:	\$122,516
Consulting Allowance	7%

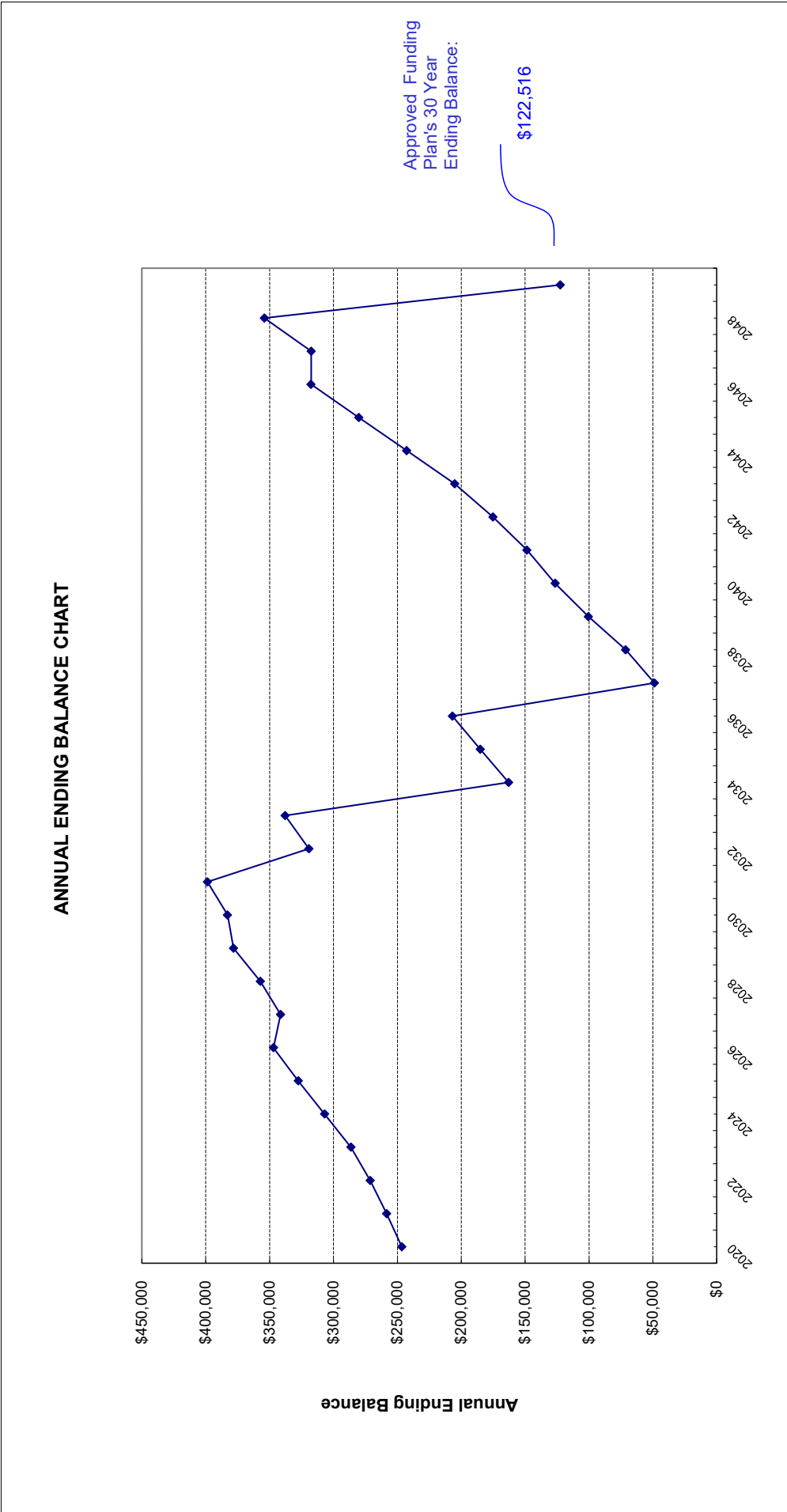
Arbor Terrace Community - All Lots - Funding Graph #1 - FINAL

Percentage of Anticipated Expenditures By Groups
 (Groups are formed by multiple factors such as similar renewal timelines & common functions)

- Tract D: \$286,336
- Fencing: \$78,644
- Pathways & Retaining Walls: \$361,105
- Tract R: \$22,618
- Landscaping: \$465,196
- Misc Shared Components & Professional Services: \$311,733



Arbor Terrace Community - All Lots - Funding Graph #2 - FINAL



All Lots – Approved Funding Plan

The following funding plan has been designed and approved by the Association’s Board of Directors for this year’s update, (2020/2021 Fiscal Year). The starting account balance within the reserves at year one will be approximately \$231,000 with an annual contribution of \$28,800. All rate increases to the reserve’s annual contributions have also been established and authorized by the Association’s Board of Directors, (BOD).

Analysis

The amount of funds within the reserve’s account will maintain a positive balance over the next 30 years, (July 1, 2020 through June 30, 2050). This is contingent on the Association following the funding plan and the scheduled annual increases to the contributions that they have established within this RS over this same period. This will also be impacted on how well they maintain and care for their shared common elements.

The chart below shows the four largest renewal periods over the 30-year scope set by this study:

<u>Year</u>	<u>Major Renewal Task</u>	<u>Est. Cost</u>
2032/2033	Vinyl Fencing Replacement	\$123K
2034/2035	Major Landscaping Project	\$223K
2037/2038	Tot-Lot Play Equipment & Gazebo Renewals	\$205K
2049/2050	Major Landscaping Update	\$295K

Please note, that the forecasted repairs and replacements do not represent a fixed schedule for any given element or component reviewed. Such repairs or replacements may be required sooner or later than we have anticipated. It should also be noted that these repairs and replacements may not all take place within one year’s time and may not be required at all. However, it is prudent to budget for such repairs since failure of some components is somewhat unpredictable.

Results

This funding plan as approved by the Association will maintain an amount greater than \$0, (Baseline Funding) over the 30-year term set by this RS. EC can recommend this funding plan because it provides the necessary amount of available funds to cover all of the Association’s future anticipated replacement needs in terms of their shared common elements.

Annual contributions within this funding plan have been aligned with the list of shared common elements shown in Appendix A, Table 3, (assuming the expenditure is scheduled to be replaced by June 30, 2050). The ensuing two documents, (Table 1 & Table 2) illustrate what the Association should anticipate over the next 30 years should they follow this funding path. For a detailed breakout of the anticipated cash flow for this funding plan see Appendix B, Table 4.

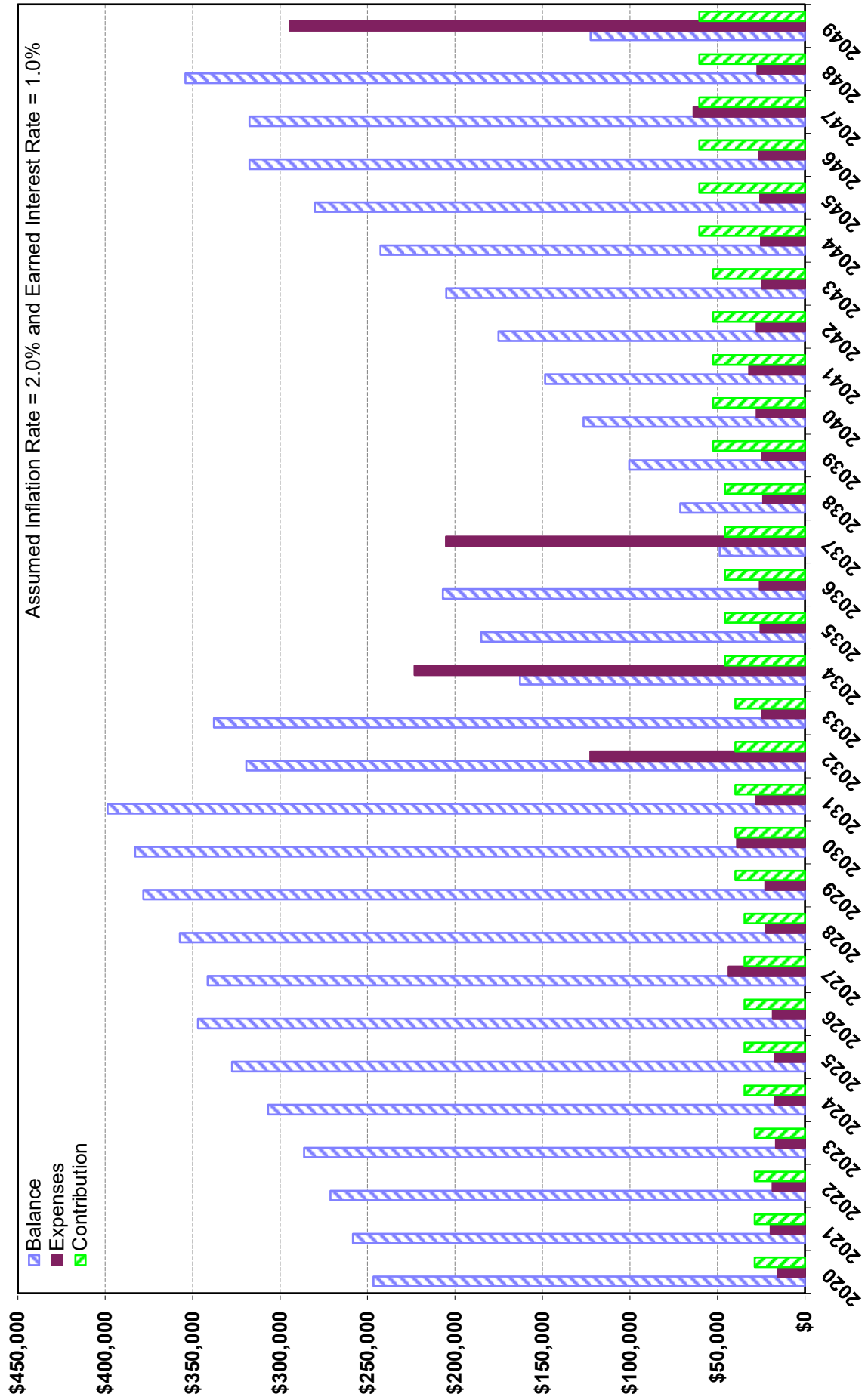
Arbor Terrace Community - All Lots
Approved Funding Plan
Table 1: Cash Flow Summary

Estimated Yearly Contribution, (Year One):	\$28,800
Monthly Contribution, (Per Unit "Average" For Year One):	\$15.00
Assumed Interest Rate:	1.00%
Assumed Inflation Rate:	2.00%
Estimated Starting Account Balance for 2020	\$231,000
Smallest Annual Closing Balance Over 30 Year Scope Of This RS:	\$48,798

#	Year	Annual Opening Balance	Annual Contributions	Annual Rate Increase	Other Contributions	Estimated Annual Expenditures	Projected Earned Interest	Annual Closing Balance
1	2020 / 2021	\$231,000	\$28,800	0.0%	\$0	\$15,549	\$2,376	\$246,628
2	2021 / 2022	\$246,628	\$28,800	0.0%	\$0	\$19,550	\$2,513	\$258,390
3	2022 / 2023	\$258,390	\$28,800	0.0%	\$0	\$18,506	\$2,635	\$271,319
4	2023 / 2024	\$271,319	\$28,800	0.0%	\$0	\$16,556	\$2,774	\$286,337
5	2024 / 2025	\$286,337	\$34,560	20.0%	\$0	\$16,863	\$2,952	\$306,987
6	2025 / 2026	\$306,987	\$34,560	0.0%	\$0	\$17,175	\$3,157	\$327,529
7	2026 / 2027	\$327,529	\$34,560	0.0%	\$0	\$18,372	\$3,356	\$347,073
8	2027 / 2028	\$347,073	\$34,560	0.0%	\$0	\$43,630	\$3,425	\$341,429
9	2028 / 2029	\$341,429	\$34,560	0.0%	\$0	\$22,114	\$3,477	\$357,351
10	2029 / 2030	\$357,351	\$39,744	15.0%	\$0	\$22,529	\$3,660	\$378,226
11	2030 / 2031	\$378,226	\$39,744	0.0%	\$0	\$38,811	\$3,787	\$382,946
12	2031 / 2032	\$382,946	\$39,744	0.0%	\$0	\$27,909	\$3,889	\$398,669
13	2032 / 2033	\$398,669	\$39,744	0.0%	\$0	\$122,664	\$3,572	\$319,321
14	2033 / 2034	\$319,321	\$39,744	0.0%	\$0	\$24,398	\$3,270	\$337,937
15	2034 / 2035	\$337,937	\$45,706	15.0%	\$0	\$223,160	\$2,492	\$162,975
16	2035 / 2036	\$162,975	\$45,706	0.0%	\$0	\$25,323	\$1,732	\$185,090
17	2036 / 2037	\$185,090	\$45,706	0.0%	\$0	\$25,799	\$1,950	\$206,947
18	2037 / 2038	\$206,947	\$45,706	0.0%	\$0	\$205,126	\$1,272	\$48,798
19	2038 / 2039	\$48,798	\$45,706	0.0%	\$0	\$23,810	\$597	\$71,291
20	2039 / 2040	\$71,291	\$52,561	15.0%	\$0	\$24,253	\$854	\$100,454
21	2040 / 2041	\$100,454	\$52,561	0.0%	\$0	\$27,603	\$1,129	\$126,542
22	2041 / 2042	\$126,542	\$52,561	0.0%	\$0	\$31,866	\$1,369	\$148,606
23	2042 / 2043	\$148,606	\$52,561	0.0%	\$0	\$27,504	\$1,611	\$175,275
24	2043 / 2044	\$175,275	\$52,561	0.0%	\$0	\$24,627	\$1,892	\$205,102
25	2044 / 2045	\$205,102	\$60,446	15.0%	\$0	\$25,083	\$2,228	\$242,693
26	2045 / 2046	\$242,693	\$60,446	0.0%	\$0	\$25,549	\$2,601	\$280,191
27	2046 / 2047	\$280,191	\$60,446	0.0%	\$0	\$26,024	\$2,974	\$317,587
28	2047 / 2048	\$317,587	\$60,446	0.0%	\$0	\$63,663	\$3,160	\$317,529
29	2048 / 2049	\$317,529	\$60,446	0.0%	\$0	\$27,112	\$3,342	\$354,205
30	2049 / 2050	\$354,205	\$60,446	0.0%	\$0	\$294,506	\$2,372	\$122,517
						\$1,525,632		

Arbor Terrace Community - All Lots Approved Funding Plan

Table 2: Cash Flow Chart



APPENDIX A

TABLE 3: SHARED COMMON ELEMENTS LIST – ALL LOTS

This table provides a list of the shared common elements that includes information such as each component's quantities, dates of initial installation or renewal, and estimated unit costs. In addition, this table includes a list of brief comments or recommendations for each corresponding item. EC recommends that close attention be maintained for systems that have an "elevated maintenance" requirement. These components are typically exposed to conditions where they are unlikely to fulfill their usual service life. However it should be noted that in some instances a heightened maintenance plan can maximize the component's serviceable life span. Where a specific material, component or assembly could not be verified during our review, we have assumed the components are suitable for their intended use. Estimated replacement costs are based on current year dollars, (2020).

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #1: TRACT "D", (PARK AREA ADJACENT TO SW BALER WAY)														
Sub-Category #1: Tot-Lot														
1	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)	Photo Pending	10	2007	13	20	20	1	250	Ln. Ft.	\$7.80	N	\$1,950	Observed Conditions/Recommended Actions: Early signs of corrosion were identified at selection locations where paint finish was either blistering or had been fully removed. It is recommended these areas be treated and refinished within the next year to prevent further deterioration. Note: The Association has instructed that the scheduled renewal date for this line item will take place 10 years after the metal railing has been replaced, (See Item #02 for scheduled replacement of the metal railing). Estimated values are based on a field applied finish.
2	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)	Photo Pending	25	2007	13	-2	10	1	250	Ln. Ft.	\$52.02	N	\$13,010	Observed Conditions/Recommended Actions: Early signs of corrosion were identified at selection locations where paint finish was either blistering or had been fully removed. It is recommended these areas be treated and refinished within the next year to prevent further deterioration. Note: The Association has instructed that the scheduled renewal date for this line item will take place in 2030.
3	Concrete Pathways	Photo Pending	50	2007	13	-50	0	50	1,480	Sq. Ft.	\$10.40	N	\$15,400	Observed Conditions/Recommended Actions: Apart from a few minor cracks in a handful of areas, this component appears to be performing as intended. It has been assumed that the replacement of this component would be addressed on an "As Needed" basis and would take place over an extended period of time.
4	Park Benches	Photo Pending	20	2007	13	0	7	1	4	EA	\$1,040.40	N	\$4,160	Observed Conditions/Recommended Actions: Components appear to be in good condition. It is recommended that this equip be power washed annually as part of the general maintenance plan. Follow manufacture requirements when cleaning or refinishing.
5	Play Equipment	Photo Pending	30	2007	13	0	17	1	1	EA	\$31,212.00	N	\$31,210	Observed Conditions/Recommended Actions: Observed a few areas where the paint finish may be reaching the end of its service life. It is recommended that this equip be power washed annually as part of the general maintenance plan. Follow manufacture requirements when cleaning or refinishing.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
Sub-Category #2: Gazebo														
6	Concrete Pathways	Photo Pending	50	2007	13	-30	7	20	100	Sq. Ft.	\$10.40	N	\$1,040	Observed Conditions/Recommended Actions: Apart from a few minor cracks in a handful of areas, this component appears to be performing as intended. It has been assumed that the replacement of this component would be addressed on an "As Needed" basis and would take place over an extended period of time.
7	Concrete Slab/Foundation	Photo Pending	50	2007	13	0	37	1	624	Sq. Ft.	\$15.61	N	\$9,740	Observed Conditions/Recommended Actions: No visible cracks or signs of failure to the concrete slab were observed. No action at this time, (per the 2018/2019 RS update, Lvl 2)
8	Stone Column Bases	Photo Pending	25	2007	13	-5	7	1	8	Each	\$1,248.48	Y	\$10,690	Observed Conditions/Recommended Actions: Efflorescence was observed in multiple locations on the surface of the stone veneer for each of the column bases. The stone veneer and grout at the column bases appear to be in good shape, however it is recommended that regular cleaning be administered to remove the powdery deposit to prevent the risk of deterioration to these components that could lead to an accelerated renewal cycle. Note: There are a few of the 6x6 wooden posts that run through the center of these columns that are showing advanced signs of deterioration. It is recommended these posts be removed this year. Discuss with your contractor if it is possible to reuse the stone veneer as oppose to replacing it.
9	Structure	Photo Pending	30	2007	13	0	17	1	1	Each	\$78,030.00	N	\$78,030	Observed Conditions/Recommended Actions: There are clear signs of rot that were observed on a few of the 6x6 vertical posts that support the structure. It is recommended that these posts be replaced this fiscal year. This work is currently classified as a "maintenance task" and funds necessary for this repair will drawn against the Operating Budget. It is recommended that the Association conduct a visual review of the wood components as part of their annual maintenance plan.
10	T&G Soffit, (Ventilated)	Photo Pending	30	2007	13	0	17	1	1,000	Sq. Ft.	\$10.40	N	\$10,400	Observed Conditions/Recommended Actions: Components appear to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)
11	Park Benches, (Attached)	Photo Pending	20	2007	13	0	7	1	2	Each	\$1,040.40	N	\$2,080	Observed Conditions/Recommended Actions: Some of the paint finish has been stripped away, exposing raw wood materials. Do to the frequent use these components are likely to endure on an annual basis, it is recommended touch paint be applied to the areas where the wood has been exposed annually.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
12	HOA Bulletin Board, (Free Standing)	Photo Pending	15	2011	9	0	6	1	1	Each	\$780.30	N	\$780	Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)
13	Roofing, (Asphaltic Roof Shingles)	Photo Pending	25	2007	13	0	12	1	1,000	Sq. Ft.	\$5.20	N	\$5,200	Observed Conditions/Recommended Actions: Appears to be in good condition. Apart from the scheduled maintenance task recommendations and requires, no action is required at this time, (per the 2018/2019 RS Update, Lvl 2)
14	Refinishing, (Painting & Staining)	Photo Pending	10	2007	13	1	1	1	1	Each	\$3,641.40	N	\$3,640	Observed Conditions/Recommended Actions: Appears to be in good condition. As a suggestion, the Association may consider adding power washing of the surface area of the gazebo's various components to their annual maintenance plan. This maintenance task can help to prolong the useful life cycle of the paint finish as well as the structure.
Sub-Category #3: Misc. Components														
15	Vinyl Fence, (42" Tall)	Photo Pending	25	2007	13	0	12	1	465	Ln. Ft.	\$31.21	N	\$14,510	Observed Conditions/Recommended Actions: Appears to be in good condition. As a suggestion, the Association may consider adding an annual power washing of the fence as part of the scheduled maintenance. This maintenance task can help to prolong the useful life cycle of this component.
16	Concrete Pathways	Photo Pending	50	2007	13	-50	0	50	1,800	Sq. Ft.	\$10.40	N	\$18,730	Observed Conditions/Recommended Actions: Apart from a few minor cracks in a handful of areas, this component appears to be performing as intended. It has been assumed that the replacement of this component would be addressed on an "As Needed" basis and would take place over an extended period of time.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #2: FENCING														
<u>Sub-Category #1: Wood Fencing</u>														
17	6' Cedar Fence, (Good Neighbor Style)	Photo Pending	15	2017	3	0	12	1	156	Ln. Ft.	\$42.66	N	\$6,650	Observed Conditions/Recommended Actions: This component was just replaced in 2017. Note: The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleaning. Funds required for this task will be drawn from the Operating Budget.
<u>Sub-Category #2: Vinyl Fencing</u>														
18	Vinyl Fence, (42" Tall)	Photo Pending	25	2007	13	0	12	1	1,487	Ln. Ft.	\$31.21	N	\$46,410	Observed Conditions/Recommended Actions: Appears to be in good condition. As a suggestion, the Association may consider adding an annual power washing of the fence as part of the scheduled maintenance. This maintenance task can help to prolong the useful life cycle of this component.
SHARED COMMON ELEMENTS #3: CONCRETE PATHWAYS & RETAINING WALLS														
<u>Sub-Section #1: Concrete Sidewalks, (5' Wide, w/Attached Curb & Gutter)</u>														
19	SW Holland Lane	Photo Pending	50	2007	13	-50	0	50	18,840	Sq. Ft.	\$10.40	N	\$196,010	Observed Conditions/Recommended Actions: Observed a few locations where the concrete was breaking down and could require replacement as soon as this year, (2018/2019). For all other locations it has been assumed that the replacement of this component would be addressed on an "As Needed" basis and would take place over an extended period of time. Locations: - SW Holland Lane - SW Window Lane - SW Silo Terrace - SW Bronner Lane
<u>Sub-Section #2: Concrete Sidewalks, (5' Wide, w/Detached Curb & Gutter)</u>														
20	SW Harvester Lane	Photo Pending	50	2007	13	-50	0	50	18,432	Sq. Ft.	\$10.40	N	\$191,770	Observed Conditions/Recommended Actions: Observed a few locations where the concrete was breaking down and could require replacement as soon as this year, (2018/2019). For all other locations it has been assumed that the replacement of this component would be addressed on an "As Needed" basis and would take place over an extended period of time. Locations: - SW Harvester Lane - SW Massey Terrace - SW Ferguson Terrace - SW Fallow Terrace - SW Baler Way
<u>Sub-Section #3: Misc. Concrete & Asphalt Pathways</u>														
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	Photo Pending	50	2007	13	-50	0	50	800	Sq. Ft.	\$10.40	N	\$8,320	Located at various areas within the community. Observed Conditions/Recommended Actions: Apart from a few minor cracks in a handful of areas, this component appears to be performing as intended. It has been assumed that the replacement of this component would be addressed on an "As Needed" basis and would take place over an extended period of time.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
22	Asphalt Pathway, (4' Wide) @ Tract "J"	Photo Pending	25	2007	13	0	12	1	560	Sq. Ft.	\$5.20	N	\$2,910	This pathway runs east-west along the right elevation of Lot 76 of the Row Homes. Observed Conditions/Recommended Actions: This component appears to be performing as intended. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	Photo Pending	50	2007	13	-50	0	50	1,821	Ln. Ft.	\$10.40	N	\$18,950	Located at Tracts "A" & "D" Observed Conditions/Recommended Actions: Observed a few locations where the concrete was breaking down and could require replacement as soon as this year, (2018/2019). For all other locations it has been assumed that the replacement of this component would be addressed on an "As Needed" basis and would take place over an extended period of time.
Sub-Section #4: Retaining Walls														
24	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane	Photo Pending	50	2007	13	0	37	1	425	Sq. Ft.	\$78.03	Y	\$35,480	Observed Conditions/Recommended Actions: Appears to be in good condition. It is recommended the Association hire a Geotechnical Engineering firm once every five years to assess the condition of this retaining wall.
25	CMU Retaining Walls, (< 1' Tall)	Photo Pending	30	2007	13	-10	7	15	500	Sq. Ft.	\$15.61	N	\$7,800	Located in targeted areas throughout the community. Item photo was taken from a wall located in Tract "G" Observed Conditions/Recommended Actions: Appears to be in good condition. It is recommended the Association add a visual reviews of these components to their maintenance plan to ensure they are structurally sound. This service may be offered by the Association's landscaping contractor.
26	CMU Retaining Walls, (< 3' Tall)	Photo Pending	30	2007	13	-10	7	15	500	Sq. Ft.	\$15.61	N	\$7,800	Located in targeted areas throughout the community. Item photo was taken from a wall located in Tract "A" Observed Conditions/Recommended Actions: Appears to be in good condition. It is recommended the Association add a visual reviews of these components to their maintenance plan to ensure they are structurally sound. This service may be offered by the Association's landscaping contractor.
SHARED COMMON ELEMENTS #4: MISC COMPONENTS														
Sub-Category #1: Tract "R", (Water Quality & Detention Facility)														
27	Chain-link Fence, (6' Tall Approx.)	Photo Pending	30	2007	13	0	17	1	400	Ln. Ft.	\$17.69	N	\$7,070	Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
28	CMU Retaining Wall, (2' x 3' Blocks, Stacked Approx. 5' Tall)	Photo Pending	50	2007	13	0	37	1	750	Sq. Ft.	\$78.03	Y	\$62,620	Observed Conditions/Recommended Actions: Appears to be in good condition. It is recommended the Association hire a Geotechnical Engineering firm once every five years to assess the condition of this retaining wall.
29	Concrete Flatwork, (Includes Stairs)	Photo Pending	40	2007	13	0	27	1	240	Sq. Ft.	\$26.01	Y	\$6,680	Observed Conditions/Recommended Actions: No visible cracks or signs of failure to the concrete slab were observed. No action at this time, (per the 2018/2019 RS update, Lvl 2)
30	Handrails, (Metal)	Photo Pending	30	2007	13	0	17	1	18	Ln. Ft.	\$52.02	N	\$940	Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)
Sub-Section #2: Landscaping														
31	Community Landscaping Improvement Project, (Major Renewal Task)	Photo Pending	15	2019	1	0	14	1	1	EA	\$140,454.00	Y	\$150,290	Observed Conditions/Recommended Actions: N/A Note: As instructed by the Association, an allowance has been created to fund large updates to the community's landscaping scheme.
Sub-Section#3: Other Misc. Components														
32	Mailbox Kiosks	Photo Pending	25	2007	13	-5	7	10	14	EA	\$1,560.60	N	\$21,850	Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2) Note: Based on information provided by the local Post Office, the renewal cost for these components are the responsibility of the HOA. Adjustment to the estimated life expectancy was factored to help the Association be proactive should these components require replacement before their estimated renewal date.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #5: PROFESSIONAL SERVICES & CONSULTING														
<u>Sub-Category #1: Consulting Services</u>														
33	Reserve Study Updates, (Level 2)	N/A	5	2018	2	-1	2	1	1	EA	\$3,442.50	N	\$3,443	Conducted once every three to five years. Scope includes physical observation of the current study's list of components in order to assess if their estimated service life require adjustments. Other tasks include client meetings and component list additions.
34	Reserve Study Updates, (Level 3)	N/A	1	2018	2	-1	0	1	1	EA	\$1,147.50	N	\$1,148	A Level 3 RS accounts for minor adjustments to the funding plan. Because a Level 3 RS does not include site observations or face-to-face client meetings, information for this update is conducted over the phone and via email communication. Pertinent information such as expenditures made, potential market or industry adjustments that may impact replacement costs to the list of components, and variations to the established funding plan as per the previously completed RS will be gathered during this interview. Per Oregon State Statute a Level 3 RS is to be conducted annually.
35	Maintenance Plan	N/A	5	2007	13	0	0	1	0	EA	\$4,080.00	N	\$0	To be discussed with the BOD. No funds are currently allocated for this line item.
<u>Sub-Category #2: Misc Fees</u>														
36	Emergency Renewal Fund	N/A	30	2007	13	-30	0	30	1	EA	\$163,200.00	N	\$163,200	Budgetary Line Item - Covers potential renewal of unknown or unexpected fees or costs. It is recommended that the Association budget \$1,000 per unit, paid over 30 years for any unexpected renewal costs.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

APPENDIX B
APPROVED FUNDING PLAN – ALL LOTS
TABLE 4: DETAILED CASH FLOW

The “Detailed Cash-Flow” table is generated based on the estimated values established by “Table 3: Shared Common Elements List”, (See Appendix A) and is designed to anticipate the necessary cash flow for each year over the 30-year period of this study. The estimated renewal costs listed within Table 4 includes the assumed rate of inflation, (2%) for each of the years leading up to the date of replacement.

Arbor Terrace Community - All Lots
Approved Funding Plan
Table 4: Detailed Cash Flow



Estimated Yearly Contribution, (Year One): **\$28,800**

Monthly Contribution, (Per Unit "Average" For Year One): **\$15.00**

	Starting Balance	\$231,000	\$246,628	\$258,390	\$271,319	\$286,337	\$306,987	\$327,529	\$347,073	\$341,429	\$357,351	\$378,226	\$382,946	\$398,669	\$319,321	\$337,937
Total Expenses inflated at 2% annually	\$15,549	\$19,550	\$18,506	\$16,556	\$16,863	\$17,175	\$18,372	\$43,630	\$22,114	\$22,529	\$38,811	\$27,909	\$122,664	\$24,398	\$223,160	
Interest at 1% annually	\$2,376	\$2,513	\$2,635	\$2,774	\$2,952	\$3,157	\$3,356	\$3,425	\$3,477	\$3,660	\$3,787	\$3,889	\$3,572	\$3,270	\$2,492	
Annual Reserve Contribution	\$28,800	\$28,800	\$28,800	\$28,800	\$34,560	\$34,560	\$34,560	\$34,560	\$34,560	\$34,560	\$39,744	\$39,744	\$39,744	\$39,744	\$39,744	\$45,706
Other Contribution																
Ending Balance	\$246,628	\$258,390	\$271,319	\$286,337	\$306,987	\$327,529	\$347,073	\$341,429	\$357,351	\$378,226	\$382,946	\$398,669	\$319,321	\$337,937	\$162,975	
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
SHARED COMMON ELEMENTS #1: TRACT "D", (PARK AREA ADJACENT TO SW BALER WAY)																
Sub-Category #1: Tot-Lot																
1	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)															
2	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)											\$15,859				
3	Concrete Pathways	\$308	\$314	\$320	\$327	\$333	\$340	\$347	\$354	\$361	\$368	\$375	\$383	\$391	\$398	\$406
4	Park Benches								\$4,779							
5	Play Equipment															
Sub-Category #2: Gazebo																
6	Concrete Pathways								\$60	\$61	\$62	\$63	\$65	\$66	\$67	\$69
7	Concrete Slab/Foundation															
8	Stone Column Bases								\$12,279							
9	Structure															
10	T&G Soffit, (Ventilated)															
11	Park Benches, (Attached)								\$2,389							
12	HOA Bulletin Board, (Free Standing)							\$878								
13	Roofing, (Asphaltic Roof Shingles)													\$6,595		
14	Refinishing, (Painting & Staining)		\$3,713									\$4,526				
Sub-Category #3: Misc. Components																
15	Vinyl Fence, (42" Tall)														\$18,402	
16	Concrete Pathways	\$375	\$382	\$390	\$398	\$405	\$414	\$422	\$430	\$439	\$448	\$457	\$466	\$475	\$485	\$494
SHARED COMMON ELEMENTS #2: FENCING																
Sub-Category #1: Wood Fencing																
17	6' Cedar Fence, (Good Neighbor Style)														\$8,434	
Sub-Category #2: Vinyl Fencing																
18	Vinyl Fence, (42" Tall)														\$58,859	
SHARED COMMON ELEMENTS #3: CONCRETE PATHWAYS & RETAINING WALLS																
Sub-Section #1: Concrete Sidewalks, (5' Wide, w/Attached Curb & Gutter)																
19	SW Holland Lane	\$3,920	\$3,999	\$4,079	\$4,160	\$4,243	\$4,328	\$4,415	\$4,503	\$4,593	\$4,685	\$4,779	\$4,874	\$4,972	\$5,071	\$5,173
Sub-Section #2: Concrete Sidewalks, (5' Wide, w/Detached Curb & Gutter)																
20	SW Harvester Lane	\$3,835	\$3,912	\$3,990	\$4,070	\$4,152	\$4,235	\$4,319	\$4,406	\$4,494	\$4,584	\$4,675	\$4,769	\$4,864	\$4,961	\$5,061

Arbor Terrace Community - All Lots
Approved Funding Plan
Table 4: Detailed Cash Flow



Estimated Yearly Contribution, (Year One): **\$28,800**

Monthly Contribution, (Per Unit "Average" For Year One): **\$15.00**

	Starting Balance	\$231,000	\$246,628	\$258,390	\$271,319	\$286,337	\$306,987	\$327,529	\$347,073	\$341,429	\$357,351	\$378,226	\$382,946	\$398,669	\$319,321	\$337,937
Total Expenses inflated at 2% annually	\$15,549	\$19,550	\$18,506	\$16,556	\$16,863	\$17,175	\$18,372	\$43,630	\$22,114	\$22,529	\$38,811	\$27,909	\$122,664	\$24,398	\$223,160	
Interest at 1% annually	\$2,376	\$2,513	\$2,635	\$2,774	\$2,952	\$3,157	\$3,356	\$3,425	\$3,477	\$3,660	\$3,787	\$3,889	\$3,572	\$3,270	\$2,492	
Annual Reserve Contribution	\$28,800	\$28,800	\$28,800	\$28,800	\$34,560	\$34,560	\$34,560	\$34,560	\$34,560	\$34,560	\$39,744	\$39,744	\$39,744	\$39,744	\$39,744	\$45,706
Other Contribution																
Ending Balance	\$246,628	\$258,390	\$271,319	\$286,337	\$306,987	\$327,529	\$347,073	\$341,429	\$357,351	\$378,226	\$382,946	\$398,669	\$319,321	\$337,937	\$162,975	
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Sub-Section #3: Misc. Concrete & Asphalt Pathways																
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$166	\$170	\$173	\$177	\$180	\$184	\$187	\$191	\$195	\$199	\$203	\$207	\$211	\$215	\$220
22	Asphalt Pathway, (4' Wide) @ Tract "J"													\$3,691		
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$379	\$387	\$394	\$402	\$410	\$418	\$427	\$435	\$444	\$453	\$462	\$471	\$481	\$490	\$500
Sub-Section #4: Retaining Walls																
24	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane															
25	CMU Retaining Walls, (< 1' Tall)								\$597	\$609	\$621	\$634	\$647	\$659	\$673	\$686
26	CMU Retaining Walls, (< 3' Tall)								\$597	\$609	\$621	\$634	\$647	\$659	\$673	\$686
SHARED COMMON ELEMENTS #4: MISC COMPONENTS																
Sub-Category #1: Tract "R", (Water Quality & Detention Facility)																
27	Chain-link Fence, (6' Tall Approx.)															
28	CMU Retaining Wall, (2' x 3' Blocks, Stacked Approx. 5' Tall)															
29	Concrete Flatwork, (Includes Stairs)															
30	Handrails, (Metal)															
Sub-Section #2: Landscaping																
31	Community Landscaping Improvement Project, (Major Renewal Task)															\$198,304
Sub-Section#3: Other Misc. Components																
32	Mailbox Kiosks								\$2,510	\$2,560	\$2,611	\$2,664	\$2,717	\$2,771	\$2,827	\$2,883
SHARED COMMON ELEMENTS #5: PROFESSIONAL SERVICES & CONSULTING																
Sub-Category #1: Consulting Services																
33	Reserve Study Updates, (Level 2)			\$3,500					\$3,850					\$4,235		
34	Reserve Study Updates, (Level 3)	\$1,125	\$1,125		\$1,250	\$1,250	\$1,250	\$1,250		\$1,375	\$1,375	\$1,375	\$1,375		\$1,500	\$1,500
35	Maintenance Plan															
Sub-Category #2: Misc Fees																
36	Emergency Renewal Fund	\$5,440	\$5,549	\$5,660	\$5,773	\$5,888	\$6,006	\$6,126	\$6,249	\$6,374	\$6,501	\$6,631	\$6,764	\$6,899	\$7,037	\$7,178

Arbor Terrace Community - All Lots
Approved Funding Plan
Table 4: Detailed Cash Flow



Estimated Yearly Contribution, (Year One): **\$28,800**

Monthly Contribution, (Per Unit "Average" For Year One): **\$15.00**

	Starting Balance	\$162,975	\$185,090	\$206,947	\$48,798	\$71,291	\$100,454	\$126,542	\$148,606	\$175,275	\$205,102	\$242,693	\$280,191	\$317,587	\$317,529	\$354,205
	Total Expenses inflated at 2% annually	\$25,323	\$25,799	\$205,126	\$23,810	\$24,253	\$27,603	\$31,866	\$27,504	\$24,627	\$25,083	\$25,549	\$26,024	\$63,663	\$27,112	\$294,506
	Interest at 1% annually	\$1,732	\$1,950	\$1,272	\$597	\$854	\$1,129	\$1,369	\$1,611	\$1,892	\$2,228	\$2,601	\$2,974	\$3,160	\$3,342	\$2,372
	Annual Reserve Contribution	\$45,706	\$45,706	\$45,706	\$45,706	\$52,561	\$52,561	\$52,561	\$52,561	\$52,561	\$60,446	\$60,446	\$60,446	\$60,446	\$60,446	\$60,446
Other Contribution																
	Ending Balance	\$185,090	\$206,947	\$48,798	\$71,291	\$100,454	\$126,542	\$148,606	\$175,275	\$205,102	\$242,693	\$280,191	\$317,587	\$317,529	\$354,205	\$122,517
	Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	Calendar Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
SHARED COMMON ELEMENTS #1: TRACT "D", (PARK AREA ADJACENT TO SW BALER WAY)																
Sub-Category #1: Tot-Lot																
1	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)							\$2,898								
2	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)															
3	Concrete Pathways	\$415	\$423	\$431	\$440	\$449	\$458	\$467	\$476	\$486	\$495	\$505	\$515	\$526	\$536	\$547
4	Park Benches													\$7,101		
5	Play Equipment			\$43,702												
Sub-Category #2: Gazebo																
6	Concrete Pathways	\$70	\$71	\$73	\$74	\$76	\$77	\$79	\$80	\$82	\$84	\$85	\$87			
7	Concrete Slab/Foundation															
8	Stone Column Bases															
9	Structure			\$109,261												
10	T&G Soffit, (Ventilated)			\$14,563												
11	Park Benches, (Attached)													\$3,550		
12	HOA Bulletin Board, (Free Standing)							\$1,182								
13	Roofing, (Asphaltic Roof Shingles)															
14	Refinishing, (Painting & Staining)							\$5,517								
Sub-Category #3: Misc. Components																
15	Vinyl Fence, (42" Tall)															
16	Concrete Pathways	\$504	\$514	\$525	\$535	\$546	\$557	\$568	\$579	\$591	\$603	\$615	\$627	\$639	\$652	\$665
SHARED COMMON ELEMENTS #2: FENCING																
Sub-Category #1: Wood Fencing																
17	6' Cedar Fence, (Good Neighbor Style)													\$11,351		
Sub-Category #2: Vinyl Fencing																
18	Vinyl Fence, (42" Tall)															
SHARED COMMON ELEMENTS #3: CONCRETE PATHWAYS & RETAINING WALLS																
Sub-Section #1: Concrete Sidewalks, (5' Wide, w/Attached Curb & Gutter)																
19	SW Holland Lane	\$5,276	\$5,382	\$5,489	\$5,599	\$5,711	\$5,825	\$5,942	\$6,061	\$6,182	\$6,305	\$6,432	\$6,560	\$6,691	\$6,825	\$6,962
Sub-Section #2: Concrete Sidewalks, (5' Wide, w/Detached Curb & Gutter)																
20	SW Harvester Lane	\$5,162	\$5,265	\$5,370	\$5,478	\$5,587	\$5,699	\$5,813	\$5,929	\$6,048	\$6,169	\$6,292	\$6,418	\$6,547	\$6,678	\$6,811

Arbor Terrace Community - All Lots
Approved Funding Plan
Table 4: Detailed Cash Flow



Estimated Yearly Contribution, (Year One): **\$28,800**

Monthly Contribution, (Per Unit "Average" For Year One): **\$15.00**

	Starting Balance	\$162,975	\$185,090	\$206,947	\$48,798	\$71,291	\$100,454	\$126,542	\$148,606	\$175,275	\$205,102	\$242,693	\$280,191	\$317,587	\$317,529	\$354,205
Total Expenses inflated at 2% annually	\$25,323	\$25,799	\$205,126	\$23,810	\$24,253	\$27,603	\$31,866	\$27,504	\$24,627	\$25,083	\$25,549	\$26,024	\$63,663	\$27,112	\$294,506	
Interest at 1% annually	\$1,732	\$1,950	\$1,272	\$597	\$854	\$1,129	\$1,369	\$1,611	\$1,892	\$2,228	\$2,601	\$2,974	\$3,160	\$3,342	\$2,372	
Annual Reserve Contribution	\$45,706	\$45,706	\$45,706	\$45,706	\$52,561	\$52,561	\$52,561	\$52,561	\$52,561	\$52,561	\$60,446	\$60,446	\$60,446	\$60,446	\$60,446	
Other Contribution																
Ending Balance	\$185,090	\$206,947	\$48,798	\$71,291	\$100,454	\$126,542	\$148,606	\$175,275	\$205,102	\$242,693	\$280,191	\$317,587	\$317,529	\$354,205	\$122,517	
Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Calendar Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	
Sub-Section #3: Misc. Concrete & Asphalt Pathways																
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$224	\$228	\$233	\$238	\$242	\$247	\$252	\$257	\$262	\$268	\$273	\$278	\$284	\$290	\$296
22	Asphalt Pathway, (4' Wide) @ Tract "J"															
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$610	\$622	\$634	\$647	\$660	\$673
Sub-Section #4: Retaining Walls																
24	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane															
25	CMU Retaining Walls, (< 1' Tall)	\$700	\$714	\$728	\$743	\$758	\$773	\$788								
26	CMU Retaining Walls, (< 3' Tall)	\$700	\$714	\$728	\$743	\$758	\$773	\$788								
SHARED COMMON ELEMENTS #4: MISC COMPONENTS																
Sub-Category #1: Tract "R", (Water Quality & Detention Facility)																
27	Chain-link Fence, (6' Tall Approx.)			\$9,900												
28	CMU Retaining Wall, (2' x 3' Blocks, Stacked Approx. 5' Tall)															
29	Concrete Flatwork, (Includes Stairs)													\$11,402		
30	Handrails, (Metal)			\$1,316												
Sub-Section #2: Landscaping																
31	Community Landscaping Improvement Project, (Major Renewal Task)															\$266,892
Sub-Section#3: Other Misc. Components																
32	Mailbox Kiosks	\$2,941	\$3,000													
SHARED COMMON ELEMENTS #5: PROFESSIONAL SERVICES & CONSULTING																
Sub-Category #1: Consulting Services																
33	Reserve Study Updates, (Level 2)			\$4,660					\$5,125					\$5,640		
34	Reserve Study Updates, (Level 3)	\$1,500	\$1,500		\$1,650	\$1,650	\$1,650	\$1,650		\$1,800	\$1,800	\$1,800	\$1,800		\$2,000	\$2,000
35	Maintenance Plan															
Sub-Category #2: Misc Fees																
36	Emergency Renewal Fund	\$7,322	\$7,468	\$7,617	\$7,770	\$7,925	\$8,084	\$8,245	\$8,410	\$8,578	\$8,750	\$8,925	\$9,103	\$9,285	\$9,471	\$9,661

APPENDIX C
FIVE YEAR EXPENDITURE OUTLOOK – ALL LOTS

2020/2021		
3	Concrete Pathways	\$308
16	Concrete Pathways	\$375
19	SW Holland Lane	\$3,920
20	SW Harvester Lane	\$3,835
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$166
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$379
34	Reserve Study Updates, (Level 3)	\$1,125
36	Emergency Renewal Fund	\$5,440
		\$15,549

2021/2022		
3	Concrete Pathways	\$314
14	Refinishing, (Painting & Staining)	\$3,713
16	Concrete Pathways	\$382
19	SW Holland Lane	\$3,999
20	SW Harvester Lane	\$3,912
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$170
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$387
34	Reserve Study Updates, (Level 3)	\$1,125
36	Emergency Renewal Fund	\$5,549
		\$19,550

2022/2023		
3	Concrete Pathways	\$320
16	Concrete Pathways	\$390
19	SW Holland Lane	\$4,079
20	SW Harvester Lane	\$3,990
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$173
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$394
33	Reserve Study Updates, (Level 2)	\$3,500
36	Emergency Renewal Fund	\$5,660
		\$18,506

2023/2024		
3	Concrete Pathways	\$327
16	Concrete Pathways	\$398
19	SW Holland Lane	\$4,160
20	SW Harvester Lane	\$4,070
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$177
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$402
34	Reserve Study Updates, (Level 3)	\$1,250
36	Emergency Renewal Fund	\$5,773
		\$16,556

2024/2025		
3	Concrete Pathways	\$333
16	Concrete Pathways	\$405
19	SW Holland Lane	\$4,243
20	SW Harvester Lane	\$4,152
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$180
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$410
34	Reserve Study Updates, (Level 3)	\$1,250
36	Emergency Renewal Fund	\$5,888
		\$16,863

5. ROW HOMES - APPROVED FUNDING PLAN

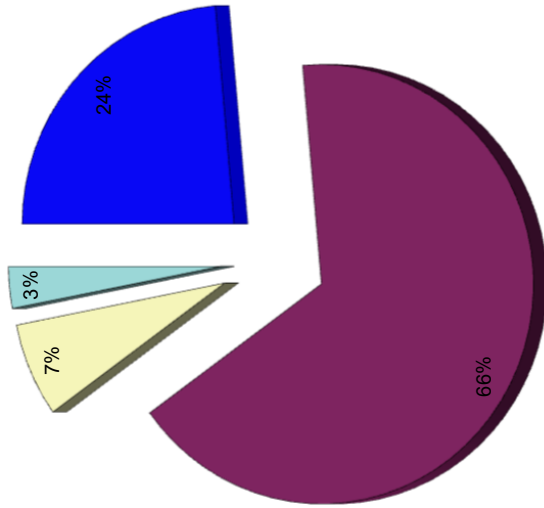
Summary of Data & Results

Community Name	Arbor Terrace Community - Row Homes
Registered Name, (Legal Name)	Arbor Terrace HOA
Date Completed:	April 20, 2020
Year Built:	2007
Fiscal Year:	2020
Dollar Year, (The Year The RS Was Completed):	2020
Fiscal Year Start Date:	July 1, 2020
Fiscal Year End Date:	June 30, 2021
Assumed Rate Of Inflation, (IR):	2.00%
Earned Interest Rate, (EIR):	1.00%
Approximate Starting Balance:	\$353,000
Number of Units:	65
Approved Funding Plan	
Estimated Yearly Contribution, (Year One):	\$63,960
Monthly Contribution, (Per Unit "Average" For Year One):	\$82.00
Lowest Annual Closing Balance:	\$47,626
Largest Annual Closing Balance:	\$1,032,176
Closing Balance @ Year 30:	\$655,295
Consulting Allowance	7%

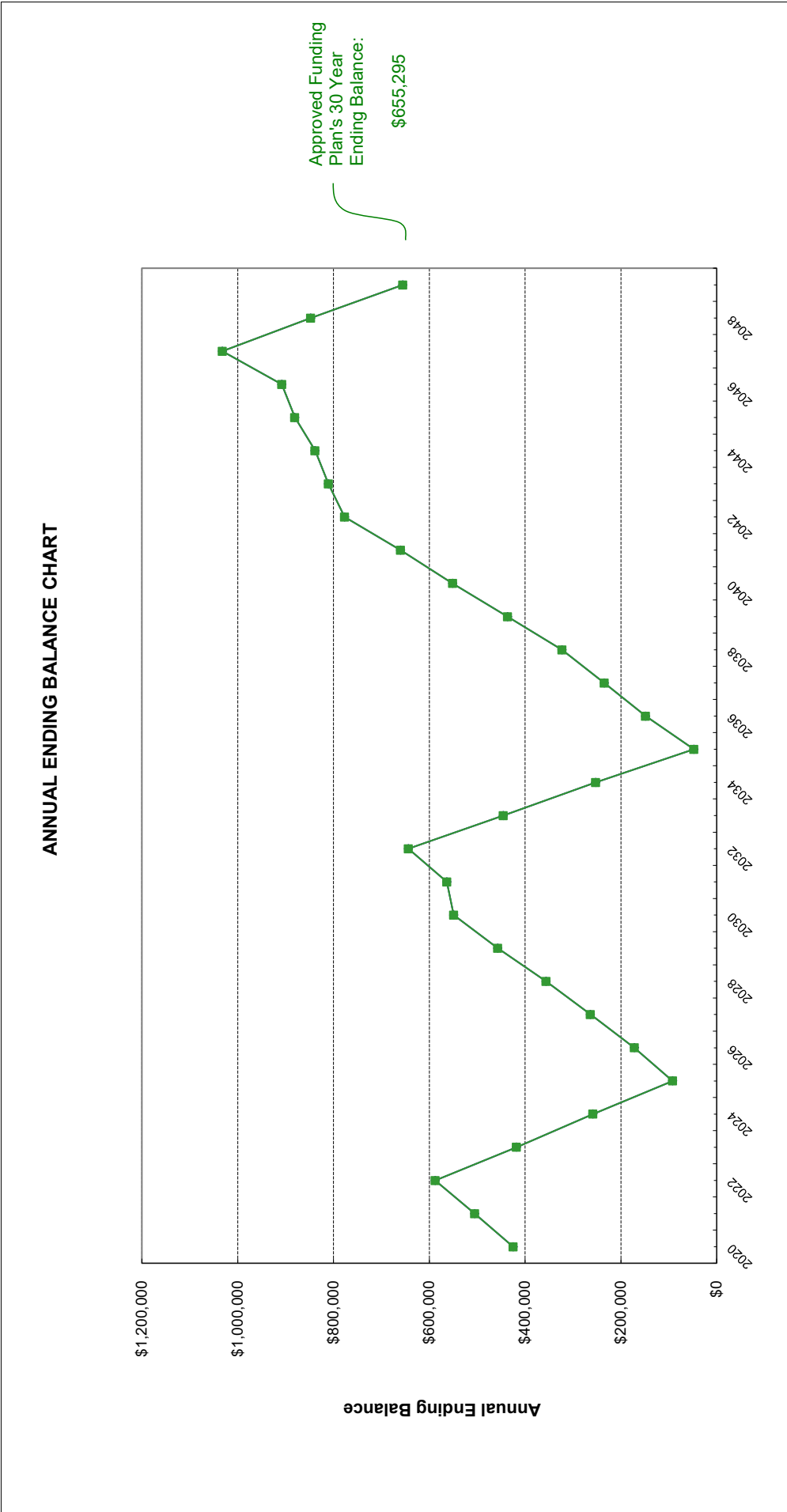
Arbor Terrace Community - Row Homes - Funding Graph #1 - FINAL

Percentage of Anticipated Expenditures By Groups
(Groups are formed by multiple factors such as similar renewal timelines & common functions)

- Building Envelope Components "NOT" Replaced in 2013 \$677,878
- Building Envelope Components Replaced in 2013 \$1,909,306
- Fencing & Asphalt Roadways \$198,422
- Misc & Professional Services \$88,197



Arbor Terrace Community - Row Homes - Funding Graph #2 - FINAL



Rowhomes – Approved Funding Plan

The funding plan for the Rowhomes has been designed and agreed upon by the Association’s Board of Directors for this year’s update, (2020/2021 Fiscal Year). The starting account balance within the reserves at year one will be \$353,000 with an annual contribution of \$63,960. All rate increases to the reserve’s annual contributions have also been established by the Association’s BOD.

Analysis

The amount of funds within the reserve’s account will maintain a positive balance over the next 30 years, (July 1, 2020 through June 30, 2050). This is contingent on the Association following the funding plan and the scheduled annual increases for the contributions that they have established within this RS over this same period. This is also impacted by how well they maintain and care for their shared common elements.

The chart below shows the four largest renewal periods over the 30-year scope set by this study:

<u>Periods</u>	<u>Major Renewal Task</u>	<u>Est. Cost</u>
2023 – 2025	Exterior Painting Renewal Cycle #1 & Roof Replacement #1	\$775K
2033 - 2035	Replacement of Exterior Cladding Assemblies	\$890K
2043 – 2046	Exterior Painting Renewal Cycle #3 & Cedar Fence Renewal	\$390K
2048 – 2050	Roof Replacement #2	\$640K

Please note, that the forecasted repairs and replacements do not represent a fixed schedule for any given element or component reviewed. Such repairs or replacements may be required sooner or later than we have anticipated. It should also be noted that these repairs and replacements may not all take place within one year’s time and may not be required at all. However, it is prudent to budget for such repairs since failure of some components is somewhat unpredictable.

Results

This funding plan as approved by the Association will maintain an amount greater than \$0, (Baseline Funding) over the 30-year term set by this RS. EC can recommend this funding plan because it provides the necessary amount of available funds to cover all of the Association’s future anticipated replacement needs in terms of their shared common elements.

Annual contributions within this funding plan have been aligned with the list of shared common elements shown in Appendix D, Table 3, (assuming the expenditure is scheduled to be replaced by June 30, 2050). The ensuing two documents, (Table 1 & Table 2) illustrate what the Association should anticipate over the next 30 years should they follow this funding path. For a detailed breakout of the anticipated cash flow for this funding plan see Appendix E, Table 4.

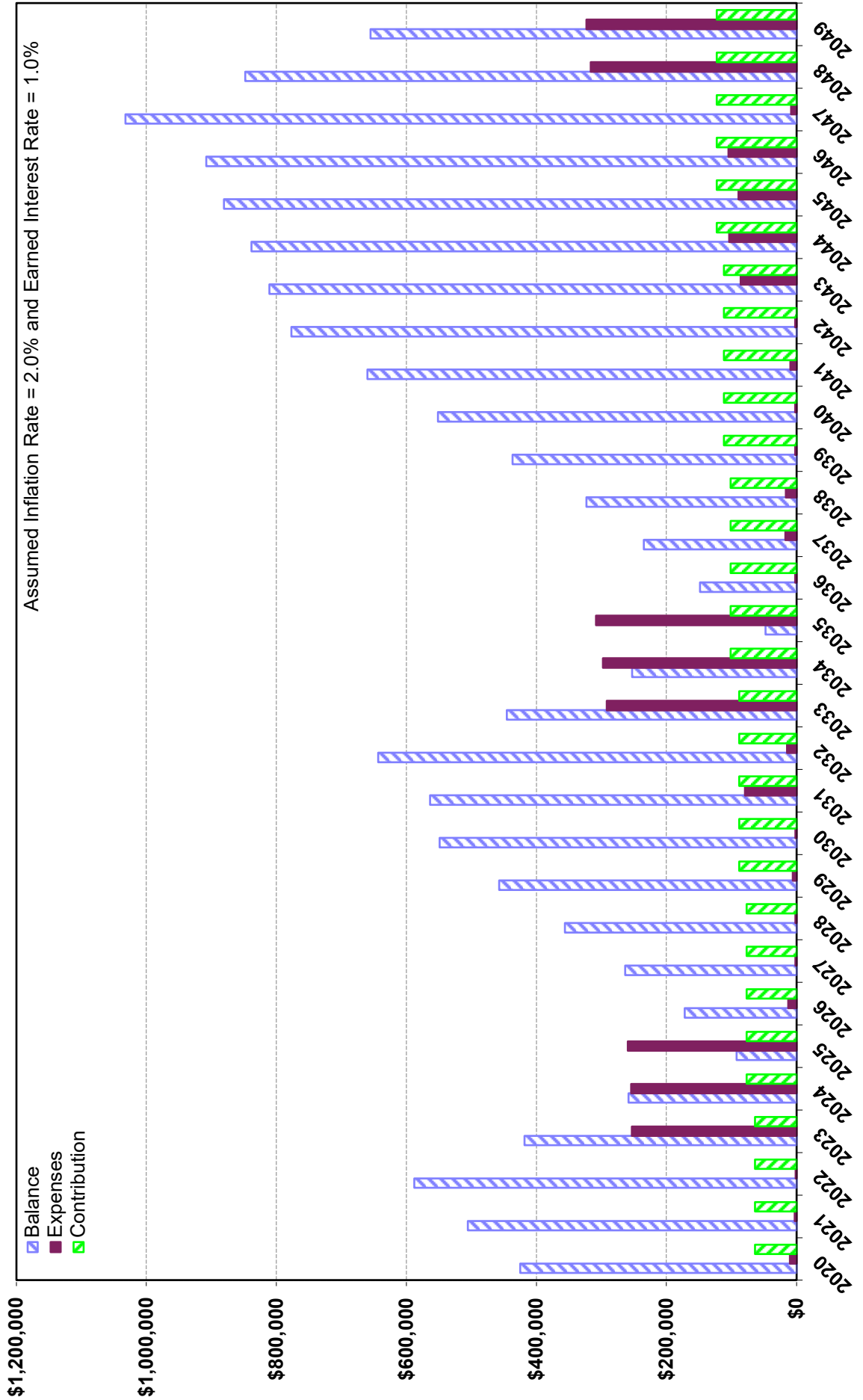
Arbor Terrace Community - Row Homes
Approved Funding Plan
Table 1: Cash Flow Summary

Estimated Yearly Contribution, (Year One):	\$63,960
Monthly Contribution, (Per Unit "Average" For Year One):	\$82.00
Assumed Interest Rate:	1.00%
Assumed Inflation Rate:	2.00%
Estimated Starting Account Balance for 2020	\$353,000
Smallest Annual Closing Balance Over 30 Year Scope Of This RS:	\$47,626.00

#	Year	Annual Opening Balance	Annual Contributions	Annual Rate Increase	Other Contributions	Estimated Annual Expenditures	Projected Earned Interest	Annual Closing Balance
1	2020 / 2021	\$353,000	\$63,960	0.0%	\$14,400	\$10,000	\$3,800	\$425,160
2	2021 / 2022	\$425,160	\$63,960	0.0%	\$14,400	\$2,570	\$4,559	\$505,508
3	2022 / 2023	\$505,508	\$63,960	0.0%	\$14,400	\$1,310	\$5,368	\$587,926
4	2023 / 2024	\$587,926	\$63,960	0.0%	\$14,400	\$252,924	\$4,934	\$418,296
5	2024 / 2025	\$418,296	\$76,752	20.0%	\$14,400	\$254,194	\$3,296	\$258,550
6	2025 / 2026	\$258,550	\$76,752	0.0%	\$14,400	\$259,278	\$1,673	\$92,096
7	2026 / 2027	\$92,096	\$76,752	0.0%	\$14,400	\$12,680	\$1,241	\$171,810
8	2027 / 2028	\$171,810	\$76,752	0.0%	\$14,400	\$1,447	\$2,095	\$263,609
9	2028 / 2029	\$263,609	\$76,752	0.0%	\$14,400	\$1,476	\$3,012	\$356,298
10	2029 / 2030	\$356,298	\$88,265	15.0%	\$14,400	\$5,688	\$3,976	\$457,250
11	2030 / 2031	\$457,250	\$88,265	0.0%	\$0	\$1,535	\$5,006	\$548,986
12	2031 / 2032	\$548,986	\$88,265	0.0%	\$0	\$79,252	\$5,535	\$563,533
13	2032 / 2033	\$563,533	\$88,265	0.0%	\$0	\$14,280	\$6,005	\$643,524
14	2033 / 2034	\$643,524	\$88,265	0.0%	\$0	\$291,742	\$5,418	\$445,464
15	2034 / 2035	\$445,464	\$101,505	15.0%	\$0	\$297,577	\$3,474	\$252,866
16	2035 / 2036	\$252,866	\$101,505	0.0%	\$0	\$308,239	\$1,495	\$47,626
17	2036 / 2037	\$47,626	\$101,505	0.0%	\$0	\$1,729	\$975	\$148,376
18	2037 / 2038	\$148,376	\$101,505	0.0%	\$0	\$16,858	\$1,907	\$234,930
19	2038 / 2039	\$234,930	\$101,505	0.0%	\$0	\$16,081	\$2,776	\$323,129
20	2039 / 2040	\$323,129	\$111,655	10.0%	\$0	\$1,835	\$3,780	\$436,729
21	2040 / 2041	\$436,729	\$111,655	0.0%	\$0	\$1,872	\$4,916	\$551,429
22	2041 / 2042	\$551,429	\$111,655	0.0%	\$0	\$9,124	\$6,027	\$659,987
23	2042 / 2043	\$659,987	\$111,655	0.0%	\$0	\$1,947	\$7,148	\$776,843
24	2043 / 2044	\$776,843	\$111,655	0.0%	\$0	\$85,625	\$7,899	\$810,772
25	2044 / 2045	\$810,772	\$122,820	10.0%	\$0	\$103,422	\$8,205	\$838,375
26	2045 / 2046	\$838,375	\$122,820	0.0%	\$0	\$89,084	\$8,552	\$880,664
27	2046 / 2047	\$880,664	\$122,820	0.0%	\$0	\$104,554	\$8,898	\$907,828
28	2047 / 2048	\$907,828	\$122,820	0.0%	\$0	\$8,124	\$9,652	\$1,032,176
29	2048 / 2049	\$1,032,176	\$122,820	0.0%	\$0	\$316,512	\$9,353	\$847,838
30	2049 / 2050	\$847,838	\$122,820	0.0%	\$0	\$322,842	\$7,478	\$655,295
						\$2,873,805		

**Arbor Terrace Community - Row Homes
Approved Funding Plan**

Table 2: Cash Flow Chart



APPENDIX D

TABLE 3: SHARED COMMON ELEMENTS LIST, ROWHOMES

This table provides a list of the shared common elements that includes information such as each component's quantities, dates of initial installation or renewal, and estimated unit costs. In addition, this table includes a list of brief comments or recommendations for each corresponding item. EC recommends that close attention be maintained for systems that have an "elevated maintenance" requirement. These components are typically exposed to conditions where they are unlikely to fulfill their usual service life. However it should be noted that in some instances a heightened maintenance plan can maximize the component's serviceable life span. Where a specific material, component or assembly could not be verified during our review, we have assumed the components are suitable for their intended use. Estimated replacement costs are based on current year dollars, (2020).

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS														
Sub-Section #1: Exterior Cladding Assemblies. (Components "NOT" Replaced During The 2013 Rehab Project)														
1	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters		30	2007	13	-4	13	3	28,000	Sq. Ft.	\$20	Y	\$513,680	See Items 1A - 1D for clarification of components covered within this renewal task and their scheduled renewal timelines.
														<ul style="list-style-type: none"> 1A - Exterior Wall Assemblies_5 Years or Less Renewal Schedule <p>Base of Wall Components: Replace cladding and weather-resistive barrier assembly at base of wall with new assemblies that protect the sheathing and provide positive drainage. Buildings G, H, & F have the most damage per General Contractor.</p>
														<ul style="list-style-type: none"> 1B - Exterior Wall Assemblies_6 to 10 Year Renewal Schedule <p>Front Corner Trim Detail: Replace existing white wood trims with fully primed cedar trims. Note: Rear corner trims are being replaced at all buildings. Existing front corner trims are being left in place as part of the current scope of repair.</p> <p>Column Replacement Work: Replace all cladding, trim, and weather-resistive barrier assemblies on entrance columns of all townhomes with new assemblies that provide positive drainage. Note: Damaged trim is currently being replaced and venting is being provided for existing columns as part of the current scope. However, upper trims are not protected with flashing and cladding/trim is not typically incorporated into the current repair.</p>
														<ul style="list-style-type: none"> 1C - Exterior Wall Assemblies_11 to 20 Year Renewal Schedule <p>Replace Exposed Gypsum @ Eaves: Replace exposed gypsum board Exterior Wall Assemblies @ Side & Rear Elevations: Replace all cladding and weather-resistive barrier with new assemblies that will provide positive drainage and improve the building's air barrier. It should be noted; repairs conducted in 2013 where panel siding exist, these areas have a fully integrated rain-screen system installed. However, for areas where lap siding exists, the repairs conducted here were targeted preventing a rain-screen drainage medium from being installed. Scope may include replacing gutters and downspouts that were not replaced in 2013.</p> <p>Exterior Wall Assemblies - Misc. Cladding & Trim Details: a) Replace belly band trim on building A with new assemblies that protect that provide positive drainage. b) Replace cladding at front entrance gable with new assemblies that provide positive drainage. c) Replace all</p>
Sub-Section #2: Exterior Cladding Assemblies														
2	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)		50	2013	7	0	43	1	52,000	Sq. Ft.	\$18	N	\$954,720	<p>Observed Conditions/Recommended Actions: Components appear to be performing as intended. It is recommended the Association regularly conduct an assessment of each buildings' exterior envelope systems as outlined in Item #14 & #15.</p> <p>Note: These components were replaced during the 2013 "targeted" exterior envelope rehabilitation project.</p>

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
3	Exterior Finishes: Paint & Sealant, (Caulking)		10	2013	7	0	3	3	80,000	Sq. Ft.	\$1.99	N	\$159,120	Observed Conditions/Recommended Actions: Components appear to be performing as intended. It is recommended the Association regularly conduct an assessment of each buildings' exterior envelope systems as outlined in Item #14 & #15. Note: Renewal costs covers the replacement of both fill-it joints and dynamic sealant joints.
Sub-Section #3: Roofing Assemblies														
4	Roofing System, (Asphaltic Roof Shingles)		25	2007	13	-9	3	3	72,500	Sq. Ft.	\$5.61	Y	\$435,200	Observed Conditions/Recommended Actions: Components appear to be performing as intended. It is recommended that these components be maintained annually and that regular maintenance tasks are in place to help prolong their estimated life cycle. Note: As part of this years RS update, (2018/2019) EC conducted a limited visual review of roofing assemblies of three buildings. As noted above, we observed no extensive wear or loss of roof granulars that would warrant either a full strip and replacement or a targeted rehab of the roofing assemblies on the Row Homes at this time.
5	Gutters & Downspouts		25	2007	13	-9	3	3	1	EA	\$99,450.00	Y	\$106,410	Observed Conditions/Recommended Actions: These components were replaced in 2013. Some locations were dented or damaged but appeared to be performing as intended. It is recommended the Association add routine maintenance tasks to their maintenance plan to help prolong the life of these components and to ensure they continue to perform as designed.
Sub-Section #4: Misc. Exterior Cladding Assemblies														
6	Lighting: Wall-Mounted Lamp, (Rear Elevation)		20	2013	7	-12	1	25	65	EA	\$77	N	\$4,970	Observed Conditions/Recommended Actions: Limited quantities observed. Funding plan assumes these components will be replaced on an "As-Needed" basis and will take place over an extended period of time.
7	Electrical Outlet		20	2013	7	-12	1	25	130	EA	\$102	N	\$13,260	Observed Conditions/Recommended Actions: No access to the rear elevations was provided during our field observations. Funding plan assumes these components will be replaced on an "As-Needed" basis and will take place over an extended period of time.
8	Hose Bib		20	2007	13	-6	1	25	130	EA	\$102	N	\$13,260	Observed Conditions/Recommended Actions: Limited quantities observed. Funding plan assumes these components will be replaced on an "As-Needed" basis and will take place over an extended period of time.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #2: FENCING														
<u>Sub-Category #2: Wood Fencing</u>														
9	6' Cedar Fence, (Good Neighbor Style)	Photo Pending	15	2016	4	0	11	1	1,464	Ln. Ft.	\$42	N	\$61,220	<p>Observed Conditions/Recommended Actions: This component was just replaced in 2016 and appear to be in good condition.</p> <p>Note: The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleaning. Funds required for this task will be drawn from the Operating Budget. Estimated unit costs were provide by the Association's contractor, (Charter Construction).</p>
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS														
<u>Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)</u>														
10	Tract A	Photo Pending	10	2007	13	1	1	1	1,730	Sq. Ft.	\$0.36	N	\$620	<p>Per the Association's direction, the renewal costs for this component will be addressed through the "All Lots" funding plan.</p> <p>Observed Conditions/Recommended Actions: These components were recently replaced and appear to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)</p> <p>Note: Estimated costs also includes restriping and other painted marking on the surfaces the asphalt.</p>
11	Tract D	Photo Pending	10	2007	13	1	1	1	1,794	Sq. Ft.	\$0.36	N	\$640	<p>The Row Homes are responsible for 19% of the renewal costs for this component. The remaining 81% are covered within the Tamarack Homes RS.</p> <p>Observed Conditions/Recommended Actions: These components were recently replaced and appear to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)</p> <p>Note: Estimated costs also includes restriping and other painted marking on the surfaces the asphalt.</p>
<u>Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)</u>														
12	Tract A	Photo Pending	30	2007	13	0	17	1	1,730	Sq. Ft.	\$3.06	N	\$5,290	<p>The Row Homes are responsible for 23% of the renewal costs for this component. The remaining 77% are covered within the Tamarack Homes RS.</p> <p>Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2).</p> <p>Note: Renewal scope includes full demo or grinding of asphalt surface and apply new layers. It is recommended the Association consider hiring a Consultant/Engineer who specialize in this field during the renewal period for this component.</p>
13	Tract D	Photo Pending	30	2007	13	0	17	1	1,794	Sq. Ft.	\$3.06	N	\$5,490	<p>The Row Homes are responsible for 19% of the renewal costs for this component. The remaining 81% are covered within the Tamarack Homes RS.</p> <p>Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2).</p> <p>Note: Renewal scope includes full demo or grinding of asphalt surface and apply new layers. It is recommended the Association consider hiring a Consultant/Engineer who specialize in this field during the renewal period for this component.</p>

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #4: PROFESSIONAL SERVICES														
<u>Sub-Category #1: Building Envelope Assessments</u>														
14	Building Envelope Condition Assessment - Three Year Review	Photo Pending	3	2013	7	3	3	1	1	EA	\$3,500	N	\$3,500	It is recommended the Association schedule once every three years a visual only building envelope assessment of the exterior wall assemblies for the townhomes.
15	Building Envelope Condition Assessment - Six Year Performance Review	Photo Pending	6	2013	7	0	0	1	1	EA	\$10,000	N	\$10,000	EC recommends that the Association hire a licensed architectural engineering firm that specialize in the field of exterior cladding systems to conduct comprehensive condition assessment every six years. Scope should include exploratory openings as part of this assessment to see the existing conditions of the underlying wall assemblies. Costs provided include contractor fees that will be required to assist with the opening and closing of the areas observed as part of the exploratory opening phase typically included as part of this kind of an assessment.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

APPENDIX E

TABLE 4: DETAILED CASH FLOW, ROWHOMES

The “Detailed Cash-Flow” table is generated based on the estimated values established by “Table 3: Shared Common Elements List”, (See Appendix D) and is designed to anticipate the necessary cash flow for each year over the 30-year period of this study. The estimated renewal costs listed within Table 4 includes the assumed rate of inflation, (2%) for each of the years leading up to the date of replacement.

Arbor Terrace Community - Row Homes
 Approved Funding Plan
 Table 4: Detailed Cash Flow



	Estimated Yearly Contribution, (Year One): \$63,960				Monthly Contribution, (Per Unit "Average" For Year One): \$82.00																								
Starting Balance	\$353,000	\$425,160	\$505,508	\$587,926	\$418,296	\$258,550	\$92,096	\$171,810	\$263,609	\$356,298	\$457,250	\$548,986	\$563,533	\$643,524	\$445,464														
Total Expenses inflated at 2% annually	\$10,000	\$2,570	\$1,310	\$252,924	\$254,194	\$259,278	\$12,680	\$1,447	\$1,476	\$5,688	\$1,535	\$79,252	\$14,280	\$291,742	\$297,577														
Interest at 1% annually	\$3,800	\$4,559	\$5,368	\$4,934	\$3,296	\$1,673	\$1,241	\$2,095	\$3,012	\$3,976	\$5,006	\$5,535	\$6,005	\$5,418	\$3,474														
Annual Reserve Contribution	\$63,960	\$63,960	\$63,960	\$63,960	\$76,752	\$76,752	\$76,752	\$76,752	\$76,752	\$88,265	\$88,265	\$88,265	\$88,265	\$88,265	\$101,505														
Other Contribution	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400																		
Ending Balance	\$425,160	\$505,508	\$587,926	\$418,296	\$258,550	\$92,096	\$171,810	\$263,609	\$356,298	\$457,250	\$548,986	\$563,533	\$643,524	\$445,464	\$252,866														
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15														
Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034														
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS																													
Sub-Section #1: Exterior Cladding Assemblies. (Components "NOT" Replaced During The 2013 Rehab Project)																													
1	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters														\$221,500	\$225,930													
Sub-Section #2: Exterior Cladding Assemblies																													
2	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)																												
3	Exterior Finishes: Paint & Sealant, (Caulking)														\$56,286	\$57,412	\$58,560	\$68,613	\$69,985										
Sub-Section #3: Roofing Assemblies																													
4	Roofing System, (Asphaltic Roof Shingles)															\$153,946	\$157,025	\$160,165											
5	Gutters & Downspouts															\$37,641	\$38,394	\$39,162											
Sub-Section #4: Misc. Exterior Cladding Assemblies																													
6	Lighting: Wall-Mounted Lamp, (Rear Elevation)															\$203	\$207	\$211	\$215	\$219	\$224	\$228	\$233	\$238	\$242	\$247	\$252	\$257	\$262
7	Electrical Outlet															\$541	\$552	\$563	\$574	\$586	\$597	\$609	\$621	\$634	\$647	\$659	\$673	\$686	\$700
8	Hose Bib															\$541	\$552	\$563	\$574	\$586	\$597	\$609	\$621	\$634	\$647	\$659	\$673	\$686	\$700
SHARED COMMON ELEMENTS #2: FENCING																													
Sub-Category #2: Wood Fencing																													
9	6' Cedar Fence, (Good Neighbor Style)															\$76,119													
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS																													
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																													
10	Tract A															\$632	\$771												
11	Tract D															\$653	\$796												
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)																													
12	Tract A																												
13	Tract D																												
SHARED COMMON ELEMENTS #4: PROFESSIONAL SERVICES																													
Sub-Category #1: Building Envelope Assessments																													
14	Building Envelope Condition Assessment - Three Year Review															\$3,714	\$4,183												
15	Building Envelope Condition Assessment - Six Year Performance Review															\$10,000	\$11,262	\$12,682											

Arbor Terrace Community - Row Homes
 Approved Funding Plan
 Table 4: Detailed Cash Flow



Estimated Yearly Contribution, (Year One): \$63,960

Monthly Contribution, (Per Unit "Average" For Year One): \$82.00

	Starting Balance	\$252,866	\$47,626	\$148,376	\$234,930	\$323,129	\$436,729	\$551,429	\$659,987	\$776,843	\$810,772	\$838,375	\$880,664	\$907,828	\$1,032,176	\$847,838
	Total Expenses inflated at 2% annually	\$308,239	\$1,729	\$16,858	\$16,081	\$1,835	\$1,872	\$9,124	\$1,947	\$85,625	\$103,422	\$89,084	\$104,554	\$8,124	\$316,512	\$322,842
	Interest at 1% annually	\$1,495	\$975	\$1,907	\$2,776	\$3,780	\$4,916	\$6,027	\$7,148	\$7,899	\$8,205	\$8,552	\$8,898	\$9,652	\$9,353	\$7,478
	Annual Reserve Contribution	\$101,505	\$101,505	\$101,505	\$101,505	\$111,655	\$111,655	\$111,655	\$111,655	\$111,655	\$122,820	\$122,820	\$122,820	\$122,820	\$122,820	\$122,820
	Other Contribution															
	Ending Balance	\$47,626	\$148,376	\$234,930	\$323,129	\$436,729	\$551,429	\$659,987	\$776,843	\$810,772	\$838,375	\$880,664	\$907,828	\$1,032,176	\$847,838	\$655,295
	Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	Calendar Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS																
Sub-Section #1: Exterior Cladding Assemblies. (Components "NOT" Replaced During The 2013 Rehab Project)																
1	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters	\$230,449														
Sub-Section #2: Exterior Cladding Assemblies																
2	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)															
3	Exterior Finishes: Paint & Sealant, (Caulking)	\$71,385								\$83,639	\$85,312	\$87,018				
Sub-Section #3: Roofing Assemblies																
4	Roofing System, (Asphaltic Roof Shingles)														\$252,565	\$257,616
5	Gutters & Downspouts														\$61,754	\$62,989
Sub-Section #4: Misc. Exterior Cladding Assemblies																
6	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$268	\$273	\$278	\$284	\$290	\$295	\$301	\$307	\$313	\$320	\$326	\$333	\$339	\$346	\$353
7	Electrical Outlet	\$714	\$728	\$743	\$758	\$773	\$788	\$804	\$820	\$836	\$853	\$870	\$888	\$905	\$923	\$942
8	Hose Bib	\$714	\$728	\$743	\$758	\$773	\$788	\$804	\$820	\$836	\$853	\$870	\$888	\$905	\$923	\$942
SHARED COMMON ELEMENTS #2: FENCING																
Sub-Category #2: Wood Fencing																
9	6' Cedar Fence, (Good Neighbor Style)															\$102,447
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS																
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																
10	Tract A								\$940							
11	Tract D								\$970							
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)																
12	Tract A			\$7,407												
13	Tract D			\$7,687												
SHARED COMMON ELEMENTS #4: PROFESSIONAL SERVICES																
Sub-Category #1: Building Envelope Assessments																
14	Building Envelope Condition Assessment - Three Year Review	\$4,711						\$5,305						\$5,974		
15	Building Envelope Condition Assessment - Six Year Performance Review				\$14,282						\$16,084					

APPENDIX F
FIVE YEAR EXPENDITURE OUTLOOK,
ROWHOMES

2020/2021		
15	Building Envelope Condition Assessment - Six Year Performance Review	\$10,000
		\$10,000

2021/2022		
6	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$203
7	Electrical Outlet	\$541
8	Hose Bib	\$541
10	Tract A	\$632
11	Tract D	\$653
		\$2,570

2022/2023		
6	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$207
7	Electrical Outlet	\$552
8	Hose Bib	\$552
		\$1,310

2023/2024		
3	Exterior Finishes: Paint & Sealant, (Caulking)	\$56,286
4	Roofing System, (Asphaltic Roof Shingles)	\$153,946
5	Gutters & Downspouts	\$37,641
6	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$211
7	Electrical Outlet	\$563
8	Hose Bib	\$563
14	Building Envelope Condition Assessment - Three Year Review	\$3,714
		\$252,924

2024/2025		
3	Exterior Finishes: Paint & Sealant, (Caulking)	\$57,412
4	Roofing System, (Asphaltic Roof Shingles)	\$157,025
5	Gutters & Downspouts	\$38,394
6	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$215
7	Electrical Outlet	\$574
8	Hose Bib	\$574
		\$254,194

6. TAMARACK SFH - APPROVED FUNDING PLAN

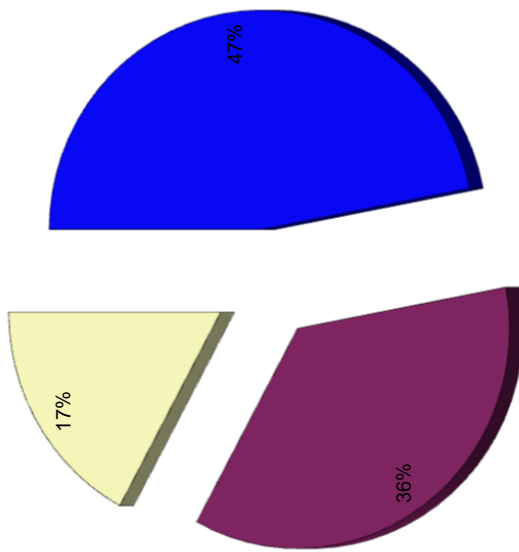
Summary of Data & Results

Community Name	Arbor Terrace Community - Tamarack SFH
Registered Name, (Legal Name)	Arbor Terrace HOA
Date Completed:	April 30, 2020
Year Built:	2007
Fiscal Year:	2020
Dollar Year, (The Year The RS Was Completed):	2020
Fiscal Year Start Date:	July 1, 2020
Fiscal Year End Date:	June 30, 2021
Assumed Rate Of Inflation, (IR):	2.00%
Earned Interest Rate, (EIR):	1.00%
Approximate Starting Balance:	\$14,280
Number of Units:	45
Approved Funding Plan	
Estimated Yearly Contribution, (Year One):	\$18,900
Monthly Contribution, (Per Unit "Average" For Year One):	\$35.00
Lowest Annual Closing Balance:	\$7,843
Largest Annual Closing Balance:	\$327,329
Closing Balance @ Year 30:	\$292,760
Consulting Allowance	7%

Arbor Terrace Community - Tamarack SFH - Funding Graph #1 - DRAFT

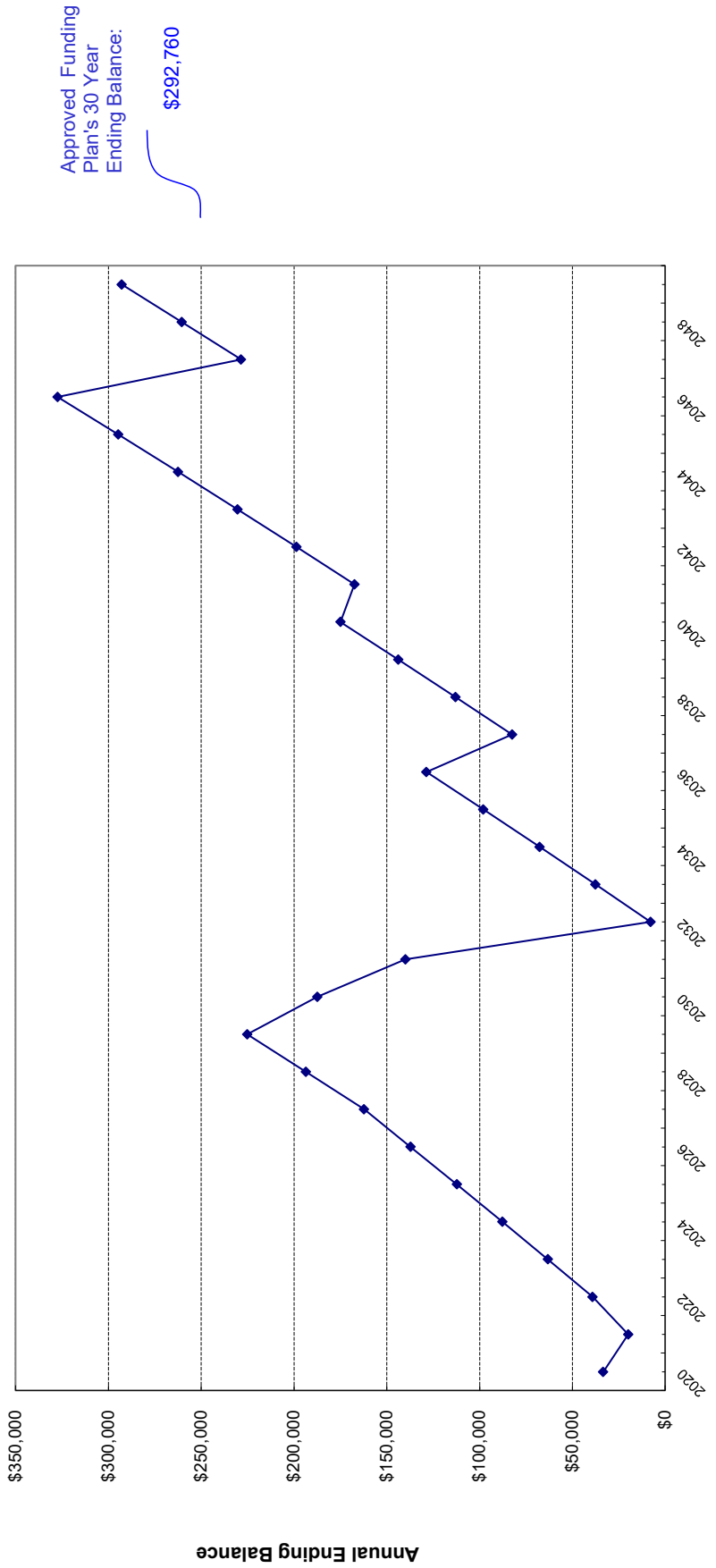
Percentage of Anticipated Expenditures By Groups
(Groups are formed by multiple factors such as similar renewal timelines & common functions)

- Metal Fencing: \$277,072
- Wood Fencing: \$211,651
- Asphalt Roadways: \$100,881



Arbor Terrace Community - Tamarack SFH - Funding Graph #2 - DRAFT

ANNUAL ENDING BALANCE CHART



Tamarack SFH – Approved Funding Plan

The following funding plan has been designed and approved by the Association’s Board of Directors for this year’s update, (2020/2021 Fiscal Year). The starting account balance within the reserves at year one will be approximately \$14,280 with an annual contribution of \$18,900. All rate increases to the reserve’s annual contributions have also been established by the Association’s Board of Directors, (BOD).

Analysis

The amount of funds within the reserve’s account will maintain a positive balance over the next 30 years, (July 1, 2020 through June 30, 2050). This is contingent on the Association following the funding plan and the scheduled annual increases for the contributions that they have established within this RS over this same period. This is also impacted by how well they maintain and care for their shared common elements.

The chart below shows the four largest renewal periods over the 30-year scope set by this study:

<u>Periods</u>	<u>Major Renewal Task</u>	<u>Est. Cost</u>
2030 – 2032	Metal & Wood Fence Renewals	\$305K
2037/2038	Asphalt Re-Top	\$80K
2047/2048	Wood Fence Renewal	\$130K

Please note, that the forecasted repairs and replacements do not represent a fixed schedule for any given element or component reviewed. Such repairs or replacements may be required sooner or later than we have anticipated. It should also be noted that these repairs and replacements may not all take place within one year’s time and may not be required at all. However, it is prudent to budget for such repairs since failure of some components is somewhat unpredictable.

Results

This funding plan as approved by the Association will maintain an amount greater than \$0, (Baseline Funding) over the 30-year term set by this RS. EC can recommend this funding plan because it provides the necessary amount of available funds to cover all of the Association’s future anticipated replacement needs in terms of their shared common elements

Annual contributions within this funding plan have been aligned with the list of shared common elements shown in Appendix G, Table 3, (assuming the expenditure is scheduled to be replaced by June 30, 2050). The ensuing two graphics, (Table 1 & Table 2) illustrate what the Association should anticipate over the next 30 years should they follow this funding path. For a detailed breakout of the anticipated cash flow for this funding plan see Appendix H, Table 4.

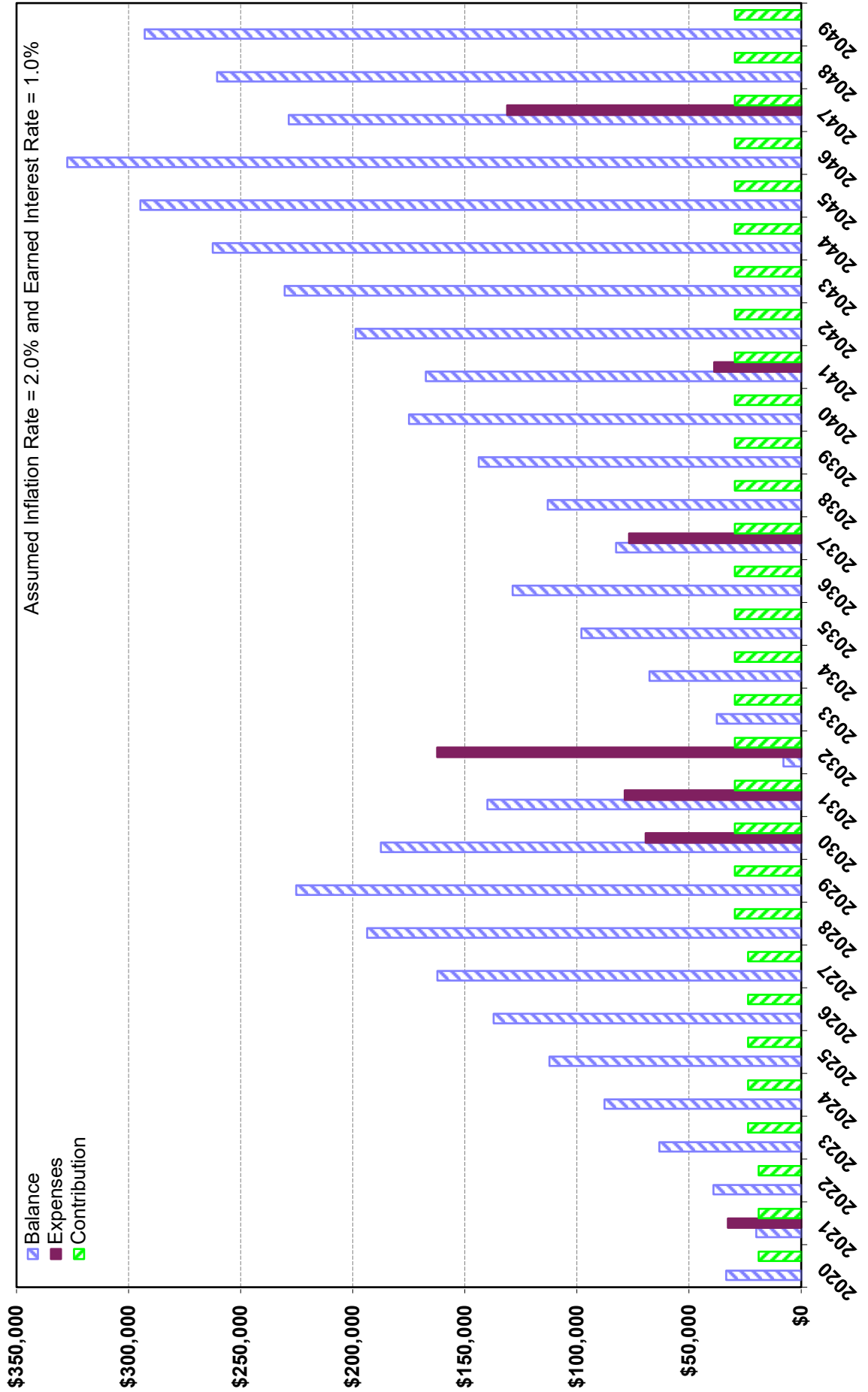
Arbor Terrace Community - Tamarack SFH
Approved Funding Plan
Table 1: Cash Flow Summary

Estimated Yearly Contribution, (Year One):	\$18,900
Monthly Contribution, (Per Unit "Average" For Year One):	\$35.00
Assumed Interest Rate:	1.00%
Assumed Inflation Rate:	2.00%
Estimated Starting Account Balance for 2020	\$14,280
Smallest Annual Closing Balance Over 30 Year Scope Of This RS:	\$7,843

#	Year	Annual Opening Balance	Annual Contributions	Annual Rate Increase	Other Contributions	Estimated Annual Expenditures	Projected Earned Interest	Annual Closing Balance
1	2020 / 2021	\$14,280	\$18,900	0.0%	\$0	\$0	\$237	\$33,418
2	2021 / 2022	\$33,418	\$18,900	0.0%	\$0	\$32,620	\$266	\$19,964
3	2022 / 2023	\$19,964	\$18,900	0.0%	\$0	\$0	\$294	\$39,158
4	2023 / 2024	\$39,158	\$23,625	25.0%	\$0	\$0	\$510	\$63,292
5	2024 / 2025	\$63,292	\$23,625	0.0%	\$0	\$0	\$751	\$87,668
6	2025 / 2026	\$87,668	\$23,625	0.0%	\$0	\$0	\$995	\$112,288
7	2026 / 2027	\$112,288	\$23,625	0.0%	\$0	\$0	\$1,241	\$137,154
8	2027 / 2028	\$137,154	\$23,625	0.0%	\$0	\$0	\$1,490	\$162,269
9	2028 / 2029	\$162,269	\$29,531	25.0%	\$0	\$0	\$1,770	\$193,570
10	2029 / 2030	\$193,570	\$29,531	0.0%	\$0	\$0	\$2,083	\$225,185
11	2030 / 2031	\$225,185	\$29,531	0.0%	\$0	\$69,332	\$2,053	\$187,437
12	2031 / 2032	\$187,437	\$29,531	0.0%	\$0	\$78,664	\$1,629	\$139,933
13	2032 / 2033	\$139,933	\$29,531	0.0%	\$0	\$162,356	\$735	\$7,843
14	2033 / 2034	\$7,843	\$29,531	0.0%	\$0	\$0	\$226	\$37,600
15	2034 / 2035	\$37,600	\$29,531	0.0%	\$0	\$0	\$524	\$67,655
16	2035 / 2036	\$67,655	\$29,531	0.0%	\$0	\$0	\$824	\$98,011
17	2036 / 2037	\$98,011	\$29,531	0.0%	\$0	\$0	\$1,128	\$128,670
18	2037 / 2038	\$128,670	\$29,531	0.0%	\$0	\$76,733	\$1,051	\$82,518
19	2038 / 2039	\$82,518	\$29,531	0.0%	\$0	\$0	\$973	\$113,023
20	2039 / 2040	\$113,023	\$29,531	0.0%	\$0	\$0	\$1,278	\$143,832
21	2040 / 2041	\$143,832	\$29,531	0.0%	\$0	\$0	\$1,586	\$174,949
22	2041 / 2042	\$174,949	\$29,531	0.0%	\$0	\$38,786	\$1,703	\$167,397
23	2042 / 2043	\$167,397	\$29,531	0.0%	\$0	\$0	\$1,822	\$198,750
24	2043 / 2044	\$198,750	\$29,531	0.0%	\$0	\$0	\$2,135	\$230,417
25	2044 / 2045	\$230,417	\$29,531	0.0%	\$0	\$0	\$2,452	\$262,400
26	2045 / 2046	\$262,400	\$29,531	0.0%	\$0	\$0	\$2,772	\$294,703
27	2046 / 2047	\$294,703	\$29,531	0.0%	\$0	\$0	\$3,095	\$327,329
28	2047 / 2048	\$327,329	\$29,531	0.0%	\$0	\$131,113	\$2,765	\$228,512
29	2048 / 2049	\$228,512	\$29,531	0.0%	\$0	\$0	\$2,433	\$260,476
30	2049 / 2050	\$260,476	\$29,531	0.0%	\$0	\$0	\$2,752	\$292,760
						\$589,604		

**Arbor Terrace Community - Tamarack SFH
Approved Funding Plan**

Table 2: Cash Flow Chart



APPENDIX G

TABLE 3: SHARED COMMON ELEMENTS LIST – TAMARACK SFH

This table provides a list of the shared common elements that includes information such as each component's quantities, dates of initial installation or renewal, and estimated unit costs. In addition, this table includes a list of brief comments or recommendations for each corresponding item. EC recommends that close attention be maintained for systems that have an "elevated maintenance" requirement. These components are typically exposed to conditions where they are unlikely to fulfill their usual service life. However it should be noted that in some instances a heightened maintenance plan can maximize the component's serviceable life span. Where a specific material, component or assembly could not be verified during our review, we have assumed the components are suitable for their intended use. Estimated replacement costs are based on current year dollars, (2020).

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #1: FENCING														
Sub-Category #1: Metal Fencing														
1	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)	Photo Pending	10	2013	7	-2	1	1	3,280	Ln. Ft.	\$7.80	N	\$25,590	Observed Conditions/Recommended Actions: Early signs of corrosion were identified at selection locations where paint finish was either blistering or had been fully removed. It is recommended these areas be treated and refinished within the next year to prevent further deterioration. Note: The Association has instructed that the scheduled renewal date for this line item will take place 10 years after the metal railing has been replaced, (See Item #02 for scheduled replacement of the metal railing). Estimated values are based on a field applied finish.
2	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)	Photo Pending	25	2007	13	-2	10	3	3,280	Ln. Ft.	\$52.02	N	\$170,630	Observed Conditions/Recommended Actions: Early signs of corrosion were identified at selection locations where paint finish was either blistering or had been fully removed. It is recommended these areas be treated and refinished within the next year to prevent further deterioration. Note: The Association has instructed that the scheduled renewal date for this line item will take place in 2030.
Sub-Category #2: Wood Fencing														
3	6' Cedar Fence w/12" Vertical Lattice Top	Photo Pending	15	2017	3	0	12	1	683	Ln. Ft.	\$43.18	N	\$29,490	Observed Conditions/Recommended Actions: This component was just replaced in 2017. Note: The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleaning. Funds required for this task will be drawn from the Operating Budget. Estimated unit costs were provided by the Association's fencing contractor, (Charter Construction)
4	6' Cedar Fence w/Top Cap Privacy)	Photo Pending	15	2017	3	0	12	1	767	Ln. Ft.	\$40.58	N	\$31,120	Observed Conditions/Recommended Actions: This component was just replaced in 2017. Note: The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleaning. Funds required for this task will be drawn from the Operating Budget. Estimated unit costs were provided by the Association's fencing contractor, (Charter Construction)
5	Cedar Fencing Gates	Photo Pending	15	2017	3	0	12	1	45	EA	\$234.09	N	\$10,530	Observed Conditions/Recommended Actions: This component was just replaced in 2017. Note: The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleaning. Funds required for this task will be drawn from the Operating Budget. Estimated unit costs were provided by the Association's fencing contractor, (Charter Construction)
SHARED COMMON ELEMENTS #2: ASPHALT ROADWAYS														
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)														

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

Table 3: Shared Common Elements List - Estimated Replacement Cost are Based on Current Year Pricing, (2020)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2018	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Estimated Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
6	Tract "A"	Photo Pending	10	2007	13	1	1	1	5,790	Sq. Ft.	\$0.36	N	\$2,110	The Tamarack SFH are responsible for 77% of the renewal costs for this component. The remaining 23% is covered within the Row Homes RS. Observed Conditions/Recommended Actions: These components were recently replaced and appear to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)
7	Tract "C"	Photo Pending	10	2007	13	1	1	1	4,125	Sq. Ft.	\$0.36	N	\$1,500	The Tamarack SFH are responsible for 100% of the renewal costs for this component. Observed Conditions/Recommended Actions: These components were recently replaced and appear to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)
8	Tract "D"	Photo Pending	10	2007	13	1	1	1	7,646	Sq. Ft.	\$0.36	N	\$2,780	The Tamarack SFH are responsible for 81% of the renewal costs for this component. The remaining 19% is covered within the Row Homes RS. Observed Conditions/Recommended Actions: These components were recently replaced and appear to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)														
9	Tract "A"	Photo Pending	30	2007	13	0	17	1	5,790	Sq. Ft.	\$3.12	N	\$18,070	The Tamarack SFH are responsible for 77% of the renewal costs for this component. The remaining 23% is covered within the Row Homes RS. Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2). Note: Renewal scope includes full demo or grinding of asphalt surface and apply new layers. It is recommended the Association consider hiring a Consultant/Engineer who specialize in this field during the renewal period for this component.
10	Tract "C"	Photo Pending	30	2007	13	0	17	1	4,125	Sq. Ft.	\$3.12	N	\$12,870	The Tamarack SFH are responsible for 100% of the renewal costs for this component. Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2). Note: Renewal scope includes full demo or grinding of asphalt surface and apply new layers. It is recommended the Association consider hiring a Consultant/Engineer who specialize in this field during the renewal period for this component.
11	Tract "D"	Photo Pending	30	2007	13	0	17	1	7,646	Sq. Ft.	\$3.12	N	\$23,860	The Tamarack SFH are responsible for 81% of the renewal costs for this component. The remaining 19% is covered within the Row Homes RS. Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2). Note: Renewal scope includes full demo or grinding of asphalt surface and apply new layers. It is recommended the Association consider hiring a Consultant/Engineer who specialize in this field during the renewal period for this component.

* Quantity of years needed or scheduled to complete the renewal process.

** Renewal costs listed are the current values should the scheduled replacement take place the year this RS was completed.

APPENDIX H
APPROVED FUNDING PLAN – TAMARACK SFH
TABLE 4: DETAILED CASH FLOW

The “Detailed Cash-Flow” table is generated based on the estimated values established by “Table 3: Shared Common Elements List”, (See Appendix J) and is designed to anticipate the necessary cash flow for each year over the 30-year period of this study. The estimated renewal costs listed within Table 4 includes the assumed rate of inflation, (2%) for each of the years leading up to the date of replacement.

Arbor Terrace Community - Tamarack SFH
 Approved Funding Plan
 Table 4: Detailed Cash Flow



Estimated Yearly Contribution, (Year One): \$18,900

Monthly Contribution, (Per Unit "Average" For Year One): \$35.00

	Starting Balance	\$14,280	\$33,418	\$19,964	\$39,158	\$63,292	\$87,668	\$112,288	\$137,154	\$162,269	\$193,570	\$225,185	\$187,437	\$139,933	\$7,843	\$37,600
Total Expenses inflated at 2% annually	\$0	\$32,620	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,332	\$78,664	\$162,356	\$0	\$0
Interest at 1% annually	\$237	\$266	\$294	\$510	\$751	\$995	\$1,241	\$1,490	\$1,770	\$2,083	\$2,053	\$1,629	\$735	\$226	\$524	
Annual Reserve Contribution	\$18,900	\$18,900	\$18,900	\$23,625	\$23,625	\$23,625	\$23,625	\$23,625	\$23,625	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531
Other Contribution																
Ending Balance	\$33,418	\$19,964	\$39,158	\$63,292	\$87,668	\$112,288	\$137,154	\$162,269	\$193,570	\$225,185	\$187,437	\$139,933	\$7,843	\$37,600	\$67,655	
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Calendar Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
SHARED COMMON ELEMENTS #1: FENCING																
Sub-Category #1: Metal Fencing																
1	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)		\$26,102													
2	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)												\$69,332	\$70,719	\$72,133	
Sub-Category #2: Wood Fencing																
3	6' Cedar Fence w/12" Vertical Lattice Top														\$37,400	
4	6' Cedar Fence w/Top Cap Privacy)														\$39,468	
5	Cedar Fencing Gates														\$13,355	
SHARED COMMON ELEMENTS #2: ASPHALT ROADWAYS																
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																
6	Tract "A"		\$2,152												\$2,624	
7	Tract "C"		\$1,530												\$1,865	
8	Tract "D"		\$2,836												\$3,457	
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)																
9	Tract "A"															
10	Tract "C"															
11	Tract "D"															

Arbor Terrace Community - Tamarack SFH
 Approved Funding Plan
 Table 4: Detailed Cash Flow



Estimated Yearly Contribution, (Year One): \$18,900

Monthly Contribution, (Per Unit "Average" For Year One): \$35.00

Starting Balance	\$67,655	\$98,011	\$128,670	\$82,518	\$113,023	\$143,832	\$174,949	\$167,397	\$198,750	\$230,417	\$262,400	\$294,703	\$327,329	\$228,512	\$260,476
Total Expenses inflated at 2% annually	\$0	\$0	\$76,733	\$0	\$0	\$0	\$38,786	\$0	\$0	\$0	\$0	\$0	\$131,113	\$0	\$0
Interest at 1% annually	\$824	\$1,128	\$1,051	\$973	\$1,278	\$1,586	\$1,703	\$1,822	\$2,135	\$2,452	\$2,772	\$3,095	\$2,765	\$2,433	\$2,752
Annual Reserve Contribution	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531
Other Contribution															
Ending Balance	\$98,011	\$128,670	\$82,518	\$113,023	\$143,832	\$174,949	\$167,397	\$198,750	\$230,417	\$262,400	\$294,703	\$327,329	\$228,512	\$260,476	\$292,760
Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Calendar Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
SHARED COMMON ELEMENTS #1: FENCING															
Sub-Category #1: Metal Fencing															
1	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)						\$38,786								
2	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)														
Sub-Category #2: Wood Fencing															
3	6' Cedar Fence w/12" Vertical Lattice Top												\$50,336		
4	6' Cedar Fence w/Top Cap Privacy)												\$53,118		
5	Cedar Fencing Gates												\$17,974		
SHARED COMMON ELEMENTS #2: ASPHALT ROADWAYS															
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)															
6	Tract "A"												\$3,198		
7	Tract "C"												\$2,273		
8	Tract "D"												\$4,214		
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)															
9	Tract "A"		\$25,302												
10	Tract "C"		\$18,021												
11	Tract "D"		\$33,410												

APPENDIX I
FIVE YEAR EXPENDITURE OUTLOOK – TAMARACK SFH

2020/2021		
-	Nothing Scheduled	\$0
		\$0

2021/2022		
1	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)	\$26,102
6	Tract "A"	\$2,152
7	Tract "C"	\$1,530
8	Tract "D"	\$2,836
		\$32,620

2022/2023		
-	Nothing Scheduled	\$0
		\$0

2023/2024		
-	Nothing Scheduled	\$0
		\$0

2024/2025		
-	Nothing Scheduled	\$0
		\$0

7. SUMMARY

Equip Consulting has reviewed and assessed the reserve requirements for the Arbor Terrace Homeowners Association in accordance with the scope of services indicated within our proposal and the “Limitations” outlined in Appendix J of this report.

The following table summarizes the results of the study:

<u>Community Entity</u>	<u>Estimated Annual Contribution*</u>	<u>Estimated “Average Monthly Contribution Per Unit”*</u>
All Lots	\$28,800	\$15
Rowhomes, (Scenario 1 & 2)	\$63,960	\$82
Tamarack SFH	\$18,900	\$35

* Financial figures are for year one of this study, July 1, 2020 to June 30, 2021

Our calculations of the accumulated funds within the reserve’s account include the interest earned per the estimated rates approved by the Association.

The RS is a dynamic document that will change over time as repairs and/or replacements are carried out for each of the shared common elements included within this RS, as well as the ever-changing interest and inflation rates that affect our economy. As such, regular updates to the available reserve funds, including visual reviews of the shared common elements are necessary to re-assess the financial planning needs of the Association. EC also recommends that the Board of Directors review local and state laws, the Association’s governing documents, as well as their community’s goals and objectives in relationship to their investment decisions. It is also recommended that the Association utilize the services of a financial planner who can implement an investment strategy to maximize the rate of return on the accumulated reserve funds. This will put the Association in a proactive position to plan for future replacement work prior to the common elements reaching a fully deteriorated condition, which may result in less expensive repair costs.

The annual contributions to the reserve account have been established by the Board of Directors.

Sincerely,
Equip Consulting, Inc.

Caleb VanderMolen, Member
Reserve Study & Maintenance Plan Professional

APPENDIX J **LIMITATIONS**

This report is intended for the sole use of the client indicated above and must not be distributed to, or used by, others without our knowledge. It is based on the documents and information provided to us and the findings at the time of our on-site review.

It is a basic assumption that any correspondence, material, data, evaluations and reports furnished by others are free of latent deficiencies or inaccuracies except for apparent variances discovered during the completion of this report.

Unless specifically noted in this report, no testing, verification of operation of systems, review of concealed elements, intrusive openings, opening of system components for internal inspection, detailed analysis or design calculations were conducted, nor were they within the scope of this review.

Some of the findings herein are based on a random sampling visual review of the surface conditions, discussions with the Board of Directors and/or their designated representatives, and review of relevant documents. Observations were made only of those areas that were readily accessible during our review. Deficiencies existing but not recorded in this report were not apparent given the level of study undertaken. Unless otherwise indicated in this report, components are assumed to be suitable for their intended use and are being used under normal service conditions. Finally, for this year's update, we have not undertaken a physical review of subsurface conditions or concealed structural systems.

It is possible that unexpected conditions may be encountered at buildings/facilities that have not been explored within the scope of this report. Should such an event occur, EC should be notified in order that we may determine if modifications to our conclusions are necessary.

In issuing this report, EC does not assume any of the duties or liabilities of the designers, builders or owners of the subject property. Owners, prospective purchasers, tenants or others who use or rely on the contents of this report do so with the understanding as to the limitations of the documents reviewed and the general visual review undertaken, and understand that EC cannot be held liable for damages they may suffer in respect to the purchase, ownership, or use of the subject property.

Professional judgment was exercised in gathering and analyzing the information obtained and in the formulation of the conclusions. Like all professional persons rendering advice, we do not act as insurers of the conclusions we reach, but we commit ourselves to care and competence in reaching those conclusions. No warranties, either expressed or implied, are made.