



MORRISON HERSHFIELD



Arbor Terrace Community 2018/2019 Reserve Study Update



Presented to:

Arbor Terrace Homeowners Association
Sherwood, Oregon

Project No. P1700313 00

June 14, 2018

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1. SCOPE OF SERVICES AND BACKGROUND DOCUMENTATION

Morrison Hershfield (MH) was retained to conduct a reserve study of the shared common elements owned by the Arbor Terrace Homeowners Association, (ATHOA) for their 2018/2019 fiscal year. The work undertaken by MH was in general conformance with our proposal dated September 20, 2017, issued to and signed by Ms. Amy Boyle, Arbor Terrace Homeowners Association Board President and Treasurer. As per the direction of the agreement MH did 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 the 2018/2019 RS update:

- General & Financial Information, As Provided By:
 - Ms. Amy Boyle, Board President & Treasurer
- Previous Years' Reserve Studies:
 - Fiscal Year 2015/2016 – Completed by MH
- Meetings:
 - Onsite Meeting – September 12, 2017
 - Field Assessment – October 28, 2017
 - RS Review Meeting @ MH's Portland Office – March 14, 2018

2. MH PROJECT TEAM

Morrison Hershfield has over sixty years of Architectural and Engineering experience within the Buildings and Facilities industry. Our resume' includes designs for new construction along with the rehabilitation of existing buildings. MH has sixteen offices located throughout the United States and Canada with a staff of over 800, consisting primarily of design and engineering professionals.

The following personnel from our Portland Oregon office were assigned to complete your RS:

- **Bryan Costa, PE – Senior Building Science Consultant –**
 - **Reserve Study Client References:**
 - Quayside Condominium – Sellwood, OR
 - The VAUX Condominium – Portland, OR
 - Arbor Station Townhomes – Sherwood, OR
 - Courtyard at Springville – Beaverton, OR
 - **Memberships and Licenses:**
 - Professional Engineer
 - Community Association Institute, (CAI – Portland)
 - Portland Building Enclosure Council (Portland BEC)
 - Oregon Washington Community Association Managers (OWCAM)

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, 2018 to June 30, 2019
- **Estimated Reserve's Account Balances as of July 1, 2018:**
 - All Lots = \$171,327
 - Rowhomes = \$191,000
 - Tamarack SFH = (\$25,000)
- **Estimated Annual Contributions to the Reserves for 2018/2019:**
 - All Lots = \$28,800
 - Rowhomes:
 - Scenario 1 = \$63,960
 - Scenario 2 = \$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 2018 was recorded at 2.4% (percent) as per the Consumer Price Index published monthly by the U.S. Labor Department.

The following two tables can be found in Chapters 4, 5 and 6. These two 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.

MH recommends 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). MH cautions the Association from taking on these responsibilities themselves.

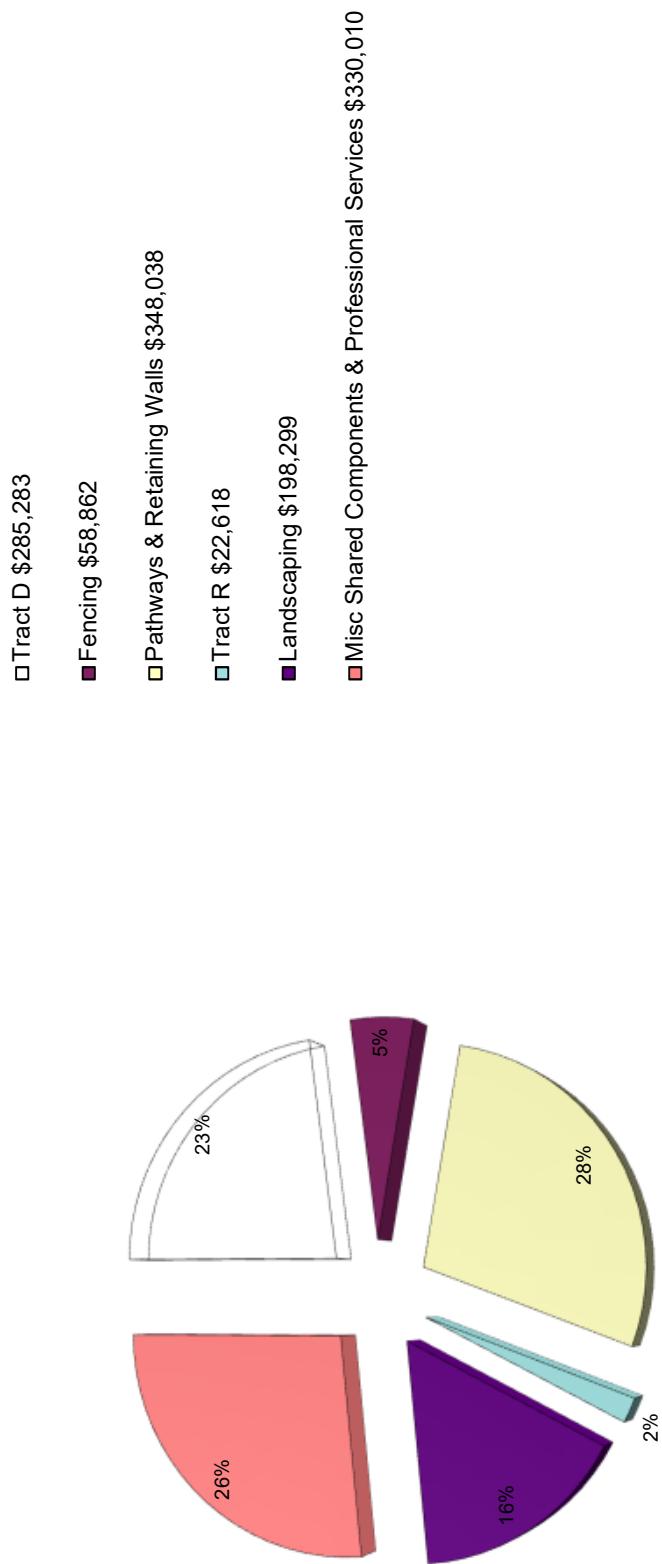
4. FUNDING ALTERNATIVES - ALL LOTS

Summary of Data & Results

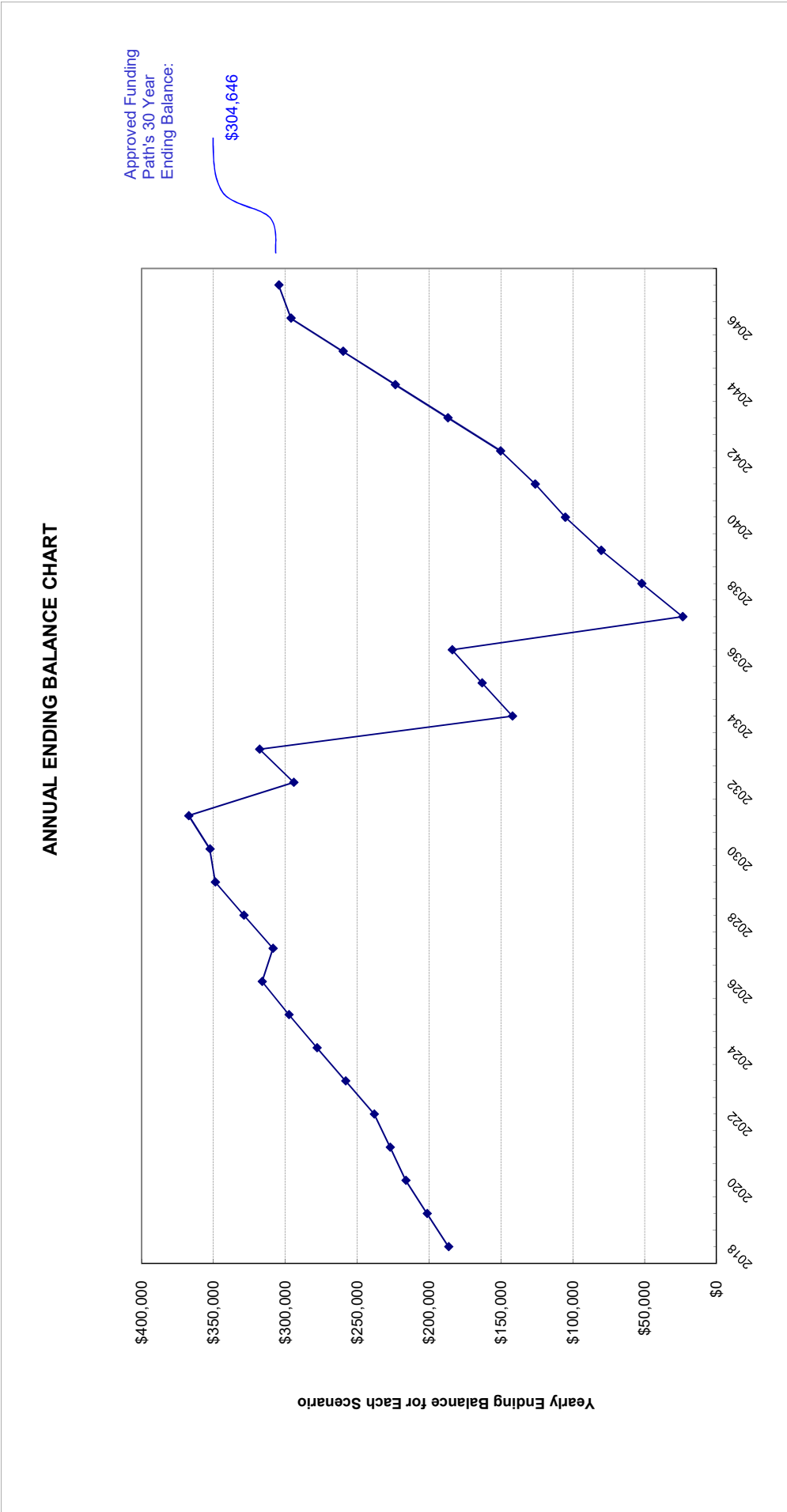
Property Name		Arbor Terrace Community - All Lots
Entity Name		Arbor Terrace HOA
Current Date		June 14, 2018
Year Built, (Conversion Year)		2007
Starting Year, (Forecasted Fiscal Year)		2018
Dollar Year, (Current Fiscal Year)		2018
Fiscal Year Start Date		July 1, 2018
Fiscal Year End Date		June 30, 2019
Assumed Inflation Rate		2.00%
Earned Interest Rate		1.00%
Estimated Starting Balance		\$171,327
Number of Units		160
Approved Funding Plan		
Current Yearly Contribution:	\$	28,800
Monthly Contribution, (Per Unit "Average" For Year One):	\$	15
Lowest Annual Closing Balance	\$	23,589
Largest Annual Closing Balance	\$	367,259
30-Year Closing Balance	\$	304,646
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)



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, (2018/2019 Fiscal Year). The starting account balance within the reserves at year one will be approximately \$171,327 with an annual contribution of \$28,800, (figures were provided by Ms. Amy Boyle). 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, 2018 through June 30, 2048). 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 of time. This will also be impacted on how well they maintain and care for their shared common elements.

The chart below shows the three 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	\$80K
2034/2035	Major Landscaping Project	\$200K
2037/2038	Tot-Lot Play Equipment & Gazebo Renewals	\$170K

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. MH 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.

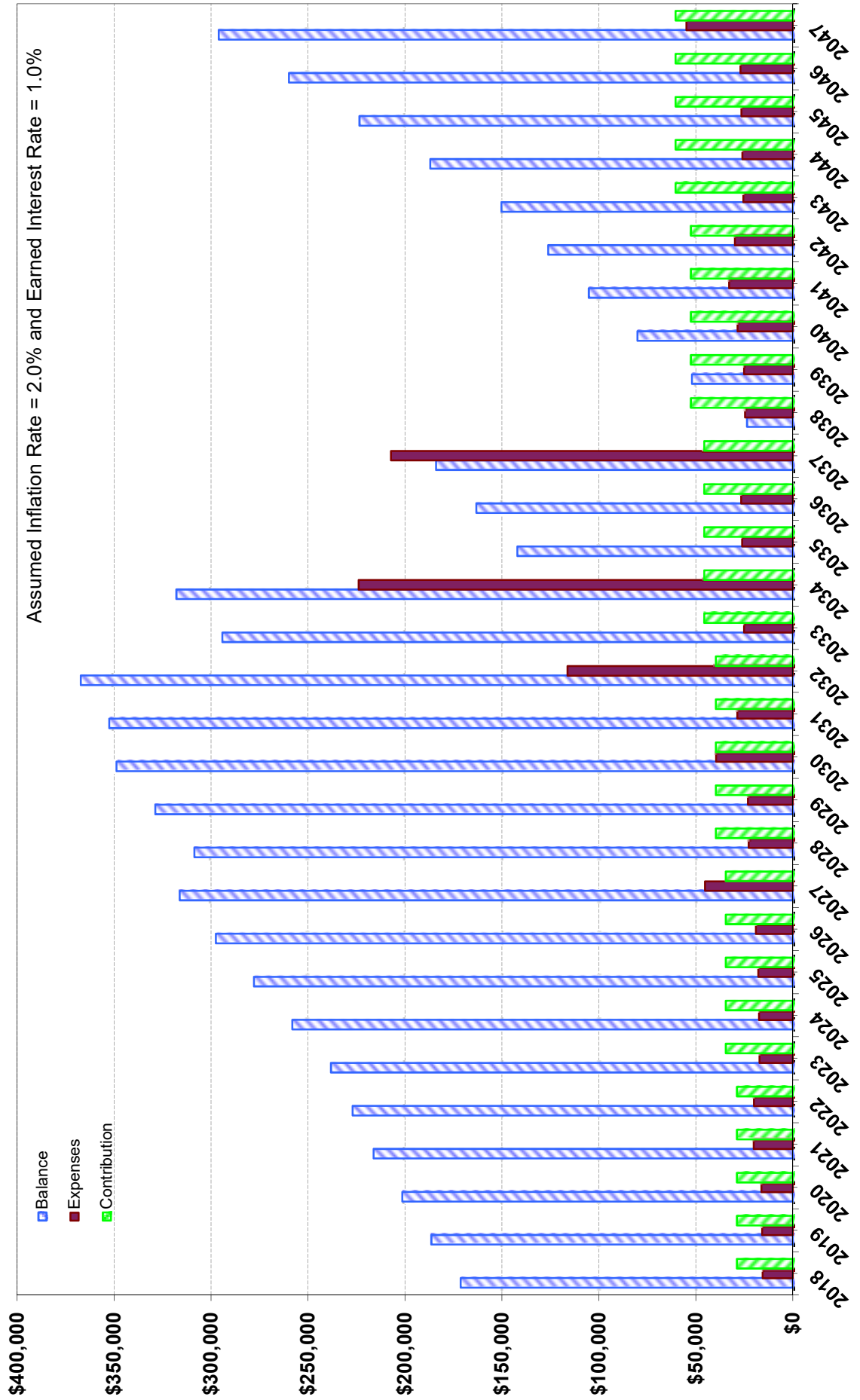
Annual contributions within this funding plan have been aligned with the list of shared common elements shown in Appendix A, Table 3, (assuming the expenditure is scheduled to be replaced by June 30, 2048). The ensuing two documents, (Table 1 & Table 2) illustrate what the Association should anticipate 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

Current Yearly Contribution:	\$28,800
Monthly Contribution, (Per Unit "Average" For Year One):	\$15
Assumed Interest Rate	1.00%
Assumed Inflation Rate	2.00%
Reserve's Starting Balance as of July 1, 2018	\$171,327
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$23,589

#	Year	Annual Opening Balance	Annual Contribution	Annual Rate Increase	Other Contributions	Estimated Annual Expenditures	Projected Earned Interest	Annual Closing Balance
1	2018/2019	\$171,327	\$28,800	-20.2%	\$0	\$15,468	\$1,780	\$186,439
2	2019/2020	\$186,439	\$28,800	0.0%	\$0	\$15,777	\$1,930	\$201,391
3	2020/2021	\$201,391	\$28,800	0.0%	\$0	\$16,093	\$2,077	\$216,176
4	2021/2022	\$216,176	\$28,800	0.0%	\$0	\$20,129	\$2,205	\$227,052
5	2022/2023	\$227,052	\$28,800	0.0%	\$0	\$19,990	\$2,315	\$238,176
6	2023/2024	\$238,176	\$34,560	20.0%	\$0	\$17,078	\$2,469	\$258,128
7	2024/2025	\$258,128	\$34,560	0.0%	\$0	\$17,419	\$2,667	\$277,935
8	2025/2026	\$277,935	\$34,560	0.0%	\$0	\$17,768	\$2,863	\$297,591
9	2026/2027	\$297,591	\$34,560	0.0%	\$0	\$19,002	\$3,054	\$316,203
10	2027/2028	\$316,203	\$34,560	0.0%	\$0	\$45,280	\$3,108	\$308,591
11	2028/2029	\$308,591	\$39,744	15.0%	\$0	\$22,695	\$3,171	\$328,811
12	2029/2030	\$328,811	\$39,744	0.0%	\$0	\$23,149	\$3,371	\$348,777
13	2030/2031	\$348,777	\$39,744	0.0%	\$0	\$39,465	\$3,489	\$352,546
14	2031/2032	\$352,546	\$39,744	0.0%	\$0	\$28,612	\$3,581	\$367,259
15	2032/2033	\$367,259	\$39,744	0.0%	\$0	\$116,085	\$3,291	\$294,209
16	2033/2034	\$294,209	\$45,706	15.0%	\$0	\$25,057	\$3,045	\$317,902
17	2034/2035	\$317,902	\$45,706	0.0%	\$0	\$223,857	\$2,288	\$142,039
18	2035/2036	\$142,039	\$45,706	0.0%	\$0	\$26,070	\$1,519	\$163,193
19	2036/2037	\$163,193	\$45,706	0.0%	\$0	\$26,591	\$1,728	\$184,036
20	2037/2038	\$184,036	\$45,706	0.0%	\$0	\$207,185	\$1,033	\$23,589
21	2038/2039	\$23,589	\$52,561	15.0%	\$0	\$24,545	\$376	\$51,982
22	2039/2040	\$51,982	\$52,561	0.0%	\$0	\$25,036	\$657	\$80,165
23	2040/2041	\$80,165	\$52,561	0.0%	\$0	\$28,443	\$922	\$105,206
24	2041/2042	\$105,206	\$52,561	0.0%	\$0	\$32,749	\$1,151	\$126,170
25	2042/2043	\$126,170	\$52,561	0.0%	\$0	\$29,785	\$1,376	\$150,322
26	2043/2044	\$150,322	\$60,446	15.0%	\$0	\$25,459	\$1,678	\$186,987
27	2044/2045	\$186,987	\$60,446	0.0%	\$0	\$25,968	\$2,042	\$223,507
28	2045/2046	\$223,507	\$60,446	0.0%	\$0	\$26,487	\$2,405	\$259,870
29	2046/2047	\$259,870	\$60,446	0.0%	\$0	\$27,017	\$2,766	\$296,064
30	2047/2048	\$296,064	\$60,446	0.0%	\$0	\$54,852	\$2,989	\$304,646
						\$1,243,110		

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. MH 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, (2018).

Arbor Terrace HOA

Arbor Terrace Community - All Lots

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	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														
01	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)	Photo Pending	10	2007	11	12	12	1	250	Ln. Ft.	\$7.50	N	\$1,880	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.
02	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)	Photo Pending	25	2007	11	-2	12	1	250	Ln. Ft.	\$50	N	\$12,500	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.
03	Concrete Pathways	Photo Pending	50	2007	11	-50	0	50	1,480	Sq. Ft.	\$10	N	\$14,800	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.
04	Park Benches	Photo Pending	20	2007	11	0	9	1	4	EA	\$1,000	N	\$4,000	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.
05	Play Equipment	Photo Pending	30	2007	11	0	19	1	1	EA	\$30,000	N	\$30,000	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.

Arbor Terrace HOA

Arbor Terrace Community - All Lots

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
Sub-Category #2: Gazebo														
06	Concrete Pathways		50	2007	11	-30	9	20	100	Sq. Ft.	\$10	N	\$1,000	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.
07	Concrete Slab/Foundation		50	2007	11	0	39	1	624	Sq. Ft.	\$15	N	\$9,360	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)
08	Stone Column Bases		25	2007	11	-5	9	1	8	Each	\$1,200	Y	\$10,270	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.
09	Structure		30	2007	11	0	19	1	1	Each	\$75,000	N	\$75,000	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)		30	2007	11	0	19	1	1,000	Sq. Ft.	\$10	N	\$10,000	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)		20	2007	11	0	9	1	2	Each	\$1,000	N	\$2,000	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.

Photo Pending

Photo Pending

Photo Pending

Photo Pending

Photo Pending

Photo Pending

* 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.

Arbor Terrace HOA

Arbor Terrace Community - All Lots

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	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	7	0	8	1	1	Each	\$750	N	\$750	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	11	0	14	1	1,000	Sq. Ft.	\$5	N	\$5,000	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	11	3	3	1	1	Each	\$3,500	N	\$3,500	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	11	0	14	1	465	Ln. Ft.	\$30	N	\$13,950	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	11	-50	0	50	1,800	Sq. Ft.	\$10	N	\$18,000	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.

Arbor Terrace HOA

Arbor Terrace Community - All Lots

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	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)		15	2017	1	0	14	1	156	Ln. Ft.	\$41	N	\$6,400	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)		25	2007	11	0	14	1	1,487	Ln. Ft.	\$30	N	\$44,610	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		50	2007	11	-50	0	50	18,840	Sq. Ft.	\$10	N	\$188,400	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		50	2007	11	-50	0	50	18,432	Sq. Ft.	\$10	N	\$184,320	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)		50	2007	11	-50	0	50	800	Sq. Ft.	\$10	N	\$8,000	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.

Arbor Terrace HOA

Arbor Terrace Community - All Lots

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	Unit Cost	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
22	Asphalt Pathway, (4' Wide) @ Tract "J"		25	2007	11	0	14	1	560	Sq. Ft.	\$5	N	\$2,800	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)		50	2007	11	-50	0	50	1,821	Ln. Ft.	\$10	N	\$18,210	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		50	2007	11	0	39	1	425	Sq. Ft.	\$75	Y	\$34,110	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)		30	2007	11	-10	9	15	500	Sq. Ft.	\$15	N	\$7,500	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)		30	2007	11	-10	9	15	500	Sq. Ft.	\$15	N	\$7,500	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.)		30	2007	11	0	19	1	400	Ln. Ft.	\$17	N	\$6,800	Observed Conditions/Recommended Actions: Appears to be in good condition. No action required at this time, (per the 2018/2019 RS Update, Lvl 2)

Photo Pending

Photo Pending

Photo Pending

Photo Pending

Photo Pending

Photo Pending

* 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.

Arbor Terrace HOA

Arbor Terrace Community - All Lots

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	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	11	0	39	1	750	Sq. Ft.	\$75	Y	\$60,190	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	11	0	29	1	240	Sq. Ft.	\$25	Y	\$6,420	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	11	0	19	1	18	Ln. Ft.	\$50	N	\$900	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	16	1	1	EA	\$135,000	Y	\$144,450	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	11	-5	9	10	14	EA	\$1,500	N	\$21,000	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.

Arbor Terrace HOA

Arbor Terrace Community - All Lots

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Units of Measure	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	0	-1	4	1	1	EA	\$4,500	N	\$4,500	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	0	-1	0	1	1	EA	\$1,500	N	\$1,500	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	11	0	0	1	0	EA	\$4,000	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	11	-30	0	30	1	EA	\$160,000	N	\$160,000	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

	Current Yearly Contribution: \$28,800				Monthly Contribution, (Per Unit "Average" For Year One): \$15.00											
Starting Balance	\$171,327	\$186,439	\$201,391	\$216,176	\$227,052	\$238,176	\$258,128	\$277,935	\$297,591	\$316,203	\$308,591	\$328,811	\$348,777	\$352,546	\$367,259	
Total Expenses inflated at 2% annually	\$15,468	\$15,777	\$16,093	\$20,129	\$19,990	\$17,078	\$17,419	\$17,768	\$19,002	\$45,280	\$22,695	\$23,149	\$39,465	\$28,612	\$116,085	
Interest at 1% annually	\$1,780	\$1,930	\$2,077	\$2,205	\$2,315	\$2,469	\$2,667	\$2,863	\$3,054	\$3,108	\$3,171	\$3,371	\$3,489	\$3,581	\$3,291	
Annual Reserve Contribution	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$34,560	\$34,560	\$34,560	\$34,560	\$34,560	\$39,744	\$39,744	\$39,744	\$39,744	\$39,744	
Other Contribution																
Ending Balance	\$186,439	\$201,391	\$216,176	\$227,052	\$238,176	\$258,128	\$277,935	\$297,591	\$316,203	\$308,591	\$328,811	\$348,777	\$352,546	\$367,259	\$294,209	
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
SHARED COMMON ELEMENTS #1: TRACT "D", (PARK AREA ADJACENT TO SW BALER WAY)																
Sub-Category #1: Tot-Lot																
01	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)															
02	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)															
														\$15,853		
03	Concrete Pathways	\$296	\$302	\$308	\$314	\$320	\$327	\$333	\$340	\$347	\$354	\$361	\$368	\$375	\$383	\$391
04	Park Benches										\$4,780					
05	Play Equipment															
Sub-Category #2: Gazebo																
06	Concrete Pathways										\$60	\$61	\$62	\$63	\$65	\$66
07	Concrete Slab/Foundation															
08	Stone Column Bases										\$12,274					
09	Structure															
10	T&G Soffit, (Ventilated)															
11	Park Benches, (Attached)										\$2,390					
12	HOA Bulletin Board, (Free Standing)									\$879						
13	Roofing, (Asphaltic Roof Shingles)															\$6,597
14	Refinishing, (Painting & Staining)				\$3,714									\$4,528		
Sub-Category #3: Misc. Components																
15	Vinyl Fence, (42" Tall)															\$18,407
16	Concrete Pathways	\$360	\$367	\$375	\$382	\$390	\$397	\$405	\$414	\$422	\$430	\$439	\$448	\$457	\$466	\$475
SHARED COMMON ELEMENTS #2: FENCING																
Sub-Category #1: Wood Fencing																
17	6' Cedar Fence, (Good Neighbor Style)															
Sub-Category #2: Vinyl Fencing																
18	Vinyl Fence, (42" Tall)															
																\$58,862
SHARED COMMON ELEMENTS #3: CONCRETE PATHWAYS & RETAINING WALLS																
Sub-Section #1: Concrete Sidewalks, (5' Wide, w/Attached Curb & Gutter)																
19	SW Holland Lane	\$3,768	\$3,843	\$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
Sub-Section #2: Concrete Sidewalks, (5' Wide, w/Detached Curb & Gutter)																
20	SW Harvester Lane	\$3,686	\$3,760	\$3,835	\$3,912	\$3,990	\$4,070	\$4,151	\$4,235	\$4,319	\$4,406	\$4,494	\$4,584	\$4,675	\$4,769	\$4,864

Arbor Terrace Community - All Lots

Approved Funding Plan

Table 4: Detailed Cash Flow

		Current Yearly Contribution: \$28,800				Monthly Contribution, (Per Unit "Average" For Year One): \$15.00										
	Starting Balance	\$171,327	\$186,439	\$201,391	\$216,176	\$227,052	\$238,176	\$258,128	\$277,935	\$297,591	\$316,203	\$308,591	\$328,811	\$348,777	\$352,546	\$367,259
	Total Expenses inflated at 2% annually	\$15,468	\$15,777	\$16,093	\$20,129	\$19,990	\$17,078	\$17,419	\$17,768	\$19,002	\$45,280	\$22,695	\$23,149	\$39,465	\$28,612	\$116,085
	Interest at 1% annually	\$1,780	\$1,930	\$2,077	\$2,205	\$2,315	\$2,469	\$2,667	\$2,863	\$3,054	\$3,108	\$3,171	\$3,371	\$3,489	\$3,581	\$3,291
	Annual Reserve Contribution	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800	\$34,560	\$34,560	\$34,560	\$34,560	\$34,560	\$39,744	\$39,744	\$39,744	\$39,744	\$39,744
Other Contribution																
	Ending Balance	\$186,439	\$201,391	\$216,176	\$227,052	\$238,176	\$258,128	\$277,935	\$297,591	\$316,203	\$308,591	\$328,811	\$348,777	\$352,546	\$367,259	\$294,209
	Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Sub-Section #3: Misc. Concrete & Asphalt Pathways																
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$160	\$163	\$166	\$170	\$173	\$177	\$180	\$184	\$187	\$191	\$195	\$199	\$203	\$207	\$211
22	Asphalt Pathway, (4' Wide) @ Tract "J"															\$3,695
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$364	\$371	\$379	\$386	\$394	\$402	\$410	\$418	\$427	\$435	\$444	\$453	\$462	\$471	\$481
Sub-Section #4: Retaining Walls																
24	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane															
25	CMU Retaining Walls, (< 1' Tall)										\$598	\$609	\$622	\$634	\$647	\$660
26	CMU Retaining Walls, (< 3' Tall)										\$598	\$609	\$622	\$634	\$647	\$660
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)															
Sub-Section#3: Other Misc. Components																
32	Mailbox Kiosks										\$2,510	\$2,560	\$2,611	\$2,663	\$2,717	\$2,771
SHARED COMMON ELEMENTS #5: PROFESSIONAL SERVICES & CONSULTING																
Sub-Category #1: Consulting Services																
33	Reserve Study Updates, (Level 2)					\$4,871					\$5,378					\$5,938
34	Reserve Study Updates, (Level 3)	\$1,500	\$1,530	\$1,561	\$1,592		\$1,656	\$1,689	\$1,723	\$1,757		\$1,828	\$1,865	\$1,902	\$1,940	
35	Maintenance Plan															
Sub-Category #2: Misc Fees																
36	Emergency Renewal Fund	\$5,333	\$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

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

	Current Yearly Contribution: \$28,800				Monthly Contribution, (Per Unit "Average" For Year One): \$15.00											
Starting Balance	\$294,209	\$317,902	\$142,039	\$163,193	\$184,036	\$23,589	\$51,982	\$80,165	\$105,206	\$126,170	\$150,322	\$186,987	\$223,507	\$259,870	\$296,064	
Total Expenses inflated at 2% annually	\$25,057	\$223,857	\$26,070	\$26,591	\$207,185	\$24,545	\$25,036	\$28,443	\$32,749	\$29,785	\$25,459	\$25,968	\$26,487	\$27,017	\$54,852	
Interest at 1% annually	\$3,045	\$2,288	\$1,519	\$1,728	\$1,033	\$376	\$657	\$922	\$1,151	\$1,376	\$1,678	\$2,042	\$2,405	\$2,766	\$2,989	
Annual Reserve Contribution	\$45,706	\$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	
Other Contribution																
Ending Balance	\$317,902	\$142,039	\$163,193	\$184,036	\$23,589	\$51,982	\$80,165	\$105,206	\$126,170	\$150,322	\$186,987	\$223,507	\$259,870	\$296,064	\$304,646	
Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Calendar Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	
SHARED COMMON ELEMENTS #1: TRACT "D", (PARK AREA ADJACENT TO SW BALER WAY)																
Sub-Category #1: Tot-Lot																
01	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)														\$2,906	
02	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)															
03	Concrete Pathways	\$398	\$406	\$414	\$423	\$431	\$440	\$449	\$458	\$467	\$476	\$486	\$495	\$505	\$515	\$526
04	Park Benches															\$7,103
05	Play Equipment					\$43,704										
Sub-Category #2: Gazebo																
06	Concrete Pathways	\$67	\$69	\$70	\$71	\$73	\$74	\$76	\$77	\$79	\$80	\$82	\$84	\$85	\$87	
07	Concrete Slab/Foundation															
08	Stone Column Bases															
09	Structure					\$109,261										
10	T&G Soffit, (Ventilated)					\$14,568										
11	Park Benches, (Attached)															\$3,552
12	HOA Bulletin Board, (Free Standing)									\$1,183						
13	Roofing, (Asphaltic Roof Shingles)															
14	Refinishing, (Painting & Staining)									\$5,519						
Sub-Category #3: Misc. Components																
15	Vinyl Fence, (42" Tall)															
16	Concrete Pathways	\$485	\$494	\$504	\$514	\$524	\$535	\$546	\$557	\$568	\$579	\$591	\$602	\$614	\$627	\$639
SHARED COMMON ELEMENTS #2: FENCING																
Sub-Category #1: Wood Fencing																
17	6' Cedar Fence, (Good Neighbor Style)															
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	\$5,071	\$5,173	\$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
Sub-Section #2: Concrete Sidewalks, (5' Wide, w/Detached Curb & Gutter)																
20	SW Harvester Lane	\$4,961	\$5,061	\$5,162	\$5,265	\$5,370	\$5,478	\$5,587	\$5,699	\$5,813	\$5,929	\$6,048	\$6,169	\$6,292	\$6,418	\$6,546

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

		Current Yearly Contribution: \$28,800				Monthly Contribution, (Per Unit "Average" For Year One): \$15.00										
	Starting Balance	\$294,209	\$317,902	\$142,039	\$163,193	\$184,036	\$23,589	\$51,982	\$80,165	\$105,206	\$126,170	\$150,322	\$186,987	\$223,507	\$259,870	\$296,064
	Total Expenses inflated at 2% annually	\$25,057	\$223,857	\$26,070	\$26,591	\$207,185	\$24,545	\$25,036	\$28,443	\$32,749	\$29,785	\$25,459	\$25,968	\$26,487	\$27,017	\$54,852
	Interest at 1% annually	\$3,045	\$2,288	\$1,519	\$1,728	\$1,033	\$376	\$657	\$922	\$1,151	\$1,376	\$1,678	\$2,042	\$2,405	\$2,766	\$2,989
	Annual Reserve Contribution	\$45,706	\$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
Other Contribution																
	Ending Balance	\$317,902	\$142,039	\$163,193	\$184,036	\$23,589	\$51,982	\$80,165	\$105,206	\$126,170	\$150,322	\$186,987	\$223,507	\$259,870	\$296,064	\$304,646
	Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	Calendar Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Sub-Section #3: Misc. Concrete & Asphalt Pathways																
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$215	\$220	\$224	\$229	\$233	\$238	\$243	\$247	\$252	\$257	\$262	\$268	\$273	\$279	\$284
22	Asphalt Pathway, (4' Wide) @ Tract "J"															
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$490	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647
Sub-Section #4: Retaining Walls																
24	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane															
25	CMU Retaining Walls, (< 1' Tall)	\$673	\$686	\$700	\$714	\$728	\$743	\$758	\$773	\$788						
26	CMU Retaining Walls, (< 3' Tall)	\$673	\$686	\$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.)					\$9,906										
28	CMU Retaining Wall, (2' x 3' Blocks, Stacked Approx. 5' Tall)															
29	Concrete Flatwork, (Includes Stairs)															\$11,401
30	Handrails, (Metal)					\$1,311										
Sub-Section #2: Landscaping																
31	Community Landscaping Improvement Project, (Major Renewal Task)		\$198,299													
Sub-Section#3: Other Misc. Components																
32	Mailbox Kiosks	\$2,826	\$2,883	\$2,941	\$2,999											
SHARED COMMON ELEMENTS #5: PROFESSIONAL SERVICES & CONSULTING																
Sub-Category #1: Consulting Services																
33	Reserve Study Updates, (Level 2)					\$6,556					\$7,238					\$7,991
34	Reserve Study Updates, (Level 3)	\$2,019	\$2,059	\$2,100	\$2,142		\$2,229	\$2,273	\$2,319	\$2,365		\$2,461	\$2,510	\$2,560	\$2,612	
35	Maintenance Plan															
Sub-Category #2: Misc Fees																
36	Emergency Renewal Fund	\$7,178	\$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

APPENDIX C
FIVE YEAR EXPENDITURE OUTLOOK – ALL LOTS

2018 / 2019		
03	Concrete Pathways @ Tract "B"	\$296
16	Concrete Pathways	\$360
19	SW Holland Lane	\$3,768
20	SW Harvester Lane	\$3,686
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$160
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$364
34	Reserve Study Updates, (Level 3)	\$1,500
36	Emergency Renewal Fund	\$5,333
		\$15,468

2019 / 2020		
03	Concrete Pathways @ Tract "B"	\$302
16	Concrete Pathways	\$367
19	SW Holland Lane	\$3,843
20	SW Harvester Lane	\$3,760
21	Concrete Pathways, (4' Wide, No Curb or Gutter)	\$163
23	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	\$371
34	Reserve Study Updates, (Level 3)	\$1,530
36	Emergency Renewal Fund	\$5,440
		\$15,777

2020 / 2021		
03	Concrete Pathways @ Tract "B"	\$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)	\$1,561
36	Emergency Renewal Fund	\$5,549
		\$16,093

2021 / 2022		
03	Concrete Pathways @ Tract "B"	\$314
14	Refinishing, (Painting & Staining)	\$3,714
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)	\$386
34	Reserve Study Updates, (Level 3)	\$1,592
36	Emergency Renewal Fund	\$5,660
		\$20,129

2022 / 2023		
03	Concrete Pathways @ Tract "B"	\$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)	\$4,871
36	Emergency Renewal Fund	\$5,773
		\$19,990

5. FUNDING ALTERNATIVES - ROWHOMES

Summary of Data & Results

Property Name	Arbor Terrace Community - Rowhomes
Entity Name	Arbor Terrace HOA
Current Date	June 14, 2018
Year Built, (Conversion Year)	2007
Starting Year, (Forecasted Fiscal Year)	2018
Dollar Year, (Current Fiscal Year)	2018
Fiscal Year Start Date	July 1, 2018
Fiscal Year End Date	June 30, 2019
Assumed Inflation Rate	2.00%
Earned Interest Rate	1.00%
Estimated Starting Balance	\$191,000
Number of Units	65

Scenario 1 (Optional Funding Path)

Current Yearly Contribution:	\$	63,960
Monthly Contribution, (Per Unit "Average" For Year One):	\$	82
Lowest Annual Closing Balance	\$	17,946
Largest Annual Closing Balance	\$	2,067,659
30-Year Closing Balance	\$	2,067,659

Scenario 2 (Optional Funding Path)

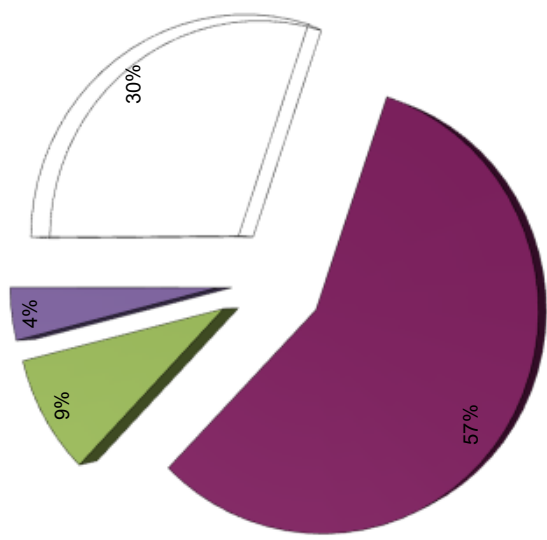
Optional Yearly Contribution, (Year One):	\$	63,960
Monthly Contribution, (Per Unit "Average" For Year One):	\$	82
Lowest Annual Closing Balance	\$	19,683
Largest Annual Closing Balance	\$	1,014,050
30-Year Closing Balance	\$	1,014,050

Consulting Allowance	7%
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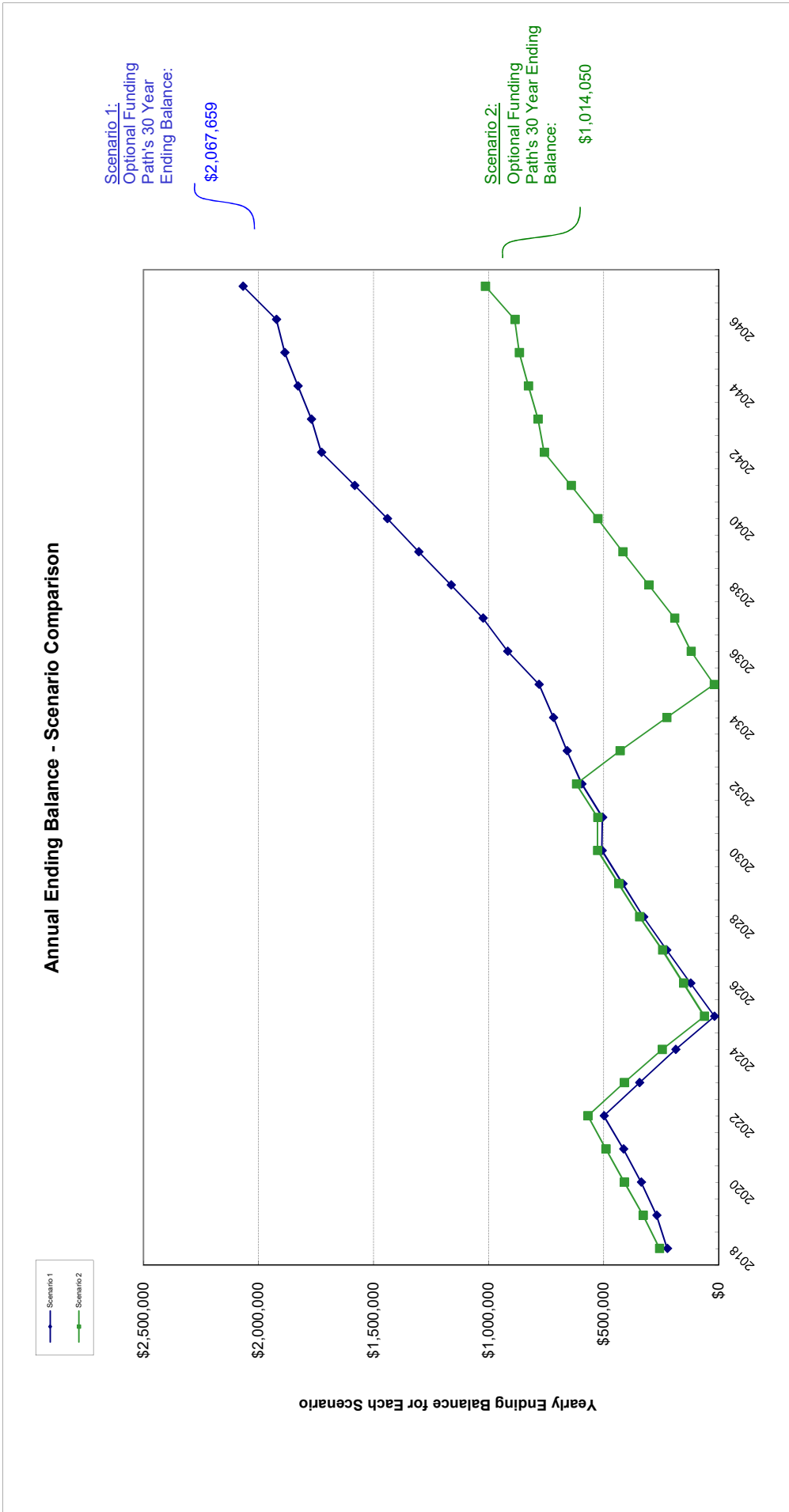
Arbor Terrace Community - Rowhomes - Funding Graph #1 - FINAL

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 \$688,817
- Building Envelope Components Replaced in 2013 \$1,295,363
- Fencing & Asphalt Roadways \$202,412
- Misc & Professional Services \$89,961



Arbor Terrace Community - Rowhomes - Funding Graph #2 - FINAL



Rowhomes – Optional Funding Plan, (Scenario One)

This scenario is based on the funding plan designed and agreed upon by the Association’s Board of Directors in 2018, (2018/2019 Fiscal Year). The starting account balance within the reserves at year one will be \$191,00 with an annual contribution of \$63,960, (figures were provided by Ms. Amy Boyle). 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, 2018 through June 30, 2048). 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 of time. This will also be impacted on how well they maintain and care for their shared common elements.

The chart below shows the three 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	\$775K
2031	Cedar Fence Renewal	\$80K
2043 – 2046	Exterior Painting Renewal Cycle #3 & Cedar Fence Renewal	\$365K

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. MH 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.

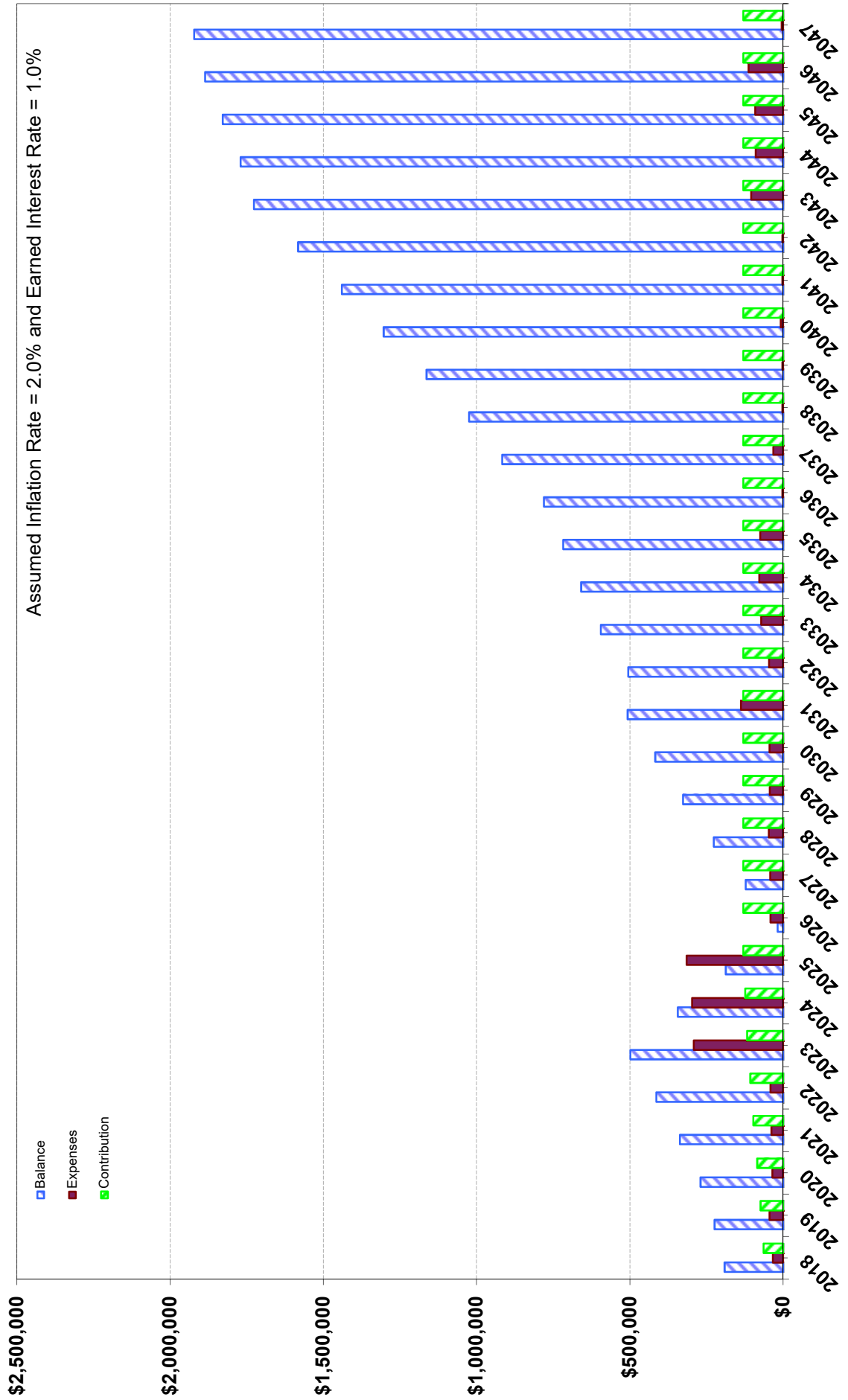
Annual contributions within this funding plan have been aligned with the list of shared common elements shown in Appendix D, Table 3, (assuming the expenditure is scheduled to be replaced by June 30, 2048). The ensuing two documents, (Table 1 & Table 2) illustrate what the Association should anticipate 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 - Rowhomes
Scenario 1 - Optional Funding Path
Table 1: Cash Flow Summary

Current Yearly Contribution:	\$63,960
Monthly Contribution, (Per Unit "Average" For Year One):	\$82
Assumed Interest Rate	1.00%
Assumed Inflation Rate	2.00%
Reserve's Starting Balance as of July 1, 2018	\$191,000
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$17,946

#	Year	Annual Opening Balance	Annual Contribution	Annual Rate Increase	Other Contributions	Estimated Annual Expenditures	Projected Earned Interest	Annual Closing Balance
1	2018/2019	\$191,000	\$63,960	20.7%	\$0	\$33,447	\$2,063	\$223,576
2	2019/2020	\$223,576	\$73,554	15.0%	\$14,400	\$44,316	\$2,382	\$269,596
3	2020/2021	\$269,596	\$84,587	15.0%	\$14,400	\$34,798	\$2,945	\$336,730
4	2021/2022	\$336,730	\$97,275	15.0%	\$14,400	\$38,121	\$3,663	\$413,948
5	2022/2023	\$413,948	\$107,003	10.0%	\$14,400	\$41,329	\$4,468	\$498,489
6	2023/2024	\$498,489	\$117,703	10.0%	\$14,400	\$291,122	\$4,118	\$343,588
7	2024/2025	\$343,588	\$123,588	5.0%	\$14,400	\$296,945	\$2,569	\$187,200
8	2025/2026	\$187,200	\$129,768	5.0%	\$14,400	\$314,371	\$949	\$17,946
9	2026/2027	\$17,946	\$129,768	0.0%	\$14,400	\$40,635	\$625	\$122,103
10	2027/2028	\$122,103	\$129,768	0.0%	\$14,400	\$41,448	\$1,663	\$226,485
11	2028/2029	\$226,485	\$129,768	0.0%	\$14,400	\$46,543	\$2,681	\$326,790
12	2029/2030	\$326,790	\$129,768	0.0%	\$0	\$43,123	\$3,701	\$417,136
13	2030/2031	\$417,136	\$129,768	0.0%	\$0	\$43,985	\$4,600	\$507,519
14	2031/2032	\$507,519	\$129,768	0.0%	\$0	\$137,047	\$5,039	\$505,278
15	2032/2033	\$505,278	\$129,768	0.0%	\$0	\$45,762	\$5,473	\$594,757
16	2033/2034	\$594,757	\$129,768	0.0%	\$0	\$71,648	\$6,238	\$659,115
17	2034/2035	\$659,115	\$129,768	0.0%	\$0	\$77,885	\$6,851	\$717,847
18	2035/2036	\$717,847	\$129,768	0.0%	\$0	\$74,542	\$7,455	\$780,527
19	2036/2037	\$780,527	\$129,768	0.0%	\$0	\$1,764	\$8,445	\$916,976
20	2037/2038	\$916,976	\$129,768	0.0%	\$0	\$31,766	\$9,660	\$1,024,637
21	2038/2039	\$1,024,637	\$129,768	0.0%	\$0	\$1,835	\$10,886	\$1,163,455
22	2039/2040	\$1,163,455	\$129,768	0.0%	\$0	\$1,872	\$12,274	\$1,303,625
23	2040/2041	\$1,303,625	\$129,768	0.0%	\$0	\$7,321	\$13,648	\$1,439,720
24	2041/2042	\$1,439,720	\$129,768	0.0%	\$0	\$1,948	\$15,036	\$1,582,576
25	2042/2043	\$1,582,576	\$129,768	0.0%	\$0	\$1,987	\$16,465	\$1,726,822
26	2043/2044	\$1,726,822	\$129,768	0.0%	\$0	\$103,744	\$17,398	\$1,770,243
27	2044/2045	\$1,770,243	\$129,768	0.0%	\$0	\$89,085	\$17,906	\$1,828,832
28	2045/2046	\$1,828,832	\$129,768	0.0%	\$0	\$90,866	\$18,483	\$1,886,216
29	2046/2047	\$1,886,216	\$129,768	0.0%	\$0	\$112,740	\$18,947	\$1,922,190
30	2047/2048	\$1,922,190	\$129,768	0.0%	\$0	\$4,149	\$19,850	\$2,067,659
						\$2,166,144		

Arbor Terrace Community - Rowhomes
Scenario 1 - Optional Funding Path
Table 2: Cash Flow Chart



APPENDIX D



TABLE 3: SHARED COMMON ELEMENTS LIST, (SCENARIO 1) 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. MH 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, (2018).

Arbor Terrace HOA

Arbor Terrace Community - Rowhomes

Scenario One - Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	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)														
01	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters		30	2007	11	-19	0	15	28,000	Sq. Ft.	\$20	Y	\$501,700	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 													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.
	<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> <p>Replace Exposed Gypsum @ Eaves: Replace exposed gypsum board eaves to correct staining. Note: Eaves can be addressed most economically at same time that roof is replaced.</p>
	<ul style="list-style-type: none"> 1C - Exterior Wall Assemblies_11 to 20 Year Renewal Schedule 													<p>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 cladding on engaged columns between garage doors with new assemblies that provide positive drainage.</p>
Sub-Section #2: Exterior Cladding Assemblies														
02	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)		50	2013	5	0	45	1	52,000	Sq. Ft.	\$18	N	\$936,000	<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>




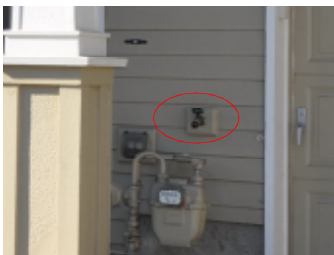
* Quantity of years needed or scheduled to complete the renewal process.

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

Arbor Terrace HOA

Arbor Terrace Community - Rowhomes

Scenario One - Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	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
03	Exterior Finishes: Paint & Sealant, (Caulking)		10	2013	5	0	5	3	80,000	Sq. Ft.	\$1.95	N	\$156,000	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.
Photo Pending														
Sub-Section #3: Roofing Assemblies														
04	Roofing System, (Asphaltic Roof Shingles)		25	2007	11	-9	5	3	72,500	Sq. Ft.	\$5.50	Y	\$426,660	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) MH 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.
05	Gutters & Downspouts		25	2007	11	-9	5	3	1	EA	\$97,500.00	Y	\$104,330	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														
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)		20	2013	5	-12	3	25	65	EA	\$75	N	\$4,880	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.
Photo Pending														
07	Electrical Outlet		20	2013	5	-12	3	25	130	EA	\$100	N	\$13,000	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.
08	Hose Bib		20	2007	11	-6	3	25	130	EA	\$100	N	\$13,000	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.

Arbor Terrace HOA

Arbor Terrace Community - Rowhomes

Scenario One - Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	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>														
09	6' Cedar Fence, (Good Neighbor Style)		15	2016	2	0	13	1	1,464	Ln. Ft.	\$41	N	\$60,020	Observed Conditions/Recommended Actions: This component was just replaced in 2016 and appear to be in good condition. 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).
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS														
<u>Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)</u>														
10	Tract A		10	2007	11	3	3	1	1,730	Sq. Ft.	\$0.35	N	\$610	Per the Association's direction, the renewal costs for this component will be addressed through the "All Lots" funding plan. 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) Note: Estimated costs also includes restriping and other painted marking on the surfaces the asphalt.
11	Tract D		10	2007	11	3	3	1	1,794	Sq. Ft.	\$0.35	N	\$630	The Row Homes are responsible for 19% of the renewal costs for this component. The remaining 81% are covered within the Tamarack 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) Note: Estimated costs also includes restriping and other painted marking on the surfaces the asphalt.
<u>Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)</u>														
12	Tract A		30	2007	11	0	19	1	1,730	Sq. Ft.	\$3.00	N	\$5,190	The Row Homes are responsible for 23% of the renewal costs for this component. The remaining 77% are covered within the Tamarack 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.
13	Tract D		30	2007	11	0	19	1	1,794	Sq. Ft.	\$3.00	N	\$5,380	The Row Homes are responsible for 19% of the renewal costs for this component. The remaining 81% are covered within the Tamarack 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.

Arbor Terrace HOA

Arbor Terrace Community - Rowhomes

Scenario One - Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	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														
Sub-Category #1: Building Envelope Assessments														
14	Building Envelope Condition Assessment - Three Year Review	N/A	3	2013	5	4	4	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	N/A	6	2013	5	0	1	1	1	EA	\$10,000	N	\$10,000	MH 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, (SCENARIO ONE) ROWHOMES

The “Detailed Cash-Flow” table is generated based on the estimated values established by “Table 3: Shared Common Elements List, (Scenario One)”, (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 - Rowhomes

Scenario 1 - Optional Funding Path

Table 4: Detailed Cash Flow

	Current Yearly Contribution: \$63,960				Monthly Contribution, (Per Unit "Average" For Year One): \$82															
Starting Balance	\$191,000	\$223,576	\$269,596	\$336,730	\$413,948	\$498,489	\$343,588	\$187,200	\$17,946	\$122,103	\$226,485	\$326,790	\$417,136	\$507,519	\$505,278					
Total Expenses inflated at 2% annually	\$33,447	\$44,316	\$34,798	\$38,121	\$41,329	\$291,122	\$296,945	\$314,371	\$40,635	\$41,448	\$46,543	\$43,123	\$43,985	\$137,047	\$45,762					
Interest at 1% annually	\$2,063	\$2,382	\$2,945	\$3,663	\$4,468	\$4,118	\$2,569	\$949	\$625	\$1,663	\$2,681	\$3,701	\$4,600	\$5,039	\$5,473					
Annual Reserve Contribution	\$63,960	\$73,554	\$84,587	\$97,275	\$107,003	\$117,703	\$123,588	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768					
Other Contributions Via Special Assessment, (Per the direction of the Association)		\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400								
Ending Balance	\$223,576	\$269,596	\$336,730	\$413,948	\$498,489	\$343,588	\$187,200	\$17,946	\$122,103	\$226,485	\$326,790	\$417,136	\$507,519	\$505,278	\$594,757					
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032					
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS																				
Sub-Section #1: Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)																				
01	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters					\$33,447	\$34,116	\$34,798	\$35,494	\$36,204	\$36,928	\$37,666	\$38,420	\$39,188	\$39,972	\$40,771	\$41,587	\$42,418	\$43,267	\$44,132
Sub-Section #2: Exterior Cladding Assemblies																				
02	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)																			
03	Exterior Finishes: Paint & Sealant, (Caulking)										\$57,412	\$58,560	\$59,732							
Sub-Section #3: Roofing Assemblies																				
04	Roofing System, (Asphaltic Roof Shingles)										\$157,022	\$160,163	\$163,366							
05	Gutters & Downspouts										\$38,396	\$39,164	\$39,947							
Sub-Section #4: Misc. Exterior Cladding Assemblies																				
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)				\$207	\$211	\$216	\$220	\$224	\$229	\$233	\$238	\$243	\$248	\$253	\$258				
07	Electrical Outlet				\$552	\$563	\$574	\$586	\$597	\$609	\$621	\$634	\$647	\$659	\$673	\$686				
08	Hose Bib				\$552	\$563	\$574	\$586	\$597	\$609	\$621	\$634	\$647	\$659	\$673	\$686				
SHARED COMMON ELEMENTS #2: FENCING																				
Sub-Category #2: Wood Fencing																				
09	6' Cedar Fence, (Good Neighbor Style)														\$77,642					
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS																				
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																				
10	Tract A				\$647											\$789				
11	Tract D				\$669											\$815				
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					\$3,789					\$4,266									
15	Building Envelope Condition Assessment - Six Year Performance Review					\$10,200			\$11,487						\$12,936					

Arbor Terrace Community - Rowhomes

Scenario 1 - Optional Funding Path

Table 4: Detailed Cash Flow

	Current Yearly Contribution: \$63,960				Monthly Contribution, (Per Unit "Average" For Year One): \$82											
Starting Balance	\$594,757	\$659,115	\$717,847	\$780,527	\$916,976	\$1,024,637	\$1,163,455	\$1,303,625	\$1,439,720	\$1,582,576	\$1,726,822	\$1,770,243	\$1,828,832	\$1,886,216	\$1,922,190	
Total Expenses inflated at 2% annually	\$71,648	\$77,885	\$74,542	\$1,764	\$31,766	\$1,835	\$1,872	\$7,321	\$1,948	\$1,987	\$103,744	\$89,085	\$90,866	\$112,740	\$4,149	
Interest at 1% annually	\$6,238	\$6,851	\$7,455	\$8,445	\$9,660	\$10,886	\$12,274	\$13,648	\$15,036	\$16,465	\$17,398	\$17,906	\$18,483	\$18,947	\$19,850	
Annual Reserve Contribution	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	\$129,768	
Other Contributions Via Special Assessment, (Per the direction of the Association)																
Ending Balance	\$659,115	\$717,847	\$780,527	\$916,976	\$1,024,637	\$1,163,455	\$1,303,625	\$1,439,720	\$1,582,576	\$1,726,822	\$1,770,243	\$1,828,832	\$1,886,216	\$1,922,190	\$2,067,659	
Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Calendar Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS																
Sub-Section #1: Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)																
01	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters															
Sub-Section #2: Exterior Cladding Assemblies																
02	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)															
03	Exterior Finishes: Paint & Sealant, (Caulking)	\$69,985	\$71,385	\$72,813							\$85,312	\$87,018	\$88,758			
Sub-Section #3: Roofing Assemblies																
04	Roofing System, (Asphaltic Roof Shingles)															
05	Gutters & Downspouts															
Sub-Section #4: Misc. Exterior Cladding Assemblies																
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$263	\$268	\$273	\$279	\$284	\$290	\$296	\$302	\$308	\$314	\$320	\$327	\$333	\$340	\$347
07	Electrical Outlet	\$700	\$714	\$728	\$743	\$758	\$773	\$788	\$804	\$820	\$836	\$853	\$870	\$888	\$905	\$923
08	Hose Bib	\$700	\$714	\$728	\$743	\$758	\$773	\$788	\$804	\$820	\$836	\$853	\$870	\$888	\$905	\$923
SHARED COMMON ELEMENTS #2: FENCING																
Sub-Category #2: Wood Fencing																
09	6' Cedar Fence, (Good Neighbor Style)														\$104,496	
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS																
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																
10	Tract A															\$962
11	Tract D															\$993
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)																
12	Tract A						\$7,561									
13	Tract D						\$7,838									
SHARED COMMON ELEMENTS #4: PROFESSIONAL SERVICES																
Sub-Category #1: Building Envelope Assessments																
14	Building Envelope Condition Assessment - Three Year Review		\$4,805					\$5,411						\$6,094		
15	Building Envelope Condition Assessment - Six Year Performance Review					\$14,568					\$16,406					

APPENDIX F
FIVE YEAR EXPENDITURE OUTLOOK, (SCENARIO ONE)
ROWHOMES

Five Year Outlook Sheet, (Scenario 1)

2018		
01	Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)	\$33,447
		\$33,447

2019		
01	Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)	\$34,116
15	Building Envelope Condition Assessment - Six Year Performance Review	\$10,200
		\$44,316

2020		
01	Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)	\$34,798
		\$34,798

2021		
01	Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)	\$35,494
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$207
07	Electrical Outlet	\$552
08	Hose Bib	\$552
10	Tract A	\$647
11	Tract D	\$669
		\$38,121

2022		
01	Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)	\$36,204
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$211
07	Electrical Outlet	\$563
08	Hose Bib	\$563
14	Building Envelope Condition Assessment - Three Year Review	\$3,789
		\$41,329

Rowhomes – Optional Funding Plan, (Scenario Two)

This scenario is based on the funding path designed and agreed upon by the Association’s Board of Directors in 2018, (2018/2019 Fiscal Year). The primary difference between this scenario and scenario one is when and how long the Association plans to address the exterior cladding assemblies of the buildings that were not replaced during the 2013 rehab project. For this scenario the Association has chosen to start the project in fiscal year 16, (2033/2034) and extend the time line over a three-year period, (ending year: 2035/2036). The starting account balance within the reserves at year one will be \$191,000 with an annual contribution of \$63,960, (figures were provided by Ms. Amy Boyle). 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, 2018 through June 30, 2048). 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 of time. This will also be impacted on how well they maintain and care for their shared common elements.

The chart below shows the three 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	\$775K
2033 – 2036	Exterior Envelope Rehab Project	\$900K
2043 – 2046	Exterior Painting Renewal Cycle #3 & Cedar Fence Renewal	\$365K

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. MH 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, 2048). 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 H, Table 4.

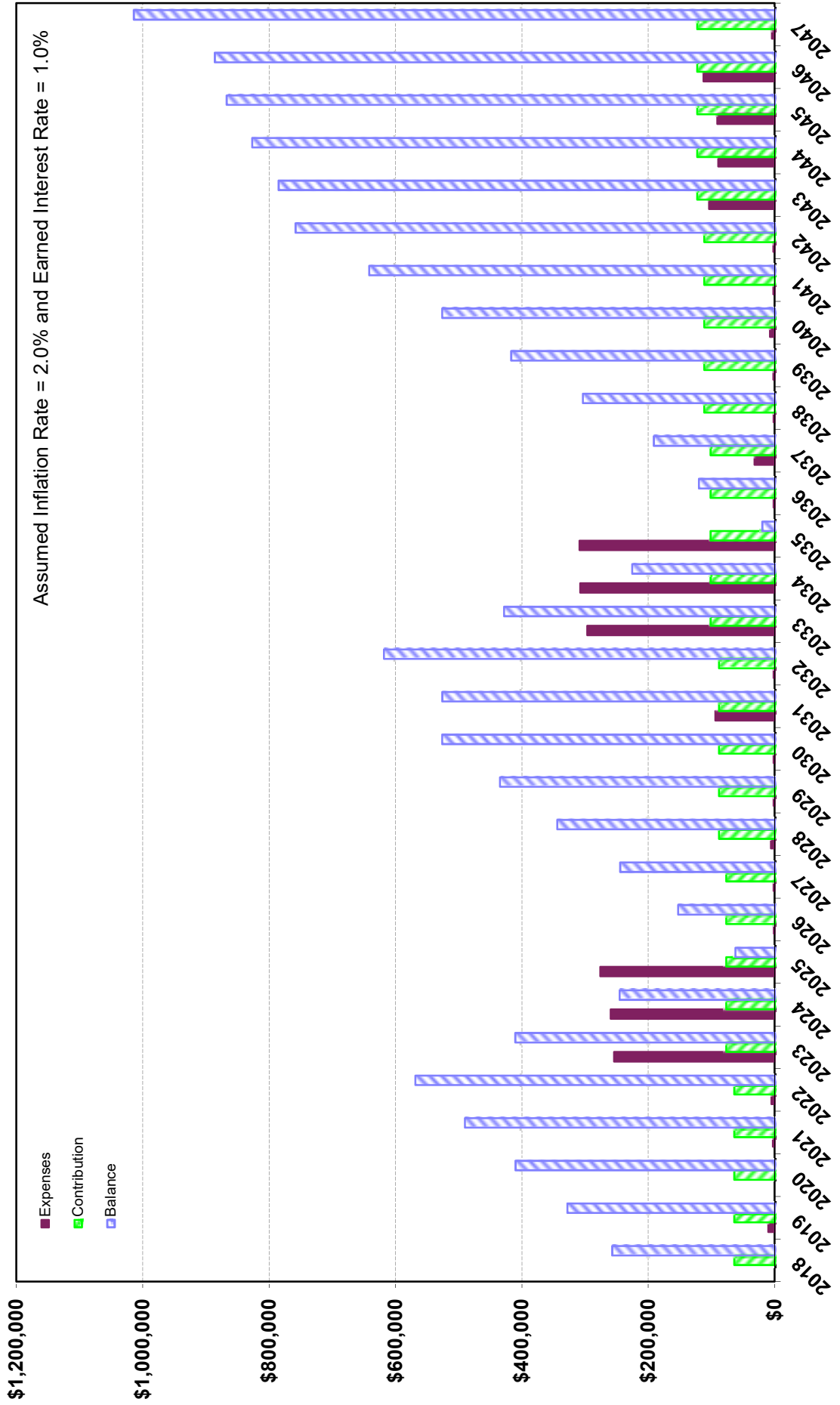
Arbor Terrace Community - Rowhomes
Scenario 2 - Optional Funding Path
Table 1: Cash Flow Summary

Optional Yearly Contribution, (Year One):	\$63,960
Monthly Contribution, (Per Unit "Average" For Year One):	\$82
Assumed Interest Rate	1.00%
Assumed Inflation Rate	2.00%
Reserve's Starting Balance as of July 1, 2018	\$191,000
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$19,682.60

#	Year	Annual Opening Balance	Annual Contributions	Annual Rate Increase	Other Contributions	Estimated Annual Expenditures	Projected Earned Interest	Annual Closing Balance
1	2018/2019	\$191,000	\$63,960	7.1%	\$0	\$0	\$2,230	\$257,190
2	2019/2020	\$257,190	\$63,960	0.0%	\$14,400	\$10,200	\$2,841	\$328,190
3	2020/2021	\$328,190	\$63,960	0.0%	\$14,400	\$0	\$3,602	\$410,152
4	2021/2022	\$410,152	\$63,960	0.0%	\$14,400	\$2,627	\$4,408	\$490,294
5	2022/2023	\$490,294	\$63,960	0.0%	\$14,400	\$5,126	\$5,197	\$568,725
6	2023/2024	\$568,725	\$76,752	20.0%	\$14,400	\$254,195	\$4,800	\$410,483
7	2024/2025	\$410,483	\$76,752	0.0%	\$14,400	\$259,278	\$3,192	\$245,548
8	2025/2026	\$245,548	\$76,752	0.0%	\$14,400	\$275,951	\$1,459	\$62,209
9	2026/2027	\$62,209	\$76,752	0.0%	\$14,400	\$1,447	\$999	\$152,913
10	2027/2028	\$152,913	\$76,752	0.0%	\$14,400	\$1,476	\$1,906	\$244,494
11	2028/2029	\$244,494	\$88,265	15.0%	\$14,400	\$5,772	\$2,857	\$344,244
12	2029/2030	\$344,244	\$88,265	0.0%	\$0	\$1,536	\$3,876	\$434,849
13	2030/2031	\$434,849	\$88,265	0.0%	\$0	\$1,567	\$4,782	\$526,329
14	2031/2032	\$526,329	\$88,265	0.0%	\$0	\$93,780	\$5,236	\$526,050
15	2032/2033	\$526,050	\$88,265	0.0%	\$0	\$1,630	\$5,694	\$618,378
16	2033/2034	\$618,378	\$101,505	15.0%	\$0	\$296,722	\$5,208	\$428,369
17	2034/2035	\$428,369	\$101,505	0.0%	\$0	\$307,461	\$3,254	\$225,667
18	2035/2036	\$225,667	\$101,505	0.0%	\$0	\$308,709	\$1,221	\$19,683
19	2036/2037	\$19,683	\$101,505	0.0%	\$0	\$1,764	\$696	\$120,118
20	2037/2038	\$120,118	\$101,505	0.0%	\$0	\$31,766	\$1,550	\$191,407
21	2038/2039	\$191,407	\$111,655	10.0%	\$0	\$1,835	\$2,463	\$303,690
22	2039/2040	\$303,690	\$111,655	0.0%	\$0	\$1,872	\$3,586	\$417,058
23	2040/2041	\$417,058	\$111,655	0.0%	\$0	\$7,321	\$4,692	\$526,085
24	2041/2042	\$526,085	\$111,655	0.0%	\$0	\$1,948	\$5,809	\$641,601
25	2042/2043	\$641,601	\$111,655	0.0%	\$0	\$1,987	\$6,964	\$758,234
26	2043/2044	\$758,234	\$122,820	10.0%	\$0	\$103,744	\$7,678	\$784,988
27	2044/2045	\$784,988	\$122,820	0.0%	\$0	\$89,085	\$8,019	\$826,742
28	2045/2046	\$826,742	\$122,820	0.0%	\$0	\$90,866	\$8,427	\$867,124
29	2046/2047	\$867,124	\$122,820	0.0%	\$0	\$112,740	\$8,722	\$885,925
30	2047/2048	\$885,925	\$122,820	0.0%	\$0	\$4,149	\$9,453	\$1,014,050
						\$2,276,553		

Arbor Terrace Community - Rowhomes
Scenario 2 - Optional Funding Path

Table 2: Cash Flow Chart



APPENDIX G



TABLE 3: SHARED COMMON ELEMENTS LIST, (SCENARIO TWO) 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. MH 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, (2018).

Arbor Terrace HOA

Arbor Terrace Community - Rowhomes

Scenario Two - Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	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)														
01	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters		30	2007	11	-4	15	3	28,000	Sq. Ft.	\$20	Y	\$501,700	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 													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.
	<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> <p>Replace Exposed Gypsum @ Eaves: Replace exposed gypsum board eaves to correct staining. Note: Eaves can be addressed most economically at same time that roof is replaced.</p>
	<ul style="list-style-type: none"> 1C - Exterior Wall Assemblies_11 to 20 Year Renewal Schedule 													<p>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 cladding on engaged columns between garage doors with new assemblies that provide positive drainage.</p>
Sub-Section #2: Exterior Cladding Assemblies														
02	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)		50	2013	5	0	45	1	52,000	Sq. Ft.	\$18	N	\$936,000	<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>




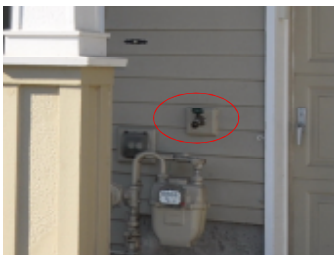
* Quantity of years needed or scheduled to complete the renewal process.

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

Arbor Terrace HOA

Arbor Terrace Community - Rowhomes

Scenario Two - Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	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
03	Exterior Finishes: Paint & Sealant, (Caulking)		10	2013	5	0	5	3	80,000	Sq. Ft.	\$1.95	N	\$156,000	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.
Photo Pending														
Sub-Section #3: Roofing Assemblies														
04	Roofing System, (Asphaltic Roof Shingles)		25	2007	11	-9	5	3	72,500	Sq. Ft.	\$5.50	Y	\$426,660	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) MH 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.
05	Gutters & Downspouts		25	2007	11	-9	5	3	1	EA	\$97,500.00	Y	\$104,330	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														
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)		20	2013	5	-12	3	25	65	EA	\$75	N	\$4,880	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.
Photo Pending														
07	Electrical Outlet		20	2013	5	-12	3	25	130	EA	\$100	N	\$13,000	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.
08	Hose Bib		20	2007	11	-6	3	25	130	EA	\$100	N	\$13,000	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.

Arbor Terrace HOA

Arbor Terrace Community - Rowhomes

Scenario Two - Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	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>														
09	6' Cedar Fence, (Good Neighbor Style)		15	2016	2	0	13	1	1,464	Ln. Ft.	\$41	N	\$60,020	Observed Conditions/Recommended Actions: This component was just replaced in 2016 and appear to be in good condition. 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).
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS														
<u>Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)</u>														
10	Tract A		10	2007	11	3	3	1	1,730	Sq. Ft.	\$0.35	N	\$610	Per the Association's direction, the renewal costs for this component will be addressed through the "All Lots" funding plan. 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) Note: Estimated costs also includes restriping and other painted marking on the surfaces the asphalt.
11	Tract D		10	2007	11	3	3	1	1,794	Sq. Ft.	\$0.35	N	\$630	The Row Homes are responsible for 19% of the renewal costs for this component. The remaining 81% are covered within the Tamarack 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) Note: Estimated costs also includes restriping and other painted marking on the surfaces the asphalt.
<u>Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)</u>														
12	Tract A		30	2007	11	0	19	1	1,730	Sq. Ft.	\$3.00	N	\$5,190	The Row Homes are responsible for 23% of the renewal costs for this component. The remaining 77% are covered within the Tamarack 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.
13	Tract D		30	2007	11	0	19	1	1,794	Sq. Ft.	\$3.00	N	\$5,380	The Row Homes are responsible for 19% of the renewal costs for this component. The remaining 81% are covered within the Tamarack 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.

Arbor Terrace HOA

Arbor Terrace Community - Rowhomes

Scenario Two - Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age as of 2017	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														
Sub-Category #1: Building Envelope Assessments														
14	Building Envelope Condition Assessment - Three Year Review	N/A	3	2013	5	4	4	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	N/A	6	2013	5	0	1	1	1	EA	\$10,000	N	\$10,000	MH 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 H

TABLE 4: DETAILED CASH FLOW, (SCENARIO TWO) ROWHOMES

The “Detailed Cash-Flow” table is generated based on the estimated values established by “Table 3: Shared Common Elements List, (Scenario Two)”, (See Appendix G) 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 - Rowhomes

Scenario 2 - Optional Funding Path

Table 4: Detailed Cash Flow

	Optional Yearly Contribution, (Year One): \$63,960			Monthly Contribution, (Per Unit "Average" For Year One): \$82												
Starting Balance	\$191,000	\$257,190	\$328,190	\$410,152	\$490,294	\$568,725	\$410,483	\$245,548	\$62,209	\$152,913	\$244,494	\$344,244	\$434,849	\$526,329	\$526,050	
Total Expenses inflated at 2% annually	\$0	\$10,200	\$0	\$2,627	\$5,126	\$254,195	\$259,278	\$275,951	\$1,447	\$1,476	\$5,772	\$1,536	\$1,567	\$93,780	\$1,630	
Interest at 1% annually	\$2,230	\$2,841	\$3,602	\$4,408	\$5,197	\$4,800	\$3,192	\$1,459	\$999	\$1,906	\$2,857	\$3,876	\$4,782	\$5,236	\$5,694	
Annual Reserve Contribution	\$63,960	\$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	
Other Contributions Via Special Assessment, (Per the direction of the Association)		\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400	\$14,400				
Ending Balance	\$257,190	\$328,190	\$410,152	\$490,294	\$568,725	\$410,483	\$245,548	\$62,209	\$152,913	\$244,494	\$344,244	\$434,849	\$526,329	\$526,050	\$618,378	
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS																
Sub-Section #1: Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)																
01	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters															
Sub-Section #2: Exterior Cladding Assemblies																
02	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)															
03	Exterior Finishes: Paint & Sealant, (Caulking)															
						\$57,412	\$58,560	\$59,732								
Sub-Section #3: Roofing Assemblies																
04	Roofing System, (Asphaltic Roof Shingles)															
						\$157,022	\$160,163	\$163,366								
05	Gutters & Downspouts															
						\$38,396	\$39,164	\$39,947								
Sub-Section #4: Misc. Exterior Cladding Assemblies																
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)															
				\$207	\$211	\$216	\$220	\$224	\$229	\$233	\$238	\$243	\$248	\$253	\$258	
07	Electrical Outlet															
				\$552	\$563	\$574	\$586	\$597	\$609	\$621	\$634	\$647	\$659	\$673	\$686	
08	Hose Bib															
				\$552	\$563	\$574	\$586	\$597	\$609	\$621	\$634	\$647	\$659	\$673	\$686	
SHARED COMMON ELEMENTS #2: FENCING																
Sub-Category #2: Wood Fencing																
09	6' Cedar Fence, (Good Neighbor Style)															
															\$77,642	
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS																
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																
10	Tract A															
				\$647											\$789	
11	Tract D															
				\$669											\$815	
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															
					\$3,789					\$4,266						
15	Building Envelope Condition Assessment - Six Year Performance Review															
		\$10,200						\$11,487						\$12,936		

Arbor Terrace Community - Rowhomes

Scenario 2 - Optional Funding Path

Table 4: Detailed Cash Flow

	Optional Yearly Contribution, (Year One): \$63,960			Monthly Contribution, (Per Unit "Average" For Year One): \$82												
Starting Balance	\$618,378	\$428,369	\$225,667	\$19,683	\$120,118	\$191,407	\$303,690	\$417,058	\$526,085	\$641,601	\$758,234	\$784,988	\$826,742	\$867,124	\$885,925	
Total Expenses inflated at 2% annually	\$296,722	\$307,461	\$308,709	\$1,764	\$31,766	\$1,835	\$1,872	\$7,321	\$1,948	\$1,987	\$103,744	\$89,085	\$90,866	\$112,740	\$4,149	
Interest at 1% annually	\$5,208	\$3,254	\$1,221	\$696	\$1,550	\$2,463	\$3,586	\$4,692	\$5,809	\$6,964	\$7,678	\$8,019	\$8,427	\$8,722	\$9,453	
Annual Reserve Contribution	\$101,505	\$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	
Other Contributions Via Special Assessment, (Per the direction of the Association)																
Ending Balance	\$428,369	\$225,667	\$19,683	\$120,118	\$191,407	\$303,690	\$417,058	\$526,085	\$641,601	\$758,234	\$784,988	\$826,742	\$867,124	\$885,925	\$1,014,050	
Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Calendar Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS																
Sub-Section #1: Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)																
01	Exterior Wall Assemblies - Total Renewal Costs - Deduct Downspouts and gutters	\$225,074	\$229,576	\$234,167												
Sub-Section #2: Exterior Cladding Assemblies																
02	Exterior Wall Assemblies - Siding & Trim Details, (Replaced in 2013)															
03	Exterior Finishes: Paint & Sealant, (Caulking)	\$69,985	\$71,385	\$72,813							\$85,312	\$87,018	\$88,758			
Sub-Section #3: Roofing Assemblies																
04	Roofing System, (Asphaltic Roof Shingles)															
05	Gutters & Downspouts															
Sub-Section #4: Misc. Exterior Cladding Assemblies																
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$263	\$268	\$273	\$279	\$284	\$290	\$296	\$302	\$308	\$314	\$320	\$327	\$333	\$340	\$347
07	Electrical Outlet	\$700	\$714	\$728	\$743	\$758	\$773	\$788	\$804	\$820	\$836	\$853	\$870	\$888	\$905	\$923
08	Hose Bib	\$700	\$714	\$728	\$743	\$758	\$773	\$788	\$804	\$820	\$836	\$853	\$870	\$888	\$905	\$923
SHARED COMMON ELEMENTS #2: FENCING																
Sub-Category #2: Wood Fencing																
09	6' Cedar Fence, (Good Neighbor Style)														\$104,496	
SHARED COMMON ELEMENTS #3: ASPHALT ROADWAYS																
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																
10	Tract A														\$961.91	
11	Tract D														\$993.45	
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)																
12	Tract A					\$7,561										
13	Tract D					\$7,838										
SHARED COMMON ELEMENTS #4: PROFESSIONAL SERVICES																
Sub-Category #1: Building Envelope Assessments																
14	Building Envelope Condition Assessment - Three Year Review		\$4,805					\$5,411							\$6,094	
15	Building Envelope Condition Assessment - Six Year Performance Review				\$14,568					\$16,406						

APPENDIX I
FIVE YEAR EXPENDITURE OUTLOOK, (SCENARIO TWO)
ROWHOMES

Five Year Outlook Sheet, (Scenario 2)

2018		
-	Nothing Scheduled	-

2019		
15	Building Envelope Condition Assessment - Six Year Performance Review	\$10,200
		\$10,200

2020		
-	Nothing Scheduled	-

2021		
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$207
07	Electrical Outlet	\$552
08	Hose Bib	\$552
10	Tract A	\$647
11	Tract D	\$669
		\$2,627

2022		
06	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$211
07	Electrical Outlet	\$563
08	Hose Bib	\$563
14	Building Envelope Condition Assessment - Three Year Review	\$3,789
		\$5,126

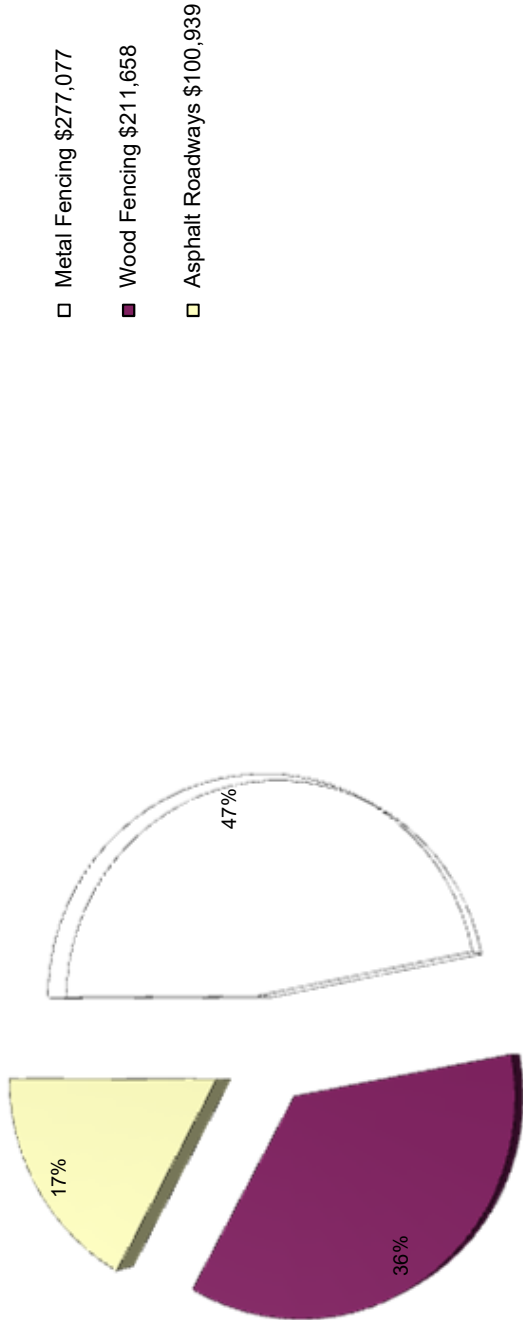
6. FUNDING ALTERNATIVES - TAMARACK SFH

Summary of Data & Results

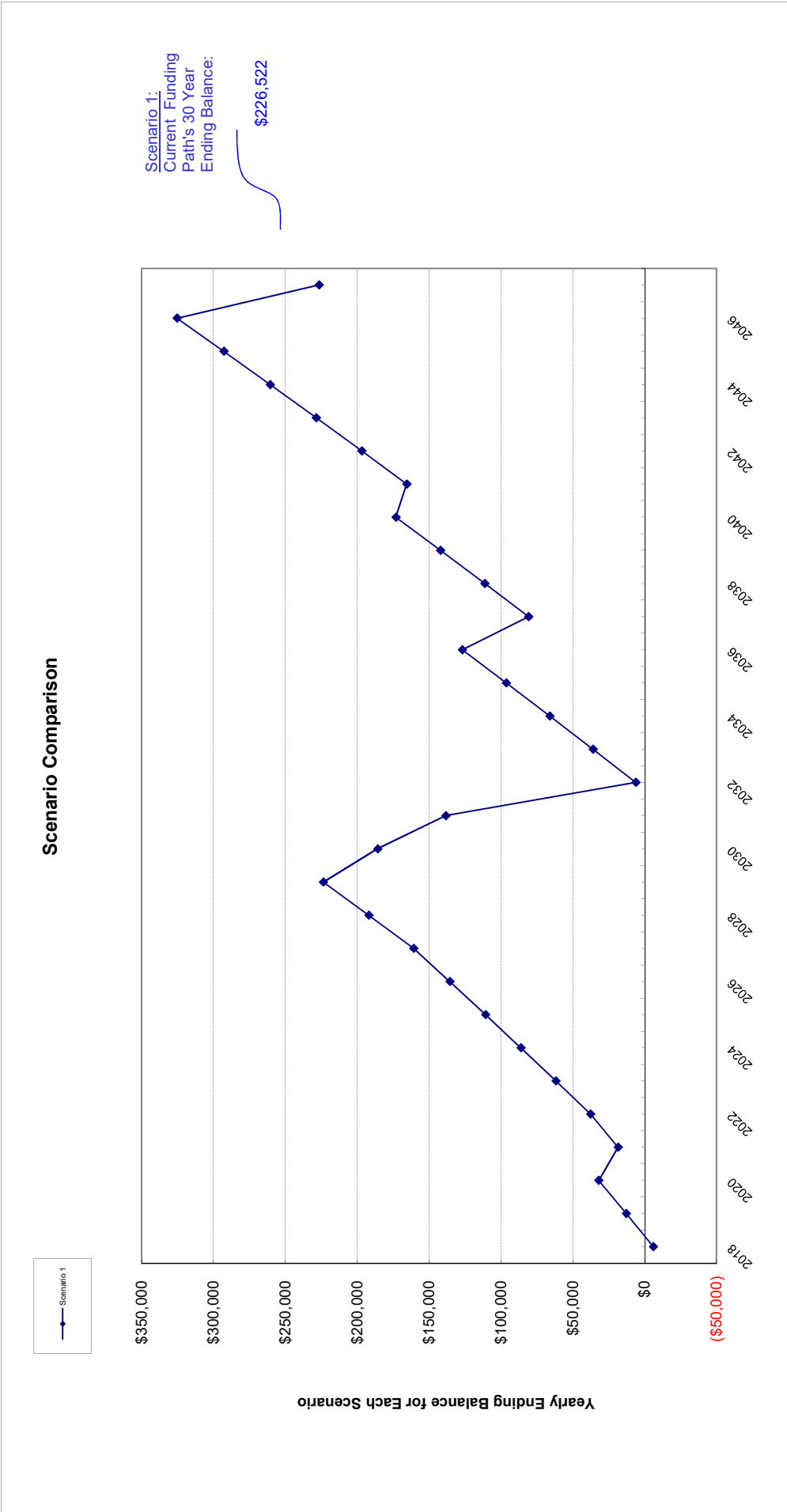
Property Name	Arbor Terrace Community - Tamarack SFH	
Entity Name	Arbor Terrace HOA	
Current Date	June 14, 2018	
Year Built, (Conversion Year)	2007	
Starting Year, (Forecasted Fiscal Year)	2018	
Dollar Year, (Current Fiscal Year)	2018	
Fiscal Year Start Date	July 1, 2018	
Fiscal Year End Date	June 30, 2019	
Assumed Inflation Rate	2.00%	
Earned Interest Rate	1.00%	
Estimated Starting Balance	(\$25,000)	
Number of Units	45	
Approved Funding Plan		
Current Yearly Contribution:	\$	18,900
Monthly Contribution, (Per Unit "Average" For Year One):	\$	35
Lowest Annual Closing Balance	\$	(6,100)
Largest Annual Closing Balance	\$	325,375
30-Year Closing Balance	\$	226,522
Consulting Allowance	7%	

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

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



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



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, (2018/2019 Fiscal Year). The starting account balance within the reserves at year one will be approximately (\$25,000) with an annual contribution of \$18,900, (figures were provided by Ms. Amy Boyle). All rate increases to the reserve’s annual contributions have also been established by the Association’s Board of Directors, (BOD).

Analysis

Apart from year one, (fiscal year 2018/2019) the amount of funds within the reserve’s account will maintain a positive balance for 29 years. 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 of time. This will also be impacted on how well they maintain and care for their shared common elements.

The chart below shows the three 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 – 2033	Metal & Wood Fence Renewals	\$305K
2037/2038	Asphalt Re-Top	\$80K
2047/2048	Wood Fence Renewal	\$120K

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

With the exception of the negative balance of (\$6,100) at year one, 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. With no expenditures scheduled to be drawn against the reserve account for the first three years of this funding plan, which will allow the Association to build up it’s reserves in time to address all other future expenditures, MH can recommend this funding plan.

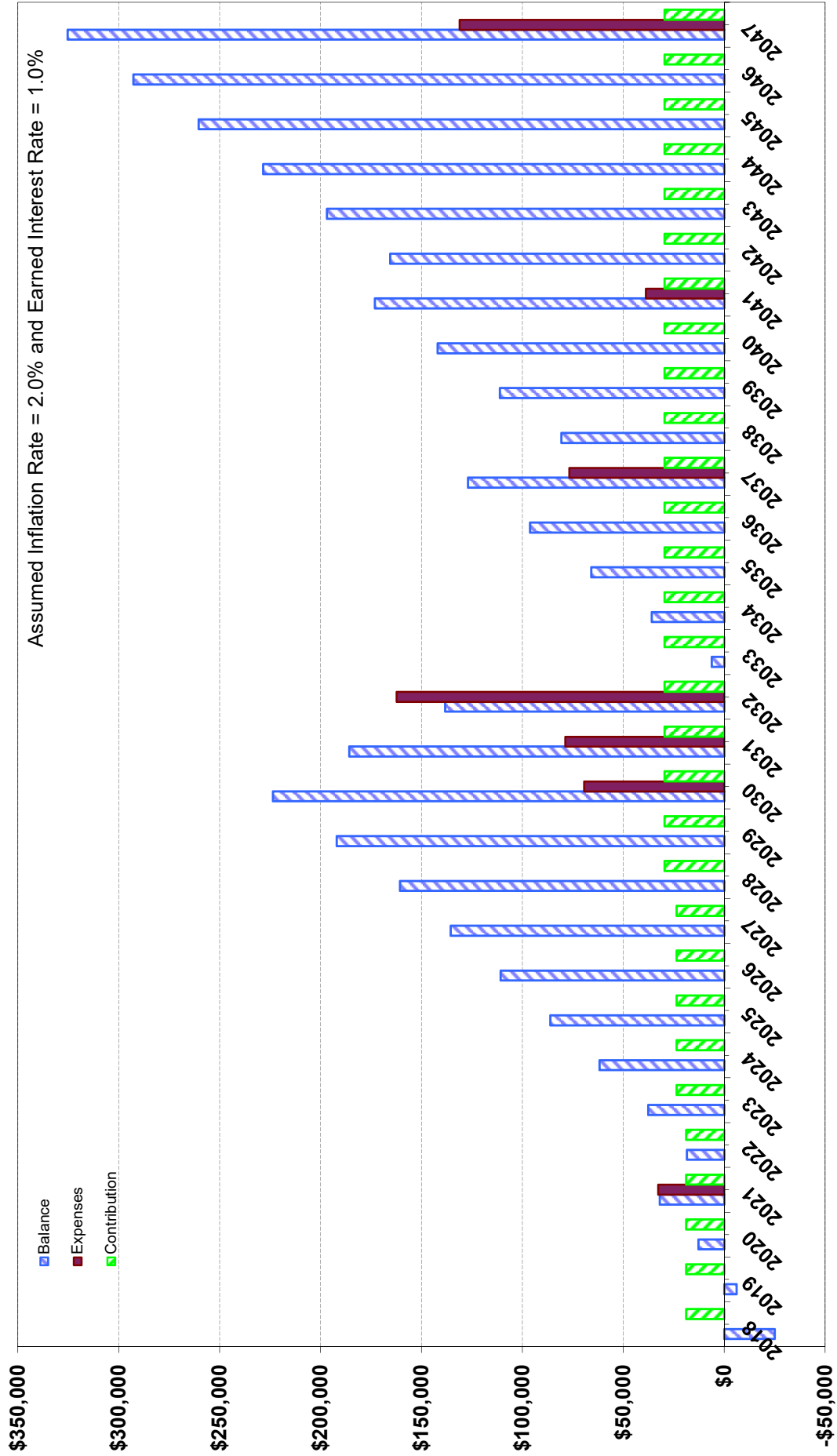
Annual contributions within this funding plan have been aligned with the list of shared common elements shown in Appendix J, Table 3, (assuming the expenditure is scheduled to be replaced by June 30, 2048). The ensuing two graphics, (Table 1 & Table 2) illustrate what the Association should anticipate 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 K, Table 4.

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

Current Yearly Contribution: \$18,900
Monthly Contribution, (Per Unit "Average" For Year One): \$35
Assumed Interest Rate 1.00%
Assumed Inflation Rate 2.00%
Reserve's Starting Balance as of July 1, 2018 (\$25,000)
Reserve's Minimum Annual Ending Balance Within 30 Year Scope (\$6,100)

#	Year	Annual Opening Balance	Annual Contribution	Annual Rate Increase	Other Contributions	Estimated Annual Expenditures	Projected Earned Interest	Annual Closing Balance
1	2018/2019	(\$25,000)	\$18,900	40.0%	\$0	\$0	\$0	(\$6,100)
2	2019/2020	(\$6,100)	\$18,900	0.0%	\$0	\$0	\$34	\$12,834
3	2020/2021	\$12,834	\$18,900	0.0%	\$0	\$0	\$223	\$31,956
4	2021/2022	\$31,956	\$18,900	0.0%	\$0	\$32,632	\$251	\$18,475
5	2022/2023	\$18,475	\$18,900	0.0%	\$0	\$0	\$279	\$37,654
6	2023/2024	\$37,654	\$23,625	25.0%	\$0	\$0	\$495	\$61,774
7	2024/2025	\$61,774	\$23,625	0.0%	\$0	\$0	\$736	\$86,135
8	2025/2026	\$86,135	\$23,625	0.0%	\$0	\$0	\$979	\$110,739
9	2026/2027	\$110,739	\$23,625	0.0%	\$0	\$0	\$1,226	\$135,590
10	2027/2028	\$135,590	\$23,625	0.0%	\$0	\$0	\$1,474	\$160,689
11	2028/2029	\$160,689	\$29,531	25.0%	\$0	\$0	\$1,755	\$191,975
12	2029/2030	\$191,975	\$29,531	0.0%	\$0	\$0	\$2,067	\$223,573
13	2030/2031	\$223,573	\$29,531	0.0%	\$0	\$69,331	\$2,037	\$185,811
14	2031/2032	\$185,811	\$29,531	0.0%	\$0	\$78,673	\$1,612	\$138,282
15	2032/2033	\$138,282	\$29,531	0.0%	\$0	\$162,357	\$719	\$6,174
16	2033/2034	\$6,174	\$29,531	0.0%	\$0	\$0	\$209	\$35,915
17	2034/2035	\$35,915	\$29,531	0.0%	\$0	\$0	\$507	\$65,953
18	2035/2036	\$65,953	\$29,531	0.0%	\$0	\$0	\$807	\$96,291
19	2036/2037	\$96,291	\$29,531	0.0%	\$0	\$0	\$1,111	\$126,933
20	2037/2038	\$126,933	\$29,531	0.0%	\$0	\$76,759	\$1,033	\$80,738
21	2038/2039	\$80,738	\$29,531	0.0%	\$0	\$0	\$955	\$111,224
22	2039/2040	\$111,224	\$29,531	0.0%	\$0	\$0	\$1,260	\$142,016
23	2040/2041	\$142,016	\$29,531	0.0%	\$0	\$0	\$1,568	\$173,115
24	2041/2042	\$173,115	\$29,531	0.0%	\$0	\$38,792	\$1,685	\$165,539
25	2042/2043	\$165,539	\$29,531	0.0%	\$0	\$0	\$1,803	\$196,873
26	2043/2044	\$196,873	\$29,531	0.0%	\$0	\$0	\$2,116	\$228,521
27	2044/2045	\$228,521	\$29,531	0.0%	\$0	\$0	\$2,433	\$260,485
28	2045/2046	\$260,485	\$29,531	0.0%	\$0	\$0	\$2,753	\$292,769
29	2046/2047	\$292,769	\$29,531	0.0%	\$0	\$0	\$3,075	\$325,375
30	2047/2048	\$325,375	\$29,531	0.0%	\$0	\$131,130	\$2,746	\$226,522
						\$589,674		

**Arbor Terrace Community - Tamarack SFH
Approved Funding Plan
Table 2: Cash Flow Chart**



APPENDIX J


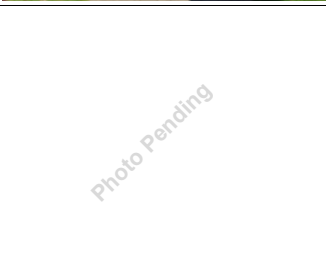
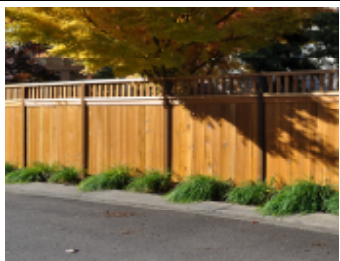
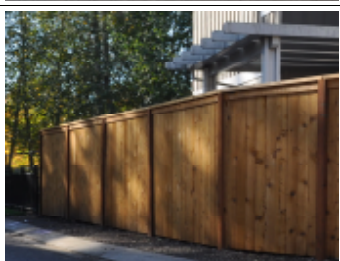
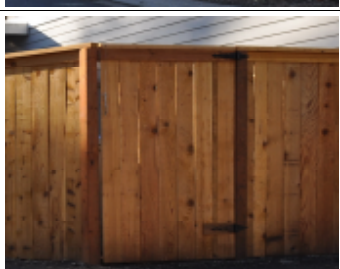
TABLE 3: SHARED COMMON ELEMENTS LIST – TAMARACK SFH

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. MH 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, (2018).

Arbor Terrace HOA

Arbor Terrace Community - Tamarack SFH

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

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 Costs	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #1: FENCING														
Sub-Category #1: Metal Fencing														
01	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)		10	2013	5	-2	3	1	3,280	Ln. Ft.	\$7.50	N	\$24,600	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.
02	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)		25	2007	11	-2	12	3	3,280	Ln. Ft.	\$50	N	\$164,000	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														
03	6' Cedar Fence w/12" Vertical Lattice Top		15	2017	1	0	14	1	683	Ln. Ft.	\$41.50	N	\$28,340	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)
04	6' Cedar Fence w/Top Cap Privacy)		15	2017	1	0	14	1	767	Ln. Ft.	\$39.00	N	\$29,910	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)
05	Cedar Fencing Gates		15	2017	1	0	14	1	45	EA	\$225.00	N	\$10,130	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)

* 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.

Arbor Terrace HOA

Arbor Terrace Community - Tamarack SFH

Table 3: Shared Common Elements List - Replacement Cost Estimates Are Based On Current Year Dollars, (2018)

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 Costs	Add 3rd Party Consultant Fee (Y/N)	Current Estimated Replacement Costs **	Comments/Recommendations
SHARED COMMON ELEMENTS #2: ASPHALT ROADWAYS														
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)														
06	Tract "A"	Photo Pending	10	2007	11	3	3	1	5,790	Sq. Ft.	\$0.35	N	\$2,030	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)
07	Tract "C"	Photo Pending	10	2007	11	3	3	1	4,125	Sq. Ft.	\$0.35	N	\$1,440	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)
08	Tract "D"	Photo Pending	10	2007	11	3	3	1	7,646	Sq. Ft.	\$0.35	N	\$2,680	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)														
09	Tract "A"	Photo Pending	30	2007	11	0	19	1	5,790	Sq. Ft.	\$3.00	N	\$17,370	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	11	0	19	1	4,125	Sq. Ft.	\$3.00	N	\$12,380	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	11	0	19	1	7,646	Sq. Ft.	\$3.00	N	\$22,940	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 K
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

	Current Yearly Contribution: \$18,900		Monthly Contribution, (Per Unit "Average" For Year One): \$35														
Starting Balance	(\$25,000)	(\$6,100)	\$12,834	\$31,956	\$18,475	\$37,654	\$61,774	\$86,135	\$110,739	\$135,590	\$160,689	\$191,975	\$223,573	\$185,811	\$138,282		
Total Expenses inflated at 2% annually	\$0	\$0	\$0	\$32,632	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,331	\$78,673	\$162,357		
Interest at 1% annually	\$0	\$34	\$223	\$251	\$279	\$495	\$736	\$979	\$1,226	\$1,474	\$1,755	\$2,067	\$2,037	\$1,612	\$719		
Annual Reserve Contribution	\$18,900	\$18,900	\$18,900	\$18,900	\$18,900	\$23,625	\$23,625	\$23,625	\$23,625	\$23,625	\$29,531	\$29,531	\$29,531	\$29,531	\$29,531		
Other Contribution																	
Ending Balance	(\$6,100)	\$12,834	\$31,956	\$18,475	\$37,654	\$61,774	\$86,135	\$110,739	\$135,590	\$160,689	\$191,975	\$223,573	\$185,811	\$138,282	\$6,174		
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
Calendar Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
SHARED COMMON ELEMENTS #1: FENCING																	
Sub-Category #1: Metal Fencing																	
01	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)			\$26,106													
02	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)			\$69,331												\$70,717	\$72,132
Sub-Category #2: Wood Fencing																	
03	6' Cedar Fence w/12" Vertical Lattice Top															\$37,394	
04	6' Cedar Fence w/Top Cap Privacy)															\$39,466	
05	Cedar Fencing Gates															\$13,366	
SHARED COMMON ELEMENTS #2: ASPHALT ROADWAYS																	
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																	
06	Tract "A"			\$2,154												\$2,626	
07	Tract "C"			\$1,528												\$1,863	
08	Tract "D"			\$2,844												\$3,467	
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)																	
09	Tract "A"																
10	Tract "C"																
11	Tract "D"																

Arbor Terrace Community - Tamarack SFH

Approved Funding Plan

Table 4: Detailed Cash Flow

	Current Yearly Contribution: \$18,900				Monthly Contribution, (Per Unit "Average" For Year One): \$35											
Starting Balance	\$6,174	\$35,915	\$65,953	\$96,291	\$126,933	\$80,738	\$111,224	\$142,016	\$173,115	\$165,539	\$196,873	\$228,521	\$260,485	\$292,769	\$325,375	
Total Expenses inflated at 2% annually	\$0	\$0	\$0	\$0	\$76,759	\$0	\$0	\$0	\$38,792	\$0	\$0	\$0	\$0	\$0	\$131,130	
Interest at 1% annually	\$209	\$507	\$807	\$1,111	\$1,033	\$955	\$1,260	\$1,568	\$1,685	\$1,803	\$2,116	\$2,433	\$2,753	\$3,075	\$2,746	
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	\$35,915	\$65,953	\$96,291	\$126,933	\$80,738	\$111,224	\$142,016	\$173,115	\$165,539	\$196,873	\$228,521	\$260,485	\$292,769	\$325,375	\$226,522	
Fiscal Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
Calendar Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	
SHARED COMMON ELEMENTS #1: FENCING																
Sub-Category #1: Metal Fencing																
01	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)									\$38,792						
02	42" Metal Fencing & Gates @ Front Elev. - Replacement, (Renewal Task)															
Sub-Category #2: Wood Fencing																
03	6' Cedar Fence w/12" Vertical Lattice Top															
04	6' Cedar Fence w/Top Cap Privacy)															
05	Cedar Fencing Gates															
SHARED COMMON ELEMENTS #2: ASPHALT ROADWAYS																
Sub-Section #1: Asphalt Roadways - Slurry Seal, (Maintenance Task)																
06	Tract "A"															
07	Tract "C"															
08	Tract "D"															
Sub-Section #2: Asphalt Roadways - Re-Top Application, (Renewal Task)																
09	Tract "A"				\$25,305											
10	Tract "C"				\$18,035											
11	Tract "D"				\$33,419											

APPENDIX L
FIVE YEAR EXPENDITURE OUTLOOK – TAMARACK SFH

2018		
-	Nothing Scheduled	-

2019		
-	Nothing Scheduled	-

2020		
-	Nothing Scheduled	-

2021		
01	42" Metal Fencing & Gates @ Front Elev. - Refinishing, (Maintenance Task)	\$26,106
06	Tract "A"	\$2,154
07	Tract "C"	\$1,528
08	Tract "D"	\$2,844
		\$32,632

2022		
-	Nothing Scheduled	-

7. SUMMARY

Morrison Hershfield 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 M 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, 2018 to June 30, 2019

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. MH 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,
Morrison Hershfield Corporation

Bryan M. Costa, PE
Principal, Senior Building Science Consultant
U.S. Building Consultation
BCosta@morrisonhershfield.com

APPENDIX M
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, MH should be notified in order that we may determine if modifications to our conclusions are necessary.

In issuing this report, MH 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 MH 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.