



MORRISON HERSHFIELD



Arbor Terrace Community 2013/2014 Reserve Study



Presented to:

Arbor Terrace Homeowners Association
Sherwood, Oregon

Project No. P130099.00

May 29, 2013

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1. SCOPE OF SERVICES AND BACKGROUND DOCUMENTATION

Morrison Hershfield (MH) was retained to conduct a Reserve Study, (RS) of the shared common elements for the Arbor Terraces' Homeowners Association, (ATHOA) for their 2013/2014 fiscal year. The objective of this RS is to provide a realistic assessment of the monetary reserves required to undertake major repairs or replacement of the shared common elements as dictated by their estimated life spans. This RS is designed to be in general conformance with "Oregon Revised Statute 100.175" and the ATHOA's governing documents. The work undertaken by MH was in general conformance to our proposal dated April 15, 2013, issued and signed by Amanda McMillen, Board Chairperson on behalf of the Association. As per the direction of the signed agreement, MH performed a physical analysis of the shared common elements in terms of their existing condition and their remaining serviceable life.

It is our understanding that the ATHOA is comprised of three separate entities. They include:

- **Tamarack Single Family Homes, (SFH)**, Total: 45 – SFH that have metal railings installed at their front elevations. See RS sections related to the Tamarack SFH for clarification of these and other potentially shared components.
- **Row Homes, (Townhomes)**, Total: 65 Units – RS covers only the shared common elements that belong to the owners living within the multifamily townhouse units.
- **All Lots, (Includes the Tamarack SFH & Townhouse Units)**, Total: 160 – Covers shared common elements for all residential dwellings, (both SFH & Multi-Family) within the ATHOA that have not already been accounted for within the Tamarack and Row Homes section of this study.

The following information, documentation and communication were used to assist in completing the RS:

- General & Financial Information – Provided by Ms. Amy Boyle, ATHOA
- MH Drawings & Specs used during the 2013 Row Homes Rehab Project
- Communication w/Charter Construction – Intel related to the 2013 Rehab
- Communication w/John Duncan, MH – Info related to the 2013 Rehab
- 2008/2009 Fiscal Year's RS – Completed by HOA Services Group, LLC
- Field Work & Quantity Take-Offs – Performed by Caleb VanderMolen, MH
- ATHOA Governing Documents – Provided by Ms. Amy Boyle, ATHOA

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 900, consisting primarily of design and engineering professionals. The following personnel from our Portland Oregon office were assigned to complete your RS.

- Caleb VanderMolen – Project Manager / Building Science Consultant
- John Duncan – Architect

3. COMMUNITY HISTORY

Arbor Terrace is a planned community consisting of 95 Single Family Homes, (SFH) and 17 multi-plex buildings containing 65 residential townhouse units known as Rowhomes. All buildings/homes are two-story, wood-framed structures supported on concrete foundations over crawl spaces. Each residential unit/home appears to have a patio, (rear elevation) and porch, (front elevation) composed of concrete flatwork placed on grade. In addition, each residential unit/home has an attached garage with a poured concrete driveway that leads to the garage positioned at the front elevation.

All buildings/homes are clad with fiber cement lap siding, fiber cement paneling and white wood trims. The windows and sliding glass doors consist of vinyl-framed, flange mounted units. The window types include fixed units and units with horizontal sliding and single-hung operable sashes. Wood-framed swing doors provide access to the front entries of the residential units, the sliding glass doors provide access to the patios, and overhead doors provide car access into the garages.

The roofs and canopies throughout the complex are steep pitched and are clad with composite asphalt-shingled roofing. The roofs and canopies drain into gutters and down rainwater leaders. The roof structures are constructed over pre-fabricated wood truss framing. The attics contained within the truss framing are vented under the eaves and just below the ridge through individual roof vents.

In 2010 the ATHOA acquired Morrison Hershfield's services to investigate areas of their Rowhome buildings that were experiencing water intrusion problems. A building envelope condition assessment was conducted that identified construction defects as a result of improperly constructed waterproofing and flashing assemblies that lead to water damage to the underlying wall assemblies. Upon reviewing the assessment summary completed by MH, the Association decided to pursue legal action against their developer for the identified deficiencies. In early 2011 the Association obtained a settlement from their developer for the construction defect claim.

Later that same year, the Association again retained the consulting services of MH to put together a targeted repair scope and design package to rehabilitate their exterior wall assemblies of the Rowhomes affected by the initial construction deficiencies. A summary of areas repaired during the 2012/2013 rehabilitation project has been attached in Appendix G.

4. FINANCIAL DATA

The financial data provided within this RS will enable the Association to plan long term, (30 years) as opposed to only next year's replacement needs. There are several different funding methods typically used by HOA's when planning for their reserves. Below is a list of the most commonly used strategies, along with a brief description:

- **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 \$5000 replacement cost, it should have \$1500 set aside for its replacement after three years, ($\$5000 \div 10 \text{ years} = \$500 \text{ per year} \times 3 \text{ years} = \1500). In this example, \$1500 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. The minimum reserve cash balance in threshold funding; however, is set at predetermined dollar amount.

We suggest a "Baseline Funding" method so that sufficient reserves are maintained to ensure a positive closing balance each for the duration of this study.

When calculating the reserve's cash-flow plan, we have used the following information provided by the ATHOA:

- Fiscal Year Duration: July 1, 2013 to June 30, 2014.
- Estimated Reserve's Account Balances as of June 30, 2013
 - Tamarack SFH: - \$3,000
 - Row Homes: \$22,119
 - All Lots: \$73,467
- Current Annual Contributions to the Reserve Accounts:
 - Tamarack SFH: \$3,240
 - Row Homes: \$21,052
 - All Lots: \$13,939
- Annual "Earned Interest Rate", (EIR): The assumed annual EIR that will be applied to each entity's reserve account balances will be set at 1% (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 reserve accounts.

- Inflation Rate, (IR): An estimated annual increase of 2% (percent) will be applied to each entity’s previous year’s reserve contribution, (*see each Scenario in the sections that follow for further clarification for the applied increase to the annual contribution*). The increase will cover the assumed “Inflation Rate” of 2% (percent) used for the 30 year period of this study. The inflation rate in the United States during the month of February 2013 was recorded at 2% (percent) as per the U.S. Bureau of Labor Statistics.

Funding Scenario One – HOA’s Current Path

This scenario is based on the ATHOA’s current funding path for their reserves, and is based on the beginning account balances and current contributions mentioned above for each of the three entities that make up their community. As previously stated, per the direction of the Association, MH has assumed a 2% (percent) annual increase to each entity’s reserve contributions for the 30 year duration of this study in order to keep pace with the estimated “Inflation Rate”. In addition, we used an EIR of 1% to be applied annually to each of the reserve accounts remaining balances. Annual contributions within this scenario have been aligned with the expenditures shown in each entity’s subsection under Appendix B, Table 1: “Anticipated Cost Summary”, (assuming the expenditure is scheduled to be replaced before June 30, 2043).

The following chart breaks down how each entity is expected to perform if the Association continues to follow their current funding path:

Entity	Largest Deficit	Renewal Year	Description
Tamarack	\$275K	2035	Refinishing Metal Fencing @ Front Elevations
Rowhomes	\$1.1M	2043	Final Year of 30 Year RS Scope – Paint & Sealant
All Lots	\$170K	2043	Final Year of 30 Year RS Scope – Misc. Renewal Tasks

MH does not recommend this funding scenario for any of the three entities, because it will not provide the amount of funding within the reserves to cover all anticipated renewal costs of the reviewed shared common elements, and is expected to subject the Association to financial hardship.

Scenario One’s resulting cash flow analysis is depicted in the three graphics that are located within Appendix C, for each entity’s subsection. Each of these graphics will illustrate what the Association should anticipate over the next 30 years in terms of their available reserve funds.

Funding Scenario Two – MH’s Recommended Path

As a result of the account balance deficiencies to the reserves, outlined in “Scenario One”, the current yearly contributions for each of the three entities will not cover the anticipated expenditures per this RS, and will require the Association increase the annual contributions dramatically in order to bridge this gap. The following chart shows how the increases to annual contributions will affect each of the three entities at year one:

Entity	Current Annual Contributions	Recommended Annual Contributions*	Percentage Increase Over Previous Year
Tamarack	\$3,240	\$12,571	Approx. 290%
Rowhomes	\$21,052	\$68,466	Approx. 225%
All Lots	\$13,939	\$29,809	Approx. 115%

* Recommended Annual Contributions shown are for the initial fiscal year of this RS, (2013/2014)

In order to achieve this, the Association will have to increase the contributions across the board for each dwelling. This initial increase at year one, (2013/2014) will move each entity’s reserve funding paths to be in line with this RS’s preset rate increase of 2% starting at year two, (2014/2015), and will continue to rise at this rate each year that follows in order to keep pace with the assumed inflation rate and allow for all future expenditures to be fully funded. The results of this “Baseline Funding” approach will allow each of the reserve accounts to function as designed, by keeping the reserve’s account balance at an amount greater than \$0 at the end of each fiscal year. MH can recommend this funding scenario because it provides the amount of available reserves necessary to cover all of the future anticipated repairs and/or replacement costs for each of the three entities.

Similar to “Scenario One”, MH has assumed an EIR of 1% to be applied annually to the reserves’ account balances. Furthermore, annual contributions within this scenario have been aligned with the expenditures shown in Appendix B, Table 1: “Anticipated Cost Summary” under each entity’s subsection, (assuming the expenditure is scheduled to be replaced before June 30, 2043). Finally, the resulting cash flow analysis is depicted in the three graphics, (per Entity) that are located within Appendix D, for each entity’s sub-section. Each of these graphics will illustrate what the Association should anticipate over the next 30 years in terms of their available reserve funds.

Funding Scenario Three – HOA’s Requested Path

As a result of Scenario One’s account balance deficiencies and because of the steep increases to the annual contributions set by Scenario Two’s funding path that would be too demanding to place on the owners, the Association has requested a third scenario be prepared as part of this RS. In order to bridge the deficit gap created by the current funding path, as well as an attempt to minimize the financial impact to each owner, the Board of Directors met with Caleb VanderMolen on May 22, 2013 to discuss a reasonable funding path that would stretch out the necessary increases to the reserves over a longer period of time. This third option would also have to maintain a positive account balance throughout the entire 30 year period of this RS. The following chart will demonstrate how this steady growth approach to the reserve’s annual contribution has met each of these goals and the fiscal year that each Entity fell in line with the established IR of 2%:

Entity	Current Annual Contributions	HOA’s Requested Annual Contributions*	% Increase Over Previous Year	Fiscal Year, 2% IR
Tamarack	\$3,240	\$8,407	Approx. 150%	2015/2016
Rowhomes	\$21,052	\$28,420	Approx. 35%	2024/2025
All Lots	\$13,939	\$19,200	Approx. 38.5%	2034/2035

* Recommended Annual Contributions shown are for the initial fiscal year of this RS, (2013/2014)

Each Entity’s account balance for their reserves maintains a Baseline Funding amount greater than \$0 for the 30 year duration of this RS, allowing MH to recommend this funding scenario as an appropriate method when budgeting for future renewal expenditures for the ATHOA’s shared common elements.

Similar to both “Scenario One” and “Scenario Two”, MH has assumed an EIR of 1% to be applied annually to the reserves’ account balances. Furthermore, annual contributions within this scenario have been aligned with the expenditures shown in Appendix B, “Table 1: Anticipated Cost Summary” under each entity’s subsection, (assuming the expenditure is scheduled to be replaced before June 30, 2043). Finally, the resulting cash flow analysis is depicted in the three graphics, (per Entity) that are located within Appendix E, for each entity’s section. Each of these graphics will illustrate what the Association should anticipate over the next 30 years in terms of their available reserve funds.

5. TABLES & GRAPHICS

Table 1: Anticipated Cost Summary – Appendix B

The Anticipated Cost Summary 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 will have 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 typical 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.

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 opinions 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 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. 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.

Table 2: Detailed Cash-Flow Plan – Appendices C, D & E

Scenarios One, Two and Three's Detailed Cash-Flow Plans are generated based Table 1: Anticipated Cost Summary, and are designed to anticipate the cash-flow for each year, for each entity over the 30 year period of this study.

Table 3: Cash Flow Tables – Appendices C, D & E

Table 3 provides a snapshot of the key financial data for each year for each of the ATHOA's three entities. Information includes yearly totals for expenditures and contributions, annual rate increases, and beginning and closing balances. In short Table 3: Cash Flow Table 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 4 “Cash Flow Chart” – Appendices C, D & E

Table Four provides a visual representation of the annual reserve balance, expenses and contributions for each scenario throughout the 30 year life of this study.

6. SUMMARY

Morrison Hershfield has reviewed and assessed the reserve requirements for the ATHOA in accordance with the Scope of Services indicated in our proposal and the Limitations outlined in Appendix F of this report.

The following table summarizes the results of the study:

Entity	Total Estimated Future Expenditures - Inflated	HOA's "Current" Yearly Contributions	MH's "Recommended" Yearly Contributions*	HOA's "Requested" Yearly Contributions*
Tamarack	\$370K	\$3,240	\$12,571	\$8,407
Rowhomes	\$2M	\$21,052	\$68,466	\$28,420
All Lots	\$825K	\$13,939	\$29,809	\$19,200

* Yearly Contributions shown are for the initial fiscal year of this RS, (2013/2014)

The recommended funding paths outlined in Scenario Two and Scenario Three will allow the Association's reserve account to stay above \$0 for the entire 30 year period of this study given the anticipated future expenditures. Our calculations of the accumulated funds within each entity's reserve account included the interest earned per the estimated rates listed above.

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 rates and inflation rates that affect our economy. As such, regular updates to this RS, including visual reviews of the shared common elements are necessary to re-assess the needs of the Association. MH also suggests that the Association review state laws, their HOA's general policies, as well as their community's goals and objectives in relationship to their investment decisions. MH highly recommends that the Association utilize the services of a financial planner who can implement an investment strategy to maximize the rate of return on their accumulated reserve funds, putting them 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. We recommend you review this RS with your accountant and your attorney to ensure it meets the needs of the Association.

Sincerely,
Morrison Hershfield

Caleb VanderMolen
Project Manager / Building Science Consultant

7. SUBSECTION 1: TAMARACK SFH FINANCIAL TABLES & GRAPHICS

APPENDIX A

SUMMARY OF DATA AND RESULTS



Summary of Data & Results - FINAL

Class of Reserve Fund Study	Baseline Funding
Property Name	Arbor Terrace Community - Tamarack SFH
Entity Name	Arbor Terrace HOA
Current Date	May 29, 2013
Year Building Constructed	2007
Starting Year (Current Fiscal Year)	2014
Dollar Year	2014
Fiscal Year Start	July 1, 2013
Fiscal Year End	June 30, 2013
Inflation Rate	2.00%
Interest Rate	1.00%
Estimated Starting Balance	(\$3,000)
Number of Units	45

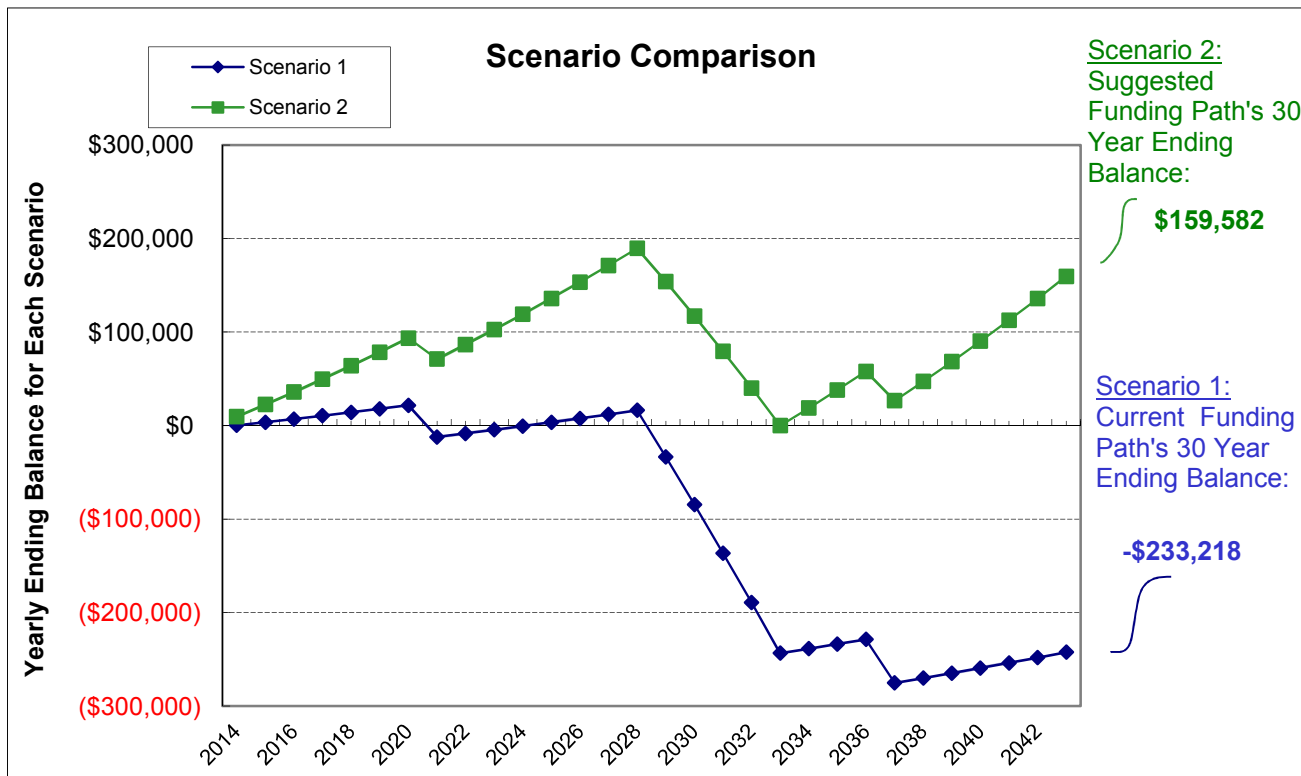
Scenario 1 (Based on Current Contributions)

Yearly Contribution -	\$	3,240
Monthly Contribution Per Unit -	\$	6
Minimum Balance	\$	(275,184)
Maximum Balance	\$	21,725
30-year study closing balance	\$	(242,310)

Scenario 2 (Based on MH's Suggested Funding Path)

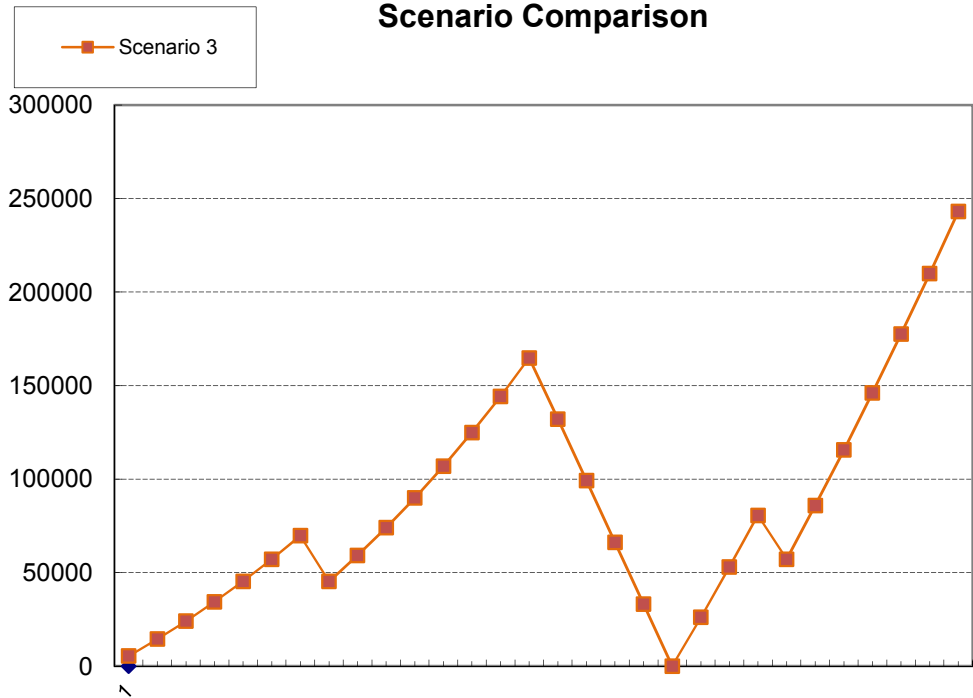
Yearly Contribution, (Year One)	\$	12,571
Monthly Contribution Per Unit, (Year One)	\$	23
Minimum Balance	\$	0
Maximum Balance	\$	189,553
30-year study closing balance	\$	159,582

Arbor Terrace Community - Tamarack SFH



Arbor Terrace Community

Scenario Comparison



Scenario 3:
Suggested
Funding Path's 30
Year Ending
Balance:

\$243,087

APPENDIX B

TABLE 1: ANTICIPATED COST SUMMARY

Arbor Terrace HOA
 Arbor Terrace Community - Tamarack SFH



Table 1: Anticipated Cost Summary

Item #	Item Description	Elevated Maintenance Item, (Y/N)	Normal Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Life Expectancy	Years Over Which Work is Phased	Quantity	Units of Measure	Unit Cost	Add Consultant Fee (Y/N)	Allowance for Consulting Fee	Current Replacement Costs	MH Comments/Recommendations
SHARED COMMON ELEMENTS #3: FENCING														
<u>Metallic Fencing System</u>														
32	42" Tall Metallic Fence @ Front Elev. Of SFH	Y	30	2007	7	-8	5	3,277	Ln. Ft.	\$60.00	Y	\$5,000	\$201,620	This component is shared by the whole community. Renewal costs include replacement of concrete footings if necessary.
33	Refinishing, (Product Pending)	Y	8	2007	7	6	1	3,277	Ln. Ft.	\$10.00	N	\$0	\$32,770	This component is shared by the whole community. Check manufacture's recommendation for refinishing fence

APPENDIX C

FUNDING SCENARIO ONE

Arbor Terrace HOA

Arbor Terrace Community - Tamarack SFH

Table 2: Detailed Cash-Flow Plan

Scenario 1 - Current Funding Path - FINAL - May 29, 2013



	Current Yearly Contribution	\$3,240	Current Monthly Contribution Per Unit												\$6																																
Starting Balance	(\$3,000)	\$240	\$3,564	\$6,987	\$10,512	\$14,142	\$17,879	\$21,725	(\$12,148)	(\$8,352)	(\$4,480)	(\$531)	\$3,513	\$7,677	\$11,966	\$16,383	(\$33,528)	(\$84,436)	(\$136,362)	(\$189,328)	(\$243,352)	(\$298,537)	(\$353,627)	(\$408,618)	(\$475,184)	(\$542,972)	(\$610,657)	(\$678,235)	(\$745,704)	(\$813,064)	(\$880,004)																
Total Expenses inflated at 2% annually	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,271	\$55,356	\$56,463	\$57,593	\$58,744	\$0	\$0	\$51,675	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0															
Interest at 1% annually	\$0	\$19	\$52	\$87	\$123	\$169	\$197	\$48	\$0	\$0	\$0	\$15	\$56	\$98	\$141	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0															
Annual Reserve Contribution	\$3,240	\$3,305	\$3,371	\$3,438	\$3,507	\$3,577	\$3,649	\$3,722	\$3,796	\$3,872	\$3,950	\$4,029	\$4,109	\$4,191	\$4,275	\$4,361	\$4,448	\$4,537	\$4,628	\$4,720	\$4,814	\$4,911	\$5,009	\$5,109	\$5,211	\$5,316	\$5,422	\$5,530	\$5,641	\$5,754																	
Other Contribution																																															
Ending Balance	\$240	\$3,564	\$6,987	\$10,512	\$14,142	\$17,879	\$21,725	(\$12,148)	(\$8,352)	(\$4,480)	(\$531)	\$3,513	\$7,677	\$11,966	\$16,383	(\$33,528)	(\$84,436)	(\$136,362)	(\$189,328)	(\$243,352)	(\$298,537)	(\$353,627)	(\$408,618)	(\$475,184)	(\$542,972)	(\$610,657)	(\$678,235)	(\$745,704)	(\$813,064)	(\$880,004)	(\$947,216)																
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30																	
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043																	
SHARED COMMON ELEMENTS #3: FENCING																																															
<u>Metallic Fencing System</u>																																															
32	42" Tall Metallic Fence @ Front Elev. Of SFH															\$54,271	\$55,356	\$56,463	\$57,593	\$58,744																											
33	Refinishing, (Product Pending)															\$37,642																\$51,675															

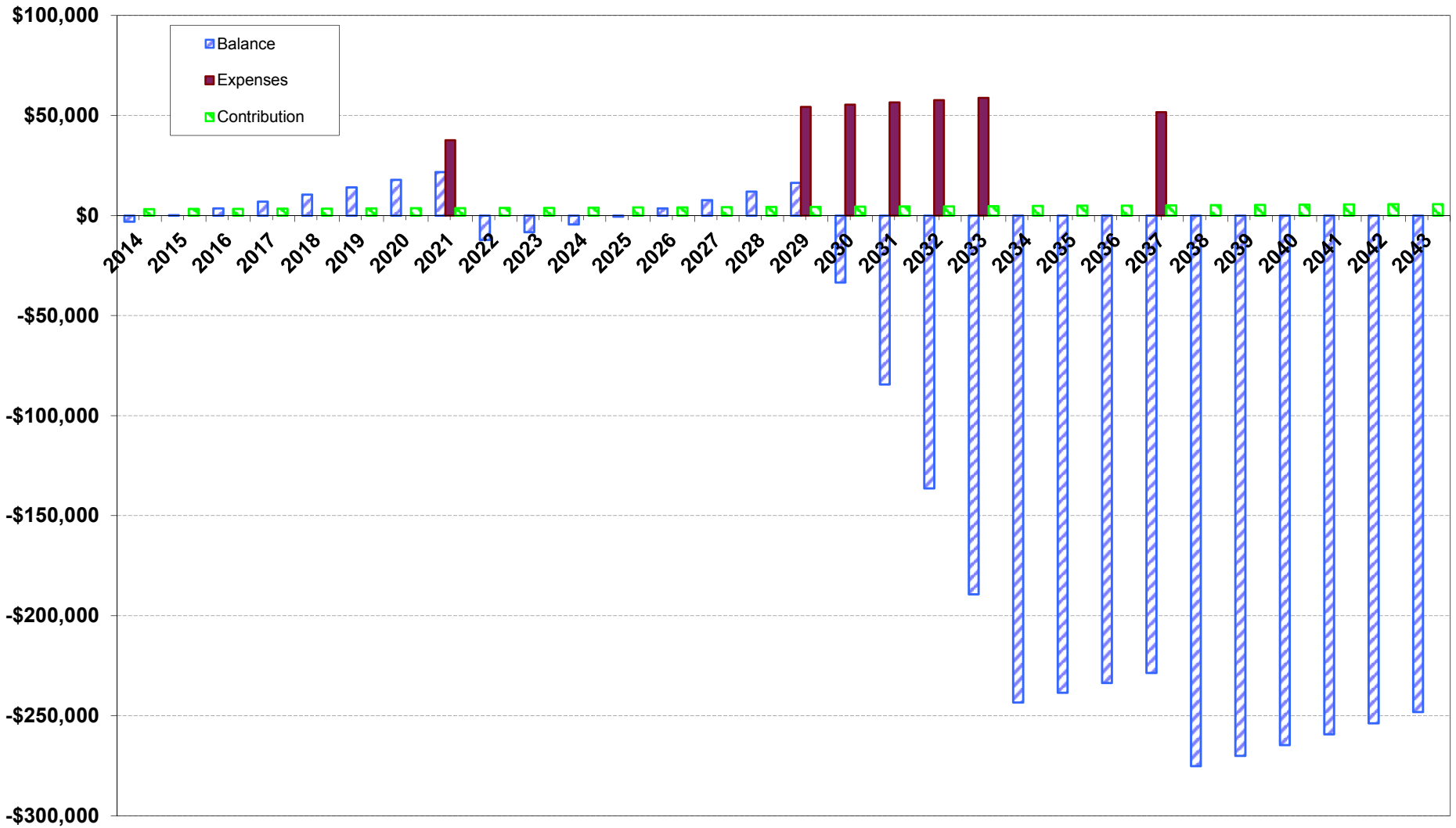
Arbor Terrace Community - Tamarack SFH
Table 3 Cash Flow Table
Scenario 1 - Current Funding Path - FINAL - May 29, 2013

Yearly Contribution -	\$3,240
Monthly Contribution Per Unit -	\$6
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	(\$3,000)
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	(\$275,184)

Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contributions	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	(\$3,000)	\$3,240		\$0	\$0	\$0	\$240
2015	\$240	\$3,305	2.0%	\$0	\$0	\$19	\$3,564
2016	\$3,564	\$3,371	2.0%	\$0	\$0	\$52	\$6,987
2017	\$6,987	\$3,438	2.0%	\$0	\$0	\$87	\$10,512
2018	\$10,512	\$3,507	2.0%	\$0	\$0	\$123	\$14,142
2019	\$14,142	\$3,577	2.0%	\$0	\$0	\$159	\$17,879
2020	\$17,879	\$3,649	2.0%	\$0	\$0	\$197	\$21,725
2021	\$21,725	\$3,722	2.0%	\$0	\$37,642	\$48	(\$12,148)
2022	(\$12,148)	\$3,796	2.0%	\$0	\$0	\$0	(\$8,352)
2023	(\$8,352)	\$3,872	2.0%	\$0	\$0	\$0	(\$4,480)
2024	(\$4,480)	\$3,950	2.0%	\$0	\$0	\$0	(\$531)
2025	(\$531)	\$4,029	2.0%	\$0	\$0	\$15	\$3,513
2026	\$3,513	\$4,109	2.0%	\$0	\$0	\$56	\$7,677
2027	\$7,677	\$4,191	2.0%	\$0	\$0	\$98	\$11,966
2028	\$11,966	\$4,275	2.0%	\$0	\$0	\$141	\$16,383
2029	\$16,383	\$4,361	2.0%	\$0	\$54,271	\$0	(\$33,528)
2030	(\$33,528)	\$4,448	2.0%	\$0	\$55,356	\$0	(\$84,436)
2031	(\$84,436)	\$4,537	2.0%	\$0	\$56,463	\$0	(\$136,362)
2032	(\$136,362)	\$4,628	2.0%	\$0	\$57,593	\$0	(\$189,328)
2033	(\$189,328)	\$4,720	2.0%	\$0	\$58,744	\$0	(\$243,352)
2034	(\$243,352)	\$4,814	2.0%	\$0	\$0	\$0	(\$238,537)
2035	(\$238,537)	\$4,911	2.0%	\$0	\$0	\$0	(\$233,627)
2036	(\$233,627)	\$5,009	2.0%	\$0	\$0	\$0	(\$228,618)
2037	(\$228,618)	\$5,109	2.0%	\$0	\$51,675	\$0	(\$275,184)
2038	(\$275,184)	\$5,211	2.0%	\$0	\$0	\$0	(\$269,972)
2039	(\$269,972)	\$5,316	2.0%	\$0	\$0	\$0	(\$264,657)
2040	(\$264,657)	\$5,422	2.0%	\$0	\$0	\$0	(\$259,235)
2041	(\$259,235)	\$5,530	2.0%	\$0	\$0	\$0	(\$253,704)
2042	(\$253,704)	\$5,641	2.0%	\$0	\$0	\$0	(\$248,064)
2043	(\$248,064)	\$5,754	2.0%	\$0	\$0	\$0	(\$242,310)

* The term "annual contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

Arbor Terrace Community - Tamarack SFH
Table 4: Cash Flow Chart
Scenario 1 - Current Funding Path - FINAL - May 29, 2013



Annual values for contributions, forecast expenditures, and ending balances
can be found in Table 2: Detailed Cash-Flow Plan

APPENDIX D

FUNDING SCENARIO TWO

Arbor Terrace HOA

Arbor Terrace Community - Tamarack SFH

Table 2: Detailed Cash-Flow Plan

Scenario 2 - MH Recommended Funding Path - FINAL - May 29, 2013



	Yearly Contribution, (Year One)		Monthly Contribution Per Unit, (Year One)																																												
	\$12,571		\$23																																												
Starting Balance	(\$3,000)	\$9,604	\$22,586	\$35,956	\$49,722	\$63,895	\$78,482	\$93,495	\$71,111	\$86,624	\$102,589	\$119,015	\$135,914	\$153,295	\$171,171	\$189,553	\$153,909	\$117,159	\$79,275	\$40,231	\$0	\$18,773	\$38,109	\$58,021	\$26,590	\$47,177	\$68,375	\$90,200	\$112,667	\$135,789																	
Total Expenses inflated at 2% annually	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,271	\$55,356	\$56,463	\$57,593	\$58,744	\$0	\$0	\$0	\$51,675	\$0	\$0	\$0	\$0	\$0	\$0	\$0																
Interest at 1% annually	\$33	\$160	\$291	\$426	\$565	\$708	\$856	\$819	\$785	\$941	\$1,103	\$1,268	\$1,439	\$1,614	\$1,795	\$1,709	\$1,349	\$977	\$595	\$200	\$93	\$283	\$478	\$421	\$367	\$575	\$789	\$1,009	\$1,236	\$1,470																	
Annual Reserve Contribution	\$12,571	\$12,822	\$13,079	\$13,340	\$13,607	\$13,879	\$14,157	\$14,440	\$14,729	\$15,023	\$15,324	\$15,630	\$15,943	\$16,262	\$16,587	\$16,919	\$17,257	\$17,602	\$17,954	\$18,313	\$18,680	\$19,053	\$19,434	\$19,823	\$20,219	\$20,624	\$21,036	\$21,457	\$21,886	\$22,324																	
Other Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																	
Ending Balance	\$9,604	\$22,586	\$35,956	\$49,722	\$63,895	\$78,482	\$93,495	\$71,111	\$86,624	\$102,589	\$119,015	\$135,914	\$153,295	\$171,171	\$189,553	\$153,909	\$117,159	\$79,275	\$40,231	\$0	\$18,773	\$38,109	\$58,021	\$26,590	\$47,177	\$68,375	\$90,200	\$112,667	\$135,789	\$159,582																	
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30																	
Calendar Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043																	
SHARED COMMON ELEMENTS #3: FENCING																																															
Metallic Fencing System																																															
32	42" Tall Metallic Fence @ Front Elev. Of SFH															\$54,271	\$55,356	\$56,463	\$57,593	\$58,744																											
33	Refinishing, (Product Pending)																														\$37,642																\$51,675

Arbor Terrace Community - Tamarack SFH
Table 3 Cash Flow Table
Scenario 2 - MH Recommended Funding Path - FINAL - May 29, 2013

Yearly Contribution, (Year One)	\$12,571
Monthly Contribution Per Unit, (Year One)	\$23
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	(\$3,000)
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$0.00

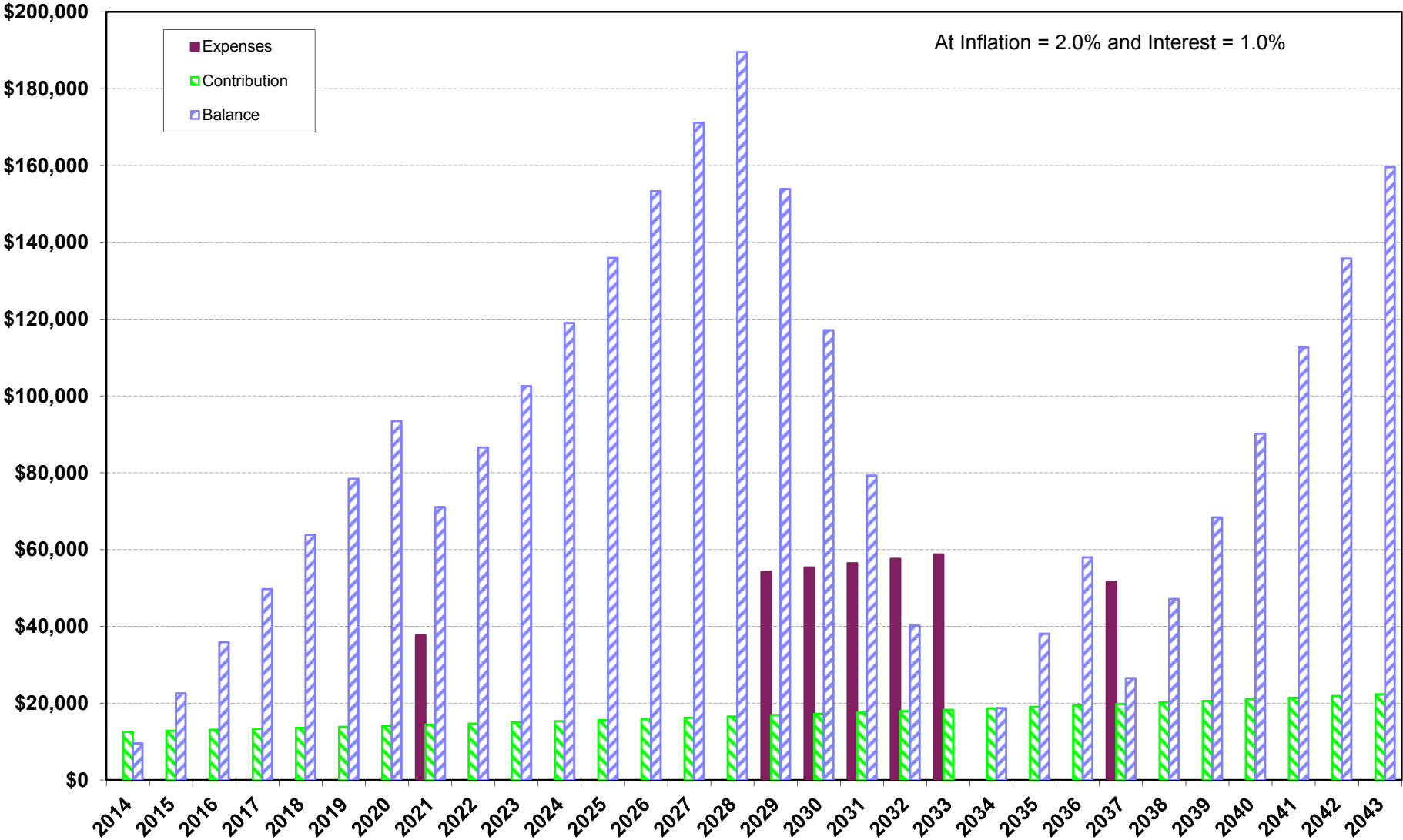
Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contribution	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	(\$3,000)	\$12,571		\$0	\$0	\$33	\$9,604
2015	\$9,604	\$12,822	2.0%	\$0	\$0	\$160	\$22,586
2016	\$22,586	\$13,079	2.0%	\$0	\$0	\$291	\$35,956
2017	\$35,956	\$13,340	2.0%	\$0	\$0	\$426	\$49,722
2018	\$49,722	\$13,607	2.0%	\$0	\$0	\$565	\$63,895
2019	\$63,895	\$13,879	2.0%	\$0	\$0	\$708	\$78,482
2020	\$78,482	\$14,157	2.0%	\$0	\$0	\$856	\$93,495
2021	\$93,495	\$14,440	2.0%	\$0	\$37,642	\$819	\$71,111
2022	\$71,111	\$14,729	2.0%	\$0	\$0	\$785	\$86,624
2023	\$86,624	\$15,023	2.0%	\$0	\$0	\$941	\$102,589
2024	\$102,589	\$15,324	2.0%	\$0	\$0	\$1,103	\$119,015
2025	\$119,015	\$15,630	2.0%	\$0	\$0	\$1,268	\$135,914
2026	\$135,914	\$15,943	2.0%	\$0	\$0	\$1,439	\$153,295
2027	\$153,295	\$16,262	2.0%	\$0	\$0	\$1,614	\$171,171
2028	\$171,171	\$16,587	2.0%	\$0	\$0	\$1,795	\$189,553
2029	\$189,553	\$16,919	2.0%	\$0	\$54,271	\$1,709	\$153,909
2030	\$153,909	\$17,257	2.0%	\$0	\$55,356	\$1,349	\$117,159
2031	\$117,159	\$17,602	2.0%	\$0	\$56,463	\$977	\$79,275
2032	\$79,275	\$17,954	2.0%	\$0	\$57,593	\$595	\$40,231
2033	\$40,231	\$18,313	2.0%	\$0	\$58,744	\$200	(\$0)
2034	(\$0)	\$18,680	2.0%	\$0	\$0	\$93	\$18,773
2035	\$18,773	\$19,053	2.0%	\$0	\$0	\$283	\$38,109
2036	\$38,109	\$19,434	2.0%	\$0	\$0	\$478	\$58,021
2037	\$58,021	\$19,823	2.0%	\$0	\$51,675	\$421	\$26,590
2038	\$26,590	\$20,219	2.0%	\$0	\$0	\$367	\$47,177
2039	\$47,177	\$20,624	2.0%	\$0	\$0	\$575	\$68,375
2040	\$68,375	\$21,036	2.0%	\$0	\$0	\$789	\$90,200
2041	\$90,200	\$21,457	2.0%	\$0	\$0	\$1,009	\$112,667
2042	\$112,667	\$21,886	2.0%	\$0	\$0	\$1,236	\$135,789
2043	\$135,789	\$22,324	2.0%	\$0	\$0	\$1,470	\$159,582

* The term "annual contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

Arbor Terrace Community - Tamarack SFH

Table 4: Cash flow Chart

Scenario 2 - MH Recommended Funding Path - FINAL - May 29, 2013



Annual values for contributions, forecast expenditures, and ending balances can be found in Table 2: Detailed Cash-Flow Plan

APPENDIX E

FUNDING SCENARIO THREE

	Yearly Contribution, (Year One)	Monthly Contribution Per Unit, (Year One)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
	\$8,407	\$16																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Starting Balance	(\$3,000)	\$5,419	\$14,429	\$24,066	\$34,370	\$45,380	\$57,140	\$69,696	\$82,267	\$95,186	\$108,052	\$121,923	\$136,860	\$152,830	\$168,744	\$184,648	\$200,548	\$216,448	\$232,348	\$248,248	\$264,148	\$280,048	\$295,948	\$311,848	\$327,748	\$343,648	\$359,548	\$375,448	\$391,348	\$407,248	\$423,148	\$439,048	\$454,948	\$470,848	\$486,748	\$502,648	\$518,548	\$534,448	\$550,348	\$566,248	\$582,148	\$598,048	\$613,948	\$629,848	\$645,748	\$661,648	\$677,548	\$693,448	\$709,348	\$725,248	\$741,148	\$757,048	\$772,948	\$788,848	\$804,748	\$820,648	\$836,548	\$852,448	\$868,348	\$884,248	\$900,148	\$916,048	\$931,948	\$947,848	\$963,748	\$979,648	\$995,548	\$1,011,448	\$1,027,348	\$1,043,248	\$1,059,148	\$1,075,048	\$1,090,948	\$1,106,848	\$1,122,748	\$1,138,648	\$1,154,548	\$1,170,448	\$1,186,348	\$1,202,248	\$1,218,148	\$1,234,048	\$1,249,948	\$1,265,848	\$1,281,748	\$1,297,648	\$1,313,548	\$1,329,448	\$1,345,348	\$1,361,248	\$1,377,148	\$1,393,048	\$1,408,948	\$1,424,848	\$1,440,748	\$1,456,648	\$1,472,548	\$1,488,448	\$1,504,348	\$1,520,248	\$1,536,148	\$1,552,048	\$1,567,948	\$1,583,848	\$1,599,748	\$1,615,648	\$1,631,548	\$1,647,448	\$1,663,348	\$1,679,248	\$1,695,148	\$1,711,048	\$1,726,948	\$1,742,848	\$1,758,748	\$1,774,648	\$1,790,548	\$1,806,448	\$1,822,348	\$1,838,248	\$1,854,148	\$1,870,048	\$1,885,948	\$1,901,848	\$1,917,748	\$1,933,648	\$1,949,548	\$1,965,448	\$1,981,348	\$1,997,248	\$2,013,148	\$2,029,048	\$2,044,948	\$2,060,848	\$2,076,748	\$2,092,648	\$2,108,548	\$2,124,448	\$2,140,348	\$2,156,248	\$2,172,148	\$2,188,048	\$2,203,948	\$2,219,848	\$2,235,748	\$2,251,648	\$2,267,548	\$2,283,448	\$2,299,348	\$2,315,248	\$2,331,148	\$2,347,048	\$2,362,948	\$2,378,848	\$2,394,748	\$2,410,648	\$2,426,548	\$2,442,448	\$2,458,348	\$2,474,248	\$2,490,148	\$2,506,048	\$2,521,948	\$2,537,848	\$2,553,748	\$2,569,648	\$2,585,548	\$2,601,448	\$2,617,348	\$2,633,248	\$2,649,148	\$2,665,048	\$2,680,948	\$2,696,848	\$2,712,748	\$2,728,648	\$2,744,548	\$2,760,448	\$2,776,348	\$2,792,248	\$2,808,148	\$2,824,048	\$2,839,948	\$2,855,848	\$2,871,748	\$2,887,648	\$2,903,548	\$2,919,448	\$2,935,348	\$2,951,248	\$2,967,148	\$2,983,048	\$2,998,948	\$3,014,848	\$3,030,748	\$3,046,648	\$3,062,548	\$3,078,448	\$3,094,348	\$3,110,248	\$3,126,148	\$3,142,048	\$3,157,948	\$3,173,848	\$3,189,748	\$3,205,648	\$3,221,548	\$3,237,448	\$3,253,348	\$3,269,248	\$3,285,148	\$3,301,048	\$3,316,948	\$3,332,848	\$3,348,748	\$3,364,648	\$3,380,548	\$3,396,448	\$3,412,348	\$3,428,248	\$3,444,148	\$3,460,048	\$3,475,948	\$3,491,848	\$3,507,748	\$3,523,648	\$3,539,548	\$3,555,448	\$3,571,348	\$3,587,248	\$3,603,148	\$3,619,048	\$3,634,948	\$3,650,848	\$3,666,748	\$3,682,648	\$3,698,548	\$3,714,448	\$3,730,348	\$3,746,248	\$3,762,148	\$3,778,048	\$3,793,948	\$3,809,848	\$3,825,748	\$3,841,648	\$3,857,548	\$3,873,448	\$3,889,348	\$3,905,248	\$3,921,148	\$3,937,048	\$3,952,948	\$3,968,848	\$3,984,748	\$4,000,648	\$4,016,548	\$4,032,448	\$4,048,348	\$4,064,248	\$4,080,148	\$4,096,048	\$4,111,948	\$4,127,848	\$4,143,748	\$4,159,648	\$4,175,548	\$4,191,448	\$4,207,348	\$4,223,248	\$4,239,148	\$4,255,048	\$4,270,948	\$4,286,848	\$4,302,748	\$4,318,648	\$4,334,548	\$4,350,448	\$4,366,348	\$4,382,248	\$4,398,148	\$4,414,048	\$4,429,948	\$4,445,848	\$4,461,748	\$4,477,648	\$4,493,548	\$4,509,448	\$4,525,348	\$4,541,248	\$4,557,148	\$4,573,048	\$4,588,948	\$4,604,848	\$4,620,748	\$4,636,648	\$4,652,548	\$4,668,448	\$4,684,348	\$4,700,248	\$4,716,148	\$4,732,048	\$4,747,948	\$4,763,848	\$4,779,748	\$4,795,648	\$4,811,548	\$4,827,448	\$4,843,348	\$4,859,248	\$4,875,148	\$4,891,048	\$4,906,948	\$4,922,848	\$4,938,748	\$4,954,648	\$4,970,548	\$4,986,448	\$5,002,348	\$5,018,248	\$5,034,148	\$5,050,048	\$5,065,948	\$5,081,848	\$5,097,748	\$5,113,648	\$5,129,548	\$5,145,448	\$5,161,348	\$5,177,248	\$5,193,148	\$5,209,048	\$5,224,948	\$5,240,848	\$5,256,748	\$5,272,648	\$5,288,548	\$5,304,448	\$5,320,348	\$5,336,248	\$5,352,148	\$5,368,048	\$5,383,948	\$5,399,848	\$5,415,748	\$5,431,648	\$5,447,548	\$5,463,448	\$5,479,348	\$5,495,248	\$5,511,148	\$5,527,048	\$5,542,948	\$5,558,848	\$5,574,748	\$5,590,648	\$5,606,548	\$5,622,448	\$5,638,348	\$5,654,248	\$5,670,148	\$5,686,048	\$5,701,948	\$5,717,848	\$5,733,748	\$5,749,648	\$5,765,548	\$5,781,448	\$5,797,348	\$5,813,248	\$5,829,148	\$5,845,048	\$5,860,948	\$5,876,848	\$5,892,748	\$5,908,648	\$5,924,548	\$5,940,448	\$5,956,348	\$5,972,248	\$5,988,148	\$6,004,048	\$6,019,948	\$6,035,848	\$6,051,748	\$6,067,648	\$6,083,548	\$6,099,448	\$6,115,348	\$6,131,248	\$6,147,148	\$6,163,048	\$6,178,948	\$6,194,848	\$6,210,748	\$6,226,648	\$6,242,548	\$6,258,448	\$6,274,348	\$6,290,248	\$6,306,148	\$6,322,048	\$6,337,948	\$6,353,848	\$6,369,748	\$6,385,648	\$6,401,548	\$6,417,448	\$6,433,348	\$6,449,248	\$6,465,148	\$6,481,048	\$6,496,948	\$6,512,848	\$6,528,748	\$6,544,648	\$6,560,548	\$6,576,448	\$6,592,348	\$6,608,248	\$6,624,148	\$6,640,048	\$6,655,948	\$6,671,848	\$6,687,748	\$6,703,648	\$6,719,548	\$6,735,448	\$6,751,348	\$6,767,248	\$6,783,148	\$6,799,048	\$6,814,948	\$6,830,848	\$6,846,748	\$6,862,648	\$6,878,548	\$6,894,448	\$6,910,348	\$6,926,248	\$6,942,148	\$6,958,048	\$6,973,948	\$6,989,848	\$7,005,748	\$7,021,648	\$7,037,548	\$7,053,448	\$7,069,348	\$7,085,248	\$7,101,148	\$7,117,048	\$7,132,948	\$7,148,848	\$7,164,748	\$7,180,648	\$7,196,548	\$7,212,448	\$7,228,348	\$7,244,248	\$7,260,148	\$7,276,048	\$7,291,948	\$7,307,848	\$7,323,748	\$7,339,648	\$7,355,548	\$7,371,448	\$7,387,348	\$7,403,248	\$7,419,148	\$7,435,048	\$7,450,948	\$7,466,848	\$7,482,748	\$7,498,648	\$7,514,548	\$7,530,448	\$7,546,348	\$7,562,248	\$7,578,148	\$7,594,048	\$7,609,948	\$7,625,848	\$7,641,748	\$7,657,648	\$7,673,548	\$7,689,448	\$7,705,348	\$7,721,248	\$7,737,148	\$7,753,048	\$7,768,948	\$7,784,848	\$7,800,748	\$7,816,648	\$7,832,548	\$7,848,448	\$7,864,348	\$7,880,248	\$7,896,148	\$7,912,048	\$7,927,948	\$7,943,848	\$7,959,748	\$7,975,648	\$7,991,548	\$8,007,448	\$8,023,348	\$8,039,248	\$8,055,148	\$8,071,048	\$8,086,948	\$8,102,848	\$8,118,748	\$8,134,648	\$8,150,548	\$8,166,448	\$8,182,348	\$8,198,248	\$8,214,148	\$8,230,048	\$8,245,948	\$8,261,848	\$8,277,748	\$8,293,648	\$8,309,548	\$8,325,448	\$8,341,348	\$8,357,248	\$8,373,148	\$8,389,048	\$8,404,948	\$8,420,848	\$8,436,748	\$8,452,648	\$8,468,548	\$8,484,448	\$8,500,348	\$8,516,248	\$8,532,148	\$8,548,048	\$8,563,948	\$8,579,848	\$8,595,748	\$8,611,648	\$8,627,548	\$8,643,448	\$8,659,348	\$8,675,248	\$8,691,148	\$8,707,048	\$8,722,948	\$8,738,848	\$8,754,748	\$8,770,648	\$8,786,548	\$8,802,448	\$8,818,348	\$8,834,248	\$8,850,148	\$8,866,048	\$8,881,948	\$8,897,848	\$8,913,748	\$8,929,648	\$8,945,548	\$8,961,448	\$8,977,348	\$8,993,248	\$9,009,148	\$9,025,048	\$9,040,948	\$9,056,848	\$9,072,748	\$9,088,648	\$9,104,548	\$9,120,448	\$9,136,348	\$9,152,248	\$9,168,148	\$9,184,048	\$9,200,948	\$9,216,848	\$9,232,748	\$9,248,648	\$9,264,548	\$9,280,448	\$9,296,348	\$9,312,248	\$9,328,148	\$9,344,048	\$9,359,948	\$9,375,848	\$9,391,748	\$9,407,648	\$9,423,548	\$9,439,448	\$9,455,348	\$9,471,248	\$9,487,148	\$9,503,048	\$9,518,948	\$9,534,848	\$9,550,748	\$9,566,648	\$9,582,548	\$9,598,448	\$9,614,348	\$9,630,248	\$9,646,148	\$9,662,048	\$9,677,948	\$9,693,848	\$9,709,748	\$9,725,648	\$9,741,548	\$9,757,448	\$9,773,348	\$9,789,248	\$9,805,148	\$9,821,048	\$9,836,948	\$9,852,848	\$9,868,748	\$9,884,648	\$9,900,548	\$9,916,448	\$9,932,348	\$9,948,248	\$9,964,148	\$9,980,048	\$9,995,948	\$10,011,848	\$10,027,748	\$10,043,648	\$10,059,548	\$10,075,448	\$10,091,348	\$10,107,248	\$10,123,148	\$10,139,048	\$10,154,948	\$10,170,848	\$10,186,748	\$10,202,648	\$10,218,548	\$10,234,448	\$10,250,348	\$10,266,248	\$10,282,148	\$10,298,048	\$10,313,948	\$10,329,848	\$10,345,748	\$10,361,648	\$10,377,548	\$10,393,448	\$10,409,348	\$10,425,248	\$10,441,148	\$10,457,048	\$10,472,948	\$10,488,848	\$10,504,748	\$10,520,648	\$10,536,548	\$10,552,448	\$10,568,348	\$10,584,248	\$10,600,148	\$10,616,048	\$10,631,948	\$10,647,848	\$10,663,748	\$10,679,648	\$10,695,548	\$10,711,448	\$10,727,348	\$10,743,248	\$10,759,148	\$10,775,048	\$10,790,948	\$10,806,848	\$10,822,748	\$10,838,648	\$10,854,548	\$10,870,448	\$10,886,348	\$10,902,248	\$10,918,148	\$10,934,048	\$10,949,948	\$10,965,848	\$10,981,748	\$10,997,648	\$11,013,548	\$11,029,448	\$11,045,348	\$11,061,248	\$11,077,148	\$11,093,048	\$11,108,948	\$11,124,848	\$11,140,748	\$11,156,648	\$11,172,548	\$11,188,448	\$11,204,348	\$11,220,248	\$11,236,148	\$11,252,048	\$11,267,948	\$11,283,848	\$11,299,748	\$11,315,648	\$11,331,548	\$11,347,448	\$11,363,348	\$11,379,248	\$11,395,148	\$11,411,048	\$11,426,948	\$11,442,848	\$11,458,748	\$11,474,648	\$11,490,548	\$11,506,448	\$11,522,348	\$11,538,248	\$11,554,148	\$11,570,048	\$11,585,948	\$11,601,848	\$11,617,748	\$11,633,648	\$11,649,548	\$11,665,448	\$11,681,348	\$11,697,248	\$11,713,148	\$11,729,048	\$11,744,948	\$11,760,848	\$11,776,748	\$11,792,648	\$11,808,548	\$11,824,448	\$11,840,348	\$11,856,248	\$11,872,148	\$11,888,048	\$11,903,948	\$11,919,848	\$11,935,748	\$11,951,648	\$11,967,548	\$11,983,448	\$11,999,348	\$12,015,248	\$12,031,148	\$12,047,048	\$12,062,948	\$12,078,848	\$12,094,748	\$12,110,648	\$12,126,548	\$12,142,448	\$12,158,348	\$12,174,248	\$12,190,148	\$12,206,048	\$12,221,948	\$12,237,848	\$12,253,748	\$12,269,648	\$12,285,548	\$12,301,448	\$12,317,348	\$12,333,248	\$12,349,148	\$12,365,048	\$12,380,948	\$12,396,848	\$12,412,748	\$12,428,648	\$12,444,548	\$12,460,448	\$12,476,348	\$12,492,248	\$12,508,148	\$12,524,048	\$12,539,948	\$12,555,848	\$12,571,748	\$12,587,648	\$12,603,548	\$12,619,448	\$12,635,348	\$12,651,2

Arbor Terrace Community
Table 3 Cash Flow Table
Scenario 3 - Client Requested Funding Approach - FINAL - May 29, 2013

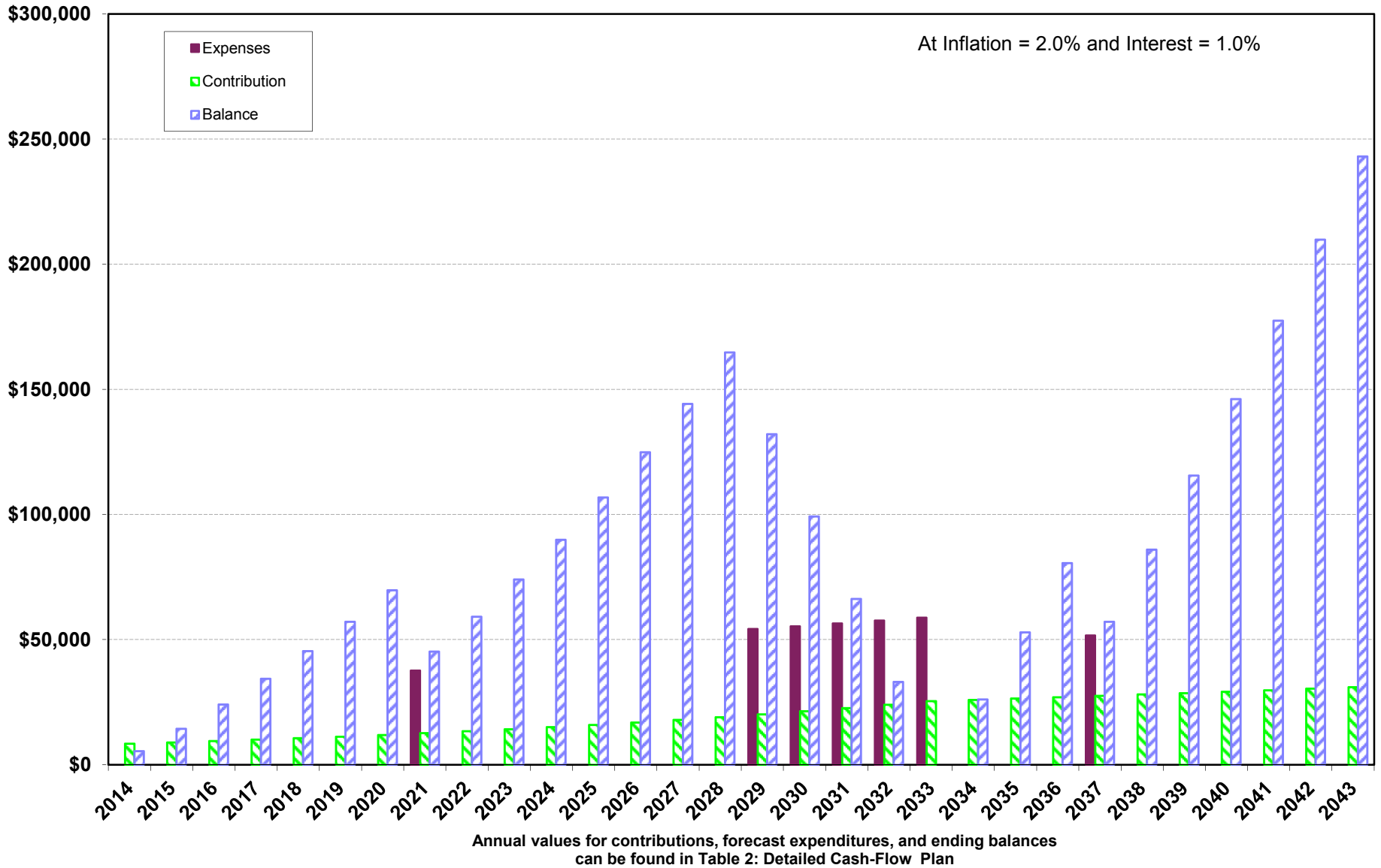
Yearly Contribution, (Year One)	\$8,407
Monthly Contribution Per Unit, (Year One)	\$16
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	(\$3,000)
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$0.00

Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contribution	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	(\$3,000)	\$8,407	150%	\$0	\$0	\$12	\$5,419
2015	\$5,419	\$8,911	6.0%	\$0	\$0	\$99	\$14,429
2016	\$14,429	\$9,446	6.0%	\$0	\$0	\$192	\$24,066
2017	\$24,066	\$10,013	6.0%	\$0	\$0	\$291	\$34,370
2018	\$34,370	\$10,613	6.0%	\$0	\$0	\$397	\$45,380
2019	\$45,380	\$11,250	6.0%	\$0	\$0	\$510	\$57,140
2020	\$57,140	\$11,925	6.0%	\$0	\$0	\$631	\$69,696
2021	\$69,696	\$12,641	6.0%	\$0	\$37,642	\$572	\$45,267
2022	\$45,267	\$13,399	6.0%	\$0	\$0	\$520	\$59,186
2023	\$59,186	\$14,203	6.0%	\$0	\$0	\$663	\$74,052
2024	\$74,052	\$15,055	6.0%	\$0	\$0	\$816	\$89,923
2025	\$89,923	\$15,959	6.0%	\$0	\$0	\$979	\$106,860
2026	\$106,860	\$16,916	6.0%	\$0	\$0	\$1,153	\$124,930
2027	\$124,930	\$17,931	6.0%	\$0	\$0	\$1,339	\$144,200
2028	\$144,200	\$19,007	6.0%	\$0	\$0	\$1,537	\$164,744
2029	\$164,744	\$20,147	6.0%	\$0	\$54,271	\$1,477	\$132,097
2030	\$132,097	\$21,356	6.0%	\$0	\$55,356	\$1,151	\$99,248
2031	\$99,248	\$22,638	6.0%	\$0	\$56,463	\$823	\$66,246
2032	\$66,246	\$23,996	6.0%	\$0	\$57,593	\$494	\$33,144
2033	\$33,144	\$25,436	6.0%	\$0	\$58,744	\$165	\$0
2034	\$0	\$25,944	2.0%	\$0	\$0	\$130	\$26,074
2035	\$26,074	\$26,463	2.0%	\$0	\$0	\$393	\$52,930
2036	\$52,930	\$26,993	2.0%	\$0	\$0	\$664	\$80,587
2037	\$80,587	\$27,532	2.0%	\$0	\$51,675	\$685	\$57,130
2038	\$57,130	\$28,083	2.0%	\$0	\$0	\$712	\$85,925
2039	\$85,925	\$28,645	2.0%	\$0	\$0	\$1,002	\$115,572
2040	\$115,572	\$29,218	2.0%	\$0	\$0	\$1,302	\$146,091
2041	\$146,091	\$29,802	2.0%	\$0	\$0	\$1,610	\$177,503
2042	\$177,503	\$30,398	2.0%	\$0	\$0	\$1,927	\$209,828
2043	\$209,828	\$31,006	2.0%	\$0	\$0	\$2,253	\$243,087

* The term "annual contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

**Arbor Terrace Community
Table 4: Cash flow Chart**

Scenario 3 - Client Requested Funding Approach - FINAL - May 29, 2013



8. SUBSECTION 2: ROW HOMES

FINANCIAL TABLES & GRAPHICS

APPENDIX A

SUMMARY OF DATA AND RESULTS



Summary of Data & Results - FINAL

Class of Reserve Fund Study	Baseline Funding
Property Name	Arbor Terrace Community - Rowhomes
Entity Name	Arbor Terrace HOA
Current Date	May 29, 2013
Year Building Constructed	2007
Starting Year (Current Fiscal Year)	2014
Dollar Year	2014
Fiscal Year Start	July 1, 2013
Fiscal Year End	June 30, 2013
Inflation Rate	2.00%
Interest Rate	1.00%
Estimated Starting Balance	\$22,119
Number of Units	65

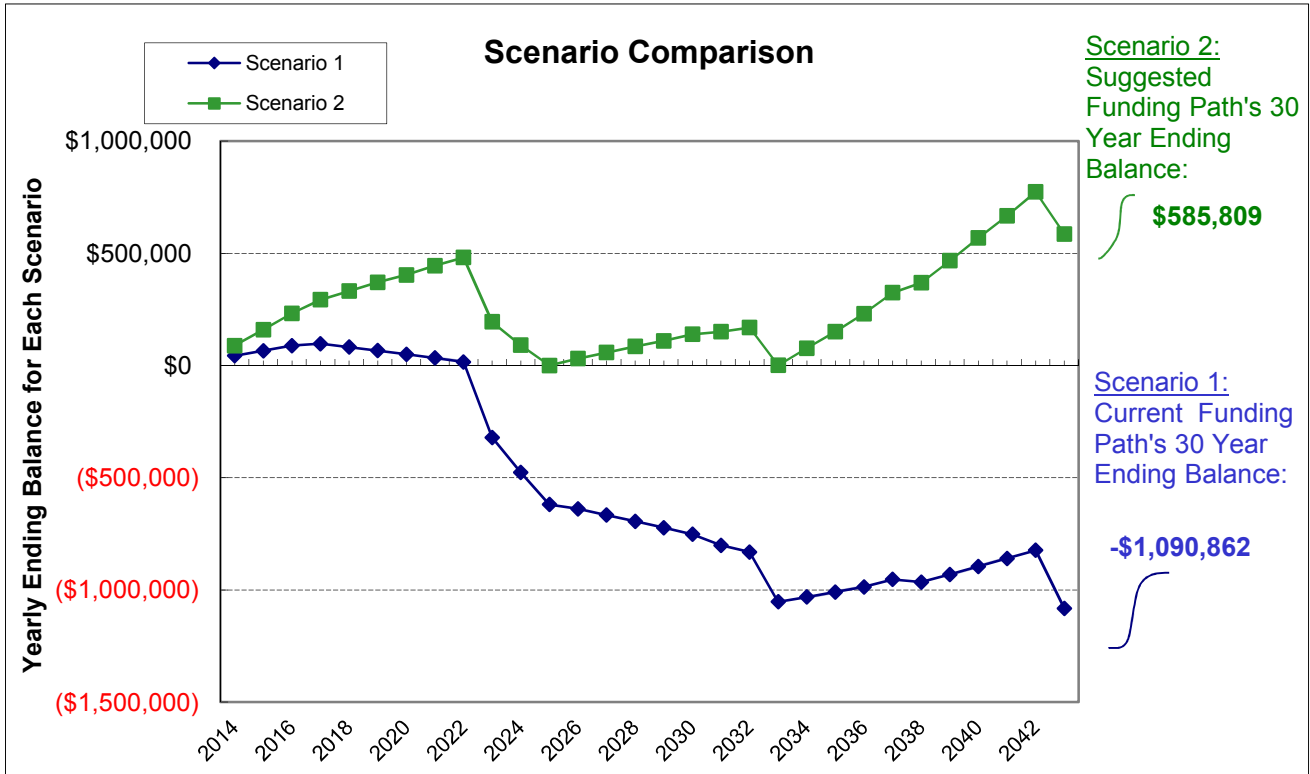
Scenario 1 (Based on Current Contributions)

Yearly Contribution -	\$	21,052
Monthly Contribution Per Unit -	\$	27
Minimum Balance	\$	(1,082,082)
Maximum Balance	\$	97,041
30-year study closing balance	\$	(1,082,082)

Scenario 2 (Based on MH's Suggested Funding Path)

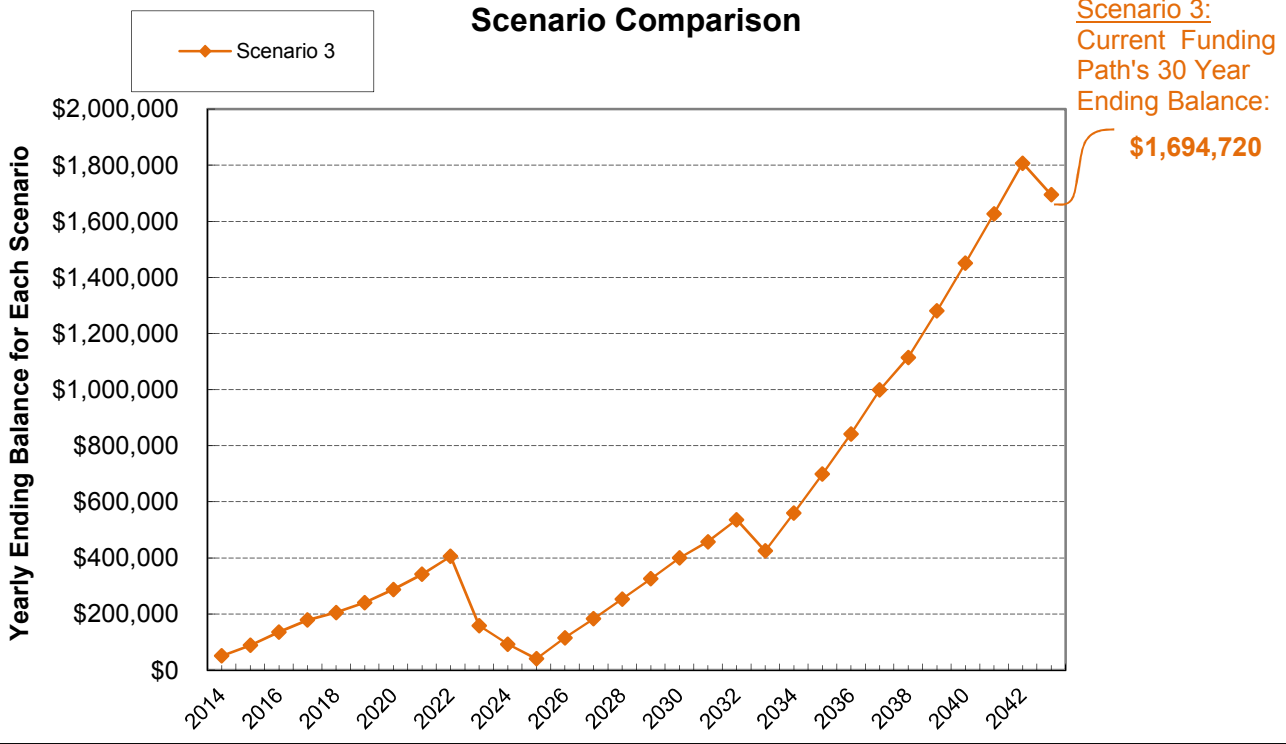
Yearly Contribution, (Year One)	\$	68,466
Monthly Contribution Per Unit, (Year One)	\$	88
Minimum Balance	\$	(0)
Maximum Balance	\$	773,745
30-year study closing balance	\$	585,809

Arbor Terrace Community - Rowhomes



Arbor Terrace Community

Scenario Comparison



APPENDIX B

TABLE 1: ANTICIPATED COST SUMMARY

Arbor Terrace HOA
 Arbor Terrace Community - Rowhomes
 Table 1: Anticipated Cost Summary



Item #	Item Description	Elevated Maintenance Item, (Y/N)	Normal Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Life Expectancy	Years Over Which Work is Phased	Quantity	Units of Measure	Unit Cost	Add Consultant Fee (Y/N)	Allowance for Consulting Fee	Current Replacement Costs	MH Comments/Recommendations
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE - TH ONLY														
<u>Townhomes Only - Components Replaced During the 2013 Rehab Project</u>														
1	Exterior Wall Assemblies - Siding & Trim Details	Y	50	2013	1	0	1	52,000	Sq. Ft.	\$18.00	Y	\$65,520	\$1,001,520	See "Exterior Envelope Components" page for clarification of components covered within this renewal task
2	Gutters & Downspouts	Y	25	2013	1	0	1	3,000	Ln. Ft.	\$5.00	N	\$0	\$15,000	Typically replaced with a major siding or roofing project
3	Exterior Finishes & Sealants	Y	10	2013	1	0	1	80,000	Sq. Ft.	\$1.95	Y	\$10,920	\$166,920	Renewal costs covers the replacement of both static and dynamic sealant joints
<u>Townhomes Only - Components "NOT" Replaced During the 2013 Rehab Project</u>														
4	Exterior Wall Assemblies - Siding & Trim Details	Y	30	2007	7	-19	15	28,000	Sq. Ft.	\$18.00	Y	\$35,280	\$539,280	See Items 4A - 4D for clarification of components covered within this renewal task
	<u>4A - Five Year Renewal Items:</u>													Funds to replace these components are covered under Item 4 Exterior Wall Assemblies
	- Base of Wall Components													Replace cladding and weather-resistant 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
	- Front Elevation Flat Work													Correct front steps near entrances where sheathing/framing is below adjacent concrete
	<u>4B - 5 to 10 Year Renewal Items:</u>													Funds to replace these components are covered under Item 4 Exterior Wall Assemblies
	- Crawl Spaces													Correct the defectively installed polyethylene ground cover within the crawl spaces by securely turning it up the foundation walls 12 in. and ensuring no breaks or improper lapping of the ground cover material within the field. Clean excess construction debris from the surface of the ground cover as needed
	- 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.
	- Column Replacement Work													Replace all cladding, trim, and weather-resistant 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.
	- 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.
	<u>4C - 10 to 20 Year Renewal Items:</u>													Funds to replace these components are covered under Item 4 Exterior Wall Assemblies
	- Exterior Wall Assemblies - Rear Elevations													Replace all cladding and weather-resistant barrier assemblies on rear elevations of all townhomes with new assemblies that provide positive drainage and improve air leakage control. Note: Repair conducted was targeted, so panel cladding has typically all been replaced with a rain screen. Lap siding replacement has been targeted, so there is no rainscreen.
	- Exterior Wall Assemblies - Side Elevations													Replace all cladding and weather-resistant barrier assemblies on exposed side elevations (end units) of all townhomes with new assemblies that provide positive drainage and improve air leakage control. Note: Repair conducted was targeted, so panel cladding has typically all been replaced with a rain screen. Lap siding replacement has been targeted, so there is no rainscreen.
	- 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.
	- Windows & Doors													Window and Sliding Glass Door units have typically been reused unless frame damage was observed.
	<u>4D - 30 Year Renewal Items:</u>													Seal attics and crawl spaces to limit air leakage, and ensure attic and crawl space ventilation is adequate and free flowing. Note: Attic ducts have been tight-lined as part of the 2013 Rehab scope
	- Attics & Crawl Spaces													
5	Gutters & Downspouts													Typically replaced with a major siding or roofing project
<u>Other Building Envelope Elements</u>														
6	Attic Insulation	N	30	2007	7	-15	10	72,500	Sq. Ft.	\$0.00	Y	\$0	\$0	Pending additional information to be provided by the HOA
7	Roofing System, (Asphaltic Roof Shingles)	Y	25	2007	7	-9	3	72,500	Sq. Ft.	\$3.75	Y	\$19,031	\$290,910	Elevated Maintenance Item
SHARED COMMON ELEMENTS #3: FENCING														
<u>Wood Fences @ Townhomes Only, (6' Tall Avg.)</u>														
29	6' Tall Wood Fence, (Vertical Boards, Alternating Pattern)	Y	30	2007	7	-10	10	2,714	Ln. Ft.	\$22.00	Y	\$4,180	\$63,890	This component is shared by the whole community. Renewal costs include replacement of concrete footings if necessary.
30	Refinishing, (Stain or Clear Coat)	Y	7	2007	7	3	1	2,714	Ln. Ft.	\$5.00	N	\$0	\$13,570	This component is shared by the whole community
SHARED COMMON ELEMENTS #5: CONCRETE FLAT WORK & RETAINING WALLS														
<u>Concrete Flat Work @ Townhomes Only</u>														
69	Driveways - Pebble Finish	Y	50	2007	7	-35	25	10,530	Sq. Ft.	\$10.00	Y	\$7,371	\$112,670	Assumed an average of 165 sq. ft. per unit. Actual take-off of each unit's shared common component was not done for this RS
70	Front Entry Porches - Pebble Finish	Y	50	2007	7	-35	25	2,600	Sq. Ft.	\$10.00	Y	\$1,820	\$27,820	Assumed an average of 40 sq. ft. per unit. Actual take-off of each unit's shared common component was not done for this RS
71	Rear Elevation Patios - Broom Finish	Y	50	2007	7	-25	25	13,000	Sq. Ft.	\$10.00	Y	\$9,100	\$139,100	Assumed an average of 200 sq. ft. per unit. Actual take-off of each unit's shared common component was not done for this RS
SHARED COMMON ELEMENTS #8: PROFESSIONAL SERVICES														
<u>Building Science Consulting Services - Townhomes Only</u>														
102	Building Envelope Condition Assessment - One Year Warranty Review	Y	1	2013	1	0	1	1	Each	\$3,000.00	N	\$0	\$3,000	MH recommends this "visual" assessment be done every 3 years to observe the existing conditions of the exterior wall assemblies that were not replaced during the 2012 rehabilitation project
103	Building Envelope Condition Assessment - Seven Year Performance Review	Y	7	2013	1	0	1	1	Each	\$7,000.00	N	\$0	\$7,000	MH recommends that the Association hire an Envelope Consultant to observe how the various exterior wall assemblies are performing that were replaced in 2013. Scope should include exploratory openings as part of this assessment to see the conditions of the underlying wall assemblies. Fees include contractor support
104	Building Envelope Condition Assessment - Three Year Review	Y	3	2020	-6	0	1	1	Each	\$3,000.00	N	\$0	\$3,000	MH recommends that the Association schedule every three years an assessment of the exterior wall assemblies for the townhomes

Exterior Envelope Components

Exterior Wall Assemblies - Siding & Trim Replacement	Exterior Finishes & Sealants	Roofing Assemblies
<p>Cladding Assemblies Horizontal Lap Vertical B&B Soffits</p> <p>Waterproofing & Flashing Details Sheet Metal Flashing Details Weather Resistive Barrier Drainage Medium, (Furring Strips) Stainless Steel Fasteners Flexible Membrane Flashing</p> <p>Trim Details Window & Door Trim Belly Bands Base of Wall Bands Inside & Outside Corners Columns Knee Braces Penetration Blocks</p> <p>Misc. Rot Repairs General Conditions Consultant/Architect/Engineer Landscape Replacement or Repair Cost Gutters & Downspouts Pull & Reset Windows and Doors Resheathing</p>	<p>Paint Exterior Wall Assemblies - Siding Paint Exterior Wall Assemblies - Trim Details & Accents Paint Signage - Primary Entrance Signs Stain or Clear Coat Finish @ Fences Recoat Railings Dynamic Sealant Joints Fillet/Static Sealant Joints</p> <p>Misc. General Conditions Consultant/Architect/Engineer Landscape Replacement or Repair Cost Etc.</p>	<p>Composite Asphaltic Shingles - 25+ Yrs. Roof-To-Wall Flashing Step Flashing Drip-Edge & Roof Valley Flashing Roof Underlayment Penetration Accessories, (Exhaust Vents) Fascia & Barge Trim Boards</p> <p>Misc. Rot Repairs General Conditions Consultant/Architect/Engineer Landscape Replacement or Repair Cost Etc.</p>

APPENDIX C

FUNDING SCENARIO ONE



	Current Yearly Contribution	\$21,852	Current Monthly Contribution Per Unit		\$27																																
Starting Balance	\$22,119	\$43,497	\$65,513	\$88,180	\$97,041	\$81,803	\$66,088	\$49,885	\$33,183	\$15,970	(\$320,652)	(\$477,073)	(\$619,751)	(\$638,647)	(\$666,187)	(\$694,277)	(\$722,929)	(\$752,155)	(\$800,966)	(\$831,372)	(\$1,053,181)	(\$1,031,393)	(\$1,009,169)	(\$986,500)	(\$963,303)	(\$965,395)	(\$930,857)	(\$895,629)	(\$859,695)	(\$823,043)							
Total Expenses inflated at 2% annually	\$0	\$0	\$0	\$14,401	\$38,916	\$39,694	\$40,488	\$41,298	\$42,123	\$42,966	\$43,825	\$44,702	\$45,596	\$46,508	\$47,438	\$48,387	\$49,354	\$50,341	\$51,348																		
Interest at 1% annually	\$326	\$542	\$765	\$921	\$890	\$736	\$577	\$413	\$245	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0						
Annual Reserve Contribution	\$21,052	\$21,473	\$21,903	\$22,341	\$22,787	\$23,243	\$23,708	\$24,182	\$24,666	\$25,159	\$25,662	\$26,176	\$26,699	\$27,233	\$27,778	\$28,333	\$28,900	\$29,478	\$30,067	\$30,669	\$31,282	\$31,908	\$32,546	\$33,197	\$33,861	\$34,538	\$35,229	\$35,933	\$36,652	\$37,385							
Other Contribution																																					
Ending Balance	\$43,497	\$65,513	\$88,180	\$97,041	\$81,803	\$66,088	\$49,885	\$33,183	\$15,970	(\$320,652)	(\$477,073)	(\$619,751)	(\$638,647)	(\$666,187)	(\$694,277)	(\$722,929)	(\$752,155)	(\$800,966)	(\$831,372)	(\$1,053,181)	(\$1,031,393)	(\$1,009,169)	(\$986,500)	(\$963,303)	(\$965,395)	(\$930,857)	(\$895,629)	(\$859,695)	(\$823,043)	(\$1,082,082)							
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30							
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043							

SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE - TH ONLY

Townhomes Only - Components Replaced During the 2013 Rehab Project

1	Exterior Wall Assemblies - Siding & Trim Details																															
2	Gutters & Downspouts																															
3	Exterior Finishes & Sealants											\$199,485											\$243,171									\$296,424

Townhomes Only - Components "NOT" Replaced During the 2013 Rehab Project

4	Exterior Wall Assemblies - Siding & Trim Details						\$38,916	\$39,694	\$40,488	\$41,298	\$42,123	\$42,966	\$43,825	\$44,702	\$45,596	\$46,508	\$47,438	\$48,387	\$49,354	\$50,341	\$51,348																
	4A - Five Year Renewal Items:																																				
	- Base of Wall Components																																				
	- Front Elevation Flat Work																																				
	4B - 5 to 10 Year Renewal Items:																																				
	- Crawl Spaces																																				
	- Front Corner Trim Detail																																				
	- Column Replacement Work																																				
	- Replace Exposed Gypsum @ Eaves																																				
	4C - 10 to 20 Year Renewal Items:																																				
	- Exterior Wall Assemblies - Rear Elevations																																				
	- Exterior Wall Assemblies - Side Elevations																																				
	- Exterior Wall Assemblies - Misc Cladding & Trim Details																																				
	- Windows & Doors																																				
	4D - 30 Year Renewal Items:																																				
	- Attics & Crawl Spaces																																				
5	Gutters & Downspouts											\$3,442	\$3,511	\$3,581																							

Other Building Envelope Elements

6	Attic Insulation																															
7	Roofing System, (Asphaltic Roof Shingles)											\$115,888	\$118,206	\$120,570																		

SHARED COMMON ELEMENTS #3: FENCING

Wood Fences @ Townhomes Only, (6' Tall Avg.)

29	6' Tall Wood Fence, (Vertical Boards, Alternating Pattern)											\$8,265	\$8,430	\$8,599	\$8,771	\$8,946	\$9,125	\$9,308	\$9,494	\$9,684	\$9,877															
30	Refinishing, (Stain or Clear Coat)				\$14,401											\$16,542											\$19,001									\$21,826

SHARED COMMON ELEMENTS #5: CONCRETE FLAT WORK & RETAINING WALLS

Concrete Flat Work @ Townhomes Only

69	Driveways - Pebble Finish										\$5,280	\$5,386	\$5,494	\$5,604	\$5,716	\$5,830	\$5,947	\$6,066	\$6,187	\$6,311	\$6,437	\$6,566	\$6,697	\$6,831	\$6,967	\$7,107	\$7,249	\$7,394	\$7,542	\$7,693	\$7,846	\$8,003							
70	Front Entry Porches - Pebble Finish										\$1,304	\$1,330	\$1,356	\$1,384	\$1,411	\$1,440	\$1,468	\$1,498	\$1,528	\$1,558	\$1,589	\$1,621	\$1,654	\$1,687	\$1,720	\$1,755	\$1,790	\$1,826	\$1,862	\$1,899	\$1,937	\$1,976							
71	Rear Elevation Patios - Broom Finish																			\$7,947	\$8,106	\$8,268	\$8,433	\$8,602	\$8,774	\$8,949	\$9,128	\$9,311	\$9,497	\$9,687	\$9,881								

SHARED COMMON ELEMENTS #8: PROFESSIONAL SERVICES

Building Science Consulting Services - Townhomes Only

102	Building Envelope Condition Assessment - One Year Warranty Review	\$3,000																																																									
103	Building Envelope Condition Assessment - Seven Year Performance Review							\$7,883																																																			
104	Building Envelope Condition Assessment - Three Year Review										\$3,585										\$3,805										\$4,038							\$4,285							\$4,547							\$4,825							\$5,121

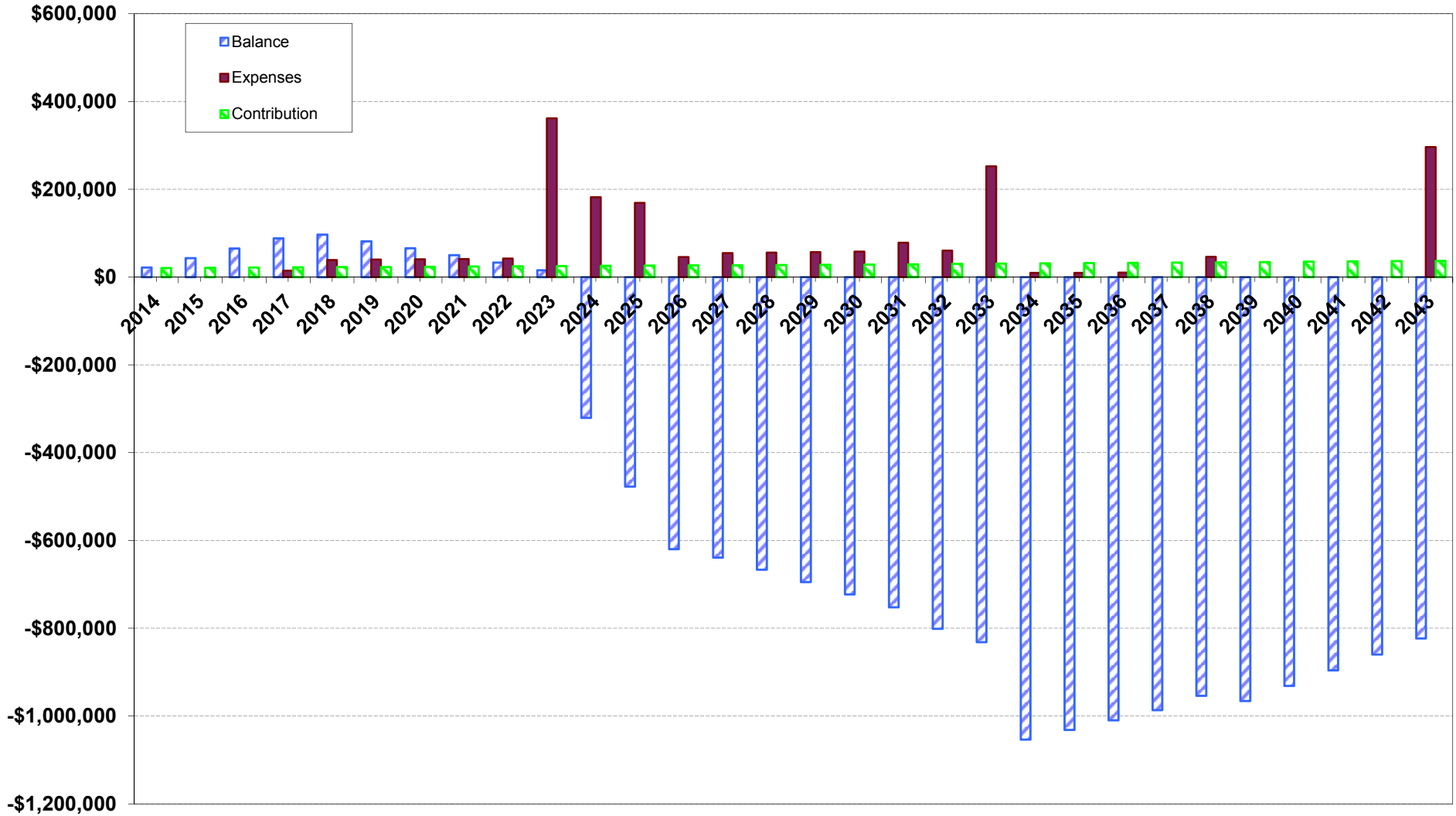
Arbor Terrace Community - Rowhomes
Table 3 Cash Flow Table
Scenario 1 - Current Funding Path - FINAL - May 29, 2013

Yearly Contribution -	\$21,052
Monthly Contribution Per Unit -	\$27
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	\$22,119
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	(\$1,082,082)

Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contributions	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	\$22,119	\$21,052		\$0	\$0	\$326	\$43,497
2015	\$43,497	\$21,473	2.0%	\$0	\$0	\$542	\$65,513
2016	\$65,513	\$21,903	2.0%	\$0	\$0	\$765	\$88,180
2017	\$88,180	\$22,341	2.0%	\$0	\$14,401	\$921	\$97,041
2018	\$97,041	\$22,787	2.0%	\$0	\$38,916	\$890	\$81,803
2019	\$81,803	\$23,243	2.0%	\$0	\$39,694	\$736	\$66,088
2020	\$66,088	\$23,708	2.0%	\$0	\$40,488	\$577	\$49,885
2021	\$49,885	\$24,182	2.0%	\$0	\$41,298	\$413	\$33,183
2022	\$33,183	\$24,666	2.0%	\$0	\$42,123	\$245	\$15,970
2023	\$15,970	\$25,159	2.0%	\$0	\$361,781	\$0	(\$320,652)
2024	(\$320,652)	\$25,662	2.0%	\$0	\$182,084	\$0	(\$477,073)
2025	(\$477,073)	\$26,176	2.0%	\$0	\$168,853	\$0	(\$619,751)
2026	(\$619,751)	\$26,699	2.0%	\$0	\$45,596	\$0	(\$638,647)
2027	(\$638,647)	\$27,233	2.0%	\$0	\$54,773	\$0	(\$666,187)
2028	(\$666,187)	\$27,778	2.0%	\$0	\$55,868	\$0	(\$694,277)
2029	(\$694,277)	\$28,333	2.0%	\$0	\$56,985	\$0	(\$722,929)
2030	(\$722,929)	\$28,900	2.0%	\$0	\$58,125	\$0	(\$752,155)
2031	(\$752,155)	\$29,478	2.0%	\$0	\$78,289	\$0	(\$800,966)
2032	(\$800,966)	\$30,067	2.0%	\$0	\$60,473	\$0	(\$831,372)
2033	(\$831,372)	\$30,669	2.0%	\$0	\$252,478	\$0	(\$1,053,181)
2034	(\$1,053,181)	\$31,282	2.0%	\$0	\$9,494	\$0	(\$1,031,393)
2035	(\$1,031,393)	\$31,908	2.0%	\$0	\$9,684	\$0	(\$1,009,169)
2036	(\$1,009,169)	\$32,546	2.0%	\$0	\$9,877	\$0	(\$986,500)
2037	(\$986,500)	\$33,197	2.0%	\$0	\$0	\$0	(\$953,303)
2038	(\$953,303)	\$33,861	2.0%	\$0	\$45,953	\$0	(\$965,395)
2039	(\$965,395)	\$34,538	2.0%	\$0	\$0	\$0	(\$930,857)
2040	(\$930,857)	\$35,229	2.0%	\$0	\$0	\$0	(\$895,629)
2041	(\$895,629)	\$35,933	2.0%	\$0	\$0	\$0	(\$859,695)
2042	(\$859,695)	\$36,652	2.0%	\$0	\$0	\$0	(\$823,043)
2043	(\$823,043)	\$37,385	2.0%	\$0	\$296,424	\$0	(\$1,082,082)

* The term "annual contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

Arbor Terrace Community - Rowhomes
Table 4: Cash Flow Chart
Scenario 1 - Current Funding Path - FINAL - May 29, 2013



Annual values for contributions, forecast expenditures, and ending balances can be found in Table 2: Detailed Cash-Flow Plan

APPENDIX D

FUNDING SCENARIO TWO

Arbor Terrace Community - Rowhomes
Table 3 Cash Flow Table
Scenario 2 - MH's Suggested Funding Path - FINAL - May 29, 2013

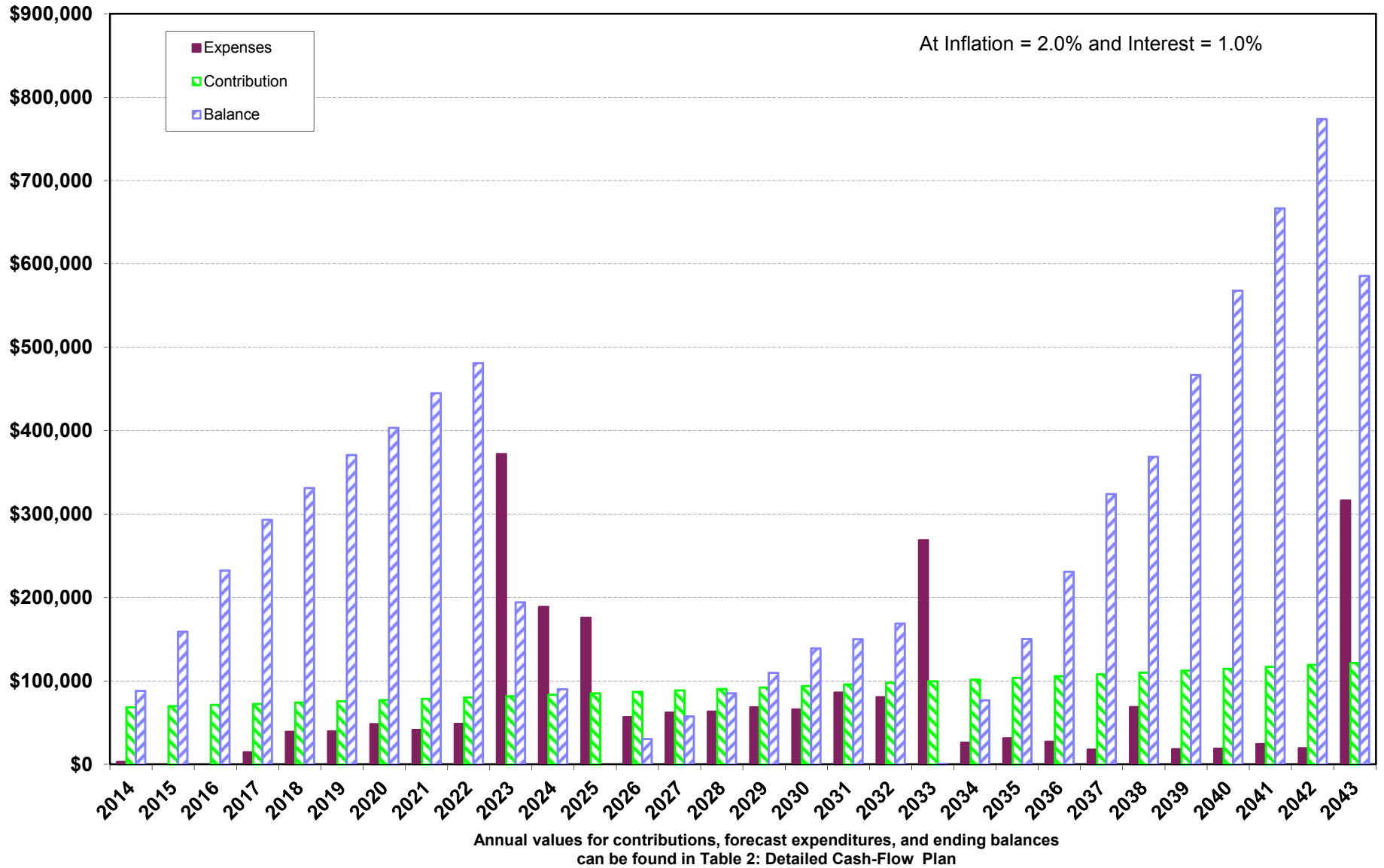
Yearly Contribution, (Year One)	\$68,466
Monthly Contribution Per Unit, (Year One)	\$88
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	\$22,119
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$0.00

Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contribution	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	\$22,119	\$68,466		\$0	\$3,000	\$549	\$88,133
2015	\$88,133	\$69,835	2.0%	\$0	\$0	\$1,231	\$159,199
2016	\$159,199	\$71,232	2.0%	\$0	\$0	\$1,948	\$232,379
2017	\$232,379	\$72,656	2.0%	\$0	\$14,401	\$2,615	\$293,249
2018	\$293,249	\$74,109	2.0%	\$0	\$38,916	\$3,108	\$331,552
2019	\$331,552	\$75,592	2.0%	\$0	\$39,694	\$3,495	\$370,944
2020	\$370,944	\$77,103	2.0%	\$0	\$48,371	\$3,853	\$403,530
2021	\$403,530	\$78,646	2.0%	\$0	\$41,298	\$4,222	\$445,100
2022	\$445,100	\$80,218	2.0%	\$0	\$48,708	\$4,609	\$481,219
2023	\$481,219	\$81,823	2.0%	\$0	\$372,082	\$3,361	\$194,321
2024	\$194,321	\$83,459	2.0%	\$0	\$188,934	\$1,416	\$90,262
2025	\$90,262	\$85,128	2.0%	\$0	\$175,840	\$449	(\$0)
2026	(\$0)	\$86,831	2.0%	\$0	\$56,528	\$152	\$30,455
2027	\$30,455	\$88,568	2.0%	\$0	\$62,042	\$437	\$57,418
2028	\$57,418	\$90,339	2.0%	\$0	\$63,283	\$709	\$85,183
2029	\$85,183	\$92,146	2.0%	\$0	\$68,586	\$970	\$109,712
2030	\$109,712	\$93,989	2.0%	\$0	\$65,840	\$1,238	\$139,099
2031	\$139,099	\$95,869	2.0%	\$0	\$86,158	\$1,440	\$150,250
2032	\$150,250	\$97,786	2.0%	\$0	\$80,731	\$1,588	\$168,892
2033	\$168,892	\$99,742	2.0%	\$0	\$268,771	\$844	\$707
2034	\$707	\$101,736	2.0%	\$0	\$26,112	\$385	\$76,716
2035	\$76,716	\$103,771	2.0%	\$0	\$31,181	\$1,130	\$150,437
2036	\$150,437	\$105,847	2.0%	\$0	\$27,167	\$1,898	\$231,014
2037	\$231,014	\$107,964	2.0%	\$0	\$17,635	\$2,762	\$324,104
2038	\$324,104	\$110,123	2.0%	\$0	\$68,766	\$3,448	\$368,908
2039	\$368,908	\$112,325	2.0%	\$0	\$18,348	\$4,159	\$467,044
2040	\$467,044	\$114,572	2.0%	\$0	\$18,715	\$5,150	\$568,051
2041	\$568,051	\$116,863	2.0%	\$0	\$24,210	\$6,144	\$666,848
2042	\$666,848	\$119,200	2.0%	\$0	\$19,471	\$7,167	\$773,745
2043	\$773,745	\$121,584	2.0%	\$0	\$316,284	\$6,764	\$585,809

* The term "annual contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

Arbor Terrace Community - Rowhomes
Table 4: Cash flow Chart

Scenario 2 - MH's Suggested Funding Path - FINAL - May 29, 2013



APPENDIX E

FUNDING SCENARIO THREE

Arbor Terrace HOA - Row Homes

Arbor Terrace Community

Table 2: Detailed Cash-Flow Plan

Scenario 3 - HOA's Requested Funding Approach - FINAL - May 29, 2013



Current Yearly Contribution		\$28,420	Current Monthly Contribution Per Unit		\$36																																				
	Starting Balance	\$22,119	\$50,902	\$88,543	\$135,842	\$178,424	\$205,149	\$240,967	\$287,394	\$341,942	\$405,523	\$158,734	\$92,328	\$40,854	\$115,086	\$183,229	\$253,394	\$325,628	\$399,978	\$457,396	\$535,936	\$424,991	\$559,884	\$698,740	\$841,649	\$998,831	\$1,114,377	\$1,280,296	\$1,450,970	\$1,626,508	\$1,807,022										
	Total Expenses inflated at 2% annually	\$0	\$0	\$0	\$14,401	\$38,916	\$39,694	\$40,488	\$41,298	\$42,123	\$361,781	\$182,084	\$168,853	\$45,596	\$54,773	\$55,868	\$56,985	\$58,125	\$78,289	\$60,473	\$252,478	\$9,494	\$9,684	\$9,877	\$0	\$45,953	\$0	\$0	\$0	\$0	\$296,424										
	Interest at 1% annually	\$363	\$694	\$1,116	\$1,564	\$1,908	\$2,219	\$2,629	\$3,131	\$3,719	\$2,807	\$1,249	\$663	\$776	\$1,484	\$2,172	\$2,881	\$3,610	\$4,266	\$4,942	\$4,781	\$4,900	\$6,262	\$7,664	\$9,157	\$10,513	\$11,914	\$13,588	\$15,311	\$17,082	\$17,422										
	Annual Reserve Contribution	\$28,420	\$36,946	\$46,183	\$55,419	\$63,732	\$73,292	\$84,286	\$92,715	\$101,986	\$112,185	\$114,428	\$116,717	\$119,051	\$121,432	\$123,861	\$126,338	\$128,865	\$131,442	\$134,071	\$136,752	\$139,487	\$142,277	\$145,123	\$148,025	\$150,986	\$154,005	\$157,086	\$160,227	\$163,432	\$166,700										
	Other Contribution																																								
	Ending Balance	\$50,902	\$88,543	\$135,842	\$178,424	\$205,149	\$240,967	\$287,394	\$341,942	\$405,523	\$158,734	\$92,328	\$40,854	\$115,086	\$183,229	\$253,394	\$325,628	\$399,978	\$457,396	\$535,936	\$424,991	\$559,884	\$698,740	\$841,649	\$998,831	\$1,114,377	\$1,280,296	\$1,450,970	\$1,626,508	\$1,807,022	\$1,694,720										
	Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30										
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043										
SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE - TH ONLY																																									
<u>Townhomes Only - Components Replaced During the 2013 Rehab Project</u>																																									
1	Exterior Wall Assemblies - Siding & Trim Details																																								
2	Gutters & Downspouts																												\$24,127												
3	Exterior Finishes & Sealants														\$199,485															\$243,171											
<u>Townhomes Only - Components "NOT" Replaced During the 2013 Rehab Project</u>																																									
4	Exterior Wall Assemblies - Siding & Trim Details													\$38,916	\$39,694	\$40,488	\$41,298	\$42,123	\$42,966	\$43,825	\$44,702	\$45,596	\$46,508	\$47,438	\$48,387	\$49,354	\$50,341	\$51,348													
4A	Five Year Renewal Items:																																								
	- Base of Wall Components																																								
	- Front Elevation Flat Work																																								
4B	5 to 10 Year Renewal Items:																																								
	- Crawl Spaces																																								
	- Front Corner Trim Detail																																								
	- Column Replacement Work																																								
	- Replace Exposed Gypsum @ Eaves																																								
4C	10 to 20 Year Renewal Items:																																								
	- Exterior Wall Assemblies - Rear Elevations																																								
	- Exterior Wall Assemblies - Side Elevations																																								
	- Exterior Wall Assemblies - Misc Cladding & Trim Details																																								
	- Windows & Doors																																								
4D	30 Year Renewal Items:																																								
	- Attics & Crawl Spaces																																								
5	Gutters & Downspouts														\$3,442	\$3,511	\$3,581																								
<u>Other Building Envelope Elements</u>																																									
6	Attic Insulation																																								
7	Roofing System, (Asphaltic Roof Shingles)												\$115,888	\$118,206	\$120,570																										
SHARED COMMON ELEMENTS #3: FENCING																																									
<u>Wood Fences @ Townhomes Only, (6' Tall Avg.)</u>																																									
29	6' Tall Wood Fence, (Vertical Boards, Alternating Pattern)																																								
30	Refinishing, (Stain or Clear Coat)								\$14,401											\$16,542											\$19,001										
SHARED COMMON ELEMENTS #5: CONCRETE FLAT WORK & RETAINING WALLS																																									
<u>Concrete Flat Work @ Townhomes Only</u>																																									
69	Driveways - Pebble Finish													\$5,280	\$5,386	\$5,494	\$5,604	\$5,716	\$5,830	\$5,947	\$6,066	\$6,187	\$6,311	\$6,437	\$6,566	\$6,697	\$6,831	\$6,967	\$7,107	\$7,249	\$7,394	\$7,542	\$7,693	\$7,846	\$8,003						
70	Front Entry Porches - Pebble Finish									\$1,304	\$1,330	\$1,356	\$1,384	\$1,411	\$1,440	\$1,468	\$1,498	\$1,528	\$1,558	\$1,589	\$1,621	\$1,654	\$1,687	\$1,720	\$1,755	\$1,790	\$1,826	\$1,862	\$1,899	\$1,937	\$1,976										
71	Rear Elevation Patios - Broom Finish																				\$7,947	\$8,106	\$8,268	\$8,433	\$8,602	\$8,774	\$8,949	\$9,128	\$9,311	\$9,497	\$9,687	\$9,881									
SHARED COMMON ELEMENTS #8: PROFESSIONAL SERVICES																																									
<u>Building Science Consulting Services - Townhomes Only</u>																																									
102	Building Envelope Condition Assessment - One Year Warranty Review																																								
103	Building Envelope Condition Assessment - Seven Year Performance Review																				\$7,883																				
104	Building Envelope Condition Assessment - Three Year Review													\$3,585	\$3,805	\$4,038	\$4,285	\$4,547									\$4,825	\$5,121													

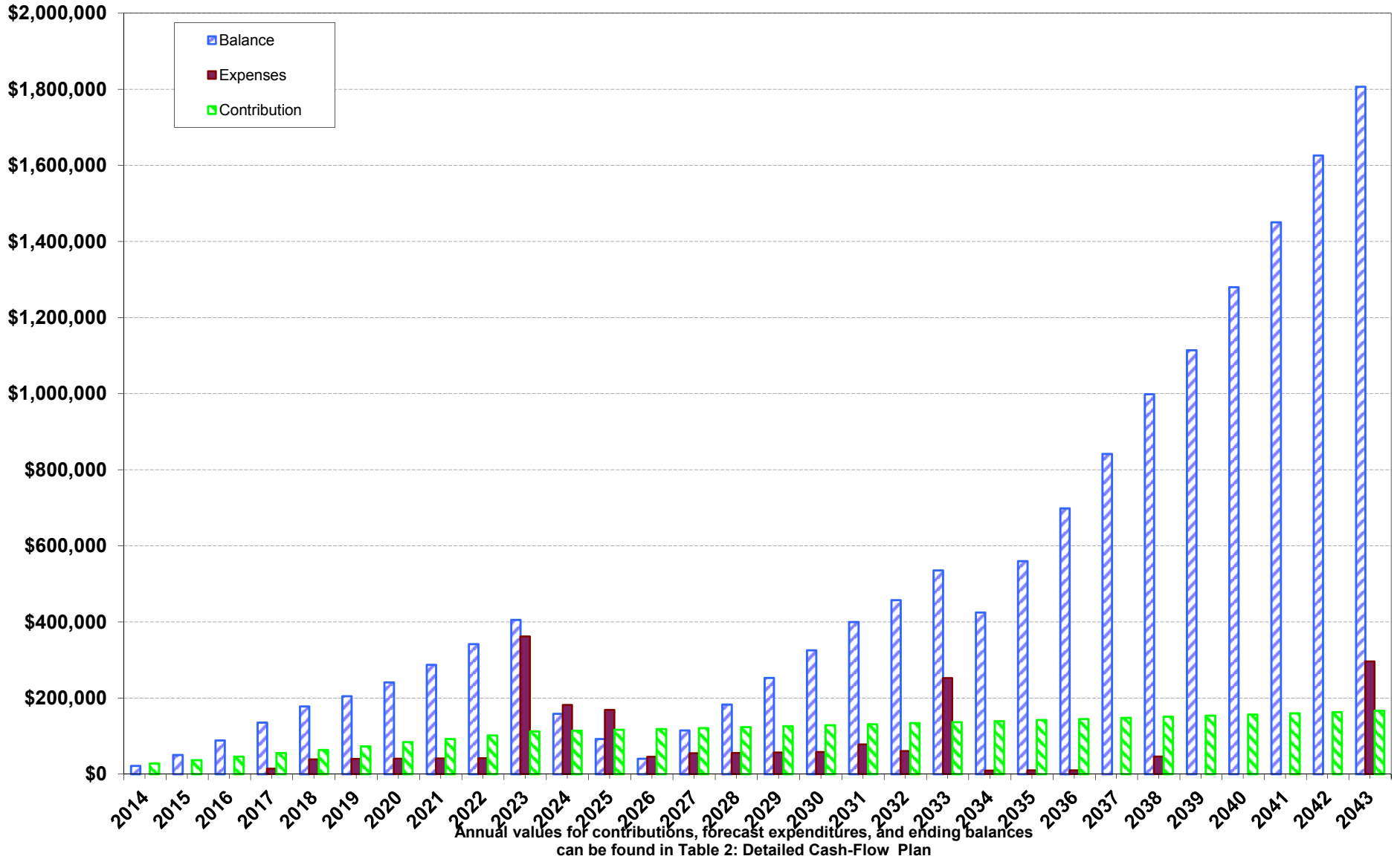
**Arbor Terrace Community
Table 3 Cash Flow Table
Scenario 3 - HOA's Requested Funding Approach - FINAL - May 29, 2013**

Yearly Contribution, (Year One) -	\$28,420
Monthly Contribution Per Unit, (Year One) -	\$36
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	\$22,119
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$40,854

Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contributions	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	\$22,119	\$28,420	35%	\$0	\$0	\$363	\$50,902
2015	\$50,902	\$36,946	30.0%	\$0	\$0	\$694	\$88,543
2016	\$88,543	\$46,183	25.0%	\$0	\$0	\$1,116	\$135,842
2017	\$135,842	\$55,419	20.0%	\$0	\$14,401	\$1,564	\$178,424
2018	\$178,424	\$63,732	15.0%	\$0	\$38,916	\$1,908	\$205,149
2019	\$205,149	\$73,292	15.0%	\$0	\$39,694	\$2,219	\$240,967
2020	\$240,967	\$84,286	15.0%	\$0	\$40,488	\$2,629	\$287,394
2021	\$287,394	\$92,715	10.0%	\$0	\$41,298	\$3,131	\$341,942
2022	\$341,942	\$101,986	10.0%	\$0	\$42,123	\$3,719	\$405,523
2023	\$405,523	\$112,185	10.0%	\$0	\$361,781	\$2,807	\$158,734
2024	\$158,734	\$114,428	2.0%	\$0	\$182,084	\$1,249	\$92,328
2025	\$92,328	\$116,717	2.0%	\$0	\$168,853	\$663	\$40,854
2026	\$40,854	\$119,051	2.0%	\$0	\$45,596	\$776	\$115,086
2027	\$115,086	\$121,432	2.0%	\$0	\$54,773	\$1,484	\$183,229
2028	\$183,229	\$123,861	2.0%	\$0	\$55,868	\$2,172	\$253,394
2029	\$253,394	\$126,338	2.0%	\$0	\$56,985	\$2,881	\$325,628
2030	\$325,628	\$128,865	2.0%	\$0	\$58,125	\$3,610	\$399,978
2031	\$399,978	\$131,442	2.0%	\$0	\$78,289	\$4,266	\$457,396
2032	\$457,396	\$134,071	2.0%	\$0	\$60,473	\$4,942	\$535,936
2033	\$535,936	\$136,752	2.0%	\$0	\$252,478	\$4,781	\$424,991
2034	\$424,991	\$139,487	2.0%	\$0	\$9,494	\$4,900	\$559,884
2035	\$559,884	\$142,277	2.0%	\$0	\$9,684	\$6,262	\$698,740
2036	\$698,740	\$145,123	2.0%	\$0	\$9,877	\$7,664	\$841,649
2037	\$841,649	\$148,025	2.0%	\$0	\$0	\$9,157	\$998,831
2038	\$998,831	\$150,986	2.0%	\$0	\$45,953	\$10,513	\$1,114,377
2039	\$1,114,377	\$154,005	2.0%	\$0	\$0	\$11,914	\$1,280,296
2040	\$1,280,296	\$157,086	2.0%	\$0	\$0	\$13,588	\$1,450,970
2041	\$1,450,970	\$160,227	2.0%	\$0	\$0	\$15,311	\$1,626,508
2042	\$1,626,508	\$163,432	2.0%	\$0	\$0	\$17,082	\$1,807,022
2043	\$1,807,022	\$166,700	2.0%	\$0	\$296,424	\$17,422	\$1,694,720

* The term "Annual Contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

Arbor Terrace Community
Table 4: Cash Flow Chart
Scenario 3 - HOA's Requested Funding Approach - FINAL - May 29, 2013



9. SUBSECTION 3: ALL LOTS FINANCIAL TABLES & GRAPHICS

APPENDIX A

SUMMARY OF DATA AND RESULTS



Summary of Data & Results - FINAL

Class of Reserve Fund Study	Baseline Funding
Property Name	Arbor Terrace Community - All Lots
Entity Name	Arbor Terrace HOA
Current Date	May 29, 2013
Year Building Constructed	2007
Starting Year (Current Fiscal Year)	2014
Dollar Year	2014
Fiscal Year Start	July 1, 2013
Fiscal Year End	June 30, 2013
Inflation Rate	2.00%
Interest Rate	1.00%
Estimated Starting Balance	\$73,467
Number of Units	160

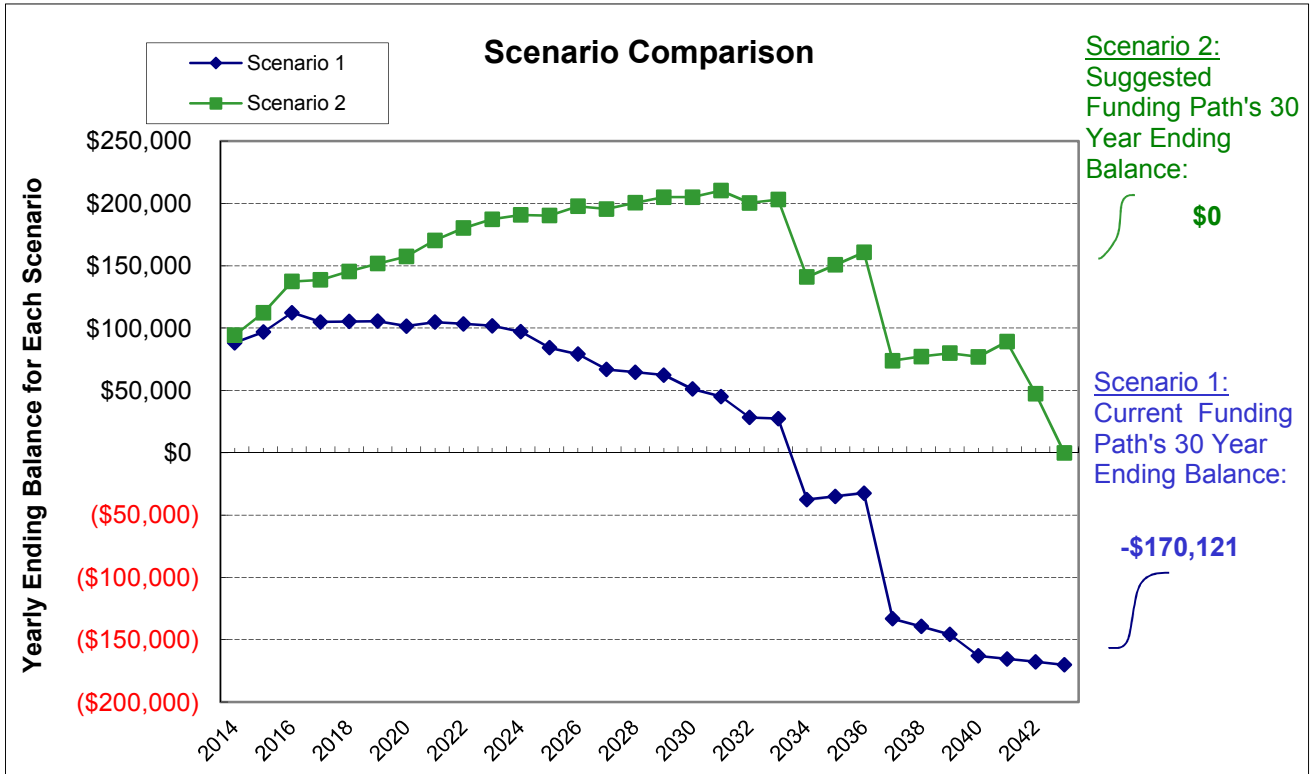
Scenario 1 (Based on Current Contributions)

Yearly Contribution -	\$	13,939
Monthly Contribution Per Unit -	\$	7
Minimum Balance	\$	(170,121)
Maximum Balance	\$	112,405
30-year study closing balance	\$	(170,121)

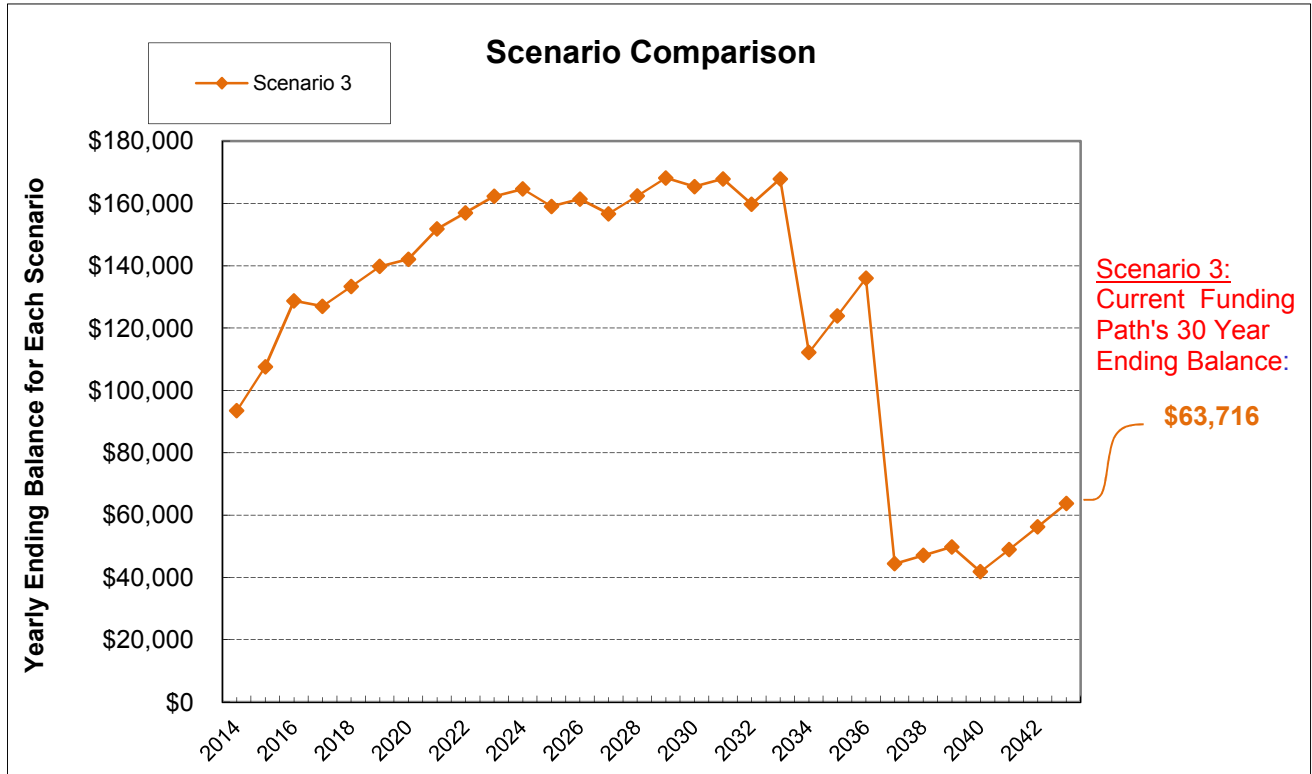
Scenario 2 (Based on MH's Suggested Funding Path)

Yearly Contribution, (Year One)	\$	29,809
Monthly Contribution Per Unit, (Year One)	\$	16
Minimum Balance	\$	0
Maximum Balance	\$	210,218
30-year study closing balance	\$	0

Arbor Terrace Community - All Lots



Arbor Terrace Community - All Lots



APPENDIX B

TABLE 1: ANTICIPATED COST SUMMARY

Arbor Terrace HOA
 Arbor Terrace Community - All Lots
 Table 1: Anticipated Cost Summary



Item #	Item Description	Elevated Maintenance Item, (Y/N)	Normal Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Life Expectancy	Years Over Which Work is Phased	Quantity	Units of Measure	Unit Cost	Add Consultant Fee (Y/N)	Allowance for Consulting Fee	Current Replacement Costs	MH Comments/Recommendations
SHARED COMMON ELEMENTS #2: PARK AREA														
<u>Tot Lot</u>														
9	Perimeter Fence, (Metallic)	N	30	2007	7	0	1	250	Ln. Ft.	\$60.00	N	\$0	\$15,000	Refinishing costs covered under Item #??
10	Concrete Pathways	N	50	2007	7	-20	10	1,480	Sq. Ft.	\$10.00	N	\$0	\$14,800	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
11	Park Benches	N	40	2007	7	0	1	4	Each	\$1,000.00	N	\$0	\$4,000	Maintenance and upkeep fall under the "Operation Budget"
12	Play Equipment	N	30	2007	7	0	1	1	Each	\$30,000.00	N	\$0	\$30,000	Maintenance and upkeep fall under the "Operation Budget"
13	Bark Chips	N	5	2007	7	3	1	32	Cu. Yd.	\$0.00	N	\$0	\$0	Per the Association's request, renewal/repair costs will be addressed under the "Operation Budget"
<u>Gazebo</u>														
14	Concrete Pathways	N	50	2007	7	-25	5	100	Sq. Ft.	\$10.00	N	\$0	\$1,000	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
15	Concrete Slab/Foundation	N	50	2007	7	0	1	624	Sq. Ft.	\$15.00	N	\$0	\$9,360	
16	Stone Column Bases	Y	25	2007	7	0	1	8	Each	\$750.00	N	\$0	\$6,000	Maintenance and upkeep fall under the "Operation Budget"
17	Structure	N	50	2007	7	0	1	1	Each	\$50,000.00	Y	\$2,500	\$52,500	MH recommends the Association consider hiring a Structural Engineer during the renewal period for this component
18	Stained T&G Soffit, (Ventilated)	Y	50	2007	7	0	1	1,000	Sq. Ft.	\$10.00	N	\$0	\$10,000	Maintenance and upkeep fall under the "Operation Budget"
19	Park Benches, (Attached)	N	40	2007	7	0	1	2	Each	\$1,000.00	N	\$0	\$2,000	Maintenance and upkeep fall under the "Operation Budget"
20	HOA Bulletin Board, (Free Standing)	N	20	2011	3	0	1	1	Each	\$500.00	N	\$0	\$500	Maintenance and upkeep fall under the "Operation Budget"
21	Roofing System, (Asphaltic Roof Shingles)	N	25	2007	7	0	1	1,000	Sq. Ft.	\$3.75	N	\$0	\$3,750	Maintenance and upkeep fall under the "Operation Budget"
22	Misc. Trim Details	N	25	2007	7	0	1	1	Each	\$1,500.00	N	\$0	\$1,500	Maintenance and upkeep fall under the "Operation Budget"
23	Refinishing, (Painting & Staining)	Y	10	2007	7	3	1	1	Each	\$7,500.00	N	\$0	\$7,500	Costs include the restaining of the soffit material
<u>Other Shared Common Elements at the Park Area</u>														
24	Vinyl Fence, (42" Tall)	Y	50	2007	7	0	1	465	Ln. Ft.	\$30.00	N	\$0	\$13,950	Maintenance and upkeep fall under the "Operation Budget"
25	Concrete Pathways	N	50	2007	7	-20	10	1,800	Sq. Ft.	\$10.00	N	\$0	\$18,000	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
26	Landscaping	N	1	2007	7	0	1	0		\$0.00	N	\$0	\$0	Per the Association's request, renewal/repair costs will be addressed under the "Operation Budget"
SHARED COMMON ELEMENTS #3: FENCING														
<u>Wood Fences @ Single Family Homes Only. (6' Tall Avg.)</u>														
27	6' Tall Wood Fence, (Decorative Detail @ Top of Fence Line)	Y	30	2007	7	-15	10	1,514	Ln. Ft.	\$25.00	Y	\$2,650	\$40,500	This component is shared by the whole community. Renewal costs include replacement of concrete footings if necessary.
28	Refinishing, (Stain or Clear Coat)	Y	7	2007	7	3	3	1,514	Ln. Ft.	\$5.00	N	\$0	\$7,570	This component is shared by the whole community
<u>Vinyl Fence</u>														
31	Vinyl Fence, (42" Tall)	Y	50	2007	7	0	1	1,487	Ln. Ft.	\$30.00	Y	\$3,123	\$47,730	This component is shared by the whole community. Renewal costs include replacement of concrete footings if necessary.

Arbor Terrace HOA
 Arbor Terrace Community - All Lots
 Table 1: Anticipated Cost Summary



Item #	Item Description	Elevated Maintenance Item, (Y/N)	Normal Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Life Expectancy	Years Over Which Work is Phased	Quantity	Units of Measure	Unit Cost	Add Consultant Fee (Y/N)	Allowance for Consulting Fee	Current Replacement Costs	MH Comments/Recommendations
SHARED COMMON ELEMENTS #4: CONCRETE & ASPHALT AREAS														
Asphalt Roadways - Slurry Seal, (Major Maintenance Task)														
34	SW Holland Lane	Y	5	2007	7	1	1	26,950	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
35	SW Windrow Lane	Y	5	2007	7	1	1	9,975	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
36	SW Silo Terrace	Y	5	2007	7	1	1	8,925	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
37	SW Bronner Lane	Y	5	2007	7	1	1	10,850	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
38	SW Harvester Lane	Y	5	2007	7	1	1	22,770	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
39	SW Massey Terrace	Y	5	2007	7	1	1	3,630	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
40	SW Ferguson Terrace	Y	5	2007	7	1	1	5,940	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
41	SW Fallow Terrace	Y	5	2007	7	1	1	3,960	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
42	Alley-Way @ SW Window Lane	Y	5	2007	7	1	1	7,520	Sq. Ft.	\$0.35	Y	\$184	\$2,820	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
43	Alley-Way @ SW Bronner Lane	Y	5	2007	7	1	1	9,440	Sq. Ft.	\$0.35	Y	\$231	\$3,540	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
Asphalt Roadways - Re-Top Application, (Major Renewal Task)														
44	SW Holland Lane	Y	25	2007	7	0	1	26,950	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
45	SW Windrow Lane	Y	25	2007	7	0	1	9,975	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
46	SW Silo Terrace	Y	25	2007	7	0	1	8,925	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
47	SW Bronner Lane	Y	25	2007	7	1	1	10,850	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
48	SW Harvester Lane	Y	25	2007	7	1	1	22,770	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
49	SW Massey Terrace	Y	25	2007	7	1	1	3,630	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
50	SW Ferguson Terrace	Y	25	2007	7	2	1	5,940	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
51	SW Fallow Terrace	Y	25	2007	7	2	1	3,960	Sq. Ft.	\$0.00	Y	\$0	\$0	Per the HOA's Instructions, Renewal Costs for this component are covered by others
52	Alley-Way @ SW Window Lane	Y	25	2007	7	2	1	7,520	Sq. Ft.	\$2.50	Y	\$1,316	\$20,120	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
53	Alley-Way @ SW Bronner Lane	Y	25	2007	7	2	1	9,440	Sq. Ft.	\$2.50	Y	\$1,652	\$25,250	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
Concrete Sidewalks, (5' Wide Pathway, with attached Curb & Gutter)														
54	SW Holland Lane	Y	50	2007	7	-40	50	8,640	Sq. Ft.	\$10.00	Y	\$6,048	\$92,450	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
55	SW Windrow Lane	Y	50	2007	7	-40	50	3,420	Sq. Ft.	\$10.00	Y	\$2,394	\$36,590	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
56	SW Silo Terrace	Y	50	2007	7	-40	50	3,060	Sq. Ft.	\$10.00	Y	\$2,142	\$32,740	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
57	SW Bronner Lane	Y	50	2007	7	-40	50	3,720	Sq. Ft.	\$10.00	Y	\$2,604	\$39,800	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
Concrete Sidewalks, (5' Wide Pathway, with detached Curb & Gutter)														
58	SW Harvester Lane	Y	50	2007	7	-40	50	7,686	Sq. Ft.	\$10.00	Y	\$5,380	\$82,240	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
59	SW Massey Terrace	Y	50	2007	7	-40	50	1,518	Sq. Ft.	\$10.00	Y	\$1,063	\$16,240	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
60	SW Ferguson Terrace	Y	50	2007	7	-40	50	2,160	Sq. Ft.	\$10.00	Y	\$1,512	\$23,110	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
61	SW Fallow Terrace	Y	50	2007	7	-40	50	1,638	Sq. Ft.	\$10.00	Y	\$1,147	\$17,530	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
62	SW Baler Way	Y	50	2007	7	-40	50	5,430	Sq. Ft.	\$10.00	Y	\$3,801	\$58,100	Lineal measurement does not include pathways adjacent to shopping center
Concrete Sidewalks, (7' Wide Pathway, with detached Curb & Gutter)														
63	SW Adams Avenue	Y	50	2007	7	-40	50	2,604	Sq. Ft.	\$10.00	Y	\$1,823	\$27,860	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
64	SW Langer Drive	Y	50	2007	7	-40	50	7,455	Sq. Ft.	\$10.00	Y	\$5,219	\$79,770	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
65	SW Century Drive	Y	50	2007	7	-40	50	6,300	Sq. Ft.	\$10.00	Y	\$4,410	\$67,410	Assumed replacement of this component would be addressed as the need arises and over an extended period of time.
Misc. Concrete & Asphalt Components														
66	Concrete Pathways, (4' Wide, No Curb or Gutter)	Y	50	2007	7	-40	50	800	Sq. Ft.	\$10.00	Y	\$560	\$8,560	Renewal costs cover various small walkways/sidewalks that are not adjacent to roadways
67	Asphalt Pathway, (4' Wide)	N	50	2007	7	0	1	560	Sq. Ft.	\$3.00	N	\$0	\$1,680	Pathway is located on west end of the community, leading from adjacent apartment complex
68	Concrete Curbs & Gutters, (No Sidewalk/Pathway Attached)	Y	50	2007	7	-40	50	1,821	Ln. Ft.	\$10.00	Y	\$1,275	\$19,480	Located @ Alley-Way Roadways'

Arbor Terrace HOA
 Arbor Terrace Community - All Lots
 Table 1: Anticipated Cost Summary



Item #	Item Description	Elevated Maintenance Item, (Y/N)	Normal Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Life Expectancy	Years Over Which Work is Phased	Quantity	Units of Measure	Unit Cost	Add Consultant Fee (Y/N)	Allowance for Consulting Fee	Current Replacement Costs	MH Comments/Recommendations
SHARED COMMON ELEMENTS #5: CONCRETE FLAT WORK & RETAINING WALLS														
<u>Retaining Walls</u>														
75	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane	Y	50	2007	7	-10	1	425	Sq. Ft.	\$50.00	Y	\$1,488	\$22,740	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
76	CMU Retaining Walls, (< 1' Tall)	Y	50	2007	7	-30	10	500	Sq. Ft.	\$10.00	Y	\$350	\$5,350	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
77	CMU Retaining Walls, (< 3' Tall)	Y	50	2007	7	-30	10	500	Sq. Ft.	\$10.00	Y	\$350	\$5,350	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
SHARED COMMON ELEMENTS #6: ELECTRICAL, PLUMBING & COMMUNICATION														
<u>Electrical Components - Townhomes Only</u>														
78	Electrical Unit #1: Below Grade Component w/Steel Hinged Doors	N	1	2007	7	0	1	1	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
79	Electrical Unit #2: Above & Below Grade Component, (3' Tall x 1' Sq. Fiberglass Box)	N	1	2007	7	0	1	16	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
80	Electrical Unit #3: Above & Below Grade Component, (1.5' Tall x 1' Sq. Metal Box)	N	1	2007	7	0	1	16	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
81	Electrical Unit #4: Above & Below Grade Component, (2.5' Tall x 3' Sq. Metal Box)	N	1	2007	7	0	1	15	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
82	Electrical Unit #5: Below Grade Component, (1.5' x 2' Concrete Housing)	N	1	2007	7	0	1	8	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
<u>Electrical Components - Single Family Homes Only</u>														
83	Electrical Unit #1: Below Grade Component w/Steel Hinged Doors	N	1	2007	7	0	1	0	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
84	Electrical Unit #2: Above & Below Grade Component, (3' Tall x 1' Sq. Fiberglass Box)	N	1	2007	7	0	1	0	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
85	Electrical Unit #3: Above & Below Grade Component, (1.5' Tall x 1' Sq. Metal Box)	N	1	2007	7	0	1	0	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
86	Electrical Unit #4: Above & Below Grade Component, (2.5' Tall x 3' Sq. Metal Box)	N	1	2007	7	0	1	0	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
87	Electrical Unit #5: Below Grade Component, (1.5' x 2' Concrete Housing)	N	1	2007	7	0	1	0	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
<u>Misc Electrical & Communication Components</u>														
88	Broadband Unit #1: Above Grade Component, (Townhomes Only)	N	1	2007	7	0	1	16	Each	\$0.00	N	\$0	\$0	At this time, per the Association's direction, renewal costs associated with this component are handled by the service provider for broadband cable, phone, & internet
89	16' Vertical Ornamental Street Lamps	N	1	2007	7	0	1	24	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
90	Large Vertical Street Lamps	N	1	2007	7	0	1	0	Each	\$0.00	N	\$0	\$0	Per the HOA's Instruction's this Component's Renewal Costs are Addressed by City of Sherwood & PGE
<u>Plumbing & Storm Drainage Systems</u>														
91	Water Meter & Shut-Off Valve	N	50	2007	7	-15	15	160	Each	\$3,000.00	N	\$0	\$480,000	Includes both SFH and TH components
92	Community Storm Drainage System	N	100	2007	7	0	25	1	Each	\$250,000.00	Y	\$17,500	\$267,500	Renewal costs used are for budgeting purposes only. Actual cost to replace these components will require further information as to where and how many of these components are to be covered by the HOA and/or the City of Sherwood
93	Fire Hydrants	N	50	2007	7	-5	10	12	Each	\$0.00	Y	\$1,000	\$1,000	Addressed by City of Sherwood & PGE
94	Drainage Swale													
95	- Chainlink Fence, (6' Tall Approx)	N	40	2007	7	0	1	400	Ln. Ft.	\$17.00	N	\$0	\$6,800	
96	- CMU Retaining Wall, (2' x 3' Blocks, Stacked Approx. 5' Tall)	N	50	2007	7	0	1	750	Sq. Ft.	\$75.00	Y	\$3,938	\$60,190	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
97	- Concrete Flatwork, (Includes Stairs)	N	50	2007	7	0	1	240	Sq. Ft.	\$25.00	Y	\$420	\$6,420	MH recommends the Association consider hiring a Consultant/Engineer during the renewal period for this component
98	- Handrails, (Metal)	N	50	2007	7	0	1	18	Ln. Ft.	\$50.00	N	\$0	\$900	Replacement schedule will more than likely coincide with the concrete flatwork's renewal schedule
SHARED COMMON ELEMENTS #7: MISC COMPONENTS														
<u>Misc Components</u>														
99	Mailbox Kiosks	N	25	2007	7	0	5	14	Each	\$1,500.00	N	\$0	\$21,000	Based on information provided by the local Post Office, the renewal cost for these components are the responsibility of the HOA
100	Signage, (Stop Signs, Violation Signs, Street Name Signs, Etc.)	Y	10	2007	7	0	5	1	Each	\$5,000.00	N	\$0	\$5,000	Budgetary Item
101	Emergency Renewal Fund	Y	30	2013	1	-30	30	160	Each	\$1,000.00	N	\$0	\$160,000	Budgetary Line Item - Covers Potential Unknown-Unknowns, (MH recommends the Association place \$1,000 per unit for the 30 year duration of the study)
SHARED COMMON ELEMENTS #8: PROFESSIONAL SERVICES														
<u>HOA Budgetary Planning Tools Related To Their Shared Common Components</u>														
105	Reserve Study - Full Review Update	Y	5	2013	1	0	1	1	Each	\$4,000.00	N	\$0	\$4,000	MH recommends the Association update their RS with a full analysis of all their shared common elements once every five years, minimum
106	Reserve Study - Annual Update	Y	1	2013	1	0	1	1	Each	\$1,500.00	N	\$0	\$1,500	Required as per Oregon State Law
107	Maintenance Plan Update/Renewal	Y	5	2007	7	0	1	1	Each	\$3,000.00	N	\$0	\$3,000	MH recommends the Association have the MP revised in conjunction with the 5 Year Full Review RS Update

APPENDIX C

FUNDING SCENARIO ONE

Arbor Terrace HOA
 Arbor Terrace Community - All Lots
 Table 2: Detailed Cash-Flow Plan
 Scenario 1 - Current Funding Path - FINAL - May 29, 2013



Current Yearly Contribution	\$13,939	Current Monthly Contribution Per Unit										\$7																		
Starting Balance	\$73,467	\$88,210	\$96,862	\$112,405	\$104,867	\$105,239	\$105,601	\$101,611	\$104,822	\$103,340	\$101,793	\$97,088	\$84,273	\$79,161	\$66,759	\$64,577	\$62,317	\$51,201	\$45,138	\$28,262	\$27,341	(\$37,548)	(\$34,969)	(\$32,339)	(\$133,069)	(\$139,345)	(\$145,747)	(\$162,919)	(\$165,272)	(\$167,673)
Total Expenses inflated at 2% annually	\$0	\$6,487	\$0	\$23,411	\$15,761	\$16,076	\$20,719	\$13,827	\$18,849	\$19,226	\$22,687	\$31,048	\$23,603	\$31,160	\$21,227	\$18,852	\$30,816	\$26,060	\$37,150	\$21,504	\$65,602	\$18,548	\$18,919	\$122,711	\$28,696	\$29,270	\$40,498	\$26,145	\$26,668	\$27,202
Interest at 1% annually	\$804	\$921	\$1,041	\$1,081	\$1,045	\$1,049	\$1,031	\$1,027	\$1,036	\$1,021	\$989	\$902	\$813	\$726	\$653	\$631	\$565	\$479	\$365	\$277	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Reserve Contribution	\$13,939	\$14,218	\$14,502	\$14,792	\$15,088	\$15,390	\$15,698	\$16,012	\$16,332	\$16,658	\$16,992	\$17,331	\$17,678	\$18,032	\$18,392	\$18,760	\$19,135	\$19,518	\$19,908	\$20,306	\$20,713	\$21,127	\$21,549	\$21,980	\$22,420	\$22,868	\$23,326	\$23,792	\$24,268	\$24,753
Other Contribution																														
Ending Balance	\$88,210	\$96,862	\$112,405	\$104,867	\$105,239	\$105,601	\$101,611	\$104,822	\$103,340	\$101,793	\$97,088	\$84,273	\$79,161	\$66,759	\$64,577	\$62,317	\$51,201	\$45,138	\$28,262	\$27,341	(\$37,548)	(\$34,969)	(\$32,339)	(\$133,069)	(\$139,345)	(\$145,747)	(\$162,919)	(\$165,272)	(\$167,673)	(\$170,121)
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043

SHARED COMMON ELEMENTS #6: ELECTRICAL, PLUMBING & COMMUNICATION

<u>Electrical Components - Townhomes Only</u>																															
78	Electrical Unit #1: Below Grade Component w/Steel Hinged Doors																														
79	Electrical Unit #2: Above & Below Grade Component, (3' Tall x 1' Sq. Fiberglass Box)																														
80	Electrical Unit #3: Above & Below Grade Component, (1.5' Tall x 1' Sq. Metal Box)																														
81	Electrical Unit #4: Above & Below Grade Component, (2.5' Tall x 3' Sq. Metal Box)																														
82	Electrical Unit #5: Below Grade Component, (1.5' x 2' Concrete Housing)																														
<u>Electrical Components - Single Family Homes Only</u>																															
83	Electrical Unit #1: Below Grade Component w/Steel Hinged Doors																														
84	Electrical Unit #2: Above & Below Grade Component, (3' Tall x 1' Sq. Fiberglass Box)																														
85	Electrical Unit #3: Above & Below Grade Component, (1.5' Tall x 1' Sq. Metal Box)																														
86	Electrical Unit #4: Above & Below Grade Component, (2.5' Tall x 3' Sq. Metal Box)																														
87	Electrical Unit #5: Below Grade Component, (1.5' x 2' Concrete Housing)																														
<u>Misc Electrical & Communication Components</u>																															
88	Broadband Unit #1: Above Grade Component, (Townhomes Only)																														
89	16' Vertical Ornamental Street Lamps																														
90	Large Vertical Street Lamps																														
<u>Plumbing & Storm Drainage Systems</u>																															
91	Water Meter & Shut-Off Valve																														
92	Community Storm Drainage System																														
93	Fire Hydrants																														
94	Drainage Swale																														
95	- Chainlink Fence, (6' Tall Approx)																														
96	- CMU Retaining Wall, (2' x 3' Blocks, Stacked Approx. 5' Tall)																														
97	- Concrete Flatwork, (Includes Stairs)																														
98	- Handrails, (Metal)																														

SHARED COMMON ELEMENTS #7: MISC COMPONENTS

<u>Misc Components</u>																															
99	Mailbox Kiosks																														
100	Signage, (Stop Signs, Violation Signs, Street Name Signs, Etc.)																														
101	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	\$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

SHARED COMMON ELEMENTS #8: PROFESSIONAL SERVICES

<u>HOA Budgetary Planning Tools Related To Their Shared Common Components</u>																															
105	Reserve Study - Full Review Update																														
106	Reserve Study - Annual Update	\$1,500	\$1,530	\$1,561	\$1,592		\$1,656	\$1,689	\$1,723	\$1,757		\$1,828	\$1,865	\$1,902	\$1,940		\$2,019	\$2,059	\$2,100	\$2,142		\$5,827									
107	Maintenance Plan Update/Renewal	\$3,000					\$3,312							\$3,657			\$4,038					\$4,458					\$4,922				

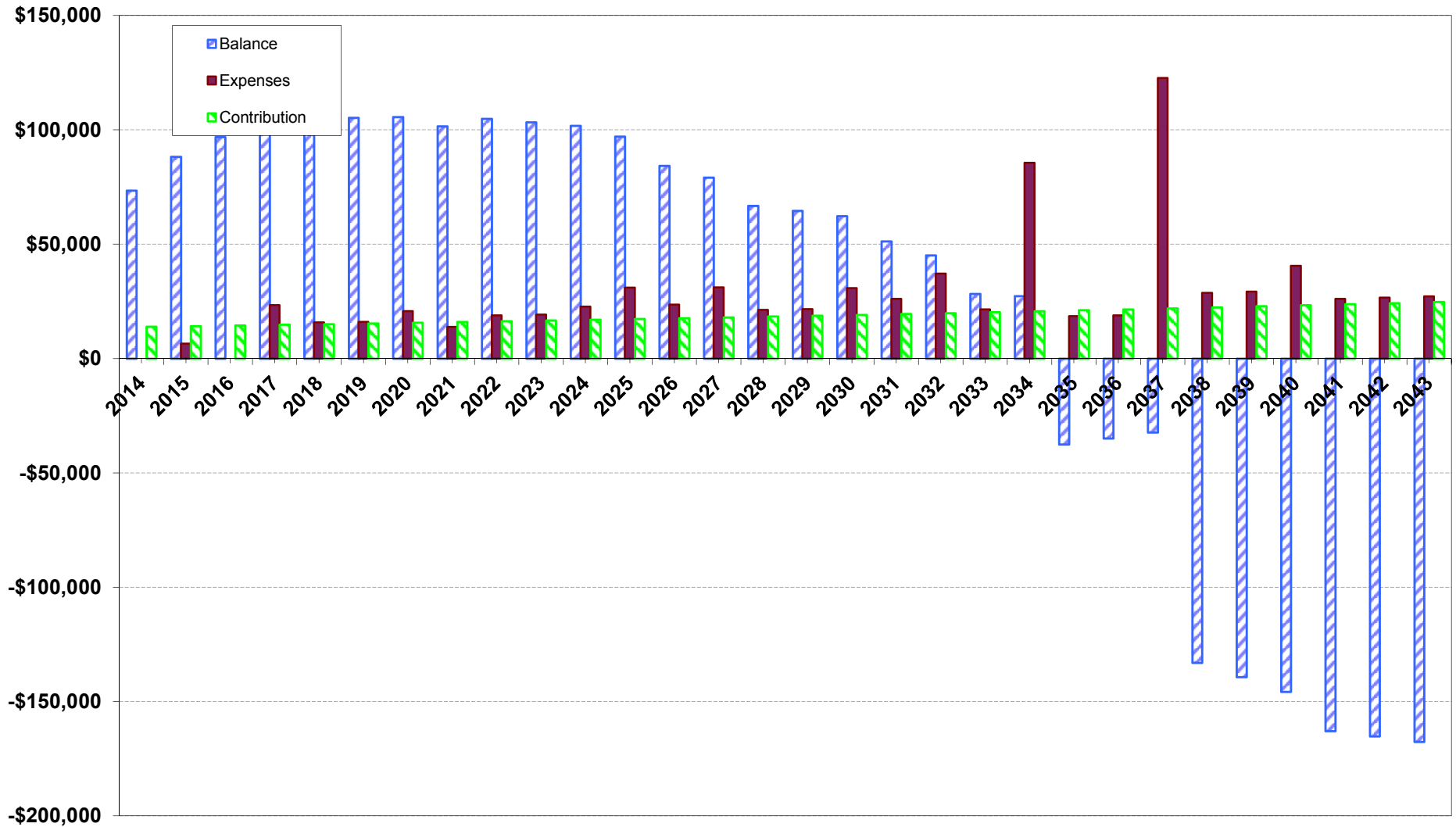
Arbor Terrace Community - All Lots
Table 3 Cash Flow Table
Scenario 1 - Current Funding Path - FINAL - May 29, 2013

Yearly Contribution -	\$13,939
Monthly Contribution Per Unit -	\$7
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	\$73,467
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	(\$170,121)

Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contributions	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	\$73,467	\$13,939		\$0	\$0	\$804	\$88,210
2015	\$88,210	\$14,218	2.0%	\$0	\$6,487	\$921	\$96,862
2016	\$96,862	\$14,502	2.0%	\$0	\$0	\$1,041	\$112,405
2017	\$112,405	\$14,792	2.0%	\$0	\$23,411	\$1,081	\$104,867
2018	\$104,867	\$15,088	2.0%	\$0	\$15,761	\$1,045	\$105,239
2019	\$105,239	\$15,390	2.0%	\$0	\$16,076	\$1,049	\$105,601
2020	\$105,601	\$15,698	2.0%	\$0	\$20,719	\$1,031	\$101,611
2021	\$101,611	\$16,012	2.0%	\$0	\$13,827	\$1,027	\$104,822
2022	\$104,822	\$16,332	2.0%	\$0	\$18,849	\$1,036	\$103,340
2023	\$103,340	\$16,658	2.0%	\$0	\$19,226	\$1,021	\$101,793
2024	\$101,793	\$16,992	2.0%	\$0	\$22,687	\$989	\$97,088
2025	\$97,088	\$17,331	2.0%	\$0	\$31,048	\$902	\$84,273
2026	\$84,273	\$17,678	2.0%	\$0	\$23,603	\$813	\$79,161
2027	\$79,161	\$18,032	2.0%	\$0	\$31,160	\$726	\$66,759
2028	\$66,759	\$18,392	2.0%	\$0	\$21,227	\$653	\$64,577
2029	\$64,577	\$18,760	2.0%	\$0	\$21,652	\$631	\$62,317
2030	\$62,317	\$19,135	2.0%	\$0	\$30,816	\$565	\$51,201
2031	\$51,201	\$19,518	2.0%	\$0	\$26,060	\$479	\$45,138
2032	\$45,138	\$19,908	2.0%	\$0	\$37,150	\$365	\$28,262
2033	\$28,262	\$20,306	2.0%	\$0	\$21,504	\$277	\$27,341
2034	\$27,341	\$20,713	2.0%	\$0	\$85,602	\$0	(\$37,548)
2035	(\$37,548)	\$21,127	2.0%	\$0	\$18,548	\$0	(\$34,969)
2036	(\$34,969)	\$21,549	2.0%	\$0	\$18,919	\$0	(\$32,339)
2037	(\$32,339)	\$21,980	2.0%	\$0	\$122,711	\$0	(\$133,069)
2038	(\$133,069)	\$22,420	2.0%	\$0	\$28,696	\$0	(\$139,345)
2039	(\$139,345)	\$22,868	2.0%	\$0	\$29,270	\$0	(\$145,747)
2040	(\$145,747)	\$23,326	2.0%	\$0	\$40,498	\$0	(\$162,919)
2041	(\$162,919)	\$23,792	2.0%	\$0	\$26,145	\$0	(\$165,272)
2042	(\$165,272)	\$24,268	2.0%	\$0	\$26,668	\$0	(\$167,673)
2043	(\$167,673)	\$24,753	2.0%	\$0	\$27,202	\$0	(\$170,121)

* The term "annual contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

Arbor Terrace Community - All Lots
Table 4: Cash Flow Chart
Scenario 1 - Current Funding Path - FINAL - May 29, 2013



Annual values for contributions, forecast expenditures, and ending balances can be found in Table 2: Detailed Cash-Flow Plan

APPENDIX D

FUNDING SCENARIO TWO

Arbor Terrace HOA
 Arbor Terrace Community - All Lots
 Table 2: Detailed Cash-Flow Plan
 Scenario 2 - MH Recommended Funding Path - FINAL - May 29, 2013



	Yearly Contribution, (Year One)		Monthly Contribution Per Unit, (Year One)																																													
	\$29,809		\$16																																													
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043																		
Starting Balance	\$73,467	\$94,277	\$112,252	\$137,397	\$138,680	\$145,412	\$151,765	\$157,331	\$170,377	\$180,191	\$187,263	\$190,807	\$190,221	\$197,686	\$195,525	\$200,554	\$205,018	\$204,940	\$210,218	\$200,398	\$203,053	\$141,014	\$150,752	\$160,755	\$73,864	\$77,245	\$79,888	\$76,943	\$89,133	\$47,432																		
Total Expenses inflated at 2% annually	\$9,833	\$13,457	\$7,109	\$31,724	\$26,946	\$28,037	\$29,540	\$22,825	\$26,856	\$30,380	\$34,673	\$39,545	\$32,269	\$42,677	\$36,274	\$37,672	\$43,038	\$38,527	\$54,437	\$42,778	\$108,045	\$36,893	\$37,631	\$135,063	\$45,317	\$47,043	\$53,607	\$39,516	\$94,278	\$100,603																		
Interest at 1% annually	\$835	\$1,028	\$1,242	\$1,374	\$1,413	\$1,478	\$1,538	\$1,630	\$1,744	\$1,828	\$1,881	\$1,896	\$1,930	\$1,956	\$1,971	\$2,018	\$2,040	\$2,065	\$2,043	\$2,007	\$1,712	\$1,452	\$1,550	\$1,167	\$752	\$782	\$790	\$826	\$679	\$236																		
Annual Reserve Contribution	\$29,809	\$30,405	\$31,013	\$31,633	\$32,266	\$32,911	\$33,569	\$34,241	\$34,925	\$35,624	\$36,336	\$37,063	\$37,804	\$38,561	\$39,332	\$40,118	\$40,921	\$41,739	\$42,574	\$43,425	\$44,294	\$45,180	\$46,083	\$47,005	\$47,945	\$48,904	\$49,882	\$50,880	\$51,897	\$52,935																		
Other Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0																		
Ending Balance	\$94,277	\$112,252	\$137,397	\$138,680	\$145,412	\$151,765	\$157,331	\$170,377	\$180,191	\$187,263	\$190,807	\$190,221	\$197,686	\$195,525	\$200,554	\$205,018	\$204,940	\$210,218	\$200,398	\$203,053	\$141,014	\$150,752	\$160,755	\$73,864	\$77,245	\$79,888	\$76,943	\$89,133	\$47,432	\$0																		
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30																		
Calendar Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043																		
SHARED COMMON ELEMENTS #2: PARK AREA																																																
Tot Lot																																																
9																									\$23,653																							
10																									\$2,334	\$2,380	\$2,428	\$2,477	\$2,526	\$2,577	\$2,628																	
11																																																
12																									\$47,307																							
13																																																
Gazebo																																																
14																									\$286	\$291	\$297	\$303	\$309																			
15																																																
16																									\$8,569																							
17																																																
18																									\$15,769																							
19																																																
20																									\$647																							
21																									\$5,356																							
22																									\$2,142																							
23																									\$7,959	\$9,702	\$11,827																					
Other Shared Common Elements at the Park Area																																																
24																									\$2,838	\$2,895	\$2,953	\$3,012	\$3,072	\$3,134	\$3,197																	
25																																																
26																																																
SHARED COMMON ELEMENTS #3: FENCING																																																
Wood Fences @ Single Family Homes Only, (6' Tall Avon)																																																
27																									\$4,745	\$4,840	\$4,937	\$5,036	\$5,136	\$5,239	\$5,344	\$5,451	\$5,560	\$5,671														
28																									\$2,678	\$2,731	\$2,786	\$3,076	\$3,137	\$3,200	\$3,533	\$3,604	\$3,676	\$4,059	\$4,140	\$4,223												
Vinyl Fence																																																
31																																																

Arbor Terrace Community - All Lots
Table 3 Cash Flow Table
Scenario 2 - MH Recommended Funding Path - FINAL - May 29, 2013

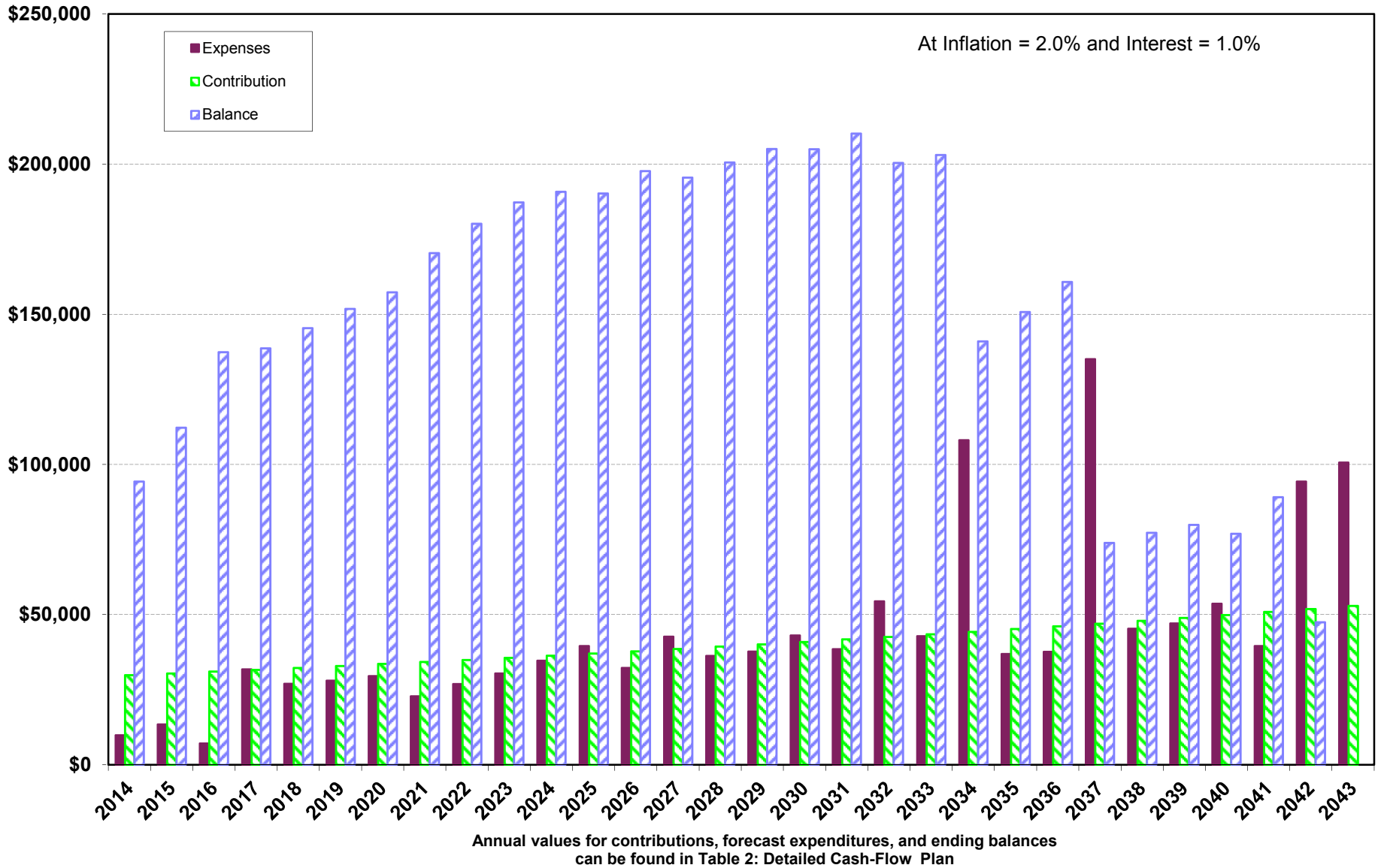
Yearly Contribution, (Year One)	\$29,809
Monthly Contribution Per Unit, (Year One)	\$16
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	\$73,467
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$0.00

Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contribution	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	\$73,467	\$29,809		\$0	\$9,833	\$835	\$94,277
2015	\$94,277	\$30,405	2.0%	\$0	\$13,457	\$1,028	\$112,252
2016	\$112,252	\$31,013	2.0%	\$0	\$7,109	\$1,242	\$137,397
2017	\$137,397	\$31,633	2.0%	\$0	\$31,724	\$1,374	\$138,680
2018	\$138,680	\$32,266	2.0%	\$0	\$26,946	\$1,413	\$145,412
2019	\$145,412	\$32,911	2.0%	\$0	\$28,037	\$1,478	\$151,765
2020	\$151,765	\$33,569	2.0%	\$0	\$29,540	\$1,538	\$157,331
2021	\$157,331	\$34,241	2.0%	\$0	\$22,825	\$1,630	\$170,377
2022	\$170,377	\$34,925	2.0%	\$0	\$26,856	\$1,744	\$180,191
2023	\$180,191	\$35,624	2.0%	\$0	\$30,380	\$1,828	\$187,263
2024	\$187,263	\$36,336	2.0%	\$0	\$34,673	\$1,881	\$190,807
2025	\$190,807	\$37,063	2.0%	\$0	\$39,545	\$1,896	\$190,221
2026	\$190,221	\$37,804	2.0%	\$0	\$32,269	\$1,930	\$197,686
2027	\$197,686	\$38,561	2.0%	\$0	\$42,677	\$1,956	\$195,525
2028	\$195,525	\$39,332	2.0%	\$0	\$36,274	\$1,971	\$200,554
2029	\$200,554	\$40,118	2.0%	\$0	\$37,672	\$2,018	\$205,018
2030	\$205,018	\$40,921	2.0%	\$0	\$43,038	\$2,040	\$204,940
2031	\$204,940	\$41,739	2.0%	\$0	\$38,527	\$2,065	\$210,218
2032	\$210,218	\$42,574	2.0%	\$0	\$54,437	\$2,043	\$200,398
2033	\$200,398	\$43,425	2.0%	\$0	\$42,778	\$2,007	\$203,053
2034	\$203,053	\$44,294	2.0%	\$0	\$108,045	\$1,712	\$141,014
2035	\$141,014	\$45,180	2.0%	\$0	\$36,893	\$1,452	\$150,752
2036	\$150,752	\$46,083	2.0%	\$0	\$37,631	\$1,550	\$160,755
2037	\$160,755	\$47,005	2.0%	\$0	\$135,063	\$1,167	\$73,864
2038	\$73,864	\$47,945	2.0%	\$0	\$45,317	\$752	\$77,245
2039	\$77,245	\$48,904	2.0%	\$0	\$47,043	\$782	\$79,888
2040	\$79,888	\$49,882	2.0%	\$0	\$53,607	\$780	\$76,943
2041	\$76,943	\$50,880	2.0%	\$0	\$39,516	\$826	\$89,133
2042	\$89,133	\$51,897	2.0%	\$0	\$94,278	\$679	\$47,432
2043	\$47,432	\$52,935	2.0%	\$0	\$100,603	\$236	\$0

* The term "annual contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

**Arbor Terrace Community - All Lots
Table 4: Cash flow Chart**

Scenario 2 - MH Recommended Funding Path - FINAL - May 29, 2013



APPENDIX E

FUNDING SCENARIO THREE

Arbor Terrace HOA
 Arbor Terrace Community - All Lots
 Table 2: Detailed Cash-Flow Plan



Scenario 3 - Client Requested Funding Approach - FINAL - May 29, 2013

	Current Yearly Contribution	\$19,200	Current Monthly Contribution Per Unit		\$10																									
Starting Balance	\$73,467	\$93,498	\$107,595	\$128,746	\$126,983	\$133,299	\$139,780	\$142,086	\$151,775	\$156,958	\$162,265	\$164,610	\$159,044	\$161,386	\$156,645	\$162,339	\$168,172	\$165,373	\$167,856	\$159,758	\$167,855	\$112,177	\$123,904	\$135,960	\$44,424	\$47,065	\$49,776	\$41,864	\$48,942	\$56,225
Total Expenses inflated at 2% annually	\$0	\$6,487	\$0	\$23,411	\$15,761	\$16,076	\$20,719	\$13,827	\$18,849	\$19,226	\$22,687	\$31,048	\$23,603	\$31,160	\$21,227	\$21,852	\$30,816	\$26,060	\$37,150	\$21,504	\$85,602	\$18,948	\$18,919	\$122,711	\$28,696	\$29,270	\$40,498	\$26,145	\$26,668	\$27,202
Interest at 1% annually	\$831	\$1,000	\$1,176	\$1,272	\$1,295	\$1,359	\$1,402	\$1,462	\$1,536	\$1,588	\$1,626	\$1,610	\$1,594	\$1,582	\$1,587	\$1,644	\$1,659	\$1,658	\$1,630	\$1,630	\$1,393	\$1,175	\$1,293	\$897	\$455	\$482	\$456	\$452	\$523	\$597
Annual Reserve Contribution	\$19,200	\$19,584	\$19,976	\$20,375	\$20,783	\$21,198	\$21,622	\$22,055	\$22,496	\$22,946	\$23,405	\$23,873	\$24,350	\$24,837	\$25,334	\$25,841	\$26,357	\$26,885	\$27,422	\$27,971	\$28,530	\$29,101	\$29,683	\$30,276	\$30,882	\$31,500	\$32,130	\$32,772	\$33,428	\$34,096
Other Contribution																														
Ending Balance	\$93,498	\$107,595	\$128,746	\$126,983	\$133,299	\$139,780	\$142,086	\$151,775	\$156,958	\$162,265	\$164,610	\$159,044	\$161,386	\$156,645	\$162,339	\$168,172	\$165,373	\$167,856	\$159,758	\$167,855	\$112,177	\$123,904	\$135,960	\$44,424	\$47,065	\$49,776	\$41,864	\$48,942	\$56,225	\$63,716
Fiscal Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043

SHARED COMMON ELEMENTS #6: ELECTRICAL, PLUMBING & COMMUNICATION

<u>Electrical Components - Townhomes Only</u>																															
78	Electrical Unit #1: Below Grade Component w/Steel Hinged Doors																														
79	Electrical Unit #2: Above & Below Grade Component, (3' Tall x 1' Sq. Fiberglass Box)																														
80	Electrical Unit #3: Above & Below Grade Component, (1.5' Tall x 1' Sq. Metal Box)																														
81	Electrical Unit #4: Above & Below Grade Component, (2.5' Tall x 3' Sq. Metal Box)																														
82	Electrical Unit #5: Below Grade Component, (1.5' x 2' Concrete Housing)																														
<u>Electrical Components - Single Family Homes Only</u>																															
83	Electrical Unit #1: Below Grade Component w/Steel Hinged Doors																														
84	Electrical Unit #2: Above & Below Grade Component, (3' Tall x 1' Sq. Fiberglass Box)																														
85	Electrical Unit #3: Above & Below Grade Component, (1.5' Tall x 1' Sq. Metal Box)																														
86	Electrical Unit #4: Above & Below Grade Component, (2.5' Tall x 3' Sq. Metal Box)																														
87	Electrical Unit #5: Below Grade Component, (1.5' x 2' Concrete Housing)																														
<u>Misc Electrical & Communication Components</u>																															
88	Broadband Unit #1: Above Grade Component, (Townhomes Only)																														
89	16' Vertical Ornamental Street Lamps																														
90	Large Vertical Street Lamps																														
<u>Plumbing & Storm Drainage Systems</u>																															
91	Water Meter & Shut-Off Valve																													\$55,713	\$56,827
92	Community Storm Drainage System																														
93	Fire Hydrants																														
94	Drainage Swale																														
95	- Chainlink Fence, (6' Tall Approx)																														
96	- CMU Retaining Wall, (2' x 3' Blocks, Stacked Approx. 5' Tall)																														
97	- Concrete Flatwork, (Includes Stairs)																														
98	- Handrails, (Metal)																														

SHARED COMMON ELEMENTS #7: MISC COMPONENTS

<u>Misc Components</u>																															
99	Mailbox Kiosks																				\$5,999	\$6,119	\$6,241	\$6,366	\$6,493						
100	Signage, (Stop Signs, Violation Signs, Street Name Signs, Etc.)				\$1,061	\$1,082	\$1,104	\$1,126	\$1,149					\$1,294	\$1,319	\$1,346	\$1,373	\$1,400					\$1,577	\$1,608	\$1,641	\$1,673	\$1,707				
101	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	\$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

SHARED COMMON ELEMENTS #8: PROFESSIONAL SERVICES

<u>HOA Budgetary Planning Tools Related To Their Shared Common Components</u>																														
105	Reserve Study - Full Review Update				\$4,330					\$4,780					\$5,278					\$5,827				\$6,434						\$7,103
106	Reserve Study - Annual Update	\$1,500	\$1,530	\$1,561	\$1,592	\$1,656	\$1,689	\$1,723	\$1,757		\$1,828	\$1,865	\$1,902	\$1,940		\$2,019	\$2,059	\$2,100	\$2,142			\$2,229	\$2,273	\$2,319	\$2,365		\$2,461	\$2,510	\$2,560	\$2,612
107	Maintenance Plan Update/Renewal	\$3,000				\$3,312					\$3,657					\$4,038				\$4,458				\$4,922						

Arbor Terrace Community - All Lots
Table 3 Cash Flow Table
Scenario 3 - Client Requested Funding Approach - FINAL - May 29, 2013

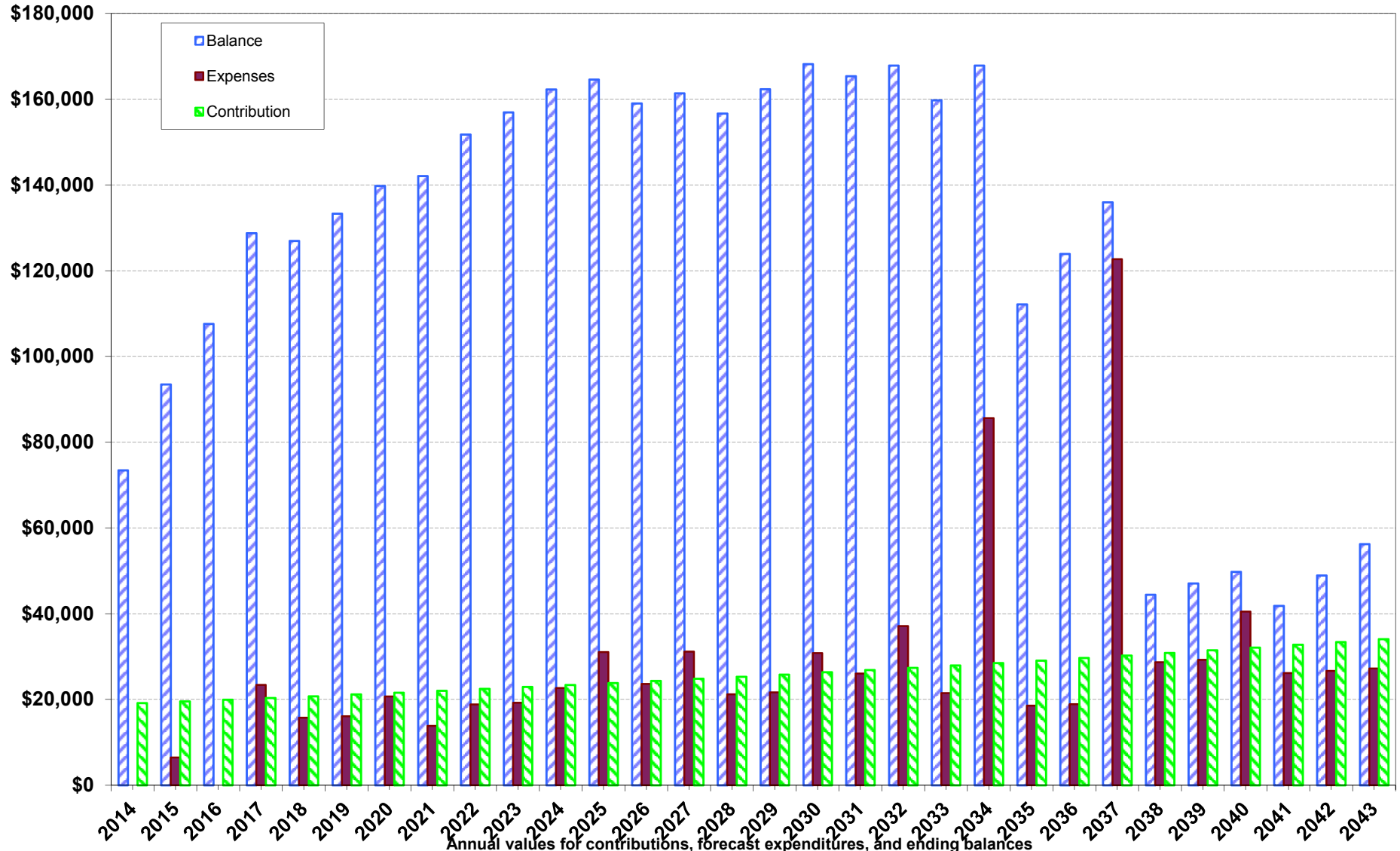
Yearly Contribution -	\$19,200
Monthly Contribution Per Unit -	\$10
Assumed Interest Rate	1.0%
Assumed Inflation Rate	2.0%
Reserve's Starting Balance as of 2014	\$73,467
Reserve's Minimum Annual Ending Balance Within 30 Year Scope	\$41,864

Year	Opening Balance	Annual Contribution*	Percent Increase over Previous Year	Other Contributions	Estimated Future Inflated Expenditures	Projected Interest Earned	Closing Balance
2014	\$73,467	\$19,200	38.5%	\$0	\$0	\$831	\$93,498
2015	\$93,498	\$19,584	2.0%	\$0	\$6,487	\$1,000	\$107,595
2016	\$107,595	\$19,976	2.0%	\$0	\$0	\$1,176	\$128,746
2017	\$128,746	\$20,375	2.0%	\$0	\$23,411	\$1,272	\$126,983
2018	\$126,983	\$20,783	2.0%	\$0	\$15,761	\$1,295	\$133,299
2019	\$133,299	\$21,198	2.0%	\$0	\$16,076	\$1,359	\$139,780
2020	\$139,780	\$21,622	2.0%	\$0	\$20,719	\$1,402	\$142,086
2021	\$142,086	\$22,055	2.0%	\$0	\$13,827	\$1,462	\$151,775
2022	\$151,775	\$22,496	2.0%	\$0	\$18,849	\$1,536	\$156,958
2023	\$156,958	\$22,946	2.0%	\$0	\$19,226	\$1,588	\$162,265
2024	\$162,265	\$23,405	2.0%	\$0	\$22,687	\$1,626	\$164,610
2025	\$164,610	\$23,873	2.0%	\$0	\$31,048	\$1,610	\$159,044
2026	\$159,044	\$24,350	2.0%	\$0	\$23,603	\$1,594	\$161,386
2027	\$161,386	\$24,837	2.0%	\$0	\$31,160	\$1,582	\$156,645
2028	\$156,645	\$25,334	2.0%	\$0	\$21,227	\$1,587	\$162,339
2029	\$162,339	\$25,841	2.0%	\$0	\$21,652	\$1,644	\$168,172
2030	\$168,172	\$26,357	2.0%	\$0	\$30,816	\$1,659	\$165,373
2031	\$165,373	\$26,885	2.0%	\$0	\$26,060	\$1,658	\$167,856
2032	\$167,856	\$27,422	2.0%	\$0	\$37,150	\$1,630	\$159,758
2033	\$159,758	\$27,971	2.0%	\$0	\$21,504	\$1,630	\$167,855
2034	\$167,855	\$28,530	2.0%	\$0	\$85,602	\$1,393	\$112,177
2035	\$112,177	\$29,101	2.0%	\$0	\$18,548	\$1,175	\$123,904
2036	\$123,904	\$29,683	2.0%	\$0	\$18,919	\$1,293	\$135,960
2037	\$135,960	\$30,276	2.0%	\$0	\$122,711	\$897	\$44,424
2038	\$44,424	\$30,882	2.0%	\$0	\$28,696	\$455	\$47,065
2039	\$47,065	\$31,500	2.0%	\$0	\$29,270	\$482	\$49,776
2040	\$49,776	\$32,130	2.0%	\$0	\$40,498	\$456	\$41,864
2041	\$41,864	\$32,772	2.0%	\$0	\$26,145	\$452	\$48,942
2042	\$48,942	\$33,428	2.0%	\$0	\$26,668	\$523	\$56,225
2043	\$56,225	\$34,096	2.0%	\$0	\$27,202	\$597	\$63,716

* The term "annual contribution" refers to the amount contributed each year to the reserve fund from the monthly expenses.

Arbor Terrace Community - All Lots
Table 4: Cash Flow Chart

Scenario 3 - Client Requested Funding Approach - FINAL - May 29, 2013



Annual values for contributions, forecast expenditures, and ending balances can be found in Table 2: Detailed Cash-Flow Plan

APPENDIX F

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. Review of elevator and life safety systems were not included in this report, unless specifically indicated.

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. Components not included have not been reviewed, and if their conditions need to be known, further study will be required. 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, 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.

APPENDIX G

BACKGROUND DOCUMENTATION