

# ARBOR TERRACE HOA

## 2023/2024 RESERVE STUDY UPDATE



COMPLETED BY: EQUIP CONSULTING, LLC

DATE: MAY 25, 2023



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# 1. SCOPE OF SERVICES AND BACKGROUND INFO

Equip Consulting (EC) was retained by the Arbor Terrace Homeowners Association, (ATHOA) to conduct annual Reserve Study, (RS) updates of their shared common elements for fiscal years' 2021/2022 through 2024/2025. The work undertaken by EC is in general conformance to the terms described within our four-year fee agreement, dated January 29, 2021. The contract was issued to the ATHOA's Board of Directors, (BOD). Ms. Amy Boyle, ATHOA's Board President later signed and authorized EC to proceed with the proposed services on behalf of the Association. For this year's update, (Fiscal Year 2023/2024) EC will be performing a Level 3 RS. Scope of services can be found within the existing "authorized" fee agreement signed by Ms. Boyle.

The objective of this RS is to provide a realistic assessment of the monetary reserves required to undertake the necessary repairs or replacement of an Association's shared common elements as dictated by their known or estimated life spans. This RS is designed to be in conformance with State Statutes and the ATHOA's governing documents.

The following information, documentation and communication were used to assist in completing the 2024 reserve funding plan:

- **General & Financial Information, (Provided By the ATHOA):**
  - Reserve Account Balance & Other Financial Data
- **Client Meetings & Communication:**
  - All communication was conducted via email and phone correspondence with the ATHOA's Board of Directors.



## 2. EC PROJECT TEAM

Equip Consulting has nearly 20 years of experience working with Homeowner Associations by assisting them to be better prepared for the renewal and major repairs of their shared common elements. We have an extensive background in the building industry that allows us to better assess the existing conditions of the various components and assemblies commonly found on multi-family structures, (condos/townhomes) and those within single-family communities. Our knowledge base, established by years of contract negotiation with trade contractors, project budget development and on-going product research for each of the different markets and regions we serve, provide our clients with realistic costs and timelines for the replacement of their shared common elements.

The following personnel were assigned to complete this Reserve Study:

- **Caleb VanderMolen – Reserve Study & Maintenance Plan Professional**
  - **Client References:**
    - Edgefield Meadows – Gresham, OR
    - Austin Heritage – Vancouver, WA
    - Horn Rapids – Richland, WA
    - Depoe Hill – Depot Bay, OR
    - Rosedale Parks – Hillsboro, OR
    - Tetherow Master Community – Bend, OR



### 3. GENERAL COMMUNITY INFORMATION

Arbor Terrace is a private community built by Arbor Homes in Sherwood, Oregon. Construction began in 2007 and consist of 160 single-family residential lots, comprising of both attached, (townhomes) and detached homes that were built over multiple phases. The Homeowner’s Association is divided up into three, (3) sub-groups or entities. The primary group includes all homeowners within the community and has been identified within this funding plan as “Arbor Terraces – Common, (All Lots)”. The second entity has been named “Arbor Terraces – Row Homes”, with the third named “Arbor Terraces -Tamarack Single Family Homes, (SFH)”. As a result of multiple independent entities, the contributions collected by each group will need to be accounted for separately. The collected funds are then appropriately used for future renewal projects specific to their shared common elements.

The following information provides a brief summary of some of the components shared by each entity:

1. **Common, (All Lots)** – These components are primarily contained within the common area tracts or parcels that are found throughout the community. Some of these tracts provide pathways through or around the community and comprise of other components such as trees, irrigation control valves and beauty bark. Other shared common elements covered within this entity’s funding plan includes, but not limited to, asphalt pathways, community park components, and concrete sidewalks and curbing. For a complete list of the shared common elements and their estimated replacement costs owned by this sub-group, please see Appendix A, “Table 2: Shared Common Elements List” found in Chapter 5.
2. **Rowhomes** – There are 65 homeowners who make up this entity, all of which share in the replacement and refinishing costs of the exterior cladding components, as well as the care and renewal of the roofing assemblies. For a list of the shared common element covered by this group of homeowners, see Appendix D, “Table 5: Shared Common Elements List” within Chapter 6 of this report.
3. **Tamarack SFH** – These homeowners are responsible for the funds necessary to replace and refinish the metal railings located at the front elevation of each of their homes. For a more comprehensive list of the shared common elements for this entity, refer to Appendix G, “Table 8: Shared Common Elements List”.

**Community Location:** SW Langer Drive & SW Baler Way, Sherwood, OR



## 4. RESERVE STUDY METHODOLOGIES & ANALYTICS

The financial data provided within this RS will enable the Association to budget accordingly for the replacement of their shared common elements. There are several different funding methods typically used by homeowner associations when budgeting their reserve's assessments. Below is a list and description of the more commonly used strategies:

- **Full Funding** – The goal of this funding strategy is to attain and maintain the reserve balance to equal the same value as the rate of deterioration of all the components shared by the Association. For example, if the Association has a component with a ten-year life and a \$5,000 replacement cost, it should have \$1,500 set aside for its replacement after three years, ( $\$5,000 \div 10 \text{ years} = \$500 \text{ per year} \times 3 \text{ years} = \$1,500$ ). In this example, \$1,500 equals full funding or 100% funded. Full funding is considered the safest method in terms of minimizing the risk to the Association's Members by having to generate funds via other means, such as special assessments.
- **Baseline Funding** – The goal of this funding method is to keep the reserve's account balance over a 30-year period, at or above zero, (\$0). This is accomplished by forecasting which of the shared common elements owned by the Association will likely be replaced and what their estimated renewal costs, (expenditures) are likely be at the time of replacement, within the next 30 years. However, for components that have a long lifespan that places their renewal date beyond the 30-year scope of the study, the annual reserve assessments scheduled to be collected are not accounting for the funds that will be required for their replacement. As a general rule, components with a prolonged lifespan tend to be more expensive than those with shorter lifespans. For example, most siding products have a life span around 40 years, and depending on the size of the community, the replacement of these components can cost several millions of dollars. If the Baseline funding model has been used since year one by the Association, then no funds have been collected within the reserves during for the first ten years of the siding's life. At year 11, the siding replacement is now in full focus of the reserve study's scope, (30 Years), and will likely place the reserve's ending balance at year 30 well below \$0, possibly several millions of dollars below! This will require the Members of the Association who now live within the community to dramatically increase their reserve assessments in order to correct the budget shortfall created by the insufficient funds collected because the Baseline method was used. Furthermore, an Association using this funding method should understand that any reduction in a component's remaining useful life can also result in a deficit in the reserve's cash balance and may require these funds to be generated via other means, such as a special assessment.
- **Threshold Funding** – This method is similar to the Baseline funding concept, however, the minimum reserve cash balance in threshold funding is set at a predetermined dollar amount and is to remain at or above this amount for the entire duration set by the RS.

It is recommended that the Association make every effort to follow the Full Funding method, as this approach is designed to minimize the risk of their reserve account from being depleted and causing future homeowners to sustain higher annual rate increases to their assessments or unexpected special assessments demands.



- Fiscal Year Duration: **July 1, 2023 to June 30, 2024**
- Key Financial Information As Approved by the ATHOA's BOD:
  - **Common, (All Lots):**
    - Estimated Reserve's Account Balances as of July 1, 2023: **\$95,200**
    - Estimated Annual Contributions to the Reserves for 2023/2024: **\$28,800**
  - **Limited Common, (Rowhomes):**
    - Estimated Reserve's Account Balances as of July 1, 2023: **\$350,000**
    - Estimated Annual Contributions to the Reserves for 2023/2024: **\$93,600**
  - **Limited Common, (Tamarack SFH):**
    - Estimated Reserve's Account Balances as of July 1, 2023: **\$56,500**
    - Estimated Annual Contributions to the Reserves for 2023/2024: **\$24,300**

**Assumed "Earned Interest" Rate, (EIR):** An assumed EIR of 0.20%, (percent) will be applied annually to the reserve's account balance. The interest earned on the reserves for each year is based on a Mid-Year Interest Calculation. With the Mid-Year Interest Calculation, the interest earned is calculated at the middle of the fiscal year assuming that half the expenses have been taken out and half the annual contributions have been deposited into the reserves' account.

**Estimated Inflation Rate, (IR):** An estimated increase of 3.0% (percent) will be applied annually to the replacement costs for each component listed within this funding plan. Future assessment increases will also factor-in this estimated rate. The Association may require increases above the IR in order to overcome budgetary shortfalls that were identified during the development of this year's RS update. Appropriately managing scheduled assessment rate increases will help keep the reserve account properly funded over the established time period, (30-Years). EC recommends the Association look beyond the 30-year purview of this RS for any potential large expenditures that could place future homeowners within the community at risk of facing a special assessment or higher annual rate increases. The United States Federal Reserve's 30-year "Breakeven Inflation Rate" is currently recorded at 2.23%, (as of the end of April 2023).

The following tables can be found in Chapters 5 through 7. The data they provide was essential during the development of this year's funding plan.

- **Cash Flow Summary, (Tables 1, 4, & 7):** Information found here provides a snapshot of the key financial data for each year. Information includes, scheduled reserve assessments and rate increases, expenditure totals, as well as the reserve account's beginning and closing balances. In short, this table summarize how the funds within the reserve account or accounts are impacted annually, over the 30-year purview of this study.
- **Shared Common Elements List, (Tables 2, 5, & 8):** This table lists all of the components owned by the Association. Information found within includes but not limited to, date of procurement for each of the shared common elements, unit quantities, current replacement costs, as well as digital photographs to help better identify listed components. This data is then used to generate estimated replacement dates and replacement costs for the various common elements. Elements/Components are typically placed into categories or groups, such as common area tracts or zones. In some cases, components are grouped together due to their relationship with others. For example, communities where they share in ownership of the siding and roofing, these



components would be categorized together because of their correlation to the buildings' exterior envelope systems.

- **Annual Expenditure Breakout, (Tables 3, 6, & 9):** Some of the data provided in the forementioned cash flow summary chart can also be found within the annual expenditure breakout table. However, this table provides far more detail of each component's scheduled expenditure by listing more precise cost analysis within a given year, as opposed to an annual lump sum value found within the cash flow summary table.

Opinions of probable cost for remedial work are provided only as an estimation or guide. The repair or replacement costs are based on published construction cost data, recent bid prices on similar work, and information provided by the Association or their representatives. The opinions of probable cost can vary due to a number of reasons including changing market conditions, availability of new materials, systems, technology, or new code requirements.

The repairs and replacements 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 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.

EC recommends that the Association utilize the services of a 3<sup>rd</sup> party consultant when faced with the renewal of components that are considered complex or have a significant cost associated with their replacement. These design professionals will identify irregularities typically before any work begins, minimizing their client's exposure to unnecessary risks and ultimately saving them time and money. They should be actively involved in all phases of the rehabilitation process, (Design, Bidding, and Construction Administration). EC cautions the Association from taking on these responsibilities themselves or trusting their contractor to proceed with work under the terms set by the contractor's self-served contract.



## 5. FUNDING DATA & RESULTS - COMMON, (ALL LOTS)

Community's Registered Legal Name:	Arbor Terraces Homeowner Association
Year Built:	2007
Fiscal Year:	2023/2024
Fiscal Year Start Date:	July 1, 2023
Fiscal Year End Date:	June 30, 2024
Approximate Starting Balance:	\$95,200
Assumed Rate of Inflation:	3.00%
Assumed "Earned Interest" Rate:	0.20%
Number of Units/Lots:	160

### Board Approved Funding Plan

Average Monthly Contribution Per Unit/Lot, (Year One):	\$15.00
Estimated Yearly Contribution, (Year One):	\$28,800
Estimated Annual Expenditures, (Year One):	(\$25,467)
Current Fiscal Year's Estimated Ending Balance:	\$98,727
Percent Funded:	64%
Lowest Annual Closing Balance:	\$98,727
Largest Annual Closing Balance:	\$686,307
Closing Balance @ Year 30:	\$686,307

Applicable Taxes	0.00%
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**Common, (All Lots)**  
**Board Approved Funding Plan**  
**Table 1: Cash Flow Summary**

Assumed Rate of Inflation: 3.00%  
 Assumed "Earned Interest" Rate: 0.20%

Year	Annual Opening Balance	Scheduled Rate Increases	Total Annual Contribution	Avg. Monthly Contribution Per Unit/Lot*	Estimated Annual Expenditures	Annual Closing Balances**	Full Funding Annual Closing Balances	Percent Funded
2023 / 2024	\$95,200	0.0%	\$28,800	\$15.00	(\$25,467)	\$98,727	\$154,082	64%
2024 / 2025	\$98,727	0.0%	\$28,800	\$15.00	(\$18,866)	\$108,868	\$171,480	63%
2025 / 2026	\$108,868	33.3%	\$38,390	\$20.00	(\$19,432)	\$128,063	\$189,783	67%
2026 / 2027	\$128,063	0.0%	\$38,390	\$20.00	(\$20,212)	\$146,516	\$209,030	70%
2027 / 2028	\$146,516	0.0%	\$38,390	\$20.00	(\$55,022)	\$130,161	\$194,839	67%
2028 / 2029	\$130,161	25.0%	\$47,988	\$24.99	(\$27,030)	\$151,399	\$209,136	72%
2029 / 2030	\$151,399	0.0%	\$47,988	\$24.99	(\$21,871)	\$177,845	\$230,115	77%
2030 / 2031	\$177,845	0.0%	\$47,988	\$24.99	(\$22,527)	\$203,687	\$252,165	81%
2031 / 2032	\$203,687	20.0%	\$57,586	\$29.99	(\$23,203)	\$238,512	\$275,330	87%
2032 / 2033	\$238,512	0.0%	\$57,586	\$29.99	(\$186,513)	\$109,932	\$137,045	80%
2033 / 2034	\$109,932	0.0%	\$57,586	\$29.99	(\$56,534)	\$111,205	\$125,789	88%
2034 / 2035	\$111,205	0.0%	\$57,586	\$29.99	(\$25,355)	\$143,690	\$146,610	98%
2035 / 2036	\$143,690	0.0%	\$57,586	\$29.99	(\$26,115)	\$175,480	\$168,567	104%
2036 / 2037	\$175,480	15.0%	\$66,223	\$34.49	(\$26,899)	\$215,195	\$191,709	112%
2037 / 2038	\$215,195	0.0%	\$66,223	\$34.49	(\$137,852)	\$143,925	\$105,904	136%
2038 / 2039	\$143,925	0.0%	\$66,223	\$34.49	(\$36,327)	\$174,139	\$120,439	145%
2039 / 2040	\$174,139	0.0%	\$66,223	\$34.49	(\$29,393)	\$211,355	\$143,815	147%
2040 / 2041	\$211,355	0.0%	\$66,223	\$34.49	(\$30,275)	\$247,762	\$168,484	147%
2041 / 2042	\$247,762	15.0%	\$76,157	\$39.67	(\$31,489)	\$292,970	\$194,198	151%
2042 / 2043	\$292,970	0.0%	\$76,157	\$39.67	(\$40,886)	\$328,862	\$212,852	155%
2043 / 2044	\$328,862	0.0%	\$76,157	\$39.67	(\$48,885)	\$356,819	\$225,676	158%
2044 / 2045	\$356,819	0.0%	\$76,157	\$39.67	(\$34,074)	\$399,657	\$255,706	156%
2045 / 2046	\$399,657	0.0%	\$76,157	\$39.67	(\$35,097)	\$441,558	\$287,333	154%
2046 / 2047	\$441,558	15.0%	\$87,580	\$45.61	(\$36,150)	\$493,923	\$320,629	154%
2047 / 2048	\$493,923	0.0%	\$87,580	\$45.61	(\$140,032)	\$442,407	\$252,814	175%
2048 / 2049	\$442,407	0.0%	\$87,580	\$45.61	(\$48,820)	\$482,091	\$276,218	175%
2049 / 2050	\$482,091	0.0%	\$87,580	\$45.61	(\$39,502)	\$531,182	\$311,637	170%
2050 / 2051	\$531,182	0.0%	\$87,580	\$45.61	(\$40,687)	\$579,185	\$348,931	166%
2051 / 2052	\$579,185	15.0%	\$100,718	\$52.46	(\$41,907)	\$639,213	\$388,183	165%
2052 / 2053	\$639,213	0.0%	\$100,718	\$52.46	(\$54,947)	\$686,307	\$417,693	164%

**(\$1,381,369)**

\* Funding plan assumes that all units/residence pay an equal share of the "Total Annual Contribution" value.  
 \*\* Includes Projected Earned Interest



**Executive Summary – Common, (All Lots)**

The following information summarizes the reserve funding plan for fiscal year 2023/2024, as reviewed and approved by the Association’s Board of Directors, (BOD) for the “Common, (All Lots)” group/entity. The balance within the reserve account is estimated to be \$95,200 on July 1, 2023. The annual contributions to reserves for fiscal year 2023/2024 are estimated to be \$28,800. As previously mentioned, this funding plan assumes a 3.0% inflation rate will be applied annually to the current estimated replacement costs of the shared common elements. The annual rate increase to the reserve contributions will be set at 0%. For a complete list of the annual rate increases for the following 29 years, (2024/2025 through 2052/2053) please see Table 1: Cash Flow Summary of this RS, (See Page #10). A set annual EIR of 0.20% will be applied to the reserve funds’ account balance as outlined in Chapter 4 of this RS.

**Analysis**

**Physical Analysis** – An onsite, physical analysis of the shared common elements was conducted on March 17, 2021. The field assessment portion of this RS was limited to a visual analysis and excludes invasive or destructive testing. Observations are recorded using a representative sampling of the common area components that includes, quantity take-offs, field measurements, and digital photographs to support observed and reported conditions. Observed deficiencies, (if any) will be noted in the comments section for each component listed within “Table 2: Shared Common Elements”, (See Appendix A) of this RS.

**Financial Analysis** – As mentioned earlier, there are several funding alternatives when forecasting reserve assessments. The primary objective, regardless of which path is chosen is to ensure the financial stability of the reserve account so it not only meets the needs of the current or immediate residents living within the community, but also those in the future.

The Association has selected to use the “Full Funding” funding model. This approach will keep the funds within the reserve account from falling below \$0 and will maintain a positive balance over the next 30 years, (2023/2024 through 2052/2053). The annual closing balance for fiscal year 2023/2024 is estimated to be \$98,727, setting the reserve’s funding percentage at 64%. Industry standards rate reserve accounts with funding percentages at or above 70% as strong & healthy. Reserve accounts that range from 31% to 69% funded are considered fair, in terms of financial solvency. Accounts at 30% or below are weak and have a high probability of requiring the Association to special assess their community’s membership.

The chart below shows the three largest renewal periods anticipated by this study:

<u>Year(s)</u>	<u>Major Renewal Tasks*</u>	<u>Total Annual Expenditures</u>
2032/3033	Vinyl Fence, (Split Rail)	Approx. \$187K
2037/2038	Playground Structure/Equipment	Approx. \$138K
2047/2048	Landscaping Components & CMU Retaining Wall	Approx. \$140K

\*See Table 3: Annual Expenditure Breakout, for a complete breakout of the scheduled renewal tasks & costs for the years listed above.

Please note, that the forecasted repairs and replacements do not represent a fixed schedule for any given element or component reviewed. Such repairs or replacements may be required sooner or later than 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 are somewhat unpredictable.



## **Results**

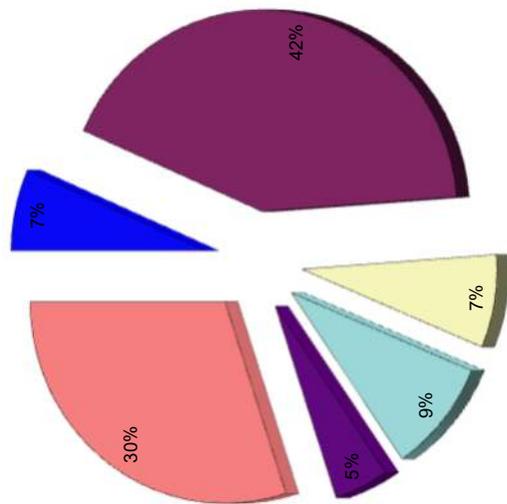
The amount of funds within the reserve account will maintain a positive balance from fiscal years 2023/2024 through 2052/2053, (30 Years). Over this time, the funding percentage will fluctuate up and down multiple times before finishing approximately 164%. This places the Common, (All Lots) entity in an “OVER-FUNDED” financial position when speaking specifically about the available funds within their reserves to cover expenditures that will be drawn against this account over the next 30 years. This is contingent on the Association following the established funding plan, updating it annually, and how well they care and maintain their shared common elements. It is recommended the Association consider “DECREASING” their assessments during the development of the 2024/2025 RS in an effort to move their funding percentage towards a more reasonable funding level.



## Common, (All Lots) - Expenditure Chart

**Percentage of Anticipated Expenditures By Groups, (30-Year Outlook)**  
 (Groups are formed by multiple factors such as similar renewal timelines & common functions)

- Shared Common Elements #01 - Landscaping Components, (Includes Beauty Bark): \$90,697
- Shared Common Elements #02 - Concrete & Asphalt Components: \$584,044
- Shared Common Elements #03 - Tot-Lot Components: \$103,084
- Shared Common Elements #04 - Fencing & Railing Components: \$125,751
- Shared Common Elements #05 - Misc. Components: \$62,680
- Shared Common Elements #06 - Professional Services: \$415,113



## APPENDIX A

### **TABLE 2: SHARED COMMON ELEMENTS LIST**

This table provides a list of the shared common elements owned by the “Common, (All Lots)” group/entity. Data and information includes, but is not limited to component quantities, initial year of installation or last known year of replacement, and current estimated unit costs. In addition, this table may include a brief comment, clarification, or recommendation for each component listed. EC recommends that close attention be maintained for systems that could 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 field assessment, EC has assumed the components are suitable for their intended use. Replacement costs are based on assumed/estimated values the year this RS was developed.



Common, (All Lots)

Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>SHARED COMMON ELEMENTS #1: LANDSCAPING COMPONENTS</b>													
<b>Sub-Section #1: Landscaping Components</b>													
1	Beauty Bark, (Bark Dust)		3	2021	2	0	1	1	0		\$0.00	\$0	Replenish every third year.  <b>2022/2023 RS Update Notes:</b> The Association's Board of Directors have decided to cover these costs via the Operating Budget. Therefore, no funds have been allocated towards this line item. This line item will remain within the RS to provide clarification of this decision and where funds are generated to cover the replenishment of the beauty bark.
2	Irrigation Control Devices		20	2007	16	0	4	1	17	EA	\$750	\$12,750	Funds provided here cover the replacement or updating of the more prominent devices within the irrigation system, such as control valves, timers, backflow prevention devices, etc.  It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
3	Tree Maintenance, Removal & Replacement		5	2022	1	0	4	1	1	EA	\$5,000	\$5,000	Budgetary line item for tree removal and replacement, or possible new plantings.  Funding plan assumes the estimated replacement costs and cycles will take place over a five year period of time and on an "As-Needed" basis. Annual updates to this RS will include reference notes that will be used to record the work completed during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
4	Community Landscaping Improvement Project	N/A	1	2022	1	0	0	1	1	EA	\$0.00	\$0	<b>2023/2024 RS Notes:</b> Landscaping improvements completed during the 2022/2023 fiscal year totaled roughly \$60,000. This line item will be removed during the development of the 2024/20245 update.
<b>SHARED COMMON ELEMENTS #2: CONCRETE &amp; ASPHALT COMPONENTS</b>													
<b>Sub-Section #1: Concrete Components</b>													
5	Formed Concrete Curbs		60	2007	16	-60	0	60	9,500	LF	\$15.00	\$142,500	It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.

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

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

Common, (All Lots)

Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
6	Concrete Flatwork, (Sidewalks)		60	2007	16	-60	0	60	43,000	SF	\$12.50	\$537,500	It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
7	ADA Truncated Dome Pads		15	2022	1	0	14	1	28	EA	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of the City of Sherwood or Washington County.  They are listed within this funding plan to provide clarification that the Association identifies their existence near or within the community and where care, maintenance and renewal responsibilities have been assumed.  <b>2021/2022 Fiscal Year Notes:</b> At this time some of the ADA pads are not installed. It is assumed the stamped pattern currently existing at these locations will be replaced with actual ADA Truncated Dome Pads.
8	Concrete Flatwork @ Stormwater Swale		60	2007	16	-60	0	60	300	SF	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of the City Of Sherwood or Washington County. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.
9	Retaining Wall @ Stormwater Swale		75	2007	16	0	59	1	750	SF	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of the City Of Sherwood or Washington County. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.
10	CMU Retaining Wall		40	2007	16	0	24	1	1,000	SF	\$20.00	\$20,000	It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
11	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane		75	2007	16	0	59	1	425	SF	\$75.00	\$31,880	It's assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time.  It is recommended the Association hire a Geotechnical Engineering firm once every five years to assess the condition of this retaining wall.  <b>2021/2022 Fiscal Year Notes:</b> The BOD will review at a future date whether this component should be moved to the Row Homes funding plan. It is recommended this discussion be conducted prior to the 2025/2026 fiscal year due to the replacement costs coming into scope.

Photo Pending

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

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

Common, (All Lots)

Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>Sub-Section #2: Asphalt Components</b>													
12	Asphalt Paved Pathways - Crack Sealing, (Maintenance Task)		1	2022	1	0	0	1	1	EA	\$50.00	\$50	Crack sealing is low-cost method to help prolong the estimated life cycle. Cracks in the asphalt over a 1/4" wide should be sealed as soon as possible.  Annual updates will provide clarification of the amount of funds spent during the previous fiscal year. This information will need to come from the Association.
13	Asphalt Paved Pathways - Seal Coat, (Minor Renewal Task)		10	2017	6	0	4	1	800	SF	\$0.55	\$440	Seal coating is the process of applying a protective asphalt-based coating to the surface of the pavement by providing a layer of protection from the elements such as water in it's various forms, foreign oils, and U.V. damage. This minor renewal task should be conducted every 8 to 10 years.  Unlike the typical seal coat application over the asphalt at streets and alleyways, where contractors can bring in large, heavy machinery to assist, for smaller applications such as pedestrian pathways however, the use of this equipment is typically not feasible. As a result, a premium has been added to the Estimated Unit Costs for the application of the seal coating at the pathways within this tract.
14	Asphalt Paved Pathway - Mill, Fill, & Overlay, (Major Renewal Task)		50	2007	16	0	34	1	800	SF	\$3.50	\$2,800	This invasive process involves milling the surface of the asphalt by grinding down the upper layer, (typically 1" to 1½"), followed by installing a layer of asphalt on top of the freshly milled surface to fill-in any holes or cracks. Finally, an asphalt overlay is applied to the top surface, (Re-Top) of the paved area for structural integrity and to level-off any potential irregularities. It is recommended this work be conducted every 40 to 50 years. This is dependent on how often the asphalt pavement is used and how well it is maintained.  Unlike the installation of asphalt pavement at streets and alleyways, where contractors can bring in large, heavy machinery to assist, for smaller applications such as pedestrian pathways however, the use of this equipment is typically not feasible. As a result, a premium has been added to the Estimated Unit Costs for removal and installation of the asphalt pavement at the pathways in this tract.
<b>SHARED COMMON ELEMENTS #3: FENCING &amp; RAILING COMPONENTS</b>													
<b>Sub-Section #1: Metal Railings</b>													
15	42" Metal Railing/Fencing @ Tot-Lot, (Refinishing)		10	2007	16	0	0	1	250	LF	\$15.00	\$3,750	Estimated replacement costs are based on a field-applied finish.  <b>2021/2022 Fiscal Year Notes:</b> Early signs of corrosion were identified at selection locations where paint finish was either blistering or had been fully removed. It is recommended these areas be treated and refinished within the next year to prevent further deterioration.
16	42" Metal Railing/Fencing @ Tot-Lot, (Replacement)		30	2007	16	-4	10	1	250	LF	\$75.00	\$18,750	<b>2021/2022 Fiscal Year Notes:</b> Early signs of corrosion were identified at selection locations where paint finish was either blistering or had been fully removed. It is recommended these areas be treated and refinished within the next year to prevent further deterioration.

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

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

Common, (All Lots)

Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>Sub-Section #2: Vinyl Fencing</b>													
17	Vinyl Fence, (Split Rail)		25	2007	16	0	9	1	1,840	LF	\$37.50	\$69,000	<b>2021/2022 Fiscal Year Notes:</b> Observed cracks or missing caps at a few locations along the fence line. It is recommended the Association address these issues as soon as possible.
<b>Sub-Section #3: Wood Fencing</b>													
18	6' Cedar Fence w/12" Vertical Lattice Detail @ Top		25	2007	16	0	9	1	165	LF	\$0.00	\$0	Renewal costs are covered within the Tamarack SFH funding plan. See Chapter 7 for more information.
19	6' Cedar Fence, (Good Neighbor Style)		25	2017	6	0	19	1	170	LF	\$0.00	\$0	Renewal costs are covered within the Rowhomes funding plan. See Chapter 6 for more information.
<b>Sub-Section #4: Chain Link Fencing</b>													
20	6' Chain Link @ Stormwater Swale, (Vinyl Coated)		30	2007	16	0	14	1	400	LF	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of the City Of Sherwood or Washington County. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.
<b>Sub-Section #5: Railings</b>													
21	Hand Rails, (Metal - Galvanized)		25	2007	16	0	9	1	20	LF	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of the City Of Sherwood or Washington County. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.

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

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

Common, (All Lots)

Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>SHARED COMMON ELEMENTS #4: MISC. COMPONENTS</b>													
<b>Sub-Section #1: Tot-Lot Components</b>													
22	Park Benches, (Wood Composite Seat & Back Boards)		10	2017	6	0	4	1	4	EA	\$500	\$2,000	
23	Park Benches, (Full Replacement)		30	2007	16	0	14	1	4	EA	\$1,750	\$7,000	
24	Pet Waste Station, (Fence Mounted)		15	2007	16	3	3	1	1	EA	\$175	\$180	
25	Play Structure/Equipment		30	2007	16	0	14	1	1	EA	\$50,000	\$50,000	It is recommended the Association inspect the play equipment assemblies multiple times annually to ensure they are functioning as designed and immediately repair or replace damaged or failing components. Check and follow local code requirements.
26	Playground Wood Chips, (Trail-Mix Blend)		1	2023	0	0	1	1	1	EA	\$100	\$100	It is assumed the wood chips within the playground area will be replenished annually or as needed in order to keep the area soft and forgiving around the play equipment. Check local code requirements to ensure safety guidelines are being met.

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

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

Common, (All Lots)

Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
27	6x6 PT Play Pit Border, (Double Stacked)		25	2007	16	0	9	1	165	LF	\$25.00	\$4,130	It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
<b>Sub-Section #2: Mailbox Kiosks</b>													
28	Mailbox Kiosk, (8-Box Cluster, w/2 Parcel Locker)		25	2007	16	0	9	1	1	EA	\$2,250	\$2,250	This estimated replacement costs for this line item are intended for the full replacement of these components. Funds necessary for periodic lock-&-key hardware will be managed via the operating budget or by other means.  It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
29	Mailbox Kiosk, (12-Box Cluster)		25	2007	16	0	9	1	1	EA	\$2,500	\$2,500	This estimated replacement costs for this line item are intended for the full replacement of these components. Funds necessary for periodic lock-&-key hardware will be managed via the operating budget or by other means.  It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
30	Mailbox Kiosk, (13-Box Cluster, w/1 Parcel Locker)		25	2007	16	0	9	1	1	EA	\$2,750	\$2,750	This estimated replacement costs for this line item are intended for the full replacement of these components. Funds necessary for periodic lock-&-key hardware will be managed via the operating budget or by other means.  It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
31	Mailbox Kiosk, (16-Box Cluster, w/2 Parcel Locker)		25	2007	16	0	9	1	12	EA	\$3,250	\$39,000	This estimated replacement costs for this line item are intended for the full replacement of these components. Funds necessary for periodic lock-&-key hardware will be managed via the operating budget or by other means.  It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.

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

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

Common, (All Lots)

Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>Sub-Section #3: Electrical &amp; Plumbing Components</b>													
32	Pathway Lighting		20	2007	16	0	4	1	1	EA	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of others. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.
33	Vertical Ornamental Street Lamps		30	2007	16	0	14	1	8	EA	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of others. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.
34	Electric Meter & Breaker Box		30	2007	16	0	14	1	2	EA	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of others. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.
35	Fire Hydrant		30	2007	16	0	14	1	3	EA	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of others. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.
<b>Sub-Section #4: Misc. Components</b>													
36	Neighborhood Book Exchange Box		10	2017	6	0	4	1	1	EA	\$350	\$350	

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

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

Common, (All Lots)

Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
37	Signage, (Plate Only)		10	2017	6	0	4	1	1	EA	\$75.00	\$80	
38	Trash Receptacles		15	2017	6	0	9	1	1	EA	\$0.00	\$0	These components are not owned by the Association and are therefore excluded from this funding plan. Renewal and maintenance costs are assumed to be the responsibility of others. They are listed within this funding plan to provide clarification that the Association identifies their existence within the community and where care and maintenance responsibilities have been assumed.
<b>Sub-Section #5: Professional Services</b>													
39	Reserve Study Update, (All Levels)	N/A	1	2023	0	0	1	1	1	EA	\$1,500	\$1,500	Conducted annually
40	Maintenance Plan	N/A	5	2007	16	0	0	1	1	EA	\$5,000	\$5,000	Maintenance plans contain specific instructions and guidelines on how and when each of the shared common elements owned by the Association are cared for. The primary goal is to assist the Association and/or their management firm with keeping these components in good working order, so estimated life cycles are met or prolonged.
41	Contingency Renewal Fund	N/A	30	2023	0	-30	0	30	160	Lots/Units	\$1,000	\$160,000	Budgetary Line Item - Covers potential renewal costs of unknown or unexpected shared common elements. It is recommended that the Association budget \$1,000 per unit, paid over 30 years.

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

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

Common, (All Lots)



Table 2: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
42	Insurance Deductible	N/A	10	2017	6	0	4	1	1	EA	\$10,000	\$10,000	

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

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

## **APPENDIX B**

### **TABLE 3: ANNUAL EXPENDITURE BREAKOUT**

This table is generated by using the estimated values established by “Table 2: Shared Common Elements List”, (See Appendix A). Its primary purpose is designed to provide a complete breakout of the annual expenditures for each of the shared common elements over the 30-year period of this study. The estimated renewal costs listed within this table have factored-in the assumed rate of inflation, (3.0%).



**Common, (All Lots)**
**Table 3: Annual Expenditure Breakout, (30-Year Outlook)**

	Total Expenses inflated at 3% annually	\$25,467	\$18,866	\$19,432	\$20,212	\$55,022	\$27,030	\$21,871	\$22,527	\$23,203	\$186,513	\$56,534	\$25,355	\$26,115	\$26,899	\$137,852	
	Fiscal Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	Calendar Year	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	2035/2036	2036/2037	2037/2038	
<b>SHARED COMMON ELEMENTS #1: LANDSCAPING COMPONENTS</b>																	
<b>Sub-Section #1: Landscaping Components</b>																	
1	Beauty Bark, (Bark Dust)																
2	Irrigation Control Devices					\$14,350											
3	Tree Maintenance, Removal & Replacement					\$5,628				\$6,524							\$7,563
4	Community Landscaping Improvement Project																
<b>SHARED COMMON ELEMENTS #2: CONCRETE &amp; ASPHALT COMPONENTS</b>																	
<b>Sub-Section #1: Concrete Components</b>																	
5	Formed Concrete Curbs	\$2,375	\$2,446	\$2,520	\$2,595	\$2,673	\$2,753	\$2,836	\$2,921	\$3,009	\$3,099	\$3,192	\$3,288	\$3,386	\$3,488	\$3,592	
6	Concrete Flatwork, (Sidewalks)	\$8,958	\$9,227	\$9,504	\$9,789	\$10,083	\$10,385	\$10,697	\$11,018	\$11,348	\$11,689	\$12,039	\$12,400	\$12,772	\$13,156	\$13,550	
7	ADA Truncated Dome Pads																
8	Concrete Flatwork @ Stormwater Swale																
9	Retaining Wall @ Stormwater Swale																
10	CMU Retaining Wall																
11	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane																
<b>Sub-Section #2: Asphalt Components</b>																	
12	Asphalt Paved Pathways - Crack Sealing, (Maintenance Task)	\$50	\$52	\$53	\$55		\$58	\$60	\$61	\$63	\$65	\$67	\$69	\$71	\$73		
13	Asphalt Paved Pathways - Seal Coat, (Minor Renewal Task)					\$495											\$666
14	Asphalt Paved Pathway - Mill, Fill, & Overlay, (Major Renewal Task)																
<b>SHARED COMMON ELEMENTS #3: FENCING &amp; RAILING COMPONENTS</b>																	
<b>Sub-Section #1: Metal Railings</b>																	
15	42" Metal Railing/Fencing @ Tot-Lot, (Refinishing)	\$3,750															
16	42" Metal Railing/Fencing @ Tot-Lot, (Replacement)												\$25,198				
<b>Sub-Section #2: Vinyl Fencing</b>																	
17	Vinyl Fence, (Split Rail)											\$90,029					
<b>Sub-Section #3: Wood Fencing</b>																	
18	6' Cedar Fence w/12" Vertical Lattice Detail @ Top																
19	6' Cedar Fence, (Good Neighbor Style)																
<b>Sub-Section #4: Chain Link Fencing</b>																	
20	6' Chain Link @ Stormwater Swale, (Vinyl Coated)																
<b>Sub-Section #5: Railings</b>																	
21	Hand Rails, (Metal - Galvanized)																
<b>SHARED COMMON ELEMENTS #4: MISC. COMPONENTS</b>																	
<b>Sub-Section #1: Tot-Lot Components</b>																	
22	Park Benches, (Wood Composite Seat & Back Boards)					\$2,251											
23	Park Benches, (Full Replacement)																\$10,588
24	Pet Waste Station, (Fence Mounted)				\$197												

**Common, (All Lots)**
**Table 3: Annual Expenditure Breakout, (30-Year Outlook)**

		Total Expenses inflated at 3% annually															
		\$25,467	\$18,866	\$19,432	\$20,212	\$55,022	\$27,030	\$21,871	\$22,527	\$23,203	\$186,513	\$56,534	\$25,355	\$26,115	\$26,899	\$137,852	
		Fiscal Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Calendar Year	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	2035/2036	2036/2037	2037/2038
25	Play Structure/Equipment																\$75,629
26	Playground Wood Chips, (Trail-Mix Blend)		\$103	\$106	\$109	\$113	\$116	\$119	\$123	\$127	\$130	\$134	\$138	\$143	\$147	\$151	\$151
27	6x6 PT Play Pit Border, (Double Stacked)											\$5,389					
<b>Sub-Section #2: Mailbox Kiosks</b>																	
28	Mailbox Kiosk, (8-Box Cluster, w/2 Parcel Locker)											\$2,936					
29	Mailbox Kiosk, (12-Box Cluster)											\$3,262					
30	Mailbox Kiosk, (13-Box Cluster, w/1 Parcel Locker)											\$3,588					
31	Mailbox Kiosk, (16-Box Cluster, w/2 Parcel Locker)											\$50,886					
<b>Sub-Section #3: Electrical &amp; Plumbing Components</b>																	
32	Pathway Lighting																
33	Vertical Ornamental Street Lamps																
34	Electric Meter & Breaker Box																
35	Fire Hydrant																
<b>Sub-Section #4: Misc. Components</b>																	
36	Neighborhood Book Exchange Box							\$394									\$529
37	Signage, (Plate Only)							\$90									\$121
38	Trash Receptacles																
<b>Sub-Section #5: Professional Services</b>																	
39	Reserve Study Update, (All Levels)		\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957	\$2,016	\$2,076	\$2,139	\$2,203	\$2,269	\$2,269
40	Maintenance Plan	\$5,000						\$5,796				\$6,720					
41	Contingency Renewal Fund	\$5,333	\$5,493	\$5,658	\$5,828	\$6,003	\$6,183	\$6,368	\$6,559	\$6,756	\$6,959	\$7,168	\$7,383	\$7,604	\$7,832	\$8,067	\$8,067
42	Insurance Deductible					\$11,255											\$15,126

**Common, (All Lots)**
**Table 3: Annual Expenditure Breakout, (30-Year Outlook)**

	Total Expenses inflated at 3% annually	\$36,327	\$29,393	\$30,275	\$31,489	\$40,886	\$48,885	\$34,074	\$35,097	\$36,150	\$140,032	\$48,820	\$39,502	\$40,687	\$41,907	\$54,947
	Fiscal Year	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
	Calendar Year	2038/2039	2039/2040	2040/2041	2041/2042	2042/2043	2043/2044	2044/2045	2045/2046	2046/2047	2047/2048	2048/2049	2049/2050	2050/2051	2051/2052	2052/2053
<b>SHARED COMMON ELEMENTS #1: LANDSCAPING COMPONENTS</b>																
<b>Sub-Section #1: Landscaping Components</b>																
1	Beauty Bark, (Bark Dust)															
2	Irrigation Control Devices											\$25,918				
3	Tree Maintenance, Removal & Replacement					\$8,768						\$10,164				\$11,783
4	Community Landscaping Improvement Project															
<b>SHARED COMMON ELEMENTS #2: CONCRETE &amp; ASPHALT COMPONENTS</b>																
<b>Sub-Section #1: Concrete Components</b>																
5	Formed Concrete Curbs	\$3,700	\$3,811	\$3,926	\$4,043	\$4,165	\$4,290	\$4,418	\$4,551	\$4,687	\$4,828	\$4,973	\$5,122	\$5,276	\$5,434	\$5,597
6	Concrete Flatwork, (Sidewalks)	\$13,957	\$14,375	\$14,807	\$15,251	\$15,708	\$16,180	\$16,665	\$17,165	\$17,680	\$18,210	\$18,757	\$19,319	\$19,899	\$20,496	\$21,111
7	ADA Truncated Dome Pads															
8	Concrete Flatwork @ Stormwater Swale															
9	Retaining Wall @ Stormwater Swale															
10	CMU Retaining Wall											\$40,656				
11	Rock Retaining Wall @ SW Langer Dr. & SW Holland Lane															
<b>Sub-Section #2: Asphalt Components</b>																
12	Asphalt Paved Pathways - Crack Sealing, (Maintenance Task)	\$78	\$80	\$83	\$85	\$88	\$90	\$93	\$96	\$99		\$105	\$108	\$111	\$114	\$118
13	Asphalt Paved Pathways - Seal Coat, (Minor Renewal Task)										\$894					
14	Asphalt Paved Pathway - Mill, Fill, & Overlay, (Major Renewal Task)															
<b>SHARED COMMON ELEMENTS #3: FENCING &amp; RAILING COMPONENTS</b>																
<b>Sub-Section #1: Metal Railings</b>																
15	42" Metal Railing/Fencing @ Tot-Lot, (Refinishing)								\$6,773							
16	42" Metal Railing/Fencing @ Tot-Lot, (Replacement)															
<b>Sub-Section #2: Vinyl Fencing</b>																
17	Vinyl Fence, (Split Rail)															
<b>Sub-Section #3: Wood Fencing</b>																
18	6' Cedar Fence w/12" Vertical Lattice Detail @ Top															
19	6' Cedar Fence, (Good Neighbor Style)															
<b>Sub-Section #4: Chain Link Fencing</b>																
20	6' Chain Link @ Stormwater Swale, (Vinyl Coated)															
<b>Sub-Section #5: Railings</b>																
21	Hand Rails, (Metal - Galvanized)															
<b>SHARED COMMON ELEMENTS #4: MISC. COMPONENTS</b>																
<b>Sub-Section #1: Tot-Lot Components</b>																
22	Park Benches, (Wood Composite Seat & Back Boards)											\$4,066				
23	Park Benches, (Full Replacement)															
24	Pet Waste Station, (Fence Mounted)				\$306											

**Common, (All Lots)**
**Table 3: Annual Expenditure Breakout, (30-Year Outlook)**

	Total Expenses inflated at 3% annually	\$36,327	\$29,393	\$30,275	\$31,489	\$40,886	\$48,885	\$34,074	\$35,097	\$36,150	\$140,032	\$48,820	\$39,502	\$40,687	\$41,907	\$54,947
	Fiscal Year	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
	Calendar Year	2038/2039	2039/2040	2040/2041	2041/2042	2042/2043	2043/2044	2044/2045	2045/2046	2046/2047	2047/2048	2048/2049	2049/2050	2050/2051	2051/2052	2052/2053
25	Play Structure/Equipment															
26	Playground Wood Chips, (Trail-Mix Blend)	\$156	\$160	\$165	\$170	\$175	\$181	\$186	\$192	\$197	\$203	\$209	\$216	\$222	\$229	\$236
27	6x6 PT Play Pit Border, (Double Stacked)															
<b>Sub-Section #2: Mailbox Kiosks</b>																
28	Mailbox Kiosk, (8-Box Cluster, w/2 Parcel Locker)															
29	Mailbox Kiosk, (12-Box Cluster)															
30	Mailbox Kiosk, (13-Box Cluster, w/1 Parcel Locker)															
31	Mailbox Kiosk, (16-Box Cluster, w/2 Parcel Locker)															
<b>Sub-Section #3: Electrical &amp; Plumbing Components</b>																
32	Pathway Lighting															
33	Vertical Ornamental Street Lamps															
34	Electric Meter & Breaker Box															
35	Fire Hydrant															
<b>Sub-Section #4: Misc. Components</b>																
36	Neighborhood Book Exchange Box											\$711				
37	Signage, (Plate Only)											\$163				
38	Trash Receptacles															
<b>Sub-Section #5: Professional Services</b>																
39	Reserve Study Update, (All Levels)	\$2,337	\$2,407	\$2,479	\$2,554	\$2,630	\$2,709	\$2,790	\$2,874	\$2,960	\$3,049	\$3,141	\$3,235	\$3,332	\$3,432	\$3,535
40	Maintenance Plan	\$7,790					\$9,031					\$10,469				
41	Contingency Renewal Fund	\$8,309	\$8,558	\$8,815	\$9,080	\$9,352	\$9,633	\$9,922	\$10,219	\$10,526	\$10,842	\$11,167	\$11,502	\$11,847	\$12,202	\$12,568
42	Insurance Deductible											\$20,328				

**APPENDIX C**  
**FIVE-YEAR EXPENDITURE OUTLOOK**



2023		
5	Formed Concrete Curbs	\$2,375
6	Concrete Flatwork, (Sidewalks)	\$8,958
12	Asphalt Paved Pathways - Crack Sealing, (Maintenance	\$50
15	42" Metal Railing/Fencing @ Tot-Lot, (Refinishing)	\$3,750
40	Maintenance Plan	\$5,000
41	Contingency Renewal Fund	\$5,333
		<b>\$25,467</b>

2024		
5	Formed Concrete Curbs	\$2,446
6	Concrete Flatwork, (Sidewalks)	\$9,227
12	Asphalt Paved Pathways - Crack Sealing, (Maintenance	\$52
26	Playground Wood Chips, (Trail-Mix Blend)	\$103
39	Reserve Study Update, (All Levels)	\$1,545
41	Contingency Renewal Fund	\$5,493
		<b>\$18,866</b>

2025		
5	Formed Concrete Curbs	\$2,520
6	Concrete Flatwork, (Sidewalks)	\$9,504
12	Asphalt Paved Pathways - Crack Sealing, (Maintenance	\$53
26	Playground Wood Chips, (Trail-Mix Blend)	\$106
39	Reserve Study Update, (All Levels)	\$1,591
41	Contingency Renewal Fund	\$5,658
		<b>\$19,432</b>



2026		
5	Formed Concrete Curbs	\$2,595
6	Concrete Flatwork, (Sidewalks)	\$9,789
12	Asphalt Paved Pathways - Crack Sealing, (Maintenance)	\$55
24	Pet Waste Station, (Fence Mounted)	\$197
26	Playground Wood Chips, (Trail-Mix Blend)	\$109
39	Reserve Study Update, (All Levels)	\$1,639
41	Contingency Renewal Fund	\$5,828
		<b>\$20,212</b>

2027		
2	Irrigation Control Devices	\$14,350
3	Tree Maintenance, Removal & Replacement	\$5,628
5	Formed Concrete Curbs	\$2,673
6	Concrete Flatwork, (Sidewalks)	\$10,083
13	Asphalt Paved Pathways - Seal Coat, (Minor Renewal T	\$495
22	Park Benches, (Wood Composite Seat & Back Boards)	\$2,251
26	Playground Wood Chips, (Trail-Mix Blend)	\$113
36	Neighborhood Book Exchange Box	\$394
37	Signage, (Plate Only)	\$90
39	Reserve Study Update, (All Levels)	\$1,688
41	Contingency Renewal Fund	\$6,003
42	Insurance Deductible	\$11,255
		<b>\$55,022</b>



## 6. FUNDING DATA & RESULTS - LIMITED COMMON, (ROWHOMES)

<b>Community's Registered Legal Name:</b>	<b>Arbor Terraces Homeowner Association</b>
<b>Year Built:</b>	<b>2007</b>
<b>Fiscal Year:</b>	<b>2023/2024</b>
<b>Fiscal Year Start Date:</b>	<b>July 1, 2023</b>
<b>Fiscal Year End Date:</b>	<b>June 30, 2024</b>
<b>Approximate Starting Balance:</b>	<b>\$350,000</b>
<b>Assumed Rate of Inflation:</b>	<b>3.00%</b>
<b>Assumed "Earned Interest" Rate:</b>	<b>0.20%</b>
<b>Number of Units/Lots:</b>	<b>65</b>

**Board Approved Funding Plan**

Average Monthly Contribution Per Unit/Lot, (Year One):	\$120.00
Estimated Yearly Contribution, (Year One):	\$93,600
Estimated Annual Expenditures, (Year One):	(\$18,820)
Current Fiscal Year's Estimated Ending Balance:	\$435,155
Percent Funded:	33%
Lowest Annual Closing Balance:	\$4,580
Largest Annual Closing Balance:	\$3,294,310
Closing Balance @ Year 30:	\$1,245,973

<b>Applicable Taxes</b>	0.00%
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**Limited Common, (Rowhomes)  
Board Approved Funding Plan  
Table 4: Cash Flow Summary**

Assumed Rate of Inflation:  
Assumed "Earned Interest" Rate:

3.00%  
0.20%

Year	Annual Opening Balance	Scheduled Rate Increases	Total Annual Contribution	Avg. Monthly Contribution Per Unit/Lot*	Other Contributions	Estimated Annual Expenditures	Annual Closing Balances**	Full Funding Annual Closing Balances	Percent Funded
2023 / 2024	\$350,000	20.0%	\$93,600	\$120.00	\$9,600	(\$18,820)	\$435,155	\$1,319,150	33%
2024 / 2025	\$435,155	15.0%	\$107,640	\$138.00	\$9,600	(\$82)	\$553,290	\$1,453,060	38%
2025 / 2026	\$553,290	15.0%	\$123,786	\$158.70	\$9,600	(\$85)	\$687,822	\$1,593,816	43%
2026 / 2027	\$687,822	15.0%	\$142,354	\$182.51	\$9,600	(\$87)	\$841,206	\$1,741,712	48%
2027 / 2028	\$841,206	0.0%	\$142,354	\$182.51	\$9,600	(\$861,161)	\$132,963	\$1,035,975	13%
2028 / 2029	\$132,963	0.0%	\$142,354	\$182.51	\$9,600	(\$93)	\$285,232	\$1,173,229	24%
2029 / 2030	\$285,232	0.0%	\$142,354	\$182.51	\$0	(\$20,991)	\$407,287	\$1,296,891	31%
2030 / 2031	\$407,287	0.0%	\$142,354	\$182.51	\$0	(\$98)	\$550,499	\$1,448,439	38%
2031 / 2032	\$550,499	15.0%	\$163,707	\$209.88	\$0	(\$101)	\$715,369	\$1,607,912	44%
2032 / 2033	\$715,369	0.0%	\$163,707	\$209.88	\$0	(\$875,216)	\$4,580	\$900,539	1%
2033 / 2034	\$4,580	0.0%	\$163,707	\$209.88	\$0	(\$1,774)	\$166,684	\$1,062,079	16%
2034 / 2035	\$166,684	0.0%	\$163,707	\$209.88	\$0	(\$111)	\$330,777	\$1,234,130	27%
2035 / 2036	\$330,777	0.0%	\$163,707	\$209.88	\$0	(\$25,065)	\$470,219	\$1,390,598	34%
2036 / 2037	\$470,219	15.0%	\$188,263	\$241.36	\$0	(\$117)	\$659,493	\$1,581,043	42%
2037 / 2038	\$659,493	0.0%	\$188,263	\$241.36	\$0	(\$121)	\$849,143	\$1,781,663	48%
2038 / 2039	\$849,143	0.0%	\$188,263	\$241.36	\$0	(\$35,568)	\$1,003,688	\$1,957,453	51%
2039 / 2040	\$1,003,688	0.0%	\$188,263	\$241.36	\$0	(\$128)	\$1,194,018	\$2,178,694	55%
2040 / 2041	\$1,194,018	0.0%	\$188,263	\$241.36	\$0	(\$132)	\$1,384,725	\$2,411,449	57%
2041 / 2042	\$1,384,725	15.0%	\$216,502	\$277.57	\$0	(\$172,082)	\$1,431,960	\$2,484,261	58%
2042 / 2043	\$1,431,960	0.0%	\$216,502	\$277.57	\$0	(\$399,063)	\$1,252,081	\$2,337,454	54%
2043 / 2044	\$1,252,081	0.0%	\$216,502	\$277.57	\$0	(\$12,896)	\$1,458,395	\$2,577,741	57%
2044 / 2045	\$1,458,395	0.0%	\$216,502	\$277.57	\$0	(\$149)	\$1,677,882	\$2,843,476	59%
2045 / 2046	\$1,677,882	0.0%	\$216,502	\$277.57	\$0	(\$153)	\$1,897,803	\$3,122,835	61%
2046 / 2047	\$1,897,803	15.0%	\$248,978	\$319.20	\$0	(\$128,441)	\$2,022,256	\$3,288,113	62%
2047 / 2048	\$2,022,256	0.0%	\$248,978	\$319.20	\$0	(\$35,737)	\$2,239,756	\$3,557,055	63%
2048 / 2049	\$2,239,756	0.0%	\$248,978	\$319.20	\$0	(\$168)	\$2,493,294	\$3,875,816	64%
2049 / 2050	\$2,493,294	0.0%	\$248,978	\$319.20	\$0	(\$173)	\$2,747,335	\$4,210,501	65%
2050 / 2051	\$2,747,335	0.0%	\$248,978	\$319.20	\$0	(\$178)	\$3,001,879	\$4,561,778	66%
2051 / 2052	\$3,001,879	15.0%	\$286,325	\$367.08	\$0	(\$183)	\$3,294,310	\$4,930,343	67%
2052 / 2053	\$3,294,310	0.0%	\$286,325	\$367.08	\$0	(\$2,339,198)	\$1,245,973	\$2,977,907	42%
						<b>(\$4,928,170)</b>			

\* Funding plan assumes that all units/residence pay an equal share of the "Total Annual Contribution" value.

\*\* Includes Projected Earned Interest



**Executive Summary – Limited Common, (Rowhomes)**

The following information summarizes the reserve funding plan for fiscal year 2023/2024, as reviewed and approved by the Association’s Board of Directors, (BOD) for the above listed group/entity. The balance within the reserve account is estimated to be \$350,000 on July 1, 2023. The annual contributions to reserves for fiscal year 2023/2024 are estimated to be \$93,600. As previously mentioned, this funding plan assumes a 3.0% inflation rate will be applied annually to the current estimated replacement costs of the shared common elements. The annual rate increase to the reserve contributions will be set at 20%. The cost impact caused by inflation, as well as addressing any budgetary shortfalls over the next 30 years were the primary factors for this year’s increase. For a complete list of the annual rate increases for the following 29 years, (2024/2025 through 2052/2053) please see Table 4: Cash Flow Summary of this RS, (See Page #35). A set annual EIR of 0.20% will be applied to the reserve funds’ account balance as outlined in Chapter 4 of this RS.

**Analysis**

**Physical Analysis** – An onsite, physical analysis of the shared common elements was conducted on March 17, 2021. The field assessment portion of this RS was limited to a visual analysis and excludes invasive or destructive testing. Observations are recorded using a representative sampling of the common area components that includes, quantity take-offs, field measurements, and digital photographs to support observed and reported conditions. Observed deficiencies, (if any) will be noted in the comments section for each component listed within “Table 5: Shared Common Elements”, (See Appendix D) of this RS.

**Financial Analysis** – As mentioned earlier, there are several funding alternatives when forecasting reserve assessments. The primary objective, regardless of which path is chosen is to ensure the financial stability of the reserve account so it not only meets the needs of the current or immediate residents living within the community, but also those in the future.

The Association has selected to use the “Baseline” funding model. This approach will keep the funds within the reserve account from falling below \$0 and will maintain a positive balance over the next 30 years, (2023/2024 through 2052/2053). The annual closing balance for 2023/2024 is estimated to be \$435,155, setting the reserve’s funding percentage at 33%. Industry standards rate reserve accounts with funding percentages at or above 70% as strong & healthy. Reserve accounts that range from 31% to 69% funded are considered fair, in terms of financial solvency. Accounts at 30% or below are weak and have a high probability of requiring the Association to special assess their community’s membership.

The chart below shows the three largest renewal periods anticipated by this study:

<u>Year(s)</u>	<u>Major Renewal Tasks*</u>	<u>Total Annual Expenditures</u>
2027/2028	Asphaltic Roofing Shingles	Approx. \$861K
2032/2033	Exterior Cladding Assemblies “NOT” Replaced in 2013	Approx. \$875K
2052/2053	Asphaltic Roofing Shingles	Approx. \$2.3M

\*See Table 6: Annual Expenditure Breakout, for a complete breakout of the scheduled renewal tasks & costs for the years listed above.



Please note, that the forecasted repairs and replacements do not represent a fixed schedule for any given element or component reviewed. Such repairs or replacements may be required sooner or later than 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 are somewhat unpredictable.

### **Results**

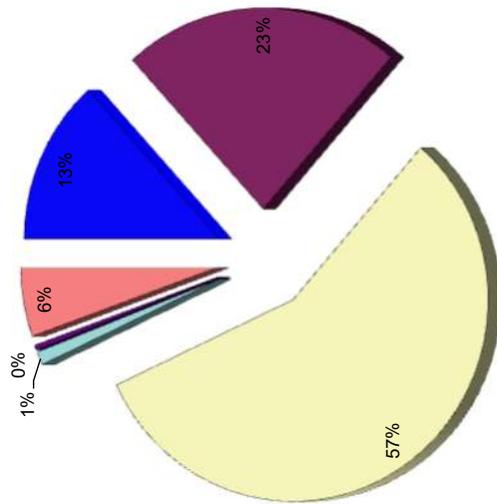
The amount of funds within the reserve account will maintain a positive balance from fiscal years 2023/2024 through 2052/2053, (30 Years). Over this time, the funding percentage will fluctuate up and down multiple times before finishing approximately 42%. This places the Limited Common, (Rowhomes) entity in a fair financial position when speaking specifically about the available funds within their reserves to cover expenditures that will be drawn against this account over the next 30 years. This is contingent on the Association following the established funding plan, updating it annually, and how well they care and maintain their shared common elements. It is recommended the Association consider increasing their assessments during the development of the 2024/2025 RS in an effort to move their funding percentage towards the full funding model.



## Limited Common, (Rowhomes) - Expenditure Chart

Percentage of Anticipated Expenditures By Groups, (30-Year Outlook)  
 (Groups are formed by multiple factors such as similar renewal timelines & common functions)

- Shared Common Elements #01 - Ext. Cladding Assemblies "NOT" Replaced in 2013): \$654,605
- Shared Common Elements #02 - Exterior Finishes, (Painting & Sealant): \$1,138,586
- Shared Common Elements #03 - Roofing Assemblies: \$2,792,244
- Shared Common Elements #04 - Misc. Exterior Wall Components: \$52,406
- Shared Common Elements #05 - Asphalt Components: \$19,464
- Shared Common Elements #06 - Misc. Components & Professional Services: \$270,866



## **APPENDIX D**

### **TABLE 5: SHARED COMMON ELEMENTS LIST**

This table provides a list of the shared common elements owned by the “Limited Common, (?)” group/entity. Data and information includes, but is not limited to component quantities, initial year of installation or last known year of replacement, and current estimated unit costs. In addition, this table may include a brief comment, clarification, or recommendation for each component listed. EC recommends that close attention be maintained for systems that could 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 field assessment, EC has assumed the components are suitable for their intended use. Replacement costs are based on assumed/estimated values the year this RS was developed.



Limited Common, (Rowhomes)

Table 5: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS</b>													
<b>Sub-Section #1: Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)</b>													
1	Exterior Wall Assemblies, (Replacement)		40	2007	16	-15	9	1	28,000	SF	\$20.00	\$501,700	See Items 1A - 1C for clarification of components covered within this renewal task and their scheduled renewal timelines. Gutters & Downspouts have been removed from this total and have been covered within Line Item #6.
-	• 1A - Exterior Wall Assemblies_5 Years or Less Renewal Schedule												Base of Wall Components: Replace cladding and weather-resistive barrier assembly at base of wall with new assemblies that protect the sheathing and provide positive drainage. Buildings G, H, & F have the most damage per General Contractor.
-	• 1B - Exterior Wall Assemblies_6 to 10 Year Renewal Schedule												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-resistive barrier assemblies on entrance columns of all townhomes with new assemblies that provide positive drainage. Note: Damaged trim is currently being replaced and venting is being provided for existing columns as part of the current scope. However, upper trims are not protected with flashing and cladding/trim is not typically incorporated into the current repair. 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.
-	• 1C - Exterior Wall Assemblies_11 to 20 Year Renewal Schedule												Exterior Wall Assemblies @ Side & Rear Elevations: Replace all cladding and weather-resistive barrier with new assemblies that will provide positive drainage and improve the building's air barrier. It should be noted; repairs conducted in 2013 where panel siding exist, these areas have a fully integrated rain-screen system installed. However, for areas where lap siding exists, the repairs conducted here were targeted preventing a rain-screen drainage medium from being installed. Scope may include replacing gutters and downspouts that were not replaced in 2013. 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.
<b>Sub-Section #2: Exterior Cladding Assemblies</b>													
2	Exterior Wall Assemblies Replaced in 2013, (Renewal)		50	2013	10	0	40	1	52,000	SF	\$20.00	\$1,112,800	Estimated replacement costs are for the full removal and replacement of the exterior cladding assemblies. The assumed scope of work includes, but may not be limited to replacing horizontal and vertical siding profiles, soffits, corner trim, belly bands, beam wraps, window and door trim, columns, decorative trim details, (includes wood railings) pulling & resetting the windows/doors, (to properly waterproof rough openings), penetration blocks, and painting the entire exterior. Estimated replacement costs are budgetary only. Actual replacement of these assemblies could be dramatically different, (less or more) than what has been forecasted. It is recommended the association hire an architectural, engineering firm who specializes in the replacement of these complex components and can develop an appropriate scope of repair to be used by pre-qualified contractors who can provide more accurate pricing. It is recommended these steps be completed 10 years before the scheduled replacement dates.

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

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

Limited Common, (Rowhomes)

Table 5: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
3	Exterior Wall Assemblies Replaced in 2013, (Refinishing)		10	2022	1	0	9	1	52,000	SF	\$3.00	\$156,000	Estimated funds to refinish all exterior cladding assemblies. It is recommended that a two-coat, 25 year paint be used when scheduled renewal periods come to term.  <b>2022/2023 RS Update Notes:</b> This line item covers the refinishing costs of the exterior cladding assemblies that were replaced during the targeted rehab project completed by Charter Construction in 2013. This line item will be fully deleted after the next scheduled renewal cycle in 2032/2033.
4	Exterior Wall Assemblies @ All Lots, (Refinishing)		10	2032	-9	0	19	1	65	EA	\$3,500	\$227,500	Estimated funds to refinish all exterior cladding assemblies. It is recommended that a two-coat, 25 year paint be used when scheduled renewal periods come to term.
<b>Sub-Section #3: Roofing Assemblies</b>													
5	Asphaltic Roof Shingles @ All Lots		25	2007	16	-5	4	1	65	Lots/Units	\$11,000	\$765,050	Estimated renewal costs includes replacement of asphaltic roofing shingles, chimney chase caps, vents and other roof penetrations as well as flashing assemblies and roof underlayment.  Estimated replacement costs are budgetary only. Actual replacement of these assemblies could be dramatically different, (less or more) than what has been forecasted. It is recommended the association hire an architectural, engineering firm who specializes in the replacement of these complex components and can develop an appropriate scope of repair to be used by pre-qualified contractors who can provide more accurate pricing. It is recommended these steps be completed 10 years before the scheduled replacement dates.  Follow manufacture maintenance requires and recommendations to help prolong the life of the roofing assemblies.
6	Gutters & Downspouts @ All Lots		25	2021	2	0	23	1	65	Lots/Units	\$1,000	\$65,000	It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.
<b>Sub-Section #4: Misc. Exterior Wall Components</b>													
7	Lighting: Wall-Mounted Lamp, (Rear Elevation)		25	2013	10	0	15	1	65	Lots/Units	\$150	\$9,750	It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.  It is recommended the Association hire a certified, licensed professional when replacing electrical, plumbing or mechanical system components.

Photo Pending

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

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

Limited Common, (Rowhomes)

Table 5: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
8	Electrical Outlet		25	2013	10	0	15	1	65	Lots/Units	\$200	\$13,000	<p>It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.</p> <p>It is recommended the Association hire a certified, licensed professional when replacing electrical, plumbing or mechanical system components.</p>
9	Hose Bib		25	2007	16	0	9	1	65	Lots/Units	\$200	\$13,000	<p>It is assumed that the replacement of these components will be addressed on an "As Needed" basis and will take place over an extended period of time. Annual RS updates will include reference notes that can be used to record "known" replacement work conducted during the previous fiscal year and the amount of funds that were drawn from the reserve account. This information will need to come from the Association.</p> <p>It is recommended the Association hire a certified, licensed professional when replacing electrical, plumbing or mechanical system components.</p>
<b>SHARED COMMON ELEMENTS #2: ASPHALT COMPONENTS</b>													
<b>Sub-Section #1: Asphalt Maintenance Task</b>													
10	Crack Sealing		1	2022	1	0	0	1	1	EA	\$75	\$80	<p>Crack sealing is low-cost method to help prolong the estimated life cycle. Cracks in the asphalt over a 1/4" wide should be sealed as soon as possible.</p> <p>Annual updates will provide clarification of the amount of funds spent during the previous fiscal year. This information will need to come from the Association.</p>
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "A"</b>													
11	Seal Coat, (Minor Renewal Task)		10	2007	16	0	0	1	1,730	SF	\$0.35	\$610	<p>Sealcoating is the process of applying a protective asphalt-based coating to the surface of the pavement by providing a layer of protection from the elements such as water in it's various forms, foreign oils, and U.V. damage. This maintenance task should be conducted every 8 to 10 years.</p> <p>The Row Homes are responsible for 23% of the renewal costs for this stretch of asphalt. The remaining 77% are covered within the Tamarack SFH funding plan.</p>
12	Mill, Fill & Re-Top, (Major Renewal Task)		40	2007	16	-4	20	1	1,730	SF	\$2.00	\$3,460	<p>This invasive process involves milling the surface of the asphalt by grinding down the upper layer, (typically 1 1/2" to 2"), followed by installing a layer of asphalt on top of the freshly milled surface to fill-in any holes or cracks. Finally, an asphalt overlay is applied to the top surface, (Re-Top) of the paved area for structural integrity and to level-off any potential irregularities. It is recommended this work be conducted every 32 to 40 years. This is dependent on how often the asphalt pavement is used and how well it is maintained.</p> <p>The Row Homes are responsible for 23% of the renewal costs for this stretch of asphalt. The remaining 77% are covered within the Tamarack SFH funding plan.</p>

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

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

Limited Common, (Rowhomes)

Table 5: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>Sub-Section #3: Asphalt Renewal Tasks @ Tract "D"</b>													
13	Seal Coat, (Minor Renewal Task)		10	2007	16	0	0	1	1,800	SF	\$0.35	\$630	Sealcoating is the process of applying a protective asphalt-based coating to the surface of the pavement by providing a layer of protection from the elements such as water in it's various forms, foreign oils, and U.V. damage. This maintenance task should be conducted every 8 to 10 years.  The Row Homes are responsible for 23% of the renewal costs for this stretch of asphalt. The remaining 77% are covered within the Tamarack SFH funding plan.
14	Mill, Fill & Re-Top, (Major Renewal Task)		40	2007	16	-4	20	1	1,800	SF	\$2.00	\$3,600	This invasive process involves milling the surface of the asphalt by grinding down the upper layer, (typically 1 1/2" to 2"), followed by installing a layer of asphalt on top of the freshly milled surface to fill-in any holes or cracks. Finally, an asphalt overlay is applied to the top surface, (Re-Top) of the paved area for structural integrity and to level-off any potential irregularities. It is recommended this work be conducted every 32 to 40 years. This is dependent on how often the asphalt pavement is used and how well it is maintained.  The Row Homes are responsible for 23% of the renewal costs for this stretch of asphalt. The remaining 77% are covered within the Tamarack SFH funding plan.
<b>SHARED COMMON ELEMENTS #3: MISC. COMPONENTS &amp; PROFESSIONAL SERVICES</b>													
<b>Sub-Section #1: Fencing Components</b>													
15	6' Wood Fencing, (Replacement)		25	2016	7	0	18	1	1,670	LF	\$50.00	\$83,500	The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleaning. Funds required for this task will be drawn from the Operating Budget.
<b>Sub-Section #2: Professional Services</b>													
16	Building Envelope Condition Assessment - Six Year Performance Review		6	2013	10	0	0	1	1	EA	\$17,500	\$17,500	It is recommended that the Association hire a licensed architectural engineering firm that specialize in the field of exterior cladding systems to conduct a comprehensive condition assessment every six years of their community's wall and roofing assemblies.  Scope should include exploratory openings as part of this assessment to see the existing conditions of the underlying wall assemblies. Costs provided include contractor fees that will be required to assist with the opening and closing of the targeted areas observed.

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

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

## **APPENDIX E**

### **TABLE 6: ANNUAL EXPENDITURE BREAKOUT**

This table is generated by using the estimated values established by “Table 5: Shared Common Elements List”, (See Appendix D). Its primary purpose is designed to provide a complete breakout of the annual expenditures for each of the shared common elements over the 30-year period of this study. The estimated renewal costs listed within this table have factored-in the assumed rate of inflation, (3.0%).



**Limited Common, (Rowhomes)**
**Table 6: Annual Expenditure Breakout, (30-Year Outlook)**

	Total Expenses inflated at 3% annually	\$18,820	\$82	\$85	\$87	\$861,161	\$93	\$20,991	\$98	\$101	\$875,216	\$1,774	\$111	\$25,065	\$117	\$121
	Fiscal Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Calendar Year	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	2035/2036	2036/2037	2037/2038
<b>SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS</b>																
<b>Sub-Section #1: Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)</b>																
1	Exterior Wall Assemblies, (Replacement)										\$654,605					
-	• 1A - Exterior Wall Assemblies_5 Years or Less Renewal Schedule															
-	• 1B - Exterior Wall Assemblies_6 to 10 Year Renewal Schedule															
-	• 1C - Exterior Wall Assemblies_11 to 20 Year Renewal Schedule															
<b>Sub-Section #2: Exterior Cladding Assemblies</b>																
2	Exterior Wall Assemblies Replaced in 2013, (Renewal)															
3	Exterior Wall Assemblies Replaced in 2013, (Refinishing)										\$203,545					
4	Exterior Wall Assemblies @ All Lots, (Refinishing)															
<b>Sub-Section #3: Roofing Assemblies</b>																
5	Asphaltic Roof Shingles @ All Lots					\$861,071										
6	Gutters & Downspouts @ All Lots															
<b>Sub-Section #4: Misc. Exterior Wall Components</b>																
7	Lighting: Wall-Mounted Lamp, (Rear Elevation)															
8	Electrical Outlet															
9	Hose Bib											\$16,962				
<b>SHARED COMMON ELEMENTS #2: ASPHALT COMPONENTS</b>																
<b>Sub-Section #1: Asphalt Maintenance Task</b>																
10	Crack Sealing	\$80	\$82	\$85	\$87	\$90	\$93	\$96	\$98	\$101	\$104	\$108	\$111	\$114	\$117	\$121
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "A"</b>																
11	Seal Coat, (Minor Renewal Task)	\$610										\$820				
12	Mill, Fill & Re-Top, (Major Renewal Task)															
<b>Sub-Section #3: Asphalt Renewal Tasks @ Tract "D"</b>																
13	Seal Coat, (Minor Renewal Task)	\$630										\$847				
14	Mill, Fill & Re-Top, (Major Renewal Task)															
<b>SHARED COMMON ELEMENTS #3: MISC. COMPONENTS &amp; PROFESSIONAL SERVICES</b>																
<b>Sub-Section #1: Fencing Components</b>																
15	6' Wood Fencing, (Replacement)															
<b>Sub-Section #2: Professional Services</b>																
16	Building Envelope Condition Assessment - Six Year Performance Review	\$17,500						\$20,896					\$24,951			

**Limited Common, (Rowhomes)**
**Table 6: Annual Expenditure Breakout, (30-Year Outlook)**

	Total Expenses inflated at 3% annually	\$35,568	\$128	\$132	\$172,082	\$399,063	\$12,896	\$149	\$153	\$128,441	\$35,737	\$168	\$173	\$178	\$183	\$2,339,198	
	Fiscal Year	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	
	Calendar Year	2038/2039	2039/2040	2040/2041	2041/2042	2042/2043	2043/2044	2044/2045	2045/2046	2046/2047	2047/2048	2048/2049	2049/2050	2050/2051	2051/2052	2052/2053	
<b>SHARED COMMON ELEMENTS #1: BUILDING ENVELOPE COMPONENTS</b>																	
<b>Sub-Section #1: Exterior Cladding Assemblies, (Components "NOT" Replaced During The 2013 Rehab Project)</b>																	
1	Exterior Wall Assemblies, (Replacement)																
-	• 1A - Exterior Wall Assemblies_5 Years or Less Renewal Schedule																
-	• 1B - Exterior Wall Assemblies_6 to 10 Year Renewal Schedule																
-	• 1C - Exterior Wall Assemblies_11 to 20 Year Renewal Schedule																
<b>Sub-Section #2: Exterior Cladding Assemblies</b>																	
2	Exterior Wall Assemblies Replaced in 2013, (Renewal)																
3	Exterior Wall Assemblies Replaced in 2013, (Refinishing)																
4	Exterior Wall Assemblies @ All Lots, (Refinishing)					\$398,923										\$536,119	
<b>Sub-Section #3: Roofing Assemblies</b>																	
5	Asphaltic Roof Shingles @ All Lots																\$1,802,890
6	Gutters & Downspouts @ All Lots									\$128,283							
<b>Sub-Section #4: Misc. Exterior Wall Components</b>																	
7	Lighting: Wall-Mounted Lamp, (Rear Elevation)	\$15,190															
8	Electrical Outlet	\$20,254															
9	Hose Bib																
<b>SHARED COMMON ELEMENTS #2: ASPHALT COMPONENTS</b>																	
<b>Sub-Section #1: Asphalt Maintenance Task</b>																	
10	Crack Sealing	\$125	\$128	\$132	\$136	\$140	\$144	\$149	\$153	\$158	\$163	\$168	\$173	\$178	\$183	\$189	
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "A"</b>																	
11	Seal Coat, (Minor Renewal Task)																
12	Mill, Fill & Re-Top, (Major Renewal Task)						\$6,249										
<b>Sub-Section #3: Asphalt Renewal Tasks @ Tract "D"</b>																	
13	Seal Coat, (Minor Renewal Task)																
14	Mill, Fill & Re-Top, (Major Renewal Task)						\$6,502										
<b>SHARED COMMON ELEMENTS #3: MISC. COMPONENTS &amp; PROFESSIONAL SERVICES</b>																	
<b>Sub-Section #1: Fencing Components</b>																	
15	6' Wood Fencing, (Replacement)				\$142,153												
<b>Sub-Section #2: Professional Services</b>																	
16	Building Envelope Condition Assessment - Six Year Performance Review				\$29,793						\$35,574						

**APPENDIX F**  
**FIVE-YEAR EXPENDITURE OUTLOOK**



2023		
10	Crack Sealing	\$250
11	Seal Coat, (Minor Renewal Task)	\$610
13	Seal Coat, (Minor Renewal Task)	\$630
16	Building Envelope Condition Assessment - Six Year Performance Review	\$17,500
		<b>\$18,990</b>

2024		
10	Crack Sealing	\$258
		<b>\$258</b>

2025		
10	Crack Sealing	\$265
		<b>\$265</b>

2026		
10	Crack Sealing	\$273
		<b>\$273</b>

2027		
5	Asphaltic Roof Shingles @ All Lots	\$861,071
10	Crack Sealing	\$281
		<b>\$861,352</b>



## 7. FUNDING DATA & RESULTS - LIMITED COMMON, (TAMARACK SFH)

<b>Community's Registered Legal Name:</b>	<b>Arbor Terraces Homeowner Association</b>
<b>Year Built:</b>	<b>2007</b>
<b>Fiscal Year:</b>	<b>2023/2024</b>
<b>Fiscal Year Start Date:</b>	<b>July 1, 2023</b>
<b>Fiscal Year End Date:</b>	<b>June 30, 2024</b>
<b>Approximate Starting Balance:</b>	<b>\$56,500</b>
<b>Assumed Rate of Inflation:</b>	<b>3.00%</b>
<b>Assumed "Earned Interest" Rate:</b>	<b>0.20%</b>
<b>Number of Units/Lots:</b>	<b>45</b>

**Board Approved Funding Plan**

Average Monthly Contribution Per Unit/Lot, (Year One):	\$45.00
Estimated Yearly Contribution, (Year One):	\$24,300
Estimated Annual Expenditures, (Year One):	(\$6,350)
Current Fiscal Year's Estimated Ending Balance:	\$74,581
Percent Funded:	35%
Lowest Annual Closing Balance:	\$12,471
Largest Annual Closing Balance:	\$609,147
Closing Balance @ Year 30:	\$609,147

<b>Applicable Taxes</b>	<b>0.00%</b>
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**Arbor Terrace - Tamarack SFH  
Board Approved Funding Plan  
Table 7: Cash Flow Summary**

Assumed Rate of Inflation: 3.00%  
Assumed "Earned Interest" Rate: 0.20%

Year	Annual Opening Balance	Scheduled Rate Increases	Total Annual Contribution	Avg. Monthly Contribution Per Unit/Lot*	Estimated Annual Expenditures	Annual Closing Balances**	Full Funding Annual Closing Balances	Percent Funded
2023 / 2024	\$56,500	0.0%	\$24,300	\$45.00	(\$6,350)	\$74,581	\$212,614	35%
2024 / 2025	\$74,581	0.0%	\$24,300	\$45.00	(\$206)	\$98,848	\$234,682	42%
2025 / 2026	\$98,848	0.0%	\$24,300	\$45.00	(\$212)	\$123,158	\$257,883	48%
2026 / 2027	\$123,158	20.0%	\$29,160	\$54.00	(\$219)	\$152,375	\$282,265	54%
2027 / 2028	\$152,375	0.0%	\$29,160	\$54.00	(\$225)	\$181,643	\$307,877	59%
2028 / 2029	\$181,643	0.0%	\$29,160	\$54.00	(\$232)	\$210,963	\$334,772	63%
2029 / 2030	\$210,963	0.0%	\$29,160	\$54.00	(\$239)	\$240,336	\$363,004	66%
2030 / 2031	\$240,336	0.0%	\$29,160	\$54.00	(\$246)	\$269,759	\$392,628	69%
2031 / 2032	\$269,759	15.0%	\$33,534	\$62.10	(\$291,104)	\$12,471	\$101,690	12%
2032 / 2033	\$12,471	0.0%	\$33,534	\$62.10	(\$261)	\$45,803	\$124,616	37%
2033 / 2034	\$45,803	0.0%	\$33,534	\$62.10	(\$8,534)	\$70,919	\$140,560	50%
2034 / 2035	\$70,919	0.0%	\$33,534	\$62.10	(\$277)	\$104,352	\$165,437	63%
2035 / 2036	\$104,352	0.0%	\$33,534	\$62.10	(\$285)	\$137,842	\$191,680	72%
2036 / 2037	\$137,842	15.0%	\$38,564	\$71.42	(\$294)	\$176,427	\$219,348	80%
2037 / 2038	\$176,427	0.0%	\$38,564	\$71.42	(\$303)	\$215,079	\$248,504	87%
2038 / 2039	\$215,079	0.0%	\$38,564	\$71.42	(\$312)	\$253,800	\$279,212	91%
2039 / 2040	\$253,800	0.0%	\$38,564	\$71.42	(\$321)	\$292,589	\$311,539	94%
2040 / 2041	\$292,589	0.0%	\$38,564	\$71.42	(\$331)	\$331,446	\$345,554	96%
2041 / 2042	\$331,446	15.0%	\$44,349	\$82.13	(\$42,220)	\$334,240	\$339,450	98%
2042 / 2043	\$334,240	0.0%	\$44,349	\$82.13	(\$159,306)	\$219,836	\$216,849	101%
2043 / 2044	\$219,836	0.0%	\$44,349	\$82.13	(\$63,810)	\$200,795	\$186,862	107%
2044 / 2045	\$200,795	0.0%	\$44,349	\$82.13	(\$372)	\$245,217	\$220,233	111%
2045 / 2046	\$245,217	0.0%	\$44,349	\$82.13	(\$383)	\$289,717	\$255,438	113%
2046 / 2047	\$289,717	15.0%	\$51,001	\$94.45	(\$395)	\$340,953	\$292,557	117%
2047 / 2048	\$340,953	0.0%	\$51,001	\$94.45	(\$407)	\$392,280	\$331,673	118%
2048 / 2049	\$392,280	0.0%	\$51,001	\$94.45	(\$419)	\$443,698	\$372,873	119%
2049 / 2050	\$443,698	0.0%	\$51,001	\$94.45	(\$431)	\$495,205	\$416,247	119%
2050 / 2051	\$495,205	0.0%	\$51,001	\$94.45	(\$444)	\$546,803	\$461,887	118%
2051 / 2052	\$546,803	15.0%	\$58,651	\$108.61	(\$56,741)	\$549,809	\$453,608	121%
2052 / 2053	\$549,809	0.0%	\$58,651	\$108.61	(\$471)	\$609,147	\$499,490	122%
					<b>(\$635,347)</b>			

\* Funding plan assumes that all units/residence pay an equal share of the "Total Annual Contribution" value.

\*\* Includes Projected Earned Interest



**Executive Summary – Limited Common, (Tamarack SFH)**

The following information summarizes the reserve funding plan for fiscal year 2023/2024, as reviewed and approved by the Association’s Board of Directors, (BOD) for the above listed group/entity. The balance within the reserve account is estimated to be \$56,500 on July 1, 2023. The annual contributions to reserves for fiscal year 2023/2024 are estimated to be \$24,300. As previously mentioned, this funding plan assumes a 3.0% inflation rate will be applied annually to the current estimated replacement costs of the shared common elements. The annual rate increase to the reserve contributions will be set at 0%. For a complete list of the annual rate increases for the following 29 years, (2024/2025 through 2052/2053) please see Table 7: Cash Flow Summary of this RS, (See Page #52). A set annual EIR of 0.20% will be applied to the reserve funds’ account balance as outlined in Chapter 4 of this RS.

**Analysis**

**Physical Analysis** – An onsite, physical analysis of the shared common elements was conducted on March 17, 2021. The field assessment portion of this RS was limited to a visual analysis and excludes invasive or destructive testing. Observations are recorded using a representative sampling of the common area components that includes, quantity take-offs, field measurements, and digital photographs to support observed and reported conditions. Observed deficiencies, (if any) will be noted in the comments section for each component listed within “Table 8: Shared Common Elements”, (See Appendix G) of this RS.

**Financial Analysis** – As mentioned earlier, there are several funding alternatives when forecasting reserve assessments. The primary objective, regardless of which path is chosen is to ensure the financial stability of the reserve account so it not only meets the needs of the current or immediate residents living within the community, but also those in the future.

It is understood the Association has selected to use the “Full Funding” funding model. This approach will keep the funds within the reserve account from falling below \$0 and will maintain a positive balance over the next 30 years, (2023/2024 through 2052/2053). The annual closing balance for fiscal year 2023/2024 is estimated to be \$74,581, setting the reserve’s funding percentage at 35%. Industry standards rate reserve accounts with funding percentages at or above 70% as strong and healthy. Reserve accounts that range from 31% to 69% funded are considered fair, in terms of financial solvency. Accounts at 30% or below are weak and have a high probability of requiring the Association to special assess their community’s membership.

The chart below shows the three largest renewal periods anticipated by this study:

<u>Year(s)</u>	<u>Major Renewal Tasks*</u>	<u>Total Annual Expenditures</u>
2031/2032	42” Metal Railings, (Replacement)	Approx. \$291K
2042/2043	Wood Fencing Components	Approx. \$159K
2051/2052	42” Metal Railings, (Renewal)	Approx. \$57K

\*See Table 9: Annual Expenditure Breakout, for a complete breakout of the scheduled renewal tasks & costs for the years listed above.

Please note, that the forecasted repairs and replacements do not represent a fixed schedule for any given element or component reviewed. Such repairs or replacements may be required sooner or later than 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 are somewhat unpredictable.



## **Results**

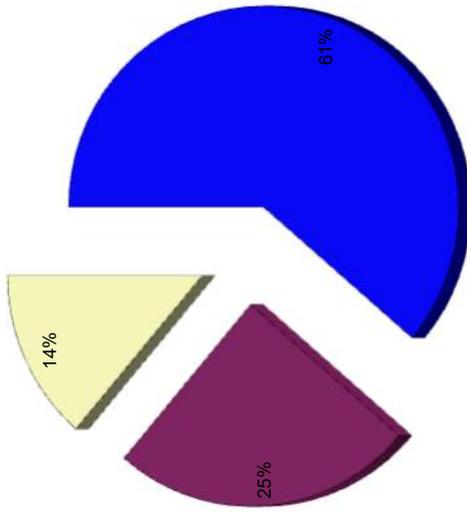
The amount of funds within the reserve account will maintain a positive balance from fiscal years 2023/2024 through 2052/2053, (30 Years). Over this time, the funding percentage will fluctuate up and down multiple times before finishing approximately 122%. This places the Tamarack SFH entity in an “OVER-FUNDED” financial position when speaking specifically about the available funds within their reserves to cover expenditures that will be drawn against this account over the next 30 years. This is contingent on the Association following the established funding plan, updating it annually, and how well they care and maintain their shared common elements. It is recommended the Association consider “DECREASING” their assessments during the development of the 2024/2025 RS in an effort to move their funding percentage towards a more reasonable funding level.



## Arbor Terrace - Tamarack SFH - Expenditure Chart

Percentage of Anticipated Expenditures By Groups, (30-Year Outlook)  
(Groups are formed by multiple factors such as similar renewal timelines & common functions)

- Shared Common Elements #01 - Metal Railing Components: \$389,013
- Shared Common Elements #02 - Wood Fencing Components: \$158,955
- Shared Common Elements #03 - Asphalt Components: \$87,379



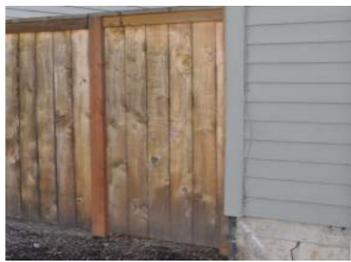
## **APPENDIX G**

### **TABLE 8: SHARED COMMON ELEMENTS LIST**

This table provides a list of the shared common elements owned by the “Limited Common, (?)” group/entity. Data and information includes, but is not limited to component quantities, initial year of installation or last known year of replacement, and current estimated unit costs. In addition, this table may include a brief comment, clarification, or recommendation for each component listed. EC recommends that close attention be maintained for systems that could 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 field assessment, EC has assumed the components are suitable for their intended use. Replacement costs are based on assumed/estimated values the year this RS was developed.



**Table 8: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)**

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>SHARED COMMON ELEMENTS #1: RAILINGS/FENCING</b>													
<b>Sub-Section #1: Metal Railing Components</b>													
1	42" Metal Railing/Fencing & Gates @ Front Elevations, (Refinishing)		10	2021	2	0	8	1	3,280	LF	\$7.50	\$24,600	Estimated replacement costs are based on a field-applied finish.  <b>2023/2024 Fiscal Year Notes:</b> \$18,500 was drawn from this group's reserve fund account to cover refinishing of the metal fencing. At this time, the amount allocated will remain at it's current value. EC will monitor this line item each to see if additional expenditures are drawn from reserves for more refinishing work and adjustments will be made accordingly.
2	42" Metal Railing/Fencing & Gates @ Front Elevations, (Replacement)		30	2007	16	-6	8	1	3,280	LF	\$70.00	\$229,600	<b>2021/2022 Fiscal Year Notes:</b> Early signs of corrosion were identified at selection locations where paint finish was either blistering or had been fully removed. It is recommended these areas be treated and refinished within the next year to prevent further deterioration.
<b>Sub-Section #2: Wood Fencing Components</b>													
3	6' Cedar Fence w/12" Vertical Lattice Detail @ Top, (Replacement)		25	2017	6	0	19	1	850	LF	\$50.00	\$42,500	The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleanings. Funds required for this task will be drawn from the Operating Budget.
4	6' Cedar Fence w/Standard Top Rail Detail, (Replacement)		25	2017	6	0	19	1	770	LF	\$45.00	\$34,650	The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleanings. Funds required for this task will be drawn from the Operating Budget.
5	Cedar Fencing Swing Gates, (Replacement)		25	2017	6	0	19	1	45	Lots/Units	\$300	\$13,500	The Association has instructed that they will no longer be refinishing the wood fencing located throughout the community. However they intend to add a maintenance task for regular scheduled cleanings. Funds required for this task will be drawn from the Operating Budget.

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

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

Table 8: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>SHARED COMMON ELEMENTS #2: ASPHALT COMPONENTS</b>													
<b>Sub-Section #1: Asphalt Maintenance Task</b>													
6	Crack Sealing		1	2022	1	0	0	1	1	EA	\$200	\$200	Crack sealing is low-cost method to help prolong the estimated life cycle. Cracks in the asphalt over a 1/4" wide should be sealed as soon as possible.  Annual updates will provide clarification of the amount of funds spent during the previous fiscal year. This information will need to come from the Association.
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "A"</b>													
7	Seal Coat, (Minor Renewal Task)		10	2007	16	0	0	1	5,790	SF	\$0.35	\$2,030	Sealcoating is the process of applying a protective asphalt-based coating to the surface of the pavement by providing a layer of protection from the elements such as water in it's various forms, foreign oils, and U.V. damage. This maintenance task should be conducted every 8 to 10 years.  The Tamarack SFH are responsible for 77% of the renewal costs for this component. The remaining 23% are covered within the Row Homes' funding plan.
8	Mill, Fill & Re-Top, (Major Renewal Task)		40	2007	16	-4	20	1	5,790	SF	\$2.00	\$11,580	This invasive process involves milling the surface of the asphalt by grinding down the upper layer, (typically 1 1/2" to 2"), followed by installing a layer of asphalt on top of the freshly milled surface to fill-in any holes or cracks. Finally, an asphalt overlay is applied to the top surface, (Re-Top) of the paved area for structural integrity and to level-off any potential irregularities. It is recommended this work be conducted every 32 to 40 years. This is dependent on how often the asphalt pavement is used and how well it is maintained.  The Tamarack SFH are responsible for 77% of the renewal costs for this component. The remaining 23% are covered within the Row Homes' funding plan.
<b>Sub-Section #3: Asphalt Renewal Tasks @ Tract "C"</b>													
9	Seal Coat, (Minor Renewal Task)		10	2007	16	0	0	1	4,125	SF	\$0.35	\$1,440	Sealcoating is the process of applying a protective asphalt-based coating to the surface of the pavement by providing a layer of protection from the elements such as water in it's various forms, foreign oils, and U.V. damage. This maintenance task should be conducted every 8 to 10 years.
10	Mill, Fill & Re-Top, (Major Renewal Task)		40	2007	16	-4	20	1	4,125	SF	\$2.00	\$8,250	This invasive process involves milling the surface of the asphalt by grinding down the upper layer, (typically 1 1/2" to 2"), followed by installing a layer of asphalt on top of the freshly milled surface to fill-in any holes or cracks. Finally, an asphalt overlay is applied to the top surface, (Re-Top) of the paved area for structural integrity and to level-off any potential irregularities. It is recommended this work be conducted every 32 to 40 years. This is dependent on how often the asphalt pavement is used and how well it is maintained.

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

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

Arbor Terrace - Tamarack SFH

Table 8: Shared Common Elements List, (Estimated Replacement Cost are Based on Current Year Pricing)

Item #	Item Description	Component Caption	Estimated Life Expectancy	Assumed Year of Acquisition	Present Age	Adjustment To Estimated Life Expectancy	Estimated Time To First Replacement	Number of Annual Phases *	Quantity	Unit of Measure	Estimated Unit Cost	Current Estimated Replacement Costs **	Notes/Comments/Recommendations
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "D"</b>													
11	Seal Coat, (Minor Renewal Task)		10	2007	16	0	0	1	7,650	SF	\$0.35	\$2,680	<p>Sealcoating is the process of applying a protective asphalt-based coating to the surface of the pavement by providing a layer of protection from the elements such as water in it's various forms, foreign oils, and U.V. damage. This maintenance task should be conducted every 8 to 10 years.</p> <p>The Tamarack SFH are responsible for 77% of the renewal costs for this component. The remaining 23% are covered within the Row Homes' funding plan.</p>
12	Mill, Fill & Re-Top, (Major Renewal Task)		40	2007	16	-4	20	1	7,650	SF	\$2.00	\$15,300	<p>This invasive process involves milling the surface of the asphalt by grinding down the upper layer, (typically 1 1/2" to 2"), followed by installing a layer of asphalt on top of the freshly milled surface to fill-in any holes or cracks. Finally, an asphalt overlay is applied to the top surface, (Re-Top) of the paved area for structural integrity and to level-off any potential irregularities. It is recommended this work be conducted every 32 to 40 years. This is dependent on how often the asphalt pavement is used and how well it is maintained.</p> <p>The Tamarack SFH are responsible for 77% of the renewal costs for this component. The remaining 23% are covered within the Row Homes' funding plan.</p>

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

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

## **APPENDIX H**

### **TABLE 9: ANNUAL EXPENDITURE BREAKOUT**

This table is generated by using the estimated values established by “Table 8: Shared Common Elements List”, (See Appendix G). Its primary purpose is designed to provide a complete breakout of the annual expenditures for each of the shared common elements over the 30-year period of this study. The estimated renewal costs listed within this table have factored-in the assumed rate of inflation, (3.0%).



**Arbor Terrace - Tamarack SFH**
**Table 9: Annual Expenditure Breakout, (30-Year Outlook)**

	Total Expenses inflated at 3% annually	\$6,350	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$291,104	\$261	\$8,534	\$277	\$285	\$294	\$303
	Fiscal Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Calendar Year	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	2035/2036	2036/2037	2037/2038
<b>SHARED COMMON ELEMENTS #1: RAILINGS/FENCING</b>																
<b>Sub-Section #1: Metal Railing Components</b>																
1	42" Metal Railing/Fencing & Gates @ Front Elevations, (Refinishing)															
2	42" Metal Railing/Fencing & Gates @ Front Elevations, (Replacement)											\$290,850				
<b>Sub-Section #2: Wood Fencing Components</b>																
3	6' Cedar Fence w/12" Vertical Lattice Detail @ Top, (Replacement)															
4	6' Cedar Fence w/Standard Top Rail Detail, (Replacement)															
5	Cedar Fencing Swing Gates, (Replacement)															
<b>SHARED COMMON ELEMENTS #2: ASPHALT COMPONENTS</b>																
<b>Sub-Section #1: Asphalt Maintenance Task</b>																
6	Crack Sealing	\$200	\$206	\$212	\$219	\$225	\$232	\$239	\$246	\$253	\$261	\$269	\$277	\$285	\$294	\$303
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "A"</b>																
7	Seal Coat, (Minor Renewal Task)	\$2,030										\$2,728				
8	Mill, Fill & Re-Top, (Major Renewal Task)															
<b>Sub-Section #3: Asphalt Renewal Tasks @ Tract "C"</b>																
9	Seal Coat, (Minor Renewal Task)	\$1,440										\$1,935				
10	Mill, Fill & Re-Top, (Major Renewal Task)															
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "D"</b>																
11	Seal Coat, (Minor Renewal Task)	\$2,680										\$3,602				
12	Mill, Fill & Re-Top, (Major Renewal Task)															

**Arbor Terrace - Tamarack SFH**
**Table 9: Annual Expenditure Breakout, (30-Year Outlook)**

Total Expenses inflated at 3% annually		\$312	\$321	\$331	\$42,220	\$159,306	\$63,810	\$372	\$383	\$395	\$407	\$419	\$431	\$444	\$56,741	\$471
Fiscal Year		15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Calendar Year		2038/2039	2039/2040	2040/2041	2041/2042	2042/2043	2043/2044	2044/2045	2045/2046	2046/2047	2047/2048	2048/2049	2049/2050	2050/2051	2051/2052	2052/2053
<b>SHARED COMMON ELEMENTS #1: RAILINGS/FENCING</b>																
<b>Sub-Section #1: Metal Railing Components</b>																
1	42" Metal Railing/Fencing & Gates @ Front Elevations, (Refinishing)				\$41,880											\$56,283
2	42" Metal Railing/Fencing & Gates @ Front Elevations, (Replacement)															
<b>Sub-Section #2: Wood Fencing Components</b>																
3	6' Cedar Fence w/12" Vertical Lattice Detail @ Top, (Replacement)					\$74,524										
4	6' Cedar Fence w/Standard Top Rail Detail, (Replacement)					\$60,759										
5	Cedar Fencing Swing Gates, (Replacement)					\$23,672										
<b>SHARED COMMON ELEMENTS #2: ASPHALT COMPONENTS</b>																
<b>Sub-Section #1: Asphalt Maintenance Task</b>																
6	Crack Sealing	\$312	\$321	\$331	\$340	\$351	\$361	\$372	\$383	\$395	\$407	\$419	\$431	\$444	\$458	\$471
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "A"</b>																
7	Seal Coat, (Minor Renewal Task)															
8	Mill, Fill & Re-Top, (Major Renewal Task)						\$20,915									
<b>Sub-Section #3: Asphalt Renewal Tasks @ Tract "C"</b>																
9	Seal Coat, (Minor Renewal Task)															
10	Mill, Fill & Re-Top, (Major Renewal Task)						\$14,900									
<b>Sub-Section #2: Asphalt Renewal Tasks @ Tract "D"</b>																
11	Seal Coat, (Minor Renewal Task)															
12	Mill, Fill & Re-Top, (Major Renewal Task)						\$27,634									

# APPENDIX I FIVE-YEAR EXPENDITURE OUTLOOK



2023		
6	Crack Sealing	\$200
7	Seal Coat, (Minor Renewal Task)	\$2,030
9	Seal Coat, (Minor Renewal Task)	\$1,440
11	Seal Coat, (Minor Renewal Task)	\$2,680
		<b>\$6,350</b>

2024		
6	Crack Sealing	\$206
		<b>\$206</b>

2025		
6	Crack Sealing	\$212
		<b>\$212</b>

2026		
6	Crack Sealing	\$219
		<b>\$219</b>

2027		
6	Crack Sealing	\$225
		<b>\$225</b>



## 8. SUMMARY

Equip Consulting has reviewed and assessed the reserve requirements for each entity/sub-group within the Arbor Terraces Homeowners Association in accordance with the scope of services indicated within the authorized fee agreement and the “Limitations” outlined in Appendix K of this report.

The following table summarizes the results of the study:

<b><u>2023/2024 Approved Funding Plans</u></b>	<b><u>Estimated Annual Contribution*</u></b>	<b><u>Estimated “Average Monthly Contribution”*</u></b>
Common, (All Lots)	\$28,800	\$15.00
Limited Common, (Rowhomes)	\$93,600	\$120.00
Limited Common, (Tamarack SFH)	\$24,300	\$45.00

\* Financial figures are for year one of this study, July 1, 2023 to June 30, 2024

Calculations of the accumulated funds within each sub-group’s reserve accounts include the interest earned per the estimated rates established by the Association.

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

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

Sincerely,  
Equip Consulting



Caleb VanderMolen, Principal  
Reserve Study & Maintenance Plan Professional



**APPENDIX J**  
**PLAT MAPS**



Tamarack  
 Chateau  
 Rowhouses

# Arbor Terrace HOA

A REPLAT OF LOTS 1, 2 AND 3, "LANGER  
 MARKETPLACE" IN THE SOUTHWEST QUARTER OF  
 SECTION 29, T. 2 S., R. 1 W., W.M., CITY OF SHERWOOD,  
 WASHINGTON COUNTY, OREGON

LDC NO. 3048  
 MARCH 4, 2005



**INDEX**  
 SHEET 1: BOUNDARY, INDEX  
 SHEET 2: LOTS 1-42, TRACTS "C", "D" AND "E"  
 SHEET 3: LOTS 43-67, TRACTS "A", "G", "H", "I" AND "K", PORTIONS OF TRACTS "C" AND "D", DETAIL "C"  
 SHEET 4: LOTS 68-72, LOTS 83-112, TRACTS "D", "K", "S", AND "T", PORTIONS OF TRACTS "D" AND "C"  
 SHEET 5: LOTS 113-120, LOTS 146-160, TRACTS "W" AND "U", PORTION TRACT "T"  
 SHEET 6: LOTS 129-145, TRACTS "N" AND "O", PORTION TRACT "T", DETAIL "A", DETAIL "D"  
 SHEET 7: CURVE TABLE, DETAIL "D", NOTES  
 SHEET 8: SURVEYOR'S CERTIFICATE, DECLARATION, ACKNOWLEDGMENT, APPROVALS, REMAINING CORNER STATEMENTS, CONSENT AFFIDAVIT

**LEGEND:**  
 "TR." DENOTES TRACT

WASHINGTON COUNTY  
 COOPERATIVE BASE NETWORK  
 CONTROL STATION 0024-008  
 (WACD)  
 3" x 3" STEEL PLATE WITH  
 CENTER BOLT ON STEEL "I"  
 BEAM ON THE ROOF OF THE  
 COUNTY SERVICES BUILDING

REGISTERED  
 PROFESSIONAL  
 LAND SURVEYOR  
  
 OREGON  
 FEBRUARY 06, 2000  
 JOHN R. WADE  
 59999 LS  
 EXPIRES 06/30/08

**LDC DESIGN GROUP**  
 20085 N.W. TANASBOURNE DRIVE, HILLSBORO, OREGON 97124  
 (503) 850-4242 FAX 645-5500

I HEREBY CERTIFY THIS TO BE A TRUE AND  
 EXACT COPY OF THE ORIGINAL PLAT  
  
 JOHN R. WADE 59999 LS

# APPENDIX K LIMITATIONS



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

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

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

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

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

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

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

