

2017 Reserve Study & Maintenance Plan

Arbor Terrace Homeowners

Sherwood, Oregon

Prepared By:

Regenesi s Reserves
PO Box 19605
Portland, Oregon 97280

Report Issued Date:

February 28, 2017

Site Inspection Date:

February 9, 2017

REGENESIS RESERVES

Reserve Study Consultants
Oregon | Washington

February 28, 2017

Amy Boyle
Phone (503) 706-8039

RE: **Arbor Terrace Homeowners**

SPECIAL NOTE ON FUNDING RESERVES

In an effort to provide the best and most useful information to the board, our reserve study software offers customizable funding plans. That means if the board has a different funding plan in mind than the one we recommend, we can produce that plan.

There are many approaches to funding reserves but it is recommended that Full (100%) Funding be pursued because it is most likely to avoid special assessments and it shares costs fairly among all members along the 30-year time line. Due to fluctuating inflation rates, investment rates, component costs, starting balances and useful life adjustments, the Percent Funded level will fluctuate (sometimes dramatically) from year to year. The Funding Plan takes these factors into consideration, make adjustment to the Annual Contribution and charts a new course toward Full (100%) Funding.

Type of Reserve Study Performed

A Level I Full Reserve Study with Site Inspection was performed for this report.

Reserve Account Starting Balance

Effective the start of the 2017 fiscal year, based on information provided by client, the Projected Starting Reserve Balance is versus the Fully Funded/Ideal Starting Balance is as follows:

	Actual	Ideal
All Lots	\$145,902	\$293,622
Row Homes	\$187,375	\$345,480
Tamarack Units	<u>\$32,550</u>	<u>\$102,044</u>
Total	\$365,827	\$741,146

Percent Funded

A key indicator of a homeowner association's reserve funding health. 100% Funded is ideal. To determine the current Percent Funded, the Actual Starting Balance is divided by the Ideal Starting Balance. Based on this formula, reserves are currently funded as follows:

All Lots	50% Funded
Row Homes	54% Funded
Tamarack Units	32% Funded

(0-35%=Weak; 36-70%=Fair; 71-100%=Strong) The proposed Funding Plan will adjust Annual Contributions to move this level toward the 100% Funded Ideal.

REGENESIS RESERVES

Reserve Study Consultants
Oregon | Washington

Recommended Funding Plan Summary

The Funding Plan anticipates future costs to avoid special assessments. For the 2017 fiscal year, I recommend an Annual Contributions as follows:

All Lots	\$36,100
Row Homes	\$40,000
Tamarack Units	<u>\$11,350</u>
Total	\$87,450

Special Assessments

Based on current information and assuming the board **follows the Recommended Funding Plan**, no special assessments should be required for the coming year to pay for reserve study related expenditures. The board has not informed me of any implemented or planned special assessments.

Interest Yield on Reserves

A **0.01% Yield** is projected based on the current rate of return on your invested reserves. One of the benefits of the reserve study is it provides information needed to improve reserves investment returns. Investing reserves in CDs of differing maturities like 1 year, 3 year and 5 year based on when liquid funds will be needed will improve the average yield. A 1.5% average yield is achievable in the current market. If this rate was used in the projections, **\$370,974** in Interest Income would result over the 30 year projection period versus **\$2,187** produced by the current yield. Bottom Line: Increased Interest Income will lower owner contributions.

Inflation Rate

A **2.06%** inflation rate was used based on the most recent 15-year average published by www.inflationdata.com

Tax Rate. 30% was used based on using Federal Tax Form 1120H versus 1120 which carries a 15% tax rate. Form 1120 is more complicated than 1120H, requirements are more stringent and tax preparers charge more to complete it. However, if interest earnings are high enough, the additional preparation cost can be worth it. See your CPA for more information on tax filing options.

Maintenance Plan

The proper care and maintenance of common components have been entrusted to the homeowner association. The goal of the Maintenance Plan is to provide general information and direction on how to maintain those assets to produce the highest livability and market values for member properties. While specific items are included, the plan is not exhaustive and some issues may develop over time which should be added to the plan. Where appropriate, we have added details in the comments section of the worksheet, with recommended repair/replacement procedures and practices to get the highest quality end product.

Annual Review & Update Service. An annual review and update of the Reserve Study is required by statute and necessary for continued accuracy. A review and update provides a new 30-year projection with current inflation factor, investment rates and any known component cost changes. **Delivered with this report is a Three**

REGENESIS RESERVES

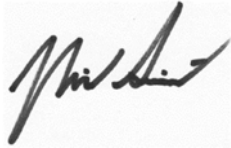
Reserve Study Consultants
Oregon | Washington

Year Price Guarantee Proposal that will save considerable money. To take advantage of the savings, please approve by 03/15/17.

The Regensis Report (FREE) Monthly newsletter considered to be the best HOA resource available. To subscribe, email info@regensis.net.

It's been my pleasure to provide this valuable financial and maintenance planning information. I can be available by teleconference, or at a Portland/Vancouver location, for up to one hour, to review this reserve study, answer questions and make revisions that are indicated. Tuesday, Wednesday or Thursday are generally my best available days. Please contact me to arrange a meeting.

Regards,



Michael B. Stewart PRA
PROFESSIONAL RESERVE ANALYST



2017 Reserve Study

Arbor Terrace Homeowners

Sherwood, Oregon

Prepared By:

Regenesis Reserves
PO Box 19605
Portland, Oregon 97280

Date:

February 28, 2017

Reserve Study Table of Contents

METHODOLOGY

Explains the purpose of the reserve study, how the information was gathered and the sources used.

LIMITATIONS & ASSUMPTIONS

Explains what a Reserve Study does and does not do.

WORKSHEET REPORT

Alphabetical listing of the reserve components by type, cost, year put in service, useful life and replacement year

FUNDING PLAN SUMMARY REPORT

- **Percent Funded:** Starting Balance divided by the Ideal Balance
- **Ideal Balance:** Each component is measured, assessed for useful and remaining useful life plus cost of repair or replacement. Based on this analysis, each component should have a certain amount of money set aside as of the year in question. The Ideal Balance is the sum of all these component amounts as adjusted by the inflation factor.
- **Starting Balance:** Reserve funds total at beginning of each fiscal year
- **Annual Contribution:** Funds needed to meet the reserve schedule
- **Interest Income:** Yield on invested reserve funds
- **Tax Liability:** Federal taxes owed on investment interest earned

ANNUAL EXPENDITURES REPORT

Chronological repair and replacement schedule

STARTING BALANCE FUNDS DISTRIBUTION

Allocates available funds to the components. If funds are insufficient to fully fund each component, funds are allocated to components that are scheduled to happen sooner.

Reserve Study Methodology

DEFINITION

Reserve Study Identifies the components which will require maintenance, repair or replacement in more than one and less than thirty years and the cost of repair or replacement of each at recommended intervals. Site inspections are based on visual observation and no invasive testing was done. Representative sampling is used where visual inspection is not possible.

RESERVE STUDY CRITERIA

1. Identify current reserve funds balance
2. Identify components to be included
3. Establish reasonable useful life of each component
4. Establish remaining useful life of each component
5. Estimate current replacement or repair cost of each component
6. Assemble data in Reserve Study
7. Generate Reserve Funding Plan.

FUNDING PLAN CRITERIA

The Funding Plan is based on the Cashflow Method and includes Percent Funded, Inflation Adjusted Ideal Balance, Starting Balance, Annual Contribution, Interest Income, Tax Liability and Inflation Adjusted Expenditures. Inflation is based on the most recent 15-year average as determined by www.inflationdata.com

SOURCES OF INFORMATION (as applicable):

Original plans and specifications
Original builders and developers
Contractors and vendors
Industry Professionals (engineers, architects, construction managers, etc.)
Board Members
General Members
Property Manager
Resident Manager
Cost Estimating Services

To remain accurate, the Reserve Study must be updated annually

Reserve Study Limitations & Assumptions

1. The Reserve Study is intended for the sole use of the Client and is not to be construed as a guarantee, warranty or an opinion on the advisability of purchase.
2. The information provided by the Reserve Study is effective for one year from the completion date of the report. An annual review and update of this Reserve Study is required to adjust known cost changes and to maintain accuracy.
3. Consultant's financial liability for errors and omissions is limited to the charge made to Client to perform the Reserve Study.
4. The scope of the Reserve Study is expressly limited to the components included.
5. The useful life estimates of the Reserve Study assume normal weather conditions and do not factor in damage by flood, wind, storm, earthquake or other insurable events. The useful life estimates assume proper construction, installation, design and regular and adequate preventive maintenance. Improper construction, installation, design or failure to maintain will lead to shortened useful lives.
6. The cost estimates of the Reserve Study are based in current pricing for similar installations and materials and/or based in actual costs paid by Client. Future costs are subject to change according to supply and demand, material costs, effects of inflation and other factors which are not under Consultant's control.
7. The conclusions of the Reserve Study do not involve invasive testing of the components and were arrived at by either visual inspection and/or information provided by Client.
8. The Reserve Study is not intended to address or discover construction defects, asbestos, mold, water intrusion or lead paint. Client agrees to indemnify, defend and hold Consultant harmless from all related claims.

2017 Reserve Study

Arbor Terrace Homeowners

All Lots

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Barkdust	35	Units	\$ 350.00	\$ 12,502	2015	2	2017	1	No
Comments: Barkdust beautifies, reduces irrigation water and retards weed growth. Install 2" on all planting beds. 2015: Completed \$11,820 (\$337/unit)									
Bioswale	1	Total	\$ 5,000.00	\$ 6,257	2017	10	2027	11	Yes
Comments: Originally constructed in 2005. Base year reflected (2017) is start of repair budget cycle. Use this fund to Inspect, remove and/or replace selected sections as needed over a 10 year period; list year, work done and cost here.									
Concrete Safety Repair	1	Total	\$ 1,500.00	\$ 1,595	2014	5	2019	3	No
Comments: Originally constructed in 2005. Base year reflected (2014) is start of repair budget cycle. Use this fund as needed over a 5 year period to Inspect all flatwork and sidewalks for tripping hazards of 3/8" or more. Grind down or remove and replace selected sections as needed over a 5 year period; list year, work done and cost here. 2014: Sidewalk repair completed at SW Harvester; Completed by Ian Barr (\$320) and Safe Sidewalk (\$200)									
Fence-Chainlink-Vinyl Coated	380	Ln.Ft.	\$ 24.00	\$ 14,877	2005	35	2040	24	No
Fence-Vinyl-2 Rail	1,908	Ln.Ft.	\$ 26.00	\$ 65,998	2005	25	2030	14	No
Fence-Wood-Phase 1	1,464	Ln.Ft.	\$ 36.00	\$ 79,242	2016	20	2036	20	No
Comments: Combine phase 1 & 2 once phase 2 completed. Built year was adjusted (from 2005 to 1997) to match current replacement timeline. HOA responsible for fence visible from street, all other fence and gates are owner responsibility. 2016: 1464 lf of fence & gates replaced by University Fencing \$53,222 (\$36/lf)									
Fence-Wood-Phase 2	750	Ln.Ft.	\$ 53.00	\$ 40,569	1997	20	2017	1	No
Comments: Combine phase 1 & 2 once phase 2 completed. HOA responsible for fence visible from street, all other fence and gates are owner responsibility. 2017: 75 lf of fence and 36 gates scheduled for completion. Cost estimate provided by contractor \$30,000 (\$40/lf). Board advised to budget \$40,000 (\$53/lf)									
Gazebo-Bench-Replace	2	Each	\$ 1,500.00	\$ 3,604	2005	20	2025	9	No
Gazebo-Kiosk	1	Total	\$ 500.00	\$ 542	2005	15	2020	4	No
Gazebo-Paint	1	Total	\$ 1,100.00	\$ 1,193	2013	7	2020	4	No
Gazebo-Roof	7	Squares	\$ 350.00	\$ 3,259	2005	25	2030	14	No
Comments: Budget cost of replacement is based on removal and replacement of single layer roof with a 30 year composition shingle.									

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Landscape Renovation	1	Total	\$ 5,000.00	\$ 5,651	2019	3	2022	6	No
Comments: This budget is for landscape projects outside regular maintenance needs such as plant removal/replacement or drainage correction, starting in 2019 after major landscape renovations are completed. Renovation work should be recorded here including description of work, year completed and cost to assist with estimating future needs.									
Landscape-Irrigation System	1	Total	\$ -	\$ -	2017	50	2067	51	Yes
Comments: Repairs and replacements of individual components of the irrigation system are completed as needed by landscape duties and are paid for out of Operating Budget. An irrigation system replacement generally is not warranted, as the system as a whole does not fail. If it is determined that a new irrigation system is warranted, or a major repair/renovation is needed, add the cost and replacement date here. 2017: Board reported irrigation repairs/replacements of existing heads coincide with Landscape Renovations 2017-2019									
Landscape-Irrigation-Valves & Controllers	1	Total	\$ -	\$ -	2017	50	2067	51	No
Comments: Replaced as needed by landscape contractor. Paid from Operating Budget									
Landscape-Renovation-2017	1	Total	\$ 54,145.00	\$ 55,260	2015	2	2017	1	Yes
Comments: 2017: Board reported major landscape renovations anticipated over the next 3 years (3 phases). Scope of work includes replacing sod throughout neighborhoods, and renovations to the existing irrigation spray heads. Cost estimate provided by Grounds Northwest of \$162,436.									
Landscape-Renovation-2018	1	Total	\$ 54,145.00	\$ 56,399	2015	3	2018	2	Yes
Comments: 2017: Board reported major landscape renovations anticipated over the next 3 years (3 phases). Scope of work includes replacing sod throughout neighborhoods, and renovations to the existing irrigation spray heads. Cost estimate provided by Grounds Northwest of \$162,436.									
Landscape-Renovation-2019	1	Total	\$ 54,145.00	\$ 57,561	2015	4	2019	3	Yes
Comments: 2017: Board reported major landscape renovations anticipated over the next 3 years (3 phases). Scope of work includes replacing sod throughout neighborhoods, and renovations to the existing irrigation spray heads. Cost estimate provided by Grounds Northwest of \$162,436.									
Lights-Exterior-Street	1	Total	\$ -	\$ -	2017	50	2067	51	Yes
Comments: Owned and maintained by the utility company									
Mailboxes	160	Units	\$ 115.00	\$ 27,107	2005	30	2035	19	No
Path-Asphalt-Path-Crackseal & Sealcoat	700	Sq.Ft.	\$ 0.30	\$ 214	2012	5	2017	1	No
Path-Asphalt-Path-Overlay	700	Sq.Ft.	\$ 1.75	\$ 2,213	2005	40	2045	29	No

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Paving-Asphalt-Overlay Comments: Under average traffic conditions, and regular and adequate cycles of repair, crack seal and sealcoating, a properly installed asphalt pavement should last 30–40 years. Heavy truck traffic like garbage trucks can accelerated damage to the traffic lane. Sealcoating should be applied within 2 years of installation date.	20,700	Sq.Ft.	\$ 1.75	\$ 53,366	2005	30	2035	19	No
Paving-Asphalt-Repair, Crackseal, Sealcoat Comments: Asphalt is a porous material that is deteriorated by water, dirt, oil and sunlight. To protect it from the elements, a sealcoating should be applied as paint is applied to siding. Sealcoating will seal against water, protect against UV rays which break it down, keep the asphalt from drying out and extend its useful life. It is highly recommended that two coats be applied to achieve the estimated useful life. Restriping (if applicable) included in the cost.	20,700	Sq.Ft.	\$ 0.25	\$ 5,282	2012	5	2017	1	No
Playground-Barkdchips Comments: Paid from Operating Budget	1	Total	\$ -	\$ -	2017	50	2067	51	No
Playground-Bench	4	Each	\$ 1,250.00	\$ 6,007	2005	20	2025	9	No
Playground-Fence-Metal-Paint Comments: 2013: Completed with Tamarack Units (\$4.75/lf)	240	Ln.Ft.	\$ 9.50	\$ 2,424	2013	6	2019	3	No
Playground-Fence-Metal-Replace	240	Ln.Ft.	\$ 60.00	\$ 26,012	2005	40	2045	29	Yes
Playground-Play Structure/Equipment	1	Total	\$ 30,000.00	\$ 39,912	2005	25	2030	14	No
Playground-Wood Borders Comments: Wood (Pressure treated) borders around play structure.	160	Ln.Ft.	\$ 18.00	\$ 3,832	2005	25	2030	14	No
Retaining Wall-Rock Comments: Originally constructed in 2005. Base year reflected (2017) is start of repair budget cycle. Use this fund to inspect, remove and/or replace selected sections as needed over a 10 year period; list year, work done and cost here.	1	Total	\$ 2,000.00	\$ 2,503	2017	10	2027	11	No
Signs-Street Comments: Owned and maintained by the city	1	Total	\$ -	\$ -	2017	50	2067	51	No
Storm Drains Comments: Owned and maintained by the city	1	Total	\$ -	\$ -	2017	50	2067	51	No
Treework Comments: Treework/Arborist work completed yearly and paid from Operating Budget. Have trees inspected by arborist and perform corrective pruning as needed to keep tree limbs at least 6' away from buildings. Tree limbs overhanging roofs and decks will damage and shorten the useful life of that component	1	Total	\$ -	\$ -	2017	50	2067	51	No

Number of Items = 33



Bioswale



Concrete Safety Repair



Fence-Chainlink-Vinyl Coated



Fence-Vinyl-2 Rail



Fence-Wood-Phase 1



Fence-Wood-Phase 2



Gazebo-Bench-Replace



Gazebo-Kiosk



Gazebo-Kiosk



Gazebo-Paint



Landscape-Irrigation-Valves & Controllers



Mailboxes



Path-Asphalt-Path-Crackseal & Sealcoat



Paving-Asphalt-Repair, Crackseal, Sealcoat



Playground-Barkdchips



Playground-Bench



Playground-Fence-Metal-Paint



Playground-Play Structure/Equipment



Playground-Play Structure/Equipment



Playground-Play Structure/Equipment



Playground-Wood Borders



Retaining Wall-Rock



Treework

Weak (0-35%) Fair (36-70%) Strong (71-100%)

February 28, 2017

Funding Plan Summary

Arbor Terrace Homeowners_ All Lots

Year	Percent Funded	Inflation Adjusted Ideal Balance	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures
2017	50%	293,622	145,902	36,100	16	(5)	(113,828)
2018	29%	238,344	68,186	36,840	9	(3)	(56,399)
2019	22%	221,695	48,634	37,596	7	(2)	(74,602)
2020	7%	174,694	11,632	38,367	3	(1)	(1,736)
2021	24%	200,599	48,265	39,153	7	(2)	(13,565)
2022	34%	214,956	73,859	39,956	9	(3)	(11,737)
2023	44%	231,392	102,085	40,776	12	(4)	(14,129)
2024	52%	245,728	128,740	41,612	15	(4)	(1,766)
2025	62%	272,467	168,597	42,465	19	(6)	(33,075)
2026	66%	268,629	178,000	43,336	20	(6)	0
2027	74%	297,867	221,350	44,225	24	(7)	(32,206)
2028	79%	294,824	233,385	45,132	26	(8)	(6,386)
2029	86%	317,735	272,149	46,057	30	(9)	(17,924)
2030	91%	329,483	300,303	47,002	32	(10)	(113,000)
2031	94%	249,159	234,327	47,965	26	(8)	(26,518)
2032	100%	255,874	255,793	33,283	27	(8)	(7,462)
2033	100%	281,805	281,633	33,733	30	(9)	(17,325)
2034	100%	298,233	298,061	33,965	32	(9)	(10,970)
2035	100%	321,249	321,077	36,619	34	(10)	(99,255)
2036	100%	258,637	258,464	38,618	28	(8)	(79,242)
2037	100%	218,032	217,860	41,204	24	(7)	(102,297)
2038	100%	156,784	156,784	41,036	18	(5)	0
2039	100%	197,832	197,832	41,492	22	(7)	(21,978)
2040	100%	217,362	217,362	42,105	24	(7)	(23,034)
2041	100%	236,450	236,450	42,568	26	(8)	(22,226)
2042	100%	256,810	256,810	42,763	28	(8)	(9,150)
2043	100%	290,442	290,442	43,471	31	(9)	(33,869)
2044	100%	300,066	300,066	43,527	32	(10)	(2,655)
2045	100%	340,961	340,961	43,768	36	(11)	(64,804)
2046	100%	319,951	319,951	43,964	34	(10)	(9,218)

Total \$1,228,699 \$680 (\$204) (\$1,020,357)

0.01% **Investment Rate**
 30.00% **Tax Rate**
 2.06% **Inflation Rate**
 0.00% **State Tax**

Year	Amount	Item Description
	12,502	Barkdust
	40,569	Fence-Wood-Phase 2
	55,260	Landscape-Renovation-2017
	214	Path-Asphalt-Path-Crackseal & Sealcoat
	5,282	Paving-Asphalt-Repair, Crackseal, Sealcoat
2017	113,828	
	56,399	Landscape-Renovation-2018
2018	56,399	
	13,023	Barkdust
	1,595	Concrete Safety Repair
	57,561	Landscape-Renovation-2019
	2,424	Playground-Fence-Metal-Paint
2019	74,602	
	542	Gazebo-Kiosk
	1,193	Gazebo-Paint
2020	1,736	
	13,565	Barkdust
2021	13,565	
	5,651	Landscape Renovation
	237	Path-Asphalt-Path-Crackseal & Sealcoat
	5,848	Paving-Asphalt-Repair, Crackseal, Sealcoat
2022	11,737	
	14,129	Barkdust
2023	14,129	
	1,766	Concrete Safety Repair
2024	1,766	
	14,718	Barkdust
	3,604	Gazebo-Bench-Replace
	6,007	Landscape Renovation
	6,007	Playground-Bench
	2,739	Playground-Fence-Metal-Paint
2025	33,075	
	15,330	Barkdust
	6,257	Bioswale

Year	Amount	Item Description
	1,377	Gazebo-Paint
	263	Path-Asphalt-Path-Crackseal & Sealcoat
	6,476	Paving-Asphalt-Repair, Crackseal, Sealcoat
	2,503	Retaining Wall-Rock
2027	32,206	
	6,386	Landscape Renovation
2028	6,386	
	15,968	Barkdust
	1,955	Concrete Safety Repair
2029	17,924	
	65,998	Fence-Vinyl-2 Rail
	3,259	Gazebo-Roof
	39,912	Playground-Play Structure/Equipment
	3,832	Playground-Wood Boarders
2030	113,000	
	16,633	Barkdust
	6,789	Landscape Renovation
	3,096	Playground-Fence-Metal-Paint
2031	26,518	
	291	Path-Asphalt-Path-Crackseal & Sealcoat
	7,171	Paving-Asphalt-Repair, Crackseal, Sealcoat
2032	7,462	
	17,325	Barkdust
2033	17,325	
	2,165	Concrete Safety Repair
	1,588	Gazebo-Paint
	7,217	Landscape Renovation
2034	10,970	
	18,046	Barkdust
	737	Gazebo-Kiosk
	27,107	Mailboxes
	53,366	Paving-Asphalt-Overlay
2035	99,255	
	79,242	Fence-Wood-Phase 1
2036	79,242	
	18,798	Barkdust
	60,996	Fence-Wood-Phase 2

Year	Amount	Item Description
	7,672	Landscape Renovation
	322	Path-Asphalt-Path-Crackseal & Sealcoat
	7,941	Paving-Asphalt-Repair, Crackseal, Sealcoat
	3,499	Playground-Fence-Metal-Paint
	3,069	Retaining Wall-Rock
2037	102,297	
	19,580	Barkdust
	2,398	Concrete Safety Repair
2039	21,978	
	14,877	Fence-Chainlink-Vinyl Coated
	8,156	Landscape Renovation
2040	23,034	
	20,395	Barkdust
	1,831	Gazebo-Paint
2041	22,226	
	357	Path-Asphalt-Path-Crackseal & Sealcoat
	8,793	Paving-Asphalt-Repair, Crackseal, Sealcoat
2042	9,150	
	21,244	Barkdust
	8,671	Landscape Renovation
	3,954	Playground-Fence-Metal-Paint
2043	33,869	
	2,655	Concrete Safety Repair
2044	2,655	
	22,128	Barkdust
	5,419	Gazebo-Bench-Replace
	2,213	Path-Asphalt-Path-Overlay
	9,032	Playground-Bench
	26,012	Playground-Fence-Metal-Replace
2045	64,804	
	9,218	Landscape Renovation
2046	9,218	
Total	1,020,357	

Item Description	Useful Life	Life Left	Year Replace	Future Replacement Cost	Ideal Balance	Actual Balance
Barkdust	2	1	2017	\$ 12,502	\$ 12,502	\$ 12,502
Bioswale	10	11	2027	\$ 6,257	\$ -	\$ -
Concrete Safety Repair	5	3	2019	\$ 1,595	\$ 957	\$ -
Fence-Chainlink-Vinyl Coated	35	24	2040	\$ 14,877	\$ 5,101	\$ -
Fence-Vinyl-2 Rail	25	14	2030	\$ 65,998	\$ 31,679	\$ -
Fence-Wood-Phase 1	20	20	2036	\$ 79,242	\$ 3,962	\$ -
Fence-Wood-Phase 2	20	1	2017	\$ 40,569	\$ 40,569	\$ 40,569
Gazebo-Bench-Replace	20	9	2025	\$ 3,604	\$ 2,163	\$ -
Gazebo-Kiosk	15	4	2020	\$ 542	\$ 434	\$ -
Gazebo-Paint	7	4	2020	\$ 1,193	\$ 682	\$ -
Gazebo-Roof	25	14	2030	\$ 3,259	\$ 1,565	\$ -
Landscape Renovation	3	6	2022	\$ 5,651	\$ -	\$ -
Landscape-Irrigation System	50	51	2067	\$ -	\$ -	\$ -
Landscape-Irrigation-Valves & Controllers	50	51	2067	\$ -	\$ -	\$ -
Landscape-Renovation-2017	2	1	2017	\$ 55,260	\$ 55,260	\$ 55,260
Landscape-Renovation-2018	3	2	2018	\$ 56,399	\$ 37,599	\$ 32,075
Landscape-Renovation-2019	4	3	2019	\$ 57,561	\$ 28,780	\$ -
Lights-Exterior-Street	50	51	2067	\$ -	\$ -	\$ -
Mailboxes	30	19	2035	\$ 27,107	\$ 10,843	\$ -
Path-Asphalt-Path-Crackseal & Sealcoat	5	1	2017	\$ 214	\$ 214	\$ 214
Path-Asphalt-Path-Overlay	40	29	2045	\$ 2,213	\$ 664	\$ -
Paving-Asphalt-Overlay	30	19	2035	\$ 53,366	\$ 21,346	\$ -
Paving-Asphalt-Repair, Crackseal, Sealcoat	5	1	2017	\$ 5,282	\$ 5,282	\$ 5,282
Playground-Barkdchips	50	51	2067	\$ -	\$ -	\$ -
Playground-Bench	20	9	2025	\$ 6,007	\$ 3,604	\$ -
Playground-Fence-Metal-Paint	6	3	2019	\$ 2,424	\$ 1,616	\$ -
Playground-Fence-Metal-Replace	40	29	2045	\$ 26,012	\$ 7,804	\$ -
Playground-Play Structure/Equipment	25	14	2030	\$ 39,912	\$ 19,158	\$ -
Playground-Wood Boarders	25	14	2030	\$ 3,832	\$ 1,839	\$ -
Retaining Wall-Rock	10	11	2027	\$ 2,503	\$ -	\$ -
Signs-Street	50	51	2067	\$ -	\$ -	\$ -
Storm Drains	50	51	2067	\$ -	\$ -	\$ -
Treework	50	51	2067	\$ -	\$ -	\$ -
				\$ 573,381	\$ 293,622	\$ 145,902

Investment Rate 0.01%
Tax Rate 30.00%
Inflation Rate 2.06%
Contingency Rate 0.00%

Contingency \$ - \$ -
Total \$ 293,622 \$ 145,902

2017 Reserve Study

Arbor Terrace Homeowners

Row Homes

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Electrical & Plumbing-Systems	1	Total	\$ -	\$ -	2005	60	2065	49	No
<p>Comments: It is assumed that the electrical and plumbing systems have been installed in accordance with local building codes/standards. There have been no reports of large scale repair/failure occurring or anticipated.</p> <p>Repairs and replacements of individual components of these systems are completed as needed and paid from Operating Budget. Widespread failure of these systems is uncommon and global replacement is generally not warranted. If it is determined, upon inspection by a professional, that a new system, or major repair/replacement is warranted, the cost and remaining useful life should be added per contractor recommendation.</p>									
Lights-Exterior	130	Fixtures	\$ 65.00	\$ 11,242	2005	25	2030	14	No
Paint-Exterior	65	Units	\$ 1,500.00	\$ 105,786	2013	7	2020	4	No
<p>Comments: 2017: Observed to be in fair to good condition. Recommend pressure wash to remove mold/mildew buildup. 2013: Exterior painted as part of re-siding project completed by Charter Construction \$53,600 (\$825/unit)</p>									
Rehabilitation Project	65	Units	\$ -	\$ -	2013	50	2063	47	No
<p>Comments: 2013: Rehabilitation project completed by Charter Construction \$1,217,909; Scope was a comprehensive approach to address components of the exterior subject to, or compromised from water intrusion. Brief description of work included: Siding, attic remediation, roof repairs, through penetrations, flashing, and replacement of unprotected windows & doors. Detailed description outlined in Morrison Hirschfield letter dated 10/31/13.</p>									
Roof-Composition	797	Squares	\$ 375.00	\$ 359,079	2000	25	2025	9	No
<p>Comments: Originally constructed in 2005. Base year was adjusted (2000) to reflect current timeline for replacement and address future year roof replacement intervals.</p> <p>Budget cost of replacement is based on removal and replacement of single layer roof with a 30 year composition shingle. Useful life of a 30 year roof should last on average 25 years if properly maintained. Based on observations in 2017, it is our opinion the current roof will only last 20 years as there are signs of moss build-up and weathered shingles. We Recommend that the roof be treated a minimum of bi-annually for moss and debris build up. Insure that tree limbs are trimmed back regularly, at least 6ft from roof edge, as debris from overhanging limbs can significantly reduce the life of a roof due to accumulation of foliage. Debris accumulation will also compromise the effectiveness of the gutter and downspout system to shed water from the building.</p> <p>2017: Roof quantity obtained using satellite imagery (Eagle View Technology) of a typical building extrapolated to derive a total quantity. The year built has been adjusted to 2000 so that a 25 year useful life can be applied and appropriately reflect future years replacement (25 year cycle)</p>									

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Roof-Gutters & Downspouts	6,646	Ln.Ft.	\$ 6.00	\$ 53,051	2005	25	2030	14	No
<p>Comments: At time of replacement consider larger gutters and downspouts to accommodate larger volume of water. Considerations should be taken to coordinate replacement of gutter/downspout system with replacement of roof as there may be some cost savings for coordinating the work.</p> <p>Gutters: 3,526 lf Downspouts: 3,120 lf 2017: Gutter and downspout quantity obtained using satellite imagery (Eagle View Technology) of a typical building extrapolated to derive a total quantity.</p>									
Siding & Trim Repair	65	Units	\$ 200.00	\$ 14,105	2013	7	2020	4	No
<p>Comments: Prior to performing Paint-Exterior, all siding and trim should be carefully inspected, repaired or replaced as needed. Caulking around all doors, windows and trim should be performed.</p>									
Siding-Inspection	1	Total	\$ 3,500.00	\$ 3,876	2013	8	2021	5	Yes
<p>Comments: A siding assessment provides information regarding the performance of the building enclosure components, identifies areas of concern and provides the information needed to create appropriate planning for the building's maintenance and repair. If it is deemed that a replacement of the siding (or portions of it) will be necessary within the next 30 years, a replacement line item should be added to the reserve budget.</p>									

Number of Items = 8



Lights-Exterior



Paint-Exterior



Roof-Composition



Siding & Trim Repair

February 28, 2017

Annual Expenditures

Arbor Terrace Homeowners_Row Homes

Year	Amount	Item Description
	105,786	Paint-Exterior
	14,105	Siding & Trim Repair
2020	119,890	
	3,876	Siding-Inspection
2021	3,876	
	359,079	Roof-Composition
2025	359,079	
	122,016	Paint-Exterior
	16,269	Siding & Trim Repair
2027	138,284	
	11,242	Lights-Exterior
	53,051	Roof-Gutters & Downspouts
2030	64,292	
	140,736	Paint-Exterior
	18,765	Siding & Trim Repair
2034	159,501	
	162,328	Paint-Exterior
	21,644	Siding & Trim Repair
2041	183,972	
Total	1,028,894	

Item Description	Useful Life	Life Left	Year Replace	Future Replacement Cost	Ideal Balance	Actual Balance
Electrical & Plumbing-Systems	60	49	2065	\$ -	\$ -	\$ -
Lights-Exterior	25	14	2030	\$ 11,242	\$ 5,396	\$ -
Paint-Exterior	7	4	2020	\$ 105,786	\$ 60,449	\$ 60,449
Rehabilitation Project	50	47	2063	\$ -	\$ -	\$ -
Roof-Composition	25	9	2025	\$ 359,079	\$ 244,174	\$ 116,928
Roof-Gutters & Downspouts	25	14	2030	\$ 53,051	\$ 25,464	\$ -
Siding & Trim Repair	7	4	2020	\$ 14,105	\$ 8,060	\$ 8,060
Siding-Inspection	8	5	2021	\$ 3,876	\$ 1,938	\$ 1,938
				\$ 547,137	\$ 345,480	\$ 187,375

Investment Rate 0.01%
Tax Rate 30.00%
Inflation Rate 2.06%
Contingency Rate 0.00%

Contingency	\$ -	\$ -
Total	\$ 345,480	\$ 187,375

2017 Reserve Study

Arbor Terrace Homeowners Tamarack Units

Item Description	# of Items	Unit	Current Item Cost	Future Replacement Cost	Year Built	Useful Life	Year Replace	Life Left	One Time?
Fence-Metal-Paint	2,600	Ln.Ft.	\$ 9.50	\$ 26,258	2013	6	2019	3	No
<p>Comments: 2017: Overall condition observed to be in good condition. Touchup and miscellaneous repairs paid from Operating Budget. 2013: Painting of all metal fence at Tamarack units and playground (240 lf) completed \$13,500 (\$4.75/lf)</p>									
Fence-Metal-Replace	2,600	Ln.Ft.	\$ 60.00	\$ 281,797	2005	40	2045	29	Yes
<p>Comments: Remove and replace all metal fence and gates 2017: Overall condition observed to be in good condition. Touchup and miscellaneous repairs paid from Operating Budget.</p>									

Number of Items = 2



Fence-Metal-Replace

Weak (0-35%) Fair (36-70%) Strong (71-100%)

February 28, 2017

Funding Plan Summary

Arbor Terrace Homeowners_Tamarack

Year	Percent Funded	Inflation Adjusted Ideal Balance	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures
2017	32%	102,044	32,550	11,350	4	(1)	0
2018	39%	113,466	43,903	11,582	5	(1)	0
2019	44%	124,887	55,489	11,819	6	(2)	(26,258)
2020	37%	110,620	41,054	12,061	5	(1)	0
2021	43%	122,611	53,118	12,308	6	(2)	0
2022	49%	134,601	65,430	12,560	7	(2)	0
2023	53%	146,592	77,995	12,817	8	(3)	0
2024	57%	158,583	90,817	13,079	10	(3)	0
2025	61%	170,574	103,903	13,346	11	(3)	(29,675)
2026	57%	153,533	87,581	13,619	9	(3)	0
2027	61%	166,167	101,207	13,898	11	(3)	0
2028	64%	178,802	115,113	14,182	12	(4)	0
2029	68%	191,436	129,304	14,473	14	(4)	0
2030	70%	204,071	143,786	14,769	15	(5)	0
2031	73%	216,705	158,565	15,071	17	(5)	(33,537)
2032	71%	196,530	140,110	15,379	15	(4)	0
2033	74%	209,892	155,499	15,694	16	(5)	0
2034	77%	223,254	171,205	16,015	18	(5)	0
2035	79%	236,616	187,232	16,342	20	(6)	0
2036	81%	249,978	203,588	16,677	21	(6)	0
2037	84%	263,340	220,280	17,018	23	(7)	(37,902)
2038	83%	239,621	199,412	17,366	21	(6)	0
2039	85%	253,806	216,792	17,722	23	(7)	0
2040	88%	267,990	234,530	18,084	24	(7)	0
2041	90%	282,174	252,631	18,454	26	(8)	0
2042	91%	296,358	271,103	18,832	28	(8)	0
2043	93%	310,542	289,955	19,217	30	(9)	(42,835)
2044	94%	282,820	266,358	19,610	28	(8)	0
2045	96%	297,933	285,987	20,011	30	(9)	(281,797)
2046	100%	24,205	24,222	8,049	3	(1)	0

Total \$451,402 \$464 (\$139) (\$452,005)

0.01% **Investment Rate**
 30.00% **Tax Rate**
 2.06% **Inflation Rate**
 0.00% **State Tax**

February 28, 2017

Annual Expenditures

Arbor Terrace Homeowners_Tamarack

Year	Amount	Item Description
	26,258	Fence-Metal-Paint
2019	26,258	
	29,675	Fence-Metal-Paint
2025	29,675	
	33,537	Fence-Metal-Paint
2031	33,537	
	37,902	Fence-Metal-Paint
2037	37,902	
	42,835	Fence-Metal-Paint
2043	42,835	
	281,797	Fence-Metal-Replace
2045	281,797	
Total	452,005	

Item Description	Useful Life	Life Left	Year Replace	Future Replacement Cost	Ideal Balance	Actual Balance
Fence-Metal-Paint	6	3	2019	\$ 26,258	\$ 17,505	\$ 17,505
Fence-Metal-Replace	40	29	2045	\$ 281,797	\$ 84,539	\$ 15,045
				\$ 308,055	\$ 102,044	\$ 32,550

Investment Rate 0.01%
Tax Rate 30.00%
Inflation Rate 2.06%
Contingency Rate 0.00%

Contingency \$ - \$ -
Total \$ 102,044 \$ 32,550

Maintenance Plan for Arbor Terrace Homeowners

The proper care and maintenance of substantial assets have been entrusted to the homeowner association. The key to any effective Maintenance Plan is consistency and expertise. The goal of this Maintenance Plan is to provide general information and direction on how to maintain those assets to produce the highest livability and market values for member units. While many specific items are included, the list is not exhaustive and some issues may develop over time which should be added to the Plan.

Many building and grounds components require specific maintenance to ensure their proper function. Many of the tasks are suitable only to trained professionals with a thorough understanding of the systems. It is highly recommended that only licensed, bonded and insured workman with the training, knowledge, tools and equipment to handle the maintenance of those systems or components be used to ensure highest service quality.

Annual Maintenance

The following tasks should be performed on according to a regular and adequate schedule as preventive maintenance:

Caulking Repairs

A knowledgeable contractor should inspect the buildings for sources of potential water intrusion, like missing flashing, failed caulking or negative drainage which directs water toward the building. Take appropriate corrective action as indicated.

General Repairs The Operating Budget should provide money to handle various minor repairs like paint touchup, re-caulking, minor electrical, plumbing and roof repairs. Various non-emergency repair requests should be grouped together so work can be handled cost effectively.

Landscape-Maintenance

Landscaping is an extremely important aspect of livability and market value. Having a contractor that is competent and regularly attending to the landscaping is the proper approach. When the contractor completes work, a job slip should be left with a designated Committee member so the work can be reviewed. If there are deficiencies, the contractor should be notified immediately. If the contractor is consistently unresponsive or the quality of work deficient, a change in contractors is indicated. For details on landscape maintenance, refer to the landscape contractor's agreement

Lights-Exterior For appearance and security, all exterior light fixtures should be in good working order. Inspect and repair fixtures or replace bulbs as needed.

Pressure Washing Each year, selected areas of asphalt and concrete sidewalks and steps should be pressure washed to remove oil spots, algae and moss which could cause slipping hazards.

Gutters & Downspouts Gutters and downspouts should be inspected regularly, kept clear of debris, and repaired as needed.

Roof Maintenance

To ensure the roof lasts its normal useful life, the roof must be kept clean of debris, moss and algae. Each year, a qualified roof maintenance contractor should inspect, clean and repair the roof as needed.

Siding & Trim

All siding and trim should be inspected, repaired and caulked as necessary at least once per year, generally before winter rains come to ensure it is watertight.

Water Intrusion Repairs

A knowledgeable contractor should inspect the buildings for sources of potential water intrusion, like missing flashing, failed caulking or negative drainage which directs water toward the building. Take appropriate corrective action as indicated.

Reserve Study Maintenance

See Worksheet report comments