



Reserve Study Update.com, LLC

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Northwest Laidlaw Road & Northwest 174th Avenue
Bethany, Oregon 97006
Account 1215b - Version 1.01 (2 of 2)

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OFF-SITE RESERVE STUDY & MAINTENANCE PLAN

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Part One

Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

ReserveStudyUpdate.com, LLC would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Conditions reported by the reserve study are applicable to the immediate time frame of the report and these conditions, over time, may change. Is impossible to envisage thirty years into the future to establish the cost of repair or replacement of any of the components, let alone the value of money, fluctuation in the cost of fuel, delivery/installation costs, changing building code requirements and other potential unknowns. The probability that it may project in its reserve study, or that the Board could project in its disclosures, future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning a national sweepstake; while it may happen in atypical instances by chance, one may not reasonably expect it to happen. The reserve study shall not be used as health and safety concerns, evidence of construction defects, damage, potential damage, water intrusion inspection, or as a construction-quality inspection. This reserve study specifically exclude issues having to do with unpredictable natural events and environmental hazards; including but not limited to lead paint, asbestos, mold, mildew, radon, etc.

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Part I

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

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Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association’s major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

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Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of *operational expenses* include:

Utilities:	Bank Service Charges	Accounting
Electricity	Dues & Publications	Reserve Study
Gas	Licenses, Permits & Fees	Repair Expenses:
Water	Insurance(s)	Tile Roof Repairs
Telephone	Services:	Equipment Repairs
Cable TV	Landscaping	Minor Concrete Repairs
Administrative:	Pool Maintenance	Operating Contingency
Supplies	Street Sweeping	

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

Roof Replacements	Park/Play Equipment
Painting	Pool/Spa Re-plastering
Deck Resurfacing	Pool Equipment Replacement
Fencing Replacement	Pool Furniture Replacement
Asphalt Seal Coating	Tennis Court Resurfacing
Asphalt Repairs	Lighting Replacement
Asphalt Overlays	Landscape Renovation
Equipment Replacement	Property Signage
Interior Furnishings	

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

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Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The ReserveStudyUpdate.com, LLC Threshold and the ReserveStudyUpdate.com, LLC Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The ReserveStudyUpdate.com, LLC Component Funding model is based upon the component methodology.

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Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age divided by Useful Life the results multiplied by Current Replacement Cost**

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The ReserveStudyUpdate.com, LLC **Baseline Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This method describes the objective to have sufficient reserves on hand to never completely run out of money. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance. This is sometimes described as a "cash-positive" plan. With less cash in reserves on-deposit, associations with a baseline funding objective have higher instances of special assessments and/or deferred maintenance. This funding approach is the most riskiest out of all of the funding models and is never recommended.

The ReserveStudyUpdate.com, LLC **Threshold Funding Model**. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0). Threshold funding describes an objective chosen by the board other than the 100% (full funding) level or just staying cash-positive (baseline funding). This may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen in between full funding (Component Funding Model) and the Baseline Funding Model.

The ReserveStudyUpdate.com, LLC **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time. The "Current Funding Model" is often used as a user defined model. This model allows the Board of Directors to experiment and contemplate alternative funding approaches and scrutinize and consider the ramifications of these funding approaches.

The ReserveStudyUpdate.com, LLC **Percentage Distribution Funding Model**. This funding method is based loosely upon the PRA System™ software objectives of reserve funding. Some property management firms which have legacy accounting software systems continue to utilize this funding approach. One of the key reasons why this funding approach has been since superseded by more modern funding approaches is due to the GAAP and ECHO reporting requirements in most states.

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The ReserveStudyUpdate.com, LLC **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name “Component Funding Model”. This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves


The “Distribution of Accumulated Reserves Report” is a “Component Funding Model” calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can “fix” the accumulated reserve balance within the program on the individual asset’s detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component’s age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

$$\text{Fully Funded Reserves} = (\text{Age/Useful Life}) \times \text{Current Replacement Cost}$$

The  Reserve Analyst® software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report. If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to “replenish” the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

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If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment Required”, the “Average Net Monthly Interest Earned” contribution and the “Total Monthly Allocation to Reserves.” The association should allocate the “Monthly Reserve Assessment Required” amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the “Total Monthly Allocation” to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association’s operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users’ Guide to your Reserve Analysis Study

Part II of your ReserveStudyUpdate.com, LLC Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the “Component Funding Model” calculation.

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The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The ReserveStudyUpdate.com, LLC Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.

Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

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Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

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Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

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A Multi-Purpose Tool

- Your ReserveStudyUpdate.com, LLC Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".
- In addition, your ReserveStudyUpdate.com, LLC reserve study serves a variety of useful purposes:
- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The ReserveStudyUpdate.com, LLC reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your ReserveStudyUpdate.com, LLC Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your ReserveStudyUpdate.com, LLC Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- The ReserveStudyUpdate.com, LLC reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The ReserveStudyUpdate.com, LLC Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your ReserveStudyUpdate.com, LLC Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

Sincerely,

Brian A. Owens

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**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Level III Update Off-Site: Six Minute Full Report Summary**

LEVEL THREE UPDATE OFF-SITE: 6 MINUTE FULL REPORT SUMMARY

- **A reserve component list: Please see refer to "Detail Report by Category" section of the reserve study.**
- **Date of reserve study: Prepared on May 28, 2021 for fiscal year starting January 1, 2022.**
- **This is a Level III: Off-Site Reserve Study Update.**
- **Reserve account balance as of January 1, 2022: \$114,840**
- **Estimated percent funded as of January 1, 2022: 100.57%**
- **Estimated "Fully Funded Reserves" as of the beginning of fiscal year 2022: \$114,192***
**Please note, this figure represents the estimated "Fully Funded Reserves" in order to be considered 100% funded as of January, 1 2022 and does not represent the amount of money on-hand.*
- **Projected percent funded as of the end of 2022: (contingent on which funding model is implemented)**
Component Funding Model: 101.03% (does not include contingency of 3.00%)
"Current" Funding Model: 104.54%
Threshold Funding Model - Dollar Defined (\$67,820) Minimum: 102.58%
Threshold Funding Model - 70% Minimum (70% Floor): 92.97%
Threshold Funding Model - 85% Minimum (85% Floor): 97.16%
Baseline Funding Model: 94.90%
- **Special assessments implemented or planned: Please refer to the following sections in the report:**

See Appendix section of this report.
- **Interest rate: 0.15%, Inflation rate: 1.73%.**
- **2022 reserve account contribution rate:**
Component Funding Model: \$32,310
"Current" Funding Model: \$32,586
Threshold Funding Model - Dollar Defined (\$67,820) Minimum: \$31,211
Threshold Funding Model - 70% Minimum: \$24,465
Threshold Funding Model - 85% Minimum: \$27,403
Baseline Funding Model: \$25,821
- **2022 Component Funding Model (Fully Funded Plan) contribution: \$32,310**
2022 "Current" Funding Model reserve contribution: \$32,586
2022 Threshold Funding Model - (Dollar Defined Funding Floor) contribution: \$31,211 (recommended model)
2022 Threshold Funding Model - (70% Minimum Funding Floor) contribution: \$24,465
2022 Threshold Funding Model - (85% Minimum Funding Floor) contribution: \$27,403
2022 Baseline Funding Model contribution: \$25,821
- **Projected account balance for thirty years: Please see refer to the following sections in the report as these fluctuate according to which funding model is implemented:**

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Level III Update Off-Site: Six Minute Full Report Summary**

"Component Funding Model Projection"
"Current Funding Model Projection"
"Threshold Funding Model - Dollar Defined Minimum Projection"
"Threshold Funding Model - 70% Defined Minimum Projection"
"Threshold Funding Model - 85% Defined Minimum Projection"
"Baseline Funding Model Projection"

- **This reserve study was prepared by a reserve study professional.**

- **This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.**

Report Version 1.01 (2 of 2).

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Annual Expenditure Detail**

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Description	Expenditures
Replacement Year 2022	
Arborist / Tree Work: Tree Pruning - "Newer"	4,330
Arborist / Tree Work: Tree Pruning - "Older"	7,219
Arborist / Tree Work: Tree Removal - Trimming "A"	20,052
Arborist / Tree Work: Tree Removal - Trimming "D"	11,603
Bark Dust: Replenish - Common Area	15,849
Irrigation Controllers & Valves: Phase 1	7,498
Irrigation Controllers & Valves: Phase 2	7,498
Total for 2022	\$74,049
Replacement Year 2023	
Arborist / Tree Work: Tree Removal - Trimming "B"	16,504
Total for 2023	\$16,504
Replacement Year 2024	
Arborist / Tree Work: Tree Removal - Trimming "C"	12,562
Bark Dust: Replenish - Common Area	16,402
Irrigation Controllers & Valves: Phase 3	20,922
Total for 2024	\$49,886
Replacement Year 2025	
Arborist / Tree Work: Tree Pruning - "Newer"	4,559
Arborist / Tree Work: Tree Pruning - "Older"	7,600
Total for 2025	\$12,159
Replacement Year 2026	
Bark Dust: Replenish - Common Area	16,974
Irrigation Controllers & Valves: Phase 1	8,030
Irrigation Controllers & Valves: Phase 2	8,030
Total for 2026	\$33,035
<i>No Replacement in 2027</i>	

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2028	
Arborist / Tree Work: Tree Pruning - "Newer"	4,800
Arborist / Tree Work: Tree Pruning - "Older"	8,001
Bark Dust: Replenish - Common Area	17,567
Irrigation Controllers & Valves: Phase 3	22,408
Total for 2028	\$52,776
 <i>No Replacement in 2029</i>	
Replacement Year 2030	
Arborist / Tree Work: Tree Removal - Trimming "E"	13,003
Backflow Device: Common Area - Replacement	1,146
Bark Dust: Replenish - Common Area	18,180
Irrigation Controllers & Valves: Phase 1	8,600
Irrigation Controllers & Valves: Phase 2	8,600
Landscape Renovation / Enhancement	13,691
Total for 2030	\$63,221
Replacement Year 2031	
Arborist / Tree Work: Tree Pruning - "Newer"	5,053
Arborist / Tree Work: Tree Pruning - "Older"	8,424
Landscaping: Power Box - Cottages - Replace	562
Total for 2031	\$14,038
Replacement Year 2032	
Arborist / Tree Work: Tree Removal - Trimming "A"	23,804
Arborist / Tree Work: Tree Removal - Trimming "D"	13,774
Bark Dust: Replenish - Common Area	18,814
Irrigation Controllers & Valves: Phase 3	23,999
Total for 2032	\$80,392
Replacement Year 2033	
Arborist / Tree Work: Tree Removal - Trimming "B"	19,592
Total for 2033	\$19,592
Replacement Year 2034	
Arborist / Tree Work: Tree Pruning - "Newer"	5,320

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2034 continued...</i>	
Arborist / Tree Work: Tree Pruning - "Older"	8,869
Arborist / Tree Work: Tree Removal - Trimming "C"	14,912
Bark Dust: Replenish - Common Area	19,471
Irrigation Controllers & Valves: Phase 1	9,211
Irrigation Controllers & Valves: Phase 2	9,211
Total for 2034	<u>\$66,994</u>
 <i>No Replacement in 2035</i>	
Replacement Year 2036	
Bark Dust: Replenish - Common Area	20,151
Irrigation Controllers & Valves: Phase 3	25,704
Total for 2036	<u>\$45,854</u>
 Replacement Year 2037	
Arborist / Tree Work: Tree Pruning - "Newer"	5,601
Arborist / Tree Work: Tree Pruning - "Older"	9,337
Total for 2037	<u>\$14,938</u>
 Replacement Year 2038	
Bark Dust: Replenish - Common Area	20,854
Irrigation Controllers & Valves: Phase 1	9,865
Irrigation Controllers & Valves: Phase 2	9,865
Total for 2038	<u>\$40,584</u>
 <i>No Replacement in 2039</i>	
Replacement Year 2040	
Arborist / Tree Work: Tree Pruning - "Newer"	5,896
Arborist / Tree Work: Tree Pruning - "Older"	9,830
Arborist / Tree Work: Tree Removal - Trimming "E"	15,436
Bark Dust: Replenish - Common Area	21,582
Irrigation Controllers & Valves: Phase 3	27,529
Landscape Renovation / Enhancement	16,252
Total for 2040	<u>\$96,525</u>

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2041</i>	
Replacement Year 2042	
Arborist / Tree Work: Tree Removal - Trimming "A"	28,258
Arborist / Tree Work: Tree Removal - Trimming "D"	16,352
Bark Dust: Replenish - Common Area	22,335
Irrigation Controllers & Valves: Phase 1	10,566
Irrigation Controllers & Valves: Phase 2	10,566
Total for 2042	\$88,076
Replacement Year 2043	
Arborist / Tree Work: Tree Pruning - "Newer"	6,208
Arborist / Tree Work: Tree Pruning - "Older"	10,349
Arborist / Tree Work: Tree Removal - Trimming "B"	23,258
Total for 2043	\$39,815
Replacement Year 2044	
Arborist / Tree Work: Tree Removal - Trimming "C"	17,702
Bark Dust: Replenish - Common Area	23,114
Irrigation Controllers & Valves: Phase 3	29,484
Total for 2044	\$70,300
<i>No Replacement in 2045</i>	
Replacement Year 2046	
Arborist / Tree Work: Tree Pruning - "Newer"	6,536
Arborist / Tree Work: Tree Pruning - "Older"	10,895
Bark Dust: Replenish - Common Area	23,921
Irrigation Controllers & Valves: Phase 1	11,316
Irrigation Controllers & Valves: Phase 2	11,316
Total for 2046	\$63,984
<i>No Replacement in 2047</i>	
Replacement Year 2048	
Bark Dust: Replenish - Common Area	24,756

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2048 continued...</i>	
Irrigation Controllers & Valves: Phase 3	31,578
Total for 2048	<u>\$56,334</u>
 Replacement Year 2049	
Arborist / Tree Work: Tree Pruning - "Newer"	6,881
Arborist / Tree Work: Tree Pruning - "Older"	11,471
Total for 2049	<u>\$18,351</u>
 Replacement Year 2050	
Arborist / Tree Work: Tree Removal - Trimming "E"	18,325
Bark Dust: Replenish - Common Area	25,620
Irrigation Controllers & Valves: Phase 1	12,120
Irrigation Controllers & Valves: Phase 2	12,120
Landscape Renovation / Enhancement	19,293
Total for 2050	<u>\$87,477</u>
 <i>No Replacement in 2051</i>	

EXECUTIVE SUMMARY - CURRENT FUNDING MODEL

CURRENT FUNDING MODEL OVERVIEW

The "Current Funding Model" is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2022 and ending December 31, 2022. Unless otherwise indicated, we have used January 25, 2000 to begin aging the original components in this reserve study.

NUMBER OF UNITS/LOTS & LOCATION: This reserve study is a total of 316 units located in Bethany, Oregon.

DATE OF LAST ON-SITE RESERVE STUDY: (if applicable) The last on-site physical analysis done by ReserveStudyUpdate.com, LLC was completed on August 18, 2018.

NOTE: All interest accrued from reserve savings account(s) must remain in the reserve savings account(s) and not used as an off-set for operating expenses. Income tax factors were not considered due to variables effecting net taxable income and the election of tax form to be filed.

RESERVE FUNDS ON HAND: For the purpose of this reserve study, it is anticipated that the association will have a projected beginning reserve balance of \$114,840 as of January 1, 2022. The actual or projected (estimated) total presented in this reserve study is based upon information provided to ReserveStudyUpdate.com, LLC and was not audited.

FUNDING REQUIRED: The reserve study funding model has an annual contribution increase of 1.05% per year.

INFLATION RATE: An inflation rate of 1.73% was used for all thirty years of the reserve study report. This is based on an equally weighted ten-year historical inflation rate average.

THE NATIONAL PERCENT FUNDED RATING IN THE RESERVE STUDY INDUSTRY IS:

0% to 29.99% - Poor

30% to 69.99% - Fair

70% to 100% - Good

This association is estimated to be 104.54% funded the end of the first fiscal year contingent that the funding model described in this section is implemented.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Current Assessment Funding Model: Executive Summary**

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Cottage Collection and ReserveStudyUpdate.com, LLC have no professional or personal involvements with each other, other than the scope of work identified in the reserve study contract. This relationship cannot be perceived as a conflict of interest.

This reserve study is for budget and planning purposes and identifies the status of the reserve fund and schedules the anticipated major commonly owned item replacements in accordance with Oregon State Law(s). This reserve study will estimate the expected useful life and remaining useful life of the building and site components or systems, and will provide an estimate replacement or refurbishment cost for those components or systems.

PHYSICAL ANALYSIS: If an on-site reserve study was performed observations were limited to visual observations only. Destructive testing (invasive testing) was not performed. Any items that were not clearly visible at the time of the site observation were not viewed, and therefore were not included in the drafting of this reserve study.

A grand total of 51 assets were included in this reserve study report; of these considered, 14 were funded and 37 components were unfunded. Often times components not funded are estimated to be outside the scope of the thirty year scope of the reserve study; while other components are sometimes omitted by property management, association representative, and/or Declarant.

MEASUREMENTS: Measuring and inventory (+/- 10%) were identified via a combination of onsite physical measurements (if a Level 1 reserve study was contracted by client), previous reserve study and/or drawing take-offs. Drawing sets (if used) were provided by the property manager, Board of Directors or Declarant for our use relating only to the reserve study scope of work.

RELIANCE ON CLIENT DATA: Data received from property management including previous reserve study report(s) Fiscal Year 2017 On-Site Reserve Study by Reserve Studies by Reserve Funding published June 29, 2016, information from Association Representatives and/or Declarant is deemed reliable by ReserveStudyUpdate.com, LLC unless explicitly noted otherwise. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues. Financial information received from property management, Association Representative, Declarant was not audited for accuracy.

The Association needs to carefully review each line item in the reports to be certain corrections are made from information you may possess that we are not aware of. It is assumed in our reserve study, no work, or expenditures from the reserve funds will occurred for the balance of the fiscal year. If this is not correct, you need to let ReserveStudyUpdate.com, LLC know what extra work was done and how much money will be spent.

SCOPE OF RESERVE STUDY: The Reserve Study is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records. Continued use of this reserve study beyond December 31, 2022 is misuse of the product and potentially a violation of applicable law(s).

The author(s) of this reserve study have absolutely no control over whether a special assessment will occur at any time during the thirty year horizon of this reserve study. The writer further submits that it is impossible to envision thirty years into the future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning the lottery, while it may happen in extraordinary instances by chance, one may not reasonably expect it to happen. As a result,

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Current Assessment Funding Model: Executive Summary**

ReserveStudyUpdate.com, LLC makes absolutely no guarantee, express or implied, that a special assessment will not occur during the time period covered by this reserve study. Assumptions on future costs and life expectancy's should be reviewed and adjusted on an annualized basis, as current and future cost projections, building code requirements, and life expectancy's become more uncertain.

Report Version 1.01 (2 of 2).

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection

Bethany, Oregon

Current Assessment Funding Model: Summary

Report Date	May 28, 2021
Account Number	1215b
Version	1.01 (2 of 2)
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	316

<i>Report Parameters</i>	
Inflation	1.73%
Annual Assessment Increase	1.05%
Interest Rate on Reserve Deposit	0.15%
2022 Beginning Balance	\$114,840

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	\$32,586.00
<i>\$103.12 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$110.07</u>
Total Annual Allocation to Reserves	\$32,696.07
<i>\$103.47 per unit annually</i>	

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Current Assessment Funding Model: Projection

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Beginning Balance: \$114,840

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	147,378	32,586	110	74,049	73,488	70,294	105%
2023	149,928	32,928	135	16,504	90,046	84,686	106%
2024	152,521	33,273	110	49,886	73,544	65,887	112%
2025	155,160	33,622	143	12,159	95,150	85,669	111%
2026	157,844	33,975	144	33,035	96,234	85,093	113%
2027	160,575	34,331	196		130,761	118,659	110%
2028	163,353	34,692	169	52,776	112,846	99,672	113%
2029	166,179	35,055	222		148,124	134,610	110%
2030	169,054	35,423	180	63,221	120,507	106,413	113%
2031	171,978	35,795	213	14,038	142,477	128,346	111%
2032	174,954	36,170	147	80,392	98,402	83,751	117%
2033	177,980	36,550	173	19,592	115,533	100,842	115%
2034	181,059	36,933	128	66,994	85,600	70,622	121%
2035	184,192	37,320	184		123,105	108,657	113%
2036	187,378	37,712	172	45,854	115,135	101,341	114%
2037	190,620	38,108	207	14,938	138,513	125,997	110%
2038	193,918	38,507	205	40,584	136,641	125,648	109%
2039	197,272	38,911	263		175,815	167,250	105%
2040	200,685	39,319	178	96,525	118,787	112,059	106%
2041	204,157	39,732	238		158,757	154,802	103%
2042	207,689	40,149	166	88,076	110,996	109,391	101%
2043	211,282	40,570	168	39,815	111,919	113,008	99%
2044	214,937	40,995	124	70,300	82,738	86,406	96%
2045	218,656	41,425	186		124,349	131,603	94%
2046	222,438	41,860	153	63,984	102,378	113,247	90%
2047	226,287	42,299	217		144,894	160,433	90%
2048	230,201	42,743	197	56,334	131,501	151,911	87%
2049	234,184	43,191	235	18,351	156,575	182,676	86%
2050	238,235	43,644	169	87,477	112,911	144,461	78%
2051	242,357	44,102	236		157,249	195,400	80%

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Current Funding Model: Component Summary by Category

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Cottages							
Arborist / Tree Work: Tree Pruning - "Newer"	4,330	3	0		4,330	1,604.35	4,330
Arborist / Tree Work: Tree Pruning - "Older"	7,219	3	0		7,219	2,674.62	7,219
Arborist / Tree Work: Tree Removal - Trimming "A"	20,052	10	0		20,052	2,499.98	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	16,504	10	1		15,249	1,302.84	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	12,562	10	2		9,710	1,490.86	9,710
Arborist / Tree Work: Tree Removal - Trimming "D"	11,603	10	0		11,603	1,446.65	11,603
Arborist / Tree Work: Tree Removal - Trimming "E"	13,003	10	8		2,267	1,407.96	2,267
Backflow Device: Common Area - Replacement	1,146	30	8		733	53.18	733
Bark Dust: Replenish - Common Area	15,849	2	0		15,849	8,664.93	15,849
Irrigation Controllers & Valves: Phase 1	7,498	4	0		7,498	2,117.91	7,498
Irrigation Controllers & Valves: Phase 2	7,498	4	0		7,498	2,117.91	7,498
Irrigation Controllers & Valves: Phase 3	20,922	4	2		10,108	5,696.73	10,108
Landscape Renovation / Enhancement	13,691	10	8		2,387	1,482.38	2,387
Landscaping: Power Box - Cottages - Replace	562	30	9		337	25.71	337
Cottages - Total	<u>\$152,438</u>				<u>\$114,840</u>	<u>\$32,586</u>	<u>\$114,192</u>
Grand Total:	<u>\$152,438</u>				<u>\$114,840</u>	<u>\$32,586</u>	<u>\$114,192</u>

Percent Fully Funded	101%
Current Average Equity per Unit (Total Units: 316)	\$2

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Current Funding Model: Distribution of Accumulated Reserves

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Arborist / Tree Work: Tree Pruning - "Newer"	0	2022	4,330	4,330
Arborist / Tree Work: Tree Pruning - "Older"	0	2022	7,219	7,219
Irrigation Controllers & Valves: Phase 1	0	2022	7,498	7,498
Irrigation Controllers & Valves: Phase 2	0	2022	7,498	7,498
Arborist / Tree Work: Tree Removal - Trimming "D"	0	2022	11,603	11,603
Bark Dust: Replenish - Common Area	0	2022	15,849	15,849
Arborist / Tree Work: Tree Removal - Trimming "A"	0	2022	20,052	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	1	2023	15,249	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	2	2024	9,710	9,710
Irrigation Controllers & Valves: Phase 3	2	2024	10,108	10,108
Backflow Device: Common Area - Replacement	8	2030	733	733
Arborist / Tree Work: Tree Removal - Trimming "E"	8	2030	2,267	2,267
Landscape Renovation / Enhancement	8	2030	2,387	2,387
Landscaping: Power Box - Cottages - Replace	9	2031	337	337
Total Asset Summary			<u>\$114,840</u>	<u>\$114,192</u>

Excess Funds:

Percent Fully Funded	101%
Current Average Equity per Unit (Total Units: 316)	\$2

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - Dollar Defined Minimum: Executive Summary**

EXECUTIVE SUMMARY - DOLLAR DEFINED THRESHOLD FUNDING MODEL

THRESHOLD FUNDING MODEL OVERVIEW

The "Threshold Funding Model" method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0). Threshold funding describes an objective chosen by the board other than the 100% (full funding) level or just staying cash-positive (baseline funding). This may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen in between full funding and baseline funding.

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2022 and ending December 31, 2022. Unless otherwise indicated, we have used January 25, 2000 to begin aging the original components in this reserve study.

NUMBER OF UNITS/LOTS & LOCATION: This reserve study is a total of 316 units located in Bethany, Oregon.

DATE OF LAST ON-SITE RESERVE STUDY: (if applicable) The last on-site physical analysis done was completed on August 18, 2018.

NOTE: All interest accrued from reserve savings account(s) must remain in the reserve savings account(s) and not used as an off-set for operating expenses. Income tax factors were not considered due to variables effecting net taxable income and the election of tax form to be filed.

RESERVE FUNDS ON HAND: For the purpose of this reserve study, it is anticipated that the association will have a projected beginning reserve balance of \$114,840 as of January, 1 2022. The actual or projected (estimated) total presented in this reserve study is based upon information provided to ReserveStudyUpdate.com, LLC and was not audited.

FUNDING REQUIRED: A minimum balance threshold of \$67,820 has been used over the thirty years of this reserve study funding model. The reserve study funding model has an annual contribution increase of 3.00% per year.

INFLATION RATE: An inflation rate of 1.73% was used for all thirty years of the reserve study report. This is based on an equally weighted ten-year historical inflation rate average.

THE NATIONAL PERCENT FUNDED RATING IN THE RESERVE STUDY INDUSTRY IS:

0% to 29.99% - Poor

30% to 69.99% - Fair

70% to 100% - Good

This association is estimated to be 102.58% funded the end of the first fiscal year contingent that the funding model described in this section is implemented.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - Dollar Defined Minimum: Executive Summary**

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Cottage Collection and ReserveStudyUpdate.com, LLC have no professional or personal involvements with each other, other than the scope of work identified in the reserve study contract. This relationship cannot be perceived as a conflict of interest.

This reserve study is for budget and planning purposes and identifies the status of the reserve fund and schedules the anticipated major commonly owned item replacements in accordance with Oregon State Law(s). This reserve study will estimate the expected useful life and remaining useful life of the building and site components or systems, and will provide an estimate replacement or refurbishment cost for those components or systems.

PHYSICAL ANALYSIS: If an on-site reserve study was performed observations were limited to visual observations only. Destructive testing (invasive testing) was not performed. Any items that were not clearly visible at the time of the site observation were not viewed, and therefore were not included in the drafting of this reserve study.

A grand total of 51 assets were included in this reserve study report; of these considered, 14 were funded and 37 components were unfunded. Often times components not funded are estimated to be outside the scope of the thirty year scope of the reserve study; while other components are sometimes omitted by property management, Association Representative, and/or Declarant.

MEASUREMENTS: Measuring and inventory (+/- 10%) were identified via a combination of onsite physical measurements, previous reserve study and/or drawing take-offs. Drawing sets (if used) were provided by the property manager, Board of Directors or Declarant for our use relating only to the reserve study scope of work.

RELIANCE ON CLIENT DATA: Data received from property management including previous reserve study report(s) Fiscal Year 2017 On-Site Reserve Study by Reserve Studies by Reserve Funding published June 29, 2016, information from Association Representatives and/or Declarant is deemed reliable by ReserveStudyUpdate.com, LLC unless explicitly noted otherwise. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues. Financial information received from property management, Association Representative, Declarant was not audited for accuracy.

The Association needs to carefully review each line item in the reports to be certain corrections are made from information you may possess that we are not aware of. It is assumed in our reserve study, no work, or expenditures from the reserve funds will occurred for the balance of the fiscal year. If this is not correct, you need to let ReserveStudyUpdate.com, LLC know what extra work will be done and how much money will be spent.

SCOPE OF RESERVE STUDY: The Reserve Study is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records. Continued use of this reserve study beyond December 31, 2022 is misuse of the product and potentially a violation of applicable law(s).

The author(s) of this reserve study have absolutely no control over whether a special assessment will occur at any time during the thirty year horizon of this reserve study. The writer further submits that it is impossible to envision thirty years into the future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning the lottery, while it may happen in extraordinary instances by chance, one may not reasonably expect it to happen. As a result,

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - Dollar Defined Minimum: Executive Summary**

ReserveStudyUpdate.com, LLC makes absolutely no guarantee, express or implied, that a special assessment will not occur during the time period covered by this reserve study. Assumptions on future costs and life expectancy's should be reviewed and adjusted on an annualized basis, as current and future cost projections, building code requirements, and life expectancy's become more uncertain.

Report Version 1.01 (2 of 2).

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - Dollar Defined Minimum: Summary**

Report Date	May 28, 2021
Account Number	1215b
Version	1.01 (2 of 2)
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	316

<i>Report Parameters</i>	
Inflation	1.73%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.15%
2022 Beginning Balance	\$114,840

Threshold Funding Model Summary of Calculations

Required Annual Contribution	\$31,211.23
<i>\$98.77 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$108.00</u>
Total Annual Allocation to Reserves	\$31,319.24
<i>\$99.11 per unit annually</i>	

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - Dollar Defined Minimum: Projection**

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Beginning Balance: \$114,840

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	147,378	31,211	108	74,049	72,111	70,294	103%
2023	149,928	32,148	132	16,504	87,886	84,686	104%
2024	152,521	29,718	102	49,886	67,820	65,887	103%
2025	155,160	30,610	129	12,159	86,401	85,669	101%
2026	157,844	31,528	127	33,035	85,022	85,093	100%
2027	160,575	32,474	176		117,672	118,659	99%
2028	163,353	33,448	148	52,776	98,492	99,672	99%
2029	166,179	34,452	199		133,144	134,610	99%
2030	169,054	35,485	158	63,221	105,567	106,413	99%
2031	171,978	36,550	192	14,038	128,270	128,346	100%
2032	174,954	37,646	128	80,392	85,653	83,751	102%
2033	177,980	38,776	157	19,592	104,994	100,842	104%
2034	181,059	34,402	109	66,994	72,511	70,622	103%
2035	184,192	35,434	162		108,106	108,657	99%
2036	187,378	36,497	148	45,854	98,897	101,341	98%
2037	190,620	37,592	182	14,938	121,734	125,997	97%
2038	193,918	38,719	180	40,584	120,049	125,648	96%
2039	197,272	39,881	240		160,170	167,250	96%
2040	200,685	41,077	157	96,525	104,879	112,059	94%
2041	204,157	42,310	221		147,409	154,802	95%
2042	207,689	43,579	154	88,076	103,067	109,391	94%
2043	211,282	44,886	162	39,815	108,301	113,008	96%
2044	214,937	34,820	109	70,300	72,929	86,406	84%
2045	218,656	35,864	163		108,957	131,603	83%
2046	222,438	36,940	123	63,984	82,036	113,247	72%
2047	226,287	38,048	180		120,264	160,433	75%
2048	230,201	39,190	155	56,334	103,275	151,911	68%
2049	234,184	40,366	188	18,351	125,477	182,676	69%
2050	238,235	41,577	119	87,477	79,696	144,461	55%
2051	242,357	42,824	184		122,703	195,400	63%

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - Dollar Defined Minimum: Component Summary by Category

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Cottages							
Arborist / Tree Work: Tree Pruning - "Newer"	4,330	3	0		4,330	1,536.67	4,330
Arborist / Tree Work: Tree Pruning - "Older"	7,219	3	0		7,219	2,561.78	7,219
Arborist / Tree Work: Tree Removal - Trimming "A"	20,052	10	0		20,052	2,394.51	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	16,504	10	1		15,249	1,247.87	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	12,562	10	2		9,710	1,427.96	9,710
Arborist / Tree Work: Tree Removal - Trimming "D"	11,603	10	0		11,603	1,385.62	11,603
Arborist / Tree Work: Tree Removal - Trimming "E"	13,003	10	8		2,267	1,348.56	2,267
Backflow Device: Common Area - Replacement	1,146	30	8		733	50.94	733
Bark Dust: Replenish - Common Area	15,849	2	0		15,849	8,299.36	15,849
Irrigation Controllers & Valves: Phase 1	7,498	4	0		7,498	2,028.56	7,498
Irrigation Controllers & Valves: Phase 2	7,498	4	0		7,498	2,028.56	7,498
Irrigation Controllers & Valves: Phase 3	20,922	4	2		10,108	5,456.39	10,108
Landscape Renovation / Enhancement	13,691	10	8		2,387	1,419.84	2,387
Landscaping: Power Box - Cottages - Replace	562	30	9		337	24.62	337
Cottages - Total	<u>\$152,438</u>				<u>\$114,840</u>	<u>\$31,211</u>	<u>\$114,192</u>
Grand Total:	<u><u>\$152,438</u></u>				<u><u>\$114,840</u></u>	<u><u>\$31,211</u></u>	<u><u>\$114,192</u></u>

Percent Fully Funded	101%
Current Average Equity per Unit (Total Units: 316)	\$2

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - Dollar Defined Minimum: Distribution of Accumulated Reserves

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Arborist / Tree Work: Tree Pruning - "Newer"	0	2022	4,330	4,330
Arborist / Tree Work: Tree Pruning - "Older"	0	2022	7,219	7,219
Irrigation Controllers & Valves: Phase 1	0	2022	7,498	7,498
Irrigation Controllers & Valves: Phase 2	0	2022	7,498	7,498
Arborist / Tree Work: Tree Removal - Trimming "D"	0	2022	11,603	11,603
Bark Dust: Replenish - Common Area	0	2022	15,849	15,849
Arborist / Tree Work: Tree Removal - Trimming "A"	0	2022	20,052	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	1	2023	15,249	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	2	2024	9,710	9,710
Irrigation Controllers & Valves: Phase 3	2	2024	10,108	10,108
Backflow Device: Common Area - Replacement	8	2030	733	733
Arborist / Tree Work: Tree Removal - Trimming "E"	8	2030	2,267	2,267
Landscape Renovation / Enhancement	8	2030	2,387	2,387
Landscaping: Power Box - Cottages - Replace	9	2031	337	337
Total Asset Summary			<u>\$114,840</u>	<u>\$114,192</u>

Excess Funds:

Percent Fully Funded	101%
Current Average Equity per Unit (Total Units: 316)	\$2

EXECUTIVE SUMMARY - 70% THRESHOLD FUNDING MODEL

THRESHOLD FUNDING MODEL OVERVIEW

The "Threshold Funding Model" method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined funding percentage. Threshold funding describes an objective chosen by the board other than the 100% (full funding) level or just staying cash-positive (baseline funding). We have calculated this funding model to remain at or above 70% funded over the 30-year horizon of its reserve study report. Threshold funding is often a value chosen in between full funding and baseline funding. While we recommend that all community associations strive for a funding threshold percentage of 70% or above, this 70% funding approach is absolutely no guarantee (expressed or implied) that the community will not require a special assessment at some time in the future.

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2022 and ending December 31, 2022. Unless otherwise indicated, we have used January 25, 2000 to begin aging the original components in this reserve study.

NUMBER OF UNITS/LOTS & LOCATION: This reserve study is a total of 316 units located in Bethany, Oregon.

DATE OF LAST ON-SITE RESERVE STUDY: (if applicable) The last on-site physical analysis done was completed on August 18, 2018.

NOTE: All interest accrued from reserve savings account(s) must remain in the reserve savings account(s) and not used as an off-set for operating expenses. Income tax factors were not considered due to variables effecting net taxable income and the election of tax form to be filed.

RESERVE FUNDS ON HAND: For the purpose of this reserve study, it is anticipated that the association will have a projected beginning reserve balance of \$114,840 as of January, 1 2022. The actual or projected (estimated) total presented in this reserve study is based upon information provided to ReserveStudyUpdate.com, LLC and was not audited.

FUNDING REQUIRED: A minimum threshold funding percentage of 70% has been used over the thirty years of this reserve study funding model. The reserve study funding model has an annual contribution increase of 3.00% per year.

INFLATION RATE: An inflation rate of 1.73% was used for all thirty years of the reserve study report. This is based on an equally weighted ten-year historical inflation rate average.

THE NATIONAL PERCENT FUNDED RATING IN THE RESERVE STUDY INDUSTRY IS:

0% to 29.99% - Poor

30% to 69.99% - Fair

70% to 100% - Good

This association is estimated to be 92.97% funded the end of the first fiscal year contingent that the funding model described in this section is implemented.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 70% Minimum: Executive Summary**

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Cottage Collection and ReserveStudyUpdate.com, LLC have no professional or personal involvements with each other, other than the scope of work identified in the reserve study contract. This relationship cannot be perceived as a conflict of interest.

This reserve study is for budget and planning purposes and identifies the status of the reserve fund and schedules the anticipated major commonly owned item replacements in accordance with Oregon State Law(s). This reserve study will estimate the expected useful life and remaining useful life of the building and site components or systems, and will provide an estimate replacement or refurbishment cost for those components or systems.

PHYSICAL ANALYSIS: If an on-site reserve study was performed observations were limited to visual observations only. Destructive testing (invasive testing) was not performed. Any items that were not clearly visible at the time of the site observation were not viewed, and therefore were not included in the drafting of this reserve study.

A grand total of 51 assets were included in this reserve study report; of these considered, 14 were funded and 37 components were unfunded. Often times components not funded are estimated to be outside the scope of the thirty year scope of the reserve study; while other components are sometimes omitted by property management, Association Representative, and/or Declarant.

MEASUREMENTS: Measuring and inventory (+/- 10%) were identified via a combination of onsite physical measurements, previous reserve study and/or drawing take-offs. Drawing sets (if used) were provided by the property manager, Board of Directors or Declarant for our use relating only to the reserve study scope of work.

RELIANCE ON CLIENT DATA: Data received from property management including previous reserve study report(s) Fiscal Year 2017 On-Site Reserve Study by Reserve Studies by Reserve Funding published June 29, 2016, information from Association Representatives and/or Declarant is deemed reliable by ReserveStudyUpdate.com, LLC unless explicitly noted otherwise. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues. Financial information received from property management, Association Representative, Declarant was not audited for accuracy.

The Association needs to carefully review each line item in the reports to be certain corrections are made from information you may possess that we are not aware of. It is assumed in our reserve study, no work, or expenditures from the reserve funds will occurred for the balance of the fiscal year. If this is not correct, you need to let ReserveStudyUpdate.com, LLC know what extra work will be done and how much money will be spent.

SCOPE OF RESERVE STUDY: The Reserve Study is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records. Continued use of this reserve study beyond December 31, 2022 is misuse of the product and potentially a violation of applicable law(s).

The author(s) of this reserve study have absolutely no control over whether a special assessment will occur at any time during the thirty year horizon of this reserve study. The writer further submits that it is impossible to envision thirty years into the future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning the lottery, while it may happen in extraordinary instances by chance, one may not reasonably expect it to happen. As a result,

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 70% Minimum: Executive Summary**

ReserveStudyUpdate.com, LLC makes absolutely no guarantee, express or implied, that a special assessment will not occur during the time period covered by this reserve study. Assumptions on future costs and life expectancy's should be reviewed and adjusted on an annualized basis, as current and future cost projections, building code requirements, and life expectancy's become more uncertain.

Report Version 1.01 (2 of 2).

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 70% Minimum: Summary**

Report Date	May 28, 2021
Account Number	1215b
Version	1.01 (2 of 2)
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	316

<i>Report Parameters</i>	
Inflation	1.73%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.15%
2022 Beginning Balance	\$114,840

Threshold 70% Funding Model Summary of Calculations

Required Annual Contribution	\$24,464.66
<i>\$77.42 per unit annually</i>	
Average Net Annual Interest Earned	<u> \$97.88</u>
Total Annual Allocation to Reserves	\$24,562.54
<i>\$77.73 per unit annually</i>	

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 70% Minimum: Projection

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Beginning Balance: \$114,840

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	147,378	24,465	98	74,049	65,354	70,294	93%
2023	149,928	25,199	111	16,504	74,160	84,686	88%
2024	152,521	25,955	75	49,886	50,304	65,887	76%
2025	155,160	26,733	97	12,159	64,975	85,669	76%
2026	157,844	30,854	94	33,035	62,888	85,093	74%
2027	160,575	31,779	142		94,809	118,659	80%
2028	163,353	32,732	112	52,776	74,879	99,672	75%
2029	166,179	33,714	163		108,756	134,610	81%
2030	169,054	34,726	120	63,221	80,382	106,413	76%
2031	171,978	35,768	153	14,038	102,264	128,346	80%
2032	174,954	36,841	88	80,392	58,801	83,751	70%
2033	177,980	37,946	116	19,592	77,271	100,842	77%
2034	181,059	39,084	74	66,994	49,435	70,622	70%
2035	184,192	35,395	127		84,957	108,657	78%
2036	187,378	36,457	113	45,854	75,673	101,341	75%
2037	190,620	37,550	147	14,938	98,433	125,997	78%
2038	193,918	38,677	145	40,584	96,670	125,648	77%
2039	197,272	39,837	205		136,712	167,250	82%
2040	200,685	41,032	122	96,525	81,341	112,059	73%
2041	204,157	42,263	185		123,789	154,802	80%
2042	207,689	43,531	119	88,076	79,363	109,391	73%
2043	211,282	44,837	127	39,815	84,512	113,008	75%
2044	214,937	46,182	91	70,300	60,484	86,406	70%
2045	218,656	42,294	154		102,932	131,603	78%
2046	222,438	43,563	124	63,984	82,635	113,247	73%
2047	226,287	44,870	191		127,696	160,433	80%
2048	230,201	46,216	176	56,334	117,754	151,911	78%
2049	234,184	47,602	221	18,351	147,226	182,676	81%
2050	238,235	49,030	163	87,477	108,942	144,461	75%
2051	242,357	50,501	239		159,683	195,400	82%

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 70% Minimum: Component Summary by Category

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Cottages							
Arborist / Tree Work: Tree Pruning - "Newer"	4,330	3	0		4,330	1,204.50	4,330
Arborist / Tree Work: Tree Pruning - "Older"	7,219	3	0		7,219	2,008.03	7,219
Arborist / Tree Work: Tree Removal - Trimming "A"	20,052	10	0		20,052	1,876.91	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	16,504	10	1		15,249	978.13	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	12,562	10	2		9,710	1,119.29	9,710
Arborist / Tree Work: Tree Removal - Trimming "D"	11,603	10	0		11,603	1,086.11	11,603
Arborist / Tree Work: Tree Removal - Trimming "E"	13,003	10	8		2,267	1,057.06	2,267
Backflow Device: Common Area - Replacement	1,146	30	8		733	39.93	733
Bark Dust: Replenish - Common Area	15,849	2	0		15,849	6,505.38	15,849
Irrigation Controllers & Valves: Phase 1	7,498	4	0		7,498	1,590.07	7,498
Irrigation Controllers & Valves: Phase 2	7,498	4	0		7,498	1,590.07	7,498
Irrigation Controllers & Valves: Phase 3	20,922	4	2		10,108	4,276.94	10,108
Landscape Renovation / Enhancement	13,691	10	8		2,387	1,112.93	2,387
Landscaping: Power Box - Cottages - Replace	562	30	9		337	19.30	337
Cottages - Total	<u>\$152,438</u>				<u>\$114,840</u>	<u>\$24,465</u>	<u>\$114,192</u>
Grand Total:	<u>\$152,438</u>				<u>\$114,840</u>	<u>\$24,465</u>	<u>\$114,192</u>

Percent Fully Funded	101%
Current Average Equity per Unit (Total Units: 316)	\$2

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 70% Minimum: Distribution of Accumulated Reserves

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Arborist / Tree Work: Tree Pruning - "Newer"	0	2022	4,330	4,330
Arborist / Tree Work: Tree Pruning - "Older"	0	2022	7,219	7,219
Irrigation Controllers & Valves: Phase 1	0	2022	7,498	7,498
Irrigation Controllers & Valves: Phase 2	0	2022	7,498	7,498
Arborist / Tree Work: Tree Removal - Trimming "D"	0	2022	11,603	11,603
Bark Dust: Replenish - Common Area	0	2022	15,849	15,849
Arborist / Tree Work: Tree Removal - Trimming "A"	0	2022	20,052	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	1	2023	15,249	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	2	2024	9,710	9,710
Irrigation Controllers & Valves: Phase 3	2	2024	10,108	10,108
Backflow Device: Common Area - Replacement	8	2030	733	733
Arborist / Tree Work: Tree Removal - Trimming "E"	8	2030	2,267	2,267
Landscape Renovation / Enhancement	8	2030	2,387	2,387
Landscaping: Power Box - Cottages - Replace	9	2031	337	337
Total Asset Summary			<u>\$114,840</u>	<u>\$114,192</u>

Excess Funds:

Percent Fully Funded	101%
Current Average Equity per Unit (Total Units: 316)	\$2

EXECUTIVE SUMMARY - 85% THRESHOLD FUNDING MODEL

THRESHOLD FUNDING MODEL OVERVIEW

The "Threshold Funding Model" method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined funding percentage. Threshold funding describes an objective chosen by the board other than the 100% (full funding) level or just staying cash-positive (baseline funding). We have calculated this funding model with the aim of remaining at or above 85% funded over the 30-year horizon of its reserve study report. Threshold funding is often a value chosen in between full funding and baseline funding. While we recommend that all community associations strive for a funding threshold percentage of 70% or above, this 85% funding approach is absolutely no guarantee (expressed or implied) that the community will not require a special assessment at some time in the future.

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2022 and ending December 31, 2022. Unless otherwise indicated, we have used January 25, 2000 to begin aging the original components in this reserve study.

NUMBER OF UNITS/LOTS & LOCATION: This reserve study is a total of 316 units located in Bethany, Oregon.

DATE OF LAST ON-SITE RESERVE STUDY: (if applicable) The last on-site physical analysis done was completed on August 18, 2018.

NOTE: All interest accrued from reserve savings account(s) must remain in the reserve savings account(s) and not used as an off-set for operating expenses. Income tax factors were not considered due to variables effecting net taxable income and the election of tax form to be filed.

RESERVE FUNDS ON HAND: For the purpose of this reserve study, it is anticipated that the association will have a projected beginning reserve balance of \$114,840 as of January, 1 2022. The actual or projected (estimated) total presented in this reserve study is based upon information provided to ReserveStudyUpdate.com, LLC and was not audited.

FUNDING REQUIRED: A minimum threshold percentage of 85% has been used over the thirty years of this reserve study funding model. The reserve study funding model has an annual contribution increase of 3.00% per year.

INFLATION RATE: An inflation rate of 1.73% was used for all thirty years of the reserve study report. This is based on an equally weighted ten-year historical inflation rate average.

THE NATIONAL PERCENT FUNDED RATING IN THE RESERVE STUDY INDUSTRY IS:

0% to 29.99% - Poor

30% to 69.99% - Fair

70% to 100% - Good

This association is estimated to be 97.16% funded the end of the first fiscal year contingent that the funding model described in this section is implemented.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 85% Minimum: Executive Summary**

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Cottage Collection and ReserveStudyUpdate.com, LLC have no professional or personal involvements with each other, other than the scope of work identified in the reserve study contract. This relationship cannot be perceived as a conflict of interest.

This reserve study is for budget and planning purposes and identifies the status of the reserve fund and schedules the anticipated major commonly owned item replacements in accordance with Oregon State Law(s). This reserve study will estimate the expected useful life and remaining useful life of the building and site components or systems, and will provide an estimate replacement or refurbishment cost for those components or systems.

PHYSICAL ANALYSIS: If an on-site reserve study was performed observations were limited to visual observations only. Destructive testing (invasive testing) was not performed. Any items that were not clearly visible at the time of the site observation were not viewed, and therefore were not included in the drafting of this reserve study.

A grand total of 51 assets were included in this reserve study report; of these considered, 14 were funded and 37 components were unfunded. Often times components not funded are estimated to be outside the scope of the thirty year scope of the reserve study; while other components are sometimes omitted by property management, Association Representative, and/or Declarant.

MEASUREMENTS: Measuring and inventory (+/- 10%) were identified via a combination of onsite physical measurements, previous reserve study and/or drawing take-offs. Drawing sets (if used) were provided by the property manager, Board of Directors or Declarant for our use relating only to the reserve study scope of work.

RELIANCE ON CLIENT DATA: Data received from property management including previous reserve study report(s) Fiscal Year 2017 On-Site Reserve Study by Reserve Studies by Reserve Funding published June 29, 2016, information from Association Representatives and/or Declarant is deemed reliable by ReserveStudyUpdate.com, LLC unless explicitly noted otherwise. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues. Financial information received from property management, Association Representative, Declarant was not audited for accuracy.

The Association needs to carefully review each line item in the reports to be certain corrections are made from information you may possess that we are not aware of. It is assumed in our reserve study, no work, or expenditures from the reserve funds will occurred for the balance of the fiscal year. If this is not correct, you need to let ReserveStudyUpdate.com, LLC know what extra work will be done and how much money will be spent.

SCOPE OF RESERVE STUDY: The Reserve Study is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records. Continued use of this reserve study beyond December 31, 2022 is misuse of the product and potentially a violation of applicable law(s).

The author(s) of this reserve study have absolutely no control over whether a special assessment will occur at any time during the thirty year horizon of this reserve study. The writer further submits that it is impossible to envision thirty years into the future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning the lottery, while it may happen in extraordinary instances by chance, one may not reasonably expect it to happen. As a result,

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 85% Minimum: Executive Summary**

ReserveStudyUpdate.com, LLC makes absolutely no guarantee, express or implied, that a special assessment will not occur during the time period covered by this reserve study. Assumptions on future costs and life expectancy's should be reviewed and adjusted on an annualized basis, as current and future cost projections, building code requirements, and life expectancy's become more uncertain.

Report Version 1.01 (2 of 2).

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 85% Minimum: Summary**

Report Date	May 28, 2021
Account Number	1215b
Version	1.01 (2 of 2)
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	316

<i>Report Parameters</i>	
Inflation	1.73%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.15%
2022 Beginning Balance	\$114,840

Threshold 85% Funding Model Summary of Calculations

Required Annual Contribution	\$27,403.43
<i>\$86.72 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$102.29</u>
Total Annual Allocation to Reserves	\$27,505.72
<i>\$87.04 per unit annually</i>	

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 85% Minimum: Projection

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Beginning Balance: \$114,840

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	147,378	27,403	102	74,049	68,297	70,294	97%
2023	149,928	28,226	120	16,504	80,139	84,686	95%
2024	152,521	29,072	89	49,886	59,414	65,887	90%
2025	155,160	29,944	116	12,159	77,316	85,669	90%
2026	157,844	30,843	113	33,035	75,236	85,093	88%
2027	160,575	31,768	161		107,165	118,659	90%
2028	163,353	32,721	131	52,776	87,241	99,672	88%
2029	166,179	33,703	181		121,125	134,610	90%
2030	169,054	34,714	139	63,221	92,758	106,413	87%
2031	171,978	35,755	172	14,038	114,646	128,346	89%
2032	174,954	36,828	107	80,392	71,189	83,751	85%
2033	177,980	37,046	133	19,592	88,775	100,842	88%
2034	181,059	38,157	90	66,994	60,028	70,622	85%
2035	184,192	35,890	144		96,062	108,657	88%
2036	187,378	36,967	131	45,854	87,306	101,341	86%
2037	190,620	38,076	166	14,938	110,610	125,997	88%
2038	193,918	39,218	164	40,584	109,407	125,648	87%
2039	197,272	40,395	225		150,027	167,250	90%
2040	200,685	41,606	143	96,525	95,250	112,059	85%
2041	204,157	42,100	206		137,556	154,802	89%
2042	207,689	43,363	139	88,076	92,982	109,391	85%
2043	211,282	44,493	146	39,815	97,807	113,008	87%
2044	214,937	45,828	110	70,300	73,445	86,406	85%
2045	218,656	42,725	174		116,344	131,603	88%
2046	222,438	44,007	145	63,984	96,511	113,247	85%
2047	226,287	45,327	213		142,050	160,433	89%
2048	230,201	46,687	199	56,334	132,602	151,911	87%
2049	234,184	48,087	244	18,351	162,582	182,676	89%
2050	238,235	49,530	187	87,477	124,821	144,461	86%
2051	242,357	51,016	264		176,101	195,400	90%

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 85% Minimum: Component Summary by Category**

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Cottages							
Arborist / Tree Work: Tree Pruning - "Newer"	4,330	3	0		4,330	1,349.19	4,330
Arborist / Tree Work: Tree Pruning - "Older"	7,219	3	0		7,219	2,249.24	7,219
Arborist / Tree Work: Tree Removal - Trimming "A"	20,052	10	0		20,052	2,102.37	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	16,504	10	1		15,249	1,095.63	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	12,562	10	2		9,710	1,253.75	9,710
Arborist / Tree Work: Tree Removal - Trimming "D"	11,603	10	0		11,603	1,216.57	11,603
Arborist / Tree Work: Tree Removal - Trimming "E"	13,003	10	8		2,267	1,184.03	2,267
Backflow Device: Common Area - Replacement	1,146	30	8		733	44.72	733
Bark Dust: Replenish - Common Area	15,849	2	0		15,849	7,286.83	15,849
Irrigation Controllers & Valves: Phase 1	7,498	4	0		7,498	1,781.07	7,498
Irrigation Controllers & Valves: Phase 2	7,498	4	0		7,498	1,781.07	7,498
Irrigation Controllers & Valves: Phase 3	20,922	4	2		10,108	4,790.70	10,108
Landscape Renovation / Enhancement	13,691	10	8		2,387	1,246.62	2,387
Landscaping: Power Box - Cottages - Replace	562	30	9		337	21.62	337
Cottages - Total	<u>\$152,438</u>				<u>\$114,840</u>	<u>\$27,403</u>	<u>\$114,192</u>
Grand Total:	<u>\$152,438</u>				<u>\$114,840</u>	<u>\$27,403</u>	<u>\$114,192</u>

Percent Fully Funded	101%
Current Average Equity per Unit (Total Units: 316)	\$2

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Threshold Funding Model - 85% Minimum: Distribution of Accumulated Reserves

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Arborist / Tree Work: Tree Pruning - "Newer"	0	2022	4,330	4,330
Arborist / Tree Work: Tree Pruning - "Older"	0	2022	7,219	7,219
Irrigation Controllers & Valves: Phase 1	0	2022	7,498	7,498
Irrigation Controllers & Valves: Phase 2	0	2022	7,498	7,498
Arborist / Tree Work: Tree Removal - Trimming "D"	0	2022	11,603	11,603
Bark Dust: Replenish - Common Area	0	2022	15,849	15,849
Arborist / Tree Work: Tree Removal - Trimming "A"	0	2022	20,052	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	1	2023	15,249	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	2	2024	9,710	9,710
Irrigation Controllers & Valves: Phase 3	2	2024	10,108	10,108
Backflow Device: Common Area - Replacement	8	2030	733	733
Arborist / Tree Work: Tree Removal - Trimming "E"	8	2030	2,267	2,267
Landscape Renovation / Enhancement	8	2030	2,387	2,387
Landscaping: Power Box - Cottages - Replace	9	2031	337	337
Total Asset Summary			<u>\$114,840</u>	<u>\$114,192</u>

Excess Funds:

Percent Fully Funded	101%
Current Average Equity per Unit (Total Units: 316)	\$2

EXECUTIVE SUMMARY- COMPONENT FUNDING MODEL

COMPONENT FUNDING MODEL OVERVIEW

The "Component Funding Model" is a straight-line funding model, also known by the "Full Funding Model". The objective of the model is to have on hand an amount of cash in the reserve account equal to the amount of depreciation that has occurred for each of the assets. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position.

"Full funding" describes the objective to have reserves on hand equivalent to the value of the deterioration of the each component in the reserve study. For example, for a \$10,000 (current cost) pool resurface project with a useful life of ten years, after three years, when the pool's surface has deteriorated 3/10 of \$10,000, to be fully funded the association should have \$3000 set aside for this component (and on and on again for each component). "Full funding" describes an objective where ongoing deterioration is offset by the proportional accumulation of cash.

One of the selling points that may be beneficial to Arbor Ridge P.U.D. Homeowners Association - Cottage Collection is that the "Component Funding Model" compared to the other funding models is that the objective is to have an equal amount of cash on hand compared to the amount of depreciation that has occurred for each funded asset in the report. Funding models lacking a "Full Funding" criterion often result in funding strategies that shifts the burden of funding assets to future homeowners. Although the Association may be able to fund reserves perpetually employing such strategies, the Board of Directors should carefully consider the degree of risk that is acceptable to everyone. Multiple components which experience premature failure rates will likely result in special assessments which will ultimately burden current owners who have the misfortune of having a current ownership interest; while previous owners have avoided their financial responsibility. The "Component Funding Model" is recommended for Board of Directors who wish to mitigate this type of risk.

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2022 and ending December 31, 2022. Unless otherwise indicated, we have used January 25, 2000 to begin aging the original components in this reserve study.

NUMBER OF UNITS/LOTS & LOCATION: This reserve study is a total of 316 units located in Bethany, Oregon.

DATE OF LAST ON-SITE RESERVE STUDY: (if applicable) The last on-site physical analysis done by ReserveStudyUpdate.com, LLC was completed on August 18, 2018.

NOTE: All interest accrued from reserve savings account(s) must remain in the reserve savings account(s) and not used as an off-set for operating expenses. Income tax factors were not considered due to variables effecting net taxable income and the election of tax form to be filed.

RESERVE FUNDS ON HAND: For the purpose of this reserve study, it is anticipated that the association will have

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Component Funding Model: Executive Summary**

a projected beginning reserve balance of \$114,840 as of January 1, 2022. The actual or projected (estimated) total presented in this reserve study is based upon information provided to ReserveStudyUpdate.com, LLC and was not audited.

FUNDING REQUIRED: The reserve study funding model has an annual contribution increase of 0.50% per year.

INFLATION RATE: An inflation rate of 1.73% was used for all thirty years of the reserve study report. This is based on an equally weighted ten-year historical inflation rate average.

THE NATIONAL PERCENT FUNDED RATING IN THE RESERVE STUDY INDUSTRY IS:

0% to 29.99% - Poor

30% to 69.99% - Fair

70% to 100% - Good

This association is estimated to be 101.03% funded the end of the first fiscal year contingent that the funding model described in this section is implemented.

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Cottage Collection and ReserveStudyUpdate.com, LLC have no professional or personal involvements with each other, other than the scope of work identified in the reserve study contract. This relationship cannot be perceived as a conflict of interest.

This reserve study is for budget and planning purposes and identifies the status of the reserve fund and schedules the anticipated major commonly owned item replacements in accordance with Oregon State Law(s). This reserve study will estimate the expected useful life and remaining useful life of the building and site components or systems, and will provide an estimate replacement or refurbishment cost for those components or systems.

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A grand total of 51 assets were included in this reserve study report; of these considered, 14 were funded and 37 components were unfunded. Often times components not funded are estimated to be outside the scope of the thirty year scope of the reserve study; while other components are sometimes omitted by property management, association representative, and/or Declarant.

MEASUREMENTS: Measuring and inventory (+/- 10%) were identified via a combination of onsite physical measurements (if a Level 1 reserve study was contracted by client), previous reserve study and/or drawing take-offs. Drawing sets (if used) were provided by the property manager, Board of Directors or Declarant for our use relating only to the reserve study scope of work.

RELIANCE ON CLIENT DATA: Data received from property management including previous reserve study report(s) Fiscal Year 2017 On-Site Reserve Study by Reserve Studies by Reserve Funding published June 29, 2016, information from Association Representatives and/or Declarant is deemed reliable by ReserveStudyUpdate.com, LLC unless explicitly noted otherwise. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues. Financial information received from property

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Component Funding Model: Executive Summary**

management, Association Representative, Declarant was not audited for accuracy.

The Association needs to carefully review each line item in the reports to be certain corrections are made from information you may possess that we are not aware of. It is assumed in our reserve study, no work, or expenditures from the reserve funds will occurred for the balance of the fiscal year. If this is not correct, you need to let ReserveStudyUpdate.com, LLC know what extra work was done and how much money will be spent.

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The author(s) of this reserve study have absolutely no control over whether a special assessment will occur at any time during the thirty year horizon of this reserve study. The writer further submits that it is impossible to envision thirty years into the future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning the lottery, while it may happen in extraordinary instances by chance, one may not reasonably expect it to happen. As a result, ReserveStudyUpdate.com, LLC makes absolutely no guarantee, express or implied, that a special assessment will not occur during the time period covered by this reserve study. Assumptions on future costs and life expectancy's should be reviewed and adjusted on an annualized basis, as current and future cost projections, building code requirements, and life expectancy's become more uncertain.

Report Version 1.01 (2 of 2).

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Component Funding Model: Summary**

Report Date	May 28, 2021
Account Number	1215b
Version	1.01 (2 of 2)
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	316

<i>Report Parameters</i>	
Inflation	1.73%
Interest Rate on Reserve Deposit	0.15%
Contingency	3.00%
2022 Beginning Balance	\$114,840

Component Funding Model Summary of Calculations

Required Annual Contribution	\$32,310.02
<i>\$102.25 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$109.65</u>
Total Annual Allocation to Reserves	\$32,419.67
<i>\$102.59 per unit annually</i>	

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Component Funding Model: Projection

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Beginning Balance: \$114,840

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	147,378	32,310	110	74,049	73,211	72,468	101%
2023	149,928	29,632	130	16,504	86,468	87,306	99%
2024	152,521	31,277	102	49,886	67,961	67,925	100%
2025	155,160	31,601	131	12,159	87,534	88,319	99%
2026	157,844	33,292	132	33,035	87,923	87,725	100%
2027	160,575	32,051	180		120,154	122,329	98%
2028	163,353	34,639	153	52,776	102,171	102,755	99%
2029	166,179	33,572	204		135,947	138,773	98%
2030	169,054	35,329	162	63,221	108,217	109,704	99%
2031	171,978	35,543	195	14,038	129,917	132,316	98%
2032	174,954	36,337	129	80,392	85,991	86,342	100%
2033	177,980	36,448	154	19,592	103,001	103,961	99%
2034	181,059	38,164	111	66,994	74,282	72,806	102%
2035	184,192	36,339	166		110,787	112,018	99%
2036	187,378	38,486	155	45,854	103,574	104,475	99%
2037	190,620	39,147	192	14,938	127,975	129,894	99%
2038	193,918	41,061	193	40,584	128,645	129,534	99%
2039	197,272	39,870	253		168,767	172,423	98%
2040	200,685	42,728	172	96,525	115,142	115,525	100%
2041	204,157	41,240	235		156,616	159,590	98%
2042	207,689	43,230	168	88,076	111,938	112,774	99%
2043	211,282	43,333	173	39,815	115,629	116,504	99%
2044	214,937	45,290	136	70,300	90,755	89,078	102%
2045	218,656	43,134	201		134,089	135,673	99%
2046	222,438	46,961	176	63,984	117,241	116,749	100%
2047	226,287	45,148	244		162,633	165,395	98%
2048	230,201	47,700	231	56,334	154,230	156,609	98%
2049	234,184	48,520	277	18,351	184,675	188,326	98%
2050	238,235	50,664	222	87,477	148,083	148,929	99%
2051	242,357	49,041	296		197,419	201,443	98%

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Component Funding Model: Assessment & Category Summary**

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Cottages							
Arborist / Tree Work: Tree Pruning - "Newer"	2022	3	0	0	4,330	4,330	4,330
Arborist / Tree Work: Tree Pruning - "Older"	2022	3	0	0	7,219	7,219	7,219
Arborist / Tree Work: Tree Removal - Trimming "A"	2022	10	0	0	20,052	20,052	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	2023	10	0	1	16,223	14,601	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	2024	10	0	2	12,138	9,710	9,710
Arborist / Tree Work: Tree Removal - Trimming "D"	2022	10	0	0	11,603	11,603	11,603
Arborist / Tree Work: Tree Removal - Trimming "E"	2030	10	0	8	11,336	2,194	2,267
Backflow Device: Common Area - Replacement	2030	30	0	8	999	733	733
Bark Dust: Replenish - Common Area	2022	2	0	0	15,849	15,849	15,849
Irrigation Controllers & Valves: Phase 1	2022	4	0	0	7,498	7,498	7,498
Irrigation Controllers & Valves: Phase 2	2022	4	0	0	7,498	7,498	7,498
Irrigation Controllers & Valves: Phase 3	2024	4	0	2	20,217	10,108	10,108
Landscape Renovation / Enhancement	2030	10	0	8	11,935	0	2,387
Landscaping: Power Box - Cottages - Replace	2031	30	0	9	481	0	337
Cottages - Total					\$147,378	\$111,395	\$114,192
Total Asset Summary					\$147,378	\$111,395	\$114,192
Contingency at 3.00%						\$3,445	\$3,532
Summary Total						\$114,840	\$117,724
Percent Fully Funded				98%			
Current Average Liability per Unit (Total Units: 316)				-\$9			

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Component Funding Model: Component Summary by Category**

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Cottages							
Arborist / Tree Work: Tree Pruning - "Newer"	4,330	3	0		4,330	1,489.80	4,330
Arborist / Tree Work: Tree Pruning - "Older"	7,219	3	0		7,219	2,483.65	7,219
Arborist / Tree Work: Tree Removal - Trimming "A"	20,052	10	0		20,052	2,321.47	20,052
Arborist / Tree Work: Tree Removal - Trimming "B"	16,504	10	1		14,601	1,875.15	14,601
Arborist / Tree Work: Tree Removal - Trimming "C"	12,562	10	2		9,710	1,403.18	9,710
Arborist / Tree Work: Tree Removal - Trimming "D"	11,603	10	0		11,603	1,343.36	11,603
Arborist / Tree Work: Tree Removal - Trimming "E"	13,003	10	8		2,194	1,320.95	2,267
Backflow Device: Common Area - Replacement	1,146	30	8		733	50.00	733
Bark Dust: Replenish - Common Area	15,849	2	0		15,849	8,046.23	15,849
Irrigation Controllers & Valves: Phase 1	7,498	4	0		7,498	1,966.69	7,498
Irrigation Controllers & Valves: Phase 2	7,498	4	0		7,498	1,966.69	7,498
Irrigation Controllers & Valves: Phase 3	20,922	4	2		10,108	5,334.80	10,108
Landscape Renovation / Enhancement	13,691	10	8		0	1,677.15	2,387
Landscaping: Power Box - Cottages - Replace	562	30	9		0	61.62	337
Cottages - Total	\$152,438				\$111,395	\$31,341	\$114,192
Asset Summary Total:	\$152,438				\$111,395	\$31,341	\$114,192
Contingency at 3.00%					\$3,445	\$969	\$3,532
Grand Total:					\$114,840	\$32,310	\$117,724

Percent Fully Funded	98%
Current Average Liability per Unit (Total Units: 316)	-\$9

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Component Funding Model: Distribution of Accumulated Reserves**

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Arborist / Tree Work: Tree Pruning - "Newer"	0	2022	4,330	4,330
Arborist / Tree Work: Tree Pruning - "Older"	0	2022	7,219	7,219
Arborist / Tree Work: Tree Removal - Trimming "D"	0	2022	11,603	11,603
Bark Dust: Replenish - Common Area	0	2022	15,849	15,849
Arborist / Tree Work: Tree Removal - Trimming "A"	0	2022	20,052	20,052
Irrigation Controllers & Valves: Phase 3	2	2024	10,108	10,108
Arborist / Tree Work: Tree Removal - Trimming "B"	1	2023	14,601	14,601
Irrigation Controllers & Valves: Phase 2	0	2022	7,498	7,498
Irrigation Controllers & Valves: Phase 1	0	2022	7,498	7,498
Arborist / Tree Work: Tree Removal - Trimming "C"	2	2024	9,710	9,710
Backflow Device: Common Area - Replacement	8	2030	733	733
Arborist / Tree Work: Tree Removal - Trimming "E"	8	2030	* 2,194	2,267
Landscape Renovation / Enhancement	8	2030		2,387
Landscaping: Power Box - Cottages - Replace	9	2031		337
Total Asset Summary			<u>\$111,395</u>	<u>\$114,192</u>
Contingency at 3.00%			<u>\$3,445</u>	<u>\$3,532</u>
Summary Total			\$114,840	\$117,724

Percent Fully Funded	98%
Current Average Liability per Unit (Total Units: 316)	-\$9

'' Indicates Partially Funded*

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Arborist / Tree Work: Tree Pruning - "Newer"

		1 Total	@ \$4,330.15
Asset ID	1036	Asset Cost	\$4,330.15
	Non-Capital	Percent Replacement	100%
	Cottages	Future Cost	\$4,330.15
Placed in Service	June 2019	Assigned Reserves	\$4,330.15
Useful Life	3		
Replacement Year	2022	Annual Assessment	\$1,536.67
Remaining Life	0	Interest Contribution	<u>\$2.30</u>
		Reserve Allocation	\$1,538.97



Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

Arbor work and tree removal occurred in June 2019 at a total cost of \$8155 and a tree (or trees) was replaced in September 2019 for \$4000. There is multiple tree line items identified in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016 which were carried over into our reserve study for 2019. There is some confusion in our office of which trees correspond with the labels and how they correspond with the scope of work listed above. We have made our best effort based on the service cost and replacement timetable to reset the appropriate line items in order to properly reflect this expense.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Pruning - "Newer" continued...

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. A Tree Inventory Management Plan by Davey Resource Group has described the scope of work for this line item as described in the 2017 reserve study. We have not received a copy of this document. The prior reserve study indicated that this line item was for 179 newer homes in the Cottage Collection. The line item was defined as "Tree Pruning: Newer" in the previous reserve study. We have adjusted this number for inflation.

Typically this line item is for any major tree work that is beyond the scope of the landscaping contract. Labor associated with the removal and replacement of diseased and/or falling trees which may require the services of a certified arborist and necessary permits & approval by the City of Beaverton. Cost include but not limited to; tree replacements, stump grinding, tree replacements, and major pruning. Scope of work will likely increase along with the cost as trees mature. Tree work appears in good to fair condition. Care should be exercised in order to maintain a safe perimeter with the trees, plants, and shrubs from the buildings. For an accurate condition assessment, the Association may wish to consult with the arborist.

Recent expenditure history: Unknown.

The Association should obtain a bid from a local certified, licensed, and bonded arborist in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees.

It has been reported to us that the costs to obtain permits and elaborate tree studies often involve costs which may approach (if not exceed) the cost for the removal labor itself. The Board is hereby encouraged to review this cost carefully to determine if this amount is sufficient for the community. Reported in this line item are the median costs that have been reported to us based on the approximate number of trees under jurisdiction of the association. This cost may vary greatly according to vendor, time of year, previous maintenance, and the scope of work involved.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Pruning - "Older"

Asset ID	1045	55 Each	@ \$131.25
	Non-Capital	Asset Cost	\$7,218.80
	Cottages	Percent Replacement	100%
Placed in Service	June 2019	Future Cost	\$7,218.80
Useful Life	3	Assigned Reserves	\$7,218.80
Replacement Year	2022	Annual Assessment	\$2,561.78
Remaining Life	0	Interest Contribution	<u>\$3.84</u>
		Reserve Allocation	\$2,565.62

Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

Arbor work and tree removal occurred in June 2019 at a total cost of \$8155 and a tree (or trees) was replaced in September 2019 for \$4000. There is multiple tree line items identified in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016 which were carried over into our reserve study for 2019. There is some confusion in our office of which trees correspond with the labels and how they correspond with the scope of work listed above. We have made our best effort based on the service cost and replacement timetable to reset the appropriate line items in order to properly reflect this expense.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. A Tree Inventory Management Plan by Davey Resource Group has described the scope of work for this line item as described in the 2017 reserve study. We have not received a copy of this document. The prior reserve study indicated that this line item was for older homes in the Cottage Collection. The line item was defined as "Tree Pruning: Older" in the previous reserve study. We have adjusted this number for inflation.

Typically this line item is for any major tree work that is beyond the scope of the landscaping contract. Labor associated with the removal and replacement of diseased and/or falling trees which may require the services of a certified arborist and necessary permits & approval by the City of Beaverton. Cost include but not limited to; tree replacements, stump grinding, tree replacements, and major pruning. Scope of work will likely increase along with the cost as trees mature. Tree work appears in good to fair condition. Care should be exercised in order to maintain a safe perimeter with the trees, plants, and shrubs from the buildings. For an accurate condition assessment, the Association may wish to consult with the arborist.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Pruning - "Older" continued...

Recent expenditure history: Unknown.

The Association should obtain a bid from a local certified, licensed, and bonded arborist in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees.

It has been reported to us that the costs to obtain permits and elaborate tree studies often involve costs which may approach (if not exceed) the cost for the removal labor itself. The Board is hereby encouraged to review this cost carefully to determine if this amount is sufficient for the community. Reported in this line item are the median costs that have been reported to us based on the approximate number of trees under jurisdiction of the association. This cost may vary greatly according to vendor, time of year, previous maintenance, and the scope of work involved.

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Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "A"

Asset ID	1046	1 Total	@ \$20,051.94
	Non-Capital	Asset Cost	\$20,051.94
	Cottages	Percent Replacement	100%
Placed in Service	January 2012	Future Cost	\$20,051.94
Useful Life	10	Assigned Reserves	\$20,051.94
Replacement Year	2022	Annual Assessment	\$2,394.51
Remaining Life	0	Interest Contribution	<u>\$3.59</u>
		Reserve Allocation	\$2,398.10

Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. A Tree Inventory Management Plan by Davey Resource Group has described the scope of work for this line item as described in the 2017 reserve study. We have not received a copy of this document. The prior reserve study indicated that this line item was for trees the Cottage Collection. The line item was defined as "Trees: Removal-Trimming-A" in the previous reserve study. We have adjusted this number for inflation.

Typically this line item is for any major tree work that is beyond the scope of the landscaping contract. Labor associated with the removal and replacement of diseased and/or falling trees which may require the services of a certified arborist and necessary permits & approval by the City of Beaverton. Cost include but not limited to; tree replacements, stump grinding, tree replacements, and major pruning. Scope of work will likely increase along with the cost as trees mature. Tree work appears in good to fair condition. Care should be exercised in order to maintain a safe perimeter with the trees, plants, and shrubs from the buildings. For an accurate condition assessment, the Association may wish to consult with the arborist.

Recent expenditure history: Unknown.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "A" continued...

The Association should obtain a bid from a local certified, licensed, and bonded arborist in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees.

It has been reported to us that the costs to obtain permits and elaborate tree studies often involve costs which may approach (if not exceed) the cost for the removal labor itself. The Board is hereby encouraged to review this cost carefully to determine if this amount is sufficient for the community. Reported in this line item are the median costs that have been reported to us based on the approximate number of trees under jurisdiction of the association. This cost may vary greatly according to vendor, time of year, previous maintenance, and the scope of work involved.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "B"

Asset ID	1047	1 Total	@ \$16,223.36
		Asset Cost	\$16,223.36
	Non-Capital	Percent Replacement	100%
	Cottages	Future Cost	\$16,504.02
Placed in Service	January 2013	Assigned Reserves	\$15,248.98
Useful Life	10		
Replacement Year	2023	Annual Assessment	\$1,247.87
Remaining Life	1	Interest Contribution	\$24.75
		Reserve Allocation	\$1,272.62

Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. A Tree Inventory Management Plan by Davey Resource Group has described the scope of work for this line item as described in the 2017 reserve study. We have not received a copy of this document. The prior reserve study indicated that this line item was for trees the Cottage Collection. The line item was defined as "Trees: Removal-Trimming-B" in the previous reserve study. We have adjusted this number for inflation.

Typically this line item is for any major tree work that is beyond the scope of the landscaping contract. Labor associated with the removal and replacement of diseased and/or falling trees which may require the services of a certified arborist and necessary permits & approval by the City of Beaverton. Cost include but not limited to; tree replacements, stump grinding, tree replacements, and major pruning. Scope of work will likely increase along with the cost as trees mature. Tree work appears in good to fair condition. Care should be exercised in order to maintain a safe perimeter with the trees, plants, and shrubs from the buildings. For an accurate condition assessment, the Association may wish to consult with the arborist.

Recent expenditure history: Unknown.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "B" continued...

The Association should obtain a bid from a local certified, licensed, and bonded arborist in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees.

It has been reported to us that the costs to obtain permits and elaborate tree studies often involve costs which may approach (if not exceed) the cost for the removal labor itself. The Board is hereby encouraged to review this cost carefully to determine if this amount is sufficient for the community. Reported in this line item are the median costs that have been reported to us based on the approximate number of trees under jurisdiction of the association. This cost may vary greatly according to vendor, time of year, previous maintenance, and the scope of work involved.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "C"

Asset ID	1048	1 Total	@ \$12,138.11
	Non-Capital	Asset Cost	\$12,138.11
	Cottages	Percent Replacement	100%
Placed in Service	January 2014	Future Cost	\$12,561.72
Useful Life	10	Assigned Reserves	\$9,710.48
Replacement Year	2024	Annual Assessment	\$1,427.96
Remaining Life	2	Interest Contribution	\$16.71
		Reserve Allocation	\$1,444.67

Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. A Tree Inventory Management Plan by Davey Resource Group has described the scope of work for this line item as described in the 2017 reserve study. We have not received a copy of this document. The prior reserve study indicated that this line item was for trees the Cottage Collection. The line item was defined as "Trees: Removal-Trimming-C" in the previous reserve study. We have adjusted this number for inflation.

Typically this line item is for any major tree work that is beyond the scope of the landscaping contract. Labor associated with the removal and replacement of diseased and/or falling trees which may require the services of a certified arborist and necessary permits & approval by the City of Beaverton. Cost include but not limited to; tree replacements, stump grinding, tree replacements, and major pruning. Scope of work will likely increase along with the cost as trees mature. Tree work appears in good to fair condition. Care should be exercised in order to maintain a safe perimeter with the trees, plants, and shrubs from the buildings. For an accurate condition assessment, the Association may wish to consult with the arborist.

Recent expenditure history: 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016, ^6,010 was spent in 2014 for tree enhancements.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "C" continued...

The Association should obtain a bid from a local certified, licensed, and bonded arborist in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees.

It has been reported to us that the costs to obtain permits and elaborate tree studies often involve costs which may approach (if not exceed) the cost for the removal labor itself. The Board is hereby encouraged to review this cost carefully to determine if this amount is sufficient for the community. Reported in this line item are the median costs that have been reported to us based on the approximate number of trees under jurisdiction of the association. This cost may vary greatly according to vendor, time of year, previous maintenance, and the scope of work involved.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "D"

		1 Total	@ \$11,603.39
Asset ID	1049	Asset Cost	\$11,603.39
	Non-Capital	Percent Replacement	100%
	Cottages	Future Cost	\$11,603.39
Placed in Service	January 2001	Assigned Reserves	\$11,603.39
Useful Life	10		
Replacement Year	2022	Annual Assessment	\$1,385.62
Remaining Life	0	Interest Contribution	\$2.08
		Reserve Allocation	\$1,387.70

Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Analyst notes that the condition of this asset may or may not be in an acceptable enough condition not to require a replacement, rebuild, and/or repair at this time. The Board is also encouraged to reach out and seek an properly qualified vendor proficient in this specific service and/or craft for a more detailed analysis.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. A Tree Inventory Management Plan by Davey Resource Group has described the scope of work for this line item as described in the 2017 reserve study. We have not received a copy of this document. The prior reserve study indicated that this line item was for trees the Cottage Collection. The line item was defined as "Trees: Removal-Trimming-D" in the previous reserve study. We have adjusted this number for inflation.

Typically this line item is for any major tree work that is beyond the scope of the landscaping contract. Labor associated with the removal and replacement of diseased and/or falling trees which may require the services of a certified arborist and necessary permits & approval by the City of Beaverton. Cost include but not limited to; tree replacements, stump grinding, tree replacements, and major pruning. Scope of work will likely increase along with the cost as trees mature. Tree work appears in good to fair condition. Care should be exercised in order to maintain a safe perimeter with the trees, plants, and shrubs from the buildings. For an accurate

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "D" continued...

condition assessment, the Association may wish to consult with the arborist.

Recent expenditure history: Unknown.

The Association should obtain a bid from a local certified, licensed, and bonded arborist in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees.

It has been reported to us that the costs to obtain permits and elaborate tree studies often involve costs which may approach (if not exceed) the cost for the removal labor itself. The Board is hereby encouraged to review this cost carefully to determine if this amount is sufficient for the community. Reported in this line item are the median costs that have been reported to us based on the approximate number of trees under jurisdiction of the association. This cost may vary greatly according to vendor, time of year, previous maintenance, and the scope of work involved.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "E"

Asset ID	1050	1 Total	@ \$11,336.03
	Non-Capital	Asset Cost	\$11,336.03
	Cottages	Percent Replacement	100%
Placed in Service	October 2020	Future Cost	\$13,003.29
Useful Life	10	Assigned Reserves	\$2,267.21
Replacement Year	2030	Annual Assessment	\$1,348.56
Remaining Life	8	Interest Contribution	\$5.42
		Reserve Allocation	\$1,353.98

Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

Management reports that \$10,350 worth of tree removal has occurred in October 2020. We have reset this line item.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Analyst notes that the condition of this asset may or may not be in an acceptable enough condition not to require a replacement, rebuild, and/or repair at this time. The Board is also encouraged to reach out and seek an properly qualified vendor proficient in this specific service and/or craft for a more detailed analysis.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. A Tree Inventory Management Plan by Davey Resource Group has described the scope of work for this line item as described in the 2017 reserve study. We have not received a copy of this document. The prior reserve study indicated that this line item was for trees the Cottage Collection. The line item was defined as "Trees: Removal-Trimming-E" in the previous reserve study. We have adjusted this number for inflation.

Typically this line item is for any major tree work that is beyond the scope of the landscaping contract. Labor associated with the removal and replacement of diseased and/or falling trees which may require the services of a certified arborist and necessary permits & approval by the City of Beaverton. Cost include but not limited to; tree replacements, stump grinding, tree replacements, and major pruning. Scope of work will likely increase along with the cost as trees mature. Tree work appears in good to fair condition. Care should be exercised in order to maintain a safe perimeter with the trees, plants, and shrubs from the buildings. For an accurate

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Arborist / Tree Work: Tree Removal - Trimming "E" continued...

condition assessment, the Association may wish to consult with the arborist.

Recent expenditure history: Unknown.

The Association should obtain a bid from a local certified, licensed, and bonded arborist in order to determine if this estimate and timing is sufficient to meet the needs of the Association. Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees.

It has been reported to us that the costs to obtain permits and elaborate tree studies often involve costs which may approach (if not exceed) the cost for the removal labor itself. The Board is hereby encouraged to review this cost carefully to determine if this amount is sufficient for the community. Reported in this line item are the median costs that have been reported to us based on the approximate number of trees under jurisdiction of the association. This cost may vary greatly according to vendor, time of year, previous maintenance, and the scope of work involved.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Backflow Device: Common Area - Replacement

Asset ID	1051	1 Each	@ \$998.98
	Capital	Asset Cost	\$998.98
	Cottages	Percent Replacement	100%
Placed in Service	January 2000	Future Cost	\$1,145.91
Useful Life	30	Assigned Reserves	\$732.59
Replacement Year	2030	Annual Assessment	\$50.94
Remaining Life	8	Interest Contribution	<u>\$1.18</u>
		Reserve Allocation	\$52.11

Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

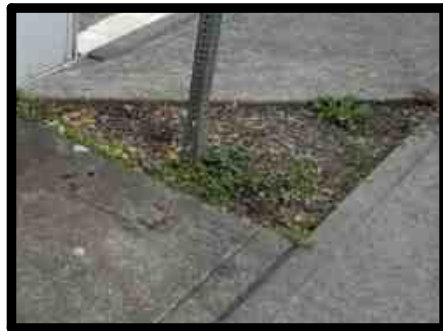
This line item is for the replacement of the backflow device in the common area. Base price is per recent information (not site specific) from BWE Backflow. State statutes require an annual test of the backflow device. Therefore, the asset is assumed to be in good condition.

Note: ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projection(s) need to be revised, ReserveStudyUpdate.com, LLC is more than happy to make these changes to the electronic file (PDF) and provide the updated report completely free of charge prior to or during the fiscal year that the study is prepared for. This measure will aid in maintaining proper reserve funding equilibrium and aid in proper contribution to reserves.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Bark Dust: Replenish - Common Area

		52 Units	@ \$304.79
Asset ID	1013	Asset Cost	\$15,848.93
	Non-Capital	Percent Replacement	100%
	Cottages	Future Cost	\$15,848.93
Placed in Service	May 2015	Assigned Reserves	\$15,848.93
Useful Life	2		
Replacement Year	2022	Annual Assessment	\$8,299.36
Remaining Life	0	Interest Contribution	\$12.45
		Reserve Allocation	\$8,311.81



Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Analyst notes that the condition of this asset may or may not be in an acceptable enough condition not to require a replacement, rebuild, and/or repair at this time. The Board is also encouraged to reach out and seek an properly qualified vendor proficient in this specific service and/or craft for a more detailed analysis.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. Quantity presented in the 2017 reserve study by Reserve Studies by Reserve Funding appears to be accurate +/- 10% based on our visual observation. Our analyst estimates approximately 46 to 54 units of bark

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Bark Dust: Replenish - Common Area continued...

dust in the Cottage Collection portions areas of the community.

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely extend the lifespan of this component in accordance with manufacturer's specifications.

Recent expenditure history: Unknown, appears to be original.

Asset condition: Fair to Inferior, should be re-applied in the next 12 months.

Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Irrigation Controllers & Valves: Phase 1

Asset ID	1041	1 Provision	@ \$7,497.67
	Capital	Asset Cost	\$7,497.67
	Cottages	Percent Replacement	100%
Placed in Service	May 2018	Future Cost	\$7,497.67
Useful Life	4	Assigned Reserves	\$7,497.67
Replacement Year	2022	Annual Assessment	\$2,028.56
Remaining Life	0	Interest Contribution	\$3.04
		Reserve Allocation	\$2,031.60



Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

This line item is for the ongoing replacement of irrigation controllers and associated valves on Phase One Lots. Irrigation controllers should be replaced upon failure. Battery operated controllers typically have a life expectancy between 2-5 years. Electric operated controllers typically have a life expectancy between 5-8 years or longer. Component appears to be in fair condition, however should be tested by the contracted landscape company for an accurate assessment.

The 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016 disbursed

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Irrigation Controllers & Valves: Phase 1 continued...

\$24,538 every ten years. We have taken a similar approach, however have structured a smaller disbursement on a more frequent basis. This is because the nature of these replacements require that monies are spent on an as-needed basis due to the sporadic nature of these components.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Irrigation Controllers & Valves: Phase 2

Asset ID	1042	1 Provision	@ \$7,497.67
	Capital	Asset Cost	\$7,497.67
	Cottages	Percent Replacement	100%
Placed in Service	May 2017	Future Cost	\$7,497.67
Useful Life	4	Assigned Reserves	\$7,497.67
Replacement Year	2022	Annual Assessment	\$2,028.56
Remaining Life	0	Interest Contribution	\$3.04
		Reserve Allocation	\$2,031.60



Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

This line item is for the ongoing replacement of irrigation controllers and associated valves on Phase Two Lots. Irrigation controllers should be replaced upon failure. Battery operated controllers typically have a life expectancy between 2-5 years. Electric operated controllers typically have a life expectancy between 5-8 years or longer. Component appears to be in fair condition, however should be tested by the contracted landscape company for an accurate assessment.

The 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016 disbursed

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Irrigation Controllers & Valves: Phase 2 continued...

\$24,538 every ten years. We have taken a similar approach, however have structured a smaller disbursement on a more frequent basis. This is because the nature of these replacements require that monies are spent on an as-needed basis due to the sporadic nature of these components.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Irrigation Controllers & Valves: Phase 3

Asset ID	1043	1 Provision	@ \$20,216.56
	Capital	Asset Cost	\$20,216.56
	Cottages	Percent Replacement	100%
Placed in Service	September 2020	Future Cost	\$20,922.10
Useful Life	4	Assigned Reserves	\$10,108.28
Replacement Year	2024	Annual Assessment	\$5,456.39
Remaining Life	2	Interest Contribution	\$23.35
		Reserve Allocation	\$5,479.74



Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

Management reports that \$19872.76 worth of irrigation components were replaced in September 2020. We have increased this provision and reset this line item and increased the cost.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Analyst notes that the condition of this asset may or may not be in an acceptable enough condition not to require a replacement, rebuild, and/or repair at this time. The Board is also encouraged to reach out and seek an properly qualified vendor proficient in this specific service and/or craft for a more detailed analysis.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

This line item is for the ongoing replacement of irrigation controllers and associated valves on Phase Three Lots. Irrigation controllers should be replaced upon failure. Battery operated controllers typically have a life expectancy between 2-5 years. Electric operated controllers typically have a life expectancy between 5-8 years

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Irrigation Controllers & Valves: Phase 3 continued...

or longer. Component appears to be in fair condition, however should be tested by the contracted landscape company for an accurate assessment.

The 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016 disbursed \$24,538 every ten years. We have taken a similar approach, however have structured a smaller disbursement on a more frequent basis. This is because the nature of these replacements require that monies are spent on an as-needed basis due to the sporadic nature of these components.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Landscape Renovation / Enhancement

		1 Project	@ \$11,935.21
Asset ID	1040	Asset Cost	\$11,935.21
	Non-Capital Cottages	Percent Replacement	100%
		Future Cost	\$13,690.60
Placed in Service	September 2020	Assigned Reserves	\$2,387.04
Useful Life	10		
Replacement Year	2030	Annual Assessment	\$1,419.84
Remaining Life	8	Interest Contribution	<u>\$5.71</u>
		Reserve Allocation	\$1,425.55



Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

Management reports that \$1,761.08 worth of landscape renovations in September 2020. We have reset this line item.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

This line item is a provision for the possible re-work of the landscaping in the community including the replacement of bushes & shrubs, and alleviating any drainage issues. Depending on how close the trees and shrubs were originally spaced, and what varieties of plants were used, overcrowding can become an issue, sometimes as early as 7 to 10 years after initial planting, especially if pruning has been minimal. Current landscaping appears to be in good to fair condition. Commencement of life cycle could not be established by analyst; however the analyst based the in-service date based on the current visual appearance. Emphasis should be placed on identifying and correcting any possible drainage problems as they occur which can be mitigated by regrading the surface.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Landscape Renovation / Enhancement continued...

The Board should monitor this situation carefully and adjust the timing and report to the reserve analyst as necessary. Analyst encourages the Board of Directors to review this information with the current landscape contractor and provide us with any revisions or additional information as warranted in order to insure proper funding.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Landscaping: Power Box - Cottages - Replace

Asset ID	1044	1 Total	@ \$481.25
	Capital	Asset Cost	\$481.25
	Cottages	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$561.58
Useful Life	30	Assigned Reserves	\$336.87
Replacement Year	2031	Annual Assessment	\$24.62
Remaining Life	9	Interest Contribution	<u>\$0.54</u>
		Reserve Allocation	\$25.16



Fiscal Year 2022 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the previous reserve study.

Fiscal Year 2021 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2020 on-site reserve study.

Fiscal Year 2020 Off-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented 2019 on-site reserve study.

Fiscal Year 2019 On-Site Reserve Study Notes by ReserveStudyUpdate.com, LLC:

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. Quantity presented in the 2017 reserve study by Reserve Studies by Reserve Funding appears to be accurate +/- 10% based on our visual observation. Component appears to be wearing as expected based on the assets chronological age.

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely extend the lifespan of this component in accordance with manufacturer's specifications.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Landscaping: Power Box - Cottages - Replace continued...

Recent expenditure history: Unknown, appears to be original.

Asset condition: Good to fair.

Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

Note: This line item is a provision for an anticipated expense. Should the Association determine that the cost of this item is less than or greater than the amount provided for herein, this reserve study should be updated to reflect the actual component cost. This cost is an estimate and will be updated when the full scope of work is known.

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Cottages - Total Current Cost	\$147,378
Assigned Reserves	\$114,840
Fully Funded Reserves	\$114,192

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Detail Report Summary

Grand Total

Assigned Reserves	\$114,840.00
Annual Contribution	\$31,211.23
Annual Interest	\$108.00
Annual Allocation	\$31,319.24

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Category Detail Index**

Asset ID	Description	Replacement	Page
1036	Arborist / Tree Work: Tree Pruning - "Newer"	2022	2-44
1045	Arborist / Tree Work: Tree Pruning - "Older"	2022	2-46
1046	Arborist / Tree Work: Tree Removal - Trimming "A"	2022	2-48
1047	Arborist / Tree Work: Tree Removal - Trimming "B"	2023	2-50
1048	Arborist / Tree Work: Tree Removal - Trimming "C"	2024	2-52
1049	Arborist / Tree Work: Tree Removal - Trimming "D"	2022	2-54
1050	Arborist / Tree Work: Tree Removal - Trimming "E"	2030	2-56
1051	Backflow Device: Common Area - Replacement	2030	2-58
1013	Bark Dust: Replenish - Common Area	2022	2-59
1041	Irrigation Controllers & Valves: Phase 1	2022	2-61
1042	Irrigation Controllers & Valves: Phase 2	2022	2-63
1043	Irrigation Controllers & Valves: Phase 3	2024	2-65
1040	Landscape Renovation / Enhancement	2030	2-67
1044	Landscaping: Power Box - Cottages - Replace	2031	2-69
	Total Funded Assets	14	
	Total Unfunded Assets	<u>0</u>	
	Total Assets	14	

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Spread Sheet**

Description	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arborist / Tree Work: Tree Pruning - "Newer"	4,330			4,559			4,800		
Arborist / Tree Work: Tree Pruning - "Older"	7,219			7,600			8,001		
Arborist / Tree Work: Tree Removal - Trimming "A"	20,052								
Arborist / Tree Work: Tree Removal - Trimming "B"		16,504							
Arborist / Tree Work: Tree Removal - Trimming "C"			12,562						
Arborist / Tree Work: Tree Removal - Trimming "D"	11,603								
Arborist / Tree Work: Tree Removal - Trimming "E"									13,003
Backflow Device: Common Area - Replacement									1,146
Bark Dust: Replenish - Common Area	15,849		16,402		16,974		17,567		18,180
Irrigation Controllers & Valves: Phase 1	7,498				8,030				8,600
Irrigation Controllers & Valves: Phase 2	7,498				8,030				8,600
Irrigation Controllers & Valves: Phase 3			20,922				22,408		
Landscape Renovation / Enhancement									13,691
Landscaping: Power Box - Cottages - Replace									
Year Total:	74,049	16,504	49,886	12,159	33,035		52,776		63,221

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Spread Sheet**

Description	2031	2032	2033	2034	2035	2036	2037	2038	2039
Arborist / Tree Work: Tree Pruning - "Newer"	5,053			5,320			5,601		
Arborist / Tree Work: Tree Pruning - "Older"	8,424			8,869			9,337		
Arborist / Tree Work: Tree Removal - Trimming "A"		23,804							
Arborist / Tree Work: Tree Removal - Trimming "B"			19,592						
Arborist / Tree Work: Tree Removal - Trimming "C"				14,912					
Arborist / Tree Work: Tree Removal - Trimming "D"									
Arborist / Tree Work: Tree Removal - Trimming "E"		13,774							
Backflow Device: Common Area - Replacement									
Bark Dust: Replenish - Common Area		18,814		19,471		20,151		20,854	
Irrigation Controllers & Valves: Phase 1				9,211				9,865	
Irrigation Controllers & Valves: Phase 2				9,211				9,865	
Irrigation Controllers & Valves: Phase 3		23,999				25,704			
Landscape Renovation / Enhancement									
Landscaping: Power Box - Cottages - Replace	562								
Year Total:	14,038	80,392	19,592	66,994		45,854	14,938	40,584	

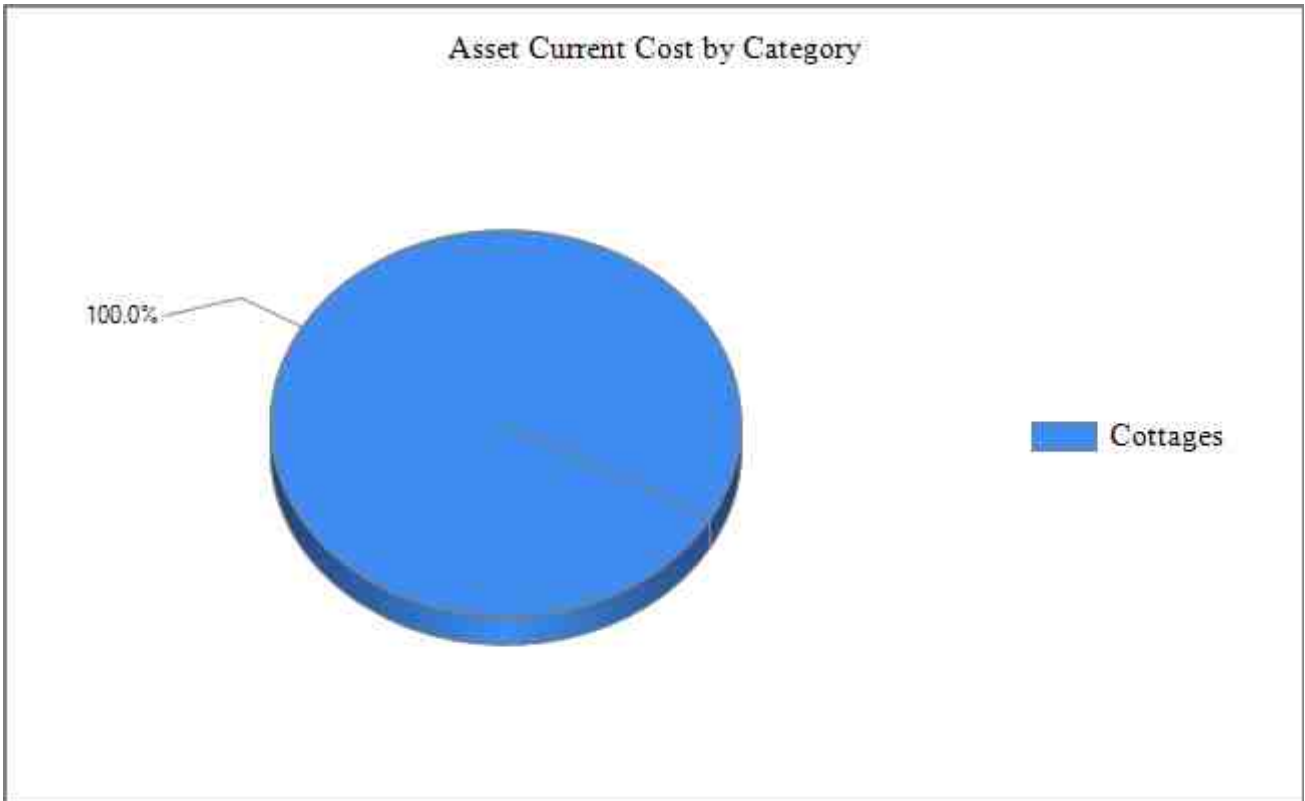
**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Spread Sheet**

Description	2040	2041	2042	2043	2044	2045	2046	2047	2048
Arborist / Tree Work: Tree Pruning - "Newer"	5,896			6,208			6,536		
Arborist / Tree Work: Tree Pruning - "Older"	9,830			10,349			10,895		
Arborist / Tree Work: Tree Removal - Trimming "A"			28,258						
Arborist / Tree Work: Tree Removal - Trimming "B"				23,258					
Arborist / Tree Work: Tree Removal - Trimming "C"					17,702				
Arborist / Tree Work: Tree Removal - Trimming "D"			16,352						
Arborist / Tree Work: Tree Removal - Trimming "E"	15,436								
Backflow Device: Common Area - Replacement									
Bark Dust: Replenish - Common Area	21,582		22,335		23,114		23,921		24,756
Irrigation Controllers & Valves: Phase 1			10,566				11,316		
Irrigation Controllers & Valves: Phase 2			10,566				11,316		
Irrigation Controllers & Valves: Phase 3	27,529				29,484				31,578
Landscape Renovation / Enhancement	16,252								
Landscaping: Power Box - Cottages - Replace									
Year Total:	96,525		88,076	39,815	70,300		63,984		56,334

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Spread Sheet**

Description	2049	2050	2051
Arborist / Tree Work: Tree Pruning - "Newer"	6,881		
Arborist / Tree Work: Tree Pruning - "Older"	11,471		
Arborist / Tree Work: Tree Removal - Trimming "A"			
Arborist / Tree Work: Tree Removal - Trimming "B"			
Arborist / Tree Work: Tree Removal - Trimming "C"			
Arborist / Tree Work: Tree Removal - Trimming "D"			
Arborist / Tree Work: Tree Removal - Trimming "E"		18,325	
Backflow Device: Common Area - Replacement			
Bark Dust: Replenish - Common Area		25,620	
Irrigation Controllers & Valves: Phase 1		12,120	
Irrigation Controllers & Valves: Phase 2		12,120	
Irrigation Controllers & Valves: Phase 3			
Landscape Renovation / Enhancement		19,293	
Landscaping: Power Box - Cottages - Replace			
Year Total:	18,351	87,477	

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Asset Current Cost by Category**



This is the distribution of reserves by category

APPENDIX - PRESENT DAY CONTRIBUTION SCENARIO WITHOUT ANNUAL INFLATION ADJUSTMENT: EXECUTIVE SUMMARY

SCENARIO OVERVIEW

The following page presents an exploratory scenario where the reported present-day annual contribution is simply applied without inflation over the course of thirty (30) years and no other variables are explored. This approach utilizes the same expenditure timetable as presented in the earlier sections of the body of this reserve study.

This scenario is not considered to be a bonafide funding model and is simply presented here for comparison purposes with the actual funding models (e.g. Threshold Funding Model, Component Funding Model) in order to aid in developing an alternate and effective funding strategy.

The scenario presented here may or may not result in a negative ending balance which trigger a special assessment and/or deferring of preventive or required replacements and repairs. It is assumed that all interest accrued from reserve savings account is assumed remain in the reserve savings account(s) and not used as an off-set for operating expenses. Income tax factors were not considered in this funding scenario due to variables effecting net taxable income and the election of tax form to be filed.

This report is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records. Continued use of this reserve study beyond December 31, 2022 is misuse of the product and potentially a violation of applicable law(s).

The author(s) of this report has absolutely no control over whether a special assessment will occur at any time during the thirty year horizon of this reserve study. However, it should be noted that any scenario where the association theoretically operates with a negative bank balance, the situation would have to be cured by implementing a special assessment, or other strategy. The writer further submits that it is impossible to envision thirty years into the future costs or actual future remaining useful lives of components having useful lives extended beyond one year with precision is the functional equivalent of winning the lottery, while it may happen in extraordinary instances by chance, one may not reasonably expect it to happen. As a result, ReserveStudyUpdate.com, LLC makes absolutely no guarantee, express or implied, that a special assessment will not occur during the time period covered by this reserve study. Assumptions on future costs and life expectancy's should be reviewed and adjusted on an annualized basis, as current and future cost projections, building code requirements, and life expectancy's become more uncertain.

Report Version 1.01 (2 of 2).

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Appendix - Contribution Scenario without Inflation: Projection

Report Date May 28, 2021
 Beginning Fiscal Year January 01, 2022
 Account Number 1215b

Version Number 1.01 (2 of

Beginning Balance: \$114,840

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	147,378	32,586	110	74,049	73,488	70,294	105%
2023	149,928	32,586	134	16,504	89,704	84,686	106%
2024	152,521	32,586	109	49,886	72,513	65,887	110%
2025	155,160	32,586	139	12,159	93,079	85,669	109%
2026	157,844	32,586	139	33,035	92,769	85,093	109%
2027	160,575	32,586	188		125,543	118,659	106%
2028	163,353	32,586	158	52,776	105,512	99,672	106%
2029	166,179	32,586	207		138,305	134,610	103%
2030	169,054	32,586	162	63,221	107,832	106,413	101%
2031	171,978	32,586	190	14,038	126,569	128,346	99%
2032	174,954	32,586	118	80,392	78,882	83,751	94%
2033	177,980	32,586	138	19,592	92,013	100,842	91%
2034	181,059	32,586	86	66,994	57,692	70,622	82%
2035	184,192	32,586	135		90,413	108,657	83%
2036	187,378	32,586	116	45,854	77,261	101,341	76%
2037	190,620	32,586	142	14,938	95,052	125,997	75%
2038	193,918	32,586	131	40,584	87,184	125,648	69%
2039	197,272	32,586	180		119,950	167,250	72%
2040	200,685	32,586	84	96,525	56,094	112,059	50%
2041	204,157	32,586	133		88,813	154,802	57%
2042	207,689	32,586	50	88,076	33,373	109,391	31%
2043	211,282	32,586	39	39,815	26,184	113,008	23%
2044	214,937	32,586		70,300	-11,531	86,406	
2045	218,656	32,586	32		21,087	131,603	16%
2046	222,438	32,586		63,984	-10,311	113,247	
2047	226,287	32,586	33		22,308	160,433	14%
2048	230,201	32,586		56,334	-1,439	151,911	
2049	234,184	32,586	19	18,351	12,814	182,676	7%
2050	238,235	32,586		87,477	-42,077	144,461	
2051	242,357	32,586			-9,491	195,400	

Part III - Maintenance Plan Item Inventory - Arbor Ridge P.U.D. Homeowners Association

#1 - Asphalt - Overlay

Frequency: 30-40 Months

Upon replacing the asphalt surface, the surface preparation, materials, and thickness of the overlay should be designed for the climate and traffic anticipated. The surface preparation should be dictated by the distresses that are prevalent in the existing pavement, the degree of roughness, or considerations for curb reveal or surface drainage. A tack coat should always be applied in preparation of a thin overlay on an un-milled surface, although it may not be essential on a milled surface. It may be either modified or unmodified, and the rate of application will be dictated by existing surface requirements. Materials for the overlay should be selected carefully the mixture should be dictated by the planned thickness. Planned seal coat per the manufactures specification may result in an overlay which is viable for thirty years or longer.



#2 - Asphalt Repairs - Walkways

Frequency: 3-5 Years

Upon repairing the asphalt surface, the surface preparation, materials, and thickness of the overlay should be designed for the climate and traffic anticipated. The surface preparation should be dictated by the distresses that are prevalent in the existing pavement, the degree of roughness, or considerations for curb reveal or surface drainage. A tack coat should always be applied in preparation of a thin overlay on an un-milled surface, although it may not be essential on a milled surface. It may be either modified or unmodified, and the rate of application will be dictated by existing surface requirements. Materials for the overlay should be selected carefully the mixture should be dictated by the planned thickness. Planned seal coat per the manufactures specification may result in an overlay which is viable for thirty years or longer.



#3 - Asphalt Seal Coat & Repairs

Frequency: 4-6 Years

Maintenance of asphalt paving includes the periodic application of an asphalt emulsion sealer or seal coat. Seal coating typically maximizes the life expectancy of the underlying overlay. This process is characteristically performed every 4 to 7 years depending on a variety of factors that can affect the useful life of the sealer. Vehicle traffic is one such variable that carries considerable vehicle traffic should consider a maintenance program that calls for seal coating of asphalt driving surfaces as frequently as every 4 years. This maintenance procedure involves thoroughly cleaning all pavements, filling of any surface cracks, and patching of any locally damaged pavement surfaces. The emulsion sealer is then applied. Parking area demarcation lines will need to be renewed each time a seal coat is applied. The component expense includes the cost of this work as well as the seal coating cost. This work should be performed by a licensed and bonded paving contractor.



#4 - Backflow Device - Irrigation

Frequency: 30-45 Months

The backflow preventer is the single most expensive part of your irrigation system. It is also the first item to be damaged if a system is not properly winterized. A certified professional backflow inspector should examine and provide necessary documentation of the test results as required by many municipal jurisdictions. Typically a properly inspected and maintained backflow device has a life expectancy exceeding 30 years.

#5 - Backflow Device - Testing

Frequency: 12 Months

The law requires that the community association notify the local water provider before removing a backflow assembly. A water provider inspector will need to inspect the plumbing to verify the cross connection has been eliminated. A plumbing permit may be required to perform this type of work. All backflow assembly testing should be performed annually and by a certified contractor.

#6 - Bark Dust

Frequency: 2-3 Years

For weed control and aesthetic purposes, it is recommended to refresh the bark dust beds in the common areas every 2 years or so. Immediately adjacent homeowners should be notified in advance because some people may have an adverse reaction to any bark particles which may fly in the air.



#7 - Bollards - Common Area

Frequency: 25-35 Years

Expect replacement of the various bollards in the common areas every 12-18 years or as needed. Illuminated bollards should have light bulbs replaced as needed by a representative from the community. This individual should be empowered to report and/or replace light bulbs as a safety measure. Upon bollard replacement, a style should be selected that does not allow people to use these assets as t-ball stands as this is a common cause of premature failure/damage to these items.



#8 - Brick Masonry – Clean & Tuck Repoint

Frequency: 10 Years

Repointing is the process of removing deteriorated mortar from the joints of a masonry wall and replacing it with new mortar. Repointing restores the visual and physical integrity of the masonry. Disintegrating mortar, cracks in mortar joints, loose bricks or stones, damp walls, and/or damaged plasterwork may prompt the decision to repoint. Facing these obvious signs of deterioration it is important not to assume that repointing alone will solve. The source cause of the deterioration such as leaking roofs or gutters, differential settlement of the building, capillary action causing rising damp, or extreme weather exposure should always be dealt with prior to the commencement work.

It is essential to ensure that the proposed repointing work is both physically and visually appropriate to the building. Analysis of un-weathered sections of the historic mortar to which the new mortar will be matched can suggest appropriate mixes for the repointing mortar. This measure is critical as to avoid damage to the building because it is excessively strong or vapor impermeable.

The relationship of repointing to other labors proposed on the building must be recognized. For example, if paint removal or cleaning is anticipated, and if the mortar joints are basically sound and need only selective repointing, it is generally better to postpone repointing until after completion of these projects. However, if the mortar has eroded significantly, allowing moisture to penetrate deeply into the wall, repointing should be accomplished before cleaning. Anticipated work, such as roof repairs or structural, should be scheduled so that they do not interfere with repointing. It is important to optimize projects planning in order take maximum advantage of erected scaffolding.

All brickwork and other repairs and maintenance to the brick surface should be performed by a licensed and certified professional.



#9 - Bridge - Wood - Pressure Treated

Frequency: 25-30 Years

A wood bridge provides a warm connection with the outdoors, adding to natural area beauty and providing a pathway for transit. But wooden bridges take a lot of abuse, from ongoing use, through continued exposure to weather and possible vandalism. After a few years, without proper care, they become weathered and uninviting.

Fortunately, most wooden bridge surface problems are cosmetic in nature; not structural, because decking is built of durable woods; usually cedar, redwood, or pressure-treated pine. Redwood and cedar heartwoods have a natural resistance to decay and termites; pine is pressure-treated with a pesticide to give it a resilient barrier. Ultraviolet radiation from the sun breaks down surface fibers and lignin, causing surface erosion and graying. Moisture encourages surface mildew and causes stains, particularly in damp or humid climates where surfaces never completely dry. And natural extractives in redwood and cedar can discolor the surface.

The initial steps of restoring a bridge involve cleaning the bridge followed by a diagnostic and treating the discoloration, and then you diagnose and treat any discoloration. Examine the bolts and fastening components carefully and tighten and secure as needed for safety. Finally treat the bridge with a durable finish. If the bridge is crossing a creek or other depression in the earth's surface, beginning be sure to protect the area below it with plastic sheeting or drop cloths.



#10 - Concrete Maintenance

Frequency: TBD Years

Concrete is used as a building material in several areas throughout the association including but not limited to; driveway aprons, sidewalks, entry walks, and trash enclosures. Concrete is very durable and is usually very low maintenance as long as it is protected from misuse including but not limited to repeated hosing, radiator overflow, fertilizers or pesticides, and ice-melting agents.

Only use products designed to be used with concrete to melt snow and ice. Avoid using salt or other chemicals not approved for this purpose to melt ice on concrete surfaces. Salt or other chemicals may damage the concrete and shorten its useful life. If the association elects to use such products, the association needs to plan accordingly for possible earlier repairs or replacement.

Schedule and perform concrete surface inspections every season to determine if cracking, fissures, or settlement have occurred. Check for lifting and tripping hazards. Cordon off safety hazards until appropriate repairs have been made. Correct sources of cracking problems such as tree roots and drainage situations. A certified contractor should grind down and replace sections as needed.



#11 - Fence & Gates-Chain Link

Frequency: 40-60 Years

Unlike other types of fencing, chain link fencing requires very little maintenance and upkeep. No staining, painting, or sealing is required to keep a chain link fence looking great. With chain link, a little hosing down or a simple soap and water mix is all you'll need to clean the fence. In addition to requiring little funds and minimal maintenance, chain link fences are very durable. Not only can they withstand blows from flying baseballs and Frisbees, but they are also highly weather-resistant, ensuring that your fencing investment will return many years of increased security and protection.



#12 - Irrigation Controllers & Valves

Frequency: 5-10 Years

When an electrical impulse is transmitted to the solenoid, an electromagnetic field causes a small metal plunger in the solenoid to move upward. When the plunger moves upward, a small hole in the valve is uncovered which allows the water in the chamber above the closing mechanism to flow through the port and out of the valve, relieving water pressure needed to hold the valve closed. The pressure of the incoming flow of water is greater than the pressure in the chamber above the piston, and the force of the water pushing up underneath the piston opens the valve. When the solenoid is de-energized, the plunger moves down, closing the small port. Water flowing through a small hole in the closing mechanism refills the chamber above the piston and builds up pressure. The increased pressure forces the piston downward, thus closing the valve. All valves have a range of pressure and water flow that must be maintained in order to work properly.



#13 - Irrigation System Startup & Testing

Frequency: 12 Months

It is always best to hire a qualified professional contractor when performing tasks like spring start-up. Irrigation contractors are experts in hydraulics, proper sprinkler system layout, plant watering requirements and soil types. Their skills will ensure a water-efficient system and years of trouble-free operation. During spring startup cycle the batteries should be replaced in battery operated controllers.



#14 - Lights-Entry

Frequency: 10-20 Years

Outdoor lighting maintenance involves much more than simply replacing burnt out light bulbs. Lighting maintenance involves optimizing existing equipment configurations so that homeowners can receive the best return on their financial investment possible and maintain the highest value that outdoor lighting brings to their property.

Start by replacing bulbs that have burned out. An easy, fairly low-cost solution is to replace any medium-base incandescent lamps with screw-base CFLs. However, in cold climates CFLs may be less effective as these bulbs require a higher operating temperature.

Consider replacing the fixture with long-lasting HID or LED lamps as their long lifetimes mean they require less frequent replacement, and the ensuing labor savings and lower energy consumption justify the slightly higher initial investment.



#15 - Lights-Street-Acorn Style

Frequency: 25-35 Years

Outdoor lighting maintenance involves much more than simply replacing burnt out light bulbs. Lighting maintenance involves optimizing existing equipment configurations so that homeowners can receive the best return on their financial investment possible and maintain the highest value that outdoor lighting brings to their property.

Start by replacing bulbs that have burned out. An easy, fairly low-cost solution is to replace any medium-base incandescent lamps with screw-base CFLs. However, in cold climates CFLs may be less effective as these bulbs require a higher operating temperature.

Consider replacing the fixture with long-lasting HID or LED lamps as their long lifetimes mean they require less frequent replacement, and the ensuing labor savings and lower energy consumption justify the slightly higher initial investment.



#16 - Mailbox - Maintenance

Frequency: 4-6 Years

Assess overall condition and function of locks, proper lubrication of moving components, cleanliness and appearance of face plates, security of housing, in compliance with current postal regulations, accuracy and visibility of signage/accessibility of lettering, where required, and condition and proper function of slots and depositories for outgoing mail and packages. Evaluate paint on the gang-style cluster mailbox along with the supporting pedestal. Many times the paint is removed on one quadrant of cluster style mailbox pedestals because of dogs urinating on these specific sections.



If replacement is necessary, check with postmaster for proper placement as many times older mailboxes are grandfathered in terms of sidewalk placement but may have stipulations which require movement upon mailbox replacement. All replacements should be coordinated with residents and the postmaster.

#17 - Mailbox - Replace

Frequency: 30-50 Years

Properly maintained mailboxes typically have a life expectancy exceeding thirty years, however if replacement is necessary check with postmaster for proper placement as many times older mailboxes are grandfathered in terms of sidewalk placement but may have stipulations which require movement upon mailbox replacement. All replacements should be coordinated with residents and the postmaster. A clear plan should be in place for key replacement and/or locksmith services in the event that keys are not interchangeable with the new mailbox units. Homeowners should be notified in writing far in advance in order to avoid any confusion.



#18 - Monument Maintenance

Frequency: 8-12 Years

Even though one of the chief advantages of masonry construction is durability; intermittent inspections and maintenance can extend the life of mason work in structures. Generally, if masonry is properly designed, detailed and constructed, it is extremely durable and requires little maintenance. However, many of the other components incorporated in the mason work such as caps, copings, sills, lintels and sealant joints may require periodic examination and repair. Neglecting maintenance of these components may lead to deterioration of other elements in the wall. Maintenance of buildings may be broken into two general categories; general inspection to identify potential problems with the performance of exterior walls; and maintenance to correct problems which may develop.



Timely inspections should be conducted to determine the condition of the various materials used on a structure.. Yearly inspection periods are recommended so that the behavior of building materials in various weather conditions can be noted. Inspection records, including conditions and comments, should be kept to identify changes in materials, potential problems and needed repair. If the structure is painted, the mason work should be examined carefully prior to the paint cycle. It is not all- inclusive; however, it may establish a guideline for use during inspections. Conditions that may necessitate maintenance or repair actions include; efflorescence, spalling, deteriorating mortar joints, interior moisture damage and mold. Once one more of these conditions becomes evident, the origin of the problem should be determined and action taken to correct both the cause and visible effect of the condition. All labor should be performed by licensed and certified contractors. Replace monument lettering and remove graffiti as needed.



#19 - Retaining Wall Maintenance

Frequency: TBD Years

Bricks typically have a life expectancy exceeding thirty years. However bricks tend to "move" over time and require periodic work and cleaning. Bricks may be pushed up by tree roots or just shifted thanks to water runoff and erosion. Bricks should ideally be cleaned carefully with a power washer or a cleaning agent such as 30 Second Cleaner to avoid buildup of moss and algae.



#20 - Signs - Various

Frequency: 10-20 Years

Most of the outdoor street signs will require replacement within 12 – 18 years depending on a variety of factors including but not limited to; theft, graffiti, sun fade, and other considerations. Signs and support poles may become bent by moving vehicles and trash haulers and should be addressed in a timely manner. Replacements should be of a comparable sign and meet DOT specifications and local codes.



#21 - String Trimming - Pathway

Frequency: 6-8 Months

Carefully string trimming in and around the water quality pond should be done as needed to maintain a consistent appearance with the surrounding turf. Debris from such trimming will be removed from pathways and any parking lots and roadways immediately. String trimming shall be completed with adequate care, so as to not damage trees, fencing or other objects.

This line item is for any major work required in maintaining the open spaces in the community.



#22 - Tree-Maintenance

Frequency: 6-10 Years

The first pruning of young trees and shrubs always consists of removing broken, crossing, and weak-structured branches. The recommendation to remove one-third of the top to compensate for root loss of balled and bur lapped material at transplanting has been revised. Prune these plants for structural integrity and cosmetic reasons only. Plenty of water during establishment will take care of the root loss problem. Trees with a central leader, such as cedar, sweet gum, or pin oak, may need little or no pruning except to eliminate branches competing with the central leader; these should be shortened. Some pruning may be necessary to maintain desired shape and shorten extra-vigorous shoots on trees that spread. Depending on the species and the desired impact, the height of the lowest branch can be a few inches above the ground.



#23 - Vinyl Fence

Frequency: 30-40 Years

As an alternative to wood, vinyl fence requires no painting or staining. Vinyl fence will keep its superior look for years longer than wood fence with minimal maintenance required. The prices generally are higher than wood fences, however, the concept that it does not need stained, painted or treated in any way will reduce the maintenance and replacement costs over the long term. Vinyl fence is increasingly becoming the preferred choice for homeowners looking for a maintenance-free fence solution. A long-lasting, easy-care alternative to wood, vinyl fence won't rot, warp, peel or splinter. In addition, time won't be wasted or money on sanding, staining or painting every few years. Vinyl also offers excellent weather-ability and is impervious to termites and wood-boring insects that can wreak havoc on a wood fence. Simply spray it with a hose from time to time to maintain its original beauty.



#24 - Winterize Irrigation System

Frequency: 12 Months

As winter approaches it is important to take care to prepare your irrigation system for the coming of cold weather. Water left in an irrigation system can freeze and damage pipes. Compressed air to remove all water from the irrigation system will eliminate risk of damaged pipes. Leave backflow valve in place for the upcoming year.

