



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)

Fiscal Year: January 1, 2023 to December 31, 2023



OFF-SITE RESERVE STUDY & MAINTENANCE PLAN

ReserveStudyUpdate.com, LLC

P.O. Box 66778

Portland, Oregon 97290

Phone: 503-862-9349

Prepared By

Brian A. Owens

TABLE OF CONTENTS
Arbor Ridge P.U.D. Homeowners Association - Cottage Collection

PART I INFORMATION ABOUT YOUR RESERVE STUDY

Important Information	1-1
Introduction	1-2
Funding Options	1-2
Types of Reserve Studies	1-3
Developing a Component List	1-3
Operational Expenses	1-4
Reserve Expenses	1-4
Funding Methods	1-5
Funding Strategies	1-6
Distribution of Reserves	1-7
Users Guide to Your Reserve Study	1-9
Definitions	1-9
Your Reserve Study is a Multi-Purpose Tool	1-12

PART II RESERVE STUDY

Level III Update Off-Site: Six Minute Full Report Summary	2-1
Annual Expenditure Detail	2-3
Threshold Funding Model - Dollar Defined Minimum: Executive Summary	2-8
Threshold Funding Model - Dollar Defined Minimum: Summary	2-11
Threshold Funding Model - Dollar Defined Minimum: Projection	2-12
TFM - Dollar Defined Minimum: Component Summary by Category	2-13
TFM - Dollar Defined Minimum: Distribution of Accumulated Reserves	2-14
Component Funding Model: Executive Summary	2-15
Component Funding Model: Summary	2-18
Component Funding Model: Projection	2-19
Component Funding Model: Assessment & Category Summary	2-20
Component Funding Model: Component Summary by Category	2-21
Component Funding Model: Distribution of Accumulated Reserves	2-22
Baseline Funding Model: Executive Summary	2-23
Baseline Funding Model: Summary	2-26
Baseline Funding Model: Projection	2-27
Baseline Funding Model: Component Summary by Category	2-28
Baseline Funding Model: Distribution of Accumulated Reserves	2-29
Detail Report by Category (Dollar Defined Threshold Funding Model)	2-30
Category Detail Index	2-59

TABLE OF CONTENTS

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

Category Detail Index	2-59
Spread Sheet	2-60
Asset Current Cost by Category	2-63
Appendix - Contribution Scenario with Inflation: Executive Summary	2-64
Appendix - Contribution Scenario with Inflation: Projection	2-65
Appendix - Contribution Scenario without Inflation: Executive Summary	2-66
Appendix - Contribution Scenario without Inflation: Projection	2-67

PART III MAINTENANCE PLAN

Maintenance Plan Detail	3-1
-------------------------------	-----

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

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

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.

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

Part One

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.

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

Part One

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.

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

Part One

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.

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

Part One

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.

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

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.

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

Part One

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.

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

Part One

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.

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

Part One

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.

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

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).

**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Part One**

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

Brian A. Owens, RSS, PRA, RS
Reserve Analyst
ReserveStudyUpdate.com, LLC
PO Box 66778
Portland, Oregon 97290-6778
www.ReserveStudyUpdate.com
Phone: 503-862-9349



*RSS (Reserve Study Specialist - State of Nevada - Licensed Reserve Analyst #RSS.0000160)
PRA (Professional Reserve Analyst #2299 - Association of Professional Reserve Analysts)
RS (Reserve Specialist #279 - Community Associations Institute)*

**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 July 7, 2022 for fiscal year starting January 1, 2023.**
- **This is a Level III: Off-Site Reserve Study Update.**
- **Reserve account balance as of January 1, 2023: \$114,750**
- **Estimated percent funded as of January 1, 2023: 82.15%**
- **Estimated "Fully Funded Reserves" as of the beginning of fiscal year 2023: \$139,686***
**Please note, this figure represents the estimated "Fully Funded Reserves" in order to be considered 100% funded as of January, 1 2023 and does not represent the amount of money on-hand.*
- **Projected percent funded as of the end of 2023: (contingent on which funding model is implemented)**
Component Funding Model: 91.58% (does not include contingency of 3.00%)
Threshold Funding Model - Dollar Defined (\$44,219) Minimum: 67.61%
Baseline Funding Model: 61.16%
- **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: 1.84%.**
- **2023 reserve account contribution rate:**
Component Funding Model: \$54,477
Threshold Funding Model - Dollar Defined (\$44,219) Minimum: \$35,185
Baseline Funding Model: \$30,527
- **2023 Component Funding Model (Fully Funded Plan) contribution: \$54,477**
2023 Threshold Funding Model - (Dollar Defined Funding Floor) contribution: \$35,185 (recommended model)
2023 Baseline Funding Model contribution: \$30,527
- **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:**
"Component Funding Model Projection"
"Threshold Funding Model - Dollar 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**

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

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 July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Description	Expenditures
Replacement Year 2023	
Arborist / Tree Work: Tree Pruning - "Newer"	4,850
Arborist / Tree Work: Tree Pruning - "Older"	8,085
Arborist / Tree Work: Tree Removal - Trimming "A"	22,458
Arborist / Tree Work: Tree Removal - Trimming "B"	18,170
Arborist / Tree Work: Tree Removal - Trimming "D"	12,996
Bark Dust: Replenish - Common Area	17,751
Irrigation Controllers & Valves: Phase 1	8,397
Irrigation Controllers & Valves: Phase 2	8,397
Total for 2023	\$101,104
Replacement Year 2024	
Arborist / Tree Work: Tree Removal - Trimming "C"	13,845
Irrigation Controllers & Valves: Phase 3	23,059
Total for 2024	\$36,904
Replacement Year 2025	
Bark Dust: Replenish - Common Area	18,410
Total for 2025	\$18,410
Replacement Year 2026	
Arborist / Tree Work: Tree Pruning - "Newer"	5,122
Arborist / Tree Work: Tree Pruning - "Older"	8,540
Total for 2026	\$13,662
Replacement Year 2027	
Bark Dust: Replenish - Common Area	19,094
Irrigation Controllers & Valves: Phase 1	9,033
Irrigation Controllers & Valves: Phase 2	9,033
Total for 2027	\$37,159
Replacement Year 2028	
Irrigation Controllers & Valves: Phase 3	24,804
Total for 2028	\$24,804

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

Description	Expenditures
Replacement Year 2029	
Arborist / Tree Work: Tree Pruning - "Newer"	5,410
Arborist / Tree Work: Tree Pruning - "Older"	9,020
Bark Dust: Replenish - Common Area	19,803
Total for 2029	\$34,233
Replacement Year 2030	
Arborist / Tree Work: Tree Removal - Trimming "E"	14,425
Backflow Device: Common Area - Replacement	1,704
Landscape Renovation / Enhancement	15,187
Total for 2030	\$31,316
Replacement Year 2031	
Bark Dust: Replenish - Common Area	20,538
Irrigation Controllers & Valves: Phase 1	9,716
Irrigation Controllers & Valves: Phase 2	9,716
Landscaping: Power Box - Cottages - Replace	624
Total for 2031	\$40,594
Replacement Year 2032	
Arborist / Tree Work: Tree Pruning - "Newer"	5,715
Arborist / Tree Work: Tree Pruning - "Older"	9,527
Irrigation Controllers & Valves: Phase 3	26,680
Total for 2032	\$41,922
Replacement Year 2033	
Arborist / Tree Work: Tree Removal - Trimming "A"	26,950
Arborist / Tree Work: Tree Removal - Trimming "B"	21,804
Arborist / Tree Work: Tree Removal - Trimming "D"	15,595
Bark Dust: Replenish - Common Area	21,301
Total for 2033	\$85,650
Replacement Year 2034	
Arborist / Tree Work: Tree Removal - Trimming "C"	16,614
Total for 2034	\$16,614

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

Description	Expenditures
Replacement Year 2035	
Arborist / Tree Work: Tree Pruning - "Newer"	6,036
Arborist / Tree Work: Tree Pruning - "Older"	10,062
Bark Dust: Replenish - Common Area	22,092
Irrigation Controllers & Valves: Phase 1	10,451
Irrigation Controllers & Valves: Phase 2	10,451
Total for 2035	\$59,093
Replacement Year 2036	
Irrigation Controllers & Valves: Phase 3	28,699
Total for 2036	\$28,699
Replacement Year 2037	
Bark Dust: Replenish - Common Area	22,913
Total for 2037	\$22,913
Replacement Year 2038	
Arborist / Tree Work: Tree Pruning - "Newer"	6,375
Arborist / Tree Work: Tree Pruning - "Older"	10,628
Total for 2038	\$17,003
Replacement Year 2039	
Bark Dust: Replenish - Common Area	23,763
Irrigation Controllers & Valves: Phase 1	11,242
Irrigation Controllers & Valves: Phase 2	11,242
Total for 2039	\$46,247
Replacement Year 2040	
Arborist / Tree Work: Tree Removal - Trimming "E"	17,310
Irrigation Controllers & Valves: Phase 3	30,870
Landscape Renovation / Enhancement	18,225
Total for 2040	\$66,405
Replacement Year 2041	
Arborist / Tree Work: Tree Pruning - "Newer"	6,734
Arborist / Tree Work: Tree Pruning - "Older"	11,226

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

Description	Expenditures
<i>Replacement Year 2041 continued...</i>	
Bark Dust: Replenish - Common Area	24,646
Total for 2041	\$42,605
 <i>No Replacement in 2042</i>	
Replacement Year 2043	
Arborist / Tree Work: Tree Removal - Trimming "A"	32,340
Arborist / Tree Work: Tree Removal - Trimming "B"	26,165
Arborist / Tree Work: Tree Removal - Trimming "D"	18,714
Bark Dust: Replenish - Common Area	25,561
Irrigation Controllers & Valves: Phase 1	12,092
Irrigation Controllers & Valves: Phase 2	12,092
Total for 2043	\$126,966
 Replacement Year 2044	
Arborist / Tree Work: Tree Pruning - "Newer"	7,112
Arborist / Tree Work: Tree Pruning - "Older"	11,857
Arborist / Tree Work: Tree Removal - Trimming "C"	19,937
Irrigation Controllers & Valves: Phase 3	33,206
Total for 2044	\$72,111
 Replacement Year 2045	
Bark Dust: Replenish - Common Area	26,511
Total for 2045	\$26,511
 <i>No Replacement in 2046</i>	
Replacement Year 2047	
Arborist / Tree Work: Tree Pruning - "Newer"	7,512
Arborist / Tree Work: Tree Pruning - "Older"	12,523
Bark Dust: Replenish - Common Area	27,495
Irrigation Controllers & Valves: Phase 1	13,007
Irrigation Controllers & Valves: Phase 2	13,007
Total for 2047	\$73,545

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

Description	Expenditures
Replacement Year 2048	
Irrigation Controllers & Valves: Phase 3	35,718
Total for 2048	<u>\$35,718</u>
Replacement Year 2049	
Bark Dust: Replenish - Common Area	28,516
Total for 2049	<u>\$28,516</u>
Replacement Year 2050	
Arborist / Tree Work: Tree Pruning - "Newer"	7,934
Arborist / Tree Work: Tree Pruning - "Older"	13,227
Arborist / Tree Work: Tree Removal - Trimming "E"	20,772
Landscape Renovation / Enhancement	21,870
Total for 2050	<u>\$63,804</u>
Replacement Year 2051	
Bark Dust: Replenish - Common Area	29,575
Irrigation Controllers & Valves: Phase 1	13,991
Irrigation Controllers & Valves: Phase 2	13,991
Total for 2051	<u>\$57,558</u>
Replacement Year 2052	
Irrigation Controllers & Valves: Phase 3	38,420
Total for 2052	<u>\$38,420</u>

**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, 2023 and ending December 31, 2023. 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 \$114,750 as of January, 1 2023. 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 \$44,219 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 1.84% 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 67.61% 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 14 assets were included in this reserve study report; of these considered, 14 were funded and 0 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, 2023 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	July 7, 2022
Account Number	1215b
Version	1.01 (2 of 2)
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	316

<i>Report Parameters</i>	
Inflation	1.84%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.15%
2023 Beginning Balance	\$114,750

<i>Threshold Funding Model Summary of Calculations</i>	
Required Annual Contribution	\$35,185.13
<i>\$111.35 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$73.25</u>
Total Annual Allocation to Reserves	\$35,258.38
<i>\$111.58 per unit annually</i>	

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

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Beginning Balance: \$114,750

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	165,444	35,185	73	101,104	48,904	72,331	68%
2024	168,489	32,153	66	36,904	44,219	69,726	63%
2025	171,589	33,117	88	18,410	59,015	86,527	68%
2026	174,746	34,111	119	13,662	79,583	109,103	73%
2027	177,961	35,134	116	37,159	77,675	108,806	71%
2028	181,236	36,188	134	24,804	89,193	121,741	73%
2029	184,571	37,274	138	34,233	92,373	125,977	73%
2030	187,967	38,392	149	31,316	99,598	133,940	74%
2031	191,425	39,544	148	40,594	98,696	133,292	74%
2032	194,947	40,730	146	41,922	97,651	131,982	74%
2033	198,534	38,813	76	85,650	50,889	86,832	59%
2034	202,188	39,977	111	16,614	74,364	111,887	66%
2035	205,908	41,176	85	59,093	56,532	94,886	60%
2036	209,696	42,412	105	28,699	70,351	109,282	64%
2037	213,555	43,684	137	22,913	91,259	130,606	70%
2038	217,484	44,995	179	17,003	119,429	159,125	75%
2039	221,486	46,344	179	46,247	119,706	159,185	75%
2040	225,561	47,735	152	66,405	101,187	139,533	73%
2041	229,712	49,167	162	42,605	107,911	144,585	75%
2042	233,938	50,642	238		158,790	193,963	82%
2043	238,243	52,161	126	126,966	84,112	115,807	73%
2044	242,626	37,179	74	72,111	49,253	92,952	53%
2045	247,091	38,295	92	26,511	61,129	117,009	52%
2046	251,637	39,444	151		100,723	169,414	59%
2047	256,267	40,627	102	73,545	67,907	148,809	46%
2048	260,983	41,846	111	35,718	74,146	167,291	44%
2049	265,785	43,101	133	28,516	88,863	194,406	46%
2050	270,675	44,394	104	63,804	69,558	187,059	37%
2051	275,656	45,726	87	57,558	57,813	186,933	31%
2052	280,728	47,098	100	38,420	66,590	207,307	32%

Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
TFM - 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"	4,850	3	0		4,850	1,144.54	4,850
Arborist / Tree Work: Tree Pruning - "Older"	8,085	3	0		8,085	1,908.05	8,085
Arborist / Tree Work: Tree Removal - Trimming "A"	22,458	10	0		22,458	1,797.02	22,458
Arborist / Tree Work: Tree Removal - Trimming "B"	18,170	10	0		18,170	1,453.91	18,170
Arborist / Tree Work: Tree Removal - Trimming "C"	13,845	10	1		12,235	1,068.24	12,235
Arborist / Tree Work: Tree Removal - Trimming "D"	12,996	10	0		12,996	1,039.87	12,996
Arborist / Tree Work: Tree Removal - Trimming "E"	14,425	10	7		0	1,377.15	3,809
Backflow Device: Common Area - Replacement	1,704	30	7		0	162.70	1,150
Bark Dust: Replenish - Common Area	17,751	2	0		17,751	6,174.82	17,751
Irrigation Controllers & Valves: Phase 1	8,397	4	0		8,397	1,512.54	8,397
Irrigation Controllers & Valves: Phase 2	8,397	4	0		8,397	1,512.54	8,397
Irrigation Controllers & Valves: Phase 3	23,059	4	1		1,410	14,531.75	16,982
Landscape Renovation / Enhancement	15,187	10	7		0	1,449.94	4,010
Landscaping: Power Box - Cottages - Replace	624	30	8		0	52.06	395
Cottages - Total	<u>\$169,948</u>				<u>\$114,750</u>	<u>\$35,185</u>	<u>\$139,686</u>
Grand Total:	<u>\$169,948</u>				<u>\$114,750</u>	<u>\$35,185</u>	<u>\$139,686</u>

Percent Fully Funded	82%
Current Average Liability per Unit (Total Units: 316)	-\$79

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

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Arborist / Tree Work: Tree Pruning - "Newer"	0	2023	4,850	4,850
Arborist / Tree Work: Tree Pruning - "Older"	0	2023	8,085	8,085
Irrigation Controllers & Valves: Phase 1	0	2023	8,397	8,397
Irrigation Controllers & Valves: Phase 2	0	2023	8,397	8,397
Arborist / Tree Work: Tree Removal - Trimming "D"	0	2023	12,996	12,996
Bark Dust: Replenish - Common Area	0	2023	17,751	17,751
Arborist / Tree Work: Tree Removal - Trimming "B"	0	2023	18,170	18,170
Arborist / Tree Work: Tree Removal - Trimming "A"	0	2023	22,458	22,458
Arborist / Tree Work: Tree Removal - Trimming "C"	1	2024	12,235	12,235
Irrigation Controllers & Valves: Phase 3	1	2024	* 1,410	16,982
Backflow Device: Common Area - Replacement	7	2030		1,150
Arborist / Tree Work: Tree Removal - Trimming "E"	7	2030		3,809
Landscape Renovation / Enhancement	7	2030		4,010
Landscaping: Power Box - Cottages - Replace	8	2031		395
Total Asset Summary			<u>\$114,750</u>	<u>\$139,686</u>

Percent Fully Funded	82%
Current Average Liability per Unit (Total Units: 316)	-\$79

'' Indicates Partially Funded*

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, 2023 and ending December 31, 2023. 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 \$114,750 as of January 1, 2023. 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 3.00% per year.

INFLATION RATE: An inflation rate of 1.84% 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 91.58% 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.

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 14 assets were included in this reserve study report; of these considered, 14 were funded and 0 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.

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, 2023 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, 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	July 7, 2022
Account Number	1215b
Version	1.01 (2 of 2)
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	316

<i>Report Parameters</i>	
Inflation	1.84%
Interest Rate on Reserve Deposit	0.15%
Contingency	3.00%
2023 Beginning Balance	\$114,750

Component Funding Model Summary of Calculations

Required Annual Contribution	\$54,476.99
<i>\$172.40 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$102.18</u>
Total Annual Allocation to Reserves	\$54,579.17
<i>\$172.72 per unit annually</i>	

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

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Beginning Balance: \$114,750

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	165,444	54,477	102	101,104	68,225	74,501	92%
2024	168,489	35,440	100	36,904	66,861	71,818	93%
2025	171,589	36,180	127	18,410	84,758	89,123	95%
2026	174,746	38,041	164	13,662	109,301	112,376	97%
2027	177,961	37,561	165	37,159	109,868	112,071	98%
2028	181,236	38,226	185	24,804	123,475	125,393	98%
2029	184,571	37,729	190	34,233	127,162	129,757	98%
2030	187,967	40,325	204	31,316	136,374	137,959	99%
2031	191,425	39,367	203	40,594	135,350	137,290	99%
2032	194,947	40,876	201	41,922	134,506	135,942	99%
2033	198,534	39,172	132	85,650	88,160	89,437	99%
2034	202,188	42,801	172	16,614	114,518	115,244	99%
2035	205,908	40,080	143	59,093	95,648	97,733	98%
2036	209,696	43,362	165	28,699	110,477	112,560	98%
2037	213,555	44,059	197	22,913	131,820	134,524	98%
2038	217,484	46,650	242	17,003	161,709	163,898	99%
2039	221,486	45,693	242	46,247	161,396	163,961	98%
2040	225,561	46,400	212	66,405	141,604	143,719	99%
2041	229,712	47,547	220	42,605	146,765	148,922	99%
2042	233,938	51,580	298		198,643	199,782	99%
2043	238,243	46,060	177	126,966	117,913	119,281	99%
2044	242,626	47,909	141	72,111	93,852	95,741	98%
2045	247,091	50,589	177	26,511	118,107	120,519	98%
2046	251,637	54,466	259		172,832	174,496	99%
2047	256,267	50,483	225	73,545	149,994	153,274	98%
2048	260,983	54,680	253	35,718	169,210	172,310	98%
2049	265,785	55,978	295	28,516	196,967	200,238	98%
2050	270,675	56,721	285	63,804	190,169	192,671	99%
2051	275,656	56,388	283	57,558	189,282	192,541	98%
2052	280,728	60,705	317	38,420	211,884	213,526	99%

**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"	2023	3	0	0	4,850	4,850	4,850
Arborist / Tree Work: Tree Pruning - "Older"	2023	3	0	0	8,085	8,085	8,085
Arborist / Tree Work: Tree Removal - Trimming "A"	2023	10	0	0	22,458	22,458	22,458
Arborist / Tree Work: Tree Removal - Trimming "B"	2023	10	0	0	18,170	18,170	18,170
Arborist / Tree Work: Tree Removal - Trimming "C"	2024	10	0	1	13,595	10,303	12,235
Arborist / Tree Work: Tree Removal - Trimming "D"	2023	10	0	0	12,996	12,996	12,996
Arborist / Tree Work: Tree Removal - Trimming "E"	2030	10	0	7	12,696	0	3,809
Backflow Device: Common Area - Replacement	2030	30	0	7	1,500	0	1,150
Bark Dust: Replenish - Common Area	2023	2	0	0	17,751	17,751	17,751
Irrigation Controllers & Valves: Phase 1	2023	4	0	0	8,397	8,397	8,397
Irrigation Controllers & Valves: Phase 2	2023	4	0	0	8,397	8,397	8,397
Irrigation Controllers & Valves: Phase 3	2024	4	0	1	22,643	0	16,982
Landscape Renovation / Enhancement	2030	10	0	7	13,367	0	4,010
Landscaping: Power Box - Cottages - Replace	2031	30	0	8	539	0	395
Cottages - Total					<u>\$165,444</u>	<u>\$111,408</u>	<u>\$139,686</u>
Total Asset Summary					<u>\$165,444</u>	<u>\$111,408</u>	<u>\$139,686</u>
Contingency at 3.00%						<u>\$3,342</u>	<u>\$4,191</u>
Summary Total						<u>\$114,750</u>	<u>\$143,876</u>

Percent Fully Funded	80%
Current Average Liability per Unit (Total Units: 316)	-\$92

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

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Cottages							
Arborist / Tree Work: Tree Pruning - "Newer"	4,850	3	0		4,850	1,532.13	4,850
Arborist / Tree Work: Tree Pruning - "Older"	8,085	3	0		8,085	2,554.20	8,085
Arborist / Tree Work: Tree Removal - Trimming "A"	22,458	10	0		22,458	2,312.01	22,458
Arborist / Tree Work: Tree Removal - Trimming "B"	18,170	10	0		18,170	1,870.57	18,170
Arborist / Tree Work: Tree Removal - Trimming "C"	13,845	10	1		10,303	3,820.80	12,235
Arborist / Tree Work: Tree Removal - Trimming "D"	12,996	10	0		12,996	1,337.88	12,996
Arborist / Tree Work: Tree Removal - Trimming "E"	14,425	10	7		0	1,788.09	3,809
Backflow Device: Common Area - Replacement	1,704	30	7		0	211.25	1,150
Bark Dust: Replenish - Common Area	17,751	2	0		17,751	8,495.48	17,751
Irrigation Controllers & Valves: Phase 1	8,397	4	0		8,397	1,996.63	8,397
Irrigation Controllers & Valves: Phase 2	8,397	4	0		8,397	1,996.63	8,397
Irrigation Controllers & Valves: Phase 3	23,059	4	1		0	23,024.64	16,982
Landscape Renovation / Enhancement	15,187	10	7		0	1,882.60	4,010
Landscaping: Power Box - Cottages - Replace	624	30	8		0	67.37	395
Cottages - Total	\$169,948				\$111,408	\$52,890	\$139,686
Asset Summary Total:	\$169,948				\$111,408	\$52,890	\$139,686
Contingency at 3.00%					\$3,342	\$1,587	\$4,191
Grand Total:					\$114,750	\$54,477	\$143,876

Percent Fully Funded	80%
Current Average Liability per Unit (Total Units: 316)	-\$92

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

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Arborist / Tree Work: Tree Pruning - "Newer"	0	2023	4,850	4,850
Arborist / Tree Work: Tree Pruning - "Older"	0	2023	8,085	8,085
Arborist / Tree Work: Tree Removal - Trimming "D"	0	2023	12,996	12,996
Bark Dust: Replenish - Common Area	0	2023	17,751	17,751
Arborist / Tree Work: Tree Removal - Trimming "B"	0	2023	18,170	18,170
Arborist / Tree Work: Tree Removal - Trimming "A"	0	2023	22,458	22,458
Arborist / Tree Work: Tree Removal - Trimming "C"	1	2024	* 10,303	12,235
Irrigation Controllers & Valves: Phase 1	0	2023	8,397	8,397
Irrigation Controllers & Valves: Phase 2	0	2023	8,397	8,397
Irrigation Controllers & Valves: Phase 3	1	2024		16,982
Backflow Device: Common Area - Replacement	7	2030		1,150
Arborist / Tree Work: Tree Removal - Trimming "E"	7	2030		3,809
Landscape Renovation / Enhancement	7	2030		4,010
Landscaping: Power Box - Cottages - Replace	8	2031		395
			<u>\$111,408</u>	<u>\$139,686</u>
			<u>\$3,342</u>	<u>\$4,191</u>
			\$114,750	\$143,876

Percent Fully Funded	80%
Current Average Liability per Unit (Total Units: 316)	-\$92

'' Indicates Partially Funded*

EXECUTIVE SUMMARY - BASELINE FUNDING MODEL

BASELINE FUNDING MODEL OVERVIEW

The goal of the "Baseline Funding Model" is to keep the reserve cash balance above zero at all times without special assessments. 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, or component cost overrun can result in a serious 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 as compared with other more conservative funding models.

It is our position that the Association should only utilize the "Baseline Funding Model" for the express purpose of evaluating and comparing other proposed funding methods. Previous clients have reported utilizing the "Baseline Funding Model" as a functional equivalent of a financial stress test of the possible outcome of a series of reserve contributions over the course of time.

We have therefore included the "Baseline Funding Model" in this reserve study for "informational purpose only" and we do not consider the model as a bonafide funding strategy with the exception of state statutory disclosure requirements to disclose this specific model.

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2023 and ending December 31, 2023. 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 \$114,750 as of January 1, 2023. 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 \$0 has been used over the thirty years of this reserve study. The reserve study has an annual contribution increase of 3.00% per year.

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

INFLATION RATE: An inflation rate of 1.84% 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 61.16% 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.

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 14 assets were included in this reserve study report; of these considered, 14 were funded and 0 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

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

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, 2023 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, 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
Baseline Funding Model: Summary**

Report Date	July 7, 2022
Account Number	1215b
Version	1.01 (2 of 2)
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	316

<i>Report Parameters</i>	
Inflation	1.84%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.15%
2023 Beginning Balance	\$114,750

Baseline Funding Model Summary of Calculations

Required Annual Contribution	\$30,526.52
<i>\$96.60 per unit annually</i>	
Average Net Annual Interest Earned	<u> \$66.26</u>
Total Annual Allocation to Reserves	\$30,592.78
<i>\$96.81 per unit annually</i>	

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

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Beginning Balance: \$114,750

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	165,444	30,527	66	101,104	44,238	72,331	61%
2024	168,489	31,442	58	36,904	38,835	69,726	56%
2025	171,589	32,386	79	18,410	52,890	86,527	61%
2026	174,746	33,357	109	13,662	72,694	109,103	67%
2027	177,961	34,358	105	37,159	69,997	108,806	64%
2028	181,236	35,389	121	24,804	80,703	121,741	66%
2029	184,571	36,450	124	34,233	83,045	125,977	66%
2030	187,967	37,544	134	31,316	89,406	133,940	67%
2031	191,425	38,670	131	40,594	87,614	133,292	66%
2032	194,947	39,830	128	41,922	85,651	131,982	65%
2033	198,534	38,828	58	85,650	38,887	86,832	45%
2034	202,188	39,993	93	16,614	62,359	111,887	56%
2035	205,908	41,193	67	59,093	44,526	94,886	47%
2036	209,696	42,429	87	28,699	58,343	109,282	53%
2037	213,555	43,702	119	22,913	79,251	130,606	61%
2038	217,484	45,013	161	17,003	107,421	159,125	68%
2039	221,486	46,363	161	46,247	107,698	159,185	68%
2040	225,561	47,754	134	66,405	89,181	139,533	64%
2041	229,712	49,186	144	42,605	95,906	144,585	66%
2042	233,938	50,662	220		146,788	193,963	76%
2043	238,243	52,182	108	126,966	72,112	115,807	62%
2044	242,626	46,098	69	72,111	46,168	92,952	50%
2045	247,091	47,481	101	26,511	67,239	117,009	57%
2046	251,637	48,906	174		116,319	169,414	69%
2047	256,267	50,373	140	73,545	93,286	148,809	63%
2048	260,983	51,884	164	35,718	109,616	167,291	66%
2049	265,785	53,440	202	28,516	134,742	194,406	69%
2050	270,675	55,044	189	63,804	126,171	187,059	67%
2051	275,656	56,695	188	57,558	125,496	186,933	67%
2052	280,728	58,396	218	38,420	145,690	207,307	70%

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

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Cottages							
Arborist / Tree Work: Tree Pruning - "Newer"	4,850	3	0		4,850	993.00	4,850
Arborist / Tree Work: Tree Pruning - "Older"	8,085	3	0		8,085	1,655.42	8,085
Arborist / Tree Work: Tree Removal - Trimming "A"	22,458	10	0		22,458	1,559.09	22,458
Arborist / Tree Work: Tree Removal - Trimming "B"	18,170	10	0		18,170	1,261.40	18,170
Arborist / Tree Work: Tree Removal - Trimming "C"	13,845	10	1		12,235	926.80	12,235
Arborist / Tree Work: Tree Removal - Trimming "D"	12,996	10	0		12,996	902.19	12,996
Arborist / Tree Work: Tree Removal - Trimming "E"	14,425	10	7		0	1,194.81	3,809
Backflow Device: Common Area - Replacement	1,704	30	7		0	141.16	1,150
Bark Dust: Replenish - Common Area	17,751	2	0		17,751	5,357.26	17,751
Irrigation Controllers & Valves: Phase 1	8,397	4	0		8,397	1,312.28	8,397
Irrigation Controllers & Valves: Phase 2	8,397	4	0		8,397	1,312.28	8,397
Irrigation Controllers & Valves: Phase 3	23,059	4	1		1,410	12,607.70	16,982
Landscape Renovation / Enhancement	15,187	10	7		0	1,257.97	4,010
Landscaping: Power Box - Cottages - Replace	624	30	8		0	45.17	395
Cottages - Total	\$169,948				\$114,750	\$30,527	\$139,686
Grand Total:	\$169,948				\$114,750	\$30,527	\$139,686

Percent Fully Funded	82%
Current Average Liability per Unit (Total Units: 316)	-\$79

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

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Arborist / Tree Work: Tree Pruning - "Newer"	0	2023	4,850	4,850
Arborist / Tree Work: Tree Pruning - "Older"	0	2023	8,085	8,085
Irrigation Controllers & Valves: Phase 1	0	2023	8,397	8,397
Irrigation Controllers & Valves: Phase 2	0	2023	8,397	8,397
Arborist / Tree Work: Tree Removal - Trimming "D"	0	2023	12,996	12,996
Bark Dust: Replenish - Common Area	0	2023	17,751	17,751
Arborist / Tree Work: Tree Removal - Trimming "B"	0	2023	18,170	18,170
Arborist / Tree Work: Tree Removal - Trimming "A"	0	2023	22,458	22,458
Arborist / Tree Work: Tree Removal - Trimming "C"	1	2024	12,235	12,235
Irrigation Controllers & Valves: Phase 3	1	2024	* 1,410	16,982
Backflow Device: Common Area - Replacement	7	2030		1,150
Arborist / Tree Work: Tree Removal - Trimming "E"	7	2030		3,809
Landscape Renovation / Enhancement	7	2030		4,010
Landscaping: Power Box - Cottages - Replace	8	2031		395
Total Asset Summary			<u>\$114,750</u>	<u>\$139,686</u>

Percent Fully Funded	82%
Current Average Liability per Unit (Total Units: 316)	-\$79

'' Indicates Partially Funded*

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

Report Date July 07, 2022
Beginning Fiscal Year January 01, 2023
Account Number 1215b

Version Number 1.01 (2 of 2)

Arborist / Tree Work: Tree Pruning - "Newer"

		1 Total	@ \$4,849.76
Asset ID	1036	Asset Actual Cost	\$4,849.76
	Non-Capital	Percent Replacement	100%
Category	Cottages	Future Cost	\$4,849.76
Placed in Service	June 2019	Assigned Reserves	\$4,849.76
Useful Life	3		
Replacement Year	2023	Annual Assessment	\$1,144.54
Remaining Life	0	Interest Contribution	<u>\$2.55</u>
		Reserve Allocation	\$1,147.09



Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

Analyst notes that the condition of the trees may or may not be in an acceptable enough condition not to require an arborist at this time. The Board is also encouraged to reach out and seek an properly qualified arborist for a more detailed analysis. This is an offsite update.

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.

**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 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 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

**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...

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	@ \$147.00
	Non-Capital	Asset Actual Cost	\$8,085.00
Category	Cottages	Percent Replacement	100%
Placed in Service	June 2019	Future Cost	\$8,085.00
Useful Life	3	Assigned Reserves	\$8,085.00
Replacement Year	2023	Annual Assessment	\$1,908.05
Remaining Life	0	Interest Contribution	\$4.26
		Reserve Allocation	\$1,912.31

Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

Analyst notes that the condition of the trees may or may not be in an acceptable enough condition not to require an arborist at this time. The Board is also encouraged to reach out and seek an properly qualified arborist for a more detailed analysis. This is an offsite update.

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.

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...

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 Removal - Trimming "A"

		1 Total	@ \$22,458.17
Asset ID	1046	Asset Actual Cost	\$22,458.17
	Non-Capital	Percent Replacement	100%
Category	Cottages	Future Cost	\$22,458.17
Placed in Service	January 2012	Assigned Reserves	\$22,458.17
Useful Life	10		
Replacement Year	2023	Annual Assessment	\$1,797.02
Remaining Life	0	Interest Contribution	\$4.01
		Reserve Allocation	\$1,801.03

Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

Analyst notes that the condition of the trees may or may not be in an acceptable enough condition not to require an arborist at this time. The Board is also encouraged to reach out and seek an properly qualified arborist for a more detailed analysis. This is an offsite update.

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

**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...

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 Removal - Trimming "B"

Asset ID	1047	1 Total	@ \$18,170.16
	Non-Capital	Asset Actual Cost	\$18,170.16
Category	Cottages	Percent Replacement	100%
Placed in Service	January 2013	Future Cost	\$18,170.16
Useful Life	10	Assigned Reserves	\$18,170.16
Replacement Year	2023	Annual Assessment	\$1,453.91
Remaining Life	0	Interest Contribution	\$3.24
		Reserve Allocation	\$1,457.15

Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

Analyst notes that the condition of the trees may or may not be in an acceptable enough condition not to require an arborist at this time. The Board is also encouraged to reach out and seek an properly qualified arborist for a more detailed analysis. This is an offsite update.

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

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...

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 Removal - Trimming "C"

Asset ID	1048	1 Total	@ \$13,594.68
	Non-Capital	Asset Actual Cost	\$13,594.68
Category	Cottages	Percent Replacement	100%
Placed in Service	January 2014	Future Cost	\$13,844.82
Useful Life	10	Assigned Reserves	\$12,235.21
Replacement Year	2024	Annual Assessment	\$1,068.24
Remaining Life	1	Interest Contribution	\$20.74
		Reserve Allocation	\$1,088.97

Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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

**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...

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.

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"

Asset ID	1049	1 Total	@ \$12,995.79
		Asset Actual Cost	\$12,995.79
Category	Non-Capital	Percent Replacement	100%
Placed in Service	Cottages	Future Cost	\$12,995.79
Useful Life	January 2001	Assigned Reserves	\$12,995.79
Replacement Year	10	Annual Assessment	\$1,039.87
Remaining Life	2023	Interest Contribution	\$2.32
	0	Reserve Allocation	\$1,042.19

Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

Analyst notes that the condition of the trees may or may not be in an acceptable enough condition not to require an arborist at this time. The Board is also encouraged to reach out and seek an properly qualified arborist for a more detailed analysis. This is an offsite update.

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

**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...

"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 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	@ \$12,696.35
	Non-Capital	Asset Actual Cost	\$12,696.35
Category	Cottages	Percent Replacement	100%
Placed in Service	October 2020	Future Cost	\$14,424.73
Useful Life	10	Assigned Reserves	<i>none</i>
Replacement Year	2030	Annual Assessment	\$1,377.15
Remaining Life	7	Interest Contribution	<u>\$3.07</u>
		Reserve Allocation	\$1,380.22

Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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

**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...

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)**

Backflow Device: Common Area - Replacement

Asset ID	1051	1 Each	@ \$1,500.00
	Capital	Asset Actual Cost	\$1,500.00
Category	Cottages	Percent Replacement	100%
Placed in Service	January 2000	Future Cost	\$1,704.20
Useful Life	30	Assigned Reserves	<i>none</i>
Replacement Year	2030	Annual Assessment	\$162.70
Remaining Life	7	Interest Contribution	<u>\$0.36</u>
		Reserve Allocation	\$163.07

Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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	@ \$341.36
Asset ID	1013	Asset Actual Cost	\$17,750.72
	Non-Capital	Percent Replacement	100%
Category	Cottages	Future Cost	\$17,750.72
Placed in Service	May 2015	Assigned Reserves	\$17,750.72
Useful Life	2		
Replacement Year	2023	Annual Assessment	\$6,174.82
Remaining Life	0	Interest Contribution	<u>\$13.78</u>
		Reserve Allocation	\$6,188.60



Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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:

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

Bark Dust: Replenish - Common Area continued...

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 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	@ \$8,397.39
	Capital	Asset Actual Cost	\$8,397.39
Category	Cottages	Percent Replacement	100%
Placed in Service	May 2018	Future Cost	\$8,397.39
Useful Life	4	Assigned Reserves	\$8,397.39
Replacement Year	2023	Annual Assessment	\$1,512.54
Remaining Life	0	Interest Contribution	<u>\$3.37</u>
		Reserve Allocation	\$1,515.92



Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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

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

Irrigation Controllers & Valves: Phase 1 continued...

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 than 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	@ \$8,397.39
	Capital	Asset Actual Cost	\$8,397.39
Category	Cottages	Percent Replacement	100%
Placed in Service	May 2017	Future Cost	\$8,397.39
Useful Life	4	Assigned Reserves	\$8,397.39
Replacement Year	2023	Annual Assessment	\$1,512.54
Remaining Life	0	Interest Contribution	<u>\$3.37</u>
		Reserve Allocation	\$1,515.92



Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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

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

Irrigation Controllers & Valves: Phase 2 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)**

Irrigation Controllers & Valves: Phase 3

Asset ID	1043	1 Provision	@ \$22,642.55
	Capital	Asset Actual Cost	\$22,642.55
Category	Cottages	Percent Replacement	100%
Placed in Service	September 2020	Future Cost	\$23,059.17
Useful Life	4	Assigned Reserves	\$1,410.41
Replacement Year	2024	Annual Assessment	\$14,531.75
Remaining Life	1	Interest Contribution	\$34.54
		Reserve Allocation	\$14,566.28



Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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.

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

Irrigation Controllers & Valves: Phase 3 continued...

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 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 than 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	@ \$13,367.43
Asset ID	1040	Asset Actual Cost	\$13,367.43
	Non-Capital	Percent Replacement	100%
Category	Cottages	Future Cost	\$15,187.16
Placed in Service	September 2020	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2030	Annual Assessment	\$1,449.94
Remaining Life	7	Interest Contribution	<u>\$3.23</u>
		Reserve Allocation	\$1,453.18



Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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

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

Landscape Renovation / Enhancement continued...

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.

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	@ \$539.00
	Capital	Asset Actual Cost	\$539.00
Category	Cottages	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$623.64
Useful Life	30	Assigned Reserves	<i>none</i>
Replacement Year	2031	Annual Assessment	\$52.06
Remaining Life	8	Interest Contribution	<u>\$0.12</u>
		Reserve Allocation	\$52.17



Notes for 2023 Off-Site Reserve Study Update:

We have adjusted this base price to reflect the dramatic uptick in inflation since the previous reserve study and one year has been subtracted from the useful remaining life of this asset.

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.

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

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

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: 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	\$165,444
Assigned Reserves	\$114,750
Fully Funded Reserves	\$139,686

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

Asset ID	Description	Replacement	Page
1036	Arborist / Tree Work: Tree Pruning - "Newer"	2023	2-30
1045	Arborist / Tree Work: Tree Pruning - "Older"	2023	2-33
1046	Arborist / Tree Work: Tree Removal - Trimming "A"	2023	2-35
1047	Arborist / Tree Work: Tree Removal - Trimming "B"	2023	2-37
1048	Arborist / Tree Work: Tree Removal - Trimming "C"	2024	2-39
1049	Arborist / Tree Work: Tree Removal - Trimming "D"	2023	2-41
1050	Arborist / Tree Work: Tree Removal - Trimming "E"	2030	2-43
1051	Backflow Device: Common Area - Replacement	2030	2-45
1013	Bark Dust: Replenish - Common Area	2023	2-46
1041	Irrigation Controllers & Valves: Phase 1	2023	2-48
1042	Irrigation Controllers & Valves: Phase 2	2023	2-50
1043	Irrigation Controllers & Valves: Phase 3	2024	2-52
1040	Landscape Renovation / Enhancement	2030	2-54
1044	Landscaping: Power Box - Cottages - Replace	2031	2-56
	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	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Arborist / Tree Work: Tree Pruning - "Newer"	4,850			5,122			5,410			5,715
Arborist / Tree Work: Tree Pruning - "Older"	8,085			8,540			9,020			9,527
Arborist / Tree Work: Tree Removal - Trimming "A"	22,458									
Arborist / Tree Work: Tree Removal - Trimming "B"	18,170									
Arborist / Tree Work: Tree Removal - Trimming "C"		13,845								
Arborist / Tree Work: Tree Removal - Trimming "D"	12,996									
Arborist / Tree Work: Tree Removal - Trimming "E"								14,425		
Backflow Device: Common Area - Replacement								1,704		
Bark Dust: Replenish - Common Area	17,751		18,410		19,094		19,803		20,538	
Irrigation Controllers & Valves: Phase 1	8,397				9,033				9,716	
Irrigation Controllers & Valves: Phase 2	8,397				9,033				9,716	
Irrigation Controllers & Valves: Phase 3		23,059				24,804				26,680
Landscape Renovation / Enhancement								15,187		
Landscaping: Power Box - Cottages - Replace									624	
Year Total:	101,104	36,904	18,410	13,662	37,159	24,804	34,233	31,316	40,594	41,922

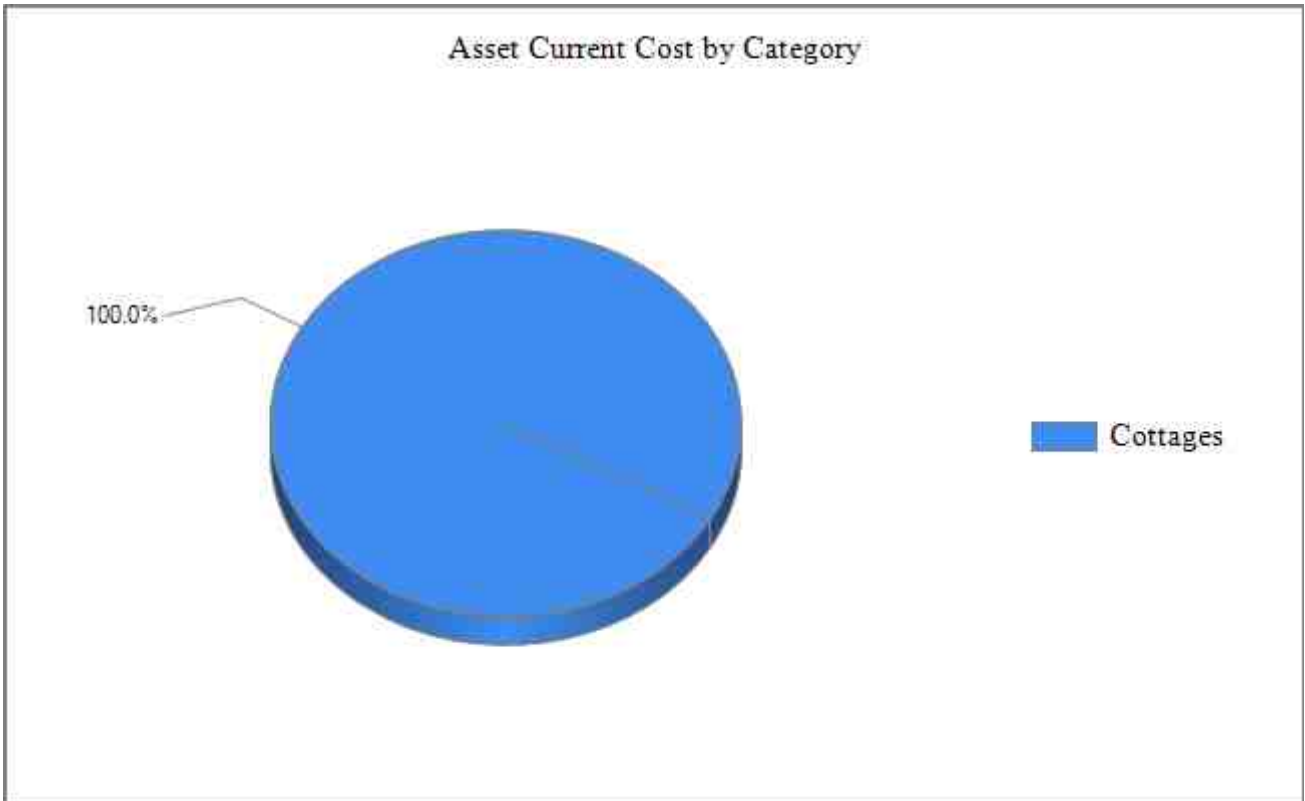
**Arbor Ridge P.U.D. Homeowners Association - Cottage Collection
Spread Sheet**

Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Arborist / Tree Work: Tree Pruning - "Newer"			6,036			6,375			6,734	
Arborist / Tree Work: Tree Pruning - "Older"			10,062			10,628			11,226	
Arborist / Tree Work: Tree Removal - Trimming "A"	26,950									
Arborist / Tree Work: Tree Removal - Trimming "B"	21,804									
Arborist / Tree Work: Tree Removal - Trimming "C"		16,614								
Arborist / Tree Work: Tree Removal - Trimming "D"	15,595									
Arborist / Tree Work: Tree Removal - Trimming "E"								17,310		
Backflow Device: Common Area - Replacement										
Bark Dust: Replenish - Common Area	21,301		22,092		22,913		23,763		24,646	
Irrigation Controllers & Valves: Phase 1			10,451				11,242			
Irrigation Controllers & Valves: Phase 2			10,451				11,242			
Irrigation Controllers & Valves: Phase 3				28,699				30,870		
Landscape Renovation / Enhancement								18,225		
Landscaping: Power Box - Cottages - Replace										
Year Total:	85,650	16,614	59,093	28,699	22,913	17,003	46,247	66,405	42,605	

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

Description	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Arborist / Tree Work: Tree Pruning - "Newer"		7,112			7,512			7,934		
Arborist / Tree Work: Tree Pruning - "Older"		11,857			12,523			13,227		
Arborist / Tree Work: Tree Removal - Trimming "A"		32,340								
Arborist / Tree Work: Tree Removal - Trimming "B"		26,165								
Arborist / Tree Work: Tree Removal - Trimming "C"		19,937								
Arborist / Tree Work: Tree Removal - Trimming "D"		18,714								
Arborist / Tree Work: Tree Removal - Trimming "E"								20,772		
Backflow Device: Common Area - Replacement										
Bark Dust: Replenish - Common Area	25,561		26,511		27,495		28,516		29,575	
Irrigation Controllers & Valves: Phase 1	12,092				13,007				13,991	
Irrigation Controllers & Valves: Phase 2	12,092				13,007				13,991	
Irrigation Controllers & Valves: Phase 3		33,206				35,718				38,420
Landscape Renovation / Enhancement								21,870		
Landscaping: Power Box - Cottages - Replace										
Year Total:	126,966	72,111	26,511		73,545	35,718	28,516	63,804	57,558	38,420

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 WITH ANNUAL INFLATION ADJUSTMENT: EXECUTIVE SUMMARY

SCENARIO OVERVIEW

The following page presents an exploratory scenario where the reported present-day annual contribution is simply applied and adjusted each year to compensate for 1.84% 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, 2023 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 with Inflation: Projection

Report Date July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Beginning Balance: \$114,750

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	165,444	32,586	69	101,104	46,301	72,331	64%
2024	168,489	33,186	64	36,904	42,646	69,726	61%
2025	171,589	33,796	87	18,410	58,120	86,527	67%
2026	174,746	34,418	118	13,662	78,994	109,103	72%
2027	177,961	35,051	115	37,159	77,002	108,806	71%
2028	181,236	35,696	132	24,804	88,026	121,741	72%
2029	184,571	36,353	135	34,233	90,282	125,977	72%
2030	187,967	37,022	144	31,316	96,131	133,940	72%
2031	191,425	37,703	140	40,594	93,380	133,292	70%
2032	194,947	38,397	135	41,922	89,990	131,982	68%
2033	198,534	39,103	65	85,650	43,509	86,832	50%
2034	202,188	39,823	100	16,614	66,818	111,887	60%
2035	205,908	40,556	72	59,093	48,353	94,886	51%
2036	209,696	41,302	91	28,699	61,048	109,282	56%
2037	213,555	42,062	120	22,913	80,317	130,606	61%
2038	217,484	42,836	159	17,003	106,309	159,125	67%
2039	221,486	43,624	156	46,247	103,841	159,185	65%
2040	225,561	44,427	123	66,405	81,986	139,533	59%
2041	229,712	45,244	127	42,605	84,752	144,585	59%
2042	233,938	46,077	196		131,025	193,963	68%
2043	238,243	46,924	76	126,966	51,060	115,807	44%
2044	242,626	47,788	40	72,111	26,776	92,952	29%
2045	247,091	48,667	73	26,511	49,006	117,009	42%
2046	251,637	49,563	148		98,717	169,414	58%
2047	256,267	50,475	113	73,545	75,760	148,809	51%
2048	260,983	51,403	137	35,718	91,582	167,291	55%
2049	265,785	52,349	173	28,516	115,588	194,406	59%
2050	270,675	53,312	158	63,804	105,254	187,059	56%
2051	275,656	54,293	153	57,558	102,143	186,933	55%
2052	280,728	55,292	179	38,420	119,193	207,307	57%

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, 2023 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 July 07, 2022
 Beginning Fiscal Year January 01, 2023
 Account Number 1215b

Version Number 1.01 (2 of 2)

Beginning Balance: \$114,750

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	165,444	32,586	69	101,104	46,301	72,331	64%
2024	168,489	32,586	63	36,904	42,046	69,726	60%
2025	171,589	32,586	84	18,410	56,306	86,527	65%
2026	174,746	32,586	113	13,662	75,343	109,103	69%
2027	177,961	32,586	106	37,159	70,876	108,806	65%
2028	181,236	32,586	118	24,804	78,777	121,741	65%
2029	184,571	32,586	116	34,233	77,245	125,977	61%
2030	187,967	32,586	118	31,316	78,633	133,940	59%
2031	191,425	32,586	106	40,594	70,731	133,292	53%
2032	194,947	32,586	92	41,922	61,487	131,982	47%
2033	198,534	32,586	13	85,650	8,436	86,832	10%
2034	202,188	32,586	37	16,614	24,444	111,887	22%
2035	205,908	32,586		59,093	-2,062	94,886	
2036	209,696	32,586	3	28,699	1,828	109,282	2%
2037	213,555	32,586	17	22,913	11,518	130,606	9%
2038	217,484	32,586	41	17,003	27,142	159,125	17%
2039	221,486	32,586	20	46,247	13,501	159,185	8%
2040	225,561	32,586		66,405	-20,318	139,533	
2041	229,712	32,586		42,605	-30,337	144,585	
2042	233,938	32,586	3		2,252	193,963	1%
2043	238,243	32,586		126,966	-92,128	115,807	
2044	242,626	32,586		72,111	-131,653	92,952	
2045	247,091	32,586		26,511	-125,578	117,009	
2046	251,637	32,586			-92,992	169,414	
2047	256,267	32,586		73,545	-133,951	148,809	
2048	260,983	32,586		35,718	-137,083	167,291	
2049	265,785	32,586		28,516	-133,013	194,406	
2050	270,675	32,586		63,804	-164,231	187,059	
2051	275,656	32,586		57,558	-189,203	186,933	
2052	280,728	32,586		38,420	-195,037	207,307	

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.

