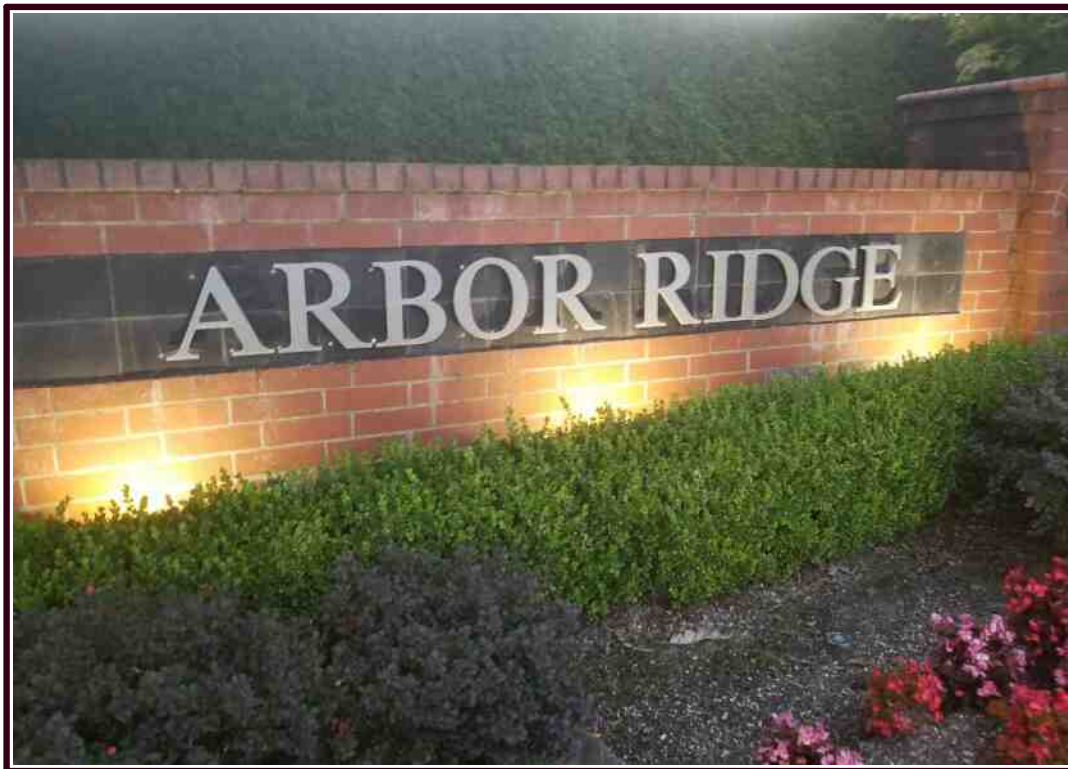




Reserve Study Update.com, LLC

Arbor Ridge P.U.D. Homeowners Association - Master
Northwest Laidlaw Road & Northwest 174th Avenue
Bethany, Oregon 97006
Account 1215a - Version 1.01

Fiscal Year: January 1, 2021 to December 31, 2021



OFF-SITE RESERVE STUDY & MAINTENANCE PLAN

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

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
User’s 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
Current Assessment Funding Model: Executive Summary	2-10
Current Assessment Funding Model: Summary	2-13
Current Assessment Funding Model: Projection	2-14
Current Funding Model: Component Summary by Category	2-15
Current Funding Model: Capital vs Non-Capital Summary	2-18
Threshold Funding Model - Dollar Defined Minimum: Executive Summary	2-21
Threshold Funding Model - Dollar Defined Minimum: Summary	2-24
Threshold Funding Model - Dollar Defined Minimum: Projection	2-25
Threshold Funding Model - Dollar Defined Minimum: Component Summary by Category	2-26
Threshold Funding Model - Dollar Defined Minimum: Distribution of Accumulated Reserves ..	2-29
Threshold Funding Model - 70% Minimum: Executive Summary	2-31
Threshold Funding Model - 70% Minimum: Summary	2-34
Threshold Funding Model - 70% Minimum: Projection	2-35
Threshold Funding Model - 70% Minimum: Component Summary by Category	2-36

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

Threshold Funding Model - 70% Minimum: Distribution of Accumulated Reserves	2-39
Threshold Funding Model - 85% Minimum: Executive Summary	2-41
Threshold Funding Model - 85% Minimum: Summary	2-44
Threshold Funding Model - 85% Minimum: Projection	2-45
Threshold Funding Model - 85% Minimum: Component Summary by Category	2-46
Threshold Funding Model - 85% Minimum: Distribution of Accumulated Reserves	2-49
Component Funding Model: Executive Summary	2-51
Component Funding Model: Summary	2-54
Component Funding Model: Projection	2-55
Component Funding Model: Assessment & Category Summary	2-56
Component Funding Model: Component Summary by Category	2-58
Component Funding Model: Distribution of Accumulated Reserves	2-61
Baseline Funding Model: Executive Summary	2-63
Baseline Funding Model: Summary	2-66
Baseline Funding Model: Projection	2-67
Baseline Funding Model: Component Summary by Category	2-68
Baseline Funding Model: Distribution of Accumulated Reserves	2-71
Detail Report by Category (Dollar Defined Threshold Funding Model)	2-73
Category Detail Index	2-163
Spread Sheet	2-165
Asset Current Cost by Category	2-173
Appendix - Contribution Scenario without Inflation: Executive Summary	2-174
Appendix - Contribution Scenario without Inflation: Projection	2-175

PART III • MAINTENANCE PLAN

Maintenance Plan Detail	3-1
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**Arbor Ridge P.U.D. Homeowners Association - Master
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 - Master
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 - Master 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 - Master
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 - Master 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 - Master 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 - Master 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 - Master 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 - Master 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 - Master 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 - Master 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 - Master
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

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RS (Reserve Specialist #279 - Community Associations Institute)*

**Arbor Ridge P.U.D. Homeowners Association - Master
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 October 29, 2020 for fiscal year starting January, 1 2021.**
- **This is a Level III: Off-Site Reserve Study Update.**
- **Reserve account balance as of January, 1 2021: \$331,485**
- **Estimated percent funded as of January, 1 2021: 75.91%**
- **Estimated "Fully Funded Reserves" as of the beginning of fiscal year 2021: \$436,700***
**Please note, this figure represents the estimated "Fully Funded Reserves" in order to be considered 100% funded as of January, 1 2021 and does not represent the amount of money on-hand.*
- **Projected percent funded as of the end of 2021: (contingent on which funding model is implemented)**
Component Funding Model: 76.03% (does not include contingency of 3.00%)
"Current" Funding Model: 74.95%
Threshold Funding Model - Dollar Defined (\$241,058) Minimum: 75.95%
Threshold Funding Model - 70% Minimum (70% Floor): 75.29%
Threshold Funding Model - 85% Minimum (85% Floor): 85.00%
Baseline Funding Model: 74.27%
- **Special assessments implemented or planned: Please refer to the following sections in the report:**

See Appendix section of this report.
- **Interest rate: 0.20%, Inflation rate: 1.78%.**
- **2021 reserve account contribution rate:**
Component Funding Model: \$51,537
"Current" Funding Model: \$36,624
Threshold Funding Model - Dollar Defined (\$241,058) Minimum: \$40,972
Threshold Funding Model - 70% Minimum: \$38,109
Threshold Funding Model - 85% Minimum: \$80,347
Baseline Funding Model: \$33,669
- **2021 Component Funding Model (Fully Funded Plan) contribution: \$51,537**
2021 "Current" Funding Model reserve contribution: \$36,624
2021 Threshold Funding Model - (Dollar Defined Funding Floor) contribution: \$40,972 (recommended model)
2021 Threshold Funding Model - (70% Minimum Funding Floor) contribution: \$38,109
2021 Threshold Funding Model - (85% Minimum Funding Floor) contribution: \$80,347
2021 Baseline Funding Model contribution: \$33,669
- **Projected account balance for thirty years: Please see refer to the following sections in the report as these fluctuate according to which funding model is implemented:**

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

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

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

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

Report Version 1.01.

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Expenditures
Replacement Year 2021	
Asphalt: Repairs - Moon Valley Terrace	565
Asphalt: Repairs - Pedestrian Pathway	894
Asphalt: Repairs - Silver Creek Place	876
Asphalt: Repairs - Tatum Ranch Place	221
Asphalt: Sealcoat - Moon Valley Terrace	950
Asphalt: Sealcoat - Pedestrian Pathway	902
Asphalt: Sealcoat - Silver Creek Place	1,078
Asphalt: Sealcoat - Tatum Ranch Place	278
Bark Dust: Replenish - Common Area	4,822
Brick: Masonry / Repointing & Repairs	7,931
Concrete: Flatwork - Sidewalks - Common Area	5,902
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299
Mailboxes: Clean / Paint / Maintain	1,713
Signs: Common Area	529
Signs: Monument - Clean & Maintain	6,719
Walls: Retaining - Inspection	2,644
Total for 2021	\$41,991
Replacement Year 2022	
Concrete: Curbs & Gutters: Silver Creek Place	434
Concrete: Curbs & Gutters: Tatum Ranch Place	302
Fence: Vinyl - Wash - 3 Rail Horse Fence	5,667
Total for 2022	\$6,403
Replacement Year 2023	
Bark Dust: Replenish - Common Area	4,995
Concrete: Curbs & Gutters: Moon Valley Terrace	358
Walls: Retaining - Inspection	2,739
Total for 2023	\$8,091
Replacement Year 2024	
Lighting: Fixtures - Monuments - Renovation	1,238
Total for 2024	\$1,238

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

Description	Expenditures
Replacement Year 2025	
Bark Dust: Replenish - Common Area	5,175
Fence: Vinyl - Wash - 3 Rail Horse Fence	5,975
Landscaping: Irrigation	9,882
Walls: Retaining - Inspection	2,837
Total for 2025	\$23,868
Replacement Year 2026	
Arborist / Tree Work	18,742
Asphalt: Repairs - Moon Valley Terrace	617
Asphalt: Repairs - Pedestrian Pathway	976
Asphalt: Repairs - Silver Creek Place	957
Asphalt: Repairs - Tatum Ranch Place	241
Asphalt: Sealcoat - Moon Valley Terrace	1,038
Asphalt: Sealcoat - Pedestrian Pathway	985
Asphalt: Sealcoat - Silver Creek Place	1,177
Asphalt: Sealcoat - Tatum Ranch Place	304
Bridge: Wood - Replacement	20,212
Landscaping: Plants & Arborvitae - Phased Replacements	6,930
Lighting: Fixture - Silver Creek Place - Street Light	1,033
Mailboxes: Clean / Paint / Maintain	1,871
Total for 2026	\$55,082
Replacement Year 2027	
Bark Dust: Replenish - Common Area	5,360
Walls: Retaining - Inspection	2,939
Total for 2027	\$8,299
Replacement Year 2028	
Fence: Vinyl - Wash - 3 Rail Horse Fence	6,300
Total for 2028	\$6,300
Replacement Year 2029	
Bark Dust: Replenish - Common Area	5,553
Walls: Retaining	12,178
Walls: Retaining - Inspection	3,044
Total for 2029	\$20,775

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

Description	Expenditures
Replacement Year 2030	
Asphalt: Overlay - Pedestrian Pathway	11,783
Backflow Device: Common Area - Replacement	2,355
Landscaping: Irrigation	10,793
Total for 2030	\$24,931
Replacement Year 2031	
Asphalt: Repairs - Moon Valley Terrace	674
Asphalt: Repairs - Pedestrian Pathway	1,066
Asphalt: Repairs - Silver Creek Place	1,045
Asphalt: Repairs - Tatum Ranch Place	263
Asphalt: Sealcoat - Moon Valley Terrace	1,133
Asphalt: Sealcoat - Pedestrian Pathway	1,076
Asphalt: Sealcoat - Silver Creek Place	1,286
Asphalt: Sealcoat - Tatum Ranch Place	332
Bark Dust: Replenish - Common Area	5,752
Concrete: Flatwork - Sidewalks - Common Area	7,041
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	3,185
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,935
Fence: Vinyl - 3 Rail Horse Fence - Replace	294,028
Fence: Vinyl - Wash - 3 Rail Horse Fence	6,642
Landscaping: Power Box - Monument - Replace	568
Lighting: Power Box - Silver Creek Place - Replace	568
Mailboxes: Clean / Paint / Maintain	2,044
Signs: Common Area	631
Signs: Monument - Clean & Maintain	8,015
Storm Drains / Underground Inspection: Moon Valley Terrace	3,154
Storm Drains / Underground Inspection: Silver Creek Place	3,154
Storm Drains / Underground Inspection: Tatum Ranch Place	3,154
Walls: Retaining - Inspection	3,154
Total for 2031	\$351,900
Replacement Year 2032	
Lighting: Fixtures - Monuments - Renovation	1,425
Total for 2032	\$1,425
Replacement Year 2033	
Bark Dust: Replenish - Common Area	5,959

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

Description	Expenditures
<i>Replacement Year 2033 continued...</i>	
Walls: Retaining - Inspection	3,267
Total for 2033	<u>\$9,226</u>
 Replacement Year 2034	
Asphalt: Overlay - Moon Valley Terrace	13,317
Concrete: Curbs & Gutters: Silver Creek Place	536
Concrete: Curbs & Gutters: Tatum Ranch Place	373
Fence: Vinyl - Wash - 3 Rail Horse Fence	7,003
Total for 2034	<u>\$21,230</u>
 Replacement Year 2035	
Asphalt: Overlay - Silver Creek Place	14,624
Asphalt: Overlay - Tatum Ranch Place	3,969
Bark Dust: Replenish - Common Area	6,173
Concrete: Curbs & Gutters: Moon Valley Terrace	442
Landscaping: Irrigation	11,788
Walls: Retaining - Inspection	3,384
Total for 2035	<u>\$40,381</u>
 Replacement Year 2036	
Arborist / Tree Work	22,358
Asphalt: Repairs - Moon Valley Terrace	736
Asphalt: Repairs - Pedestrian Pathway	1,165
Asphalt: Repairs - Silver Creek Place	1,141
Asphalt: Repairs - Tatum Ranch Place	287
Asphalt: Sealcoat - Moon Valley Terrace	1,238
Asphalt: Sealcoat - Pedestrian Pathway	1,175
Asphalt: Sealcoat - Silver Creek Place	1,405
Asphalt: Sealcoat - Tatum Ranch Place	362
Bollards - Replace	2,906
Brick: Masonry / Repointing & Repairs	10,334
Landscaping: Plants & Arborvitae - Phased Replacements	8,267
Mailboxes: Clean / Paint / Maintain	2,232
Total for 2036	<u>\$53,607</u>

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

Description	Expenditures
Replacement Year 2037	
Bark Dust: Replenish - Common Area	6,395
Fence: Vinyl - Wash - 3 Rail Horse Fence	7,384
Walls: Retaining - Inspection	3,506
Total for 2037	\$17,285
 <i>No Replacement in 2038</i>	
Replacement Year 2039	
Bark Dust: Replenish - Common Area	6,624
Walls: Retaining	14,527
Walls: Retaining - Inspection	3,632
Total for 2039	\$24,784
 Replacement Year 2040	
Fence: Vinyl - Wash - 3 Rail Horse Fence	7,785
Landscaping: Irrigation	12,876
Lighting: Fixtures - Monuments - Renovation	1,641
Total for 2040	\$22,302
 Replacement Year 2041	
Asphalt: Repairs - Moon Valley Terrace	804
Asphalt: Repairs - Pedestrian Pathway	1,272
Asphalt: Repairs - Silver Creek Place	1,247
Asphalt: Repairs - Tatum Ranch Place	314
Asphalt: Sealcoat - Moon Valley Terrace	1,352
Asphalt: Sealcoat - Pedestrian Pathway	1,284
Asphalt: Sealcoat - Silver Creek Place	1,534
Asphalt: Sealcoat - Tatum Ranch Place	396
Bark Dust: Replenish - Common Area	6,862
Concrete: Flatwork - Sidewalks - Common Area	8,400
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	3,799
Concrete: Flatwork - Sidewalks - Silver Creek Place	4,694
Fence: Chain Link - Power Coat - Replace	381,750
Mailboxes: 12 Letter / 1 Package - Replace	12,190
Mailboxes: 16 Letter / 2 Package - Replace	70,520
Mailboxes: Clean / Paint / Maintain	2,438

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

Description	Expenditures
<i>Replacement Year 2041 continued...</i>	
Signs: Common Area	752
Signs: Monument - Clean & Maintain	9,562
Walls: Retaining - Inspection	3,762
Total for 2041	\$512,932
 <i>No Replacement in 2042</i>	
Replacement Year 2043	
Bark Dust: Replenish - Common Area	7,109
Fence: Vinyl - Wash - 3 Rail Horse Fence	8,209
Walls: Retaining - Inspection	3,897
Total for 2043	\$19,215
 <i>No Replacement in 2044</i>	
Replacement Year 2045	
Bark Dust: Replenish - Common Area	7,364
Landscaping: Irrigation	14,063
Walls: Retaining - Inspection	4,037
Total for 2045	\$25,465
 Replacement Year 2046	
Arborist / Tree Work	26,672
Asphalt: Repairs - Moon Valley Terrace	878
Asphalt: Repairs - Pedestrian Pathway	1,389
Asphalt: Repairs - Silver Creek Place	1,362
Asphalt: Repairs - Tatum Ranch Place	343
Asphalt: Sealcoat - Moon Valley Terrace	1,477
Asphalt: Sealcoat - Pedestrian Pathway	1,402
Asphalt: Sealcoat - Silver Creek Place	1,676
Asphalt: Sealcoat - Tatum Ranch Place	432
Concrete: Curbs & Gutters: Silver Creek Place	663
Concrete: Curbs & Gutters: Tatum Ranch Place	461
Fence: Vinyl - Wash - 3 Rail Horse Fence	8,655
Landscaping: Plants & Arborvitae - Phased Replacements	9,862
Mailboxes: Clean / Paint / Maintain	2,663
Total for 2046	\$57,935

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

Description	Expenditures
Replacement Year 2047	
Bark Dust: Replenish - Common Area	7,629
Concrete: Curbs & Gutters: Moon Valley Terrace	546
Walls: Retaining - Inspection	4,182
Total for 2047	\$12,357
Replacement Year 2048	
Lighting: Fixtures - Monuments - Renovation	1,890
Total for 2048	\$1,890
Replacement Year 2049	
Bark Dust: Replenish - Common Area	7,903
Fence: Vinyl - Wash - 3 Rail Horse Fence	9,125
Walls: Retaining	17,330
Walls: Retaining - Inspection	4,333
Total for 2049	\$38,691
Replacement Year 2050	
Landscaping: Irrigation	15,360
Total for 2050	\$15,360

EXECUTIVE SUMMARY - CURRENT FUNDING MODEL

CURRENT FUNDING MODEL OVERVIEW

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

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2021 and ending December 31, 2021. 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 570 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 \$331,485 as of January 1, 2021. 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 2.70% per year.

INFLATION RATE: An inflation rate of 1.78% 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 74.95% 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 - Master
Current Assessment Funding Model: Executive Summary**

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Master 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 44 assets were included in this reserve study report; of these considered, 43 were funded and 1 components were unfunded. Often times components not funded are estimated to be outside the scope of the thirty year scope of the reserve study; while other components are sometimes omitted by property management, association representative, and/or Declarant.

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

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

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

SCOPE OF RESERVE STUDY: The Reserve Study is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records. Continued use of this reserve study beyond December 31, 2021 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 - Master
Current Assessment Funding Model: Executive Summary**

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

Report Version 1.01.

Arbor Ridge P.U.D. Homeowners Association - Master
 Bethany, Oregon
Current Assessment Funding Model: Summary

Report Date	October 29, 2020
Account Number	1215a
Version	1.01
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	570

<i>Report Parameters</i>	
Inflation	1.78%
Annual Assessment Increase	2.70%
Interest Rate on Reserve Deposit	0.20%
2021 Beginning Balance	\$331,485

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Annual Contribution	\$36,624.00
<i>\$64.25 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$652.24</u>
Total Annual Allocation to Reserves	\$37,276.24
<i>\$65.40 per unit annually</i>	

**Arbor Ridge P.U.D. Homeowners Association - Master
Current Assessment Funding Model: Projection**

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Beginning Balance: \$331,485

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	733,657	36,624	652	41,991	326,770	435,977	75%
2022	746,716	37,613	716	6,403	358,696	472,101	76%
2023	760,008	38,628	778	8,091	390,011	507,784	77%
2024	773,536	39,671	857	1,238	429,302	551,710	78%
2025	787,305	40,742	892	23,868	447,069	574,028	78%
2026	801,319	41,843	868	55,082	434,696	565,629	77%
2027	815,582	42,972	939	8,299	470,308	605,362	78%
2028	830,100	44,133	1,016	6,300	509,157	648,516	79%
2029	844,876	45,324	1,067	20,775	534,774	678,395	79%
2030	859,914	46,548	1,113	24,931	557,504	705,266	79%
2031	875,221	47,805	507	351,900	253,915	400,541	63%
2032	890,800	49,095	603	1,425	302,189	447,833	67%
2033	906,656	50,421	687	9,226	344,070	488,767	70%
2034	922,794	51,782	749	21,230	375,372	519,008	72%
2035	939,220	53,180	776	40,381	388,947	531,137	73%
2036	955,938	54,616	780	53,607	390,737	530,804	74%
2037	972,954	56,091	859	17,285	430,402	568,230	76%
2038	990,273	57,605	976		488,984	624,726	78%
2039	1,007,899	59,161	1,047	24,784	524,408	657,829	80%
2040	1,025,840	60,758	1,126	22,302	563,989	694,887	81%
2041	1,044,100	62,399	227	512,932	113,683	234,096	49%
2042	1,062,685	64,083	356		178,121	288,037	62%
2043	1,081,601	65,814	449	19,215	225,170	324,266	69%
2044	1,100,853	67,591	586		293,346	381,599	77%
2045	1,120,448	69,415	675	25,465	337,971	414,952	81%
2046	1,140,392	71,290	703	57,935	352,029	416,785	84%
2047	1,160,691	73,215	826	12,357	413,712	465,991	89%
2048	1,181,352	75,191	974	1,890	487,988	527,693	92%
2049	1,202,380	77,221	1,053	38,691	527,571	554,023	95%
2050	1,223,782	79,306	1,183	15,360	592,701	605,570	98%

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Contingency							
Insurance Deductible Contingency (Unfunded)							
	<i>unfunded</i>						
Master Association							
Arborist / Tree Work	18,742	10	5		8,580	1,401.85	8,580
Asphalt: Overlay - Pedestrian Pathway	11,783	30	9	-1	6,933	363.68	6,933
Asphalt: Repairs - Pedestrian Pathway	894	5	0	-2	894	135.83	894
Asphalt: Sealcoat - Pedestrian Pathway							
	902	5	0		902	137.07	902
Backflow Device: Common Area - Replacement							
	2,355	30	9		1,406	71.06	1,406
Bark Dust: Replenish - Common Area	4,822	2	0		4,822	1,742.63	4,822
Bollards - Replace	2,906	35	15		1,274	73.13	1,274
Brick: Masonry / Repointing & Repairs							
	7,931	15	0	5	7,931	474.46	7,931
Bridge: Wood - Replacement	20,212	25	5		14,804	731.69	14,804
Concrete: Flatwork - Sidewalks - Common Area							
	5,902	10	0	10	5,902	487.38	5,902
Fence: Chain Link - Power Coat - Replace							
	381,750	40	20		28,907	12,048.89	134,122
Fence: Vinyl - 3 Rail Horse Fence - Replace							
	294,028	30	10		164,314	8,748.86	164,314
Fence: Vinyl - Wash - 3 Rail Horse Fence							
	5,667	3	1		3,712	1,360.32	3,712
Landscaping: Irrigation	9,882	5	4		1,842	1,397.06	1,842
Landscaping: Plants & Arborvitae - Phased Replacements							
	6,930	10	5		3,172	518.34	3,172
Landscaping: Power Box - Monument - Replace							
	568	30	10		317	16.89	317
Lighting: Fixtures - Monuments - Renovation							
	1,238	8	3		734	116.07	734
Mailboxes: 12 Letter / 1 Package - Replace							
	12,190	40	20		4,283	264.93	4,283
Mailboxes: 16 Letter / 2 Package - Replace							
	70,520	40	20		24,776	1,532.69	24,776
Mailboxes: Clean / Paint / Maintain	1,713	5	0		1,713	260.32	1,713

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Master Association continued...</i>							
Signs: Common Area	529	10	0	10	529	43.66	529
Signs: Monument - Clean & Maintain	6,719	10	0	10	6,719	554.79	6,719
Walls: Retaining	12,178	10	8		2,115	869.42	2,115
Walls: Retaining - Inspection	<u>2,644</u>	2	0		<u>2,644</u>	<u>955.39</u>	<u>2,644</u>
Master Association - Total	<u>\$883,002</u>				<u>\$299,224</u>	<u>\$34,306</u>	<u>\$404,439</u>
Moon Valley Terrace							
Asphalt: Overlay - Moon Valley Terrace	13,317	30	13	3	6,417	357.34	6,417
Asphalt: Repairs - Moon Valley Terrace	565	5	0		565	85.84	565
Asphalt: Sealcoat - Moon Valley Terrace	950	5	0		950	144.36	950
Concrete: Curbs & Gutters: Moon Valley Terrace	358	12	2	10	314	14.83	314
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670	10	0	10	2,670	220.43	2,670
Storm Drains / Underground Inspection: Moon Valley Terrace	<u>3,154</u>	30	10		<u>1,762</u>	<u>93.84</u>	<u>1,762</u>
Moon Valley Terrace - Total	<u>\$21,013</u>				<u>\$12,677</u>	<u>\$917</u>	<u>\$12,677</u>
Silver Creek Place							
Asphalt: Overlay - Silver Creek Place	14,624	30	14	4	6,720	379.86	6,720
Asphalt: Repairs - Silver Creek Place	876	5	0		876	133.12	876
Asphalt: Sealcoat - Silver Creek Place	1,078	5	0		1,078	163.81	1,078
Concrete: Curbs & Gutters: Silver Creek Place	434	12	1	10	407	18.27	407
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299	10	0	10	3,299	272.37	3,299
Lighting: Fixture - Silver Creek Place - Street Light	1,033	25	5		756	37.38	756
Lighting: Power Box - Silver Creek Place - Replace	568	30	10		317	16.89	317
Storm Drains / Underground Inspection: Silver Creek Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>93.84</u>	<u>1,762</u>
Silver Creek Place - Total	<u>\$25,065</u>				<u>\$15,215</u>	<u>\$1,116</u>	<u>\$15,215</u>
Tatum Ranch Place							
Asphalt: Overlay - Tatum Ranch Place	3,969	30	14	4	1,824	103.10	1,824
Asphalt: Repairs - Tatum Ranch Place	221	5	0		221	33.52	221
Asphalt: Sealcoat - Tatum Ranch Place	278	5	0		278	42.27	278

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Tatum Ranch Place continued...</i>							
Concrete: Curbs & Gutters: Tatum Ranch Place	302	12	1	10	283	12.71	283
Storm Drains / Underground Inspection: Tatum Ranch Place	3,154	30	10		1,762	93.84	1,762
Tatum Ranch Place - Total	<u>\$7,924</u>				<u>\$4,368</u>	<u>\$285</u>	<u>\$4,368</u>
Grand Total:	<u><u>\$937,004</u></u>				<u><u>\$331,485</u></u>	<u><u>\$36,624</u></u>	<u><u>\$436,700</u></u>

Percent Fully Funded	76%
Current Average Liability per Unit (Total Units: 570)	-\$185

**Arbor Ridge P.U.D. Homeowners Association - Master
Current Funding Model: Capital vs Non-Capital Summary**

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Capital							
Asphalt: Overlay - Moon Valley Terrace	13,317	30	13	3	6,417	357.34	6,417
Asphalt: Overlay - Pedestrian Pathway	11,783	30	9	-1	6,933	363.68	6,933
Asphalt: Overlay - Silver Creek Place	14,624	30	14	4	6,720	379.86	6,720
Asphalt: Overlay - Tatum Ranch Place	3,969	30	14	4	1,824	103.10	1,824
Asphalt: Repairs - Moon Valley Terrace	565	5	0		565	85.84	565
Asphalt: Repairs - Pedestrian Pathway	894	5	0	-2	894	135.83	894
Asphalt: Repairs - Silver Creek Place	876	5	0		876	133.12	876
Asphalt: Repairs - Tatum Ranch Place	221	5	0		221	33.52	221
Backflow Device: Common Area - Replacement	2,355	30	9		1,406	71.06	1,406
Bollards - Replace	2,906	35	15		1,274	73.13	1,274
Bridge: Wood - Replacement	20,212	25	5		14,804	731.69	14,804
Concrete: Curbs & Gutters: Moon Valley Terrace	358	12	2	10	314	14.83	314
Concrete: Curbs & Gutters: Tatum Ranch Place	302	12	1	10	283	12.71	283
Concrete: Flatwork - Sidewalks - Common Area	5,902	10	0	10	5,902	487.38	5,902
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670	10	0	10	2,670	220.43	2,670
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299	10	0	10	3,299	272.37	3,299
Fence: Chain Link - Power Coat - Replace	381,750	40	20		28,907	12,048.89	134,122
Fence: Vinyl - 3 Rail Horse Fence - Replace	294,028	30	10		164,314	8,748.86	164,314
Fence: Vinyl - Wash - 3 Rail Horse Fence	5,667	3	1		3,712	1,360.32	3,712
Landscaping: Power Box - Monument - Replace	568	30	10		317	16.89	317
Lighting: Fixture - Silver Creek Place - Street Light	1,033	25	5		756	37.38	756
Lighting: Fixtures - Monuments - Renovation	1,238	8	3		734	116.07	734

**Arbor Ridge P.U.D. Homeowners Association - Master
Current Funding Model: Capital vs Non-Capital Summary**

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Capital continued...</i>							
Lighting: Power Box - Silver Creek Place - Replace	568	30	10		317	16.89	317
Mailboxes: 12 Letter / 1 Package - Replace	12,190	40	20		4,283	264.93	4,283
Mailboxes: 16 Letter / 2 Package - Replace	70,520	40	20		24,776	1,532.69	24,776
Mailboxes: Clean / Paint / Maintain	1,713	5	0		1,713	260.32	1,713
Signs: Common Area	529	10	0	10	529	43.66	529
Signs: Monument - Clean & Maintain	6,719	10	0	10	6,719	554.79	6,719
Storm Drains / Underground Inspection: Moon Valley Terrace	3,154	30	10		1,762	93.84	1,762
Storm Drains / Underground Inspection: Silver Creek Place	3,154	30	10		1,762	93.84	1,762
Storm Drains / Underground Inspection: Tatum Ranch Place	3,154	30	10		1,762	93.84	1,762
Walls: Retaining	12,178	10	8		2,115	869.42	2,115
Capital - Total	<u>\$882,412</u>				<u>\$298,880</u>	<u>\$29,628</u>	<u>\$404,095</u>
Non-Capital							
Arborist / Tree Work	18,742	10	5		8,580	1,401.85	8,580
Asphalt: Sealcoat - Moon Valley Terrace	950	5	0		950	144.36	950
Asphalt: Sealcoat - Pedestrian Pathway	902	5	0		902	137.07	902
Asphalt: Sealcoat - Silver Creek Place	1,078	5	0		1,078	163.81	1,078
Asphalt: Sealcoat - Tatum Ranch Place	278	5	0		278	42.27	278
Bark Dust: Replenish - Common Area	4,822	2	0		4,822	1,742.63	4,822
Brick: Masonry / Repointing & Repairs	7,931	15	0	5	7,931	474.46	7,931
Concrete: Curbs & Gutters: Silver Creek Place	434	12	1	10	407	18.27	407
Insurance Deductible Contingency (Unfunded)	<i>unfunded</i>						
Landscaping: Irrigation	9,882	5	4		1,842	1,397.06	1,842
Landscaping: Plants & Arborvitae - Phased Replacements	6,930	10	5		3,172	518.34	3,172
Walls: Retaining - Inspection	2,644	2	0		2,644	955.39	2,644
Non-Capital - Total	<u>\$54,592</u>				<u>\$32,605</u>	<u>\$6,996</u>	<u>\$32,605</u>

**Arbor Ridge P.U.D. Homeowners Association - Master
Current Funding Model: Capital vs Non-Capital Summary**

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Grand Total:	<u>\$937,004</u>				<u>\$331,485</u>	<u>\$36,624</u>	<u>\$436,700</u>
	Percent Fully Funded				76%		
	Current Average Liability per Unit (Total Units: 570)				-\$185		

**Arbor Ridge P.U.D. Homeowners Association - Master
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, 2021 and ending December 31, 2021. 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 570 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 \$331,485 as of January, 1 2021. 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 \$241,058 has been used over the thirty years of this funding model reserve study. The reserve study funding model has an annual contribution increase of 3.00% per year.

INFLATION RATE: An inflation rate of 1.78% 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 75.95% 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 - Master
Threshold Funding Model - Dollar Defined Minimum: Executive Summary**

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Master 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 44 assets were included in this reserve study report; of these considered, 43 were funded and 1 component 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, 2021 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

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

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.

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

Report Date	October 29, 2020
Account Number	1215a
Version	1.01
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	570

<i>Report Parameters</i>	
Inflation	1.78%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.20%
2021 Beginning Balance	\$331,485

<i>Threshold Funding Model Summary of Calculations</i>	
Required Annual Contribution	\$40,971.61
<i>\$71.88 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$660.93</u>
Total Annual Allocation to Reserves	\$41,632.54
<i>\$73.04 per unit annually</i>	

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Beginning Balance: \$331,485

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	733,657	40,972	661	41,991	331,126	435,977	76%
2022	746,716	42,201	734	6,403	367,658	472,101	78%
2023	760,008	43,467	806	8,091	403,839	507,784	80%
2024	773,536	44,771	895	1,238	448,267	551,710	81%
2025	787,305	46,114	941	23,868	471,454	574,028	82%
2026	801,319	47,497	928	55,082	464,797	565,629	82%
2027	815,582	48,922	1,011	8,299	506,431	605,362	84%
2028	830,100	50,390	1,101	6,300	551,622	648,516	85%
2029	844,876	51,902	1,165	20,775	583,914	678,395	86%
2030	859,914	53,459	1,225	24,931	613,667	705,266	87%
2031	875,221	55,062	634	351,900	317,463	400,541	79%
2032	890,800	56,714	746	1,425	373,497	447,833	83%
2033	906,656	58,416	845	9,226	423,533	488,767	87%
2034	922,794	60,168	925	21,230	463,396	519,008	89%
2035	939,220	61,973	970	40,381	485,958	531,137	91%
2036	955,938	63,832	992	53,607	497,176	530,804	94%
2037	972,954	65,747	1,091	17,285	546,730	568,230	96%
2038	990,273	67,720	1,229		615,678	624,726	99%
2039	1,007,899	69,751	1,321	24,784	661,968	657,829	101%
2040	1,025,840	71,844	1,423	22,302	712,932	694,887	103%
2041	1,044,100	40,576	481	512,932	241,058	234,096	103%
2042	1,062,685	41,794	566		283,417	288,037	98%
2043	1,081,601	43,047	614	19,215	307,864	324,266	95%
2044	1,100,853	44,339	704		352,907	381,599	92%
2045	1,120,448	45,669	746	25,465	373,858	414,952	90%
2046	1,140,392	47,039	726	57,935	363,688	416,785	87%
2047	1,160,691	48,450	800	12,357	400,581	465,991	86%
2048	1,181,352	49,904	897	1,890	449,492	527,693	85%
2049	1,202,380	51,401	924	38,691	463,127	554,023	84%
2050	1,223,782	52,943	1,001	15,360	501,711	605,570	83%

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Contingency							
Insurance Deductible Contingency (Unfunded)							
	<i>unfunded</i>						
Master Association							
Arborist / Tree Work	18,742	10	5		8,580	1,568.27	8,580
Asphalt: Overlay - Pedestrian Pathway	11,783	30	9	-1	6,933	406.85	6,933
Asphalt: Repairs - Pedestrian Pathway	894	5	0	-2	894	151.96	894
Asphalt: Sealcoat - Pedestrian Pathway	902	5	0		902	153.34	902
Backflow Device: Common Area - Replacement	2,355	30	9		1,406	79.49	1,406
Bark Dust: Replenish - Common Area	4,822	2	0		4,822	1,949.49	4,822
Bollards - Replace	2,906	35	15		1,274	81.81	1,274
Brick: Masonry / Repointing & Repairs	7,931	15	0	5	7,931	530.78	7,931
Bridge: Wood - Replacement	20,212	25	5		14,804	818.55	14,804
Concrete: Flatwork - Sidewalks - Common Area	5,902	10	0	10	5,902	545.23	5,902
Fence: Chain Link - Power Coat - Replace	381,750	40	20		28,907	13,479.21	134,122
Fence: Vinyl - 3 Rail Horse Fence - Replace	294,028	30	10		164,314	9,787.44	164,314
Fence: Vinyl - Wash - 3 Rail Horse Fence	5,667	3	1		3,712	1,521.80	3,712
Landscaping: Irrigation	9,882	5	4		1,842	1,562.90	1,842
Landscaping: Plants & Arborvitae - Phased Replacements	6,930	10	5		3,172	579.87	3,172
Landscaping: Power Box - Monument - Replace	568	30	10		317	18.90	317
Lighting: Fixtures - Monuments - Renovation	1,238	8	3		734	129.85	734
Mailboxes: 12 Letter / 1 Package - Replace	12,190	40	20		4,283	296.38	4,283
Mailboxes: 16 Letter / 2 Package - Replace	70,520	40	20		24,776	1,714.63	24,776
Mailboxes: Clean / Paint / Maintain	1,713	5	0		1,713	291.22	1,713
Signs: Common Area	529	10	0	10	529	48.84	529
Signs: Monument - Clean & Maintain	6,719	10	0	10	6,719	620.65	6,719
Walls: Retaining	12,178	10	8		2,115	972.63	2,115
Walls: Retaining - Inspection	2,644	2	0		2,644	1,068.81	2,644
Master Association - Total	\$883,002				\$299,224	\$38,379	\$404,439

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Moon Valley Terrace							
Asphalt: Overlay - Moon Valley Terrace	13,317	30	13	3	6,417	399.76	6,417
Asphalt: Repairs - Moon Valley Terrace	565	5	0		565	96.03	565
Asphalt: Sealcoat - Moon Valley Terrace	950	5	0		950	161.50	950
Concrete: Curbs & Gutters: Moon Valley Terrace	358	12	2	10	314	16.59	314
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670	10	0	10	2,670	246.60	2,670
Storm Drains / Underground Inspection: Moon Valley Terrace	<u>3,154</u>	30	10		<u>1,762</u>	<u>104.98</u>	<u>1,762</u>
Moon Valley Terrace - Total	\$21,013				\$12,677	\$1,025	\$12,677
Silver Creek Place							
Asphalt: Overlay - Silver Creek Place	14,624	30	14	4	6,720	424.95	6,720
Asphalt: Repairs - Silver Creek Place	876	5	0		876	148.92	876
Asphalt: Sealcoat - Silver Creek Place	1,078	5	0		1,078	183.26	1,078
Concrete: Curbs & Gutters: Silver Creek Place	434	12	1	10	407	20.44	407
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299	10	0	10	3,299	304.71	3,299
Lighting: Fixture - Silver Creek Place - Street Light	1,033	25	5		756	41.82	756
Lighting: Power Box - Silver Creek Place - Replace	568	30	10		317	18.90	317
Storm Drains / Underground Inspection: Silver Creek Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>104.98</u>	<u>1,762</u>
Silver Creek Place - Total	\$25,065				\$15,215	\$1,248	\$15,215
Tatum Ranch Place							
Asphalt: Overlay - Tatum Ranch Place	3,969	30	14	4	1,824	115.34	1,824
Asphalt: Repairs - Tatum Ranch Place	221	5	0		221	37.49	221
Asphalt: Sealcoat - Tatum Ranch Place	278	5	0		278	47.29	278
Concrete: Curbs & Gutters: Tatum Ranch Place	302	12	1	10	283	14.21	283
Storm Drains / Underground Inspection: Tatum Ranch Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>104.98</u>	<u>1,762</u>
Tatum Ranch Place - Total	\$7,924				\$4,368	\$319	\$4,368

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Grand Total:	<u>\$937,004</u>				<u>\$331,485</u>	<u>\$40,972</u>	<u>\$436,700</u>
	Percent Fully Funded				76%		
	Current Average Liability per Unit (Total Units: 570)				-\$185		

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Asphalt: Repairs - Tatum Ranch Place	0	2021	221	221
Asphalt: Sealcoat - Tatum Ranch Place	0	2021	278	278
Signs: Common Area	0	2021	529	529
Asphalt: Repairs - Moon Valley Terrace	0	2021	565	565
Asphalt: Repairs - Silver Creek Place	0	2021	876	876
Asphalt: Repairs - Pedestrian Pathway	0	2021	894	894
Asphalt: Sealcoat - Pedestrian Pathway	0	2021	902	902
Asphalt: Sealcoat - Moon Valley Terrace	0	2021	950	950
Asphalt: Sealcoat - Silver Creek Place	0	2021	1,078	1,078
Mailboxes: Clean / Paint / Maintain	0	2021	1,713	1,713
Walls: Retaining - Inspection	0	2021	2,644	2,644
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	0	2021	2,670	2,670
Concrete: Flatwork - Sidewalks - Silver Creek Place	0	2021	3,299	3,299
Bark Dust: Replenish - Common Area	0	2021	4,822	4,822
Concrete: Flatwork - Sidewalks - Common Area	0	2021	5,902	5,902
Signs: Monument - Clean & Maintain	0	2021	6,719	6,719
Brick: Masonry / Repointing & Repairs	0	2021	7,931	7,931
Concrete: Curbs & Gutters: Tatum Ranch Place	1	2022	283	283
Concrete: Curbs & Gutters: Silver Creek Place	1	2022	407	407
Fence: Vinyl - Wash - 3 Rail Horse Fence	1	2022	3,712	3,712
Concrete: Curbs & Gutters: Moon Valley Terrace	2	2023	314	314
Lighting: Fixtures - Monuments - Renovation	3	2024	734	734
Landscaping: Irrigation	4	2025	1,842	1,842
Lighting: Fixture - Silver Creek Place - Street Light	5	2026	756	756
Landscaping: Plants & Arborvitae - Phased Replacements	5	2026	3,172	3,172
Arborist / Tree Work	5	2026	8,580	8,580

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

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Bridge: Wood - Replacement	5	2026	14,804	14,804
Walls: Retaining	8	2029	2,115	2,115
Backflow Device: Common Area - Replacement	9	2030	1,406	1,406
Asphalt: Overlay - Pedestrian Pathway	9	2030	6,933	6,933
Landscaping: Power Box - Monument - Replace	10	2031	317	317
Lighting: Power Box - Silver Creek Place - Replace	10	2031	317	317
Storm Drains / Underground Inspection: Moon Valley Terrace	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Silver Creek Place	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Tatum Ranch Place	10	2031	1,762	1,762
Fence: Vinyl - 3 Rail Horse Fence - Replace	10	2031	164,314	164,314
Asphalt: Overlay - Moon Valley Terrace	13	2034	6,417	6,417
Asphalt: Overlay - Tatum Ranch Place	14	2035	1,824	1,824
Asphalt: Overlay - Silver Creek Place	14	2035	6,720	6,720
Bollards - Replace	15	2036	1,274	1,274
Mailboxes: 12 Letter / 1 Package - Replace	20	2041	4,283	4,283
Mailboxes: 16 Letter / 2 Package - Replace	20	2041	24,776	24,776
Fence: Chain Link - Power Coat - Replace	20	2041	* 28,907	134,122
Insurance Deductible Contingency (Unfunded)		Unfunded		
Total Asset Summary			<u>\$331,485</u>	<u>\$436,700</u>

Percent Fully Funded	76%
Current Average Liability per Unit (Total Units: 570)	-\$185

*** Indicates Partially Funded*

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

EXECUTIVE SUMMARY - 70% THRESHOLD FUNDING MODEL

THRESHOLD FUNDING MODEL OVERVIEW

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

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2021 and ending December 31, 2021. 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 570 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 \$331,485 as of January, 1 2021. The actual or projected (estimated) total presented in this reserve study is based upon information provided to ReserveStudyUpdate.com, LLC and was not audited.

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

INFLATION RATE: An inflation rate of 1.78% 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 75.29% 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 - Master
Threshold Funding Model - 70% Minimum: Executive Summary**

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Master 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 44 assets were included in this reserve study report; of these considered, 43 were funded and 1 component 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, 2021 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 - Master
Threshold Funding Model - 70% Minimum: Executive Summary**

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

Report Version 1.01.

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

Report Date	October 29, 2020
Account Number	1215a
Version	1.01
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	570

<i>Report Parameters</i>	
Inflation	1.78%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.20%
2021 Beginning Balance	\$331,485

Threshold 70% Funding Model Summary of Calculations

Required Annual Contribution	\$38,109.06
<i>\$66.86 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$655.21</u>
Total Annual Allocation to Reserves	\$38,764.27
<i>\$68.01 per unit annually</i>	

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Beginning Balance: \$331,485

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	733,657	38,109	655	41,991	328,258	435,977	75%
2022	746,716	39,252	722	6,403	361,829	472,101	77%
2023	760,008	40,430	788	8,091	394,957	507,784	78%
2024	773,536	41,643	871	1,238	436,232	551,710	79%
2025	787,305	42,892	911	23,868	456,167	574,028	79%
2026	801,319	44,179	891	55,082	446,154	565,629	79%
2027	815,582	45,504	967	8,299	484,325	605,362	80%
2028	830,100	46,869	1,050	6,300	525,945	648,516	81%
2029	844,876	48,275	1,107	20,775	554,552	678,395	82%
2030	859,914	49,724	1,159	24,931	580,504	705,266	82%
2031	875,221	51,215	560	351,900	280,379	400,541	70%
2032	890,800	50,426	659	1,425	330,039	447,833	74%
2033	906,656	51,939	746	9,226	373,497	488,767	76%
2034	922,794	53,497	812	21,230	406,576	519,008	78%
2035	939,220	55,102	843	40,381	422,139	531,137	79%
2036	955,938	56,755	851	53,607	426,139	530,804	80%
2037	972,954	58,458	935	17,285	468,246	568,230	82%
2038	990,273	60,212	1,057		529,515	624,726	85%
2039	1,007,899	62,018	1,133	24,784	567,883	657,829	86%
2040	1,025,840	63,878	1,219	22,302	610,678	694,887	88%
2041	1,044,100	65,795	327	512,932	163,868	234,096	70%
2042	1,062,685	47,558	423		211,849	288,037	74%
2043	1,081,601	48,985	483	19,215	242,102	324,266	75%
2044	1,100,853	50,455	585		293,142	381,599	77%
2045	1,120,448	51,968	639	25,465	320,285	414,952	77%
2046	1,140,392	53,527	632	57,935	316,510	416,785	76%
2047	1,160,691	55,133	719	12,357	360,004	465,991	77%
2048	1,181,352	56,787	830	1,890	415,731	527,693	79%
2049	1,202,380	58,491	871	38,691	436,402	554,023	79%
2050	1,223,782	60,246	963	15,360	482,250	605,570	80%

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Contingency							
Insurance Deductible Contingency (Unfunded)							
	<i>unfunded</i>						
Master Association							
Arborist / Tree Work	18,742	10	5		8,580	1,458.70	8,580
Asphalt: Overlay - Pedestrian Pathway	11,783	30	9	-1	6,933	378.42	6,933
Asphalt: Repairs - Pedestrian Pathway	894	5	0	-2	894	141.34	894
Asphalt: Sealcoat - Pedestrian Pathway	902	5	0		902	142.62	902
Backflow Device: Common Area - Replacement	2,355	30	9		1,406	73.94	1,406
Bark Dust: Replenish - Common Area	4,822	2	0		4,822	1,813.29	4,822
Bollards - Replace	2,906	35	15		1,274	76.09	1,274
Brick: Masonry / Repointing & Repairs	7,931	15	0	5	7,931	493.70	7,931
Bridge: Wood - Replacement	20,212	25	5		14,804	761.36	14,804
Concrete: Flatwork - Sidewalks - Common Area	5,902	10	0	10	5,902	507.14	5,902
Fence: Chain Link - Power Coat - Replace	381,750	40	20		28,907	12,537.46	134,122
Fence: Vinyl - 3 Rail Horse Fence - Replace	294,028	30	10		164,314	9,103.62	164,314
Fence: Vinyl - Wash - 3 Rail Horse Fence	5,667	3	1		3,712	1,415.48	3,712
Landscaping: Irrigation	9,882	5	4		1,842	1,453.71	1,842
Landscaping: Plants & Arborvitae - Phased Replacements	6,930	10	5		3,172	539.36	3,172
Landscaping: Power Box - Monument - Replace	568	30	10		317	17.58	317
Lighting: Fixtures - Monuments - Renovation	1,238	8	3		734	120.77	734
Mailboxes: 12 Letter / 1 Package - Replace	12,190	40	20		4,283	275.68	4,283
Mailboxes: 16 Letter / 2 Package - Replace	70,520	40	20		24,776	1,594.83	24,776
Mailboxes: Clean / Paint / Maintain	1,713	5	0		1,713	270.87	1,713
Signs: Common Area	529	10	0	10	529	45.43	529
Signs: Monument - Clean & Maintain	6,719	10	0	10	6,719	577.29	6,719
Walls: Retaining	12,178	10	8		2,115	904.67	2,115
Walls: Retaining - Inspection	2,644	2	0		2,644	994.13	2,644
Master Association - Total	<u>\$883,002</u>				<u>\$299,224</u>	<u>\$35,697</u>	<u>\$404,439</u>

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Moon Valley Terrace							
Asphalt: Overlay - Moon Valley Terrace	13,317	30	13	3	6,417	371.83	6,417
Asphalt: Repairs - Moon Valley Terrace	565	5	0		565	89.32	565
Asphalt: Sealcoat - Moon Valley Terrace	950	5	0		950	150.21	950
Concrete: Curbs & Gutters: Moon Valley Terrace	358	12	2	10	314	15.43	314
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670	10	0	10	2,670	229.37	2,670
Storm Drains / Underground Inspection: Moon Valley Terrace	<u>3,154</u>	30	10		<u>1,762</u>	<u>97.64</u>	<u>1,762</u>
Moon Valley Terrace - Total	\$21,013				\$12,677	\$954	\$12,677
Silver Creek Place							
Asphalt: Overlay - Silver Creek Place	14,624	30	14	4	6,720	395.26	6,720
Asphalt: Repairs - Silver Creek Place	876	5	0		876	138.51	876
Asphalt: Sealcoat - Silver Creek Place	1,078	5	0		1,078	170.45	1,078
Concrete: Curbs & Gutters: Silver Creek Place	434	12	1	10	407	19.01	407
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299	10	0	10	3,299	283.42	3,299
Lighting: Fixture - Silver Creek Place - Street Light	1,033	25	5		756	38.89	756
Lighting: Power Box - Silver Creek Place - Replace	568	30	10		317	17.58	317
Storm Drains / Underground Inspection: Silver Creek Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>97.64</u>	<u>1,762</u>
Silver Creek Place - Total	\$25,065				\$15,215	\$1,161	\$15,215
Tatum Ranch Place							
Asphalt: Overlay - Tatum Ranch Place	3,969	30	14	4	1,824	107.28	1,824
Asphalt: Repairs - Tatum Ranch Place	221	5	0		221	34.87	221
Asphalt: Sealcoat - Tatum Ranch Place	278	5	0		278	43.99	278
Concrete: Curbs & Gutters: Tatum Ranch Place	302	12	1	10	283	13.22	283
Storm Drains / Underground Inspection: Tatum Ranch Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>97.64</u>	<u>1,762</u>
Tatum Ranch Place - Total	\$7,924				\$4,368	\$297	\$4,368

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Grand Total:	<u>\$937,004</u>				<u>\$331,485</u>	<u>\$38,109</u>	<u>\$436,700</u>
	Percent Fully Funded				76%		
	Current Average Liability per Unit (Total Units: 570)				-\$185		

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Asphalt: Repairs - Tatum Ranch Place	0	2021	221	221
Asphalt: Sealcoat - Tatum Ranch Place	0	2021	278	278
Signs: Common Area	0	2021	529	529
Asphalt: Repairs - Moon Valley Terrace	0	2021	565	565
Asphalt: Repairs - Silver Creek Place	0	2021	876	876
Asphalt: Repairs - Pedestrian Pathway	0	2021	894	894
Asphalt: Sealcoat - Pedestrian Pathway	0	2021	902	902
Asphalt: Sealcoat - Moon Valley Terrace	0	2021	950	950
Asphalt: Sealcoat - Silver Creek Place	0	2021	1,078	1,078
Mailboxes: Clean / Paint / Maintain	0	2021	1,713	1,713
Walls: Retaining - Inspection	0	2021	2,644	2,644
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	0	2021	2,670	2,670
Concrete: Flatwork - Sidewalks - Silver Creek Place	0	2021	3,299	3,299
Bark Dust: Replenish - Common Area	0	2021	4,822	4,822
Concrete: Flatwork - Sidewalks - Common Area	0	2021	5,902	5,902
Signs: Monument - Clean & Maintain	0	2021	6,719	6,719
Brick: Masonry / Repointing & Repairs	0	2021	7,931	7,931
Concrete: Curbs & Gutters: Tatum Ranch Place	1	2022	283	283
Concrete: Curbs & Gutters: Silver Creek Place	1	2022	407	407
Fence: Vinyl - Wash - 3 Rail Horse Fence	1	2022	3,712	3,712
Concrete: Curbs & Gutters: Moon Valley Terrace	2	2023	314	314
Lighting: Fixtures - Monuments - Renovation	3	2024	734	734
Landscaping: Irrigation	4	2025	1,842	1,842
Lighting: Fixture - Silver Creek Place - Street Light	5	2026	756	756
Landscaping: Plants & Arborvitae - Phased Replacements	5	2026	3,172	3,172
Arborist / Tree Work	5	2026	8,580	8,580

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

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Bridge: Wood - Replacement	5	2026	14,804	14,804
Walls: Retaining	8	2029	2,115	2,115
Backflow Device: Common Area - Replacement	9	2030	1,406	1,406
Asphalt: Overlay - Pedestrian Pathway	9	2030	6,933	6,933
Landscaping: Power Box - Monument - Replace	10	2031	317	317
Lighting: Power Box - Silver Creek Place - Replace	10	2031	317	317
Storm Drains / Underground Inspection: Moon Valley Terrace	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Silver Creek Place	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Tatum Ranch Place	10	2031	1,762	1,762
Fence: Vinyl - 3 Rail Horse Fence - Replace	10	2031	164,314	164,314
Asphalt: Overlay - Moon Valley Terrace	13	2034	6,417	6,417
Asphalt: Overlay - Tatum Ranch Place	14	2035	1,824	1,824
Asphalt: Overlay - Silver Creek Place	14	2035	6,720	6,720
Bollards - Replace	15	2036	1,274	1,274
Mailboxes: 12 Letter / 1 Package - Replace	20	2041	4,283	4,283
Mailboxes: 16 Letter / 2 Package - Replace	20	2041	24,776	24,776
Fence: Chain Link - Power Coat - Replace	20	2041	* 28,907	134,122
Insurance Deductible Contingency (Unfunded)		Unfunded		
Total Asset Summary			<u>\$331,485</u>	<u>\$436,700</u>

Percent Fully Funded	76%
Current Average Liability per Unit (Total Units: 570)	-\$185

*** Indicates Partially Funded*

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

EXECUTIVE SUMMARY - 85% THRESHOLD FUNDING MODEL

THRESHOLD FUNDING MODEL OVERVIEW

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

PROPERTY INFORMATION

ORIGINAL STARTING DATE OF RESERVE STUDY: This reserve study was prepared for the fiscal year January 1, 2021 and ending December 31, 2021. 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 570 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 \$331,485 as of January, 1 2021. The actual or projected (estimated) total presented in this reserve study is based upon information provided to ReserveStudyUpdate.com, LLC and was not audited.

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

INFLATION RATE: An inflation rate of 1.78% 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 85.00% 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 - Master
Threshold Funding Model - 85% Minimum: Executive Summary**

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Master 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 44 assets were included in this reserve study report; of these considered, 43 were funded and 1 component was 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, 2021 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 - Master
Threshold Funding Model - 85% Minimum: Executive Summary**

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Report Version 1.01.

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

Report Date	October 29, 2020
Account Number	1215a
Version	1.01
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	570

<i>Report Parameters</i>	
Inflation	1.78%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.20%
2021 Beginning Balance	\$331,485

Threshold 85% Funding Model Summary of Calculations

Required Annual Contribution	\$80,347.24
<i>\$140.96 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$739.68</u>
Total Annual Allocation to Reserves	\$81,086.92
<i>\$142.26 per unit annually</i>	

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Beginning Balance: \$331,485

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	733,657	80,347	740	41,991	370,581	435,977	85%
2022	746,716	40,711	810	6,403	405,699	472,101	86%
2023	760,008	41,933	879	8,091	440,420	507,784	87%
2024	773,536	43,191	965	1,238	483,338	551,710	88%
2025	787,305	44,487	1,008	23,868	504,964	574,028	88%
2026	801,319	45,821	991	55,082	496,694	565,629	88%
2027	815,582	47,196	1,071	8,299	536,662	605,362	89%
2028	830,100	48,612	1,158	6,300	580,131	648,516	89%
2029	844,876	50,070	1,219	20,775	610,645	678,395	90%
2030	859,914	51,572	1,275	24,931	638,561	705,266	91%
2031	875,221	53,119	680	351,900	340,460	400,541	85%
2032	890,800	48,167	774	1,425	387,976	447,833	87%
2033	906,656	49,612	857	9,226	429,218	488,767	88%
2034	922,794	51,100	918	21,230	460,006	519,008	89%
2035	939,220	52,633	945	40,381	473,202	531,137	89%
2036	955,938	54,212	948	53,607	474,755	530,804	89%
2037	972,954	55,838	1,027	17,285	514,335	568,230	91%
2038	990,273	57,513	1,144		572,992	624,726	92%
2039	1,007,899	59,239	1,215	24,784	608,662	657,829	93%
2040	1,025,840	61,016	1,295	22,302	648,671	694,887	93%
2041	1,044,100	62,846	397	512,932	198,982	234,096	85%
2042	1,062,685	49,056	496		248,534	288,037	86%
2043	1,081,601	50,527	560	19,215	280,406	324,266	86%
2044	1,100,853	52,043	665		333,113	381,599	87%
2045	1,120,448	53,604	723	25,465	361,976	414,952	87%
2046	1,140,392	55,212	719	57,935	359,972	416,785	86%
2047	1,160,691	56,869	809	12,357	405,293	465,991	87%
2048	1,181,352	58,575	924	1,890	462,902	527,693	88%
2049	1,202,380	60,332	969	38,691	485,512	554,023	88%
2050	1,223,782	62,142	1,065	15,360	533,358	605,570	88%

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Contingency							
Insurance Deductible Contingency (Unfunded)							
	<i>unfunded</i>						
Master Association							
Arborist / Tree Work	18,742	10	5		8,580	3,075.44	8,580
Asphalt: Overlay - Pedestrian Pathway	11,783	30	9	-1	6,933	797.85	6,933
Asphalt: Repairs - Pedestrian Pathway	894	5	0	-2	894	298.00	894
Asphalt: Sealcoat - Pedestrian Pathway		902	5	0	902	300.70	902
Backflow Device: Common Area - Replacement		2,355	30	9	1,406	155.88	1,406
Bark Dust: Replenish - Common Area	4,822	2	0		4,822	3,823.05	4,822
Bollards - Replace	2,906	35	15		1,274	160.43	1,274
Brick: Masonry / Repointing & Repairs		7,931	15	0	5	7,931	1,040.89
Bridge: Wood - Replacement	20,212	25	5		14,804	1,605.21	14,804
Concrete: Flatwork - Sidewalks - Common Area		5,902	10	0	10	5,902	1,069.23
Fence: Chain Link - Power Coat - Replace		381,750	40	20		28,907	26,433.35
Fence: Vinyl - 3 Rail Horse Fence - Replace		294,028	30	10		164,314	19,193.62
Fence: Vinyl - Wash - 3 Rail Horse Fence		5,667	3	1		3,712	2,984.32
Landscaping: Irrigation	9,882	5	4		1,842	3,064.93	1,842
Landscaping: Plants & Arborvitae - Phased Replacements		6,930	10	5		3,172	1,137.16
Landscaping: Power Box - Monument - Replace		568	30	10		317	37.06
Lighting: Fixtures - Monuments - Renovation		1,238	8	3		734	254.63
Mailboxes: 12 Letter / 1 Package - Replace		12,190	40	20		4,283	581.22
Mailboxes: 16 Letter / 2 Package - Replace		70,520	40	20		24,776	3,362.47
Mailboxes: Clean / Paint / Maintain	1,713	5	0		1,713	571.09	1,713
Signs: Common Area	529	10	0	10	529	95.78	529
Signs: Monument - Clean & Maintain	6,719	10	0	10	6,719	1,217.13	6,719
Walls: Retaining	12,178	10	8		2,115	1,907.36	2,115
Walls: Retaining - Inspection	2,644	2	0		2,644	2,095.98	2,644
Master Association - Total	\$883,002				\$299,224	\$75,263	\$404,439

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Moon Valley Terrace							
Asphalt: Overlay - Moon Valley Terrace	13,317	30	13	3	6,417	783.94	6,417
Asphalt: Repairs - Moon Valley Terrace	565	5	0		565	188.31	565
Asphalt: Sealcoat - Moon Valley Terrace	950	5	0		950	316.70	950
Concrete: Curbs & Gutters: Moon Valley Terrace	358	12	2	10	314	32.54	314
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670	10	0	10	2,670	483.59	2,670
Storm Drains / Underground Inspection: Moon Valley Terrace	<u>3,154</u>	30	10		<u>1,762</u>	<u>205.87</u>	<u>1,762</u>
Moon Valley Terrace - Total	\$21,013				\$12,677	\$2,011	\$12,677
Silver Creek Place							
Asphalt: Overlay - Silver Creek Place	14,624	30	14	4	6,720	833.34	6,720
Asphalt: Repairs - Silver Creek Place	876	5	0		876	292.04	876
Asphalt: Sealcoat - Silver Creek Place	1,078	5	0		1,078	359.38	1,078
Concrete: Curbs & Gutters: Silver Creek Place	434	12	1	10	407	40.09	407
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299	10	0	10	3,299	597.55	3,299
Lighting: Fixture - Silver Creek Place - Street Light	1,033	25	5		756	82.00	756
Lighting: Power Box - Silver Creek Place - Replace	568	30	10		317	37.06	317
Storm Drains / Underground Inspection: Silver Creek Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>205.87</u>	<u>1,762</u>
Silver Creek Place - Total	\$25,065				\$15,215	\$2,447	\$15,215
Tatum Ranch Place							
Asphalt: Overlay - Tatum Ranch Place	3,969	30	14	4	1,824	226.18	1,824
Asphalt: Repairs - Tatum Ranch Place	221	5	0		221	73.53	221
Asphalt: Sealcoat - Tatum Ranch Place	278	5	0		278	92.74	278
Concrete: Curbs & Gutters: Tatum Ranch Place	302	12	1	10	283	27.87	283
Storm Drains / Underground Inspection: Tatum Ranch Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>205.87</u>	<u>1,762</u>
Tatum Ranch Place - Total	\$7,924				\$4,368	\$626	\$4,368

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Grand Total:	<u>\$937,004</u>				<u>\$331,485</u>	<u>\$80,347</u>	<u>\$436,700</u>
	Percent Fully Funded				76%		
	Current Average Liability per Unit (Total Units: 570)				-\$185		

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Asphalt: Repairs - Tatum Ranch Place	0	2021	221	221
Asphalt: Sealcoat - Tatum Ranch Place	0	2021	278	278
Signs: Common Area	0	2021	529	529
Asphalt: Repairs - Moon Valley Terrace	0	2021	565	565
Asphalt: Repairs - Silver Creek Place	0	2021	876	876
Asphalt: Repairs - Pedestrian Pathway	0	2021	894	894
Asphalt: Sealcoat - Pedestrian Pathway	0	2021	902	902
Asphalt: Sealcoat - Moon Valley Terrace	0	2021	950	950
Asphalt: Sealcoat - Silver Creek Place	0	2021	1,078	1,078
Mailboxes: Clean / Paint / Maintain	0	2021	1,713	1,713
Walls: Retaining - Inspection	0	2021	2,644	2,644
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	0	2021	2,670	2,670
Concrete: Flatwork - Sidewalks - Silver Creek Place	0	2021	3,299	3,299
Bark Dust: Replenish - Common Area	0	2021	4,822	4,822
Concrete: Flatwork - Sidewalks - Common Area	0	2021	5,902	5,902
Signs: Monument - Clean & Maintain	0	2021	6,719	6,719
Brick: Masonry / Repointing & Repairs	0	2021	7,931	7,931
Concrete: Curbs & Gutters: Tatum Ranch Place	1	2022	283	283
Concrete: Curbs & Gutters: Silver Creek Place	1	2022	407	407
Fence: Vinyl - Wash - 3 Rail Horse Fence	1	2022	3,712	3,712
Concrete: Curbs & Gutters: Moon Valley Terrace	2	2023	314	314
Lighting: Fixtures - Monuments - Renovation	3	2024	734	734
Landscaping: Irrigation	4	2025	1,842	1,842
Lighting: Fixture - Silver Creek Place - Street Light	5	2026	756	756
Landscaping: Plants & Arborvitae - Phased Replacements	5	2026	3,172	3,172
Arborist / Tree Work	5	2026	8,580	8,580

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

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Bridge: Wood - Replacement	5	2026	14,804	14,804
Walls: Retaining	8	2029	2,115	2,115
Backflow Device: Common Area - Replacement	9	2030	1,406	1,406
Asphalt: Overlay - Pedestrian Pathway	9	2030	6,933	6,933
Landscaping: Power Box - Monument - Replace	10	2031	317	317
Lighting: Power Box - Silver Creek Place - Replace	10	2031	317	317
Storm Drains / Underground Inspection: Moon Valley Terrace	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Silver Creek Place	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Tatum Ranch Place	10	2031	1,762	1,762
Fence: Vinyl - 3 Rail Horse Fence - Replace	10	2031	164,314	164,314
Asphalt: Overlay - Moon Valley Terrace	13	2034	6,417	6,417
Asphalt: Overlay - Tatum Ranch Place	14	2035	1,824	1,824
Asphalt: Overlay - Silver Creek Place	14	2035	6,720	6,720
Bollards - Replace	15	2036	1,274	1,274
Mailboxes: 12 Letter / 1 Package - Replace	20	2041	4,283	4,283
Mailboxes: 16 Letter / 2 Package - Replace	20	2041	24,776	24,776
Fence: Chain Link - Power Coat - Replace	20	2041	* 28,907	134,122
Insurance Deductible Contingency (Unfunded)		Unfunded		
Total Asset Summary			<u>\$331,485</u>	<u>\$436,700</u>

Percent Fully Funded	76%
Current Average Liability per Unit (Total Units: 570)	-\$185

*** Indicates Partially Funded*

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

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 - Master 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, 2021 and ending December 31, 2021. 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 570 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 - Master
Component Funding Model: Executive Summary**

a projected beginning reserve balance of \$331,485 as of January 1, 2021. 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 1.78% 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 76.03% funded the end of the first fiscal year contingent that the funding model described in this section is implemented.

DISCLOSURES

GENERAL: Arbor Ridge P.U.D. Homeowners Association - Master 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 44 assets were included in this reserve study report; of these considered, 43 were funded and 1 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 - Master
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, 2021 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.

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

Report Date	October 29, 2020
Account Number	1215a
Version	1.01
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	570

<i>Report Parameters</i>	
Inflation	1.78%
Interest Rate on Reserve Deposit	0.20%
Contingency	3.00%
2021 Beginning Balance	\$331,485

Component Funding Model Summary of Calculations

Required Annual Contribution	\$51,536.58
<i>\$90.41 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$682.06</u>
Total Annual Allocation to Reserves	\$52,218.64
<i>\$91.61 per unit annually</i>	

**Arbor Ridge P.U.D. Homeowners Association - Master
Component Funding Model: Projection**

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Beginning Balance: \$331,485

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	733,657	51,537	682	41,991	341,712	449,461	76%
2022	746,716	51,752	774	6,403	387,835	486,702	80%
2023	760,008	52,290	864	8,091	432,898	523,489	83%
2024	773,536	53,226	970	1,238	485,857	568,774	85%
2025	787,305	53,366	1,031	23,868	516,385	591,782	87%
2026	801,319	53,924	1,030	55,082	516,256	583,122	89%
2027	815,582	54,439	1,125	8,299	563,521	624,084	90%
2028	830,100	55,190	1,225	6,300	613,636	668,573	92%
2029	844,876	55,607	1,297	20,775	649,766	699,377	93%
2030	859,914	56,373	1,362	24,931	682,571	727,079	94%
2031	875,221	56,357	774	351,900	387,802	412,929	94%
2032	890,800	56,163	885	1,425	443,424	461,683	96%
2033	906,656	56,817	982	9,226	491,998	503,884	98%
2034	922,794	54,749	1,051	21,230	526,567	535,060	98%
2035	939,220	52,059	1,076	40,381	539,322	547,564	98%
2036	955,938	52,234	1,076	53,607	539,025	547,220	99%
2037	972,954	57,299	1,158	17,285	580,198	585,804	99%
2038	990,273	52,984	1,266		634,448	644,048	99%
2039	1,007,899	55,452	1,330	24,784	666,446	678,174	98%
2040	1,025,840	55,464	1,399	22,302	701,007	716,378	98%
2041	1,044,100	63,391	503	512,932	251,969	241,336	104%
2042	1,062,685	56,824	618		309,410	296,945	104%
2043	1,081,601	60,731	702	19,215	351,628	334,295	105%
2044	1,100,853	53,185	810		405,623	393,401	103%
2045	1,120,448	59,263	879	25,465	440,300	427,786	103%
2046	1,140,392	61,382	887	57,935	444,635	429,676	103%
2047	1,160,691	63,567	992	12,357	496,837	480,403	103%
2048	1,181,352	57,090	1,104	1,890	553,141	544,014	102%
2049	1,202,380	64,309	1,158	38,691	579,916	571,158	102%
2050	1,223,782	59,725	1,249	15,360	625,529	624,299	100%

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

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Contingency							
Insurance Deductible Contingency (Unfunded)							
					<i>Unfunded</i>		
Master Association							
Arborist / Tree Work	2026	10	0	5	17,159	8,580	8,580
Asphalt: Overlay - Pedestrian Pathway	2030	30	-1	9	10,053	6,933	6,933
Asphalt: Repairs - Pedestrian Pathway	2021	5	-2	0	894	894	894
Asphalt: Sealcoat - Pedestrian Pathway	2021	5	0	0	902	902	902
Backflow Device: Common Area - Replacement	2030	30	0	9	2,009	1,406	1,406
Bark Dust: Replenish - Common Area	2021	2	0	0	4,822	4,822	4,822
Bollards - Replace	2036	35	0	15	2,230	1,274	1,274
Brick: Masonry / Repointing & Repairs	2021	15	5	0	7,931	7,931	7,931
Bridge: Wood - Replacement	2026	25	0	5	18,505	14,804	14,804
Concrete: Flatwork - Sidewalks - Common Area	2021	10	10	0	5,902	5,902	5,902
Fence: Chain Link - Power Coat - Replace	2041	40	0	20	268,244	18,962	134,122
Fence: Vinyl - 3 Rail Horse Fence - Replace	2031	30	0	10	246,470	164,314	164,314
Fence: Vinyl - Wash - 3 Rail Horse Fence	2022	3	0	1	5,568	3,712	3,712
Landscaping: Irrigation	2025	5	0	4	9,208	1,842	1,842
Landscaping: Plants & Arborvitae - Phased Replacements	2026	10	0	5	6,345	3,172	3,172
Landscaping: Power Box - Monument - Replace	2031	30	0	10	476	317	317
Lighting: Fixtures - Monuments - Renovation	2024	8	0	3	1,174	734	734
Mailboxes: 12 Letter / 1 Package - Replace	2041	40	0	20	8,565	4,283	4,283
Mailboxes: 16 Letter / 2 Package - Replace	2041	40	0	20	49,552	24,776	24,776
Mailboxes: Clean / Paint / Maintain	2021	5	0	0	1,713	1,713	1,713
Signs: Common Area	2021	10	10	0	529	529	529
Signs: Monument - Clean & Maintain	2021	10	10	0	6,719	6,719	6,719
Walls: Retaining	2029	10	0	8	10,575	2,115	2,115
Walls: Retaining - Inspection	2021	2	0	0	2,644	2,644	2,644
Master Association - Total					\$688,189	\$289,280	\$404,439
Moon Valley Terrace							
Asphalt: Overlay - Moon Valley Terrace	2034	30	3	13	10,588	6,417	6,417
Asphalt: Repairs - Moon Valley Terrace	2021	5	0	0	565	565	565
Asphalt: Sealcoat - Moon Valley Terrace	2021	5	0	0	950	950	950
Concrete: Curbs & Gutters: Moon Valley Terrace	2023	12	10	2	345	314	314
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2021	10	10	0	2,670	2,670	2,670

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

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
<i>Moon Valley Terrace continued...</i>							
Storm Drains / Underground Inspection: Moon Valley Terrace	2031	30	0	10	<u>2,644</u>	<u>1,762</u>	<u>1,762</u>
Moon Valley Terrace - Total					\$17,761	\$12,677	\$12,677
Silver Creek Place							
Asphalt: Overlay - Silver Creek Place	2035	30	4	14	11,424	6,720	6,720
Asphalt: Repairs - Silver Creek Place	2021	5	0	0	876	876	876
Asphalt: Sealcoat - Silver Creek Place	2021	5	0	0	1,078	1,078	1,078
Concrete: Curbs & Gutters: Silver Creek Place	2022	12	10	1	426	407	407
Concrete: Flatwork - Sidewalks - Silver Creek Place	2021	10	10	0	3,299	3,299	3,299
Lighting: Fixture - Silver Creek Place - Street Light	2026	25	0	5	945	756	756
Lighting: Power Box - Silver Creek Place - Replace	2031	30	0	10	476	317	317
Storm Drains / Underground Inspection: Silver Creek Place	2031	30	0	10	<u>2,644</u>	<u>1,762</u>	<u>1,762</u>
Silver Creek Place - Total					\$21,168	\$15,215	\$15,215
Tatum Ranch Place							
Asphalt: Overlay - Tatum Ranch Place	2035	30	4	14	3,101	1,824	1,824
Asphalt: Repairs - Tatum Ranch Place	2021	5	0	0	221	221	221
Asphalt: Sealcoat - Tatum Ranch Place	2021	5	0	0	278	278	278
Concrete: Curbs & Gutters: Tatum Ranch Place	2022	12	10	1	297	283	283
Storm Drains / Underground Inspection: Tatum Ranch Place	2031	30	0	10	<u>2,644</u>	<u>1,762</u>	<u>1,762</u>
Tatum Ranch Place - Total					\$6,539	\$4,368	\$4,368
Total Asset Summary					<u>\$733,657</u>	<u>\$321,540</u>	<u>\$436,700</u>
Contingency at 3.00%						<u>\$9,945</u>	<u>\$13,506</u>
Summary Total						\$331,485	\$450,206

Percent Fully Funded	74%
Current Average Liability per Unit (Total Units: 570)	-\$208

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Contingency							
Insurance Deductible Contingency (Unfunded)							
	<i>unfunded</i>						
Master Association							
Arborist / Tree Work	18,742	10	5		8,580	1,903.00	8,580
Asphalt: Overlay - Pedestrian Pathway	11,783	30	9	-1	6,933	503.54	6,933
Asphalt: Repairs - Pedestrian Pathway	894	5	0	-2	894	174.69	894
Asphalt: Sealcoat - Pedestrian Pathway							
	902	5	0		902	176.27	902
Backflow Device: Common Area - Replacement							
	2,355	30	9		1,406	98.49	1,406
Bark Dust: Replenish - Common Area	4,822	2	0		4,822	2,241.09	4,822
Bollards - Replace	2,906	35	15		1,274	100.02	1,274
Brick: Masonry / Repointing & Repairs							
	7,931	15	0	5	7,931	610.17	7,931
Bridge: Wood - Replacement	20,212	25	5		14,804	1,024.62	14,804
Concrete: Flatwork - Sidewalks - Common Area							
	5,902	10	0	10	5,902	626.79	5,902
Fence: Chain Link - Power Coat - Replace							
	381,750	40	20		18,962	16,837.58	134,122
Fence: Vinyl - 3 Rail Horse Fence - Replace							
	294,028	30	10		164,314	12,084.81	164,314
Fence: Vinyl - Wash - 3 Rail Horse Fence							
	5,667	3	1		3,712	1,879.01	3,712
Landscaping: Irrigation	9,882	5	4		1,842	1,836.60	1,842
Landscaping: Plants & Arborvitae - Phased Replacements							
	6,930	10	5		3,172	703.64	3,172
Landscaping: Power Box - Monument - Replace							
	568	30	10		317	23.33	317
Lighting: Fixtures - Monuments - Renovation							
	1,238	8	3		734	159.63	734
Mailboxes: 12 Letter / 1 Package - Replace							
	12,190	40	20		4,283	359.64	4,283
Mailboxes: 16 Letter / 2 Package - Replace							
	70,520	40	20		24,776	2,080.60	24,776
Mailboxes: Clean / Paint / Maintain	1,713	5	0		1,713	334.78	1,713

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Master Association continued...</i>							
Signs: Common Area	529	10	0	10	529	56.15	529
Signs: Monument - Clean & Maintain	6,719	10	0	10	6,719	713.49	6,719
Walls: Retaining	12,178	10	8		2,115	1,142.95	2,115
Walls: Retaining - Inspection	<u>2,644</u>	2	0		<u>2,644</u>	<u>1,228.67</u>	<u>2,644</u>
Master Association - Total	\$883,002				\$289,280	\$46,900	\$404,439
Moon Valley Terrace							
Asphalt: Overlay - Moon Valley Terrace	13,317	30	13	3	6,417	490.50	6,417
Asphalt: Repairs - Moon Valley Terrace	565	5	0		565	110.39	565
Asphalt: Sealcoat - Moon Valley Terrace	950	5	0		950	185.65	950
Concrete: Curbs & Gutters: Moon Valley Terrace	358	12	2	10	314	21.00	314
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670	10	0	10	2,670	283.48	2,670
Storm Drains / Underground Inspection: Moon Valley Terrace	<u>3,154</u>	30	10		<u>1,762</u>	<u>129.62</u>	<u>1,762</u>
Moon Valley Terrace - Total	\$21,013				\$12,677	\$1,221	\$12,677
Silver Creek Place							
Asphalt: Overlay - Silver Creek Place	14,624	30	14	4	6,720	520.44	6,720
Asphalt: Repairs - Silver Creek Place	876	5	0		876	171.19	876
Asphalt: Sealcoat - Silver Creek Place	1,078	5	0		1,078	210.67	1,078
Concrete: Curbs & Gutters: Silver Creek Place	434	12	1	10	407	25.99	407
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299	10	0	10	3,299	350.28	3,299
Lighting: Fixture - Silver Creek Place - Street Light	1,033	25	5		756	52.34	756
Lighting: Power Box - Silver Creek Place - Replace	568	30	10		317	23.33	317
Storm Drains / Underground Inspection: Silver Creek Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>129.62</u>	<u>1,762</u>
Silver Creek Place - Total	\$25,065				\$15,215	\$1,484	\$15,215
Tatum Ranch Place							
Asphalt: Overlay - Tatum Ranch Place	3,969	30	14	4	1,824	141.25	1,824
Asphalt: Repairs - Tatum Ranch Place	221	5	0		221	43.10	221
Asphalt: Sealcoat - Tatum Ranch Place	278	5	0		278	54.37	278

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Tatum Ranch Place continued...</i>							
Concrete: Curbs & Gutters: Tatum Ranch Place	302	12	1	10	283	18.07	283
Storm Drains / Underground Inspection: Tatum Ranch Place	3,154	30	10		1,762	129.62	1,762
Tatum Ranch Place - Total	<u>\$7,924</u>				<u>\$4,368</u>	<u>\$386</u>	<u>\$4,368</u>
Asset Summary Total:	<u>\$937,004</u>				<u>\$321,540</u>	<u>\$49,990</u>	<u>\$436,700</u>
Contingency at 3.00%					<u>\$9,945</u>	<u>\$1,546</u>	<u>\$13,506</u>
Grand Total:					<u>\$331,485</u>	<u>\$51,537</u>	<u>\$450,206</u>

Percent Fully Funded	74%
Current Average Liability per Unit (Total Units: 570)	-\$208

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Asphalt: Repairs - Tatum Ranch Place	0	2021	221	221
Asphalt: Sealcoat - Tatum Ranch Place	0	2021	278	278
Signs: Common Area	0	2021	529	529
Asphalt: Repairs - Moon Valley Terrace	0	2021	565	565
Asphalt: Repairs - Silver Creek Place	0	2021	876	876
Asphalt: Repairs - Pedestrian Pathway	0	2021	894	894
Asphalt: Sealcoat - Pedestrian Pathway	0	2021	902	902
Lighting: Fixture - Silver Creek Place - Street Light	5	2026	756	756
Asphalt: Sealcoat - Moon Valley Terrace	0	2021	950	950
Asphalt: Sealcoat - Silver Creek Place	0	2021	1,078	1,078
Mailboxes: Clean / Paint / Maintain	0	2021	1,713	1,713
Walls: Retaining - Inspection	0	2021	2,644	2,644
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	0	2021	2,670	2,670
Concrete: Flatwork - Sidewalks - Silver Creek Place	0	2021	3,299	3,299
Bark Dust: Replenish - Common Area	0	2021	4,822	4,822
Concrete: Flatwork - Sidewalks - Common Area	0	2021	5,902	5,902
Signs: Monument - Clean & Maintain	0	2021	6,719	6,719
Brick: Masonry / Repointing & Repairs	0	2021	7,931	7,931
Bridge: Wood - Replacement	5	2026	14,804	14,804
Fence: Vinyl - Wash - 3 Rail Horse Fence	1	2022	3,712	3,712
Landscaping: Irrigation	4	2025	1,842	1,842
Lighting: Fixtures - Monuments - Renovation	3	2024	734	734
Landscaping: Plants & Arborvitae - Phased Replacements	5	2026	3,172	3,172
Arborist / Tree Work	5	2026	8,580	8,580
Concrete: Curbs & Gutters: Tatum Ranch Place	1	2022	283	283
Concrete: Curbs & Gutters: Silver Creek Place	1	2022	407	407
Concrete: Curbs & Gutters: Moon Valley Terrace	2	2023	314	314

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

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Walls: Retaining	8	2029	2,115	2,115
Backflow Device: Common Area - Replacement				
	9	2030	1,406	1,406
Asphalt: Overlay - Pedestrian Pathway	9	2030	6,933	6,933
Landscaping: Power Box - Monument - Replace				
	10	2031	317	317
Lighting: Power Box - Silver Creek Place - Replace				
	10	2031	317	317
Storm Drains / Underground Inspection: Silver Creek Place				
	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Moon Valley Terrace				
	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Tatum Ranch Place				
	10	2031	1,762	1,762
Fence: Vinyl - 3 Rail Horse Fence - Replace	10	2031	164,314	164,314
Asphalt: Overlay - Moon Valley Terrace	13	2034	6,417	6,417
Asphalt: Overlay - Tatum Ranch Place	14	2035	1,824	1,824
Asphalt: Overlay - Silver Creek Place	14	2035	6,720	6,720
Bollards - Replace	15	2036	1,274	1,274
Mailboxes: 12 Letter / 1 Package - Replace	20	2041	4,283	4,283
Mailboxes: 16 Letter / 2 Package - Replace	20	2041	24,776	24,776
Fence: Chain Link - Power Coat - Replace	20	2041	* 18,962	134,122
Insurance Deductible Contingency (Unfunded)		Unfunded		
Total Asset Summary			<u>\$321,540</u>	<u>\$436,700</u>
Contingency at 3.00%			<u>\$9,945</u>	<u>\$13,506</u>
Summary Total			<u>\$331,485</u>	<u>\$450,206</u>

Percent Fully Funded 74%

Current Average Liability per Unit (Total Units: 570) -\$208

'' Indicates Partially Funded*

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

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, 2021 and ending December 31, 2021. 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 570 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 \$331,485 as of January 1, 2021. 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 funding model. The reserve study funding model has an annual contribution increase of 3.00% per year.

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

INFLATION RATE: An inflation rate of 1.78% 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 74.27% 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 - Master 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 44 assets were included in this reserve study report; of these considered, 43 were funded and 1 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 - Master
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, 2021 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.

**Arbor Ridge P.U.D. Homeowners Association - Master
Baseline Funding Model: Summary**

Report Date	October 29, 2020
Account Number	1215a
Version	1.01
Budget Year Beginning	January 1, 2021
Budget Year Ending	December 31, 2021
Total Units	570

<i>Report Parameters</i>	
Inflation	1.78%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.20%
2021 Beginning Balance	\$331,485

Baseline Funding Model Summary of Calculations

Required Annual Contribution	\$33,669.23
<i>\$59.07 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$646.33</u>
Total Annual Allocation to Reserves	\$34,315.56
<i>\$60.20 per unit annually</i>	

**Arbor Ridge P.U.D. Homeowners Association - Master
Baseline Funding Model: Projection**

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Beginning Balance: \$331,485

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	733,657	33,669	646	41,991	323,809	435,977	74%
2022	746,716	34,679	704	6,403	352,790	472,101	75%
2023	760,008	35,720	761	8,091	381,179	507,784	75%
2024	773,536	36,791	833	1,238	417,566	551,710	76%
2025	787,305	37,895	863	23,868	432,456	574,028	75%
2026	801,319	39,032	833	55,082	417,238	565,629	74%
2027	815,582	40,203	898	8,299	450,040	605,362	74%
2028	830,100	41,409	970	6,300	486,120	648,516	75%
2029	844,876	42,651	1,016	20,775	509,012	678,395	75%
2030	859,914	43,931	1,056	24,931	529,068	705,266	75%
2031	875,221	45,249	445	351,900	222,861	400,541	56%
2032	890,800	46,606	536	1,425	268,578	447,833	60%
2033	906,656	48,004	615	9,226	307,971	488,767	63%
2034	922,794	49,444	672	21,230	336,858	519,008	65%
2035	939,220	50,928	695	40,381	348,099	531,137	66%
2036	955,938	52,456	694	53,607	347,642	530,804	65%
2037	972,954	54,029	769	17,285	385,156	568,230	68%
2038	990,273	55,650	882		441,687	624,726	71%
2039	1,007,899	57,320	948	24,784	475,172	657,829	72%
2040	1,025,840	59,039	1,024	22,302	512,933	694,887	74%
2041	1,044,100	40,491	81	512,932	40,572	234,096	17%
2042	1,062,685	41,705	165		82,442	288,037	29%
2043	1,081,601	42,957	212	19,215	106,396	324,266	33%
2044	1,100,853	44,245	301		150,943	381,599	40%
2045	1,120,448	45,573	342	25,465	171,393	414,952	41%
2046	1,140,392	46,940	321	57,935	160,719	416,785	39%
2047	1,160,691	48,348	393	12,357	197,104	465,991	42%
2048	1,181,352	49,799	490	1,890	245,502	527,693	47%
2049	1,202,380	51,292	516	38,691	258,620	554,023	47%
2050	1,223,782	52,831	592	15,360	296,684	605,570	49%

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
Contingency							
Insurance Deductible Contingency (Unfunded)							
	<i>unfunded</i>						
Master Association							
Arborist / Tree Work	18,742	10	5		8,580	1,288.75	8,580
Asphalt: Overlay - Pedestrian Pathway	11,783	30	9	-1	6,933	334.34	6,933
Asphalt: Repairs - Pedestrian Pathway	894	5	0	-2	894	124.87	894
Asphalt: Sealcoat - Pedestrian Pathway							
	902	5	0		902	126.01	902
Backflow Device: Common Area - Replacement							
	2,355	30	9		1,406	65.32	1,406
Bark Dust: Replenish - Common Area	4,822	2	0		4,822	1,602.03	4,822
Bollards - Replace	2,906	35	15		1,274	67.23	1,274
Brick: Masonry / Repointing & Repairs							
	7,931	15	0	5	7,931	436.18	7,931
Bridge: Wood - Replacement	20,212	25	5		14,804	672.66	14,804
Concrete: Flatwork - Sidewalks - Common Area							
	5,902	10	0	10	5,902	448.06	5,902
Fence: Chain Link - Power Coat - Replace							
	381,750	40	20		28,907	11,076.80	134,122
Fence: Vinyl - 3 Rail Horse Fence - Replace							
	294,028	30	10		164,314	8,043.02	164,314
Fence: Vinyl - Wash - 3 Rail Horse Fence							
	5,667	3	1		3,712	1,250.57	3,712
Landscaping: Irrigation	9,882	5	4		1,842	1,284.35	1,842
Landscaping: Plants & Arborvitae - Phased Replacements							
	6,930	10	5		3,172	476.52	3,172
Landscaping: Power Box - Monument - Replace							
	568	30	10		317	15.53	317
Lighting: Fixtures - Monuments - Renovation							
	1,238	8	3		734	106.70	734
Mailboxes: 12 Letter / 1 Package - Replace							
	12,190	40	20		4,283	243.56	4,283
Mailboxes: 16 Letter / 2 Package - Replace							
	70,520	40	20		24,776	1,409.03	24,776
Mailboxes: Clean / Paint / Maintain	1,713	5	0		1,713	239.31	1,713

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Master Association continued...</i>							
Signs: Common Area	529	10	0	10	529	40.14	529
Signs: Monument - Clean & Maintain	6,719	10	0	10	6,719	510.03	6,719
Walls: Retaining	12,178	10	8		2,115	799.27	2,115
Walls: Retaining - Inspection	<u>2,644</u>	2	0		<u>2,644</u>	<u>878.31</u>	<u>2,644</u>
Master Association - Total	\$883,002				\$299,224	\$31,539	\$404,439
Moon Valley Terrace							
Asphalt: Overlay - Moon Valley Terrace	13,317	30	13	3	6,417	328.51	6,417
Asphalt: Repairs - Moon Valley Terrace	565	5	0		565	78.91	565
Asphalt: Sealcoat - Moon Valley Terrace	950	5	0		950	132.71	950
Concrete: Curbs & Gutters: Moon Valley Terrace	358	12	2	10	314	13.63	314
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670	10	0	10	2,670	202.65	2,670
Storm Drains / Underground Inspection: Moon Valley Terrace	<u>3,154</u>	30	10		<u>1,762</u>	<u>86.27</u>	<u>1,762</u>
Moon Valley Terrace - Total	\$21,013				\$12,677	\$843	\$12,677
Silver Creek Place							
Asphalt: Overlay - Silver Creek Place	14,624	30	14	4	6,720	349.21	6,720
Asphalt: Repairs - Silver Creek Place	876	5	0		876	122.38	876
Asphalt: Sealcoat - Silver Creek Place	1,078	5	0		1,078	150.60	1,078
Concrete: Curbs & Gutters: Silver Creek Place	434	12	1	10	407	16.80	407
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299	10	0	10	3,299	250.40	3,299
Lighting: Fixture - Silver Creek Place - Street Light	1,033	25	5		756	34.36	756
Lighting: Power Box - Silver Creek Place - Replace	568	30	10		317	15.53	317
Storm Drains / Underground Inspection: Silver Creek Place	<u>3,154</u>	30	10		<u>1,762</u>	<u>86.27</u>	<u>1,762</u>
Silver Creek Place - Total	\$25,065				\$15,215	\$1,026	\$15,215
Tatum Ranch Place							
Asphalt: Overlay - Tatum Ranch Place	3,969	30	14	4	1,824	94.78	1,824
Asphalt: Repairs - Tatum Ranch Place	221	5	0		221	30.81	221
Asphalt: Sealcoat - Tatum Ranch Place	278	5	0		278	38.86	278

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

Description	Future Cost	Useful Life	Remaining Life	Adjustment	Distribution	Required Contribution	Ideally Funded
<i>Tatum Ranch Place continued...</i>							
Concrete: Curbs & Gutters: Tatum Ranch Place	302	12	1	10	283	11.68	283
Storm Drains / Underground Inspection: Tatum Ranch Place	3,154	30	10		1,762	86.27	1,762
Tatum Ranch Place - Total	<u>\$7,924</u>				<u>\$4,368</u>	<u>\$262</u>	<u>\$4,368</u>
Grand Total:	<u><u>\$937,004</u></u>				<u><u>\$331,485</u></u>	<u><u>\$33,669</u></u>	<u><u>\$436,700</u></u>

Percent Fully Funded	76%
Current Average Liability per Unit (Total Units: 570)	-\$185

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Asphalt: Repairs - Tatum Ranch Place	0	2021	221	221
Asphalt: Sealcoat - Tatum Ranch Place	0	2021	278	278
Signs: Common Area	0	2021	529	529
Asphalt: Repairs - Moon Valley Terrace	0	2021	565	565
Asphalt: Repairs - Silver Creek Place	0	2021	876	876
Asphalt: Repairs - Pedestrian Pathway	0	2021	894	894
Asphalt: Sealcoat - Pedestrian Pathway	0	2021	902	902
Asphalt: Sealcoat - Moon Valley Terrace	0	2021	950	950
Asphalt: Sealcoat - Silver Creek Place	0	2021	1,078	1,078
Mailboxes: Clean / Paint / Maintain	0	2021	1,713	1,713
Walls: Retaining - Inspection	0	2021	2,644	2,644
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	0	2021	2,670	2,670
Concrete: Flatwork - Sidewalks - Silver Creek Place	0	2021	3,299	3,299
Bark Dust: Replenish - Common Area	0	2021	4,822	4,822
Concrete: Flatwork - Sidewalks - Common Area	0	2021	5,902	5,902
Signs: Monument - Clean & Maintain	0	2021	6,719	6,719
Brick: Masonry / Repointing & Repairs	0	2021	7,931	7,931
Concrete: Curbs & Gutters: Tatum Ranch Place	1	2022	283	283
Concrete: Curbs & Gutters: Silver Creek Place	1	2022	407	407
Fence: Vinyl - Wash - 3 Rail Horse Fence	1	2022	3,712	3,712
Concrete: Curbs & Gutters: Moon Valley Terrace	2	2023	314	314
Lighting: Fixtures - Monuments - Renovation	3	2024	734	734
Landscaping: Irrigation	4	2025	1,842	1,842
Lighting: Fixture - Silver Creek Place - Street Light	5	2026	756	756
Landscaping: Plants & Arborvitae - Phased Replacements	5	2026	3,172	3,172
Arborist / Tree Work	5	2026	8,580	8,580

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

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Bridge: Wood - Replacement	5	2026	14,804	14,804
Walls: Retaining	8	2029	2,115	2,115
Backflow Device: Common Area - Replacement	9	2030	1,406	1,406
Asphalt: Overlay - Pedestrian Pathway	9	2030	6,933	6,933
Landscaping: Power Box - Monument - Replace	10	2031	317	317
Lighting: Power Box - Silver Creek Place - Replace	10	2031	317	317
Storm Drains / Underground Inspection: Moon Valley Terrace	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Silver Creek Place	10	2031	1,762	1,762
Storm Drains / Underground Inspection: Tatum Ranch Place	10	2031	1,762	1,762
Fence: Vinyl - 3 Rail Horse Fence - Replace	10	2031	164,314	164,314
Asphalt: Overlay - Moon Valley Terrace	13	2034	6,417	6,417
Asphalt: Overlay - Tatum Ranch Place	14	2035	1,824	1,824
Asphalt: Overlay - Silver Creek Place	14	2035	6,720	6,720
Bollards - Replace	15	2036	1,274	1,274
Mailboxes: 12 Letter / 1 Package - Replace	20	2041	4,283	4,283
Mailboxes: 16 Letter / 2 Package - Replace	20	2041	24,776	24,776
Fence: Chain Link - Power Coat - Replace	20	2041	* 28,907	134,122
Insurance Deductible Contingency (Unfunded)		Unfunded		
Total Asset Summary			<u>\$331,485</u>	<u>\$436,700</u>

Percent Fully Funded	76%
Current Average Liability per Unit (Total Units: 570)	-\$185

*** Indicates Partially Funded*

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

Report Date October 29, 2020
 Beginning Fiscal Year January 01, 2021
 Account Number 1215a

Version Number 1.01

Insurance Deductible Contingency (Unfunded)

Asset ID	1043	Asset Cost	\$5,168.39
	Non-Capital	Percent Replacement	100%
	Contingency	Future Cost	\$5,168.39
Placed in Service		Assigned Reserves	<i>none</i>
Useful Life	7		
Replacement Year	2021	<i>No Future Assessments</i>	
Remaining Life	0	Interest Contribution	\$0.00
		Reserve Allocation	

Several community Associations elect to obtain insurance against a possible significant loss such as; flood, wind, earthquake, or other major disaster. Due to the nature of this type of insurance, the deductible is often quite large. However, National Reserve Study Standards dictate that any potential expense in the Reserve Study meet the following four-part test to be funded through reserves:

- 1) Common area maintenance responsibility
- 2) Useful Life limit/cycle
- 3) Predictable Remaining Useful Life
- 4) Above a minimum threshold cost of significance.

This simply means major, Association-responsibility, predictable, cyclical projects should appear in the Reserve Study. However, since catastrophic events do not have repeatable life cycle intervals and since the next occurrence of such an expense is not predictable, catastrophic event insurance deductibles fail test #2 and #3, making them inappropriate for Reserve component designation according to the National Reserve Study Standards. **Therefore, this line item has been “unfunded” in this Reserve Study report.**

Failure to continue to fund this line item in some fashion may result in a lack of funds-on-hand to fund the deductible if needed. Some community associations opt to have this line item funded as a contingency (or other method) within the structure of the operating account.

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

Contingency - Total Current Cost	\$0
Assigned Reserves	\$0
Fully Funded Reserves	\$0

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

Arborist / Tree Work

		1 Total	@ \$17,159.28
Asset ID	1036	Asset Cost	\$17,159.28
	Non-Capital	Percent Replacement	100%
	Master Association	Future Cost	\$18,741.80
Placed in Service	September 2016	Assigned Reserves	\$8,579.64
Useful Life	10		
Replacement Year	2026	Annual Assessment	\$1,568.27
Remaining Life	5	Interest Contribution	<u>\$20.30</u>
		Reserve Allocation	\$1,588.56



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 indicated that there are 333 trees under the jurisdiction of the HOA.

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

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

Arborist / Tree Work continued...

Recent expenditure history: The 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016 reported that \$3,727 was spent in 2015 for tree work.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Overlay - Pedestrian Pathway

Asset ID	1003	4,510 Square Feet	@ \$2.23
	Capital	Asset Cost	\$10,052.79
	Master Association	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$11,782.80
Useful Life	30	Assigned Reserves	\$6,932.96
Adjustment	-1	Annual Assessment	\$406.85
Replacement Year	2030	Interest Contribution	\$14.68
Remaining Life	9	Reserve Allocation	\$421.53



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 extended the overlay to the year 2030 in order to align with the 2030 seal coat. This is a constantly moving target and should be reevaluated in the scope of future reserve studies.

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. The component has been moved to align with the seal coat cycle in FY 2029.

This line item is for the renewal of the asphalt walking area. This includes the application of a bituminous overlay which normally is applied in one and a half inches to two inches thickness. This renewal of the overlay is designed to renew the life cycle of the pavement. The asphalt is in fair to inferior condition in several areas and should be seal coated on a regular 4-5 year cycle to archive the maximum life expectancy. The Board should obtain a bid to confirm this estimate as the cost varies due to accessibility and other related factors as the

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

Asphalt: Overlay - Pedestrian Pathway continued...

material may be required to be transported vis-à-vis wheelbarrow.

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. The previous reserve study indicated that there was numerous cracks on the pathway. It appears that some repair work has been performed. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Repairs - Pedestrian Pathway

Asset ID	1005	4,510 Square Feet	@ \$3.96
	Capital	Asset Cost	\$893.88
	Master Association	Percent Replacement	5%
Placed in Service	September 2016	Future Cost	\$893.88
Useful Life	5	Assigned Reserves	\$893.88
Adjustment	-2	Annual Assessment	\$151.96
Replacement Year	2021	Interest Contribution	<u>\$0.30</u>
Remaining Life	0	Reserve Allocation	\$152.26



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.

This line item is for the maintenance of the asphalt overlay in the walking areas of the community during each seal coat cycle. Overlay surface appeared in fair condition and should be seal coated every 3-5 years in order to maximize life expectancy. The existing seal coat appears to have been completely diminished and should be reapplied. The Board should obtain a bid to confirm this estimate as the cost varies due to accessibility and other related factors as the material may be required to be transported vis-à-vis wheelbarrow.

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

Asphalt: Repairs - Pedestrian Pathway 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, however there appears to have been various repairs performed in the past. (see leftmost photo)

Asset condition: Fair. The previous reserve study indicated that there was numerous cracks on the pathway. It appears that some repair work has been performed. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Sealcoat - Pedestrian Pathway

Asset ID	1010	4,510 Square Feet	@ \$0.20
	Non-Capital	Asset Cost	\$902.00
	Master Association	Percent Replacement	100%
Placed in Service	September 2013	Future Cost	\$902.00
Useful Life	5	Assigned Reserves	\$902.00
Replacement Year	2021	Annual Assessment	\$153.34
Remaining Life	0	Interest Contribution	<u>\$0.31</u>
		Reserve Allocation	\$153.64



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.

This line item is a provision to replace the asphalt seal coat on a 4-5 year cycle on the private roadway. Life expectancy of overlay will vary depending how the Board of Directors strategize the maintenance for this line item including but not limited to seal coating at regular intervals.

The Board should obtain a bid to confirm this estimate as the cost varies due to accessibility and other related factors as the material may be required to be transported vis-à-vis wheelbarrow. This line item should coincide

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

Asphalt: Sealcoat - Pedestrian Pathway continued...

with overlay repair cycle as this has been separated in a different line item in this reserve study report.

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. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Backflow Device: Common Area - Replacement

Asset ID	1041	2 Each	@ \$1,004.58
	Capital	Asset Cost	\$2,009.16
	Master Association	Percent Replacement	100%
Placed in Service	January 2000	Future Cost	\$2,354.92
Useful Life	30	Assigned Reserves	\$1,406.41
Replacement Year	2030	Annual Assessment	\$79.49
Remaining Life	9	Interest Contribution	<u>\$2.97</u>
		Reserve Allocation	\$82.46

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Bark Dust: Replenish - Common Area

		16 Units	@ \$301.37
Asset ID	1013	Asset Cost	\$4,821.95
	Non-Capital	Percent Replacement	100%
	Master Association	Future Cost	\$4,821.95
Placed in Service	May 2015	Assigned Reserves	\$4,821.95
Useful Life	2		
Replacement Year	2021	Annual Assessment	\$1,949.49
Remaining Life	0	Interest Contribution	<u>\$3.90</u>
		Reserve Allocation	\$1,953.39



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

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

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

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

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

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

We have increased the component base cost for inflation. We have subtracted one year from the remaining useful life as presented in the 2017 on-site reserve study by Reserve Studies by Reserve Funding published June 29, 2016. Quantity presented in the 2017 reserve study by Reserve Studies by Reserve Funding appears to be accurate +/- 10% based on our visual observation. Our analyst estimates approximately 14 to 20 units of bark dust in the common 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.

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

Bark Dust: Replenish - Common Area continued...

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Bollards - Replace

		4 Each	@ \$557.55
Asset ID	1042	Asset Cost	\$2,230.18
	Capital	Percent Replacement	100%
	Master Association	Future Cost	\$2,905.88
Placed in Service	January 2001	Assigned Reserves	\$1,274.39
Useful Life	35		
Replacement Year	2036	Annual Assessment	\$81.81
Remaining Life	15	Interest Contribution	<u>\$2.71</u>
		Reserve Allocation	\$84.52



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 walkway bollards protecting the pedestrian pathway on the property. Bollards are in fair condition and should be painted with bright paint within the paint cycle. Analyst notes that it appears that one bollard is missing and should be replaced.

The Association should obtain a bid from a local certified, licensed, and bonded contractor 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. The useful life of this component is predicated on the assumption the component was properly installed or applied. 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.

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

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

Bollards - Replace continued...

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Brick: Masonry / Repointing & Repairs

		1 Total	@ \$7,930.89
Asset ID	1014	Asset Cost	\$7,930.89
	Non-Capital	Percent Replacement	100%
	Master Association	Future Cost	\$7,930.89
Placed in Service	January 2001	Assigned Reserves	\$7,930.89
Useful Life	15		
Adjustment	5	Annual Assessment	\$530.78
Replacement Year	2021	Interest Contribution	\$1.06
Remaining Life	0	Reserve Allocation	\$531.84



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

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

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

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

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

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

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

This line item is for the tuck-pointing needed for the brick and other similar surfaces in the community. Scope of work assumes that 30% of the surface area will require work every 15 years. The Board is encouraged to explore and investigate these assumptions. Excising tuckpoint appears to be in fair condition.

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

Brick: Masonry / Repointing & Repairs continued...

Recent expenditure history: Unknown, appears to be original.

Asset condition: Good to fair. We have extended the life of this component to occur in the 2021 fiscal year due to the present condition.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Bridge: Wood - Replacement

Asset ID	1015	1 Total	@ \$18,505.41
	Capital	Asset Cost	\$18,505.41
	Master Association	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$20,212.08
Useful Life	25	Assigned Reserves	\$14,804.33
Replacement Year	2026	Annual Assessment	\$818.55
Remaining Life	5	Interest Contribution	<u>\$31.25</u>
		Reserve Allocation	\$849.79



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. The structure consists of primarily glulam beams with Douglas Fur uprights and wooden railings.

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: The 2017 reserve study by Reserve Studies by Reserve Funding indicated that some work was performed on the bridge at a cost of \$2,500.

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

Bridge: Wood - Replacement continued...

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

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.

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

Concrete: Flatwork - Sidewalks - Common Area

Asset ID	1016	2,326 Square Feet	@ \$12.69
	Capital	Asset Cost	\$5,902.46
	Master Association	Percent Replacement	20%
Placed in Service	January 2001	Future Cost	\$5,902.46
Useful Life	10	Assigned Reserves	\$5,902.46
Adjustment	10	Annual Assessment	\$545.23
Replacement Year	2021	Interest Contribution	<u>\$1.09</u>
Remaining Life	0	Reserve Allocation	\$546.32



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

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

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

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

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

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

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely extend the lifespan of this component in accordance with manufacturer's specifications. We have extended the life of these components based on the present visual condition.

Recent expenditure history: Unknown, appears to be original.

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

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

Concrete: Flatwork - Sidewalks - Common Area continued...

Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy.

Note: It is anticipated that any repairs required will be addressed immediately due to obvious ongoing safety concerns. Good maintenance practice would not allow the need for repairs to accumulate to a point where they would become a major expense. Minor repairs, as needed, may be covered by the operational budget, operational contingency or reserve contingency.

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

Fence: Chain Link - Power Coat - Replace

Asset ID	1022	11,225 Linear Feet	@ \$23.90
	Capital	Asset Cost	\$268,243.82
	Master Association	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$381,749.66
Useful Life	40	Assigned Reserves	\$28,906.73
Replacement Year	2041	Annual Assessment	\$13,479.21
Remaining Life	20	Interest Contribution	\$84.77
		Reserve Allocation	\$13,563.98



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 +/- 15% based on our visual observation. Component appears to be wearing as expected based on the assets chronological age. We were not able to observe all the fences due to vegetation and foliage.

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.

ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or

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

Fence: Chain Link - Power Coat - Replace continued...

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Fence: Vinyl - 3 Rail Horse Fence - Replace

Asset ID	1023	9,600 Linear Feet	@ \$25.67
	Capital	Asset Cost	\$246,470.40
	Master Association	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$294,028.37
Useful Life	30	Assigned Reserves	\$164,313.60
Replacement Year	2031	Annual Assessment	\$9,787.44
Remaining Life	10	Interest Contribution	\$348.20
		Reserve Allocation	\$10,135.64



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

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

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

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

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

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

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

Recent expenditure history: Unknown, appears to be original.

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

Fence: Vinyl - 3 Rail Horse Fence - Replace continued...

Asset condition: Good to fair.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Fence: Vinyl - Wash - 3 Rail Horse Fence

Asset ID	1024	9,600 Linear Feet	@ \$0.58
	Capital	Asset Cost	\$5,568.00
	Master Association	Percent Replacement	100%
Placed in Service	May 2019	Future Cost	\$5,667.11
Useful Life	3	Assigned Reserves	\$3,712.00
Replacement Year	2022	Annual Assessment	\$1,521.80
Remaining Life	1	Interest Contribution	<u>\$10.47</u>
		Reserve Allocation	\$1,532.27



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:

According to management, this event occurred in May 2019 at a total cost of \$3,370. We have responded by adjusting the placed in service date. The Board is encouraged to compare the original scope of work versus the actual work performed in 2019 as there is a significant difference between the forecasted cost and actual 2019 cost.

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

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

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

Recent expenditure history: Unknown, analyst has increased the frequency of this event to occur every 3 years

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

Fence: Vinyl - Wash - 3 Rail Horse Fence continued...

instead of every 6 years (per the previous reserve study) as the 6-year cycle does not appear to be sufficient to keep the surfaces of the fence clean.

Asset condition: Fair to inferior. There is evidence of buildup on some fences. See upper photo.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Landscaping: Irrigation

Asset ID	1044	1 Provision	@ \$9,208.31
		Asset Cost	\$9,208.31
	Non-Capital	Percent Replacement	100%
	Master Association	Future Cost	\$9,881.66
Placed in Service	June 2020	Assigned Reserves	\$1,841.66
Useful Life	5		
Replacement Year	2025	Annual Assessment	\$1,562.90
Remaining Life	4	Interest Contribution	<u>\$6.81</u>
		Reserve Allocation	\$1,569.71



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

Cost reported by management per April & June 2020 expense. Vendor: Unknown

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Landscaping: Plants & Arborvitae - Phased Replacements

Asset ID	1025	1 Total Asset Cost	@ \$6,344.71
	Non-Capital	Percent Replacement	100%
	Master Association	Future Cost	\$6,929.85
Placed in Service	July 2016	Assigned Reserves	\$3,172.36
Useful Life	10		
Replacement Year	2026	Annual Assessment	\$579.87
Remaining Life	5	Interest Contribution	\$7.50
		Reserve Allocation	\$587.38



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

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

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

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

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

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

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

Recent expenditure history: Unknown, appears to be original.

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

Landscaping: Plants & Arborvitae - Phased Replacements continued...

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.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Landscaping: Power Box - Monument - Replace

Asset ID	1040	1 Total	@ \$475.85
	Capital	Asset Cost	\$475.85
	Master Association	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$567.67
Useful Life	30	Assigned Reserves	\$317.24
Replacement Year	2031	Annual Assessment	\$18.90
Remaining Life	10	Interest Contribution	<u>\$0.67</u>
		Reserve Allocation	\$19.57



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

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

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

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

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

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

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

Recent expenditure history: Unknown, appears to be original.

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

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

Asset condition: Good to fair.

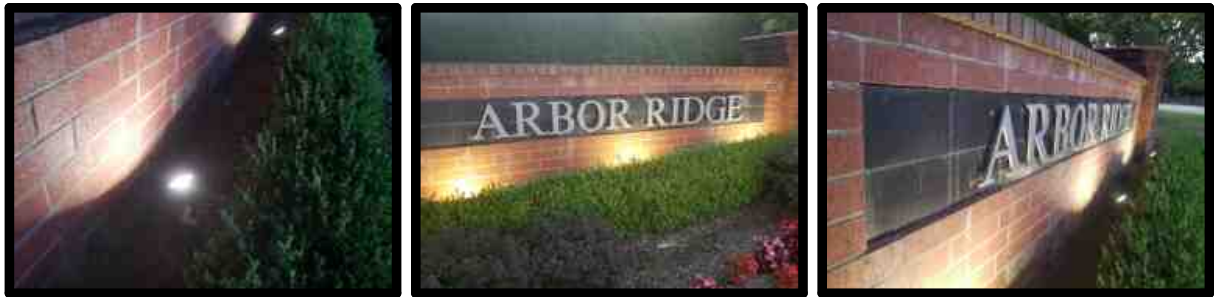
Costs projected assume that maintenance is performed on a periodic basis, which will significantly aid in components reaching the estimated life expectancy. These costs do not take into consideration any possible future increase in permit costs and fees that may be required.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Lighting: Fixtures - Monuments - Renovation

Asset ID	1026	6 Each	@ \$195.63
	Capital	Asset Cost	\$1,173.76
	Master Association	Percent Replacement	100%
Placed in Service	September 2016	Future Cost	\$1,237.56
Useful Life	8	Assigned Reserves	\$733.60
Replacement Year	2024	Annual Assessment	\$129.85
Remaining Life	3	Interest Contribution	\$1.73
		Reserve Allocation	\$131.57



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

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

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

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

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

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

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

Recent expenditure history: Unknown, appears to be original.

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

Lighting: Fixtures - Monuments - Renovation continued...

Asset condition: Good to fair.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Mailboxes: 12 Letter / 1 Package - Replace

Asset ID	1039	6 Each	@ \$1,427.56
	Capital	Asset Cost	\$8,565.35
	Master Association	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$12,189.73
Useful Life	40	Assigned Reserves	\$4,282.68
Replacement Year	2041	Annual Assessment	\$296.38
Remaining Life	20	Interest Contribution	\$9.16
		Reserve Allocation	\$305.54



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.

This line item is for the gang-cluster 12-letter slot / 2 parcel mailboxes in the common areas. Assets appear to be in good to fair condition. Asset is similar to SKU: WL-3313SAN-UBM found at several websites for between \$1300 and \$1500 on the internet. Analyst assumes that an additional \$200 will be required for installation, disposal, pedestal, shipping and handling. Mailboxes should be cleaned every 4-5 years. Existing boxes appear to be in fair condition.

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

Mailboxes: 12 Letter / 1 Package - 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. This constantly requires monitoring for safety reasons.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Mailboxes: 16 Letter / 2 Package - Replace

Asset ID	1030	30 Each	@ \$1,651.74
	Capital	Asset Cost	\$49,552.14
	Master Association	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$70,519.84
Useful Life	40	Assigned Reserves	\$24,776.07
Replacement Year	2041	Annual Assessment	\$1,714.63
Remaining Life	20	Interest Contribution	\$52.98
		Reserve Allocation	\$1,767.61



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.

This line item is for the gang-cluster 16-letter slot / 2 parcel mailboxes in the common areas. Assets appear to be in good to fair condition. Asset is similar to Model #afecbu16-sd found at several websites on the internet for between \$1300 and \$1500 on the internet. Analyst assumes that an additional \$200 will be required for installation, disposal, pedestal, shipping and handling. Mailboxes should be cleaned every 4-5 years. Existing boxes appear to be in fair condition.

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

Mailboxes: 16 Letter / 2 Package - 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. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Mailboxes: Clean / Paint / Maintain

		36 Each	@ \$1,586.18
Asset ID	1029	Asset Cost	\$1,713.07
	Capital	Percent Replacement	3%
	Master Association	Future Cost	\$1,713.07
Placed in Service	January 2015	Assigned Reserves	\$1,713.07
Useful Life	5		
Replacement Year	2021	Annual Assessment	\$291.22
Remaining Life	0	Interest Contribution	<u>\$0.58</u>
		Reserve Allocation	\$291.80



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. Component appears to be wearing as expected based on the assets chronological age.

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

Recent expenditure history: Unknown, some work reported to have been completed in 2015.

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

Mailboxes: Clean / Paint / Maintain continued...

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Signs: Common Area

Asset ID	1031	1 Allowance	@ \$528.73
	Capital	Asset Cost	\$528.73
	Master Association	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$528.73
Useful Life	10	Assigned Reserves	\$528.73
Adjustment	10	Annual Assessment	\$48.84
Replacement Year	2021	Interest Contribution	<u>\$0.10</u>
Remaining Life	0	Reserve Allocation	\$48.94



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. This line item funds the various signs around the property excluding the entry monument signage.

Component appears to be wearing as expected based on the assets chronological age. We have extended the life of these components based on the present visual condition.

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.

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

Signs: Common Area continued...

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Signs: Monument - Clean & Maintain

		2 Each	@ \$3,359.45
Asset ID	1032	Asset Cost	\$6,718.90
	Capital	Percent Replacement	100%
	Master Association	Future Cost	\$6,718.90
Placed in Service	January 2001	Assigned Reserves	\$6,718.90
Useful Life	10		
Adjustment	10	Annual Assessment	\$620.65
Replacement Year	2021	Interest Contribution	\$1.24
Remaining Life	0	Reserve Allocation	\$621.89



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

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

Recent expenditure history: Unknown, appears to be original.

Asset condition: Good to fair.

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

Signs: Monument - Clean & Maintain continued...

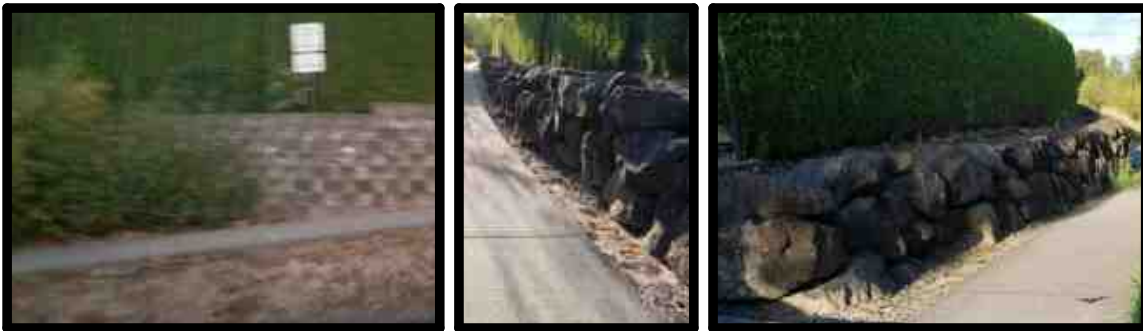
ReserveStudyUpdate.com, LLC strongly recommends that the Board obtain at least two or three estimates and/or competitive bids to affirm this estimate. As with any component listed in any of our reserve studies, should the Board and/or management find that these cost projections need to be revised, ReserveStudyUpdate.com, 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.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Walls: Retaining

		1 Total	@ \$52,872.61
Asset ID	1037	Asset Cost	\$10,574.52
	Capital	Percent Replacement	20%
	Master Association	Future Cost	\$12,177.56
Placed in Service	September 2019	Assigned Reserves	\$2,114.90
Useful Life	10		
Replacement Year	2029	Annual Assessment	\$972.63
Remaining Life	8	Interest Contribution	<u>\$6.17</u>
		Reserve Allocation	\$978.80



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. Management expects that the walls under jurisdiction of the HOA to maintain will be inspected at a total cost of \$2557 in September 2019. We have reset this line item per 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. The previous reserve study indicated that there are concerns regarding the retaining walls on the property, mainly the back yard foundation on Oak Street at NW Union Hills Terrace. It was recommended in 2007 that a licensed and bonded contractor review the walls and make a recommendation to the Board and management. Columbia Geotechnical prepared a Field Summary Report in 2015, however ReserveStudyUpdate.com, LLC has not seen the report.

Recent expenditure history: Unknown, appears to be original.

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

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

Walls: Retaining continued...

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Walls: Retaining - Inspection

		1 Total	@ \$2,643.63
Asset ID	1038	Asset Cost	\$2,643.63
	Non-Capital	Percent Replacement	100%
	Master Association	Future Cost	\$2,643.63
Placed in Service	September 2019	Assigned Reserves	\$2,643.63
Useful Life	2		
Replacement Year	2021	Annual Assessment	\$1,068.81
Remaining Life	0	Interest Contribution	<u>\$2.14</u>
		Reserve Allocation	\$1,070.94

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. Management expects that the walls under jurisdiction of the HOA to maintain will be inspected at a total cost of \$2557 in September 2019. We have reset this line item per 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. The previous reserve study indicated that there are concerns regarding the retaining walls on the property, mainly the back yard foundation on Oak Street at NW Union Hills Terrace. It was recommended in 2007 that a licensed and bonded contractor review the walls and make a recommendation to the Board and management. Columbia Geotechnical prepared a Field Summary Report in 2015, however ReserveStudyUpdate.com, LLC has not received or reviewed the report.

Recent expenditure history: Unknown, appears to be original.

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Master Association - Total Current Cost	\$688,189
Assigned Reserves	\$299,224
Fully Funded Reserves	\$404,439

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

Asphalt: Overlay - Moon Valley Terrace

Asset ID	1001	4,750 Square Feet	@ \$2.23
	Capital	Asset Cost	\$10,587.75
	Moon Valley Terrace	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$13,317.28
Useful Life	30	Assigned Reserves	\$6,416.82
Adjustment	3	Annual Assessment	\$399.76
Replacement Year	2034	Interest Contribution	\$13.63
Remaining Life	13	Reserve Allocation	\$413.39



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 extended the overlay to the year 2035 in order to align with the 2035 seal coat. This is a constantly moving target and should be reevaluated in the scope of future reserve studies.

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.

This line item is for the renewal of the asphalt parking areas and streets. This includes the application of a bituminous overlay which normally is applied in one and a half inches to two inches thickness. This renewal of the overlay is designed to renew the life cycle of the pavement. The asphalt is in good condition in several areas and should be seal coated on a regular 4-5 year cycle to archive the maximum life expectancy.

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

Asphalt: Overlay - Moon Valley Terrace 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. This constantly requires monitoring for safety reasons.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Repairs - Moon Valley Terrace

Asset ID	1006	4,750 Square Feet	@ \$3.96
	Capital	Asset Cost	\$564.87
	Moon Valley Terrace	Percent Replacement	3%
Placed in Service	July 2014	Future Cost	\$564.87
Useful Life	5	Assigned Reserves	\$564.87
Replacement Year	2021	Annual Assessment	\$96.03
Remaining Life	0	Interest Contribution	<u>\$0.19</u>
		Reserve Allocation	\$96.22



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.

This line item is for the maintenance of the asphalt overlay in the driving areas of the community during each seal coat cycle. Overlay surface appeared in fair condition and should be seal coated every 3-5 years in order to maximize life expectancy. The existing seal coat appears to have been completely diminished and should be reapplied.

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely

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

Asphalt: Repairs - Moon Valley Terrace continued...

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. This constantly requires monitoring for safety reasons.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Sealcoat - Moon Valley Terrace

Asset ID	1009	4,750 Square Feet	@ \$0.20
	Non-Capital	Asset Cost	\$950.00
	Moon Valley Terrace	Percent Replacement	100%
Placed in Service	September 2013	Future Cost	\$950.00
Useful Life	5	Assigned Reserves	\$950.00
Replacement Year	2021	Annual Assessment	\$161.50
Remaining Life	0	Interest Contribution	\$0.32
		Reserve Allocation	\$161.82



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.

This line item is a provision to replace the asphalt seal coat on a 4-5 year cycle on the private roadway. Life expectancy of overlay will vary depending how the Board of Directors strategize the maintenance for this line item including but not limited to seal coating at regular intervals.

The Board should obtain a bid to confirm this estimate as the cost varies due to accessibility and other related factors. This line item should coincide with overlay repair cycle as this has been separated in a different line

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

Asphalt: Sealcoat - Moon Valley Terrace continued...

item in this reserve study report.

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. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Concrete: Curbs & Gutters: Moon Valley Terrace

Asset ID	1019	263 Linear Feet	@ \$13.12
	Capital	Asset Cost	\$345.11
	Moon Valley Terrace	Percent Replacement	10%
Placed in Service	January 2001	Future Cost	\$357.50
Useful Life	12	Assigned Reserves	\$313.73
Adjustment	10	Annual Assessment	\$16.59
Replacement Year	2023	Interest Contribution	<u>\$0.66</u>
Remaining Life	2	Reserve Allocation	\$17.25



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

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

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

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

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

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

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely extend the lifespan of this component in accordance with manufacturer's specifications. We have extended the life of these components based on the present visual condition.

Recent expenditure history: Unknown, appears to be original.

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

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

Concrete: Curbs & Gutters: Moon Valley Terrace continued...

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: It is anticipated that any repairs required will be addressed immediately due to obvious ongoing safety concerns. Good maintenance practice would not allow the need for repairs to accumulate to a point where they would become a major expense. Minor repairs, as needed, may be covered by the operational budget, operational contingency or reserve contingency.

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

Concrete: Flatwork - Sidewalks - Moon Valley Terrace

		1,052 Square Feet	@ \$12.69
Asset ID	1017	Asset Cost	\$2,669.56
	Capital	Percent Replacement	20%
	Moon Valley Terrace	Future Cost	\$2,669.56
Placed in Service	January 2001	Assigned Reserves	\$2,669.56
Useful Life	10		
Adjustment	10	Annual Assessment	\$246.60
Replacement Year	2021	Interest Contribution	<u>\$0.49</u>
Remaining Life	0	Reserve Allocation	\$247.09



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 +/- 5% based on our visual observation. Component appears to be wearing as expected based on the assets chronological age.

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely extend the lifespan of this component in accordance with manufacturer's specifications. We have extended the life of these components based on the present visual condition.

Recent expenditure history: Unknown, appears to be original.

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

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

Concrete: Flatwork - Sidewalks - Moon Valley Terrace continued...

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

Note: It is anticipated that any repairs required will be addressed immediately due to obvious ongoing safety concerns. Good maintenance practice would not allow the need for repairs to accumulate to a point where they would become a major expense. Minor repairs, as needed, may be covered by the operational budget, operational contingency or reserve contingency.

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

Storm Drains / Underground Inspection: Moon Valley Terrace

Asset ID	1033	1 Total	@ \$2,643.63
	Capital	Asset Cost	\$2,643.63
	Moon Valley Terrace	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$3,153.73
Useful Life	30	Assigned Reserves	\$1,762.42
Replacement Year	2031	Annual Assessment	\$104.98
Remaining Life	10	Interest Contribution	\$3.73
		Reserve Allocation	\$108.71



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. Component appears to be wearing as expected based on the assets chronological age.

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

Recent expenditure history: Unknown, appears to be original.

Asset condition: Unknown.

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

Storm Drains / Underground Inspection: Moon Valley Terrace continued...

This line item is for any inspections of utility work in the common areas or other areas of association responsibility including but not limited to; storm drains, underground telephone, utility lines, storm water services, water conduits and components.

Several community Associations elect include a provision for underground utility and storm drain replacement due possible significant loss such as a collapsing storm drain, collapsed water pipe, conduit other major catastrophe. Due to the nature of this type of work, the cost is often quite large. However, National Reserve Study Standards clearly dictate that any potential expense in the Reserve Study meet the following four-part test to be funded through reserves:

- 1) Common area maintenance responsibility
- 2) Useful Life limit/cycle
- 3) Predictable Remaining Useful Life
- 4) Above a minimum threshold cost of significance.

This simply means major, Association-responsibility, predictable, cyclical projects should appear in the Reserve Study. However, since catastrophic events do not have repeatable life cycle intervals and since the next occurrence of such an expense is not predictable, catastrophic event underground utilities failure test #2 and #3, creating a firm case to exclude them for Reserve component designation according to the National Reserve Study Standards.

However, this line item concentrates on approaching these assets with the aid of a technician hired by the Association from an inspection standpoint every 8-10 years (funded in the reserve study) and addressing areas of concern when they are discovered and identified. Analyst submits that it is not within the reserve analyst's scope of work (or ability) to locate and identify any deficiencies for utilities. Additionally, inclusion of this component appears to violate the terms set forth in the National Reserve Study Standards based on the definition above.

The law requires that the reserve study be updated each and every year. This paradigm creates a situation where the report is a living / breathing document and as any utility deficiencies are found by a certified inspector (through these cyclical inspections) to be on the 30-year horizon, they can be chronicled and properly addressed, and new line items can be added to these reserve studies to properly address areas of concerns.

As mentioned before, underground utility failures are often sporadic in nature and fail tests #2 and #3 of the reserve study standards. However, scheduling an inspection every 25-30 years to examine underground utilities would be considered a cyclical occurrence/expense and therefore is a candidate for funding in the reserve study report. Additionally, if any deficiencies of these components are discovered, the repairs can be properly prioritized and added to subsequent reserve study reports on an as-needed basis.

The Association is hereby encouraged to obtain estimates for underground utility inspections in order to determine if this level of funding is sufficient to address the needs of the community.

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

Moon Valley Terrace - Total Current Cost	\$17,761
Assigned Reserves	\$12,677
Fully Funded Reserves	\$12,677

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

Asphalt: Overlay - Silver Creek Place

Asset ID	1004	5,125 Square Feet	@ \$2.23
	Capital	Asset Cost	\$11,423.62
	Silver Creek Place	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$14,624.40
Useful Life	30	Assigned Reserves	\$6,719.78
Adjustment	4	Annual Assessment	\$424.95
Replacement Year	2035	Interest Contribution	\$14.29
Remaining Life	14	Reserve Allocation	\$439.24



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 extended the overlay to the year 2035 in order to align with the 2035 seal coat. This is a constantly moving target and should be reevaluated in the scope of future reserve studies.

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. The component has been moved to align with the seal coat cycle in FY 2034.

This line item is for the renewal of the asphalt parking areas and streets. This includes the application of a bituminous overlay which normally is applied in one and a half inches to two inches thickness. This renewal of the overlay is designed to renew the life cycle of the pavement. The asphalt is in good condition in several areas and should be seal coated on a regular 4-5 year cycle to archive the maximum life expectancy.

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

Asphalt: Overlay - Silver Creek Place 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. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Repairs - Silver Creek Place

Asset ID	1007	5,390 Square Feet	@ \$3.96
	Capital	Asset Cost	\$876.00
	Silver Creek Place	Percent Replacement	4.1%
Placed in Service	January 2014	Future Cost	\$876.00
Useful Life	5	Assigned Reserves	\$876.00
Replacement Year	2021	Annual Assessment	\$148.92
Remaining Life	0	Interest Contribution	\$0.30
		Reserve Allocation	\$149.22



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.

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This line item is for the maintenance of the asphalt overlay in the driving areas of the community during each seal coat cycle. Overlay surface appeared in fair condition and should be seal coated every 3-5 years in order to maximize life expectancy. The existing seal coat appears to have been completely diminished and should be reapplied.

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely

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

Asphalt: Repairs - Silver Creek Place continued...

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. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Sealcoat - Silver Creek Place

Asset ID	1011	5,390 Square Feet	@ \$0.20
	Non-Capital	Asset Cost	\$1,078.00
	Silver Creek Place	Percent Replacement	100%
Placed in Service	September 2013	Future Cost	\$1,078.00
Useful Life	5	Assigned Reserves	\$1,078.00
Replacement Year	2021	Annual Assessment	\$183.26
Remaining Life	0	Interest Contribution	\$0.37
		Reserve Allocation	\$183.62



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.

This line item is a provision to replace the asphalt seal coat on a 4-5 year cycle on the private roadway. Life expectancy of overlay will vary depending how the Board of Directors strategize the maintenance for this line item including but not limited to seal coating at regular intervals.

The Board should obtain a bid to confirm this estimate as the cost varies due to accessibility and other related factors. This line item should coincide with overlay repair cycle as this has been separated in a different line

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

Asphalt: Sealcoat - Silver Creek Place continued...

item in this reserve study report.

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. This constantly requires monitoring for safety reasons.

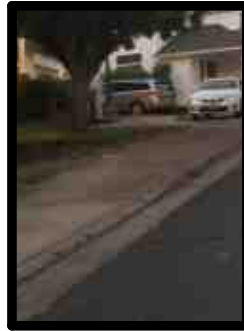
Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Concrete: Curbs & Gutters: Silver Creek Place

Asset ID	1020	325 Linear Feet	@ \$13.12
	Non-Capital	Asset Cost	\$426.46
	Silver Creek Place	Percent Replacement	10%
Placed in Service	January 2000	Future Cost	\$434.06
Useful Life	12	Assigned Reserves	\$407.08
Adjustment	10	Annual Assessment	\$20.44
Replacement Year	2022	Interest Contribution	<u>\$0.85</u>
Remaining Life	1	Reserve Allocation	\$21.30



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

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

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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. We have extended the life of these components based on the present visual condition.

Recent expenditure history: Unknown, appears to be original.

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

Concrete: Curbs & Gutters: Silver Creek Place continued...

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

Note: It is anticipated that any repairs required will be addressed immediately due to obvious ongoing safety concerns. Good maintenance practice would not allow the need for repairs to accumulate to a point where they would become a major expense. Minor repairs, as needed, may be covered by the operational budget, operational contingency or reserve contingency.

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

Concrete: Flatwork - Sidewalks - Silver Creek Place

		1,300 Square Feet	@ \$12.69
Asset ID	1018	Asset Cost	\$3,298.62
	Capital	Percent Replacement	20%
	Silver Creek Place	Future Cost	\$3,298.62
Placed in Service	January 2001	Assigned Reserves	\$3,298.62
Useful Life	10		
Adjustment	10	Annual Assessment	\$304.71
Replacement Year	2021	Interest Contribution	<u>\$0.61</u>
Remaining Life	0	Reserve Allocation	\$305.32



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:

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

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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. We have extended the life of these components based on the present visual condition.

Recent expenditure history: Unknown, appears to be original.

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

Concrete: Flatwork - Sidewalks - Silver Creek Place continued...

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

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: It is anticipated that any repairs required will be addressed immediately due to obvious ongoing safety concerns. Good maintenance practice would not allow the need for repairs to accumulate to a point where they would become a major expense. Minor repairs, as needed, may be covered by the operational budget, operational contingency or reserve contingency.

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

Lighting: Fixture - Silver Creek Place - Street Light

Asset ID	1027	1 Total	@ \$945.36
	Capital	Asset Cost	\$945.36
	Silver Creek Place	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$1,032.55
Useful Life	25	Assigned Reserves	\$756.29
Replacement Year	2026	Annual Assessment	\$41.82
Remaining Life	5	Interest Contribution	<u>\$1.60</u>
		Reserve Allocation	\$43.41



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:

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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.

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

Lighting: Fixture - Silver Creek Place - Street Light continued...

Asset condition: Good to fair.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Lighting: Power Box - Silver Creek Place - Replace

Asset ID	1028	1 Total	@ \$475.85
	Capital	Asset Cost	\$475.85
	Silver Creek Place	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$567.67
Useful Life	30	Assigned Reserves	\$317.24
Replacement Year	2031	Annual Assessment	\$18.90
Remaining Life	10	Interest Contribution	<u>\$0.67</u>
		Reserve Allocation	\$19.57



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:

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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.

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

Lighting: Power Box - Silver Creek Place - Replace continued...

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Storm Drains / Underground Inspection: Silver Creek Place

		1 Each	@ \$2,643.63
Asset ID	1034	Asset Cost	\$2,643.63
	Capital	Percent Replacement	100%
	Silver Creek Place	Future Cost	\$3,153.73
Placed in Service	January 2001	Assigned Reserves	\$1,762.42
Useful Life	30		
Replacement Year	2031	Annual Assessment	\$104.98
Remaining Life	10	Interest Contribution	\$3.73
		Reserve Allocation	\$108.71



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

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

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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: Unknown.

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

Storm Drains / Underground Inspection: Silver Creek Place continued...

This line item is for any inspections of utility work in the common areas or other areas of association responsibility including but not limited to; storm drains, underground telephone, utility lines, storm water services, water conduits and components.

Several community Associations elect include a provision for underground utility and storm drain replacement due possible significant loss such as a collapsing storm drain, collapsed water pipe, conduit other major catastrophe. Due to the nature of this type of work, the cost is often quite large. However, National Reserve Study Standards clearly dictate that any potential expense in the Reserve Study meet the following four-part test to be funded through reserves:

- 1) Common area maintenance responsibility
- 2) Useful Life limit/cycle
- 3) Predictable Remaining Useful Life
- 4) Above a minimum threshold cost of significance.

This simply means major, Association-responsibility, predictable, cyclical projects should appear in the Reserve Study. However, since catastrophic events do not have repeatable life cycle intervals and since the next occurrence of such an expense is not predictable, catastrophic event underground utilities failure test #2 and #3, creating a firm case to exclude them for Reserve component designation according to the National Reserve Study Standards.

However, this line item concentrates on approaching these assets with the aid of a technician hired by the Association from an inspection standpoint every 8-10 years (funded in the reserve study) and addressing areas of concern when they are discovered and identified. Analyst submits that it is not within the reserve analyst's scope of work (or ability) to locate and identify any deficiencies for utilities. Additionally, inclusion of this component appears to violate the terms set forth in the National Reserve Study Standards based on the definition above.

The law requires that the reserve study be updated each and every year. This paradigm creates a situation where the report is a living / breathing document and as any utility deficiencies are found by a certified inspector (through these cyclical inspections) to be on the 30-year horizon, they can be chronicled and properly addressed, and new line items can be added to these reserve studies to properly address areas of concerns.

As mentioned before, underground utility failures are often sporadic in nature and fail tests #2 and #3 of the reserve study standards. However, scheduling an inspection every 25-30 years to examine underground utilities would be considered a cyclical occurrence/expense and therefore is a candidate for funding in the reserve study report. Additionally, if any deficiencies of these components are discovered, the repairs can be properly prioritized and added to subsequent reserve study reports on an as-needed basis.

The Association is hereby encouraged to obtain estimates for underground utility inspections in order to determine if this level of funding is sufficient to address the needs of the community.

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

Silver Creek Place - Total Current Cost	\$21,168
Assigned Reserves	\$15,215
Fully Funded Reserves	\$15,215

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

Asphalt: Overlay - Tatum Ranch Place

Asset ID	1002	1,391 Square Feet	@ \$2.23
	Capital	Asset Cost	\$3,100.54
	Tatum Ranch Place	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$3,969.28
Useful Life	30	Assigned Reserves	\$1,823.85
Adjustment	4	Annual Assessment	\$115.34
Replacement Year	2035	Interest Contribution	\$3.88
Remaining Life	14	Reserve Allocation	\$119.22



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 extended the overlay to the year 2035 in order to align with the 2035 seal coat. This is a constantly moving target and should be reevaluated in the scope of future reserve studies.

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

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This line item is for the renewal of the asphalt parking areas and streets. This includes the application of a bituminous overlay which normally is applied in one and a half inches to two inches thickness. This renewal of the overlay is designed to renew the life cycle of the pavement. The asphalt is in good to fair condition in several areas and should be seal coated on a regular 4-5 year cycle to archive the maximum life expectancy.

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

Asphalt: Overlay - Tatum Ranch Place 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. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Repairs - Tatum Ranch Place

Asset ID	1008	1,391 Square Feet	@ \$3.96
	Capital	Asset Cost	\$220.56
	Tatum Ranch Place	Percent Replacement	4%
Placed in Service	July 2014	Future Cost	\$220.56
Useful Life	5	Assigned Reserves	\$220.56
Replacement Year	2021	Annual Assessment	\$37.49
Remaining Life	0	Interest Contribution	<u>\$0.07</u>
		Reserve Allocation	\$37.57



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

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This line item is for the maintenance of the asphalt overlay in the driving areas of the community during each seal coat cycle. Overlay surface appeared in fair condition and should be seal coated every 3-5 years in order to maximize life expectancy. The existing seal coat appears to have been completely diminished and should be reapplied.

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely

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

Asphalt: Repairs - Tatum Ranch Place continued...

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. This constantly requires monitoring for safety reasons.

Cost presented herein assume that the full quantity specified will be addressed simultaneously in order to avoid possible overlap in mobilization charges and fees. The useful life of this component is predicated on the assumption the component was properly installed or applied.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Asphalt: Sealcoat - Tatum Ranch Place

Asset ID	1012	1,391 Square Feet	@ \$0.20
	Non-Capital	Asset Cost	\$278.20
	Tatum Ranch Place	Percent Replacement	100%
Placed in Service	September 2013	Future Cost	\$278.20
Useful Life	5	Assigned Reserves	\$278.20
Replacement Year	2021	Annual Assessment	\$47.29
Remaining Life	0	Interest Contribution	<u>\$0.09</u>
		Reserve Allocation	\$47.39



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.

This line item is a provision to replace the asphalt seal coat on a 4-5 year cycle on the private roadway. Life expectancy of overlay will vary depending how the Board of Directors strategize the maintenance for this line item including but not limited to seal coating at regular intervals.

The Board should obtain a bid to confirm this estimate as the cost varies due to accessibility and other related factors. This line item should coincide with overlay repair cycle as this has been separated in a different line

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

Asphalt: Sealcoat - Tatum Ranch Place continued...

item in this reserve study report.

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. This constantly requires monitoring for safety reasons.

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 - Master
Detail Report by Category (Dollar Defined Threshold Funding Model)**

Concrete: Curbs & Gutters: Tatum Ranch Place

Asset ID	1021	226 Linear Feet	@ \$13.12
	Capital	Asset Cost	\$296.56
	Tatum Ranch Place	Percent Replacement	10%
Placed in Service	January 2000	Future Cost	\$301.84
Useful Life	12	Assigned Reserves	\$283.08
Adjustment	10	Annual Assessment	\$14.21
Replacement Year	2022	Interest Contribution	<u>\$0.59</u>
Remaining Life	1	Reserve Allocation	\$14.81



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

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

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

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

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

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

No deficiencies have been reported to our office about this component. Proper ongoing maintenance will likely extend the lifespan of this component in accordance with manufacturer's specifications. We have extended the life of these components based on the present visual condition.

Recent expenditure history: Unknown, appears to be original.

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

Concrete: Curbs & Gutters: Tatum Ranch Place continued...

Asset condition: Good to fair. This constantly requires monitoring for safety reasons.

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: It is anticipated that any repairs required will be addressed immediately due to obvious ongoing safety concerns. Good maintenance practice would not allow the need for repairs to accumulate to a point where they would become a major expense. Minor repairs, as needed, may be covered by the operational budget, operational contingency or reserve contingency.

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

Storm Drains / Underground Inspection: Tatum Ranch Place

Asset ID	1035	1 Total	@ \$2,643.63
	Capital	Asset Cost	\$2,643.63
	Tatum Ranch Place	Percent Replacement	100%
Placed in Service	January 2001	Future Cost	\$3,153.73
Useful Life	30	Assigned Reserves	\$1,762.42
Replacement Year	2031	Annual Assessment	\$104.98
Remaining Life	10	Interest Contribution	\$3.73
		Reserve Allocation	\$108.71



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. Component appears to be wearing as expected based on the assets chronological age.

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

Recent expenditure history: Unknown, appears to be original.

Asset condition: Unknown.

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

Storm Drains / Underground Inspection: Tatum Ranch Place continued...

This line item is for any inspections of utility work in the common areas or other areas of association responsibility including but not limited to; storm drains, underground telephone, utility lines, storm water services, water conduits and components.

Several community Associations elect include a provision for underground utility and storm drain replacement due possible significant loss such as a collapsing storm drain, collapsed water pipe, conduit other major catastrophe. Due to the nature of this type of work, the cost is often quite large. However, National Reserve Study Standards clearly dictate that any potential expense in the Reserve Study meet the following four-part test to be funded through reserves:

- 1) Common area maintenance responsibility
- 2) Useful Life limit/cycle
- 3) Predictable Remaining Useful Life
- 4) Above a minimum threshold cost of significance.

This simply means major, Association-responsibility, predictable, cyclical projects should appear in the Reserve Study. However, since catastrophic events do not have repeatable life cycle intervals and since the next occurrence of such an expense is not predictable, catastrophic event underground utilities failure test #2 and #3, creating a firm case to exclude them for Reserve component designation according to the National Reserve Study Standards.

However, this line item concentrates on approaching these assets with the aid of a technician hired by the Association from an inspection standpoint every 8-10 years (funded in the reserve study) and addressing areas of concern when they are discovered and identified. Analyst submits that it is not within the reserve analyst's scope of work (or ability) to locate and identify any deficiencies for utilities. Additionally, inclusion of this component appears to violate the terms set forth in the National Reserve Study Standards based on the definition above.

The law requires that the reserve study be updated each and every year. This paradigm creates a situation where the report is a living / breathing document and as any utility deficiencies are found by a certified inspector (through these cyclical inspections) to be on the 30-year horizon, they can be chronicled and properly addressed, and new line items can be added to these reserve studies to properly address areas of concerns.

As mentioned before, underground utility failures are often sporadic in nature and fail tests #2 and #3 of the reserve study standards. However, scheduling an inspection every 25-30 years to examine underground utilities would be considered a cyclical occurrence/expense and therefore is a candidate for funding in the reserve study report. Additionally, if any deficiencies of these components are discovered, the repairs can be properly prioritized and added to subsequent reserve study reports on an as-needed basis.

The Association is hereby encouraged to obtain estimates for underground utility inspections in order to determine if this level of funding is sufficient to address the needs of the community.

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

Tatum Ranch Place - Total Current Cost	\$6,539
 Assigned Reserves	\$4,368
 Fully Funded Reserves	\$4,368

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

Detail Report Summary

Grand Total

Assigned Reserves	\$331,485.00
Annual Contribution	\$40,971.61
Annual Interest	\$660.93
Annual Allocation	\$41,632.54

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

Asset ID	Description	Replacement	Page
1036	Arborist / Tree Work	2026	2-75
1001	Asphalt: Overlay - Moon Valley Terrace	2034	2-121
1003	Asphalt: Overlay - Pedestrian Pathway	2030	2-77
1004	Asphalt: Overlay - Silver Creek Place	2035	2-134
1002	Asphalt: Overlay - Tatum Ranch Place	2035	2-151
1006	Asphalt: Repairs - Moon Valley Terrace	2021	2-123
1005	Asphalt: Repairs - Pedestrian Pathway	2021	2-79
1007	Asphalt: Repairs - Silver Creek Place	2021	2-136
1008	Asphalt: Repairs - Tatum Ranch Place	2021	2-153
1009	Asphalt: Sealcoat - Moon Valley Terrace	2021	2-125
1010	Asphalt: Sealcoat - Pedestrian Pathway	2021	2-81
1011	Asphalt: Sealcoat - Silver Creek Place	2021	2-138
1012	Asphalt: Sealcoat - Tatum Ranch Place	2021	2-155
1041	Backflow Device: Common Area - Replacement	2030	2-83
1013	Bark Dust: Replenish - Common Area	2021	2-84
1042	Bollards - Replace	2036	2-86
1014	Brick: Masonry / Repointing & Repairs	2021	2-88
1015	Bridge: Wood - Replacement	2026	2-90
1019	Concrete: Curbs & Gutters: Moon Valley Terrace	2023	2-127
1020	Concrete: Curbs & Gutters: Silver Creek Place	2022	2-140
1021	Concrete: Curbs & Gutters: Tatum Ranch Place	2022	2-157
1016	Concrete: Flatwork - Sidewalks - Common Area	2021	2-92
1017	Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2021	2-129
1018	Concrete: Flatwork - Sidewalks - Silver Creek Place	2021	2-142
1022	Fence: Chain Link - Power Coat - Replace	2041	2-94
1023	Fence: Vinyl - 3 Rail Horse Fence - Replace	2031	2-96
1024	Fence: Vinyl - Wash - 3 Rail Horse Fence	2022	2-98
1043	Insurance Deductible Contingency (Unfunded)	Unfunded	2-73
1044	Landscaping: Irrigation	2025	2-100

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

Asset ID	Description	Replacement	Page
1025	Landscaping: Plants & Arborvitae - Phased Replacements	2026	2-101
1040	Landscaping: Power Box - Monument - Replace	2031	2-103
1027	Lighting: Fixture - Silver Creek Place - Street Light	2026	2-144
1026	Lighting: Fixtures - Monuments - Renovation	2024	2-105
1028	Lighting: Power Box - Silver Creek Place - Replace	2031	2-146
1039	Mailboxes: 12 Letter / 1 Package - Replace	2041	2-107
1030	Mailboxes: 16 Letter / 2 Package - Replace	2041	2-109
1029	Mailboxes: Clean / Paint / Maintain	2021	2-111
1031	Signs: Common Area	2021	2-113
1032	Signs: Monument - Clean & Maintain	2021	2-115
1033	Storm Drains / Underground Inspection: Moon Valley Terrace	2031	2-131
1034	Storm Drains / Underground Inspection: Silver Creek Place	2031	2-148
1035	Storm Drains / Underground Inspection: Tatum Ranch Place	2031	2-159
1037	Walls: Retaining	2029	2-117
1038	Walls: Retaining - Inspection	2021	2-119
	Total Funded Assets	43	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	44	

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

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029
Arborist / Tree Work						18,742			
Asphalt: Overlay - Moon Valley Terrace									
Asphalt: Overlay - Pedestrian Pathway									
Asphalt: Overlay - Silver Creek Place									
Asphalt: Overlay - Tatum Ranch Place									
Asphalt: Repairs - Moon Valley Terrace	565					617			
Asphalt: Repairs - Pedestrian Pathway	894					976			
Asphalt: Repairs - Silver Creek Place	876					957			
Asphalt: Repairs - Tatum Ranch Place	221					241			
Asphalt: Sealcoat - Moon Valley Terrace	950					1,038			
Asphalt: Sealcoat - Pedestrian Pathway	902					985			
Asphalt: Sealcoat - Silver Creek Place	1,078					1,177			
Asphalt: Sealcoat - Tatum Ranch Place	278					304			
Backflow Device: Common Area - Replacement									
Bark Dust: Replenish - Common Area	4,822		4,995		5,175		5,360		5,553
Bollards - Replace									
Brick: Masonry / Repointing & Repairs	7,931								
Bridge: Wood - Replacement						20,212			
Concrete: Curbs & Gutters: Moon Valley Terrace			358						
Concrete: Curbs & Gutters: Silver Creek Place		434							
Concrete: Curbs & Gutters: Tatum Ranch Place		302							
Concrete: Flatwork - Sidewalks - Common Area	5,902								
Concrete: Flatwork - Sidewalks - Moon Valley Terrace	2,670								
Concrete: Flatwork - Sidewalks - Silver Creek Place	3,299								
Fence: Chain Link - Power Coat - Replace									
Fence: Vinyl - 3 Rail Horse Fence - Replace									
Fence: Vinyl - Wash - 3 Rail Horse Fence		5,667			5,975		6,300		
Insurance Deductible Contingency (Unfunded)	<i>Unfunded</i>								
Landscaping: Irrigation					9,882				
Landscaping: Plants & Arborvitae - Phased Replacements						6,930			
Landscaping: Power Box - Monument - Replace									

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

Description	2021	2022	2023	2024	2025	2026	2027	2028	2029
Lighting: Fixtures - Monuments - Renovation				1,238					
Lighting: Power Box - Silver Creek Place - Replace									
Mailboxes: 12 Letter / 1 Package - Replace									
Mailboxes: 16 Letter / 2 Package - Replace									
Mailboxes: Clean / Paint / Maintain	1,713					1,871			
Signs: Common Area	529								
Signs: Monument - Clean & Maintain	6,719								
Storm Drains / Underground Inspection: Moon Valley Terrace									
Storm Drains / Underground Inspection: Silver Creek Place									
Storm Drains / Underground Inspection: Tatum Ranch Place									
Walls: Retaining									12,178
Walls: Retaining - Inspection	2,644		2,739		2,837		2,939		3,044
Year Total:	41,991	6,403	8,091	1,238	23,868	55,082	8,299	6,300	20,775

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

Description	2030	2031	2032	2033	2034	2035	2036	2037	2038
Arborist / Tree Work							22,358		
Asphalt: Overlay - Moon Valley Terrace					13,317				
Asphalt: Overlay - Pedestrian Pathway	11,783								
Asphalt: Overlay - Silver Creek Place						14,624			
Asphalt: Overlay - Tatum Ranch Place						3,969			
Asphalt: Repairs - Moon Valley Terrace		674					736		
Asphalt: Repairs - Pedestrian Pathway		1,066					1,165		
Asphalt: Repairs - Silver Creek Place		1,045					1,141		
Asphalt: Repairs - Tatum Ranch Place		263					287		
Asphalt: Sealcoat - Moon Valley Terrace		1,133					1,238		
Asphalt: Sealcoat - Pedestrian Pathway		1,076					1,175		
Asphalt: Sealcoat - Silver Creek Place		1,286					1,405		
Asphalt: Sealcoat - Tatum Ranch Place		332					362		
Backflow Device: Common Area - Replacement	2,355								
Bark Dust: Replenish - Common Area		5,752		5,959		6,173		6,395	
Bollards - Replace							2,906		
Brick: Masonry / Repointing & Repairs							10,334		
Bridge: Wood - Replacement									
Concrete: Curbs & Gutters: Moon Valley Terrace						442			
Concrete: Curbs & Gutters: Silver Creek Place					536				
Concrete: Curbs & Gutters: Tatum Ranch Place					373				
Concrete: Flatwork - Sidewalks - Common Area		7,041							
Concrete: Flatwork - Sidewalks - Moon Valley Terrace		3,185							
Concrete: Flatwork - Sidewalks - Silver Creek Place		3,935							
Fence: Chain Link - Power Coat - Replace									
Fence: Vinyl - 3 Rail Horse Fence - Replace		294,028							
Fence: Vinyl - Wash - 3 Rail Horse Fence		6,642			7,003			7,384	
Insurance Deductible Contingency (Unfunded)	<i>Unfunded</i>								
Landscaping: Irrigation	10,793					11,788			
Landscaping: Plants & Arborvitae - Phased Replacements							8,267		
Landscaping: Power Box - Monument - Replace		568							

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

Description	2030	2031	2032	2033	2034	2035	2036	2037	2038
Lighting: Fixtures - Monuments - Renovation			1,425						
Lighting: Power Box - Silver Creek Place - Replace		568							
Mailboxes: 12 Letter / 1 Package - Replace									
Mailboxes: 16 Letter / 2 Package - Replace									
Mailboxes: Clean / Paint / Maintain		2,044					2,232		
Signs: Common Area		631							
Signs: Monument - Clean & Maintain		8,015							
Storm Drains / Underground Inspection: Moon Valley Terrace		3,154							
Storm Drains / Underground Inspection: Silver Creek Place		3,154							
Storm Drains / Underground Inspection: Tatum Ranch Place		3,154							
Walls: Retaining									
Walls: Retaining - Inspection		3,154		3,267		3,384		3,506	
Year Total:	24,931	351,900	1,425	9,226	21,230	40,381	53,607	17,285	

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

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047
Arborist / Tree Work								26,672	
Asphalt: Overlay - Moon Valley Terrace									
Asphalt: Overlay - Pedestrian Pathway									
Asphalt: Overlay - Silver Creek Place									
Asphalt: Overlay - Tatum Ranch Place									
Asphalt: Repairs - Moon Valley Terrace			804					878	
Asphalt: Repairs - Pedestrian Pathway			1,272					1,389	
Asphalt: Repairs - Silver Creek Place			1,247					1,362	
Asphalt: Repairs - Tatum Ranch Place			314					343	
Asphalt: Sealcoat - Moon Valley Terrace			1,352					1,477	
Asphalt: Sealcoat - Pedestrian Pathway			1,284					1,402	
Asphalt: Sealcoat - Silver Creek Place			1,534					1,676	
Asphalt: Sealcoat - Tatum Ranch Place			396					432	
Backflow Device: Common Area - Replacement									
Bark Dust: Replenish - Common Area	6,624		6,862		7,109		7,364		7,629
Bollards - Replace									
Brick: Masonry / Repointing & Repairs									
Bridge: Wood - Replacement									
Concrete: Curbs & Gutters: Moon Valley Terrace									546
Concrete: Curbs & Gutters: Silver Creek Place								663	
Concrete: Curbs & Gutters: Tatum Ranch Place								461	
Concrete: Flatwork - Sidewalks - Common Area			8,400						
Concrete: Flatwork - Sidewalks - Moon Valley Terrace				3,799					
Concrete: Flatwork - Sidewalks - Silver Creek Place				4,694					
Fence: Chain Link - Power Coat - Replace			381,750						
Fence: Vinyl - 3 Rail Horse Fence - Replace									
Fence: Vinyl - Wash - 3 Rail Horse Fence		7,785			8,209			8,655	
Insurance Deductible Contingency (Unfunded)	<i>Unfunded</i>								
Landscaping: Irrigation		12,876					14,063		
Landscaping: Plants & Arborvitae - Phased Replacements								9,862	
Landscaping: Power Box - Monument - Replace									

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

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047
Lighting: Fixtures - Monuments - Renovation		1,641							
Lighting: Power Box - Silver Creek Place - Replace									
Mailboxes: 12 Letter / 1 Package - Replace			12,190						
Mailboxes: 16 Letter / 2 Package - Replace			70,520						
Mailboxes: Clean / Paint / Maintain			2,438					2,663	
Signs: Common Area			752						
Signs: Monument - Clean & Maintain			9,562						
Storm Drains / Underground Inspection: Moon Valley Terrace									
Storm Drains / Underground Inspection: Silver Creek Place									
Storm Drains / Underground Inspection: Tatum Ranch Place									
Walls: Retaining	14,527								
Walls: Retaining - Inspection	3,632		3,762		3,897		4,037		4,182
Year Total:	24,784	22,302	512,932		19,215		25,465	57,935	12,357

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

2048 2049 2050

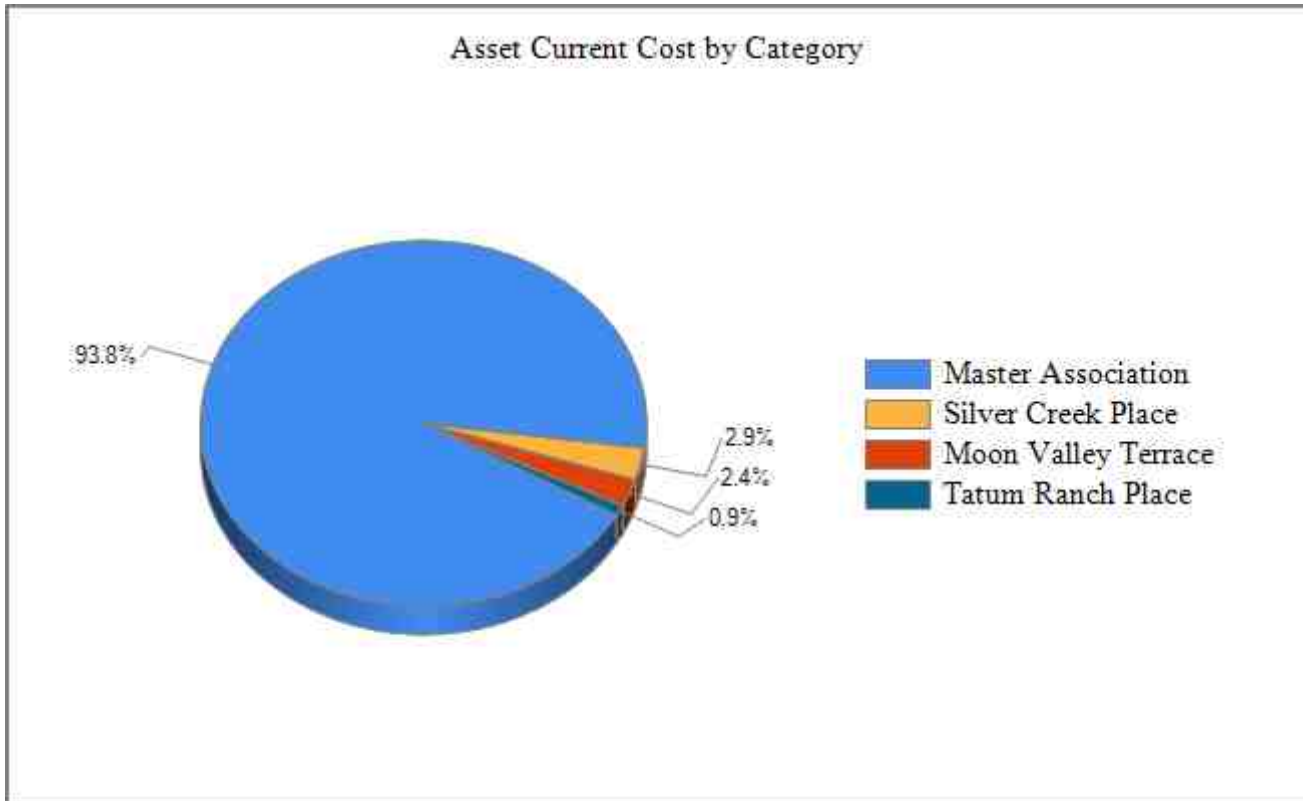
Description

Arborist / Tree Work			
Asphalt: Overlay - Moon Valley Terrace			
Asphalt: Overlay - Pedestrian Pathway			
Asphalt: Overlay - Silver Creek Place			
Asphalt: Overlay - Tatum Ranch Place			
Asphalt: Repairs - Moon Valley Terrace			
Asphalt: Repairs - Pedestrian Pathway			
Asphalt: Repairs - Silver Creek Place			
Asphalt: Repairs - Tatum Ranch Place			
Asphalt: Sealcoat - Moon Valley Terrace			
Asphalt: Sealcoat - Pedestrian Pathway			
Asphalt: Sealcoat - Silver Creek Place			
Asphalt: Sealcoat - Tatum Ranch Place			
Backflow Device: Common Area - Replacement			
Bark Dust: Replenish - Common Area		7,903	
Bollards - Replace			
Brick: Masonry / Repointing & Repairs			
Bridge: Wood - Replacement			
Concrete: Curbs & Gutters: Moon Valley Terrace			
Concrete: Curbs & Gutters: Silver Creek Place			
Concrete: Curbs & Gutters: Tatum Ranch Place			
Concrete: Flatwork - Sidewalks - Common Area			
Concrete: Flatwork - Sidewalks - Moon Valley Terrace			
 Concrete: Flatwork - Sidewalks - Silver Creek Place			
 Fence: Chain Link - Power Coat - Replace			
Fence: Vinyl - 3 Rail Horse Fence - Replace			
Fence: Vinyl - Wash - 3 Rail Horse Fence		9,125	
Insurance Deductible Contingency (Unfunded)	<i>Unfunded</i>		
Landscaping: Irrigation			15,360
Landscaping: Plants & Arborvitae - Phased Replacements			
 Landscaping: Power Box - Monument - Replace			

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

Description	2048	2049	2050
Lighting: Fixtures - Monuments - Renovation	1,890		
Lighting: Power Box - Silver Creek Place - Replace			
Mailboxes: 12 Letter / 1 Package - Replace			
Mailboxes: 16 Letter / 2 Package - Replace			
Mailboxes: Clean / Paint / Maintain			
Signs: Common Area			
Signs: Monument - Clean & Maintain			
Storm Drains / Underground Inspection: Moon Valley Terrace			
Storm Drains / Underground Inspection: Silver Creek Place			
Storm Drains / Underground Inspection: Tatum Ranch Place			
Walls: Retaining		17,330	
Walls: Retaining - Inspection		4,333	
Year Total:	1,890	38,691	15,360

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



This is the distribution of reserves by category

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

SCENARIO OVERVIEW

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

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

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

This report is a reflection of information provided to the Consultant and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records. Continued use of this reserve study beyond December 31, 2021 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.

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

Report Date October 29, 2020
Beginning Fiscal Year January 01, 2021
Account Number 1215a

Version Number 1.01

Beginning Balance: \$331,485

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	733,657	36,624	652	41,991	326,770	435,977	75%
2022	746,716	36,624	714	6,403	357,705	472,101	76%
2023	760,008	36,624	772	8,091	387,010	507,784	76%
2024	773,536	36,624	845	1,238	423,241	551,710	77%
2025	787,305	36,624	872	23,868	436,869	574,028	76%
2026	801,319	36,624	837	55,082	419,248	565,629	74%
2027	815,582	36,624	895	8,299	448,467	605,362	74%
2028	830,100	36,624	958	6,300	479,749	648,516	74%
2029	844,876	36,624	991	20,775	496,589	678,395	73%
2030	859,914	36,624	1,017	24,931	509,299	705,266	72%
2031	875,221	36,624	388	351,900	194,411	400,541	49%
2032	890,800	36,624	459	1,425	230,069	447,833	51%
2033	906,656	36,624	515	9,226	257,982	488,767	53%
2034	922,794	36,624	547	21,230	273,923	519,008	53%
2035	939,220	36,624	540	40,381	270,706	531,137	51%
2036	955,938	36,624	507	53,607	254,231	530,804	48%
2037	972,954	36,624	547	17,285	274,117	568,230	48%
2038	990,273	36,624	621		311,363	624,726	50%
2039	1,007,899	36,624	646	24,784	323,850	657,829	49%
2040	1,025,840	36,624	676	22,302	338,848	694,887	49%
2041	1,044,100	36,624		512,932	-137,460	234,096	
2042	1,062,685	36,624			-100,836	288,037	
2043	1,081,601	36,624		19,215	-83,427	324,266	
2044	1,100,853	36,624			-46,803	381,599	
2045	1,120,448	36,624		25,465	-35,644	414,952	
2046	1,140,392	36,624		57,935	-56,954	416,785	
2047	1,160,691	36,624		12,357	-32,687	465,991	
2048	1,181,352	36,624	4	1,890	2,051	527,693	0%
2049	1,202,380	36,624		38,691	-16	554,023	
2050	1,223,782	36,624	42	15,360	21,290	605,570	4%

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.

