



The Management Trust

NORTHWEST DIVISION

Arbor Pointe

Tigard, Oregon

Account 2015-2016 Off Site Update -- Version 1

March 13, 2015

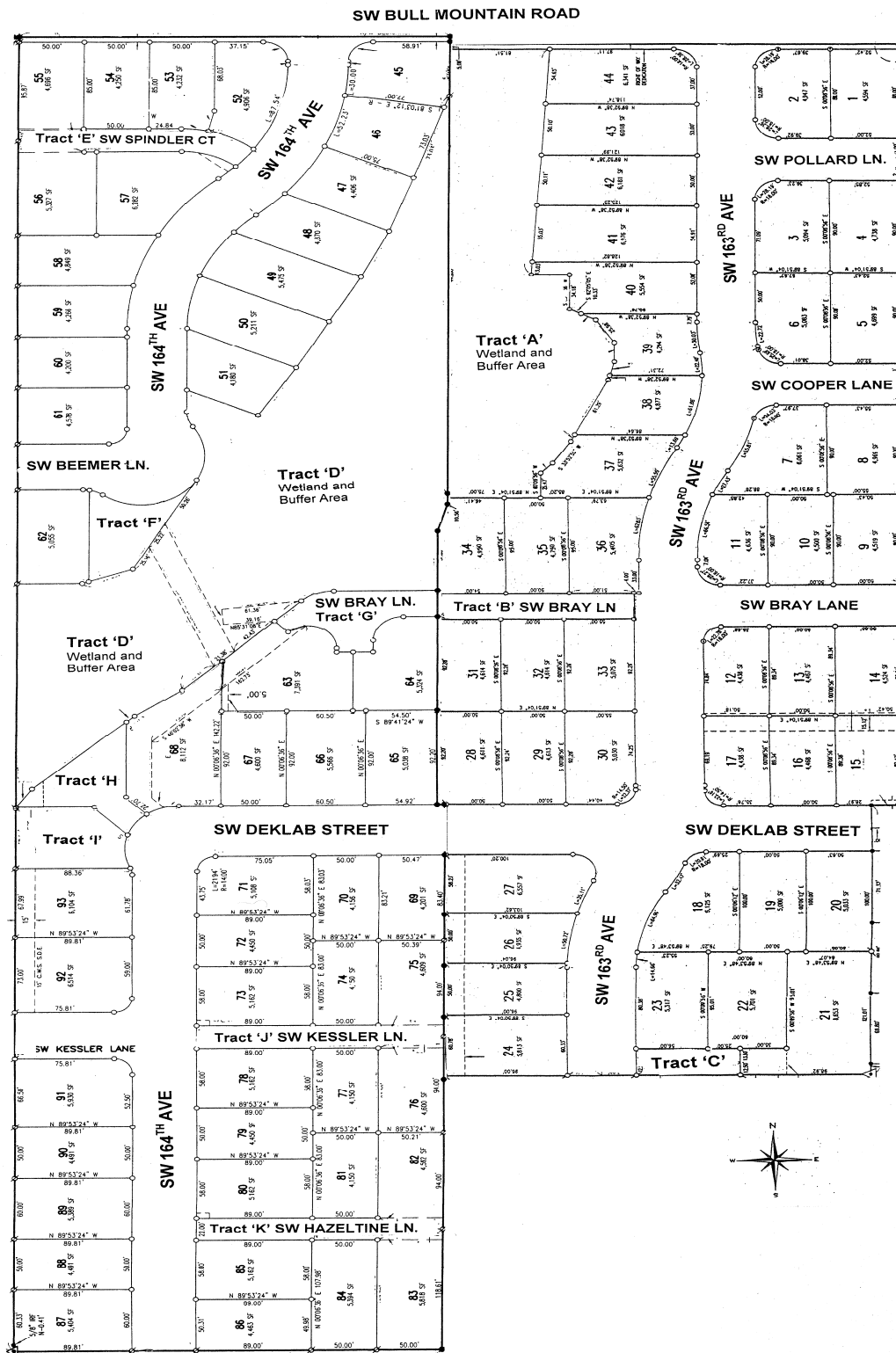
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ARBOR POINTE HOA PLAT MAP

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Arbor Pointe

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Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of Trust Reserves®. 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.

Trust Reserves® 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.

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.

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.

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	Insurance(s)
Equipment Replacement	Reserve Study
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.

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 Trust Reserves® Threshold and the Trust Reserves® 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 Trust Reserves® Component Funding model is based upon the component methodology.

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 Trust Reserves® **Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. 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.

The Trust Reserves® **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).

The Trust Reserves® **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 Trust Reserves® **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:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The  Trust Reserves® 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.

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 Trust Reserves® 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.

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 Trust Reserves® 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.

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.

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).

A Multi-Purpose Tool

Your Trust Reserves® 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 Trust Reserves® 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 Trust Reserves® 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 Trust Reserves® 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 Trust Reserves® 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.
- Since the Trust Reserves® reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The Trust Reserves® 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 Trust Reserves® Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your Trust Reserves® 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.

Arbor Pointe
Tigard, Oregon
RA Current Assessment Funding Model Summary

		<i>Report Parameters</i>	
Report Date	March 13, 2015	Inflation	2.42%
Account Number	2015-2016 Off Site Update	Interest Rate on Reserve Deposit	0.20%
Version	1		
Budget Year Beginning	June 01, 2015		
Budget Year Ending	May 31, 2016		
Total Units	93	2015 Beginning Balance	\$52,241.00

Disclosures:

⌚ 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.

⌚ 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 or Declarant for our use relating only to the reserve study scope of work.

⌚ Reliance on Client Data - Data received from property management, association representatives and/or Declarant is deemed reliable by ReserveTrust / The Management Trust. Such data may include financial information, physical deficiencies or physical conditions, quantity of physical assets, or historical issues.

⌚ Scope - 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.

⌚ Reserve Balance - The actual or projected (estimated) total presented in this reserve study is based upon information provided or collected and was not audited.

⌚ Reserve Projects - Information provided or collected for the purpose of this reserve study will be considered reliable and should not be considered a project audit or quality inspection.

⌚ Adjustments to Reserve Study - Should components suggested by Consultant be removed from the reserve study or any life cycles or costs other than current bids, engineering construction standards, or current component history be used in this reserve study, the Client accepts full responsibility for the results of the reserve study and is not warranted by Consultant.

Arbor Pointe
Tigard, Oregon
RA Current Assessment Funding Model Summary

⌚ Information Provided - Quantity, design and material information included in this report was provided in part by the Association and is subject to course of construction changes.

⌚ Limitations on Inventory -The following items, but not limited to, are not included in the physical analysis because they have a useful life greater than 30 years. Grading/drainage, foundations/footings, party walls, bearing and shear walls, perimeter walls, beams, columns and girders, sub floors, unfinished floors, concrete stair surfaces, windows, exterior doors, window and door frames, plumbing system, flues (chimneys), air delivery or return systems, ducts, chutes, conduits, pipes, plumbing, sanitary sewage and storm drains, wire, telephone, cable, central television system, sprinkler systems and internet lines.

⌚ Warranty or Guaranty - This reserve study and its recommendations should not be construed in any way to constitute a warranty or guaranty regarding the current or future performance of the components. Components will be replaced as required, not necessarily in their expected replacement year.

⌚ Annual Updates - Often times there can be a significant expenditure in those years that exceeds the life of the reserve study. Hence, annual updates should be performed to allow adjustments in the reserve contribution each year if required.

⌚ Ongoing Maintenance - The reserve study component life cycles assumes that assets are inspected and maintained on an ongoing scheduled basis funded with operating budget funds and/or reserve funds set aside for this work. For example, an asphalt overlay surface should have a seal coating applied every 4 to 5 years in order to achieve the estimated expected life cycle of 30 years. Failure to perform maintenance per the recommended schedule may adversely impact the condition of said assets and have undesired affects on reserve funding.

⌚ Tax Consequences - The tax consequences are not considered in this reserve study due to the uncertainty of all factors affecting net taxable income and the election of the tax form to be filed.

⌚ We recommend a building envelope (water intrusion) inspection for the Building every two years and a roofing inspection every six years (not funded in the reserve).

⌚ House Bill 955 (HB 955), in Oregon since 1/1/2006, specifically calls for the provision of a reserve study, reserve study update, maintenance plan and reserve summary. ORS 94.595 states that: "The board of directors of the association annually shall conduct a reserve study, or review and update an existing reserve study to determine the reserve study requirements". In addition ORS 94.595 (3)(B)(c) and ORS 100.175 (3)(C)(c) further require that a Reserve Study Update be done each year.

Arbor Pointe
Tigard, Oregon
RA Current Assessment Funding Model Summary

⌚ House Bill 2665 (Chapter 409, Oregon Laws 2007) revises portions on SB 955 by removing the requirement for a maintenance plan from the reserve study and makes it a separate requirement. Also, after 9/27/2007 HB 2665 no longer requires that owners be provided a reserve summary of the reserve study or any revisions thereto.

⌚ Further House Bill 2665 makes windows and unit access doors, except for glazing and screening, general common elements, unless Declaration provides otherwise, (Sec 5).

Preparation of a Reserve Study:

Data is collected from several sources to prepare a reserve study and a variety of document reviews, interviews, and site observations are required to adequately fulfill our duties as a reserve provider. The following sources, but not limited to, and methods were utilized in the preparation of this reserve study document:

- ⌚ Property Management Personnel Interviews
- ⌚ As built Plans and Specifications Document Reviews
- ⌚ On-site Observations - If Applicable
- ⌚ Discussions with Engineering or Architectural Consultants
- ⌚ RS Means Facilities Maintenance & Repair Cost Data, 16th Edition (2009) printed manual
- ⌚ Interviewing General Contractor Consultants

⌚ A tabular list of commonly owned items has been developed and given a current condition grade, expected useful life, and remaining useful life. A portion of that data will determine in what year it is estimated the component should be replaced.

⌚ This study is operating as the twenty one designated parking spots are limited common elements as defined by the association's plat map.

The percent funded ratings recognized by industry standards is:

0-30% - poor

31-70% - fair

71-100% - good

Current Assessment Funding Model Summary of Calculations

Required Monthly Contribution	\$556.58
<i>\$5.98 per unit monthly</i>	
Average Net Monthly Interest Earned	<u>\$8.39</u>
Total Monthly Allocation to Reserves	\$564.97
<i>\$6.07 per unit monthly</i>	

Arbor Pointe
RA Current Assessment Funding Model Projection

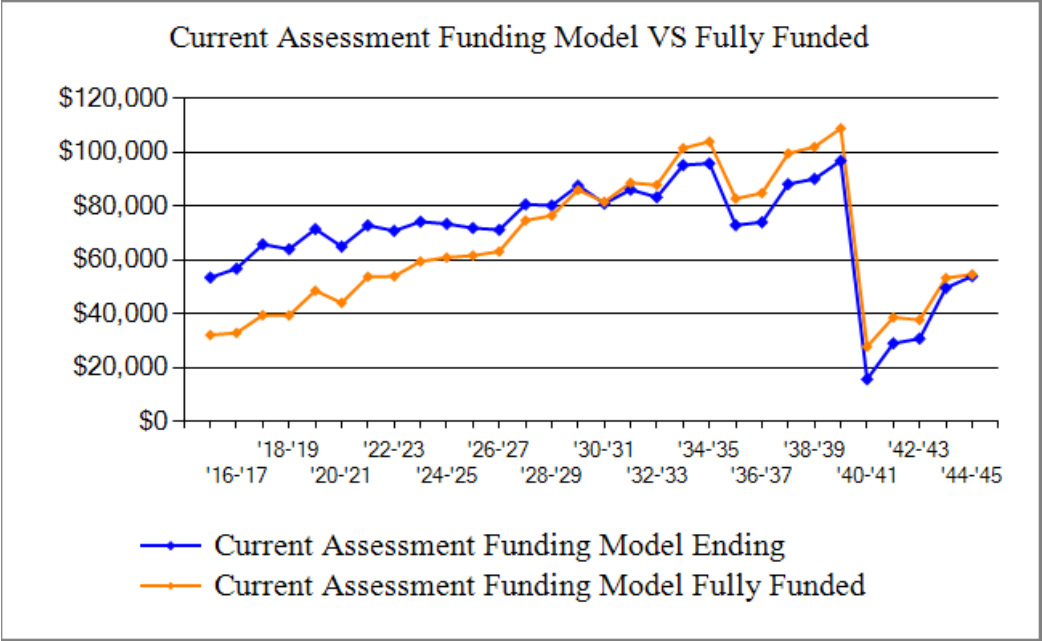
Beginning Balance: \$52,241

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
<i>15-16</i>		<i>4,000</i>	<i>Loan</i>				
15-16	80,668	6,679	101	9,588	53,432	32,080	166%
<i>16-17</i>		<i>4,000</i>	<i>Loan</i>				
16-17	82,620	6,841	107	7,656	56,724	32,877	172%
<i>17-18</i>		<i>4,000</i>	<i>Loan</i>				
17-18	84,620	7,006	125	2,098	65,757	39,437	166%
18-19	86,668	7,176	121	9,105	63,949	39,340	162%
19-20	88,765	7,349	136		71,434	48,539	147%
20-21	90,913	7,527	123	14,159	64,925	44,003	147%
21-22	93,113	7,709	138		72,773	53,719	135%
22-23	95,367	7,896	134	10,019	70,784	53,862	131%
23-24	97,674	8,087	141	4,843	74,169	59,397	124%
24-25	100,038	8,330	139	9,270	73,367	60,860	120%
25-26	102,459	8,580	136	10,273	71,809	61,580	116%
26-27	104,939	8,923	134	9,724	71,142	63,097	112%
27-28	107,478	9,280	152		80,574	74,611	107%
28-29	110,079	9,651	151	10,200	80,176	76,445	104%
29-30	112,743	10,037	166	2,795	87,583	85,975	101%
30-31	115,471	10,438	152	17,268	80,906	81,517	99%
31-32	118,266	10,856	162	5,864	86,059	88,615	97%
32-33	121,128	11,290	156	14,227	83,278	87,787	94%
33-34	124,059	11,742	179		95,199	101,439	93%
34-35	127,061	12,211	180	11,774	95,817	103,926	92%
35-36	130,136	12,700	134	35,795	72,856	82,738	88%
36-37	133,286	13,335	136	12,351	73,976	84,774	87%
37-38	136,511	14,002	163		88,141	99,510	88%
38-39	139,815	14,702	166	12,956	90,053	101,954	88%
39-40	143,198	15,437	179	8,876	96,793	108,851	88%
40-41	146,664	16,209	16	97,393	15,625	27,720	56%
41-42	150,213	17,019	42	3,724	28,962	38,624	74%
42-43	153,848	17,870	45	16,163	30,714	37,691	81%
43-44	157,571	18,763	82		49,559	53,244	93%
44-45	161,384	19,217	90	14,954	53,912	54,574	98%

Arbor Pointe
RA Distribution by Percentage of Ideally Funded

Description	Remaining Life	Ideally Funded	Beginning Balance	Percent Funded	Assessment Distributed	Interest Distributed	Expenditures	Ending Balance
General								
Bark Dust	1	170	336	198%	33	1		369
Brick Walls	0	3,000	2,405	80%	586	9	3,000	0
Concrete Maintenance	0	1,000	802	80%	195	3	1,000	0
Drip Irrigation System	0	1,000	802	80%	195	3	1,000	0
Fence - 4' Vinyl Chain Link	25	9,737	19,231	198%	1,903	29		21,163
Fence - 5' Vinyl Chain Link	25	2,121	4,190	198%	415	6		4,611
Irrigation Controllers	7	300	593	198%	59	1		652
Mailboxes	20	2,683	5,300	198%	524	8		5,832
Monument Maintenance	2	1,667	3,292	198%	326	5		3,622
Retaining Wall Maintenance	10	750	1,481	198%	147	2		1,630
Street Lights	20	2,683	5,300	198%	524	8		5,832
Tree Work	3	571	1,129	198%	112	2		1,242
General - Total		<u>\$25,683</u>	<u>\$44,859</u>	<u>175%</u>	<u>\$5,020</u>	<u>\$76</u>	<u>\$5,000</u>	<u>\$44,954</u>
Private Streets								
Asphalt Overlay		<i>Unfunded</i>						
Asphalt Sealcoat & Repairs	0	4,588	3,678	80%	897	14	4,588	0
Signage	5	333	658	198%	65	1		724
Private Streets - Total		<u>\$4,922</u>	<u>\$4,336</u>	<u>88%</u>	<u>\$962</u>	<u>\$14</u>	<u>\$4,588</u>	<u>\$724</u>
Classic Homes								
Bark Dust	1	3,100	6,123	198%	606	9		6,738
Classic Homes - Total		<u>\$3,100</u>	<u>\$6,123</u>	<u>198%</u>	<u>\$606</u>	<u>\$9</u>		<u>\$6,738</u>
Cascade Homes								
Bark Dust	1	95	188	198%	19			206
Cascade Homes - Total		<u>\$95</u>	<u>\$188</u>	<u>198%</u>	<u>\$19</u>			<u>\$206</u>
Cottage Homes								
Bark Dust	1	372	736	198%	73	1		810
Cottage Homes - Total		<u>\$372</u>	<u>\$736</u>	<u>198%</u>	<u>\$73</u>	<u>\$1</u>		<u>\$810</u>
Grand - Total		<u><u>\$34,172</u></u>	<u><u>\$56,241</u></u>		<u><u>\$6,679</u></u>	<u><u>\$101</u></u>	<u><u>\$9,588</u></u>	<u><u>\$53,432</u></u>

Arbor Pointe
RA Current Assessment Funding Model VS Fully Funded Chart



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Arbor Pointe
RA Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Asphalt Sealcoat & Repairs	0	15-16	4,588	4,588
Brick Walls	0	15-16	3,000	3,000
Concrete Maintenance	0	15-16	1,000	1,000
Drip Irrigation System	0	15-16	1,000	1,000
Bark Dust	1	16-17	340	170
Bark Dust	1	16-17	6,200	3,100
Bark Dust	1	16-17	190	95
Bark Dust	1	16-17	745	372
Monument Maintenance	2	17-18	2,000	1,667
Tree Work	3	18-19	1,000	571
Signage	5	20-21	500	333
Irrigation Controllers	7	22-23	1,000	300
Retaining Wall Maintenance	10	25-26	1,500	750
Mailboxes	20	35-36	8,050	2,683
Street Lights	20	35-36	8,050	2,683
Fence - 4' Vinyl Chain Link	25	40-41	21,635	9,737
Fence - 5' Vinyl Chain Link	25	40-41	2,121	2,121
Asphalt Overlay		Unfunded		
Total Asset Summary			<u>\$62,920</u>	<u>\$34,172</u>
Excess Funds:			-	\$10,679

Percent Fully Funded	184%
Current Average Equity per Unit (Total Units: 93)	\$309

**Arbor Pointe
RA Annual Expenditure Detail**

Description	Expenditures
Replacement Year 15-16	
Asphalt Sealcoat & Repairs	4,588
Brick Walls	3,000
Concrete Maintenance	1,000
Drip Irrigation System	1,000
Total for 2015 - 2016	\$9,588
Replacement Year 16-17	
Bark Dust	348
Bark Dust	6,350
Bark Dust	195
Bark Dust	763
Total for 2016 - 2017	\$7,656
Replacement Year 17-18	
Monument Maintenance	2,098
Total for 2017 - 2018	\$2,098
Replacement Year 18-19	
Bark Dust	365
Bark Dust	6,661
Bark Dust	204
Bark Dust	800
Tree Work	1,074
Total for 2018 - 2019	\$9,105
<i>No Replacement in 19-20</i>	
Replacement Year 20-21	
Asphalt Sealcoat & Repairs	5,171
Bark Dust	383
Bark Dust	6,987
Bark Dust	214
Bark Dust	840
Signage	563
Total for 2020 - 2021	\$14,159
<i>No Replacement in 21-22</i>	
Replacement Year 22-23	
Bark Dust	402
Bark Dust	7,330

**Arbor Pointe
RA Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 22-23 continued...</i>	
Bark Dust	225
Bark Dust	881
Irrigation Controllers	1,182
Total for 2022 - 2023	\$10,019
Replacement Year 23-24	
Brick Walls	3,632
Drip Irrigation System	1,211
Total for 2023 - 2024	\$4,843
Replacement Year 24-25	
Bark Dust	422
Bark Dust	7,689
Bark Dust	236
Bark Dust	924
Total for 2024 - 2025	\$9,270
Replacement Year 25-26	
Asphalt Sealcoat & Repairs	5,828
Concrete Maintenance	1,270
Retaining Wall Maintenance	1,905
Tree Work	1,270
Total for 2025 - 2026	\$10,273
Replacement Year 26-27	
Bark Dust	442
Bark Dust	8,065
Bark Dust	247
Bark Dust	969
Total for 2026 - 2027	\$9,724
<i>No Replacement in 27-28</i>	
Replacement Year 28-29	
Bark Dust	464
Bark Dust	8,460
Bark Dust	259
Bark Dust	1,017
Total for 2028 - 2029	\$10,200

**Arbor Pointe
RA Annual Expenditure Detail**

Description	Expenditures
Replacement Year 29-30	
Monument Maintenance	2,795
Total for 2029 - 2030	\$2,795
Replacement Year 30-31	
Asphalt Sealcoat & Repairs	6,568
Bark Dust	487
Bark Dust	8,875
Bark Dust	272
Bark Dust	1,066
Total for 2030 - 2031	\$17,268
Replacement Year 31-32	
Brick Walls	4,398
Drip Irrigation System	1,466
Total for 2031 - 2032	\$5,864
Replacement Year 32-33	
Bark Dust	511
Bark Dust	9,310
Bark Dust	285
Bark Dust	1,119
Irrigation Controllers	1,502
Tree Work	1,502
Total for 2032 - 2033	\$14,227
<i>No Replacement in 33-34</i>	
Replacement Year 34-35	
Bark Dust	536
Bark Dust	9,766
Bark Dust	299
Bark Dust	1,173
Total for 2034 - 2035	\$11,774
Replacement Year 35-36	
Asphalt Sealcoat & Repairs	7,402
Concrete Maintenance	1,613
Mailboxes	12,986
Signage	807
Street Lights	12,986
Total for 2035 - 2036	\$35,795

**Arbor Pointe
RA Annual Expenditure Detail**

Description	Expenditures
Replacement Year 36-37	
Bark Dust	562
Bark Dust	10,244
Bark Dust	314
Bark Dust	1,231
Total for 2036 - 2037	\$12,351
<i>No Replacement in 37-38</i>	
Replacement Year 38-39	
Bark Dust	589
Bark Dust	10,746
Bark Dust	329
Bark Dust	1,291
Total for 2038 - 2039	\$12,956
Replacement Year 39-40	
Brick Walls	5,325
Drip Irrigation System	1,775
Tree Work	1,775
Total for 2039 - 2040	\$8,876
Replacement Year 40-41	
Asphalt Sealcoat & Repairs	8,342
Bark Dust	618
Bark Dust	11,272
Bark Dust	345
Bark Dust	1,354
Fence - 4' Vinyl Chain Link	61,961
Fence - 5' Vinyl Chain Link	13,499
Total for 2040 - 2041	\$97,393
Replacement Year 41-42	
Monument Maintenance	3,724
Total for 2041 - 2042	\$3,724
Replacement Year 42-43	
Bark Dust	648
Bark Dust	11,824
Bark Dust	362
Bark Dust	1,421
Irrigation Controllers	1,907
Total for 2042 - 2043	\$16,163

**Arbor Pointe
RA Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 43-44</i>	
Replacement Year 44-45	
Bark Dust	680
Bark Dust	12,404
Bark Dust	380
Bark Dust	1,490
Total for 2044 - 2045	\$14,954

Arbor Pointe
RA Detail Report by Category

Asphalt Overlay		20,856 Square Feet	@ \$1.10
Asset ID	1150	Asset Cost	\$22,941.60
		Percent Replacement	100%
	Private Streets	Future Cost	\$47,007.46
Placed in Service	January 2006	Assigned Reserves	
Useful Life	40		
Replacement Year	45-46	<i>No Future Assessments</i>	
Remaining Life	30		



Remarks:

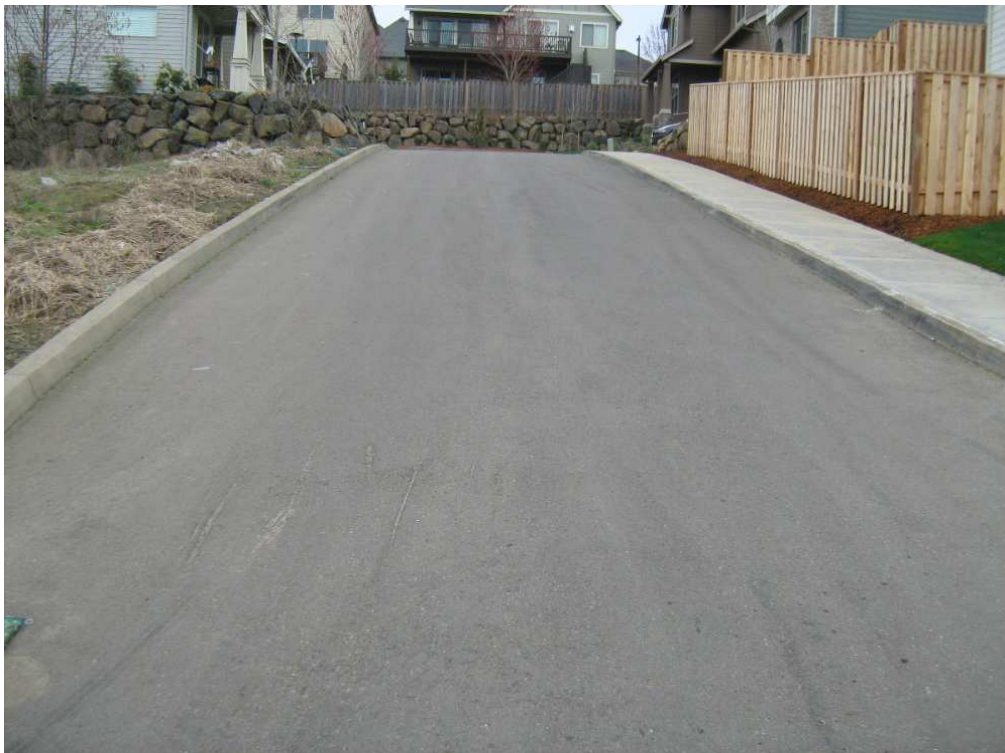
This item is the 1 1/2 inch to 2 inch asphalt overlay which includes grinding of edges and resetting of storm drains and valve covers as needed.

Regular sealcoating will help prolong this component to exceed thirty (30) years. Will commence funding next year (2016-2017).

Arbor Pointe
RA Detail Report by Category

Asphalt Sealcoat & Repairs - 2015

Asset ID	1151	20,856 Square Feet	@ \$0.22
		Asset Cost	\$4,588.32
		Percent Replacement	100%
Placed in Service	Private Streets	Future Cost	\$4,588.32
Useful Life	January 2006	Assigned Reserves	\$896.79
Replacement Year	5		
Remaining Life	15-16	Monthly Assessment	\$896.79
	0	Interest Contribution	<u>\$1.13</u>
		Reserve Allocation	\$897.91



Remarks:

This item is the seal coating (slurry seal) of the asphalt surface and includes any re-striping, crack repair, or alligating sealing as needed.

Arbor Pointe
RA Detail Report by Category

Bark Dust - 2016

Asset ID	1138	1 Event	@ \$340.00
		Asset Cost	\$340.00
		Percent Replacement	100%
	General	Future Cost	\$348.23
Placed in Service	September 2014	Assigned Reserves	\$33.23
Useful Life	2		
Replacement Year	16-17	Monthly Assessment	\$33.23
Remaining Life	1	Interest Contribution	<u>\$0.04</u>
		Reserve Allocation	\$33.27



Remarks:

Refresh and blow in half inch layer of bark dust onto all planting beds every two (2) years, or as needed. Cost obtained from Showplace in September 2014.

Arbor Pointe
RA Detail Report by Category

Bark Dust - 2016

Asset ID	1136	1 Event	@ \$6,200.00
		Asset Cost	\$6,200.00
		Percent Replacement	100%
Placed in Service	Classic Homes	Future Cost	\$6,350.04
Useful Life	September 2014	Assigned Reserves	\$605.89
Replacement Year	2		
Remaining Life	16-17	Monthly Assessment	\$605.89
	1	Interest Contribution	<u>\$0.76</u>
		Reserve Allocation	\$606.65



Remarks:

Refresh and blow in half inch layer of bark dust onto all planting beds every two (2) years, or as needed. Cost obtained from Showplace in September 2014.

Arbor Pointe
RA Detail Report by Category

Bark Dust - 2016

Asset ID	1135	1 Event	@ \$190.00
		Asset Cost	\$190.00
		Percent Replacement	100%
Placed in Service	Cascade Homes	Future Cost	\$194.60
Useful Life	September 2014	Assigned Reserves	\$18.57
Replacement Year	2		
Remaining Life	16-17	Monthly Assessment	\$18.57
	1	Interest Contribution	<u>\$0.02</u>
		Reserve Allocation	\$18.59



Remarks:

Refresh and blow in half inch layer of bark dust onto all planting beds every two (2) years, or as needed. Cost obtained from Showplace in September 2014.

Arbor Pointe
RA Detail Report by Category

Bark Dust - 2016

Asset ID	1137	1 Event	@ \$745.00
		Asset Cost	\$745.00
		Percent Replacement	100%
	Cottage Homes	Future Cost	\$763.03
Placed in Service	September 2014	Assigned Reserves	\$72.80
Useful Life	2		
Replacement Year	16-17	Monthly Assessment	\$72.80
Remaining Life	1	Interest Contribution	<u>\$0.09</u>
		Reserve Allocation	\$72.90



Remarks:

Refresh and blow in half inch layer of bark dust onto all planting beds every two (2) years, or as needed. Cost obtained from Showplace in September 2014.

**Arbor Pointe
RA Detail Report by Category**

Brick Walls - 2015

Asset ID	1139	1 Allowance	@ \$3,000.00
		Asset Cost	\$3,000.00
		Percent Replacement	100%
	General	Future Cost	\$3,000.00
Placed in Service	January 2006	Assigned Reserves	\$586.35
Useful Life	8		
Replacement Year	15-16	Monthly Assessment	\$586.35
Remaining Life	0	Interest Contribution	<u>\$0.74</u>
		Reserve Allocation	\$587.08



Remarks:

Masonry has an estimated life of more than thirty (30) years. This item is an allowance for any ongoing maintenance that is needed to the brick walls throughout the association. Maintenance would include pressure washing, brick repointing, sealcoating, and replace broken portions

Arbor Pointe
RA Detail Report by Category

Concrete Maintenance - 2015

Asset ID	1141	1 Allowance	@ \$1,000.00
		Asset Cost	\$1,000.00
		Percent Replacement	100%
Placed in Service	General	Future Cost	\$1,000.00
Useful Life	January 2006	Assigned Reserves	\$195.45
Replacement Year	10		
Remaining Life	15-16	Monthly Assessment	\$195.45
	0	Interest Contribution	<u>\$0.25</u>
		Reserve Allocation	\$195.69



Remarks:

This item is an allowance to repair cracks and breaks that can occur as the ground underneath the cement settles over the years. Inspect sidewalks and staircases for tripping hazards. Grind down and replace selected sections as needed.

Arbor Pointe
RA Detail Report by Category

Drip Irrigation System - 2015

Asset ID	1142	1 Total	@ \$1,000.00
		Asset Cost	\$1,000.00
		Percent Replacement	100%
	General	Future Cost	\$1,000.00
Placed in Service	January 2006	Assigned Reserves	\$195.45
Useful Life	8		
Replacement Year	15-16	Monthly Assessment	\$195.45
Remaining Life	0	Interest Contribution	<u>\$0.25</u>
		Reserve Allocation	\$195.69



Remarks:

Filters should be checked and flushed on a regular basis along with inspecting the hoses periodically for leaks. Expect replacement of the system every eight (8) years, or as needed.

Arbor Pointe
RA Detail Report by Category

Fence - 4' Vinyl Chain Link - 2040

Asset ID	1143	1,420 LF	@ \$24.00
		Asset Cost	\$34,080.00
		Percent Replacement	100%
Placed in Service	General	Future Cost	\$61,961.06
Useful Life	January 2006	Assigned Reserves	\$1,903.12
Replacement Year	35		
Remaining Life	40-41	Monthly Assessment	\$1,903.12
	25	Interest Contribution	<u>\$2.39</u>
		Reserve Allocation	\$1,905.51



Remarks:

This item is for the replacement of the 4' vinyl chain link fence in the common area. Expect replacement every thirty-five (35) years, or as needed.

Arbor Pointe
RA Detail Report by Category

Fence - 5' Vinyl Chain Link - 2040

		275 LF	@ \$27.00
Asset ID	1144	Asset Cost	\$7,425.00
		Percent Replacement	100%
	General	Future Cost	\$13,499.44
Placed in Service	January 2006	Assigned Reserves	\$414.63
Useful Life	35		
Replacement Year	40-41	Monthly Assessment	\$414.63
Remaining Life	25	Interest Contribution	<u>\$0.52</u>
		Reserve Allocation	\$415.15



Remarks:

This item is for the replacement of the 5' vinyl clad chain link fence in the common area. Expect replacement every thirty-five (35) years, or as needed.

**Arbor Pointe
RA Detail Report by Category**

Irrigation Controllers - 2022

Asset ID	1145	1 Allowance	@ \$1,000.00
		Asset Cost	\$1,000.00
		Percent Replacement	100%
Placed in Service	General	Future Cost	\$1,182.21
Useful Life	September 2012	Assigned Reserves	\$58.63
Replacement Year	10		
Remaining Life	22-23	Monthly Assessment	\$58.63
	7	Interest Contribution	<u>\$0.07</u>
		Reserve Allocation	\$58.71



Remarks:

Check for valve blockages and controller integrity. Irrigation controllers fail sporadically and will require ongoing replacement. This line item is an allowance for these necessary sporadic replacement.

Arbor Pointe **RA Detail Report by Category**

Mailboxes - 2035

Asset ID	1146	7 Each	@ \$1,150.00
		Asset Cost	\$8,050.00
		Percent Replacement	100%
Placed in Service	General	Future Cost	\$12,986.47
Useful Life	January 2006	Assigned Reserves	\$524.46
Replacement Year	30		
Remaining Life	35-36	Monthly Assessment	\$524.46
	20	Interest Contribution	<u>\$0.66</u>
		Reserve Allocation	\$525.11



Remarks:

This item is for the replacement of the cluster style mailboxes in the common area. Ongoing maintenance such as replace faulty hinges or locks, remove graffiti as it occurs, repair vandalism will be needed over time.

Arbor Pointe
RA Detail Report by Category

Monument Maintenance - 2017

Asset ID	1147	1 Allowance	@ \$2,000.00
		Asset Cost	\$2,000.00
		Percent Replacement	100%
Placed in Service	General	Future Cost	\$2,097.97
Useful Life	January 2006	Assigned Reserves	\$325.75
Replacement Year	12		
Remaining Life	17-18	Monthly Assessment	\$325.75
	2	Interest Contribution	<u>\$0.41</u>
		Reserve Allocation	\$326.16



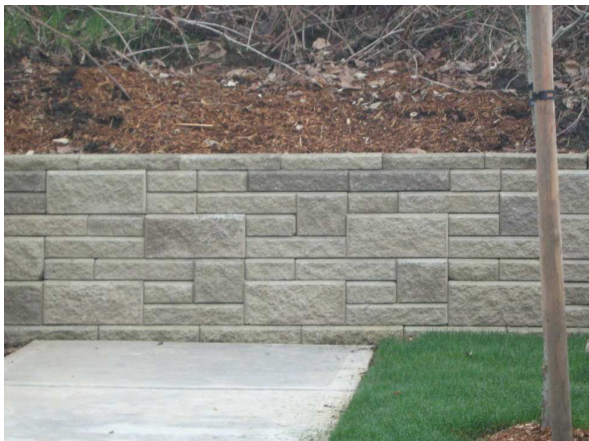
Remarks:

Stonework and masonry have an estimated life of more than thirty (30) years. However, it will need maintenance such as sealcoating from time to time. This item is an allowance for repair or maintenance to the monument and statue needed. Replace monument lettering as needed.

**Arbor Pointe
RA Detail Report by Category**

Retaining Wall Maintenance - 2025

Asset ID	1148	1 Allowance	@ \$1,500.00
		Asset Cost	\$1,500.00
		Percent Replacement	100%
Placed in Service	General	Future Cost	\$1,905.19
Useful Life	January 2006	Assigned Reserves	\$146.59
Replacement Year	20		
Remaining Life	25-26	Monthly Assessment	\$146.59
	10	Interest Contribution	\$0.18
		Reserve Allocation	\$146.77



Remarks:

Boulders have an estimated life of more than thirty (30) years. However, walls will need maintenance and inspections every twenty (20) years. Maintenance would include replacement of broken areas and fallen boulders as needed.

Arbor Pointe **RA Detail Report by Category**

Signage - 2020			
Asset ID	1152	1 Allowance	@ \$500.00
		Asset Cost	\$500.00
		Percent Replacement	100%
Placed in Service	Private Streets	Future Cost	\$563.50
Useful Life	January 2006	Assigned Reserves	\$65.15
Replacement Year	15		
Remaining Life	20-21	Monthly Assessment	\$65.15
	5	Interest Contribution	<u>\$0.08</u>
		Reserve Allocation	\$65.23



Remarks:

Replacement of any signage within the association expected every fifteen (15) years, or as needed.

Arbor Pointe
RA Detail Report by Category

Street Lights - 2035			
Asset ID	1153	7 Each	@ \$1,150.00
		Asset Cost	\$8,050.00
		Percent Replacement	100%
	General	Future Cost	\$12,986.47
Placed in Service	January 2006	Assigned Reserves	\$524.46
Useful Life	30		
Replacement Year	35-36	Monthly Assessment	\$524.46
Remaining Life	20	Interest Contribution	<u>\$0.66</u>
		Reserve Allocation	\$525.11



Remarks:

This item is for the ongoing maintenance and/or replacement of the street lights that do not have a PGE tag.

**Arbor Pointe
RA Detail Report by Category**

Tree Work - 2018

Asset ID	1149	1 Allowance	@ \$1,000.00
		Asset Cost	\$1,000.00
		Percent Replacement	100%
Placed in Service	General	Future Cost	\$1,074.37
Useful Life	January 2012	Assigned Reserves	\$111.69
Replacement Year	7		
Remaining Life	18-19	Monthly Assessment	\$111.69
	3	Interest Contribution	<u>\$0.14</u>
		Reserve Allocation	\$111.83



Remarks:

Expect major pruning, maintenance, or removal of some trees by a professional arborist every seven (7) years, or as needed.

**Arbor Pointe
RA Detail Report by Category**

Detail Report Summary

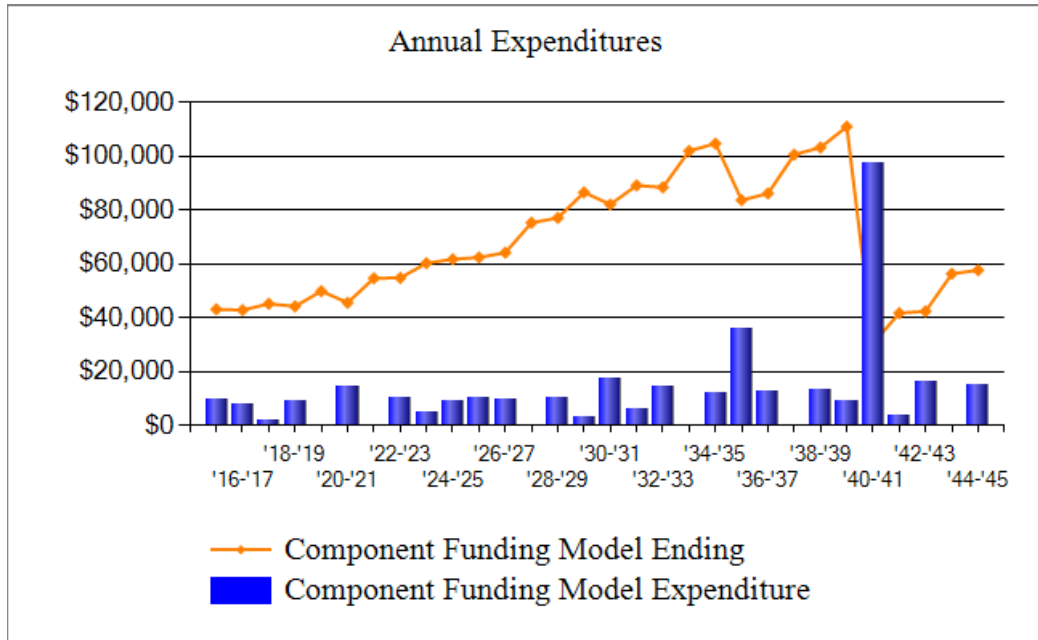
Grand Total

Assigned Reserves	\$62,920.00
Monthly Contribution	\$556.58
Monthly Interest	\$9.50
Monthly Allocation	\$566.08

**Arbor Pointe
RA Category Detail Index**

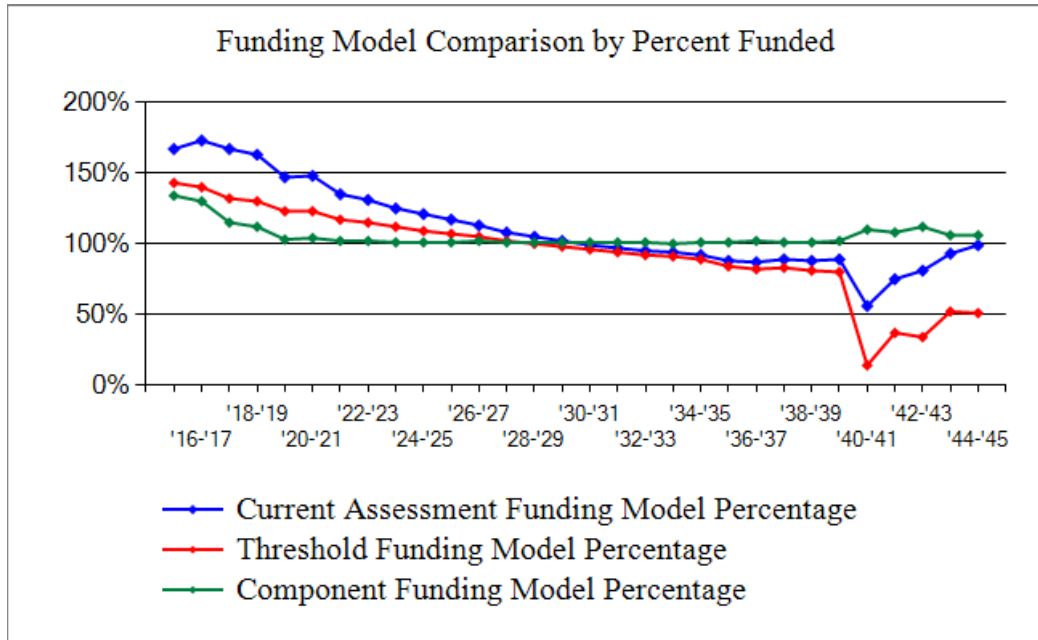
Asset ID	Description	Replacement	Page
1150	Asphalt Overlay	Unfunded	2-13
1151	Asphalt Sealcoat & Repairs	15-16	2-14
1138	Bark Dust	16-17	2-15
1136	Bark Dust	16-17	2-16
1135	Bark Dust	16-17	2-17
1137	Bark Dust	16-17	2-18
1139	Brick Walls	15-16	2-19
1141	Concrete Maintenance	15-16	2-20
1142	Drip Irrigation System	15-16	2-21
1143	Fence - 4' Vinyl Chain Link	40-41	2-22
1144	Fence - 5' Vinyl Chain Link	40-41	2-23
1145	Irrigation Controllers	22-23	2-24
1146	Mailboxes	35-36	2-25
1147	Monument Maintenance	17-18	2-26
1148	Retaining Wall Maintenance	25-26	2-27
1152	Signage	20-21	2-28
1153	Street Lights	35-36	2-29
1149	Tree Work	18-19	2-30
	Total Funded Assets	17	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	18	

**Arbor Pointe
RA Annual Expenditure Chart**



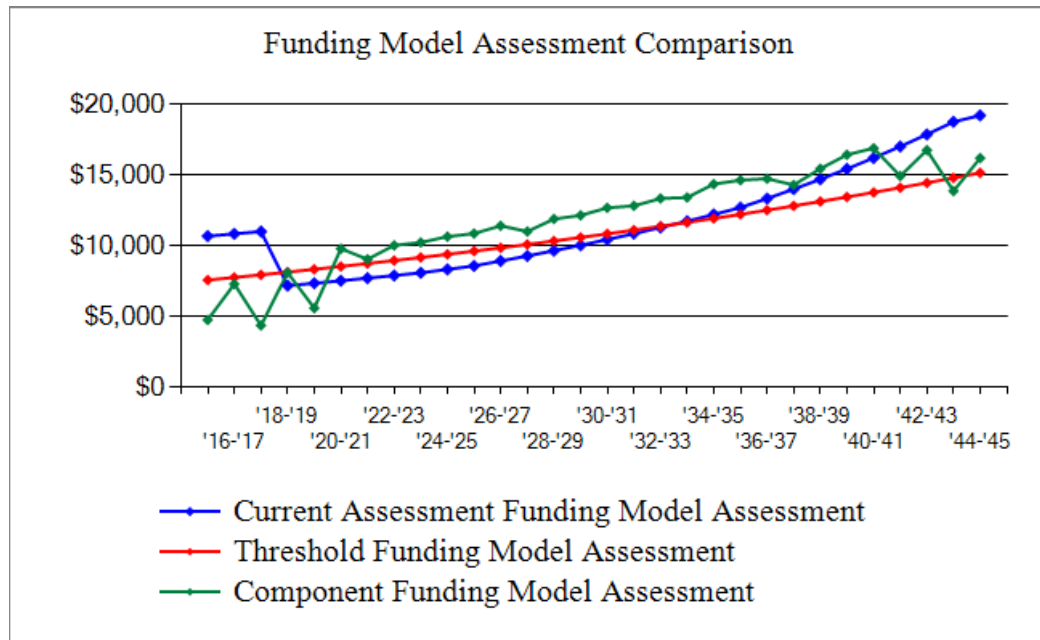
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Arbor Pointe
RA Funding Model Comparison by Percent Funded



The chart above compares the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) by the percentage fully funded over 30 years. This allows your association to view and then choose the funding model that might best fit your community's needs.

Arbor Pointe
RA Funding Model Assessment Comparison Chart



The chart above compares the annual assessment of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

**Arbor Pointe
RA Spread Sheet**

	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25
Description										
Asphalt Overlay	<i>Unfunded</i>									
Asphalt Sealcoat & Repairs	4,588					5,171				
Bark Dust		348		365		383		402		422
Bark Dust		6,350		6,661		6,987		7,330		7,689
Bark Dust		195		204		214		225		236
Bark Dust		763		800		840		881		924
Brick Walls	3,000								3,632	
Concrete Maintenance	1,000									
Drip Irrigation System	1,000								1,211	
Fence - 4' Vinyl Chain Link										
Fence - 5' Vinyl Chain Link										
Irrigation Controllers								1,182		
Mailboxes										
Monument Maintenance			2,098							
Retaining Wall Maintenance										
Signage						563				
Street Lights										
Tree Work				1,074						
Year Total:	9,588	7,656	2,098	9,105		14,159		10,019	4,843	9,270

**Arbor Pointe
RA Spread Sheet**

	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
Description										
Asphalt Overlay	<i>Unfunded</i>									
Asphalt Sealcoat & Repairs	5,828					6,568				
Bark Dust		442		464		487		511		536
Bark Dust		8,065		8,460		8,875		9,310		9,766
Bark Dust		247		259		272		285		299
Bark Dust		969		1,017		1,066		1,119		1,173
Brick Walls							4,398			
Concrete Maintenance	1,270									
Drip Irrigation System							1,466			
Fence - 4' Vinyl Chain Link										
Fence - 5' Vinyl Chain Link										
Irrigation Controllers								1,502		
Mailboxes										
Monument Maintenance					2,795					
Retaining Wall Maintenance	1,905									
Signage										
Street Lights										
Tree Work	1,270							1,502		
Year Total:	10,273	9,724		10,200	2,795	17,268	5,864	14,227		11,774

**Arbor Pointe
RA Spread Sheet**

	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44	44-45
Description										
Asphalt Overlay	<i>Unfunded</i>									
Asphalt Sealcoat & Repairs	7,402					8,342				
Bark Dust		562		589		618		648		680
Bark Dust		10,244		10,746		11,272		11,824		12,404
Bark Dust		314		329		345		362		380
Bark Dust		1,231		1,291		1,354		1,421		1,490
Brick Walls					5,325					
Concrete Maintenance	1,613									
Drip Irrigation System					1,775					
Fence - 4' Vinyl Chain Link						61,961				
Fence - 5' Vinyl Chain Link						13,499				
Irrigation Controllers								1,907		
Mailboxes	12,986									
Monument Maintenance							3,724			
Retaining Wall Maintenance										
Signage	807									
Street Lights	12,986									
Tree Work					1,775					
Year Total:	35,795	12,351		12,956	8,876	97,393	3,724	16,163		14,954