

Commercial Assessments

(888) 225-3755 www.CommercialAssessments.com

Funding Reserve Analysis

for

Crescent Village Condominium Association

Shelton, CT

November 9, 2012



Funding Reserve Analysis
for
Crescent Village Condominium Association
Shelton, CT

Table of Contents	
Pages	Subject
1	Report Cover Sheet
2	Table of Contents
3 to 18	Reserve Study Summary
19 to 22	Reserve Item Listing
23 to 24	Cash Flow
25	Dues Summary
26 to 30	Expense Summary

Commercial Assessments

(888) 225-3755 www.CommercialAssessments.com

November 9, 2012

Mr. Mark Liberman
Crescent Village Condominium Association
745 River Road
Shelton, CT 06484

Subject: Reserve Study for Crescent Village Condominium Association

Mr. Liberman,

Commercial Assessments is pleased to present to Mark Liberman and the Crescent Village Condominium Association the requested reserve funding study. We believe that you will find the attached study to be thorough and complete. After you have had an opportunity to review the report you may have questions. Please do not hesitate to contact us - we would be pleased to answer any questions you may have.

Project Description

Crescent Village is a condominium style townhouse community located in Shelton, CT. There are 29 townhome buildings with 135 individual dwelling units. The community consists of the asphalt roadways and driveways, concrete sidewalks, the building exterior surfaces and roofs, one fully furnished clubhouse with kitchen and fitness room, one swimming pool, retaining walls, one playground, and fencing. All buildings have been constructed within the last five years.

Date of Physical Inspection

The Crescent Village Condominium Association was physically inspected by Richard Hall of Commercial Assessments on September 25, 2012.

Depth of Study

A field inspection was made to verify the existing condition of the various reserve study components and to verify component quantities. In place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

Summary of Financial Assumptions

The below table contains a partial summary of information provided to Commercial Assessments for the Crescent Village funding study.

<i>Reserve Study by Calendar Year Starting</i>	<i>January 1, 2013</i>
<i>Funding Study Length</i>	<i>30 Years</i>
<i>Number of Dues Paying Members</i>	<i>135</i>
<i>Reserve Balance as of January 1, 2013¹</i>	<i>\$152,568</i>
<i>Annual Inflation Rate</i>	<i>2.50%</i>
<i>Tax Rate on Reserve Interest ²</i>	<i>30.00%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$0</i>
<i>Dues Change Period</i>	<i>1 Year</i>
<i>Annual Operating Budget</i>	<i>\$0</i>

¹ See "Financial Condition of Association" in this report.

² Taxed as an IRS exempt association

Reserve Study Assumptions

The below listed assumptions are implicit in this reserve study.

- Cost estimates and financial information provided to Commercial Assessments are accurate and current.
- No unforeseen circumstances will cause a significant reduction of reserves.
- Sufficient comprehensive property insurance exists to protect from insurable risks.
- The association plans to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur at the end of the expense year.

Governing Documents

The Conditions, Covenants, and Restrictions governing documents for Crescent Village Condominium Association were not provided to Commercial Assessments for review prior to report generation.

Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the association. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the association.

Inflation Estimate

Inflation for the last year has been reviewed and a best fit regression analysis for the last 12 months is 2.50 percent. An inflation multiplier of 2.50 percent per annum has been applied to all future expenses.

Initial Reserves

Initial reserves for this reserve study were known to be \$152,560 on December 31, 2012. Based upon a study start date of January 1, 2013 a total of 1 days of accrued interest at 2.00 percent per annum were compounded to yield an initial reserve balance of \$152,568.

The implicit assumption has been made that the reserve accounts were not drawn down between the date of the known reserve balance and the study start date.

Financial Condition of Association

The capital expenditures for this study period are projected to be \$3,423,406.00. Per client directive, Commercial Assessments has factored in 127 dues paying members and an annual reserve payment of \$64,000.00 for 2013. This calculates to a contribution of \$41.99 per month, per member. The number of dues paying members has been adjusted to 135 starting in 2014 through the remainder of the study period. The annual reserve payment has been set to increase by 2.5 annually. This method will allow the association to build a healthy reserve fund account while being able to maintain lower monthly member contributions and fund for the upcoming cycles of repairs and replacements. Please see Cash Flow and Dues Summary reports for details.

Special Assessments

Special Assessments are not required for this reserve study.

Reserve Funding Goal

The reserve fund is set to be as close to Fully Funded as possible on an annual basis.

Study Method

Reserve studies may be done in several ways, but we believe that the value of a reserve study lies in the details. In this study, we have used the "Component" method because it is the only method which allows scrutiny of the funding details. The method is pragmatic, and allows human judgement and experience to enter into the equation.

Whenever possible, the known costs of reserve items have been factored into this report. Known costs are provided to Commercial Assessments in the form of invoices, qualified contractor proposals, or directly from the client. If exact

known costs are not available, present costs have been estimated by the Reserve Analyst's observations and experience; Commercial Assessments' proprietary internal database of costs; and industry recognized cost reference guides such as the National Construction Estimator, RS Means, and the Engineering New-Record Cost Book. In addition, every reserve item has been given an estimated remaining useful life, an estimated useful life when new, and has been cast into the future to determine future costs.

Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end of period payment method. Interest earned on accumulated reserve funds and taxes on the reserve interest are also calculated. Initial reserve funds are consumed as expenses occur until fully depleted, reducing annual reserve payments to a minimum. As you review this report, we are certain that you will appreciate the level of detail provided, allowing you to review each reserve item in detail.

Summary of Findings

Commercial Assessments has estimated future projected expenses for Crescent Village Condominium Association based upon preservation of existing improvements. The attached funding study is limited in scope to those expense items listed in the attached "Crescent Village Reserve Study Expense Items". Expense items which have an expected life of more than 30 Years are not included in this reserve study unless payment for these long lived items overlaps the 30 Years reserve study envelope. The primary concern is the preservation of a positive funding balance with funds sufficient to meet projected expenses throughout the study life. Based upon the attached funding study, it is our professional opinion that member monthly fees as shown in the attached "Crescent Village Dues Summary" will realize this goal.

It is implied that the information provided to Commercial Assessments by the client, including but not limited to that information contained in the attached Reserve Study Information Summary, and the maintenance records, are complete and accurate, and that Commercial Assessments may rely upon such information and documents without further verification or corroboration. Where the age of a particular reserve item (as listed in the reserve study) is unknown, the best-estimated age of that item has been used. If the association is unable to provide and estimate of a reserve item's age, Commercial Assessments shall make its own estimate of age of the reserve item. The reserve study is created for the association's use, and is a reflection of information provided to Commercial Assessments. This information is not for the purpose of performing an audit, historical records, quality or forensic analyses. The on-site reserve study inspection is not considered to be a project audit, quality inspection, or property condition assessment.

Percent Funded

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". The question of substance is simply: "How much is enough?"

To answer the question, some understanding of Percent Funded is required. Percent Funded is the ratio of current cash reserves divided by the depreciated value of the association improvements. Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage). The concept is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be used with caution.

Keeping Your Reserve Study Current

Commercial Assessments believes that funding studies are an essential part of property management. People and property are constantly changing and evolving. As a result, the useful life of a funding study is not more than five years.

It is recommended that this reserve study should be updated on an annual basis or when one of the following events occur: changes in interest rates, changes in inflation rates, changes in the number of dues paying members, before starting new improvements, before making changes to the property, after a flood or fire, after the change of ownership or management, or after Annexation or Incorporation.

Items Beyond the Scope of this Report

- Building or land appraisals for any purpose.
- State or local zoning ordinance violations.
- Building code violations.
- Soils conditions, soils contamination or geological stability of site.
- Engineering analysis or structural stability of site.
- Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon.
- Water quality or other environmental hazards.
- Invasions by termites and any or all other destroying organisms or insects.
- Damage or destruction due to birds, bats or animals to buildings or site.
- This study is not a pest inspection.
- Adequacy or efficiency of any system or component on site.
- Specifically excluded reserve items.
- Septic systems and septic tanks.
- Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items.
- Items concealed by signs, carpets or other things.
- Missing or omitted information supplied by Crescent Village Condominium Association.
- Hidden improvements such as sewer lines, water lines, or other buried or concealed items.

Items Maintained by Others

Items Maintained by Others are those items that are not maintained by the specific association for which the study is conducted. These items are not included in the reserve study. The "Other" responsible parties may include the county, the utility company, the homeowner, or a separate association.

For the purposes of this study, examples of Items Maintained by Others include: the exterior pole lights, the doors and windows of the townhomes, the patios of the townhomes, the sewage system, and the water supply piping.

Long Lived Items

Long lived Items are considered to be those items that have remaining life expectancies that are unpredictable and/or beyond the study period. These items are not included in the reserve study. These items may require periodic maintenance or repairs which would typically be funded from the operating budget.

In this study, examples of Long Lived Items are: the entry masonry monuments, the wrought iron railings, the retaining walls, and the vinyl siding on the townhomes and the clubhouse.

Although the concrete surfaces & the stone veneer on the buildings and retaining walls are considered to be long lived items, a repair and replacement allowance has been factored into this analysis. Routine maintenance of these items will not only enhance the look of the community, it may extend the design life of these items.

Operating Budget Items

Operating Budget Items are those items that have a relatively low cost - typically less than \$1,000 - and/or are considered to be short-term maintenance. These items are not included in the reserve study.

For the purposes of this study, examples of Operating Budget Items include: the irrigation system maintenance, the general landscaping contract, and the pool maintenance contract.

Additional Observations

Reserve Analyst Richard Hall made note of the following items while performing the site visit:

- Some of the stone veneer on the retaining walls have loose or missing stones. A repair and replacement allowance has been factored into this report. Regular maintenance and tuck-pointing will enhance the look of the community and may extend the design life of these items.
- Minor deterioration was noted on the asphalt roadways. Commercial Assessments recommends sealcoating the asphalt surfaces every 5 years. Some areas of localized patch and repairs may be necessary between sealcoating. These repairs should be funded from the operating budget.
- The swimming pool was winterized and covered at the time of the site visit. Per the client, the pool liner is vinyl. The

depth was unknown. A \$5,000 liner replacement placeholder has been factored into this report.

- Some settlement was observed around the storm drains. Although the storm water management system is considered to be a Long Lived Item, Commercial Assessments has factored in a maintenance allowance for repairs.
- Per client request, many of the large capital expenses have been broken down to occur in phases to help reduce costs. The items that have been scheduled into phases are: the asphalt seal & stripe maintenance, the asphalt mill & overlay project, the roof replacements, and the wood decking replacements.

Tax Considerations

Certain items that may be included in this reserve study, such as painting and reserve study fees, may not be tax deductible per IRS guidelines. Consultation with a tax advisor is recommended.

Statement of Qualifications

Keith Ruehl has been a professional in the business of preparing reserve studies and other property due diligence services for 25 years and is familiar with construction practices, construction costs, and contracting practices. Mr. Ruehl earned an MBA from Nova Southeastern University, is a graduate of the Building Construction program at BC and currently holds state certified contractor licenses, pest control licenses, and ICC building and electrical inspector certifications. He is a member of CAI and has been awarded the Reserve Specialist designation. Mr. Ruehl is currently the Director of Reserve Study Services for Commercial Assessments.

Conflict of Interest

As the preparer of this reserve study report, Commercial Assessments certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study report.

Commercial Assessments would like to thank Crescent Village Condominium Association for the opportunity to be of service in the preparation of the attached reserve study report. Again, please feel free to contact us if you have any questions.

This report was prepared by:

Richard W. Hall
Reserve Analyst

Cheryl Rorrer
Technical Report Writer

Keith Ruehl, RS
Director of Reserve Study Services

Enclosures:

- 5 Pages of Photographs Attached
- Category Photograph of Clubhouse
- Category Photograph of Exterior Surfaces
- Category Photograph of Hardscape
- Category Photograph of Pool
- Category Photograph of Roof
- Category Photograph of Site



Front of 6-Unit TH Building



Rear of 7-Unit TH Building



Retaining Wall - Missing Stone Veneer



Playground



Clubhouse Kitchen



Clubhouse Furniture



Fitness Equipment



Clubhouse Bathroom Shower



Pool Furniture



Clubhouse Walkway - Flagstone

Reserve Category - Clubhouse



Category Photograph with Reserve Items in the Category: Clubhouse

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Carpeting	\$5,860.00	10 Yrs	10 Yrs	2023	\$7,712.66	Yes
Ceramic Floor Tile	\$14,432.00	20 Yrs	25 Yrs	2033	\$24,383.38	No
Ceramic Wall Tile	\$2,387.00	20 Yrs	25 Yrs	2033	\$4,032.92	No
Furnace	\$7,000.00	15 Yrs	20 Yrs	2028	\$10,438.43	No
Water Heater	\$1,200.00	10 Yrs	15 Yrs	2023	\$1,579.39	Yes
HVAC Unit	\$7,000.00	10 Yrs	15 Yrs	2023	\$9,213.08	Yes
Clubhouse Furnishing Allowance	\$15,000.00	7 Yrs	10 Yrs	2020	\$18,317.23	Yes
Kitchen Appliance Allowance	\$5,000.00	7 Yrs	10 Yrs	2020	\$6,105.74	Yes
Fitness Equipment Allowance	\$15,000.00	7 Yrs	10 Yrs	2020	\$18,317.23	Yes

Reserve Category - Exterior Surfaces



Category Photograph with Reserve Items in the Category: Exterior Surfaces

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Flagstone Entry Steps & Landings - Tuck-point Allowance	\$1,209.00	25 Yrs	30 Yrs	2038	\$2,314.32	No
Wood Decking - 25% Repair or Replacement Allowance	\$101,520.00	20 Yrs	3 Yrs	2033	\$171,521.69	Yes
Vinyl Deck Railing	\$26,676.00	15 Yrs	20 Yrs	2028	\$39,779.36	No
Stone Veneer - Garage Fronts, Steps, & Clubhouse Front - Tuck-point & Repair Allowance	\$6,100.00	5 Yrs	10 Yrs	2018	\$7,086.08	Yes
Aluminum Gutters & Downspouts	\$82,080.00	30 Yrs	35 Yrs	2043	\$178,018.63	No

The wood decking replacement has been factored into four equal phases to provide the association with the flexibility to determine which areas to address in each phase.

Reserve Category - Hardscape



Category Photograph with Reserve Items in the Category: Hardscape

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Concrete Surfaces - Walks & Stoops, & Sidewalks - 10% Repair or Replacement Allowance Every 10 Years	\$22,517.00	5 Yrs	10 Yrs	2018	\$26,156.94	Yes
Asphalt Roadways, Parking Areas, & Walkways - Mill & Overlay - 25% of Total Area	\$115,416.00	20 Yrs	10 Yrs	2033	\$194,999.48	Yes
Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$9,618.00	0 Yrs	5 Yrs	2013	\$9,861.22	Yes

The asphalt mill & overlay project has been divided into four equal phases to provide the association with the flexibility to determine which areas to address in each phase.

Reserve Category - Pool



Category Photograph with Reserve Items in the Category: Pool

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Pool Liner - Vinyl	\$5,000.00	5 Yrs	10 Yrs	2018	\$5,808.26	Yes
Natural Gas Heater	\$1,500.00	5 Yrs	10 Yrs	2018	\$1,742.48	Yes
Pool Filtration Equipment	\$3,500.00	2 Yrs	7 Yrs	2015	\$3,772.30	Yes
Vinyl Fence	\$1,980.00	15 Yrs	20 Yrs	2028	\$2,952.58	No
Concrete Pool Deck - 10% Repair or Replacement Allowance	\$4,829.00	5 Yrs	10 Yrs	2018	\$5,609.62	Yes
Pool & Patio Furniture Allowance	\$10,000.00	4 Yrs	7 Yrs	2017	\$11,330.01	Yes
Flagstone Walkways - Tuck- point Allowance	\$648.00	25 Yrs	30 Yrs	2038	\$1,240.43	No
Concrete Steps	\$286.00	25 Yrs	30 Yrs	2038	\$547.47	No

The pool was winterized and covered at the time of the site visit. A placeholder cost was factored into this report for the vinyl liner.

Reserve Category - Roof



Category Photograph with Reserve Items in the Category: Roof

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Asphalt Roof Replacement - 25% of Total for all Buildings & Clubhouse	\$173,544.00	15 Yrs	5 Yrs	2028	\$258,789.53	Yes

The asphalt shingle roof replacements have been divided into four equal phases to provide the association with the flexibility to determine which roofs to replace in each phase.

Reserve Category - Site



Category Photograph with Reserve Items in the Category: Site

Item Name	Present Cost	Remaining Life	Expected Life	First Expense Year	First Expense	Repeating Item?
Wood Play Structure	\$2,500.00	10 Yrs	15 Yrs	2023	\$3,290.39	Yes
Vinyl Fence	\$3,696.00	15 Yrs	20 Yrs	2028	\$5,511.49	No
Storm Drain Maintenance Allowance	\$3,000.00	10 Yrs	10 Yrs	2023	\$3,948.46	Yes
Stone Retaining Wall - Tuck-point & Repair Allowance	\$3,200.00	0 Yrs	10 Yrs	2013	\$3,280.92	Yes
Stone Monument Entry Signage - Tuck-point & Repair Allowance	\$2,470.00	0 Yrs	10 Yrs	2013	\$2,532.46	Yes
Mailbox Cluster Units	\$10,800.00	25 Yrs	30 Yrs	2038	\$20,673.86	No

Crescent Village Reserve Study Expense Item Listing

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Calendar Year	Estimated Future Cost	Raw Annual Payment
Clubhouse								
Carpeting	\$4.00 / sqft	1465 sqft	\$5,860	10 Years	10 Years	2023	\$7,713	\$627.43
						2033	\$9,901	\$895.18
						2043	\$12,709	\$1,149.14
Ceramic Floor Tile	\$11.00 / sqft	1312 sqft	\$14,432	20 Years	25 Years	2033	\$24,383	\$935.25
Ceramic Wall Tile	\$11.00 / sqft	217 sqft	\$2,387	20 Years	25 Years	2033	\$4,033	\$154.69
Furnace	\$3,500 ea	2	\$7,000	15 Years	20 Years	2028	\$10,438	\$554.11
Water Heater	\$1,200 ea	1	\$1,200	10 Years	15 Years	2023	\$1,579	\$128.48
				15 Years		2038	\$2,297	\$131.44
						2053	\$3,341	\$191.17
HVAC Unit	\$3,500 ea	2	\$7,000	10 Years	15 Years	2023	\$9,213	\$749.49
				15 Years		2038	\$13,400	\$766.75
						2053	\$19,489	\$1,115.17
Clubhouse Furnishing Allowance	\$15,000 / lump sum	1 lump sum	\$15,000	7 Years	10 Years	2020	\$18,317	\$2,113.27
				10 Years		2030	\$23,514	\$2,126.02
						2040	\$30,184	\$2,729.15
						2050	\$38,747	\$3,503.38
Kitchen Appliance Allowance	\$5,000 / lump sum	1 lump sum	\$5,000	7 Years	10 Years	2020	\$6,106	\$704.42
				10 Years		2030	\$7,838	\$708.67
						2040	\$10,061	\$909.72
						2050	\$12,916	\$1,167.79
Fitness Equipment Allowance	\$15,000 / lump sum	1 lump sum	\$15,000	7 Years	10 Years	2020	\$18,317	\$2,113.27
				10 Years		2030	\$23,514	\$2,126.02
						2040	\$30,184	\$2,729.15
						2050	\$38,747	\$3,503.38
Exterior Surfaces								
Flagstone Entry Steps & Landings - Tuck-point Allowance	\$3.00 / sqft	403 sqft	\$1,209	25 Years	30 Years	2038	\$2,314	\$67.94
Wood Decking - 25% Repair or Replacement Allowance	\$15.00 / sqft	6768 sqft	\$101,520	20 Years	3 Years	2033	\$171,522	\$6,578.90
				3 Years		2036	\$184,866	\$59,843.18
						2039	\$199,249	\$64,498.98
						2042	\$214,750	\$69,517.00
Vinyl Deck Railing	\$12.00 / lnft	2223 lnft	\$26,676	15 Years	20 Years	2028	\$39,779	\$2,111.65

Crescent Village Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Calendar Year	Estimated Future Cost	Raw Annual Payment
Stone Veneer - Garage Fronts, Steps, & Clubhouse Front - Tuck-point & Repair Allowance	\$5.00 / sqft	1220 sqft	\$6,100	5 Years	10 Years	2018	\$7,086	\$1,112.55
				10 Years		2028	\$9,096	\$822.46
				10 Years		2038	\$11,677	\$1,055.78
				10 Years		2048	\$14,990	\$1,355.30
Aluminum Gutters & Downspouts	\$8.00 / Inft	10260 Inft	\$82,080	30 Years	35 Years	2043	\$178,019	\$4,149.77
Hardscape								
Concrete Surfaces - Walks & Stoops, & Sidewalks - 10% Repair or Replacement Allowance Every 10 Years	\$11.00 / sqft	2047 sqft	\$22,517	5 Years	10 Years	2018	\$26,157	\$4,106.78
				10 Years		2028	\$33,577	\$3,035.94
				10 Years		2038	\$43,103	\$3,897.21
				10 Years		2048	\$55,331	\$5,002.82
Asphalt Roadways, Parking Areas, & Walkways - Mill & Overlay - 25% of Total Area	\$2.40 / sqft	48090 sqft	\$115,416	20 Years	10 Years	2033	\$194,999	\$7,479.42
				10 Years		2043	\$250,319	\$22,632.90
Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$0.20 / sqft	48090 sqft	\$9,618	0 Years	5 Years	2013	\$9,861	\$9,771.16
				5 Years		2018	\$11,173	\$2,126.55
				5 Years		2023	\$12,659	\$2,409.38
				5 Years		2028	\$14,342	\$2,729.83
				5 Years		2033	\$16,250	\$3,092.91
				5 Years		2038	\$18,411	\$3,504.27
5 Years	2043	\$20,860	\$3,970.34					
Pool								
Pool Liner - Vinyl	\$5,000 / lump sum	1 lump sum	\$5,000	5 Years	10 Years	2018	\$5,808	\$911.93
				10 Years		2028	\$7,456	\$674.14
				10 Years		2038	\$9,571	\$865.39
				10 Years		2048	\$12,287	\$1,110.90
Natural Gas Heater	\$1,500 ea	1	\$1,500	5 Years	10 Years	2018	\$1,742	\$273.58
				10 Years		2028	\$2,237	\$202.24

Crescent Village Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Calendar Year	Estimated Future Cost	Raw Annual Payment
Natural Gas Heater	\$1,500 ea	1	\$1,500	10 Years	10 Years	2038 2048	\$2,871 \$3,686	\$259.62 \$333.27
Pool Filtration Equipment	\$3,500 ea	1	\$3,500	2 Years 7 Years	7 Years	2015 2022 2029 2036 2043	\$3,772 \$4,493 \$5,351 \$6,373 \$7,591	\$1,221.13 \$598.50 \$712.83 \$849.00 \$1,011.18
Vinyl Fence	\$15.00 / Inft	132 Inft	\$1,980	15 Years	20 Years	2028	\$2,953	\$156.74
Concrete Pool Deck - 10% Repair or Replacement Allowance	\$11.00 / sqft	439 sqft	\$4,829	5 Years 10 Years	10 Years	2018 2028 2038 2048	\$5,610 \$7,201 \$9,244 \$11,866	\$880.74 \$651.09 \$835.80 \$1,072.91
Pool & Patio Furniture Allowance	\$10,000 ea	1	\$10,000	4 Years 7 Years	7 Years	2017 2024 2031 2038 2045	\$11,330 \$13,494 \$16,072 \$19,142 \$22,799	\$2,156.48 \$1,797.57 \$2,140.97 \$2,549.95 \$3,037.07
Flagstone Walkways - Tuck-point Allowance	\$3.00 / sqft	216 sqft	\$648	25 Years	30 Years	2038	\$1,240	\$36.41
Concrete Steps	\$11.00 / sqft	26 sqft	\$286	25 Years	30 Years	2038	\$547	\$16.07
Roof								
Asphalt Roof Replacement - 25% of Total for all Buildings & Clubhouse	\$4.00 / sqft	43386 sqft	\$173,544	15 Years 5 Years	5 Years	2028 2033 2038 2043	\$258,790 \$293,209 \$332,206 \$376,390	\$13,737.60 \$55,807.35 \$63,229.79 \$71,639.42
Site								
Wood Play Structure	\$2,500 / lump sum	1 lump sum	\$2,500	10 Years 15 Years	15 Years	2023 2038 2053	\$3,290 \$4,786 \$6,960	\$267.68 \$273.84 \$398.28
Vinyl Fence	\$22.00 / Inft	168 Inft	\$3,696	15 Years	20 Years	2028	\$5,511	\$292.57
Storm Drain Maintenance Allowance	\$3,000 / lump sum	1 lump sum	\$3,000	10 Years	10 Years	2023 2033 2043	\$3,948 \$5,069 \$6,507	\$321.21 \$458.28 \$588.30
Stone Retaining	\$5.00 / sqft	640 sqft	\$3,200	0 Years	10 Years	2013	\$3,281	\$3,250.96

Crescent Village Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Calendar Year	Estimated Future Cost	Raw Annual Payment
Stone Retaining Wall - Tuck-point & Repair Allowance	\$5.00 / sqft	640 sqft	\$3,200	10 Years	10 Years	2023	\$4,212	\$380.81
						2033	\$5,407	\$488.84
						2043	\$6,940	\$627.51
Stone Monument Entry Signage - Tuck-point & Repair Allowance	\$5.00 / sqft	494 sqft	\$2,470	10 Years	10 Years	2013	\$2,532	\$2,509.33
						2023	\$3,251	\$293.93
						2033	\$4,173	\$377.32
2043	\$5,357	\$484.36						
Mailbox Cluster Units	\$1,200 ea	9	\$10,800	25 Years	30 Years	2038	\$20,674	\$606.90

Raw Annual Payments do not include earned interest, tax adjustments or payments made with initial reserves.

Months Remaining in Calendar Year 2013: 12

Expected annual inflation: 2.50% Interest earned on reserve funds: 2.00% Initial Reserve: \$152,568

Crescent Village Funding Study Modified Cash Flow Analysis

Calendar Year	Annual Payment	Annual Interest	Annual Expenses	Annual Income Tax	Net Reserve Funds	% Funded
2013	\$64,000	\$3,672	\$15,675	\$1,102	\$203,464	27.6 %
2014	\$65,600	\$4,715		\$1,414	\$272,364	36.5 %
2015	\$67,240	\$6,122	\$3,772	\$1,836	\$340,117	44.3 %
2016	\$68,921	\$7,506		\$2,252	\$414,292	52.6 %
2017	\$70,644	\$9,020	\$11,330	\$2,706	\$479,920	59.1 %
2018	\$72,410	\$10,362	\$57,576	\$3,109	\$502,007	60.8 %
2019	\$74,220	\$10,825		\$3,247	\$583,805	73.5 %
2020	\$76,076	\$12,494	\$42,740	\$3,748	\$625,886	76.2 %
2021	\$77,978	\$13,362		\$4,009	\$713,217	88.4 %
2022	\$79,927	\$15,144	\$4,493	\$4,543	\$799,252	95.7 %
2023	\$81,925	\$16,900	\$45,865	\$5,070	\$847,142	98.5 %
2024	\$83,974	\$17,886	\$13,494	\$5,366	\$930,142	110.2 %
2025	\$86,073	\$19,582		\$5,875	\$1,029,923	119.6 %
2026	\$88,225	\$21,618		\$6,485	\$1,133,280	127.0 %
2027	\$90,430	\$23,726		\$7,118	\$1,240,318	134.2 %
2028	\$92,691	\$25,909	\$391,381	\$7,773	\$959,764	100.3 %
2029	\$95,008	\$20,263	\$5,351	\$6,079	\$1,063,605	163.1 %
2030	\$97,384	\$22,382	\$54,865	\$6,715	\$1,121,791	152.6 %
2031	\$99,818	\$23,580	\$16,072	\$7,074	\$1,222,043	158.5 %
2032	\$102,314	\$25,628		\$7,689	\$1,342,297	158.4 %
2033	\$104,871	\$28,081	\$728,945	\$8,424	\$737,880	78.4 %
2034	\$107,493	\$15,896		\$4,769	\$856,500	218.3 %
2035	\$110,181	\$18,317		\$5,495	\$979,503	170.1 %
2036	\$112,935	\$20,827	\$191,240	\$6,248	\$915,777	120.1 %
2037	\$115,758	\$19,566		\$5,870	\$1,045,232	136.9 %
2038	\$118,652	\$22,207	\$491,485	\$6,662	\$687,945	71.7 %
2039	\$121,619	\$15,018	\$199,249	\$4,505	\$620,827	92.8 %
2040	\$124,659	\$13,690	\$70,430	\$4,107	\$684,639	101.3 %
2041	\$127,776	\$15,008		\$4,502	\$822,920	100.8 %
2042	\$130,970	\$17,830	\$214,750	\$5,349	\$751,621	72.9 %
2043	\$134,244	\$16,420	\$864,692	\$4,926	\$32,668	3.4 %
Totals :	\$2,944,017	\$513,554	\$3,423,406	\$154,066		

The cash distribution shown in this table applies to repair and replacment cash reserves only.

Basis of Funding Study - Modified Cash Flow

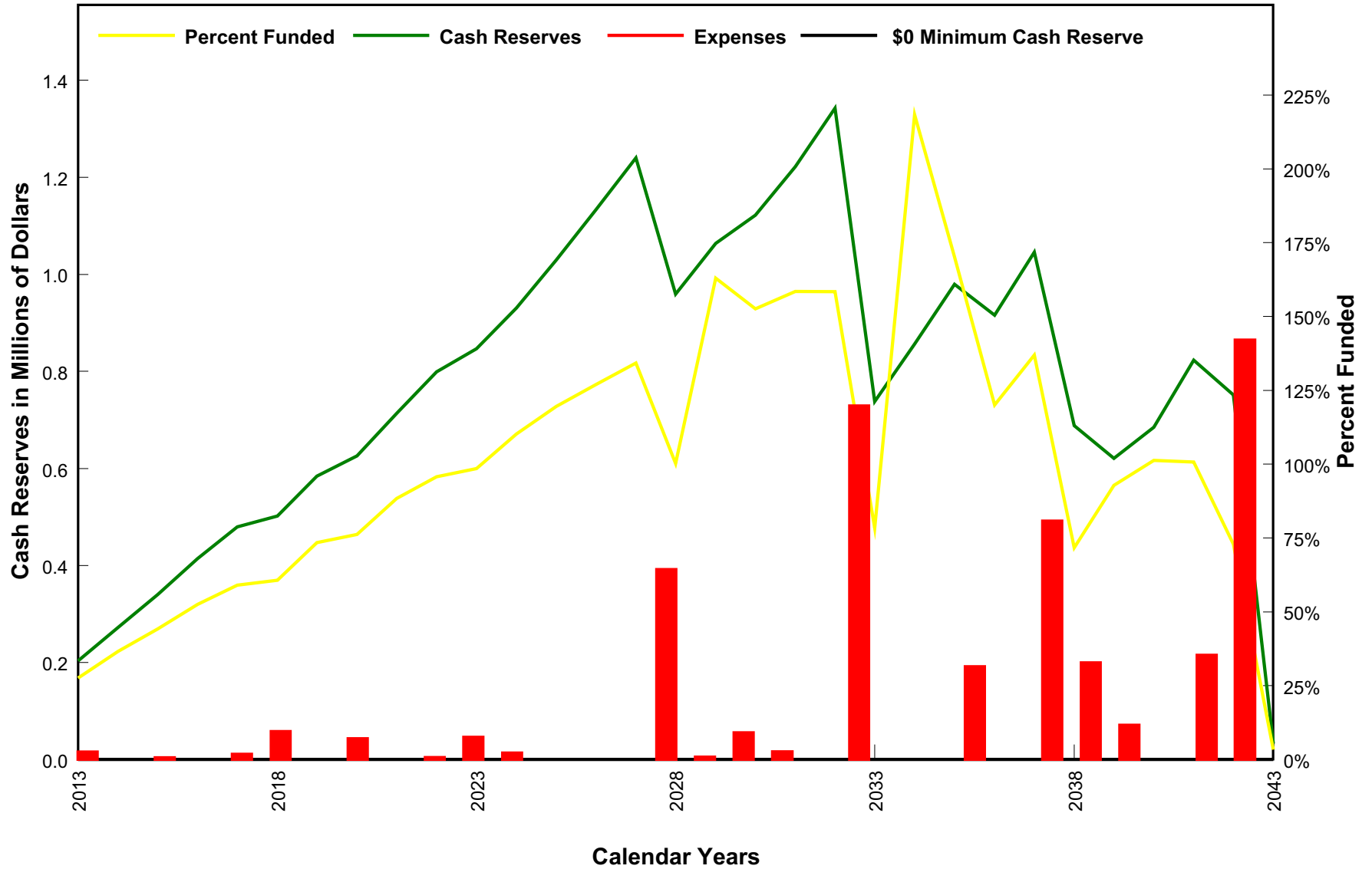
Cash reserves have been set to a minimum of \$0

Cash Flow has been modified with the forced Fixed Payments.

Months Remaining in Calendar Year 2013: 12 Inflation = 2.50 % Interest = 2.00 %

Study Life = 30 years Initial Reserve Funds = \$152,568.36 Final Reserve Value = \$32,667.64

Crescent Village Funding Study Cash Flow by Calendar Year - Continued



Crescent Village Modified Reserve Dues Summary

Projected Dues by Month and by Calendar Year

Calendar Year	Member Monthly Operations Payment	Member Monthly Reserve Payment	Member Total Monthly Payment	Member Total Annual Payment	Monthly Reserve Payment	Annual Reserve Payment
2013	NA	\$41.99	\$41.99	\$503.88	\$5,333	\$64,000
2014	NA	\$40.49	\$40.49	\$485.93	\$5,467	\$65,600
2015	NA	\$41.51	\$41.51	\$498.07	\$5,603	\$67,240
2016	NA	\$42.54	\$42.54	\$510.53	\$5,743	\$68,921
2017	NA	\$43.61	\$43.61	\$523.29	\$5,887	\$70,644
2018	NA	\$44.70	\$44.70	\$536.37	\$6,034	\$72,410
2019	NA	\$45.82	\$45.82	\$549.78	\$6,185	\$74,220
2020	NA	\$46.96	\$46.96	\$563.53	\$6,340	\$76,076
2021	NA	\$48.13	\$48.13	\$577.61	\$6,498	\$77,978
2022	NA	\$49.34	\$49.34	\$592.05	\$6,661	\$79,927
2023	NA	\$50.57	\$50.57	\$606.85	\$6,827	\$81,925
2024	NA	\$51.84	\$51.84	\$622.03	\$6,998	\$83,974
2025	NA	\$53.13	\$53.13	\$637.58	\$7,173	\$86,073
2026	NA	\$54.46	\$54.46	\$653.52	\$7,352	\$88,225
2027	NA	\$55.82	\$55.82	\$669.85	\$7,536	\$90,430
2028	NA	\$57.22	\$57.22	\$686.60	\$7,724	\$92,691
2029	NA	\$58.65	\$58.65	\$703.77	\$7,917	\$95,008
2030	NA	\$60.11	\$60.11	\$721.36	\$8,115	\$97,384
2031	NA	\$61.62	\$61.62	\$739.39	\$8,318	\$99,818
2032	NA	\$63.16	\$63.16	\$757.88	\$8,526	\$102,314
2033	NA	\$64.74	\$64.74	\$776.83	\$8,739	\$104,871
2034	NA	\$66.35	\$66.35	\$796.25	\$8,958	\$107,493
2035	NA	\$68.01	\$68.01	\$816.15	\$9,182	\$110,181
2036	NA	\$69.71	\$69.71	\$836.56	\$9,411	\$112,935
2037	NA	\$71.46	\$71.46	\$857.47	\$9,647	\$115,758
2038	NA	\$73.24	\$73.24	\$878.91	\$9,888	\$118,652
2039	NA	\$75.07	\$75.07	\$900.88	\$10,135	\$121,619
2040	NA	\$76.95	\$76.95	\$923.40	\$10,388	\$124,659
2041	NA	\$78.87	\$78.87	\$946.49	\$10,648	\$127,776
2042	NA	\$80.85	\$80.85	\$970.15	\$10,914	\$130,970
2043	NA	\$82.87	\$82.87	\$994.40	\$11,187	\$134,244

Dues Summary has been modified with forced Fixed Payments.

In the context of the Reserve Payment Summary, the "Annual Reserve Payment" corresponds with the "Annual Revenue" in the Cash Flow report.

Number of Payment Months in Calendar Year 2013: 12

Number of Years of Constant Payments: 1

No of Dues Paying Members: 127 for calendar year 2013. 135 for calendar years 2014-2043.

Calendar Year	Annual Payment	Annual Expenses	Annual Interest	Tax	Net Reserve Fund	Annual Payment	Yearly Increase	% Increase	Operating Charge	Capital Charge	Total Common Charge/Yr	Yearly Increase	Cumulative Difference	% Increase	Calendar Year
Balance 12/31/2012	156,065				156,065	34.00					240				
2013	64,000		3,672		223,737	41.99	8		204	42	246	6		2.50%	2013
2014	65,600		4,000		293,337	40.49	(2)	-3.57%	222	40	263	17	23	6.85%	2014
2015	67,240	3,772	6,122		362,927	41.51	1	2.50%	229	42	271	8	31	2.92%	2015
2016	68,921		7,506	2,252	437,102	42.54	1	2.50%	236	43	278	8	38	2.92%	2016
2017	70,644	11,330	9,020	2,706	502,730	43.61	1	2.50%	243	44	287	8	47	2.92%	2017
2018	72,410	57,576	10,362	3,109	524,818	44.70	1	2.50%	250	45	295	8	55	2.92%	2018
2019	74,220		10,825	3,248	606,616	45.82	1	2.50%	258	46	304	9	64	2.92%	2019
2020	76,076	42,740	12,494	3,748	648,697	46.96	1	2.50%	266	47	312	9	72	2.92%	2020
2021	77,978		13,362	4,009	736,029	48.13	1	2.50%	273	48	322	9	82	2.92%	2021
2022	79,927	4,493	15,144	4,543	822,064	49.34	1	2.50%	282	49	331	9	91	2.93%	2022
2023	81,925	45,865	16,900	5,070	869,954	50.57	1	2.50%	290	51	341	10	101	2.93%	2023
2024	83,974	13,494	17,886	5,366	952,954	51.84	1	2.50%	299	52	351	10	111	2.93%	2024
2025	86,073		19,582	5,875	1,052,734	53.13	1	2.50%	308	53	361	10	121	2.93%	2025
2026	88,225		21,618	6,485	1,156,091	54.46	1	2.50%	317	54	371	11	131	2.93%	2026
2027	90,430		23,726	7,118	1,263,130	55.82	1	2.50%	327	56	382	11	142	2.93%	2027
2028	92,691	391,381	25,909	7,773	982,576	57.22	1	2.50%	336	57	394	11	154	2.93%	2028
2029	95,008	5,351	20,263	6,079	1,086,418	58.65	1	2.50%	346	59	405	12	165	2.93%	2029
2030	97,384	54,865	22,382	6,715	1,144,604	60.11	1	2.50%	357	60	417	12	177	2.93%	2030
2031	99,818	16,072	23,580	7,074	1,244,856	61.62	2	2.50%	368	62	429	12	189	2.93%	2031
2032	102,314		25,628	7,688	1,365,109	63.16	2	2.50%	379	63	442	13	202	2.93%	2032
2033	104,871	728,945	28,081	8,424	760,692	64.74	2	2.50%	390	65	455	13	215	2.93%	2033
2034	107,493		15,896	4,769	879,313	66.35	2	2.50%	402	66	468	13	228	2.93%	2034
2035	110,181		18,317	5,495	1,002,315	68.01	2	2.50%	414	68	482	14	242	2.93%	2035
2036	112,935	191,240	20,827	6,248	938,589	69.71	2	2.50%	426	70	496	14	256	2.93%	2036
2037	115,758		19,566	5,870	1,068,044	71.46	2	2.50%	439	71	510	15	270	2.93%	2037
2038	118,652	491,485	22,207	6,662	710,756	73.24	2	2.50%	452	73	525	15	285	2.93%	2038
2039	121,619	199,249	15,018	4,505	643,638	75.07	2	2.50%	466	75	541	15	301	2.93%	2039
2040	124,659	70,430	13,690	4,107	707,451	76.95	2	2.50%	480	77	556	16	316	2.93%	2040
2041	127,776		15,008	4,502	845,732	78.87	2	2.50%	494	79	573	16	333	2.93%	2041
2042	130,970	214,750	17,830	5,349	774,433	80.85	2	2.50%	509	81	590	17	350	2.93%	2042
2043	134,244	864,692	16,240	4,872	55,353	82.87	2	2.50%	524	83	607	17	367	2.77%	2043
Total	2,944,017	3,407,730	512,661	149,660	24,662,796	1,820	49		1,820			367			

Commercial Assessments

(888) 225-3755 www.CommercialAssessments.com

Annual Expense Summary Report

Year	Category	Item Name	Expense	
2013	Hardscape	Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$9,861	
	Site	Stone Retaining Wall - Tuck-point & Repair Allowance	\$3,281	
		Stone Monument Entry Signage - Tuck-point & Repair Allowance	\$2,532	
	Site Subtotal = \$5,813.00			
2013 Annual Expense Total = \$15,674				
2015	Pool	Pool Filtration Equipment	\$3,772	
2015 Annual Expense Total = \$3,772				
2017	Pool	Pool & Patio Furniture Allowance	\$11,330	
2017 Annual Expense Total = \$11,330				
2018	Exterior Surfaces	Stone Veneer - Garage Fronts, Steps, & Clubhouse Front - Tuck-point & Repair Allowance	\$7,086	
	Hardscape	Concrete Surfaces - Walks & Stoops, & Sidewalks - 10% Repair or Replacement Allowance Every 10 Years	\$26,157	
		Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$11,173	
	Hardscape Subtotal = \$37,330.00			
	Pool	Pool Liner - Vinyl	\$5,808	
		Natural Gas Heater	\$1,742	
		Concrete Pool Deck - 10% Repair or Replacement Allowance	\$5,610	
Pool Subtotal = \$13,160.00				
2018 Annual Expense Total = \$57,576				
2020	Clubhouse	Clubhouse Furnishing Allowance	\$18,317	
		Kitchen Appliance Allowance	\$6,106	
		Fitness Equipment Allowance	\$18,317	
Clubhouse Subtotal = \$42,740.00				
2020 Annual Expense Total = \$42,740				
2022	Pool	Pool Filtration Equipment	\$4,493	
2022 Annual Expense Total = \$4,493				

Year	Category	Item Name	Expense	
2023	Clubhouse	Carpeting	\$7,713	
		Water Heater	\$1,579	
		HVAC Unit	\$9,213	
	Clubhouse Subtotal = \$18,505.00			
	Hardscape	Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$12,659	
	Site	Wood Play Structure	\$3,290	
		Storm Drain Maintenance Allowance	\$3,948	
		Stone Retaining Wall - Tuck-point & Repair Allowance	\$4,212	
		Stone Monument Entry Signage - Tuck-point & Repair Allowance	\$3,251	
	Site Subtotal = \$14,701.00			
2023 Annual Expense Total = \$45,865				
2024	Pool	Pool & Patio Furniture Allowance	\$13,494	
2024 Annual Expense Total = \$13,494				
2028	Clubhouse	Furnace	\$10,438	
	Exterior Surfaces	Vinyl Deck Railing	\$39,779	
		Stone Veneer - Garage Fronts, Steps, & Clubhouse Front - Tuck-point & Repair Allowance	\$9,096	
	Exterior Surfaces Subtotal = \$48,875.00			
	Hardscape	Concrete Surfaces - Walks & Stoops, & Sidewalks - 10% Repair or Replacement Allowance Every 10 Years	\$33,577	
		Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$14,342	
	Hardscape Subtotal = \$47,919.00			
	Pool	Pool Liner - Vinyl	\$7,456	
		Natural Gas Heater	\$2,237	
		Vinyl Fence	\$2,953	
Concrete Pool Deck - 10% Repair or Replacement Allowance		\$7,201		
Pool Subtotal = \$19,847.00				
Roof	Asphalt Roof Replacement - 25% of Total for all Buildings & Clubhouse	\$258,790		
Site	Vinyl Fence	\$5,511		
2028 Annual Expense Total = \$391,380				
2029	Pool	Pool Filtration Equipment	\$5,351	
2029 Annual Expense Total = \$5,351				

Year	Category	Item Name	Expense	
2030	Clubhouse	Clubhouse Furnishing Allowance	\$23,514	
		Kitchen Appliance Allowance	\$7,838	
		Fitness Equipment Allowance	\$23,514	
	Clubhouse Subtotal = \$54,866.00			
2030 Annual Expense Total = \$54,866				
2031	Pool	Pool & Patio Furniture Allowance	\$16,072	
2031 Annual Expense Total = \$16,072				
2033	Clubhouse	Carpeting	\$9,901	
		Ceramic Floor Tile	\$24,383	
		Ceramic Wall Tile	\$4,033	
	Clubhouse Subtotal = \$38,317.00			
	Exterior Surfaces	Wood Decking - 25% Repair or Replacement Allowance	\$171,522	
	Hardscape	Asphalt Roadways, Parking Areas, & Walkways - Mill & Overlay - 25% of Total Area	\$194,999	
		Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$16,250	
	Hardscape Subtotal = \$211,249.00			
	Roof	Asphalt Roof Replacement - 25% of Total for all Buildings & Clubhouse	\$293,209	
	Site	Storm Drain Maintenance Allowance	\$5,069	
		Stone Retaining Wall - Tuck-point & Repair Allowance	\$5,407	
Stone Monument Entry Signage - Tuck-point & Repair Allowance		\$4,173		
Site Subtotal = \$14,649.00				
2033 Annual Expense Total = \$728,946				
2036	Exterior Surfaces	Wood Decking - 25% Repair or Replacement Allowance	\$184,866	
	Pool	Pool Filtration Equipment	\$6,373	
2036 Annual Expense Total = \$191,239				
2038	Clubhouse	Water Heater	\$2,297	
		HVAC Unit	\$13,400	
	Clubhouse Subtotal = \$15,697.00			
	Exterior Surfaces	Flagstone Entry Steps & Landings - Tuck-point Allowance	\$2,314	
Stone Veneer - Garage Fronts, Steps, & Clubhouse Front - Tuck-point & Repair Allowance		\$11,677		

Prepared by Commercial Assessments

Year	Category	Item Name	Expense
Exterior Surfaces Subtotal = \$13,991.00			
	Hardscape	Concrete Surfaces - Walks & Stoops, & Sidewalks - 10% Repair or Replacement Allowance Every 10 Years	\$43,103
		Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$18,411
Hardscape Subtotal = \$61,514.00			
	Pool	Pool Liner - Vinyl	\$9,571
		Natural Gas Heater	\$2,871
		Concrete Pool Deck - 10% Repair or Replacement Allowance	\$9,244
		Pool & Patio Furniture Allowance	\$19,142
		Flagstone Walkways - Tuck-point Allowance	\$1,240
		Concrete Steps	\$547
Pool Subtotal = \$42,615.00			
	Roof	Asphalt Roof Replacement - 25% of Total for all Buildings & Clubhouse	\$332,206
	Site	Wood Play Structure	\$4,786
		Mailbox Cluster Units	\$20,674
Site Subtotal = \$25,460.00			
2038 Annual Expense Total = \$491,483			
2039	Exterior Surfaces	Wood Decking - 25% Repair or Replacement Allowance	\$199,249
2039 Annual Expense Total = \$199,249			
2040	Clubhouse	Clubhouse Furnishing Allowance	\$30,184
		Kitchen Appliance Allowance	\$10,061
		Fitness Equipment Allowance	\$30,184
Clubhouse Subtotal = \$70,429.00			
2040 Annual Expense Total = \$70,429			
2042	Exterior Surfaces	Wood Decking - 25% Repair or Replacement Allowance	\$214,750
2042 Annual Expense Total = \$214,750			
2043	Clubhouse	Carpeting	\$12,709
	Exterior Surfaces	Aluminum Gutters & Downspouts	\$178,019
	Hardscape	Asphalt Roadways, Parking Areas, & Walkways - Mill & Overlay - 25% of Total Area	\$250,319
		Asphalt Roadways, Parking Areas, & Walkways - Sealcoat & Stripe - 50% of Total Area	\$20,860

Prepared by Commercial Assessments

Year	Category	Item Name	Expense
		Hardscape Subtotal = \$271,179.00	
	Pool	Pool Filtration Equipment	\$7,591
	Roof	Asphalt Roof Replacement - 25% of Total for all Buildings & Clubhouse	\$376,390
	Site	Storm Drain Maintenance Allowance	\$6,507
		Stone Retaining Wall - Tuck-point & Repair Allowance	\$6,940
		Stone Monument Entry Signage - Tuck-point & Repair Allowance	\$5,357
		Site Subtotal = \$18,804.00	
			2043 Annual Expense Total = \$864,692