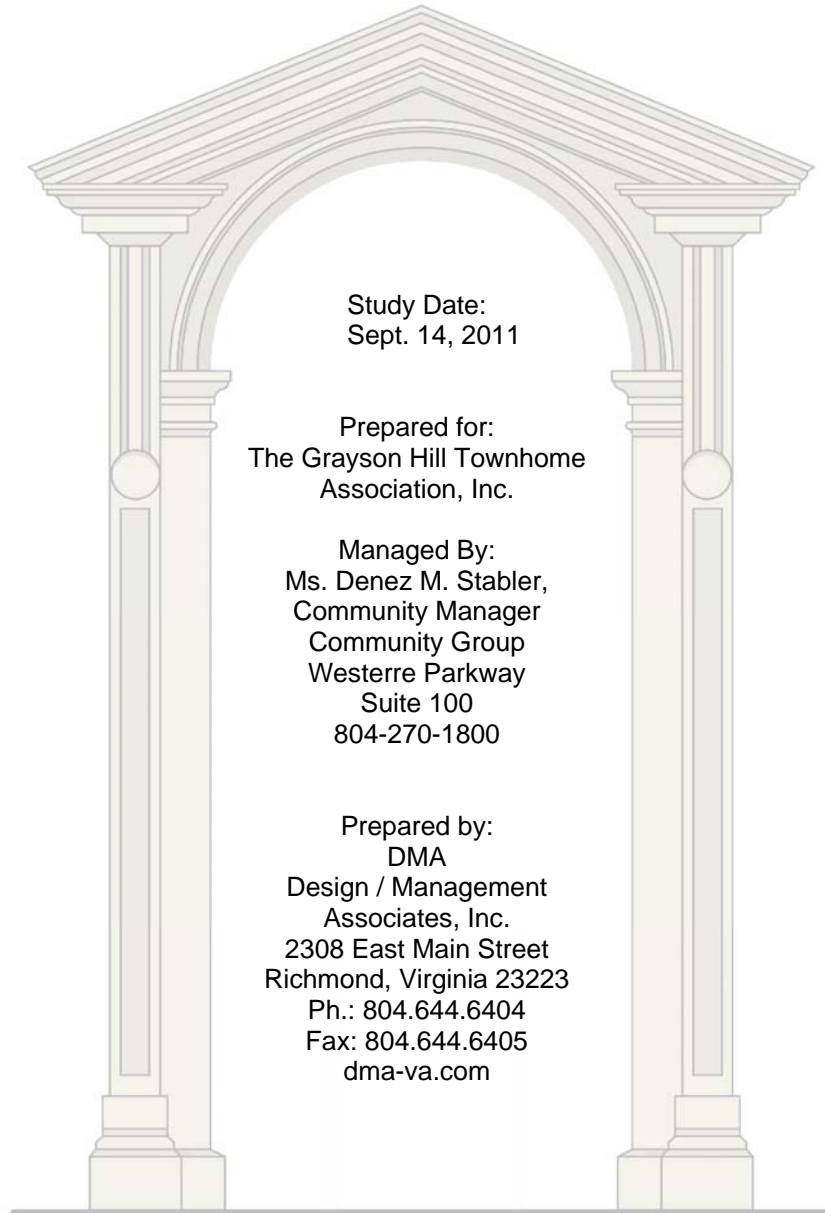


# Grayson Hill Townhome Association, Inc.



## CAPITAL REPLACEMENT RESERVE STUDY Final - September 2011



Study Date:  
Sept. 14, 2011

Prepared for:  
The Grayson Hill Townhome  
Association, Inc.

Managed By:  
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September 14, 2011

Ms. Denez M. Stabler  
Community Manager  
Community Group  
Westerre Parkway, Suite 100  
Glen Allen, Va.

Dear Ms. Stabler:

On behalf of Design/Management Associates, Inc., I am pleased to provide you with this written documentation of our Capital Reserve Study for your community association. This report includes images of the actual spreadsheets that we use in conducting the Financial Analysis, and that we worked on with you during the study. The spreadsheets are a dynamic resource that we can use to revise, adjust and re-study your reserve account and your funding options at any time. We hope that you will find this information useful in your budget planning and oversight over the next several years.

This plan should be reviewed annually and updated every five (5) years at a minimum. The update will adjust the study based on any actual capital component replacements that you make during that time, your actual funding, current inflation rates, interest rates, and changes to the condition of the community's assets based on a new on-site review.

It is very important that you document each capital replacement expenditure made by the community. We recommend that you keep copies of all purchase orders, invoices, work contracts, specifications, warranty information, etc. that can provide accurate information on your replacement history, costs and future replacement expectations for each component. By providing this information to us for future updates, you can insure that future reports will be as accurate as possible.

If you have any questions about this report, please feel free to contact me at any time. It was a pleasure working with you on this project and we look forward to being of service in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Douglas L. Greene', is written over a light blue circular watermark.

Douglas L. Greene, AIA, RS  
dlgreene@dma-va.com  
Design/Management Associates, Inc.

# TABLE OF CONTENTS

1. EXECUTIVE SUMMARY AND RECOMMENDATIONS .....	1.1
2. PHYSICAL PROPERTY ANALYSIS .....	2.1
3. FINANCIAL ANALYSIS AND SPREADSHEETS .....	3.1

## **SPREADSHEET PACKAGE**

**FA FINANCIAL ANALYSIS SUMMARY**

**SC SCHEDULE OF COMPONENTS**

**CM COMPONENT METHOD ANALYSIS**

**ER EXPENDITURE RECURRENCE TABLE**

**CFM CASH FLOW METHOD ANALYSIS**

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# 1. EXECUTIVE SUMMARY AND RECOMMENDATIONS

## COMMUNITY DESCRIPTION

### Location:

**Age:** The community was built beginning in 2005. Development is ongoing.

**Type of Association:** Homeowners Association

**Number of Contributing Units:** 128 (Currently)

**Management:** Community Group

**Previous Reserve Study:** None

**Source of Information about Components:** Community Site Plans and Clubhouse Architectural Plans, Site Inspections.

**Date(s) of Site Visit(s):** March 10, 31, and April 19, 2011

## PURPOSE

Your community has built or acquired infrastructure and amenities (capital assets) that are owned in common by all property or unit owners. Your homeowners association is responsible for replacing these assets when they wear out or become unusable. A capital reserve account is a savings account designed specifically to accumulate funds for eventual replacement of your commonly owned capital assets when they reach the end of their useful lives. Funds in this dedicated account can be accumulated over a period of many years without being taxed, however they can only be used for the repair or replacement of capital assets. They cannot, for example, be returned to the operating account without the association paying a penalty. Each capital asset is referred to in this study as a *component* of your Capital Reserves. All components eventually need to be replaced in full or in part, although they may normally function for 10, 20, 30 years, or longer. Regular operating and maintenance budgets do not cover the funding required for these needs. Therefore, separate funds must be accumulated over the life of the components. This Capital Reserve Study is designed to

recommend the amount of money that should be deposited annually in your association's reserve account in order to adequately fund your reserves.

## A FUNDING PLAN - NOT A MAINTENANCE SCHEDULE

This study is designed to anticipate the types of capital expenditures that are likely to occur over the life of the property. By doing so we can establish a reasonable and logical funding plan for the reserve account(s). While this plan can be used as a general predictor for replacement of components, it is not a specific required maintenance or replacement schedule. Specific decisions about replacement of each component should be made by the Board of Directors based on this information *and* on a periodic assessment of the actual condition of each component.

## STUDY INITIATION AND INFORMATION PROVIDED BY THE ASSOCIATION

This study has been performed in accordance with a contract between The Grayson Hill Townhome Association and Design/Management Associates, Inc., signed on February 16, 2011. Work was initiated in March with an on-site meeting on March 10<sup>th</sup> at the Clubhouse. Full site plans of Sections 1 and 2 were provided to DMA, along with a full set of drawings for the Clubhouse. Drawings of individual home models were not available. DMA also received copies of the Declaration and a maintenance responsibility chart.

Projected re-roofing costs are based on actual present roofing prices being paid by the builder for roofs on these homes. Projected painting costs are based on take-offs and estimated pricing, provided by the builder.

Note: This study includes only Sections 1 and 2 of Grayson Hill, and only those homes that were substantially complete at the time of our inspections.

## FUNDING PLAN RECOMMENDATIONS

For this study the reserve components of Grayson Hill have been divided into four separate accounts as follows:

- Infrastructure Components
- Clubhouse and Pool Components
- House Roofs and Gutters
- House Painting and Repairs

All four accounts were analyzed with the same methodology as described in this report. We used some common projections for future growth of each account as follows:

- Anticipated Inflation Rate: 2.5% per year
- Anticipated Interest Income Rate: 1.5% per year
- Anticipated Annual Contribution Escalation: 2.5% per year\*  
\*except for the Painting account – see discussion.

The results of our financial analysis for each account are shown in the Financial Analysis Summary - Sheet FA in each of four Spreadsheet Packages that have been included following this report. Our funding recommendations for each account are summarized in the four discussions that follow here:

### **INFRASTRUCTURE**

This account includes common area components that are distributed throughout the community and help provide the community structure. These include the roads, sidewalks, paths, ponds, and sanitary sewer and water connections to houses.

It is important to note that the components included are only those that are built at this time. Future sections of Grayson Hill will require expansion of the infrastructure, which will include additional components and/or expanded quantities of existing components.

Some roads in Section 2 of Grayson Hill are included although they do not have their final wearing layer of pavement yet. The “in service” date for these roads is an estimated future date which can be adjusted as they are completed and brought into the system.

From your Balance Sheet, for the period ending 12/31/10 we applied the following balances to this account:

- Pavement/Sealcoating: \$35,607.70
- Sidewalk/Curb: \$14,049.17

- Other \$ 3,838.64
- Total: \$53,495.51

We performed an analysis to see what level of contribution to this account would have been required to date, to represent “full funding” by the Component Method. It indicated a target contribution of \$21,434.35 per year, with a 12/31/10 target account balance of \$31,109.50. On this basis, your account is currently funded at 172% of full funding.

Looking forward, we projected when expenditures were likely to occur from the account over the next 50 years. Long term projections are more speculative, and we are mainly concerned with the projections for the next 30 years. We performed a Cash Flow analysis of this account, with a minimum threshold account balance equal to 5% of the total expected replacement value of the components. This minimum balance was determined to be \$22,410.70 in 2011 dollars. This number, like all numbers in the study, escalates with inflation in future years.

Based on the above, we determined that the Association should contribute \$18,400.00 to the Infrastructure account in 2011. For 128 homes at present, this breaks down to \$143.75 per home per year or \$11.98 per home per month.

### **CLUBHOUSE AND POOL**

This account includes components directly related to the clubhouse interior and exterior, and to the swimming pool. This complex is essentially a fixed asset that is complete, even though the community is still under development. This relationship to the community impacts our recommendations for funding of this account.

From your Balance Sheet, for the period ending 12/31/10 we applied the following balance to this account:

- Pool/Clubhouse: \$25,766.37

We performed an analysis to see what level of contribution to this account would have been required to date, to represent “full funding” by the Component Method. It indicated a target contribution of \$9,745.17 per year, with a 12/31/10 target account balance of \$48,725.83. On this basis, this account is currently funded at 53% of full funding.

Looking forward, we projected when expenditures were likely to occur from the account over the next 50 years. Long term projections are more speculative, and we are mainly concerned with the projections for the next 30 years. Additionally we note that this account is not likely to grow in number of components or total cost over time (other than by inflation) while additional homes will be added that will fund it. The addition of new homes will improve this account performance over time, without having to increase the contribution rate per household. This approach should be re-evaluated every 5 years based on the community growth at those times.

We performed a Cash Flow analysis of this account, with a minimum threshold account balance equal to 5% of the total expected replacement value of the components. This minimum balance was determined to be \$11,635.20 in 2011 dollars. This number, like all numbers in the study, escalates with inflation in future years.

Based on the above, we determined that the Association should contribute \$8,700.00 to the Clubhouse account in 2011. For 128 homes at present, this breaks down to \$67.97 per home per year or \$5.66 per home per month.

### **HOUSE ROOFS**

This account includes all roofs on the individual homes in Grayson Hill, for which the Association is responsible for replacement. These components are directly related to the development of the community. Quantities will grow as more homes are added, but the replacement cost per home should be relatively constant.

From your Balance Sheet, for the period ending 12/31/10 we applied the following balance to this account:

- Roof Replacement: \$34,770.71

We performed an analysis to see what level of contribution to this account would have been required to date, to represent "full funding" by the Component Method. It indicated a target contribution of \$28,817.88 per year, with a 12/31/10 target account balance of \$116,007.13. On this basis, this account is currently funded at 30% of full funding.

Looking forward, we projected when expenditures were likely to occur from the account over the next 50 years. We performed a Cash Flow analysis of this account, with a minimum threshold account balance equal to 5% of the total expected replacement value of the components. This minimum balance was determined to be \$57,635.75 in 2011 dollars. This number, like all numbers in the study, escalates with inflation in future years.

Based on the above, we determined that the Association should contribute \$36,600.00 to the Roofing account in 2011. For 128 homes at present, this breaks down to \$285.94 per home per year or \$23.83 per home per month.

### **HOUSE PAINTING**

This account includes all painting of the houses, along with allowances for replacement of window shutters and doors. These costs are developed per building and vary widely depending on the size of the building, number of units in each that are fully painted outside vs. partly painted, amount of painted trim per house, etc.

Like roofing, this account will grow in direct proportion to the addition of new homes, but the relative cost per home should not change.

From your Balance Sheet, for the period ending 12/31/10 we applied the following balance to this account:

- Painting/Powerwashing: \$122,459.02

We performed an analysis to see what level of contribution to this account would have been required to date, to represent "full funding" by the Component Method. It indicated a target contribution of \$63,042.17 per year, with a 12/31/10 target account balance of \$252,838.03. On this basis, this account is currently funded at 48.43% of full funding.

Looking forward, we projected when expenditures were likely to occur from the account over the next 50 years. We performed a Cash Flow analysis of this account, with a minimum threshold account balance equal to 5% of the total expected replacement value of the components. This minimum balance was determined to be \$22,410.70 in 2011 dollars. This number, like all numbers in the study, escalates with inflation in future years.

In running our projections for painting, we noticed that the account would grow over time if the initial required contribution were escalated annually at a matching rate to inflation. For that reason, we developed a funding plan with an escalation rate at 2.1% per year, or 4/10% less than the inflation rate. This should prevent over-funding.

Based on the above, we determined that the Association should contribute \$70,000.00 to the Painting account in 2011. For 128 homes at present, this breaks down to \$546.88 per home per year, or \$45.57 per home per month.

**SUMMARY**

The total recommended contribution for 2011 is:

Account	Annual Total	Annual Per Unit	Monthly Per Unit
Infrastructure	\$18,400.00	\$143.75	\$11.98
Clubhouse	\$8,700.00	\$67.97	\$5.66
Roofing	\$36,600.00	\$285.94	\$23.83
Painting	\$70,000.00	\$546.88	\$45.57
<b>Totals</b>	<b>\$133,700.00</b>	<b>\$1,044.54</b>	<b>\$87.04</b>

**NOTES**

1. Financial information including the present fund balance, interest from funds on deposit, and recent capital expenditures, was provided by the Association and are deemed reliable and complete by Design/Management Associates, Inc.
2. The condition of the reserve components is based on a visual inspection of each, conducted specifically for this study. All common areas on the property were observed. No destructive testing, lab analysis or other investigative methods are used to determine the remaining useful life of components.
3. Information provided by the Association about prior reserve replacement projects is considered to be reliable and complete. No inspection by Design/Management Associates, Inc. should be interpreted as a project audit or quality inspection.

4. Industry Life Expectancy is based on printed product literature, product or material warranties, industry standards literature, and on the opinions of manufacturers, installers, or maintenance contractors based on their experience with these products and materials.

5. Unit prices are based on published unit price standards such as R. S. Means "Residential Cost Data", Facilities Maintenance and Repair Cost Data, and "Facilities Construction Cost Data", latest editions, and on pricing obtained from contractors, installers, or manufacturers. All prices are given in present dollars unless noted otherwise.

6. This analysis incorporates an assumption about the future rate of inflation, and the future interest income on your account deposits. If significant changes occur in either of these rates, this calculation should be re-run with current information.

7. The results of this analysis are predicated on your contributing the recommended amount in each previous year and on expenses occurring generally as predicted. The account should be updated at least every 5 years to correct for normal variations. However if significant changes occur in your present funding or in major expenses, in a shorter period of time, the account should be re-run.

8. Design Management Associates' Capital Replacement Reserve Studies are designed to be used as planning tools. They are a reflection of information provided by the Association and of our observations of the Association properties, and are assembled for the Association's use. This reserve study shall not be used for the purpose of performing an audit, quality/forensic analyses, or for background checks of historical records. Prices listed are not guaranteed as exact quotes for work included.

**DISCLOSURE**

Design Management Associates does not have any financial interest in this community, its management company or any vendor mentioned or used in this study beyond this work.



## 2. PHYSICAL PROPERTY ANALYSIS

### RESERVE COMPONENTS DEFINED

Components may include all types of property improvements which are owned by the homeowners association, or for which the association is required by the Declaration to provide maintenance. Examples would include any private roads, parking lots, sidewalks, paved trails, lakes, dams, swimming pools, tennis courts, playgrounds, clubhouses, etc. that make up the common area or shared amenities of the community. Other shared assets may include clubhouse or pool furniture, maintenance equipment and vehicles, or other miscellaneous assets like pumps, motors, generators, etc. Components may also include limited common elements of individual homes or lots, such as driveways, patios, decks, siding and roofing. In order to separate capital reserve components from maintenance components, we add the following conditions:

1. A capital reserve component will typically have an estimated service life of at least 5 years before it needs replacement.
2. Reserve Components will normally require replacement once or more during the normal life of the property. In this study, the *life* of a property is assumed to exceed 50 years. Reserve components are those improvements with a normal useful life of less than 50 years.
3. A capital reserve component should have a replacement value of at least \$1,000.00. (Note: a capital reserve component may consist of several like components whose individual value may be less than \$1,000.00 but whose aggregate value exceeds \$1,000.00, if these components are likely to be replaced as a group. An example is clubhouse or pool furniture).

A complete *Schedule of Components* for your community is provided on sheet SC - Schedule of Components, that is included in your Spreadsheet Package provided with this report. In this section of the report we briefly discuss each reserve component identified at your community. Each component was observed during our site visits. Our observation, together with any experience information that you

or any of your contractors may provide, help us evaluate its useful life and projected replacement cost. The normal useful life of each component is based on its typical life cycle history, typical product warranties, our experience in construction, and most importantly, your experience with the component. We project the remaining useful life of each component on the basis of its present age and its present condition.


**Measurement and Quantifying of Components:** All components were viewed on site, unless otherwise specified herein. Quantities of each component were developed either by on-site measurement, measurement from scale engineering and architectural drawings when available, or measurement by satellite mapping. Note: If this study is an update of a previous study performed by another consultant, the quantities used are as determined in that study, unless otherwise noted.

**Excluded Components:** At the end of this section, we identify improvements or assets in this community that are not included as components, and discuss why they are excluded.

**Discussion:** Each component is discussed on the following pages. The observations and opinions expressed here are based on our general professional knowledge of construction and our knowledge of the typical replacement experience of many communities and other entities with the same component types. Our projections are not architectural or engineering recommendations for specific projects. The Board of Directors should seek professional or industry assistance for each specific replacement project, based on the conditions in existence at the time of replacement.

Note: The following components are all new or relatively new, and are all in very good condition at this time. Exceptions will be noted in individual component lines. A brief description of each component is provided below, along with any other information that is pertinent to our financial analysis which follows. Headings and line numbers match those in the Schedule of Components for each account.

**INFRASTRUCTURE ACCOUNT**

	<b>INFRASTRUCTURE</b>
	<b>STORMWATER SYSTEM</b>
	BMP Basin #1 – Dredge: Basin #1 on the Engineers’ drawings is the upper pond that separates Phase 2 from the future Phase 3 of the development. This is a stormwater retention pond that will likely, over time, require dredging of silt and sediment that will build up in it. Dredging costs can vary widely depending on the condition of the dredged material and the distance that it must be transported for disposal. Our budget unit price is an average.
	BMP Basin #2 – Dredge: See the discussion for Basin #1 above.
	 <p>BMP Basin #1</p> <p>BMP Basin #2</p>
	<b>PAVEMENTS</b>
	Grayson Hill Way Pavers: This entrance road consists of precast concrete pavers set mortarless in a reinforced concrete “pan” that holds them in place. These should have a very long service life. Funding is for repair and re-setting of some of the pavers which may be required over time. We are only funding for about 1/3 of the roadway at this time. Future updates will re-evaluate the condition of this roadway and adjust the budgeting as appropriate. The road is in excellent condition at this time.
	Belle Aire Lane Pavers: This road is the same material as Grayson Hill Way, and will be treated in the same way.
	Section 1 Repair / Sealcoat: The community roads should be observed at least every 5 years for cracking or soft spots. Some cracking is normal aging, however these should be filled with hot asphalt crack filler when they occur. Soft spots should be cut out, over-excavated and re-built. Funding is available for limited work of this nature along with general sealcoating. The value of sealcoating in extending pavement life of roads is debatable but most associations do it to restore the road appearance after patching and crack sealing. This schedule is for all roads in Section 1, which currently have their final surface coat of asphalt.

Section 2 Repair / Sealcoat: Section 2 roads should be treated in the same manner as above. These roads do not have their final wearing surface applied yet, however. Our timing for this work begins five years after the final surface coat of asphalt is applied, which we are currently showing as 2012.



Grayson Hill Way Pavers

Section 1 Pavement (foreground) / Section 2 pavement beyond

Tilbury Lane / Hyde Lane Section 1 Resurface: The community roads are low speed residential streets that should have a longer service life than highways, before resurfacing is needed. We have projected resurfacing in 25 years (from 2006) for Section 1 roads. Because these roads have concrete gutter pans at the curbs, the first foot of pavement at each side will have to be milled off so that the new surface can be returned down to the gutter elevation. Future paving will require full milling of the road surface.

Tilbury Lane / Hyde Lane Section 2 Resurface: This road will be handled like Section 1 after the Developer completes the final wearing surface. Our timing will begin at that time – currently estimated as 2012.

Nassington Court, Tatton Park Circle, Kiftsgate Court, Mews Section 1, Mews Section 2 Resurface: See above discussion for Tilbury Lane / Hyde Lane

Asphalt Walking Paths: These paths have a shorter projected service life than roads. The smaller pavement section and naturally encroaching landscape usually result in earlier failures. This cost is for removing and rebuilding some sections, and repaving all areas.

Concrete Curb Allowance: This is an allowance fund for individual curb and gutter section replacement. Cracking will occur in these curbs, which should not be much concern on its own. Replacement should be done when adjacent sections develop differentials in elevation, or where general settlement or upheaval occurs. Our allowance for 5% of the total, every 25 years can be adjusted as you see how the curbs perform.

Brick Sidewalks: This component includes all running sidewalks in the community. It does not include individual driveways or front walks to houses. These sidewalks appear to be mortarless set on a concrete pan. Funding is for periodic repair / resetting of portions of these walks as necessary. This may include removal of the concrete pan and replacement as well in some cases. This is an allowance that can be adjusted as your experience with the walks grows over time.



Asphalt Walking Path



Curb Section with Crack



Brick Sidewalk

**UTILITY LATERALS**

Water Service Laterals Allowance: The Association is responsible for maintenance and replacement (if necessary) of water supply and sanitary sewer laterals from the County maintained lines in the streets to each house front. Ideally, these should not need replacement over the life of this study period, however there are occasional failures in most communities, and we have provided funding for this possibility.

Sanitary Sewer Service Laterals Allowance: See above discussion.

**CLUBHOUSE ACCOUNT**

**CLUBHOUSE / SWIMMING POOL EXTERIOR**

Faux Slate Shingle Roof: The clubhouse and gatehouse roofs are simulated slate. We do not know the manufacturer or the makeup of the product, but many are made from rubber or recycled materials. Typically, these have a 50 year warranty. The product lines are not 50 years old yet, so we do not know how they will perform. We have projected funding for replacement of the clubhouse and gatehouse roofs at 50 years.

Windows Replace: An inventory of the clubhouse windows is below. These are metal clad insulating units that should have a long service life. We are projecting replacement after 35 years.

12 – 3x6 double-hung	@ \$840.00	\$10,080.00
4 – 2x4 double hung	@ \$360.00	\$1,440.00
10 – 2x3 transom	@ \$380.00	\$3,800.00
7 – 2x6 transom	@ \$750.00	\$5,250.00
2 – 6' dia. arch top	@ \$1,250.00	\$2,500.00
Total		\$23,070.00

Glazed Doors Replace: This includes all exterior doors in the building. Some doors will be used significantly while others will be used rarely, if at all. We have projected funds for replacement of heavily used doors after 25 years. Additional future replacements will be determined in later updates, and are not funded now.

Door Hardware Replace: This component is for all exterior door hardware. Funding is provided in the same manner as for doors, above.

8 Lock sets and trim	@ \$300.00	\$2,400.00
6 panic bars	@ \$775.00	\$4,650.00
10 closers	@ \$350.00	\$3,500.00
18 pr hinges	@ \$90.00	\$1,620.00
12 weatherstrip	@ \$75.00	\$900.00
2 Electric Operators	@ 2,000.00	\$4,000.00
Total		\$17,070.00

Metal Picket Fence Replace: The picket fence around the club pool and other perimeter areas, is aluminum. This is a relatively new product, used in place of more expensive iron fencing. We do not know how this material will perform over the long term, and have allowed funding for replacement after 35 years. This can be adjusted in later updates based on observations at that time.

Sun Shade Pergola Restore: This pergola appears to be finished on the outside with all composite materials such as PVC board. This should not rot, but we do not know how it will hold up under other climatic conditions over many years. At this time, we are allowing funds for restoration of up to 50% of the components of this structure.

Paver Pool Deck – Restore: The pool deck is exposed to many destructive forces including the chemicals in the water, subgrade water, and possible settlement of the fill under the deck. Replacement can also be caused by problems with pool piping under the deck. Some pool decks last a very long time and others have relative short lives before major problems develop. We are budgeting for replacement after 30 years.

Pool Surface – Restore: We did not see the pool surface due to winter conditions at the time of our inspection. We assume that the surface is Marbelite – the normal pool finish consisting of a cement plaster with marble dust in it. These surfaces have varying lives depending on pool usage, chemical management, and user sensitivity. Restoration is required when the surface becomes noticeably pitted or rough. We have allowed an average life of 12 years.

Pool Joint and Coping Restore: The pool joint is a wide caulk joint between the pool and the deck, which allows independent movement of each. It needs replacement every few years in order to prevent water from getting under the deck. At that time, coping stones along the top of the pool should be checked for looseness or damage, and re-set or replaced as needed.



Pool Deck

Pergola Detail

Pool Skimmers Replace: Skimmers are the top edge drains located at the pool perimeter. For some reason, these often develop problems such as significant cracks, which require replacement of the drain. We have provided funding for replacement of 2 drains every 15 years. We did not see all drain locations, and have assumed that there are four total.

Outside Gas Fireplace – Replace: This is funding for replacement of the gas fireplace insert at the pool side of the clubhouse.

Outside Dual Water Fountain Replace: This is funding for replacement of the two drinking fountains on the pool side of the clubhouse.

Pool Furniture Allowance: Pricing is for similar furniture as observed. We are funding full replacement at 15 years.

7 Umbrellas	@ \$380.00	\$2,660.00
7 Cast Umbrella Bases	@ \$250.00	\$1,750.00
3 48" Round tables	@ \$350.00	\$1,050.00
3 Small Round Tables	@ \$128.00	\$384.00
2 48" Square Tables	@ \$420.00	\$840.00
2 24"x48" Coffee Tables	@ \$200.00	\$400.00
16 Cushioned chairs	@ \$240.00	\$3,840.00
?? Strap loungers	@ \$.00	\$0.00
Total		\$10,924.00



Pool Furniture



Outside Dual Water Fountains

### **MECHANICAL / ELECTRICAL EQUIPMENT**

Inside Large Air Handler Replace: We did not see the air handling units served by the two outside condensers. Typically, we allow for double the condenser life, for replacement of the air handlers, controls, etc.

Inside Small Air Handler Replace: See above.

Steam Room Generators Replace: We have allowed for replacement of one of these unit after 15 years, and the second at 30 years.

Fire Pump Rebuild: Funding is provided at 12 years.

Double Check Valve Assembly Rebuild: Funding is provided at 12 years.

**CLUBHOUSE INTERIOR**

Kitchen Components: These components include the equipment and cabinetry in the kitchen. We project the shortest service life for the dishwasher, at 15 years. The second expectation is for the refrigerator, at 25 years. The remaining components may be part of an overall renovation of the kitchen, projected for 35 years.



Kitchen Cabinets, Dishwasher, Gas Range

Sub-Zero Refrigerator

Club Furniture Allowance: Furniture is an element that may be replaced for many reasons, including simply that people want a change in appearance. We typically create an allowance for partial replacement on a recurring schedule. We are using 25% every 12 years for this club. This can be changed as conditions warrant. Below is an inventory as we viewed the furniture in the clubhouse, with prices for typical equivalent items.

2 upholstered high-back arm chairs	@ \$500.00	\$1,000.00
2 upholstered low back chairs	@ \$450.00	\$900.00
7 wood arm chairs	@ \$250.00	\$1,750.00
2 leather sofas	@ \$850.00	\$1,700.00
1 coffee table	@ \$350.00	\$350.00
3 curved side tables	@ \$500.00	\$1,500.00
4 large framed mirrors	@ \$300.00	\$1,200.00
2 low sideboards	@ \$450.00	\$900.00
4 club game tables w/ chairs	@ \$1,450.00	\$5,800.00
2 leaf tables	@ \$300.00	\$600.00
2 tall glass hutches	@ \$1,800.00	\$3,600.00
1 Grandfather clock	@ \$1,400.00	\$1,400.00

1 small bookcase	@ \$200.00	\$200.00
1 Desk w/ return	@ \$1,600.00	\$1,600.00
1 small chest of drawers	@ \$500.00	\$500.00
1 60" heavy round table	@ \$650.00	\$650.00
4 upholstered meeting chairs	@ \$200.00	\$800.00
20 folding chairs	@ \$25.00	\$500.00
2 folding tables	@ \$60.00	\$120.00
Total		\$25,070.00



Club Furniture



Club Furniture

Club Furnishings Allowance: These items are approached in the same manner as furniture.

10 Lamps	@ \$120.00	\$1,200.00
4 potted plants faux	@ \$200.00	\$800.00
Framed Art Allowance	@ \$5,000.00	\$5,000.00
12 sets drapes	@ \$350.00	\$4,200.00
1 oriental rug large	@ \$900.00	\$900.00
3 oriental runners	@ \$200.00	\$600.00
Misc Accessory Allowance	@ \$500.00	\$500.00
Total		\$13,200.00

Chandeliers Replace: We are allowing for a 35 year life for this element before replacement.

Window Blinds Replace: We are funding for replacement at 20 years.

## HOUSE ROOFING ACCOUNT

### ASPHALT SHINGLE ROOFS



The houses all have heavy duty standard tab asphalt shingle roofs. Some houses have minor roof areas that are rubber or PVC membrane. We have provided one unit price for all roofing, and have projected replacement based on the projected warranty life of the shingle products, at this time. We make the assumption that entire connected buildings will be re-roofed at one time, in the same manner in which they were built. Each building presently built is included in this schedule, along with the approximate completion date. Re-roofing is based on 40 years past that date. You may have some incidents of having to replace an individual house roof earlier. This schedule can be adjusted as experience warrants. We have listed these buildings by addresses, with the Developer's building number provided in parentheses.



Typical Type "A" Model Homes



Typical Type "B" Model Homes



Typical Type "C" Model Homes



Typical Type "D" Model Homes

**HOUSE PAINTING ACCOUNT**

**PAINTING**

This component includes house power-washing, caulking and painting. It is scheduled per building in the same way as the roofing, and is currently programmed on a 6 year recurring schedule based on completion dates for each house. This schedule can be revised for the cost per building and recurrence schedule as experience warrants.

	<b>WINDOW SHUTTERS REPLACE</b>
	The exterior window shutters have been quantified on the basis of each house model. In our schedule, we are using model designations from the original engineer's drawings of the property. This should not be confused with the building designations used in the painting schedule or the roofing schedule above. The allowance is for replacement of all shutters on a 40 year schedule starting from 2006. This can be adjusted in the future as appropriate.
	<b>EXTERIOR DOORS</b>
	<p>This component is for the exterior doors on the individual homes. In our schedule, we are using model designations from the original engineer's drawings of the property. This should not be confused with the building designations used in the painting schedule or the roofing schedule above. The allowance is for replacement of a small percentage of the doors as follows:</p> <ul style="list-style-type: none"> <li>• 4% of front doors after 25 years</li> <li>• 25% of rear patio doors after 25 years</li> <li>• 10% of single and double width garage doors after 30 years</li> </ul> <p>This can be adjusted in the future as appropriate.</p>

### Exclusions

There are some improvements and assets related to the common areas of the community that are not included as capital replacement reserves. These are listed and explained below:

<b>Component</b>	<b>Description / Reason for Exclusion</b>
Permanent Improvements	This group includes components with projected life exceeding 75 years. This would generally include all building structures, certain durable component materials used in construction such as structural steel and structural concrete elements.
Landscape Improvements	Replacement of any landscaping (trees, shrubbery, etc.) is generally not considered a reserve component. We often recommend that those costs be taken from the maintenance budget.
Infrastructure Components under operating maintenance budgets (annually)	Many infrastructure components were identified and recorded, but the Association does not expect to replace these as a group. Repair and replacement of these components will be handled through the annual operating budgets on an as-needed basis. These include: signs, brick walls and pillars, street lights, bollard lights, irrigation components, the clock, footbridges, metal railings, pond aerators and storm sewers.

Clubhouse and Pool Components under operating maintenance budgets (annually)	Many clubhouse and pool area components were identified and recorded, but the Association does not expect to replace these as a group. Repair and replacement of these components will be handled through the annual operating budgets on an as-needed basis. These include: masonry wall and siding replacement / repair, handrails, utility gates, pool cover, gas fireplace, miscellaneous site furniture (excluding the pool furniture), outside condensers, electric panelboards, dehumidifier, painting, pool pump and filters, fire alarm system, door entry system, carpets, flooring and wallcovering, toilet room fixtures, lockers, and exercise room equipment.
House Gutters and Downspouts	These will be repaired or replaced by piece as required, under the annual operating maintenance budget.
Homeowner Modifications	On occasion home owners will modify components that are considered common elements and the responsibility of the Association. These cost of these modifications should not be included as part of the capital reserves.

## 3. FINANCIAL ANALYSIS AND SPREADSHEETS

### HOW MANY RESERVE ACCOUNTS?

It is possible to maintain separate accounts for individual components or groups of components, and some communities have requirements in their Declarations for certain dedicated reserve accounts, such as for private roads. Many Certified Public Accountants recommend that the number of reserve accounts be kept to a minimum. We normally recommend that you keep just one combined (pooled) account. Having one account gives you the spending flexibility to respond to an unexpected expense in one component without having to transfer funds from other dedicated line item accounts. Unless otherwise noted in our funding recommendation, our study will develop one account with one annual deposit amount that will meet the replacement needs of all components.

### FINANCIAL ANALYSIS METHODS

This study is designed to project the necessary annual allocation of funds needed to adequately fund your association's reserve account(s). The Community Associations Institute (CAI) defines several methods for determining this allocation. The first method is called *Statutory Funding*. Some states and localities have funding requirements based on local statutes. Your community is not located in a jurisdiction with this requirement; therefore the statutory funding method is not used here. The other methods include:

#### Component Method - Full Funding

This method starts by determining the present value of each reserve component. It then subtracts any existing funds already allocated to the replacement of this component. The remaining amount yet to be funded is divided into the projected remaining useful life of the component. This gives an annual figure required to fund the account fully by the time that the component is at the end of its useful life. For example: Let's say that the cost to replace a roof is \$10,000.00, and \$4,000.00 has been allocated to this replacement account already. The projected remaining useful life of the roof is 6 years. The amount needed to be placed into this account annually to fully fund the

account is  $\$1,000.00: \$10,000.00 - \$4,000.00 = \$6,000.00 / 6 \text{ years} = \$1,000.00 \text{ per year.}$

In this study we use the Component Method to provide a historical snapshot of what would be considered "full funding" of your account as of the Study Date, based on the age of your components and the standard breakdown of 100% component funding for each vs. your community's actual funding level at this time. We then show you what your first year contribution should be in order to return to a full funding level. In our experience, most communities are not fully funded from their beginning date, and simple conversion to full funding will often place a higher cost burden on present owners vs. future owners.

#### Cash Flow Method

In this method, each anticipated component replacement is plotted on a schedule over time. This schedule then calculates the annual total reserve account deposits required to fund all projected component expenses and maintain a minimum account balance over the entire period. The minimum account balance is a variable that we can set as one of the following:

**Baseline Funding:** A "baseline" funding plan uses zero dollars (\$0.00) as the minimum account balance.

**Threshold Funding:** This funding plan substitutes a "threshold" amount (minimum account balance) for zero. Typically, we derive the threshold amount from a percentage of the projected replacement costs for all your reserve components - typically not larger than 5%. A percentage of the expected total reserve expenses over the next 10 or 20 years may also be used, or a fixed number could be selected. This amount creates a buffer to help keep the account above zero in the event of unusual or untimely expenses.

The Cash Flow method balances out payments over the life of the property, which distributes the responsibility for reserve funding more equitably between present and future owners.

## STUDY PARAMETERS

Several parameters have to be set prior to beginning the study, as they will affect the results. The following five (5) parameters are set at the beginning of this Study. The numeric value of each for your study is determined in the *Financial Analysis Summary*. They include:

**Actual Reserve Balance at the End of the Prior Fiscal Year:** This is a number provided by your Association, based on the contributions that you are presently making to your reserve account. If you do not have a reserve account, this number will be \$0.00. The number that we put in becomes the beginning balance of the reserve account in year one (1) of our study.

**Anticipated Annual Inflation Rate:** This is based on historical and present day inflation data as it relates to various historical cost indexes. We use the current Consumer Price Index (CPI) and the Turner Construction Cost Index (most capital reserve components are related to construction materials and trades, rather than the overall economy). From these, we will recommend an inflation rate to use in the study. This number, expressed as a percentage (%) is input into the study in the *Financial Analysis Summary*.

**Annual Income Rate on Reserve Account:** We base this on your community's current and/or anticipated returns on investments from simple savings accounts to more complex fund investments. If funds are deposited in several different accounts, we will take an average of the earnings rate on all of the accounts. This number, expressed as a percentage (%) is input into the study in the *Financial Analysis Summary*.

**Target Minimum Allowable Balance:** As we have discussed above, the goal of the Cash Flow method is to design a funding plan that keeps your account above a minimum balance over the life of the study, while insuring that all components are fully funded when they are scheduled to be replaced. We can set that minimum balance at zero (\$0.00), which we explained in the previous section of this report, is called "baseline" funding. We can also set a minimum allowable account balance, or "threshold", at some amount above zero, in order to provide a buffer for the variations in actual expenditures that will inevitably occur over the life of the study. The percentage used for your study is input into the study in the *Financial Analysis Summary*.

**Annual Contribution Escalation:** The Cash Flow Method is designed to project an annual contribution that will keep the reserve account above a minimum balance in all 50 years of the study period. There are two ways that we use an annual escalation factor.

1. As inflation decreases the value of the dollar over time, it is necessary to introduce an escalation factor so that the contribution grows in relation to the growth in actual costs over time. If we did not do this - if we kept the contribution constant owners today would have to contribute a much larger amount in order to offset the declining value of the same contributions made in the future. The escalation rate provides parity for present and future owners.
2. In communities that are significantly under funded, it may be necessary to use an escalation factor that is significantly greater than the inflation rate to gradually increase your contributions to an acceptable level. The annual contribution escalation is expressed as a percentage (%) and is initially input into the study in the Cash Flow Method spreadsheets at the bottom of each ten year cash flow schedule. We can manually adjust this factor from year to year to help us design the appropriate funding plan.

## SPREADSHEET FILES

This study is designed to be published in either an electronic format or as a hard copy paper report. In the electronic version the spreadsheets are published in Adobe .pdf format, included directly following this page in the report. This will also be the case for hard copy reports.

**There are four (4) spreadsheet "packages" following this page – one for each account developed in the Study. These are titled:**

- **Infrastructure Spreadsheets**
- **Clubhouse Spreadsheets**
- **Roofing Spreadsheets**
- **Painting Spreadsheets**

# *Infrastructure Spreadsheets*

# FINANCIAL ANALYSIS SUMMARY

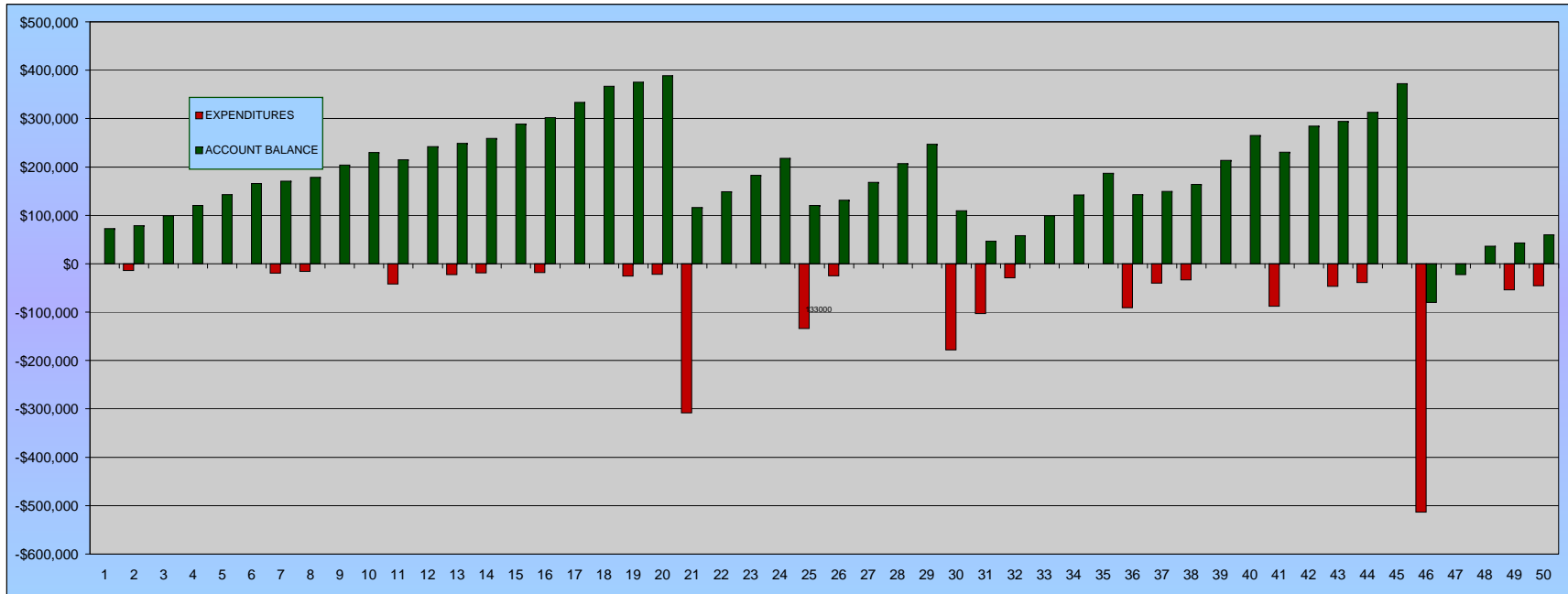
# GRAYSON HILL INFRASTRUCTURE

# FA

<b>Study Date:</b> January 2011 <b>Study Period Begins</b> 1-Jan 2011 <b>Fiscal Year End Date:</b> Dec. 31 2010 <b>Year in Service (Default Year):</b> 2005	<b>RESERVE FUND HEALTH ANALYSIS</b> <b>Total First Occurrence Replacement Cost</b> (Sum of all components from Component Schedule): <b>\$ 414,695.21</b>																								
<b>Year End Reserve Account Contribution:</b> \$15,292.00 <b>Year End Reserve Account Balance:</b> \$53,495.51 ( X ) Estimated ( ) Actual	<b>Target Annual Account Contribution (Full Funding):</b> \$ 21,434.25 <b>Expected Fund Balance:</b> \$ 31,109.50 <b>Adequacy of Reserve Account (% of Full Funding):</b> 171.96%																								
The following values have been used in the funding analysis: <b>Anticipated Annual Inflation Rate:</b> 2.50% <b>Annual Income Rate on Reserve Account:</b> 1.50%	<b>CASH FLOW METHOD ANALYSIS</b> In lieu of the Required Reserve Fund Contribution set forth by the Component Method Analysis (above), the Cash Flow Analysis, indicates that the following five (5) year funding plan can fully fund the projected expenditures. (See discussion for conditions and limitations): <b>Recommended Contribution Escalation Rate:</b> 2.50%																								
<b>Minimum Acceptable Reserve Account Balance Based on the Total First Occurrence Cost:</b> <b>5% x Total First Occurrence Cost Equals:</b> \$20,734.76 The minimum acceptable reserve account balance can alternatively be set to equal a selected amount by overriding the above value highlighted in green.	<table border="1"> <thead> <tr> <th>Year:</th> <th>2011</th> <th>Total Contribution:</th> <th>Per Unit:</th> </tr> </thead> <tbody> <tr> <td></td> <td>2011</td> <td>\$ 18,400.00</td> <td>\$143.75</td> </tr> <tr> <td></td> <td>2012</td> <td>\$ 18,860.00</td> <td>\$147.34</td> </tr> <tr> <td></td> <td>2013</td> <td>\$ 19,331.50</td> <td>\$151.03</td> </tr> <tr> <td></td> <td>2014</td> <td>\$ 19,814.79</td> <td>\$154.80</td> </tr> <tr> <td></td> <td>2015</td> <td>\$ 20,310.16</td> <td>\$158.67</td> </tr> </tbody> </table>	Year:	2011	Total Contribution:	Per Unit:		2011	\$ 18,400.00	\$143.75		2012	\$ 18,860.00	\$147.34		2013	\$ 19,331.50	\$151.03		2014	\$ 19,814.79	\$154.80		2015	\$ 20,310.16	\$158.67
Year:	2011	Total Contribution:	Per Unit:																						
	2011	\$ 18,400.00	\$143.75																						
	2012	\$ 18,860.00	\$147.34																						
	2013	\$ 19,331.50	\$151.03																						
	2014	\$ 19,814.79	\$154.80																						
	2015	\$ 20,310.16	\$158.67																						
<b>Number of Units in the Community:</b> 128 (Unit = Assessed Home or Lot)																									

## CASH FLOW METHOD ANALYSIS GRAPHIC SUMMARY

The graph below illustrates the results of the Cash Flow Analysis based on the above information and the information provided in the Schedule of Components. The green bars indicate the reserve account balance at the end of each fiscal year over a 50 year period. The red bars indicate the expenditures projected in each year of the 50 year period.



**SCHEDULE OF COMPONENTS**

**SC-1**

<b>GRAYSON HILL INFRASTRUCTURE</b>		<b>YEAR IN SERVICE OR FIRST CYCLE YEAR</b>	<b>EXPECTED USEFUL LIFE YEARS</b>	<b>EXPECTED REPLACEMENT YEAR</b>	<b>REMAINING USEFUL LIFE</b>	<b>ESTIMATED QUANTITY</b>	<b>UNIT</b>	<b>UNIT COST</b>	<b>PERCENT REPLACED (%)</b>	<b>FIRST OCCURRENCE REPLACEMENT COST</b>
<b>1</b>	<b>STORMWATER SYSTEM</b>									
2	BMP Basin #1 - Dredge	2005	30	2035	24	1,675.00	CY	\$26.00	100%	\$ 43,550.00
3	BMP Basin #2 - Dredge	2005	30	2035	24	540.00	CY	\$26.00	100%	\$ 14,040.00
<b>4</b>	<b>PAVEMENTS</b>									
5	Grayson Hill Way Pavers	2006	40	2046	35	14,424.00	SF	\$5.40	33%	\$ 25,703.57
6	Belle Aire Lane Pavers	2006	50	2056	45	7,656.00	SF	\$5.40	33%	\$ 13,642.99
7	Section 1 Repair / Sealcoat	2006	6	2012	1	7,498.00	SY	\$1.80	100%	\$ 13,496.40
8	Section 2 Repair / Sealcoat	2017	6	2023	12	9,170.00	SY	\$1.80	100%	\$ 16,506.00
9	Tilbury Lane / Hyde Lane Section 1 Resurface	2006	25	2031	20	3,992.00	SY	\$9.50	100%	\$ 37,924.00
10	Tilbury Lane / Hyde Lane Section 2 Resurface	2015	25	2040	29	4,622.00	SY	\$9.50	100%	\$ 43,909.00
11	Massington Court Resurface	2006	25	2031	20	1,756.00	SY	\$9.50	100%	\$ 16,682.00
12	Tatton Park Circle Resurface	2015	25	2040	29	2,512.00	SY	\$9.50	100%	\$ 23,864.00
13	Kiftsgate Court Resurface	2015	25	2040	29	796.00	SY	\$9.50	100%	\$ 7,562.00
14	Mews Section 1 Resurface	2006	25	2031	20	1,750.00	SY	\$9.50	100%	\$ 16,625.00
15	Mews Section 2 Resurface	2015	25	2040	29	1,240.00	SY	\$9.50	100%	\$ 11,780.00
16	Asphalt Walking Paths	2006	20	2026	15	880.00	SY	\$14.25	100%	\$ 12,540.00
17	Concrete Curb Allowance	2006	25	2031	20	14,050.00	LF	\$26.50	5%	\$ 18,616.25
18	Brick Sidewalks	2011	10	2021	10	54,530.00	SF	\$6.00	10%	\$ 32,718.00
<b>19</b>	<b>UTILITY LATERALS</b>									
20	Water Service Laterals Allowance	2006	25	2031	20	128.00	EA	\$6,400.00	4%	\$ 32,768.00
21	Sanitary Sewer Service Laterals Allowance	2006	25	2031	20	128.00	EA	\$6,400.00	4%	\$ 32,768.00
<b>TOTAL FIRST OCCURRENCE REPLACEMENT COST</b>										<b>\$ 414,695.21</b>



# HISTORICAL FUNDING ANALYSIS

CC-1

GRAYSON HILL INFRASTRUCTURE		ANNUAL COMPONENT COST	EXPECTED COMPONENT FUND BALANCE
1	STORMWATER SYSTEM		
2	BMP Basin #1 - Dredge	\$ 1,451.67	\$ 8,710.00
3	BMP Basin #2 - Dredge	\$ 468.00	\$ 2,808.00
4	PAVEMENTS		
5	Grayson Hill Way Pavers	\$ 642.59	\$ 3,212.95
6	Belle Aire Lane Pavers	\$ 272.86	\$ 1,364.30
7	Section 1 Repair / Sealcoat	\$ 2,249.40	\$ 11,247.00
8	Section 2 Repair / Sealcoat	\$ 2,751.00	-\$ 16,506.00
9	Tilbury Lane / Hyde Lane Section 1 Resurface	\$ 1,516.96	\$ 7,584.80
10	Tilbury Lane / Hyde Lane Section 2 Resurface	\$ 1,756.36	-\$ 7,025.44
11	Massington Court Resurface	\$ 667.28	\$ 3,336.40
12	Tatton Park Circle Resurface	\$ 954.56	-\$ 3,818.24
13	Kiftsgate Court Resurface	\$ 302.48	-\$ 1,209.92
14	Mews Section 1 Resurface	\$ 665.00	\$ 3,325.00
15	Mews Section 2 Resurface	\$ 471.20	-\$ 1,884.80
16	Asphalt Walking Paths	\$ 627.00	\$ 3,135.00
17	Concrete Curb Allowance	\$ 744.65	\$ 3,723.25
18	Brick Sidewalks	\$ 3,271.80	\$ 0.00
19	UTILITY LATERALS		
20	Water Service Laterals Allowance	\$ 1,310.72	\$ 6,553.60
21	Sanitary Sewer Service Laterals Allowance	\$ 1,310.72	\$ 6,553.60
<b>TARGET ANNUAL CONTRIBUTION</b>		\$ 21,434.25	\$ 31,109.50

**EXPENDITURE RECURRENCE TABLES**

**ER-1**

YEARS 1 - 10

**GRAYSON HILL INFRASTRUCTURE**

	YEAR	1	2	3	4	5	6	7	8	9	10
	CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	STORMWATER SYSTEM										
2	BMP Basin #1 - Dredge										
3	BMP Basin #2 - Dredge										
4	PAVEMENTS										
5	Grayson Hill Way Pavers										
6	Belle Aire Lane Pavers										
7	Section 1 Repair / Sealcoat		\$13,496.40						\$13,496.40		
8	Section 2 Repair / Sealcoat							\$16,506.00			
9	Tilbury Lane / Hyde Lane Section 1 Resurface										
10	Tilbury Lane / Hyde Lane Section 2 Resurface					\$0.00					
11	Massington Court Resurface										
12	Tatton Park Circle Resurface					\$0.00					
13	Kiftsgate Court Resurface					\$0.00					
14	Mews Section 1 Resurface										
15	Mews Section 2 Resurface					\$0.00					
16	Asphalt Walking Paths										
17	Concrete Curb Allowance										
18	Brick Sidewalks	\$0.00									
19	UTILITY LATERALS										
20	Water Service Laterals Allowance										
21	Sanitary Sewer Service Laterals Allowance										
	TOTALS	\$0.00	\$13,496.40	\$0.00	\$0.00	\$0.00	\$0.00	\$16,506.00	\$13,496.40	\$0.00	\$0.00

**EXPENDITURE RECURRENCE TABLES**

**ER-2**

YEARS 11 - 20

**GRAYSON HILL INFRASTRUCTURE**

	YEAR	11	12	13	14	15	16	17	18	19	20
	CALENDAR YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1	STORMWATER SYSTEM										
2	BMP Basin #1 - Dredge										
3	BMP Basin #2 - Dredge										
4	PAVEMENTS										
5	Grayson Hill Way Pavers										
6	Belle Aire Lane Pavers										
7	Section 1 Repair / Sealcoat				\$13,496.40						\$13,496.40
8	Section 2 Repair / Sealcoat			\$16,506.00						\$16,506.00	
9	Tilbury Lane / Hyde Lane Section 1 Resurface										
10	Tilbury Lane / Hyde Lane Section 2 Resurface										
11	Massington Court Resurface										
12	Tatton Park Circle Resurface										
13	Kiftsgate Court Resurface										
14	Mews Section 1 Resurface										
15	Mews Section 2 Resurface										
16	Asphalt Walking Paths						\$12,540.00				
17	Concrete Curb Allowance										
18	Brick Sidewalks	\$32,718.00									
19	UTILITY LATERALS										
20	Water Service Laterals Allowance										
21	Sanitary Sewer Service Laterals Allowance										
	<b>TOTALS</b>	\$32,718.00	\$0.00	\$16,506.00	\$13,496.40	\$0.00	\$12,540.00	\$0.00	\$0.00	\$16,506.00	\$13,496.40

**EXPENDITURE RECURRENCE TABLES**

**ER-3**

YEARS 21 - 30

**GRAYSON HILL INFRASTRUCTURE**

	<b>YEAR</b>	21	22	23	24	25	26	27	28	29	30
	<b>CALENDAR YEAR</b>	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	<b>STORMWATER SYSTEM</b>										
2	BMP Basin #1 - Dredge					\$43,550.00					
3	BMP Basin #2 - Dredge					\$14,040.00					
4	<b>PAVEMENTS</b>										
5	Grayson Hill Way Pavers										
6	Belle Aire Lane Pavers										
7	Section 1 Repair / Sealcoat						\$13,496.40				
8	Section 2 Repair / Sealcoat					\$16,506.00					
9	Tilbury Lane / Hyde Lane Section 1 Resurface	\$37,924.00									
10	Tilbury Lane / Hyde Lane Section 2 Resurface										\$43,909.00
11	Massington Court Resurface	\$16,682.00									
12	Tatton Park Circle Resurface										\$23,864.00
13	Kiftsgate Court Resurface										\$7,562.00
14	Mews Section 1 Resurface	\$16,625.00									
15	Mews Section 2 Resurface										\$11,780.00
16	Asphalt Walking Paths										
17	Concrete Curb Allowance	\$18,616.25									
18	Brick Sidewalks	\$32,718.00									
19	<b>UTILITY LATERALS</b>										
20	Water Service Laterals Allowance	\$32,768.00									
21	Sanitary Sewer Service Laterals Allowance	\$32,768.00									
	<b>TOTALS</b>	\$188,101.25	\$0.00	\$0.00	\$0.00	\$74,096.00	\$13,496.40	\$0.00	\$0.00	\$0.00	\$87,115.00

**EXPENDITURE RECURRENCE TABLES**

**ER-4**

YEARS 31 - 40

**GRAYSON HILL INFRASTRUCTURE**

	YEAR	31	32	33	34	35	36	37	38	39	40
	CALENDAR YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
1	STORMWATER SYSTEM										
2	BMP Basin #1 - Dredge										
3	BMP Basin #2 - Dredge										
4	PAVEMENTS										
5	Grayson Hill Way Pavers						\$25,703.57				
6	Belle Aire Lane Pavers										
7	Section 1 Repair / Sealcoat		\$13,496.40						\$13,496.40		
8	Section 2 Repair / Sealcoat	\$16,506.00						\$16,506.00			
9	Tilbury Lane / Hyde Lane Section 1 Resurface										
10	Tilbury Lane / Hyde Lane Section 2 Resurface										
11	Massington Court Resurface										
12	Tatton Park Circle Resurface										
13	Kiftsgate Court Resurface										
14	Mews Section 1 Resurface										
15	Mews Section 2 Resurface										
16	Asphalt Walking Paths						\$12,540.00				
17	Concrete Curb Allowance										
18	Brick Sidewalks	\$32,718.00									
19	UTILITY LATERALS										
20	Water Service Laterals Allowance										
21	Sanitary Sewer Service Laterals Allowance										
	TOTALS	\$49,224.00	\$13,496.40	\$0.00	\$0.00	\$0.00	\$38,243.57	\$16,506.00	\$13,496.40	\$0.00	\$0.00

**EXPENDITURE RECURRENCE TABLES**

**ER-5**

YEARS 41 - 50

**GRAYSON HILL INFRASTRUCTURE**

	YEAR	41	42	43	44	45	46	47	48	49	50
	CALENDAR YEAR	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
1	<b>STORMWATER SYSTEM</b>										
2	BMP Basin #1 - Dredge										
3	BMP Basin #2 - Dredge										
4	<b>PAVEMENTS</b>										
5	Grayson Hill Way Pavers										
6	Belle Aire Lane Pavers						\$13,642.99				
7	Section 1 Repair / Sealcoat				\$13,496.40						\$13,496.40
8	Section 2 Repair / Sealcoat			\$16,506.00						\$16,506.00	
9	Tilbury Lane / Hyde Lane Section 1 Resurface						\$37,924.00				
10	Tilbury Lane / Hyde Lane Section 2 Resurface										
11	Massington Court Resurface						\$16,682.00				
12	Tatton Park Circle Resurface										
13	Kiftsgate Court Resurface										
14	Mews Section 1 Resurface						\$16,625.00				
15	Mews Section 2 Resurface										
16	Asphalt Walking Paths										
17	Concrete Curb Allowance						\$18,616.25				
18	Brick Sidewalks	\$32,718.00									
19	<b>UTILITY LATERALS</b>										
20	Water Service Laterals Allowance						\$32,768.00				
21	Sanitary Sewer Service Laterals Allowance						\$32,768.00				
	<b>TOTALS</b>	\$32,718.00	\$0.00	\$16,506.00	\$13,496.40	\$0.00	\$169,026.24	\$0.00	\$0.00	\$16,506.00	\$13,496.40

**CASH FLOW METHOD ANALYSIS**

**CF-1**

**GRAYSON HILL INFRASTRUCTURE**

YEAR	1	2	3	4	5	6	7	8	9	10
CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 13,496.40	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 16,506.00	\$ 13,496.40	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$53,495.51	\$72,697.94	\$78,814.60	\$99,328.32	\$120,633.03	\$142,752.69	\$165,711.89	\$170,394.02	\$178,778.77	\$203,879.07
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$13,833.81	\$0.00	\$0.00	\$0.00	\$0.00	\$19,141.90	\$16,042.98	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$18,400.00</b>	<b>\$18,860.00</b>	<b>\$19,331.50</b>	<b>\$19,814.79</b>	<b>\$20,310.16</b>	<b>\$20,817.91</b>	<b>\$21,338.36</b>	<b>\$21,871.82</b>	<b>\$22,418.61</b>	<b>\$22,979.08</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$802.43	\$1,090.47	\$1,182.22	\$1,489.92	\$1,809.50	\$2,141.29	\$2,485.68	\$2,555.91	\$2,681.68	\$3,058.19
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$72,697.94	\$78,814.60	\$99,328.32	\$120,633.03	\$142,752.69	\$165,711.89	\$170,394.02	\$178,778.77	\$203,879.07	\$229,916.33
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$20,734.76	\$21,253.13	\$21,784.46	\$22,329.07	\$22,887.30	\$23,459.48	\$24,045.97	\$24,647.11	\$25,263.29	\$25,894.87
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$143.75	\$147.34	\$151.03	\$154.80	\$158.67	\$162.64	\$166.71	\$170.87	\$175.15	\$179.52
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:	2.50%									
ANNUAL RESERVE ACCOUNT INCOME RATE	1.50%									
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)	\$ 414,695.21									
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE	5.00%									
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 20,734.76	\$ 21,253.13	\$ 21,784.46	\$ 22,329.07	\$ 22,887.30	\$ 23,459.48	\$ 24,045.97	\$ 24,647.11	\$ 25,263.29	\$ 25,894.87

**CASH FLOW METHOD ANALYSIS**

**CF-2**

**GRAYSON HILL INFRASTRUCTURE**

YEAR	11	12	13	14	15	16	17	18	19	20
CALENDAR YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 32,718.00	\$ 0.00	\$ 16,506.00	\$ 13,496.40	\$ 0.00	\$ 12,540.00	\$ 0.00	\$ 0.00	\$ 16,506.00	\$ 13,496.40
<b>BEGINNING YEAR BALANCE</b>	\$229,916.33	\$215,036.83	\$242,404.78	\$248,588.07	\$259,076.55	\$288,961.42	\$301,782.87	\$333,624.52	\$366,626.66	\$375,080.05
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$41,881.81	\$0.00	\$22,198.73	\$18,604.94	\$0.00	\$18,161.66	\$0.00	\$0.00	\$25,743.73	\$21,576.02
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	\$23,553.56	\$24,142.39	\$24,745.95	\$25,364.60	\$25,998.72	\$26,648.69	\$27,314.90	\$27,997.78	\$28,697.72	\$29,415.16
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$3,448.75	\$3,225.55	\$3,636.07	\$3,728.82	\$3,886.15	\$4,334.42	\$4,526.74	\$5,004.37	\$5,499.40	\$5,626.20
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$215,036.83	\$242,404.78	\$248,588.07	\$259,076.55	\$288,961.42	\$301,782.87	\$333,624.52	\$366,626.66	\$375,080.05	\$388,545.40
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$26,542.25	\$27,205.80	\$27,885.95	\$28,583.10	\$29,297.67	\$30,030.12	\$30,780.87	\$31,550.39	\$32,339.15	\$33,147.63
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$184.01	\$188.61	\$193.33	\$198.16	\$203.11	\$208.19	\$213.40	\$218.73	\$224.20	\$229.81
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
<b>MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY</b>	\$ 26,542.25	\$ 27,205.80	\$ 27,885.95	\$ 28,583.10	\$ 29,297.67	\$ 30,030.12	\$ 30,780.87	\$ 31,550.39	\$ 32,339.15	\$ 33,147.63



**CASH FLOW METHOD ANALYSIS**

**CF-3**

**GRAYSON HILL INFRASTRUCTURE**

YEAR	21	22	23	24	25	26	27	28	29	30
CALENDAR YEAR	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 188,101.25	\$ 0.00	\$ 0.00	\$ 0.00	\$ 74,096.00	\$ 13,496.40	\$ 0.00	\$ 0.00	\$ 0.00	\$ 87,115.00
<b>BEGINNING YEAR BALANCE</b>	\$388,545.40	\$116,298.32	\$148,947.10	\$182,858.22	\$218,069.93	\$120,602.18	\$131,502.21	\$168,440.13	\$206,806.25	\$246,643.85
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$308,225.80	\$0.00	\$0.00	\$0.00	\$134,019.36	\$25,021.57	\$0.00	\$0.00	\$0.00	\$178,272.78
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$30,150.54</b>	<b>\$30,904.31</b>	<b>\$31,676.91</b>	<b>\$32,468.84</b>	<b>\$33,280.56</b>	<b>\$34,112.57</b>	<b>\$34,965.39</b>	<b>\$35,839.52</b>	<b>\$36,735.51</b>	<b>\$37,653.90</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$5,828.18	\$1,744.47	\$2,234.21	\$2,742.87	\$3,271.05	\$1,809.03	\$1,972.53	\$2,526.60	\$3,102.09	\$3,699.66
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$116,298.32	\$148,947.10	\$182,858.22	\$218,069.93	\$120,602.18	\$131,502.21	\$168,440.13	\$206,806.25	\$246,643.85	\$109,724.63
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$33,976.32	\$34,825.73	\$35,696.37	\$36,588.78	\$37,503.50	\$38,441.09	\$39,402.11	\$40,387.17	\$41,396.85	\$42,431.77
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$235.55	\$241.44	\$247.48	\$253.66	\$260.00	\$266.50	\$273.17	\$280.00	\$287.00	\$294.17
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
<b>MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY</b>	\$ 33,976.32	\$ 34,825.73	\$ 35,696.37	\$ 36,588.78	\$ 37,503.50	\$ 38,441.09	\$ 39,402.11	\$ 40,387.17	\$ 41,396.85	\$ 42,431.77

**CASH FLOW METHOD ANALYSIS**

**CF-4**

**GRAYSON HILL INFRASTRUCTURE**

YEAR	31	32	33	34	35	36	37	38	39	40
CALENDAR YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 49,224.00	\$ 13,496.40	\$ 0.00	\$ 0.00	\$ 0.00	\$ 38,243.57	\$ 16,506.00	\$ 13,496.40	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$109,724.63	\$46,715.07	\$57,958.57	\$99,377.08	\$142,430.59	\$187,168.98	\$142,883.65	\$149,634.13	\$164,105.03	\$213,591.16
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$103,250.67	\$29,017.35	\$0.00	\$0.00	\$0.00	\$90,759.83	\$40,151.43	\$33,651.23	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$38,595.24</b>	<b>\$39,560.12</b>	<b>\$40,549.13</b>	<b>\$41,562.86</b>	<b>\$42,601.93</b>	<b>\$43,666.98</b>	<b>\$44,758.65</b>	<b>\$45,877.62</b>	<b>\$47,024.56</b>	<b>\$48,200.17</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$1,645.87	\$700.73	\$869.38	\$1,490.66	\$2,136.46	\$2,807.53	\$2,143.25	\$2,244.51	\$2,461.58	\$3,203.87
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$46,715.07	\$57,958.57	\$99,377.08	\$142,430.59	\$187,168.98	\$142,883.65	\$149,634.13	\$164,105.03	\$213,591.16	\$264,995.20
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$43,492.56	\$44,579.88	\$45,694.37	\$46,836.73	\$48,007.65	\$49,207.84	\$50,438.04	\$51,698.99	\$52,991.46	\$54,316.25
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$301.53	\$309.06	\$316.79	\$324.71	\$332.83	\$341.15	\$349.68	\$358.42	\$367.38	\$376.56
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 43,492.56	\$ 44,579.88	\$ 45,694.37	\$ 46,836.73	\$ 48,007.65	\$ 49,207.84	\$ 50,438.04	\$ 51,698.99	\$ 52,991.46	\$ 54,316.25

**CASH FLOW METHOD ANALYSIS**

**CF-5**

**GRAYSON HILL INFRASTRUCTURE**

YEAR	41	42	43	44	45	46	47	48	49	50
CALENDAR YEAR	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 32,718.00	\$ 0.00	\$ 16,506.00	\$ 13,496.40	\$ 0.00	\$ 169,026.24	\$ 0.00	\$ 0.00	\$ 16,506.00	\$ 13,496.40
<b>BEGINNING YEAR BALANCE</b>	\$264,995.20	\$230,525.38	\$284,623.57	\$294,235.88	\$312,828.28	\$372,054.77	(\$79,952.36)	(\$22,657.50)	\$36,069.72	\$42,806.97
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$87,849.92	\$0.00	\$46,563.35	\$39,025.11	\$0.00	\$513,485.37	\$0.00	\$0.00	\$53,999.21	\$45,257.16
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	\$49,405.17	\$50,640.30	\$51,906.31	\$53,203.97	\$54,534.07	\$55,897.42	\$57,294.86	\$58,727.23	\$60,195.41	\$61,700.29
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$3,974.93	\$3,457.88	\$4,269.35	\$4,413.54	\$4,692.42	\$5,580.82	0	0	\$541.05	\$642.10
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$230,525.38	\$284,623.57	\$294,235.88	\$312,828.28	\$372,054.77	(\$79,952.36)	(\$22,657.50)	\$36,069.72	\$42,806.97	\$59,892.20
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$55,674.16	\$57,066.01	\$58,492.66	\$59,954.98	\$61,453.85	\$62,990.20	\$64,564.95	\$66,179.08	\$67,833.55	\$69,529.39
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	NO	NO	NO	NO	NO
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$385.98	\$395.63	\$405.52	\$415.66	\$426.05	\$436.70	\$447.62	\$458.81	\$470.28	\$482.03
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 55,674.16	\$ 57,066.01	\$ 58,492.66	\$ 59,954.98	\$ 61,453.85	\$ 62,990.20	\$ 64,564.95	\$ 66,179.08	\$ 67,833.55	\$ 69,529.39

# *Clubhouse Spreadsheets*

# FINANCIAL ANALYSIS SUMMARY

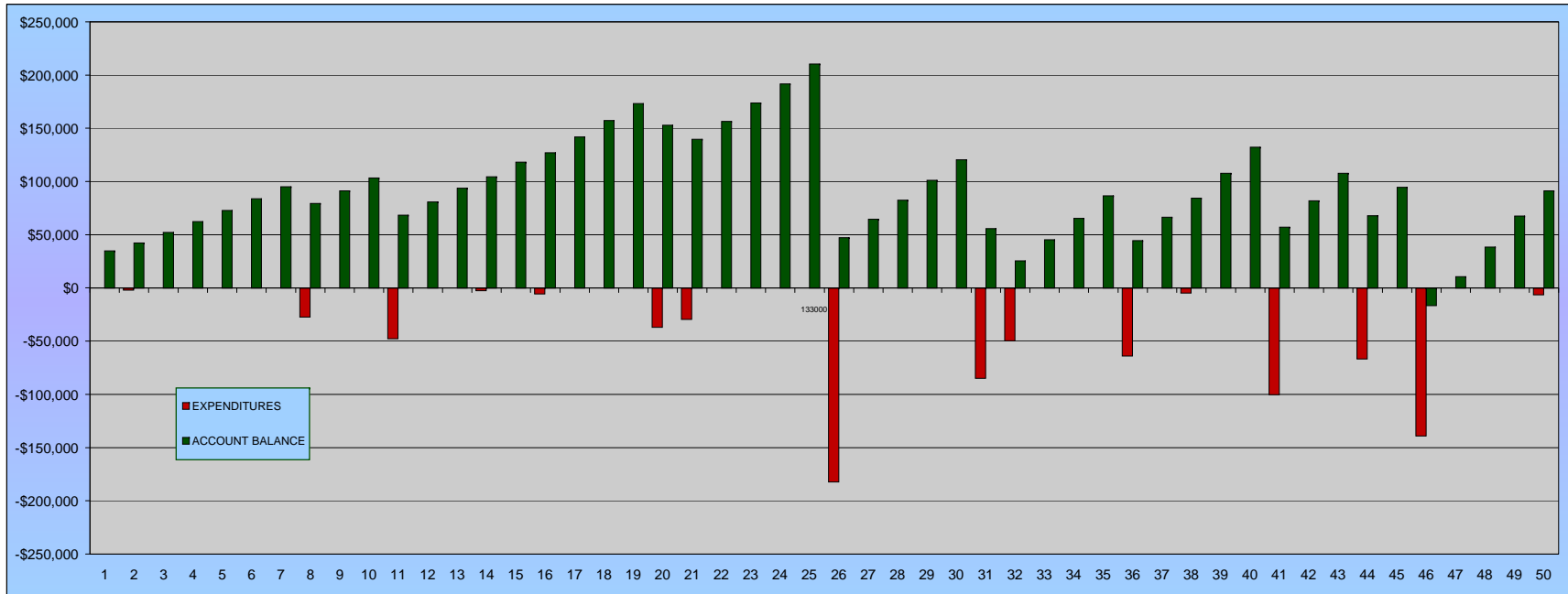
# GRAYSON HILL CLUBHOUSE

# FA

<b>Study Date:</b> January 2011 <b>Study Period Begins</b> 1-Jan 2011 <b>Fiscal Year End Date:</b> Dec. 31 2010 <b>Year in Service (Default Year):</b> 2005	<b>RESERVE FUND HEALTH ANALYSIS</b> <b>Total First Occurrence Replacement Cost</b> (Sum of all components from Component Schedule): \$ 232,704.00																								
<b>Year End Reserve Account Contribution:</b> \$8,384.00 <b>Year End Reserve Account Balance:</b> \$25,766.37 ( X ) Estimated ( ) Actual	<b>Target Annual Account Contribution (Full Funding):</b> \$ 9,745.17 <b>Expected Fund Balance:</b> \$ 48,725.83 <b>Adequacy of Reserve Account (% of Full Funding):</b> 52.88%																								
The following values have been used in the funding analysis: <b>Anticipated Annual Inflation Rate:</b> 2.50% <b>Annual Income Rate on Reserve Account:</b> 1.50%	<b>CASH FLOW METHOD ANALYSIS</b> In lieu of the Required Reserve Fund Contribution set forth by the Component Method Analysis (above), the Cash Flow Analysis, indicates that the following five (5) year funding plan can fully fund the projected expenditures. (See discussion for conditions and limitations): <b>Recommended Contribution Escalation Rate:</b> 2.50%																								
<b>Minimum Acceptable Reserve Account Balance Based on the Total First Occurrence Cost:</b> 5% x Total First Occurrence Cost Equals: \$11,635.20 The minimum acceptable reserve account balance can alternatively be set to equal a selected amount by overriding the above value highlighted in green.	<table border="1"> <thead> <tr> <th>Year:</th> <th>2011</th> <th>Total Contribution:</th> <th>Per Unit:</th> </tr> </thead> <tbody> <tr> <td></td> <td>2011</td> <td>\$ 8,700.00</td> <td>\$67.97</td> </tr> <tr> <td></td> <td>2012</td> <td>\$ 8,917.50</td> <td>\$69.67</td> </tr> <tr> <td></td> <td>2013</td> <td>\$ 9,140.44</td> <td>\$71.41</td> </tr> <tr> <td></td> <td>2014</td> <td>\$ 9,368.95</td> <td>\$73.19</td> </tr> <tr> <td></td> <td>2015</td> <td>\$ 9,603.17</td> <td>\$75.02</td> </tr> </tbody> </table>	Year:	2011	Total Contribution:	Per Unit:		2011	\$ 8,700.00	\$67.97		2012	\$ 8,917.50	\$69.67		2013	\$ 9,140.44	\$71.41		2014	\$ 9,368.95	\$73.19		2015	\$ 9,603.17	\$75.02
Year:	2011	Total Contribution:	Per Unit:																						
	2011	\$ 8,700.00	\$67.97																						
	2012	\$ 8,917.50	\$69.67																						
	2013	\$ 9,140.44	\$71.41																						
	2014	\$ 9,368.95	\$73.19																						
	2015	\$ 9,603.17	\$75.02																						
<b>Number of Units in the Community:</b> 128 (Unit = Assessed Home or Lot)																									

## CASH FLOW METHOD ANALYSIS GRAPHIC SUMMARY

The graph below illustrates the results of the Cash Flow Analysis based on the above information and the information provided in the Schedule of Components. The green bars indicate the reserve account balance at the end of each fiscal year over a 50 year period. The red bars indicate the expenditures projected in each year of the 50 year period.





**HISTORICAL FUNDING ANALYSIS**

**CC-1**

	<b>GRAYSON HILL CLUBHOUSE</b>	<b>ANNUAL COMPONENT COST</b>	<b>EXPECTED COMPONENT FUND BALANCE</b>
1	<b>CLUBHOUSE / SWIMMING POOL EXTERIOR</b>		
2	Faux Slate Shingle Roof	\$ 554.80	\$ 2,774.00
3	Windows Replace	\$ 576.75	\$ 2,883.75
4	Glazed Doors Replace	\$ 233.20	\$ 1,166.00
5	Metal Picket Fence Replace	\$ 462.86	\$ 2,314.29
6	Sun Shade Pergola Restore	\$ 562.50	\$ 2,812.50
7	Paver Pool Deck - Restore	\$ 1,023.75	\$ 5,118.75
8	Pool Surface - Restore	\$ 966.67	\$ 4,833.33
9	Pool Joint and Coping Restore	\$ 316.67	\$ 1,583.33
10	Pool Skimmers Replace	\$ 200.00	\$ 1,000.00
11	Outside Dual Water Fountain Replace	\$ 112.00	\$ 560.00
12	Pool Furniture Allowance	\$ 728.27	\$ 3,641.33
13	<b>MECHANICAL / ELECTRICAL EQUIPMENT</b>		
14	Inside Large Air Handler Replace	\$ 250.00	\$ 1,250.00
15	Inside Small Air Handler Replace	\$ 133.33	\$ 666.67
16	Steam Room Generators Replace	\$ 206.67	\$ 1,033.33
17	Fire Pump Rebuild	\$ 1,200.00	\$ 6,000.00
18	Double Check Valve Assembly Rebuild	\$ 33.33	\$ 166.67
19	<b>CLUBHOUSE INTERIOR</b>		
20	Kitchen Cabinets and Counters Replace	\$ 329.14	\$ 1,645.71
21	Kitchen Aid Dishwasher Replace	\$ 123.33	\$ 616.67
22	Wolf Gas Range Replace	\$ 185.71	\$ 928.57
23	Wolf Exhaust Hood Replace	\$ 78.57	\$ 392.86
24	Wolf Microwave Replace	\$ 47.14	\$ 235.71
25	Sub-Zero Refrigerator Replace	\$ 376.00	\$ 1,880.00
26	Club Furniture Allowance	\$ 522.29	\$ 2,611.46
27	Club Furnishings Allowance	\$ 275.00	\$ 1,375.00
28	Chandeliers Replace	\$ 51.43	\$ 257.14
29	Window Blinds Replace	\$ 195.75	\$ 978.75
	<b>TARGET ANNUAL CONTRIBUTION</b>	\$ 9,745.17	
	<b>EXPECTED FUND BALANCE (FULL FUNDING)</b>		\$ 48,725.83

**EXPENDITURE RECURRENCE TABLES**

**ER-1**

YEARS 1 - 10

**GRAYSON HILL CLUBHOUSE**

	YEAR	1	2	3	4	5	6	7	8	9	10
	CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	CLUBHOUSE / SWIMMING POOL EXTERIOR										
2	Faux Slate Shingle Roof										
3	Windows Replace										
4	Glazed Doors Replace										
5	Metal Picket Fence Replace										
6	Sun Shade Pergola Restore										
7	Paver Pool Deck - Restore										
8	Pool Surface - Restore								\$11,600.00		
9	Pool Joint and Coping Restore		\$1,900.00						\$1,900.00		
10	Pool Skimmers Replace										
11	Outside Dual Water Fountain Replace										
12	Pool Furniture Allowance										
13	MECHANICAL / ELECTRICAL EQUIPMENT										
14	Inside Large Air Handler Replace										
15	Inside Small Air Handler Replace										
16	Steam Room Generators Replace										
17	Fire Pump Rebuild										
18	Double Check Valve Assembly Rebuild										
19	CLUBHOUSE INTERIOR										
20	Kitchen Cabinets and Counters Replace										
21	Kitchen Aid Dishwasher Replace										
22	Wolf Gas Range Replace										
23	Wolf Exhaust Hood Replace										
24	Wolf Microwave Replace										
25	Sub-Zero Refrigerator Replace										
26	Club Furniture Allowance								\$6,267.50		
27	Club Furnishings Allowance								\$3,300.00		
28	Chandeliers Replace										
29	Window Blinds Replace										
	TOTALS	\$0.00	\$1,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,067.50	\$0.00	\$0.00

All dollar amounts in this table are in current dollars.



**EXPENDITURE RECURRENCE TABLES**

**ER-3**

YEARS 11 - 20

**GRAYSON HILL CLUBHOUSE**

	YEAR	11	12	13	14	15	16	17	18	19	20
	CALENDAR YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1	<b>CLUBHOUSE / SWIMMING POOL EXTERIOR</b>										
2	Faux Slate Shingle Roof										
3	Windows Replace										
4	Glazed Doors Replace										
5	Metal Picket Fence Replace										
6	Sun Shade Pergola Restore										
7	Paver Pool Deck - Restore										
8	Pool Surface - Restore										\$11,600.00
9	Pool Joint and Coping Restore				\$1,900.00						\$1,900.00
10	Pool Skimmers Replace	\$3,000.00									
11	Outside Dual Water Fountain Replace										
12	Pool Furniture Allowance	\$10,924.00									
13	<b>MECHANICAL / ELECTRICAL EQUIPMENT</b>										
14	Inside Large Air Handler Replace										
15	Inside Small Air Handler Replace										
16	Steam Room Generators Replace	\$3,100.00									
17	Fire Pump Rebuild	\$18,000.00									
18	Double Check Valve Assembly Rebuild	\$500.00									
19	<b>CLUBHOUSE INTERIOR</b>										
20	Kitchen Cabinets and Counters Replace										
21	Kitchen Aid Dishwasher Replace	\$1,850.00									
22	Wolf Gas Range Replace										
23	Wolf Exhaust Hood Replace										
24	Wolf Microwave Replace										
25	Sub-Zero Refrigerator Replace										
26	Club Furniture Allowance										\$6,267.50
27	Club Furnishings Allowance										\$3,300.00
28	Chandeliers Replace										
29	Window Blinds Replace						\$3,915.00				
	<b>TOTALS</b>	\$37,374.00	\$0.00	\$0.00	\$1,900.00	\$0.00	\$3,915.00	\$0.00	\$0.00	\$0.00	\$23,067.50

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-5**

YEARS 21 - 30

**GRAYSON HILL CLUBHOUSE**

	YEAR	21	22	23	24	25	26	27	28	29	30
	CALENDAR YEAR	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	CLUBHOUSE / SWIMMING POOL EXTERIOR										
2	Faux Slate Shingle Roof										
3	Windows Replace										
4	Glazed Doors Replace	\$5,830.00									
5	Metal Picket Fence Replace										
6	Sun Shade Pergola Restore						\$16,875.00				
7	Paver Pool Deck - Restore						\$30,712.50				
8	Pool Surface - Restore										
9	Pool Joint and Coping Restore						\$1,900.00				
10	Pool Skimmers Replace						\$3,000.00				
11	Outside Dual Water Fountain Replace	\$2,800.00									
12	Pool Furniture Allowance						\$10,924.00				
13	MECHANICAL / ELECTRICAL EQUIPMENT										
14	Inside Large Air Handler Replace						\$7,500.00				
15	Inside Small Air Handler Replace						\$4,000.00				
16	Steam Room Generators Replace						\$3,100.00				
17	Fire Pump Rebuild						\$18,000.00				
18	Double Check Valve Assembly Rebuild						\$500.00				
19	CLUBHOUSE INTERIOR										
20	Kitchen Cabinets and Counters Replace										
21	Kitchen Aid Dishwasher Replace						\$1,850.00				
22	Wolf Gas Range Replace										
23	Wolf Exhaust Hood Replace										
24	Wolf Microwave Replace										
25	Sub-Zero Refrigerator Replace	\$9,400.00									
26	Club Furniture Allowance										
27	Club Furnishings Allowance										
28	Chandeliers Replace										
29	Window Blinds Replace										
	TOTALS	\$18,030.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,361.50	\$0.00	\$0.00	\$0.00	\$0.00

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-7**  
YEARS 31 - 40

**GRAYSON HILL CLUBHOUSE**

	YEAR	31	32	33	34	35	36	37	38	39	40
	CALENDAR YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
1	<b>CLUBHOUSE / SWIMMING POOL EXTERIOR</b>										
2	Faux Slate Shingle Roof										
3	Windows Replace						\$23,070.00				
4	Glazed Doors Replace										
5	Metal Picket Fence Replace	\$16,200.00									
6	Sun Shade Pergola Restore										
7	Paver Pool Deck - Restore										
8	Pool Surface - Restore		\$11,600.00								
9	Pool Joint and Coping Restore		\$1,900.00						\$1,900.00		
10	Pool Skimmers Replace										
11	Outside Dual Water Fountain Replace										
12	Pool Furniture Allowance										
13	<b>MECHANICAL / ELECTRICAL EQUIPMENT</b>										
14	Inside Large Air Handler Replace										
15	Inside Small Air Handler Replace										
16	Steam Room Generators Replace										
17	Fire Pump Rebuild										
18	Double Check Valve Assembly Rebuild										
19	<b>CLUBHOUSE INTERIOR</b>										
20	Kitchen Cabinets and Counters Replace	\$11,520.00									
21	Kitchen Aid Dishwasher Replace										
22	Wolf Gas Range Replace	\$6,500.00									
23	Wolf Exhaust Hood Replace	\$2,750.00									
24	Wolf Microwave Replace	\$1,650.00									
25	Sub-Zero Refrigerator Replace										
26	Club Furniture Allowance		\$6,267.50								
27	Club Furnishings Allowance		\$3,300.00								
28	Chandeliers Replace	\$1,800.00									
29	Window Blinds Replace						\$3,915.00				
	<b>TOTALS</b>	<b>\$40,420.00</b>	<b>\$23,067.50</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$26,985.00</b>	<b>\$0.00</b>	<b>\$1,900.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-9**

YEARS 41 - 50

**GRAYSON HILL CLUBHOUSE**

	YEAR	41	42	43	44	45	46	47	48	49	50
	CALENDAR YEAR	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
1	<b>CLUBHOUSE / SWIMMING POOL EXTERIOR</b>										
2	Faux Slate Shingle Roof						\$27,740.00				
3	Windows Replace										
4	Glazed Doors Replace						\$5,830.00				
5	Metal Picket Fence Replace										
6	Sun Shade Pergola Restore										
7	Paver Pool Deck - Restore										
8	Pool Surface - Restore				\$11,600.00						
9	Pool Joint and Coping Restore				\$1,900.00						\$1,900.00
10	Pool Skimmers Replace	\$3,000.00									
11	Outside Dual Water Fountain Replace						\$2,800.00				
12	Pool Furniture Allowance	\$10,924.00									
13	<b>MECHANICAL / ELECTRICAL EQUIPMENT</b>										
14	Inside Large Air Handler Replace										
15	Inside Small Air Handler Replace										
16	Steam Room Generators Replace	\$3,100.00									
17	Fire Pump Rebuild	\$18,000.00									
18	Double Check Valve Assembly Rebuild	\$500.00									
19	<b>CLUBHOUSE INTERIOR</b>										
20	Kitchen Cabinets and Counters Replace										
21	Kitchen Aid Dishwasher Replace	\$1,850.00									
22	Wolf Gas Range Replace										
23	Wolf Exhaust Hood Replace										
24	Wolf Microwave Replace										
25	Sub-Zero Refrigerator Replace						\$9,400.00				
26	Club Furniture Allowance				\$6,267.50						
27	Club Furnishings Allowance				\$3,300.00						
28	Chandeliers Replace										
29	Window Blinds Replace										
	<b>TOTALS</b>	\$37,374.00	\$0.00	\$0.00	\$23,067.50	\$0.00	\$45,770.00	\$0.00	\$0.00	\$0.00	\$1,900.00

All dollar amounts in this table are in current dollars.

**CASH FLOW METHOD ANALYSIS**

**CF-1**

**GRAYSON HILL CLUBHOUSE**

YEAR	1	2	3	4	5	6	7	8	9	10
CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 1,900.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 23,067.50	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$25,766.37	\$34,852.87	\$42,345.66	\$52,121.28	\$62,272.05	\$72,809.30	\$83,744.69	\$95,090.20	\$79,438.11	\$91,229.78
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$1,947.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,420.01	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$8,700.00</b>	<b>\$8,917.50</b>	<b>\$9,140.44</b>	<b>\$9,368.95</b>	<b>\$9,603.17</b>	<b>\$9,843.25</b>	<b>\$10,089.33</b>	<b>\$10,341.57</b>	<b>\$10,600.11</b>	<b>\$10,865.11</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$386.50	\$522.79	\$635.18	\$781.82	\$934.08	\$1,092.14	\$1,256.17	\$1,426.35	\$1,191.57	\$1,368.45
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$34,852.87	\$42,345.66	\$52,121.28	\$62,272.05	\$72,809.30	\$83,744.69	\$95,090.20	\$79,438.11	\$91,229.78	\$103,463.34
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$11,635.20	\$11,926.08	\$12,224.23	\$12,529.84	\$12,843.08	\$13,164.16	\$13,493.26	\$13,830.60	\$14,176.36	\$14,530.77
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$67.97	\$69.67	\$71.41	\$73.19	\$75.02	\$76.90	\$78.82	\$80.79	\$82.81	\$84.88
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:	2.50%									
ANNUAL RESERVE ACCOUNT INCOME RATE	1.50%									
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)	\$ 232,704.00									
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE	5.00%									
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 11,635.20	\$ 11,926.08	\$ 12,224.23	\$ 12,529.84	\$ 12,843.08	\$ 13,164.16	\$ 13,493.26	\$ 13,830.60	\$ 14,176.36	\$ 14,530.77

**CASH FLOW METHOD ANALYSIS**

**CF-2**

**GRAYSON HILL CLUBHOUSE**

YEAR	11	12	13	14	15	16	17	18	19	20
CALENDAR YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 37,374.00	\$ 0.00	\$ 0.00	\$ 1,900.00	\$ 0.00	\$ 3,915.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 23,067.50
<b>BEGINNING YEAR BALANCE</b>	\$103,463.34	\$68,310.14	\$80,749.95	\$93,661.73	\$104,440.53	\$118,300.01	\$127,004.62	\$141,824.89	\$157,190.34	\$173,117.23
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$47,841.88	\$0.00	\$0.00	\$2,619.17	\$0.00	\$5,670.09	\$0.00	\$0.00	\$0.00	\$36,876.86
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$11,136.74</b>	<b>\$11,415.15</b>	<b>\$11,700.53</b>	<b>\$11,993.05</b>	<b>\$12,292.87</b>	<b>\$12,600.19</b>	<b>\$12,915.20</b>	<b>\$13,238.08</b>	<b>\$13,569.03</b>	<b>\$13,908.26</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$1,551.95	\$1,024.65	\$1,211.25	\$1,404.93	\$1,566.61	\$1,774.50	\$1,905.07	\$2,127.37	\$2,357.86	\$2,596.76
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$68,310.14	\$80,749.95	\$93,661.73	\$104,440.53	\$118,300.01	\$127,004.62	\$141,824.89	\$157,190.34	\$173,117.23	\$152,745.38
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$14,894.04	\$15,266.39	\$15,648.05	\$16,039.25	\$16,440.23	\$16,851.24	\$17,272.52	\$17,704.33	\$18,146.94	\$18,600.61
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$87.01	\$89.18	\$91.41	\$93.70	\$96.04	\$98.44	\$100.90	\$103.42	\$106.01	\$108.66
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
<b>MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY</b>	\$ 14,894.04	\$ 15,266.39	\$ 15,648.05	\$ 16,039.25	\$ 16,440.23	\$ 16,851.24	\$ 17,272.52	\$ 17,704.33	\$ 18,146.94	\$ 18,600.61

**CASH FLOW METHOD ANALYSIS**

**CF-3**

**GRAYSON HILL CLUBHOUSE**

YEAR	21	22	23	24	25	26	27	28	29	30
CALENDAR YEAR	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 18,030.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 98,361.50	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$152,745.38	\$139,748.27	\$156,456.85	\$173,781.38	\$191,740.21	\$210,352.23	\$47,280.10	\$64,521.85	\$82,435.54	\$101,041.58
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$29,544.25	\$0.00	\$0.00	\$0.00	\$0.00	\$182,356.72	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$14,255.96</b>	<b>\$14,612.36</b>	<b>\$14,977.67</b>	<b>\$15,352.11</b>	<b>\$15,735.92</b>	<b>\$16,129.31</b>	<b>\$16,532.55</b>	<b>\$16,945.86</b>	<b>\$17,369.51</b>	<b>\$17,803.74</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$2,291.18	\$2,096.22	\$2,346.85	\$2,606.72	\$2,876.10	\$3,155.28	\$709.20	\$967.83	\$1,236.53	\$1,515.62
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$139,748.27	\$156,456.85	\$173,781.38	\$191,740.21	\$210,352.23	\$47,280.10	\$64,521.85	\$82,435.54	\$101,041.58	\$120,360.95
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$19,065.63	\$19,542.27	\$20,030.83	\$20,531.60	\$21,044.89	\$21,571.01	\$22,110.29	\$22,663.04	\$23,229.62	\$23,810.36
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$111.37	\$114.16	\$117.01	\$119.94	\$122.94	\$126.01	\$129.16	\$132.39	\$135.70	\$139.09
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
<b>MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY</b>	\$ 19,065.63	\$ 19,542.27	\$ 20,030.83	\$ 20,531.60	\$ 21,044.89	\$ 21,571.01	\$ 22,110.29	\$ 22,663.04	\$ 23,229.62	\$ 23,810.36

**CASH FLOW METHOD ANALYSIS**

**CF-4**

**GRAYSON HILL CLUBHOUSE**

YEAR	31	32	33	34	35	36	37	38	39	40
CALENDAR YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 40,420.00	\$ 23,067.50	\$ 0.00	\$ 0.00	\$ 0.00	\$ 26,985.00	\$ 0.00	\$ 1,900.00	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$120,360.95	\$55,631.52	\$25,575.77	\$45,132.09	\$65,461.07	\$86,586.29	\$44,491.03	\$66,321.45	\$84,271.05	\$107,769.55
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$84,783.68	\$49,595.28	\$0.00	\$0.00	\$0.00	\$64,040.94	\$0.00	\$4,737.36	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$18,248.84</b>	<b>\$18,705.06</b>	<b>\$19,172.69</b>	<b>\$19,652.00</b>	<b>\$20,143.30</b>	<b>\$20,646.89</b>	<b>\$21,163.06</b>	<b>\$21,692.13</b>	<b>\$22,234.44</b>	<b>\$22,790.30</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$1,805.41	\$834.47	\$383.64	\$676.98	\$981.92	\$1,298.79	\$667.37	\$994.82	\$1,264.07	\$1,616.54
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$55,631.52	\$25,575.77	\$45,132.09	\$65,461.07	\$86,586.29	\$44,491.03	\$66,321.45	\$84,271.05	\$107,769.55	\$132,176.39
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$24,405.62	\$25,015.76	\$25,641.15	\$26,282.18	\$26,939.24	\$27,612.72	\$28,303.03	\$29,010.61	\$29,735.88	\$30,479.27
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$142.57	\$146.13	\$149.79	\$153.53	\$157.37	\$161.30	\$165.34	\$169.47	\$173.71	\$178.05
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 24,405.62	\$ 25,015.76	\$ 25,641.15	\$ 26,282.18	\$ 26,939.24	\$ 27,612.72	\$ 28,303.03	\$ 29,010.61	\$ 29,735.88	\$ 30,479.27



**CASH FLOW METHOD ANALYSIS**

**CF-5**

**GRAYSON HILL CLUBHOUSE**

YEAR	41	42	43	44	45	46	47	48	49	50
CALENDAR YEAR	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 37,374.00	\$ 0.00	\$ 0.00	\$ 23,067.50	\$ 0.00	\$ 45,770.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,900.00
<b>BEGINNING YEAR BALANCE</b>	\$132,176.39	\$57,167.52	\$81,969.09	\$107,741.28	\$67,813.48	\$94,615.82	(\$16,580.02)	\$10,510.48	\$38,435.90	\$67,474.40
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$100,351.58	\$0.00	\$0.00	\$66,700.14	\$0.00	\$139,044.83	\$0.00	\$0.00	\$0.00	\$6,371.23
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$23,360.06</b>	<b>\$23,944.06</b>	<b>\$24,542.66</b>	<b>\$25,156.22</b>	<b>\$25,785.13</b>	<b>\$26,429.76</b>	<b>\$27,090.50</b>	<b>\$27,767.77</b>	<b>\$28,461.96</b>	<b>\$29,173.51</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$1,982.65	\$857.51	\$1,229.54	\$1,616.12	\$1,017.20	\$1,419.24	0	\$157.66	\$576.54	\$1,012.12
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$57,167.52	\$81,969.09	\$107,741.28	\$67,813.48	\$94,615.82	(\$16,580.02)	\$10,510.48	\$38,435.90	\$67,474.40	\$91,288.80
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$31,241.25	\$32,022.29	\$32,822.84	\$33,643.41	\$34,484.50	\$35,346.61	\$36,230.28	\$37,136.03	\$38,064.44	\$39,016.05
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	NO	NO	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$182.50	\$187.06	\$191.74	\$196.53	\$201.45	\$206.48	\$211.64	\$216.94	\$222.36	\$227.92
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 31,241.25	\$ 32,022.29	\$ 32,822.84	\$ 33,643.41	\$ 34,484.50	\$ 35,346.61	\$ 36,230.28	\$ 37,136.03	\$ 38,064.44	\$ 39,016.05

# *Roofing Spreadsheets*

# FINANCIAL ANALYSIS SUMMARY

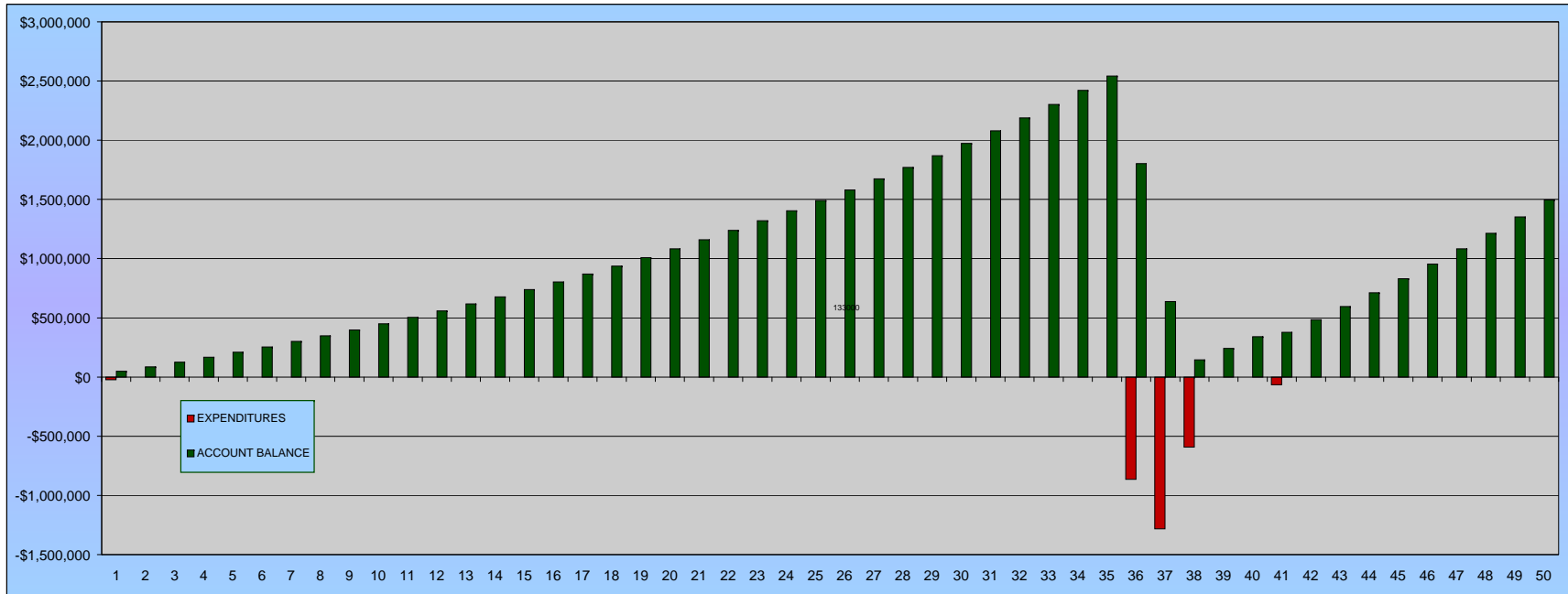
# GRAYSON HILL ROOFING

# FA

<b>Study Date:</b> January 2011 <b>Study Period Begins</b> 1-Jan 2011 <b>Fiscal Year End Date:</b> Dec. 31 2010 <b>Year in Service (Default Year):</b> 2005	<b>RESERVE FUND HEALTH ANALYSIS</b> <b>Total First Occurrence Replacement Cost</b> (Sum of all components from Component Schedule): <b>\$ 1,152,715.00</b>																														
<b>Year End Reserve Account Contribution:</b> \$9,594.00 <b>Year End Reserve Account Balance:</b> \$34,770.71 ( X ) Estimated ( ) Actual	<b>Target Annual Account Contribution (Full Funding):</b> \$ 28,817.88 <b>Expected Fund Balance:</b> \$ 116,007.13 <b>Adequacy of Reserve Account (% of Full Funding):</b> 29.97%																														
The following values have been used in the funding analysis: <b>Anticipated Annual Inflation Rate:</b> 2.50% <b>Annual Income Rate on Reserve Account:</b> 1.50%	<b>CASH FLOW METHOD ANALYSIS</b> In lieu of the Required Reserve Fund Contribution set forth by the Component Method Analysis (above), the Cash Flow Analysis, indicates that the following five (5) year funding plan can fully fund the projected expenditures. (See discussion for conditions and limitations): <b>Recommended Contribution Escalation Rate:</b> 2.50%																														
<b>Minimum Acceptable Reserve Account Balance Based on the Total First Occurrence Cost:</b> <b>5% x Total First Occurrence Cost Equals:</b> \$57,635.75 The minimum acceptable reserve account balance can alternatively be set to equal a selected amount by overriding the above value highlighted in green.	<table border="1"> <thead> <tr> <th>Year:</th> <th>2011</th> <th>Total Contribution:</th> <th>\$ 36,600.00</th> <th>Per Unit:</th> <th>\$285.94</th> </tr> </thead> <tbody> <tr> <td></td> <td>2012</td> <td></td> <td>\$ 37,515.00</td> <td></td> <td>\$293.09</td> </tr> <tr> <td></td> <td>2013</td> <td></td> <td>\$ 38,452.88</td> <td></td> <td>\$300.41</td> </tr> <tr> <td></td> <td>2014</td> <td></td> <td>\$ 39,414.20</td> <td></td> <td>\$307.92</td> </tr> <tr> <td></td> <td>2015</td> <td></td> <td>\$ 40,399.55</td> <td></td> <td>\$315.62</td> </tr> </tbody> </table>	Year:	2011	Total Contribution:	\$ 36,600.00	Per Unit:	\$285.94		2012		\$ 37,515.00		\$293.09		2013		\$ 38,452.88		\$300.41		2014		\$ 39,414.20		\$307.92		2015		\$ 40,399.55		\$315.62
Year:	2011	Total Contribution:	\$ 36,600.00	Per Unit:	\$285.94																										
	2012		\$ 37,515.00		\$293.09																										
	2013		\$ 38,452.88		\$300.41																										
	2014		\$ 39,414.20		\$307.92																										
	2015		\$ 40,399.55		\$315.62																										
<b>Number of Units in the Community:</b> 128 (Unit = Assessed Home or Lot)																															

## CASH FLOW METHOD ANALYSIS GRAPHIC SUMMARY

The graph below illustrates the results of the Cash Flow Analysis based on the above information and the information provided in the Schedule of Components. The green bars indicate the reserve account balance at the end of each fiscal year over a 50 year period. The red bars indicate the expenditures projected in each year of the 50 year period.



**SCHEDULE OF COMPONENTS**

**SC-1**

<b>GRAYSON HILL ROOFING</b>		YEAR IN SERVICE OR FIRST CYCLE YEAR	EXPECTED USEFUL LIFE YEARS	EXPECTED REPLACEMENT YEAR	REMAINING USEFUL LIFE	ESTIMATED QUANTITY	UNIT	UNIT COST	PERCENT REPLACED (%)	FIRST OCCURRENCE REPLACEMENT COST
1	<b>ASPHALT SHINGLE ROOFS</b>									
2	Hyde Lane 1009 - 1015 (GG)	2008	40	2048	37	1.00	LS	\$46,230.00	100%	\$ 46,230.00
3	Hyde Lane 1010 - 1018 (W)	2011	40	2051	40	1.00	LS	\$24,150.00	100%	\$ 24,150.00
4	Hyde Lane 1100 - 1106 (V)	2008	40	2048	37	1.00	LS	\$20,040.00	100%	\$ 20,040.00
5	Hyde Lane 1103 - 1111 (DD)	2008	40	2048	37	1.00	LS	\$47,090.00	100%	\$ 47,090.00
6	Hyde Lane 1108 - 1116 (U)	2007	40	2047	36	1.00	LS	\$24,150.00	100%	\$ 24,150.00
7	Hyde Lane 1113 - 1121 (CC)	2007	40	2047	36	1.00	LS	\$47,090.00	100%	\$ 47,090.00
8	Hyde Lane 1118 - 1128 (T)	2007	40	2047	36	1.00	LS	\$28,260.00	100%	\$ 28,260.00
9	Hyde Lane 1200 - 1208 (S)	2006	40	2046	35	1.00	LS	\$24,150.00	100%	\$ 24,150.00
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)	2007	40	2047	36	1.00	LS	\$39,080.00	100%	\$ 39,080.00
11	Hyde Lane 1209 - 1215 (L)	2007	40	2047	36	1.00	LS	\$39,080.00	100%	\$ 39,080.00
12	Hyde Lane 1210 - 1216 (R)	2006	40	2046	35	1.00	LS	\$24,150.00	100%	\$ 24,150.00
13	Hyde Lane 1217 - 1223 (K)	2006	40	2046	35	1.00	LS	\$39,080.00	100%	\$ 39,080.00
14	Hyde Lane 1225 - 1231 (J)	2006	40	2046	35	1.00	LS	\$39,080.00	100%	\$ 39,080.00
15	Hyde Lane 1233 - 1239 (I)	2006	40	2046	35	1.00	LS	\$39,080.00	100%	\$ 39,080.00
16	Belle Aire Lane 9501 - 9511 (H)	2006	40	2046	35	1.00	LS	\$56,240.00	100%	\$ 56,240.00
17	Tilbury Lane 1201 - 1207 (Y)	2007	40	2047	36	1.00	LS	\$37,940.00	100%	\$ 37,940.00
18	Tilbury Lane 1209 - 1217 (Z)	2007	40	2047	36	1.00	LS	\$47,090.00	100%	\$ 47,090.00
19	Tilbury Lane 1219 - 1229 (AA)	2007	40	2047	36	1.00	LS	\$56,240.00	100%	\$ 56,240.00
20	Tilbury Lane 1231 - 1237 (BB)	2006	40	2046	35	1.00	LS	\$37,940.00	100%	\$ 37,940.00
21	Tilbury Lane 1236 - 1244 (E)	2006	40	2046	35	1.00	LS	\$57,825.00	100%	\$ 57,825.00
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)	2006	40	2046	35	1.00	LS	\$46,230.00	100%	\$ 46,230.00
23	Nassington Court 9501 - 9507 (G)	2007	40	2047	36	1.00	LS	\$46,230.00	100%	\$ 46,230.00
24	Nassington Court 9504 - 9512 (B)	2007	40	2047	36	1.00	LS	\$57,825.00	100%	\$ 57,825.00
25	Nassington Court 9509 - 9515 (F)	2007	40	2047	36	1.00	LS	\$46,230.00	100%	\$ 46,230.00
26	Nassington Court 9514 - 9520 (C)	2008	40	2048	37	1.00	LS	\$46,230.00	100%	\$ 46,230.00
27	Nassington Court 9522 - 9530 (D)	2007	40	2047	36	1.00	LS	\$57,825.00	100%	\$ 57,825.00
28	Tatton Park Circle 9419 - 9425 (P)	2008	40	2048	37	1.00	LS	\$39,080.00	100%	\$ 39,080.00
29	Giftsgate Court 801 - 807 (Q)	2008	40	2048	37	1.00	LS	\$39,080.00	100%	\$ 39,080.00
<b>TOTAL FIRST OCCURRENCE REPLACEMENT COST</b>										<b>\$ 1,152,715.00</b>

**HISTORICAL FUNDING ANALYSIS**

**CC-1**

<b>GRAYSON HILL ROOFING</b>		<b>ANNUAL COMPONENT COST</b>	<b>EXPECTED COMPONENT FUND BALANCE</b>
1	<b>ASPHALT SHINGLE ROOFS</b>		
2	Hyde Lane 1009 - 1015 (GG)	\$ 1,155.75	\$ 3,467.25
3	Hyde Lane 1010 - 1018 (W)	\$ 603.75	\$ 0.00
4	Hyde Lane 1100 - 1106 (V)	\$ 501.00	\$ 1,503.00
5	Hyde Lane 1103 - 1111 (DD)	\$ 1,177.25	\$ 3,531.75
6	Hyde Lane 1108 - 1116 (U)	\$ 603.75	\$ 2,415.00
7	Hyde Lane 1113 - 1121 (CC)	\$ 1,177.25	\$ 4,709.00
8	Hyde Lane 1118 - 1128 (T)	\$ 706.50	\$ 2,826.00
9	Hyde Lane 1200 - 1208 (S)	\$ 603.75	\$ 3,018.75
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)	\$ 977.00	\$ 3,908.00
11	Hyde Lane 1209 - 1215 (L)	\$ 977.00	\$ 3,908.00
12	Hyde Lane 1210 - 1216 (R)	\$ 603.75	\$ 3,018.75
13	Hyde Lane 1217 - 1223 (K)	\$ 977.00	\$ 4,885.00
14	Hyde Lane 1225 - 1231 (J)	\$ 977.00	\$ 4,885.00
15	Hyde Lane 1233 - 1239 (I)	\$ 977.00	\$ 4,885.00
16	Belle Aire Lane 9501 - 9511 (H)	\$ 1,406.00	\$ 7,030.00
17	Tilbury Lane 1201 - 1207 (Y)	\$ 948.50	\$ 3,794.00
18	Tilbury Lane 1209 - 1217 (Z)	\$ 1,177.25	\$ 4,709.00
19	Tilbury Lane 1219 - 1229 (AA)	\$ 1,406.00	\$ 5,624.00
20	Tilbury Lane 1231 - 1237 (BB)	\$ 948.50	\$ 4,742.50
21	Tilbury Lane 1236 - 1244 (E)	\$ 1,445.63	\$ 7,228.13
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)	\$ 1,155.75	\$ 5,778.75
23	Nassington Court 9501 - 9507 (G)	\$ 1,155.75	\$ 4,623.00
24	Nassington Court 9504 - 9512 (B)	\$ 1,445.63	\$ 5,782.50
25	Nassington Court 9509 - 9515 (F)	\$ 1,155.75	\$ 4,623.00
26	Nassington Court 9514 - 9520 (C)	\$ 1,155.75	\$ 3,467.25
27	Nassington Court 9522 - 9530 (D)	\$ 1,445.63	\$ 5,782.50
28	Tatton Park Circle 9419 - 9425 (P)	\$ 977.00	\$ 2,931.00
29	Kiftsgate Court 801 - 807 (Q)	\$ 977.00	\$ 2,931.00
	<b>TARGET ANNUAL CONTRIBUTION</b>	\$ 28,817.88	
	<b>EXPECTED FUND BALANCE (FULL FUNDING)</b>		\$ 116,007.13

**EXPENDITURE RECURRENCE TABLES**

**ER-1**  
YEARS 1 - 10

**GRAYSON HILL ROOFING**

	YEAR	1	2	3	4	5	6	7	8	9	10
	CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	ASPHALT SHINGLE ROOFS										
2	Hyde Lane 1009 - 1015 (GG)										
3	Hyde Lane 1010 - 1018 (W)										
4	Hyde Lane 1100 - 1106 (V)										
5	Hyde Lane 1103 - 1111 (DD)										
6	Hyde Lane 1108 - 1116 (U)										
7	Hyde Lane 1113 - 1121 (CC)										
8	Hyde Lane 1118 - 1128 (T)										
9	Hyde Lane 1200 - 1208 (S)										
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)										
11	Hyde Lane 1209 - 1215 (L)										
12	Hyde Lane 1210 - 1216 (R)										
13	Hyde Lane 1217 - 1223 (K)										
14	Hyde Lane 1225 - 1231 (J)										
15	Hyde Lane 1233 - 1239 (I)										
16	Belle Aire Lane 9501 - 9511 (H)										
17	Tilbury Lane 1201 - 1207 (Y)										
18	Tilbury Lane 1209 - 1217 (Z)										
19	Tilbury Lane 1219 - 1229 (AA)										
20	Tilbury Lane 1231 - 1237 (BB)										
21	Tilbury Lane 1236 - 1244 (E)										
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)										
23	Nassington Court 9501 - 9507 (G)										
24	Nassington Court 9504 - 9512 (B)										
25	Nassington Court 9509 - 9515 (F)										
26	Nassington Court 9514 - 9520 (C)										
27	Nassington Court 9522 - 9530 (D)										
28	Tatton Park Circle 9419 - 9425 (P)										
29	Kiftsgate Court 801 - 807 (Q)										
	<b>TOTALS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-2**

YEARS 11 - 20

**GRAYSON HILL ROOFING**

	YEAR	11	12	13	14	15	16	17	18	19	20
	CALENDAR YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1	ASPHALT SHINGLE ROOFS										
2	Hyde Lane 1009 - 1015 (GG)										
3	Hyde Lane 1010 - 1018 (W)										
4	Hyde Lane 1100 - 1106 (V)										
5	Hyde Lane 1103 - 1111 (DD)										
6	Hyde Lane 1108 - 1116 (U)										
7	Hyde Lane 1113 - 1121 (CC)										
8	Hyde Lane 1118 - 1128 (T)										
9	Hyde Lane 1200 - 1208 (S)										
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)										
11	Hyde Lane 1209 - 1215 (L)										
12	Hyde Lane 1210 - 1216 (R)										
13	Hyde Lane 1217 - 1223 (K)										
14	Hyde Lane 1225 - 1231 (J)										
15	Hyde Lane 1233 - 1239 (I)										
16	Belle Aire Lane 9501 - 9511 (H)										
17	Tilbury Lane 1201 - 1207 (Y)										
18	Tilbury Lane 1209 - 1217 (Z)										
19	Tilbury Lane 1219 - 1229 (AA)										
20	Tilbury Lane 1231 - 1237 (BB)										
21	Tilbury Lane 1236 - 1244 (E)										
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)										
23	Nassington Court 9501 - 9507 (G)										
24	Nassington Court 9504 - 9512 (B)										
25	Nassington Court 9509 - 9515 (F)										
26	Nassington Court 9514 - 9520 (C)										
27	Nassington Court 9522 - 9530 (D)										
28	Tatton Park Circle 9419 - 9425 (P)										
29	Kitfgate Court 801 - 807 (Q)										
	TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-3**

YEARS 21 - 30

**GRAYSON HILL ROOFING**

	<b>YEAR</b>	21	22	23	24	25	26	27	28	29	30
	<b>CALENDAR YEAR</b>	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	ASPHALT SHINGLE ROOFS										
2	Hyde Lane 1009 - 1015 (GG)										
3	Hyde Lane 1010 - 1018 (W)										
4	Hyde Lane 1100 - 1106 (V)										
5	Hyde Lane 1103 - 1111 (DD)										
6	Hyde Lane 1108 - 1116 (U)										
7	Hyde Lane 1113 - 1121 (CC)										
8	Hyde Lane 1118 - 1128 (T)										
9	Hyde Lane 1200 - 1208 (S)										
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)										
11	Hyde Lane 1209 - 1215 (L)										
12	Hyde Lane 1210 - 1216 (R)										
13	Hyde Lane 1217 - 1223 (K)										
14	Hyde Lane 1225 - 1231 (J)										
15	Hyde Lane 1233 - 1239 (I)										
16	Belle Aire Lane 9501 - 9511 (H)										
17	Tilbury Lane 1201 - 1207 (Y)										
18	Tilbury Lane 1209 - 1217 (Z)										
19	Tilbury Lane 1219 - 1229 (AA)										
20	Tilbury Lane 1231 - 1237 (BB)										
21	Tilbury Lane 1236 - 1244 (E)										
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)										
23	Nassington Court 9501 - 9507 (G)										
24	Nassington Court 9504 - 9512 (B)										
25	Nassington Court 9509 - 9515 (F)										
26	Nassington Court 9514 - 9520 (C)										
27	Nassington Court 9522 - 9530 (D)										
28	Tatton Park Circle 9419 - 9425 (P)										
29	Kitfsgate Court 801 - 807 (Q)										
	<b>TOTALS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

All dollar amounts in this table are in current dollars.



**EXPENDITURE RECURRENCE TABLES**

**ER-4**  
YEARS 31 - 40

**GRAYSON HILL ROOFING**

	YEAR	31	32	33	34	35	36	37	38	39	40
	CALENDAR YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
1	ASPHALT SHINGLE ROOFS										
2	Hyde Lane 1009 - 1015 (GG)								\$46,230.00		
3	Hyde Lane 1010 - 1018 (W)										
4	Hyde Lane 1100 - 1106 (V)								\$20,040.00		
5	Hyde Lane 1103 - 1111 (DD)								\$47,090.00		
6	Hyde Lane 1108 - 1116 (U)							\$24,150.00			
7	Hyde Lane 1113 - 1121 (CC)							\$47,090.00			
8	Hyde Lane 1118 - 1128 (T)							\$28,260.00			
9	Hyde Lane 1200 - 1208 (S)						\$24,150.00				
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)							\$39,080.00			
11	Hyde Lane 1209 - 1215 (L)							\$39,080.00			
12	Hyde Lane 1210 - 1216 (R)						\$24,150.00				
13	Hyde Lane 1217 - 1223 (K)						\$39,080.00				
14	Hyde Lane 1225 - 1231 (J)						\$39,080.00				
15	Hyde Lane 1233 - 1239 (I)						\$39,080.00				
16	Belle Aire Lane 9501 - 9511 (H)						\$56,240.00				
17	Tilbury Lane 1201 - 1207 (Y)							\$37,940.00			
18	Tilbury Lane 1209 - 1217 (Z)							\$47,090.00			
19	Tilbury Lane 1219 - 1229 (AA)							\$56,240.00			
20	Tilbury Lane 1231 - 1237 (BB)						\$37,940.00				
21	Tilbury Lane 1236 - 1244 (E)						\$57,825.00				
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)						\$46,230.00				
23	Nassington Court 9501 - 9507 (G)							\$46,230.00			
24	Nassington Court 9504 - 9512 (B)							\$57,825.00			
25	Nassington Court 9509 - 9515 (F)							\$46,230.00			
26	Nassington Court 9514 - 9520 (C)								\$46,230.00		
27	Nassington Court 9522 - 9530 (D)							\$57,825.00			
28	Tatton Park Circle 9419 - 9425 (P)								\$39,080.00		
29	Kiftsgate Court 801 - 807 (Q)								\$39,080.00		
<b>TOTALS</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$363,775.00</b>	<b>\$527,040.00</b>	<b>\$237,750.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-5**

YEARS 41 - 50

**GRAYSON HILL ROOFING**

	YEAR	41	42	43	44	45	46	47	48	49	50
	CALENDAR YEAR	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
1	ASPHALT SHINGLE ROOFS										
2	Hyde Lane 1009 - 1015 (GG)										
3	Hyde Lane 1010 - 1018 (W)	\$24,150.00									
4	Hyde Lane 1100 - 1106 (V)										
5	Hyde Lane 1103 - 1111 (DD)										
6	Hyde Lane 1108 - 1116 (U)										
7	Hyde Lane 1113 - 1121 (CC)										
8	Hyde Lane 1118 - 1128 (T)										
9	Hyde Lane 1200 - 1208 (S)										
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)										
11	Hyde Lane 1209 - 1215 (L)										
12	Hyde Lane 1210 - 1216 (R)										
13	Hyde Lane 1217 - 1223 (K)										
14	Hyde Lane 1225 - 1231 (J)										
15	Hyde Lane 1233 - 1239 (I)										
16	Belle Aire Lane 9501 - 9511 (H)										
17	Tilbury Lane 1201 - 1207 (Y)										
18	Tilbury Lane 1209 - 1217 (Z)										
19	Tilbury Lane 1219 - 1229 (AA)										
20	Tilbury Lane 1231 - 1237 (BB)										
21	Tilbury Lane 1236 - 1244 (E)										
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)										
23	Nassington Court 9501 - 9507 (G)										
24	Nassington Court 9504 - 9512 (B)										
25	Nassington Court 9509 - 9515 (F)										
26	Nassington Court 9514 - 9520 (C)										
27	Nassington Court 9522 - 9530 (D)										
28	Tatton Park Circle 9419 - 9425 (P)										
29	Kiftsgate Court 801 - 807 (Q)										
	<b>TOTALS</b>	\$24,150.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

All dollar amounts in this table are in current dollars.

**CASH FLOW METHOD ANALYSIS**

**CF-1**

**GRAYSON HILL ROOFING**

YEAR	1	2	3	4	5	6	7	8	9	10
CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$34,770.71	\$58,792.27	\$83,761.65	\$109,707.77	\$136,660.31	\$164,649.82	\$193,707.66	\$223,866.07	\$255,158.18	\$287,618.02
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$23,500.00</b>	<b>\$24,087.50</b>	<b>\$24,689.69</b>	<b>\$25,306.93</b>	<b>\$25,939.60</b>	<b>\$26,588.09</b>	<b>\$27,252.80</b>	<b>\$27,934.12</b>	<b>\$28,632.47</b>	<b>\$29,348.28</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$521.56	\$881.88	\$1,256.42	\$1,645.62	\$2,049.90	\$2,469.75	\$2,905.61	\$3,357.99	\$3,827.37	\$4,314.27
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$58,792.27	\$83,761.65	\$109,707.77	\$136,660.31	\$164,649.82	\$193,707.66	\$223,866.07	\$255,158.18	\$287,618.02	\$321,280.57
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$57,635.75	\$59,076.64	\$60,553.56	\$62,067.40	\$63,619.08	\$65,209.56	\$66,839.80	\$68,510.79	\$70,223.56	\$71,979.15
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$183.59	\$188.18	\$192.89	\$197.71	\$202.65	\$207.72	\$212.91	\$218.24	\$223.69	\$229.28
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:	2.50%									
ANNUAL RESERVE ACCOUNT INCOME RATE	1.50%									
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)	\$ 1,152,715.00									
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE	5.00%									
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 57,635.75	\$ 59,076.64	\$ 60,553.56	\$ 62,067.40	\$ 63,619.08	\$ 65,209.56	\$ 66,839.80	\$ 68,510.79	\$ 70,223.56	\$ 71,979.15

CASH FLOW METHOD ANALYSIS

CF-2

GRAYSON HILL ROOFING

YEAR	11	12	13	14	15	16	17	18	19	20
CALENDAR YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$321,280.57	\$356,181.76	\$392,358.53	\$429,848.79	\$468,691.53	\$508,926.79	\$550,595.70	\$593,740.52	\$638,404.65	\$684,632.70
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	\$30,081.99	\$30,834.04	\$31,604.89	\$32,395.01	\$33,204.88	\$34,035.01	\$34,885.88	\$35,758.03	\$36,651.98	\$37,568.28
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$4,819.21	\$5,342.73	\$5,885.38	\$6,447.73	\$7,030.37	\$7,633.90	\$8,258.94	\$8,906.11	\$9,576.07	\$10,269.49
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$356,181.76	\$392,358.53	\$429,848.79	\$468,691.53	\$508,926.79	\$550,595.70	\$593,740.52	\$638,404.65	\$684,632.70	\$732,470.47
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$73,778.63	\$75,623.10	\$77,513.68	\$79,451.52	\$81,437.81	\$83,473.75	\$85,560.59	\$87,699.61	\$89,892.10	\$92,139.40
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$235.02	\$240.89	\$246.91	\$253.09	\$259.41	\$265.90	\$272.55	\$279.36	\$286.34	\$293.50
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
<b>MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY</b>	\$ 73,778.63	\$ 75,623.10	\$ 77,513.68	\$ 79,451.52	\$ 81,437.81	\$ 83,473.75	\$ 85,560.59	\$ 87,699.61	\$ 89,892.10	\$ 92,139.40

CASH FLOW METHOD ANALYSIS

GRAYSON HILL ROOFING

YEAR	21	22	23	24	25	26	27	28	29	30
CALENDAR YEAR	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$732,470.47	\$781,965.02	\$833,164.67	\$886,119.06	\$940,879.20	\$997,497.45	\$1,056,027.60	\$1,116,524.89	\$1,179,046.06	\$1,243,649.39
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	\$38,507.49	\$39,470.17	\$40,456.93	\$41,468.35	\$42,505.06	\$43,567.69	\$44,656.88	\$45,773.30	\$46,917.63	\$48,090.57
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$10,987.06	\$11,729.48	\$12,497.47	\$13,291.79	\$14,113.19	\$14,962.46	\$15,840.41	\$16,747.87	\$17,685.69	\$18,654.74
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$781,965.02	\$833,164.67	\$886,119.06	\$940,879.20	\$997,497.45	\$1,056,027.60	\$1,116,524.89	\$1,179,046.06	\$1,243,649.39	\$1,310,394.70
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$94,442.89	\$96,803.96	\$99,224.06	\$101,704.66	\$104,247.28	\$106,853.46	\$109,524.80	\$112,262.91	\$115,069.49	\$117,946.22
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$300.84	\$308.36	\$316.07	\$323.97	\$332.07	\$340.37	\$348.88	\$357.60	\$366.54	\$375.71
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 94,442.89	\$ 96,803.96	\$ 99,224.06	\$ 101,704.66	\$ 104,247.28	\$ 106,853.46	\$ 109,524.80	\$ 112,262.91	\$ 115,069.49	\$ 117,946.22

**CASH FLOW METHOD ANALYSIS**

**CF-4**

**GRAYSON HILL ROOFING**

YEAR	31	32	33	34	35	36	37	38	39	40
CALENDAR YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 363,775.00	\$ 527,040.00	\$ 237,750.00	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$1,310,394.70	\$1,379,343.46	\$1,450,558.77	\$1,524,105.44	\$1,600,050.02	\$1,678,460.84	\$896,095.36	(\$315,342.05)	(\$849,542.01)	(\$789,483.47)
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$863,312.72	\$1,282,043.41	\$592,793.65	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	\$49,292.84	\$50,525.16	\$51,788.29	\$53,083.00	\$54,410.07	\$55,770.32	\$57,164.58	\$58,593.69	\$60,058.54	\$61,560.00
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$19,655.92	\$20,690.15	\$21,758.38	\$22,861.58	\$24,000.75	\$25,176.91	\$13,441.43	0	0	0
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$1,379,343.46	\$1,450,558.77	\$1,524,105.44	\$1,600,050.02	\$1,678,460.84	\$896,095.36	(\$315,342.05)	(\$849,542.01)	(\$789,483.47)	(\$727,923.47)
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$120,894.88	\$123,917.25	\$127,015.18	\$130,190.56	\$133,445.33	\$136,781.46	\$140,201.00	\$143,706.02	\$147,298.67	\$150,981.14
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$385.10	\$394.73	\$404.60	\$414.71	\$425.08	\$435.71	\$446.60	\$457.76	\$469.21	\$480.94
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 120,894.88	\$ 123,917.25	\$ 127,015.18	\$ 130,190.56	\$ 133,445.33	\$ 136,781.46	\$ 140,201.00	\$ 143,706.02	\$ 147,298.67	\$ 150,981.14

CASH FLOW METHOD ANALYSIS

GRAYSON HILL ROOFING

YEAR	41	42	43	44	45	46	47	48	49	50
CALENDAR YEAR	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 24,150.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	(\$727,923.47)	(\$729,668.76)	(\$664,992.28)	(\$598,698.90)	(\$530,748.18)	(\$461,098.69)	(\$389,707.96)	(\$316,532.46)	(\$241,527.58)	(\$164,647.58)
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$64,844.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	\$63,099.00	\$64,676.48	\$66,293.39	\$67,950.72	\$69,649.49	\$71,390.73	\$73,175.50	\$75,004.88	\$76,880.00	\$78,802.00
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	0	0	0	0	0	0	0	0	0	0
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	(\$729,668.76)	(\$664,992.28)	(\$598,698.90)	(\$530,748.18)	(\$461,098.69)	(\$389,707.96)	(\$316,532.46)	(\$241,527.58)	(\$164,647.58)	(\$85,845.57)
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$154,755.67	\$158,624.56	\$162,590.17	\$166,654.93	\$170,821.30	\$175,091.83	\$179,469.13	\$183,955.86	\$188,554.75	\$193,268.62
<b>FUNDING OBJECTIVE MET?</b>	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$492.96	\$505.28	\$517.92	\$530.87	\$544.14	\$557.74	\$571.68	\$585.98	\$600.63	\$615.64
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 154,755.67	\$ 158,624.56	\$ 162,590.17	\$ 166,654.93	\$ 170,821.30	\$ 175,091.83	\$ 179,469.13	\$ 183,955.86	\$ 188,554.75	\$ 193,268.62

# *Painting Spreadsheets*



# FINANCIAL ANALYSIS SUMMARY

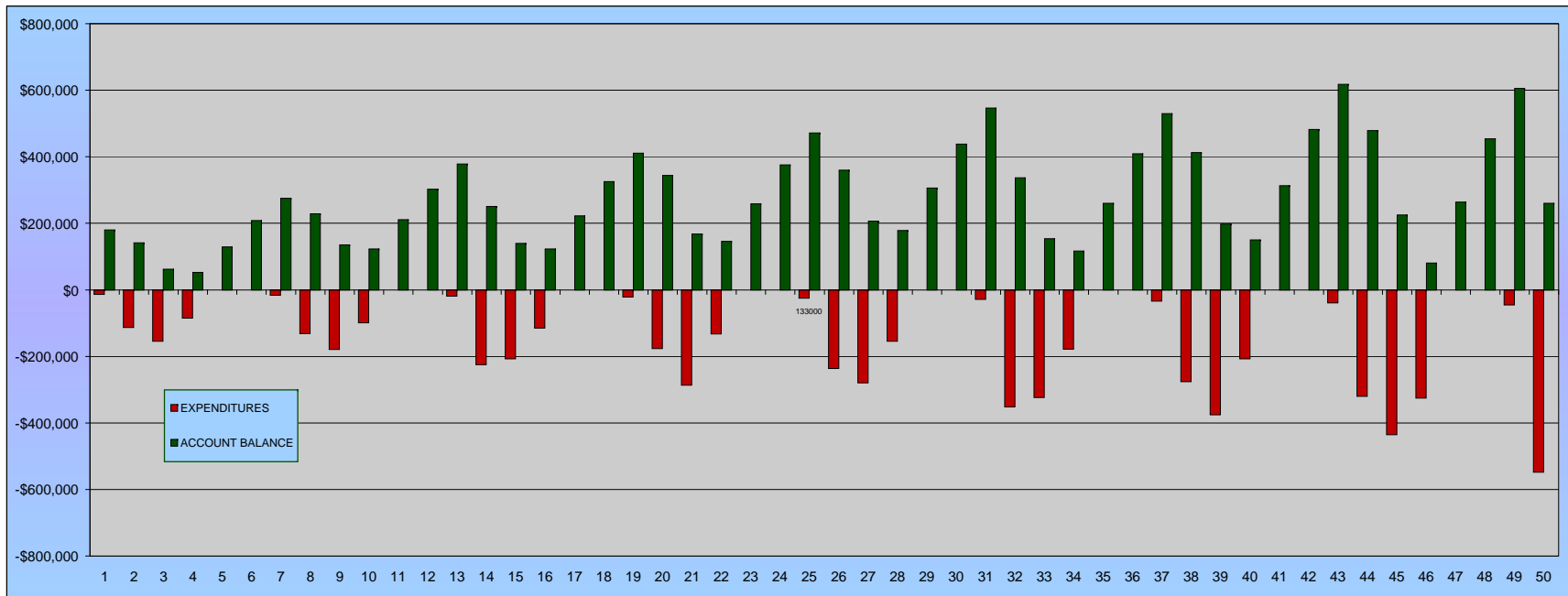
# GRAYSON HILL PAINTING

# FA

<b>Study Date:</b> January 2011 <b>Study Period Begins</b> 1-Jan 2011 <b>Fiscal Year End Date:</b> Dec. 31 2010 <b>Year in Service (Default Year):</b> 2005	<b>RESERVE FUND HEALTH ANALYSIS</b> <b>Total First Occurrence Replacement Cost</b> (Sum of all components from Component Schedule): \$ 448,214.00																														
<b>Year End Reserve Account Contribution:</b> \$33,948.00 <b>Year End Reserve Account Balance:</b> \$122,459.02 ( X ) Estimated ( ) Actual	<b>Target Annual Account Contribution (Full Funding):</b> \$ 63,042.17 <b>Expected Fund Balance:</b> \$ 252,838.03 <b>Adequacy of Reserve Account (% of Full Funding):</b> 48.43%																														
The following values have been used in the funding analysis: <b>Anticipated Annual Inflation Rate:</b> 2.50% <b>Annual Income Rate on Reserve Account:</b> 1.50%	<b>CASH FLOW METHOD ANALYSIS</b> In lieu of the Required Reserve Fund Contribution set forth by the Component Method Analysis (above), the Cash Flow Analysis, indicates that the following five (5) year funding plan can fully fund the projected expenditures. (See discussion for conditions and limitations): <b>Recommended Contribution Escalation Rate:</b> 2.10%																														
<b>Minimum Acceptable Reserve Account Balance Based on the Total First Occurrence Cost:</b> 5% x Total First Occurrence Cost Equals: \$22,410.70 The minimum acceptable reserve account balance can alternatively be set to equal a selected amount by overriding the above value highlighted in green.	<table border="1"> <thead> <tr> <th>Year:</th> <th>2011</th> <th>Total Contribution:</th> <th>\$ 70,000.00</th> <th>Per Unit:</th> <th>\$546.88</th> </tr> </thead> <tbody> <tr> <td></td> <td>2012</td> <td></td> <td>\$ 71,470.00</td> <td></td> <td>\$558.36</td> </tr> <tr> <td></td> <td>2013</td> <td></td> <td>\$ 72,970.87</td> <td></td> <td>\$570.08</td> </tr> <tr> <td></td> <td>2014</td> <td></td> <td>\$ 74,503.26</td> <td></td> <td>\$582.06</td> </tr> <tr> <td></td> <td>2015</td> <td></td> <td>\$ 76,067.83</td> <td></td> <td>\$594.28</td> </tr> </tbody> </table>	Year:	2011	Total Contribution:	\$ 70,000.00	Per Unit:	\$546.88		2012		\$ 71,470.00		\$558.36		2013		\$ 72,970.87		\$570.08		2014		\$ 74,503.26		\$582.06		2015		\$ 76,067.83		\$594.28
Year:	2011	Total Contribution:	\$ 70,000.00	Per Unit:	\$546.88																										
	2012		\$ 71,470.00		\$558.36																										
	2013		\$ 72,970.87		\$570.08																										
	2014		\$ 74,503.26		\$582.06																										
	2015		\$ 76,067.83		\$594.28																										
<b>Number of Units in the Community:</b> 128 (Unit = Assessed Home or Lot)																															

## CASH FLOW METHOD ANALYSIS GRAPHIC SUMMARY

The graph below illustrates the results of the Cash Flow Analysis based on the above information and the information provided in the Schedule of Components. The green bars indicate the reserve account balance at the end of each fiscal year over a 50 year period. The red bars indicate the expenditures projected in each year of the 50 year period.





# HISTORICAL FUNDING ANALYSIS

CC-1

	GRAYSON HILL PAINTING	ANNUAL COMPONENT COST	EXPECTED COMPONENT FUND BALANCE
1	PAINTING		
2	Hyde Lane 1009 - 1015 (GG)	\$ 3,078.00	\$ 9,234.00
3	Hyde Lane 1010 - 1018 (W)	\$ 2,299.33	\$ 0.00
4	Hyde Lane 1100 - 1106 (V)	\$ 1,492.00	\$ 4,476.00
5	Hyde Lane 1103 - 1111 (DD)	\$ 2,252.67	\$ 6,758.00
6	Hyde Lane 1108 - 1116 (U)	\$ 1,781.75	\$ 7,127.00
7	Hyde Lane 1113 - 1121 (CC)	\$ 1,806.50	\$ 7,226.00
8	Hyde Lane 1118 - 1128 (T)	\$ 1,878.00	\$ 7,512.00
9	Hyde Lane 1200 - 1208 (S)	\$ 1,884.75	\$ 9,423.75
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)	\$ 1,413.67	\$ 5,654.67
11	Hyde Lane 1209 - 1215 (L)	\$ 1,413.67	\$ 5,654.67
12	Hyde Lane 1210 - 1216 (R)	\$ 1,981.17	\$ 9,905.83
13	Hyde Lane 1217 - 1223 (K)	\$ 3,030.50	\$ 15,152.50
14	Hyde Lane 1225 - 1231 (J)	\$ 1,413.67	\$ 7,068.33
15	Hyde Lane 1233 - 1239 (I)	\$ 1,463.00	\$ 7,315.00
16	Belle Aire Lane 9501 - 9511 (H)	\$ 2,202.83	\$ 11,014.17
17	Tilbury Lane 1201 - 1207 (Y)	\$ 1,946.00	\$ 7,784.00
18	Tilbury Lane 1209 - 1217 (Z)	\$ 1,957.00	\$ 7,828.00
19	Tilbury Lane 1219 - 1229 (AA)	\$ 2,926.25	\$ 11,705.00
20	Tilbury Lane 1231 - 1237 (BB)	\$ 1,821.42	\$ 9,107.08
21	Tilbury Lane 1236 - 1244 (E)	\$ 2,708.00	\$ 13,540.00
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)	\$ 1,933.33	\$ 9,666.67
23	Nassington Court 9501 - 9507 (G)	\$ 2,092.17	\$ 8,368.67
24	Nassington Court 9504 - 9512 (B)	\$ 2,589.33	\$ 10,357.33
25	Nassington Court 9509 - 9515 (F)	\$ 2,050.00	\$ 8,200.00
26	Nassington Court 9514 - 9520 (C)	\$ 1,921.00	\$ 5,763.00
27	Nassington Court 9522 - 9530 (D)	\$ 2,646.17	\$ 10,584.67
28	Tatton Park Circle 9419 - 9425 (P)	\$ 1,413.67	\$ 4,241.00
29	Kiftsgate Court 801 - 807 (Q)	\$ 3,030.50	\$ 9,091.50
30	WINDOW SHUTTERS REPLACE		
31	Model A Houses	\$ 1,494.17	\$ 7,470.83
32	Model B Houses	\$ 944.17	\$ 4,720.83
33	Model C Houses	\$ 495.00	\$ 2,475.00
34	Model D Houses	\$ 0.00	\$ 0.00
35	EXTERIOR DOORS		
36	Front Door Replacement Allowance	\$ 163.84	\$ 819.20
37	Rear Patio Door Replacement Allowance	\$ 960.00	\$ 4,800.00
38	8' Garage Door Replacement Allowance	\$ 158.67	\$ 793.33
39	16' Garage Door Replacement Allowance	\$ 400.00	\$ 2,000.00
	<b>TARGET ANNUAL CONTRIBUTION</b>	\$ 63,042.17	
	<b>EXPECTED FUND BALANCE (FULL FUNDING)</b>		\$ 252,838.03

**EXPENDITURE RECURRENCE TABLES**

**ER-1**

YEARS 1 - 10

**GRAYSON HILL PAINTING**

	YEAR	1	2	3	4	5	6	7	8	9	10
	CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	PAINTING										
2	Hyde Lane 1009 - 1015 (GG)				\$18,468.00						\$18,468.00
3	Hyde Lane 1010 - 1018 (W)							\$13,796.00			
4	Hyde Lane 1100 - 1106 (V)				\$8,952.00						\$8,952.00
5	Hyde Lane 1103 - 1111 (DD)				\$13,516.00						\$13,516.00
6	Hyde Lane 1108 - 1116 (U)			\$10,690.50						\$10,690.50	
7	Hyde Lane 1113 - 1121 (CC)			\$10,839.00						\$10,839.00	
8	Hyde Lane 1118 - 1128 (T)			\$11,268.00						\$11,268.00	
9	Hyde Lane 1200 - 1208 (S)		\$11,308.50					\$11,308.50			
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)			\$8,482.00						\$8,482.00	
11	Hyde Lane 1209 - 1215 (L)			\$8,482.00						\$8,482.00	
12	Hyde Lane 1210 - 1216 (R)		\$11,887.00					\$11,887.00			
13	Hyde Lane 1217 - 1223 (K)		\$18,183.00					\$18,183.00			
14	Hyde Lane 1225 - 1231 (J)		\$8,482.00					\$8,482.00			
15	Hyde Lane 1233 - 1239 (I)		\$8,778.00					\$8,778.00			
16	Belle Aire Lane 9501 - 9511 (H)		\$13,217.00					\$13,217.00			
17	Tilbury Lane 1201 - 1207 (Y)			\$11,676.00						\$11,676.00	
18	Tilbury Lane 1209 - 1217 (Z)			\$11,742.00						\$11,742.00	
19	Tilbury Lane 1219 - 1229 (AA)			\$17,557.50						\$17,557.50	
20	Tilbury Lane 1231 - 1237 (BB)		\$10,928.50					\$10,928.50			
21	Tilbury Lane 1236 - 1244 (E)		\$16,248.00					\$16,248.00			
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)		\$11,600.00					\$11,600.00			
23	Nassington Court 9501 - 9507 (G)			\$12,553.00						\$12,553.00	
24	Nassington Court 9504 - 9512 (B)			\$15,536.00						\$15,536.00	
25	Nassington Court 9509 - 9515 (F)			\$12,300.00						\$12,300.00	
26	Nassington Court 9514 - 9520 (C)				\$11,526.00						\$11,526.00
27	Nassington Court 9522 - 9530 (D)			\$15,877.00						\$15,877.00	
28	Tatton Park Circle 9419 - 9425 (P)				\$8,482.00						\$8,482.00
29	Kiftsgate Court 801 - 807 (Q)				\$18,183.00						\$18,183.00
30	WINDOW SHUTTERS REPLACE										
31	Model A Houses										
32	Model B Houses										
33	Model C Houses										
34	Model D Houses										
35	EXTERIOR DOORS										
36	Front Door Replacement Allowance										
37	Rear Patio Door Replacement Allowance										
38	8' Garage Door Replacement Allowance										
39	16' Garage Door Replacement Allowance										
	TOTALS	\$0.00	\$110,632.00	\$147,003.00	\$79,127.00	\$0.00	\$0.00	\$13,796.00	\$110,632.00	\$147,003.00	\$79,127.00

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-2**

YEARS 11 - 20

**GRAYSON HILL PAINTING**

	YEAR	11	12	13	14	15	16	17	18	19	20
	CALENDAR YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1	PAINTING										
2	Hyde Lane 1009 - 1015 (GG)						\$18,468.00				
3	Hyde Lane 1010 - 1018 (W)			\$13,796.00						\$13,796.00	
4	Hyde Lane 1100 - 1106 (V)						\$8,952.00				
5	Hyde Lane 1103 - 1111 (DD)						\$13,516.00				
6	Hyde Lane 1108 - 1116 (U)					\$10,690.50					
7	Hyde Lane 1113 - 1121 (CC)					\$10,839.00					
8	Hyde Lane 1118 - 1128 (T)					\$11,268.00					
9	Hyde Lane 1200 - 1208 (S)				\$11,308.50						\$11,308.50
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)					\$8,482.00					
11	Hyde Lane 1209 - 1215 (L)					\$8,482.00					
12	Hyde Lane 1210 - 1216 (R)				\$11,887.00						\$11,887.00
13	Hyde Lane 1217 - 1223 (K)				\$18,183.00						\$18,183.00
14	Hyde Lane 1225 - 1231 (J)				\$8,482.00						\$8,482.00
15	Hyde Lane 1233 - 1239 (I)				\$8,778.00						\$8,778.00
16	Belle Aire Lane 9501 - 9511 (H)				\$13,217.00						\$13,217.00
17	Tilbury Lane 1201 - 1207 (Y)					\$11,676.00					
18	Tilbury Lane 1209 - 1217 (Z)					\$11,742.00					
19	Tilbury Lane 1219 - 1229 (AA)					\$17,557.50					
20	Tilbury Lane 1231 - 1237 (BB)				\$10,928.50						\$10,928.50
21	Tilbury Lane 1236 - 1244 (E)				\$16,248.00						\$16,248.00
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)				\$11,600.00						\$11,600.00
23	Nassington Court 9501 - 9507 (G)					\$12,553.00					
24	Nassington Court 9504 - 9512 (B)					\$15,536.00					
25	Nassington Court 9509 - 9515 (F)					\$12,300.00					
26	Nassington Court 9514 - 9520 (C)						\$11,526.00				
27	Nassington Court 9522 - 9530 (D)					\$15,877.00					
28	Tatton Park Circle 9419 - 9425 (P)						\$8,482.00				
29	Kiftsgate Court 801 - 807 (Q)						\$18,183.00				
30	WINDOW SHUTTERS REPLACE										
31	Model A Houses				\$26,895.00						
32	Model B Houses				\$16,995.00						
33	Model C Houses				\$8,910.00						
34	Model D Houses				\$0.00						
35	EXTERIOR DOORS										
36	Front Door Replacement Allowance										
37	Rear Patio Door Replacement Allowance										
38	8' Garage Door Replacement Allowance										
39	16' Garage Door Replacement Allowance										
	TOTALS	\$0.00	\$0.00	\$13,796.00	\$163,432.00	\$147,003.00	\$79,127.00	\$0.00	\$0.00	\$13,796.00	\$110,632.00

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-3**

YEARS 21 - 30

**GRAYSON HILL PAINTING**

	<b>YEAR</b>	21	22	23	24	25	26	27	28	29	30
	<b>CALENDAR YEAR</b>	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
1	<b>PAINTING</b>										
2	Hyde Lane 1009 - 1015 (GG)		\$18,468.00						\$18,468.00		
3	Hyde Lane 1010 - 1018 (W)					\$13,796.00					
4	Hyde Lane 1100 - 1106 (V)		\$8,952.00						\$8,952.00		
5	Hyde Lane 1103 - 1111 (DD)		\$13,516.00						\$13,516.00		
6	Hyde Lane 1108 - 1116 (U)	\$10,690.50						\$10,690.50			
7	Hyde Lane 1113 - 1121 (CC)	\$10,839.00						\$10,839.00			
8	Hyde Lane 1118 - 1128 (T)	\$11,268.00						\$11,268.00			
9	Hyde Lane 1200 - 1208 (S)						\$11,308.50				
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)	\$8,482.00						\$8,482.00			
11	Hyde Lane 1209 - 1215 (L)	\$8,482.00						\$8,482.00			
12	Hyde Lane 1210 - 1216 (R)						\$11,887.00				
13	Hyde Lane 1217 - 1223 (K)						\$18,183.00				
14	Hyde Lane 1225 - 1231 (J)						\$8,482.00				
15	Hyde Lane 1233 - 1239 (I)						\$8,778.00				
16	Belle Aire Lane 9501 - 9511 (H)						\$13,217.00				
17	Tilbury Lane 1201 - 1207 (Y)	\$11,676.00						\$11,676.00			
18	Tilbury Lane 1209 - 1217 (Z)	\$11,742.00						\$11,742.00			
19	Tilbury Lane 1219 - 1229 (AA)	\$17,557.50						\$17,557.50			
20	Tilbury Lane 1231 - 1237 (BB)						\$10,928.50				
21	Tilbury Lane 1236 - 1244 (E)						\$16,248.00				
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)						\$11,600.00				
23	Nassington Court 9501 - 9507 (G)	\$12,553.00						\$12,553.00			
24	Nassington Court 9504 - 9512 (B)	\$15,536.00						\$15,536.00			
25	Nassington Court 9509 - 9515 (F)	\$12,300.00						\$12,300.00			
26	Nassington Court 9514 - 9520 (C)		\$11,526.00						\$11,526.00		
27	Nassington Court 9522 - 9530 (D)	\$15,877.00						\$15,877.00			
28	Tatton Park Circle 9419 - 9425 (P)		\$8,482.00						\$8,482.00		
29	Kitsgate Court 801 - 807 (Q)		\$18,183.00						\$18,183.00		
30	<b>WINDOW SHUTTERS REPLACE</b>										
31	Model A Houses										
32	Model B Houses										
33	Model C Houses										
34	Model D Houses										
35	<b>EXTERIOR DOORS</b>										
36	Front Door Replacement Allowance	\$4,096.00									
37	Rear Patio Door Replacement Allowance	\$24,000.00									
38	8' Garage Door Replacement Allowance						\$4,760.00				
39	16' Garage Door Replacement Allowance						\$12,000.00				
	<b>TOTALS</b>	\$175,099.00	\$79,127.00	\$0.00	\$0.00	\$13,796.00	\$127,392.00	\$147,003.00	\$79,127.00	\$0.00	\$0.00

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-4**  
YEARS 31 - 40

**GRAYSON HILL PAINTING**

	YEAR	31	32	33	34	35	36	37	38	39	40
	CALENDAR YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
1	PAINTING										
2	Hyde Lane 1009 - 1015 (GG)				\$18,468.00						\$18,468.00
3	Hyde Lane 1010 - 1018 (W)	\$13,796.00						\$13,796.00			
4	Hyde Lane 1100 - 1106 (V)				\$8,952.00						\$8,952.00
5	Hyde Lane 1103 - 1111 (DD)				\$13,516.00						\$13,516.00
6	Hyde Lane 1108 - 1116 (U)			\$10,690.50						\$10,690.50	
7	Hyde Lane 1113 - 1121 (CC)			\$10,839.00						\$10,839.00	
8	Hyde Lane 1118 - 1128 (T)			\$11,268.00						\$11,268.00	
9	Hyde Lane 1200 - 1208 (S)		\$11,308.50						\$11,308.50		
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)			\$8,482.00						\$8,482.00	
11	Hyde Lane 1209 - 1215 (L)			\$8,482.00						\$8,482.00	
12	Hyde Lane 1210 - 1216 (R)		\$11,887.00						\$11,887.00		
13	Hyde Lane 1217 - 1223 (K)		\$18,183.00						\$18,183.00		
14	Hyde Lane 1225 - 1231 (J)		\$8,482.00						\$8,482.00		
15	Hyde Lane 1233 - 1239 (I)		\$8,778.00						\$8,778.00		
16	Belle Aire Lane 9501 - 9511 (H)		\$13,217.00						\$13,217.00		
17	Tilbury Lane 1201 - 1207 (Y)			\$11,676.00						\$11,676.00	
18	Tilbury Lane 1209 - 1217 (Z)			\$11,742.00						\$11,742.00	
19	Tilbury Lane 1219 - 1229 (AA)			\$17,557.50						\$17,557.50	
20	Tilbury Lane 1231 - 1237 (BB)		\$10,928.50						\$10,928.50		
21	Tilbury Lane 1236 - 1244 (E)		\$16,248.00						\$16,248.00		
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)		\$11,600.00						\$11,600.00		
23	Nassington Court 9501 - 9507 (G)			\$12,553.00						\$12,553.00	
24	Nassington Court 9504 - 9512 (B)			\$15,536.00						\$15,536.00	
25	Nassington Court 9509 - 9515 (F)			\$12,300.00						\$12,300.00	
26	Nassington Court 9514 - 9520 (C)				\$11,526.00						\$11,526.00
27	Nassington Court 9522 - 9530 (D)			\$15,877.00						\$15,877.00	
28	Tatton Park Circle 9419 - 9425 (P)				\$8,482.00						\$8,482.00
29	Kiftsgate Court 801 - 807 (Q)				\$18,183.00						\$18,183.00
30	WINDOW SHUTTERS REPLACE										
31	Model A Houses		\$26,895.00								
32	Model B Houses		\$16,995.00								
33	Model C Houses		\$8,910.00								
34	Model D Houses		\$0.00								
35	EXTERIOR DOORS										
36	Front Door Replacement Allowance										
37	Rear Patio Door Replacement Allowance										
38	8' Garage Door Replacement Allowance										
39	16' Garage Door Replacement Allowance										
	TOTALS	\$13,796.00	\$163,432.00	\$147,003.00	\$79,127.00	\$0.00	\$0.00	\$13,796.00	\$110,632.00	\$147,003.00	\$79,127.00

All dollar amounts in this table are in current dollars.

**EXPENDITURE RECURRENCE TABLES**

**ER-5**

YEARS 41 - 50

**GRAYSON HILL PAINTING**

	YEAR	41	42	43	44	45	46	47	48	49	50
	CALENDAR YEAR	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
1	PAINTING										
2	Hyde Lane 1009 - 1015 (GG)						\$18,468.00				
3	Hyde Lane 1010 - 1018 (W)			\$13,796.00						\$13,796.00	
4	Hyde Lane 1100 - 1106 (V)						\$8,952.00				
5	Hyde Lane 1103 - 1111 (DD)						\$13,516.00				
6	Hyde Lane 1108 - 1116 (U)					\$10,690.50					
7	Hyde Lane 1113 - 1121 (CC)					\$10,839.00					
8	Hyde Lane 1118 - 1128 (T)					\$11,268.00					
9	Hyde Lane 1200 - 1208 (S)				\$11,308.50						\$11,308.50
10	Hyde Lane 1207 - Tatton Pk Cir. 9401 (M)					\$8,482.00					
11	Hyde Lane 1209 - 1215 (L)					\$8,482.00					
12	Hyde Lane 1210 - 1216 (R)				\$11,887.00						\$11,887.00
13	Hyde Lane 1217 - 1223 (K)				\$18,183.00						\$18,183.00
14	Hyde Lane 1225 - 1231 (J)				\$8,482.00						\$8,482.00
15	Hyde Lane 1233 - 1239 (I)				\$8,778.00						\$8,778.00
16	Belle Aire Lane 9501 - 9511 (H)				\$13,217.00						\$13,217.00
17	Tilbury Lane 1201 - 1207 (Y)					\$11,676.00					
18	Tilbury Lane 1209 - 1217 (Z)					\$11,742.00					
19	Tilbury Lane 1219 - 1229 (AA)					\$17,557.50					
20	Tilbury Lane 1231 - 1237 (BB)				\$10,928.50						\$10,928.50
21	Tilbury Lane 1236 - 1244 (E)				\$16,248.00						\$16,248.00
22	Tilbury Lane 1252 - Nassington Ct. 9502 (A)				\$11,600.00						\$11,600.00
23	Nassington Court 9501 - 9507 (G)					\$12,553.00					
24	Nassington Court 9504 - 9512 (B)					\$15,536.00					
25	Nassington Court 9509 - 9515 (F)					\$12,300.00					
26	Nassington Court 9514 - 9520 (C)						\$11,526.00				
27	Nassington Court 9522 - 9530 (D)					\$15,877.00					
28	Tatton Park Circle 9419 - 9425 (P)						\$8,482.00				
29	Kiftsgate Court 801 - 807 (Q)						\$18,183.00				
30	WINDOW SHUTTERS REPLACE										
31	Model A Houses										\$26,895.00
32	Model B Houses										\$16,995.00
33	Model C Houses										\$8,910.00
34	Model D Houses										\$0.00
35	EXTERIOR DOORS										
36	Front Door Replacement Allowance						\$4,096.00				
37	Rear Patio Door Replacement Allowance						\$24,000.00				
38	8' Garage Door Replacement Allowance										
39	16' Garage Door Replacement Allowance										
	TOTALS	\$0.00	\$0.00	\$13,796.00	\$110,632.00	\$147,003.00	\$107,223.00	\$0.00	\$0.00	\$13,796.00	\$163,432.00

All dollar amounts in this table are in current dollars.



**CASH FLOW METHOD ANALYSIS**

**CF-1**

**GRAYSON HILL PAINTING**

YEAR	1	2	3	4	5	6	7	8	9	10
CALENDAR YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 110,632.00	\$ 147,003.00	\$ 79,127.00	\$ 0.00	\$ 0.00	\$ 13,796.00	\$ 110,632.00	\$ 147,003.00	\$ 79,127.00
<b>BEGINNING YEAR BALANCE</b>	\$122,459.02	\$194,295.91	\$155,282.54	\$76,137.63	\$66,571.82	\$143,638.23	\$223,458.05	\$290,107.01	\$243,913.38	\$151,124.83
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$113,397.80	\$154,445.03	\$85,211.12	\$0.00	\$0.00	\$15,999.13	\$131,506.68	\$179,108.88	\$98,818.78
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$70,000.00</b>	<b>\$71,470.00</b>	<b>\$72,970.87</b>	<b>\$74,503.26</b>	<b>\$76,067.83</b>	<b>\$77,665.25</b>	<b>\$79,296.22</b>	<b>\$80,961.44</b>	<b>\$82,661.63</b>	<b>\$84,397.53</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$1,836.89	\$2,914.44	\$2,329.24	\$1,142.06	\$998.58	\$2,154.57	\$3,351.87	\$4,351.61	\$3,658.70	\$2,266.87
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$194,295.91	\$155,282.54	\$76,137.63	\$66,571.82	\$143,638.23	\$223,458.05	\$290,107.01	\$243,913.38	\$151,124.83	\$138,970.45
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$546.88	\$558.36	\$570.08	\$582.06	\$594.28	\$606.76	\$619.50	\$632.51	\$645.79	\$659.36
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
ANNUAL CONSTRUCTION COST ESCALATION:	2.50%									
ANNUAL RESERVE ACCOUNT INCOME RATE	1.50%									
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)	\$ 0.00									
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE	0.00%									
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**CASH FLOW METHOD ANALYSIS**

**CF-2**

**GRAYSON HILL PAINTING**

YEAR	11	12	13	14	15	16	17	18	19	20
CALENDAR YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 0.00	\$ 13,796.00	\$ 163,432.00	\$ 147,003.00	\$ 79,127.00	\$ 0.00	\$ 0.00	\$ 13,796.00	\$ 110,632.00
<b>BEGINNING YEAR BALANCE</b>	\$138,970.45	\$227,224.88	\$318,612.70	\$394,664.81	\$267,005.34	\$156,938.39	\$140,298.76	\$240,016.75	\$343,280.39	\$428,668.87
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$0.00	\$18,554.09	\$225,292.82	\$207,711.39	\$114,599.49	\$0.00	\$0.00	\$21,517.05	\$176,861.87
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$86,169.87</b>	<b>\$87,979.44</b>	<b>\$89,827.01</b>	<b>\$91,713.38</b>	<b>\$93,639.36</b>	<b>\$95,605.78</b>	<b>\$97,613.51</b>	<b>\$99,663.39</b>	<b>\$101,756.32</b>	<b>\$103,893.20</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$2,084.56	\$3,408.37	\$4,779.19	\$5,919.97	\$4,005.08	\$2,354.08	\$2,104.48	\$3,600.25	\$5,149.21	\$6,430.03
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$227,224.88	\$318,612.70	\$394,664.81	\$267,005.34	\$156,938.39	\$140,298.76	\$240,016.75	\$343,280.39	\$428,668.87	\$362,130.24
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$673.20	\$687.34	\$701.77	\$716.51	\$731.56	\$746.92	\$762.61	\$778.62	\$794.97	\$811.67
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
<b>MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

CASH FLOW METHOD ANALYSIS

GRAYSON HILL PAINTING

YEAR	21	22	23	24	25	26	27	28	29	30
CALENDAR YEAR	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 175,099.00	\$ 79,127.00	\$ 0.00	\$ 0.00	\$ 13,796.00	\$ 127,392.00	\$ 147,003.00	\$ 79,127.00	\$ 0.00	\$ 0.00
<b>BEGINNING YEAR BALANCE</b>	\$362,130.24	\$186,717.05	\$164,920.07	\$277,970.76	\$395,039.32	\$491,281.61	\$380,163.74	\$226,679.52	\$198,641.59	\$326,883.07
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$286,920.10	\$132,900.27	\$0.00	\$0.00	\$24,953.18	\$236,177.65	\$279,348.73	\$154,123.57	\$0.00	\$0.00
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$106,074.96</b>	<b>\$108,302.54</b>	<b>\$110,576.89</b>	<b>\$112,899.00</b>	<b>\$115,269.88</b>	<b>\$117,690.55</b>	<b>\$120,162.05</b>	<b>\$122,685.45</b>	<b>\$125,261.85</b>	<b>\$127,892.35</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$5,431.95	\$2,800.76	\$2,473.80	\$4,169.56	\$5,925.59	\$7,369.22	\$5,702.46	\$3,400.19	\$2,979.62	\$4,903.25
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$186,717.05	\$164,920.07	\$277,970.76	\$395,039.32	\$491,281.61	\$380,163.74	\$226,679.52	\$198,641.59	\$326,883.07	\$459,678.66
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$828.71	\$846.11	\$863.88	\$882.02	\$900.55	\$919.46	\$938.77	\$958.48	\$978.61	\$999.16
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

**CASH FLOW METHOD ANALYSIS**

**CF-4**

**GRAYSON HILL PAINTING**

YEAR	31	32	33	34	35	36	37	38	39	40
CALENDAR YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 13,796.00	\$ 163,432.00	\$ 147,003.00	\$ 79,127.00	\$ 0.00	\$ 0.00	\$ 13,796.00	\$ 110,632.00	\$ 147,003.00	\$ 79,127.00
<b>BEGINNING YEAR BALANCE</b>	\$459,678.66	\$568,213.89	\$358,677.42	\$176,218.65	\$139,104.31	\$283,087.89	\$432,211.06	\$553,054.24	\$436,531.48	\$221,583.58
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$28,938.04	\$351,379.91	\$323,958.88	\$178,736.09	\$0.00	\$0.00	\$33,559.26	\$275,844.15	\$375,692.98	\$207,279.07
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$130,578.09</b>	<b>\$133,320.23</b>	<b>\$136,119.95</b>	<b>\$138,978.47</b>	<b>\$141,897.02</b>	<b>\$144,876.86</b>	<b>\$147,919.27</b>	<b>\$151,025.57</b>	<b>\$154,197.11</b>	<b>\$157,435.25</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$6,895.18	\$8,523.21	\$5,380.16	\$2,643.28	\$2,086.56	\$4,246.32	\$6,483.17	\$8,295.81	\$6,547.97	\$3,323.75
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$568,213.89	\$358,677.42	\$176,218.65	\$139,104.31	\$283,087.89	\$432,211.06	\$553,054.24	\$436,531.48	\$221,583.58	\$175,063.52
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$1,020.14	\$1,041.56	\$1,063.44	\$1,085.77	\$1,108.57	\$1,131.85	\$1,155.62	\$1,179.89	\$1,204.66	\$1,229.96
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

CASH FLOW METHOD ANALYSIS

GRAYSON HILL PAINTING

YEAR	41	42	43	44	45	46	47	48	49	50
CALENDAR YEAR	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
<b>GRAND TOTAL ANNUAL EXPENDITURES</b>	\$ 0.00	\$ 0.00	\$ 13,796.00	\$ 110,632.00	\$ 147,003.00	\$ 107,223.00	\$ 0.00	\$ 0.00	\$ 13,796.00	\$ 163,432.00
<b>BEGINNING YEAR BALANCE</b>	\$175,063.52	\$338,430.86	\$507,624.28	\$643,883.61	\$504,729.47	\$251,286.71	\$107,666.06	\$291,369.40	\$481,652.16	\$633,559.84
<b>MINUS TOTAL ANNUAL EXPENDITURES ESCALATED FOR INFLATION</b>	\$0.00	\$0.00	\$38,918.45	\$319,894.65	\$435,688.68	\$325,733.10	\$0.00	\$0.00	\$45,133.47	\$548,032.73
<b>PLUS TARGET ANNUAL CONTRIBUTION WITH ANNUAL ESCALATION</b>	<b>\$160,741.39</b>	<b>\$164,116.96</b>	<b>\$167,563.42</b>	<b>\$171,082.25</b>	<b>\$174,674.98</b>	<b>\$178,343.15</b>	<b>\$182,088.36</b>	<b>\$185,912.21</b>	<b>\$189,816.37</b>	<b>\$193,802.51</b>
<b>PLUS SPECIAL ASSESSMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS OTHER FUNDS COMING DUE</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>PLUS INVESTMENT INCOME ON PRIOR YEAR'S BALANCE</b>	\$2,625.95	\$5,076.46	\$7,614.36	\$9,658.25	\$7,570.94	\$3,769.30	\$1,614.99	\$4,370.54	\$7,224.78	\$9,503.40
<b>MINUS OTHER DISBURSEMENTS</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>END OF YEAR BALANCE</b>	\$338,430.86	\$507,624.28	\$643,883.61	\$504,729.47	\$251,286.71	\$107,666.06	\$291,369.40	\$481,652.16	\$633,559.84	\$288,833.01
<b>MINIMUM ACCOUNT THRESHOLD</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>FUNDING OBJECTIVE MET?</b>	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>RESERVE ASSESSMENT PER UNIT, PER YEAR</b>	\$1,255.79	\$1,282.16	\$1,309.09	\$1,336.58	\$1,364.65	\$1,393.31	\$1,422.57	\$1,452.44	\$1,482.94	\$1,514.08
<b>PROPOSED FUNDING SCENARIO ASSUMPTIONS:</b>										
ANNUAL CONTRIBUTION ESCALATION:	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
ANNUAL CONSTRUCTION COST ESCALATION:										
ANNUAL FUND BALANCE ESCALATION:										
<b>MINIMUM RESERVE BALANCE WORKSHEET:</b>										
RESERVE VALUE (FROM COMPONENT TABLE)										
MINIMUM RECOMMENDED RESERVE BALANCE AS A PER CENTAGE OF RESERVE VALUE										
MINIMUM ACCOUNT THRESHOLD ESCALATED ANNUALLY	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Un-Audited

**Balance Sheet Report  
Grayson Hill**

As of December 31, 2017

	<u>Balance Dec 31, 2017</u>	<u>Balance Dec 31, 2016</u>	<u>Change</u>
<b><u>Assets</u></b>			
<b>Operating Funds</b>			
1000 - Cash-PPB DDA #0528	207,018.96	174,320.78	32,698.18
1001 - Cash - 1st Community Bk #0899	100.00	100.00	0.00
<b>Total Operating Funds</b>	<b>207,118.96</b>	<b>174,420.78</b>	<b>32,698.18</b>
<b>Reserve Funds</b>			
1325 - MM-Mutual of Omaha Bank 1144	128,635.59	128,423.22	212.37
1354 - Res CD - Xenith #6516 1.65% 4/18/18	100,000.00	100,000.00	0.00
1355 - Res CD - 1st Comm Bk #1021 2.02% 1/21/2	100,000.00	100,000.00	0.00
1356 - Res CD-Park Sterling #0518 1.25% 1/6/19	100,000.00	100,000.00	0.00
1357 - Res CD - Xenith #8032 .15% 8/11/18	100,000.00	0.00	100,000.00
<b>Total Reserve Funds</b>	<b>528,635.59</b>	<b>428,423.22</b>	<b>100,212.37</b>
<b>Accounts Receivable</b>			
1500 - Net HO Past Due/(Prepays)	(52,645.63)	(24,652.15)	(27,993.48)
<b>Total Accounts Receivable</b>	<b>(52,645.63)</b>	<b>(24,652.15)</b>	<b>(27,993.48)</b>
<b>Other Current Assets</b>			
1799 - Clearing Account	(52.85)	0.00	(52.85)
<b>Total Other Current Assets</b>	<b>(52.85)</b>	<b>0.00</b>	<b>(52.85)</b>
<b>Total Assets</b>	<b>683,056.07</b>	<b>578,191.85</b>	<b>104,864.22</b>
<b><u>Liabilities</u></b>			
<b>Accounts Payable</b>			
2000 - A/P-Vendors	53,831.49	55,345.85	(1,514.36)
2050 - Resident Refunds	(1,070.00)	(1,070.00)	0.00
<b>Total Accounts Payable</b>	<b>52,761.49</b>	<b>54,275.85</b>	<b>(1,514.36)</b>
<b>Total Liabilities</b>	<b>52,761.49</b>	<b>54,275.85</b>	<b>(1,514.36)</b>

## Balance Sheet Report Grayson Hill

As of December 31, 2017

	<u>Balance Dec 31, 2017</u>	<u>Balance Dec 31, 2016</u>	<u>Change</u>
<b><u>Owners' Equity</u></b>			
<b>Reserves</b>			
3000 - Retained Earnings	1,375.35	43,376.33	(42,000.98)
3136 - Contingency Reserves	627,714.05	479,334.49	148,379.56
3366 - Interest Reserves - Current Yr	1,205.18	1,205.18	0.00
<b>Total Reserves</b>	<u>630,294.58</u>	<u>523,916.00</u>	<u>106,378.58</u>
<b>Total Owners' Equity</b>	<u>630,294.58</u>	<u>523,916.00</u>	<u>106,378.58</u>
<b>Net Income / (Loss)</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Liabilities and Equity</b>	<u><u>683,056.07</u></u>	<u><u>578,191.85</u></u>	<u><u>104,864.22</u></u>

**Budget Summary Report**  
**Grayson Hill**  
**Grayson Hill 2018 Budget**

	<u>2017 Budget</u>	<u>2018 Budget</u>
<b>Assessment Income</b>		
4000 - Assessments	716,490.00	718,200.00
4120 - Capital Contribution	4,950.00	2,850.00
<b>Total Assessment Income</b>	<b>721,440.00</b>	<b>721,050.00</b>
<b>Collections Income</b>		
4710 - Late Fees	50.00	50.00
<b>Total Collections Income</b>	<b>50.00</b>	<b>50.00</b>
<b>Other Income</b>		
4835 - Other Income	1,200.00	1,200.00
<b>Total Other Income</b>	<b>1,200.00</b>	<b>1,200.00</b>
<b>Investment Income</b>		
4910 - Interest Income	765.00	3,528.00
<b>Total Investment Income</b>	<b>765.00</b>	<b>3,528.00</b>
<b>Total Operating Income</b>	<b>723,455.00</b>	<b>725,828.00</b>
<b>Administrative</b>		
5025 - Collection Fees	550.00	300.00
5115 - Website	500.00	500.00
5195 - Other Administrative Services	900.00	2,325.00
5200 - Social	2,800.00	2,600.00
5210 - Printing	1,600.00	1,600.00
5215 - Postage	1,400.00	800.00
<b>Total Administrative</b>	<b>7,750.00</b>	<b>8,125.00</b>
<b>Insurance</b>		
5400 - Insurance - GL & Property, D&O	8,274.00	8,758.00
<b>Total Insurance</b>	<b>8,274.00</b>	<b>8,758.00</b>
<b>Utilities</b>		
6000 - Electric Service - Clubhouse	6,533.00	4,980.00
6005 - Gas Service	270.00	280.00
6010 - Electricity - Street Lights	13,515.00	13,260.00
6025 - Water	20,000.00	22,000.00
6030 - Clubhouse Water	1,260.00	1,100.00
6045 - Cable Service	2,400.00	2,160.00
6050 - Telephone Service	3,240.00	3,792.00
<b>Total Utilities</b>	<b>47,218.00</b>	<b>47,572.00</b>
<b>Landscaping</b>		
6100 - Lawn Maintenance	146,326.00	159,600.00
6199 - Grounds Improvements & Repairs	43,000.00	50,000.00
<b>Total Landscaping</b>	<b>189,326.00</b>	<b>209,600.00</b>
<b>Irrigation</b>		
6200 - Irrigation System Maintenance	18,160.00	20,000.00
<b>Total Irrigation</b>	<b>18,160.00</b>	<b>20,000.00</b>
<b>Operations</b>		
6300 - Corporate Fees	350.00	400.00
6310 - Backflow Preventer Inspection	17,000.00	17,855.00
<b>Total Operations</b>	<b>17,350.00</b>	<b>18,255.00</b>



**Budget Summary Report**  
**Grayson Hill**  
**Grayson Hill 2018 Budget**

	<b>2017 Budget</b>	<b>2018 Budget</b>
<b>Contracted Services</b>		
6035 - Trash Removal	35,000.00	36,665.00
6402 - Clubhouse Security System/Card Reader	5,352.00	5,352.00
6412 - Street Light Repairs	5,000.00	3,500.00
6418 - Pond Maintenance	20,000.00	15,000.00
6430 - Clubhouse Maintenance Contracts	11,705.00	11,546.54
6438 - Pool Management	7,650.00	7,650.00
<b>Total Contracted Services</b>	<b>84,707.00</b>	<b>79,713.54</b>
<b>Repair &amp; Maintenance</b>		
6515 - General Building Repairs	13,000.00	16,000.00
6525 - Clubhouse Repairs	14,000.00	12,000.00
6545 - Clubhouse Electrical Supplies/Repairs	0.00	0.00
6620 - Gutter Cleaning	10,000.00	5,000.00
6695 - Pool Maintenance/Repairs	1,202.00	5,400.00
6725 - Roofing	10,000.00	12,000.00
6750 - Snow Removal	20,000.00	15,000.00
6760 - Underground Piping Repairs	12,000.00	12,000.00
<b>Total Repair &amp; Maintenance</b>	<b>80,202.00</b>	<b>77,400.00</b>
<b>Professional Services</b>		
7000 - Audit/Tax Return	2,975.00	3,100.00
7020 - Legal/Professional	7,100.00	4,000.00
7040 - Management	144,493.00	146,712.35
<b>Total Professional Services</b>	<b>154,568.00</b>	<b>153,812.35</b>
<b>Taxes</b>		
9000 - Income Taxes	400.00	400.00
<b>Total Taxes</b>	<b>400.00</b>	<b>400.00</b>
<b>Reserve Expenses</b>		
9834 - Contingency Fund Reserves	115,500.00	102,192.11
<b>Total Reserve Expenses</b>	<b>115,500.00</b>	<b>102,192.11</b>
<b>Total Operating Expense</b>	<b>723,455.00</b>	<b>725,828.00</b>
<b>Total Association Net Income / (Loss)</b>	<b>0.00</b>	<b>0.00</b>

**Financial Update Statement of Account**  
**Grayson Hill**

**PLEASE REFER TO PAGE 2 FOR COMPLETE ESCROW INSTRUCTIONS AND DETAILS**

Order #: 23-00956864

Statement Date: 04/18/2018

Property Address: 1000 Marney Ct

Order Date: 4/9/2018  
 Requested By: Jessie Kisamore  
 Phone #: (804) 919-3695  
 Fax #:  
 Contact Name: HomeLand Escrow, LLC  
 Contact Phone: (804) 935-0043  
 Contact Email: sshaw@homelandtitleescrow.com

Escrow #: HE18-0155  
 Owner / Seller: Betty H Williams  
 Closing Date: 5/31/2018  
 Buyer's Name: Unknown  
 Buyer's Address: 1000 Marney Ct  
 City/State/Zip: Henrico, Virginia 23229  
 Buyer's Phone #:

**FEES DUE TO COMMUNITY GROUP**

Order #	Processing Fee	Expedite Fee	Delivery Fee	Adjustment	Convenience Fee	Tax	Amount Due	Amount Paid	Balance
23-00956864	\$58.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58.65	\$58.65	\$0.00
<b>Post-closing Processing Fees</b>									\$58.65
<b>Other Fees</b>									\$0.00
<b>Total Due</b>									\$58.65

Please reference ALL order number(s) from above on all checks you issue.

**ALL FEES/AMOUNTS PAYABLE AT CLOSING**

Mail all payments to: **COMMUNITY GROUP**  
**3901 WESTERRE PARKWAY SUITE 100**  
**RICHMOND, VA 23233**

**PLEASE PROVIDE SEPARATE CHECKS FOR AMOUNTS BELOW:**

- Please collect **\$58.65** for above noted fees.

**MAKE CHECK PAYABLE TO: Community Group**

- Please collect **\$855.00** for Association fees. (See page 2 for Comments & Fee Details)

**MAKE CHECK PAYABLE TO: Grayson Hill**

Please provide Community Group with:

-Copy of HUD-1 or detailed Settlement Agreement to ensure accurate transfer of ownership.

*This information is being provided by Community Group as a courtesy service to lenders and other real estate professionals. Although Community Group believes that the information provided is complete and accurate, the requesting party understands and acknowledges that this information is subject to change without notice and that Community Group is not responsible for any inaccurate or omitted information.*

**Financial Update Statement of Account**  
 Grayson Hill

**FEES DUE TO ASSOCIATION**

**ADDITIONAL COMMENTS:**

<p><b>REGULAR ASSESSMENTS PAID THROUGH</b> <u>4/30/2018</u></p> <p><b>Current Balance</b> <u>\$0.00</u></p> <p>Association Transfer Fees <u>\$0.00</u></p> <p>Working Capital Contribution <u>\$570.00</u></p> <p>Reserve Contribution <u>\$0.00</u></p> <p>Legal Fees <u>\$0.00</u></p> <p>Buyer's Advanced Assessments <u>\$0.00</u></p> <p>Buyers Adv. Assess. 5/1-5/31 <u>\$285.00</u></p> <p>Other Fees <u>\$0.00</u></p> <p>Other Fees <u>\$0.00</u></p> <p><b>TOTAL DUE:</b> <u>\$855.00</u></p>	<p><b>A disclosure packet has not been ordered.</b></p> <p><b>Please note that this property may fall under the Grayson Hill Senior Association. If applicable, other fees may apply and a disclosure package needs to be ordered.</b></p>
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**ASSOCIATION ASSESSMENT INFORMATION**

Amount of Property Assessment is? **\$285.00**

Frequency of Property Assessment? **Monthly**

The late fee is (enter the actual amount): **10.00**

Assessments are due on the (for instance, "5th", "10th"): **the 1st**

Late fee interest is (for instance, 10% per annum):

Assessment is past due on (for instance, the 5th/the 10th)? **16th day**

Other Assessment amount? **\$570.00**

Purpose of other Assessment?  
**Working Capital paid at each closing by the purchaser. Two times the monthly assessment.**

Amount of any active Special Assessments? **\$0.00**

Purpose of Special Assessment?  
**None**

Date of Association Fiscal Year End? **December 31st**

Is there a Community Enhancement Fee? **Yes  No**

If so, how is Fee determined / calculated? **None**

Amount of money in the designated reserve fund intended to be used for long term capital needs? **\$637,249.39**

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## Financial Update Statement of Account Grayson Hill

Capital expenditures, if any, approved by the Association for the next 12 months?

**There are no planned expenditures for 2018**

Expenditure of funds, if any, approved by the Association which shall require an assessment in addition to the regular assessment during the current or immediately succeeding fiscal year?

**None**

Are there any other entities or facilities to which the unit owners may be liable for fees or other charges? If so, explain.

**No**

If there is an Association loan, what is the loan balance?

**No**

Does the Association have any active leasehold that affects the Association? If so, what is the nature of the leasehold, and what is the remaining term of said leasehold?

**No**

If a Unit/Home is acquired through foreclosure, is mortgage company responsible for Association Assessments? If so, explain?

**No**

Are there any active judgments against the Association? If so, explain?

**No**

The case number of pending lawsuits in which the property owners Association is a defendant includes:

**N/A**

Is there a working capital, and/or reserve contribution paid by current owner, which is to be refunded to the current owner, by the buyer, at resale closing/settlement? If so, what is amount?

**No**

As a courtesy to Title Companies, and for the purpose of Closing/Settlement assessment calculation, the Daily Assessment Rate is?

**\$9.50**

### INSURANCE INFORMATION

Insurer's Name?

**Nationwide Insurance**

Contact Information?

**Charles Kirby**

Phone Number?

**804-270-0406**

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