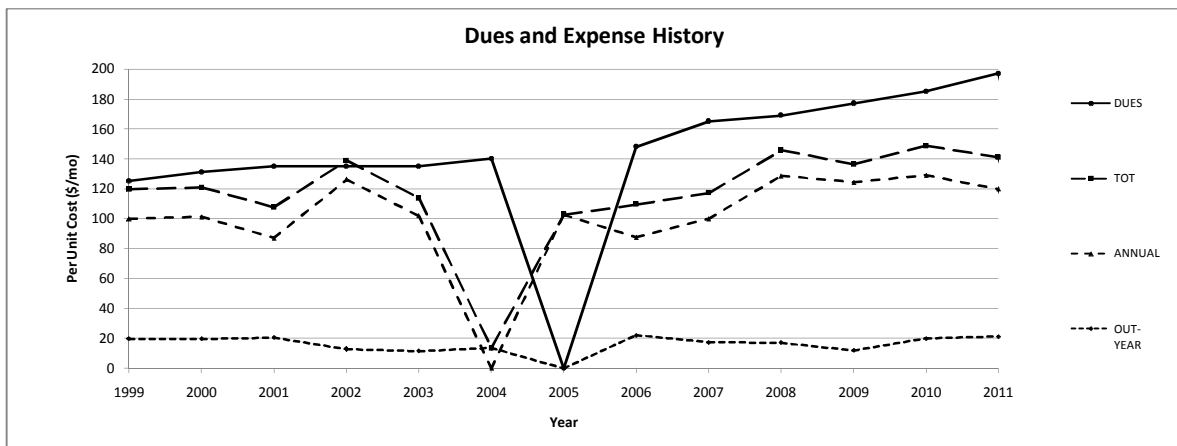
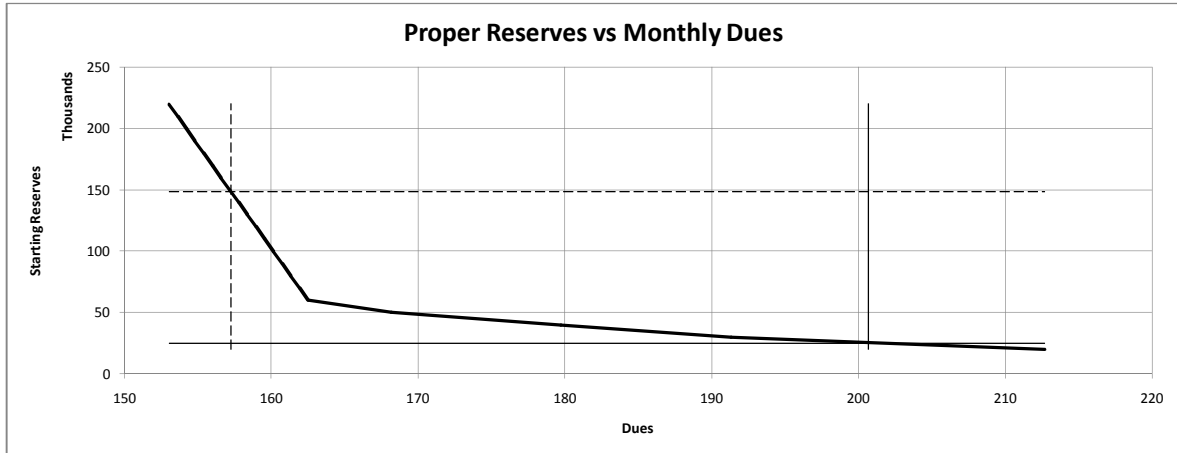


## COUNTRY RIDGE ESTATES HOA CAPITAL RESERVES ANALYSIS 2011 REPORT

Units 36  
CPI 3.77%

	2010 CRA	2011	2012	% Change	Unit-Month	\$ inc
Emergency Reserves Level		\$20,000	\$20,000	0.00%		
Annual Operating Expenses (AOE)		\$53,710	\$58,423	8.07%	\$135.24	10.91
Listed Items (74.8% of AOE)		\$39,542	\$43,721	9.56%	\$101.21	9.67
Out Year Annual Savings Requirement			\$9,509	100.00%	\$22.01	22.01
Optimum 2012 Starting Reserves			\$148,679	100.00%		
Optimum 2012 Monthly Dues			\$157.25	100.00%		
Anticipated 2012 Starting Reserves			\$25,188	100.00%		
Corresponding 2012 Proper Monthly Dues			\$200.65	100.00%		
2011 Estimated Annual Expenses	51,709.74					
Adjustments to Expenses	2,000.00 +					
Adjusted 2011 Estimated Annual Expenses	53,709.74 =					
2011 Listed Expenses	39,541.88					
Expected Increase in Listed Expenses	4,179.45 +					
2011 Non-Listed Expenses	14,167.86 +					
Increase in Non-Listed Expenses @ CPI	534.13 +					
Adjustments to Expenses	0.00 +					
2012 Estimated Annual Expenses	58,423.32 =					



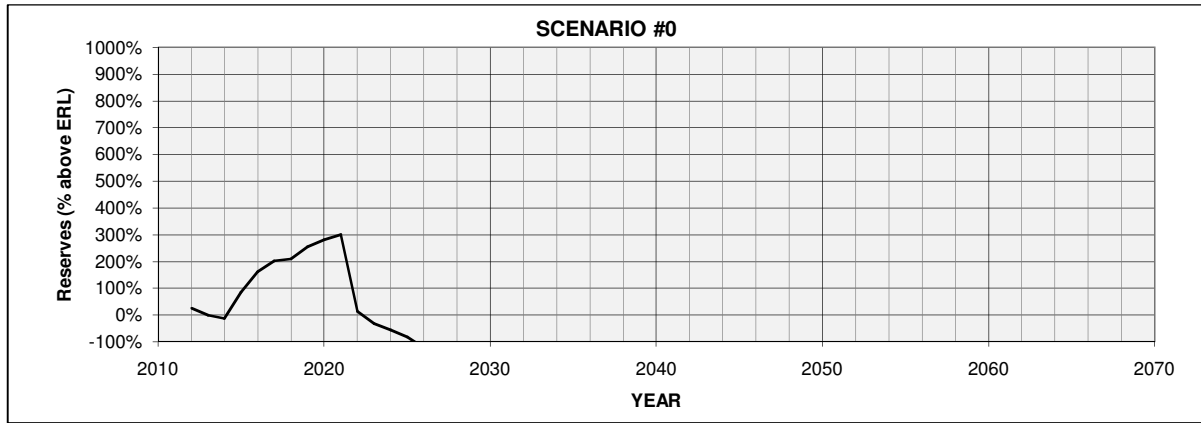
**COUNTRY RIDGE ESTATES HOA  
CAPITAL RESERVES ANALYSIS  
2011**

**SCENARIO #0**

CONDITIONS      1) Dues held constant indefinitely  
                          2) Stucco project completed on schedule

CONCLUSION      1) Just as the W&H Deductible is met the 2021 asphalt work will be due.  
                          2) After the 2021 asphalt work, the reserves will be back near the current ERL.  
                          3) HOA will be broke in the 2025 time frame.  
                          4)

DUES                2012            197  
                          2013            197 (projected and subject to future board/homeowner approval)  
                          2014            197 (projected and subject to future board/homeowner approval)

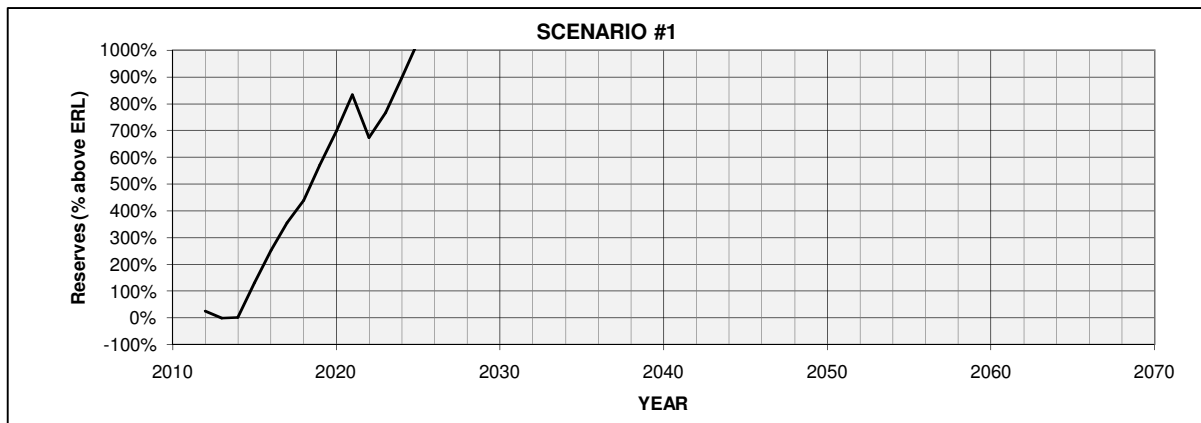


**SCENARIO #1**

CONDITIONS      1) No increase in 2012 and then dues track the HOA inflation rate  
                          2) Stucco project done on schedule

CONCLUSION      1) Reserves fall below ERL in 2012 and 2013.  
                          2) Last bldg should be delayed one year  
                          3) Better if both bldgs are delayed one year.  
                          4)

DUES                2012            197  
                          2013            204.88 (projected and subject to future board/homeowner approval)  
                          2014            213.08 (projected and subject to future board/homeowner approval)



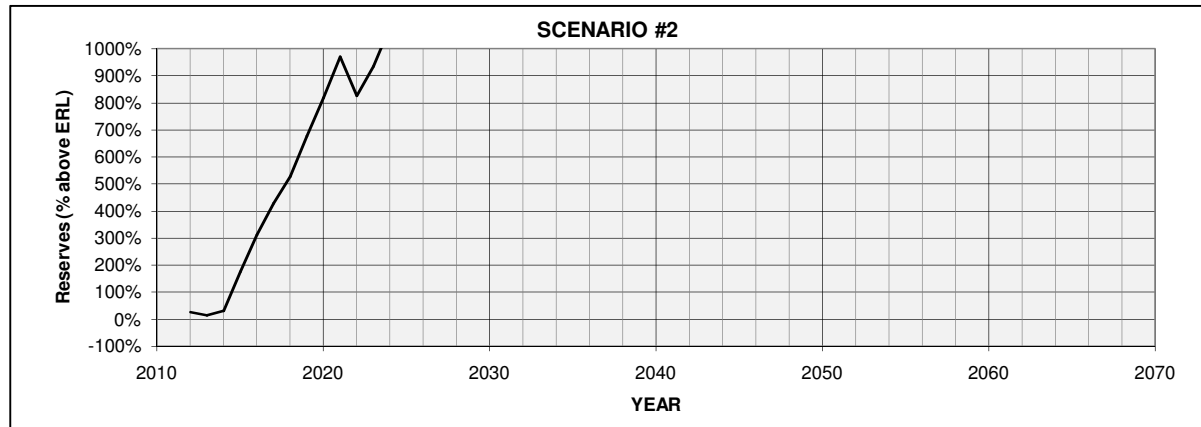
**COUNTRY RIDGE ESTATES HOA  
CAPITAL RESERVES ANALYSIS  
2011**

**SCENARIO #2**

CONDITIONS      1) Dues increase at CPI in 2012 and then HOA inflation rate thereafter.  
                         2) Stucco project completed on schedule.

CONCLUSION      1) Stucco project should be able to stay on schedule.  
                         2) The \$80k ERL (for W&H) level should be reached in the 2016 time frame.  
                         3)  
                         4)

DUES                2012                204  
                         2013                212.16 (projected and subject to future board/homeowner approval)  
                         2014                220.65 (projected and subject to future board/homeowner approval)

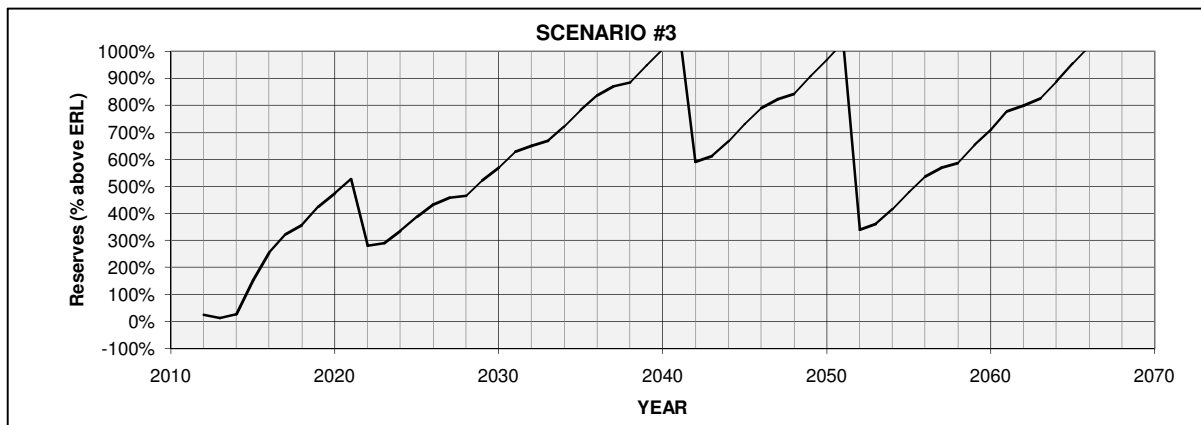


**SCENARIO #3**

CONDITIONS      1) Dues increase at CPI in 2012.  
                         2) Dues adjusted in 2013 to stay flat while leaving HOA with \$80k ERL (for W&H) after 2021 asphalt work.

CONCLUSION      1) Dues will need to increase at ~CPI in 2013  
                         2) Dues can then stay flat (inflation permitting) for perhaps 5 to 7 years.  
                         3)  
                         4)

DUES                2012                204  
                         2013                211 (projected and subject to future board/homeowner approval)  
                         2014                211 (projected and subject to future board/homeowner approval)



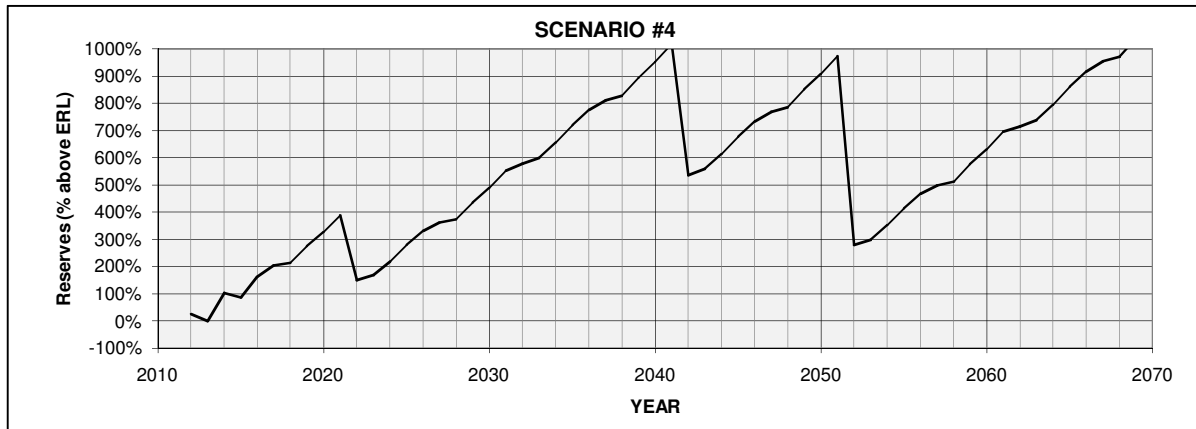
**COUNTRY RIDGE ESTATES HOA  
CAPITAL RESERVES ANALYSIS  
2011**

**SCENARIO #4**

**CONDITIONS**      1) Dues held constant until long term \$80k ERL (for W&H) is intercepted.  
                                  2) Stucco project adjusted so that last bldg is done in 2015

**CONCLUSION**      1) Ability to stucco fifth bldg in 2012 questionable.  
                                  2) W&H ERL met in 2019 time frame, but drops well below after asphalt work in 2021  
                                  3) Can hold dues constant (inflation permitting) for 5 to 7 years.  
                                  4)

**DUES**                    2012                    197  
                                  2013                    197 (projected and subject to future board/homeowner approval)  
                                  2014                    197 (projected and subject to future board/homeowner approval)



**SCENARIO #5**

**CONDITIONS**      1) Dues increased steadily until long term W&H ERL is achieved.  
                                  2) Final bldg stucco'ed in 2015

**CONCLUSION**      1) Dues need to increase \$4/mo each year for ~12 years (inflation permitting), then track HOA inflation.  
                                  2) W&H ERL achieved in the 2017 time frame.  
                                  3) May be able to stucco final bldg in 2014.  
                                  4)

**DUES**                    2012                    201  
                                  2013                    205 (projected and subject to future board/homeowner approval)  
                                  2014                    209 (projected and subject to future board/homeowner approval)

