

**Fisher-Smoucha Consulting**

**Dallas - Houston**

**RESERVE FUND STUDY  
FINAL REPORT**

**Prepared for the**

**SPRING  
CREEK OAKS**

**Community Improvement Association  
6002 Burr Oak Drive  
Spring, Texas**

**January 1, 2011**



**RESERVE FUND STUDY**  
Prepared for the  
**SPRING CREEK OAKS**  
Community Improvement Association

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# Summary of Pertinent Facts and Conclusions

## FINAL REPORT

**Property** : **SPRING CREEK OAKS**  
**Legal Name** : **Community Improvement Association**  
**Property Type/Lots** : **Single-Family Residential/953**  
**Original** : **1980's (Original)**

**Annual Inflation Rate** : **Four Percent (4.0%) 20-Year Average**  
**Interest on Fund Balance** : **One & One-Half Percent (1.5%) Current**

Reserve Fund Balance	Percent (%) Funded
Projected Available 1/1/2011 : \$200,000 (Dedicated Fund)	53%
Calculated "Ideal" Fund : \$379,000 (Page 13)	100%

Projected Expenditures	5-Year Average *
(2011 - 2015) :	\$67,955
(2016 - 2020) :	\$112,722
(2021 - 2025) :	\$70,033
(2026 - 2030) :	\$108,619

\*- Inflated Dollars

## CONCLUSIONS

Funding Resolutions	Result	Comment
No.1 - Minimum Threshold (Pg.24)	Maintains a "Minimum" Level	Annual Contribution Level of \$65,500
No.2 - "Ideal" Parameters (Pg.25)	"Ideal" Funding Policy	Assumes a (3%) Annual Increase
No.3 - Full Funding (Pg.26)	Achieves the 100% Level	Annual Contribution Level of \$72,800

**Recommended Policy** : **Resolution No. 2 or No. 3**

# Fisher-Smoucha Consulting

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Houston, Texas 77077  
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\*\*\*\*\* FINAL REPORT \*\*\*\*\*

**Spring Creek Oaks**  
Community Improvement Association  
Spring, Texas 77379

August 26, 2010

**ATTENTION: Property Manager - Board of Directors**

We have completed the Reserve Fund Study of certain property exhibited to us as that of the

## **SPRING CREEK OAKS** **Community Improvement Association**

located in

Spring, Texas

and submit our findings in this report.

The purpose of our investigation was to establish, as of January 1, 2011, a reasonable reserve funding policy which will be adequate to meet future expenditures for major replacements of the common area elements owned and maintained by the Spring Creek Oaks Community Improvement Association. It is our understanding that our funding resolutions will be initially implemented as a part of the fiscal year 2010-11 budget.

Our report comprises this narrative section, which sets forth the nature and extent of the analysis, identifies the common elements associated with the property, and presents the conclusions reached.



## **Exhibits comprising:**

- Exhibit A** - A Property Description, outlining the specific categories of common area elements inherent in the property. Also included are photographs and a brief history of the property
- Exhibit B** - An Analysis of Major Components considered as common area elements, expanding on the specific areas of immediate concern inherent in the improvements
- Exhibit C** - A Reserve Item Inventory, identifying all the common elements considered in the study and grouped by category, indicating the current replacement cost, the normal useful life, estimated remaining life, and calculated "Ideal" reserve amount to date
- Exhibit D** - A 20-Year Expenditure Projection, showing the current and/or future replacement cost of each item considered within the study and grouped by estimated year of replacement. We have assumed an average annual inflation rate in projecting future replacement costs, based upon historical data pertaining to construction cost in the Houston area over the last 20 years
- Exhibit E** - A 20-Year Expenditure Summary, which indicates the cost of common element replacements by year beginning in 2011 thru 2030, completing the 20-year cycle
- Exhibit F** - Reserve Funding Resolutions, comprised of 20-year Cash-Flow diagrams, the first of which, tests the current funding policy of the Association. Thereafter, depending on the outcome of the test, alternative funding policies are illustrated with the goal of insuring that:
  - a. All anticipated replacements expenditures will be satisfied through the reserve account, thereby eliminating the need for special assessments
  - b. Each owner will contribute an adequate amount to the reserve fund as of the date of the study
- Exhibit G** - Site Plan of the Property

**Terms utilized in the process of a Reserve Fund Study are defined as follows:**

- Current Replacement Cost** - The cost to replace, as of the date of the analysis, a reserve item with an identical or similar item which will perform the same function and have the same utility ( Exhibit C ).
- Normal Useful Life** - The average expected life of a component when new ( Exhibit C ).
- Estimated Remaining Life** - Estimated life expectancy of a reserve item based on observed condition and state of repair. Estimates of useful and remaining life can vary from one association to the next, depending on location, usage, maintenance, weather conditions, quality and the like ( Exhibit C ).
- Recommended Reserve Fund** - The "Ideal" amount calculated to be currently in reserve for each item as of the date of the study. This amount is calculated on a straight-line basis for each item included in the analysis and shown individually and in total in Exhibit C. For example, an item with a replacement cost of \$10,000, a normal life of ten years, and a remaining life of five years would require five-tenths or one-half of the replacement cost (\$5,000) in reserve as of the date of the study.
- Recommended Annual Contribution** - The "Ideal" annual amount recommended to included in the Association budget and contributed directly to the dedicated reserve fund. This amount is calculated on a straight-line basis for each item included in the analysis and shown individually and in total in Exhibit C. For example, an item with a replacement cost of \$10,000 and a normal life of ten years would require one-tenth of the replacement cost (\$1,000) to be included annually in the association budget for contribution into the dedicated reserve fund.

**Reserve Fund Resolution**

- A 20-year cash flow analysis ( Exhibit F ) which calculates the remaining year-end reserve balance throughout the 20-year analysis period. The cash flows are based on a projected 2011 reserve fund balance in an interest bearing account in conjunction with budgeted annual fund contributions. Deductions are made from the fund for the projected replacement expenditures which are summarized in Exhibit E.

**Reserve Fund Balance  
Minimum Threshold**

- The minimum recommended year-end reserve fund balance calculated by multiplying the number of units in the association times a dollar figure, (typically in the range of \$1,000 to \$5,000) based upon the size of the property as well as the age, condition, and the extent of the common area improvements.

Our Investigation included the common recreation center amenities, and the associated common area site improvements, owned and maintained by the Spring Creek Oaks C.I.A.. Excluded from our consideration were below piping and foundations, painting projects, public street improvements, the individually maintained private residences, tree trimming, perimeter wood fencing, and common area site landscaping replacements.

Fixed expenditures of day-to-day maintenance and repairs, inspection and service fees, maintenance contracts and the like are not part of the reserve study, as they are covered by the monthly operating budget utilized by the Association.

According to Association accounting documents, the dedicated reserve fund balance as of January 1, 2011, has been projected to be approximately \$200,000. This figure is based upon the current reserve fund balance as of the date of this report, minus any projected remaining 2010 expenditures with consideration for remaining monthly additions, and including an allowance for accumulated interest earned in the account.

The following three (3) Funding Resolutions have been prepared and illustrated in Exhibit F in order to justify an appropriate reserve funding policy that will meet the projected future replacement expenditures without putting the Spring Creek Oaks C.I.A. reserve fund in a deficit situation at any point over the 20-year analysis period. It should be noted that we have used an average annual inflation factor of four percent (4%) over the term of the analysis in projecting future replacement costs and have assumed all proposed annual fund contributions to be increased at a fraction of this rate, or (3%) in all three resolutions. This decreased rate is facilitated by the anticipated interest earned within the reserve account.

In the course of our investigation, it has been reported to us that a capital replacement budget allowance has been projected on an annual basis in the past. Resolution No. 1 of Exhibit F, calculates the annual "minimum threshold" reserve contribution required, based upon our estimate of future capital replacement projects. Funding Resolution No.'s 2 & 3 have been proposed as alternative funding policies, based upon the "Ideal", or the calculated "industry standard" 100% funding levels.

The most recent rate of return realized by dedicated reserve funds has been estimated to be approximately one & one-half percent (1.5%). For the purpose of this study, we have assumed this rate over the term of the analysis to more accurately provide a true indication of the reserve balance in the near future.

RESOLUTION NO. 1 - illustrates that the current policy, which includes projected 2011 reserve fund balance \$200,000, will generally require a typical annual reserve contribution of \$65,500 to provide for all anticipated expenditures over the 20-year analysis period. A "minimum threshold" reserve balance is realized, and equates to approximately (50%) of "Ideal". This fund threshold does not allow for unscheduled or capital projects outside of the scope of the reserve study, or for any variance in estimated project costs.

RESOLUTION NO. 2 - utilizes the "Ideal" reserve balance in conjunction with the "Ideal" annual contribution, as calculated in total in Exhibit C - The Reserve Item Inventory. Resolution No. 2 illustrates that a funding policy which utilizes a beginning 2011 fund balance of \$379,000, in conjunction with an annual contribution of \$65,000 beginning in 2011, and increased at an annual rate of (3%), will provide for all projected expenditures, and maintain an adequate 100% reserve balance to provide for a second set of capital projects that will repeat beyond the time limits of the 20-year analysis period.

RESOLUTION NO. 3 - provides an alternate funding solution which assumes the projected 2011 reserve fund balance of \$200,000, and proposes a workable, revised annual contribution policy. Resolution No. 3 concludes that a revised annual contribution of \$72,800, or \$6,066 per month, increased at an annual rate of (3%), will achieve results similar to those provided by the "Ideal" levels illustrated in Resolution No. 2.

A condensed summary of the three (3) resolutions is as follows:

Resolution No.	2011 Fund Balance	2011 Fund Addition	2030 Ending Balance	Present Value 2030 Balance
	\$	\$	\$	\$
1	200,000	65,500	221,044	105,259
2	379,000	65,000	446,823	212,773
3	200,000	72,800	444,549	211,690

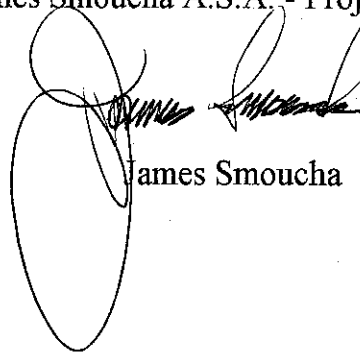
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Based upon the results of our analysis, we conclude that the current reserve funding policy as illustrated in Resolution No. 1, corresponds to the a "minimum " reserve policy of generally providing for capital replacement projects on an annual basis. In accordance with level annual reserve contribution guidelines, we have prepared alternative reserve funding Resolution No.'s 2 and 3.

It should be noted that Resolution No. 2, the "Ideal" policy, is presented to serve as a guage of both the adequacy of the previous years' funding of the reserve account, and as a guide in determining the future annual contributions to the dedicated reserve fund. Resolution No. 2 would require a one time addition of approximately \$179,000 (\$379,000 - \$200,000), to the dedicated reserve fund as a part of the 2011 budget. Resolution No. 3 provides a means of maintaining the projected reserve balance of \$200,000, while budgeting a 2011 annual reserve contribution of \$72,800, or \$6,066 per month. This annual reserve allocation, increased at an annual rate of (3.0%), will eliminate special assessments, and achieve the "Ideal" 100% fund level.

Respectfully Submitted,  
**FISHER-SMOUCHA CONSULTING**

James Smoucha A.S.A. - Project Manager



James Smoucha

**FSC**

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**Fisher-Smoucha Consulting**

**SPRING CREEK OAKS**

**Community Improvement Association**

**EXHIBIT A**

**PROPERTY DESCRIPTION**

# **Fisher-Smoucha Consulting**

## **Spring Creek Oaks - Property Description**

The subject property consists of a 953-lot, single-family residential community, located at the intersection of T.C. Jester and Louetta Road, in Spring, Texas.

Common area improvements include main entrance monuments and signage, a community directory, two (2) pool centers (Misty Creek & Burr Oak), a tennis and sport field facility (Kuehnle Park), and three (3) pocket playground parks.

The Misty Creek and Burr Oak pool center improvements include fenced swimming pool and deck areas, fully equipped clubhouse buildings, bath house buildings with restrooms, and associated pool area equipment and outdoor furniture and fixtures. The Burr Oak pool center includes an adjoining lighted tennis court facility.

The Kuehnle Park improvements include a lighted tennis court facility, a baseball field with restroom building, and an adjoining soccer field.

The property is reported to have been originally developed in the early 1980's. Kuehnle park was constructed in the 1990's.

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**PHOTOGRAPHS**

**SPRING CREEK OAKS**

**Community Improvement Association  
6002 Burr Oak Drive  
Spring, Texas**

**(43 Pages)**

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**SPRING CREEK OAKS**

**Community Improvement Association**

**EXHIBIT B**

**ANALYSIS OF MAJOR  
COMPONENTS**

# Fisher-Smoucha Consulting

## Spring Creek Oaks - Analysis of Major Components

The common area construction components were personally inspected, and generally appear to be in good condition, with the exception of various sections of the Burr Oak pavement (Photo Pages 32 & 33), and the pool deck at Misty Creek (See Photo Pages 13 & 14). Common capital projects have been prioritized, based upon current condition, and estimated usage.

The underlying premise in estimating common area component replacement costs, can be expressed by definition as "in like kind and quality". Accordingly, no allowance has been included to provide for the addition of any common amenities not currently in place, or any significant upgrade to the existing components.

Recent capital projects include complete renovation of the Burr Oak pool and deck in 2005-2006, the Windy Pine playground in 2009, the stone entrance monuments in 2009, and the Misty Cove tennis court resurfacing to be performed by the end of 2010.

Pool center capital projects (i.e. - pool repastering, pool tile and coping, pool area decking and expansion joints, outdoor furniture and equipment, clubhouse roof shingles, interior remodeling including furniture and equipment, remote condenser units, etc.), have been segregated by component and life expectancy.

The Misty Cove pool deck has been included for expansion joint and deck replacement in 2011, to maintain the aesthetic and structural integrity of the deck. We recommend consulting with a pool deck contractor to ascertain the origin of the stress cracking, and to ascertain the possible remedies.

A number of common area components (i.e. - concrete and brick sidewalks, parking lot pavement and driveways, pool coping, etc.), are not expected to require complete replacement in total, at one time. Therefore, we have included these improvements as "partial" replacements to include an isolated section or area, at the indicated time interval.

The remaining common area components appear to be following normal useful life expectancies, and have been scheduled for replacement accordingly. An annual replacement allowance has been included to provide for minor or non-repeating component replacements.

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## SPRING CREEK OAKS

Community Improvement Association

### EXHIBIT C

#### RESERVE ITEM INVENTORY

##### "Ideal" Funding Parameters

##### Fund Balance-Annual Contribution

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Page 14-	\$89,992	-	\$12,785
Page 15-	\$195,988	-	\$31,826
Page 16-	\$92,600	-	\$20,733
<hr/>			
<b>Total-</b>	\$378,580	-	\$65,344
<b>Say-</b>	\$379,000	-	\$65,000

# Fisher-Smoucha Consulting

## SPRING CREEK OAKS Community Improvement Association Spring, Texas January 1, 2011

**Exhibit C**

### RESERVE ITEM INVENTORY

Quantity	Item Description	Current Replacement Cost	Normal Useful Life	Remaining Life	Ideal Reserve Fund	Ideal Annual Contribution
		\$	Years	Years	\$	\$
<b>Misty Creek Recreation Center</b>						
1 Ea.	Clubhouse Roof Shingle Replacement	14,000	17	2	12,353	824
1 Lot	Clubhouse Exterior Soffit Replace	4,000	25	10	2,400	160
2 Ea.	Clubhouse Floor Tile Replacement	5,000	20	13	1,750	250
1 Lot	Clubhouse Interior Carpet Replace	1,000	12	2	833	83
1 Lot	Clubhouse Interior Furnishings Replace	2,500	12	2	2,083	208
Allowance	Clubhouse Cabinets/Counters/Millwork	4,800	30	2	4,480	160
1 Lot	Clubhouse Kitchen Appliance Replace	2,500	15	2	2,167	167
2 Ea.	Clubhouse Condenser Unit Replace	7,800	12	9	1,950	650
1 Lot	Restroom Plumbing Fixture Replacement	4,000	20	2	3,600	200
1 Ea.	Wall Mounting Drinking Fountain Replace	1,000	10	5	500	100
2 Ea.	Bath House Restroom Door Replace	1,500	15	5	1,000	100
2 Ea.	Bath House Pump Room Door Replace	1,800	15	5	1,200	120
1 Lot	Pool Filtration Pump Replacement	2,000	6	3	1,000	333
1 Lot	Pool Filter Unit/Piping Replacement	4,200	12	6	2,100	350
1 Ea.	Swimming Pool Membrane Resurface	16,800	9	6	5,600	1,867
1 Ea.	Toddler Pool Membrane Resurface	1,200	7	6	171	171
2 Ea.	Perimeter Pool Tile Replacement	6,500	18	6	4,333	361
Partial	Pool Coping Replacement	3,000	18	1	2,833	167
1 Lot	Pool Deck Expansion Joint Replace	3,000	9	1	2,667	333
1 Lot	Pool Deck Surface Replacement	18,000	24	1	17,250	750
1 Lot	Pool Area Outdoor Furniture Replace	3,000	7	2	2,143	429
Allowance	Pool Area Equipment Replace	2,000	7	2	1,429	286
1 Ea.	Lifeguard Stand Replacement	2,600	12	6	1,300	217
1 Lot	Perimeter Pool Fence Replacement	10,000	25	21	1,600	400
1 Lot	Tennis Court Net/Windcreens Replace	2,400	8	8	0	300
2 Ea.	Tennis Court Resurface	8,000	8	8	0	1,000
1 Lot	Tennis Court Fencing/Gate Replace	6,000	24	8	4,000	250
1 Lot	Tennis Court Light Fixture Replace	12,000	24	8	8,000	500
Partial	Common Concrete Sidewalks Replace	2,500	10	5	1,250	250
Allowance	Miscellaneous Replacements	1,800	1	1	0	1,800
<b>TOTALS</b>					<b>89,992</b>	<b>12,785</b>

# Fisher-Smoucha Consulting

## SPRING CREEK OAKS Community Improvement Association Spring, Texas January 1, 2011

**Exhibit C**

### RESERVE ITEM INVENTORY

Quantity	Item Description	Current Replacement Cost	Normal Useful Life	Remaining Life	Ideal Reserve Fund	Ideal Annual Contribution
		\$	Years	Years	\$	\$
<b>Burr Oak Recreation Center</b>						
1 Ea.	Clubhouse Roof Shingle Replacement	21,000	17	5	14,824	1,235
1 Lot	Clubhouse Exterior Siding/Soffit Replace	9,000	20	5	6,750	450
2 Ea.	Clubhouse Floor Tile Replacement	12,000	20	8	7,200	600
1 Lot	Clubhouse Interior Carpet Replace	3,000	10	2	2,400	300
1 Lot	Clubhouse Interior Furnishings Replace	6,000	10	2	4,800	600
Allowance	Clubhouse Cabinets/Counters/Millwork	7,200	30	2	6,720	240
1 Lot	Clubhouse Kitchen Appliance Replace	2,800	15	2	2,427	187
Allowance	Clubhouse Office Equipment Replace	3,000	5	1	2,400	600
4 Ea.	Clubhouse Condenser Unit Replace	15,000	12	8	5,000	1,250
1 Lot	Restroom Plumbing Fixture Replacement	4,800	20	2	4,320	240
1 Ea.	Wall Mounting Drinking Fountain Replace	1,000	10	6	400	100
2 Ea.	Bath House Restroom Door Replace	1,800	12	8	600	150
2 Ea.	Bath House Pump Room Door Replace	2,000	12	8	667	167
1 Lot	Pool Filtration Pump Replacement	2,600	6	3	1,300	433
1 Lot	Pool Filter Unit/Piping Replacement	9,000	12	6	4,500	750
1 Ea.	Pool Heater Unit Replacement	5,500	7	6	786	786
1 Ea.	Swimming Pool Membrane Resurface	31,000	9	5	13,778	3,444
1 Ea.	Toddler Pool Membrane Resurface	3,000	7	3	1,714	429
2 Ea.	Perimeter Pool Tile Replacement	9,000	18	14	2,000	500
Partial	Pool Coping Replacement	4,000	18	14	889	222
1 Lot	Pool Deck Expansion Joint Replace	4,000	9	5	1,778	444
1 Lot	Pool Deck Surface Replacement	35,000	26	22	5,385	1,346
1 Lot	Pool Area Outdoor Furniture Replace	8,000	7	3	4,571	1,143
Allowance	Pool Area Equipment Replace	4,000	7	3	2,286	571
1 Ea.	Lifeguard Stand Replacement	2,600	12	8	867	217
1 Ea.	Pool Slide Fixture Replacement	15,000	12	8	5,000	1,250
2 Ea.	Pool Shade Canopy Replacement	12,000	10	8	2,400	1,200
1 Ea.	Pool Bleachers Replacement	5,600	12	10	933	467
1 Lot	Perimeter Pool Fence Replacement	17,000	25	21	2,720	680
1 Lot	Tennis Court Net/Windscreens Replace	6,000	8	1	5,250	750
1 Lot	Tennis Court Resurface	24,000	8	1	21,000	3,000
1 Lot	Tennis Court Fencing/Gate Replace	16,000	24	9	10,000	667
1 Lot	Tennis Court Light Fixture Replace	35,000	24	9	21,875	1,458
2 Ea.	Tennis Court Wood Bleacher Replace	19,000	20	9	10,450	950
Partial	Common Concrete Sidewalks Replace	4,000	10	1	3,600	400
Partial	Common Concrete Pavement Replace	16,000	10	1	14,400	1,600
Allowance	Miscellaneous Replacements	3,000	1	1	0	3,000
<b>TOTALS</b>					<b>195,988</b>	<b>31,826</b>

# Fisher-Smoucha Consulting

## SPRING CREEK OAKS Community Improvement Association Spring, Texas January 1, 2011

**Exhibit C**

### RESERVE ITEM INVENTORY

Quantity	Item Description	Current Replacement Cost	Normal Useful Life	Remaining Life	Ideal Reserve Fund	Ideal Annual Contribution
	<b>Common Area Site Improvements</b>	<b>\$</b>	<b>Years</b>	<b>Years</b>	<b>\$</b>	<b>\$</b>
1 Lot	Main Entry Stone Monuments Replace	60,000	25	24	2,400	2,400
1 Lot	Main Entry Brick Monuments Replace	48,000	24	24	0	2,000
2 Ea.	Stone Association Directory Replace	12,000	16	15	750	750
Allowance	Main Entry Light Fixture Replace	6,000	10	9	600	600
1 Lot	Tennis Court Net/Windcreens (Kuehnle)	4,800	8	5	1,800	600
2 Ea.	Tennis Court Resurface (Kuehnle)	16,000	8	5	6,000	2,000
1 Lot	Tennis Court Fencing/Gate (Kuehnle)	12,000	24	10	7,000	500
1 Lot	Tennis Court Light Fixtures (Kuehnle)	24,000	24	10	14,000	1,000
1 Lot	Tennis Area Wood Bleacher (Kuehnle)	8,000	20	10	4,000	400
1 Ea.	Restroom Bldg. Roof Shingle (Kuehnle)	2,000	16	6	1,250	125
2 Ea.	Restroom Bldg. Doors Replace (Kuehnle)	1,000	16	6	625	63
1 Lot	Restroom Plumbing Fixtures (Kuehnle)	4,000	16	6	2,500	250
1 Lot	Ball Field Fencing/Backstop (Kuehnle)	17,000	16	6	10,625	1,063
1 Lot	Soccer Field Goal Replace (Kuehnle)	2,500	10	5	1,250	250
1 Ea.	Playground Fixtures Replace (Windy Pine)	20,000	12	11	1,667	1,667
1 Ea.	Playground Fixtures Replace (Westbrook Oaks)	24,000	12	6	12,000	2,000
2 Ea.	Park Fixtures Replace (Center Court)	4,000	12	2	3,333	333
1 Lot	Irrigation System Controller Replace	10,000	10	6	4,000	1,000
Partial	Park Walkways/Sidewalk Replace	4,000	15	5	2,667	267
2 Ea.	Security Alarm Systems	22,000	15	4	16,133	1,467
Allowance	Miscellaneous Replacements	2,000	1	1	0	2,000
<b>TOTALS</b>					<b>92,600</b>	<b>20,733</b>

**Fisher-Smoucha Consulting**

**SPRING CREEK OAKS**

**Community Improvement Association**

**EXHIBIT D**

**20-YEAR EXPENDITURE  
PROJECTION**

**(2011 - 2030)**

**SPRING CREEK OAKS**  
**Community Improvement Association**  
**Spring, Texas**  
**January 1, 2011**

**EXHIBIT D**

**20-YEAR PROJECTED CAPITAL RESERVE  
EXPENDITURE PROJECTION**

ITEM DESCRIPTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Misty Creek Recreation Center																				
Clubhouse Roof Shingle Replace		14,560																	28,361	
Clubhouse Exterior Soffit Replace										5,693										
Clubhouse Interior Floor Tile Replace																				
Clubhouse Interior Carpet Replace		1,040											8,005							
Clubhouse Interior Furnishings Replace		2,600												2,107						
Clubhouse Cabinets/Counters/Millwork		4,992												5,267						
Clubhouse Kitchen Appliance Replace		2,600																		
Clubhouse Condenser Unit Replace																4,682				
Restroom Plumbing Fixture Replace		4,160																		
Wall Mtd. Drinking Fountain Replace					1,170															
Bath House Restroom Door Replace					1,755										1,732					
Bath House Pump Room Door Replace					2,106															3,160
Pool Circulating Pump Replace			2,163						2,737											3,792
Pool Filter Unit/Controls Replace						5,110														
Swimming Pool Membrane Resurface						20,440												8,181		
Toddler Pool Membrane Resurface						1,460									29,092					
Perimeter Pool Tile Replacement						7,908							1,921							2,528
Perimeter Pool Coping Replacement	3,000																			
Pool Deck Expansion Joint Replace	3,000									4,270										
Pool Deck Surface Replacement	18,000																			
Pool Area Outdoor Furniture Replace		3,120														5,403				
Pool Area Equipment Replace		2,080														3,602				
Lifeguard Stand Replacement						3,163														
Perimeter Pool Fence/Gate Replace																				
Tennis Court Net/Windscreen Replace								3,158												
Tennis Court Resurface								10,527								4,322				
Tennis Court Fencing/Gate Replace								7,896								14,408				
Tennis Court Light Fixture Replace								15,791												
Common Sidewalks Replace																				
Miscellaneous Annual Allowance	1,800	1,872	1,947	2,025	2,106	2,190	2,278	2,369	2,463	2,562	2,664	2,771	2,882	2,997	3,117	3,242	3,371	3,506	3,646	3,792
<b>TOTALS</b>	<b>25,800</b>	<b>37,024</b>	<b>4,110</b>	<b>2,025</b>	<b>10,061</b>	<b>40,271</b>	<b>2,278</b>	<b>39,741</b>	<b>22,718</b>	<b>12,525</b>	<b>2,664</b>	<b>2,771</b>	<b>12,808</b>	<b>10,371</b>	<b>41,733</b>	<b>30,976</b>	<b>8,054</b>	<b>16,752</b>	<b>44,163</b>	<b>13,273</b>

**SPRING CREEK OAKS**  
Community Improvement Association  
Spring, Texas  
January 1, 2011

**EXHIBIT**

**20-YEAR PROJECTED CAPITAL RESERVE  
EXPENDITURE PROJECTION**

ITEM DESCRIPTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Burr Oak Recreation Center</b>																				
Clubhouse Roof Shingle Replacement	-	-	-	-	24,567	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clubhouse Exterior Soffit Replace	-	-	-	-	10,529	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clubhouse Interior Floor Tile Replace	-	-	-	-	-	-	-	15,791	-	-	-	-	-	-	-	-	-	-	-	-
Clubhouse Interior Carpet Replace	-	3,120	-	-	-	-	-	-	-	-	-	4,618	-	-	-	-	-	-	-	-
Clubhouse Interior Furnishings Replace	-	6,240	-	-	-	-	-	-	-	-	-	9,237	-	-	-	-	-	-	-	-
Clubhouse Cabinets/Counters/Millwork	-	7,488	-	-	-	-	-	-	-	-	-	11,084	-	-	-	-	-	-	-	-
Clubhouse Kitchen Appliances Replace	-	2,912	-	-	-	-	-	-	-	-	-	-	-	-	-	5,244	-	-	-	-
Clubhouse Office Equipment Replace	3,000	-	-	-	-	3,650	-	-	-	4,441	-	-	-	-	5,403	-	-	-	-	31,603
Clubhouse Condenser Units Replace	-	-	-	-	-	-	-	19,739	-	-	-	-	-	-	-	-	-	-	-	-
Restroom Plumbing Fixture Replace	-	4,992	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wall Mtf. Drinking Fountain Replace	-	-	-	-	-	1,217	-	-	-	-	-	-	-	-	1,801	-	-	-	-	-
Bath House Restroom Door Replace	-	-	-	-	-	-	-	2,369	-	-	-	-	-	-	-	-	-	-	-	3,792
Bath House Pump Room Door Replace	-	-	-	-	-	-	-	2,632	-	-	-	-	-	-	-	-	-	-	-	4,214
Pool Circulating Pumps Replace	-	-	2,812	-	-	-	-	-	3,558	-	-	-	-	-	4,502	-	-	-	-	-
Pool Filter Unit/Controls Replace	-	-	-	-	-	10,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pool Heater Unit Replacement	-	-	-	-	-	6,692	-	-	-	-	-	-	8,806	-	-	-	-	17,531	-	11,588
Swimming Pool Membrane Resurface	-	-	-	-	36,266	-	-	-	-	-	-	-	-	51,617	-	-	-	-	-	-
Toddler Pool Membrane Resurface	-	-	3,245	-	-	-	-	-	-	4,270	-	-	-	14,986	-	-	5,619	-	-	-
Perimeter Pool Tile Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	6,660	-	-	-	-	-	-
Perimeter Pool Coping Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pool Deck Expansion Joint Replace	-	-	-	-	4,679	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pool Deck Surface Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pool Area Outdoor Furniture Replace	-	-	8,653	-	-	-	-	-	-	11,386	-	-	-	-	-	14,984	-	-	-	16,855
Pool Area Equipment Replace	-	-	4,326	-	-	-	-	-	5,693	-	-	-	-	-	-	7,492	-	-	-	8,427
Lifeguard Stand Replacement	-	-	-	-	-	-	-	3,421	-	-	-	-	-	-	-	-	-	-	-	5,478
Pool Slide Fixture Replacement	-	-	-	-	-	-	-	19,739	-	-	-	-	-	-	-	-	-	-	-	31,603
Pool Shade Canopy Replacement	-	-	-	-	-	-	-	15,791	-	-	-	-	-	-	-	-	-	23,375	-	-
Pool Bleachers Replacement	-	-	-	-	-	-	-	-	7,971	-	-	-	-	-	-	-	-	-	-	-
Perimeter Pool Fence Replacement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tennis Court Net/Windscreen Replace	6,000	-	-	-	-	-	-	8,211	-	-	-	-	-	-	-	11,238	-	-	-	-
Tennis Court Resurface	24,000	-	-	-	-	-	-	32,846	-	-	-	-	-	-	-	44,952	-	-	-	-
Tennis Court Fencing/Gate Replace	-	-	-	-	-	-	-	21,897	-	-	-	-	-	-	-	-	-	-	-	-
Tennis Court Light Fixture Replace	-	-	-	-	-	-	-	47,900	-	-	-	-	-	-	-	-	-	-	-	-
Tennis Court Wood Bleacher Replace	-	-	-	-	-	-	-	26,003	-	-	-	-	-	-	-	-	-	-	-	-
Common Concrete Sidewalks Replace	4,000	-	-	-	-	-	-	-	5,921	-	-	-	-	-	-	-	-	-	-	-
Common Driveway/Parking Lot Replace	16,000	-	-	-	-	-	-	-	23,684	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Annual Allowance	3,000	3,120	3,245	3,375	3,510	3,650	3,796	3,948	4,106	4,270	4,441	4,618	4,803	4,995	5,195	5,403	5,619	5,844	6,077	6,321
<b>TOTALS</b>	<b>56,000</b>	<b>27,872</b>	<b>22,281</b>	<b>3,375</b>	<b>79,550</b>	<b>26,158</b>	<b>3,796</b>	<b>83,430</b>	<b>144,521</b>	<b>33,590</b>	<b>38,486</b>	<b>29,558</b>	<b>13,609</b>	<b>78,258</b>	<b>9,697</b>	<b>12,607</b>	<b>95,147</b>	<b>46,750</b>	<b>6,077</b>	<b>119,880</b>

**SPRING CREEK OAKS**  
 Community Improvement Association  
 Spring, Texas  
 January 1, 2011

**EXHIBIT D**

**20-YEAR PROJECTED CAPITAL RESERVE  
 EXPENDITURE PROJECTION**

ITEM DESCRIPTION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Common Area Site Improvements</b>																				
Main Entry Stone Monuments Replace	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Main Entry Brick Monuments Replace	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stone Association Directory Replace	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,780	-	-	-	-	-
Monument Lighting Replace Allowance	-	-	-	-	-	-	-	-	8,211	-	-	-	-	-	-	-	-	-	-	12,155
Tennis Court Nets/Windscreens (Kuehnle)	-	-	-	-	5,615	-	-	-	-	-	-	-	7,685	-	-	-	-	-	-	-
Tennis Court Resurface (Kuehnle)	-	-	-	-	18,718	-	-	-	-	-	-	-	25,617	-	-	-	-	-	-	-
Tennis Court Fencing/Gate (Kuehnle)	-	-	-	-	-	-	-	-	-	17,080	-	-	-	-	-	-	-	-	-	-
Tennis Court Light Fixtures (Kuehnle)	-	-	-	-	-	-	-	-	-	34,159	-	-	-	-	-	-	-	-	-	-
Tennis Area Wood Bleacher (Kuehnle)	-	-	-	-	-	-	-	-	-	11,386	-	-	-	-	-	-	-	-	-	-
Restroom Bldg. Roof Shingle (Kuehnle)	-	-	-	-	-	2,433	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restroom Bldg. Door Replace (Kuehnle)	-	-	-	-	-	1,217	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restroom Plumbing Fixture (Kuehnle)	-	-	-	-	-	4,867	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ball Field Fencing/Backstop (Kuehnle)	-	-	-	-	-	20,683	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Soccer Field Goal Replace (Kuehnle)	-	-	-	-	2,925	-	-	-	-	-	-	-	-	-	4,329	-	-	-	-	-
Playground Fixtures Replace (Windy Pine)	-	-	-	-	-	-	-	-	-	-	29,605	-	-	-	-	-	-	-	-	-
Playground Fixtures Replace (Westbrook Oaks)	-	-	-	-	-	29,200	-	-	-	-	-	-	-	-	-	-	-	46,750	-	-
Park Fixtures Replace (Center Court)	-	4,160	-	-	-	12,167	-	-	-	-	-	6,158	-	-	-	18,009	-	-	-	-
Irrigation System Controller Replace	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Walkways/Sidewalk Replace	-	-	-	24,747	4,679	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,427
Security Alarm Systems	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Annual Allowance	2,000	2,080	2,163	2,250	2,340	2,433	2,531	2,632	2,737	2,847	2,960	3,079	3,202	3,330	3,463	3,602	3,746	3,896	4,052	4,214
<b>TOTALS</b>	<b>2,000</b>	<b>6,240</b>	<b>2,163</b>	<b>26,997</b>	<b>34,277</b>	<b>72,999</b>	<b>2,531</b>	<b>2,632</b>	<b>10,949</b>	<b>65,472</b>	<b>32,565</b>	<b>9,237</b>	<b>36,504</b>	<b>3,330</b>	<b>28,573</b>	<b>21,611</b>	<b>3,746</b>	<b>50,645</b>	<b>60,774</b>	<b>12,641</b>

# **Fisher-Smoucha Consulting**

## **SPRING CREEK OAKS**

**Community Improvement Association**

### **EXHIBIT E**

#### **20-YEAR EXPENDITURE SUMMARY**

##### **5-Year Average**

---

<b>(2011-2015)</b>	<b>- \$67,955</b>
<b>(2016-2020)</b>	<b>- \$112,722</b>
<b>(2021-2025)</b>	<b>- \$70,033</b>
<b>(2026-2030)</b>	<b>- \$108,619</b>

# Fisher-Smoucha Consulting

## SPRING CREEK OAKS

Community Improvement Association

Spring, Texas

January 1, 2011

**Exhibit E**

### 20-YEAR EXPENDITURE SUMMARY

Year	Misty Creek Center	Burr Oak Center	Common Site Improvements	Total	5-Year Average
	\$	\$	\$	\$	\$
2011	25,800	56,000	2,000	83,800	
2012	37,024	27,872	6,240	71,136	
2013	4,110	22,281	2,163	28,554	
2014	2,025	3,375	26,997	32,397	
2015	10,061	79,550	34,277	123,888	<b>67,955</b>
2016	40,271	26,158	72,999	139,428	
2017	2,278	3,796	2,531	8,605	
2018	39,741	83,430	2,632	125,803	
2019	22,718	144,521	10,949	178,188	
2020	12,525	33,590	65,472	111,587	<b>112,722</b>
2021	2,664	38,486	32,565	73,715	
2022	2,771	29,558	9,237	41,566	
2023	12,808	13,609	36,504	62,921	
2024	10,371	78,258	3,330	91,959	
2025	41,733	9,697	28,573	80,003	<b>70,033</b>
2026	30,976	12,607	21,611	65,194	
2027	8,054	95,147	3,746	106,947	
2028	16,752	46,750	50,645	114,147	
2029	44,163	6,077	60,774	111,014	
2030	13,273	119,880	12,641	145,794	<b>108,619</b>

**Fisher-Smoucha Consulting**

**SPRING CREEK OAKS**

**Community Improvement Association**

**EXHIBIT F**

**RESERVE FUNDING RESOLUTIONS**

**No.1- Minimum Threshold Contribution Level**

**No.2- Utilizes the "Ideal" Funding Parameters**

**No.3- Fully Funded (100%) Contribution Level**

# Fisher-Smoucha Consulting

## SPRING CREEK OAKS Community Improvement Association Spring, Texas January 1, 2011

**Exhibit F**

### RESERVE FUNDING RESOLUTION NO.-1 -Calculates a Minimum Threshold Annual Contribution @

Year	Current Reserve Funds	Assumed Simple Interest	Indicated Net Annual Contribution	Accumulated Total Reserve	Less Expenditures	Remaining Balance
	\$	%	\$	\$	\$	\$
2011	200,000 #	1.5	65,500 @	268,500	83,800	184,700
2012	184,700	1.5	67,465	254,936	71,136	183,800
2013	183,800	1.5	69,489	256,045	28,554	227,491
2014	227,491	1.5	71,574	302,477	32,397	270,080
2015	270,080	1.5	73,721	347,852	123,888	223,964
2016	223,964	1.5	75,932	303,256	139,428	163,828
2017	163,828	1.5	78,210	244,496	8,605	235,891
2018	235,891	1.5	80,557	319,986	125,803	194,183
2019	194,183	1.5	82,973	280,070	178,188	101,882
2020	101,882	1.5	85,463	188,872	111,587	77,285
2021	77,285	1.5	88,027	166,471	73,715	92,756
2022	92,756	1.5	90,667	184,815	41,566	143,249
2023	143,249	1.5	93,387	238,785	62,921	175,864
2024	175,864	1.5	96,189	274,691	91,959	182,732
2025	182,732	1.5	99,075	284,547	80,003	204,544
2026	204,544	1.5	102,047	309,659	65,194	244,465
2027	244,465	1.5	105,108	353,241	106,947	246,294
2028	246,294	1.5	108,262	358,250	114,147	244,103
2029	244,103	1.5	111,509	359,274	111,014	248,260
2030	248,260	1.5	114,855	366,838	145,794	221,044

#- Projected January 1, 2011 Reserve Fund Balance

# Fisher-Smoucha Consulting

## SPRING CREEK OAKS Community Improvement Association Spring, Texas January 1, 2011

**Exhibit F**

### RESERVE FUNDING RESOLUTION NO.-2 -Utilizes the "Ideal" Funding Parameters @

Year	Current Reserve Funds	Assumed Simple Interest	Indicated Net Annual Contribution	Accumulated Total Reserve	Less Expenditures	Remaining Balance
	\$	%	\$	\$	\$	\$
2011	379,000 @	1.5	65,000 @	449,685	83,800	365,885
2012	365,885	1.5	66,950	438,323	71,136	367,187
2013	367,187	1.5	68,959	441,654	28,554	413,100
2014	413,100	1.5	71,027	490,323	32,397	457,926
2015	457,926	1.5	73,158	537,953	123,888	414,065
2016	414,065	1.5	75,353	495,629	139,428	356,201
2017	356,201	1.5	77,613	439,158	8,605	430,553
2018	430,553	1.5	79,942	516,953	125,803	391,150
2019	391,150	1.5	82,340	479,357	178,188	301,169
2020	301,169	1.5	84,810	390,497	111,587	278,910
2021	278,910	1.5	87,355	370,448	73,715	296,733
2022	296,733	1.5	89,975	391,159	41,566	349,593
2023	349,593	1.5	92,674	447,511	62,921	384,590
2024	384,590	1.5	95,455	485,814	91,959	393,855
2025	393,855	1.5	98,318	498,081	80,003	418,078
2026	418,078	1.5	101,268	525,617	65,194	460,423
2027	460,423	1.5	104,306	571,635	106,947	464,688
2028	464,688	1.5	107,435	579,094	114,147	464,947
2029	464,947	1.5	110,658	582,579	111,014	471,565
2030	471,565	1.5	113,978	592,617	145,794	446,823

# Fisher-Smoucha Consulting

## SPRING CREEK OAKS Community Improvement Association Spring, Texas January 1, 2011

**Exhibit F**

### RESERVE FUNDING RESOLUTION NO.-3 -Calculates a Fully Funded (100%) Annual Contribution @

Year	Current Reserve Funds	Assumed Simple Interest	Indicated Net Annual Contribution	Accumulated Total Reserve	Less Expenditures	Remaining Balance
	\$	%	\$	\$	\$	\$
2011	200,000 @	1.5	72,800 @	275,800	83,800	192,000
2012	192,000	1.5	74,984	269,864	71,136	198,728
2013	198,728	1.5	77,234	278,942	28,554	250,388
2014	250,388	1.5	79,551	333,695	32,397	301,298
2015	301,298	1.5	81,937	387,754	123,888	263,866
2016	263,866	1.5	84,395	352,219	139,428	212,791
2017	212,791	1.5	86,927	302,910	8,605	294,305
2018	294,305	1.5	89,535	388,255	125,803	262,452
2019	262,452	1.5	92,221	358,609	178,188	180,421
2020	180,421	1.5	94,987	278,115	111,587	166,528
2021	166,528	1.5	97,837	266,863	73,715	193,148
2022	193,148	1.5	100,772	296,818	41,566	255,252
2023	255,252	1.5	103,795	362,876	62,921	299,955
2024	299,955	1.5	106,909	411,363	91,959	319,404
2025	319,404	1.5	110,117	434,312	80,003	354,309
2026	354,309	1.5	113,420	473,044	65,194	407,850
2027	407,850	1.5	116,823	530,790	106,947	423,843
2028	423,843	1.5	120,327	550,528	114,147	436,381
2029	436,381	1.5	123,937	566,864	111,014	455,850
2030	455,850	1.5	127,655	590,343	145,794	444,549

#- Projected January 1, 2011 Reserve Fund Balance

**Fisher-Smoucha Consulting**

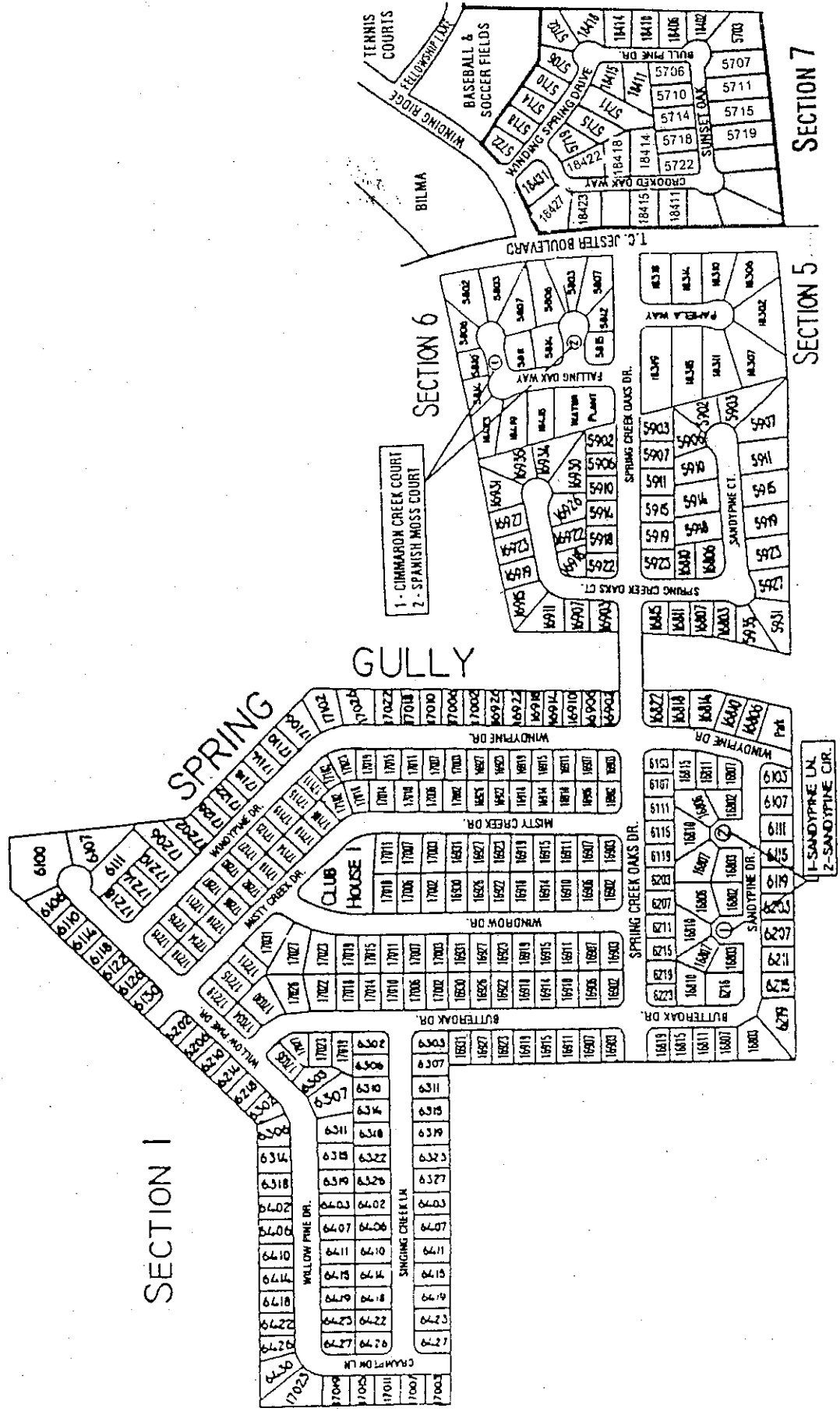
**SPRING CREEK OAKS**

**Community Improvement Association**

**EXHIBIT G**

**SITE PLAN OF PROPERTY**

**(4 Pages)**



SECTION I

SECTION 6

SECTION 5

SECTION 7

- 1 - CIMMARON CREEK COURT
- 2 - SPANISH MOSS COURT

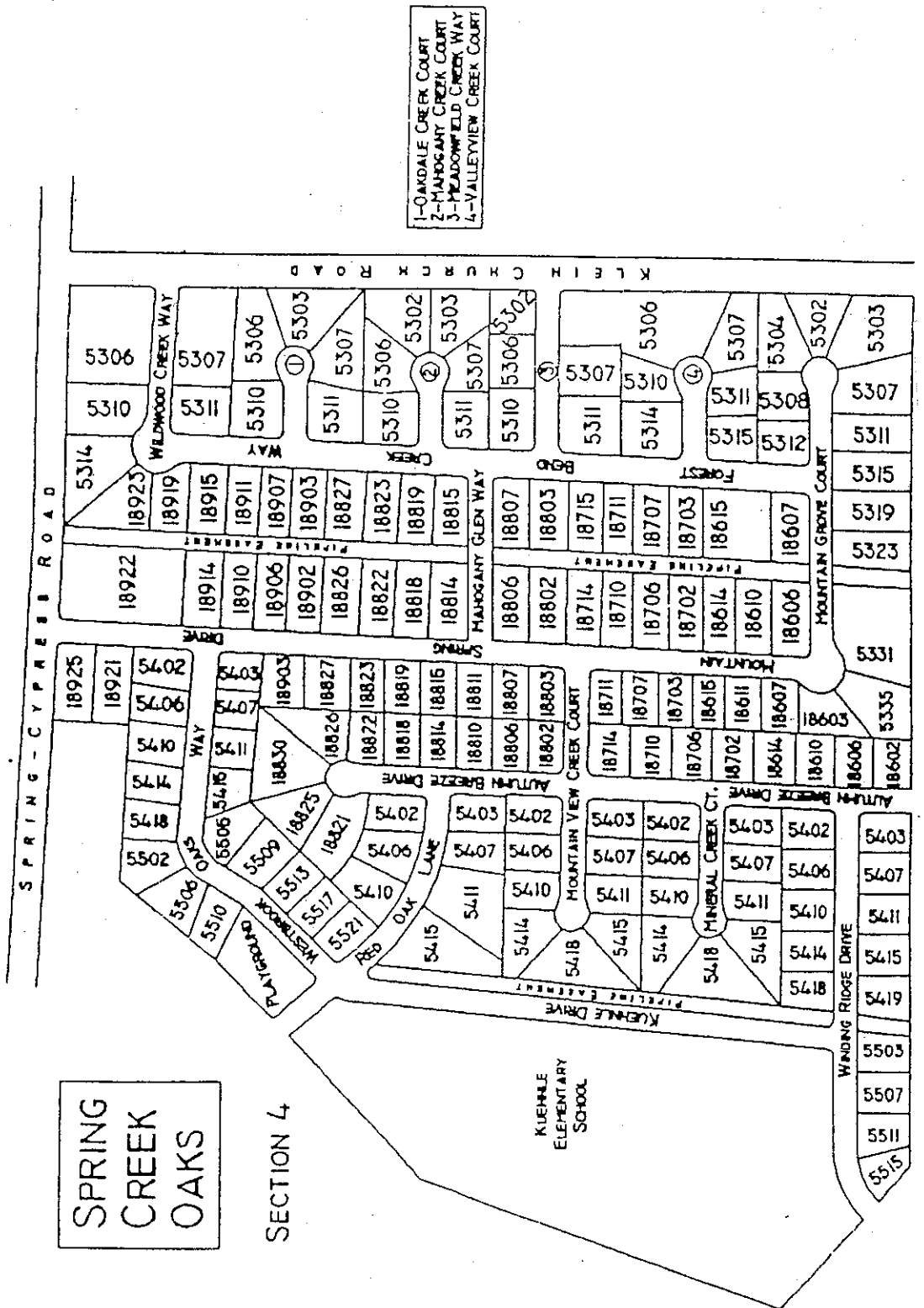
GULLY

SPRING

CLUB HOUSE

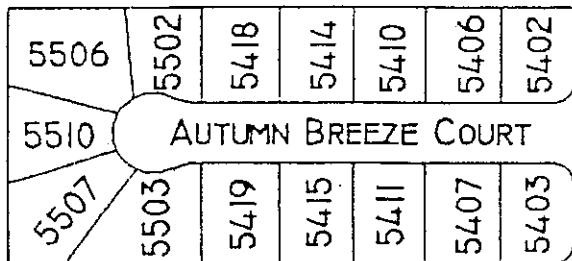
TENNIS COURTS

BASEBALL & SOCCER FIELDS



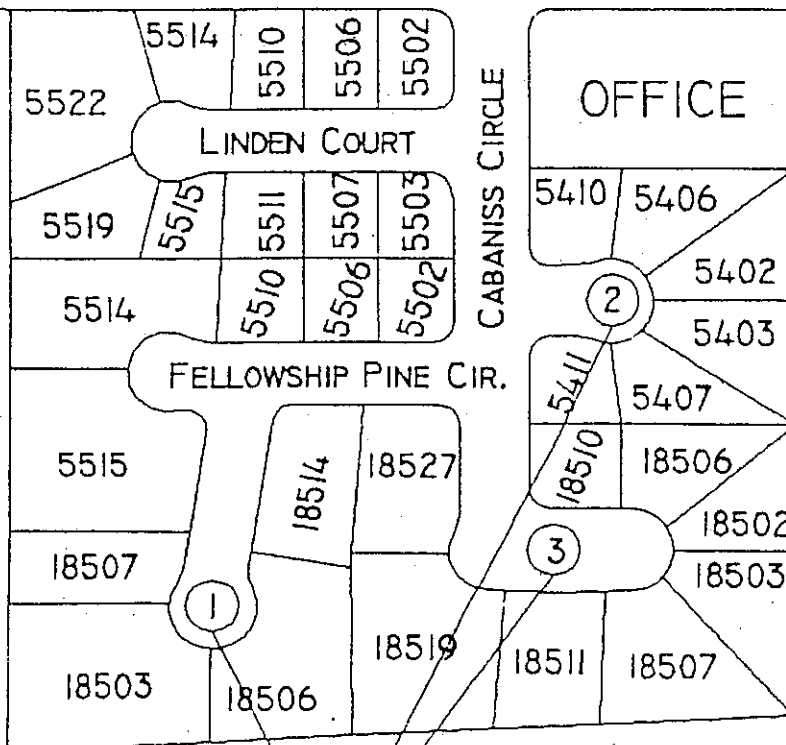
# OAKS OF SPRING CREEK

TENNIS COURTS



AUTUMN BREEZE DR.

## FELLOWSHIP LANE



WOODS OF SCO

- 1-SPRING CREEK OAKS CIRCLE
- 2-KELLY SPRING CIRCLE
- 3-CABANISS CIRCLE

# SPRING CREEK OAKS

## SECTION 8

- 1 - MARBLE OAK COURT
- 2 - AUTUMN OAK COURT
- 3 - DESERT OAK COURT

## SECTION 10



Map Is Not To Scale

# **Fisher-Smoucha Consulting**

**18208 Preston Road  
Suite D-9, #205  
Dallas, Texas 75252**

**12520A1 Westheimer  
Suite 210  
Houston, Texas 77077  
1(888)476-3228**

FSC appreciates the opportunity to serve your Associations' budgeting needs. Although our Final Report is designed to be self-explanatory, please feel free to contact us if we can be of any further assistance.

With over 25 years of experience in the real estate consulting field, FSC offers the following professional services:

- RESERVE FUND STUDIES**
- INSURANCE APPRAISALS**
- REAL ESTATE APPRAISALS**
- TRANSITION/CONDITION ANALYSIS**
- ANNUAL UPDATES (ALL SERVICES)**

**We are Proud to be Members of CAI**