



Continental  
Property  
Management Inc.

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Continental Property Managers, Inc. was retained by Fortress Pennsylvania L.L.C., the Developer and sponsor of The Mews at Darlington Valley Community Association, planned for Middletown Township, Delaware County, Pennsylvania. Our engagement was to develop Operating and Reserve Budgets for the proposed 43-unit community.

Our experience includes fourteen years of managing residential and commercial Condominium and Homeowner Associations. Currently we manage over 150 communities consisting of more than 17,000 individual units.

The Mews at Darlington Valley Community Association is responsible for maintaining the common elements owned by the Association, as well as the landscaping on each lot and the common ground, as defined in the Association's Declaration.

The Operating and Reserve Budget estimates were prepared in accordance with, and based upon, the information received from the developer, their engineers and architects. Using current cost estimates, we certify that the budget projections for The Mews at Darlington Valley Community Association appear reasonable and adequate. The projected monthly unit assessment is \$100.

The Budget preparations were done prior to construction. Any changes in the actual construction or the length of construction time may affect the Association's ultimate operating expenses. The Budget estimates are also subject to inflation or changes in industry cost factors.

Continental Property Managers, Inc., certifies that we are not owned or controlled by, nor have any interest in, the sponsor of the Development. We understand that a copy of this representation may be incorporated into the offering plan so prospective owners may rely on it. The Pro Forma Budget and Analysis and the Reserve for Replacement Analysis for The Mews at Darlington Valley Community Association are therefore an integral part of this submission, and should be reviewed in their entirety.

Sincerely,

Edward Stevens, President  
CONTINENTAL PROPERTY MANAGERS, INC.

ES/dd

THE MEWS AT DARLINGTON VALLEY HOMEOWNERS ASSOCIATION  
PRO-FORMA BUDGET

43 Units

**INCOME:**

Assessments	\$ <u>51,600</u>
TOTAL INCOME	\$ <u>51,600</u>

**EXPENSES:**

Grounds Maintenance	\$19,000
Management Services	8,260
Trash Removal	5,700
Snow Removal	2,400
Street Lights	2,160
Office & Administrative	1,360
Legal & Accounting	1,000
Insurance	800
Repairs & Maintenance	<u>600</u>
TOTAL EXPENSES	\$41,280
RESERVE FOR REPLACEMENT	<u>10,326</u>
TOTAL EXPENSES & RESERVE	\$ <u>51,600</u>

THE MEWS AT DARLINGTON VALLEY HOMEOWNERS ASSOCIATION  
PRO-FORMA BUDGET ANALYSIS

**INCOME:**

**Assessments:** The monthly unit assessment is projected at \$100 per unit.

**EXPENSES:**

**Grounds Maintenance:** Projection includes 24 mowings per season, regular edging of sidewalks, spring and fall clean-up, turf applications on all lawn areas, mulching and edging of the shrubbery beds, plus trimming of all shrubbery. The budget also includes \$1,000 for non-contracted services.

**Management Services:** The Association will be managed by a full service, professional management company, under the control of the Board of Directors, and independent from the developer. Management services include administrative, financial, and common area maintenance administration.

**Trash Removal:** The Association is responsible for community trash removal. Curbside service will be performed twice per week. The budget, which includes recycling once per week, is based upon \$11 per unit, per month.

**Snow Removal:** Private roads and parking areas will be plowed, and common sidewalks will be shoveled, when there is an accumulation of snow of 2" or more. The budget is based upon four regular snowfalls per season, with an average removal cost of \$600. Owners are responsible for snow removal from their driveways and entrywalks.

**Street Lights:** Provides for a monthly charge of \$180 for the 9 common area streetlights.

**Office & Administrative:** Includes the estimated cost of Association stationery, postage, copying, mailing, assessment coupons, bank service charges, and court costs.

**Legal & Accounting:** Annually, the Association will employ an accountant to prepare an independent financial statement and tax return.

**Insurance:** The Association will maintain building property coverage, directors & officers liability insurance, and general liability insurance. Owners are responsible for obtaining their own personal insurance for their townhomes.

**Repairs & Maintenance:** The Association is responsible for maintaining the common elements including the exterior of all units. The projected cost is \$50 per month.

THE MEWS AT DARLINGTON VALLEY HOMEOWNERS ASSOCIATION  
PRO-FORMA BUDGET ANALYSIS

**RESERVE FOR REPLACEMENT:** In accordance with the Association's Reserve for Replacement Analysis, \$20 per unit will be placed into a separate reserve fund each month. The Association is responsible, on a scheduled basis, for the replacement of general common areas, including undedicated roads and curbs, signs, the units' roof shingles, and exterior painting.