

Crestmont Settlement Analysis

Assessment:

Block 174, Lot 1 (95 Acres)		Block 174, Lot 1.01 (Golf Course)	
Land	\$2,314,900.00	Land	\$3,576,100.00
Improvement	<u>\$0,000,000.00</u>	Improvement	<u>\$3,070,500.00</u>
Total	\$2,314,900.00	Total	\$6,646,600.00

Block 174, Lot 1 (95 Acres)

Tax Year 2007 – Equalized Value is \$9,817,200.00 – Taxes \$236,667.00
(If Woodlands - Value @ \$2500 Per Acre/Assmt. \$8,500.00 – Taxes \$968.00 – Red. \$235,700)

Tax Year 2008 – Equalized Value - \$10,399,371.00 – Taxes \$280,704.00
(If Woodlands – Value @ \$2500 Per Acre/Assmt. \$8,500.00 – Taxes - \$1,030.71-Red. \$279,672)

Tax Year 2009 – Equalized Value \$10,609,074.00 – Taxes \$290,450.00
(If Woodlands –Value \$2500 Acre/Assmt. \$8500 – Taxes \$1,066.00 - Red. \$289,384)

Tax Year 2010 – Equalized Value \$10,148,619.00 – Taxes \$300,937.00
(If Woodlands – Value \$2500 Acre/Assmt. \$8500 – Taxes \$1,105.00-Red. \$299,832.00)
(estimated 2010 Rate Of \$13.00)

Assume Township Loss on Woodland Appeal At Trial – Refunds Would Be:

2007 \$235,700.00 + Int. (approx.) \$47,000.00 – Total - \$ 282,700.00
2008 \$279,672.00 + Int. (approx.) \$42,000.00 – Total - \$ 321,672.00
2009 \$289,384.00 + Int. (approx.) \$29,000.00 – Total - \$ 318,384.00
2010 \$299,832.00 + Int. (approx.) \$15,000.00 – Total - \$ 314,832.00
Total \$1,237,588.00

Block 174, Lot 1.01 (Golf Course)

Tax Year 2007 – Equalized Value is \$28,187,446.00 – Taxes \$757,048.00
Assume Value @ \$1,000,000.00 Per Hole @ Ratio AV \$4,244,400 – Taxes \$483,437.00

Tax Year 2008 – Equalized Value is \$29,858,940.00 – Taxes \$805,967.00
Assume Value @ \$1,000,000.00 Per Hole @ Ratio AV \$4,006,800 – Taxes \$485,864.00

Tax Year 2009 – Equalized Value is \$30,461,045.00 – Taxes \$833,949.00
Assume Value @ \$1,000,000.00 Per Hole @ Ratio AV \$3,927,600 – Taxes \$492,795.00

Tax Year 2010 – Equalized Value is \$29,138,974.00 – Taxes \$864,058.00
Assume Value @ \$1,000,000.00 Per Hole @ Ratio AV \$4,105,800 – Taxes \$533,754.00

Assume Trial With Concluded Value of \$18,000,000.00 (\$1.0 Per Hole) – Refunds:

2007 - \$273,610.00 + Int. (approx.) \$54,700.00 – Total - \$ 328,310.00
2008 - \$320,102.00 + Int. (approx.) \$48,015.00 – Total - \$ 368,117.00
2009 - \$341,152.00 + Int. (approx.) \$34,115.00 – Total - \$ 375,267.00
2010 - \$330,304.00 + Int. (approx.) \$16,515.00 – Total - \$ 346,819.00
Total \$1,418,513.00

Aggregate Township Exposure Based on Above - \$2,656,101.00

Crestmont Settlement Analysis

Based on a review of the proposed stipulation, the refund for both parcels (95 acres and golf course) would be a total of \$1,425,000.00. The refund would be payable as follows and conditioned upon total 2011 Real Estate Taxes Not To Exceed \$660,000.00

\$150,000.00 Cash Refund – 4th Quarter 2010

\$300,000.00 Annual Credit Against Taxes for 2011 thru 2014 (Credited \$75,000.00 Per Qtr)

\$75,000.00 Credit Against 1st Quarter 2015 Taxes

Crestmont will agree to a total (aggregate) valuation of \$22,000,000.00 under the provision that the assessment will not increase above that during 2011-2015. THE TOWNSHIP SHOULD MAKE A PROVISION IN THE STIPULATION THAT IF CRESTMONT MAKES ANY IMPROVEMENTS TO THE PROPERTY (ADDITIONS, ETC.) THEN THE TOWNSHIP WILL HAVE THE RIGHT TO INCREASE THE ASSESSMENT FOR THE COUNTRY CLUB LOT. ALSO, IN THE EVENT THE 95 ACRES IS SOLD AND SUBDIVISION OR DEVELOPMENT APPROVALS ARE OBTAINED, THEN THE 95 ACRE PARCEL SHALL ALSO BE SUBJECT TO AN INCREASE IN ASSESSMENT.

Crestmont shall also agree not to file a woodland or farmland assessment application for the subject property during tax years 2011-2015. They also agree not to file a valuation appeal during the same time period so long as the assessment does not exceed \$22,000,000.00. Again, if they make improvements to the clubhouse, etc. obtain subdivision or other development approvals on the 95 acre parcel, then the assessment may be subject to an increase. We need to preserve those rights and I'm sure the representatives of Crestmont realize that.

Please note that under the assumptions of a Township Loss on the Woodland Appeal and a value of \$18,000,000.00 for the golf course, the total 2010 real estate taxes would have been approximately \$535,000.00 (based on assumed tax rate of \$13.00). In this regard, the proposed settlement appears to be favorable for the municipality.