

**GREENSTONES
CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET AT BUILD-OUT**

23 Units

CATEGORY	PER UNIT	PER MONTH	PER YEAR	NOTES
OPERATING EXPENSES				
Water	13.31	306.07	3,672.81	1
Sewer	7.41	170.52	2,046.28	2
Gas/Electricity	6.52	150.00	1,800.00	3
Management	34.78	800.00	9,600.00	4
Administrative Expense	1.40	32.20	386.40	5
Postage	0.50	11.50	138.00	6
Legal	2.90	66.67	800.00	7
Taxes	0.72	16.67	200.00	8
Audit	5.43	125.00	1,500.00	9
Insurance	36.00	828.00	9,936.00	10
Grounds Maintenance	8.07	185.57	2,226.81	11
Fertilization/Weed/Insect Control	1.21	27.84	334.02	12
Grounds Repairs (Sprinkler)	1.81	41.67	500.00	13
Grounds Repairs (Other)	1.09	25.00	300.00	14
Grounds Improvements	1.45	33.33	400.00	15
Building Repair (Roofing)	2.90	66.67	800.00	16
Building Repair (Other)	6.67	153.33	1,840.00	17
Telephone	4.35	100.00	1,200.00	18
Lighting Maintenance	1.81	41.67	500.00	19
Snow Removal	6.59	151.67	1,820.00	20
Trash Removal	6.26	143.98	1,727.76	21
Paving Maintenance	1.81	41.67	500.00	22
Fire Alarm	9.06	208.33	2,500.00	23
Elevator Maintenance	9.78	225.00	2,700.00	24
Underground Parking Maintenance	5.47	125.83	1,510.00	25
Stucco Maintenance	7.25	166.67	2,000.00	26
Heated Drive Maintenance	2.54	58.33	700.00	27
Sanitas Terrace Master Fee	18.60	427.75	5,133.00	28
Miscellaneous	0.72	16.67	200.00	29
TOTAL OPERATING EXPENSES	206.41	4,747.61	56,971.09	
RESERVE EXPENSES				
Major Landscape Improvements	2.17	50.00	600.00	30
Heated Walk/Drive Reserve	1.21	27.78	333.33	31
Reroofing Units	9.04	207.89	2,494.67	32
Major Concrete Replacement	5.90	135.79	1,629.52	33
Underground Parking Reserves	3.62	83.33	1,000.00	34
Elevator Reserves	5.43	125.00	1,500.00	35
Garage Fan Reserves	0.14	3.33	40.00	36
Other Contingency	1.81	41.67	500.00	37
TOTAL RESERVE EXPENSES	29.32	674.79	8,097.52	
TOTAL EXPENSES	235.73	5,422.40	65,068.61	

The percentage of assessments which is Reserves is: 12.4%

MONTHLY ASSESSMENT: 236.00

Note: Assessment rounded to nearest whole dollar.

GREENSTONES
CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET AT BUILD-OUT

Page 2

NOTES

- 1 Water** is used to irrigate common areas and domestic use. There are 0.22 acres of landscaped common area. The irrigation requirement is 1.25 inches of water per week. The irrigation season is 22 weeks long. There are 0.51 acre-feet of water required for the season. This represents 166,285 gallons of water. Water used for domestic purposes is estimated to be 125 gallons per unit per day. Total water for domestic use is 1,049,375 gallons per year. Total estimated gallons per year is 1,215,660 gallons. The cost of water is 3.50 per thousand gallons.
- 2 Sewer** expense will be incurred as a result of domestic services. The cost is 1.95 per thousand gallons of water used for domestic purposes.
- 3 Gas/Electricity** is for utilities in the common areas. Included are lighting in common areas, including in the garage, and for sprinkler clocks. Gas is used by the boiler that heats the ramp leading to the garage.
- 4 The Management** fee includes full service management. It is based on a base management fee of 800.00 per month. A transfer fee is paid to the management company at each closing. It is assumed that the management company will prepare a twenty year reserve plan at a cost of 0.00 per year. It is assumed that additional charges from the management company for specific services will average - per year.
- 5 Administrative Expense** includes postage, copies, files, binders, printing, and other related expenses. It is estimated that administrative expenses will be 1.40 per unit per month.
- 6 Postage** is used for individual and mass mailings such as newsletters or meeting notices. It is estimated that the cost of postage will be 0.50 per unit per month.
- 7 Legal Expense** is for filing fees for liens and lien releases and any attorney assistance necessary for delinquencies or covenant enforcement. Legal expense is also for occasional legal opinions which may be sought by the Board of Directors.
- 8** The Association must pay state and Federal Income **Taxes** on all "non-exempt" income subject to deductions.
- 9** The Association will have an annual **Audit** and tax preparation by a professional CPA.
- 10 Insurance** is for policy premiums that provide hazard insurance, liability insurance, and Director's and Officers liability insurance. It also provides hazard insurance for the units. It is estimated that the insurance premium will be 36.00 per unit per month.

GREENSTONES
CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET AT BUILD-OUT

Page 3

NOTES

- 11 Grounds Maintenance** includes contract payments for mowing, trimming, edging, pruning, weed control in planting beds, and weekly pick-up of trash and debris in common areas. The annual cost of grounds maintenance is estimated to be 10,000.00 per landscaped acre. There are 0.22 acres of landscaped common area.
Note: Price per acre assumes minimum fees for maintenance of a small common area vs. the typical per acre market price.
- 12 Fertilization, Weed, and Insect Control** includes contract payments for chemical applications to common area plant materials. It includes fertilization and weed control in turf areas, fertilization of trees and shrubs, and chemical applications to control common insect pests and treat or prevent common diseases. The annual cost of fertilization, weed, and insect control is estimated to be 1,500.00 per landscaped acre.
Note: Price per acre assumes minimum fees for maintenance of a small common area vs. the typical per acre market price.
- 13 Grounds Repairs (Sprinkler)** includes the cost of repair for any damage to the sprinkler system. The annual cost of this type of repair is estimated to be 500.00
- 14 Grounds Repairs (Other)** includes the cost of repair for any damage to the common areas not involving the sprinkler system. Examples are correction of drainage problems and any landscape structures such as retaining walls or signage. The annual cost of this type of repair is estimated to be 300.00
- 15 Grounds Improvements** is an allowance for additions to the landscaped common areas such as flowers, trees, or shrubs. The annual allowance is estimated to be 400.00 per year.
- 16 Building Repair (Roofing)** includes repair of the roof or gutters of the building. It also includes any interior damage as a result of roof leaks.
- 17 Building Repair (Other)** includes repair of any exterior surface element other than roofing or gutters, such as trim or siding. It is estimated that a cost of 80.00 per unit per year is appropriate. This includes some stucco surfaces on this building.
- 18 Telephones** are provided for the fire alarm system and safety in the elevator. The monthly charge is estimated to be 100.00 .
- 19 Lighting Maintenance** includes replacement of light bulbs and repair to light fixtures for lighting on the exterior common areas and parking structures.
- 20 Snow Removal** is provided on private drives and common area sidewalks. It is estimated that it will take 1 hours per storm to remove snow. The cost of snow plowing is estimated to be 65.00 per hour. There are estimated to be 8 storms per year requiring snow removal with a criteria of snow removal for storms of four inches or more. Snow Removal is also provided on all sidewalks in the community. The cost of snow blowing and hand work is estimated to be 26.00 per hour. It is anticipated that there will be 25 storms requiring snow-blowing and hand work with a criteria of snow removal for storms of two inches or more. It is anticipated that snow-blowing and hand-work will require 2 hours per storm. **Note: The heated surfaces result in a lower than usual snow**

removal cost estimate.

GREENSTONES
CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET AT BUILD-OUT

Page 4

NOTES

- 21 The Association is responsible for **Trash Removal** by use of chutes within buildings which empty into dumpsters. It is estimated that the monthly cost of weekly service is 6.26 per unit per month.
- 22 **Paving Maintenance** is provided on the private drives. This includes minor repairs, crack sealing, and power sweeping on the exterior flat surfaces only.
- 23 **Fire Alarm** is an allowance for minor repair and maintenance to the fire alarm system and for monitoring of the fire alarm system.
Note: Based on estimate of system design and cost to operate.
- 24 **Elevator Maintenance** includes periodic servicing and inspection of the elevator, and any required repairs. An elevator maintenance contract for the elevators will cost 1,200.00 annually. An additional allowance of 1,500.00 is provided for repairs.
- 25 **Underground Parking Maintenance** is an allowance for maintenance of the underground parking structures. This maintenance may include sweeping, crack filling, garage door maintenance or maintenance of the exhaust fans.
- 26 **Stucco Maintenance** is an allowance for on-going repairs to exterior stucco surfaces as needed. It is assumed that the stucco will not require complete replacement if proper on-going maintenance is completed. It is also assumed that this is pigmented stucco, and not painted.
- 27 **Heated Walk/Drive Maintenance** is an allowance for the routine maintenance of the system heating the ramps leading to the garage.
- 28 **Sanitas Terrace Master Assessment:** The Greenstones Condos are responsible for 25% of the total grounds care costs incurred by the Sanitas Terrace Master Association.
- 29 **Miscellaneous** is an allowance for minor expenses which do not apply to any other expense category.
- 30 **Major Landscape Improvements** is an allowance in Reserves for periodic replacement or addition of plant materials or landscape structures. An allowance of 3,000.00 every 5 years is provided.
- 31 **Heated Walk/Drive Reserves** is an allowance for the replacement or major refurbishment of the system that heats the drive and walks. The cost is estimated at 10,000.00 every 30 years.
- 32 The Association is responsible for **Reroofing** the building at an estimated interval of 30 years. The estimated cost of replacing the roof is 3.50 per square foot. There are 19,240 square feet of flat, built-up roofing. Reguttering will be done at the same time replacement of the roof is done at an estimated cost of 7,500.00 each time.
Note: this is based on an estimate of the value of the roofing materials.

GREENSTONES
CONDOMINIUM ASSOCIATION, INC.
ANNUAL BUDGET AT BUILD-OUT

NOTES

- 33 Major Concrete Replacement** is an allowance for periodic replacement of exterior flat concrete which may fail over time either through cracking, heaving, or spalling. This allowance is based on the assumption that 5% of the concrete sidewalks will require replacement every 7 years. There are 28,696 square feet of concrete. The cost of replacement is estimated to be 7.95 per square foot.
- 34 Underground Parking Reserves** is an allowance for periodic major repair or replacement of the parking garage components. This could involve repair or replacement of garage doors or openers, concrete crack repair, or repair to storage lockers, or other major unknown repairs or replacement. An allocation of 5,000.00 every 5 years is provided. This also would include restriping parking stalls.
- 35 Elevator Reserves** is an allowance for major repairs and replacement of elevator components.
- 36 Garage Fans Reserve** is an allowance for the replacement of the garage exhaust fan. The cost is estimated to be 400 every 10 years.
- 37 Other Contingency** is an allowance to cover potential unforeseen major expenses. This could be an unusually large unbudgeted operating expense. It could also be premature reserve expenditure for a reserve line item, or excessive reserve cost for the item.

All Reserve expenditures are based on estimated costs as of early 2010. It is assumed that the cost of inflation will be offset by interest earned in Reserve bank or investment accounts. If MSI, LLC is selected as the Association management company, a detailed Twenty Year Reserve Plan will be prepared and updated annually. This plan would include an adjustment for inflation and interest earned in the Reserve account.