

BUDGET NOTES

1. **Budgets.** The Budgets reflect the annualized estimated cost of operating the Condominium and the Association during the first year of operation, which is the fiscal year in which the Declaration is recorded. The Budgets, therefore, would each apply for the period beginning on the first day of the month in which the Declaration is recorded, and ending on the last day of the Fiscal Year of the Association in which the Declaration is recorded. For example, if the Declaration were recorded in November, 2013, the Budgets would be an annualized Budget for the period November 1, 2013, through December 31, 2013. These figures are estimates only, and cover a period of time when actual costs may vary significantly. Currently, Phases R & T containing amenities and infrastructure and six Phases containing six, nine-unit buildings (54 total Units) have been submitted, the Budget for which is summarized below. Each building contains nine Units, and 23 buildings containing 207 Units have been approved. A summary of the Budget for each additional building from six buildings through 23 buildings is provided below in order to assist buyers in understanding how the addition of Phases containing Buildings impacts the Budget and liability for Assessments. The estimated Budgets, *with and without reserves*, would require the following Regular Assessments for each Unit.

If Phases 1- 19, R & T (All Phases- 207 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 598.47	Monthly	\$ 448.43
Annually	\$7,181.64	Annually	\$5,381.16

If Phases R & T and Phases Containing Six Buildings (54 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 854.05	Monthly	\$ 626.98
Annually	\$10,248.60	Annually	\$7,523.76

If Phases R & T and Phases Containing Seven Buildings (63 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 800.35	Monthly	\$ 588.17
Annually	\$ 9,604.20	Annually	\$7,058.04

If Phases R & T and Phases Containing Eight Buildings (72 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 760.08	Monthly	\$ 559.07
Annually	\$9,120.96	Annually	\$6,708.84

If Phases R & T and Phases Containing Nine Buildings (81 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 728.76	Monthly	\$ 536.43
Annually	\$ 8,745.12	Annually	\$6,437.16

If Phases R & T and Phases Containing 10 Buildings (90 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 703.70	Monthly	\$ 518.32
Annually	\$ 8,444.40	Annually	\$6,219.84

If Phases R & T and Phases Containing 11 Buildings (99 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 683.20	Monthly	\$ 503.50
Annually	\$8,198.40	Annually	\$6,042.00

If Phases R & T and Phases Containing 12 Buildings (108 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 666.11	Monthly	\$ 491.15
Annually	\$7,993.32	Annually	\$5,893.80

If Phases R & T and Phases Containing 13 Buildings (117 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 691.01	Monthly	\$ 520.05
Annually	\$8,292.12	Annually	\$6,240.60

If Phases R & T and Phases Containing 14 Buildings (126 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 675.80	Monthly	\$ 508.29
Annually	\$8,109.60	Annually	\$6,099.48

If Phases R & T and Phases Containing 15 Buildings (135 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 662.63	Monthly	\$ 498.09
Annually	\$7,951.56	Annually	\$5,977.08

If Phases R & T and Phases Containing 16 Buildings (144 Units) Are Submitted

<u>With Reserves</u>		<u>Without Reserves</u>	
Monthly	\$ 651.10	Monthly	\$ 489.17
Annually	\$7,813.30	Annually	\$5,870.04

If Phases R & T and Phases Containing 17 Buildings (153 Units) Submitted

<u><i>With Reserves</i></u>		<u><i>Without Reserves</i></u>	
Monthly	\$ 640.93	Monthly	\$ 481.29
Annually	\$7,691.16	Annually	\$5,775.48

If Phases R & T and Phases Containing 18 Buildings (162 Units) Are Submitted

<u><i>With Reserves</i></u>		<u><i>Without Reserves</i></u>	
Monthly	\$ 631.89	Monthly	\$ 474.29
Annually	\$7,582.68	Annually	\$5,691.48

If Phases R & T and Phases Containing 19 Buildings (171 Units) Are Submitted

<u><i>With Reserves</i></u>		<u><i>Without Reserves</i></u>	
Monthly	\$ 623.80	Monthly	\$ 468.03
Annually	\$7,485.60	Annually	\$5,616.36

If Phases R & T and Phases Containing 20 Buildings (180 Units) Are Submitted

<u><i>With Reserves</i></u>		<u><i>Without Reserves</i></u>	
Monthly	\$ 616.52	Monthly	\$ 462.40
Annually	\$7,398.24	Annually	\$5,548.80

If Phases R & T and Phases Containing 21 Buildings (189 Units) Are Submitted

<u><i>With Reserves</i></u>		<u><i>Without Reserves</i></u>	
Monthly	\$ 609.93	Monthly	\$ 457.30
Annually	\$7,319.16	Annually	\$5,487.60

If Phases R & T and Phases Containing 22 Buildings (198 Units) Are Submitted

<u><i>With Reserves</i></u>		<u><i>Without Reserves</i></u>	
Monthly	\$ 603.94	Monthly	\$ 452.66
Annually	\$7,247.28	Annually	\$5,431.92

The Budgets are based on estimated annual costs. For individual categories, for which the estimated annual cost cannot be evenly divided by twelve, the monthly cost is rounded off. The total monthly and annual amounts may likewise be rounded, as is the reserve annual funding, and Assessments.

2. Waiver of Reserves. Reserves are required to be funded pursuant to an adopted Budget, unless it is determined by majority vote of the Members of the Association to provide no reserves, or less reserves than otherwise required. There must be a separate vote on whether to waive or reduce funding

of reserves for each fiscal year. Prior to turnover of control of the Association by the Developer to Owners other than the Developer, the Developer may vote to waive reserves or reduce funding of reserves for the first two (2) Fiscal Years of the Association's operation. Developer has so voted to waive funding of all reserves for the first two Fiscal Years, which is the Fiscal Year in which the Declaration is originally recorded and the following year. There must be a separate vote on whether to waive or reduce funding of reserves for each fiscal year. Accordingly, Owners shall pay Assessments without reserves during the first two Fiscal Years.

3. Reserve Calculation. The construction of the Condominium was in its early stages when these Budgets were prepared. As such, both the estimated life of reserve components and the replacement cost per component are estimates only and may change from time to time. Furthermore, estimated life and remaining useful life, as well as replacement costs, are based on information provided by contractors or manufacturers. Accordingly, reserve funding may be recalculated each year to reflect actual experience, fluctuation in costs, and other factors, and annual reserve funding may change from year to year. Calculation of reserves is expressed in terms of today's costs, without adjustment for inflation.

4. Other Unit Owner Expenses:

- (a) *Telephone* – Unit Owner's individual expense
- (b) *Electricity* – Each Unit has its own meter and is billed individually. For Common Elements there is a separate meter and electric bills for the Common Elements is a Common Expense and reflected on the Budget.
- (c) *Other* – Unit Owners are responsible for paying their own insurance, taxes on real and personal property, any supplemental cable television or telecommunication service subscribed to by the Unit Owner (other than that provided by the Association), maid or janitorial services, maintenance of the interior of the Unit, and other personal expenses of the Unit Owner.

5. Collection of Condominium Assessments. Assessments for the Condominium will be collected monthly, unless the Board determines that they shall be collected quarterly. Refer to Section 6.5 of the Bylaws.

6. Estimates Only. The Budgets are based on estimates only, and the actual amount of Assessments in the future may be substantially more than required by the Estimated Budgets. Expenses can be expected to vary based upon circumstances, unforeseen conditions, increases in costs, and levels of service or maintenance determined from time to time by the Association. *No one to whom the precision of these figures as a predictor of future Assessments is of significance should purchase in reliance on the estimated Budgets.*

7. Statutory Assessment Guarantee. Developer has provided a guarantee of the Assessments to be paid by Owners. That guarantee is set out in Section 22 of the Prospectus. The Developer may provide a guarantee of Assessments in future years should it elect to do so and such election is ratified by a majority vote of the Owners.

THE BUDGET CONTAINED IN THIS OFFERING CIRCULAR HAS BEEN PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT AND IS A GOOD FAITH ESTIMATE ONLY AND REPRESENTS AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF ITS PREPARATION. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COSTS DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.

