

FOUNTAIN HILLS COMMUNITY ASSOCIATION

FY'10 OPERATING BUDGET NOTES
Fiscal Year: July 1, 2009 to June 30, 2010

SUPPLEMENTAL TOWNHOUSE¹ BUDGET (Townhomes Only)

I. INCOME:

A. Residential Assessments: The total income generated from the monthly assessment charged to all townhouse homeowners pursuant to Article VI of the Declaration of Covenants, Conditions and Restrictions, including the "piggyback" townhomes that make up the **Clopper Hills Condominium** and the **Harmony Woods Condominium**.

II. EXPENSES:

A. Reserve Contributions: The calculations of the reserve contributions are based upon the combination of a review of the available site plans, information provided by the Developer, consultation with various contractors and the experience of the preparer.

The funding shown in the operating budget spreadsheet is based upon a comprehensive reserve schedule which is an attachment to the operating budget.

1. Gross Reserve Contribution: The total gross reserve contribution necessary to meet the funding goals established through the comprehensive reserve schedule which has estimated the expected useful life and replacement cost of each community asset.
2. Less: Reserve Interest: Allocation of the interest income earned by the deposit of reserve funds to secure investment vehicles such as money market and certificate of deposit accounts. The earned interest thereby reduces the monthly cash deposit required to meet the funding goals established through the reserve schedule.
3. Net Reserve Contribution: The actual cash outlay for deposit into reserve accounts which is necessary to meet the established funding goals as previously discussed.

B. General & Administrative Expenses:

1. Postage: Allowance for the postage for the mailing of the annual notice concerning private lot lawn mowing.
2. Printing & Reproduction: Allowance for the printing requirements associated with the budgeted postage needs as described above.
3. Electricity - Street Lighting: Allowance for operating costs for electricity to the private street lighting within the townhouse areas of the community.

C. General Maintenance:

1. Parking Lot Maintenance: Allocation for the cleaning of sand and debris from the parking areas after the snow removal season has ended.
2. Townes at Chestnut Oaks Fee: Allocation for the payment of a contract fee to the Townes at Chestnut Oaks Homeowners Association (TACO) for shared maintenance expenses (e.g. snow plowing, street lighting and reserves for future resurfacing of the roadway) for that portion of Harmony Woods Lane owned by TACO and over which the Fountain Hills residents of Harmony Woods Lane must travel as access in an out of the Fountain Hills owned portion of Harmony Woods Lane.
3. Street Light Maintenance: Allocation of funding necessary for the maintenance of the private street lighting. Such maintenance includes bulb replacement and repair of other electrical components.
4. Lawn Maintenance: Allocation for the mowing of the lawns of the private yards for all townhomes at Fountain Hills on a schedule of every 7-10 days. Maintenance does not include tree/shrub care, mulching or fertilization/weed control.

SERVICES INCLUDE:

- **Mowing of grass** will include **both** front and rear yards.

- Trimming ("weedeating")

EXCEPT: Around HVAC equipment or Where siding on your home is closer than eight inches(8"0 to the ground.

SERVICES WILL NOT INCLUDE:

- Tree and/or shrub care.
- Mulching.
- Fertilization and/or weed control.

The mowing contractor will **NOT**:

- Move personal property in your yard.
- Enter your fenced yard if the gate is locked.
- Enter your yard if a pet is there.
- Enter your yard if there is pet excrement.

5. Bulk / Excess Trash Removal: Allocation of funding to remove bulk trash and debris that is "dumped" in Fountain Hills.

6. Snow Clearing: Funding has been allocated during the winter season for the plowing and sanding of the streets (drive lanes) and certain sidewalks **that are not directly in front of an individual home** as well as those within the Montgomery County owned rights-of-way.

The laws requires all private homeowners, including those in townhomes, to clear the sidewalks at the front of their homes, even though they may actually be common sidewalks.

7. Operating Contingency: Provision for those unexpected expenses, unique to the services afforded to the townhomes, encountered by the Association which exceed the above budgeted amounts.

¹ Townhouses include the condominium homes that are part of the **Clopper Hills Condominium** and the **Harmony Woods Condominium**.

FOUNTAIN HILLS COMMUNITY ASSOCIATION

FY 2010 OPERATING BUDGET

July 1, 2009 through June 30, 2010

SUPPLEMENTAL TOWNHOUSE¹ (Townhomes Only) BUDGET SUMMARY

Additional Monthly Assessment:	\$29.00	7.41%	Increase over FY2009
Total Monthly Assessment:	\$75.20	2.73%	Increase over FY2009

	ANNUAL TOTAL:	FY2008 Total	\$ Change	% Change
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INCOME:

Residential Assessments	\$164,256.00	\$152,928.00	\$11,328.00	7.41%
ADJUSTED INCOME:	\$164,256.00	\$152,928.00	\$11,328.00	7.41%

EXPENSES:

Reserve Contributions:

Gross Reserve Contribution	\$43,463.51	\$43,463.51	\$0.00	0.00%
<i>Sub-Total:</i>	\$43,463.51	\$43,463.51	\$0.00	0.00%
Less: Reserve Interest:	(\$13,613.89)	(\$11,698.69)	(\$1,915.20)	16.37%
Net Reserve Contribution:	\$29,849.62	\$31,764.82	(\$1,915.20)	-6.03%

General & Administrative:

Postage	\$481.44	\$481.44	\$0.00	0.00%
Bad Debt Expense	\$7,460.00	\$1,200.00	\$6,260.00	521.67%
Printing & Reproduction	\$330.40	\$330.40	\$0.00	0.00%
Electricity - Street Lighting	\$9,000.00	\$9,000.00	\$0.00	0.00%
<i>Sub-Total:</i>	\$17,271.84	\$11,011.84	\$6,260.00	56.85%

General Maintenance:

Parking Lot Maintenance	\$3,750.00	\$3,750.00	\$0.00	0.00%
Townes @ Chestnut Oaks Fee	\$4,224.00	\$4,224.00	\$0.00	0.00%
Street Light Maintenance	\$2,995.00	\$2,995.00	\$0.00	0.00%
<i>Sub-Total:</i>	\$10,969.00	\$10,969.00	\$0.00	0.00%

Contract Maintenance:

Lawn Maintenance	\$72,995.83	\$66,006.36	\$6,989.47	10.59%
Bulk/Excess Trash Removal	\$900.00	\$900.00	\$0.00	0.00%
Snow Clearing	\$29,150.00	\$29,150.00	\$0.00	0.00%
Operating Contingency	\$3,120.00	\$3,120.00	\$0.00	0.00%
<i>Sub-Total:</i>	\$106,165.83	\$99,176.36	\$6,989.47	7.05%

TOTAL EXPENSES:

	\$164,256.29	\$152,922.02	\$11,334.27	7.41%
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NET INCOME/(LOSS)

	(\$0.29)	\$5.98	(\$6.27)	
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¹ Townhouses include the "piggyback" townhome condominiums on Rushing Water Way (Clopper Hills Condominium), Harmony Woods Lane (Harmony Woods Condominium)