

# OCEANSIDE GATEWAY BUSINESS PARK

## ESTIMATED ANNUAL BUDGET - CONDO ASSOCIATION

PARCEL 3 CONDOS SQ. FT. - (BLDGS 3A - 3H)	141,472
PARCEL 2 CONDOS SQ. FT. - (BLDGS 2E-2G, 2H-2O, 2P-2S & 2Y-2Z)	92,827
<b>TOTAL BUILDINGS SIZE (SQ. FT.)</b>	<b>234,299</b>

	<u>Annual</u>	<u>psf</u>	<u>Monthly</u>	<u>psf</u>	<u>Comments</u>
<u>Operating Expenses</u>					
Security	\$0.00	\$0.00	\$0.00	\$0.000	N/A. Responsibility of owners.
Cleaning	\$0.00	\$0.00	\$0.00	\$0.000	N/A. Responsibility of owners.
Management Fee	\$36,000.00	\$0.15	\$3,000.00	\$0.013	Fee to Essex to manage condo association.
HVAC	\$0.00	\$0.00	\$0.00	\$0.000	N/A. Responsibility of owners.
Repairs & Maintenance	\$0.00	\$0.00	\$0.00	\$0.000	Covered under Master Association.
Utilities	\$0.00	\$0.00	\$0.00	\$0.000	Covered under Master Association.
Parking Lot	\$0.00	\$0.00	\$0.00	\$0.000	Covered under Master Association.
Landscaping	\$0.00	\$0.00	\$0.00	\$0.000	Covered under Master Association.
Common Area Fees	\$92,996.56	\$0.40	\$7,749.71	\$0.033	Share of dues for Master Association. Will be invoiced separately.
Insurance	\$23,429.90	\$0.10	\$1,952.49	\$0.008	Property insurance for condo units covering replacement cost. Liability and Board insurance covered by Master Association.
Taxes	\$0.00	\$0.00	\$0.00	\$0.000	N/A. Responsibility of owners.
Other Misc.	\$1,500.00	\$0.01	\$125.00	\$0.001	Most covered by Master Association.
Reserves - Painting	\$16,000.00	\$0.07	\$1,333.33	\$0.006	Assume bldgs painted every 5 years.
Reserves - Roof	\$48,000.00	\$0.20	\$4,000.00	\$0.017	Assume roof maintenance in 10 years.
Reserves - Contingency	\$550.00	\$0.00	\$45.83	\$0.000	Misc. contingency reserve.
<b>Total O.E.</b>	<b>\$218,476.46</b>	<b>\$0.93</b>	<b>\$18,206</b>	<b>\$0.078</b>	
<b>PARCEL 3 TOTALS</b>	\$131,918.20	\$0.93	\$10,993.18	\$0.078	
<b>PARCEL 2 TOTALS</b>	\$86,558.26	\$0.93	\$7,213.19	\$0.078	
	<u>\$218,476.46</u>	<u>\$0.93</u>	<u>\$18,206.37</u>	<u>\$0.078</u>	



Actual figures may vary. Prospective buyers will be responsible for their own due diligence to estimate these costs.  
The members of the association will be responsible for establishing a budget for the above association expenses.

# OCEANSIDE GATEWAY BUSINESS PARK

## CONDO ASSOCIATION BUDGET

Prepared for: **BKM Development Company**

	Master Assoc		Condo Assoc		Comments
	Budget	psf/yr	Budget	psf/yr	
Project Size	536,882		234,299		
Approx. # of owners	57		41		
<u>Operating Expenses</u>					
Security	\$0	\$0.00	\$0	\$0.00	N/A. Responsibility of owners.
Cleaning	\$0	\$0.00	\$0	\$0.00	N/A. Responsibility of owners.
Management Fee	\$36,000	\$0.07	\$36,000	\$0.15	Fee to Essex to manage condo association.
HVAC	\$0	\$0.00	\$0	\$0.00	N/A. Responsibility of owners.
Repairs & Maintenance	\$7,800	\$0.01	\$0	\$0.00	Covered under Master Association.
Utilities	\$18,000	\$0.03	\$0	\$0.00	Covered under Master Association.
Parking Lot	\$7,200	\$0.01	\$0	\$0.00	Covered under Master Association.
Landscaping	\$102,100	\$0.19	\$0	\$0.00	Covered under Master Association.
Common Area Fees	\$0	\$0.00	\$92,997	\$0.40	Share of dues for Master Association. Will be invoiced separately.
Insurance	\$3,500	\$0.01	\$23,430	\$0.10	Property insurance for condo units covering replacement cost. Liability and Board insurance covered by Master Association.
Taxes	\$0	\$0.00	\$0	\$0.00	N/A. Responsibility of owners.
Other Misc.	\$8,996	\$0.02	\$1,500	\$0.01	Most covered by Master Association.
Reserves	\$29,500	\$0.05	\$64,550	\$0.28	Reserves for Roof, Painting, plus minor misc contingency (see Reserve Budget for Details).
<b>Total O.E.</b>	<b>\$213,096</b>	<b>\$0.40</b>	<b>\$218,476</b>	<b>\$0.93</b>	
<b>Total psf/mo.</b>	<b>\$0.033</b>		<b>\$0.078</b>		

\* NOTE: SEE EXPENSE DETAIL FOR ASSUMPTIONS BACKING UP THESE NUMBERS.



# OCEANSIDE GATEWAY BUSINESS PARK

## EXPENSE DETAIL

CATEGORY	ASSUMPTION	RECURRING	ANNUAL
<b>SECURITY</b>			
Security - Guard Service	n/a.	\$0 Mo.	\$0
Security - Fire Alarms	n/a.	\$0 Mo.	\$0
<i>Total Security</i>			<b>\$0</b>
<b>CLEANING</b>			
Cleaning Contract	n/a. Responsibility of owners.	\$0 Mo.	\$0
Additional Cleaning	n/a. Responsibility of owners.	\$0 Mo.	\$0
Cleaning Supply	n/a. Responsibility of owners.	\$0 Mo.	\$0
Window Cleaning	n/a. Responsibility of owners.	\$0 Qrtly	\$0
<i>Total Cleaning</i>			<b>\$0</b>
<b>MANAGEMENT</b>			
Management Fee	Fee to Essex to manage condo association.	\$3,000 Mo.	\$36,000
<i>Total Management Fee</i>			<b>\$36,000</b>
<b>HVAC</b>			
HVAC Contract Services	n/a. Responsibility of owners.	\$0 Qtr.	\$0
HVAC - Personnel	n/a. Responsibility of owners.	\$0 Mo.	\$0
HVAC Repairs & Maint.	n/a. Responsibility of owners.	\$0 Mo.	\$0
<i>Total HVAC</i>			<b>\$0</b>
<b>REPAIR &amp; MAINTENANCE</b>			
Waterproofing & Roofing	n/a. Responsibility of owners.	Mo.	\$0
Painting - Maintenance	Covered under Master association.	\$0 Mo.	\$0
Plumbing Repairs/Supplies	n/a. Responsibility of owners.	\$0 Mo.	\$0
Electrical Repairs & Maint	n/a. Responsibility of owners.	\$0 Mo.	\$0
Glazing & Window Repairs	n/a. Responsibility of owners.	\$0 Mo.	\$0
Doors & Locks	n/a. Responsibility of owners.	\$0 Mo.	\$0
Signs Repair & Maint.	Covered under Master association.	\$0 Mo.	\$0
Flooring Repairs & Maint.	Covered under Master association.	\$0 Mo.	\$0
Pest Control	Covered under Master association.	\$0 Mo.	\$0
Misc. Repairs & Maint.	Covered under Master association.	\$0 Mo.	\$0
<i>Total R &amp; M</i>			<b>\$0</b>
<b>UTILITIES</b>			
Electricity	Covered under Master association.	\$0 Mo.	\$0
Gas	Covered under Master association.	\$0 Mo.	\$0
Water & Sewer	Covered under Master association.	\$0 Mo.	\$0
Refuse Removal	n/a. Responsibility of owners.	\$0 Mo.	\$0
<i>Total Utilities</i>			<b>\$0</b>

# OCEANSIDE GATEWAY BUSINESS PARK

## EXPENSE DETAIL

CATEGORY	ASSUMPTION	RECURRING	ANNUAL
<b>PARKING LOT</b>			
Pkg Lot - Paving & Striping	n/a.	\$0 Mo.	\$0
Pkg Lot - Garage	n/a.	\$0 Mo.	\$0
Pkg Lot - Lighting	Covered under Master association.	\$0 Mo.	\$0
Pkg Lot - Sweeping	Covered under Master association.	\$0 Mo.	\$0
<i>Total Parking Lot</i>			<u>\$0</u>
<b>LANDSCAPING</b>			
Landscaping - Exterior	Covered under Master association.	\$0 Mo.	\$0
Landscaping - Wetlands	Covered under Master association.	\$0 Mo.	\$0
Landscaping - Tree Trimming	Covered under Master association.	\$0 Mo.	\$0
Landscaping Other	Covered under Master association.	\$0 Mo.	\$0
<i>Total Landscaping</i>			<u>\$0</u>
<b>COMMON AREA FEES</b>			
Common Area Fees	Share of dues from Master Association.		\$92,997
			<u>\$92,997</u>
<b>INSURANCE</b>			
Insurance	Property insurance for condo units covering replacement cost. Liability and Board insurance covered by Master Association.	\$23,430 Yr.	\$23,430
<i>Total Insurance</i>			<u>\$23,430</u>
<b>TAXES</b>			
Real Estate Taxes	n/a. Responsibility of owners.	\$0 Bi -Ann.	\$0
<i>Total Taxes</i>			<u>\$0</u>
<b>OTHER MISCELLANEOUS</b>			
Other Administrative	Covered under Master association.	\$0 Mo.	\$0
Accounting	Covered under Master association.	\$0 Yr.	\$0
Legal	Covered under Master association.	\$0 Yr.	\$0
Other Professional	Covered under Master association.	\$0 Mo.	\$0
Other Miscellaneous	Minor unanticipated costs.	\$125 Mo.	\$1,500
Total Other Misc.		Mo.	<u>\$1,500</u>
<b>TOTAL OPERATING EXPENSES</b>			<u><u>\$153,926</u></u>
<b>RESERVES</b>			
General (see attached)		\$64,550 Yr.	\$64,550
<i>Total Reserves</i>			<u>\$64,550</u>
<b>TOTAL EXPENSES</b>			<u><u>\$218,476</u></u>

**OCEANSIDE GATEWAY BUSINESS PARK  
RESERVE BUDGET**

**Assumptions:**

Inflation Factor 3.0%  
Discount Rate 3.0%  
Current Budget Year 2006

ITEMS	Balance Begin	Balance End	PV @ Infl. Rate	Rounded Amount	Annual Res. @ Disc. Rate	Yr 1 2006	Yr 2 2007	Yr 3 2008	Yr 4 2009	Yr 5 2010	Yr 6 2011	Yr 7 2012	Yr 8 2013	Yr 9 2014	Yr 10 2015	Totals	COMMENTS	
Asphalt, Slurry & Stripe	0	0	0	0	0				0			0			0	0	Covered by Master assoc.	
Building Painting	0	15,967	136,198	16,000	15,967					66,000					76,512	142,512	Assume bldgs painted every 5 years.	
Roof	0	52,001	443,576	48,000	52,001										456,883	456,883	Assume roof maintenance in 10 years.	
Landscaping	0	0	0	0	0					0						0	Covered by Master assoc.	
Storm Water Maintenance Plan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Covered by Master assoc.
Common Fire Loop	0	0	0	0	0					0						0	Covered by Master assoc.	
Common Sewer Line	0	0	0	0	0					0						0	Covered by Master assoc.	
Lighting	0	0	0	0	0											0	Covered by Master assoc.	
Signage	0	0	0	0	0					0						0	Covered by Master assoc.	
Contingency	0	740	6,311	550	740	650	670	690	710	732	754	776	799	823	848	7,452	Misc. contingency reserve.	
<b>TOTAL</b>	<b>0</b>	<b>68,707</b>	<b>586,084</b>	<b>64,550</b>	<b>68,707</b>	<b>650</b>	<b>670</b>	<b>690</b>	<b>710</b>	<b>66,732</b>	<b>754</b>	<b>776</b>	<b>799</b>	<b>823</b>	<b>534,243</b>	<b>606,847</b>		