



APEX

RESIDENCES • PARK CITY

BY COLUMBUS PACIFIC

Estimated Annual Owners Association Budget

****These projections are estimates only and are subject to the assumptions and disclaimers on the attached list of assumptions and disclaimers**

REVENUE		
Owner Assessment - Operating	\$	1,188,793
Interest Income	\$	450
TOTAL REVENUE	\$	1,189,243
EXPENSES		
Management	\$	60,000
Concierge	\$	52,000
Bell/Shuttle	\$	54,080
Houseman	\$	31,200
Benefits (28%)	\$	55,238
Contract Labor / Work Orders	\$	66,250
Labor Subtotal	\$	318,768
Food & Beverage	\$	48,000
Operating Supplies	\$	500
Board / Owner Meetings	\$	1,500
Decorations	\$	15,000
Dues & Subscriptions	\$	3,000
Music and Ambiance	\$	1,500
Uniforms	\$	2,000
Supplies - Pool Towels	\$	8,000
Supplies - Pool & Spa	\$	7,500
Window Cleaning	\$	6,000
General Landscape Maintenance	\$	43,000
Repairs & Maintenance - General	\$	15,000
Repairs & Maintenance - Snow Removal	\$	25,000
Repairs & Maintenance - Elevator	\$	18,000
Repairs & Maintenance - Garage	\$	5,000
Ski Trail Maintenance	\$	10,000
Vehicle Lease - Shuttle	\$	7,200
Fuel - Shuttle	\$	6,000
Fire System Monitoring	\$	10,000
Professional Services - Tax	\$	550
Professional Services - Legal	\$	3,000
Pest Control	\$	1,800
Utilities - Gas	\$	60,000
Utilities - Electricity	\$	60,000
Wireless Internet and TV	\$	54,600
Utilities - Water	\$	105,000
Utilities - Sewer	\$	20,000
Recycling / Waste Disposal	\$	16,000
Telephone	\$	3,600
Insurance	\$	80,000
Management Fee	\$	50,700
RVMA Assessments	\$	64,000
Income Taxes	\$	100
Reserve Contribution (10%)	\$	118,924
Operating Expenses Subtotal	\$	870,474
TOTAL EXPENSES	\$	1,189,243
Total Condominium Unit Square Footage:		156,709
Estimated HOA Cost per Sq. Ft.		\$7.59

Condominium Common Area Ownership and Assessments					
Unit Number	Floor Plan	Assessable SF	Common Area Ownership	Total Annual Assessment	
101	PH A	2,976	1.90%	\$	22,576
102	PH B	2,482	1.58%	\$	18,828
103	TH D	2,265	1.45%	\$	17,182
104	TH C	1,758	1.12%	\$	13,336
201	PH A	2,976	1.90%	\$	22,576
202	PH B	2,482	1.58%	\$	18,828
203	TH D	2,265	1.45%	\$	17,182
204	TH C	1,758	1.12%	\$	13,336
205	PH A	2,976	1.90%	\$	22,576
206	PH B	2,482	1.58%	\$	18,828
207	TH C	1,758	1.12%	\$	13,336
208	TH D	2,265	1.45%	\$	17,182
301	PH A	2,976	1.90%	\$	22,576
302	PH B	2,482	1.58%	\$	18,828
303	TH D	2,265	1.45%	\$	17,182
304	TH C	1,758	1.12%	\$	13,336
305	PH A	2,976	1.90%	\$	22,576
306	PH B	2,482	1.58%	\$	18,828
307	TH C	1,758	1.12%	\$	13,336
308	TH D	2,265	1.45%	\$	17,182
401	PH A	2,976	1.90%	\$	22,576
402	PH B	2,482	1.58%	\$	18,828
403	TH D	2,265	1.45%	\$	17,182
404	TH C	1,758	1.12%	\$	13,336
405	PH A	2,976	1.90%	\$	22,576
406	PH B	2,482	1.58%	\$	18,828
407	TH C	1,758	1.12%	\$	13,336
408	TH D	2,265	1.45%	\$	17,182
501	TH E Alt	2,130	1.36%	\$	16,158
502	TH F Alt	2,033	1.30%	\$	15,422
503	TH G	2,635	1.68%	\$	19,989
601	TH E	2,014	1.29%	\$	15,278
602	TH F	1,880	1.20%	\$	14,262
603	TH G	2,635	1.68%	\$	19,989
701	TH G	2,635	1.68%	\$	19,989
702	TH G	2,635	1.68%	\$	19,989
801	TH G	2,635	1.68%	\$	19,989
802	TH F	1,880	1.20%	\$	14,262
803	TH E	2,014	1.29%	\$	15,278
901	TH E	2,014	1.29%	\$	15,278
902	TH F	1,880	1.20%	\$	14,262
903	TH G	2,635	1.68%	\$	19,989
1001	TH E	2,014	1.29%	\$	15,278
1002	TH F	1,880	1.20%	\$	14,262
1003	TH G	2,635	1.68%	\$	19,989
1102	TH G	2,635	1.68%	\$	19,989
1103	TH G	2,635	1.68%	\$	19,989
1201	TH H	3,397	2.17%	\$	25,770
1401	TH I	2,775	1.77%	\$	21,051
1402	TH I	2,775	1.77%	\$	21,051
1501	TH I	2,775	1.77%	\$	21,051
1502	TH I	2,775	1.77%	\$	21,051
1601	TH H	3,397	2.17%	\$	25,770
1701	TH I	2,775	1.77%	\$	21,051
1702	TH I	2,775	1.77%	\$	21,051
1801	TH H	3,397	2.17%	\$	25,770
1901	TH I	2,775	1.77%	\$	21,051
1902	TH I	2,775	1.77%	\$	21,051
2001	TH I	2,775	1.77%	\$	21,051
2002	TH I	2,775	1.77%	\$	21,051
2101	TH I	2,775	1.77%	\$	21,051
2102	TH I	2,775	1.77%	\$	21,051
2201	TH H	3,397	2.17%	\$	25,770
TOTALS		156,709	100.00%	\$	1,188,793

*****Confidential*****

Assumptions and Disclaimers

for the
Estimated Annual Owners Association Budget
Apex Residences Park City

The Estimated Annual Owners Association Budget enclosed herewith was prepared based on the following assumptions and disclaimers. We believe our estimates represent a good faith projection of the HOA dues and costs on a fully built out basis. It is impossible to provide completely accurate numbers for the Project at this time due to various factors, including, but not limited to: final plans and designs for the Project are subject to change; actual patterns of services required by owners are subject to change; the Project has no operating history; the completion schedule for the Project is subject to change; etc. As a result, the following assumptions were used in preparing these projections in an effort to provide a “best guess” of the estimated annual costs and HOA dues. Much of the analysis was based on information gathered from the operation of similar projects located in Park City. However, the maintenance and operation of this Project will vary from that of other projects.

1. The estimated budget is based on a full build-out of the project including 63 condominium units and common facilities and amenities as identified on current design plans.
2. Expenses are based on the provision of services and amenities similar to other comparable projects in Park City.
3. No rental activity or income was contemplated from the rental of common amenities.
4. The estimated budget was prepared using a zero based budgeting methodology due to the lack of operational history.
5. Certain operational and labor expenses were based on operations 24 hours a day and other estimated expenses were based on minimal operational needs including:
 - a. Wages and benefits for fixed positions to meet owner expectations:
 - i. 24 hour front desk/concierge
 - ii. Bellmen/valets/doorman/shuttle
 - iii. Housekeeping for common area
 - iv. Engineering for common area
 - v. Management fee to property manager
 - b. Utilities, insurance, maintenance contracts and other fixed costs associated with common operations
 - c. Utilities for individual units will be metered separately and are not included in the common HOA expenses
6. A common area annual reserve for major repair or replacement of common facilities in the amount of \$118,924 was included.
7. All estimates are considered conservative and are based on current market and operating conditions.

Disclaimers:

Neither Seller nor the Apex Residences Park City Owners Association, Inc. (the “Association”) make any representation or warranty as to the accuracy of these projections.

Many of these assumptions and projections are based upon information provided by third parties and neither Seller nor the Association make any guarantees regarding the accuracy of such information.

The attached cost estimates are only preliminary projections and are based on the above assumptions and are subject to change. Any change in the above assumptions could, and likely would, cause the actual costs to be materially higher or lower.

Neither Seller nor the Association shall be liable for the accuracy, completeness or usefulness of any information contained in the attached estimated annual budget, or for the consequences of any actions taken in reliance on the information provided.