

TRANSITIONS II HOMEOWNERS ASSOCIATION
OPERATING & RESERVE BUDGET
CALENDAR YEAR 2010

OPERATING BUDGET

INCOME	ANNUAL BUDGET	MONTHLY BUDGET	PER UNIT /PER MO
Assessments (19 Lots)	29,486.00	2,457.17	129.32
Bank Interest - Operating	15.00	1.25	0.02
Miscellaneous Income	0.00	0.00	0.00
TOTAL INCOME	29,501.00	2,458.42	129.39

EXPENSES

Administrative Expenses

Management Fees (Note 1)	2,508.00	209.00	11.00
Management Extras	100.00	8.33	0.44
Bank Charges	60.00	5.00	0.26
Office Exp, Supplies, Telephone	100.00	8.33	0.44
Copies	125.00	10.42	0.55
Postage (Note 2)	150.00	12.50	0.66
Annual Acctg. Review/Tax Prep	1,000.00	83.33	4.39
Legal	300.00	25.00	1.32
Newsletter/ Publications	100.00	8.33	0.44
Ombudsman Fees (\$3.00/Unit)	57.00	4.75	0.25
Board of Director Training	300.00	25.00	1.32
Memberships in Trade Organization	400.00	33.33	1.75
Collection Charges/Bad Debt (Note 3)	1,000.00	83.33	4.39
Reserve Study - (Note 4)	350.00	29.17	1.54
<i>Total Administrative Expenses</i>	6,550.00	545.83	28.73

Fixed Costs

Insurance, Fidelity, Liability, Property (Note 5)	2,000.00	166.67	8.77
Insurance, Workers Comp	350.00	29.17	1.54
Federal Income Taxes	10.00	0.83	0.04
Secretary of State Filing	75.00	6.25	0.33
Property Taxes	570.00	47.50	2.50
	3,005.00	250.42	13.18

Operating Costs

Electrical - Irrigation & Gates	250.00	20.83	0.00
Water	1,800.00	150.00	7.89
Telephone - Entrance Gates (Note 6)	115.00	9.58	0.50
Street Cleaning (Note 7)	6,760.00	563.33	29.65
Landscape Services/Trash Removal (Note 8)	3,300.00	275.00	14.47
Landscaping Extras	300.00	25.00	1.32
Common Area Maint/Repairs/Supplies (Note 9)	1,000.00	83.33	4.39
	<hr/>	<hr/>	<hr/>
Total Landcaping/Streets Expense	13,525.00	1,127.08	59.32
	<hr/>	<hr/>	<hr/>
Misc. Expenses (3%)	406.00	33.83	0.50
	<hr/>	<hr/>	<hr/>
TOTAL NON-RESERVE EXPENSES	23,486.00	1,957.17	103.01
	<hr/>	<hr/>	<hr/>
Reserve Contribution 2010 - (Note 10)	6,000.00	500.00	26.32
	<hr/>	<hr/>	<hr/>
TOTAL RESERVE CONTRIBUTION	6,000.00	500.00	26.32
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING & RESERVE CONTRIBUTION	29,486.00	2,457.17	129.32
	<hr/>	<hr/>	<hr/>
RESERVE BUDGET			
Anticipated Reserve Balance 1/1/10	20,000.00		
Transfers from Operating Budget (Note 10)	6,000.00		
Bank Interest - Reserves	<u>800.00</u>		
TOTAL RESERVE INCOME - 2010	<u>6,800.00</u>		
	<hr/>		
TOTAL RESERVE EXPENSES	<u>0.00</u>		
	<hr/>		
Anticipated Reserve Balance, 12/31/2010	<u>26,800.00</u>		

NOTES TO OPERATING & RESERVE BUDGET EXPENSES

(Note 1) - Management fee is based on monthly meetings. The per door fee could drop if the association moves to quarterly meetings.

(Note 2) - Postage is based on monthly assessments and a quarterly newsletter.

(Note 3) - All collection costs will be collected from the delinquent owner. This line item has been added in the event of Bankruptcy or other uncollectable debt.

(Note 4) - This line item has been added to provide an updated reserve study on transition from developer to the owners.

(Note 5) - \$50,000 Fidelity, \$1,000,000 Liability, \$35,000 Property, Worker's Compensation and Non-Owned Auto Coverage. For a certificate of insurance showing all coverage, please contact the associations insurance company.

(Note 6) - Entrance gate requires phone for call box.

(Note 7) - Provides for weekly cleaning with a water truck.

(Note 8) - Includes trash removal from Common areas, labor for irrigation repairs, labor for installation of annuals at the entrance and tree trimming of any palms.

(Note 9) - Includes painting over grafitti on the exterior side of perimeter walls, but all other maintenance or repair which is not part of the reserve study is excluded since each owner has ownership of the walls. This amount also includes a \$750 maintenance agreement with a gate service 4 times a year.

(Note 10) - The attached reserve study spreadsheet shows the figures used to obtain this amount and all other disclosure requirements as per Nevada current laws