

Rim Rock Ranch Vineyard Estates Owners' Association
2007-2008 Budget

ACCOUNT DESCRIPTION	Per Unit Per Month 26 units	Monthly	Annual
100 FIXED COSTS			
102. CORPORATION FRANCHISE TAXES	0.19	5.00	60.00
103. INSURANCE	11.54	300.00	3,600.00
105. LOCAL LICENSE FEES	0.29	7.50	90.00
100 - SUB TOTAL	12.02	312.50	3,750.00
200 OPERATING COSTS			
201. ELECTRICITY	3.85	100.00	1,200.00
208. LANDSCAPE AREA	16.03	416.67	5,000.00
209. DRAINAGE EASEMENT CLEARING	3.21	83.33	1,000.00
215. ACCESS CONTROL (INTERCOM)	2.88	75.00	900.00
216. RESERVE STUDY	4.81	125.00	1,500.00
217.A. MINOR REPAIRS	1.92	50.00	600.00
200 - SUB TOTAL	32.69	850.00	10,200.00
300 RESERVES			
301 - 313 (ATTACHED WORKSHEET)	55.63	1,446.49	17,357.87
300 - SUB TOTAL	55.63	1,446.49	17,357.87
400 ADMINISTRATION			
401. PROFESSIONAL MANAGEMENT *	28.85	750.00	9,000.00
402. LEGAL SERVICES	2.40	62.50	750.00
403. ACCOUNTING/AUDIT	2.40	62.50	750.00
405. MISCELLANEOUS OFFICE EXPENSE	4.00	104.00	1,248.00
400 - SUB TOTAL	37.65	979.00	11,748.00
TOTAL BUDGET	138.00	3,587.99	43,055.87

* Additional management services required for Architectural Committee functions to be supported through AC Fees charged to and paid by applicant.

Rim Rock Ranch Vineyard Estates Owners' Association

Budget Notes - November 2007

TOTAL BUDGET – INCOME

ASSESSMENTS

In accordance with the Covenants, Conditions and Restrictions, the Board of Directors has the right to determine the amount of funds needed for the operational, maintenance and reserve needs of the Association and levy the assessment accordingly.

100 FIXED COSTS

102. CORPORATION FRANCHISE TAXES

In accordance with the DRE Operating and Cost Data, most associations qualify for tax-exempt status under state law if they are able to meet federal requirements. If an association is not granted tax-exempt status, it will have to pay the minimum state franchise tax, which is currently \$800. If tax-exempt status is granted, there remain minimum fees related to filing various information returns with the Franchise Tax Board and the State of California. Total estimated annual costs to range between \$35 - \$60.

103. INSURANCE

Insurance will be required in accordance with the Covenants, Conditions and Restrictions:

- 1) Blanket comprehensive liability, bodily injury and property damage with a combined single limit of Two Million Dollars (\$2,000,000.00) per occurrence. Insurance shall not cover the personal bodily injury and property damage related to each individually owned lot.
- 2) Workman's compensation insurance shall be carried as required by law with respect to the employees of the Association.
- 3) Fidelity bond naming the Board of Directors and any other persons, amount of bond to be equal to at least the sum of three month's of assessments on all lots within the project.

Total estimated annual cost to be \$3,600

While not identified in the Covenants, Conditions and Restrictions, the Association may consider obtaining Directors and Officers Liability Insurance coverage with limits equal to or greater than the blanket comprehensive liability insurance. This coverage is strongly recommended.

105. LOCAL LICENSE FEES

Miscellaneous local license fees such as business license, if required. Total estimated annual cost \$90.

200 OPERATING COSTS

201. ELECTRICITY

See DRE Electricity Consumption Worksheet for details of estimated costs. Electric costs considered for well operation, entry lights, mailbox structure lights, entry gate and irrigation timer. Total estimated annual cost \$1,200

208. LANDSCAPE AREA

Regular landscape maintenance to service grass, shrubs, ground cover and minor tree pruning up to 15' in height, sweeping / blowing of asphalt road leading to entry gate; additional repairs to landscape plantings and irrigation caused by wildlife, autos or pedestrians. Total estimated annual cost \$5,000

209. DRAINAGE EASEMENT CLEARING

Annual or semi-annual clearing of the drainage easement area to insure no blockages. Total estimated annual cost \$1,000

215. ACCESS CONTROL (INTERCOM)

The mechanical gate is anticipated to be under warranty for one year from installation, therefore there is no budget for maintenance until after warranty is expired. Telephone cost for intercom to individual lots estimated at \$45 per month; allowance for intercom service / repair estimated at \$30 per month. Total estimated annual cost \$900

216. RESERVE STUDY

Based on other Associations with similar components to RRRVE, the cost to conduct a full reserve study is estimated at \$1,500, a one-time charge. Depending on the vendor chosen, this may include two annual updates in future years. Total estimated annual cost \$1,500

217.A. MINOR REPAIRS

Allowance for gutter cleaning and other miscellaneous maintenance / repairs to well house, mailbox structure, wooden fence, etc, Total estimated annual cost \$600.

300 RESERVES

301 - 313 (ATTACHED WORKSHEET)

400 ADMINISTRATION

401. PROFESSIONAL MANAGEMENT

EBMC may provide professional management and bookkeeping services to the Association at a monthly fee of \$750. This amount will provide for 3 hours of typical management time per

month, including attendance at quarterly Board meetings and full bookkeeping services. Total estimated annual cost \$9,000.

It is anticipated that fees paid by each property owner to the Association for all services related to submission of architectural documents to the Architectural Control Committee (ACC) will cover the additional costs of EBMC's time to facilitate these matters and/or attend ACC meetings.

402. LEGAL SERVICES

The Association may require legal services for a variety of reasons such as interpretation of the legal documents, compliance matters, etc. For minimal services or legal opinions, total estimated annual cost \$750

403. ACCOUNTING/AUDIT

Annually the Association must complete and file tax returns. In accordance with the Bylaws, if the annual income is greater than \$75,000, a reviewed financial statement is to be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy and a copy of the reviewed financial statement shall be distributed within 120 days after the close of each fiscal year. Total estimated cost for preparation of the required tax returns and reviewed financial statement \$750

405. MISCELLANEOUS OFFICE EXPENSE

This category is intended to include miscellaneous office related expenses such as postage, printing, supplies, etc. Total estimated annual cost \$1,248

TOTALS

Operating and reserve contribution as supported by the reserve study:

Annual Budget	\$43,055.87
Monthly Budget	\$ 3,587.99
Per Lot Per Month	\$ 138.00