

Developer`s Estimate of Budget, Condo Fees and Taxes (as of January 1, 2014)

1. **Condominium Budget:** Developer has prepared a first draft 12-month operating budget (attached below) based on reasonable assumptions. It assumes costs are shared among 21 units of Phase 1. Majority of costs are fixed so they will be lower when shared among 48 units (Phase 2 built). Therefore, Developer is giving an annual subsidy of \$15,000 to Phase 1.

2. **Condo Fees** are based on unit sizes. For 2014, approximate fees:
 - a. 800 sq ft unit @ estimated fee of \$96.25 /month
 - b. 1000 sq ft unit @ estimated fee of \$120 /month
 - c. 1395 sq ft unit @ estimated fee of \$168 /month
 - d. 1575 sq ft unit @ estimated fee of \$189.70 /month

3. **Phase 2 Reduction:** We hope to build a second and final phase of another 25-28 units and some added costs will be incurred. However, most budgeted costs (e.g., operating costs and club house costs) in the budget don't change with added units. Therefore, the condo fee per sq ft may actually REDUCE if Phase 2 is complete.

4. **Property Tax per Unit:** *NO tax assessment has yet been made* but we researched the tax rates to be applied to industrial and commercial condo bays in Spruce Grove, Stony Plain and Winterburn Rd area. We assume that they will be taxed as for storage (not active business use). Based on reasonable assumptions we estimate 2014 Property Tax will be approximately \$1.40 per ft.
 - a. 800 sq ft unit @ estimated tax of \$93 /month
 - b. 1000 sq ft unit @ estimated tax of \$117 /month
 - c. 1395 sq ft unit @ estimated tax fee of \$162 /month
 - d. 1575 sq ft unit @ estimated tax of \$184 /month

5. **Utility Rates:** We are not able to estimate utility rates. There are simply too many variables for us to give any meaningful estimate. Each owner controls hours of use and appliances/machines (electricity). Owners can add more area lighting. Owners will have their own winter access and thermostat settings. We have 4 sizes. In addition some units have lower ceilings and will be cheaper to heat. With so many variables any estimate given by the Developer would be inaccurate for an individual buyer.

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Premier Garage Condos

*PROPOSED CONDOMINIUM BUDGET (Based on most accurate information available at the time)

OPERATING BUDGET*	
	2014 BUDGET
INCOME	
Condo fees (\$159 unit) (based on 21 units in Phase 1)	40,068
Developers Subsidy until Phase 2 built	15,000
TOTAL INCOME	55,068
EXPENSES	
ADMIN. EXPENSES	
Management fees (\$30 per door pm) Based on 50 units	9,500
Insurance	8,000
Accounting & legal	1,200
License & permit	200
Banking fees and supplies	200
Copies / postage / meeting	200
TOTAL ADMIN.	19,300
CLUBHOUSE EXPENSES	
Clubhouse Electricity	1,200
Clubhouse Heating (Natural Gas)	1,800
Clubhouse Mechanical Maintenance	500
Clubhouse Cleaning	1,800
Clubhouse Cable TV and Internet	1,550
Clubhouse alarm monitoring	0
Clubhouse Annual Fire / Sprinkler Inspection	350
TOTAL CLUBHOUSE	7,200
OPERATING EXPENSES	
Site Services (Management on site by SelfStorAll staff)	6,000
Alarm System	1,400
Landscaping & Irrigation Maintenance (5 months)	3,000
Common Water (Irrigation drip system)	500
Common Water (Pressure Wash) (6 months)	1,200
Common Electricity	2,500
Snow removal (5 months)	5,000
Maintenance and Repair	1,200
TOTAL OPERATING	20,800
TOTAL EXPENSES	47,300
RESERVE FUND CONTRIBUTION	5,000
BALANCE	2,768

BUDGET NOTES:

1. Prepared by SelfStorAll (Spruce Grove) LP, using the most accurate information available at the time.
2. This budget may be subject to change without notice.
2. Once Phase 2 is built it seems possible to reduce fees, subject to Reserve Fund needs.