

**ARBOR TERRACE CONDOMINIUM ASSOCIATION  
LONG BRANCH, NJ 07740**

**Managing Agent:**  
The Regency Management Group, LLC.  
P.O. Box 588,  
Howell, NJ 07731  
(732) 364-5900

December 5, 2016

Dear Arbor Terrace Homeowners:

Enclosed for your information is the 2016-2017 Budget

The fee for this Budget Year was calculated in accordance with the percentage of ownership as outlined in the Public Offering Statement. Please note that there has been no crease in maintenance for the 2016/2017 budget year, however a new loan was established and your payments should be updated accordingly.

Please keep in mind that the per unit fees include all common utilities (water, heat, gas etc.) as well as vendor services.

You should have already received your new 2016/2017 Coupon Books, if you are not enrolled in the online payment system. **This year you will see 3 charges on the account.**

1. **Monthly Maintenance Fee**
2. **Loan Payment 10 year payment from 10/1/12 – 9/30/22 (boiler replacement)**
3. **Loan Payment 10 year payment from 7/1/16-6/30/26**

Enclosed are the spreadsheets detailing the fee schedules:

1. Amount of Maintenance Fees by percentage of ownership
2. Amount of 10 year loans by percentage of ownership

**The monthly maintenance fees are due the 1<sup>st</sup> of each month and the loan payments are due on the 15<sup>th</sup> of each month.** Your checks should be made payable to **ARBOR TERRACE CONDOMINIUM ASSOCIATION, INC.**

You also have the option of paying your fee on line at [www.Smartstreet.com](http://www.Smartstreet.com) using e-checks, recurring monthly payments, etc. When going online hit the top left button that says "pay assessments" and follow the directions. Make sure that Arbor Terrace is selected. If you are already set up on smartstreet for recurring maintenance payments please be sure to update the new maintenance amount by logging into your smartstreet account. This will not be done automatically as the association does not have access to your smartstreet account.

ARBOR TERRACE CONDOMINIUM ASSOCIATION

BY:

  
\_\_\_\_\_  
Rose Clayton, Property Manager

**THE REGENCY MANAGEMENT GROUP, LLC. – Managing Agent**

ARBOR TERRACE CONDO. ASSOC.			
Oct 1, 2016 - Sept. 30, 2017 APPROVED BUDGET			
BASED ON 45 UNITS			
G/L #		1	1
		APPROVED	APPROVED
		BUDGET	BUDGET
	<b>INCOME</b>		
4001	MAINTENANCE FEES	\$ 193,040.00	\$ 193,040.00
4038	ADMINISTRATIVE FEES	\$ 1,000.00	\$ 1,000.00
4160	LATE FEES	\$ 650.00	\$ 650.00
4165	FINES	\$ -	\$ -
4250	MEMBERSHIP FEE	\$ 200.00	\$ 200.00
4303	INTEREST INCOME	\$ 200.00	\$ 200.00
4315	INVESTMENTS - DEFERRED MAINT. INTEREST	\$ 50.00	\$ 50.00
4316	INVESTMENTS - DEFER MAINTENANCE INTEREST	\$ (50.00)	\$ (50.00)
4350	INVESTMENTS - CAPITAL RESERVE INTEREST	\$ 125.00	\$ 125.00
4351	INVESTMENTS - DEFERRED RESERVE INTEREST	\$ (125.00)	\$ (125.00)
4421	CAPITAL CONTRIBUTIONS	\$ 400.00	\$ 400.00
4450	LOAN INCOME	\$ 13,780.00	\$ 43,267.96
4060	LEASE INCOME	\$ 750.00	\$ 750.00
4656	LAUNDRY INCOME	\$ 3,500.00	\$ 3,000.00
4999	PRIOR YEAR SURPLUS	\$ -	\$ -
	<b>TOTAL INCOME</b>	<b>\$ 213,520.00</b>	<b>\$ 242,507.96</b>
	<b>INSURANCE EXPENSES</b>		
5000	INSURANCE	\$ 17,100.00	\$ 22,000.00
5022	INSURANCE CLAIM DEDUCTIBLE	\$ 2,000.00	\$ 2,000.00
5029	INSURANCE SERVICE CHARGE	\$ -	\$ -
	<b>TOTAL INSURANCE EXPENSES</b>	<b>\$ 19,100.00</b>	<b>\$ 24,000.00</b>
	<b>ADMINISTRATIVE EXPENSES</b>		
5030	OFFICE EXPENSE	\$ 200.00	\$ 100.00
5070	POSTAGE	\$ 450.00	\$ 450.00
5090	PHOTOCOPIES	\$ 1,200.00	\$ 1,200.00
5160	ADMINISTRATIVE EXPENSE	\$ 250.00	\$ 250.00
5200	AUDIT EXPENSE	\$ 2,500.00	\$ 2,200.00
5210	LEGAL - GENERAL	\$ 500.00	\$ 500.00
5215	LEGAL - COLLECTIONS	\$ 1,450.00	\$ 1,450.00
5290	MANAGEMENT FEES	\$ 20,318.00	\$ 20,318.00
5230	ENGINEERING	\$ -	\$ -
5280	NJ ANNUAL REPORT	\$ 50.00	\$ 50.00
5320	BAD DEBT EXPENSE	\$ 1,900.00	\$ 1,900.00
	<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 28,818.00</b>	<b>\$ 28,418.00</b>
	<b>OPERATING EXPENSES</b>		
6060	JANITORIAL	\$ 4,500.00	\$ 4,000.00
6065	LAWN CARE	\$ 8,000.00	\$ 8,000.00
6079	LANDSCAPE REPAIRS/REPLACEMENTS	\$ 5,000.00	\$ 4,000.00
6150	SNOW CLEARING	\$ 10,500.00	\$ 10,500.00
6220	GENERAL REPAIRS & MAINTENANCE	\$ 22,500.00	\$ 25,000.00
6250	MAINTENANCE SUPPLIES	\$ 1,300.00	\$ 1,300.00
6290	EXTERMINATING EXPENSE	\$ 900.00	\$ 900.00
6560	BOILER MAINTENANCE	\$ -	\$ -
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 52,700.00</b>	<b>\$ 53,700.00</b>
	<b>UTILITY EXPENSE</b>		
7510	UTILITIES - ELECTRICITY	\$ 5,122.00	\$ 5,122.00
7520	UTILITIES - WATER/SEWER	\$ 9,000.00	\$ 9,000.00
7595	GAS	\$ 30,000.00	\$ 24,000.00
	<b>TOTAL UTILITY EXPENSES</b>	<b>\$ 44,122.00</b>	<b>\$ 38,122.00</b>
	<b>OTHER EXPENSES</b>		
8620	REPLACEMENT RESERVES	\$ 50,000.00	\$ 50,000.00
8560	DEFERRED MAINTENANCE	\$ 5,000.00	\$ 5,000.00
8700	SPECIAL ASSESSMENT (Boiler Loan)(Breezeway Loan)	\$ 13,780.00	\$ 43,267.96
	<b>PAYBACK RESERVES(36 Months \$30k)</b>		
	<b>TOTAL OTHER EXPENSES</b>	<b>\$ 68,780.00</b>	<b>\$ 98,267.96</b>
	<b>TOTAL EXPENSES</b>	<b>\$ 213,520.00</b>	<b>\$ 242,507.96</b>
	<b>NET INCOME OVER EXPENSES:</b>	<b>\$ -</b>	<b>\$ -</b>

2016/2017 Maintenance By unit

% Ownership	Unit	Annual Maintenance	Monthly Maintenance	Current	Increase
2.4865	1A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	1B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	2A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	2B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
1.9825	3A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	3B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	4A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	4B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	5A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	5B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	6A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	6B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	7A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	7B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	8A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	8B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
2.4865	9A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	9B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	10A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	10B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
1.9825	11A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	11B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	12A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	12B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	14A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	14B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	15A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	15B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	16A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	16B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	17A	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
1.9825	17B	\$ 3,827.02	\$ 318.92	\$ 318.92	\$ -
2.4865	18A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	18B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	19A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	19B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	20A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	20B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	21A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	21B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	22A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	22B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	23A	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.4865	23B	\$ 4,799.94	\$ 399.99	\$ 399.99	\$ -
2.6900	24	\$ 5,192.78	\$ 432.73	\$ 432.73	\$ -

100.0000

\$ 193,040.00 \$ 16,086.67  
\$ 193,040.00

**ARBOR TERRACE CONDOMINIUM ASSOCIATION**  
**Monthly Loan Payments - \$130,000**  
**10 years starting October 1, 2012 - September 30, 2022**

**Percentage Ownership %**      **Unit Address**      **2014/2015 % x Income Amount Divided by 12 (calculation)**

2.4865	1A	\$28.55
2.4865	1B	\$28.55
2.4865	2A	\$28.55
2.4865	2B	\$28.55
1.9825	3A	\$22.77
1.9825	3B	\$22.77
1.9825	4A	\$22.77
1.9825	4B	\$22.77
1.9825	5A	\$22.77
1.9825	5B	\$22.77
1.9825	6A	\$22.77
1.9825	6B	\$22.77
1.9825	7A	\$22.77
1.9825	7B	\$22.77
1.9825	8A	\$22.77
1.9825	8B	\$22.77
2.4865	9A	\$28.55
2.4865	9B	\$28.55
2.4865	10A	\$28.55
2.4865	10B	\$28.55
1.9825	11A	\$22.77
1.9825	11B	\$22.77
1.9825	12A	\$22.77
1.9825	12B	\$22.77
1.9825	14A	\$22.77
1.9825	14B	\$22.77
1.9825	15A	\$22.77
1.9825	15B	\$22.77
1.9825	16A	\$22.77
1.9825	16B	\$22.77
1.9825	17A	\$22.77
1.9825	17B	\$22.77
2.4865	18A	\$28.55
2.4865	18B	\$28.55
2.4865	19A	\$28.55
2.4865	19B	\$28.55
2.4865	20A	\$28.55
2.4865	20B	\$28.55
2.4865	21A	\$28.55
2.4865	21B	\$28.55
2.4865	22A	\$28.55
2.4865	22B	\$28.55
2.4865	23A	\$28.55
2.4865	23B	\$28.55
2.6900	24	\$30.89

**100.0000 MONTHLY PER YEAR**

**\$1,148.33  
\$13,780.00**

**ARBOR TERRACE CONDOMINIUM ASSOCIATION**

**Monthly Loan Payments - \$235,000**

10 years starting July 1, 2016 -June 1, 2026

Percentage Ownership %	Unit Address	2016/2017 % x Income Amount Divided by 12 (calculation)	Interest Savings	Full Payment Amount
2.4865	1A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	1B	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	2A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	2B	\$61.10	\$ 1,488.91	\$ 5,843.28
1.9825	3A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	3B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	4A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	4B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	5A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	5B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	6A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	6B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	7A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	7B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	8A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	8B	\$48.72	\$ 1,187.11	\$ 4,658.88
2.4865	9A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	9B	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	10A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	10B	\$61.10	\$ 1,488.91	\$ 5,843.28
1.9825	11A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	11B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	12A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	12B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	14A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	14B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	15A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	15B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	16A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	16B	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	17A	\$48.72	\$ 1,187.11	\$ 4,658.88
1.9825	17B	\$48.72	\$ 1,187.11	\$ 4,658.88
2.4865	18A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	18B	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	19A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	19B	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	20A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	20B	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	21A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	21B	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	22A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	22B	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	23A	\$61.10	\$ 1,488.91	\$ 5,843.28
2.4865	23B	\$61.10	\$ 1,488.91	\$ 5,843.28
2.6900	24	\$66.10	\$ 1,610.76	\$ 6,321.50

**100.000 MONTHLY  
PER YEAR**

**\$2,457.33  
\$29,487.96**

**\$59,879.60**

**\$235,000.00**

**ARBOR TERRACE CONDOMINIUM ASSOCIATION  
OPERATING BUDGET NOTES**

**October 1, 2016 - September 30, 2017**

**FOR THE 2016/2017 YEAR OF OPERATIONS BASED UPON OCCUPANCY OF 45 UNITS**

**INCOME:**

**#4001 - MAINTENANCE FEES:**

Monthly fees are based on the full year of operations with the community and percentage of ownership by 45 units.

**#4160 - LATE FEES:**

The Association charges a \$25.00 Late Fee for each month that the Maintenance Fee payment is received after the 15<sup>th</sup> of the month. This line item anticipates approximately 2 units per month assessed late fees of \$25.00 per unit for 12 months.

**#4165 - FINES:**

The Association charges a \$10.00 fine for violations that are not cured by homeowners upon three (3) consecutive notices.

**#4250 - MEMBERSHIP FEE:**

A non-refundable membership fee of \$250.00 is collected at closing.

**#4303-INTEREST INCOME:**

This line item shows the expected interest earned in the Association's Operating Account.

**#4315 - DEFERRED MAINTENANCE INTEREST:**

Interest earned on the Association's Deferred Maintenance Account, based on the average monthly balance.

**#4316 - DEFER MAINTENANCE INTEREST:**

The interest earned on the Deferred Maintenance Fund is deferred back into the Deferred Maintenance Account for inflation on the costs.

**#4350 - CAPITAL RESERVE INTEREST:**

Interest earned on the Association's Reserve Accounts, based on the average monthly balance.

**#4351 - DEFER RESERVE INTEREST:**

The interest earned on the Reserve Fund is deferred back into the Reserve Account for inflation on the replacement costs.

**#4410- TOWNSHIP REIMBURSEMENTS:**

This represents a portion of costs for the snow removal that is received from the Township.

**#4421 -CAPITAL CONTRIBUTIONS:**

A Capital Contribution of \$100.00 will be collected when a unit is sold. The Capital Contribution is a non-refundable, non-transferable contribution to the operating fund.

**#4450 - LOAN INCOME:**

This represents monthly fees collected from homeowners for the loans in the community. The loan was established in 2012 for 10 years, \$130,000. An additional loan was established in 2016 for 10 years, \$235,000.00. The monthly payment for each unit owner is based on percentage of ownership.

**#4656 - LAUNDRY INCOME:**

Income received from Equipment Marketers for rental fees paid on the laundry machines within the Association.

**#4999 - PRIOR YEAR SURPLUS:**

This represents an anticipated surplus due to lower utility and operating expenses.

**EXPENSES:**

**Insurance Expenses**

**#5000 - INSURANCE EXPENSE:**

The Association carries policies for General Liability, Worker's Compensation, Umbrella Liability, and Directors and Officers Coverage. The policies are written through State Farm Insurance and are in accordance with the requirements of the Public Offering Statement.

**#5022 - INSURANCE CLAIM DEDUCTIBLE:**

This represents the insurance deductible for one claim this year.

**Administrative Expenses**

**#5030 - OFFICE EXPENSE:**

Costs associated with the operation of the Association, which is comprised of office supplies, etc.

**#5070 - POSTAGE:**

The Association pays for all postage used for all mailings of newsletters, correspondence, late notices, etc.

**#5072 - PROCESS CERTIFIED LETTERS:**

This represents the cost to process certified letters for accounts that go to the attorney for collections.

**#5090 - PHOTOCOPIES:**

Photocopies are charged a flat monthly rate for general correspondence, i.e. Board Packet, Financials, Board Correspondence and homeowner files. Photocopy fees will be \$100.00 per month through September 30, 2017.

**#5180 - BANK SERVICE CHARGE:**

Activity in the operating account, including charges for incoming and outgoing checks and Investment Service Fee.

**#5200 - AUDIT EXPENSE:**

The Association engages a certified public accountant to perform the annual audit of its records and prepare the annual income tax return. The final audited financials are available to all homeowners.

**#5210/5215 - LEGAL EXPENSE:**

The Association retains the services of McGovern Legal Services as general counsel. The Association Attorney assists in contract preparation and review, collections, review of the governing documents and other legal matters that may arise.

**#5290 - MANAGEMENT FEES:**

The Association contracted with The Regency Management Group, LLC a professional management firm, to assist in the financials, administrative and physical property management of the Association. This contracted fee includes customer service and management personnel; accounting and financial services and professional manager's attendance at Monthly Board Meetings.

**#5230 - ENGINEERING:**

The costs to have an engineer update the Capital Reserve Study and monitor construction repairs within the Association.

**Operating Expenses**

**#6060 - JANITORIAL:**

The costs of cleaning the dumpster areas, stairwells, laundry room and property.

**#6065 - LAWN CARE:**

Costs associated with the lawn care contract, which provides mowing, edging, pruning and chemical applications for all common grounds. The Association has contracted with Diehl Landscape and Design.

**#6150 - SNOW CLEARING:**

This represents snow clearing of the main walkway and parking lots throughout the Association. The Association has contracted with Picturesque Landscape and Design.

**#6220 - GENERAL R&M:**

Costs associated with general maintenance for Limited Common Elements and Common Elements as outlined in the Public Offering Statement.

**#6250 - MAINTENANCE SUPPLIES:**

The costs associated with the supplies needed to perform general maintenance.

**#6290 - EXTERMINATOR EXPENSE:**

Costs associated for the pest control of the common grounds to treat pests such as bees, ants, etc., and the termite warranties.

**#6560 - BOILER MAINTENANCE:**

Costs associated with turning the gas on and off for the community as well as for repairs of the boiler system.



## Utilities

### **#7510 – UTILITIES – ELECTRICITY:**

Projected cost of the electricity.

### **#7520 - WATER/SEWER:**

Projected costs of the water and sewer charges in the Association.

### **#7595 - GAS:**

The projected cost of gas usage for the homes in the Association.

## Reserves & Capital Improvements

### **#8620 - REPLACEMENT RESERVES:**

Money set aside for the future replacement of sidewalks, pavement, shingles, etc., according to a reserve schedule.

### **#8560 - DEFFERED MAINTENANCE:**

Funds set aside for maintenance costs, which occur less frequently than annually in accordance with a schedule, i.e. painting of the buildings.

### **#8700 – SPECIAL ASSESSMENT:**

This represents monthly fees collected from homeowners for the loans in the community and paid to the bank. The loan was established in 2012 for 10 years, \$130,000. An additional loan was established in 2016 for 10 years, \$235,000.00.