



Abaris Real Estate Management, Inc.

1101 Wootton Parkway # 820, Rockville MD 20852

Maryland: 301-468-8919 · Fax: 301-468-0983

Virginia: 703-437-5800

abarisrealty.com

PROPOSED 2027 BUDGET

TO: FALLSTONE CONDOMINIUM HOMEOWNERS

FROM: KAITLYN AMBUSH, CMCA, AMS
COMMUNITY MANAGER

DATE: OCTOBER 13, 2026

Attached for your review is the proposed 2027 budget for Fallstone Condominium, which has been reviewed by your Board of Directors. The budget reflects a 9% increase in the monthly condominium fees for next year!

The main drivers for an increase in the 2027 budget are due to an increase in the master insurance policy premium, as well as an increase in the annual reserve contribution in order to fund upcoming capital replacement projects such as the replacement of the fire alarm and sprinkler systems, as well as gutter and downspout replacements.

The proposed budget includes the annual reserve contribution as recommended in the independent reserve study conducted by Property Diagnostics in 2023 which is a law requirement for all Condominiums in the state of Maryland. The mandatory reserve funding requirements apply regardless of any governing document provisions restriction assessment increases or caps. The law also requires that a reserve study be conducted every 5 years. Also, in accordance with the new law, enclosed is a chart that summarizes the 2023 reserve study. The Board of Directors has a fiduciary responsibility to ensure that the Condominium has the amount of appropriate reserves, operating funds and the financial capability to react to emergency situations and comfortably afford future capital replacement projects without a need for any special assessments on the homeowners.

All owners are hereby notified that the Board of Directors will vote on formal adoption of the budget at the next virtual Board meeting that will be held on Wednesday, November 18, 2026, at 7:00 p.m. Homeowners who wish to participate in the meeting by phone may do so using the following link or call instructions:

Link: <https://abarisrealty.zoom.us/j/9144800786?pwd=EeNIFVtGZyAhfhx13R4iVD0zopo8h2.1>

Dial In Number: 301-715-8592

Meeting ID: 914 480 0786

If you have any questions or comments on the proposed 2027 budget, please attend the upcoming virtual Board meeting or send your comments in writing to customercare@abarisrealty.com. The final approved budget will be sent to all owners soon after the meeting. On behalf of the Board, I thank you for your attention to this important matter.

Fallstone Condominium Association

Proposed 2027 Budget

Managed by Abaris Real Estate Management, Inc.

Audited 2022	Audited 2023	Audited 2024	Mgmt 2025	Acct #	Description	6-Month Actual Jan'26-Jun'26	Approved Budget 2026	Proposed Budget 2027
REVENUE								
Member Assessments								
\$ 36,084	\$ 39,768	\$ 39,768	\$ 40,605	41040	Condominium Fees	\$ 22,295.12	\$ 41,298.00	\$ 45,015.00
\$ 205	\$ 243		\$ 40	41440	Legal Fees			
				41480	Moving Fees			
			\$ (701)	41500	Repairs/Supplies Fee	\$ 2,404.07		
			\$ (1,703)	41540	Storage Bin Fees			
			\$ 700	41560	Miscellaneous Fees			
\$ 36,289	\$ 40,011	\$ 39,768	\$ 38,941		Total Member Assessments	\$ 24,699.19	\$ 41,298.00	\$ 45,015.00
Other Revenue								
\$ 887	\$ 5,071	\$ 6,044	\$ 5,149	43020	Interest Earned	\$ 2,097.40	\$ 3,200.00	\$ 3,201.00
		\$ 1,653		43900	Miscellaneous Revenue			
\$ 887	\$ 5,071	\$ 7,697	\$ 5,149		Total Other Revenue	\$ 2,097.40	\$ 3,200.00	\$ 3,201.00
\$ 37,176	\$ 45,082	\$ 47,465	\$ 44,090		TOTAL REVENUE	\$ 26,796.59	\$ 44,498.00	\$ 48,216.00
EXPENSES								
Administrative								
\$ 9,000	\$ 9,500	\$ 9,785	\$ 10,078	50020	Management Fees	\$ 5,190.00	\$ 10,380.00	\$ 10,640.00
\$ 205	\$ 233		\$ 40	50040	Legal		\$ 300.00	\$ 300.00
		\$ 500		50051	CTA Fee			
\$ 2,750	\$ 2,835	\$ 3,086	\$ 2,600	50060	Audit/Tax returns	\$ 3,482.20	\$ 3,700.00	\$ 3,800.00
\$ 238	\$ 366	\$ 295	\$ 143	50120	Postage/Printing	\$ 117.16	\$ 400.00	\$ 400.00
			\$ 35	50380	Bank Charges		\$ 50.00	\$ 50.00
				505710	Technological Administration Fee			\$ 420.00
\$ 85	\$ 111	\$ 111	\$ 111	50590	Mont. Co. Assessment		\$ 111.00	\$ 111.00
	\$ 1,650			50620	Engineering Study			
\$ 689	\$ 475	\$ 288	\$ 407	50980	Miscellaneous	\$ 375.00	\$ 500.00	\$ 419.00
\$ 12,967	\$ 15,170	\$ 14,065	\$ 13,414		Total Administrative	\$ 9,164.36	\$ 15,441.00	\$ 16,140.00
Utilities								
\$ -	\$ 1,598	\$ 247		51080	Water/Sewer	\$ 800.09	\$ 500.00	\$ 1,000.00
\$ -	\$ 1,598	\$ 247	\$ -		Total Utilities	\$ 800.09	\$ 500.00	\$ 1,000.00

Fallstone Condominium Association

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Audited 2022	Audited 2023	Audited 2024	Mgmt 2025	Acct #	Description	6-Month Actual Jan'26-Jun'26	Approved Budget 2026	Proposed Budget 2027
Contracted Services								
				52020	Trash	\$	100.00	\$ 100.00
				52060	Exterminating	\$	500.00	\$ 500.00
				52400	Fire System Monitoring	\$	350.00	\$ 350.00
\$ 1,045	\$ 1,045	\$ 1,322	\$ 1,045	52630	Fire System Test & Inspect	\$ 2,120.50	\$ 1,100.00	\$ 1,500.00
\$ 1,045	\$ 1,045	\$ 1,322	\$ 1,045		Total Contracted Services	\$ 2,120.50	\$ 2,050.00	\$ 2,450.00
Maintenance Repairs								
				53260	Grounds/Lanscaping			
\$ 1,926	\$ 5,610	\$ 2,785	\$ 2,550	53420	General Repairs	\$ 445.00	\$ 2,086.00	\$ 2,086.00
\$ 1,926	\$ 5,610	\$ 2,785	\$ 2,550		Total Maint. Repairs	\$ 445.00	\$ 2,086.00	\$ 2,086.00
Insurance, Taxes, Licenses								
\$ 7,667	\$ 8,106	\$ 9,093	\$ 10,969	59100	Insurance-Master Policy	\$ 13,380.00	\$ 13,000.00	\$ 14,811.00
				59270	Insurance-Deductible			
		\$ 4,156		59280	Insurance-Other			
	\$ 1,378	\$ 1,680	\$ 2,200	59300	Corporate Taxes	\$ 1,800.00	\$ 966.00	\$ 960.00
\$ 7,667	\$ 9,484	\$ 14,929	\$ 13,169		Total Ins., Taxes, Lic.	\$ 15,180.00	\$ 13,966.00	\$ 15,771.00
\$ 23,605	\$ 32,907	\$ 33,348	\$ 30,178		TOTAL OPERATING EXPENSES	\$ 27,709.95	\$ 34,043.00	\$ 37,447.00
REPLACEMENT RESERVES								
\$ 8,698	\$ 8,959	\$ 11,426	\$ 12,054	63110	Replacement Fund	\$ 5,227.50	\$ 10,455.00	\$ 10,769.00
\$ 8,698	\$ 8,959	\$ 11,426	\$ 12,054		Total Replacement Reserves	\$ 5,227.50	\$ 10,455.00	\$ 10,769.00
\$ 32,303	\$ 41,866	\$ 44,774	\$ 42,232		TOTAL EXPENSES (INCL. RESERVES)	\$ 32,937.45	\$ 44,498.00	\$ 48,216.00
\$ 4,873	\$ 3,216	\$ 2,691	\$ 1,858		NET INCOME (LOSS)	\$ (6,140.86)	\$ -	\$ -

Historical columns (2022-2024) reflect audited year-end balances; 2025 reflects unaudited management figures (no ATB available at time of preparation). 6-Month Actual reflects Jan–Jun 2026 activity from HOA

Prepared by Abaris Real Estate Management, Inc. | 1101 Wootton Parkway, Suite 820, Rockville, MD 20852

Fallstone Condominium Association

Proposed 2027 Budget

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Account Description	Approved Budget 2026	Proposed Budget 2027	Narration
REVENUE			
Member Assessments			
Condominium Fees	\$ 41,298.00	\$ 45,015.00	<i>Assumes no increase</i>
Legal Fees			
Moving Fees			
Repairs/Supplies Fee			
Storage Bin Fees			
Miscellaneous Fees			
Total Member Assessments	\$ 41,298.00	\$ 45,015.00	
Other Revenue			
Interest Earned	\$ 3,200.00	\$ 3,201.00	<i>2.5% of investments</i>
Miscellaneous Revenue			
Total Other Revenue	\$ 3,200.00	\$ 3,201.00	
TOTAL REVENUE	\$ 44,498.00	\$ 48,216.00	
EXPENSES			
Administrative			
Management Fees	\$ 10,380.00	\$ 10,640.00	<i>Proposed 2.5% increase based on CPI</i>
Legal	\$ 300.00	\$ 300.00	
CTA Fee			
Audit/Tax returns	\$ 3,700.00	\$ 3,800.00	<i>based on current contract with Goldklang</i>
Postage/Printing	\$ 400.00	\$ 400.00	
Bank Charges	\$ 50.00	\$ 50.00	
Mont. Co. Assessment	\$ 111.00	\$ 111.00	<i>CCOC Registration @ \$6.50/unit</i>
Engineering Study			
Miscellaneous	\$ 500.00	\$ 419.00	
Total Administrative	\$ 15,441.00	\$ 16,140.00	
Utilities			
Water/Sewer	\$ 500.00	\$ 1,000.00	<i>based on 6-month YTD actual and WSSC rate increase</i>
Total Utilities	\$ 500.00	\$ 1,000.00	
Contracted Services			

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Account Description	Approved Budget 2026	Proposed Budget 2027	Narration
Trash	\$ 100.00	\$ 100.00	
Exterminating	\$ 500.00	\$ 500.00	
Fire System Monitoring	\$ 350.00	\$ 350.00	
Fire System Test & Inspect	\$ 1,100.00	\$ 1,500.00	<i>based on 2022-2025 audited figures and 6-month YTD actual</i>
Total Contracted Services	\$ 2,050.00	\$ 2,450.00	
Maintenance Repairs			
Grounds/Lanscaping			
General Repairs	\$ 2,086.00	\$ 2,086.00	
Total Maint. Repairs	\$ 2,086.00	\$ 2,086.00	
Insurance, Taxes, Licenses			
Insurance-Master Policy	\$ 13,000.00	\$ 14,811.00	<i>based on current insurance renewal which expires 5/9/2027</i>
Insurance-Deductible			
Insurance-Other			
Corporate Taxes	\$ 966.00	\$ 960.00	<i>30% of interest</i>
Total Ins., Taxes, Lic.	\$ 13,966.00	\$ 15,771.00	
TOTAL OPERATING EXPENSES	\$ 34,043.00	\$ 37,447.00	
REPLACEMENT RESERVES			
Replacement Fund	\$ 10,455.00	\$ 10,769.00	<i>based on 3% inflation contribution from reserve study</i>
Total Replacement Reserves	\$ 10,455.00	\$ 10,769.00	
TOTAL EXPENSES (INCL. RESERVES)	\$ 44,498.00	\$ 48,216.00	
NET INCOME (LOSS)	\$ -	\$ -	



FALLSTONE CONDOMINIUM							
UNINFLATED CASH FLOW BREAKDOWN							
Year	Total Replacement Costs / 30yrs	Fallstone Condo's Yearly Contribution	Current Fund based on Fallstone Condo's Contribution	Option 1	Current Fund based on Option 1	Option 2 (Initial 10% Increase & 3% Per Year)	Current Fund based on the Recommended Contribution
			\$ 137,320		\$ 137,320		\$ 137,320
2024	\$ 54,897	\$ 8,959	\$ 91,382	\$ 14,500	\$ 96,923	\$ 9,855	\$ 92,278
2025	\$ 5,500	\$ 8,959	\$ 94,841	\$ 14,500	\$ 105,923	\$ 10,151	\$ 96,928
2026	\$ -	\$ 8,959	\$ 103,800	\$ 14,500	\$ 120,423	\$ 10,455	\$ 107,383
2027	\$ -	\$ 8,959	\$ 112,759	\$ 14,500	\$ 134,923	\$ 10,769	\$ 118,152
2028	\$ 39,590	\$ 8,959	\$ 82,128	\$ 14,500	\$ 109,833	\$ 11,092	\$ 89,654
2029	\$ -	\$ 8,959	\$ 91,087	\$ 14,500	\$ 124,333	\$ 11,425	\$ 101,078
2030	\$ -	\$ 8,959	\$ 100,046	\$ 14,500	\$ 138,833	\$ 11,767	\$ 112,846
2031	\$ 4,400	\$ 8,959	\$ 104,605	\$ 14,500	\$ 148,933	\$ 12,120	\$ 120,566
2032	\$ -	\$ 8,959	\$ 113,564	\$ 14,500	\$ 163,433	\$ 12,484	\$ 133,050
2033	\$ 45,444	\$ 8,959	\$ 77,079	\$ 14,500	\$ 132,489	\$ 12,858	\$ 100,464
2034	\$ 25,968	\$ 8,959	\$ 60,070	\$ 14,500	\$ 121,021	\$ 13,244	\$ 87,740
2035	\$ 70,660	\$ 8,959	\$ (1,631)	\$ 14,500	\$ 64,861	\$ 13,641	\$ 30,722
2036	\$ 49,680	\$ 8,959	\$ (42,352)	\$ 14,500	\$ 29,681	\$ 14,051	\$ (4,907)
2037	\$ -	\$ 8,959	\$ (33,393)	\$ 14,500	\$ 44,181	\$ 14,472	\$ 9,565
2038	\$ 48,711	\$ 8,959	\$ (73,145)	\$ 14,500	\$ 9,970	\$ 14,906	\$ (24,240)
2039	\$ 21,780	\$ 8,959	\$ (85,966)	\$ 14,500	\$ 2,690	\$ 15,354	\$ (30,666)
2040	\$ -	\$ 8,959	\$ (77,007)	\$ 14,500	\$ 17,190	\$ 15,814	\$ (14,852)
2041	\$ -	\$ 8,959	\$ (68,048)	\$ 14,500	\$ 31,690	\$ 16,289	\$ 1,437
2042	\$ -	\$ 8,959	\$ (59,089)	\$ 14,500	\$ 46,190	\$ 16,777	\$ 18,214
2043	\$ 14,662	\$ 8,959	\$ (64,792)	\$ 14,500	\$ 46,028	\$ 17,281	\$ 20,833
2044	\$ 26,768	\$ 8,959	\$ (82,601)	\$ 14,500	\$ 33,760	\$ 17,799	\$ 11,864
2045	\$ -	\$ 8,959	\$ (73,642)	\$ 14,500	\$ 48,260	\$ 18,333	\$ 30,197
2046	\$ -	\$ 8,959	\$ (64,683)	\$ 14,500	\$ 62,760	\$ 18,883	\$ 49,080
2047	\$ -	\$ 8,959	\$ (55,724)	\$ 14,500	\$ 77,260	\$ 19,449	\$ 68,529
2048	\$ 18,997	\$ 8,959	\$ (65,762)	\$ 14,500	\$ 72,763	\$ 20,033	\$ 69,565
2049	\$ -	\$ 8,959	\$ (56,803)	\$ 14,500	\$ 87,263	\$ 20,634	\$ 90,199
2050	\$ 5,500	\$ 8,959	\$ (53,344)	\$ 14,500	\$ 96,263	\$ 21,253	\$ 105,952
2051	\$ -	\$ 8,959	\$ (44,385)	\$ 14,500	\$ 110,763	\$ 21,891	\$ 127,843
2052	\$ -	\$ 8,959	\$ (35,426)	\$ 14,500	\$ 125,263	\$ 22,547	\$ 150,390
2053	\$ 3,136	\$ 8,959	\$ (29,603)	\$ 14,500	\$ 136,627	\$ 23,224	\$ 170,478