



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: GREENCASTLE MANOR NO. 2 CONDOMINIUM HOMEOWNERS

FROM: ANDREW MOORMAN, CMCA
COMMUNITY MANAGER

DATE: SEPTEMBER 18, 2026

Enclosed is the proposed 2027 budget for the Condominium, which has been reviewed by your Board of Directors. The budget reflects a monthly condo fee increase from \$187 to \$226 per home per month. The Board recognizes this is a larger increase than homeowners are accustomed to, and wants to be transparent about why it is necessary. The Board also understands that this increase may be difficult for some members of our community, and we want to make sure we are listening to any feedback you may have. If you are concerned about your ability to meet the new fee, we encourage you to contact Abaris to make payment arrangements before any late fees or other penalties accrue on your account. The main reasons for the fee increase are as follows:

- The Palmer House Way retaining wall replacement project — already underway and financed in part through the Association's commercial loan — has increased substantially in cost, from an original estimate of \$80,000–\$120,000 to approximately \$550,000. This is due to engineering requirements — imposed by Montgomery County government as a condition of the Association retaining its final permits for the project — that the wall be rebuilt as a gravity wall rather than a wood wall, in order to preserve the surrounding mature tree canopy, combined with tariff-driven increases in construction material costs. The Association must significantly increase its reserve contributions to responsibly fund this project and rebuild reserves afterward.
- In accordance with Maryland law, the Association's reserve study has been updated by an independent reserve study engineer. The updated study requires the Association to fully fund its replacement reserves at a substantially higher level — increasing the reserve contribution from \$10,000 to \$68,500 for 2027. Unlike in past years, the Board no longer has discretion to under-fund reserves relative to the study. Enclosed is a summary of the updated reserve study, as required by law.
- The updated reserve study also anticipates a future road paving project, currently projected at approximately \$370,000 within the next several years. The Association must begin building reserves now to fund this project without the need for a special assessment.
- There has been a significant increase in the Condominium's master insurance policy, due to a homeowner's house fire claim, as well as legal defense costs the Association incurred in responding to a complaint filed by one homeowner with the Commission on Common Ownership Communities and the Maryland Attorney General's Office.
- The community's tree canopy continues to age, and the cost of tree trimming and removals has increased based on actual costs incurred in recent years. This work is necessary to reduce risk to homes and common areas and to help manage insurance costs.
- In accordance with our auditors' guidance, the budget reinstates a line item for bad debt expense — this is the portion of unpaid homeowner assessments that the Association is ultimately unable to collect and must write off, after collection efforts have been exhausted. Over the past two years, the Association has written off approximately \$46,000 in bad debt combined. Even so, the 2027 budget only allocates \$20,000 for this line item — roughly half of what has actually been incurred — in an effort to keep the overall fee increase as low as possible.
- All of the Association's contracted service providers have increased their fees this year, further contributing to the overall increase in the budget.

The proposed budget will be officially adopted by the Board at the next virtual Board meeting which will be held on Tuesday, October 27, 2026 at 7:00 p.m. Homeowners who wish to participate in the meeting may do so using the following link or call instructions:

Link: <https://abarisrealty.zoom.us/j/5311631097?pwd=K1ZxczFXUjZldldWWjJUaGtFdUxOUT09>

Dial-In: 1-301-715-8592

Meeting ID: 531 163 1097

Please feel free to attend the upcoming virtual meeting or you may forward any comments or questions you have on the proposed budget to the offices of Abaris Realty by email to customercare@abarisrealty.com. Your comments will be taken into consideration by the Board prior to the budget being officially adopted. The final, approved budget will be sent to all homeowners via email and posted on the Condominium's website soon after the upcoming meeting. Please visit the Condominium's website at: <https://www.greencastlemanor2.com> for important community information and news! On behalf of the Board, I thank you for your attention to this matter.

Greencastle Manor II

Proposed 2027 Budget

Managed by Abaris Real Estate Management, Inc.

Audited 2022	Audited 2023	Audited 2024	Audited 2025	Acct #	Description	6-Month Actual Jan'26-Jun'26	Approved Budget 2026	Proposed Budget 2027	Variance Proposed vs. Approved 26	% Chg
REVENUE										
Member Assessments										
\$ 337,920	\$ 337,920	\$ 359,210	\$ 358,860	41040	Condominium Fees	\$ 187,310.22	\$ 394,944.00	\$ 477,312.00	\$ 82,368.00	20.9%
\$ 1,175	\$ 1,249	\$ 1,760	\$ 1,587	41400	Late Fees	\$ 620.91	\$ 1,000.00	\$ 1,000.00	\$ -	-
\$ 4,947	\$ 3,151	\$ 4,751	\$ 10,466	41440	Legal Fees	\$ 2,823.79	\$ 2,000.00	\$ 2,000.00	\$ -	-
\$ 290				41500	Repairs/Supplies Fees					-
\$ 1,930	\$ 1,460	\$ 50		41560	Miscellaneous Fees	\$ 50.00	\$ 2,000.00		\$ (2,000.00)	(100.0%)
				41590	Insurance Deductible					-
\$ 346,262	\$ 343,779	\$ 365,771	\$ 370,913		Total Member Assessments	\$ 190,804.92	\$ 399,944.00	\$ 480,312.00	\$ 80,368.00	20.1%
Other Revenue										
\$ 1,281	\$ 11,606	\$ 17,145	\$ 15,039	43020	Interest Revenue	\$ 8,912.51	\$ 5,000.00	\$ 17,617.00	\$ 12,617.00	252.3%
\$ 25	\$ 25	\$ (25)	\$ 175	43920	NSF Cost	(175.00)				-
\$ 1,306	\$ 11,631	\$ 17,120	\$ 15,214		Total Other Revenue	\$ 8,737.51	\$ 5,000.00	\$ 17,617.00	\$ 12,617.00	252.3%
\$ 347,568	\$ 355,410	\$ 382,892	\$ 386,127		TOTAL REVENUE	\$ 199,542.43	\$ 404,944.00	\$ 497,929.00	\$ 92,985.00	23.0%
EXPENSES										
Administrative										
\$ 42,000	\$ 45,000	\$ 46,350	\$ 47,740	50020	Management Fees	\$ 24,586.02	\$ 49,172.00	\$ 50,402.00	\$ 1,230.00	2.5%
\$ 5,348	\$ 3,186	\$ 6,240	\$ 17,212	50040	Legal Fees	\$ 4,593.75	\$ 6,500.00	\$ 5,500.00	\$ (1,000.00)	(15.4%)
		\$ 500		50051	CTA Fee					-
\$ 2,875	\$ 3,220	\$ 3,401	\$ 4,010	50060	Audit/Tax Prep.	\$ 4,383.30	\$ 4,050.00	\$ 4,425.00	\$ 375.00	9.3%
\$ 2,247	\$ 4,925	\$ 4,053	\$ 3,818	50120	Postage/Printing	\$ 2,781.36	\$ 4,000.00	\$ 3,500.00	\$ (500.00)	(12.5%)
\$ 4,576	\$ 4,928	\$ 5,280	\$ 5,280	50190	Community Inspections	\$ 5,280.00	\$ 5,280.00	\$ 5,280.00	\$ -	-
				50240	EDP-Billing		\$ -	\$ -		-
\$ 44			\$ 6	50380	Bank Charges	\$ 35.00	\$ 100.00	\$ 100.00	\$ -	-
					Technology Fee			\$ 420.00		-
\$ 440	\$ 1,012	\$ 1,144	\$ 1,144	50590	Montg. Co. Assess.		\$ 1,144.00	\$ 1,144.00	\$ -	-
			\$ 8,306	50600	Insurance Loss					-
				50620	Engineering Study		\$ 2,000.00		\$ (2,000.00)	(100.0%)
	\$ 850	\$ 927	\$ 950	50710	Community Activities		\$ 2,000.00	\$ 1,000.00	\$ (1,000.00)	(50.0%)
\$ 800	\$ 1,012	\$ 1,691	\$ 964	50830	Website	\$ 400.00	\$ 1,000.00	\$ 1,000.00	\$ -	-
\$ 1,106	\$ (17,232)	\$ 14,832	\$ 31,121	50960	Bad Debt Expense			\$ 20,000.00	\$ 20,000.00	-
\$ 175	\$ 1,372	\$ 692	\$ 563	50980	Miscellaneous	\$ 1,696.71	\$ 500.00	\$ 284.00	\$ (216.00)	(43.2%)
\$ 59,611	\$ 48,273	\$ 85,110	\$ 121,114		Total Administrative	\$ 43,756.14	\$ 75,746.00	\$ 93,055.00	\$ 17,309.00	22.9%

Greencastle Manor II

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Utilities										
\$ 17,497	\$ 17,832	\$ 17,811	\$ 18,148	51020	Electricity	\$ 7,560.49	\$ 18,000.00	\$ 18,500.00	\$ 500.00	2.8%
\$ 17,497	\$ 17,832	\$ 17,811	\$ 18,148		Total Utilities	\$ 7,560.49	\$ 18,000.00	\$ 18,500.00	\$ 500.00	2.8%
Contracted Services										
\$ 18,111	\$ 18,252	\$ 28,787	\$ 32,857	52020	Trash	\$ 17,519.66	\$ 30,000.00	\$ 30,000.00	\$ -	-
\$ 47,037	\$ 48,563	\$ 44,589	\$ 50,020	52040	Grounds/Landscaping	\$ 20,714.40	\$ 51,020.00	\$ 52,100.00	\$ 1,080.00	2.1%
\$ 26,579		\$ 26,272	\$ 2,801	52280	Security					-
\$ 16,179	\$ 16,179	\$ 16,179	\$ 16,179	52300	Cleaning	\$ 5,393.08	\$ 16,500.00	\$ 16,500.00	\$ -	-
\$ 18,204		\$ 13,455	\$ 32,146	52320	Snow Removal	\$ 24,429.00	\$ 20,000.00	\$ 23,000.00	\$ 3,000.00	15.0%
\$ 126,111	\$ 82,994	\$ 129,283	\$ 134,004		Total Contracted Services	\$ 68,056.14	\$ 117,520.00	\$ 121,600.00	\$ 4,080.00	3.5%
Maintenance Repairs										
\$ 15,760	\$ 12,753	\$ 12,680	\$ 7,488	53260	Grounds/Landscaping	\$ 3,950.00	\$ 15,000.00	\$ 15,000.00	\$ -	-
\$ 19,735	\$ 14,400	\$ 21,220	\$ 33,300	53280	Tree Care	\$ 7,850.00	\$ 16,232.00	\$ 16,232.00	\$ -	-
\$ 4,876	\$ 5,449	\$ 5,304	\$ 5,178	53340	Special Trash Pick Up	\$ 2,225.86	\$ 5,700.00	\$ 5,700.00	\$ -	-
\$ 598	\$ 300			53360	Exterminating		\$ 400.00	\$ 400.00	\$ -	-
\$ 4,841		\$ 10,142	\$ (1,760)	53420	General Repairs	\$ 6,469.95	\$ 4,000.00	\$ 4,000.00	\$ -	-
	\$ 6,321			53850	Signs					-
\$ 45,810	\$ 39,223	\$ 49,346	\$ 44,205		Total Maint. Repairs	\$ 20,495.81	\$ 41,332.00	\$ 41,332.00	\$ -	-
Loan & Interest										
				57020	Note Payable - Principal	\$ 12,918.40	\$ 25,916.00	\$ 27,900.00	\$ 1,984.00	7.7%
			\$ 4,103	57040	Note Payable - Interest	\$ 10,756.04	\$ 21,412.00	\$ 19,449.00	\$ (1,963.00)	(9.2%)
\$ -	\$ -	\$ -	\$ 4,103		Total Loan & Interest	\$ 23,674.44	\$ 47,328.00	\$ 47,349.00	\$ 21.00	0.0%
Insurance, Taxes, Licenses										
\$ 54,503	\$ 61,855	\$ 70,855	\$ 84,697	59100	Insurance	\$ 4,580.00	\$ 93,518.00	\$ 102,593.00	\$ 9,075.00	9.7%
	\$ 3,067	\$ 3,887	\$ 2,101	59300	Corp. Income Tax	\$ 3,350.00	\$ 1,500.00	\$ 5,000.00	\$ 3,500.00	233.3%
\$ 54,503	\$ 64,922	\$ 74,742	\$ 86,798		Total Ins., Taxes, Lic.	\$ 7,930.00	\$ 95,018.00	\$ 107,593.00	\$ 12,575.00	13.2%
\$ 303,532	\$ 253,244	\$ 356,292	\$ 408,372		TOTAL OPERATING EXPENSES	\$ 171,473.02	\$ 394,944.00	\$ 429,429.00	\$ 34,485.00	8.7%
REPLACEMENT RESERVES										
\$ 3,520	\$ 4,540	\$ 12,106	\$ 12,106	63110	Replacmnt. Reserves	\$ 4,999.98	\$ 10,000.00	\$ 68,500.00	\$ 58,500.00	585.0%
\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	63180	Reserve Parking Lot					-
\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	63200	Reserve Sidewalks					-
\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	63210	Reserve Curbs					-

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\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	63290	Reserve Structure					-
\$ 34,020	\$ 35,040	\$ 42,606	\$ 42,606		Total Replacement Reserves	\$ 4,999.98	\$ 10,000.00	\$ 68,500.00	\$ 58,500.00	585.0%
\$ 337,552	\$ 288,284	\$ 398,898	\$ 450,978		TOTAL EXPENSES (INCL. RESERVES)	\$ 176,473.00	\$ 404,944.00	\$ 497,929.00	\$ 92,985.00	23.0%
\$ 10,016	\$ 67,127	\$ (16,006)	\$ (64,851)		NET INCOME (LOSS)	\$ 23,069.43	\$ -	\$ -		-

Historical columns (2022-2025) reflect audited year-end balances. 6-Month Actual reflects Jan–Jun 2026 activity from HOA management software.

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

GREENCASTLE MANOR II CONDOMINIUM				
RECOMMENDED CONTRIBUTION - CASH FLOW BREAKDOWN				
Year	Total Replacement Costs / 30yrs with 3.1% Inflation	Recommended Annual Contribution (Initial Increase then 5% annually for 9 Years)	Current Fund based on Recommended Contribution	Current Fund based on Recommended Contribution with 2.7% Interest Earned
			\$ 194,182	
2027	\$ -	\$ 68,500	\$ 262,682	\$ 269,774
2028	\$ 12,756	\$ 71,925	\$ 328,944	\$ 337,825
2029	\$ -	\$ 75,521	\$ 413,347	\$ 424,507
2030	\$ 430,261	\$ 79,297	\$ 73,544	\$ 75,529
2031	\$ 57,139	\$ 83,262	\$ 101,653	\$ 104,397
2032	\$ -	\$ 87,425	\$ 191,822	\$ 197,002
2033	\$ -	\$ 91,797	\$ 288,798	\$ 296,596
2034	\$ 31,661	\$ 96,386	\$ 361,321	\$ 371,077
2035	\$ 98,058	\$ 101,206	\$ 374,225	\$ 384,329
2036	\$ 484,253	\$ 106,266	\$ 6,342	\$ 6,513
2037	\$ -	\$ 106,266	\$ 112,779	\$ 115,824
2038	\$ 15,579	\$ 106,266	\$ 206,511	\$ 212,087
2039	\$ -	\$ 106,266	\$ 318,353	\$ 326,949
2040	\$ -	\$ 106,266	\$ 433,215	\$ 444,911
2041	\$ 63,628	\$ 106,266	\$ 487,550	\$ 500,714
2042	\$ 17,602	\$ 106,266	\$ 589,378	\$ 605,291
2043	\$ -	\$ 106,266	\$ 711,557	\$ 730,769
2044	\$ 86,968	\$ 106,266	\$ 750,067	\$ 770,318
2045	\$ 20,183	\$ 106,266	\$ 856,401	\$ 879,524
2046	\$ 170,616	\$ 106,266	\$ 815,174	\$ 837,184
2047	\$ -	\$ 106,266	\$ 943,450	\$ 968,923
2048	\$ -	\$ 106,266	\$ 1,075,189	\$ 1,104,219
2049	\$ -	\$ 106,266	\$ 1,210,485	\$ 1,243,168
2050	\$ 792,328	\$ 106,266	\$ 557,107	\$ 572,149
2051	\$ 86,344	\$ 106,266	\$ 592,070	\$ 608,056
2052	\$ -	\$ 106,266	\$ 714,322	\$ 733,609
2053	\$ -	\$ 106,266	\$ 839,875	\$ 862,552
2054	\$ 25,390	\$ 106,266	\$ 943,427	\$ 968,900
2055	\$ -	\$ 106,266	\$ 1,075,166	\$ 1,104,195
2056	\$ 234,278	\$ 106,266	\$ 976,184	\$ 1,002,541