

**Revised Operating Budget  
For First Year's Operation  
Of Ocean Reef, A Condominium  
(161 Residential Units – 1 Commercial Unit)**

<u>Administration of Association</u>	Monthly	Quarterly	Yearly
Accounting & Legal	\$500	\$1,500	\$6,000
<u>Manager/Bookkeeper</u>	2,250	6,750	27,000
Management Fee	4,025	12,075	48,300
 <u>Maintenance</u>			
Building/Walkway Maintenance	2,000	6,000	24,000
Grounds/Landscaping	600	1,800	7,200
Pool	600	1,800	7,200
Elevators	1,000	3,000	12,000
Fire Safety	300	900	3,600
 <u>Rent for Recreational &amp; Other Commonly Used Facilities</u>			
	0.00	0.00	0.00
 <u>Taxes on Association Property</u>			
	0.00	0.00	0.00
 <u>Taxes Upon Leased Areas</u>			
	0.00	0.00	0.00
 <u>Insurance</u>			
	14,583.33	43,749.99	175,000
 <u>Security (Seasonal)</u>			
	1,000	3,000	12,000
 <u>Other Labor Costs</u>			
	2,500	7,500	30,000
 <u>Other Expenses</u>			
Electricity	6,250	18,750	75,000
Water	4,250	12,750	51,000
Cable	1,500	4,500	18,000
Sanitation	650	1,950	7,800
Pest Control	600	1,800	7,200
Heating Pool (Seasonally)	400	1,200	4,800
 <u>Operating Capital</u>			
	0.00	0.00	0.00

<u>Fees Payable to Division of</u>			
<u>Florida Land Sales, Condominiums</u>			
<u>An Mobile Homes</u>			
<u>(161 residential units)</u>	<u>53.66</u>	<u>161</u>	<u>644</u>
<u>Total Without Reserves</u>	43,061.99	129,185.97	516,743.88
<u>Reserves</u>			
Building Painting	500	1,500	6,000
Resurfacing Pavement	100	300	1,200
Roof	650	1,950	7,800
Pool	450	1,350	5,400
House Pump	100	300	1,200
Elevator	1,200	3,600	14,400
<u>Total With Reserves</u>	\$46,061.99	138,185.97	552,743.88
<u>Assessments Per Apartment</u>			
<u>Without Reserves (162 Units)</u>	265.81	797.44	3,189.77
<u>Assessments Per Apartments</u>			
<u>With Reserves (162 Units)</u>	284.33	852.99	3,411.99

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NOTES:

1. Chapter 718, Florida Statutes (the "Condominium Act") and regulations promulgated pursuant thereto (the "Regulations") allow reserves to be waived or reduced in certain circumstances. Generally, reserves are not required in budgets in which members of an association by majority vote of members attending a duly called meeting of the association, determine a fiscal year to provide no reserves or reserves less adequate than those set forth above; provided that, such reserves cannot be waived or reduced prior to the mailing to unit owners of a proposed annual budget which includes such reserves. More specific information is available by reference to the Condominium Act and the Regulations.
2. Unless waived or reduced pursuant to the Condominium Act and the Regulations, reserves are required for roof replacements, building painting, pavement resurfacing and all other capital expenditures and deferred maintenance. The estimated life, the estimated replacement cost, the estimated remaining useful life for each item for which reserves are maintained and the balance in each such account are as follows:

Reserves in Ocean Reef Resort

	<u>Estimate Life</u>	<u>Estimated Replacement Cost Cost</u>	<u>Estimated Remaining Useful Life</u>	<u>Current Balance</u>
Building Painting	10 years	\$60,000	10 years	-0-
Resurfacing Pavement	15 years	\$18,000	15 years	-0-
Roof	20 years	\$156,000	20 years	-0-
Pool	25 years	\$135,000	25 years	-0-
House Pump	10 years	\$12,000	10 years	-0-
Elevator	30 year	\$432,000	30 year	-0-