

EXHIBIT "B"

THE RIVERSIDE COURT CONDOMINIUM ASSOCIATION PHASE II, INC.

First Year Estimated Operating Budget

INCOME:		
Assessments		\$150,903.00
Laundry Income		5,500.00
Unit Maintenance		1,600.00
Miscellaneous		<u>600.00</u>
TOTAL INCOME		<u>\$158,603.00</u>
EXPENSES:		
1. Administrative:		
Professional Fees	\$	6,500.00
Office Expenses		5,000.00
Management Fee		<u>19,008.00</u>
TOTAL ADMINISTRATIVE EXPENSES		<u>30,508.00</u>
2. Operating:		
Insurance		19,800.00
Trash Collection		4,000.00
Extermination		<u>2,600.00</u>
TOTAL OPERATING EXPENSES		<u>26,400.00</u>
3. Maintenance:		
Heating/Air Conditioning		7,500.00
Roof Repairs		500.00
Pool Maintenance		5,200.00
Plumbing		2,000.00
Landscaping		5,500.00
Building Exteriors		1,500.00
Vehicle Allowance		1,020.00
Supplies and Hardware		<u>2,000.00</u>
TOTAL MAINTENANCE EXPENSES		<u>25,220.00</u>
4. Salaries:		
Manager		17,000.00
Asst. Manager/Bookkeeper		6,500.00
Maintenance Salaries		22,000.00
Groundsman		12,000.00
Maid		4,700.00
Payroll Taxes/Employee Benefits		<u>8,000.00</u>
TOTAL SALARY EXPENSES		<u>70,200.00</u>
5. Operating Contingency		<u>1,550.00</u>
6. Capital Reserves		<u>4,725.00</u>
TOTAL EXPENSES		<u>\$158,603.00</u>

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Explanation of Income and Expenses

INCOME:

Assessments	\$150,903.00
Laundry Income - estimate based on current contract	5,500.00
Unit Maintenance - estimate based on previous experience in providing parts to owners at 10% above cost	1,600.00
Miscellaneous	600.00

EXPENSES:

Administrative:

Professional Fees - estimate based on current data processing costs and projected costs of legal and accounting fees for setup of the Association	\$ 6,500.00
Office Expense - projection based on cost of office supplies, telephone service and answering service as per current contracts and previous experience	5,000.00
Management Fee - based on a contract of \$8.00 per unit per month for 198 units. $\$8.00 \times 198 \times 12 =$	19,008.00

Operating:

Insurance - based on quotes for the multi peril policy (\$12,000.00), umbrella policy (\$800.00), boiler policy (\$1,400.00), flood policies (\$5,000.00), and Directors and Officer's liability (\$600.00)	19,800.00
Trash Collection - based on current contract costs	4,000.00
Extermination - based on current contract costs	2,600.00

Maintenance:

Heating/Air Conditioning - projection based on prior experience related to costs of routine service to equipment	7,500.00
Roof Repairs - projection based on cost of routine repairs to roofing areas, gutters, downspouts, etc.	500.00
Pool Maintenance - estimate based on current contract costs (\$340.00 per month), plus cost of repairs and supplies	5,200.00
Plumbing - estimate based on prior experience for labor and materials	2,000.00
Landscaping - estimate based on current grounds contract, plus cost for replacement of mulch, etc.	5,500.00
Building Exteriors - estimate based on prior experience for supplies such as light bulbs, replacement fixtures, fencing, etc., and costs of repairs thereto	1,500.00
Vehicle Allowance - estimate based on 1.5 maintenance men at \$40.00 per month plus manager at \$25.00 per month	1,020.00
Supplies and Hardware - estimate based on prior experience for general maintenance purchases such as glass, locks, cleaning supplies for common areas, etc. (\$400.00) and costs of supplies for unit maintenance (\$1,600.00), such costs to be recovered from charges (see Income section)	2,000.00

Salaries:

Manager - one fulltime manager at \$1,416.67 per month $\$1,416.67 \times 12 =$	\$ 17,000.00
Asst. Manager/Bookkeeper - based on part time employee at \$6.25 per hour x 20 hours x 52 weeks =	6,500.00
Maintenance - based on 1.5 employees at \$7.05 per hour $\$7.05 \times 1.5 \times 40 \text{ hours} \times 52 \text{ weeks} =$	22,000.00
Groundsman - based on one fulltime employee at \$5.77 per hour x 40 hours x 52 weeks =	12,000.00

Maid - based on one part time employee at \$4.52 per hour x 20 hours x 52 weeks = \$4,700.00	4,700.00
Payroll Taxes/Employee Benefits - estimate based on current payroll related costs (including workmen's compensation) and employee benefits	8,000.00
Operating Contingency: Fund for unexpected expenses based on three (3%) percent of total operating and maintenance expenses. $\$26,400.00 + \$25,220.00 \times 3\% = \$1,550.00$	1,550.00
Capital Reserves - Monthly: Based on an average of \$2.00 per unit per month to be collected as part of the monthly maintenance assessment	4,725.00

The first year Estimated Operating Budget has been projected on the basis of a fiscal year beginning January 1, 1984 and ending December 31, 1984. Should the Association be formed at a later date, contractually scheduled increases in service contracts and annual increases in employee salaries would effect these projections.

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First Year Estimated Utility Budget

UTILITY:

Electricity	\$130,700.00
Gas	62,070.00
Water/Sewerage	<u>17,530.00</u>

TOTAL UTILITY EXPENSES	<u>\$210,300.00</u>
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Utility projections were based on actual expenses from October, 1982 through September, 1983 plus projected increases as indicated by the individual utility companies.

<u>UNIT TYPE</u>	<u>MAINTENANCE FEE</u>	<u>UTILITIES</u>	<u>TOTAL</u>
A	\$ 43.51	\$ 60.64	\$104.15
B	\$ 45.65	\$ 63.62	\$109.27
C	\$ 62.88	\$ 87.62	\$150.50
D	\$ 67.15	\$ 93.83	\$160.98
E	\$ 67.66	\$ 94.28	\$161.94
F	\$ 71.05	\$ 99.02	\$170.07
G	\$ 72.94	\$ 101.65	\$174.59
H	\$ 70.29	\$ 97.96	\$168.25
PH1	\$100.48	\$ 140.03	\$240.51
PH2	\$115.81	\$ 161.41	\$277.22
PH3	\$ 85.38	\$ 119.00	\$204.38
J	\$ 36.08	\$ 50.30	\$ 86.38