

VERO BEACH HOTEL & CLUB, A CONDOMINIUM
ADOPTED 12 MONTH OPERATING BUDGET
For the Period of January 1, 2010 through December 31, 2010
Schedule 3: Allocation Table

Unit #	SQ FT	% SHARE	Common Assessment 179,150	Reserve Assessment 337,777	REA Assessment 1,388,146	Total With Reserves 1,905,073	Total W/O Reserves 1,567,296
101	515.6	0.00661	1,183.53	2,231.48	9,170.61	12,585.63	10,354.15
102	515.6	0.00661	1,183.53	2,231.48	9,170.61	12,585.63	10,354.15
103	515.6	0.00661	1,183.53	2,231.48	9,170.61	12,585.63	10,354.15
104	515.6	0.00661	1,183.53	2,231.48	9,170.61	12,585.63	10,354.15
105	535.2	0.00686	1,228.52	2,316.31	9,519.23	13,064.06	10,747.75
106	1,086.6	0.01392	2,494.23	4,702.73	19,326.59	26,523.56	21,820.82
111	513.7	0.00658	1,179.17	2,223.26	9,136.82	12,539.25	10,315.99
112	783.3	0.01004	1,798.02	3,390.07	13,932.01	19,120.10	15,730.03
113	774.0	0.00992	1,776.68	3,349.82	13,766.59	18,893.09	15,543.27
114	774.0	0.00992	1,776.68	3,349.82	13,766.59	18,893.09	15,543.27
115	783.3	0.01004	1,798.02	3,390.07	13,932.01	19,120.10	15,730.03
140	1,487.0	0.01905	3,413.33	6,435.64	26,448.22	36,297.19	29,861.55
141	1,321.0	0.01693	3,032.29	5,717.20	23,495.70	32,245.19	26,527.98
142	1,282.0	0.01643	2,942.76	5,548.41	22,802.03	31,293.21	25,744.79
143	1,040.0	0.01333	2,387.26	4,501.05	18,497.75	25,386.07	20,885.01
201	518.6	0.00664	1,190.42	2,244.47	9,223.97	12,658.86	10,414.39
202	518.6	0.00664	1,190.42	2,244.47	9,223.97	12,658.86	10,414.39
203	518.6	0.00664	1,190.42	2,244.47	9,223.97	12,658.86	10,414.39
204	518.6	0.00664	1,190.42	2,244.47	9,223.97	12,658.86	10,414.39
205	535.2	0.00686	1,228.52	2,316.31	9,519.23	13,064.06	10,747.75
206	1,086.8	0.01393	2,494.69	4,703.60	19,330.15	26,528.44	21,824.84
207	509.4	0.00653	1,169.30	2,204.65	9,060.34	12,434.29	10,229.64
208	509.4	0.00653	1,169.30	2,204.65	9,060.34	12,434.29	10,229.64
210	1,055.5	0.01352	2,422.84	4,568.14	18,773.44	25,764.42	21,196.28
212	1,311.3	0.01680	3,010.02	5,675.22	23,323.17	32,008.41	26,333.19
213	700.1	0.00897	1,607.04	3,029.99	12,452.19	17,089.22	14,059.23
214	700.1	0.00897	1,607.04	3,029.99	12,452.19	17,089.22	14,059.23
215	709.1	0.00909	1,627.70	3,068.94	12,612.26	17,308.90	14,239.96
224	1,617.0	0.02072	3,711.74	6,998.27	28,760.44	39,470.45	32,472.18
225	916.0	0.01174	2,102.63	3,964.39	16,292.25	22,359.27	18,394.88
226	1,453.0	0.01862	3,335.28	6,288.49	25,843.49	35,467.26	29,178.77
227	916.0	0.01174	2,102.63	3,964.39	16,292.25	22,359.27	18,394.88
228	1,456.0	0.01866	3,342.17	6,301.47	25,896.85	35,540.49	29,239.02
229	914.0	0.01171	2,098.04	3,955.73	16,256.67	22,310.45	18,354.71
230	1,370.0	0.01755	3,144.76	5,929.27	24,367.23	33,441.26	27,511.99
231	1,125.0	0.01441	2,582.38	4,868.93	20,009.58	27,460.89	22,591.96
301	518.6	0.00664	1,190.42	2,244.47	9,223.97	12,658.86	10,414.39
302	518.6	0.00664	1,190.42	2,244.47	9,223.97	12,658.86	10,414.39
303	518.6	0.00664	1,190.42	2,244.47	9,223.97	12,658.86	10,414.39
304	518.6	0.00664	1,190.42	2,244.47	9,223.97	12,658.86	10,414.39
305	535.2	0.00686	1,228.52	2,316.31	9,519.23	13,064.06	10,747.75
306	1,086.8	0.01393	2,494.69	4,703.60	19,330.15	26,528.44	21,824.84
307	509.4	0.00653	1,169.30	2,204.65	9,060.34	12,434.29	10,229.64
308	509.4	0.00653	1,169.30	2,204.65	9,060.34	12,434.29	10,229.64
310	1,055.5	0.01352	2,422.84	4,568.14	18,773.44	25,764.42	21,196.28
312	1,311.3	0.01680	3,010.02	5,675.22	23,323.17	32,008.41	26,333.19
313	700.1	0.00897	1,607.04	3,029.99	12,452.19	17,089.22	14,059.23
314	700.1	0.00897	1,607.04	3,029.99	12,452.19	17,089.22	14,059.23
315	709.1	0.00909	1,627.70	3,068.94	12,612.26	17,308.90	14,239.96
321	1,525.0	0.01954	3,500.56	6,600.10	27,124.10	37,224.76	30,624.66
322	1,743.0	0.02233	4,000.96	7,543.59	31,001.51	42,546.07	35,002.48
323	1,686.0	0.02160	3,870.12	7,296.90	29,987.70	41,154.72	33,857.82
324	1,617.0	0.02072	3,711.74	6,998.27	28,760.44	39,470.45	32,472.18
325	916.0	0.01174	2,102.63	3,964.39	16,292.25	22,359.27	18,394.88
326	1,453.0	0.01862	3,335.28	6,288.49	25,843.49	35,467.26	29,178.77
327	916.0	0.01174	2,102.63	3,964.39	16,292.25	22,359.27	18,394.88
328	1,456.0	0.01866	3,342.17	6,301.47	25,896.85	35,540.49	29,239.02

VERO BEACH HOTEL & CLUB, A CONDOMINIUM
ADOPTED 12 MONTH OPERATING BUDGET
For the Period of January 1, 2010 through December 31, 2010
Schedule 3: Allocation Table

Unit #	SQ FT	% SHARE	Common Assessment 179,150	Reserve Assessment 337,777	REA Assessment 1,388,146	Total With Reserves 1,905,073	Total W/O Reserves 1,567,296
329	914.0	0.01171	2,098.04	3,955.73	16,256.67	22,310.45	18,354.71
330	1,370.0	0.01755	3,144.76	5,929.27	24,367.23	33,441.26	27,511.99
331	1,125.0	0.01441	2,582.38	4,868.93	20,009.58	27,460.89	22,591.96
402	1,060.2	0.01358	2,433.63	4,588.48	18,857.03	25,879.14	21,290.66
403	519.6	0.00666	1,192.71	2,248.80	9,241.76	12,683.27	10,434.47
404	519.6	0.00666	1,192.71	2,248.80	9,241.76	12,683.27	10,434.47
405	535.2	0.00686	1,228.52	2,316.31	9,519.23	13,064.06	10,747.75
406	1,086.8	0.01393	2,494.69	4,703.60	19,330.15	26,528.44	21,824.84
407	513.8	0.00658	1,179.40	2,223.69	9,138.60	12,541.69	10,318.00
408	513.8	0.00658	1,179.40	2,223.69	9,138.60	12,541.69	10,318.00
410	1,055.5	0.01352	2,422.84	4,568.14	18,773.44	25,764.42	21,196.28
411	513.8	0.00658	1,179.40	2,223.69	9,138.60	12,541.69	10,318.00
412	709.1	0.00909	1,627.70	3,068.94	12,612.26	17,308.90	14,239.96
413	700.1	0.00897	1,607.04	3,029.99	12,452.19	17,089.22	14,059.23
414	700.1	0.00897	1,607.04	3,029.99	12,452.19	17,089.22	14,059.23
415	709.1	0.00909	1,627.70	3,068.94	12,612.26	17,308.90	14,239.96
421	1,525.0	0.01954	3,500.56	6,600.10	27,124.10	37,224.76	30,624.66
422	1,743.0	0.02233	4,000.96	7,543.59	31,001.51	42,546.07	35,002.48
423	1,686.0	0.02160	3,870.12	7,296.90	29,987.70	41,154.72	33,857.82
424	1,617.0	0.02072	3,711.74	6,998.27	28,760.44	39,470.45	32,472.18
425	916.0	0.01174	2,102.63	3,964.39	16,292.25	22,359.27	18,394.88
426	1,453.0	0.01862	3,335.28	6,288.49	25,843.49	35,467.26	29,178.77
427	916.0	0.01174	2,102.63	3,964.39	16,292.25	22,359.27	18,394.88
428	1,456.0	0.01866	3,342.17	6,301.47	25,896.85	35,540.49	29,239.02
429	914.0	0.01171	2,098.04	3,955.73	16,256.67	22,310.45	18,354.71
430	1,370.0	0.01755	3,144.76	5,929.27	24,367.23	33,441.26	27,511.99
	78,045.80	1.00000	179,150.00	337,777.19	1,388,145.71	1,905,072.90	1,567,295.71

FIGURES MAY NOT AGREE DUE TO ROUNDING UP OR DOWN TO THE NEAREST DOLLAR.

VERO BEACH HOTEL & CLUB, A CONDOMINIUM
ADOPTED 12 MONTH OPERATING BUDGET
For the Period of January 1, 2010 through December 31, 2010
SCHEDULE 1: Common Expenses for Units (83)

COMMON EXPENSES

		2009 Approved Budget	2009	Variance	2010 Approved Budget
		Annual	Forecast		Annual
Expenses for the Association and Condominium					
50008	Audit & tax return	\$ 6,500.00	\$ 4,500.00	\$ 2,000.00	\$ 4,500.00
50045 00	Legal & Professional Fees	\$ 100.00	\$ 14,000.00	\$ (13,900.00)	\$ 15,000.00
50015	Bank Fees	\$ 500.00	\$ 200.00	\$ 300.00	\$ 200.00
50051	License & Permits	\$ -	\$ 61.00	\$ (61.00)	\$ 500.00
50075	Office Expense	\$ -	\$ -	\$ -	\$ 1,500.00
61000	Management Fee	\$ 25,000.00	\$ 15,000.00	\$ 10,000.00	\$ 15,450.00
Insurance					
52030	Fidelity & D&O	\$ 6,200.00	\$ 71.00	\$ 6,129.00	\$ 1,000.00
	Bad Debt Allowance	\$ -	\$ -	\$ -	\$ 141,000.00
80000	Reserves	\$ -	\$ -	\$ -	\$ -
TOTAL ESTIMATED COMMON EXPENSES		\$ 38,300.00	\$33,832.00	\$ 4,468.00	\$ 179,150.00

SEE REA BUDGET FOR RESERVES FOR BUILDING, PAINTING, ROOF REPLACEMENT AND OTHERS.

FIGURES MAY NOT AGREE DUE TO ROUNDING UP OR DOWN TO THE NEAREST DOLLAR.

VERO BEACH HOTEL & CLUB, A CONDOMINIUM
For the Period of January 1, 2010 through December 31, 2010
SCHEDULE 2: REA Expenses for All Units (83)

REA Expenses

	2009 Approved Budget Annual	Projected thru 12/31/2009	2009 Variance	2010 Proposed Budget Annual
A. Expenses for the Association and Condominium				
(1) General Manager	\$ 18,387.00	\$ 15,750.00	\$ 2,637.00	\$ 15,986.00
(2) Chief Engineer	\$ 18,927.00	\$ 21,899.99	\$ (2,972.99)	\$ 22,228.00
(3) Maintenance Tech	\$ 46,907.00	\$ 51,100.00	\$ (4,193.00)	\$ 51,870.00
(4) Janitorial	\$ 38,291.00	\$ 39,002.86	\$ (711.86)	\$ 39,600.00
(5) Concierge	\$ 33,471.00	\$ 43,800.00	\$ (10,329.00)	\$ 44,460.00
(6) Valet	\$ -	\$ -	\$ -	\$ -
(7) Pool & Beach Attendant	\$ 20,607.00	\$ 19,397.14	\$ 1,209.86	\$ 19,696.00
(8) Security	\$ 35,102.00	\$ -	\$ 35,102.00	\$ -
(9) Telephone	\$ -	\$ -	\$ -	\$ -
(10) Payroll Burden	\$ 43,269.00	\$ 38,615.14	\$ 4,653.86	\$ 43,849.23
(11) Group Insurance	\$ 15,144.00	\$ 13,515.30	\$ 1,628.70	\$ 15,347.23
(12) Bonus	\$ 4,651.00	\$ 4,552.50	\$ 98.50	\$ 4,620.78
(13) Employee Benefits Miscellaneous	\$ 1,082.00	\$ 9,653.79	\$ (8,571.79)	\$ 10,962.31
(14) Common Area Decorations	\$ 9,600.00	\$ 20,994.03	\$ (11,394.03)	\$ 24,400.00
(15) Public Area Music	\$ 2,906.00	\$ 17,535.01	\$ (14,629.01)	\$ 7,200.00
(16) Cleaning Supplies	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00
(17) Equipment Rental	\$ 1,800.00	\$ 2,763.52	\$ (963.52)	\$ 423.72
(18) Telephone - Administrative	\$ 1,200.00	\$ 1,200.00	\$ -	\$ 1,200.00
(19) Office Supplies	\$ 2,400.00	\$ 2,400.00	\$ -	\$ 2,400.00
(20) Uniforms	\$ 2,700.00	\$ 2,700.00	\$ -	\$ 2,700.00
(21) Miscellaneous	\$ 1,200.00	\$ 661.38	\$ 538.62	\$ 519.31
B. Expenses for a Unit Owner				
(1) Rent for the Unit, if Subject to a Lease	\$ -	\$ -	\$ -	\$ -
(2) Rent Payable by the unit owner directly to the lessor or agent under any recreational lease or lease for the use of Commonly used Facilities, which use and payment is a mandatory condition of ownership and is not included in the common expense or assessments for common maintenance paid by the unit owners to the association	\$ -	\$ -	\$ -	\$ -
C. Repairs/Maintenance				
(1) Pool Operating Supplies	\$ 4,200.00	\$ 4,200.00	\$ -	\$ 4,200.00
(2) AC / Refrigeration	\$ 2,640.00	\$ 19,790.93	\$ (17,150.93)	\$ 12,749.60
(3) Building Maintenance	\$ 6,240.00	\$ 14,165.23	\$ (7,925.23)	\$ 10,800.00
(4) Electric & Mechanical	\$ 1,920.00	\$ 10,674.75	\$ (8,754.75)	\$ 2,880.00
(5) Elevator	\$ 8,256.00	\$ 8,777.87	\$ (521.87)	\$ 10,752.00
(6) Equipment Rental/Purchase	\$ 1,248.00	\$ 457.98	\$ 790.02	\$ 1,200.00
(7) Floor Covering	\$ 960.00	\$ 160.06	\$ 799.94	\$ 960.00
(8) Furnishings	\$ 960.00	\$ 2,807.48	\$ (1,847.48)	\$ 3,360.00
(9) Grounds & Landscaping	\$ 27,680.00	\$ 33,956.89	\$ (6,276.89)	\$ 36,043.20
(10) Licenses & Permits	\$ 526.00	\$ 1,266.40	\$ (740.40)	\$ 3,460.00
(11) Lighting	\$ 2,880.00	\$ 4,568.58	\$ (1,688.58)	\$ 5,280.00
(12) Maintenance Contracts	\$ 2,720.00	\$ 937.06	\$ 1,782.94	\$ 5,347.20
(13) Miscellaneous - Maintenance	\$ 2,400.00	\$ -	\$ 2,400.00	\$ -
(14) Painting & Decorating	\$ 3,840.00	\$ 10,579.57	\$ (6,739.57)	\$ 5,760.00
(15) Pest Control	\$ 6,720.00	\$ 2,552.03	\$ 4,167.97	\$ -
(16) Plumbing	\$ 2,400.00	\$ 2,334.27	\$ 65.73	\$ 3,840.00
(17) Pool	\$ 7,040.00	\$ 9,383.34	\$ (2,343.34)	\$ 9,440.00
(18) Small Tools	\$ 2,400.00	\$ 6,399.14	\$ (3,999.14)	\$ 6,489.60
(19) Supplies	\$ 2,400.00	\$ -	\$ 2,400.00	\$ -
(20) Window Cleaning	\$ 1,920.00	\$ -	\$ 1,920.00	\$ -
(21) Utilities - Gas	\$ 58,422.00	\$ 54,935.83	\$ 3,486.17	\$ 50,767.40
(22) Utilities - Waste Removal	\$ 7,968.00	\$ 7,968.00	\$ -	\$ 7,968.00
(23) Utilities - Electric	\$ 248,475.00	\$ 238,434.37	\$ 10,040.63	\$ 268,815.20
(24) Utilities - Water/Sewer	\$ 26,880.00	\$ 17,761.49	\$ 9,118.51	\$ 39,650.40
(25) Utilities - Telephone	\$ 29,880.00	\$ 29,880.00	\$ -	\$ 29,880.00
(26) Utilities - Internet	\$ 9,960.00	\$ 9,960.00	\$ -	\$ 9,960.00
(27) Utilities - Television	\$ 19,920.00	\$ 19,920.00	\$ -	\$ 19,920.00
(28) Valet Parking Fee	\$ 49,800.00	\$ 49,800.00	\$ -	\$ 49,800.00
D. Insurance				
(1) Insurance Package	\$ 414,721.00	\$ 411,972.00	\$ 2,749.00	\$ 411,972.00
E. Reserves	\$ -	\$ -	\$ -	\$ -
F. Real Estate Taxes	\$ -	\$ -	\$ -	\$ 63,388.54
TOTAL ESTIMATED REA EXPENSES	\$ 1,259,020.00	\$ 1,285,183.93	\$ (26,163.93)	\$ 1,388,145.71

FIGURES MAY NOT AGREE DUE TO ROUNDING UP OR DOWN TO THE NEAREST DOLLAR.

**VERO BEACH HOTEL & CLUB, A CONDOMINIUM
RESERVE SCHEDULE**

For the Period of January 1, 2010 through December 31, 2010
SCHEDULE 2A: Reserves for all REA Units

Description	Replacement Cost	Estimated Life	Estimated Remaining Useful Life	Fund Balance as of 01/01/2010	2010 Full Funding (Annual)
Roof	\$ 800,000.00	20	17	\$ -	\$ 47,058.82
Exterior Paint	\$ 250,000.00	7	4	\$ -	\$ 62,500.00
Heating & Cooling	\$ 400,000.00	20	17	\$ -	\$ 23,529.41
Plumbing	\$ 100,000.00	20	17	\$ -	\$ 5,882.35
Electrical	\$ 100,000.00	40	37	\$ -	\$ 2,702.70
Elevator	\$ 350,000.00	25	22	\$ -	\$ 15,909.09
Pavement & Parking Spaces	\$ 350,000.00	25	22	\$ -	\$ 15,909.09
Pool, Pool Deck & Water Features	\$ 100,000.00	10	7	\$ -	\$ 14,285.71
Common Area FF&E	\$ 450,000.00	7	4	\$ -	\$ 112,500.00
Common Area Floor Covering	\$ 150,000.00	7	4	\$ -	\$ 37,500.00
Total Reserves	\$ 3,050,000.00			\$ -	\$ 337,777.19

FIGURES MAY NOT AGREE DUE TO ROUNDING UP OR DOWN TO THE NEAREST DOLLAR.

**VERO BEACH HOTEL & CLUB, A CONDOMINIUM
BAD DEBT RESERVE SCHEDULE**

For the Period of January 1, 2010 through December 31, 2010
SCHEDULE 2B: Bad Debt Allowance

Unit	With Reserves Annual	W/O Reserves Annual
102	\$ 12,585.63	\$ 10,354.15
140	\$ 36,297.19	\$ 29,861.55
141	\$ 32,245.19	\$ 26,527.98
142	\$ 31,293.21	\$ 25,744.79
143	\$ 25,386.07	\$ 20,885.01
210	\$ 25,764.42	\$ 21,196.28
225	\$ 22,359.27	\$ 18,394.88
227	\$ 22,359.27	\$ 18,394.88
327	\$ 22,359.27	\$ 18,394.88
415	\$ 17,308.90	\$ 14,239.96
Total Bad Debt	<u>\$ 247,958.40</u>	<u>\$ 203,994.36</u>
2010 Required Funding		\$ 1,567,295.71
Bad Debt % of Funding		13.02%

Bad Debt Reserve as % of Budget:

5%	\$ 78,364.79
6%	\$ 94,037.74
7%	\$ 109,710.70
8%	\$ 125,383.66
9%	\$ 141,056.61
10%	\$ 156,729.57
11%	\$ 172,402.53
12%	\$ 188,075.49
13%	\$ 203,748.44