

Harbour East Development, Ltd.
Case #: 10-20733-BKC-AJC
3 Month Budget
USD (\$Actual)

	Budget Mar-11	Budget Apr-11	Budget May-11	3 month budget Total
Beginning Cash Balance ⁽¹⁾				
Cash Collateral Account (defaulted escrow deposits) ⁽²⁾	\$ 154,600	\$ 41,869	\$ 1,080	\$ 197,549
Operating Account	40,000	31,452	46,138	117,590
	<u>\$ 194,600</u>	<u>\$ 73,321</u>	<u>\$ 47,218</u>	<u>\$ 315,139</u>
Receipts:				
Rental Revenue ⁽³⁾	32,100	43,350	43,050	118,500
Total Receipts	<u>\$ 32,100</u>	<u>\$ 43,350</u>	<u>\$ 43,050</u>	<u>\$ 118,500</u>
Disbursements:				
Operating Expenses				
Bank Fees	25	25	25	75
Condo Association Assessments	19,104	19,104	19,104	57,312
Cleaning/Unit preparation Expense	200	200	200	600
FHA Qualification Fees	-	-	-	-
Filing Fees	640	-	-	640
Insurance (Developer)	5,648	-	-	5,648
Marketing and Promotion	2,300	-	-	2,300
Office Expenses/Postage	100	100	100	300
Property Taxes	-	-	-	-
Repairs & Maintenance ⁽⁴⁾	1,500	500	1,000	3,000
Rental Commission (at 8%)	9,096	5,520	8,160	22,776
Telephone	150	150	150	450
Utilities	1,710	1,440	1,350	4,500
Website and domain	175	-	200	375
Total Operating Expenses	<u>\$ 40,648</u>	<u>\$ 27,039</u>	<u>\$ 30,289</u>	<u>\$ 97,976</u>
Non-Operating Expenses				
Capital Improvements ⁽⁵⁾				
Dock ⁽⁶⁾	62,500	-	-	62,500
Furnishings for Leased Units	5,000	-	-	5,000
Buildout of Ready/Model Units	38,231	26,789	17,350	82,370
Appliances for Ready Units	7,000	14,000	7,000	28,000
Total Capital Improvements	112,731	40,789	24,350	177,870
Tax Accounting ⁽⁷⁾	-	-	-	-
US Trustee Quarterly Fees	-	1,625	-	1,625
Payment to Lender NBV	-	-	-	-
Payments to Whirlpool	-	-	-	-
Total Non-Operating Expenses	<u>\$ 112,731</u>	<u>\$ 42,414</u>	<u>\$ 24,350</u>	<u>\$ 179,495</u>
Total Disbursements	<u>\$ 153,379</u>	<u>\$ 69,453</u>	<u>\$ 54,639</u>	<u>\$ 277,471</u>
Net Change in Cash	\$ (121,279)	\$ (26,103)	\$ (11,589)	\$ (158,971)
Ending Cash Balance	<u>\$ 73,321</u>	<u>\$ 47,218</u>	<u>\$ 35,629</u>	<u>\$ 35,629</u>

Notes:

- ⁽¹⁾ Amount represents funds available for use in operations and for capital improvements. It is net of amounts held in escrow for tenant security deposits.
- ⁽²⁾ Includes \$76,600 estimated to be received in February 2011 from the defaulted depositor of unit 1404
- ⁽³⁾ Estimated cash collections.
- ⁽⁴⁾ Includes the cost of paint and other repairs required to make units rent ready after tenant turnover.
- ⁽⁵⁾ Expenditures for capital improvements are to be paid from the Cash Collateral Account (defaulted escrow deposits), to the extent such funds are available.
- ⁽⁶⁾ Based on prior period estimate of \$70,000 less expenditures to date of approximately \$7,500.
- ⁽⁷⁾ Amount budgeted for March is the past due amount due to the accountant for preparation of 2009 return. The amount set forth for August represents the fees for preparation of the 2010 return and assumes an extension will be filed.

Exhibit "A"

**Cielo on the Bay Condominium Association
3 Month Operating Budget
USD (Actual) - Cash Basis**

	<i>Budget</i> March 2011	<i>Budget</i> April 2011	<i>Budget</i> May 2011	3 month Total
Beginning Cash Balance	\$ 70,000.00	\$ 64,227	\$ 60,954	\$ 70,000.00
Receipts				
Condo Assessments ⁽¹⁾	\$ 21,537	\$ 21,537	\$ 21,537	\$ 64,611
Total Receipts	\$ 21,537	\$ 21,537	\$ 21,537	\$ 64,611
Disbursements				
Accounting (Tax and Audit)	\$ -	\$ 5,000	\$ 5,000	10,000
Alarm Monitoring	55	55	55	165
Bank Fees	25	25	25	75
Cable/Internet	450	450	450	1,350
Elevator Maintenance Contract	540	540	540	1,620
Generator Maintenance Contract	70	70	70	210
Insurance ⁽²⁾	7,500	7,500	7,500	22,500
Landscaping	100	100	100	300
Legal Fees ⁽³⁾	8,500	1,000	1,000	10,500
Maintenance Personnel	3,200	3,200	3,200	9,600
Management Company	450	450	450	1,350
Office Expenses	100	100	100	300
Pest Control	200	200	200	600
Pool Service	195	195	195	585
Postage and Delivery	25	25	25	75
Repairs & Maintenance	1,000	1,000	1,000	3,000
Supplies (cleaning and maintenance)	500	500	500	1,500
Telephone	400	400	400	1,200
Utilities - Electric	2,000	2,000	2,000	6,000
Utilities - Water & Sewer	2,000	2,000	2,000	6,000
Total Disbursements	\$ 27,310	\$ 24,810	\$ 24,810	\$ 76,930
Ending Cash Balance	\$ 64,227	\$ 60,954	\$ 57,681	\$ 57,681

Notes

- (1) Assessments due from unit owners and developer (for developer owned units) based on proposed 2011 budget.
- (2) The current monthly insurance premium, as financed, is \$8,583.99, however, the Association is due a refund which resulted from an adjustment in the total cost of the policy. The refund will be applied to the balance of the funds due and accordingly, will reduce the
- (3) March amount represents current accrued balance due to attorney.