

4. Proposed Operating Budget for The Oaks at Oakland Forest

**The Oaks at Oakland Forest: HOA Operating Expense Budget 2006 -2007**

Number of units:

36

36

72

72

<b>Community Expenses</b> <i>(costs relating directly to the community)</i>
Access system
Annual corporate filing fees
Accounting Service, Legal & Professional Fees
Backflow certification <small>(backflows: 7for36 units &amp; 13for72 units @ 75 each)</small>
Electricity - common area
Electricity - pool
General / miscellaneous repairs
Insurance - directors & officers
Insurance - fidelity-crime
Irrigation maintenance & supplies
Landscape: maintenance, supplies, tree trimming
Management fee
Pest Control
Pool maintenance & supplies
Postage & supplies
Real estate taxes (common area)
Water - irrigation
Contingency/Misc.
Reserves

Monthly Expense	Annual Expense
\$ 50.00	\$ 600.00
\$ 6.00	\$ 72.00
\$ 350.00	\$ 4,200.00
\$ 44.00	\$ 528.00
\$ 175.00	\$ 2,100.00
\$ 150.00	\$ 1,800.00
\$ 50.00	\$ 600.00
\$ 100.00	\$ 1,200.00
\$ 50.00	\$ 600.00
\$ 200.00	\$ 2,400.00
\$ 1,250.00	\$ 15,000.00
\$ 625.00	\$ 7,500.00
\$ 200.00	\$ 2,400.00
\$ 300.00	\$ 3,600.00
\$ 60.00	\$ 720.00
\$ 100.00	\$ 1,200.00
\$ 425.00	\$ 5,100.00
\$ 125.00	\$ 1,500.00
\$ 10.00	\$ 120.00

Monthly Expense	Annual Expense
\$ 100.00	\$ 1,200.00
\$ 6.00	\$ 72.00
\$ 350.00	\$ 4,200.00
\$ 82.00	\$ 984.00
\$ 350.00	\$ 4,200.00
\$ 150.00	\$ 1,800.00
\$ 100.00	\$ 1,200.00
\$ 100.00	\$ 1,200.00
\$ 50.00	\$ 600.00
\$ 400.00	\$ 4,800.00
\$ 2,500.00	\$ 30,000.00
\$ 1,250.00	\$ 15,000.00
\$ 400.00	\$ 4,800.00
\$ 300.00	\$ 3,600.00
\$ 125.00	\$ 1,500.00
\$ 100.00	\$ 1,200.00
\$ 850.00	\$ 10,200.00
\$ 250.00	\$ 3,000.00
\$ 10.00	\$ 120.00

<b>Unit Expenses</b> <i>(costs relating directly to the unit)</i>
Alarm
Garbage
Insurance-flood
Insurance - liability
Insurance - property & windstorm
Water and sewer

Monthly Expense	Annual Expense
\$ 720.00	\$ 8,640.00
\$ 600.00	\$ 7,200.00
\$ 167.00	\$ 2,004.00
\$ 834.00	\$ 10,008.00
\$ 2,920.00	\$ 35,040.00
\$ 1,260.00	\$ 15,120.00

Monthly Expense	Annual Expense
\$ 1,440.00	\$ 17,280.00
\$ 1,200.00	\$ 14,400.00
\$ 167.00	\$ 2,004.00
\$ 834.00	\$ 10,008.00
\$ 5,834.00	\$ 70,008.00
\$ 2,520.00	\$ 30,240.00

<b>Total Operating Expenses</b>
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\$ 10,771.00	\$ 129,252.00
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\$ 19,468.00	\$ 233,616.00
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<b>Operating Expenses Per Unit</b>
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\$ 299.20	\$ 3,590.40
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\$ 270.39	\$ 3,244.68
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The above amounts are estimated based on 36 & 72 units and actual rates and fees may change at time of service.  
See accompanying notes to budget.

THE OAKS AT OAKLAND FOREST HOMEOWNERS ASSOCIATION, INC.  
NOTES TO THE BUDGET

- NOTE 1 The terms used in these notes (the "Notes") to the Budget appear in initial capital letters each time they appear herein and are either defined herein or are defined terms in the documents relating to The Oaks at Oakland Forest. Thus, the term "Declaration" means the Declaration of Covenants, Restrictions and Easements for The Oaks at Oakland Forest, and the terms "Articles" and "Bylaws" mean the Articles of Incorporation and Bylaws of The Oaks at Oakland Forest Homeowners Association, Inc. ("Association"). The terms and definitions used in the foregoing documents are used in the Notes and the Budget.
- NOTE 2 The Association is the entity that is responsible for operating the community. The Budget reflects the estimation of Operating Expenses to fulfill this function.
- NOTE 3 The Budget sets forth the Operating Expenses applicable to the community. The Operating Expenses are allocated to each Home based upon the number of Homes in the community, which upon recording of the Declaration, will be 36 and upon recording of a Supplemental Declaration will be 72. The Individual Home Assessment per Home based on 36 Homes and 72 Homes are each set forth in the Budget.
- NOTE 4 The Declarant has reserved the right to add property to the community ("Uncommitted Property") and to subject such Uncommitted Property to the Declaration; specifically, Declarant has reserved the right to add 36 Homes on the Uncommitted Property on which they are located to the community but has no obligation to do so. In the event Declarant chooses to add the Homes on Uncommitted Property, the Individual Home Assessment per Home shall be based upon the total number of Homes in the community after such addition, which, if Declarant adds the number of Homes planned, will be a total of 72. The Individual Home Assessment per Home based on 72 Homes is set forth in the Budget. It should be noted that calendar year 2007 will reflect a commitment of the Total Property to Committed Property by Declarant.
- NOTE 5 The Budget has been prepared for calendar year 2007 based upon estimated Operating Expenses to be incurred during calendar year 2007. By definition, a budget is an estimate of Operating Expenses. Declarant has guaranteed that during the Guarantee Period Owners shall not be obligated to pay Assessments other than the Guaranteed Assessment and Special Assessments and the Owners' respective Working Fund Contributions. Actual Operating Expenses incurred may be more or less than the estimated Operating Expenses set forth in the Budget. Please note that the Association has not included an inflation factor in computing the Operating Expenses reflected in the Budget. The Association cannot and does not make any representation or warranty that actual Operating Expenses will not increase as a result

