

**PROPOSED ASSOCIATION BALANCE SHEET 2005**

ASSUMPTIONS: This Budget assumes that for the year 2005:

- (a) the Subdivision contains only the 14 Units in Phase I (declarant may create a greater or lesser number of Units) and no other Phases are dedicated during 2005;
- (b) the roadways in Phase I will be gravel during 2005 but some initial paving may occur;
- (c) Phase I contains roadways and the entryway Common Elements and no Limited Common Elements;
- (d) Phase I does not contain a central sewage system and that all Units have on-site septic treatment systems maintained by the Unit Owner;
- (e) No more than four (4) dwellings will be completed or occupied in Phase I during 2005;
- (f) No Annual Assessment will be made during 2005 and all operational costs will be borne by Declarant; and
- (g) Six (6) Units will be sold by Declarant to third parties during 2005.

**Operating Account:**

Beginning Balance:			\$0
Plus:	Initial account funding by Declarant	Cost to open account which Declarant may elect to have credited on Declarant's behalf at a later date.	+\$500.00
Plus:	Annual Assessments for Common Expenses	No annual assessment during 2004. When Declarant elects to no longer subsidize costs of operation and Association begins to levy Annual Assessments minimum of \$300 per Unit per year	+\$0.00
Plus:	Annual Limited Common Expense Assessment	As with Annual Assessment, no special assessment during 2004.	+\$0.00
Plus:	Special Assessments	As with Annual Assessment, no special assessment during 2004.	+\$0.00
Less:	Operational Expenses	Per Proposed Budget, Declarant will subsidize all costs during 2004 and until initial assessments to Unit Owners are made by Association.	-\$0.00
<b>ENDING BALANCE</b>			<b>\$500.00</b>

**Capital Account:**

Beginning Balance:		\$0
Plus:	Initial account funding by Declarant	+\$500.00
Plus:	Initial Membership Deposits of \$150.00 per Unit sold by Declarant during 2004 and payable by Unit purchasers at time of sale	+\$900.00 —
Plus:	Voluntary Capital Contributions by Declarant of \$400.00 per Unit sold by Declarant during 2004 and payable by Declarant	+\$2,400.00 —
ENDING BALANCE		\$3,800.00

**Road Fund Account:**

Beginning Balance:		\$0
Plus:	Initial account funding by Declarant	+\$500.00
Plus:	Road bonds posted prior to construction of 6 Units	+\$6,000.00 —
Minus:	Road bonds refunded upon completion of 4 Units without penalty or forfeiture	-\$4,000.00 —
Ending Balance		\$2,500.00

— = Contingent on Assumptions (a) through (g) which are speculation for the purpose of providing this Exhibit.