

EXHIBIT E TO PROSPECTUS

Esitmated Operating Bugdets

ESTIMATED OPERATING BUDGET
 BUDGET FOR JANUARY 1, 2005 THRU DECEMBER 31, 2005
 DECLARATION OF CONDOMINIUM RECORDED MAY 18, 2005 THRU -DECEMBER 31, 2005
 OPERATION OF TOPSAIL VILLAGE, A CONDOMINIUM

	MONTHLY	QUARTERLY	YEARLY
EXPENSES			
Administrative of Association	\$50.00	\$150.00	\$600.00
MANAGEMENT	\$1,600.00	\$4,800.00	\$19,200.00
MAINTENANCE			
Building	\$500.00	\$1,500.00	\$6,000.00
Pool bath	\$50.00	\$150.00	\$600.00
Pool Service	\$300.00	\$900.00	\$3,600.00
Landscaping	\$750.00	\$2,250.00	\$9,000.00
INSURANCE			
Hazard & Windstorm for buildings	\$3,625.00	\$10,875.00	\$43,500.00
Liability	\$250.00	\$750.00	\$3,000.00
UTILITIES & OTHER EXPENSES			
Water/Sewer	\$93.33	\$280.00	\$1,120.00
Pest Control	\$400.00	\$1,200.00	\$4,800.00
Building Lights	\$150.00	\$450.00	\$1,800.00
FEES PAYABLE TO DIVISION			
(\$4.00 per residential unit)	\$21.33	\$64.00	\$256.00
MASTER ASSOCIATION EXPENSES			
WITHOUT RESERVES	\$2,270.00	\$6,810.00	\$27,240.00
OPERATING CAPITAL	\$0.00	\$0.00	\$0.00
SUB-TOTAL WITHOUT RESERVES	\$10,009.67	\$30,029.00	\$120,116.00
RESERVES			
Building Painting	\$221.76	\$665.28	\$2,661.12
Roof Replacement	\$66.67	\$200.00	\$800.00
Master Association Expenses allocable to Topsail Village Condominium Association	\$104.17	\$312.50	\$1,250.00
SUB-TOTAL RESERVES	\$392.59	\$1,177.78	\$4,711.12
TOTAL WITH RESERVES	\$10,402.26	\$31,206.78	\$124,827.12
ASSESSMENTS PER UNIT WITHOUT RESERVES	MONTHLY	QUARTERLY	YEARLY
(Without Reserves)	\$156.40	\$469.20	\$1,876.81
(with Reserves)	\$162.54	\$487.61	\$1,950.42

ESTIMATED OPERATING BUDGET
 BUDGET FOR JANUARY 1, 2005 THRU DECEMBER 31, 2005
 OPERATION OF TOPSAIL VILLAGE, MASTER ASSOCIATION

	MONTHLY	QUARTERLY	YEARLY
EXPENSES			
Administrative of Association			
Bookkeeping	\$50.00	\$150.00	\$600.00
Legal Fee	\$15.00	\$45.00	\$180.00
Licenses and Memberships	\$25.00	\$75.00	\$300.00
Office Supplies	\$15.00	\$45.00	\$180.00
Postage	\$15.00	\$45.00	\$180.00
Telephone	\$15.00	\$45.00	\$180.00
Contingency	\$25.00	\$75.00	\$300.00
MANAGEMENT FEES	\$640.00	\$1,920.00	\$7,680.00
MAINTENANCE			
Building	\$0.00	\$0.00	\$0.00
Landscaping and grounds	\$300.00	\$900.00	\$3,600.00
Supplies	\$100.00	\$300.00	\$1,200.00
Irrigation power	\$100.00	\$300.00	\$1,200.00
Irrigation	\$100.00	\$300.00	\$1,200.00
INSURANCE			
Liability	\$300.00	\$900.00	\$3,600.00
Fidelity	\$20.00	\$60.00	\$240.00
Hazard, Clubhouse	\$300.00	\$900.00	\$3,600.00
OTHER EXPENSES			
Outside Street Lights	\$200.00	\$600.00	\$2,400.00
Contingency	\$100.00	\$300.00	\$1,200.00
OPERATING CAPITAL	\$0.00	\$0.00	\$0.00
SUB-TOTAL WITHOUT RESERVES	\$2,270.00	\$6,810.00	\$27,240.00
100% Allocated to TopSail Village Owners Condominium Assoc.			
RESERVES			
Resurfacing roads in stage 1	\$104.17	\$312.50	\$1,250.00
SUB-TOTAL RESERVES	\$104.17	\$312.50	\$1,250.00
100% Allocated to TopSail Village Owners Condominium As			
TOTAL WITH RESERVES	\$2,374.17	\$7,122.50	\$28,490.00
100% Allocated to TopSail Village Owners condominium As			

BUDGET NOTES

1. Chapter 718, Florida Statutes (the "Condominium Act") and regulations promulgated pursuant thereto (the "Regulations") allow reserves to be waived or reduced in certain circumstances. Generally, reserves are not required in budgets in which members of an association by a majority of the total voting interest in person or by limited proxy at a duly called meeting of the association, determine for a fiscal year to provide no reserves or reserves less adequate than those set forth above; provided that, such reserves cannot be waived or reduced prior to the mailing to unit owners of a proposed annual budget which includes such reserves. Prior to turnover of control of the Association by the Developer to its unit owners, the Developer intends to vote to waive the reserves for the first two fiscal years of the operation of such Association. More specific information is available by reference to the Condominium Act.

2. Unless waived or reduced pursuant to the Condominium Act and the Regulations, reserves are required for roof replacement, building painting, pavement resurfacing and all other capital expenditures and deferred maintenance which exceed \$10,000. The estimated life, the estimated replacement cost, the estimated remaining useful life for each item for which reserves are maintained and the current balance in each such reserve account are as follows:

COMMUNITY PROPERTY RESERVES IN MASTER BUDGET

	<u>Estimated Life</u>	<u>Estimated Replacement Cost</u>	<u>Estimated Remaining Useful Life</u>	<u>Current Balance</u>
Resurfacing Pavement (Stage I Entrance & Loop around Topsail Village, a condominium)	20 yrs	\$25,000	20	-0-

RESERVES IN TOPSAIL VILLAGE, A CONDOMINIUM BUDGET

	<u>Estimated Life</u>	<u>Estimated Replacement Cost</u>	<u>Estimated Remaining Useful Life</u>	<u>Current Balance</u>
Exterior Paint (per Bldg)	5 yrs	\$6,250	5 yrs	\$ 0
(Total, 8 Bldg's)	5 yrs	\$50,000	5 yrs	\$ 0
Roof (per Bldg)	20 yrs	\$32,000	20 yrs	\$ 0
(Total, 8 Bldg's)	20 yrs	\$256,000	20 yrs	\$ 0
Resurface Pool	15 yrs	\$7,500	15 yrs	\$ 0

3. The Association will operate on a calendar year basis as its fiscal year. The actual period of time from the beginning of Association activity until December 31 of the year involved will constitute the first fiscal year for the

Association. This period can only be estimated. Budgets for subsequent years will run from January 1 until December 31. For convenience, this first budget uses annualized figures for the calendar year January 1, 2005 through December 31, 2005, although it is estimated that the actual period of the first fiscal year will be only a portion of 2005 through the end of 2005.

4. The Condominium will contain 8 buildings numbered from 100-800, each building to contain 8 units for a total of 64 units altogether. For convenience, the budget has been prepared anticipating that all 8 buildings and all 64 units will be fully operational for occupancy, management, and reserves purposes at the same time. However, in actuality the Developer anticipates completing the buildings at different times and that completed units will be sold and closed as the different buildings reach substantial completion. Accordingly, reserves will be funded only for buildings that have reached substantial completion, and then only for the remainder of the calendar year in which they were completed.

5. The amounts in the budget are calculated using current cost data and are based upon operating history and cost figures for other condominiums in Northwest Florida and the past experience of the Developer and its advisors. Nevertheless, said amounts are estimates only and the actual amounts may vary depending upon changes in costs and services.

6. Telephone, cable television and internet services are available at TopSail Village. They will be private expenses of each individual owner rather than a Common Expense of the Association or the Master Association. Mediacom may provide some or all of these services.

7. The budget does not include items of expense that are personal to unit owners or which are not uniformly incurred by all unit owners or which are not provided for nor contemplated by the condominium documents, including but not limited to electrical service, long distance telephone service, cable television service, internet service, cost of maintenance of the interior of the condominium units, the cost of maid or janitorial services privately contracted for by the unit owners, cost of other utility bills billed directly to each unit owner for utility service or supplied to his unit, such as water and sewer service, and other such services, if any. Also, personal expenses will include insurance premiums other than those incurred in respect of policies obtained by or for the condominium or association and applicable to the condominium or association property in general, debt service upon any mortgage encumbering the individual unit but not encumbering the condominium or association property as a whole, real estate taxes assessed directly to a condominium unit, and like personal expenses of the unit owner.

8. While the budget reflects the estimated monthly, quarterly and annual expenses of the Association and the unit owners, the By-Laws of the Association

provide that the assessments will be determined annually in advance and will be due and payable in quarterly installments on the first day of each month of each quarter of the year for which the assessments are made. (See Paragraph 39 of the By-Laws of the Association).

9. The Developer shall not be liable for and shall be excused from the payment of any Assessments for Common Expenses assessed against substantially completed Units owned by the Developer during the period beginning with the recording of this Declaration. The period of guarantee, unless extended as hereafter provided, shall terminate not later than one (1) calendar year thereafter or upon the transfer of control of the Association to Unit Owners other than the Developer, whichever occurs first. During this period, the Developer guarantees that the Assessments for Common Expenses imposed on the Unit Owners other than the Developer shall not increase over the following dollar amount per quarter per Unit: \$487.61. The Developer shall pay any amount of Common Expenses incurred during the period and not produced by the Assessments at the guaranteed level receivable from other Unit Owners. Upon termination of this guarantee, the Developer shall pay Assessments for Common Expenses for Units owned by the Developer. Notwithstanding anything to the contrary herein provided regarding the expiration of the guarantee period, the Developer may extend the initial one year guarantee period (or subsequent guarantee periods) to provide one or more additional one year guarantee periods upon like terms and conditions as herein provided. To effect such extension, Developer shall file written notice thereof with the Secretary of the Association who shall file or cause said notice to be filed with the minutes of the Association's Board of Directors.

10. While the Developer is in control of the Master Association, the Developer is excused from payment of its share of the operating expenses and assessments due the Master Association related to its units and in lieu thereof will pay any operating expenses incurred that exceed the assessments receivable from other unit owners and other income of the Master Association.

11. If the Declaration is recorded prior to the substantial completion of the condominium, then all Unit Owners are excused from paying assessments for the period of time beginning with the recording of this Declaration until the date of recording of a surveyor's certificate indicating that the improvements are substantially complete.

12. At closing, each unit owner will pay a one time operating capital contribution in an amount equal to one quarter's assessment and this amount will be used as operating capital. (See 5.C. of the Declaration of Condominium).

13. The Lift Station that is a part of the Stage I Community Property is to be conveyed to Regional Utilities, the local entity that will be providing Sanitary Sewage services for TOPSAIL VILLAGE. Therefore, no maintenance costs or reserves for replacement are included in the Master Association budget for these type expenses.