

THE CHARTER CLUB OF MARCO BEACH CONDOMINIUM ASSOCIATION, INC  
ANNUAL BUDGET FOR THE PERIOD  
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Description	4,080 unit/weeks	2012 Annual Budget	2012 Per UniU Week	2011 Per UniU Week	2011 Annual Budget
Association Fees		2,920,165	715.73	663.64	2,707,636
Late Fee Income		20,950	5.13	4.19	17,100
NSF Income		200	0.05	0.05	210
Interest Income		0	0.00	0.32	1,300
Sales Rent Income		22,100	5.42	4.41	16,000
Concession Income		10,625	2.60	2.26	9,240
Week 53 Income		0	0.00	1.47	6,000
Flex Reservation Fees		42,690	10.51	10.69	43,600
Other Revenue		2,400	0.59	0.59	2,400
<b>TOTAL OPERATING REVENUE</b>		<b>3,019,330</b>	<b>740.03</b>	<b>667.62</b>	<b>2,605,466</b>
<b>ADMINISTRATIVE</b>					
Annual Audit		6,200	1.52	1.52	6,200
Bad Debt Expense		5,040	1.24	1.24	5,040
Other Administrative Expenses		124,643	30.60	29.91	122,049
Postage, Printing, Newsletter		33,539	8.22	6.91	26,200
Management Fees		155,916	36.21	37.69	153,760
Division Fees		6,160	2.00	2.00	8,160
Financial Services Fees		46,166	11.61	11.52	46,992
Board Reimbursement		10,000	2.45	2.45	10,000
<b>Total</b>		<b>391,666</b>	<b>96.05</b>	<b>93.24</b>	<b>360,421</b>
<b>OPERATING EXPENSE</b>					
Offices, Desk		364,919	94.34	68.37	360,562
Housekeeping, Laundry, Supplies		636,677	156.10	135.27	551,694
Security Provisions		61,794	15.15	15.00	61,200
Grounds & Landscaping		96,120	23.56	23.63	96,390
Pool & Spa		47,300	11.59	10.29	42,000
Recreation		127,742	31.31	29.80	121,578
<b>Total</b>		<b>1,354,751</b>	<b>332.05</b>	<b>302.36</b>	<b>1,233,623</b>
<b>UTILITIES</b>					
Electric		139,037	34.06	38.66	157,600
Water, Sewer, Gas		140,293	34.39	33.27	135,760
waste Removal		22,560	5.53	5.53	22,560
Telephone		40,635	10.01	10.29	42,000
Cable Television		36,229	8.68	7.66	31,260
<b>Total</b>		<b>378,955</b>	<b>92.88</b>	<b>95.44</b>	<b>389,360</b>
<b>BUILDING</b>					
Maintenance - Service, Equipment Supplies		350,864	68.00	83.82	342,006
Building & Equipment Contracts		5,900	1.45	1.16	4,600
Elevator Contracts		19,020	4.66	4.66	19,020
Board Authorized Projects		57,600	14.12	14.12	57,600
<b>Total</b>		<b>433,404</b>	<b>106.23</b>	<b>103.78</b>	<b>423,426</b>
<b>INSURANCE &amp; TAXES</b>					
General Insurance		400,354	96.13	68.76	362,136
Income Tax		16,500	4.04	4.04	16,500
Tax on Timeshare Property (Ad Valorem Taxes)		n/a	n/a	n/a	n/a
Taxes Upon Leased Areas		n/a	n/a	n/a	n/a
<b>Total</b>		<b>416,854</b>	<b>102.17</b>	<b>92.60</b>	<b>378,636</b>
<b>SALE OF ASSOCIATION WEEKS</b>					
Sale of Association Weeks		(33,000)	(8.09)	(8.09)	(33,000)
Cost of Sales		76,500	18.75	6.09	33,000
<b>Total</b>		<b>43,500</b>	<b>10.66</b>	<b>0.00</b>	<b>0</b>
<b>OPERATING EXPENSE TOTAL</b>		<b>3,019,330</b>	<b>740.03</b>	<b>687.62</b>	<b>2,805,486</b>
<b>OPER. PROFIT/LOSS</b>		<b>0</b>	<b>0.00</b>	<b>10.00</b>	<b>(0)</b>

† Ad Valorem Taxes on individual weeks are billed by the Collier County Property Appraiser's office based on the relative value of the unit week and therefore, are not reflected in the above operating budget.

	Statutory Reserve Funding		With Owner Waiver of Statutory Reserve Funding			
	2012 Annual Budget	2012 Per Unit/ Week	2011 Per UniU Week	2011 Annual Budget	2012 Annual Budget	2012 Per UniU Week
<b>RESERVE REVENUE</b>	1,128,102	276.50	222.60	908,198	835,915	204.68
<b>RESERVE EXPENSES</b>						
Capital Reserves:						
Interior	807,554	197.93	133.27	543,748	545,740	133.76
Roof	6,716	1.65	14.09	57,493	15,831	3.88
Paving	33,851	8.30	8.66	38,147	53,133	13.02
Recreation	19,756	4.64	3.66	14,915	28,035	6.87
Common Area	0	0.00	0.00	0	0	0.00
Cap all improvements	166,326	45.67	35.06	143,049	129,290	31.69
<b>Total</b>	<b>1,054,203</b>	<b>258.38</b>	<b>194.94</b>	<b>795,352</b>	<b>772,029</b>	<b>189.22</b>
Painting Reserve	73,899	18.11	27.66	112,646	63,866	15.66
<b>Total</b>	<b>73,899</b>	<b>18.11</b>	<b>27.66</b>	<b>112,846</b>	<b>63,866</b>	<b>15.66</b>
<b>RESERVE EXPENSE TOTAL</b>	<b>1,128,102</b>	<b>276.50</b>	<b>222.60</b>	<b>908,198</b>	<b>835,915</b>	<b>204.68</b>
<b>RESERVE PROFIT/LOSS</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00</b>

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Summary	Statutory Reserve Funding		With Owner Waiver of Statutory Reserve Funding			
	2012 Annual Budget	2012 Per Unit/ Week	2011 Per Unit/ Week	2011 Annual Budget	2012 Annual Budget	2012 Per Unit/ Week
OPERATING FEE	2,920,165	715.73	663.64	2,707,636	2,920,165	715.73
CAPITAL RESERVE	1,054,203	256.38	194.94	795,352	772,029	189.22
PAINTING RESERVE	73,899	18.11	27.66	112,646	63,866	15.66
SPECIAL ASSESSMENT	0	0.00	0.00	0	0	0.00
NET BEFORE CREDITS	4,048,267	992.22	866.24	3,615,634	3,756,060	920.61
CREDITS						
PAINTING RESERVE REFUND	0	0.00	0.00	0	0	0.00
OPER. SURPLUS REFUND	0	0.00	0.00	0	0	0.00
TOTAL CREDITS	0	0.00	0.00	0	0	0.00
<b>TOTAL AMOUNT BILLED</b>	<b>4,048,267</b>	<b>992.22</b>	<b>866.24</b>	<b>3,615,634</b>	<b>3,756,060</b>	<b>920.61</b>

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RESERVE ANALYSIS FOR THE PERIOD  
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4080 unit/Weeks Re(llocemenFund	Average Estimated Life (n ears)	Average Estimated Remaining Life (n ears)	Estimated Replacement Cost (4080 un ts)	2012 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/2012	2012 Proposed Reserve/Assmt. Funding	2012 Projected 51!Qenses	Estimated Fund Balance As of 12/31/2012
Interior	10.82	6.86	5,906,440	607,554	368,335	545,740	164,000	730,075
Roof	18.25	6.50	140,000	6,716	96,326	15,831	0	112,159
Painting	8.90	6.41	568,500	73,899	94,594	63,866	0	156,480
Paving	21.32	5.03	263,000	33,851	92,829	53,133	135,000	10,962
Recreation	5.98	3.95	94,500	19,756	16,500	28,035	6,800	37,735
Common Area	0.00	0.00	0	0	0	0	0	0
Capital improvements	18.17	10.64	2,127,252	186,326	106,991	129,290	138,000	98,281
Special Assessment			0	0	0	0	0	#VALUE!
<b>TOTAL</b>			<b>9,099,692</b>	<b>1,128,102</b>	<b>775,577</b>	<b>835,915</b>	<b>463,800</b>	<b>#VALUE!</b>

	2012 Statutory Reserve Funding	2012 Proposed Reserve
Operating Fee	\$715.73	\$715.73
Capital Reserve	\$256.38	\$189.22
Painting Reserve	\$18.11	\$15.66
Special Assessment	\$0.00	\$0.00
Total Amount Billed	\$992.22	\$920.61
Painting Reserve Refund	\$0.00	\$0.00
Operating Surplus Refund	\$0.00	\$0.00
<b>TOTAL AMOUNT BILLED</b>	<b>\$992.22</b>	<b>\$920.61</b>

The State of Florida mandates that condominium associations prepare calculations to fully fund reserves. The Law also provides the reserve requirement may be waived or reduced, allowing the unit owners to put less money into the reserve accounts. To meet fully funded requirements for Statutory Reserves, the resulting annual maintenance fee would be \$992.22. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2012 annual meeting, thereby establishing the maintenance fee at \$920.61 for the 2012 budget year.

**NOTE:**

There may be some items that require future replacement and are not reserved for, i.e.: replacement of plumbing, railings, electrical wiring, etcetera. These types of items will need to be paid from operating funds or will require a special assessment.

The components' actual replacement costs and useful lives may vary from the estimated amounts. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

There are 4080 periods of 7-day annual use availability that exists within the timeshare plan for which annual fees are required to be paid to the Division of Florida Condominiums, Timeshares and Mobile Homes, Bureau of Standards and Registration, in accordance with Section 721.27, Florida Statutes.