

**Casa Ybel Beach and Racquet Club Condominium Association, Inc**  
**MANAGEMENT PROPOSED ANNUAL BUDGET FOR THE PERIOD**  
**JANUARY 1, 2019 THROUGH DECEMBER 31, 2019**

| Description   | 2,856<br>unit/weeks | 2019             | 2019              | 2018              | 2018             |
|---|---------------------|------------------|-------------------|-------------------|------------------|
|   |                     | Annual<br>Budget | Per Unit/<br>Week | Per Unit/<br>Week | Annual<br>Budget |
| <b>REVENUE</b>  |                     |                  |                   |                   |                  |
| Association Fees  |                     | 1,994,610        | 698.39            | 683.63            | 1,952,437        |
| PRIOR YEAR SURPLUS DEFICIT                                |                     | (1,292)          | (0.45)            | (6.90)            | (19,713)         |
| <b>TOTAL OPERATING REVENUE</b>                            |                     | <b>1,993,318</b> | <b>697.94</b>     | <b>676.72</b>     | <b>1,932,724</b> |
| <b>ADMINISTRATIVE</b>                                     |                     |                  |                   |                   |                  |
| Annual Audit  |                     | 7,000            | 2.45              | 2.38              | 6,800            |
| Other Administrative Expenses                             |                     | 408,900          | 143.17            | 140.88            | 402,363          |
| Postage, Printing, Newsletter                             |                     | 20,357           | 7.13              | 7.38              | 21,082           |
| HOA MANAGEMENT FEE EXPENSE                                |                     | 134,067          | 46.94             | 46.11             | 131,700          |
| DIVISION FEES   |                     | 5,712            | 2.00              | 2.00              | 5,712            |
| Financial Services Fees                                   |                     | 40,841           | 14.30             | 14.32             | 40,888           |
| BOARD OF DIRECTORS  |                     | 19,000           | 6.65              | 6.65              | 19,000           |
| <b>Total</b>  |                     | <b>635,877</b>   | <b>222.65</b>     | <b>219.73</b>     | <b>627,545</b>   |
| <b>OPERATING EXPENSE</b>                                  |                     |                  |                   |                   |                  |
| Office, Desk  |                     | 230,060          | 80.55             | 75.26             | 214,943          |
| Housekeeping, Laundry, Supplies                           |                     | 465,220          | 162.89            | 161.10            | 460,100          |
| Security Provisions                                       |                     | 11,850           | 4.15              | 4.87              | 13,900           |
| Grounds & Landscaping                                     |                     | 46,220           | 16.18             | 15.59             | 44,514           |
| <b>Total</b>  |                     | <b>753,350</b>   | <b>263.78</b>     | <b>256.81</b>     | <b>733,457</b>   |
| <b>UTILITIES</b>  |                     |                  |                   |                   |                  |
| Electric  |                     | 86,800           | 30.39             | 31.34             | 89,500           |
| Water, Sewer, Gas   |                     | 93,200           | 32.63             | 27.63             | 78,900           |
| Waste Removal   |                     | 20,020           | 7.01              | 6.30              | 18,000           |
| Cable Television  |                     | 10,800           | 3.78              | 5.88              | 16,800           |
| WAN EXPENSE   |                     | 19,242           | 6.74              | 4.03              | 11,515           |
| <b>Total</b>  |                     | <b>230,062</b>   | <b>80.55</b>      | <b>75.18</b>      | <b>214,715</b>   |
| <b>BUILDING</b>   |                     |                  |                   |                   |                  |
| Maintenance - Service, Equipment, Supplies                |                     | 99,255           | 34.75             | 33.35             | 95,255           |
| Building & Equipment Contracts                            |                     | 26,160           | 9.16              | 8.73              | 24,936           |
| ELEVATOR CONTRACTS  |                     | 0                | 0.00              | 0.00              | 0                |
| BOARD AUTHORIZED PROJECT                                  |                     | 61,408           | 21.50             | 23.81             | 67,990           |
| <b>Total</b>  |                     | <b>186,823</b>   | <b>65.41</b>      | <b>65.89</b>      | <b>188,181</b>   |
| <b>INSURANCE &amp; TAXES</b>                              |                     |                  |                   |                   |                  |
| INSURANCE PREMIUM EXPENSE                                 |                     | 186,206          | 65.20             | 59.11             | 168,826          |
| Income Tax  |                     | 1,000            | 0.35              | 0.00              | 0                |
| Real Estate Tax   |                     | 0                | 0.00              | 0.00              | 0                |
| <sup>1</sup> 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>187,206</b>   | <b>65.55</b>      | <b>59.11</b>      | <b>168,826</b>   |
| <b>SALE OF ASSOCIATION WEEKS</b>                          |                     |                  |                   |                   |                  |
| Sale of Association Week                                  |                     | 0                | 0.00              | 0.00              | 0                |
| Cost of Sales   |                     | 0                | 0.00              | 0.00              | 0                |
| <b>Total</b>  |                     | <b>0</b>         | <b>0.00</b>       | <b>0.00</b>       | <b>0</b>         |
| <b>OPERATING EXPENSE TOTAL</b>                            |                     | <b>1,993,318</b> | <b>697.94</b>     | <b>676.72</b>     | <b>1,932,724</b> |
| <b>OPER. SURPLUS/(DEFICIT)</b>                            |                     | <b>0</b>         | <b>0.00</b>       | <b>(0.00)</b>     | <b>(0)</b>       |

<sup>1</sup> Ad Valorem Taxes on individual weeks are billed by the Lee 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 |                           |
|-----------------------------------|---------------------------|---------------------------|---------------------------|--------------------------|--|---------------------------|
|                                   | 2019<br>Annual<br>Budget  | 2019<br>Per Unit/<br>Week | 2018<br>Per Unit/<br>Week | 2018<br>Annual<br>Budget | 2019<br>Annual<br>Budget                       | 2019<br>Per Unit/<br>Week |
| <b>RESERVE REVENUE</b>            | 879,725                   | 308.03                    | 220.91                    | 630,908                  | 683,075  | 239.17                    |
| <b>RESERVE CONTRIBUTION</b>       |                           |                           |                           |                          |  |                           |
| <b>Capital Reserves:</b>          |                           |                           |                           |                          |  |                           |
| Interior                          | 746,232                   | 261.29                    | 176.65                    | 504,507                  | 551,941  | 193.26                    |
| Roof                              | 36,146                    | 12.66                     | 13.95                     | 39,843                   | 42,411   | 14.85                     |
| Paving                            | 3,979                     | 1.39                      | 1.56                      | 4,444                    | 4,690  | 1.64                      |
| Recreation                        | 0                         | 0.00                      | 0.00                      | 0                        | 0  | 0.00                      |
| Capital Improvements              | 65,744                    | 23.02                     | 17.77                     | 50,739                   | 52,658   | 18.44                     |
| <b>Total</b>                      | <b>852,101</b>            | <b>298.35</b>             | <b>209.92</b>             | <b>599,533</b>           | <b>651,700</b>                                 | <b>228.19</b>             |
| <b>Painting Reserve</b>           |                           |                           |                           |                          |  |                           |
|                                   | 27,624                    | 9.67                      | 10.99                     | 31,375                   | 31,375   | 10.99                     |
| <b>Total</b>                      | <b>27,624</b>             | <b>9.67</b>               | <b>10.99</b>              | <b>31,375</b>            | <b>31,375</b>                                  | <b>10.99</b>              |
| <b>RESERVE CONTRIBUTION TOTAL</b> | <b>879,725</b>            | <b>308.03</b>             | <b>220.91</b>             | <b>630,908</b>           | <b>683,075</b>                                 | <b>239.17</b>             |
| <b>RESERVE SURPLUS/(DEFICIT)</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 |                    |                    |                    |
|-------------------------------|---------------------------|--------------------|--|--------------------|--------------------|--------------------|
|                               | 2019 Annual Budget        | 2019 Per Unit/Week | 2018 Per Unit/Week                             | 2018 Annual Budget | 2019 Annual Budget | 2019 Per Unit/Week |
| OPERATING FEE                 | 1,994,610                 | 698.39             | 683.63   | 1,952,437          | 1,994,610          | 698.39             |
| CAPITAL RESERVE CONTRIBUTION  | 852,101                   | 298.35             | 209.92   | 599,533            | 651,700            | 228.19             |
| PAINTING RESERVE CONTRIBUTION | 27,624                    | 9.67               | 10.99  | 31,375             | 31,375             | 10.99              |
| NET BEFORE CREDITS            | 2,874,335                 | 1,006.42           | 904.53   | 2,583,345          | 2,677,685          | 937.56             |
| <b>TOTAL AMOUNT BILLED</b>    | <b>2,874,335</b>          | <b>1,006.42</b>    | <b>904.53</b>                                  | <b>2,583,345</b>   | <b>2,677,685</b>   | <b>937.56</b>      |

**Casa Ybel Beach and Racquet Club Condominium Association, Inc  
RESERVE ANALYSIS FOR THE PERIOD  
JANUARY 1, 2019 THROUGH DECEMBER 31, 2019**

| 2856 unit/weeks Replacement Fund | Average Estimated Life (in years) | Average Estimated Remaining Life (in years) | Estimated Replacement Cost (units) | 2019 Statutory Reserve Funding | Estimated Fund Balance 43466 | 2019 Proposed Reserve/Assmt. Contributions | 2019 Projected Expenses | Estimated Fund Balance 43830 |
|----------------------------------|-----------------------------------|---|------------------------------------|--------------------------------|------------------------------|--|-------------------------|------------------------------|
| Interior                         | 10.27                             | 4.85  | 4,496,100                          | 746,232                        | 874,152                      | 551,941                                    | 762,020                 | 664,073                      |
| Roof                             | 16.46                             | 5.62  | 298,500                            | 36,146                         | 95,317                       | 42,411                                     | 0                       | 137,728                      |
| Painting                         | 5.90                              | 3.90  | 185,000                            | 27,624                         | 77,366                       | 31,375                                     | 0                       | 108,741                      |
| Paving                           | 12.56                             | 2.32  | 58,922                             | 3,979                          | 49,685                       | 4,690                                      | 45,150                  | 9,225                        |
| Recreation                       | 0.00                              | 0.00  | 0                                  | 0                              | 0                            | 0  | 0                       | 0                            |
| Capital Improvements             | 20.05                             | 12.68                                       | 1,055,700                          | 65,744                         | 221,910                      | 52,658                                     | 104,300                 | 170,268                      |
| Special Assessment               |                                   |   | 0                                  | 0                              | 0                            | 0  | 0                       | 0                            |
| <b>TOTAL</b>                     |                                   |   | <b>6,094,222</b>                   | <b>879,725</b>                 | <b>1,318,430</b>             | <b>683,075</b>                             | <b>911,470</b>          | <b>1,090,035</b>             |

|                            | 2019 Statutory Reserve Funding | 2019 Proposed Reserve Funding |
|----------------------------|--------------------------------|-------------------------------|
| Operating Fee              | \$698.39                       | \$698.39                      |
| Capital Reserve            | \$298.35                       | \$228.19                      |
| Painting Reserve           | \$9.67                         | \$10.99                       |
| Special Assessment         | \$0.00                         | \$0.00                        |
| Total Amount Billed        | <u>\$1,006.42</u>              | <u>\$937.56</u>               |
| Painting Reserve Refund    | \$0.00                         | \$0.00                        |
| Operating Surplus Refund   | \$0.00                         | \$0.00                        |
| <b>TOTAL AMOUNT BILLED</b> | <b><u>\$1,006.42</u></b>       | <b><u>\$937.56</u></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 \$1,006.42. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2019 annual meeting, thereby establishing the maintenance fee at \$937.56 for the 2019 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 2856 periods of 7-day annual use availability that exist within the timeshare plan for which annual fees are required to be paid to the Division of Florida Land Sales, Condominiums, and Mobile Homes, Bureau of Timeshare, in accordance with Section 721.27, Florida Statutes.