

Sunset Harbor
Reserve
Florida Reserve Analysis, FY2011

Category	Estimated Useful Life	Estimated Remaining Life	Estimated Cost to Replace	Balance as of 12/31/10	Amount to be Funded in 2011	2011 Interest Income	2011 Expenditure Summary	Estimated Balance as of 12/31/11	Per Unit Week	2012 Budget Proposed	Per Unit Week	
Total Statutory & Non-Statutory Reserves												
Common Elements	5 - 24	0 - 16	171,677	41,741	14,208	548	-	56,498	28	20,087	2	
Elevator	25	11 - 36	111,240	45,360	4,698	181	10,075	40,164	20	4,939	2	
Exterior Building	3 - 25	1 - 20	219,978	52,251	33,593	1,296	-	87,141	43	33,891	6	
Mechanical/HVAC	10 - 16	0 - 8	207,012	111,007	8,095	312	105,000	14,415	7	30,850	-	
Pavement/Driveway	15	3	20,600	16,000	1,853	72	-	17,925	9	1,950	1	
Roof	20 - 30	4 - 16	53,097	26,607	2,699	104	-	29,410	14	2,837	1	
Unit Refurbishment	4 - 20	0 - 18	2,254,196	393,483	428,622	16,541	118,580	720,066	353	255,165	-	
Water Features	5 - 15	0 - 8	56,424	2,349	3,234	125	2,000	3,708	2	7,281	-	
				3,094,222	688,799	497,003	19,180	235,655	969,327	475	357,000	12
STATUTORY Statutory Reserves - 100% funded under Florida Statutes												
Common Elements	10 - 24	3 - 12	54,848	34,413	5,174	200	-	39,786	20	5,453	2	
Elevator	25	11 - 36	111,240	45,360	4,698	181	10,075	40,164	20	4,939	2	
Exterior Building	5 - 15	2 - 11	75,360	39,461	14,427	557	-	54,445	27	15,257	6	
Mechanical/HVAC	10 - 12	0	105,000	105,000	-	-	105,000	-	-	11,009	-	
Pavement/Driveway	15	3	20,600	16,000	1,853	72	-	17,925	9	1,950	1	
Roof	20 - 30	4 - 16	53,097	26,607	2,699	104	-	29,410	14	2,837	1	
Unit Refurbishment	8	1	60,440	51,345	9,095	351	-	60,791	30	-	-	
Water Features	N/A		-	-	-	-	-	-	-	-	-	
				480,584	318,185	37,947	1,464	115,075	242,521	119	41,446	12
NOT STATUTORY Non-Statutory Reserves - Are not required to be funded under Florida Statutes												
Common Elements	5 - 20	0 - 16	116,829	7,329	9,034	349	-	16,712	8	14,633	-	
Elevator	N/A		-	-	-	-	-	-	-	-	-	
Exterior Building	3 - 25	1 - 20	144,618	12,791	19,166	740	-	32,696	16	18,634	-	
Mechanical/HVAC	12 - 16	1 - 8	102,012	6,007	8,095	312	-	14,415	7	19,841	-	
Pavement/Driveway	N/A		-	-	-	-	-	-	-	-	-	
Roof	N/A		-	-	-	-	-	-	-	-	-	
Unit Refurbishment	4 - 20	0 - 18	2,193,755	342,138	419,526	16,190	118,580	659,274	323	255,165	-	
Water Features	5 - 15	0 - 8	56,424	2,349	3,234	125	2,000	3,708	2	7,281	-	
				2,613,638	370,614	459,056	17,715	120,580	726,805	356	315,554	-



Sunset Harbor Resort Condominium Association, Inc. 2012 Proposed Budget and Maintenance Fee

January 1, 2012 - December 31, 2012

UNIT WEEKS 2,040	2011 BUDGET PER UNIT WEEK	2012 PROPOSED BUDGET PER UNIT WEEK	2011 BUDGET VS. 2012 BUDGET		2012 PROPOSED BUDGET TOTAL
			Increase/(Decrease) \$ Per U/W	% U/W	
<u>INCOME</u>					
Assessment Income	\$1,002.18	\$1,013.68	\$11.50	1.15%	\$2,067,914
Reserve Income	\$163.58	\$175.00	\$11.42	6.98%	\$357,000
Other Income	\$80.49	\$83.96	\$3.47	4.31%	\$171,285
Total Association Income	\$1,246.25	\$1,272.64	\$26.39	2.12%	\$2,596,198
<u>EXPENSES</u>					
General & Administration	\$198.64	\$215.57	\$16.93	8.52%	\$439,770
Engineering	\$130.31	\$127.31	(\$3.00)	(2.30%)	\$259,704
Housekeeping	\$189.12	\$182.06	(\$7.06)	(3.73%)	\$371,400
Cable	\$6.37	\$6.37	\$0.00	0.00%	\$13,000
Electricity	\$75.98	\$63.72	(\$12.26)	(16.14%)	\$129,996
Fire, Life and Safety	\$2.70	\$2.94	\$0.24	8.89%	\$6,000
Heating/AC	\$4.66	\$4.66	\$0.00	0.00%	\$9,500
Landscape/Grounds Maintenance	\$11.76	\$11.86	\$0.10	0.85%	\$24,200
Pest Control	\$1.96	\$2.45	\$0.49	25.00%	\$5,004
Plumbing	\$2.55	\$1.18	(\$1.37)	(53.73%)	\$2,400
Pool and Spa	\$6.37	\$6.37	\$0.00	0.00%	\$13,000
Security	\$25.49	\$25.49	\$0.00	0.00%	\$51,996
Trash Removal	\$8.33	\$9.07	\$0.74	8.88%	\$18,500
Telephone	\$12.75	\$13.72	\$0.97	7.61%	\$27,996
Water	\$19.61	\$20.59	\$0.98	5.00%	\$42,000
Sewer	\$14.46	\$20.59	\$6.13	42.39%	\$42,000
Sub-Total Operating Expenses	\$711.06	\$713.95	\$2.89	0.41%	\$1,456,467
<u>FIXED EXPENSES</u>					
Assessment, Billing, Collections	\$6.71	\$6.91	\$0.20	2.98%	\$14,100
Audit	\$5.05	\$5.07	\$0.02	0.40%	\$10,340
Bad Debt	\$9.31	\$14.71	\$5.40	58.00%	\$30,000
Club Fee	\$130.00	\$134.00	\$4.00	3.08%	\$273,360
Division Fees	\$2.00	\$2.00	\$0.00	0.00%	\$4,080
Insurance	\$34.90	\$32.84	(\$2.06)	(5.90%)	\$67,000
License/Permits	\$1.72	\$1.72	\$0.00	0.00%	\$3,500
Fees - Parking	\$35.78	\$37.25	\$1.47	4.11%	\$76,000
Fees - Truman Annex Master POA	\$8.04	\$8.04	\$0.00	0.00%	\$16,400
Accounting Support	\$11.59	\$11.93	\$0.34	2.93%	\$24,345
Sub-Total Fixed Expenses	\$245.10	\$254.47	\$9.37	3.82%	\$519,125
TOTAL FIXED & OPERATING EXPENSES	\$956.16	\$968.42	\$12.26	1.28%	\$1,975,592
Management Fee	\$124.56	\$126.28	\$1.72	1.38%	\$257,607
Corporate Taxes	\$1.96	\$2.94	\$0.98	50.00%	\$6,000
Deficit Reduction	\$0.00	\$0.00	\$0.00	0.00%	\$0
Total Common Expenses	\$1,082.68	\$1,097.64	\$14.96	1.38%	\$2,239,198
Reserve for Replacement Fund	\$163.58	\$175.00	\$11.42	6.98%	\$357,000
Total Association Expenses	\$1,246.26	\$1,272.64	\$26.38	2.12%	\$2,596,198
Less Other Income	(\$80.49)	(\$83.96)	(\$3.47)	4.31%	(\$171,285)
Total Due Association	\$1,165.77	\$1,188.68	\$22.91	1.97%	\$2,424,914
Estimated Ad Valorem Taxes	\$135.78	\$126.47	(\$9.31)	(6.86%)	\$258,000



**Sunset Harbor Resort Condominium Association, Inc.
2012 Proposed Budget and Maintenance Fee**

RELATED PARTY TRANSACTION DISCLOSURES OR NOTES

During the year ended December 31, 2010, the amount of maintenance fees assessed to the developer was \$48,153. As of December 31, 2010, the balance due to the Developer for expense reimbursements was approximately \$1,925, and is netted with due from related parties on the balance sheet. As of December 31, 2010, the Developer owned 48 unit-weeks.

The Association has a management agreement with Hyatt Vacation Management Corporation ("HVMC"), an affiliate of the developer. The contract expires November 1, 2012, unless terminated earlier in accordance with its terms and Florida law. The contract automatically renews itself for successive periods of three years each, unless either party shall give the other written notice of non-renewal three months prior to the date of renewal. HVMC provides on-site management and maintenance services, and off-site administrative and accounting services. The management company provides the same management services to other associations. Fees under the contract are based on an amount not to exceed 15% of the Association's annual operating budget, excluding reserves and property taxes. In addition, HVMC and its affiliates provided certain other services to the Association.

Hyatt Residential Management Corporation ("HRMC"), an affiliate of the Developer, and its affiliates provided certain services to the Association. The amounts paid or accrued to HVMC during the year ended December 31, 2010, were as follows.

Accounting support	\$ 22,947
Assessments, billing and collections	13,291
Management fees	247,248
Payroll	756
Payroll taxes	266,836
Employee benefits	21,851
Human resource benefits - administration fees	44,368
Computer	13,000
	<u>\$ 630,297</u>

As of December 31, 2010, \$122,623 of the above expenses was due to HRMC and is included in due to related parties on the balance sheet. In addition, HRMC paid various expenditures on behalf of the Association during the year ended December 31, 2010. As of December 31, 2010, \$31,863 was due to HRMC related to reimbursement of those expenses and is included in due to related parties on the balance sheet.

HRMC collects the maintenance fees from the unit-week owners and remits to the Association. As of December 31, 2010, the amount collected and not remitted was \$479,650 and is included in due from related parties on the balance sheet. As of December 31, 2010, \$15,625 was due from HRMC for reimbursements due to the Association.

The amount paid or accrued to Hyatt Corporation, an affiliate of the developer, for insurance during the year ended December 31, 2010 was \$47,486. As of December 31, 2010, \$10,120 of insurance expense was due to Hyatt Corporation and is included in due to related parties on the balance sheet.

The amounts paid or accrued to the Club during the year ended December 31, 2010 for club fees was \$248,877. The Club also collects some maintenance fees from the unit-week owners and remits to the Association. As of December 31, 2010, the amount remitted in advance from the Club was \$1,023 and is included in due to related parties on the balance sheet. As of December 31, 2010, \$10 was due from the Club for reimbursements due to the Association.

The Association is one of several parcels of land that is subject to the Declaration of Covenants, Conditions, Restrictions and Easements for the establishment of the Truman Annex Commercial Owners Association, Inc. (the "Master"). The master property includes certain properties in which the property owners have a non-exclusive easement and right to use. The Master was established for the purpose of operating and maintaining the common properties and generally protecting the interests of the owners and the marketability of the parcels that make up the Master property. The master fees attributable to the property comprising the Association are common expenses of the Association pursuant to the Association documents, and are collected from the owners as part of the Association maintenance fees for the year ended December 31, 2010, were \$12,898. There was no amount due to the Master Association as of December 31, 2010.

ASSOCIATION BOOKS AND RECORDS

The books and records of the Association are maintained by Hyatt Residential Management Corporation and are located at 140 Fountain Parkway, Suite 570, St. Petersburg, FL 33716.