

**MONARCH AT SEA PINES OWNERS' ASSOCIATION, INC.**

2024 Estimated Operating Budget

For The Period Beginning January 1, 2024 And Ending December 31, 2024

	2023 BUDGETED EXPENSES 6,100 TIME-SHARE ESTATES (PER TIME-SHARE ESTATE)	2024 APPROVED BUDGET 6,100 TIME-SHARE ESTATES (PER TIME-SHARE ESTATE)	2023 BUDGET VS 2024 BUDGET INCREASE/(DECREASE)		2024 APPROVED BUDGET TOTAL \$	2024 BUDGET BY VILLA TYPE	
			\$	%		2 BEDROOM 6,050 TIME-SHARE ESTATES (PER TIME-SHARE ESTATE)	3 BEDROOM 50 TIME-SHARE ESTATES (PER TIME-SHARE ESTATE)

<b>Revenue</b>								
Maintenance Fee	1,891.24	2,014.13	122.89	6.5%	12,286,046	1,997.74	3,995.44	
Acquisition Revenue	31.25	38.31	7.06	22.6%	233,700	38.00	76.00	
Antenna Income	6.88	6.88	0.00	0.0%	41,976	6.83	13.65	
Bank/Investment Interest	3.55	30.33	26.78	754.4%	185,003	30.08	60.16	
Float Time Income	3.44	3.44	0.00	0.0%	20,978	3.41	6.82	
Late Fees	2.06	2.19	0.13	6.3%	13,383	2.18	4.35	
Maintenance Fee Interest Income	5.09	5.98	0.89	17.5%	36,485	5.93	11.87	
Marketplace Express Net	3.21	3.21	0.00	0.0%	19,608	3.19	6.38	
Surplus Return ****	290.85	307.31	16.46	5.7%	1,874,564	304.81	609.61	
<b>Total Maintenance Fee Revenue</b>	<b>2,237.57</b>	<b>2,411.78</b>	<b>174.21</b>	<b>7.8%</b>	<b>14,711,743</b>	<b>2,392.17</b>	<b>4,784.28</b>	

<b>Expenses</b>								
Accounting	30.02	33.52	3.50	11.7%	204,460	33.25	66.49	
Activities	43.64	48.76	5.12	11.7%	297,456	48.37	96.73	
Administration	72.43	75.45	3.02	4.2%	460,250	74.84	149.67	
Audit Fee	2.30	2.30	0.00	0.0%	14,000	2.28	4.55	
Bad Debt Expense	34.28	41.34	7.06	20.6%	252,150	41.00	82.00	
Billing and Collections	6.70	6.30	(0.40)	(6.0%)	38,438	6.25	12.50	
Board of Directors	3.61	3.68	0.07	1.9%	22,430	3.65	7.29	
Cable Television	9.48	9.75	0.27	2.8%	59,496	9.67	19.35	
Consulting Expense	0.45	0.45	0.00	0.0%	2,750	0.45	0.89	
Credit Card Fee	16.73	20.48	3.75	22.4%	124,933	20.31	40.63	
Easement Rights - Sea Pines Plantation *	35.73	40.65	4.92	13.8%	247,940	40.32	80.63	
Electricity	33.63	36.34	2.71	8.1%	221,662	36.04	72.09	
Front Desk	114.49	124.20	9.71	8.5%	757,642	123.19	246.39	
Gas	6.12	6.72	0.60	9.8%	40,990	6.67	13.33	
High Speed Internet	11.39	8.53	(2.86)	(25.1%)	52,030	8.46	16.92	
Housekeeping **	269.50	265.73	(3.77)	(1.4%)	1,620,923	263.56	527.13	
Human Resources	16.59	18.24	1.65	9.9%	111,288	18.10	36.19	
Income Tax	3.86	13.77	9.91	256.7%	83,984	13.66	27.31	
Insurance	73.96	98.52	24.56	33.2%	600,947	97.71	195.43	
Insurance Contingency	254.10	254.10	0.00	0.0%	1,550,000	252.03	504.07	
Landscape / Grounds	30.37	37.96	7.59	25.0%	231,562	37.65	75.30	
Legal	1.64	1.64	0.00	0.0%	10,000	1.63	3.25	
Loss Prevention / Security	49.36	54.59	5.23	10.6%	333,023	54.15	108.30	
Maintenance	170.44	177.60	7.16	4.2%	1,083,376	176.16	352.32	
Management Fee	171.93	183.10	11.17	6.5%	1,116,913	181.61	363.22	
Operating Capital ****	36.75	53.21	16.46	44.8%	324,564	52.77	105.55	
Owner Services ***	12.17	12.78	0.61	5.0%	77,955	12.68	25.35	
Pest Control	3.08	3.25	0.17	5.5%	19,838	3.23	6.45	
Pool Maintenance	12.51	13.72	1.21	9.7%	83,703	13.61	27.22	
Postage and Printing	2.23	2.27	0.04	1.8%	13,836	2.25	4.50	
Property Taxes	135.68	139.75	4.07	3.0%	852,454	138.61	277.22	
Refuse Collection	9.38	9.75	0.37	3.9%	59,452	9.67	19.33	
Telephone	4.58	5.04	0.46	10.0%	30,740	5.00	10.00	
Water and Sewer	11.06	11.65	0.59	5.3%	71,041	11.55	23.10	
<b>Operating Fee</b>	<b>1,690.19</b>	<b>1,815.14</b>	<b>124.95</b>	<b>7.4%</b>	<b>11,072,226</b>	<b>1,800.38</b>	<b>3,600.70</b>	

<b>Reserve Fee</b>	547.38	596.64	49.26	9.0%	3,639,517	591.79	1,183.58	
<b>Operating And Reserve Fee</b>	<b>2,237.57</b>	<b>2,411.78</b>	<b>174.21</b>	<b>7.8%</b>	<b>14,711,743</b>	<b>2,392.17</b>	<b>4,784.28</b>	

\* Pursuant to the terms of the Easement Agreement between Community Services Associates, Inc. and Marriott Ownership Resorts, Inc. for easement of roads, public facilities, bike paths and trails within the Sea Pines Plantation.

\*\* Certain operating expenses are presented in the budget net of funds estimated to be reimbursed to the Association in 2024, including but not limited to: (i) funds received from MVC Exchange Company to account for housekeeping expenses necessitated by nightly use of accommodations by Abound by Marriott Vacations Exchange Program members, and (ii) fees paid to the Association by transient guests who voluntarily elect to receive a daily room cleaning.

\*\*\* The Marriott Resorts Hospitality Corporation ("MRHC") has been delegated the authority to provide all services incidental to the management of the Condominium, including Owner Services and all property operations. In connection with the performance of those services, all operating expenses will be charged to and paid by the Association to MRHC, including some that may be incurred through affiliates of MRHC. Certain of the operating expenses charged to and paid by the Association to MRHC may reflect economies of scale associated with the number of projects managed by MRHC and the affiliated relationship between MRHC and the developer. The amounts charged for such operating expenses may reflect pricing that is lower than what equivalent services would cost if charged on an independent case-by-case basis.

\*\*\*\* The Operating fund balance of Monarch at Sea Pines Owners' Association, Inc. anticipated at December 31, 2023, is \$1,874,564 representing approximately 15.3% of the 2024 budget. The Association board has designated that \$1,550,000 be held as insurance contingency and \$324,564 as operating capital. Any excess surplus funds shall remain in the operating fund to sustain financial operations in the event of significant unbudgeted expenses in 2024.

The resort consist of one hundred twenty-two (122) units. One hundred and twenty-one (121) units contain two (2) bedroom and two (2) bathrooms and have a per unit costs of \$99,887.00 One (1) unit, the Crown Suite Unit 3855, contains three (3) bedrooms and three (3) bathrooms and has a per unit costs of \$199,772.00

Certain insurance services and insurance products may be procured or provided by an affiliate of the management company. Such insurance services and insurance products are provided on substantially similar terms and conditions as are provided to other associations, with terms and conditions which are reasonably obtainable in the market. The reimbursable expenses associated with such insurance services and products include costs for employees of the management company. The affiliate of the management company may incur profits or losses associated with such insurance services and products.

Certain expenses incurred by the Management Company and its affiliates in connection with the operation and management of the Association, including but not limited to expenses associated with utilization of its corporate or administrative infrastructure, have been allocated to the Association and other resort properties operated by the Management Company and its affiliates on a basis determined by the Management Company in a commercially reasonable manner. This may include an allocation of certain costs and expenses on a fixed-rate basis, and actual costs and expenses incurred may be higher or lower than the amount allocated to the Association and reflected in this budget for the referenced fiscal year.

Capitalized terms not defined in this budget have the meaning given to them in the Master Deed, Declaration of Interval Ownership or the Public Offering text.

# CYB TO NYB VARIANCES

			Unit Weeks	6,100		
	2024 Budget	2023 Budget	\$ / UW Increase (Decrease)	% Change	\$ Change	Variance 5% / \$1PUW
Total Net Operating	\$ 1,557.24	\$ 1,479.54	\$ 77.70	5.3%	\$ 473,970	
Property Taxes	\$ 139.75	\$ 135.68	\$ 4.07	3.0%	\$ 24,827	
Reserve Fee	\$ 596.64	\$ 547.38	\$ 49.26	9.0%	\$ 300,486	
<b>Maintenance Fee</b>	<b>\$ 2,014.13</b>	<b>\$ 1,891.24</b>	<b>\$ 122.89</b>	<b>6.5%</b>	<b>\$ 799,283</b>	

Line Item	2024 Budget	2023 Budget	\$ / UW Increase (Decrease)	% Change	\$ Change	Variance Explanations Budget Vs Budget
Acquisition Revenue	\$ 38.31	\$ 31.25	\$ 7.06	22.6%	\$ 43,066	2024 Budget (including bad debt below) is in line with last year.
Bank/Investment Interest	\$ 30.33	\$ 3.55	\$ 26.78	754.4%	\$ 163,358	The variance is due to 2023 historical low yields followed by 2023 turn-around in rates of return. 2024 was budgeted conservatively with a 30% reduction in the 2023 forecast.
Accounting	\$ 33.52	\$ 30.02	\$ 3.50	11.7%	\$ 21,350	The increase is based on the forecast and corporate allocation.
Activities	\$ 48.76	\$ 43.64	\$ 5.12	11.7%	\$ 31,232	Variance due to wage rate increase (5% increase from the 2023 budget), with proportional benefits \$4.05/PUW . Adding one summer FTE help from May to August to help in the new deck and cabanas. Additional funds for professional entertainment both based on the 2023 forecast and one additional show that is being requested from owners (+\$7.5K).
Bad Debt Expense	\$ 41.34	\$ 34.28	\$ 7.06	20.6%	\$ 43,066	2024 Budget (including Acquisition Revenue above) is in line with last year.
Credit Card Fee	\$ 20.48	\$ 16.73	\$ 3.75	22.4%	\$ 22,875	Credit Card Fees are based on the 2023 forecast, 6.5% proposed increase maintenance fees.
Easement Rights - Sea Pines Plantation*	\$ 40.65	\$ 35.73	\$ 4.92	13.8%	\$ 30,012	Easement Rights - Sea Pines Plantation are based on the 2023 forecast.
Electricity	\$ 36.34	\$ 33.63	\$ 2.71	8.1%	\$ 16,531	Variance driven by average rate and consumption over 3 years.
Front Desk	\$ 124.20	\$ 114.49	\$ 9.71	8.5%	\$ 59,231	Variance due to wage rate increase (5% increase from the 2023 budget), with proportional benefits \$5.37/PUW. IT/Systems support costs increases \$3.27/PUW.
Income Tax	\$ 13.77	\$ 3.86	\$ 9.91	256.7%	\$ 60,451	Correlates with investment interest income and antenna income.
Insurance	\$ 98.52	\$ 73.96	\$ 24.56	33.2%	\$ 149,816	Premium Increase based off guidance from risk management: Property - 21.9%; D&O -7.9%; Liability - 13%; Vehicle - 15%

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Property Taxes	\$ 139.75	\$ 135.68	\$ 4.07	3.0%	\$ 24,827	
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<b>Maintenance Fee</b>	<b>\$ 2,014.13</b>	<b>\$ 1,891.24</b>	<b>\$ 122.89</b>	<b>6.5%</b>	<b>\$ 799,283</b>	

Unit Weeks 6,100

Line Item	2024 Budget	2023 Budget	\$ / UW Increase (Decrease)	% Change	\$ Change	Variance Explanations Budget Vs Budget
Landscape / Grounds	\$ 37.96	\$ 30.37	\$ 7.59	25.0%	\$ 46,299	Increase attributed to the following key drivers: (1) Increase in total wages \$6.15/PUW due to rate increase for contract labor and labor hours 1,131. Increase the Greenery contract expense based off current monthly cost \$1.09/PUW.
Loss Prevention / Security	\$ 54.59	\$ 49.36	\$ 5.23	10.6%	\$ 31,903	Variance due to wage rate increase (5% increase from the 2023 budget), with proportional benefits \$5.58/PUW.
Pool Maintenance	\$ 13.72	\$ 12.51	\$ 1.21	9.7%	\$ 7,381	Increase in Ecolab Aqua Balance Bleach Program contract expense based off current monthly cost +13% or .72 cents PUW