

October 21, 2019

Dear Marriott's BeachPlace Towers Owner:

A meeting of the Finance Committee of BeachPlace Towers Condominium Association, Inc. will be held on November 4, 2019, at 1:00 p.m. Eastern time, at Marriott's BeachPlace Towers, Overlook Lounge, 21 S. Fort Lauderdale Beach Boulevard, Fort Lauderdale, Florida 33316. A regular meeting of the Board of Directors of BeachPlace Towers Association, Inc., will be held at 9:00 a.m., Eastern time, on November 5, 2019, at Marriott's BeachPlace Towers, Overlook Lounge, 21 S. Fort Lauderdale Beach Boulevard., Fort Lauderdale, Florida 33316. The primary purpose of these meetings is to review and approve the Condominium Association 2020 Maintenance Fee Budget.

Please pay particular attention to the Reserve Fee on the enclosed proposed budget. For further explanation, see item 2.A. of the Limited Proxy which was recently distributed to you in the Notice of Annual Meeting package.

The Board of Directors reviews the Association's reserve funding needs on a regular basis, and will do so again at this meeting. The goal has been and remains, to maintain a balanced approach in reserve contributions versus projected expenditures for the Association.

As a member of the Association, your presence and comments are welcome at this meeting. Any comments will be considered by the Board of Directors prior to taking formal action on the proposed budget.

As noted on the Agenda, open budget discussion with Association members is scheduled from 10:45 a.m. to 11:00 a.m., Eastern time on November 5, 2019.

If you have any questions or would like any additional information, please contact Rajka Osim, General Manager, by telephone at 954-767-1147 or by email at Rajka.Osim@vacationclub.com.

Sincerely,

Jeremy P. Poplawski

Secretary

BeachPlace Towers Condominium Association, Inc.

**BeachPlace Towers Condominium Association, Inc.
Finance Committee Meeting**

November 4, 2019 at 1:00 p.m., Eastern Time

Marriott's BeachPlace Towers
Overlook Lounge (Located on the 19th Floor)
21 South Fort Lauderdale Beach Boulevard
Fort Lauderdale, Florida 33316

Agenda

- Call to Order
- Roll Call
- Proof of Notice of Finance Committee Meeting
- Appointment of Recording Secretary
- Approval of Agenda
- Review of 2019 Financials and Projections
- Review of Reserve Fund
- Review of Proposed 2020 Maintenance Fee Budget
- New Business
 - Establishment of 2020 Finance Committee Meeting Dates
- Adjournment

**BeachPlace Towers Condominium Association, Inc.
Board of Directors Meeting**

November 5, 2019 at 9:00 a.m., Eastern Time

Marriott's BeachPlace Towers
Overlook Lounge (Located on the 19th Floor)
21 South Fort Lauderdale Beach Boulevard
Fort Lauderdale, Florida 33316

Agenda

- Call to Order
- Establishment of Quorum and Roll Call
- Proof of Notice of Board of Directors Meeting
- Appointment of Recording Secretary
- Approval of Agenda
- Approval of Previous Meeting Minutes
 - May 7, 2019 Board of Directors Meeting
 - June 5, 2019 Board of Directors Special Meeting
 - July 5, 2019 Nominating Committee Meeting
 - July 24, 2019 Board of Directors Meeting
 - August 30, 2019 Board of Directors Meeting
- Operations Resort Update
- Investment Update
- Financial Report
 - Reserve Fund Projects Review
 - Proposed 2020 Budget
(Open Budget Discussion with Owners: 10:45 a.m. – 11:00 a.m.)
 - Approval of 2020 Budget
- New Business
 - THOR Equities/Mall Update
 - Establishment of 2020 Board and Annual Meeting Dates
- Adjournment

BEACHPLACE TOWERS CONDOMINIUM ASSOCIATION, INC.

2020 Estimated Operating Budget

For The Period Beginning January 1, 2020 And Ending December 31, 2020

	2019 BUDGETED EXPENSES 10,609 UNIT WEEKS (PER UNIT WEEK)	2020 PROPOSED BUDGET 10,609 UNIT WEEKS (PER UNIT WEEK)	2019 BUDGET VS 2020 BUDGET INCREASE/(DECREASE)		2020 PROPOSED BUDGET TOTAL \$	Commercial Units (5) \$
			\$	%		

Revenue						
Association Fees - Commercial Units	0.00	0.00	0.00	0.0%	1,823	1,823
GOLD (WEEKS 18 - 21,35 - 50)	1,596.33	2,122.35	526.02	33.0%	8,525,537	0
PLATINUM (WEEKS 1 - 17,22 - 34,51 - 52)	1,624.08	2,150.51	526.43	32.4%	14,176,255	0
Bank/Investment Interest	8.05	16.76	8.71	108.2%	177,828	0
Garage Rental Income	68.96	69.18	0.22	0.3%	733,932	0
Late Fees	5.45	4.61	(0.84)	(15.4%)	48,878	0
Maintenance Fee Interest Income	14.39	12.75	(1.64)	(11.4%)	135,279	0
Other Income	0.51	0.11	(0.40)	(78.4%)	1,150	0
Total Maintenance Fee Revenue					23,800,682	1,823

Expenses						
Accounting	24.65	25.90	1.25	5.1%	274,838	27
Activities	58.76	55.10	(3.66)	(6.2%)	584,593	0
Administration	63.33	65.24	1.91	3.0%	692,206	69
Audit Fee	1.64	1.39	(0.25)	(15.2%)	14,750	1
Bad Debt Expense	5.05	5.05	0.00	0.0%	53,622	0
Billing and Collections	11.16	10.13	(1.03)	(9.2%)	107,516	0
Board of Directors	1.96	2.09	0.13	6.6%	22,226	2
Cable Television	5.79	4.39	(1.40)	(24.2%)	46,583	0
Credit Card Fee	24.33	30.44	6.11	25.1%	322,931	0
Division of the Condominium, Timeshare, and Mobile Homes Fee (FL)	2.00	2.00	0.00	0.0%	21,218	0
Easement Agreement ²	7.07	7.07	0.00	0.0%	75,000	0
Electricity	45.45	45.05	(0.40)	(0.9%)	478,015	48
Front Desk	171.23	182.69	11.46	6.7%	1,938,174	0
Gas	6.29	5.53	(0.76)	(12.1%)	58,653	6
High Speed Internet	3.44	4.11	0.67	19.5%	43,614	0
Housekeeping ⁶	240.93	263.95	23.02	9.6%	2,800,565	280
Human Resources	13.21	23.33	10.12	76.6%	247,561	25
Income Tax	15.30	25.19	9.89	64.6%	267,293	0
Insurance	69.06	100.23	31.17	45.1%	1,063,396	106
Landscape / Grounds	1.37	1.37	0.00	0.0%	14,566	1
Legal	1.89	1.89	0.00	0.0%	20,000	2
Loss Prevention / Security	63.93	65.76	1.83	2.9%	697,723	70
Maintenance	145.39	147.61	2.22	1.5%	1,566,118	157
Management Fee	146.69	194.53	47.84	32.6%	2,063,965	206
Operating Capital	0.00	0.00	0.00	0.0%	0	0
Other Expenses	0.00	0.00	0.00	0.0%	0	0
Owner Services ⁵	0.00	46.24	46.24	100.0%	490,525	0
Pest Control	1.42	1.42	0.00	0.0%	15,081	2
Pool Maintenance	42.43	40.32	(2.11)	(5.0%)	427,754	0
Postage and Printing	2.88	2.91	0.03	1.0%	30,846	0
Refuse Collection	9.00	9.84	0.84	9.3%	104,408	10
Rent for Recreation	0.00	0.00	0.00	0.0%	0	0
Taxes upon Association Property	0.00	0.00	0.00	0.0%	0	0
Taxes upon Leased Areas	0.00	0.00	0.00	0.0%	0	0
Telephone	6.00	6.25	0.25	4.2%	66,306	0
Transportation / Garage / Parking	37.69	14.56	(23.13)	(61.4%)	154,452	0
Water and Sewer	27.09	19.31	(7.78)	(28.7%)	204,855	20
Operating Fee	1,256.43	1,410.89	154.46	12.3%	14,969,353	1,034

Total Net Operating	1,159.07	1,307.48	148.41	12.8%	13,872,286	1,034
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Reserve Fee ⁷	367.50	744.06	376.56	102.5%	7,894,475	789
Operating And Reserve Fee	1,623.93	2,154.95	531.02	32.7%	22,863,828	1,823

Estimated Property Tax¹						
GOLD (WEEKS 18 - 21,35 - 50)	69.76	70.81	1.05	1.5%	284,444	0
PLATINUM (WEEKS 1 - 17,22 - 34,51 - 52)	97.51	98.97	1.46	1.5%	652,410	0
Total Maintenance Fee Plus Property Tax					23,800,682	1,823

Club Dues ⁴	4.00	4.00	0.00	0.0%	-----	-----
International Owners Surcharge ³	34.50	34.50	0.00	0.0%	-----	-----
Owner Service Fee ⁵	44.89	0.00	(44.89)	(100.0%)	-----	-----

BEACHPLACE TOWERS CONDOMINIUM ASSOCIATION, INC.
2020 Estimated Operating Budget Notes
For The Period Beginning January 1, 2020 And Ending December 31, 2020

Notes to the 2020 Estimated Operating Budget

1) Florida law requires the Managing Entity hired by the Association to collect ad valorem taxes assessed by the Broward County Property Appraiser's Office. The exact amount of the taxes levied on each separate timeshare estate may vary depending on the value of the timeshare estate and will not be known for certain until November of the year of the assessment. So as to meet the statutory requirement that the Tax Collector's Office only accept "full payment", and so as to have the necessary funds on hand to make payment as soon as possible once the tax bill is received by the Managing Entity in order to receive a discount for early payment, the Managing Entity will bill owners for their proportionate share of the taxes in January. Accordingly, the amount collected each year will be an estimate of the amount of ad valorem taxes that will be levied against individual timeshare estates. When the final bill is available, the amount collected for each timeshare estate will be adjusted accordingly, and overpayments, if any, may reduce the subsequent year's assessment, subject to other budgetary factors.

Estimated 2020 Ad Valorem Taxes	AVERAGE
GOLD (WEEKS 18 - 21,35 - 50)	\$70.81
PLATINUM (WEEKS 1 - 17,22 - 34,51 - 52)	\$98.97

2) The Developer entered into an Easement, Maintenance and Operating Agreement ("Shared Facilities Agreement") with BeachPlace Partners, a Florida general partnership ("BeachPlace Partners") dated as of November 21, 1995, for certain reciprocal easements and shared maintenance responsibilities and costs. Upon the recordation of the Declaration of Condominium for BeachPlace Towers Condominium the Association succeeded to all of the Developer's rights and obligations under the Shared Facilities Agreement and any costs and expenses (including amounts for resurfacing) incurred by the Association pursuant to the Shared Facilities Agreement are considered Condominium Common Expenses.

3) International Owner's fee of eighty four dollars and seventy four cents (\$84.74), thirty four dollars and fifty cents (\$34.50) higher than domestic, includes additional costs for postage, personal delivery, increased frequency of and costs associated with long-distance telephone calls, translation costs, telefacsimile communications and labor costs for additional, special support staff. The fee may, from time to time, be increased to reflect any increase in cost of providing services, provided, however, any such increase shall not exceed one hundred and fifteen percent (115%) of the immediately preceding year's fee, unless approved in advance by the majority of all Owners.

4) The Resort Affiliation Agreement (and thus membership in the Club for every Owner of a Unit Week in a Club Unit) is a Limited Common Element of each Club Unit. Costs assessed by the Club Manager or otherwise incurred by the Association pursuant to the Resort Affiliation Agreement constitute Multisite Timeshare Plan Common Expenses, to be apportioned only among Owners of Timeshare Estates in Club Units.

5) 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.

6) Certain operating expenses are presented in the budget net of funds estimated to be reimbursed to the Association in 2020, including but not limited to: (i) funds received from MVC Trust Owners Association, Inc. and MVC Exchange Company to account for housekeeping expenses necessitated by nightly use of accommodations by MVC Trust members and Marriott Vacation Club Destinations Exchange Program members, and (ii) fees paid to the Association by transient guests who voluntarily elect to receive a daily room cleaning.

7) The reserve assessments are calculated to provide funds equal to the total estimated deferred maintenance and capital expenditures over the remaining useful lives of the assets. The calculation considers such factors as inflation and earnings on invested funds, and may be adjusted each year for changes in estimates and deferred maintenance performed during the year.

Florida Law requires the Association to maintain reserves for deferred maintenance and capital expenditures, based on the estimated useful life and replacement cost of each reserve item. The Association is accumulating funds for repairs and replacements over the remaining useful lives of the components based on estimates of current replacement costs. Actual expenditures may vary from the estimated replacement costs.

The itemized estimate of the remaining life and estimated replacement of the major components are listed below:

- * Roof Replacement – includes both unit roof replacement and common area.
- * Furniture and Fixtures – includes replacement of unit furnishings, equipment, and appliances.
- * Building Painting – includes unit building painting.
- * External Building Maintenance – includes unit building-related equipment items.
- * Common Area Rehabilitation – provides for site lighting, irrigation systems, and common area maintenance.

Components	Estimated Useful Life In Yrs	Estimated Replacement Cost	Estimated Remaining Useful Years	Anticipated Beginning Fund Balance As Of January 1, 2020	Contribution For 2020
Roof Replacement	22	\$508,996	21	\$600,904	(\$3,428)
Furniture and Fixtures	12	\$33,659,773	11	(\$1,711,715)	\$5,449,145
Building Painting	10	\$1,594,770	9	\$551,911	\$90,758
External Building Maintenance	15	\$4,469,546	13	\$1,033,229	\$207,038
Common Area Rehabilitation	15	\$14,081,504	4	\$3,096,700	\$2,150,962
TOTAL		\$54,314,589		\$3,571,029	\$7,894,475

As permitted by Florida Statute 721, reserve funds may be reallocated between the reserve components by the Board at a duly called meeting.

Notes From 2018 Audit: Certain services, including off-site accounting and administration, and reservations, are provided by MRHC and allocated to the Association based on the number of unit weeks, as a percentage of total unit weeks the respective service covers. The amount due to MRHC at December 31, 2018 and 2017 was \$5 and \$55,554, respectively. Marriott Vacations Worldwide Corporation ("MVWC"), the current indirect parent company of MRHC, pays all invoices on behalf of the Association, subject to reimbursement by the Association. The net amount due to MVWC at December 31, 2018 and 2017 was \$68,512 and \$40,397, respectively.

MRHC collects annual maintenance fees on behalf of the Association. The amount of maintenance fees receivable due from MRHC at December 31, 2018 and 2017 was \$3,561,181 and \$982,152, respectively.