

**MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION, INC.
MINUTES OF THE BOARD OF DIRECTORS BUDGET MEETING
OCTOBER 19, 2007**

Board Members Present

Jimmy Lewis, President
Roy Miller, Vice President
Debra Ciano, Secretary
Anne Magdic, Treasurer
Gary Baker, Director
Greg Boyd, Director

Management Present

Mike Wray, Association Manager
Karen Hood, Association Accounting Manager
Patti Hitt, Assistant Accounting Manager
Jack Vitello, Director of Security

Owners Present

None


1. **Welcome/Call to Order/Roll Call – Determination of Quorum.** Jimmy Lewis called the meeting to order at 1:00 pm. As six of the seven board members were present by telephone, there was a quorum.

2. **Proof of Due Notice.** Mike Wray verified that notice of the budget meeting, along with copies of the proposed budgets, were mailed to the membership, as required. Notice was also posted on the property.

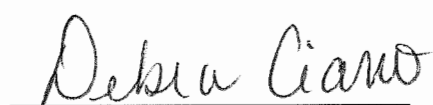
3. **2008 Budget Ratification.** Roy Miller made a motion that the proposed budget be ratified and Debra Ciano made the second. The motion was approved by a unanimous vote.

4. **Adjournment.** With there being no further business to discuss, Roy Miller made a motion to adjourn. Second was by Anne Magdic. The motion carried by unanimous vote. The meeting was adjourned at 1:05 pm.

Approved this 3RD day of NOVEMBER, 2007, by a unanimous vote of the Board of Directors of the Majestic Beach Resort Community Association, Inc.



Jimmy Lewis, President



Debra Ciano, Secretary

Attachments:

1. Owner Attendance Record
2. Ratified Budget for Tower One
3. Ratified Budget for Tower Two
4. Ratified Budget for the Community Association

**Majestic Board of Directors
2008 Budget Meeting
October 19, 2007**

SIGN-IN SHEET

NAME

TOWER #

UNIT #

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**MAJESTIC BEACH TOWER I, A CONDOMINIUM
2008 OPERATING BUDGET (AND COMPARISON TO 2007)**

<u>INCOME:</u>	2008 OPERATING BUDGET	2007 OPERATING BUDGET
Assessments:	1,717,101	1,717,101
TOTAL OPERATING INCOME	1,717,101	1,717,101
<u>OPERATING EXPENSES:</u>		
Community Property Expense	852,785	736,590
Insurance Expense	391,553	501,642
Insurance Expense Paid with W/C	-	(30,000)
Management Fees	118,598	118,598
Pest Control	8,412	8,376
R & M Fire System	8,515	6,000
R & M Equipment	4,000	4,000
R & M Buildings	25,580	32,428
R & M Elevator	36,244	32,300
Refuse	45,048	24,608
State Condo Fees	1,316	1,316
Utilities - Cable	62,232	57,732
Utilities - Electric	50,139	40,487
Utilities - Water/Sewer	123,495	97,240
Budget Offset from Working Capital	(96,600)	-
Replacement Reserves (Funds Transferred)	85,784	85,784
TOTAL OPERATING EXPENSE	1,717,101	1,717,101

MAJESTIC BEACH RESORT TOWER I

RESERVE CATEGORIES

Equipment	6,734
Elevators	16,667
Roof	13,383
Painting	49,000
TOTALS	85,784

MAJESTIC TOWER I CAPITAL RESERVE

	Estimated Balance at 12/31/07	Replacement Cost	Estimated Remaining Useful Life
Equipment	6734	117,500	12 to 27 years
Elevators	16667	300,000	17 years
Roof	13383	240,900	17 years
Painting	49000	245,000	4 years
TOTAL	85784		
TOTAL REPLACEMENT COST		903,400	

PROPOSED 2008 ASSESSMENTS

<i>UNIT TYPE</i>	<i>MONTHLY</i>	<i>QUARTERLY</i>	<i>ANNUALLY</i>
4 BEDRM A	737.18	2211.55	8,846.19
4 BEDRM B	742.82	2174.46	8,697.84
2 BEDRM C	394.69	1184.07	4,736.28
3 BEDRM D	542.58	1627.75	6,511.02
1 BEDRM E	340.20	1020.61	4,082.44
1 BEDRM F	337.46	1012.37	4,049.47
1 STUDIO G	196.43	589.29	2,357.15
2 BEDRM H	438.65	1315.94	5,263.76
1 STUDIO I	250.46	751.38	3,005.51
2 BEDRM J	499.54	1498.63	5,994.53
4 BEDRM K	724.82	2174.46	8,697.84

**MAJESTIC BEACH TOWER II, A CONDOMINIUM
2008 OPERATING BUDGET (AND COMPARISON TO 2007)**

<u>INCOME:</u>	2008 OPERATING BUDGET	2007 OPERATING BUDGET
Assessments:	1,181,605	1,181,605
TOTAL OPERATING INCOME	1,181,605	1,181,605
<u>OPERATING EXPENSES:</u>		
Community Property Expense	502,858	434,341
Insurance Expense	339,631	458,313
Insurance Expense Paid with W/C	-	(30,000)
Management Fees	69,936	69,936
Pest Control	4,956	4,944
R & M Fire System	8,065	5,000
R & M Equipment	4,000	3,500
R & M Buildings	56,038	19,889
R & M Elevator	25,689	21,503
Refuse	35,076	13,000
State Condo Fees	776	776
Utilities - Cable	36,696	34,704
Utilities - Electric	35,010	32,563
Utilities - Water/Sewer	70,317	53,009
Budget Offset from Working Capital	(67,570)	-
Replacement Reserves (Funds Transferred)	60,127	60,127
TOTAL OPERATING EXPENSE	1,181,605	1,181,605

MAJESTIC BEACH RESORT TOWER II

RESERVE CATEGORIES

Equipment	5,300
Elevators	11,842
Roof	10,184
Painting	32,800
TOTALS	60,127

MAJESTIC TOWER II CAPITAL RESERVE

	Estimated Balance at 12/31/07	Replacement Cost	Estimated Remaining Useful Life
Equipment	5300	100,300	13 to 28 years
Elevators	11843	225,000	18 years
Roof	10184	193,500	18 years
Painting	32800	196,800	5 years
TOTAL	60127		
TOTAL REPLACEMENT COST		715,600	

PROPOSED 2008 ASSESSMENTS

<i>UNIT TYPE</i>	<i>MONTHLY</i>	<i>QUARTERLY</i>	<i>ANNUALLY</i>
3 BEDRM A	605.62	1816.85	7,267.41
2 BEDRM B	465.56	1396.67	5,586.67
2 BEDRM C	384.68	1154.03	4,616.11
3 BEDRM D	502.25	1506.74	6,026.98
2 BEDRM E	386.25	1158.76	4,635.05
2 BEDRM F	508.96	1526.87	6,107.46
3 BEDRM G	665.98	1997.95	7,991.78

**MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION
2008 OPERATING BUDGET (AND COMPARISON TO 2007)**

	2008 Operating Budget	2007 Operating Budget
Revenue		
Alltel Lease	30,000	24,000
Total Revenue	<u>30,000</u>	<u>24,000</u>
Expense		
Payroll & Costs	407,402	417,763
Accounting	8,000	7,000
Activities Building Expense	93,806	86,583
Admin Expense	8,900	7,400
Depreciation Expense	4,495	3,550
DOT Surety Bond	1,050	499
Insurance	65,253	81,534
Landscaping/Grounds	29,794	28,892
Legal	1,000	1,000
License/Permits/Taxes	1,786	1,790
Luggage Carts	2,000	-
Maintenance Cart Lease	1,980	1,980
Mgt Contribution to Parking Garage	(4,795)	(5,129)
Owner's Communication	6,800	1,800
Owner's Meeting Expense	3,000	3,000
PCB Air Right Use Fee	16,756	16,935
R & M Parking Garage	5,000	3,500
R & M Parking Garage Elevator	5,118	4,468
R & M Pedestrian Walkover	31,310	9,175
R & M Pool and Spa	91,448	73,275
R&M Building	1,200	1,000
R&M Condo Maintenance Office	300	300
R&M Equipment	5,000	6,000
Security	288,038	158,703
Mgt Contribution to Security	(16,470)	-
Supplies & Tools	4,500	2,500
Taxes	698	500
Telephone	6,480	5,040
Uniforms	6,000	7,500
Utilities - Electricity	190,410	150,383
Utilities - Gas	51,110	54,600
Utilities -Irrigation	28,301	27,203
Replacement Reserves (Funds Transferred)	39,973	36,188
Total Operating Expense	<u>1,385,643</u>	<u>1,194,932</u>
Net Income/Loss	1,355,643	1,194,932

MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION

RESERVE CATEGORIES

Pavement	1,688
Elevators	4,167
Pools & Spas	11,833
Garage Walkovers	18,500
Total	36,188

MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION CAPITAL RESERVE

	Estimated Balance at 12/31/07	Replacement Cost	Estimated Remaining Useful Life
Pavement	1688	27,000	15 years
Elevators	4167	75,000	17 years
Pools & Spas	11833	99,000	7 to 8 years
Garage Walkovers	18500	100,000	3 to 4 years
TOTAL	36188		
TOTAL REPLACEMENT COST		301,000	