

MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION, INC.
MINUTES OF THE BOARD OF DIRECTORS BUDGET MEETING
NOVEMBER 16, 2006

Board Members Present

Jimmy Lewis, President
Roy Miller, Vice President (by telephone)
Jim Lewis, Secretary/Treasurer

Owners Present

None

Management Present

Tom Sparks, VP of Association Operations
Mike Wray, Association Manager
Karen Hood, Association Accountant
Patti Hitt, Accounting Supervisor
Danny Wilson, Maintenance Manager

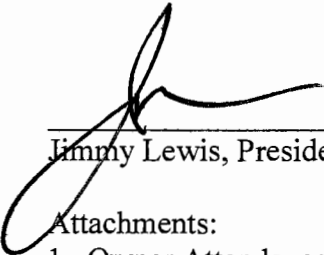
1. **Welcome/Call to Order/Roll Call – Determination of Quorum.** Jimmy Lewis called the meeting to order at 1:00 pm. As all three of the board members were present (Roy Miller by telephone), there was a quorum.
2. **Proof of Due Notice.** Mike Wray verified that notice of the budget meeting, along with copies of the proposed budgets, were mailed to the membership, as required. Notice was also posted on the property.
3. **Action Item: Ratification of 2007 Budget.** Jimmy Lewis noted that the law requires the Board of Directors to fully fund reserve accounts unless a majority of non-developer voting interests vote not to fund the reserves. Of the 255 votes required for a majority, only 143 ballots voting “not to fund” were returned prior to this meeting.

Roy Miller made a motion that the budget be ratified with full reserve funding and Jim Lewis made the second. The motion carried by unanimous vote.

4. **Other Business:** The Board agreed that the Association should charge a \$15.00 fee for completing condo lending questionnaires, as authorized by Chapter 718.111(12)(e)1, F.S.

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

Approved this 15TH day of JUNE, 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 Budget Meeting
November 16, 2006**

SIGN-IN SHEET

NAME

TOWER #

UNIT #

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**MAJESTIC BEACH TOWER I, A CONDOMINIUM
2007 OPERATING BUDGET (AND COMPARISON TO 2006)**

<u>INCOME:</u>	2007 OPERATING BUDGET	2006 OPERATING BUDGET
Assessments:	1,717,101	1,579,418
TOTAL OPERATING INCOME	1,717,101	1,579,418
 <u>OPERATING EXPENSES:</u>		
Community Property Expense	736,590	735,869
Insurance Expense	501,642	290,175
Insurance Expense Paid with W/C	(30,000)	-
Management Fees	118,598	112,952
Pest Control	8,376	7,896
R & M Fire System	6,000	11,000
R & M Equipment	4,000	10,000
R & M Buildings	32,428	19,442
R & M Elevator	32,300	27,950
Refuse	24,608	35,000
Refuse Roll Off	-	16,800
Security Expense	-	122,583
State Condo Fees	1,316	1,316
Utilities - Cable	57,732	54,372
Utilities - Electric	40,487	42,330
Utilities - Water/Sewer	97,240	91,733
Replacement Reserves (Funds Transferred)	85,784	-
TOTAL OPERATING EXPENSE	1,717,101	1,579,418

RESERVE CATEGORIES	FULL FUNDING REQUIREMENTS
Equipment	6,734
Elevators	16,667
Roof	13,383
Painting	49,000
TOTALS	85,784

BOARD PROPOSED BUDGET
ASSESSMENTS WITH FULL FUNDING RESERVES (\$85,784)

UNIT TYPE	MONTHLY	QUARTERLY	ANNUALLY
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

ASSESSMENTS WITH NO FUNDING RESERVES (\$0)

UNIT TYPE	MONTHLY	QUARTERLY	ANNUALLY
4 BEDRM A	690.58	2,071.74	8,286.97
4 BEDRM B	679.00	2,037.00	8,148.00
2 BEDRM C	369.74	1,109.22	4,436.87
3 BEDRM D	508.28	1,524.85	6,099.41
1 BEDRM E	318.70	956.09	3,824.36
1 BEDRM F	316.12	948.37	3,793.48
1 STUDIO G	184.01	552.04	2,208.14
2 BEDRM H	410.92	1,232.75	4,931.00
1 STUDIO I	234.63	703.88	2,815.51
2 BEDRM J	467.96	1,403.89	5,615.58
4 BEDRM K	679.00	2,037.00	8,148.00

MAJESTIC TOWER I CAPITAL RESERVE

	Balance at 12/31/06	Replacement Cost	Estimated Remaining Useful Life
Equipment	0	117,500	13 to 28 years
Elevators	0	300,000	18 years
Roof	0	240,900	18 years
Painting	0	245,000	5 years
TOTAL	0	903,400	
TOTAL REPLACEMENT COST		903,400	

**MAJESTIC BEACH TOWER II, A CONDOMINIUM
2007 OPERATING BUDGET (AND COMPARISON TO 2006)**

<u>INCOME:</u>	2007 OPERATING BUDGET	2006 ESTIMATED BUDGET FROM CONDO DOCS
Kitchen and Café Lease	-	12,000
Vending	-	3,000
Assessments:	1,181,605	819,440
TOTAL OPERATING INCOME	1,181,605	834,440

OPERATING EXPENSES:

Community Property Expense	434,341	238,500
Insurance Expense	458,313	278,650
Insurance Expense Paid with W/C	(30,000)	-
Legal	-	600
License / Permits	-	75
Management Fees	69,936	46,800
Pest Control	4,944	4,710
R & M Fire System	5,000	5,800
R & M Equipment	3,500	4,000
R & M Buildings	19,889	14,000
R & M Elevator	21,503	10,000
Refuse	13,000	16,250
Refuse Roll Off	-	-
Security Expense	-	48,000
State Condo Fees	776	776
Telephone Expense	-	2,950
Uniforms	-	1,975
Utilities - Cable	34,704	100,104
Utilities - Electric	32,563	33,750
Utilities - Water/Sewer	53,009	27,500
Replacement Reserves (Funds Transferred)	60,127	-
TOTAL OPERATING EXPENSE	1,181,605	834,440

RESERVE CATEGORIES	FULL FUNDING REQUIREMENTS
Equipment	5,300
Elevators	11,842
Roof	10,184
Painting	32,800
TOTALS	60,127

BOARD PROPOSED BUDGET
ASSESSMENTS WITH FULL FUNDING RESERVES (\$60,127)

UNIT TYPE	MONTHLY	QUARTERLY	ANNUALLY
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

ASSESSMENTS WITH NO FUNDING RESERVES (\$0)

UNIT TYPE	MONTHLY	QUARTERLY	ANNUALLY
3 BEDRM A	567.92	1,703.76	681,504.00
2 BEDRM B	436.58	1,309.73	5,238.93
2 BEDRM C	360.73	1,082.19	4,328.77
3 BEDRM D	470.99	1,412.96	5,651.82
2 BEDRM E	362.21	1,086.63	4,346.53
2 BEDRM F	477.28	1,431.83	5,727.30
3 BEDRM G	624.53	1,873.58	7,494.33

MAJESTIC TOWER I CAPITAL RESERVE

	Balance at 12/31/06	Replacement Cost	Estimated Remaining Useful Life
Equipment	0	100,300	14 to 29 years
Elevators	0	225,000	19 years
Roof	0	193,500	19 years
Painting	0	196,800	6 years
TOTAL	0	715,600	
TOTAL REPLACEMENT COST		715,600	

**MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION
2007 OPERATING BUDGET (AND COMPARISON TO 2006)**

	2007 Operating Budget	2006 Operating Budget
Revenue		
Alltel Lease	24,000	-
Total Revenue	<u>24,000</u>	<u>-</u>
Expense		
Payroll & Costs	417,763	341,104
Accounting	7,000	7,000
Activities Building Expense	86,583	-
Admin Expense	7,400	7,400
Depreciation Expense	3,550	2,760
DOT Surety Bond	499	1,000
Insurance	81,534	90,533
Landscaping/Grounds	28,892	26,492
Legal	1,000	1,000
License/Permits/Taxes	1,790	2,750
Maintenance Cart Lease	1,980	1,980
Owner Services Start Up	-	750
Owner's Communication	1,800	-
Owner's Meeting Expense	3,000	-
PCB Air Right Use Fee	16,935	16,128
R & M Parking Garage	3,500	1,450
R & M Parking Garage Elevator	4,468	4,348
Mgt Contribution to Parking Garage	(5,129)	-
R & M Pedestrian Walkover	9,175	1,975
R & M Pool and Spa	73,275	77,891
R&M Building	1,000	250
R&M Condo Maintenance Office	300	300
R&M Equipment	6,000	2,500
Security	158,703	75,178
Supplies & Tools	2,500	2,500
Taxes	500	500
Telephone	5,040	8,075
Uniforms	7,500	7,500
Utilities - Electricity	150,383	123,120
Utilities - Gas	54,600	52,560
Utilities - Water and Sewer	27,203	13,350
Replacement Reserves (Funds Transferred)	36,188	-
Total Operating Expense	<u>1,194,932</u>	<u>870,394</u>
Net Income/Loss	1,170,932	870,394

MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION

RESERVE CATEGORIES	Full Funding Requirements
Pavement	1,688
Elevators	4,167
Pools & Spas	11,833
Garage Walkovers	18,500
Total	36,188

MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION CAPITAL RESERVE

		Replacement Cost	Estimated Remaining Useful Life
Balance at 12/31/06			
Pavement	0	27,000	16 years
Elevators	0	75,000	18 years
Pools & Spas	0	99,000	8 to 9 years
Garage Walkovers	0	100,000	5 to 6 years
TOTAL	0	301,000	
TOTAL REPLACEMENT COST		301,000	