

BAYSHORE CONDOMINIUM ASSOCIATION OF PENSACOLA, INC.

825 Bayshore Drive
Pensacola, Florida 32507



Phone (850) 455-9702
Fax (850) 457-0987

December 21, 2006

Unit Owners
Bayshore Condominium

Ladies and Gentlemen:

On behalf of the Board of Directors, in order that the Association comply with the Bayshore Condominium's governing Declaration, I enclose the Budget and the Monthly Maintenance Fees for next year, 2007, which were adopted by the Board of Directors at its meeting tonight.

If you have any questions concerning these documents, do not hesitate to call me at 453-3271 or contact any member of the Board of Directors.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Frederick G. Gund', written over a circular scribble.

Frederick G. Gund
Treasurer
For The Board of Directors

Enclosures

BAYSHORE CONDOMINIUM ASSOCIATION OF PENSACOLA, INC.

OPERATING BUDGET

JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

REVENUES

| | |
|---|------------|
| Maintenance Fees | \$ 524,160 |
| Rent Income | 5,400 |
| Garage Special Assessment - 10 Year Payments | 7,380 |
| SBA Loan Special Assessment Payments | 70,250 |
| Ivan Special Assessment - Four-Year Financing Payments | 28,500 |
| Laundry Income | 8,500 |
| Late Fees | 1,200 |
| Service Calls | 750 |
| Miscellaneous Income | 400 |
| Interest Income | 13,984 |
| Carryover From 2006--Operating Accounts | 10,000 |
| Carryover From 2006--Garage Special Assessments | 25,000 |
| Carryover From 2006--SBA Loan Proceeds | 200,000 |
| Carryover From 2006--Ivan Special Assessment Funds | 200,000 |
| Carryover From 2006--Ivan Deductible Special Assessment Funds | 34,225 |

TOTAL REVENUES

\$ 1,129,749

EXPENDITURES

| | |
|--|---------|
| Office Administration | 3,000 |
| Legal | 1,500 |
| Accounting & Auditing | 5,000 |
| Telephone and Internet Access | 3,000 |
| Manager's Salary | 36,000 |
| Maintenance Man's Salary | 25,000 |
| Janitor's Salary | 19,000 |
| Doomen's Salaries - Security | 61,152 |
| Payroll Taxes | 11,600 |
| Janitor Supplies | 3,000 |
| Maintenance Supplies | 5,000 |
| Auto Allowance | 200 |
| Contract Services | 7,000 |
| SBA Loan Funds Authorized Expenditures | 200,000 |
| Ivan Special Assessment Funds Authorized Expenditures | 200,000 |
| Ivan Deductible Special Assessment Funds Authorized Expenditures | 34,225 |
| Uniforms | 500 |
| Elevator Contract & Service | 21,000 |
| Pool Maintenance & Supplies | 3,500 |
| Lawn Care | 1,000 |
| Insurance - Property/Liability/D&O/W-C | 166,000 |
| Taxes & Licenses - On Association Property & Other | 3,000 |
| Fees to Condominium Division | 392 |
| Rent for Recreational & Commonly Used Facilities | N/A |
| Taxes on Leased Areas | N/A |
| Electricity | 28,000 |
| Water | 17,000 |
| Sewer | 16,000 |
| Natural Gas | 350 |
| Garbage Service | 4,500 |
| Pest Control | 3,000 |
| Cable Television Service | 30,500 |
| Secretary Fees | 200 |
| Loan Principal and Interest Payments - Garage Repair Debt | 12,120 |
| Loan Principal and Interest Payments - SBA | 70,250 |
| Loan Principal and Interest Payments - Four-Year Financing Debt | 28,500 |
| Contingencies | 10,000 |
| Working Capital - Operating Fund | 15,000 |
| Working Capital - Garage 10-Year Payments | 20,260 |
| Funding Reserves | 64,000 |

TOTAL EXPENDITURES

\$ 1,129,749

BAYSHORE CONDOMINIUM ASSOCIATION OF PENSACOLA, INC.
 PROPOSED MONTHLY MAINTENANCE FEES
 JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

| | <u>Number</u> | <u>Percentage</u> | <u>2006 Monthly Maintenance Fees</u> | <u>Proposed 2007 Monthly Maintenance Fees</u> | <u>Increase (Decrease)</u> |
|----------------|---------------|-------------------|--|---|--------------------------------|
| One Bedroom | 30 | .95% 28.50% | \$416.00 | \$417.00 | \$1.00 |
| Two Bedroom | 51 | 1.00% 51.00% | \$437.00 | \$437.00 | \$0.00 |
| Three Bedroom | 15 | 1.10% 16.50% | \$478.00 | \$479.00 | \$1.00 |
| Penthouse West | 1 | 1.46% | \$627.00 | \$627.00 | \$0.00 |
| Penthouse East | 1 | 2.54% | \$1,073.00 | \$1,071.00 | (\$2.00) |

Fellow owners, please understand that the above 2007 proposed monthly maintenance fees do not include the SBA loan monthly assessments, nor installment amounts for those who elected long-term payment of the garage special assessment of 2002 or the 2006 Ivan special assessment.