

## Lakes At La Paz Condominium Association

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c/o Royal Management Group • 1234 Washington Ave. • Suite 200 • Miami Beach, FL 33139  
Phone: (305) 535-3575 • Facsimile: (305) 532-7242

06 January 2017

RE: Special Meeting of the Membership  
Discussion of the 2017 Budget

Dear Unit Owner,

Enclosed with this note you will find the following important documents:

- **Notice of a Special Meeting of the Membership**
  - o Notes about this document:
    - The purpose of this meeting is to discuss the 2017 Budget and to vote on the issue of Reserve Funding.
    - Your attendance at the Special Meeting is not required. Should you choose not to attend, the prompt return of your Limited Proxy/Ballot is both requested and appreciated.
  
- **Limited Proxy/Ballot**
  - o Notes about this document:
    - The Limited Proxy/Ballot is for the purpose of appointing another person to vote for you in the event you cannot attend the Special Meeting.
      - It must be signed by all owners of the unit. It may be withdrawn if you decide to attend the Special Meeting and/or wish to change your vote. Returning your Limited Proxy/Ballot in advance will help in the pre-registration of unit owners and ensure required quorum of Members.
    - You are being asked to decide on the question of reserve funding. Though you will be casting one vote, it will be essentially applicable to a two part question...Will the membership fully fund the reserves or not, and if not, will the reserves be partially or fully waived?
      - A vote to fully fund the reserves will be counted as a vote for full funding
      - A vote to partially fund the reserves will be counted as a vote against full funding.
      - A vote to waive the reserves will also be counted as a vote against full funding.
      - The results will be tabulated in accordance with the following example:
        - o 10 votes for full funding (\$817.45)
        - o 7 votes for waiver and partial funding (\$475)
        - o 6 votes for waiver and no funding (\$450.81)
        - o RESULT= waiver and partial funding (\$475)
          - 10 votes for full funding
          - 13 total votes against full funding
            - 7-6 in favor of partial funding
    - ***The Board of Directors unanimously favors PARTIAL reserve funding for Fiscal Year 2017 and encourages you to support that position with your vote for a monthly maintenance fee of \$475<sup>00</sup>***

- Given this funding level, the Association will continue to set aside monies into the Reserve accounts, and do so at a level that is almost three times greater than we have in the past.
  - At the end of FY 2017 there will be more than \$41,000 in the Reserve accounts.
  - During several budget workshops and meetings it was recognized that, should an emergency arise, this sum would be enough to start any project, while affording ample time for the gathering of additional capital.
  - It was recommended that targeting a monthly maintenance cost of \$475 would be prudent and beneficial to the Association.
  
- **Proposed 2016 Budget**
  - Notes about this document:
    - While certain costs beyond the Board's control have continued to rise, prudent spending and fiscal restraint helped keep other areas at or below last year's budget.
    - Additionally, the Board was able to significantly cut spending going forward in a few key areas, and the projected expenses for FY 2017 are approximately **\$38,000 less** than last year.
    - If you support the Board's recommendation of PARTIAL reserve funding, please note the following points:
      - **Maintenance payments will DECREASE by \$25 per month**
        - that's a 5% reduction
      - **Reserve funding will INCREASE to \$18,580 per year**
        - that's setting aside nearly 3 TIMES MORE than last year
      - **By the end of FY 2017...**
        - **both buildings will be restored, weatherproofed and painted**
        - **the parking lot will be re-surfaced and re-striped**
        - **a minor landscaping refresh will take place**
        - **there will be in excess of \$41,000 in the reserve accounts**

Members will be afforded a brief time to speak/ask questions at the Special Meeting, but to keep the process as efficient as possible, the Board will try to address concerns you may have prior to the Meeting. You may contact the Treasurer of the Association, Bill Fox (*Mon-Fri, 11 AM to 7 PM*), at (919) 868-8966.

We thank you in advance for your timely response and cooperation in returning your Limited Proxy/Ballot, and again encourage you to supply a "PARTIAL reserve funding" vote.

Regards,  
**Board of Directors**  
Lakes At La Paz Condominium Association, Inc.

*P.S. Please note, you may choose to vote electronically. To do so, you must register online at the Association's website, **[www.lakesatlapaz.com](http://www.lakesatlapaz.com)***

**Lakes At La Paz Condominium Association**

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06 January 2016

**NOTICE OF A  
- - - SPECIAL / 2017 BUDGET MEETING OF THE MEMBERSHIP - - -**

**DATE: Monday, January 23, 2017**  
**TIME: 6:00 PM**  
**PLACE: Recreation Clubhouse**  
7521 La Paz Blvd  
Boca Raton, FL 33433

**- - - AGENDA - - -**

- I. Roll Call**
- II. Establish Quorum**
- III. Proof Of Mailing**
- IV. Membership Vote on Reserve Funding**
- V. Results of Vote**
- VI. Board Vote on 2017 Budget**
- VII. Adjournment**

Respectfully Submitted  
**Board of Directors**  
Lakes At La Paz Condominium Association, Inc.

**Lakes At La Paz Condominium Association**

c/o Royal Management Group • 1234 Washington Ave. • Suite #200 • Miami Beach, FL 33139  
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**- - - LIMITED PROXY/BALLOT - - -**

**IMPORTANT:** *If you cannot attend the Special Meeting of the Membership, please complete, sign and date this Limited Proxy/Ballot and return it in the enclosed self-addressed, return envelope. If used, this form must be received no later than Monday, January 23, 2017. Forms received after that date will not be counted. Early returns are appreciated.*

**LIMITED PROXY**

The undersigned hereby appoints (Check only one of the choices below):

- \_\_\_\_\_ a) **Jack Chriqui**, President of the Association, on behalf of the Board of Directors.
- \_\_\_\_\_ b) \_\_\_\_\_

*[If you checked b), please write in the name of your proxy. If you fail to check either a) or b), this proxy will be deemed to appoint the President of the Association on behalf of the Board of Directors to cast your vote.]*

**my proxy, with full powers of substitution, for and in the names, place, stead of the undersigned, to appear at the Special Meeting of the Membership (2017 Budget Meeting), of The Lakes At La Paz Condominium Association, Inc., to be held on Monday, January 23, 2017, at 6:00 P.M., at the Recreation Club House, 7521 La Paz Blvd, Boca Raton, FL and at any adjournment thereof, to cast my vote, as indicated below, on the issue of Reserve Funding.**

**BALLOT**

PLEASE VOTE FOR ONLY ONE (1), if you vote for more than one (1), the Ballot portion of this Limited Proxy/Ballot will be invalid and will not be counted:

A vote for any option in this box shall be deemed a vote to WAIVE full funding of the Reserves

\_\_\_\_\_ **I vote to pay monthly maintenance fees of \$ 450<sup>81</sup>**  
Fiscal Year 2017 Budget of \$ 354,210 WITHOUT required reserve funding of \$ 196,737

\_\_\_\_\_ **I vote to pay monthly maintenance fees of \$ 475<sup>00</sup>**  
Fiscal Year 2017 Budget of \$ 354,210 with PARTIAL reserve funding (\$18,580 of \$ 196,737)

A vote for any option in this box shall be deemed a vote to NOT WAIVE full funding of the Reserves

\_\_\_\_\_ **I vote to pay monthly maintenance fees of \$ 817<sup>45</sup>**  
Fiscal Year 2017 Budget of \$ 354,210 WITH full reserve funding of \$196,737

\_\_\_\_\_  
(Unit Owner Name - Printed) (Unit Owner Signature)

Dated: \_\_\_\_\_, 2017

Unit Owner(s). Please do not complete the "Substitution Of Proxy" below: thank you, it is to be filled out by your proxy, and only in the event he/she cannot attend the Special Meeting of the Membership..

SUBSTITUTION OF PROXY: The undersigned appointed proxy above does hereby designate \_\_\_\_\_ to substitute for me in the proxy set forth.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_, 2017

**NOTE: This Limited Proxy/Ballot is valid for only Ninety (90) days from original Meeting date and may not be used for any other purpose than the Meeting that is was issued or any adjournment thereof. WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. Fully funding the reserves does NOT GUARANTEE there will not be special assessments.**

**Lakes at La Paz Condominium**  
**Proposed Monthly Maintenance - RESERVES WAIVED**  
February 1, 2017 - January 31, 2018

**OPERATING EXPENSES**

**Fixed Fees**

*(no alternate vendors available)*

Boca Pointe Association Fees	103,350	
Cable T.V.	29,361	
Dumpster Removal	2,500	
Electric	3,000	
FL Dept of Condo	256	
La Paz Recreation Association Fees	36,000	
Licenses, Permits & Fees	450	
Water & Sewer	28,800	
<i>Sub-total</i>		203,716

Insurance		
Wind	40,432	
Flood	10,549	
<i>Sub-total</i>		50,981

**Semi-Fixed Fees**

*(alternate vendors available)*

Insurance		
Umbrella	1,576	
Crime	658	
Directors & Officers	1,185	
Differences in Conditions	-	
General Liability	3,531	
<i>Sub-total</i>		6,950

Security / Fire Safety		
Fire Alarm Monitoring	1,000	
Fire Alarm Repairs	4,000	
Security Alarm Monitoring	8,573	
<i>Sub-total</i>		13,573

Elevator Service & Repairs		
Service & Repairs	4,400	
Telephone	840	
<i>Sub-total</i>		5,240

General & Administrative		
Financial Audit		
Legal	1,250	
Management Company Fee	14,100	
Office & Administration	768	
Web and Internet Services	480	
<i>Sub-total</i>		16,598

Physical / Groundskeeping		
General Repairs & Maint	14,500	
Irrigation Maintenance	2,000	
Janitorial	-	
Labor	23,000	
Labor Benefits	-	
Phone	-	
Supplies	1,200	
Landscape Supplies	1,000	
Lawn Maintenance	8,952	
Pest Control/Fertilization	2,500	
Tree Trimming	4,000	
<i>Sub-total</i>		57,152

**RESERVE FUNDING**

*(by Membership vote)*

Awnings	-	
Elevator	-	
Painting	-	
Parking Lot Surface	-	
Roof	-	
<i>Sub-total</i>		-

**TOTAL EXPENSES:** 354,210

**Prior Year's Surplus Applied**  
(not to exceed \$ 22,400)  
(>\$22,400 to be refunded): **7,987**

**Projected Monthly Maintenance**  
(per unit): **\$ 450.81**

**CONTINGENCIES**

*(based on current cash flow)*

Estimated Bad Debt		
contingency		
<i>Sub-total</i>		-

**Projected Monthly Maintenance**  
*(per unit, rounded to nearest dollar):* **\$ 450.81**

**Lakes at La Paz Condominium**  
**Proposed Monthly Maintenance - RESERVES PARTIALLY FUNDED**  
**February 1, 2017 - January 31, 2018**

**OPERATING EXPENSES**

**Fixed Fees**

*(no alternate vendors available)*

Boca Pointe Association Fees	103,350	
Cable T.V.	29,361	
Dumpster Removal	2,500	
Electric	3,000	
FL Dept of Condo	256	
La Paz Recreation Association Fees	36,000	
Licenses, Permits & Fees	450	
Water & Sewer	28,800	
<i>Sub-total</i>		203,716

Insurance		
Wind	40,432	
Flood	10,549	
<i>Sub-total</i>		50,981

**Semi-Fixed Fees**

*(alternate vendors available)*

Insurance		
Umbrella	1,576	
Crime	658	
Directors & Officers	1,185	
Differences in Conditions	-	
General Liability	3,531	
<i>Sub-total</i>		6,950

Security / Fire Safety		
Fire Alarm Monitoring	1,000	
Fire Alarm Repairs	4,000	
Security Alarm Monitoring	8,573	
<i>Sub-total</i>		13,573

Elevator Service & Repairs		
Service & Repairs	4,400	
Telephone	840	
<i>Sub-total</i>		5,240

General & Administrative		
Financial Audit		
Legal	1,250	
Management Company Fee	14,100	
Office & Administration	768	
Web and Internet Services	480	
<i>Sub-total</i>		16,598

Physical / Groundskeeping		
General Repairs & Maint	14,500	
Irrigation Maintenance	2,000	
Janitorial	-	
Labor	23,000	
Labor Benefits	-	
Phone	-	
Supplies	1,200	
Landscape Supplies	1,000	
Lawn Maintenance	8,952	
Pest Control/Fertilization	2,500	
Tree Trimming	4,000	
<i>Sub-total</i>		57,152

**RESERVE FUNDING**

*(by Membership vote)*

Awnings	1,900	
Elevator	7,400	
Painting	-	
Parking Lot Surface	1,900	
Roof	7,380	
<i>Sub-total</i>		18,580

**TOTAL EXPENSES:** 372,790

**Prior Year's Surplus Applied**  
(not to exceed \$ 22,400)  
(>\$22,400 to be refunded): **7,987**

**Projected Monthly Maintenance**  
(per unit): **\$ 475.00**

**CONTINGENCIES**

*(based on current cash flow)*

Estimated Bad Debt		
contingency		
<i>Sub-total</i>		0

**Projected Monthly Maintenance**  
*(per unit, rounded to nearest dollar):* **\$ 475.00**

**Lakes at La Paz Condominium**  
**Proposed Monthly Maintenance - RESERVES FULLY FUNDED**  
February 1, 2017 - January 31, 2018

**OPERATING EXPENSES**

**Fixed Fees**

*(no alternate vendors available)*

Boca Pointe Association Fees	103,350	
Cable T.V.	29,361	
Dumpster Removal	2,500	
Electric	3,000	
FL Dept of Condo	256	
La Paz Recreation Association Fees	36,000	
Licenses, Permits & Fees	450	
Water & Sewer	28,800	
<i>Sub-total</i>		203,716

Insurance		
Wind	40,432	
Flood	10,549	
<i>Sub-total</i>		50,981

**Semi-Fixed Fees**

*(alternate vendors available)*

Insurance		
Umbrella	1,576	
Crime	658	
Directors & Officers	1,185	
Differences in Conditions	-	
General Liability	3,531	
<i>Sub-total</i>		6,950

Security / Fire Safety		
Fire Alarm Monitoring	1,000	
Fire Alarm Repairs	4,000	
Security Alarm Monitoring	8,573	
<i>Sub-total</i>		13,573

Elevator Service & Repairs		
Service & Repairs	4,400	
Telephone	840	
<i>Sub-total</i>		5,240

General & Administrative		
Financial Audit		
Legal	1,250	
Management Company Fee	14,100	
Office & Administration	768	
Web and Internet Services	480	
<i>Sub-total</i>		16,598

Physical / Groundskeeping		
General Repairs & Maint	14,500	
Irrigation Maintenance	2,000	
Janitorial	-	
Labor	23,000	
Labor Benefits	-	
Phone	-	
Supplies	1,200	
Landscape Supplies	1,000	
Lawn Maintenance	8,952	
Pest Control/Fertilization	2,500	
Tree Trimming	4,000	
<i>Sub-total</i>		57,152

**RESERVE FUNDING**

*(by Membership vote)*

Awnings	13,643	
Elevator	9,899	
Painting	109,880	
Parking Lot Surface	4,982	
Roof	58,333	
<i>Sub-total</i>		196,737

**TOTAL EXPENSES:** 550,947

**Prior Year's Surplus Applied**  
(not to exceed \$ 22,400)  
(>\$22,400 to be refunded): **7,987**

**Projected Monthly Maintenance**  
(per unit): **\$ 706.98**

**CONTINGENCIES**

*(based on current cash flow)*

Estimated Bad Debt		
contingency		
<i>Sub-total</i>		84,838

**Projected Monthly Maintenance**  
*(per unit, rounded to nearest dollar):* **\$ 817.45**

Lakes at La Paz Condominium  
**Proposed Budget - Supporting Documentation**  
February 1, 2017 - January 31, 2018

**Reserve Schedule**

Item	Estimated Life (Years)	Replacement Value	Estimated Remaining Life (Years)	Current Reserve (as of 12/01/2016)	Balance Due Reserves (Replacement Value - Current Reserve)	Required FY 2016 Funding (Balance due / Estimated Remaining Life)
Awnings	22.5	\$ 195,000	14	\$ 3,996	\$ 191,004	\$ 13,643
Elevator	30	\$ 100,000	8	\$ 20,809	\$ 79,191	\$ 9,899
Painting	8	\$ 125,000	1	\$ 15,120	\$ 109,880	\$ 109,880
Parking Lot Surface	10	\$ 35,000	6	\$ 5,111	\$ 29,889	\$ 4,982
Roof (Tile and Flat)	25	\$ 875,000	15	\$ 0	\$ 875,000	\$ 58,333
						<b>\$ 196,737</b>

**notes:**

(1) In addition to the reserve allocations above, there is a reserve account (created prior to the change in management company) containing ~\$13,700 that was "unallocated" for any particular expense. The membership recently approved a measure allowing this money to be used to offset a part of the Special Assessment being levied for the resoration and painting of both buildings.

(2) By the end of FY 2016 (January 31, 2016), it is estimated the total reserve holdings will be at least \$61,800.