

MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION, INC.  
MINUTES OF THE BOARD OF DIRECTORS MEETING  
OCTOBER 20, 2006

Board Members Present

Jimmy Lewis, President  
Roy Miller, Vice President  
Jim Lewis, Secretary/Treasurer

Insurance Agent

Tom Provost

Owners Present

None

Management Present

Andy Phillips, General Manager  
Tom Sparks, VP of Association Operations  
Mike Wray, Association Manager  
Teresa Parker, Association Accountant  
Karen Hood, Accounting Manager  
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 pm. As all three of the board members were present, there was a quorum.
2. ***Proof of Due Notice.*** Mike Wray verified that the notice of the meeting and agenda were posted on the property as required by Chapter 718, F.S., and the By-Laws.
3. ***Reading and Disposing of Unapproved Minutes.***

Roy Miller made a motion to dispense with reading the minutes from the May 24, 2006, Board meeting and accept them as written. Second was by Jim Lewis. The motion carried by unanimous vote.

4. ***Reports.***

a. Jimmy Lewis said that construction was complete and the project manager will close the construction office and depart the resort on Tuesday, October 24, 2006. Information on how to reach the general contractor, B.L. Harbert, will be posted on the Association web site.

b. Mike Wray gave a brief overview of some of the activity at the resort since the last Board meeting. Mr. Wray stated that he had a full report that could be attached to the minutes. Roy Miller made a motion to attach the report and Jim Lewis made the second. The motion carried by unanimous vote.

5. ***Action Items.***

a. ***Approval of Resolution on Hurricane Shutters.*** Jimmy Lewis explained that the Condominium Act requires the Board to establish a hurricane shutter policy. He made it clear that unit owners, not the Association, are responsible for the cost of purchasing, installing, removing, maintaining, and storing these protective devices. Owners must get management approval before installation to make sure there will be no damage to the buildings. In particular, tower two is constructed with post-tensioned cables which could easily be damaged or break

while drilling for anchor bolts during installation. Roy Miller made a motion to adopt the resolution. Second was by Jim Lewis. The motion carried by unanimous vote. The approved resolution is attached.

b. ***Approval of Resolution on Towing.*** Jimmy Lewis explained that there are occasionally parking problems at the resort, particularly in the reserved areas marked by the yellow poles, and gave a verbal synopsis of the resolution. Roy Miller asked if towing company signs were posted, and Mike Wray stated they were. Roy Miller made a motion to adopt the resolution. Second was by Jim Lewis. The motion carried by unanimous vote. The approved resolution is attached.

c. ***Approval to mail 2007 Draft Budgets to the Owners.*** Patti Hitt gave the Board a line-by-line presentation of the recommended budgets. Jimmy Lewis noted that the proposed budgets contained full funding for reserve accounts. He stated that the developer exercised the option to waive reserve funding for the first two fiscal years of the Association's operation, as permitted by Chapter 718, F.S., but the developer no longer had that option for 2007. The law requires the Board to fully fund reserves, unless funding is waived by a vote of the majority of non-developer voting interests. To help offset the impact of rising insurance costs, the 2007 budgets reflect using \$30K from each tower's working capital account to apply toward that individual tower's insurance expense. Roy Miller made a motion that the proposed budgets be mailed to the membership. Second was by Jim Lewis. The motion carried by unanimous vote. A ballot for voting on whether or not to fund reserves for 2007 will be mailed with each budget. The Board of Directors meeting to ratify the budgets was set for November 16, 2006, at 1 pm.

## 6. ***Other Business.***

a. ***Insurance:*** Jimmy Lewis noted that a large part of the increase in tower one's assessments from 2005 to 2006 was due to insurance. Fortunately, the Association's insurance agent, Tom Provost, was able to renew tower one's wind policy in June for about \$200K less than expected. Mr. Provost explained that he was able to do this only because the developer and contractor worked very hard to complete tower two and get certificates of occupancy before a major scheduled increase in Citizens wind rates. Because tower two was admitted by Citizens in May before the increase, tower one was able to get its Citizens policy at that lower rate when it came due in June.

Mr. Provost stated that he had reviewed every policy in effect at Majestic, and he felt sure the insurance budget numbers were as accurate as they can be based on the various insurance prediction models available. Even though there have no land falling tropical storms so far in 2006, it does not look as if rates will go down in 2007. He stated that the contractor and developer had completed a mitigation application that he had submitted to Citizens in hopes that it might reduce premiums because of how well the buildings were constructed. He said that it would take several months to hear back, and, even though it was the most likely hope of reducing premiums, there was no guarantee it would. The only other way to reduce premiums would be to raise the hurricane deductible from three to five or even 10%. However, any premium reduction would be offset by substantial increases in the deductible amounts that would have to be assessed to pay for storm damage repairs.

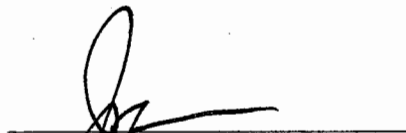
Because the National Flood Insurance Program (NFIP) does not cover damage to the first floor in a "V" rated flood zone, Mr. Provost encouraged the owners to fully fund reserves so they will at least have some money set aside, should it ever be needed for emergency storm repairs.

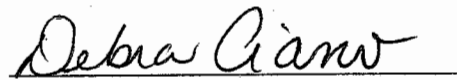
**b. Alltel Contract:** Andy Phillips presented the Board with a proposal from Alltel to install cellular antennas on the top level of the parking garage. Alltel will pay the Association \$24K per year to lease the space, and the contract would be for five years. Roy Miller stated that he is a member of other associations that benefit from similar contracts. Mr. Miller made a motion to approve the lease, provided there is a provision in the contract to indemnify the Association. Mr. Phillips stated that he thought the contract already contained that provision, and would make sure that it does before signing. Second was by Jim Lewis. The motion carried by unanimous vote.

**7. Dates of Next Board of Directors Meetings.** The following meeting dates were set for the remainder of 2006: Budget Ratification Meeting at 1 pm on November 16<sup>th</sup>, and the Organizational Meeting on December 16<sup>th</sup>, immediately following the Annual Owners Meeting that begins at 10 am.

**8. Adjournment.** With there being no further business to discuss, Roy Miller made a motion to adjourn, Jim Lewis made the second, and the vote was unanimous. The meeting was adjourned at 2:33 pm.

Approved this 15<sup>th</sup> 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. Manager's Report
2. Adopted Resolution for Hurricane Shutters
3. Adopted Resolution for Towing

Majestic Board of Directors Meeting  
October 20, 2006

SIGN-IN SHEET

	<u>NAME</u>	<u>TOWER #</u>	<u>UNIT #</u>
1.	Tom Provest -	Guest	(Fisher Brown Insurance)
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			

**Manager's Report**  
**Board of Directors Meeting**  
**October 20, 2006**

- We had a very busy summer! There were lots of owners and guests enjoying the resort, and I think the entire staff did a great job of keeping up with all the activity.
  
- Since the last board meeting on May 24<sup>th</sup>, tower two has opened and all the units sold pre-construction have closed. There were lots of move-ins to coordinate and it was a challenge for everyone involved with only one elevator on the North side of the road. Both Owner Services and Rental Services had their hands full with new owners wanting keys and owner packages. Owner Services and Security were swamped with movers and decorators wanting to get in to units, and Maintenance did its best to get all the abandoned boxes into the dumpsters and keep the trash hauled off. Everyone survived, and Tower II is beautiful.
  
- Now that construction is complete the general contractor, BL Harbert, has closed its on-site office and moved its operations back to Birmingham. If there are any ongoing warranty issues, Harbert will either notify the appropriate subcontractor or send someone from another jobsite within the area. Warranty requests should be submitted in writing and faxed to (205) 802-2867.
  
- We have had quite a few "near misses" in the parking garage, particularly on the ground level at both ends. We installed signage and flashing yellow caution lights to alert drivers to the danger. We also designated several parking spaces on the west end for subcompact cars only, in an effort to allow more room to maneuver around that curve.
  
- Things have slowed down a bit and Maintenance is using the time to spruce up the elevator lobbies, do some painting, and take care of outdoor pool repairs.
  
- We installed wall tile on the third floor east elevator lobby in tower one. This area experiences a very high volume of traffic, and people tend to put their feet on the wall while they lean against it waiting on an elevator. Maintenance painted this wall on a monthly basis, but it usually only lasted a couple of days before it was dirty again. Installing the tile took care of the problem. Repainting the floor in that lobby area will be done as soon as things slow down just a bit more.
  
- Cleaning the painted breezeway floors is still the single most time consuming job that Maintenance has. They have a schedule going now that seems to work well, as long as the cleaning machines cooperate.
  
- As a reminder, the owners web site "MBR owners.com" is fully up and running, and information is added and/or updated on an ongoing basis.

RESOLUTION OF THE  
MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION  
BOARD OF DIRECTORS  
OCTOBER 20, 2006

WHEREAS, Chapter 718.113(5) of the Condominium Act requires the Board of Directors to adopt hurricane shutter specifications for each building within each condominium operated by the Association which shall include color, style, and other factors deemed relevant by the Board;

WHEREAS, paragraph #31 of the By-Laws of Majestic Beach Tower I and II empowers the Board of Directors to exercise the powers and duties of the Association existing under the Condominium Act;

WHEREAS, it is the intent that this policy resolution shall apply to all units in all buildings in all condominiums operated by this association until this resolution is rescinded, modified, or amended by a majority of the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors does hereby establish the following hurricane shutter specifications effective October 20, 2006; and

BE IT FURTHER RESOLVED THAT the following guidelines shall apply:

1. The style of protection authorized is known as Armor Screen ([www.armorscreen.com](http://www.armorscreen.com)).
2. These screens are authorized for use on all balconied windows and sliding doors in each of the individual condominiums operated by the Association.
3. Armor Screen must consult with management to have the placement of anchor bolts reviewed and approved prior to installation to prevent damage to the building and/or its structural components.
4. The approved color is brown.
5. Individual unit owners must make their own arrangements to have these screens installed and removed. The maintenance staff is not to install or remove any of these screens on owner units.
6. These screens are for storm protection only. They shall not be installed until a tropical system is forecasted to either develop in or enter the Gulf of Mexico.
7. Screens must be removed and stored within 14 days of access and services (power, water, etc.) being restored to the building.

RESOLUTION OF THE  
MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION  
BOARD OF DIRECTORS  
OCTOBER 20, 2006

WHEREAS, paragraph 12f of the Declarations of Condominium for Majestic Beach Tower I and II authorizes the Association to make reasonable regulations concerning the use of condominium property;

WHEREAS, paragraph 31 of the By-Laws of Majestic Beach Tower I and II empowers the Board of Directors to exercise the powers and duties of the Association existing under the Declaration of Condominium and the By-Laws;

WHEREAS, there are 150 reserved parking spaces that are privately owned and require stringent enforcement measures;

WHEREAS, it is the intent that this policy resolution shall apply to all persons parking anywhere on the community property until this resolution is rescinded, modified, or amended by a majority of the Board of Directors;

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors does hereby establish the following towing policy effective November 1, 2006:

1. The Association hereby authorizes management to have towed any vehicles parked in or around the community property in unauthorized areas including, but not limited to, the following:

a. Any vehicle creating a health or safety hazard, such as vehicles leaking hazardous and/or flammable liquids.

b. Any vehicle that does not have a valid license tag.

c. Any unauthorized vehicle parked in or blocking access to a private parking space. Whenever an owner reports an unauthorized vehicle either in or blocking his space, Security will make an attempt to contact the driver of the vehicle so that it can be moved. If the driver cannot be reached or if there is no parking pass on the vehicle, the towing company will be called immediately.

d. Any vehicle parked in a manner that blocks traffic flow, parked in more than one space, parked where there is no designated parking space, parked in the 15-minute parking area for more than one hour, parked on resort property without a valid parking pass, or parked in a handicap space without both a valid handicap permit and a parking pass displayed.

2. Although the general guideline should be to tow reactively rather than proactively, Security should be extra vigilant and immediately deal with any vehicle parked in between the yellow poles that mark private reserved parking spaces.

3. Whenever the towing company is called, the security officer should remain in the vicinity until the tow vehicle arrives, so long as the activity level at the resort permits it. Once called, the towing company will expect to be paid for the trip out whether they actually tow a vehicle or not. Should the driver of the incorrectly parked vehicle show up before the towing company does, every effort should be made to detain him, without the use of physical force, until the tow vehicle arrives.
4. All costs incurred with towing a vehicle in violation of this policy are at the vehicle owner's expense. Should the owner of an individual parking space take it upon himself to notify the towing company, rather than going through Security, he will be responsible for any related expenses. Under no circumstances will the Association pay for or be liable for towing a vehicle from a privately owned parking space, regardless of who calls the towing company.
5. Neither the Association nor management will assume any risk or liability that may result from towing any vehicle(s) that is in violation of this resolution.
6. Unit owners are responsible for notifying all of their occupants, tenants, guests, visitors, contractors, delivery personnel, etc., of this policy.