

MAJESTIC BEACH RESORT COMMUNITY ASSOCIATION, INC.
MINUTES OF THE BOARD OF DIRECTORS MEETING
MAY 24, 2006

Board Members Present

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

Management Present

Tom Sparks, VP of Association Operations
Mike Wray, Association Manager
Teresa Parker, Accounting Manager
Patti Hitt, Accounting Assistant
Jack Vitello, Director of Safety and Security
Danny Wilson, Maintenance Manager

Insurance Agent

Tom Provost, Fisher-Brown Insurance

1. ***Welcome/Call to Order/Roll Call – Determination of Quorum.*** Jimmy Lewis called the meeting to order at 10:45 am. As all three of the board members were present, there was a quorum.
2. ***Proof of Due Notice.*** Mike Wray verified that the meeting notice and agenda were posted on the property as required by Florida Statue, Chapter 718.
3. ***Open Forum.*** None of the owners present had any questions/comments for the board.
4. ***Reading and Disposing of Unapproved Minutes.***

Roy Miller made a motion to dispense with the reading of the minutes and accept them as written. Second was by Jim Lewis. The motion carried by a unanimous vote.

5. Insurance Policies:

Tom Provost outlined the new policies and coverage limits for Tower Two, as well as the policy renewals for Tower One. He pointed out that private placement was not an option this year and that flood coverage will be with the National Flood Insurance Program (NFIP) and wind coverage will be with Citizen's. Jimmy Lewis stated that even though private flood insurance in the form of a surplus lines policy covers considerably more than NFIP—such as landscaping, boardwalks, swimming pools decks, etc.—private coverage is no longer available. There was also discussion about adding a “minimum premium, no payroll” workers compensation policy (also known as an “if any” policy) to cover the association in the event any person performing work anywhere on the property gets injured.

Roy Miller made a motion to approve the insurance package, as presented, to include an “if any” workers compensation policy, and to use tower one working capital, if necessary, to help defray the additional cost of the new policies for tower one. Second was by Jim Lewis. The motion passed by unanimous vote.

6. Reports.

A. *Status of Towers II and III* – Jimmy Lewis stated that he has certificates of occupancy for tower two and it will open next Thursday, June 1st. Tower three is still in the future, but construction costs are currently too high to proceed anytime soon.

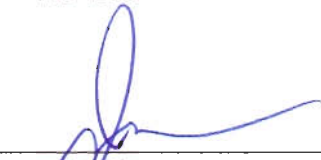
B. *Finance Report* – Teresa Parker gave an overview of what impact the increased insurance premiums will have on tower one's budget. She also stated that tower one and the community association are both well under budget by about \$30,000.00 combined.

C. *Manager's Report* – Mike Wray gave a quick overview about the new tower one trash compactor lease, efforts to slow erosion of beach sand, the new MBR Owners web site, and the process for cleaning the painted breezeway floors. (See Attachment)

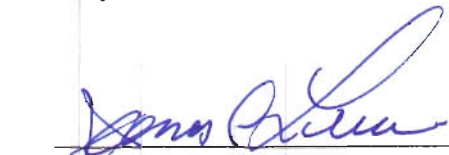
7. **Other Business.** Tom Sparks mentioned that there are eight people owning 13 units that are late on assessments. Based on the Board's Policy Resolution dated Nov 16, 2005, regarding the collection of late assessments, these delinquent accounts will be sent to Attorney Brian Hess for collection. The Board unanimously concurred.

8. **Adjournment.** With there being no further business, the meeting was adjourned at 12:04 pm.

Approved this 20~~th~~ day of OCTOBER, 2006, by a unanimous vote of the Board of Directors of the Majestic Beach Resort Community Association, Inc.



Jimmy Lewis, President



James C. Lewis, Secretary

3 Attachments:

1. Owner Attendance Record
2. Manager's Report
3. Insurance Excerpt from Florida Statute, Chapter 718

Majestic Board of Directors Meeting
May 24, 2006

SIGN-IN SHEET

	<u>NAME</u>	<u>UNIT #</u>
1.	Carol Hudson	911
2.	Bill & Doreen	#1501
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Manager's Report
BOD Meeting
May 24, 2006

- New trash compactors installed in tower one. This is an equipment lease that includes maintenance, rather than an outright purchase. We hope that this lease arrangement will allow us to come in under budget for tower one refuse for 2006.

- The recent beach re-nourishment doubled the width of the beach, but it did nothing to increase the depth of the sand. We have lost about five feet of depth since the building opened last year. In an effort to stop this erosion, Maintenance installed sand fencing and our landscape contractor planted additional sea oats behind tower one. Maintenance also installed lattice around the base of the three walkovers, in an effort to reduce wind erosion. And pine straw was added along the entire length of the retaining wall behind tower one. The pine straw not only makes it look a lot better, it has also slowed the amount of sand that blows into the pools everyday.

- The new owners web site "MBR owners.com" is up and running, and there's lots of info on it.

- Cleaning the painted breezeway floors is the single most time consuming job that maintenance has. We recently began using heavy duty brushes on the floor cleaning machine, which has produced much better results. There are 22 painted breezeways in tower one and the machine can only do a couple of floors on a single charge. Consequently, each breezeway can only be machine scrubbed about once every 10 days to two weeks, depending upon the weather. Maintenance checks the breezeway floors and spot cleans them daily, but there are a whole lot more people using the breezeways than there are people cleaning them. So, we ask that you please be patient, but if you notice any areas on your particular floor that need immediate attention, please do not hesitate to notify maintenance so that they can respond.

(11) INSURANCE.--In order to protect the safety, health, and welfare of the people of the State of Florida and to ensure consistency in the provision of insurance coverage to condominiums and their unit owners, paragraphs (b) and (c) are deemed to apply to every condominium in the state, regardless of the date of its declaration of condominium. It is the intent of the Legislature to encourage lower or stable insurance premiums for associations described in this section. Therefore, the Legislature requires a report to be prepared by the Office of Insurance Regulation of the Department of Financial Services for publication 18 months from the effective date of this act, evaluating premium increases or decreases for associations, unit owner premium increases or decreases, recommended changes to better define common areas, or any other information the Office of Insurance Regulation deems appropriate.

(a) A unit-owner controlled association shall use its best efforts to obtain and maintain adequate insurance to protect the association, the association property, the common elements, and the condominium property required to be insured by the association pursuant to paragraph (b). If the association is developer controlled, the association shall exercise due diligence to obtain and maintain such insurance. Failure to obtain and maintain adequate insurance during any period of developer control shall constitute a breach of fiduciary responsibility by the developer-appointed members of the board of directors of the association, unless said members can show that despite such failure, they have exercised due diligence. The declaration of condominium as originally recorded, or amended pursuant to procedures provided therein, may require that condominium property consisting of freestanding buildings where there is no more than one building in or on such unit need not be insured by the association if the declaration requires the unit owner to obtain adequate insurance for the condominium property. An association may also obtain and maintain liability insurance for directors and officers, insurance for the benefit of association employees, and flood insurance for common elements, association property, and units. Adequate insurance, regardless of any requirement in the declaration of condominium for coverage by the association for "full insurable value," "replacement cost," or the like, may include reasonable deductibles as determined by the board. An association or group of associations may self-insure against claims against the association, the association property, and the condominium property required to be insured by an association, upon compliance with ss. 624.460-624.488. A copy of each policy of insurance in effect shall be made available for inspection by unit owners at reasonable times.

(b) Every hazard insurance policy issued or renewed on or after January 1, 2004, to protect the condominium shall provide primary coverage for:

1. All portions of the condominium property located outside the units;
2. The condominium property located inside the units as such property was initially installed, or replacements thereof of like kind and quality and in accordance with the original plans and specifications or, if the original plans and specifications are not available, as they existed at the time the unit was initially conveyed; and
3. All portions of the condominium property for which the declaration of condominium requires coverage by the association.

Anything to the contrary notwithstanding, the terms "condominium property," "building," "improvements," "insurable improvements," "common elements," "association property," or any other term found in the declaration of condominium which defines the scope of property or casualty insurance that a condominium association must obtain shall exclude all floor, wall, and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware,

