

Condominium Association of Parker Plaza Estates, Inc.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

May 24, 2006

7:30 PM in the Plaza Room

CALL TO ORDER

The meeting was called to order at 7:30 PM by Robert Fisher.

ROLL CALL

Present: Robert Fisher, Herb Shamlian, Alan Goran, Sy Kessler, Bob Ortiz, Max Silberman, Johnny Pekats

Absent: Donald Pinkus, one vacancy

MINUTES

Sy Kessler read the revised portion of the minutes of February 27, 2006. Sy Kessler made a motion to accept the revision to the minutes of February 27, 2006. The motion was seconded and unanimously approved.

Robert Fisher said that the minutes from the April 19, 2006 meeting have not been completed. That meeting was very long and we have not had the time to transcribe the minutes because everyone has been very busy preparing the information on windows and doors. Hopefully, the minutes will be published within the next week or two. Sy Kessler made a motion to waive the reading of the minutes of April 19, 2006. The motion was seconded and unanimously approved.

Robert Fisher took out of order the agenda item from New Business about the election of a successor to fill the vacancy on the Board of Directors. At the last meeting Emma Sardiña resigned from the Board of Directors in order to avoid any personal conflict, as we had hired her husband, Jose Sardiña, to be our Maintenance Superintendent. It is the responsibility of the Board to fill any vacancies on the Board. The Board has been working to find someone who is as true a representation of the unit owners as possible. Robert Fisher asked for any nominations. Sy Kessler nominated Marilyn Perlman. Robert Fisher called for discussion and there was none. Robert Fisher called for a vote by hand to elect Marilyn Perlman as the ninth member of the Board of Directors. Marilyn Perlman was unanimously elected and asked to join the other members of the Board on the dais. Robert Fisher asked if she accepted the nomination, and she did, and he welcomed her to the Board and thanked her for accepting the nomination.

REPORTS

TREASURER'S REPORT

Bob Ortiz reported that our new CPA has reconciled our accounts up to September 2005 and will complete December 2005 by next week, at which point they'll work to complete up to March 2006. After that they will be giving us a statement on a monthly basis. Our expenses for April and May are \$515,365.63. Our income for April and May is \$1,032,279.48. Our outstanding maintenance and shortfall balance is \$28,553.00. There is one lien for \$4,704.94. As of March 23, 2006, we have \$11,582.09 in our Money Market Account, \$66,326.09 in our Hurricane Wilma Special Assessment Account, \$446,234.38 in our Operating Account, \$6,467.14 in our Payroll Account, \$30,348.48 in

our Escrow Account, and \$300,000.00 from the Hurricane Wilma Special Assessment Account invested in securities, for a grand total of \$860,958.18.

Alan Goran explained how our \$300,000.00 from the Hurricane Wilma Special Assessment Account is invested. We have established a brokerage account. The \$150.00 fee to open the account has been waived, the termination fee has been waived, and there are no fees for wiring or check writing. The best rates were offered for buying securities in blocks of 100,000; however, securities can be sold in multiples of 25,000. Each security can be sold or automatically renewed on a weekly basis. The account is liquid, laddered, guaranteed and insured, and all interest collected is swept into a money market fund currently yielding 4.41%. So far, we have purchased the following securities:

Bought 05-18-06 - 100,000 Florida State Municipal Agency

Current Yield - 4.90%

Auction Rate Certificate, AAA, Insured

Renews weekly, rate resets weekly, interest payable weekly

Bought 05-22-06 - 100,000 Florida Housing Finance Corporation

Current Yield - 5.06%

Variable Rate Demand Obligation, AAA, Insured

Renews weekly, rate resets weekly, interest payable monthly

Bought 05-24-06 - 100,000 New York State Housing Finance Agency Revenue

Current Yield - 5.04%

Variable Rate Demand Obligation, AAA, Insured

Renews weekly, rate resets weekly, interest payable monthly

A unit owner asked why we were investing in securities and wondered what interest we were earning at the bank and why we couldn't do just as well at the bank. Robert Fisher said that the interest offered by Banco Popular is very low. Alan Goran said that he checked rates around Florida and nationwide, and that the brokerage was offering the best yield. Robert Fisher explained that in accordance with the agreement that was made with Banco Popular for our \$11 million dollar loan, we can not remove the balance in our Operating Account to open a different bank account. The Hurricane Wilma Special Assessment Account is not part of the Operating Account and was established for the hurricane and is not part of the loan agreement. Banco Popular is offering 1% or 2% interest.

A unit owner asked if, financially, things are going according to plan, given the faulty budget and what we thought would be happening the rest of the year and next year. Robert Fisher said that in order to have a good roadmap we need an accurate accounting. As discussed earlier, our accountant has been working on the reconciliations and should have our 2004/2005 financial audit available later this week. Once we have this information we can move forward and get a complete picture. We should have a really good idea of how we're doing, and using three or four accurate months as a guide, we'll be able to set our budget for next year. However, basically, we have a \$4 million yearly budget and this quarter we collected approximately \$1,032,000.00 from maintenance, rent and parking. Based on our yearly budget and in very general terms, we spend \$330,000.00 per month, but, of course, there are many exceptions. As of May 24, 2006, we have \$495,000.00 left, so we're doing really well this quarter and we hope that it keeps going this way and that we can stay within budget. The actual line item figures on the budget are not accurate

and we're not caught up enough to even know how we're doing as per each line item, so unfortunately that information is not available.

Robert Fisher brought up the issue of the insurance for the entire building (casualty, property loss, liability, flood, wind) that is due June 1, 2006. Last year our insurance was \$550,000.00 and it looks like this year it will be \$850,000.00, so our budget will be taking quite a hit. In prior years the entire cost of the insurance was financed over twelve months, with no money down. Just this month, we paid off insurance from last year. In addition, there were three loans for insurance last year, and we will be paying off the third loan for last year's insurance, that ends June 1st, up through September. This year, with \$495,000.00 left, we are hoping to put down 20%, or about \$160,000.00, toward the insurance. That will leave us with about \$340,000.00, working within our budget. With 20% down, we will finance the balance over the year and be in the best shape considering the price increase.

Robert Fisher thanked Alan Goran for his hard work.

HURRICANE WINDOW AND DOOR PROTECTION COMMITTEE

Robert Fisher said hurricane season is coming close and we're trying to make preparations to protect our building. We have a Hurricane Window and Door Protection Committee and they have discussed what we should do to protect our building. Everyone should have received in the mail a letter, ballot and cost analysis (Exhibit A) about what we're planning and we're asking for everyone's opinion about what we want to do regarding hurricane protection for the windows and doors.

Robert Fisher introduced two unit owners who are members of the Hurricane Window and Door Protection Committee; Tony Gonzalez, an architect and City of Hallandale Beach Building Official, and Jorge Du Quesne, a structural engineer. Slides were presented explaining the effects that hurricane winds have on buildings and showing what they have seen right after a hurricane, including what happens when people have a lack of respect for hurricanes and don't properly prepare for such a hazard. Jorge Du Quesne is also a structural specialist for the Urban Search and Rescue Team Florida Task Force 2 and the presentation included pictures that he took of building damage while personally responding to the aftermath of hurricanes. The potential effect if a window or door breaks is that air and wind-driven rain can get inside your unit and this can blow out your walls and your neighbors walls and once it gets into the building it can possibly affect just about every unit on that floor. That is why it is so important to have shutters or impact glass or a combination of both on the building. As a demonstration of what happens when the potential for the hazard of a hurricane is ignored, there were many slides showing destroyed and damaged buildings on Perdido Key and Pensacola Beach, Florida, as a result of Hurricane Ivan, a Category 3 hurricane. These buildings did not have shutters or impact glass; some buildings put up plywood panels, but in most cases these blew away and were ineffective. Roofs were missing, entire floors were completely gone or extensively damaged, windows were broken and walls were blown out. A Category 2 hurricane is not just a little bit stronger than a Category 1 hurricane; the difference between categories is exponential. There were also pictures taken after Hurricane Wilma, a Category 1 or 2 hurricane, of damaged buildings in downtown Miami and along Brickell Avenue, including a building with damaged impact resistant glass. Impact resistant glass is not impact-proof, and in this case the impact glass shattered, but did not break through. The Florida Building Code describes how windows are to be tested. Windows at 30 feet or below have

to comply with a large missile test where a 2x4 wood stud is shot at the window from an air-powered cannon at 34 mph. Windows above 30 feet have to comply with a small missile test where 30 steel ball bearings are shot at the window at 88 mph. After the window passes the missile test, the same window is put through a static test where cycles of pressure are applied and released both ways to make sure that wind pressure will not completely shatter the window or open an envelope to let air in. To conform to the testing requirements manufacturers have developed impact resistant glass. Impact resistant glass is two pieces of glass with lamination in the middle. When struck with flying debris and subjected to the static test, the glass may crack or shatter, but the laminate will hold the window pane together. The benefits of impact glass are that protection is always in place, no one has to worry about unsecured openings, there is added security due to the fact that the glass is very difficult to break, there is less noise transmission, and in most cases it will lead to a significant reduction in insurance premiums. The disadvantages are the high initial cost, the glass may shatter, and there could be potential delays in replacement. To provide protection according to the building code you can have either impact resistant glass or you can have shutters with windows that are rated to the static pressures for your elevation. Needless to say, our existing windows do not comply with the static pressure code, but the code is not retroactive.

A unit owner asked how shutters have performed. Jorge Du Quesne said that he conducted a lot of inspections after Hurricane Andrew and observed a lot of shutters installed with lead anchors that all pulled out. The unfortunate part, for most of the hurricanes that he's responded to, is that people did not put up shutters but used plywood that proved to be inefficient. Nowadays, shutters have to pass the large and small missile impact tests and they must also keep from breaking the glass behind the shutter at the distance that the glass would normally be placed behind them on site. Shutters are extensively tested and when you purchase them, one of the things that you look at is the wind pressures that they're rated for. Theoretically, shutters should work the same as impact resistant glass as far as withstanding pressure or impact because they're tested the same way. Tony Gonzalez added that even though engineers, architects and building officials working together have decided on this 30-foot classification for large and small missile impact, in real life, and in his opinion, you can get large missile impact above 30 feet and you can get small missile impact below 30 feet and Mother Nature will decide this for us. There are no guarantees, but whatever we go with, and both impact glass and shutters are good, it's better than having nothing, and the Committee is in total agreement that the building has to be fully protected. People will have their own personal preference. In his case he prefers windows because we have thirty or thirty-five-year-old windows and his leak. At this point he mentioned that when there is an order to evacuate he recommends that everyone do so. As part of the slide presentation we all saw the effects of a hurricane when it wants to take a building. Then he said that there is a city ordinance dealing with generators and that our building is covered and we won't be affected; however, there was recently a similar ordinance with the state and we may revisit this ordinance and we'll see if anything changes. He feels that the most important part of the ordinance speaks about an emergency preparedness plan for the building. There may be people that stay in the building, and depending on the strength of the hurricane the building may not be evacuated. But as we could see from the slides, with one building right next to the other, one was destroyed and the other was unaffected, and this can happen under any type of hurricane, so if something happens of that nature we need to prepare as a group and know what we're going to do and have a plan. Returning to the previous topic, in his opinion, the small and large missiles can happen at any height, at any stage, and can affect windows that are not rated for those types of impacts. There

are no guarantees that if we install impact windows that we're going to be safe. To be perfectly clear, there are no guarantees. We may spend all this money and there could be a disaster, that could happen.

A unit owner asked about reinforcing the masonry around some of the openings where this was overlooked during the original construction. Robert Fisher said that this has been taken into consideration and as part of the window and door replacement we will either be filling the cells with concrete and steel or structural aluminum columns will be a part of the window design and will carry the load on both sides of the opening. This applies to very few windows and some of the doors and is included in the price for the windows and doors, but not the shutters, as it's not required for the shutters.

A unit owner seemed to be asking if they should feel confident about leaving their unit for any length of time if they have impact windows. Robert Fisher said that personally he'll never feel 100% confident. We're spending all this money, we're doing all this work, we hope it works, we hope it helps a little. We want to do the right thing. Some people may put on windows and shutters. As Tony Gonzalez said, if the hurricane wants to take you, here it comes. But to do nothing seems to be the most negligent of all and would not show respect for yourself or your neighbors. We're a community, we're a building together, that's why we're asking for a vote. We want everyone's honest opinion. If people vote to do nothing, it will be nothing and everyone will be on their own. It doesn't seem like it's going that way and we'll discuss the vote in a little bit.

Alan Goran mentioned that the units will be cooler with new windows, saving on electric and wear and tear on the chillers. Windows or shutters will add value to the units and he's doing both because he's tired of being worried and wants to protect his investment. Also, if we choose to do nothing the building could suffer structural damage and we would all have to evacuate. Tony Gonzalez said that between himself and the Fire Department they would make the decision if everyone must leave and then there is a process involving structural engineers to determine how fast and how soon we can make the building safe so that everyone can return. It may take a month, it may take a year. It is very likely that if the case is such that you have to evacuate the building, you can not come back in. If there's anything important that you must take with you, you must take it at the time of evacuation because you will not be allowed to come back in. This is the importance of a full protection package, whether it be shutters or windows, and you'll have a better chance. In answer to the previous question and as stated before, there are no guarantees, but we're going to do our best to protect the building.

Bob Ortiz said that there are no guarantees but regardless of what we do, it will be better than what we have now and Tony Gonzalez agreed.

A unit owner asked if we go ahead and install the windows and doors, who's responsible for the floors on the balconies and the area around the windows and doors. Robert Fisher said the contractor is installing the window and finishing the drywall around the opening, but this does not include wallpaper or paint. The contractor will carefully cut the tile so that the door will fit, but will not replace marble or tile or other floor covering. This is the nightmare that's coming. Robert Fisher said this is why he's reluctant to push for any one thing, one way or another. This is where we get the calls that the drywall doesn't look good, the tile doesn't look good, it doesn't fit good enough, the grout line is too wide, it's not perfect, it's not the way it was. The contractor will

try to do his best and is willing to take pictures to show that it wasn't perfect before. We may have the responsibility of taking care of our own apartment around these little areas, specifically if there's mirror and wallpaper, and the row of tile in front of the door. The contractor's responsibility is very limited to putting back the plain drywall, having the door meet the tile, and trying to do a good job. We'll have to decide if we can live with it and bear with it and is it really not that big a deal if it's worth getting windows and doors.

A unit owner asked if we can have shutters on one thing and impact glass on the other and how impact glass affects our insurance. If we vote for impact glass, everyone must have impact glass on all openings. Unit owners are always responsible for the personal property inside their units. The only things that the building has casualty insurance for is the exterior of the building which includes windows and doors, all common areas, and the interior of the apartment walls, floor and ceiling, but just the bare perimeter of it; meaning the walls, but not the wallpaper, and the floor, but not carpet or tile.

A unit owner asked how long the work will take. Robert Fisher said that the contractor has promised us that it will take less than a year, but that he wouldn't bet on it. That's 365 days and 520 units, so that would be at least one unit a day. Alan Goran said that the contractor told us they could do 15 to 18 units a week and Robert Fisher added that they told us they'll have three crews working five or six days a week. Robert Fisher said that that sounded real good, but that he's a little more realistic and is shooting for the year and that he would settle for the promise, and in fact insist, that whatever opening they open on any one day, they close that day. They can come back the following day to finish the caulking, the trim around the window, and the drywall and that he's hoping that this is a daily event and everything gets finished.

A unit owner asked what happens if you don't want windows or shutters. Robert Fisher said that then you should vote "no." But if the majority votes "yes," then everyone will be required to have windows or shutters. The unit owner said that they had never had a problem with their windows and never had a flood in over thirty years. Robert Fisher said that he understands how they feel, but that we're 520 unit owners who have to share the common expense of this community and of the common elements of the building. The windows and doors are a common element, so if the majority votes for it we will all have to share in it. The unit owner said that they agree that we should take care of the common area, but that the people who want windows or shutters should all get together and do that and those who don't need it shouldn't have to get it.

Tony Gonzalez said that he has pictures from the last hurricane where windows blew out and there was damage to the corridors and common area. There were units where the demising walls affected other units.

A unit owner asked if there was any value to installing the shutters without the impact windows. Tony Gonzalez said that that was one of the decisions that we could make and that everyone can vote for what they want; windows, shutters or to do nothing at all.

A unit owner asked about the static pressure test for windows and putting shutters that comply with the impact test over old windows. Jorge Du Quesne explained that 88 mph is the most that they test for and this will protect, for the most part, the average and a little above-average, but may not protect in the worst case scenario. During Hurricane Andrew he would observe one

house that was totally demolished right next door to a house that had very little damage. Insofar as shutters or impact glass, people in the past were very lax and treated hurricanes very lightly, and it's true that hurricanes haven't affected a lot of people; but he can tell you about the people on Perdido Key who lost the use of their building for almost a year and others who have lost their condominium entirely because of interior damage. If you have shutters on your windows and your neighbor has impact glass, but your other neighbors don't have anything and that envelope is broken and the wind and rain comes in, most assuredly your unit next door will be severely damaged and the units beyond that will be severely damaged. Water intrusion creates problems with electricity and causes buildings to be shut down and people have to move out for quite awhile. It will destroy your personal belongings and, in most cases, will keep you from coming back in. That is why it is important to protect the whole building.

Another unit owner said that they hadn't had any damage in thirty years, but that's because that's the way the wind blew, but the wind could have blown from a different direction and they could have had all this damage. Alan Goran described the damage that he received from Hurricane Wilma when his terrace door was sucked out, including sucking out his vertical blinds, pulling the towels off the towel rack in the back bathroom, slamming all the doors, and cracking the wall on the inside and outside of the kitchen above the door frame.

Jorge du Quesne said that it's a common misconception that wind blowing toward your windows is the only thing that can affect you. For impact that's the worst case, but when speaking of static pressure, the wind pressure is much higher during the cycle for suction than when the wind is blowing against the window.

A unit owner asked where they're going to start the work. Robert Fisher said that we're not to that point and that the final contractor has not been selected. One contractor wants to go from the top down, one wants to go from floor to floor; we're going to come up with a good solution and do what's best for the building. Tony Gonzalez said that it would make sense to start at the highest floor since that is where the wind pressures are greatest.

A unit owner asked again if we can have, for example, impact glass on the windows and shutters on the door. Robert Fisher said if you vote for impact glass, everyone is required to have impact glass. If you vote for shutters, everyone is required to have shutters; however, on your terrace the door is a limited common element so you can change that to impact glass and you would not be required to have a shutter on that door. But you can not put shutters on your windows if we're required to have impact glass and if we're required to have shutters, because windows are a common element, they're not a limited common element, you can not change your windows. You can not put in impact glass windows if we vote for shutters. The windows are like the light in the hallway, it's a common element and you can not change the light in the hallway and you can not change your own windows and put impact glass in your windows. That was the interpretation that we got from our attorney.

A unit owner asked how you would put a shutter on the floor to ceiling window by the stairwell. Robert Fisher said that the proposal for shutters includes using impact glass for that window.

A unit owner described the damage in their apartment from Hurricane Wilma. The bedroom window broke and the wind went through the whole unit and blew the mirrors right off the dining room wall.

A unit owner revisited the question about installing windows that are tested for impact and static pressure, shutters that are tested for impact, and how this relates to installing shutters over our existing windows because in new construction shutters that are tested for impact would be installed over windows that are tested for static pressure. Jorge Du Quesne said we don't know what the existing windows were rated for when they were put in and he doesn't think there was a rating way back before 1994. Shutters are rated for impact, and also rated for pressure at pounds per square foot, and as part of the test the shutter can't pull out from the wall at certain pressures. Under the best circumstances the shutter will withstand hurricane winds and impact, and the suction pressure pushing on or away may be applied on the shutter itself, so the effects on the window may be minimized, but the window is an unknown quantity, so we can't be certain and we really don't know. When you're putting a shutter over an existing window you may or may not have the protection you're looking for because we don't know about the window. Bob Ortiz said that when putting a shutter over an existing window, the shutter itself won't give out, but the window, being that it wasn't rated at all thirty-five years ago, might give out from the pressure. Jorge Du Quesne said he has seen windows move underneath shutters from the suction pressure. The site where you have suction is where you have the greatest force on the window, and the wind side is the side that is mostly affected by impact loads. Also, not only is the glass in question, but we don't know how our existing windows are fastened and the window is only as good as the attachment and installation.

A unit owner asked what happens if the windows break. Robert Fisher said he did not have the condominium documents in front of him but the windows are common elements and as common elements the building is responsible for the replacement of broken or damaged windows from a casualty loss. However, it also specifically states that we're responsible for the maintenance and repair of our windows and doors. That's why they sometimes change your glass but don't fix your window.

A unit owner asked if anyone who has already installed shutters has experienced a blown out window. A unit owner said their neighbor had shutters and a broken window, but the window didn't blow out, so maybe it was affected by the pressure. Robert Fisher said that according to the structural engineer, shutters definitely help quite a lot compared to having nothing at all.

A unit owner asked if there's anything that we can do to right now to protect ourselves because it's going to take so long to get windows or shutters. Tony Gonzalez said that the building and the Board takes very seriously that we all have to remove everything from our balconies. Those objects become flying debris and break through the windows.

A unit owner asked what type of windows we would be putting in, meaning the shape and style and design. Robert Fisher said that he thinks we're looking to put in the exact same type of windows that are there now, but with some exceptions. We'll be modernizing the appearance by eliminating some of the muntins, like the strip in the single-hung window that makes it look like an awning window. Some people have suggested that all windows should open, but then other people said that twenty years from now we'll have to worry about four windows leaking. With

two fixed windows they're a little more secure and you don't have to worry so much about leaking. Some people suggested a picture window in the middle with two side windows that operate, but then if you have shutters you would not be able to get to the middle to close your shutters. In time, we're going to discuss the color and tint and we'll try to find out what would be the most logical compromise. A unit owner asked what's the difference if the windows open or close because we're not allowed to open them anyway. Tony Gonzalez said that the building code, which is also a state statute, requires that windows provide light and ventilation in the bedrooms.

Johnny Pekats said that he was originally for shutters, but by shopping so hard the windows are only a little more than \$10,000.00. So it doesn't pay to get shutters for around \$6,000.00 when for \$4,000.00 more you can get windows and they're more secure.

A unit owner said that no matter what, the old price for windows was \$28,000.00 and now it's only \$10,000.00 to \$12,000.00. Robert Fisher said the previous price was \$14.3 million, or about \$28,000 per unit, and now we're buying very similar windows, in some ways better and in some ways not quite as good but they're all very good windows, and the price is \$5.5 million, which is about 38% of the previous price.

A unit owner asked again about the design of the windows and said that this would be a chance to modernize the appearance of the windows. Robert Fisher said that when he talked about getting the same type of windows he was referring to the design. We can't make a design that would affect the function of shutters. People have the right to have shutters, they already own them and they plan on keeping them. Appearance is important, but you also have to think about the function. In order to close shutters you need to get to the center, and if you have a fixed piece of glass in the middle you can't get to the center. If you have operable windows in the center, you can reach out and close the shutters. However, it's a legitimate point and maybe there is a solution with something sliding.

A unit owner seemed to be asking about the condominium documents and what is a common element. Robert Fisher said that the entire exterior of the building is a common element and the windows are on the exterior of the building.

A unit owner asked about the results of the vote so far. Robert Fisher said that we have received 102 ballots to date. Of the 102, 84 said "yes" to hurricane protection and 18 said "no" to hurricane protection. Impact glass has received 74 votes, and 19 have voted for shutters. A unit owner wondered how many of the 19 people who have voted for shutters already have shutters and Robert Fisher said he doesn't know, but that quite a few people already own shutters and they'll vote for shutters, and that if people vote for impact glass they still keep their shutters.

Robert Fisher discussed the terms of payment. We don't have to pay at one time. The project is going to take eight months, ten months, a year; so we can break up the payments into three or four installments, due every other month, stretched over six or eight months, and with no interest. As part of our negotiation, it is agreed that we will pay for the work as we go and we will pay only when the work is complete, in place, and inspected; so this will allow us to pay as we go as well.

Robert Fisher said that the price includes all common areas, meaning the lobby and the offices.

A unit owner asked about shutters on the windows where there is no balcony. Robert Fisher said that they're feasible, but it's not a good solution because they're more difficult to open and close and require that you reach out the side and use a hook to operate them. We have to keep this in mind because this is one of the shortcomings of shutters. Alan Goran added that if there's an evacuation we would have to send our employees home and that there would not be anyone around to help close the shutters.

Tony Gonzalez asked if we have any discounts on our insurance at present. Robert Fisher said we would get a 10% discount on the wind portion from our existing insurance company. Other insurance companies would look at us and be willing to insure us so we would have a variety of companies to pick from and we could shop more competitively and get a larger discount. Most condominium insurance for individual units will offer a discount to unit owners if they have hurricane protection on all of their windows. Finally, our deductible is going up, so if we do have a loss, by trying to protect our building, we're protecting our pocketbooks.

A unit owner asked when the balloting is over. Robert Fisher said that balloting is over June 7th, but as we learned from the Condominium Ombudsman, everyone has the opportunity to vote and we're going to try to give everyone the opportunity, so if it takes a little longer for a few people we will not deny them the right to vote. We will try to accommodate everybody so that we have a firm majority, but June 7th is the due date, so please vote by then.

A unit owner asked about the color of the glass. Robert Fisher said the general consensus and compromise is light gray, although some people like other colors.

Robert Fisher thanked the Hurricane Window and Door Protection Committee with special thanks to Jorge Du Quesne for his presentation.

Irma Rochlin said that the Broward County legislative delegation is having a press conference and is asking all the condominiums about their windstorm coverage and what they're paying, which in some cases has tripled. Robert Fisher said that the company that carried our windstorm will no longer cover us because we do not have hurricane protection on our windows and doors, so this year we will be covered by Citizens. Last year our premium was approximately \$250,000.00, and that was for property and casualty, including windstorm. This year the windstorm alone will be around \$380,000.00, plus property, but we don't have the final numbers yet.

INVESTMENT ADVISORY COMMITTEE

Included in Treasurer's Report.

LANDSCAPE COMMITTEE

Robert Fisher said that Carmine Tufano and Manny Lagonikos took him with them when they went down to Homestead and they visited seven to ten nurseries where they selected the best trees and went over what they're getting and what they like. They've been working on the front of the building and they're a dedicated bunch of guys who are doing a great job. We appreciate their hard work and love them for what they're doing and we'll supply them with sprinklers so that they can keep everything looking nice.

POOL COMMITTEE

Johnny Pekats said that we refurbished 21 lounges and 10 chairs with white straps. We replaced the burned out heating system for the jacuzzi and tiled the showers next to the jacuzzi and at the beach. He reminded everyone that children with diapers can not go in the pool because it's very unsanitary, and hoped that everyone would understand and not get into fights. He thanked Carmine Tufano and Manny Lagonikos for their beautiful work around the pool area. Robert Fisher said that Johnny Pekats also worked on finding a solution to the problem with the lock on the gate to the beach that is always clogged and we have installed a 100% stainless steel lock with stainless steel works and hopefully that will work.

SOCIAL CLUB

Ruth Steinberg announced upcoming events including a variety show at the Marco Polo on June 11, 2006 and a Royal Caribbean cruise on the Explorer of the Seas in January. She asked for a show of hands to see how many people will be around for the 4th of July.

WELCOMING COMMITTEE

Sy Kessler announced the following sales and leases:

Unit 523 - Haves sold to Marchando for \$460,000.00

Unit 808 - Spritz sold to Lopez for \$370,000.00

Unit 1201 - 1 year lease

OLD BUSINESS

LITIGATION

Robert Fisher said we filed a Complaint against Blessing Roofing and have received a Final Default Judgment for \$330,000.00, plus \$312.00 for court costs and \$2,607.50 for legal fees, for a total of \$332,919.50. When they went to attach their bank account it had a balance of \$4,800.00, and by the time they got the Writ of Seizure the balance was \$1,800.00. The attorney will be taking the next step to find our money and we're going to follow through. US Contracting and Plumbing has hired an attorney and answered our lawsuit for \$320,000.00, so we will have to fight to get our money back, but we will pursue it and will leave it up to our attorney. The lawsuit against the manager and the former Board is ongoing. State and local agencies are collecting evidence and the investigation is proceeding.

INSURANCE RENEWAL

Robert Fisher said our former insurance agent was InSource and one of the companies that they placed us with was QBE. No matter who we use as an agent, QBE will not be renewing us. We have shopped around for different insurance agents and this year we have decided to go with Smith Watson Parker. They are located in Hollywood and specialize in condominiums. Unfortunately, no matter who we insure with, the price has gone up. Last year our insurance was \$550,000.00. We do not have anything in writing, but it looks like our insurance will be close to \$850,000.00. We will have insurance in place by June 1st, but expect an increase and we will do our best to keep the cost down.

STATUS OF INSURANCE SETTLEMENT - HURRICANE WILMA

Robert Fisher said we were assessed \$1.2 million for damage from Hurricane Wilma. Approximately \$850,000.00 was spent by the former Board, leaving roughly \$360,000.00 in the Special Assessment Account, plus uncollected payments from unit owners who had not paid the

assessment. Since then, we have spent less than \$10,000.00, doing most of the remaining work in-house, and we'll still need a little more for awnings and clean-up and concrete work. After making some collections we have \$366,000.00 in the Special Assessment Account, so we'll probably have \$350,000.00 left that we will either be returning to the unit owners or using for something that we will vote for and everyone will know what's going on. Regarding when we're going to collect on the insurance and the status of our settlement, if we don't meet our deductible we're not going to collect any money. We originally had a claim for \$2.3 million dollars. When the engineers for the insurance adjuster and the insurance company met to justify and verify the claim, one of the major items on the claim was \$650,000.00 or \$700,000.00 for the parking deck at the back of the building. Both agreed that this was pre-existing so that brought the claim down to approximately \$1.6 million. Then they asked for back-up for the expenses for the \$1.6 million. Unfortunately, we really don't have those expenses because we have money left over. The only possibility, and one of the items that the engineers are trying to determine, is if our roof needs to be replaced from the hurricane, and if that's the case, that's \$600,000.00. The good news is that we have money left from our deductible. A unit owner asked if we're still negotiating. Robert Fisher said that the adjuster says he is and he has asked for copies of all of our bills. We'll submit whatever bills we have and at the same time we'll try to figure out where our money went and how it was managed because it was commingled with our Operating Account.

ESTABLISHMENT OF HURRICANE PREPAREDNESS COMMITTEE

Robert Fisher said that as Tony Gonzalez mentioned before, there's a hurricane preparation operations manual that we have to prepare for the City of Hallandale; however, the State will be taking over and may be redirecting how we have to prepare it. If unit owners are here and they would like to help set up the program, or be available to implement the program in the event of a hurricane, we would really appreciate whatever assistance anyone can offer.

NEW BUSINESS

ELECTION OF A SUCCESSOR TO FILL VACANCY ON THE BOARD OF DIRECTORS

Robert Fisher thanked Marilyn Perlman for joining the Board and Marilyn Perlman thanked the Board for electing her.

PROFESSIONALS WORKING FOR THE ASSOCIATION

Robert Fisher said that we've had a reorganization of some of the companies and professionals who we work with. Smith Watson Parker is our new insurance agent and they have provided us with some brochures. They are one of the largest agencies in the area, they specialize in condominiums and they're in the neighborhood. Lisa Hermann is the attorney who has been representing us; however, she specializes in litigation. She is very busy and does not have the time to devote to the day-to-day operations of the condominium and the questions that we have. As few as they are, when we need an answer, we need an answer on a quick basis. She recommended Glazer and Associates. Glazer and Associates is located at 1920 Hallandale Beach Boulevard, they specialize in condominium law and they represent a lot of condominiums in our area. This is the kind of law firm we need for this general type of work. They have our true and correct Declaration of Condominium and condominium documents directly from the state and they helped make the decisions on the common elements and the windows. Regarding accounting, we did not have a financial statement or audit for 2004/2005 and nothing from the end of 2005 until February. It was an effort to find an accountant who specializes in condominiums and is familiar with Yardi, our condominium software program. We hired Catarineau and Givens and our CPA

is Connie Catarineau. She is highly organized and is systematically getting our books in order so that we're running a clean operation and we'll know exactly where we stand.

GOOD AND WELFARE

Sy Kessler announced the death of Harry Novak and everyone stood for a moment of silence.

Sy Kessler made a motion to the close the meeting. There was no second

Alan Goran said that he would like to properly illuminate the flag so that we can leave the flag up 24 hours a day. He thanked all the Board members and Jose Sardiña and Herb Shamlian for the significant change in the building. We had a flood in the office and all the employees pitched in and were terrific and a tremendous help. Also, thanks to all the committees; our great bookkeeper, Maria; and Julie Fisher for donating her time. And thanks to the unit owners who appreciate what we have done and the office volunteers. Alan Goran also thanked his friend Lynne who helped research possible financing for the windows and shutters if that is the route we take, and thank you to the wives who tolerate the hours that their husbands put in. The rope in the pool has to stay up at all times unless there's a certified life guard on the pool deck. Jeanette is certified and also certified in CPR. Regarding valet parking fees, we have discontinued pay-in-advance and people will pay as they check out. It was tried before, we tried it again, but it aggravates guests and unit owners so we will accept the slight loss of revenue.

ADJOURNMENT

Johnny Pekats made a motion to close the meeting. Sy Kessler seconded the motion, all approved, and the meeting was adjourned at 9:51 PM.

Respectfully submitted,

Sy Kessler, Secretary