

**PRESIDENTIAL CONDOMINIUM OWNERS ASSOCIATION**  
(The "**Building**" or the "**Association**")

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD AT  
401 Ocean Drive, Miami Beach, FL 33139 ON FRIDAY 9<sup>TH</sup> OF AUGUST 2013 AT 7:00 P.M.**

---

**Present** Patrick McMahon, President  
Gerald Menees, Vice President  
Joseph C. Iacono, Treasurer  
Linda Ringler, Secretary  
Ted April, Director  
Roberto Gomez, Director  
Maria Farmiga, Director

**In attendance:** Rafael Corona, Trustee  
Roberto Blanch, General Counsel

**1 Constitution of the meeting**

It was noted that a quorum of directors (each a "**Director**" and together, the "**Board**") was present and that proper notice had been served on the members of the Association and that the meeting had been duly convened in accordance with the requirements of Chapter 78 of the Florida Statutes and the Bylaws of the Association.

**2 Chairman**

It was noted that Mr McMahon was the President and Chairman of the meeting.

**3 Old Business**

**3.1 Financial statements and scope of accounting work.** Mr. Iacono reminded the Board that Gerry Menees had made a motion at the prior board meeting, which passed, to solicit three competitive proposals from qualified independent firms actively engaged in the business of providing such accounting services in order to retain independent bookkeeping services. Mr. Iacono informed the members of the Board that he had obtained two bids for \$55 per hour and a third bid for \$35 per hour from local independent businesses that provide such services. Mr. Iacono explained that an hourly rate is standard for bookkeeping work, and that the annual cost would be dependent on how much the Association decided to utilize the services of any such firm.

**3.2** After careful consideration of the issues and a thorough discussion on the topic, no member of the board made a motion to accept any of the bids obtained by Mr. Iacono. With no motion forthcoming, Mr. McMahon made a motion to table the discussion for another time, which was duly seconded and passed unanimously.

**3.3 Outstanding Maintenance fees.** Mr. Iacono presented a report to the Board regarding the past due maintenance of association members. It was reported that 6 units had maintenance due in excess of \$1,000. Of the six past due members, two were recently sent dunning letters by the building's attorney in order to demand payment and begin legal proceedings. The remaining four units were either in bankruptcy or foreclosure. It had been advised by the building's counsel that filing a lien at this time was unlikely to result in any benefit to the building. Mr. Iacono informed the Board that he would continue to monitor the status of units with outstanding maintenance fees due and pursue appropriate action with counsel if doing so was in the best interest of the building.

## **4 New Business**

### **4.1 Consideration and vote on proposed amendments to the T-Mobile cell tower lease contract.**

Mr. McMahon informed the Board that the current cell tower lease with T-Mobile provided the Association with approximately \$3,400 per month in rent from T-Mobile. Mr. McMahon also informed that Board that T-Mobile was threatening to file a lawsuit against the association for refusing T-Mobile access to the roof in order to make necessary upgrades to the equipment on the roof. Mr. McMahon informed the Board that he had convinced T-Mobile not to bring legal action against the Association and to increase the lease payment to the Association by \$350 per month. In return for the increased lease payment from T-Mobile, the Association would be required to allow T-Mobile access to the roof in order to make equipment upgrades.

Mr. McMahon proposed a motion to accept the amended lease terms with T-mobile. After careful consideration and a thorough discussion of the issues, the Board unanimously approved the amendment to the lease agreement with T-Mobile.

### **4.2 Consideration and vote on unsolicited offers to purchase the T-Mobile cell tower lease.**

Mr. McMahon informed the Board that three different investment companies (i.e., hedge funds) had reached out to the Association on unsolicited bases requesting the right to purchase the T-Mobile cell tower lease from the Association. The largest offer to date was for \$650,000. All of the offers were intended to be structured as a permanent or semi-permanent easement to the building's roof, which would leave the Association's rights to the building's roof in question. After careful consideration and a thorough discussion of all the issues, he Board unanimously agreed not to accept any of the offers.

### **4.3 Discussion of Fire Code violations.**

Mr. McMahon reminded the Board that the Association had received a violation notice from the City of Miami Beach which included as many as 42 different items. These items would require various amounts of work and expenses. Mr. McMahon informed the Board that certain board members had been working with Monica and the Fire Inspector to resolve many of the violations set forth in the violation notice.

### **4.4**

Mr. McMahon and Mr. Iacono also reminded the Board that there were many items still outstanding, which required retaining an outside contractor for repairs. Mr. Gomez and Monica had obtained numerous bids for various items listed. After much discussion regarding each of the items, careful consideration of the various bids and all of the relevant issues, motions were made and passed to require a special assessment of the building and to accept the following bids:

- (a) Install emergency lights in the Laundry rooms in case of a power outage – \$2,500;
- (b) Install required exit signs in the parking lot - \$898;
- (c) Install a timer for the lights in the parking lot - \$298;
- (d) Testing of fire hoses - \$1,705;
- (e) Braille stairwell signs identifying each stairwell and floor - \$4,766;
- (f) Door Closes for 42 doors in the common areas - \$2,814.

### **4.5**

The Board also considered whether to accept the bids to replace as many as 30 stairwell doors. The bids received were for \$65,000 and \$75,000. After careful consideration and a discussion of all the issues, the board voted unanimously not to accept either bid to replace the stairwell doors and to seek to obtain more information regarding repairing the doors.

- 4.6 The Board also considered whether to accept the bids to replace or repair the water pumps that feed the Building fresh water. The bids received ranged from about \$10k to \$70K, Gerry Menees made a motion not to fix or repair the pumps at this time, and have another professional come and give another assessment of the pumps. After careful consideration and a discussion of all the issues, the board voted unanimously not to accept any bid to replace or repair the pumps and to revisit the issue after consulting with additional professionals
- 4.7
- 5 **Special Assessment for lawsuit settlement.** The building's attorney reminded the Board that the Association had been involved in a lawsuit for approximately twelve years and that the new board had mediated a settlement in the amount of \$154,800. Of this amount the insurance company would contribute \$27,000, which required the Association to contribute \$127,800. Mr. McMahon also reminded the Board that, during the settlement discussion, all of the board members who were present either in person or telephonically had voted unanimously to accept the settlement in order to end the litigation. The Association's attorney also reminded the Board that much of the lawsuit settlement was still confidential and should not be discussed with anyone other than board members. A motion was made and duly seconded to approve the settlement agreement and to require a special assessment of the settlement amount upon the Association's members. The motion passes unanimously.
- 6 **Insurance shortfall and financing.** Mr. Iacono reminded the Board that the insurance budget for the period August 2012-August 2013 was \$298,939. Mr. Iacono also informed the Board that the actual amount of insurance expenses during that period was actually \$320,342, which left a shortfall of approximately \$22,000. In addition, Mr. Iacono also reminded the Board that there were a number of insurance policies due within the next ten days and that the budget also didn't cover the 11% increase in insurance that would occur with the renewed policies starting August 2013. Mr. Iacono informed the Board that the insurance for the August 2013–August 2014 period was \$341,718, which required up-front payments and left the Association with a total shortfall in the year of 2013 at \$58,930. Mr. Iacono informed the Board that the insurance broker had sought various competitive bids and that the current proposal was the best and only available offer.
- 6.1 At this time Ted April left the meeting. After a thorough analysis of all the facts and figures and a lively discussion regarding all relevant issues the Board carefully considered the proposal and a motion was made to accept the proposal and to require a special assessment of the unit owners in the amount of \$58,930. The motion was unanimously approved by the remaining Board members.
- 7 **Budget Shortfalls.** Mr. Iacono reminded the Board that the Association has run a budget shortfall and has managed to pay vendors and expenses through prepaid maintenance. Mr. Iacono also reminded the Board that the Association had issued checks that bounced in 2012 due to having insufficient funds in the accounts. Mr. Iacono made a motion to replenish the budget shortfall by requiring a special assessment of \$36,000 which is the amount of loss that has accrued. After a lively discussion of all the relevant issues at which all members were allowed to participate the Board carefully considered all of the issues. Mr. Iacono, Mr. McMahon, Mr. Gomez and Mrs. Farmiga voted in favor of the motion. Mr. Menees and Mrs. Ringler voted against the motion. The motion passed.
- 8 Mr. McMahon reminded the Board that the Association had obtained bids to either repair or replace the building's two water pumps. A discussion of the benefits of the proposals

took place. Mr. Menees made a motion to retain a licensed engineer to assess the pumps in order to determine whether repairing or replacement was necessary or preferred. After a thorough discussion of the issues at which all members were allowed to participate and careful consideration of all relevant issues by the Board, the motion passed unanimously.

- 9     **Special Assessment for unforeseen expenses.** Mr. Iacono informed the Board that the Association's attorney had recommend an additional special assessment amount of \$20,000 for unforeseen expenses in connection with the other work/expenses. Mr. McMahon made a motion to require a \$20,000 special assessment for unforeseen expenses. Mr. Menees offered an amendment to the motion to reduce the special assessment to \$10,000. After careful consideration of all the issues and a lively discussion at which all members were allowed to participate, the Board unanimously voted in favor of a \$10,000 special assessment for unforeseen expenses.
- 10    **Retrofitting the Building Sprinklers.** Mr. Iacono informed the Board that the Association was required to either have the building retrofitted for sprinklers by 2019 or have the unit owners by formal vote agree to waive the requirement to retrofit the building. After careful consideration of all the issues and a lively discussion at which all members were allowed to participate, the board voted unanimously to seek a vote of the unit owners to waive the requirement to retrofit the building for a sprinkler system.
- 11    **Re-election of certain officers.** Mr. McMahon made a motion to remove Mr. Menees as Vice President and elect Mr. Gomez to that position and to also remove Mrs. Ringler as Secretary and to elect Mr. Iacono to that position in addition to his duties as Treasurer. After careful consideration of all the issues and a thorough discussion of the topic at which all members were allowed to participate, Mr. McMahon, Mr. Iacono, Mr. Gomez and Mrs. Famiga all voted in favor. Mr. Menees and Mrs. Ringler voted against. The motion passed.
- 12    There being no further business, the meeting was adjourned.

---

Secretary

---

Date