

The Towers of Key Biscayne, Inc.
The Ocean Room
1111 Crandon Boulevard
Key Biscayne, FL 33149
Regular Board of Directors meeting January 13, 2011

Meeting called to order at 7:03 PM

I. Roll Call

Members Present:

Mr. Tony Ottavio	President
Ms. Alison Owen	Vice-President
Mr. Ricardo Martinez	Treasurer
Mr. Mario Lopez	Director
Ms. Judith Rosenblum	Director
Mr. Alan Khan	Director

On the phone:

Dr. Elsa Dominguez	Secretary
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Also Present:

Mr. Joe Maura	General Manager
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II. Determination of a Quorum

Having established the presence of 7 Board members the meeting proceeded.

III. Approval of Minutes of Board meeting held December 2, 2010.

Mr. Ottavio made the motion to waive the reading and to approve the minutes of the regular Board meeting held on December 2, 2010.

All Board members unanimously agreed.

Mr. Ottavio moved to change the order of the Agenda.

All Board members agreed.

IV. Manager's Report

Mr. Maura explained the need to replace all chutes in Towers A, B, C, and F. Despite the fact that in the past few days a resident threw a Christmas tree down the chute damaging the chute in Tower B, these items are included in the Reserve Study for the amount of \$ 88,000 and scheduled to be replaced in 2011.

Ms. Owen made a motion to approve the replacements the Trash Chutes at the quoted price not to exceed \$88,000 plus the cost of the permit.

All Board members unanimously agreed.

V. Construction Update Report

Phase II: the construction work continues smoothly. The multipurpose rooms are about 90% completed. Some painting, baseboard, and window treatments are still pending. The doors will be installed in the next few weeks. The Auditorium: is about to be completed. Still working on the baseboard, wood laminate, and the Board of Directors Desk. The Atrium: has the flooring installed and presently installing the marble floors in the lobby.

After completion of Phase II the atrium's door will be sealed until the full project - including Phase I - is completed and permits are closed.

Phase I: it has been delayed due to issues with Fire and Safety equipments. Fire Department ordered to move the pipes 2 feet further. The plans which were expensive, had to be redone to accommodate the relocation of the fire sprinkles. These issues are handled by the Fire Department.

The Phase I total project is somehow smaller because the Restaurant and the Gym were previously done

VI. Use of Common Areas by Vendors for Profit

Mr. Martinez brought his concern about outsiders such as personal trainers, tutors for kids, tennis pros, etc using the common areas. They all do it for a fee. There are a lot of programs that residents are enjoying. His concern is that we are spending a large amount of money in repairing our common areas and he wants to be proactive in the use of these areas by outside vendors that can cause damage to them. An additional concern is that these areas are being used for profit by outside instructors or facilitators, thus taking control of the areas which could be an inconvenience for residents. The Board of Directors felt that since we never had a problem regarding this item it was defined as a non-issue and no decision can be taken at this time.

VII. Restaurant Update

Mr. Ottavio summarized that the lease was due on October 2010, various meetings were held with the operator presenting the list of improvements proposed by residents in a Survey sent by the Restaurant Committee. The operator has not comply with the suggestions yet. The restaurant was renovated in house following the main request from residents according to the Survey.

The Board will determine: A- the length of the contract and B-the amount of cost recovery for the improvements. It was previously agreed with the operator to pay \$3,000 per month. Since it needs further evaluations the President felt it will be wise not to decide it today.

Mr. Ottavio proposed to move forward with a short term contract (6 months). He believes that the restaurant's operator performance has not been satisfactory, not complying with the suggested items for improvement, mainly not giving rewards to residents. The restaurant is increasing demand of finance to the Association.

Mr. Lopez said we can't continue with the welfare action, the operator must provide better service and better benefits to the owners.

Mr. Kahn and Mrs. Rosenblum feel that more residents are using the restaurant, and they strongly disagree with the cost recovery payment, claiming not to be fair for Bertofino to pay for renovations not done at his suggestion.

Members of the audience and board members entered into debate, causing to call the meeting to order occasionally.

Mr. Ottavio reminded all members that the restaurant operation is quite an expense for the Association, that 80 % of the customers are outsiders, and that it's was previously agreed between all board members to renew the lease for 6 months in order to evaluate improvements requested by residents. In addition, it was also agreed by Bertofino to pay a monthly cost recovery payment of \$3,000.00 per month to clear the cost of refurbishing done on the restaurant as all operators pay in the area. Bertofino has the advantage of not paying rent.

Mr. Martinez, the Treasurer, said that since the Association subsidized a total of \$8,300 in restaurant's expenses, that perhaps a fair cost recovery would be \$750.00 per month instead of the agreed \$ 3,000.00. Bertofino will continue to pay for the monthly utilities such as Water, Gas, Insurance, Electricity, Extermination, plus the new Computer system and the monthly cost recovery of \$750.00.

Several other proposals were contemplated by members to arrive to a unanimous agreement.

Ms. Rosenblum made a motion to not charge Bertofino's any cost recovery at all.

Ms Rosenblum voted Yes

Ms. Owen voted Yes

Mr. Lopez voted No

Mr. Khan voted Yes

Mr. Ottavio voted No

Mr. Martinez voted Yes

Dr. Dominguez vote No

Motion passed. With a 4 to 3 vote Bertofino's will continue operations with no additional cost recovery charge.

Ms. Rosenblum suggested that based on her evaluation of improvements, working along side with Paolo, the Association should offer Bertofino's a three year renewal. Mr. Ottavio expressed that the term of the contract is not important since it clearly states that it is terminable at any time, meaning that the Association has the power to cancel the contract at any time as well as to execute other terms.

Ms. Owen moved to grant Bertolini a three year lease renewal subject to our attorney's review and approval.

All Board members unanimously agreed.

VIII. Open Forum

IX. Adjournment

Meeting Adjourned at 8:58 PM

Minutes typed by Laura Garcia

Minutes approved by Dr. Elsa Dominguez, Secretary