

FINAL

**RIVER PLACE EAST HOUSING CORPORATION
BOARD OF DIRECTORS
MINUTES OF THE MONTHLY MEETING**

Tuesday, December 28, 2004

CALL TO ORDER

President Anthony Priest called the meeting to order at 6:11 p.m.

Board Members Present: Anthony Priest - President
Andrew Spell - Co-Treasurer
William Johns - Co-Treasurer
Elaine Cummins - Secretary
Mary Jean Schmelzer - Correspondence Secretary
John Curl – Director (joined at 6:25 p.m.)

Others Present: Jackie Demenezes - Building Manager
Carol Brooke - Finance Manager
Joe Curtis - Building Engineer
Billie Kay Denbo - Recording Secretary

Board Members Absent: Brian Fredericks – Director

Residents Present: Elsie Kent, Unit #902
John Curle, Unit #826
Katrina Reid, Unit #1115

SHAREHOLDER PARTICIPATION

No shareholder participation.

APPROVAL OF MINUTES

November 23, 2004 Board Meeting Minutes:

MOTION: Ms. Cummins moved, Mr. Spell seconded, to approve the November 23, 2004 Board Meeting minutes as amended. The motion passed unanimously.

BOARD MEMBER NOMINATION

Mr. Spell nominated Mr. John Curl to fill the vacant seat on the Board of Directors.

The Board of Directors reviewed Mr. Curl's resume and written statement of interest and Mr. Curl stated to the Board of Directors that he is a shareholder and a resident in the building and is interested in becoming active on the Board of Directors.

The Board of Directors discussed the vacant seat to be filled and the term remaining for this seat. The Board agreed that it is in the best interest of the Board to fill the vacant seat immediately.

MOTION: Mr. Spell moved, Ms. Schmelzer seconded, to approve John Curl to become a member of the Board of Directors for River Place East and fill the remaining term on the vacant seat. The motion passed unanimously.

BUILDING ENGINEER'S REPORT

Convector Troubleshooting & Ideas

Mr. Curtis reported that an idea was proposed to cut the access panels 6" by 6", 16 gauge, to provide access to the air control valve. Mr. Curtis described the function and purpose of the air control valve and he stated that this building is still in the research stage. He stated that he has a proposal from Precision Mechanical for this project, which includes the cleaning of the ducts for the Board's review. The Board questioned Mr. Curtis if a new engineering study needed to be conducted and if the entire system needs to be cleaned. Mr. Spell requested that Mr. Curtis obtain the costs for installing filters and cleaning the ducts.

Water Intrusion Project

Mr. Curtis reported that the repairs to the tower enclosure have been completed. He stated that the roof work has not been completed due to the weather. Mr. Curtis reported that they are ahead of schedule and that the roof work will be completed when the weather permits.

Windows

Mr. Curtis reported that he did receive a proposal from Atlantic for the window replacements for the Penthouse units on the 12th floor. Ms. Schmelzer recommended drafting a letter for the shareholders on this window replacement project to be sent out in mid January. Mr. Priest stated that he has invited an engineer to the January Board meeting to demonstrate and explain the specifications for the window replacements for the entire building. The Board discussed window repair versus glass replacement.

Risers

Mr. Curtis reported that the riser project for 2004 has been completed. He stated that the risers to be replaced in 2005 are 08/09 tiers and 06 tier, noting that two will be replaced in the spring and two in the fall. Mr. Curtis stated that he anticipated using All Plumbing again and will research a contractor for the drywall work required.

Fire Prevention

Mr. Curtis reported that the boards were replaced on the zones as required and that all zones are working to include the alarm bells. He stated that the smoke detectors have been replaced on the second and third floors and he will continue with this project completing two floors each month.

MANAGER'S REPORT

Ms. Demenezes reviewed her report with the Board discussing the activity in the building and the status of ongoing projects.

Bird Feeding Unit

Ms. Demenezes reported to the Board that she has received many complaints about someone feeding the birds and the mess this causes. She stated that she has identified the resident responsible and has notified and directed the resident to stop feeding the birds.

Elevator

Ms. Demenezes reported to the Board that the freight elevator was malfunctioning and was taken out of service over the weekend from the evening of Friday, December 10th to the morning of Monday, December 13th. She stated that the decision was based on the costs of having the elevator repaired on the weekend.

Pharaoh Ants

Ms. Demenezes reported to the Board that the management has ordered Terro gel from Lowe's at a cost of \$100.00 and will begin applying the product when received. Management will provide a report of the success of this product at the January Board meeting.

Water Leakage

Ms. Demenezes reported to the Board that there have been many water leakage problems in the building and that most of the problems were the responsibility of the unit owners. Ms. Demenezes stated that she has spoken with owners and they have agreed to contact a contractor to conduct the repairs and notify her with the information. She added that the

maintenance staff has completed some of the repairs due to damage caused by the water leaks and a fee or costs was assessed and sent to the unit owners.

Move Out

Ms. Demenzes reported to the Board that NOVA Construction, who rents the 1F storage unit, has been observed moving out their belongings but have not turned in any keys.

ACTION: Mr. Priest directed management that if the January rent is not paid, NOVA Construction must be sent a letter stating that they are required to give a sixty-day notice. Also, to check with maintenance to see if the current locks or keys to the unit have been changed.

Nextel Phones

Ms. Demenzes informed the Board that she met with Nextel to obtain quotes for two phones, which are required by staff.

SEPTEMBER FINANCIALS

Ms. Brooke reviewed the Accounts Receivable report and the delinquency statement with the Board. She stated that the Total Assessments (minus accelerations) is 4.65%, which is higher than last month, which was 3.43%.

Ms. Brooke informed the Board that a draft 2006 Budget has been sent out for review. She discussed with the Board setting a date for a budget meeting. The Board set the dates: January 18, 2005, Board meeting; January 6, 2005, budget meeting; January 8, 2005, reporting review meeting.

Ms. Brooke reviewed with the Board the income statement report, the cash flow statement, the balance sheet, and the stockholder equity statement, which includes the reserve report. She discussed with the Board her list of highlights and comments. Ms. Brooke stated that the amount for the Office Equipment may be incorrect, Work Orders Income offsets the Work Order Supplies, and the Commercial Property and Repair Maintenance amount was the replacement of fire panels in the boiler room.

ACTION: Mr. Priest directed management to abbreviate Repairs and Maintenance to R&M. and to add a line item to the budget for Fire Safety.

Mr. Priest presented questions on the Contribution to Operating Reserve, Capital Reserve and the depreciation figure. Mr. Johns will present these questions to the accountant for review and explanation at the budget meeting. Mr. Johns suggested adding the Year-to-Date column on the Cash Flow Statement to assist in clarifying figures for the Board. Mr. Johns will contact Goldklang to obtain an update and follow up on the audit.

OFFICER'S REPORT

President's Report – No report was provided.

Vice President's Report – Mr. Priest stated that this seat is currently vacant due to Mr. Jones leaving the Board of Directors.

MOTION: Mr. Johns moved, Ms. Schmelzer seconded, to nominate Mr. Spell for the Vice President position on the Board of Directors.

MOTION: Ms. Cummins moved, Mr. Johns seconded, to close nominations.

Mr. Spell was unanimously appointed to Vice President on the Board of Directors. Mr. Spell accepted the appointment.

Ms. Schmelzer was appointed to Representative for River Place East on the Owners Association.

Treasurer's Report – No report was provided.

Secretary's Report – No report was provided.

OA Report – Ms. Schmelzer reported that there is a meeting scheduled for January 29, 2005 at 4:00 p.m. to discuss the preparation for the annual meeting. Ms. Schmelzer informed the Board that the OA is occupied with the Entertainment Center (EC) project and that this project is very expensive and they are meeting a few obstacles. She stated that the OA Reserves Account is in good standing but there are not enough funds to fund the entire EC project. Ms. Schmelzer discussed with the Board having The River Place East Housing Corporation contribute \$25,000.00 to the EC project. The Board discussed with Ms. Schmelzer the progress, scope, costs and budget for the EC project. Mr. Priest stated that before the Board can make a decision he is requesting Ms. Schmelzer to obtain for the EC project a letter from Assem Iskander addressing: 1) budget for the project 2) the amount of money received from insurance 3) how the costs of the project is generated and broken down.

The EC project was tabled to Executive Session.

COMMITTEE REPORTS

Windows Committee

Mr. Priest reviewed with the Board the email describing recommendations for the replacement windows. He stated that he has obtained a proposal for an Energy Saving Analysis on the building for \$5,000.00. The Board discussed the pros and cons of

spending this money for an analysis. The Board agreed to compare the savings of the North and West buildings that have replaced their windows.

Approval of Unit Sales

The Board reviewed and discussed with management the list of pending sales and transfers. The Board reviewed some of the units' document packages and Ms. Schmelzer recommended revisiting units 124, 712, 948, 1037, 1038 in two weeks.

MOTION: Ms. Schmelzer moved, Ms. Cummins seconded, to approve the sales or transfers of units 235, 606, and 815 all with consideration. The motion passed unanimously.

MOTION: Mr. Spell moved, Ms. Cummins seconded, to approve the sales or transfers of units 124, 712, 948, 1037, and 1038, all with consideration contingent on counsel's approval. The motion passed unanimously.

OLD BUSINESS

RICO Case Update

Legal Counsel was not present to report.

Newsletter Schedule

Mr. Priest reported that he has not received any input from the other Board members and that he will be emailing to the Board members the draft letter to shareholders that he has composed.

NEXT MEETING DATE

The next regular meeting of the River Place East Housing Corporation Board of Directors will be held on Tuesday, January 18, 2005, at 6:00 p.m. in the East Building Management Office. Mr. Priest requested the annual meeting be moved to Wednesday, March 30, 2005. Management will verify that this date does not conflict with the other River Place buildings annual meetings.

NEW BUSINESS

Gates on Penthouse Level

Mr. Johns stated that he is requesting the gates to be removed from the penthouse level on the 12th floor. The Board discussed the gates and the decision was made to work with the building engineer and have the gates locked open.

Antenna Farm

Mr. Spell informed the Board that he has researched the option of having an antenna farm on the roof of the building. He discussed the pros and cons of this project.

EXECUTIVE SESSION

The Board moved out of the regular meeting and into an Executive Session at 9:18 p.m.

[Whereupon Billie Kay Denbo was released at 9:20 p.m.]

The Executive Session was adjourned at 9:48 p.m.