



THE PIERRE CONDOMINIUM ASSOCIATION UNIT OWNERS ANNUAL MEETING MINUTES

Pursuant to notice duly given, the Unit Owners Annual Meeting of the Pierre Condominium Association was held on May 14, 2002 in the hospitality room.

Attendance was recorded as follows: 78.6314% of the ownership was represented in person and/or by proxy. Directors: Wayne Lau, Randy Mehrberg, Bob Doak, Bill Waterston, Gera-Lind Kolarik, Denise Antonucci, Adam Landsman; Michael Bratsos, CPA, MBA, M. J. Bratsos & Associates, P.C.; Joe Bright, Wolin-Levin, Inc.; Debra Russo, Recording Secretary.

I SIGN-IN:

Property Supervisor Joe Bright from Wolin-Levin assisted unit owners with the registration and sign-in process, proxy registration, and distribution of ballots.

II CANDIDATE FORUM:

Previous to the Unit Owners Annual Meeting beginning, the candidates for the Board conducted a forum. Each candidate introduced themselves, expressed their interest in serving on the Board, and explained how their experience would be beneficial to the Board and the Association. After each candidate's introduction, questions were then addressed from unit owners.

III CALL TO ORDER:

The Unit Owners Annual Meeting of May 14, 2002 was called to order at 8:50 p.m. by Board President, Adam Landsman. A quorum was noted for both unit owner membership and the Board. Mr. Landsman welcomed attending owners.

IV APPOINTMENT OF ELECTION JUDGES:

Mr. Landsman called for two volunteers to serve as election judges, two unit owners volunteered to serve. The Association extends thanks to Gail Ruden and Janet Fisher for their help and contribution.

V ELECTION OF DIRECTORS:

Mr. Landsman called for any additional nominations from the floor, Edward Burnes nominated Barbara Sherman from the floor. nominations were then closed.

This year five Board positions expire. The expiring Board positions were held by Adam Landsman, Stu Baker, Gera-Lind Kolarik, Denise Antonucci and Bill Waterston.

For the election of five officers to the Board, six unit owners turned in their candidate forms before the deadline and declared their candidacy in advance of the meeting. Ms. Antonucci, Ms. Kolarik, Mr. Landsman and Mr. Waterston had declared their intention to rerun for the Board. Mr. Burnes and Ms. Bazanos also declared their candidacy in advance of the meeting and Ms. Sherman was duly nominated from the floor. Resulting in a total of seven candidates running for the five positions open on the Board. The five officers receiving the highest percentage of votes will serve two-year terms.

Owners were asked to cast their ballots, ballots were then collected and tallied by Michael Bratsos, CPA, under the supervision of the election judges. It was announced that the meeting would proceed as the votes were being tabulated.

VI APPROVAL OF THE MINUTES:

The minutes from the May 8, 2001 Annual Meeting were available to attending unit owners. Mr. Lau the Board Secretary reported that draft copies of the Annual Meeting minutes had been made available for the Board and unit owners to review after last years Annual Meeting and that no corrections had been requested. Mr. Lau called for any comments or corrections, there were no additional changes.

Upon motion duly made, Mr. Lau motioned to approve the Annual Meeting minutes of May 8, 2001, seconded by Mr. Landsman, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the Unit Owners Annual Meeting Minutes of May 8, 2001, as presented.

VII STATE OF THE BUILDING

Mr. Landsman the Board President continued by summarizing the current state of the building.

a) Damage Claims

Mr. Landsman provided an update on the two lawsuits and the claims against Travelers Insurance and the non-Travelers defendants (Baker, LPW Associates, McCully Construction and Case) for damages from the 2120 Construction Project.

Mr. Landsman stated one of the judges has granted another extension to Travelers with the next court appearance scheduled for July 15, 2002. The Association's latest estimate of compensatory damages not including relocation costs total \$5,600,000. Travelers is disputing the cost of repairs and they've countered with an estimate of \$1,800,000. They will be required to provide proof that their estimate is accurate. An outside estimator was asked to evaluate the damages and has quoted the loss at approximately 5% less than the Association's estimates.

To date, the Association has received two advance payments from Travelers totaling \$345,000.

The attorneys are hopeful that punitive damages and attorneys' fees will be recovered in the secondary lawsuit. The next scheduled appearance in that case is on May 15, 2002.

Mr. Bob Doak, the Association's Treasurer distributed and reviewed a claim summary that he had prepared, breaking down the various costs of repairs for damages from the 2120 Construction Project.

(The Pierre Condominium Association Baker Development Claim Summary is attached as part of these minutes.)

b) Distribution of Funds

In response to inquiries, Mr. Landsman stated that not only the boundaries but finished materials of common elements and non-common elements need to be more clearly defined. Repairs made to non-common elements, as allocated in the lawsuit, could be at the owner's discretion, while common element repairs such as floor leveling within the individual unit may be mandated by the Association.

The issue of floor leveling for individual units, the planning and approach for distribution of funds from the insurance claim are large scope issues to be resolved by the new Board.

c) Garage Renovation

Mr. Landsman summarized the garage renovation project noting that the original scope of work was modified and that it was completed under budget, and although some additional work is needed, the project was completed substantially earlier than expected.

d) Building Repair Projects

Other building repair projects including the modernization of the elevators, as well as the common element repairs including the renovation of the hallways, and window replacements are all projects that need to be worked on by the newly formed Board during the coming year.

VIII FINANCIAL OVERVIEW

Mr. Bob Doak the Board Treasurer, reported that the annual audit was recently completed and distributed the newly completed financial statements to unit owners. He explained that despite a midyear assessment increase, 2001 ended in a deficit position. This was attributed mainly to a substantial shortfall in the 2000 budget that went unrecognized and resulted in inadequate estimates in the 2001 budget. These variances were corrected in the 2002 operating budget which is now consistent with actual spending of 2002.

Mr. Doak also recommended that the Association complete a reserve study this year which has been taken into account in the budget.

Mr. Doak was acknowledged for all of the time and effort he contributed to compiling financial information and evaluating the Association's current financial status.

PIERRE CONDOMINIUM ASSOCIATION
BAKER DEVELOPMENT CLAIM SUMMARY

| | Individual Unit | Association | | | Total |
|--|---|--------------|---------------|----------------|------------------|
| | Interior Repairs | Stairwell | Corridor | Other | |
| <u>Floor</u> | | | | | |
| 2 | | 6,801 | 22,059 | 27,663 | 56,523 |
| 3 | 253,052 | 3,005 | 23,037 | | 279,094 |
| 4 | 180,225 | 3,005 | 23,037 | | 206,267 |
| 5 | 411,715 | 3,005 | 23,037 | | 437,757 |
| 6 | 302,154 | 3,005 | 23,037 | | 328,196 |
| 7 | 314,530 | 3,005 | 23,037 | | 340,572 |
| 8 | 394,622 | 3,005 | 23,037 | | 420,664 |
| 9 | 270,969 | 3,005 | 23,037 | | 297,011 |
| 10 | 485,585 | 3,005 | 23,037 | | 511,627 |
| 11 | 253,878 | 3,005 | 23,037 | | 279,920 |
| 12 | <u>142,696</u> | <u>3,005</u> | <u>16,677</u> | | 162,378 |
| Exteriors | | | | 169,121 | 169,121 |
| General Conditions (a) | | | | <u>652,999</u> | <u>652,999</u> |
| Total | 3,009,426 | 36,851 | 246,069 | 849,783 | 4,142,129 |
| Material Sales Tax | | | | | 61,180 |
| Overhead | | | | | 420,331 |
| Profit | | | | | <u>420,331</u> |
| | | | | | 5,043,971 |
| Previously paid repairs | split between units/association requested from Eric | | | | 235,594 |
| Engineers/litigation consult | | | | 239,721 | 239,721 |
| Relocation costs (estimate) | 400,000 | | | | 400,000 |
| Footing error? | | | | 9,000 | <u>9,000</u> |
| Compensatory Damages | | | | | 5,928,286 |
| Punitive Damages | | | | 1,750,000 | <u>1,750,000</u> |
| Total Claim | | | | | 7,678,286 |
| Attorneys fees potentially recoverable under Baker agreement-not in claim above as of 12/31/01 | | | | 200,000 | 200,000 |

(a) primarily management coordination, engineering & general cleanup

IX COMMITTEE PRESENTATIONS:

a) Window Committee

Members of the committee, Jill Pack and Gail Ruden reported that about 50% of the owners participated in the recent window replacement survey. Most rated the current windows as "fair" and expressed an urgent interest in replacing them.

The committee has conducted technical sessions and met with window manufacturers, engineering consultants, and members of other local Associations, who recently addressed window replacement in their buildings to try and obtain a better understanding for the complete scope of the window replacement project. The committee will seek further clarification of issues concerning financial responsibility and financing options.

Appreciation was extended to the committee for efforts made on behalf of the Association.

X ELECTION RESULTS:

After the voting was confirmed, it was announced that the following five candidates received the highest percentage of votes and were elected to the Board.

| | | |
|------------------|----------|-------------|
| Adam Landsman | 21.1993% | 2 year term |
| Edward Burnes | 12.6300% | 2 year term |
| Bill Waterston | 11.4619% | 2 year term |
| Denise Antonucci | 10.6573% | 2 year term |
| Barbara Sherman | 9.9251% | 2 year term |

Adam Landsman, Edward Burnes, Bill Waterston, Denise Antonucci and Barbara Sherman were each elected to two-year terms. They, will join the continuing Board members, Bob Doak, Wayne Lau, Randy Mehrberg, and Bob Zabors.

Thanks were extended to departing Board Members for their contribution to the Association: Stu Baker for five years of very diligent service serving in the capacity as President, Vice President and as Secretary during his terms; and Gera-Lind Kolarik for eight years of active participation and serving on a number of committees.

IX ADJOURNMENT:

Thanks were extended to all owners who volunteered to run for the Board and serve the Association. Mr. Landsman announced that a Board of Directors Meeting will immediately follow the Unit Owners Annual Meeting.

Upon motion duly made by Mr. Landsman, seconded by Mr. Lau and unanimously carried, the Unit Owners Annual Meeting adjourned at 9:50 p.m.

Immediately following a break, the monthly Board of Directors meeting will be held to elect the officers.

Respectfully Submitted,



Wayne Lau, Secretary
The Pierre Condominium Association

Debra Russo, Recording Secretary