



APPROVED MINUTES

THE PIERRE CONDOMINIUM ASSOCIATION BOARD OF DIRECTORS MEETING MINUTES

Pursuant to notice duly given, a Board of Directors Meeting of the Pierre Condominium Association was held on July 10, 2001 at 7:30 p.m. in the hospitality room after conclusion of the Unit Owners Budget Meeting.

Attendance was recorded as follows. Directors: Gera-Lind Kolarik, Wayne Lau, Denise Antonucci, Bob Doak, Stu Baker, Bill Waterston, Randy Mehrberg, Bob Zabors (departed 9:50 p.m.); Michele Cohen, Wolin-Levin; Debra Russo, Recording Secretary.

I CALL TO ORDER:

The Board of Directors meeting of July 10, 2001, was called to order by Board Vice President Stu Baker after a Unit Owners Budget Meeting concluded at 8:15 p.m. A quorum was noted.

II SECRETARY'S REPORT:

a) Minutes of June 12, 2001

Mr. Lau reported that the Board had been given the opportunity to review the minutes for the regular Board of Directors Meeting of June 12, 2001 in advance of the meeting, and reviewed the proposed changes that had been requested to the draft minutes. Mr. Lau called for final comments or corrections, and after a brief discussion, suggestions were noted.

Upon motion duly made, Mr. Baker motioned to approve the minutes of June 12, 2001 as amended, seconded by Mr. Lau, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the minutes of June 12, 2001, as amended.

b) Minutes of June 28, 2001

Mr. Lau reported that the Board had been given the opportunity to review the minutes for the Special Board of Directors Meeting pertaining to the elevator modernization project of June 28, 2001 in advance of the meeting, and reviewed the proposed changes that had been requested to the draft minutes. Mr. Lau called for final comments or corrections, there were no additional changes.

Upon motion duly made, Mr. Lau motioned to approve the minutes of June 28, 2001 as amended, seconded by Mr. Baker, and carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the minutes of June 28, 2001, as amended.

In Favor: Mr. Lau, Mr. Baker, Ms. Kolarik, Mr. Mehrberg, Ms. Antonucci, Mr. Waterston.

Abstaining: Mr. Doak, Mr. Zabors.

III TREASURER'S REPORT:

a) 2001 Mid-Year Assessment Increase

Previous to the Board meeting a Unit Owners Budget Meeting was held for the purpose to review, discuss and answer unit owner questions relating to the Proposed 2001 Mid-Year Monthly Maintenance Assessment Increase and the Revised 2001 Budget.

The Association's Treasurer, Bob Doak gave a review of the proposed assessment increase, revised budget, reserve history, and a recap of the summary of variance explanations that were previously distributed to unit owners.

The Board considered approval of the Proposed 2001 Mid-Year Monthly Maintenance Assessment Increase and the Revised 2001 Budget, prepared by Mr. Doak. It was noted that the revised budget had been distributed to all owners and discussed at length during the Special Budget Meeting.

Upon motion duly made, Mr. Doak motioned to approve the Proposed 2001 Mid-Year Monthly Maintenance Assessment Increase and the Revised 2001 Budget as presented, seconded by Mr. Baker, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the 2001 Mid-Year Monthly Maintenance Assessment Increase and the Revised 2001 Budget, an \$80,000 increase in the 2001 operating budget, which will be assessed to the owners according to their percentage of ownership, amortized over five months, to become effective beginning with the August 1, 2001 monthly maintenance statement and to run through the December 1, 2001 monthly maintenance statement.

b) Garage Rate Increase

Mr. Doak reported that the extensive garage renovation will begin October 1, 2001. Mr. Doak and the finance committee considered various options to pay for the garage renovation project including a special assessment and/or an increase in the monthly parking rate. Our current parking rates were compared to other garages in the area and were found to be considerably lower than the market rate. After much deliberation, the committee presented its recommendations to the Board and both collectively agreed to raise the monthly parking rate by approximately \$100.00 after the construction is completed, bringing parking fees to within 80% of the current market rate, instead of fully assessing the garage reconstruction as a special assessment.

The committee also considered a unit owner's suggestion to raise money for garage renovation by selling parking spaces or rights to unit owners in the building. After consideration, the Board acknowledged that it would be extremely difficult to obtain the unit owner approval required for such a plan to sell a building asset.

c) Special Assessment Discussion

Mr. Doak and the finance committee met with representatives from three banks to discuss options for funding the major projects that need to be completed over the next year. He said, the Association could obtain a loan with a multiple draw down arrangement that could be repaid over a term of 10-15 years. The loan funds could be used to pay for the building facade repairs, garage reconstruction contingencies, and the elevator modernization project.

The Association would raise funds to repay the loan by increasing the garage parking rate and a special assessment. Owners would be special assessed according to their percentage of ownership, currently estimated at approximately \$8,000 per unit. Options for the payment of the special assessment are that it could be paid in one initial lump sum or by a monthly payment schedule with an interest factor. Mr. Doak said, the banks have also indicated a willingness to offer Home Equity Loans to individual unit owners.

d) Statement of Reserves

The Association's reserve balance was \$257,009 as of June 30, 2001, and the separate account for payments from partial insurance settlements from the 2120 Construction Project related insurance claims was \$252,158 as of June 30, 2001.

Mr. Doak reported that the Scudder Investment was sold as approved at the June Board Meeting.

(The Pierre Condominium Association Statement Of Income And Expenses is attached as part of these minutes.)

IV MANAGEMENT REPORT:

a) Financial Statement

Management reported a total of \$10,376.97 in the operating account and that the Annual Financial Audit Statements for the year ended December 31, 2000 have been distributed to all unit owners.

b) Construction Rules

The Construction Rules for Unit Renovations were drafted earlier this year and presented to the Board for review, and Management obtained a proposal from an Acoustical Engineer for determining minimum requirements for the floor installation underlayment and performance standards to be included in the construction rules.

THE PIERRE CONDOMINIUM ASSOCIATION
STATEMENT OF INCOME AND EXPENSES

	(cash basis) 6 months ended <u>June, 2001</u>	(cash basis) 5 months ended <u>May, 2001</u>	2001 Original Budget	(accrual basis) 2001 <u>Revised Budget</u>	
INCOME					
4000 Assessments	332,822	272,950	662,817	742,817	
6180 Less: NSF Checks	<u>(1,452)</u>	<u>(1,452)</u>			
Net Assessments	<u>331,370</u>	<u>271,498</u>	<u>662,817</u>	<u>742,817</u>	
4002 Rental Income (Apt.)	17,005	15,705	39,600	31,400	2nd floor vacant 4 mo.-rented @6/1/01
4010 Parking Income	20,123	16,650	34,000	30,685	assume garage closed for construction 10/1/01
4020 Laundry Income	1,324	0	2,000	2,000	
4026 Storage Income	90	75	3,000	3,000	
4030 Misc Income	34	10	1,500	1,500	
4031 Scavenger Rebate	7,650	7,650	7,620	7,620	
4040 Maintenance Income	576	576	0	0	
4049 Wolin-Levin Fees	0	(35)	160	160	
4051 Late/Legal Fees	961	736	1,500	1,500	
4056 Keys	5	5	0	0	
4060 Interest Income	<u>13,176</u>	<u>13,176</u>	<u>30,000</u>	<u>30,000</u>	
Total Income	<u>392,314</u>	<u>326,046</u>	<u>782,197</u>	<u>850,682</u>	
EXPENSES					
Administrative:	29,895	23,526	54,696	62,391	
Operating:	318,940	265,205	534,442	588,274	
Repairs & Maintenance:	40,160	33,746	31,216	52,927	
Baker claim professional fees:					
6110 Engineer Service-Baker	12,739	6,116	15,000	15,000	estimated total unknown
5316 Litigation-Baker	34,180	34,180	50,000	50,000	estimated total unknown
7165 Baker related repairs	<u>19,761</u>	<u>13,413</u>	<u>0</u>	<u>0</u>	accrued at 12/31/01
Baker claim related costs	<u>66,680</u>	<u>53,709</u>	<u>65,000</u>	<u>65,000</u>	
Net income (loss) available for Capital	(63,361)	(50,140)	96,843	82,090	
Capital Expenditures:					
6111 Facade consulting & repair	6,348	5,495	1,500	5,495	
7093 Decorating/Design	30,449	30,449	30,000	36,000	est. includes windows & expenses
8003 Garage- Structural Engineer	19,248	14,675	17,000	14,675	
7289 Garage- Lights & Fixtures			20,000		include with floor project
Garage Repairs			10,000		include with floor project
7073 Elevator Study	5,600	1,800	2,000	2,000	
4480 Fire Safety	4,480	4,480		0	accrued at 12/31/01
6191 Emergency Generator	<u>2,795</u>	<u>2,795</u>	<u>5,500</u>	<u>0</u>	accrued at 12/31/01
Total Capital Expenditures	<u>68,920</u>	<u>59,694</u>	<u>86,000</u>	<u>58,170</u>	
Net Increase/(Decrease) in Reserves	(132,281)	(109,834)	10,843	23,920	

THE PIERRE CONDOMINIUM ASSOCIATION
STATEMENT OF INCOME AND EXPENSES

	(cash basis) 6 months ended <u>June, 2001</u>	(cash basis) 5 months ended <u>May, 2001</u>	2001 Original Budget	(accrual basis) 2001 Revised Budget	
EXPENSES					
Administrative:					
5310 Legal	5,026	2,316	5,000	5,000	\$1679 accrued at 12/31/00
5311 Audit	968	968	3,000	3,000	
5340 Management	17,328	14,440	34,650	34,650	
5002 R E Taxes	0	0	1,886	1,886	
5332 Income Taxes	0	0	3,500	3,500	
5349 Misc. W/L Charges	140	140	160	160	
5350 Fees & Permits	516	240	1,500	1,500	
5360 Misc. Admin Expense	5,906	5,411	3,000	8,500	based on actual expected costs
Commission to rent Apt.				2,195	actual incurred cost
6050 Printing & Copying	<u>11</u>	<u>11</u>	<u>2,000</u>	<u>2,000</u>	
Total Administrative	<u>29,895</u>	<u>23,526</u>	<u>54,696</u>	<u>62,391</u>	
Operating:					
5510 Gas	78,627	74,554	65,000	85,000	based on estimated rates times yearly usage
5520 Electric	23,977	18,332	49,000	59,000	based on last 12 months actual
5530 Water	5,094	2,589	12,000	14,000	approx. \$1300/month less \$1700 from prior year
5610 Janitor	53,715	45,383	119,758	119,758	
5611 Doorman	59,285	49,947	120,659	120,659	
5619 Bonus & Gifts	0	0	1,600	1,600	
5440 Health & Welfare	9,878	8,339	18,600	18,600	
5446 Doorman Dues	8,604	7,196	16,888	16,888	
5620 Payroll (FICA) Taxes	8,645	7,293	18,392	18,392	
5330 Unemployment Taxes	2,370	2,370	3,430	3,430	
5320 Insurance	21,792	8,527	21,300	42,772	Actual bill
5321 Workmen's Comp Insurance	5,234	5,234	7,500	7,500	
5324 Uninsured Casualty Loss	2,660	0	3,000	3,000	
5180 Elevator	8,951	8,951	17,827	17,827	
5410 Exterminating	769	684	840	840	
5420 Scavenger	4,500	4,500	12,000	9,500	new contract \$9000
5720 Employee Rent	5,100	4,250	10,200	10,200	
6130 Window Washing	0	0	2,000	2,000	
6195 Fire Extinguishers	745	745	500	750	
7010 Landscaping	3,637	1,150	1,500	4,000	based on actual expected costs
7021 Lobby	110	110	0	110	
7040 Telephone	1,631	1,464	5,200	5,200	
7045 Pager	176	147	360	360	
7050 Cable/ Antenna	<u>13,440</u>	<u>13,440</u>	<u>26,888</u>	<u>26,888</u>	
Total Operating	<u>318,940</u>	<u>265,205</u>	<u>534,442</u>	<u>588,274</u>	
Repairs & Maintenance:					
5110 Electric Repairs	0	0	500	500	
5120 Plumbing	4,519	4,367	1,500	8,000	est. based on YTD
5150 Roof Repair	0	0	1,000	1,000	
5182 Elevator non-contract	5,284	2,472	1,200	5,000	repairs high until rework project complete
5450 Supplies	9,767	7,634	10,000	14,000	est. based on YTD
6061 Pool Repairs	1,128	623	1,500	1,500	
6080 HVAC	5,568	5,156	6,016	6,016	
6120 Uniforms	1,909	1,648	2,000	3,000	based on actual expected costs
6198 Misc Repairs	1,584	1,445	5,000	5,000	
7207 Heating Repairs	6,411	6,411	0	6,411	actual repair cost net of insurance claim
7254 Janitorial Equipment	3,369	3,369	1,000	1,000	\$3369 accrued at 12/31/00
6156 Painting	<u>621</u>	<u>621</u>	<u>1,500</u>	<u>1,500</u>	
Total Repairs & Maintenance	<u>40,160</u>	<u>33,746</u>	<u>31,216</u>	<u>52,927</u>	

Currently the Board has not formalized the construction rules and decided to address all of the open issues not determined in the draft. Management stressed the importance of having an established policy in place as many owners are planning major repairs and/or unit renovation.

Upon motion duly made by Mr. Waterston, seconded by Mr. Lau, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approves a special meeting for the committee to review the proposed Construction Rules for Unit Renovation scheduled for Tuesday, July 31, 2001 at 7:00 p.m.

c) 2120 Construction Project

The Board was reminded of an outstanding invoice for Gessler Hughs & Socol for \$45,048.22, which had previously been approved contingent on receipt of an estimated budget of ongoing costs. Payment was authorized in three installments. The first payment of \$15,000 will be made as soon as possible and the balance will be paid in 30 and 60 days respectively.

d) Engineer Inspections and Exterior Facade Report

Management requested that Gessler, Hughs & Socol turnover the Wiss, Janney, Elstner costs for the most recent inspections to Travelers.

Wiss, Janney, Elstner will also conduct the city mandated Facade – Ongoing Inspection and Repair Program Report, for a price not to exceed \$2,500.

e) Garage Reconstruction Contract

The Board reviewed the garage reconstruction contract submitted by Engineer, John Fodor of Eskenazi, Farrel & Fodor. Management confirmed that the contractor agreed to the Board's terms for an incentive/penalty arrangement. Mr. Fodor obtained bids from three competent contractors ranging in price from \$289,180 to \$627,950. The work will begin on October 1, 2001 and is expected to take to the end of February 2002, or approximately 140 days to complete barring any unforeseen circumstances.

Upon motion duly made by Mr. Doak, seconded by Mr. Lau, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve the garage renovation contract from Takao Nagai Associates, Ltd. as presented by John Fodor, of Eskenazi, Farrel & Fodor for an estimated cost of \$405,753.00, subject to a final review by the Association's attorney.

The Garage Committee will meet on July 20th to discuss ingress/egress issues. Ms. Kolarik volunteered to work on a solution for handicap accessibility.

f) Elevator Modernization Project

The Board discussed the proposal from Lerch, Bates & Associates and their former employee who is now employed for one of the competitive elevator companies bidding on the rehabilitation project. Management was instructed to call Lerch, Bates & Associates and request that a new representative be assigned to review the bids and inquire why Otis Elevator raised their estimate in the bidding process.

The Board discussed scheduling the elevator modernization project in conjunction with other projects. The estimated time-frame is approximately 10 weeks per elevator. The passenger elevators will be completed first and then the service elevator. The work will begin April 1, 2002 with completion expected by November 8, 2002. It was noted that the rear service elevator will be under heavier usage than normal while the front passenger elevators are undergoing repairs. It will be very important to schedule moves, deliveries and construction projects through the Building Engineer as far in advance as possible.

Management reported that they are still researching the possibility of submitting a revised insurance claim to include the accelerated damage to the mechanical systems of the elevators, caused by exposure to the elements, when a major section of the roof was torn off during a severe storm.

g) Smoke Detectors/Fire Extinguishers

As directed by the Board, Management sent a memo to all unit owners stating as a convenience they would order smoke detectors and fire extinguishers and offer them to owners/residents at bulk-purchase pricing at the unit owners expense. Unit owners that are interested in ordering should contact Management.

h) Unit Renovation 8AN-8BS-9AN

The Association's architect working in conjunction with the unit owner, has reviewed the renovation plans submitted for combining units 8AN-8BS-9AN. The plans do however call for moving common elements, a riser line, waste and vent stack pipes. The Board discussed the current policy and concerns over moving any common elements including risers, waste pipes, electric supply and cable lines.

Following a lengthy discussion, and although the plans were discussed with the building's structural engineer, it was agreed that the plans would be reevaluated by a second engineer, specifically a "mechanical" engineer, and the results presented to the Board for ratification.

The unit owner also offered to sign an indemnity agreement, accepting liability for any impact on the building caused by these changes. He further assured the Board that when the unit is sold, the liability will transfer to the new owners.

Upon motion duly made by Ms. Kolarik, seconded by Mr. Baker, and carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, review the renovation plans as submitted for units 8AN-8BS-9AN subject to review and approval with written reports by the structural and mechanical engineers; to be ratified by the Board at the next Board meeting, and provided the owners sign an indemnity agreement with a provision that the liability will transfer with ownership of the unit.

In Favor: Ms. Kolarik, Ms. Antonucci, Mr. Doak, Mr. Baker, Mr. Waterston.

Abstaining: Mr. Wayne Lau, Mr. Mehrberg.

Note: Mr. Zabors was not in attendance for this resolution.

Special Note – During the period between the conclusion of the July 10, 2001 Board Meeting and the August 14, 2001 Board Meeting, the unit owner has revised specific portions of the plans and has elected to re-present a new renovation proposal request at the August 14, 2001 Board Meeting.

i) Vehicle Damage Claim

Management reported that a unit owner has resubmitted a claim for auto damage sustained in the garage about a year ago. He requested payment in the amount of \$250.00, less than the actual amount of the damages, an amount equal to the maximum policy deductible approved by the Board to reimburse an owner for damage to their personal property when caused by failure of a common element.

Upon motion duly made by Ms. Kolarik, seconded by Mr. Baker, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve payment to the owner of unit 12ES in the amount of \$250.00, as reimbursement for their deductible for damages sustained due to failure of a common element.

Note: Mr. Zabors was not in attendance for this resolution.

j) Pool Rules Violation

Management reported that the tenants responsible for a party on the pool deck on June 30, 2001 have responded with an apology for breaking the rules. They've acknowledged that they have received, understand, and agree to abide by the Rules and Regulations in the future.

k) Garage Attendants / Trash Removal

Management was notified that the trash receptacles in the garage are often overflowing and need to be emptied more frequently, and more trash containers purchased. There were also reports of cabinets and other items being stored in the garage that need to be cleared away.

The Board also acknowledged reports about the overnight garage attendant found to be sleeping in unit owners' cars on several occasions while on duty.

l) Pool Deck

Management was asked to purchase another trash container for the pool deck. It was suggested that the condition of the deck furniture be evaluated at the end of the season and replacement items or additional pieces purchased this fall or winter.

m) Trane Service Agreement

Management reported that Trane's service agreement was renewed as of July 1, 2001. Management asked the Board to ratify approval of Trane's proposal.

Upon motion duly made by Mr. Mehrberg, seconded by Mr. Doak, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, approve Trane's proposal to renew the service agreement for maintenance of the HVAC equipment, the water cooled generators and chiller at an annual cost of \$4,176.

Note: Mr. Zabors was not in attendance for this resolution.

V OLD BUSINESS:

a) Garage Contract

Pioneer Parking has mutually agreed with the Board to discontinue the lease agreement contract during the garage reconstruction project. Bruce Cohen has requested that his responsibility for paying the utilities be waived and revert to the Association while the garage is closed for reconstruction.

The Board discussed the advantages and disadvantages of suspending the current contract verses rewriting a new contract after the repairs have been completed.

Upon motion duly made by Mr. Lau, seconded by Mr. Doak, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, authorize Mr. Lau as Secretary of the Association to send a certified letter of notification, cancelling the lease agreement contract with Pioneer Parking, Inc. for the period of the garage reconstruction, October 1, 2001 through completion in February 2002. In the process the Board will proceed with negotiations and a new contract.

Note: Mr. Zabors was not in attendance for this resolution.

b) Yoga Classes

Management received a letter from a unit owner who wanted clarification from the Board regarding the decision to deny conducting of the yoga classes in the hospitality room. The Board had previously addressed the request but it failed to gain motion for a vote. The Board agreed to readdress the request and continued to discuss the conditions under which the request possibly could be approved on a trial basis.

Upon motion duly made by Ms. Kolarik, seconded by Ms. Antonucci, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, authorizes the use of the hospitality room to hold yoga classes for residents on an eight-week trial basis, with all participants signing a liability waiver; and scheduled through Management with a \$100.00 security deposit which is required as policy for hospitality room use.

Note: Mr. Zabors was not in attendance for this resolution.

VI NEW BUSINESS:

a) Right of First Refusal

Management reported that the following sales were recently approved: unit 6DN sold for \$389,900, and unit 12CS sold for \$701,000. Management was asked to present any sales information for Board review in the future.

Upon motion duly made by Mr. Baker, seconded by Mr. Doak, and unanimously carried, the following resolution was approved:

RESOLVED – That the Board of Directors of the Pierre Condominium Association, hereby, ratify approval on the sales for units 6DN and 12CS and waive the Association's right of first refusal.

Note: Mr. Zabors was not in attendance for this resolution.

b) Next Meeting Date

The next Board of Directors meeting will be Tuesday, August 14, 2001 at 7:30 p.m.

VII COMMITTEE REPORT:

a) Renovation Project

Ms. Antonucci reported that Darcy Bonner has provided the breakdown of expenses as requested by the Board for the work to date, and noted that he did not receive payment for an outstanding invoice in the amount of \$4,857.

On behalf of the committee, Ms. Antonucci extended thanks to the unit owners who completed surveys. Many of the suggestions relating to the design elements in the four projects (hallways, windows, hospitality room, and lobby) have been incorporated as modifications into the initial plans. Ms. Antonucci reported that because of these modifications, the eventual costs will be substantially less. Ms. Antonucci further explained that when the projects were initially presented to the owners the costs were not separated between replacements or improvements. These projects will be phased into the overall construction project over a four year time period. Mr. Mehrberg suggested to the finance committee that the cost of the renovation project be included in the negotiations for financing.

VIII RECESS/CLOSED SESSION/ADJOURNMENT:

With no further business to come before the regular Board meeting, and upon motion duly made, and carried, the Board recessed into a closed session of the open meeting at 12:15 a.m.

The purpose of the closed session was to review the budget submitted by Gessler Hughs & Socol to complete the discovery process for the 2120 Construction Project claims, and to address a proposed resolution for a dispute over a unit owner's complaint with the Board and Management.

The closed session of the open meeting concluded and reconvened into open session at 12:45 a.m.

Upon motion duly made by Mr. Lau, seconded by Mr. Baker, and unanimously carried, the meeting adjourned at 12:45 a.m.

Respectfully Submitted,



Wayne Lau, Secretary
The Pierre Condominium Association

Debra Russo, Recording Secretary