

# *Condominium Association of Parker Plaza Estates, Inc.*

*2030 South Ocean Drive  
Hallandale Beach, Florida 33009*

## **Minutes of Emergency Meeting of the Board of Directors Wednesday, January 7, 2015 7:30 PM in the Plaza Room**

### **Call to Order**

The meeting was called to order by President Ramon Mejido at 7:30 PM.

### **Roll Call**

Ramon Mejido – President  
Isaak Sher – Secretary  
William Gennaro – Treasurer  
Homero Duque – Director  
Alan Goran – Director  
Robert Fisher – Director

### **Old Business**

#### **Discuss development with the refinancing of the existing debt.**

Ramon Mejido wanted everybody to know the good news, and that is that Bank of America gave us the green light for the loan. The interest rates have dropped even lower by half a point. The interest rate is going to be set based on the rate that is in effect the week before we close, which will be the week of January 30, 2015. Ramon explained that we don't expect any upswing in the rates. However, there is a bump in the road. Bank of America and their attorney reviewed our condominium documents and noted an amendment that sets limitations and conditions on borrowing money. This amendment was passed to protect the association from the type of uncontrolled borrowing that took place when we had a crooked board. Because of this amendment, Bank of America is requesting that the membership vote to approve the refinancing, even though this refinancing is not a new loan. Rather than taking time to debate this issue with the bank, we will comply with their requirement and simply mail a proxy/ballot to all unit owners so that they can vote on the matter.

Ramon asked that the residents help avoid a delay with the new loan as we have only one day when we can refinance the loan and if the deadline is missed then all bets are off. This loan is to exclusively refinance current debt. The net effect of this is to shorten the life of the loan from the remaining twenty years to twelve years and to reduce the interest rate. Ramon said we would be saving at least \$2 million with this new loan. Homero Duque added that the current loan has a rate that changes every five years

and the new loan is a fixed rate. Ramon said that if the loan closed yesterday, the fixed interest for the next twelve years would be way down to 3.87% and he doesn't feel there is a better deal anywhere else.

Homero opened up the floor for questions. He mentioned that some unit owners were participating by telephone. Linda Lustig from Unit 719 took the floor. She mentioned how time is of the essence and that we have only two weeks to get this done. She mentioned that stockholders are able to vote their proxy by phone. She asked if an official company can be hired to make these calls so we can get the 70% needed. Ramon responded that he doesn't think we need to do this because we have enough help here. He said that it's 50% plus one more vote that is needed. A resident asked if they can email the signed proxy ballot back and Ramon answered yes, just scan it and email it back.

Doc stamps will be around \$2,400.00. Attorney fees and other expenses to be expected are approximately \$6,000.00. A resident inquired where the money is coming from. Ramon answered that it is coming from the recovery fund. Also, a small amount of the existing loan will be paid down before we refinance the remaining \$9 million. The balance right now for the existing loan is \$9.2 million, so the \$200,000.00 will be paid down. Ramon said they are trying to avoid raising the quarterly maintenance fees. The fixed portion of the loan has no prepayment penalty unless interest rates drop even further. Ramon explained that Bank of America made a commitment and they figure their money can be reloaned five years from now, when interest rates will most likely be higher. Ramon made it clear he does not see interest rates dropping any further. Ramon explained that both components of the loan are fully amortizing over twelve years which means they will never increase. The fixed portion is like any fixed loan, when you pay it off it decreases. The variable portion is a variable amount whereby we can sweep money in and out, but every year that will be reduced by one-twelfth of the available balance.

Ramon explained that the amount per unit for this loan is approximately \$300.00 per year. That amount is based on the first interest rate they received and he has to get the updated amount for the new interest rate.

Ramon explained that there is no penalty for paying off the new loan early like there is for the old loan. However, there is a loophole in the old loan where there is one day in every five year period called the "Interest Rate Change Date." On that one day there is no prepayment penalty. Ramon believes that was a mistake they made when they wrote the original loan but it's a mistake that works in our favor. The association's attorney reviewed that and the bank admitted to the mistake. February 1, 2015, is the next day that we can make the prepayment without penalty.

There was no requirement for a vote of the membership when the association secured financing for the old loan. The original loan amount was \$11 million.

### **Adjournment**

Ramon made a motion to adjourn the meeting at 8:26 PM. The motion carried unanimously.