

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

## **MINUTES OF EMERGENCY MEETING**

**February 22, 2006**

**7:30 PM in the Plaza Room**

An emergency meeting of the Board of Directors was held on February 22, 2006 at 7:35 PM. In attendance were Robert Fisher (President), Max Silberman (Vice President), Bob Ortiz (Treasurer), Sy Kessler (Secretary), Herb Shamlian, Alan Goran, and Johnny Pekats.

The purpose of the meeting was to give all owners a summary of our financial position and to answer all questions from the owners regarding same.

Robert Fisher said that based on available information, we are showing a total shortfall for the fiscal year ending September 30, 2006 of \$492,477.12. The Loan Repayment line item in the 2005/2006 Operating Budget is incorrect. We pay \$857,630.92 per year to repay our \$11 million loan, not \$615,000.00 per year, meaning that every quarter we are short \$60,657.73. We estimate we need \$20,000.00 to pay the rest of our February expenses. Based on our Operating Budget, and not including our erroneous loan information, we need \$276,375.00 to cover our March expenses. According to the current amortization schedule for our \$11 million loan, we pay approximately \$2,000 per day in interest. Regarding the Hurricane Wilma Special Assessment account, we have \$60,216.74 in a checking account and \$201,643.94 in a CD, for a total of \$261,860.68. The funds in the Hurricane Wilma account are not supposed to be used for anything other than Hurricane Wilma repairs; however, money was illegally commingled and transferred out of the Special Assessment account and into our General Operating Account. We do not know where, or on what, that money was spent. At this time, we have \$117,393.00 in delinquent Hurricane Wilma Special Assessment payments.

Robert Fisher explained the problem with the position of Allstate Insurance and Loss Assessment coverage and discussed what we can do to resolve the situation. We are working diligently to get some answers.

We recognize that some owners have not paid the Hurricane Wilma Special Assessment and we have agreed to waive the late charges until March 3, 2006. However, the assessment must be paid. In addition, those owners who have not paid their maintenance must become current. When we collect on our Hurricane Wilma claim, and account for all of our Wilma expenses, a decision will be made as to how to distribute any money that might be in excess.

We were advised that all unit owners have the right to do what they want regarding hurricane shutters and windows and doors; however, a committee is being formed to explore the best way to go and also to negotiate the best price. Any owners who decide on their own to install shutters or windows or doors must be sure that they use a licensed contractor and obtain the required permits.

A question was raised regarding the amount of our Hurricane Wilma claim. Our public adjustor, Norman Lesser, will be meeting with us on Wednesday, March 1, 2006, to go over the claim. We have heard that the claim is for about \$2.5 million, but that does not mean that we will collect that amount.

A question was raised as to whether the previous Board is being investigated. The Board is being investigated and the attorney who was hired by some of the owners, Lisa K. Hermann, Esq., has been hired by Parker Plaza to work for all of the owners, on this and other matters. Civil lawsuits will be filed against management and the Board within the next few weeks, and we assume that criminal action will also be taken.

A question was raised as to what is the rate of interest we are paying on the existing loan. Our current interest rate is 6.75%. At every five year anniversary it is adjusted to 2½ points over the SWAP rate.

There was discussion that we should have a special assessment of approximately \$1,000.00 per unit to cover our shortfall, but nothing was approved.

Robert Fisher advised the owners that on January 25, 2006, the previous Board signed a contract for a new roof for \$660,000.00 and gave a \$330,000.00 deposit to a company that has been in business for less than one year. The Board also signed a contract for storm drains for the front of our building for \$635,000.00 and gave that contractor a \$320,000.00 deposit in August 2005. This is without ever cleaning or testing the old drains. The storm drain contractor is being investigated by the State Attorney's Office and is willing to come in and talk to us.

Herb Shamlian made a motion to terminate with cause Bob Hittner as Manager. The motion was seconded by Max Silberman and all five members unanimously agreed.

A motion to close the meeting was made by Herb Shamlian at 9:02 PM, and seconded by Max Silberman.

Respectfully submitted,

Sy Kessler, Secretary