

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

## **MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS March 14, 2006 7:30 PM in the Plaza Room**

The meeting was called to order at 7:40 PM by Robert Fisher.

**Roll Call:**

**Present:** Robert Fisher, Max Silberman, Sy Kessler, Bob Ortiz, Alan Goran, Johnny Pekats, Donald Pinkus, Emma Sardiña, Herb Shamlian

**Absent:** None

The purpose of the meeting was to discuss our \$11,000,000.00 loan.

Robert Fisher gave some background from the previous February meetings. The \$214,000.00+ payment on our \$11 million loan was due on February 1, 2006, but there was not enough money in our account to make the payment on time. A Special Assessment was passed on February 27, 2006 to raise the money necessary to cover our budget shortfall, including the overdue loan payment. The bank agreed to forgive late fees and penalties and is allowing us to make our loan payment on March 15, 2006. At the meeting on February 27, 2006, Micky Biss asked some questions specific to our \$11 million loan. The Board thought it would be well-advised to have an attorney review our loan before making the payment, but also felt that it was very important to pay the loan by the extended due date so that we would be in good standing with the bank. As this was the day before the due date, this meeting was called to discuss our situation with the loan.

The Board hired a transactional attorney, Lawrence Saichek, Esq., to review the loan. His overall recommendation was that it would be reasonable to pay the loan.

There were many questions asked by the owners about the interest rate that we're paying to the bank. We are currently paying 6.75% interest and our loan is based on the swap rate. Everyone wanted to know if we could negotiate with the bank to reduce the rate that we are currently paying and lower our payments. Because we will be making our quarterly payment in accordance with our agreement, and therefore will not be in default, we will be in a more favorable position to discuss this with the bank.

A question was asked if there was a mortgage on the apartments. There is not a mortgage on the apartments. The collateral that the bank has is the income from our regular assessments and special assessments. If we default, the bank itself can call for special assessments in order to pay the loan.

**A question was asked if it would be possible to separate the portion of our quarterly maintenance that goes toward the loan and then declare this as a personal tax deduction. No one knew if this was feasible, but would look into it.**

**A question was asked about an offer that the bank had made when first negotiating our loan to discount our loan as long as we maintained 125 accounts with the bank. We did get a 1% discount on a \$3.5 million portion of the loan for the first six months of the year; however, in the last six months we did not maintain 125 accounts.**

**There were more questions about the loan and how the money was spent. There is currently an ongoing investigation and we don't have all of the answers available to us at the present time.**

**There was more discussion about how to reduce the loan. The loan can be paid back anytime without penalty; however, we are prohibited by our agreement from taking out another loan with another bank to pay off this loan.**

**A motion to close the meeting was made by Herb Shamlian at 7:54 PM, and seconded by Max Silberman.**

**Respectfully submitted,**

**Sy Kessler, Secretary**