

Condominium Association of Parker Plaza Estates, Inc.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS WEDNESDAY, SEPTEMBER 6, 2006 7:30 PM IN THE PLAZA ROOM

CALL TO ORDER

The meeting was called to order at 7:30 PM by Robert Fisher.

ROLL CALL

Present: Herb Shamlian, Alan Goran, Sy Kessler, Robert Fisher, Max Silberman, Bob Ortiz, Marilyn Perlman, Donald Pinkus

Absent: Johnny Pekats

READING OF MINUTES

The minutes from June 21, 2006 and August 2, 2006 are quite long and it would very time consuming to read them at the meeting; however, they are available in the office and also posted at www.parkerplaza.org for review. Marilyn Perlman made a motion to waive the reading of the minutes. The motion was seconded by Alan Goran and unanimously approved.

REPORTS

TREASURER'S REPORT

Bob Ortiz presented the Treasurer's Report as of July 31, 2006.

General Ledger:

July Expenses	\$353,803.28
July Income	\$1,084,461.17
Outstanding Maintenance and Assessments	\$0.00
Liens (One Unit)	\$4,704.94

Bank Account Balances:

Banco Popular Money Market	\$11,594.00
Banco Popular Operating Account	\$247,460.36
Banco Popular Payroll Account	\$5,564.68
Banco Popular Escrow Account	\$33,363.65
Banco Popular Wilma Account	\$2,015.95
UBS Wilma Account (Securities)	\$202,676.45
SunTrust Wilma Account	\$149,548.40
SunTrust Windows and Doors	\$187,890.07

TOTAL **\$840,113.56**

The August activity and reconciliation is not available for this meeting because it's too early in the month and not all of the necessary information has been received.

SPECIAL GUEST: LAURIE WILLIAMS, CITY OF HALLANDALE BEACH FIRE/RESCUE

Laurie Williams presented information about the Community Emergency Response Team (CERT) program. CERT is a nationwide program that has been around for over twenty years

and its purpose is to train spontaneous volunteers how to respond to emergency situations. Participants are taught to first keep themselves safe, and then to branch out to help family, neighbors, and the community. Twenty hours of training offered by the Hallandale Beach Fire Department covers such topics as basic fire suppression, how to use a fire extinguisher, triage, first-aid, search and rescue, terrorism, disaster psychology, and finally, a live disaster drill. The course is free and requires a commitment of 2-1/2 hours one night a week for eight weeks. Arlene Lippel is currently taking the course and a CERT course can be conducted right at Parker Plaza if enough residents are interested. Brochures will be available in the office for anyone who is interested in learning more or participating in the program.

OLD BUSINESS

CONSIDERATION AND APPROVAL OF PROPOSED ANNUAL OPERATING BUDGET FOR 2006-2007

Robert Fisher asked for any discussion regarding the budget and there was none. Sy Kessler made a motion that the budget be approved as presented for 2006-2007. The motion was seconded by Bob Ortiz and a roll call vote was taken.

Members in favor: Herb Shamlian, Alan Goran, Sy Kessler, Robert Fisher, Bob Ortiz, Max Silberman, Marilyn Perlman, Donald Pinkus

Members opposed: None

Unit owners voiced concern about the increasing cost of maintenance and Bob Ortiz said that the maintenance may go down once we install the hurricane impact glass and perhaps get some consideration on our insurance. Don Pinkus said that last year approximately \$1.4 million of borrowed money helped subsidize the maintenance and gave the impression that the maintenance was not increasing; however, now we have to pay that money back. The current budget reflects what it actually costs to operate the building, including major increases in the cost of insurance and electric and the correction to the amount of the loan payment. In the future the maintenance may go up, down, or stay the same; but whatever it is, this is what it costs to run the building and we all have to help pay this expense. Robert Fisher said that it's frustrating for all of us, and that we're trying to save money wherever we can, but there are some fixed costs that we have no choice but to pay.

OPEN DISCUSSION

U.S. CONTRACTING AND STORM WELLS

The former Board paid U.S. Contracting and Plumbing a deposit of \$320,000.00 on a contract of \$635,000.00 to build new storm wells at the front of the building. The work was never started and we filed suit to recover our deposit. Micky Biss, Robert Fisher, Sy Kessler, and Don Pinkus, accompanied by our attorney, Lisa Hermann, went to mediation with U.S. Contracting. After a very long and difficult negotiation, U.S. Contracting agreed to return \$187,500.00, of which \$100,000.00 has already been received, with the additional \$87,500.00 due December 15, 2006. Our representatives felt that this was the best solution, given that further litigation would result in more legal fees, the possibility of a smaller settlement, or perhaps no recovery whatsoever.

Our two existing storm wells on the east side of the building can be serviced and refurbished with new liners for a total cost of \$60,000.00. In the event that we need increased well capacity, an additional well can be drilled for approximately \$30,000.00, with the associated plumbing work costing approximately \$30,000.00.

BLESSING CONSTRUCTION

The former Board paid Blessing Construction a deposit of \$330,000.00 on a contract of \$660,000.00 for a roof. We filed suit to recover our deposit and we were awarded a final judgment in the amount of \$330,000.00, plus fees. Blessing Construction is no longer in business and had only been in business for a few months when the contract was signed, the partnership has since ended, and they have been evicted from their location. Our attorney was able to recover the approximately \$1,800.00 that was remaining in their bank account. We do not want to spend a lot of money to chase money so we are looking for another attorney who will take the collection of this judgment on a contingency basis.

\$11 MILLION LOAN

Micky Biss said that in his opinion past Boards may not have had the right to encumber the Association with what has now become an \$11 million loan, perhaps by not amplifying it or by spending the proceeds inappropriately, and that Banco Popular, formerly Kislak, may have also engaged in some improper action and that we should pursue legal recourse to try to get some relief. The issues are very complicated and the result uncertain but it would be wrong to ignore this and we should explore any possible wrongdoing as we will be burdened with this loan for the next 29 years. He proposed retaining Jim Brady, Esq. of Arnstein & Lehr LLP and Doris Freudman, Esq. who will collaborate and continue their due diligence, determine if there is a cause of action which could be filed, and if so, file it. They would be retained on a 50/50 contingency basis with no fees or expenses charged to the Association until, and if, there is any financial recovery or advantage. Micky Biss also recommended establishing a legal committee for this particular project, of which he would like to be a member or chairperson as well as liaison, with the committee including at least one presiding board member and other unit owners. No determinations would be made by the committee or the attorneys without the committee first presenting any information to the Board for discussion and decision-making. There was much talk between the Board and unit owners about the strength of our case, how to best structure the retainer agreement between the Association and the attorneys, a concern that nothing should cause us to lose any opportunity or advantage with the bank as our interest rate, currently 6.75%, can be changed on our five-year anniversary which is in three years and three months, and to do what's best for the building. By a raise of hands the majority of unit owners were interested in pursuing legal action. Don Pinkus made a motion to proceed, in concept, whether it be with Arnstein & Lehr LLP and Doris Freudman, Esq. or with some other attorney, and to make a decision on a timely basis after soliciting competitive proposals. The motion was seconded by Sy Kessler and unanimously approved. A Legal Committee will also be established and we welcome Micky Biss' participation. The Board thanked Micky Biss for always helping the Association and for his solid, sound advice regarding this and other matters.

CIVIL LAWSUIT: ASSOCIATION VS. BOARD OF DIRECTORS, MANAGEMENT, ETC.

The civil lawsuit is pending completion of the ongoing criminal investigation.

DISCUSSION OF POSSIBLE AMENDMENTS TO OUR DOCUMENTS

By a raise of hands the majority of unit owners were interested in proceeding to get legal direction regarding changes to our documents, whether it be the Declaration of Condominium, the By-Laws, or the Rules and Regulations. The following items will be researched further and, where required, could be put before the unit owners for a vote:

- Term limits for serving on the Board of Directors.

- Limit on the dollar amount and term of any loan, e.g., 10% of the operating budget and one year, before the loan would have to be either paid off or converted to an assessment in order to avoid the burden of any long-term debt.
- Election ballots returned to a disinterested third party to prevent any possible manipulation.
- Delinquent accounts charged maximum late fees and highest interest allowable by law to encourage owners to pay on a timely basis.
- Maximum amount placed on amount of mortgage, e.g., 90% of sales price excluding closing costs, or refinancing, e.g., 80% of assessed value, in order to discourage speculation and to insure that in the event of foreclosure the association would not be last in line or possibly unable to collect any outstanding maintenance or assessments.

HURRICANE IMPACT GLASS WINDOWS AND DOORS

The engineering for the shop drawings should be complete this week and work is scheduled to start November 1, 2006. Work will be done in eight separate sections and even though our contract calls for work to be complete in thirteen months the contractor is hoping to finish the job in eight months.

BOILER AND EXHAUST CHIMNEY

There is not any grout between the sections of the chimney that exhausts gas from the boiler, creating a situation where gas and soot leaks out from the flue and accumulates in the elevator machine rooms and mechanical rooms. We have patched the leaks from the outside of the flue, but it is still necessary to repair the interior. After receiving proposals ranging from \$65,000.00 for relining and \$40,000.00 and \$30,000.00 for patching, there is a mason who will perform the work for approximately \$11,500.00. We have not yet scheduled the work, but be advised that when we do the boiler will be shut off for two to five days and the whole building will be without hot water during the entire period of time that it takes to make the repair. This will be very inconvenient for all of us; however, it is something that we have to do and we want everyone to be aware that this will be coming up.

WI-FI HOTSPOT

Thanks to Veysel Naranjo we have established a Wi-Fi hotspot in the Green Room for a one-time charge of \$200.00 for equipment and cable. Residents and guests can access the internet free of charge with their wireless laptop and should look for "Parker Plaza" when they view available wireless networks.

HURRICANE PREPARATION

Hurricane Ernesto was a good hurricane preparation drill and we're thankful that this storm missed us. While preparing, we found that our single biggest problem was created by those unit owners who leave patio furniture and other items out on the terrace of their unoccupied and unattended unit. In the past this has resulted in the majority of damage to our building and units. In preparation for this storm our employees had to devote time and effort to bringing in furniture from approximately 200 units; we had to pay our employees overtime and it took precious time away from securing the rest of the building. For unit owners who are here and are physically unable to move their furniture we are happy to offer assistance; however, it is unconscionable that unit owners would leave town without properly preparing their units. By a raise of hands the unit owners agreed that there should be a fee charged to those unit owners who are not in their unit

and leave items on their patio. Sy Kessler made a motion to charge \$50.00 per occurrence to bring in items from the terrace of an unoccupied unit in the case of a hurricane. The motion was seconded by Max Silberman and unanimously approved.

SMOKING ON THE POOL DECK

Many unit owners have complained about smoking on the pool deck. By a raise of hands the unit owners agreed that there should be a designated smoking area on the pool deck. Herb Shamlian made a motion to designate with a sign an area of the pool deck where smoking is allowed and the rest of the pool deck will be non-smoking. The motion was seconded by Alan Goran and unanimously approved.

ILLEGAL PARKING

Don Pinkus said that many cars in both the upper and lower parking areas are in the wrong parking space or do not have any identification and are illegally parked. Valet is checking license plates and trying to verify that cars are in their correct space; if so, they will receive the proper sticker. Illegally parked cars will get a warning sticker the first time and will be towed by Anchor Towing the second time. Unit owners are not allowed to give their gate opener to guests or to let guests into any parking area with their gate opener; all guests must go to Valet and get a ticket. Unit owners receive, free of charge, a sticker to be placed on the rear window of their car that indicates their assigned parking space number and if they have a second car in valet they will receive for that car, also free of charge, a sticker with valet identification.

ASSOCIATION TAX RETURNS

Don Pinkus said that federal and state tax returns were never filed for the years 2001-2005. Our accountant has prepared the returns and they are being filed. Our accountant feels confident that we will not incur any fines or penalties on the federal returns but is not sure if the state will abate the fines and penalties on the state returns.

ILLEGAL RENTERS

Sy Kessler said that there are unit owners who are illegally renting their units. We have found out about some of them and they are no longer living in the building; however, to really enforce this policy we need the help of all unit owners. If any unit owner knows or sees something that isn't right, even if it's a friend, please report it to the office. Illegal renters feel no obligation to Parker Plaza and they will ultimately hurt the value of our property.

FITNESS CENTER

Sy Kessler said that a pair of five-pound weights were stolen from the gym and that if anyone knows anything about this to please see that they are returned. The tape from the security camera was reviewed and nothing was observed, and in reality it would be difficult to catch this on camera as someone could simply conceal the weights in a gym bag. Security will be on the lookout for this type of behavior and it will not be tolerated.

STORAGE BINS AND ROOMS

The Board previously approved a motion to rent storage bins for \$300.00 per year and bike/kayak storage for \$30.00 per year. We also have large storage rooms throughout the building that could be rented with the proceeds going to our general operating account, as is the case with the other rentals. Alan Goran made a motion to rent storage rooms for \$1,500.00 per year, with a

reasonable rate of increase and other details to be discussed. The motion was seconded by Max Silberman and unanimously approved.

FOUNTAIN IN FRONT OF ENTRANCE CANOPY

The fountain is leaking and in need of repair. Many people find it an eyesore and would like to see it changed. By a show of hands the unit owners agreed unanimously that if we have the money in the budget they would rather change the fountain than repair the fountain. It was suggested that the structure be made lower, that the water feature be smaller, and to incorporate some flowers.

ADDITIONAL OBSERVATIONS

Alan Goran reminded everyone that we have an outrageous electric bill and that when not in use the lights in the public restrooms should be turned off. He thanked all of our employees for coming together and working so hard to prepare for the hurricane. He also reminded everyone that guests must go to valet and get a parking ticket and that if guests have a validation sticker they must affix it to the parking ticket.

WELCOMING COMMITTEE

Sy Kessler announced the following sales:

UNIT	FROM	TO	PRICE
307	VEGA	ARDAVIN	\$505,000.00
408	GORESHNIK	PINEDA	\$385,000.00
403	BEKKER	LEAL	\$295,000.00
424	PEREZ	VEGA	\$380,000.00
1225	LEVITIS	BENOWITZ, CAPPARO	\$290,000.00
1923	KIRSCHNER	GLAZER	\$400,000.00

MEMORIAL MESSAGE

A moment of silence was observed for Samuel Gruber of Unit 1006, Sarah Finkelstein of Unit 2127, and Rosa MacFarlane of Unit 1823.

ADJOURNMENT

Herb Shamlian made a motion to close the meeting. The motion was seconded by Max Silberman and unanimously approved at 10:34 PM.

Respectfully submitted,

Sy Kessler