

MINUTES OF THE
RIVER PLACE NORTH HOUSING CORPORATION
March 18, 2003
Arlington, Virginia 22209

CALL TO ORDER: President Norman Mikalac called the meeting to order at 6:00 p.m. in the Management Office Conference Room, 1121 Arlington Boulevard, Suite L-1, Arlington, Virginia.

Directors Present: Mr. Norman Mikalac, President
Mr. Hashmat Ali, Vice President
Ms. Sara Shahade, Secretary
Mr. Andrew Spell, Treasurer
Mr. Walter Charlton, Director
Ms. Nancy Joyner, Director

Directors Absent: Mr. T. Malcolm Roberts II

Management: Ms. Donna Cooper, Building Manager

Residents: Ms. Yunghi Yarborough

Others: Ms. Barbara J. Bunce, Recording Secretary

RESIDENT PARTICIPATION: Ms. Yarborough, Unit 303, PS-415, stated that on February 18, 2003 she was unable to get her car out of her space to go to work because there was a vehicle blocking her exit. Ms. Yarborough stated that she went to the concierge at the East building to complain and was told that a resident who works at the Pentagon stated he needed to be able to get out of the parking lot and decided to park in an area not designated as a parking space even though he was advised that he would be subject to towing. Ms. Yarborough stated that Security did show up but told her that they did not give the resident permission to park there, nor did they have the vehicle towed at that time. Ms. Yarborough stated that the car remained there for two days. In addition to the car blocking her exit, Ms. Yarborough stated that there is deep standing water under her car that is not draining as it should. Ms. Yarborough then went to the Facilities Manager, Christy, to discuss the matter, but did not receive any satisfaction. Ms. Yarborough stated that Christy neither responded to the car issue nor did she agree to look at the standing water to determine if it should be siphoned out. Ms. Yarborough stated that the Facilities Manager was rude and unresponsive. Ms. Yarborough further stated that in going in and out of the building to determine if she could exit the parking lot, she subsequently fell and broke her arm. When she went to the North Management Office and requested Mary to call an ambulance, she stated that Mary refused and told her to use the telephone and call herself.

Ms. Joyner stated that Ms. Yarborough's complaints would be brought to the attention of the company that manages the Owners' Association and the matter would be brought to some resolution.

APPROVAL OF AGENDA: Mr. Mikalac asked the Directors to approve the agenda. Mr. Ali requested that Vermin Infestation be placed under New Business. Mr. Spell asked that a discussion regarding Controlling Legal Expenses also be placed under New Business. Mr. Charlton stated that he had an issue to discuss that he wished to be titled Special Item.

(M) Ms. Joyner motioned, Ms. Shahade seconded, to approve the agenda as amended. The motion passed unanimously (6-0-0).

APPROVAL OF MINUTES: Mr. Ali requested clarification of the Resident Participation discussion. Ms. Joyner requested a correction to the OA Report. Mr. Ali requested a correction to his comments in the OA report regarding the Entertainment Center contract work.

(M) Ms. Joyner motioned, Ms. Shahade seconded, to approve the minutes as amended. The motion passed (6-0-1), with Mr. Charlton abstaining since he was not present at the February Board meeting.

REPORTS:

President: Mr. Mikalac stated that four Directors had participated in the process to fill the RPNHC Manager position. Mr. Mikalac introduced Donna Cooper, the chosen candidate and asked the Board to approve her appointment.

(M) Mr. Spell motioned, Mr. Ali seconded, to approve Donna Cooper as the RPNHC Manager. The motion passed unanimously (6-0-0).

Treasurer: Mr. Spell reported that operating assessments are slightly above budget. Fuel Oil was also up since our system switches to a fuel oil backup system when temperatures drop excessively low. Gas charges were lower as a result of the backup system; however, we are still \$3,000 over budget for gas. These variances are due to the difference in weather from this winter vs. last winter. Mr. Spell reported that the reserve fund will remain in excess of \$1M after the elevator rehabilitation project is completed. RPNHC made a profit of \$73,000 in investments in 2002.

OA Report: Ms. Joyner requested that Mr. Mikalac provide the report since he was her representative at the Owners' Association (OA) Board meeting on February 24, 2003. Mr. Mikalac stated that he brought RPNHC's concerns/complaints regarding the renovations of the Entertainment Center and requests on the final budget for FY02/03 with footnotes to the attention of the OA. There was no resolution at the OA meeting. Mr. Mikalac recommended that RPNHC's representatives on the OA Board continue to work to resolve outstanding issues.

HVAC: Mr. Spell reported that he has requested Mario, RPNHC Engineer, to take readings to compare the relative effectiveness of the two prototypes, one unit for replacement and one for refurbishment. Mr. Spell anticipates that he will have data to disseminate at the Annual Shareholders Meeting on March 25, 2003.

Space Committee: Ms. Joyner stated that approximately one year ago the Space Committee presented recommendations to the Board regarding the policies for allocating storage spaces. Ms. Joyner stated that she was recently requested to follow up on current storage space of Board members and the chicken wire storage bins, particularly in response to a concern by Mr. Ali that he has been denied storage that should be allocated to units under his ownership. The storage bins are controlled by Management and assigned to specific units. Preference goes first to efficiency units, and then to short-term lessees. Ms. Joyner stated that of Mr. Ali's fourteen units in the North building, seven of them have been assigned storage bins. Three of those assigned bins are currently vacant; four are occupied. Ms. Joyner stated that a registration card for only one of these seven storage bins could be located in the management office. Mr. Ali disagreed with Ms. Joyner's report and stated that to his knowledge there are no bins assigned to any of his units. Mr. Ali stated that in addition to the fourteen units he owns, there are nine more units he manages which brings the total to twenty-three, and he wants access to a fair number of bins.

Ms. Joyner reviewed the policy that provides storage space to Board members for half the monthly fee. Ms. Joyner stated the President instructed her that if a shareholder was willing to pay full price for a storage space, their request would override any current occupancy at half-price. Ms. Joyner stated that 1-E and 1-H are free spaces that are shared among Board members. Mr. Ali stated that the policy was the first space that a Board member occupies is free and they pay for additional spaces. Mr. Ali stated he has one space, 1-I, for which he pays. Ms. Joyner recommended that Mr. Ali ask Patricia to tell him which of his units have been assigned storage bins.

(M) Mr. Ali motioned, Ms. Shahade seconded, to defer the issue regarding space allocation until constitution of the next Board of Directors following the Annual Shareholders Meeting.

Mr. Charlton objected to the motion and requested further discussion. Mr. Charlton stated that the 1-H storage space was provided to Mr. Trevor by the Board and is irrevocable and should not be part of the space allocation discussion. Mr. Mikalac then asked for a vote on the previous motion.

Motion passed (4-1-1) with Mr. Charlton voting against and Mr. Spell abstaining.

UNFINISHED BUSINESS:

Abandoned Units: Mr. Mikalac reported that the Corporation's legal counsel has stated that N-605 belongs to RPNHC and can be rented or sold, as determined by the Board.

(M) Mr. Charlton motioned, Ms. Shahade seconded, to sell N-605 for not less than \$70,000.

Mr. Ali recommended that the Board verify clear title ownership, and further suggested that a Trade-Off Analysis be done prior to a final decision. Mr. Spell agreed and further suggested that the Board determine what the lease obligation is for the unit. It was also discussed that, if the Board decides to sell the unit, that renovations could increase the value. Mr. Mikalac asked for a vote on the prior motion.

The motion failed (3-3-0) with Ms. Joyner, Ms. Shahade, and Mr. Charlton voting for and Mr. Mikalac, Mr. Ali, and Mr. Spell voting against.

(M) Mr. Ali motioned, Mr. Spell seconded, to do a Trade-Off Analysis and Title Search on Unit N-605 prior to the Board's final disposition of the property. The motioned passed (4-1-1) with Mr. Charlton voting against and Ms. Joyner abstaining.

Mr. Mikalac stated that legal counsel would provide a recommendation on the disposition of N-247 some time after the Annual Shareholders Meeting.

Satellite Dishes: Letters were sent by management and by legal counsel to the two tenants who have satellite dishes whose installation is in conflict to building regulations. Written correspondence has gone unanswered. Legal counsel will proceed with court action as necessary.

Fredericks' Carpet Reimbursement: Mr. Mikalac stated that there are by-laws inconsistencies that make the issue of responsibility for damage from common elements questionable. Mr. Mikalac and legal counsel recommend that RPNHC pay Mr. Fredericks for replacement of his carpet. Further, the next Board should form a committee to act as an Insurance Committee to review RPNHC's by-laws and our coverage under the OA insurance contract to adopt policies that would govern future damage liability. Both Mr. Charlton and Ms. Joyner stated that during their tenures as President, RPNHC never reimbursed an owner for damage from common elements; therefore, there is no precedent to reimburse Mr. Fredericks. Mr. Ali disagreed and feels sure that the Corporation has paid owners for damage from common elements. Ms. Joyner and Mr. Charlton stated that reimbursing Mr. Fredericks would indeed set a precedent for other owners to demand damage costs. Mr. Ali suggested that we reimburse Mr. Fredericks and then develop a Board policy to be applied to future claims. Mr. Spell stated we have accepted some liability by paying to have Mr. Frederick's carpet cleaned twice after the incident so it will be difficult at this time to deny any culpability.

(M) Mr. Ali motioned, Mr. Spell seconded, to reimburse Mr. Fredericks \$200.00 for carpet damage to Unit 312. The motion failed (2-4-0).

(M) Mr. Charlton motioned, Ms. Joyner seconded, that RPNHC not offer any compensation to Mr. Fredericks for the carpet in Unit 312. The motion was withdrawn.

(M) Ms. Joyner motioned, Mr. Spell seconded, to respond to Mr. Fredericks reimbursement request and cite that Board practice does not provide for damage liability resulting from common elements. The motion passed (4-0-2) with Mr. Ali and Mr. Mikalac abstaining.

NEW BUSINESS:

Assessment Late Fee Waivers: Mr. Mikalac stated that contrary to RPNHC by-laws, Ms. Riddlemoser would use her own discretion in granting waivers on assessment late fees. It was noted that there is a one-time waiver granted to each shareholder per unit. Ms. Joyner suggested the Board needs to determine the length of the waiver. Mr. Mikalac noted that the by-laws state the late fee is assessed at \$25.00. Mr. Charlton stated that the one-time waiver should be granted but should be noted in a footnote in the financials so that the Board can monitor the waivers. Mr. Ali stated that the delinquency policy in the by-laws states that the \$25.00 late fee be assessed after fifteen days. The next assessment follows 15 days later and if that second assessment is fifteen days late, a letter is sent to the shareholder stating that failure to pay the assessment and late fees may result in acceleration and cancellation of the the proprietary lease.

(M) Mr. Charlton motioned, Ms. Shahade seconded, to defer this issue to the April Board meeting.

Ms. Joyner suggested that this issue should not go unaddressed at this time because it leaves management without a policy to follow. Ms. Cooper stated that she will discuss with Patricia the informal policies currently adhered to by management, and bring her recommendations to the April Board meeting.

Pest Control: Mr. Ali has received complaints from tenants on the 5th and 9th floors regarding mice and cockroach infestation. Ms. Riddlemoser did respond to complaints but there are frequent reoccurrences of infestation. Mr. Spell stated that management has a contract that allows for extermination on Mondays at tenant's request. Mr. Ali stated the contract also covers scheduled extermination twice a year. Ms. Cooper asked Mr. Ali to provide her with the units that have or have had recent infestation problems so she may address the issue.

Controlling Legal Costs: Mr. Spell stated that legal costs will exceed the budget by \$8,000 following the Annual Shareholders Meeting. Mr. Spell suggested that the Corporation needs to be reasonable in the amount of legal counsel we seek for meetings and Corporation business in an effort to control costs.

Special Item: Mr. Charlton announced that he is resigning from the RPNHC Board of Directors effective at the adjournment of this meeting. Mr. Charlton further stated that he is pursuing legal action against the Corporation in the form of a class action lawsuit to be filed in U.S. District Court for illegal seizure of property by the Corporation.

(M) Ms. Joyner motioned, Ms. Shahade seconded, to adjourn the Board of Directors Regular Session Meeting at 8:10 p.m. The motion passed unanimously.

Respectfully submitted,

Sara Shahade, Secretary

Date Approved

Attested by: _____
Barbara J. Bunce, Recording Secretary