

MINUTES OF THE
RIVER PLACE NORTH
HOUSING CORPORATION
BOARD MEETING

May 16, 2006

1121 Arlington Boulevard
Party Room, Lobby Level
Arlington, Virginia 22209

I. CALL TO ORDER: President Hashmat Ali called the meeting to order at 6:08 p.m.

Directors Present: Mr. Hashmat Ali, President
Ms. Sara Shahade, Secretary
Mr. Brian Fredericks, Vice President.
Mr. Assem Iskander, OA Representative
Mr. Andrew Spell, Treasurer
Mr. Norman Randolph, Director [late]
Ms. Chung Lai, Director

Directors Absent: None

Management: Mr. Brendan Swartz, Building Manager

Shareholders: Mr. Leo Sequeira #725

II. RESIDENT PARTICIPATION: Mr. Sequeira said he was representing Unit 725 and submitted plans to remove a hallway closet and wall. He also referred the Board to a letter from May 6, 2006 with the design and said he was working on the County permit.

MOTION: Mr. Iskander moved, Mr. Spell seconded, to approve the changes to Unit 725 subject to approval by the County. The motion passed unanimously (6-0-0).

III. APPROVAL OF AGENDA:

Mr. Ali suggested that the election of officers be held after the agenda approval. Mr. Swartz also added negotiations on carpet to New Business.

MOTION: Mr. Spell moved, Ms. Shahade seconded, to approve the agenda as amended. The motion passed unanimously (6-0-0).

IV. ELECTION OF OFFICERS:

Mr. Ali said that all 4 officers' positions were open.

MOTION: Mr. Fredericks moved, Ms. Shahade seconded, to keep all officers the same. The motion passed unanimously (6-0-0).

V. APPROVAL OF MINUTES:

MOTION: Ms. Shahade moved, Ms. Lai seconded, to approve the Minutes of April 18, 2006. The motion passed (4-0-2) with Mr. Iskander and Mr. Fredericks abstaining.

MOTION: Mr. Iskander moved, Mr. Fredericks seconded, to approve the Minutes of February 21, 2006. The motion passed (4-0-2) with Ms. Lai and Ms. Shahade abstaining.

[Mr. Randolph arrived at 6:18 p.m.]

Mr. Ali then suggested approving the motion made in Executive Session on February 21, 2006.

MOTION: Mr. Ali moved, Mr. Fredericks seconded, to approve the motions made in Executive Session on February 21, 2006. The motion passed (5-0-2) with Ms. Lai and Ms. Shahade abstaining.

VI. REPORTS:

A. President: No report was provided.

B. Treasurer: Mr. Spell reported that the corporation had \$836,000.00 in operating cash and reserves. He also said that utilities were over budget and the net operating income loss should be higher. Mr. Swartz suggested that the variance was -\$116,000.00. Mr. Spell added that the biggest variance was gas. Mr. Swartz said that this year's gas in the off season use could be compared with last year's. Mr. Fredericks also said that the approved budget for water was \$107,000.00, but was \$75,000.00 in another part of the financials. He also said that water went up 9% in Arlington County in May. Mr. Swartz added that tracking is easier in a new year and that the figures should correlate with the budget in the Skyline system. Mr. Fredericks then suggested giving the total amount of the replacement reserves. In response to Mr. Iskander's question about the fire, Mr. Swartz said that a balance of \$15,000.00 - \$16,000.00 was left on Balfor's exterior work. He also said that the cost of the L-3 repairs and maintenance of \$13,000.00 was moved to capital expenses.

C. OA Representative: Mr. Iskander said that the pool would open Memorial Day weekend. He also said that the OA had \$1.8 million in reserves. He added that the garage project would begin with proposals for structural studies of all garages and that leaks would be addressed as they come along. In terms of parking assessments, he said that invoices would be sent with clarification of due dates. He also said that the automatic deduction would be done on June 5th. He then said that pool furniture has been refurbished and that the floors in bathhouses would be replaced with non-slip flooring. At the entrance, he said that the new sign would give the property name and 1101-1121 Arlington Boulevard. He added that there were no patrol incidents. In response to Mr. Ali's question, Mr. Iskander said that Zalco's contract was renewed but scaled down to financials only since Ms. Bereute handles contracts. As a result, the monthly charge to Zalco was reduced by \$500.00. Mr. Iskander also said that he would take Mr. Ali's suggestion of giving both addresses to the OA Board.

VII. OLD BUSINESS:

A. Black Hole Space: Mr. Swartz said that the space has been cleaned out and that the lights were upgraded. He also said it was being marketed as storage space.

B. Fire Update: Mr. Swartz said that the exterior was finished except for painting and sealing the windows. He was waiting for the Balfor bill. He added that it took 14 months.

C. Leach Wallace: Mr. Swartz said that Mr. Johnson suggested a variable volume box with each convector system having its own damper and replacing the main motor. Mr. Iskander said that there might not be enough space inside the units for a damper, but Mr. Swartz said that it would be a special order fit. He also said that the control could be manual or electronic, which would be more expensive. Mr. Iskander said it could take 10-15 minutes to notice the effects. He added that there would be more control with water and that the air might not be cold enough. He also suggested looking into the costs. Mr. Swartz said that Mr. Johnson would give an estimate for this solution as well as for brick and tuckpointing and balcony repairs.

D. Accrued Vacations: Mr. Swartz said that remaining issues involve vacations and time carried forward. Mr. Spell said that the Board should decide on whether to offer cashing out or carrying time forward. Ms. Shahade suggested using the federal government plan of "use it or lose it". Mr. Spell suggested a compromise of allowing some time to carry over. Mr. Ali said cashing out would drain the corporation expenses. Mr. Fredericks then suggested putting a 40-hour cap on vacations as of May 1, 2006 and keeping track of vacations. He also said that employees could take vacation time or cash out until that date. Mr. Spell said that the corporation could true up at the end of the year.

MOTION: Mr. Fredericks moved, Mr. Iskander seconded, to cap vacation carry over at 40 hours as of May 1, 2007. The motion passed unanimously (7-0-0).

MOTION: Mr. Fredericks moved, Mr. Iskander seconded, to have the Board secretary monitor sick leave and vacations monthly for full-time employees. The motion passed unanimously (7-0-0).

E. Gas Price Lock-In: Mr. Swartz said that the price of gas should be locked in for the period of November 1, 2006 to October 31, 2007.

MOTION: Mr. Ali moved, Mr. Fredericks seconded, to empower the manager to lock in the best price for gas for the next 12-month period. The motion passed unanimously (7-0-0).

Mr. Iskander asked Mr. Swartz to let the Board know when he has locked in a price and for how much.

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F. WiFi with East and West Buildings: Mr. Iskander said that offering WiFi to other buildings would not benefit the corporation. Mr. Ali said it was being offered as a community service. Mr. Swartz said that cost would be \$40,000.00 and that \$20,000.00 could be financed. Mr. Ali said that 60% could be financed and recovered in 1 year, but Mr. Fredericks said that the East and West buildings would not pay anything. Mr. Iskander said that he had no problem with sharing information with other buildings but did not agree with the North building having financial involvement.

G. Electrical Switch Gear and 528 Electrical Riser Upgrade: Mr. Swartz said that electrical switch gear for the B 3 tier would cost between \$35,000.00 - \$50,000.00 and could be brought down to \$25,000.00 per riser. Mr. Spell suggested passing on this information to the shareholders.

H. Reserve Study: Mr. Fredericks said that he has dealt with Mason and Mason and that they just rehash information with new dates. He said that FEA accepted his 3 conditions and that this was an opportunity to have fresh eyes do the study. Mr. Spell said he had no issue with Mason and Mason. Mr. Ali suggested a new company would be forced to do more investigation.

MOTION: Mr. Fredericks moved, Mr. Iskander seconded, to approve the contract with FEA for an amount not to exceed \$7,600.00. The motion passed (6-0-1) with Mr. Spell abstaining.

Mr. Fredericks said that the reserve study was only a tool. He asked Mr. Swartz to negotiate with FEA on including an electronic version and a presentation. Mr. Swartz added that a full reserve study was not needed and that the price quoted was for an update. Mr. Ali said the corporation should have an update with a thorough analysis. Mr. Swartz said he would negotiate on a one-hour meeting and 2/3 payment + 1/3 when the final draft is completed.

I. Board Members Signing Checks: Mr. Swartz said that according to the bylaws only officers could legally sign checks. Mr. Ali then said that the motion passed last month was out of order. Mr. Fredericks then made a motion and withdrew it to create a position of assistant secretary as an officer since it was not an officer and not in the bylaws.

VIII. NEW BUSINESS:

A. Bee Issue in Unit 1014: Mr. Swartz said that carpenter bees in Unit 1014 were eating wood dividers. He also said that the treatment lasts thirty (30) days and should be done every spring. He added that to include this in the pest contract would cost \$700.00 for the 7 balconies.

MOTION: Mr. Fredericks moved, Mr. Spell seconded, to amend the pest control contract to include treatment of 7 balconies for \$700.00. The motion passed unanimously (7-0-0).

B. Cleaning of Trash Chutes: Mr. Iskander said that the trash chutes were infested and should be treated monthly. Mr. Ali suggested creating a committee to work on recycling and cleaning/treating trash chutes.

MOTION: Mr. Ali moved, Ms. Shahade seconded, to authorize Ms. Lai to coordinate efforts on recycling and trash and pest-related issues and make recommendations. The motion passed unanimously (7-0-0).

ACTION: Trash and recycling rooms will be treated immediately.

IX. EXECUTIVE SESSION:

MOTION: Mr. Fredericks moved, Mr. Spell seconded, to convene an Executive Session at 8:02 p.m. There being no objections, the meeting was closed and re-opened at 8:05 p.m.

[Mr. Fredericks left the meeting at 8:05 p.m.]

MOTION: Mr. Iskander moved, Ms. Shahade seconded, to renew the cleaning contract at no increase in price. The motion passed unanimously (6-0-0).

X. NEW BUSINESS-continued:

C. Building Walk Through: Mr. Ali said that walk-throughs used to be conducted in stairwells and by the East building exit. He also said that Directors should observe problems and encourage others to do so.

D. Carpet Request: Mr. Swartz said that the West building wanted to improve its office and that new, mid-level quality carpeting costs approximately \$10.00 - \$14.00 per square foot with no padding.

MOTION: Mr. Ali moved, Ms. Lai seconded, to authorize the manager to make a reasonable deal on the carpet. The motion passed unanimously (6-0-0).

XI. ADJOURNMENT:

MOTION: Mr. Iskander moved, Mr. Spell seconded, to adjourn the meeting at 8:12 p.m. There being no objections, the meeting was adjourned.

SUBMISSION OF MINUTES

Barbara Seaman
Recording Secretary

Approved by:

Sara Shahade, Secretary
River Place North
Housing Corporation