

APPROVED

ELIZABETH LOFTS CONDOMINIUM
ANNUAL MEETING MINUTES
DECEMBER 7, 2015
PAGE 1 OF 5

MINUTES OF THE ANNUAL MEETING OF THE ELIZABETH LOFTS CONDOMINIUM HELD AT 6:30 P.M. ON DECEMBER 7, 2015 IN THE KEESTON ROOM AT THE FRIENDLY HOUSE, 1737 NW 26TH AVE, PORTLAND, OR, 97210.

PRESENT:

Rod Brokenshire, Chairman
Jim Kennedy, Treasurer
Paul Mollomo, Secretary
Jill McAlpine-Andre, Director
Paul Roelofs, Director
Andreas Anderson, Director
Tina Tsai, Commercial Director

BY INVITATION:

Tom La Voie, CMCA, CAMP, Community Manager
Aadrial Phillips, Community Administrator
Lisa DeMinco, Lead Concierge
COMMUNITY MANAGEMENT, INC., AAMC

OWNERS:

As indicated on the sign-in sheet attached to the original minutes.

I. CALL TO ORDER, ROLL CALL AND CERTIFICATION OF PROXIES

The Annual Meeting was called to order by Chairman Rod Brokenshire at 6:32 PM.

Community Manager Tom La Voie reported that the roll call had been taken by way of the sign-in sheet, proxies had been certified and a quorum for the meeting had been established as follows:

Present :	24
<u>Proxy:</u>	<u>68</u>
Total:	92 or 45%

II. PROOF OF NOTICE OF MEETING OR WAIVER OF NOTICE

La Voie certified that the meeting notice had been mailed from the offices of CMI on or about November 4, 2015.

III. READING OF THE MINUTES OF DECEMBER 15, 2014 ANNUAL MEETING

AGREED: Sheldon Shieger moved to waive the reading of the minutes of the December 15, 2014 Annual Meeting. Georgia Hughes seconded the motion, which carried without opposition.

AGREED: Sheldon Shieger to approve the minutes of the December 15, 2014 Annual Meeting as previously circulated. Georgia Hughes seconded the motion, which carried without opposition.

IV. REPORTS OF OFFICERS

CHAIRMAN'S REPORT

Rod Brokenshire gave the Chairman's Report.

NOTE: This is a draft of the December 7, 2015 Annual Meeting. This draft will be presented to the ownership for approval at the 2016 Annual Meeting.

Victaulic Update: The work related to the settlement agreement with Victaulic has been completed. It has taken a couple years, but they have replaced the plates in heat exchangers, removed black particles from the system, replaced all of the Victaulic valves which were coated in EPDM rubber, and replaced the anode rods in the hot water system.

Plumbing Failure: The building experienced a major leak incident this year, caused by a carbon steel component that is not compatible with the stainless steel system. There is no reason to believe that additional such couplings exist in the system. Everything points to this being an isolated incident. The distributor could not identify the source. Discussions took place with the plumbing contractor who installed the system; they have never installed a carbon steel system, which is typically used for hydraulic fluid distribution, so would have no reason to have the coupling. All of the inventory on hand in the building was checked, and no other carbon steel components were found. All of the work for that event, except for some final finish work, is now complete. The repair total was around \$500,000 for the carbon steel issue alone. Between this incident, the Griswold valve failures in the HVAC systems, and one other small incident, there were about \$800,000 in repairs in the building this year. If Victaulic does not agree to the final cost, the matter will be resolved by the mediator. If Victaulic is not made to pay the Association will file an insurance claim to pay, for all costs not covered after mediation.

Brokenshire emphasized that there is a 25 year warranty from date of original construction. This incident was covered under that warranty. All the new valves are also covered under that warranty.

Paint and Carpet: Selections have been made with respect to the finishes in the common area. The wall colors will be lightened with a white-based scheme and a green tone base, which will be a nice compliment to the floor. Carpet tiles will be installed throughout the building; carpet yardage will be used for the high traffic area in the mailbox hallway. Carpet tiles are easier to repair, clean, or replace as needed. An additional 20% of the total tiles has been ordered so that matching stock is on hand. Tile was originally selected for the elevators, but there wasn't enough clearance, so the carpet tiles will also be installed in the elevators. Additional tiles have been ordered to replace the elevator carpet every couple of years. Painting will start in the near future, followed by the carpet replacement.

TREASURER'S REPORT

Jim Kennedy gave the Treasurer's report. It's generally the same report every year; and it's largely due to CMI and how they assist with the Association's finances. Kennedy stated that the Association is in pretty good shape, considering the state of the building. One of the other exposures that has been covered is the plumbing system, and Kennedy commended the work of Chairman Rod Brokenshire during the settlement process. The settlement with Victaulic is important for the building and the community, today and for the next 15 years. Kennedy stated that he has the opportunity to talk to board members from other condominium associations, and he feels that the Elizabeth is in very good shape both financially and from a community viewpoint. Kennedy credits the teamwork with CMI and the leadership provided by Brokenshire throughout the past couple of years, especially with the Victaulic settlement. Kennedy stated that the Association has never been in better shape than it is today.

Paul Mollomo reenforced Kennedy's statements regarding Brokenshire's work on the settlement, and added that Brokenshire has put in an inordinant amount of time, and knows the system as well as anyone.

NOTE: This is a draft of the December 7, 2015 Annual Meeting. This draft will be presented to the ownership for approval at the 2016 Annual Meeting.

Other associations have not been as insightful, and they are in trouble. Mollomo expressed his gratitude to Brokenshire for his service to the Association.

Manager La Voie asked the owners to review the Treasurer's Report that was distributed at sign-in. The average dues increase since the building opened is 1.7%. No other association can come anywhere near this average. Considering the huge increase in the earthquake insurance this past year, this is a major achievement. The insurance policy is coming up on the one-year renewal. La Voie stated that at least three brokers are working on quotes, and he will be walking the building tomorrow with a new broker. CMI is looking for competitive numbers, so that the Board will have enough information to make a well informed decision at the January Board meeting.

An owner inquired at what richter designation will the building collapse. Brokenshire stated that the building was designed to level 3 standards, which has more to do with the safety of individuals, than the safety of the building. The building is built to withstand the highest expected earthquake in the area, and to let people out. The Board engaged a consultant to perform an seismic evaluation, which concluded that the building was 90% most likely to suffer 10% damage. The report is posted on the website.

COMMERCIAL DIRECTOR

Tina Tsai gave the Commercial Director's report. All of the commercial spaces are occupied. After a period of high turn-over the last couple of years, the retail seems to have stabilized. Tsai also stated that the old office supply building across the street will be demolished soon, making way for the new Hampton Inn hotel. This has impacted the parking in the area, as they have installed fencing around the perimeter of that building. Since the start of the Hampton Inn project was delayed, it was not known when the completion is expected. Looking out from the building, you can see all the cranes indicating new buildings under construction. Do you know when that building is supposed to be finished? No, they delayed their start. It's Anderson construction, and their working quickly.

V. COMMITTEE REPORTS

Architectural Review Committee

Paul Roelofs reported on the ARC. There have been a lot of applications this year due to the number of new owners. A new resident asked approval to install a wall-mounted electric heater. Roelofs reported that he went to Costco to look at the specifications of the one in the application. He presented the information that he downloaded from the website which addresses safety issues. He was not able to find any UL ratings or approval from any testing laboratory. The unit costs only \$150, and it requires penetration of the demising wall of an inch and a quarter. Roelofs brought Troy Bellis into the discussion, as well, and they agreed that it should be a Board decision. Roelofs recommended that the Board adopt a policy that would require all such installations to have a safety rating.

AGREED: Rod Brokenshire moved that the Board not approve the proposed installation of the wall mounted heater based on the lack of a safety rating and the penetration of the demising wall. Paul Mollomo seconded the motion, which passed without opposition.

Brokenshire noted that all owners need to remember that the rules require application and approval for any penetration exceeding one-half inch into the sheet rock. He recommended that the Board consider that the Rules and Regulations be amended to include information requiring safety ratings for all installations.

NOTE: This is a draft of the December 7, 2015 Annual Meeting. This draft will be presented to the ownership for approval at the 2016 Annual Meeting.

Rules Committee:

Andreas Anderson presented the Rules Committee report.

Bike Room: Anderson stated that he has been working since April to find a way to increase bike storage in the building. The Association sponsored a bike clean-out, but all of the bikes were claimed. Since that time, the Board has been exploring options for additional racks. Exchanging existing racks with more efficient ones was not possible, as there wasn't enough support provided by the metal studs and sheet rock. A new proposal is expected which would add a new wall in the existing bike room, which would almost double the capacity for the room.

Parking Garage Gates: The Committee is considering adding a stop sign as people enter the garage, hoping that they will stop to allow the gates to close behind them. There has been some improvement of people stopping both coming in and exiting, and more solutions will be explored to assist people in remembering to stop, which will help prevent piggy backing and pedestrians from entering the secure building.

Electric Vehicle Charging Stations

Manager La Voie briefly discussed the plans to add Electric Vehicle Charging Stations (EVCS) in the parking garage. La Voie and Bellis are working with EverCharge, who have already installed an EVCS in the Henry. With the help of Hughes Electric, there is now a plan to bring the necessary power to the 2nd and 3rd floors, but the basement is a more difficult task. CMI is hoping to have a proposal very soon. EverCharge meters the electrical usage, and charges the owner directly for the owner's usage, and then sends money to the association. The owner pays a surcharge to EverCharge for the service. The EverCharge charge system allocates power to the EVCS depending on how many vehicles are currently using the system. The plan would be for the Association to bring power to the three levels of parking, but the owner would have to pay to bring power to the owner's parking space. It is expected to cost about \$3,500 to bring service to 2nd and 3rd floor.

Community and Communications Committee

Jill McAlpine Andre reported for the Committee. She stated that Diane Kruger, who has been arranging for the First Thursday Art exhibits in the Community Room for the past 4 years, will no longer be able to serve in that position. Jennifer Pepin will be taking over in January.

VI. ELECTION OF DIRECTORS

Residential Directorships: There are three Residential positions open on the Board as the terms for Jim Kennedy, Paul Mollomo, and Paul Roelofs expired at the Annual Meeting. La Voie opened the floor for nominations to the Board of Directors. Hearing no further nominations from the floor, La Voie requested a motion to close the nominations.

AGREED: Sheldon Shieger moved that the nominations for Residential Director be closed at this time. Maryann McDowell seconded the motion, which passed without opposition.

La Voie stated that he would entertain a motion to elect the current slate of candidates by acclamation.

AGREED: Sheldon Shieger moved to elect Jim Kennedy, Paul Mollomo, and Paul Roelofs to the Board of Directors by acclamation. Sharon Durant seconded the motion, which carried without opposition.

NOTE: This is a draft of the December 7, 2015 Annual Meeting. This draft will be presented to the ownership for approval at the 2016 Annual Meeting.

ELIZABETH LOFTS CONDOMINIUM
ANNUAL MEETING MINUTES
DECEMBER 7, 2015
PAGE 5 OF 5

AGREED: Sheldon Shieger moved to elect Jim Kennedy, Paul Mollomo, and Paul Roelofs to the Board of Directors by acclamation. Sharon Durant seconded the motion, which carried without opposition.

Kennedy, Mollomo, and Roelofs will serve two-year terms, which will expire at the Annual Meeting in 2017.

Rod Brokenshire announced his intention to resign from the Board in the near future.

Commercial Directorship: Commercial Director Tina Tsai is in the first year of a two-year term. Therefore, there was no election for Commercial Director at this meeting.

VII. NEW BUSINESS

Tax Resolution: La Voie presented the Resolution for Revenue Ruling 70-604 and explained its benefit to the Association. Although the Association is considered a non-profit organization, the IRS has specific tax forms exclusive to HOAs where taxes are paid on interest earned, but not on HOA fees accrued throughout the year. The proposed Resolution would allow the Association to file its taxes at a lower tax rate by agreeing that any profit(s) earned at the end of the current fiscal year would be rolled into the following year's operating funds.

AGREED: Sharon Durant moved to approve the Resolution for Revenue Ruling 70-604 as stated above. Sheldon Shieger seconded the motion, which carried without opposition.

VIII. NEXT REGULAR MEETING OF THE BOARD

The next meeting of the Board is scheduled for January 11, 2015 at 5:00 PM. La Voie asked the Board members to remain after the meeting to sign a new bank signature card.

IX. ADJOURNMENT

AGREED: Sheldon Shieger moved to adjourn the Annual Meeting at 7:54 PM. Sharon Durant seconded the motion, which passed unanimously.

Minutes approved at the December 6, 2016 Annual Meeting.

Approved: _____


Paul Mollomo, Secretary

NOTE: This is a draft of the December 7, 2015 Annual Meeting. This draft will be presented to the ownership for approval at the 2016 Annual Meeting.