

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE ELIZABETH LOFTS CONDOMINIUMS HELD ON MONDAY, NOVEMBER 9, 2015 AT 5:00 PM IN THE COMMUNITY ROOM LOCATED AT 333 NW 9th AVENUE, PORTLAND, OREGON, 97209.

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

BY INVITATION: Tom La Voie, CMCA CAMP, Community Manager
Troy Bellis, Building Maintenance Coordinator
COMMUNITY MANAGEMENT, INC., AAMC

OWNERS: As indicated on the original sign-in sheet.

I. CALL TO ORDER

Chairman Rod Brokenshire called the meeting to order at 5:05 PM.

II. APPROVAL OF AGENDA

AGREED: The Board approved the agenda as circulated by consensus.

III. APPROVAL OF PREVIOUS MINUTES (OCTOBER 12, 2015)

AGREED: Paul Roelofs moved to approve the minutes of the October 12, 2015 meeting as previously circulated. Paul Mollomo seconded the motion, which carried without objection.

IV. REPORT OF THE BUILDING MAINTENANCE COORDINATOR

Troy Bellis presented the Building Maintenance Coordinator's report.

Street Tree Trimming: Two proposals were presented, from Island Landscaping and Collier Arbor Care. Collier was a bit higher, but Brokenshire pointed out that they have a great reputation and there would be an arborist on site during the pruning. If Island were to have an arborist on site, the Board would accept their proposal. Another question was whether the vendor would obtain the necessary City permits.

AGREED: Jim Kennedy moved to accept the Collier bid, unless Island can provide an arborist on-site under their bid. Paul Roelofs seconded the motion, which passed without opposition.

Lighting Incentives: Bellis stated that there are incentives for changing to LED bulbs at this time, and suggested that the Board appoint a sub-committee to study the options and make recommendations to the Board. It was noted that Jeff Ghitelman had expressed interest in lighting in the past. Kennedy indicated that he would also look at some of the options.

Boilers: Brokenshire mentioned that when boiler four was replaced, Bellis recommended that some of the parts be retained in the event of a future emergency. Those parts were needed as another boiler misfired and the parts on hand saved weeks of waiting for replacement parts to arrive.

Basement Leak: A leak in the basement was investigated by Hughes Electric and found to be coming from a courtyard streetlamp penetration. Water was intruding into the basement through the light fixture and through the slab penetration.

Concierge Desk: A pendulum light at the Concierge Desk has been removed and sent to Eleek, the manufacturer, for repair. Hughes will reinstall the light after it is returned.

V. REPORT OF THE COMMUNITY MANAGER

Collection Resolution: La Voie presented an addendum to the Collection Resolution that CMI would like the Board to adopt. The addendum applies to the fees that are charged by CMI each time a unit is purchased, and are normally paid by either the buyer or the seller at closing. From time to time, the fees do not get paid, and CMI adds the fees to the owner's account. If the account were to go to collection, the attorneys have advised that CMI would not be able to recover these unpaid fees without this addendum in place. Since the addendum was confusing to the Board, they requested that CMI redraft the document so that it is clear who is paying the fees at closing, whether it is the buyer or the seller. Once the draft is revised the Board will consider adopting the addendum.

Insurance Resolution: La Voie presented an Insurance Resolution that was drafted by attorney Steve Russell. The Resolution defines how the deductible will be assessed in different scenarios. The Earthquake deductible is a percentage of the building's ratable value, and owners would need to make sure that their individual insurance agents prepare their policies accordingly. The building's ratable value is \$63,850,000. The 5% deductible is set at \$3,192,500, which equates to an average of over \$16,000 per unit. The Board asked that this information be added to the Resolution and they will revisit the subject in January.

VI. CHAIRMAN'S REPORT

Victaulic Repair Update: Brokenshire reported that there has been some issue with payment to Charter by Victaulic. There are two parts to the Charter invoice, one for remediation at \$96,000, and the second for reconstruction at \$420,000. Victaulic has asked for time cards in association with the remediation, which amounted to \$32,000. CSMI has taken that number and added 35% for overhead and profit to arrive at a number of \$43,000, which they say is what Victaulic should have to pay for remediation. Charter has issues with this method, since all costs are not included. Brokenshire has been in communication with the president of Charter who is now working directly with CSMI, and CSMI has requested additional information of Charter. Charter uses a software system called Exactimate, the industry standard for estimating and pricing remediation and reconstruction. While it is readily accepted by the insurance world, it is a guide only and it is not out of line for entities to request additional backup when negotiating pay offs. If there were a shortfall in payment from Victaulic to Charter, the Association or its insurer would be responsible for payment. Brokenshire stated that the individual owners who sustained damage would not be held responsible.

Brokenshire briefly commented on the progress in Unit 703 as the owner has parted ways with Charter and is working with Anita Sande of Spectacular Design.

Brokenshire stated that effective year-end he would have to step down as Chairman to focus on his career as a Commercial Real Estate Broker. During the past year, the market has been strong and he has had been unable to take advantage. Implementation of the settlement work and the last catastrophic event, have been time consuming. Brokenshire stated that his decision was made before the allegations from a homeowner charging him and others with criminal trespass and the filing of a complaint against him with the Oregon Real Estate Agency in connection with the Board's decision to conduct a mold inspection, as specifically authorized under Paragraph 15.2 of the Declaration. The inspection was a precautionary measure taken to ensure affected units and the underlying common elements were free of mold prior to reconstruction. Paul Mollomo interjected that Brokenshire's response to the complaint should be provided to all of the owners so that they would have an idea of the amount of work that Brokenshire has put in on behalf of the Association during this situation.

Alley Screen: After David Ambrose halted the modification of the screen closing off the alley between Life of Riley and the Buddha Building; he informed the Elizabeth that he intends to install a gate at that location and suggested that the work could be expedited if the Elizabeth would participate in the expense. He will discontinue allowing the Life of Riley to store their grease recycling receptacles in the alley, where he is now storing construction materials. Elizabeth owners have reported witnessing illegal activity taking place in the alley, which precipitated the modification of the screen. Brokenshire stated that the vendor would deliver the metal bars to the building, as the Association has already paid for them.

CMI Food Drive: Brokenshire requested that CMI deliver a food collection barrel to the building so that the Elizabeth owners and residents can participate in the CMI sponsored food drive for the Sunshine Division.

VII. REPORT OF THE TREASURER

September 2015 Financial Statement: Treasurer Jim Kennedy presented a brief review of the September financial statement; more revenue has been collected than expected, and there have been fewer expenses than budgeted for.

VIII. COMMITTEE REPORTS

COMMERCIAL DIRECTOR

Commercial Director Tina Tsai reported that she has introduced herself to the new owners of the commercial units, and they are all happy to be in the building!

ARCHITECTURAL REVIEW

Applications: Paul Roelofs reported that there have been two step-one architectural review applications submitted. One involves the mounting of drapery rods, and the concern is whether there are existing shades, which would mask the draperies from the exterior.

HOUSE RULES COMMITTEE

Car Break-ins and Security: Andreas Anderson reported that there is an issue with residents entering and exiting the parking garage without waiting for the gates to close behind them. Jill McAlpine-Andre

recommended that the Board consider installing stop signs for cars entering the garage, as we are all programmed to stop when we see a stop sign. A new owner present expressed concern that if an exiting driver allows a stranger to enter the garage, that driver could be liable should the stranger accost a resident or break into a car. More discussion will need to take place on options, one which La Voie recommended is parking permit stickers, thereby allowing drivers to recognize if a car entering behind them is permitted to enter the garage. La Voie will meet with Anderson and McAlpine to review other options.

Bicycle Racks: Andreas Anderson presented a plan to install a new wall in the bike storage room, which would effectively double the number of bikes that could be stored in the room. Robert Waite of ADSEC suggested the plan. La Voie will solicit a cost proposal from Waite prior to the next Board meeting.

COMMUNITY AND COMMUNICATIONS COMMITTEE

Hallway Painting: Jill McAlpine-Andre presented the proposed painting scheme for the residential hallways and lobby. She proposed that the main hallway color be a neutral white in place of the existing wheat, which clashes with the aging finish on the birch entry doors. She also presented four different colors that will be added for the hallway accent walls. The Board agreed by consensus that the color scheme presented was acceptable. The painting project will begin prior to the end of the year, and the carpet installation will take place in January. It was discussed whether there has been any discussion pertaining to hanging art in the hallways. La Voie stated that the developer chose to allow the residents to select their own art for each floor, but that the idea had never really taken off.

IX. CONFIRMATION OF NEXT MEETING DATE

The next meeting will be the Annual Meeting, scheduled for December 7 at the EcoTrust Building. The next meeting of the Board of Directors will be held Monday, January 11, 2016 at 5:00 PM in the Elizabeth Lofts Community Room.

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:15 PM.