

**River Place East
Board of Directors Meeting
Wednesday, May 16, 2007**

Board Members

Present:	Mr. Brian Fredericks	President
	Ms. M. J. Schmelzer	Director
	Mr. Leo Sequeira	Director
	Mr. Saleem Malik	Director
	Mr. Harry Lawrence	Director

Board Members

Absent:	Mr. Hiranya Maru	Secretary
	Mr. Darrell Rison	OA Representative

Management:	Ms. Carol Brooke	Building Manager
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Others Present:	Edye Lewis, Minute-by Minute Five (5) Residents	Recording Secretary
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I. CALL TO ORDER:

Mr. Fredericks called the meeting to order at 6:00 p.m.

II. SHAREHOLDER PARTICIPATION:

River Place South Unit owner #929 & #930 and contractor: This RPS owner inquired about storage space availability for non-residents. Mr. Fredericks advised that this would be placed on the meeting agenda and discussed later in the evening.

Unit owner #748: The unit owner stated that he was attending the meeting as he is interested in reviewing the Board of Director's procedures.

Unit owner #1208: The unit owner requested information on what action was taken regarding the incident that occurred on the roof a few weeks ago. The owner felt the Board was leaving themselves open to liability and needed to take better precautions. Mr. Fredericks reported that the Arlington County Police were contacted and the locks leading to the roof have been changed. Mr. Fredericks stated that further discussion would take place during tonight's meeting.

Unit owner #1206: The unit owner asked why after ten (10) months they still had no air conditioning in their unit. Mr. Fredericks stated that the matter would be discussed in detail during the meeting.

The Board reviewed the meeting agenda adding two items: Unit Sales and the issue regarding the air conditioning in Unit #1206.

MOTION: Ms. Schmelzer moved, Mr. Lawrence seconded to approve the agenda for the May 16, 2007 Board meeting as amended. The motion passed unanimously (5-0-0).

III: APPROVAL OF MINUTES:

MOTION: Ms. Schmelzer moved, Mr. Lawrence seconded, to approve the minutes of the April 18, 2007 Board of Directors meeting. The motion passed unanimously (5-0-0).

IV. OFFICER'S REPORT:

Mr. Fredericks reported that the Air Conditioning units have been turned on for the season. Letters were disseminated regarding Unit #639. Mr. Fredericks also mentioned the priorities for this year's action items.

V. TREASURER'S REPORT:

Mr. Sequeira referred to the enclosed April Variance report. Overall, the Association exceeded the budget for income by \$31,251.00. The Association is short \$11,000.00 in property assessments. For expenses, the Association is under budget by \$5,500.00. On the Administrative side, the Association was under budget by \$17,616.00. Water and sewer were over budget. Ms. Brooke will discuss this matter in further detail later. Overall, there is \$65,535.00 in the savings account. Regarding the contribution to Reserves, the Association is in good shape. The target is to have \$500,000.00. Currently there is \$513,000.00 in the Reserves. The biggest expense projected for 2008 is the balcony restoration. The cost is projected at \$200,000.00 and will be done in conjunction with the West and East Buildings. The reserve study is online and provides objectives that need to be studied. Mr. Fredericks has concerns on the water cost increase and stated the East building has \$75,000.00 more in water use costs than the North building. He will review and have the Water Company check last year's bills. They will also compare usage rates for all building. The aging reports were discussed and the task at hand is to decrease the number of aging accounts. The ninety-day and over accounts are the biggest issues. Ms. Schmelzer asked why the checking account information is included in the Board packet. Mr. Fredericks stated this information is helpful in reviewing the reports.

VI. OA REPORT:

Ms. Schmelzer discussed the parking project, which was sent out electronically to the Board. Some of the parking spaces are affected during heavy rains. This issue will be corrected during the parking renovations, which is scheduled for June 2007. Ms. Schmelzer advised that the improvements to the pool house are on track. The telephone in the lifeguard area is to be kept with the lifeguard to prevent unauthorized usage. There have been previous misuses of the pool phone.

VII. MANAGEMENT REPORT:

Ms. Brooke referred to the Administrative staff changes and provided a brief outline to the Board.

The roof top break-in issue was discussed. There was a break-in on the roof-top on April 28, 2007 at 2:00 am. The intruder advised a Unit Owner that he found the door to the roof open. Ms. Brooke advised all the doors leading to the roof have been re-keyed and all persons wishing to access the boiler room are to see her for the keys unless prior arrangements have been made. Ms. Schmelzer advised that the Board needs to be diligent in corresponding with the Arlington County police and obtaining their response. Ms. Brooke stated that she spoke with the day officer at the Arlington County Police Department and the Deputy Sheriff. The police report is available but she does not have a copy yet. Mr. Fredericks and Ms. Schmelzer stated the Board needs to file a report to the police on this as well. Since the ID card of the intruder was taken, the Board does know his identity. Mr. Fredericks wants an updated report on this matter from Management.

The Bed Bug issue was discussed. There are two units that have not been treated as one of the unit owners did not want to pay the extermination cost and there is a communication issue with the other unit owner. The unit owners have been advised that if they do not comply, this would be forwarded to the Association's Legal Counsel for further actions and may affect their security deposits.

UNIT SALES/TRANSFERS: Mr. Fredericks discussed the transfer of Units #813, #1001, #1016 & #1134.

MOTION: Mr. Lawrence moved, Mr. Mali seconded, to approve the sales of units 813, 1001, 1016 and 1134. The motion passed unanimously (5-0-0).

UNIT SALES/TRANSFERS WITHOUT CONSIDERATION: The Board discussed the sale of Unit# 314 without consideration.

MOTION: Ms. Schmelzer moved, Mr. Lawrence seconded, to approve the sale of the Unit # 314 without consideration. The motion passed unanimously (5-0-0).

VIII. OLD BUSINESS:

Penthouse Heat Pumps: There are three proposals for the heat pumps: Johnson Controls, Densel (who is also replacing the rooftop), and Vernon Heating and Air. At this time, Ms. Schmelzer stated that Unit #1206 qualified as old business and that she would like to keep this separate from the Penthouse Heat Pump units. The new owner of Unit #1206 stated that the Board had previously approved a new roof top unit and the new proposal is for a split unit. He would like to have the rooftop unit installed and is not happy with Johnson Controls' proposal as it is a split unit. Mr. Fredericks felt since

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Johnson Controls had a great proposal, they could include Unit# 1206 in this proposal. Johnson Controls' proposal is \$7,690.00 for the complete split unit.

The new owner felt the split system would cost more money over time. Mr. Fredericks advised the owner this matter would be discussed later in tonight's meeting. The Unit owner also requested that the Board reimburse him for room air conditioners to cool the unit and the lack of insulation on the ceilings and wondered why no one had been in the unit to do a proper study to recommend a proper unit. Mr. Fredericks advised the unit owner to put other issues he had in writing for the Board to review.

MOTION: Mr. Sequeira moved, Mr. Lawrence seconded, to approve repairs to Unit# 1205 at \$7,000.00 and Unit# 1206 at \$7,690.00. The motion passed unanimously (5-0-0).

Mr. Fredericks advised the Unit owner they would be advised of the installation date.

FIOS: Mr. Sequeira reported they are still waiting for the marketing materials. He discussed the installation of the O&T Boxes units in the entry closet for Unit owners who obtain the service. Mr. Sequeira stated that during the construction, Verizon would install the box with the fibers. They advise the Unit owners to get the service now, as the costs will increase significantly after the construction. There is no additional cost to the Association. There is an expense when the owner activates the box and the Unit owner would incur costs to have the system installed in their unit. At this time, there is no paperwork to review and they will discuss this matter at next month's meeting.

Loading Dock Parking Spaces: Mr. Fredericks stated that he has received a response from the South Building that they would consider purchasing the spaces at a price of \$95.00 per month. Ms. Schmelzer asked why the South Building is charging full price and the price range. Mr. Fredericks stated they will discuss this further in the Executive Session and he will forward an email to the Board tomorrow.

HVAC Repairs: Mr. Fredericks advised using money in the Reserves for smoke detectors that were not replaced last year. Ms. Schmelzer recommended they consider this money for repairing the HVAC systems. According to the Reserve study, she would like to see at least three HVAC units repaired each year. There are now five (5) that need to be done over the next two years.

MOTION: Mr. Sequeira moved, Mr. Lawrence seconded, to approve the repair of three (3) HVAC units, at a cost not to exceed \$7,500.00 for the third unit, on rooftop units for 2007. The motion passed unanimously (5-0-0).

IX. NEW BUSINESS:

Lobby Redecoration Plans: Mr. Fredericks reported that the Association is redecorating the sofas, lamps and tables for the lobby. A budget was developed, not to exceed \$7,500.00; the items should have a theme and be durable. Ms. Schmelzer asked if

furniture had to be locked down and if so, could they find a way to make it pleasing. Mr. Fredericks asked that they begin working on this and report each month on the progress.

MOTION: Ms. Sequeira moved, Mr. Lawrence seconded, to create a Lobby Redecorating Committee. The motion passed unanimously (5-0-0).

[Leo Sequeira left the meeting at 7:30 p.m.]

Revised Renovations Policy Recommendations: Ms. Schmelzer stated her concerns regarding contractors leaving trash in the areas where they are working. Mr. Fredericks suggested that Mr. Sequeira look into this matter as well. Ms. Brooke requested knowing in advance about plumbers working on the premises. She wants to know who the contractors are and what type of work they are performing. This is in an effort to have better control on this issue. .

Unit 639: The Board has handled this matter.

Employee Manual Updates: Ms. Brooke reported she is resending the updates in hopes of obtaining more suggestions. They have changed the phrasing on how to qualify for overtime. Legal holidays have been changed for clearer understanding. Healthcare plans are “grandfathered” for current employees. The Board also requires two weeks’ notice if employee is leaving or terminating employment.

MOTION: Mr. Lawrence moved, Mr. Malik seconded, to amend the Employee Manual as discussed. The motion passed unanimously (4-0-0).

Paid Storage: Mr. Fredericks reviewed the paid storage contract information, stating the units are at a cost of \$.75 per square foot, \$10.00 per month for the smallest spaces and that all are rented on a month-to-month basis. There is no deposit required at this time. The units are available to renters, contractors, shareholders and owners. The issue at hand is that there are not a lot of paid storage units available. A non-resident contractor in the meeting asked about how to rent space, stating that she manages properties for four (4) units on the property but none in the East building. Mr. Fredericks feels they should keep an update of the available units and felt it would be useful to adopt a policy for deposits. Mr. Lawrence also advised they should make rental storage units available to residents of RPE first and then to other interested parties. Mr. Fredericks stated more discussion is needed for this matter and they would touch base on this matter next month. The contractor stated that the North Building is doing a build-out to make more storage available.

No Trespass Policy: Ms. Brooke reported that there have been trespassing issues on the property. The Board agreed the Association will contact the Arlington County policy on other trespassing issues. The OA needs to institute a “No Trespassing” order and provide an update on this matter next month. Mr. Lawrence suggested ID’s for residents. Mr. Fredericks suggested updating the ID during the pool registration period.

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MOTION: Ms. Schmelzer moved, Mr. Lawrence seconded, to reaffirm the electronic votes regarding Unit #222 and the Landscape Proposal. The motion passed unanimously (4-0-0).

Board Member Selection: Mr. Fredericks advised the Board that they need to select a new Board member in order to obtain a quorum. Mr. Jeff Walyus of Unit# 120 was in attendance at the meeting and is interested in joining the Board in a Financial/Treasury capacity. Mr. Walyus has lived in the building for two (2) years and does financial database work.

MOTION: Ms. Schmelzer moved, Mr. Sequeira seconded, to name Mr. Jeff Walyus to fill the remainder Darrell Rison's term until the next election. The motion passed unanimously (4-0-0).

X. EXECUTIVE SESSION:

The board agreed **BY CONSENSUS** to move into an Executive Session at 8:15 p.m.

The Recording Secretary was excused.