



WHCA Special Meeting Minutes

October 15, 2014

Pursuant to notice, a special meeting of the Washington House Condominium Association was held on Wednesday, October 15, 2014, in the Washington House Community Room. Present were Council President Paul Roberts, Vice President Karen Hornor, Treasurer Joy Scott, Secretary Susan Swan, and Ad Hoc Member Len Sawyer. Attending at the invitation of Council were Aspen Property Management President Brad Carrillo, Assistant Property Manager Lorraine Brady, and various expert presenters. Fifty owners/residents attended; 34 residential and 3 commercial units were represented in person or by proxy.

The President called the meeting to order at approximately 6:30 p.m. He welcomed several new Washington House owners. He then invited Mr. Carrillo to present the 2015 budget.

2015 Budget

Mr. Carrillo presented a budget that was slightly modified from the version distributed to owners earlier, correcting a couple of minor typographical errors. He explained that the 2015 budget was essentially unchanged from 2014. Responding to a question, he noted that the categorization of some items was changed in the transition to Aspen's recordkeeping system. He answered other questions on a variety of topics during the discussion segment.

The President then made a motion, seconded by Ms. Hornor, to conclude the discussion and conduct a ratification vote. The 2015 budget as presented was ratified by a unanimous vote of the Unit Owners present or represented by proxy at the meeting.

Building Structural Problems

Mr. Carrillo provided a brief overview of maintenance concerns Aspen encountered after assuming management of Washington House in January 2014 that eventually led to the hiring of Cogent Building Diagnostics to evaluate the building for possible structural defects. He introduced Frank Peter of Cogent.

Mr. Peter presented the results of his investigation of Washington House so far, which focused mainly on the building's exterior because of the urgent need to address safety concerns about falling brick. He identified and showed photographs of a number of major exterior defects, including bulging and failed masonry and related water intrusion and corrosion; improper drainage on the 4th floor sundecks; the improper caulking of joints and drainage pathways and a lack of flashing around windows, doors, and other transition points, which drives water inside the building; corroded metal lath from water intrusion; a lack of expansion joints to allow thermal expansion; improperly attached veneer, using nails instead of screws; and pooling of water around doors and windows. He noted that repairs to the brick previously carried out by the developer were performed the same improper way. He showed evidence of how the exterior failure had produced interior water intrusion, triggering mold and causing damage to walls and flooring.

Mr. Carrillo introduced Bill Lenihan of Tevebaugh Associates, the firm hired to provide architectural services relating to the repairs. Mr. Lenihan described his firm's role in the repair project, including the design of safety barriers required by the City of Newark to protect the public from falling masonry. He described and showed photos and drawings of the preliminary barrier design. He explained how Tevebaugh will mock up and test exterior designs and materials in order to develop recommendations for what material to use to replace the failing masonry.

Mr. Carrillo described the team that was formed to respond to the crisis: Mr. Carrillo will coordinate all aspects of the project (handing over management of non-defect building matters to Ms. Brady); Mr. Peter will serve as general contractor; Mr. Lenihan is the project's architect. He also reported that the Council had created a Building Remediation Committee consisting of Karen Hornor, point person for defect-related repair issues; Bruce Chase, point person for financial aspects of the project; and Susan Swan, point person for legal aspects. He noted that the Council has been fully engaged in all the planning and decisionmaking for the project.

Mr. Peter then reviewed the repair schedule and cost. He noted that legal agreements have been secured with neighboring property owners for necessary rights of way during construction. He presented a preliminary repair cost estimate of \$3.2 million for the project, which will take roughly three years to complete. He described how the construction will be sequenced, prioritizing the most vulnerable areas of the building. He stated that owners will receive advance notice concerning the need for and timing of access to individual units during construction. He described some of the factors that will affect the scheduling of repairs, including the availability of funds, weather, and other limitations. He also said that owners will receive a repair summary when the repairs have been completed.

Mr. Chase outlined the plan for funding the repairs. He explained that the Association's reserve fund is for ordinary, anticipated large-scale projects such as eventual replacement of the roof. He noted that the emergency repairs presently being planned are mandatory and must be done promptly in order to comply with orders from the City of Newark. He explained that the project will be funded by an emergency assessment of the owners totaling \$54,600 per residential unit and \$163,800 per commercial unit. He outlined options for paying the sum all at once, or in annual installments over three years due January 31 of each year, or in quarterly installments over three years with an added service fee. He urged those owners who can afford it to make lump-sum payments in order to provide near-term cash flow so the project can be started and completed as quickly as possible. He noted that the emergency assessment is in addition to the regular condominium fee assessment.

Mr. Carrillo introduced Mr. Cowie, a Maryland attorney who specializes in building defect law, who was hired by the Association to seek recovery from parties responsible for the building failures. He outlined the sequence of legal actions involved in the pursuit of that recovery. Wilmington attorney Richard Franta serves as Delaware counsel on the defects matter.

Mr. Carrillo led a discussion session in which owners raised suggestions and asked questions of the presenters. Mr. Carrillo told the owners that followup sessions are likely, so owners may continue to ask questions and offer feedback.

Mr. Roberts then adjourned the meeting at approximately 8:55 p.m.

Submitted by Susan Swan.

Attachments: 2015 ratified budget, defect presentation, 2014 special assessment resolution

Minutes approved by voice vote of WHCA at 2.4.2015 meeting