



WHCA Council Special Meeting Minutes

August 11, 2015

UNANIMOUSLY APPROVED AT A MEETING OF WHCA COUNCIL ON JANUARY 20, 2016

Pursuant to notice, a special meeting of the Washington House Condominium Association Council was held on Tuesday, August 11, 2015, at 7 p.m., in the Washington House Community Room. Present were: WHCA President Michael Chajes, WHCA Vice President Karen Hornor, WHCA Treasurer Bruce Chase, WHCA Secretary Susan Swan, WHCA Council members Len Sawyer and Eric Mailman, WHCA Building Remediation Committee member Warren Pratt. A total of 42 owners, representing 27 residential units and 1 commercial unit, were present. Attending at the invitation of the Council were Nowland Associates President Jim Nowland and Aspen Property Management President Brad Carrillo.

The President called the meeting to order at approximately 7 p.m. and welcomed the owners in attendance.

Approval of Minutes of Prior Meeting

The President called for a motion to approve the minutes from the WHCA Council Special Meeting on July 20, 2015. Ms. Swan so moved and Ms. Hornor seconded, and the minutes were approved on a unanimous voice vote of the Council members.

Old Business

No old business was reported.

Building Defects Updates

LEGAL

Mr. Pratt provided an update on the building defects lawsuit, explaining that a hearing was held in the Delaware Superior Court on July 23 to consider three defense motions to dismiss the case, with Judge William Carpenter presiding; a ruling may come within a few weeks. Mr. Pratt outlined likely next steps in the legal process, emphasizing that it is not possible to predict outcomes at this early stage in the lawsuit.

FINANCIAL

Mr. Chase, Mr. Nowland, and Mr. Chajes gave a slideshow presentation on the defect finances. Mr. Chase reviewed the history of the defect project to date. Mr. Nowland outlined the bidding process and explained how he arrived at the current estimate of the construction cost of the project, which is considerably higher than the preliminary cost estimate made last fall, prior to detailed investigations of the defect conditions. Mr. Nowland and Mr. Chajes explained what is being done to reduce costs as much as possible without compromising quality or safety.

Mr. Chajes explained how the project costs are expected to affect the Association's cash flow. He reported that the Council is pursuing a line of credit from lenders; that lenders require, as collateral, that an assessment be in place to cover the newly estimated cost of the repairs; and that, consequently, on July 31, 2015, the Council unanimously adopted a resolution levying a special assessment due in 2018, 2019, and 2020, in addition to the 2014 assessment, which remains unchanged. The 2015 assessment resolution was provided to lenders promptly after its passage in order to secure the loan, which will be needed in

September 2015. Mr. Chajes explained that a Notice of Assessment will be sent to all unit owners, along with a copy of the slideshow presentation.

Mr. Chajes then called for a motion by Council to ratify the 2015 assessment resolution, which had been adopted by the Council on July 31. Ms. Swan made the motion, which was seconded by Ms. Hornor and approved by a unanimous voice vote of the Council.

CONSTRUCTION

Mr. Nowland provided a brief update on the construction schedule, explaining that although the Phase 1 construction began later than hoped, the work is picking up speed now. He informed residents that the Phase 2 construction will comprise the north side of the building, in order to satisfy the City's and the Association's concerns about minimizing the impact on the restaurants. He said it is too early to project what area of the building will be repaired in Phase 3.

Mr. Nowland expressed his concern for the difficulties residents are facing during construction. He explained that the balcony barriers were modified in response to the residents' discomfort from lack of light, and he promised to continue to be responsive to any problems owners might have.

Miscellaneous Non-defect Building Updates

Mr. Chajes reported that a new security camera system has been installed throughout the property, providing much improved coverage and clarity of images.

Open Discussion

Mr. Chajes opened the Council meeting to comments from the owners in attendance, reminding attendees that a question-and-answer session would follow the meeting. No discussion items were raised during the formal meeting of the Council.

Accordingly, following a motion to adjourn by Ms. Swan, seconded by Ms. Hornor, Mr. Chajes adjourned the meeting at approximately 7:40 p.m.

Submitted by Susan Swan.