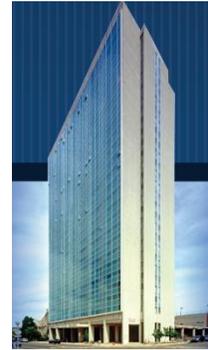


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Annual Meeting November 16, 2017 Michigan League, Michigan Room

Attending Kramer-Triad Representatives: Thayer Moran, Lisa Holbrook and Katie Schultz

Guest Speakers: Betsy Baird - AIA-VP Quality, O'Neal Construction and Nicole Wallace – SMSI – Project Manager, O'Neal Construction

The meeting was called to order at 7:07 p.m. Gregory Skofronick, 7C, motioned to approve the minutes from the 2016 Annual Co-owner Meeting. Charles Colson, 15L, seconded the motion and it passed unanimously.

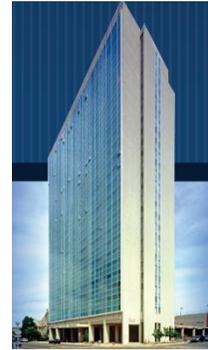
The North Curtain Wall

- The Journey- Background & History – Nicole Wallace
 - ❖ Tower Plaza was built as an apartment building in 1969
 - ❖ It was converted to a condominium complex in 1987 with minimal money in reserves for capital improvements. That trend continued into this century.
 - ❖ Only in about the last decade has there been an effort to begin to amend this situation.
 - ❖ In 2002 the Association was faced with a 40-something year old building in need of infrastructure and cosmetic improvements with nominal reserves to pay for them.
 - ❖ In 2006 approval was obtained to replace the south, east, and west curtain walls.
 - ❖ At the same time a funding model to position the Association to be able to replace the north curtain wall in 2017 was also approved. \$1,496,880.00 was provided to put toward the project
 - ❖ Construction is currently underway with a projected completion of December 2017. Final invoicing to be completed by February 2018.
 - ❖ Total Projected cost for the project is \$5,196,072.00 and the Association projects that it will draw \$4,122,581 on the new loan.
 - ❖ Payment on principal and interest will be approximately \$34,001 per month where the first payment will be due in March 2018.
- Project Review – Nicole Wallace & Vince Wellman
 - ❖ Construction began in spring 2017, work proceeding from the lower levels to the upper.
 - ❖ Construction will be dependent upon the weather, but every effort will be made to keep the co-owners and residents apprised of the plans. At least 24-hour notice will be provided prior to entering a unit.
 - ❖ Only badged workers will be allowed access to the units.
- Remaining Funds – Nicole Wallace & Vince Wellman
 - ❖ Once expenses related to the north window replacement project (with the exception of ongoing payments on the loan) are completed, there will be approximately \$365,389.00 left over from the \$1,496,880 collected via the assessment.

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- ❖ The Association's Board of Directors propose to use the remaining funds to renovate the lobby and add a new mezzanine level fitness center in the community.
 - Lobby Conceptual Drawings and renderings were shown to co-owners; along with the Fitness Conceptual Drawings and renderings
- Project Costs – Nicole Wallace & Vince Wellman
 - ❖ Lobby Renovation and new fitness center, if done at the same time, would cost approximately \$275,000.00, and would cost \$25,000 - \$35,000 *more* if the renovation and fitness center were done separately.
 - Because building a mezzanine fitness center would involve the addition to common elements exceeding \$50,000 in one year, co-owner approval is required to proceed.
 - Renovations to the lobby may also involve some additions to common elements, the Board can act to approve this work.
- Lobby Renovations and addition of a new mezzanine level fitness center Vote
 - ❖ The Board recommended that the co-owners approve the lobby renovation and new fitness center, if done at the same time, would cost approximately \$275,000.00, and would cost \$25,000 - \$35,000 *more* if the renovation and fitness center were done separately.
 - ❖ The average monthly increase to the association fees to repay the renovation and fitness center construction will be approximately \$13.01 per month.
 - ❖ Votes were cast and the ballots were tallied. In order to be approved 60% of the co-owner needs to vote in favor of renovation and construction of the fitness center.
 - The combined amount of ballots mailed in and collected at the meeting was only a 30% representation of the co-owners within the community.
 - This decision was tabled, on account of not having enough co-owner votes.

Election of Three Directors to the Board:

- There were two open positions this year. Mort Chethick and Brian Tomsic were both running for re-election. Each of these candidates was provided 2-3 minutes to explain how they intended to continue to contribute to the association. Then remaining nomination candidates were called for; Patrick Chen, 18K, and Robert Donia, 25JK.
- There were no nominations from the floor.
- Votes were cast and the ballots were tallied. Robert Donia and Brian Tomsic were elected to the Board.

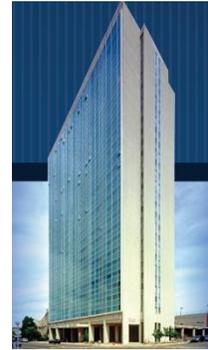
2017 President's Report:

- Vince Wellman began the report by reiterating the Board's mission and guiding principles:
 - Maximize the value of the co-owner's investment by:
 - Maintaining the integrity of the building
 - Improving Tower Plaza's appeal to investors
 - Maintain a positive balance sheet
- **Sanitary Risers** – in 2014 O'Neal Construction did an extensive examination of the Drain-Waste-Vent Piping. After considering multiple options the Board decided to break the project into two phases.

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- Phase 1 - replace the horizontal mains. Replacement was originally targets for the summer of 2018 between moves in/ move out (currently TBD). Duration time is approximately three months
- Phase 2 – replace the vertical stacks. Financing and plan to be developed after completion of the NCW project.
- **Electrical Panel Repairs** – determined double tapping existed in 44% of the panels.
 - Board determined that the issue was a result of the conversion to Condo's that occurred in the 1980's. It is now a safety concern and needed repair.
 - If a co-owner would like to replace the electric panels, they must submit a modification request to the board as it is a co-owner responsibility.
- **Fire & Safety Testing Contract** – New 3-year contract with Simplex Grinnel, which locked the price for the term of the agreement.
 - If co-owners need to contact Simplex, they need to reach out to Thayer Moran (property manager), he will provide contact info.
- **Heat Exchange Replacement** – Contract signed to have it replaced in early 2018.
 - Mark Garrett, 7L, asked where the heat exchange was located. It is located in the Penthouse.
- **Laundry System Upgrade** - New 10 year agreement was signed with WASH Laundry Systems. Includes 10 new washers and dryers. New equipment has a better energy efficiency rating.
- **Bulk Rate Cable Analysis** – Board conducted a cable vs. internet survey to better understand the resident needs/desires. A majority of those who responded to the survey indicated that they would prefer to have internet included in the monthly dues
 - Board intends to revisit issue in 2018 as existing agreement with Comcast expires in 2019.
- **Audit** – 2017 financial audit was completed. Accounts found to be in accordance with the generally accepted accounting principles.
- **Revenue** – 2017 revenue is projected at \$2,254,821.00
- **Expenses** – Projected to be under budget by approximately 2.7% (\$61,000)
- **2018 Operating Budget** – Average due increase will be only \$13.01 for 2018 compared to \$39.12 for 2017.
 - Notices and coupon booklets (if applicable) will be mailed in mid-December to co-owners.

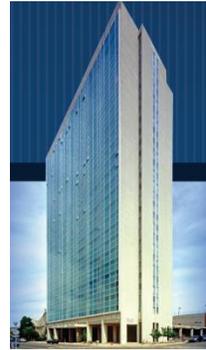
Co-Owner Concerns:

- Claudia Goldenthal, 4C & 15F: What is the difference between renting and purchasing the exercise equipment? Renting would give equipment a warranty contract which can be used for repairs/replacements.
- Anna Mosley, 2A:
 - Who is responsible for cleaning the equipment? Who pays for the cleaning of the equipment? Cleaning is done by an onsite cleaning company at Tower Plaza. There is no allowance set for the purchase or rental of the equipment. Board will investigate and report findings to the co-owners.

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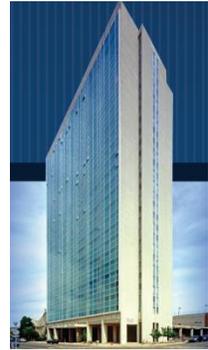


- To help pay for the renovation and construction of the Mezzanine area, can there be a gym membership cost to those co-owner who would like to use the space? Or have a special fob or key to gain entry? This is possible, it would add costs to the project and the Board will have to bring this suggestion up to the Board committee the next time they meet.
- Camera Security System? Yes, will be installed once renovation is completed.
- Can we renovate the lobby lounge space instead and use that as the fitness area, instead of the Mezzanine? No. They space is much smaller than the mezzanine.
- Patricia Carson, 12I: Does the bathroom have to be upgraded, per the plans? Or can we cut costs and not upgrade? No. The bathroom needs to be brought up to code. It met the requirements when it was first build, but has to be updated and upgraded.
- Susan Cutler 21E:
 - Co-owner believed that the budget listed for the commercial grade items for the fitness center is too low. They are afraid that the items may cost more money over time (repairs/maintenance). Will there be an insurance increase for these machines? No. Association already has coverage and will not need anything additional.
 - Is there insurance for if injuries occur on the equipment or in the fitness center? Yes. Association already has coverage and will not need anything additional.
- Mark Garrett, 7L:
 - Sale update? 24 sales for the year of 2017. 20% increase from last year. Due to upkeep of units & renovations. Makes the units more desirable when selling.
 - Democratic within the community? Largely growing and broadening.
- Ravinder Banda, 4L: Are there height restrictions for buildings surrounding Tower Plaza? The Board is unsure but will investigate. At the time Tower Plaza was built, there were no set height restrictions.
- Jody Burke, 8B: What determines the projected cost and finishing date? The demolition process.
- Gregory Skofronick, 7C:
 - Can insulation be added to the south side windows? Yes, co-owner would need to submit a modification request to the board, as it is a common element.
 - How do we obtain a copy of tonight's meeting minutes? Minutes are approved at the next annual meeting. They cannot be distributed until they are approved. Co-owner suggest that Thayer create a synopsis of the meeting and post the note on the webpage. Thayer can do that and will also add the slideshow presentation.
 - Has there ever been problems reported regarding the circuit breakers? No. There are panels per floor that help the breakers-reduced potential tripping. If maintenance experiences any problems with the circuit breakers they will notify the management company.

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- Charles Colson, 15L:
 - What is the cost of the two projects, separately? The Lobby renovation would be approximately \$115,000 and the fitness center construction would cost around \$185,000.
 - If you combine the projects together they total \$275,000- saving money.
 - Funds will be used to restore the lobby, if the majority vote is against the construction of the fitness center.
 - How do we obtain a copy of board meeting minutes? Board Meeting Minutes are approved monthly and can be distributed upon request.
 - Bankrupt investors can drop surrounding unit value. Is there a cap on how many units an owner can purchase and rent out? No, but there could be a bylaw revision process to update the Bylaws.

With that Mark Garrett, 7L, motioned to adjourn the meeting at 8:42 pm. The motion was seconded by Gregory Skofronick, 7C, and passed unanimously.

Respectfully submitted,
Katie Schultz, Assistant Manager – Kramer-Triad Management Group