

Promenade East Condominium Association
dba Promenade Towers
Annual Meeting
September 10, 2014

Directors Present: Gunnel Hansen, Dave Mathieu, Len Ney, John Rastl, and Jim Zafirson


Directors Absent: Bruce Hopkins and Margie Thomsen

1. The meeting was called to order at approximately 7:00 PM in the Promenade Towers Community Room by President Jim Zafirson.
2. Roll call was taken with the following results: There were a total of 47 (out of 80) owners either in person (16) or represented by proxy (31). These 47 represented 60.7 percent of ownership interest.
3. Proof of Notice. John Rastl presented Proof of Notice.
4. Minutes of the April 17, 2014 Special Association Meeting were approved as written.
5. Mr. Zafirson gave the president's report. He said it is a pleasure to report that once again many improvements have been made with our property over the last year and at the same time our reserves are stronger than last year. He said we continue to plan out and budget for our maintenance for the building so we can avoid going to the owners with a special assessment.
6. Mr. Rastl gave the treasurer's report. He noted the major expense items funded this fiscal year to date including façade inspection, sealcoating, and video security upgrade. Len Ney discussed our planned renovation of the bathrooms and locker rooms starting in October for approximately \$12,000. Mr. Rastl noted the current balance of the Reserve fund is over \$760,000 up almost \$89,000 from this time last year. The budget for 2015 is in work and many of our expenses, like inflation, are going up by 2-3 percent.
7. Unfinished business. None.
8. New business:
 - a. IRS 70-604 Election for 2014. Mr. Rastl explained that this is an annual election by the membership. He made a motion that any excess of membership income over membership expenses, for the tax year ending December 31, 2014, shall be applied against the subsequent tax year member assessments, as provided by IRS Revenue Ruling 70-604. *The motion (attached) was seconded and approved by the members.*
 - b. Election of Board of Directors members. Two Board members with expiring terms were Len Ney and John Rastl. Mr. Ney and Mr. Rastl both volunteered to serve a new three-year term. Having no additional nominations, Dave Mathieu made a motion that since there were only two candidates for two open positions that they should be acclaimed by unanimous vote of the members. *The motion was seconded and the membership unanimously elected the two candidates for three-year terms to the Board of Directors.* Current Board members are as follows (listed by term expiration).

	Term Expires
Leonard Ney	2017
John Rastl, Treasurer and Secretary	2017
Gunnel Hansen	2016
Bruce Hopkins	2016
Dave Mathieu	2015
Margie Thomsen	2015
Jim Zafirson, President	2015

c. A Board member encountered two strangers in the front entry this afternoon and tried to help them contact who they were visiting. During the conversation they announced that they had rented a room for the night in our building. After the Board member called the property manager for this unit and demanded that such action cease, a search of the web found the tenants had a room of their unit listed on *Airbnb* for \$89/night. Within an hour, the listing was removed. The Board will invite this unit's owner to attend next month's meeting where a possible fine will be discussed. Our property manager will draft and send a letter to all owners and tenants advising them that this is not allowed by our By-Laws (Section 7.2) "*No portion of any residential unit (other than the entire unit) shall be leased for any period.*"

9. There was no additional new business and the meeting was adjourned at 7:30 PM.



John Rastl
Secretary

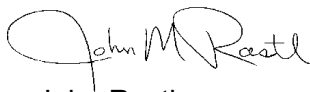
Attachment
Resolution – IRS Ruling 70-604 Election

Directors Meeting
Election of Officers

A brief Directors Meeting was held immediately after the Annual Meeting at 7:45 PM in the Office. Board members were shown the new video security system. Minutes of the August 21 Board meeting were approved as written. The following officers were elected for next year:

Jim Zafirson, President
John Rastl, Treasurer and Secretary

The meeting was adjourned at 8:00 PM.



John Rastl
Secretary

**ELECTION UNDER REVENUE RULING 70-604
EXCESS INCOME APPLIED TO FOLLOWING YEAR ASSESSMENTS**

WHEREAS the Promenade East Condominium Association, Inc. is a Maine corporation duly organized and existing under the laws of the State of Maine; and,

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

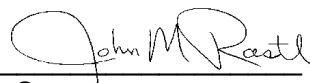
NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the Promenade East Condominium Association, Inc.;

RESOLVED, that any excess of membership income over membership expenses, for the tax year ending December 31, 2014 shall be applied against the subsequent tax year member assessments, as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the membership meeting of September 10, 2014.

PROMENADE EAST CONDOMINIUM
ASSOCIATION

BY: 
James Zafirson, its President

ATTESTED: 
John Rastl, its Secretary