

20060208a:

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF MAJESTIC CONDOMINIUM ASSOCIATION, LLC.
HELD FEBRUARY 06, 2006**

Pursuant to written notice to each of the members of the Board of Directors, a Meeting of the Board of Directors of Majestic Condominium Association, Inc. (the "Corporation"), a District of Columbia corporation, was held at Washington, DC, on February 06, 2006, at 7:30 PM.

The following persons were present throughout the meeting:

- **Kelby Johnson**
- **Ken Davidson**
- **Anand Trivedi**
- **Brian Wrenn**
- **Michael O'Neill**

being all of the members of the Board of Directors.

The following person was also present:

- **James Wrenn, as counsel for the Board/Association.**

Ken Davidson, President of the Corporation, presided as Chairman of the meeting, and designated Anand Trivedi to act as Secretary of the meeting.

The Chairman called the meeting to order.

I Member Attendance

The topic of whether Association members are able to attend Board meetings was discussed. It has always been policy that Association members are permitted to attend Board meetings. However, in this time when meetings are held on scheduled on the fly weekly basis (rather than on a scheduled quarterly basis) to address the many high priority issues, it would be difficult to provide the Association proper notice of meeting. Once established with the new management company and a regular meeting schedule is in place, we will make efforts to provide notice to the Association of upcoming Board Meetings.

II Approval of Minutes

The minutes of the Meeting of the Corporation held at Washington, DC, on January 31, 2006, at 7:30 PM were approved, signed by Trivedi the Secretary of the Board, and inserted into the minute book of the Corporation.

III Management Company

All directors, having reviewed the proposals by Chatel and Hagner, began weighing in on the selection of a management company. The general consensus was that the Chatel proposal was more thorough and that the Hagner proposal needed a significant amount of work before it could be satisfactory. Both companies are very reputable. However, the prospect of savings of \$5400 a year was very enticing.

Wrenn B reported on his discussions with Hagner. He was able to obtain references as well as the above mentioned proposal. The references were very promising, however, one thing seemed clear from them. All referred to a specific agent, David Barton. Some of the other benefits were that the Board would have full access to the bank accounts, less expensive monthly fee.

He also stated that it was his impression that Chatel would be more attentive to details.

Wrenn J then gave his ~~expert~~ legal opinion on the contract as written. His comments ranged from minor revisions to glaring omissions and some deal-breaking language.

- Section 4.1 states that the Agent shall not be liable to the Association due to actions performed by contractors that they hire.
- Article VI states that the Association shall not be liable for injuries due to grossly negligent acts. This does not sit well as the definition of grossly is subjective.
- Article VIII must indicate that the Agent shall manage the accounts of the Association as a fiduciary.
- Wrenn J would like to see section 11.3 deleted.
- A section on maintenance of license to perform management under DC law under good faith needs to be added.

O'Neill commented that it was unclear what each company's fees covered. Each company would have to clarify what their month fees would cover. What is their definition of words like "reasonable"? He is more comfortable with Chatel because the details are spelled out more clearly. For example, the handling of taxes and delinquencies were not spelled out in the Hagner contract.

Also, we would need to see a performance clause in the contract of whichever company we chose. O'Neill handed out copies of a spreadsheet comparing the two companies.

Johnson is leaning toward Chatel, but would also like to see if we can work with Hagner to get a more clearly defined proposal.

Davidson is willing to go with Hagner if they are willing to work on their contract.

Wrenn J, added that we should consider that any modifications that we may ask for may increase the fee and that any changes above and beyond the provided contract may be out of their scope.

Trivedi proposed that we lean toward Chatel but ask if Hagner is willing to work with us on clarifying their proposal and to provide us with David Barton as our agent.

Wrenn B brought up a third option of asking Chatel if they are willing to lower their monthly fee.

After some discussion regarding the two options, a decision was made to pursue the following flow of action:

Call Chatel and ask if they will provide a clarification of the maintenance provided as indicated in section 11D.

If costs of services outweigh price difference, Chatel is the better choice.

If not, ask if they will lower monthly fee

If they will, Chatel is the better choice.

If not, call Hagner to see if they will accept changes to contract and provide Barton as agent.

If so Hagner is the better choice

If not, Chatel is the better choice

It was decided unanimously that the vote to select the management company shall be tabled and held via e-mail by close of business on Friday, February 10, 2006.

IV Elevators

Davidson provided a report on the status of the elevators. After speaking with ThyssenKrupp, we now know the following:

- A one year warranty on the elevator was in place.**

- Later AD Holdings signed a maintenance contract with ThyssenKrupp for \$250 a month.
- However, from September to December there was no service done due to non-payment.
- In January a representative did come to service the elevator
- Currently we owe \$2,000. ThyssenKrupp is willing to forgive for the four months of no service (\$1,000) if we pay the balance (\$1,000) and sign a 10 year contract of which the first year would be at \$250/month with yearly increase due to costs.

The Board unanimously agreed to accept the contract despite apprehension over length of contract and unclear fee escalation subject to Ken Davidson and Jim Wrenn attempting to persuade ThyssenKrupp to liberalize the escalator clause, the duration or terms for cancellation/non-renewal.

Johnson also obtained a copy of the DC certificate from Randy Boyd. Our elevator is certified through 11/30/06. A copy was made and will be displayed in the elevator. An official copy must be obtained from DC CRA. This was agreed to be deferred to the management company.

V CCB

Chevy Chase has informed Tegan Karl, Treasurer in 2005, that they are looking to file fraud charges against Denise Waldrop of AD Holdings. On the morning of 18 November, Karl, Trivedi, and Johnson authorized the bank to establish a \$500 limit on withdrawals on the accounts and to establish that, beginning 1 December, Waldrop would be removed from the account. That afternoon, Waldrop withdrew \$3,000 from the account. The teller at the branch either did not see or did not heed the note placed on the account regarding the above restrictions. CCB feels that this was fraudulent. Two issues are present. One, CCB allowed her to remove money in excess of her limit, thus violating our request. Secondly, CCB is at fault for allowing their teller to authorize the removal of these funds. Johnson to follow up with Karl and CCB to clarify that we are not willing to help in any such case against Waldrop.

Jim Wrenn emphatically expressed his legal opinion that given the sequence of events, fraud charges against Denise Waldrop for such \$3,000 withdrawal would be legally unsupportable and that the Board should NOT give aid or support to such action by CCB. Wrenn opined that whether Waldrop was fully entitled to such \$3,000 involved a civil dispute not warranting a charge or allegation of fraud. Whether she was entitled to any sum is a civil-dispute between the Board and her and thus would render a charge of "fraud" unsupportable. He said someone on behalf of the Board should inform CCB that the Board would not support fraud charges and that a representative of the bank should contact Jim Wrenn regarding such issues. Wrenn, rather than a Board member, should be the person to explain this legal issue to CCB. Whether CCB may still owe the Board for failing to afford the Board the opportunity to object to all or part of such transfer is a separate issue

independent of whether Waldrop had any reason to expect her authority to draw funds had been curtailed a mere few hours earlier without her having received notice of such curtailment.

VII Doors

Johnson has obtained contact information for the repairman that will be able to fix our side door. It was decided unanimously to have the repairman come out to provide an estimate.

VIII Fire Extinguishers

Johnson has acquired contact information for ACE fire systems. He will contact them regarding the expiration of the fire extinguishers.

IX Moped

A unit owner has filed a complaint regarding a moped parked on the east side. The moped is owned by Alex. It is important to contact Alex and inform him that there has been a complaint and that he will need to move the moped. We will have to consider a fine if it is not removed.

X Floor Damage & Care

O'Neill will contact unit owner regarding move-out fee and deposit.

The topic of care was reintroduced but it was agreed in the last meeting that this would be tabled until after the management company has taken over.

XI Adjournment

There being no further business to come before the meeting, the meeting was, on motion duly made and seconded, adjourned.

XII Action Items

Below is a list of action items stemming from discussions during this meeting:

- Wrenn, B – Contact Chatel and Hagner. See flow chart above for details**
- All – Go over elevator contract and verify that it is acceptable.**
- Johnson – Contact CCB regarding their issues**
- Johnson – Contact repairman regarding door issues**
- Johnson – Contact fire extinguisher company regarding expiration dates**
- Johnson & Davidson – Contact moped owner and complainant regarding the removal of the moped.**

- **Davidson – Once agreement established contact the elevator company to accept contract.**
- **O’Neill – Contact unit owner to get move out fee and deposit (\$200) to cover lessee’s damage to floor.**
- **Trivedi – Frost the bike room windows.**
- **Someone on behalf of the Board should promptly notify CCB that the Board would NOT support fraud charges against Denise Waldrop for the \$3,000 withdrawal and should suggest that a representative of the bank contact Jim Wrenn for an explanation of the Board's position.**

Anand Trivedi, Secretary of the Corporation